



## PRESS ANNOUNCEMENT

### PHATISA ACHIEVES A PARTIAL EXIT OF KANU AND RAISES US\$20M OF EXPANSION CAPITAL

14 MARCH 2018

- Phatisa achieves a successful partial exit of Kanu Equipment Limited (Kanu), generating an IRR in excess of 50%
- Phatisa raises a further US\$ 20 million of expansion capital to accelerate Kanu's aggressive growth plan

Kanu specialises in the supply of branded capital equipment, distribution of high-quality spare parts and the delivery of reliable repair and maintenance services. Under Phatisa's ownership, Kanu has been driving an expansion strategy across sub-Saharan Africa and the business now operates in 13 countries, servicing the agriculture, construction and mining industries. The business has also demonstrated tremendous organic growth by winning new customers attracted to Kanu's internationally recognised equipment brands (Liebherr, Bell Equipment, Case IH) and superior levels of customer service and support.

*'Phatisa has been an active and dynamic investor that shares Kanu's vision of becoming a truly pan-African equipment dealer. As the business continues to evolve, the additional capital will enable the business to deliver this vision,'* commented **Stephen Smithyman, Chief Executive Officer - Kanu.**

Kanu's premium equipment brands and customer focus differentiate the business from its competitors. This has given the business a strong proposition in its incumbent markets as well as facilitating geographic expansion into exciting new territories including Kenya, Tanzania and Namibia.

**Joseph Bergin, Senior Partner and Phatisa deal team leader:** *'Over a short period of time, we have helped Kanu transform into a dominant player in the African equipment industry. We see this co-investment as not only a demonstration of Kanu's formidable expansion but also a commitment to working together with a highly reputable and value-adding investor to deliver our aggressive growth plan.'*

**Stuart Bradley, Joint Managing Partner, Phatisa:** *'It is encouraging to be able to conclude another co-investment and demonstrate the benefits of collaborating with other investors. The partial exit endorses our initial investment thesis in Kanu and this is a good signal for potential investors in our Phatisa Food Fund 2 looking for opportunities of this kind.'*

Standard Bank and Bowmans respectively provided corporate finance and legal advisory services to Phatisa and Kanu.

#### Phatisa press contact

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#### About Phatisa

Phatisa is a sector-specific African private equity fund manager located in and operating across sub-Saharan Africa. The firm currently has two funds under management, totalling more than US\$ 285 million, focused on food and affordable housing. Phatisa comprises a team of over 30 dedicated staff with more than 500 years of collective experience, and a solid track record of managing private equity funds and commercial businesses throughout the continent. We speak 30 languages and represent 12 nationalities.

Phatisa's third and latest fund, Phatisa Food Fund 2 (PFF 2) launched as a follow-up to the African Agriculture Fund. A number of prominent re-investors and new investors have been secured; a first close is targeted for early 2018. PFF 2 will focus on the African consumer; investing across the African food/agri business value chain focusing on food production, integrated food production and processing, retail, logistics and fast-moving consumer goods in sub-Saharan Africa.

Phatisa's vision is to be the leading sector-focused **development equity** fund manager in Africa. This philosophy finds expression in the unique formula of **DevEq = PAT \* x + i<sup>2</sup>™**; a balanced blend of private equity and development finance, striving to build sustainable assets and communities, while ensuring the best possible returns for investors. [www.phatisa.com](http://www.phatisa.com)



Website [www.phatisa.com](http://www.phatisa.com)

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> Private Equity Fund Managers

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> African Agriculture Fund

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