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SAVCA
SOUTHERN AFRICAN VENTURE CAPITAL AND PRIVATE EQUITY ASSOCIATION

The Impact of Venture Capital & Private Equity in South Africa 2020

27four Investment Managers

intellidex
Researching Capital Markets and Financial Services

Contents

This report was produced from a research project conducted by Intellidex and funded by the Southern African Venture Capital and Private Equity Association (SAVCA) and 27four Investment Managers with support from Edge Growth. It was independently researched and produced by Intellidex.

Project director: Dr Stuart Theobald, CFA
Research director: Dr Graunt Kruger
Market research manager: Heidi Dietzsch
Analysts and researchers: Letta Maponyane, Lerato Mokae, Ernest Nkomotje, Orin Tambo,
Design and Layout: Eleonora Del Grosso

www.savca.co.za
Email: info@savca.co.za
Tel: +27 11 268 0041

Foreword

Private equity: a powerful growth driver

Private equity has long been used as a developmental tool. From Asia to Latin America, across Africa and here in South Africa, deploying investments in targeted ways through private equity funds has been highly successful in driving developmental outcomes. Previous studies to measure this impact in South Africa have demonstrated that private capital does better than other forms of investment in driving growth, creating jobs and improving transformation.

Perhaps as a result of these positive developmental outcomes, private equity in South Africa and other developing countries has long been a partnership between governments or development finance institutions (DFIs), alongside private capital from pension funds, life companies and banks. These commercial entities need financial returns which private equity has been good at creating, while governments and DFIs often require a combination of returns and impact outcomes. The partnership nature of private equity, as well as the flexible regulatory framework, has facilitated the achievement of these dual outcomes.

One such example of partnership between the public and private sector to achieve these dual outcomes is the agreement set up in 2019 between the Jobs Fund (National Treasury) and 27four through the Black Business Growth Fund (BBGF). In terms of this partnership, Treasury provides concessional funding to the BBGF in order to catalyse private sector capital into unlisted companies. Private sector investors such as pension funds receive subsidised returns to encourage such allocations to private markets, while the country benefits through growth which leads to job creation and additional tax receipts.

These "win-win" partnerships are taking off worldwide and we expect to see more of them as studies such as the SAVCA Impact Study further demonstrate the positive outcomes of this asset class. We are a proud sponsor of this study and hope that it continues to contribute to an informed debate on how to take South African forward.

Rory Ord
Head of Unlisted Investments: 27four

Introduction

Strategic partnerships with investees

Private equity (PE) has evolved significantly over the past 30 years, with a growing emphasis on the positive social and economic impact that can be achieved through this investment vehicle. So too has venture capital (VC), a nascent industry in South Africa, which has shown exponential growth with increasing deal activity.

The Southern African Private Equity and Venture Capital Association (SAVCA) is proud to produce this, the third impact report of its kind, that examines the impact of private equity and venture capital in South Africa. It aims to evaluate the measurable effects of PE and VC on the companies (investees) that have benefited from these investments.

Besides providing access to capital, PE and VC investors should become strategic partners to investee companies, offering depth of operational and industry experience, strong financial acumen, networks and access to markets. The investee companies examined in this report showcase the contribution that PE and VC have made to their businesses. Some of the highlights of the report are strong business and financial performance of investee companies post the investment, an increase in jobs created over the investment period, considerable progress made on all BEE elements and increased innovation in aspects such as speed of innovation and the number of innovations that were commercialised.

This report would not have been possible without the support from 27four and Edge Growth and our members who nominated the 75 investee companies that participated in this study, along with our research partner, Intellidex, who not only compiled the report with professionalism and care, but also added a series of case studies to illustrate the impact of PE and VC investment.

We hope you find this third impact report both insightful and beneficial, as we aim to evaluate the contribution of PE and VC in driving real economic growth and development across South Africa.

Tanya van Lill
CEO: SAVCA

About SAVCA

The Southern African Venture Capital and Private Equity Association (SAVCA) is the industry body and public policy advocate for private equity and venture capital in Southern Africa. SAVCA represents about R170bn in assets under management through 170 members that form part of the private equity and venture capital ecosystem. SAVCA promotes the Southern African venture capital and private equity asset classes in a range of matters affecting the industry, providing relevant and insightful research, offering training on private equity and creating meaningful networking opportunities for industry players.

For more information visit **www.savca.co.za**

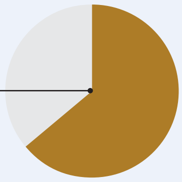
Highlights of the impact of venture capital and private equity in South Africa

This is the third impact study undertaken by SAVCA and explores the role of venture capital and private equity investments in businesses. It is based on a study of 75 portfolio (investee) companies of South African private equity and venture capital funds. In summary, the main findings of this study are:

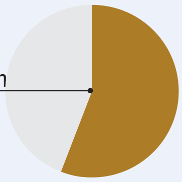
Supporting innovation

Businesses report that investment played a very important role in supporting innovation in a number of ways. For more than half of respondents, their businesses saw their speed of innovation, success of new innovation, number of innovative ideas and number of ideas they could commercialise increase.

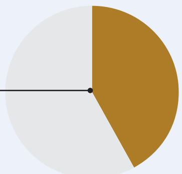
Speed of innovation
64%
of respondents saw improvement



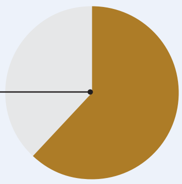
Success of new innovation
56%
of respondents saw improvement



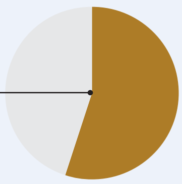
Cost of new innovation
42%
of respondents saw improvement



Number of innovative ideas **62%**
of respondents saw improvement

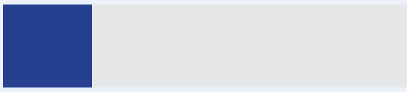


Number of innovations that are commercialised
55%
of respondents saw improvement



Job creation

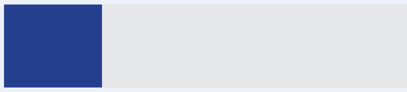
22%



Investments created jobs, with headcount in South African operations increasing by 22% per year on average.

Financial performance

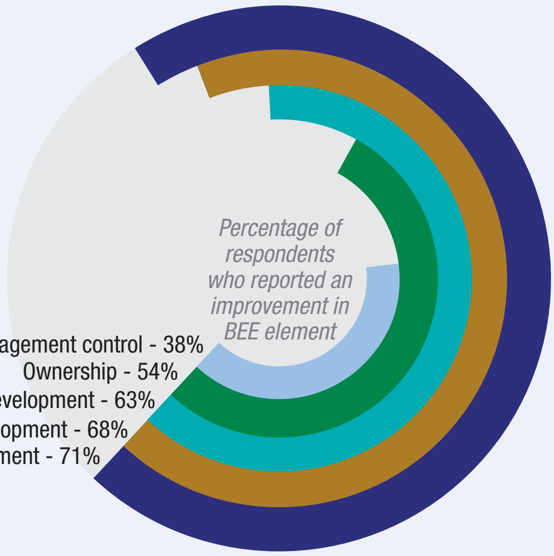
24%



Companies show strong business and financial performance post the investment. They report that total sales grew an average of 24% per year. In addition, the growth figures compared favourably to those of JSE listed firms and those of PE backed firms in the UK.

Investments and BEE

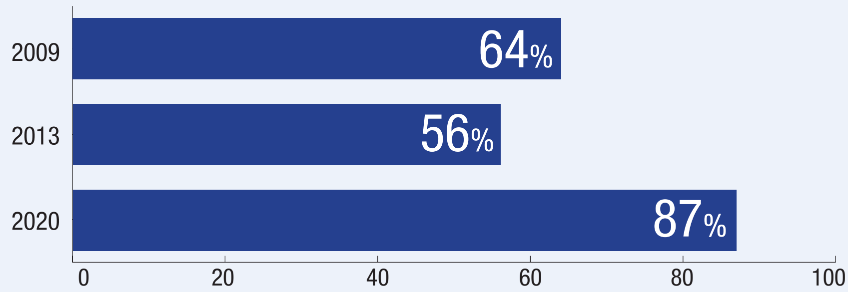
Businesses report better outcomes after investment on all BEE elements: ownership, management control, skills development, enterprise and supplier development and socioeconomic development.



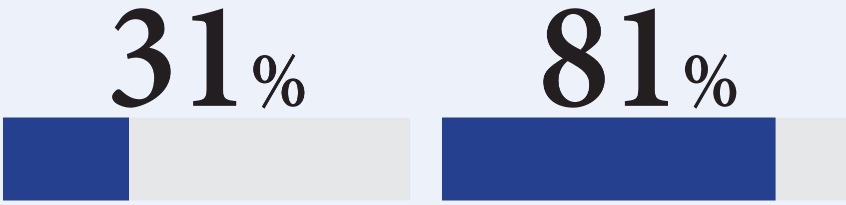
How investments make a difference

In 2020 more managers reported that investment allowed the business to grow faster and created the opportunity to introduce BEE than in 2009 or 2013.

Percentage of respondents who indicated that investment allowed their businesses to grow faster



Revenue from innovation

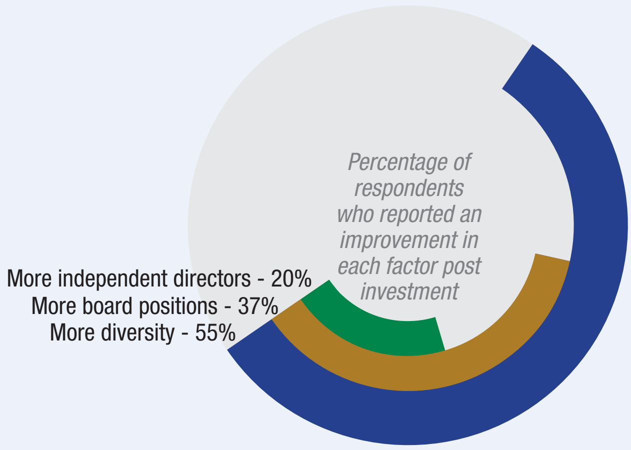


Investments enabled increased innovation with 31% of companies earning 30% or more of their revenue from new products and services launched in the past four years.

Investment-supported innovation led to 81% of businesses generating revenue from new products and services.

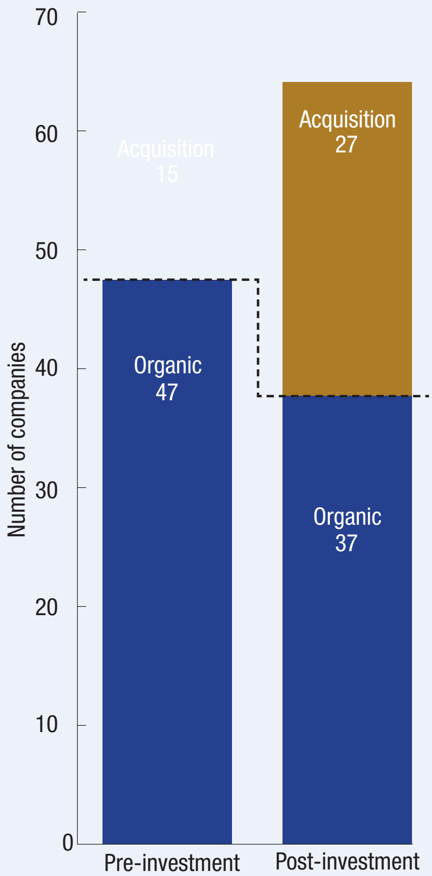
Governance

Investments improved the governance of businesses. Governance improvements are evident through greater diversity on boards, increased separation between the roles of chairperson and CEO, and governance and risk management frameworks were introduced.



Growth strategies

Slightly more businesses reported that they were able to grow after investment, and the growth strategies changed from organic to acquisition for many businesses. This finding supports the notion that with investment, businesses have access to more capital and can pursue organic as well as inorganic growth strategies through acquisition.



SAVCA
SOUTHERN AFRICAN VENTURE CAPITAL AND PRIVATE EQUITY ASSOCIATION

About this report

Background

This report collates and analyses perceptions of the managers and leaders of companies regarding the impact of private equity or venture capital investments on their businesses. It follows previous reports in 2009 and 2013, which allows us to reflect on the changes in impact and outcomes. We extrapolate from the views we have collected to reflect on the broader economic and social impact that the private equity and venture capital industry has on the country.

A survey such as this is important because the work of investors in private markets is usually less visible than that of investors in publicly traded companies. Private equity, by its definition, is the investment of capital into companies that are not listed on a public exchange. In fact, in some cases private equity could result in the buyout of public companies, bringing them into private ownership. This form of ownership can have a variety of effects on companies, providing funding for innovation, business and market expansion, strengthened balance sheets, acquisitions, reorganisations and bolstering working capital.

Venture capital – also considered early stage investment – is different from private equity in that funds are provided to start-ups or small businesses that are expected to show exponential growth. This form of investment can be considered higher risk than private equity since those businesses often still have to fully prove their model.

This report sheds light on the real impact that these investments have had on South African businesses, including their financial and non-financial performance. ■

Research design and methodology

The design of this study partly follows that of the two previous SAVCA impact studies in 2009 and 2013. Both reports are available online at www.savca.co.za. The 2020 report provides continuity from those reports on key issues such as changes in black economic empowerment (BEE) factors, innovation through the introduction of new products and services, the role of investment in the business such as enabling expansion to new markets, as well as financial and overall business performance. Not all questions were repeated in the 2013 study from 2009, disabling the sequential comparison to 2020 findings. Where data were collected for specific questions in either year, we have reported those results for comparison with findings in 2020. The data for this report were collected during 2018 and 2019.

There are two important differences between this report and the two previous ones. First, reflecting global shifts in responsible and sustainable investing, the 2020 study has additional dimensions to enhance understanding of social and governance issues. The research design drew on advancements in impact measurement, particularly those of the Global Impact Investment Network (GIIN). We adapted the global metrics to be locally relevant and to reflect the South African social context, hence metrics for social impact in this study match the BBBEE frameworks rather than

Case studies

The case studies presented in this report are on some of the companies short-listed in the 2018 and 2019 SAVCA Industry Awards. They reflect high levels of success derived from PE/VC investments and highlight ways in which the investment boosted growth and improvements in multiple areas and provide insight into how private equity and venture capital can have a positive impact on companies.

Aerobotics is an agritech company that provides advanced analytics to farmers derived from aerial drone and satellite imagery helping them improve yields and profitability.
Page 38.

Auto X is a leading automotive lead acid battery manufacturer that produces brands such as Willard, SABAT and HiFase.
Page 48.

DSES is a tankage maintenance and refurbishment engineering firm that supplies solutions to multinational companies in the petrochemicals, paper and food industries.
Page 26.

Fidelity Security is now Southern Africa's largest integrated security solutions provider including guarding and cash-in-transit services.
Page 46 .

Structure of this report

This report has seven parts. Following this introduction, we provide a general contextual overview of the private equity and venture capital industries based on the SAVCA Private Equity Industry Survey 2019 and the SAVCA Venture Capital Industry Survey 2019. The next part describes the 75 businesses that participated in this study. They represent a broad cross-section of the South African economy by sector, location, age and type of investment. We then examine the financial performance of the businesses in terms of sales, profitability, expenditure on capital projects, R&D expenditure and growth in employee numbers. The report then shifts to explore the findings on the major themes of impact in terms of BBBEE, governance and innovation. Finally, we consider the overall impact that investment funding has had in the businesses.

We use investment type as the primary segmentation of the respondents in this study. Investment type refers to the kind of investment made into the business and identifies the life stage of the business at the time of the investment. We use this segmentation to enable a deeper understanding of the role of venture capital and private equity as strategic enablers for investee businesses. Through this lens, the key findings on BEE, governance, innovation and overall impact of the funding are given deeper context.

This report also contains nine case studies that illustrate the depth of the relationship between private equity/venture capital investments and the portfolio businesses. The companies in the case studies were selected from those shortlisted for the 2018 and 2019 SAVCA Industry Awards. They serve as exemplary models of how private equity and venture capital can support business growth while delivering noteworthy impact outcomes. ■

those of other global studies. Metrics for governance, innovation and financial performance were derived from a desire to ensure comparative continuity with the earlier reports as well as global best practice.

Second, this report contains a set of nine case studies that enliven the connection between investments and portfolio companies. Case studies provide in-depth insight into the nuances of how businesses operate with new investment to support their growth. These case studies were chosen from the short lists for the 2018 and 2019 SAVCA Industry Awards and therefore are not necessarily in the sample of respondents for the main impact study in this report. They are included, however, to show some insight into the mechanisms of how private equity and venture capital investments affect firms in practice.

The data for this report were collected through two methods. An online survey collected feedback from 75 businesses that elected to participate. Few questions were mandatory and we have indicated the number of responses for each question using the notation n=75 (where 75 indicates the number of respondents that answered that question). For the case studies, the data were collected through interviews, submissions by companies and from company documents and online sources. ■

Ozow is an online payments gateway that enables instant payments on all smart mobile and desktop devices.
Page 40.

Royal Schools provide private education at an affordable fee.
Page 32.

SweepSouth is an online platform that connects domestic workers in South Africa with households in need of cleaning services.
Page 28.

UCook delivers meal kits with ingredients in precise quantities to homes for customers to prepare their own food.
Page 34.

Private equity and venture capital industry overview

Every year since 1999 SAVCA has published the annual Private Equity Industry Survey which catalogues fund raising and investment for the year prior to the report. In 2019, the report reviewed activity in 2018 and reports comparative data as far back as 2001. SAVCA also now publishes a separate annual survey on the venture capital industry. The 2019 edition covers deals until the end of 2018 and collates data from 2008 onwards.

To complement these surveys, SAVCA also publishes a series of impact reports with a different focus that seek to unpack the social and governance impact of private equity and venture capital investments. The industry surveys and impact reports complement each other well. For instance, this impact report draws on comparative data from the impact studies conducted in 2009 and 2013, which means the most recent industry surveys provide important contextual reference points for this report. Moreover, respondents in the 2020 impact study were asked questions pertaining to the time of the earliest and most recent investments, and many have had multiple rounds of investment. Their individual investment histories are reflected in the aggregated data from the Private Equity Industry Survey 2019 and the Venture Capital Industry Survey 2019.

For private equity, overall industry activity has grown significantly since the first impact study in 2009. Venture capital declined between the first two reports but increased considerably after the 2013 report. These changes underscore the need for an impact perspective on these investments.

Venture capital vs Private equity

Private Equity is a long-term, alternative asset class, which entails fund managers raising third party funds from various classes of investors, to buy assets that are predominantly privately held. Private Equity funds can be required at different times in the typical business cycle of a private company.

Venture Capital is part of the Private Equity life cycle and is financing that investors provide to businesses in the start-up and early growth phase of a business that they believe has long term, high growth potential.

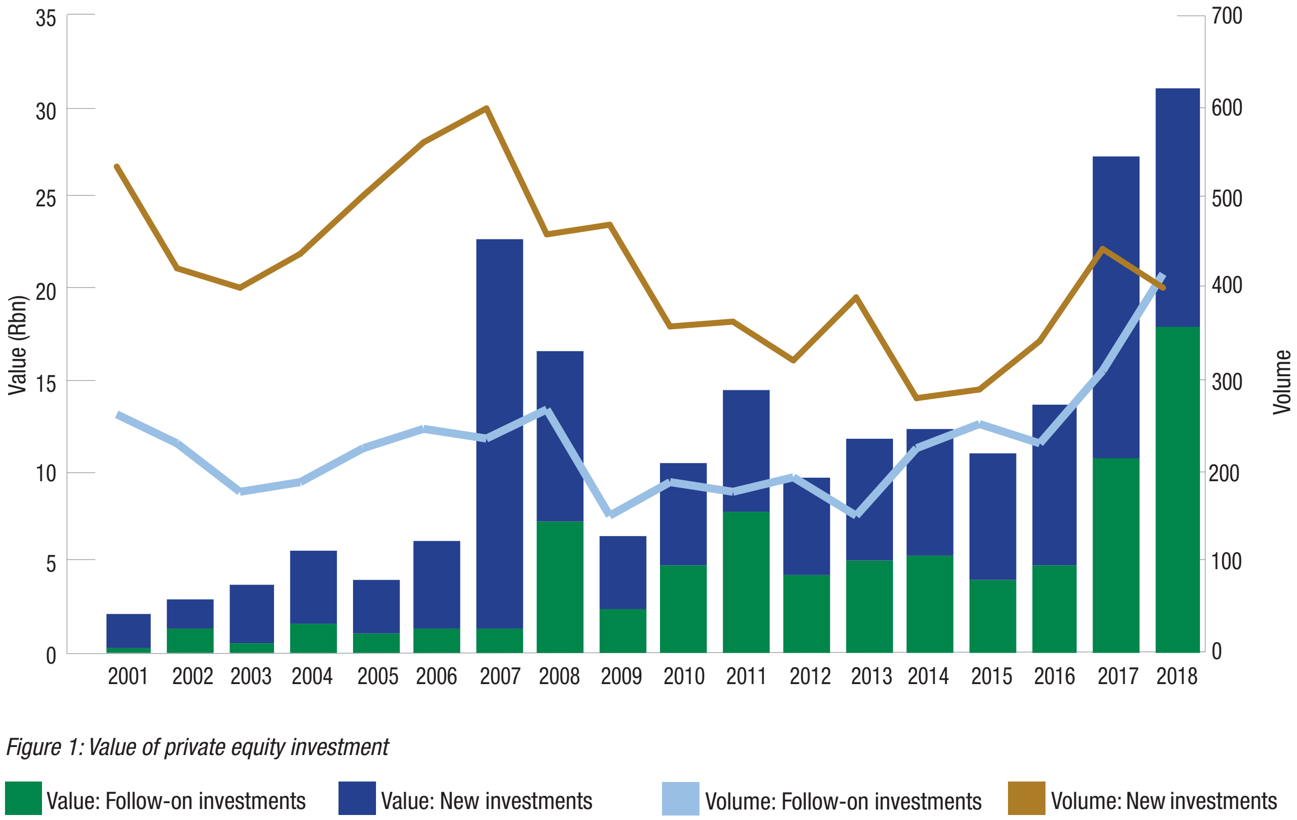


Figure 1: Value of private equity investment

Activity in the private equity industry has grown strongly over the past two decades but not without notable contractions in specific years. In 2009, overall investment totalled R7.2bn (Figure 1), then almost doubled to R13.9bn in 2013 and then by 2018 it nearly tripled to R35.4bn. Growth in investments was not consistent over the latter period: between 2011 and 2012, the investment value dipped by nearly R5bn but recovered over the next four years to levels seen in 2011. Then a major leap happened in 2017 with investments totalling R31.1bn, double the amount recorded in 2016. In 2017, most of the investment – R18.9bn – was for new deals compared with R12.2bn in follow-on investments. In 2018 this was reversed with the majority of funds (R20.5bn) channelled into follow-on investments compared with R14.9bn in new investments. Deal volumes in contrast show a decline from 2009 until solid recovery of growth in 2014, to reach a total of 818 deals a year in 2018, split almost equally between new and follow-on investments.

In the past decade, changes in venture capital activity can also be observed in terms of volume and value of deals. Between 2009 and 2018, 775 VC deals were concluded with a total investment value of R5.3bn. A watershed year for the industry was 2013 (Figure 2). Before that, the industry average was 32 deals a year and from 2014 onwards, the average jumped to 129. Similarly, the value of deals shifted after 2013. Before 2013, the average value of investment by the industry was R223.6m a year, and between 2014 to 2018 the average value invested annually increased to R830m.

The Private Equity Industry Survey 2019 argues that the 71.6% growth in total funds in 2018, against a backdrop of 0.8% growth in GDP, reflects the resilience of the PE industry and the confidence of investors that venture capital and private equity are able to grow value despite the overall lethargy in the economy. The Venture Capital Industry Survey 2019 also shows year-on-year increases in both value and volume of deals since 2014, which again underscores the robust confidence of investors in the industry to grow value.

The rest of this report unpacks how that growth in financial value is reflected in other aspects of the portfolio businesses in terms of job creation, governance, BEE contributions, and innovation, among others.

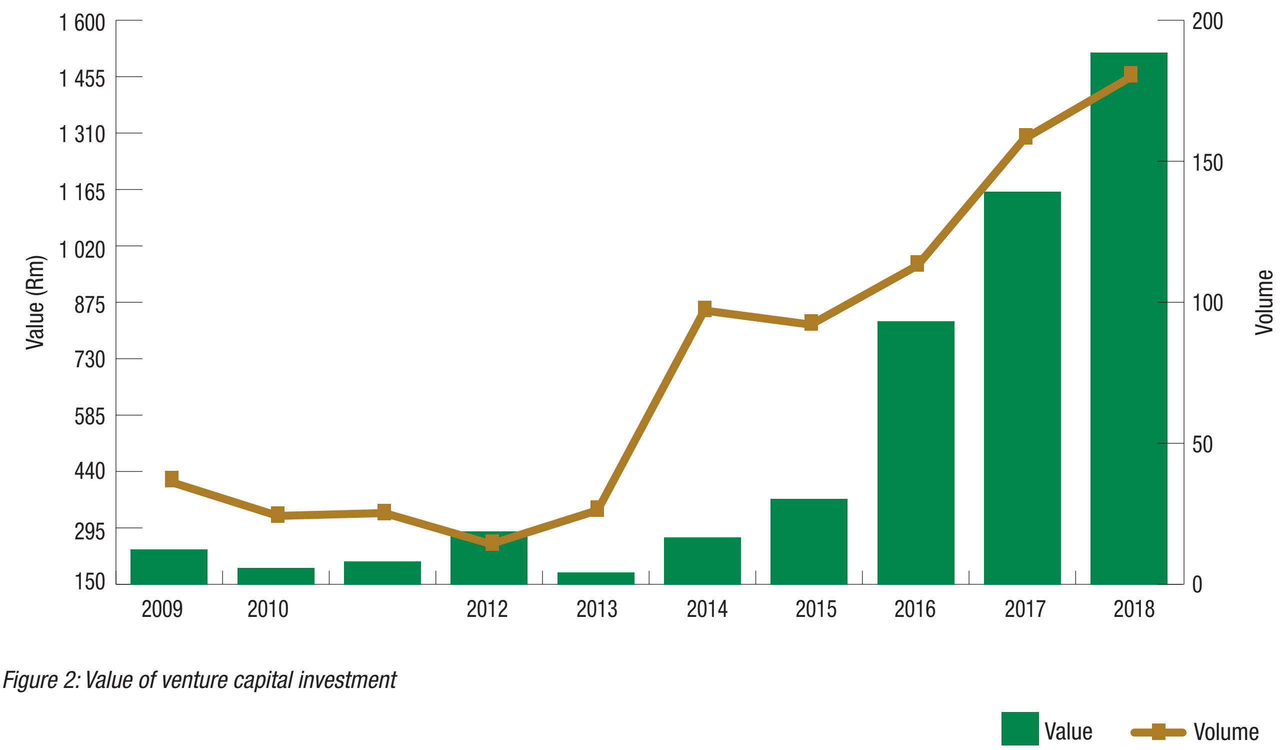


Figure 2: Value of venture capital investment

The businesses in this study: an overview of respondents

This report is based on a study of 75 portfolio (investee) companies of South African private equity and venture capital funds.

Investment type

Seed and early stage capital refers to investments made during the early phases of a company's life cycle. Buyout/buy-in investments refer to funding to enable a management team or empowerment partner, either existing or new, and their backers to acquire a business from the existing owners, whether a family, conglomerate or other. Unlike venture and development capital, the proceeds of a buyout generally go to the previous owners of the entity. Buyouts are sometimes leveraged. The third form of investment is expansion or development capital and refers to funds that investors contribute to support a company through an expansion or growth stage in its life cycle.

The majority of investments have always been for expansion/development purposes and this has remained consistent over the years at around 40% (Figure 3). There has, however, been strong growth in buyout/buy-in investments since the 2013 study while far fewer investments are for seed/early stage capital.

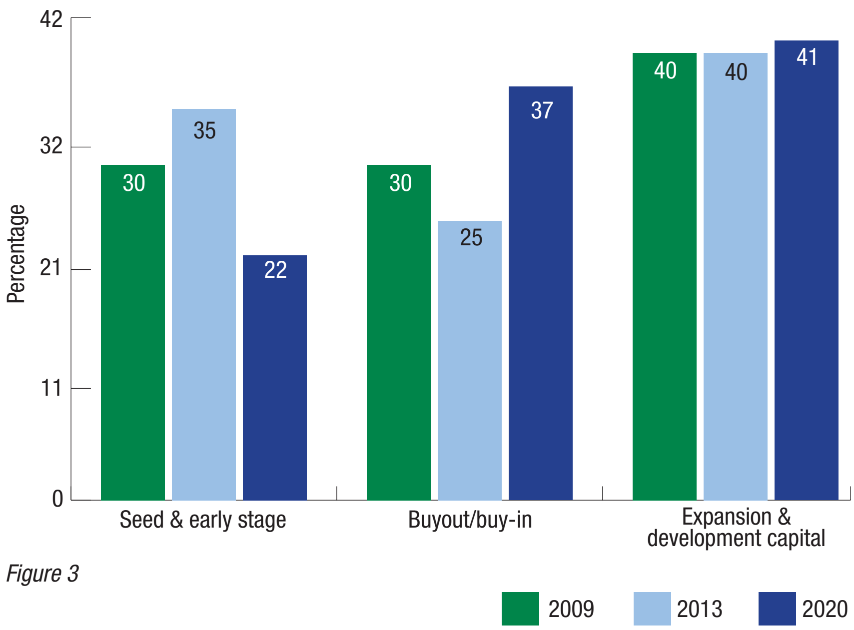


Figure 3

Q8. What type of investment was initially received? n=73

Economic sector

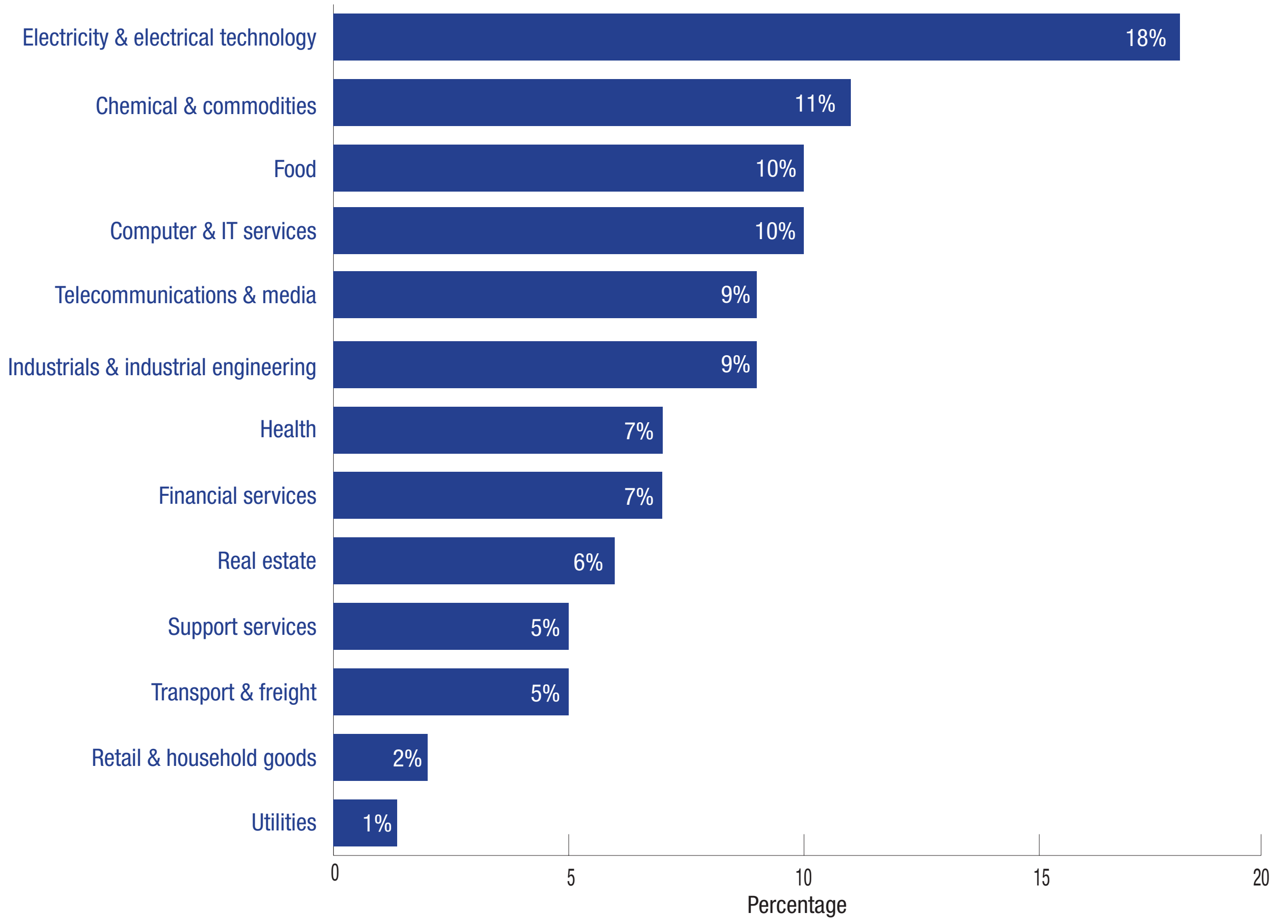


Figure 4

Q5. In what sector does your business operate? n=75

The economic sector's taxonomy has been broadly adopted from the taxonomies used for indices of JSE-listed companies. The 75 respondents are from a variety of sectors.

Sectors of the economy represented are electricity & electrical technology, food, chemicals & commodities, computer & IT services, telecommunications & media, industrials & industrial engineering, health, financial services, support services, real estate, transport & freight, retail & household goods and utilities.

The electricity and electrical technology sector attracts the bulk of PE/VC funding with 18% (Figure 4) while chemicals & commodities, food, computer/IT, telecommunications & media and industrials each getting around 10% of the funding.

Investment type by sector

We examined the kinds of investments made into the top seven sectors represented by respondents. Other sectors had too few respondents for meaningful analysis.

For the telecoms/media and electricity/technology sectors, 43% of respondents said they had received seed funding and 38% early stage funding.

Expansion and development capital investments are made into businesses that are in a growth phase and require investments to reach their next level of potential. Here, 71% of respondents in computer & IT services attracted expansion capital and 50% of those in support services.

Buyout/buy-in investments are usually into more mature businesses. Two thirds of respondents in the industrials & industrial engineering segment received buyout/buy-in investments and 50% in financial services, while 43% of respondents in each of telecoms/media and food received this type of funding.

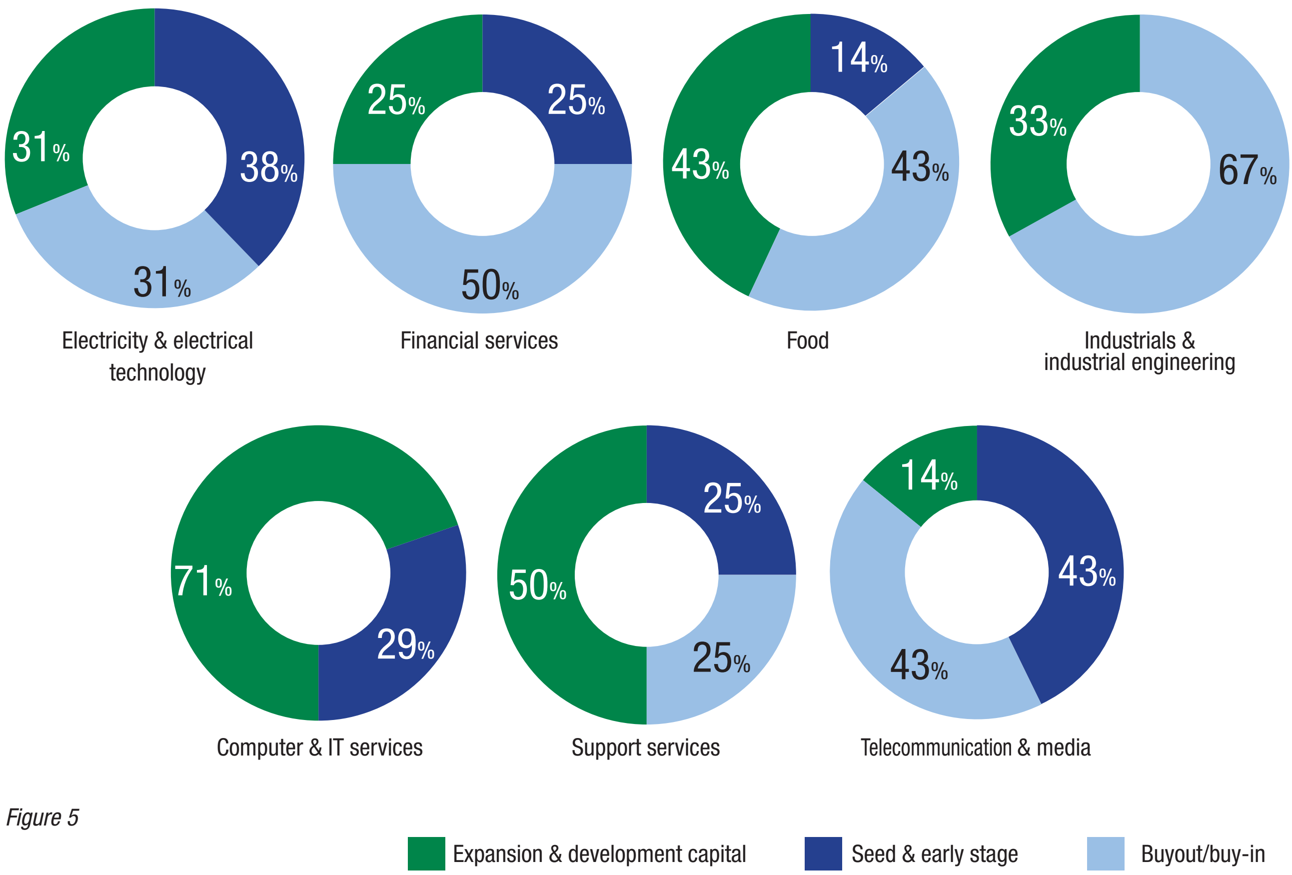


Figure 5

Q5. In what sector does your business operate? n=39
Q8. What type of investment was initially received? n=73

Business location

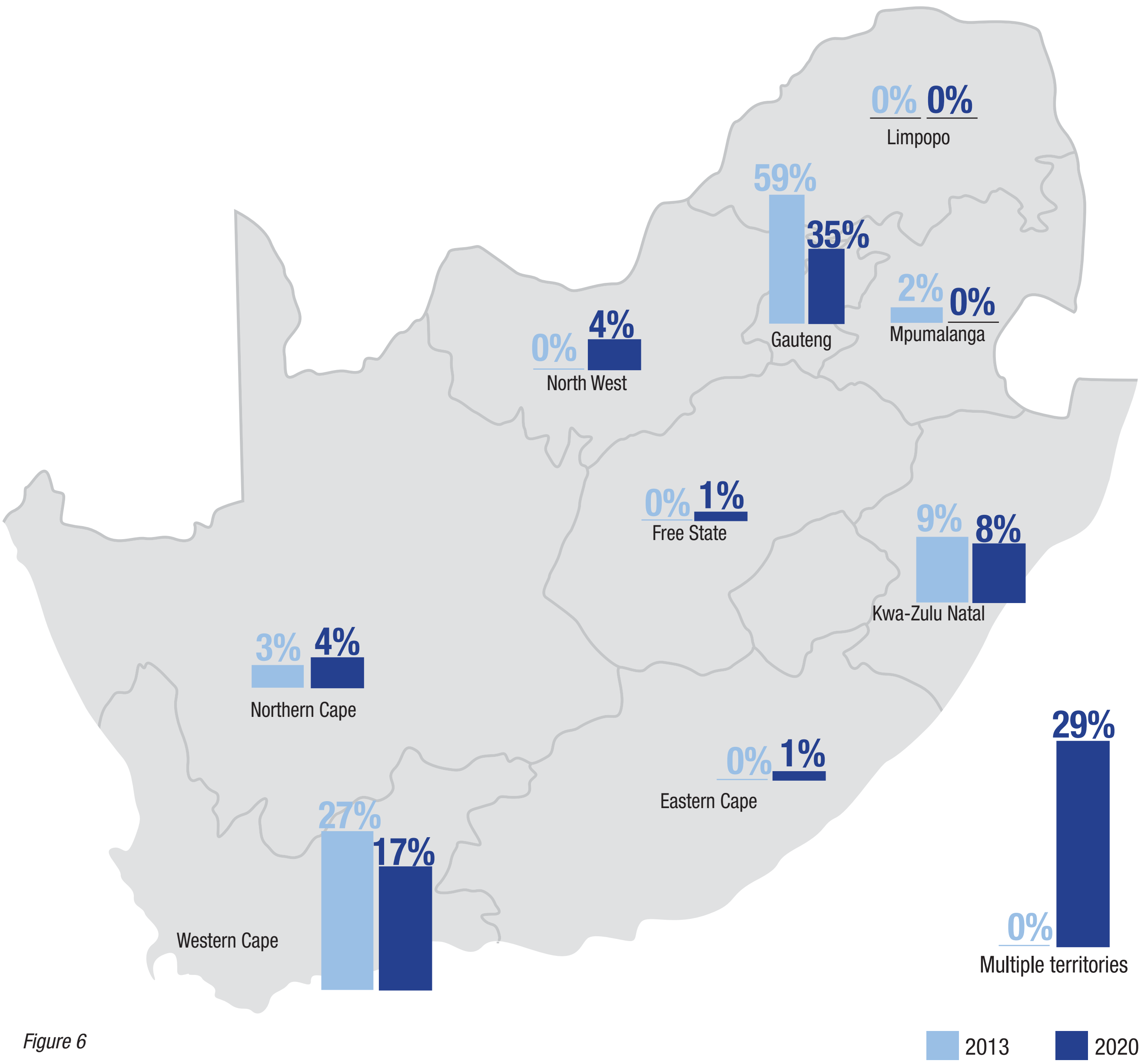


Figure 6

Q6. Where is your business located? n=75

Compared to the study from 2013, this study had a broader geographic spread of businesses[1], with just under 30% of the businesses having locations and operations across more than one province. This factor was not measured in the earlier studies.

Most respondents were still from Gauteng and the Western Cape with no respondents at all from Limpopo and Mpumalanga in 2020 and only 1% in the Free State and Eastern Cape.

[1] *Data were not collected on this question in the 2009 study.*

Age of business

Respondents to this 2020 study represent a mix of business age. Businesses aged five to 10 years attracted the most funding (36% were in this category) followed by much older businesses, while 10% were younger businesses – less than five years old.

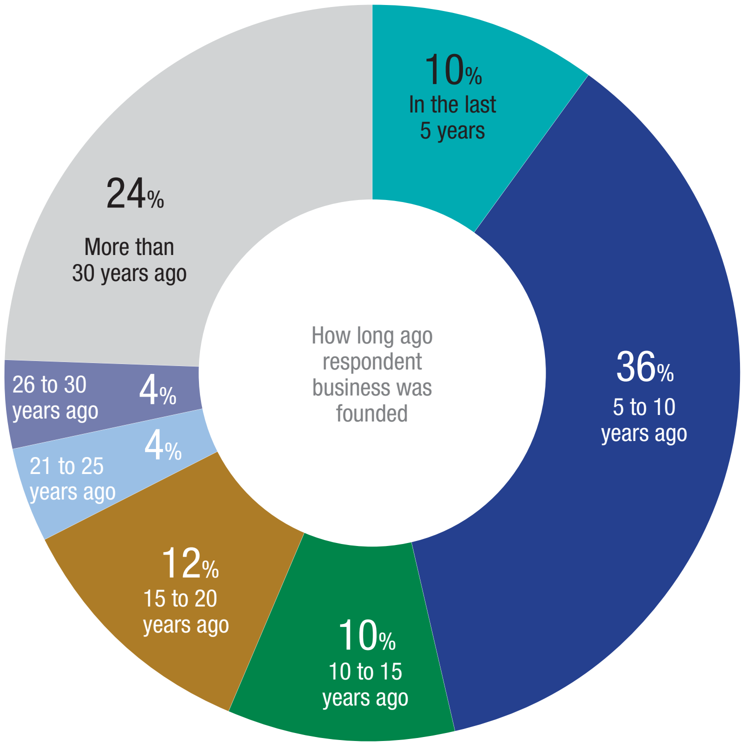


Figure 7

Q7. When was your business founded? n=70

Funding rounds

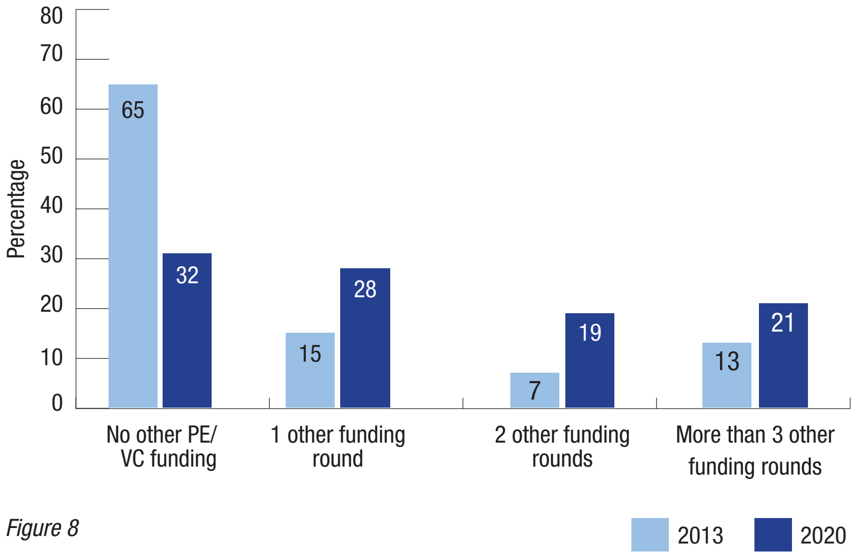


Figure 8

Q9. How many funding rounds has your business had? n=57

A funding round refers to a cycle or round of funding that a business goes through in order to raise capital. In 2013[2], almost one third of respondents had only one funding round;15% received one other funding round; 7% received two other funding rounds; and 13% received more than three funding rounds.

By contrast, in 2020 participating businesses were more likely to have had other funding rounds. Almost two thirds (32%) had only one funding round; 28% had one additional round; 19% had two additional and 21% had more than three funding rounds.

This trend in increased funding rounds underscores the committment of the PE/VC industry to continuously engage businesses and enable their growth.

[2] Data were not collected on this question in the 2009 study.

Financial and business performance

In his section we examine the performance of the businesses in terms of sales, profitability, their expenditure on capital projects (indicating their confidence in the future of the business), their R&D expenditure (which reflects their desire to remain relevant to customers and retain their competitiveness) and growth in employee numbers (which shows their contribution to job creation in South Africa).

Growth rates of firms

The annualised growth rates in the table to the right reflect the changes in specific business performance metrics since the time of investment to the most recent financial year. Respondents provided exact figures for each of the metrics, which were then used to calculate a compounded annual growth rate (CAGR) for each metric. Figures were annualised and then a simple average was determined for CAGR in each line item. Annualising data allows comparisons regardless of investment periods.

Across all indicators, financial and business performance has been positive with average growth of 24.0% in total sales, 18.4% in Ebitda, 22% growth in employment, 26.6% in capital expenditure and 34% in research & development expenditure. Portfolio companies sampled had a total revenue of R48.4bn, an Ebitda total of R3.5bn, R5bn in fixed assets and spent a total of R410m on R&D.

	Modified CAGR (%)	Sample size*
Total sales	**24.0**	**18**
Ebitda	18.4	16
SA headcount	22.0	22
Capital expenditure	26.6	12
R&D expenditure	34.0	4

* *Sample sizes vary because not all respondents provided data. Only firms with investment periods of more than one year were included. 15 of these firms are enterprises with turnover of more than R50m per annum, and one has turnover between R10m and R50m.*

Q33 Please provide values for each of the following at the time of investment
Q34 Please provide values for each of the following in your most recent financial year.

Comparison with listed companies and UK PE companies

Another perspective on the growth experienced by PE/VC-backed companies is to compare them with industry peers both nationally and internationally. For local comparison we selected two indices of JSE-listed companies, the all share index (Alsi, which includes all the companies listed on the JSE; there were 356 at end-September 2019) and the JSE Top 40 index (the largest 40 companies by market capitalisation). We also introduced an international benchmark from the UK private equity industry.

For JSE-listed firms, compound annual growth rates (CAGR) for each indicator shown on the table are calculated using unweighted aggregates of companies that were constituents of the indices as at 31 December 2018 and have a five-year history. This approach of calculating growth is vulnerable to survivorship bias because companies which exited the indices before end-2018, most likely because of poor performance or being delisted, are excluded. However, this approach mirrors the nature of our survey which looks only at portfolio companies that were operational at the time the survey was conducted.

Here it is opportune to note potential survivor or high-performance bias in PE/VC portfolio companies and the JSE companies. All respondent companies are still operating entities so failed companies are not included. In addition, participation in the study was voluntary for portfolio companies and those that may be struggling financially may have opted not to participate. Both these factors may skew the results positively.

The UK companies' data are from a study of companies that meet the Private Equity Reporting Group requirements – a set of guidelines on transparency in reporting in the private equity industry. Findings were published in the 11th edition of the Ernst & Young Annual Report on the Performance of Portfolio Companies. The report concludes that the PE firms perform roughly in line with public companies in the UK. The report covers 55 portfolio companies as at 31 December 2017 plus 88 portfolio companies that had been owned and exited since 2005. The annualised growth rates are calculated based on aggregated information.

The only difference between the above benchmarks and the companies in this study is the following: annualised growth for the three comparators – the JSE All Share Index, the JSE Top 40 Index and the UK-based companies – were calculated using aggregated information whereas annualised growth rates for the PE/VC-backed companies is a simple average of annualised growth rates of individual portfolio companies.

Indicator*	PE/VC-backed companies 2020 CAGR (%)	JSE Alsi CAGR (%)	JSE top 40 CAGR (%)	UK PE portfolio companies CAGR (%)
Total sales	**24.0**	**2.5**	**3.0**	**6.5**
Ebitda	18.4	3.4	3.8	4.2
Number of employees	22.0	3.0**	3.0**	2.4
Capital expenditure	26.6	-2.5	-1.8	9.8

* *PE/VC backed companies, Alsi, JSE top 40 and UK PE portfolio companies all represent annualized growth and are calculated based on aggregated information.*

** *Employment figures were available only for companies in the financial services sector.*

From the table, we observe the following:

- Alsi companies showed 2.5% turnover growth, 3.4% Ebitda growth and 3% growth in the number of employees. The overall trend here is one of improvement across all measures except capital expenditure, which showed a -2.5% decline.
- JSE top 40 companies (which are a subset of the Alsi companies) showed 3% turnover growth, 3.8% Ebitda growth and 3% growth in the number of employees. Similar to the Alsi companies, the overall trend is one of improvement across all measures except capital expenditure (-1.8%).
- UK PE portfolio companies showed 6.5% turnover growth, 4.2% Ebitda growth, a 9.8% increase in capital expenditure and 2.4% growth in the number of employees. The overall trend for UK PE portfolio companies is also one of improvement across all measures.

The comparison above shows that PE/VC-backed firms included in this study showed far better performance than JSE-listed firms and UK PE-backed firms on metrics such as turnover, Ebitda, capital expenditure and growth in number of employees. Again, it should be noted that the sample of firms that participated in this study was not randomly selected and is thus not intended to represent the performance of all PE/VC-backed firms. Instead, the findings should be read as showing the performance of those companies that opted to participate in this study. It is these firms that have shown favourable outcomes when compared with the JSE-listed firms and UK PE-backed firms.

Case study

***GoMetro:** An example of how the investment improved overall business performance*

Investment impact highlights

- *Revenue has grown 100% year on year since 2014*
- *Between 30% and 50% of profits are reinvested in research & development*
- *Has delivered an internal rate of return (IRR) of 7% for the lifetime of the investment*
- *Revenue topped US$1m for the first time in the 2018 financial year*

Key facts	
Website:	www.getgometro.com
Sector/business focus:	Public transport smart mobility solutions
Country:	South Africa
General partner/investor:	Angelhub Ventures, Tritech Media, 4Decades Capital, Centaurus Capital
Year of investment:	2014 and follow-on 2016
Type of investment:	Seed capital
Investor shareholding:	40%
Year of exit (if applicable):	Current
Enterprise value at time of investment:	R12.5m
Turnover:	R17m
Turnover growth:	403%
EBITDA:	R1m
EBITDA growth:	N/A
Employees:	35
Employee growth:	200%

Company history

GoMetro is on a mission to change the way that cities move by improving the efficiency of public transport systems. It does this by using an artificial intelligence (AI) platform to map and measure current patterns and then optimise public transport operations to most effectively meet demand.

Having put its system to the test in South African cities from Cape Town to Rustenburg, the start-up already has operations in six countries and has had its system deployed in 10. The business has shown 100% year-on-year growth since it was established in 2014 and has attracted the attention of notable backers along the way.

It has received funding in various forms over the years from the likes of initial co-investors Angelhub Ventures and 4Decades Capital, and subsequently TriTech Media. At the end of 2018, GoMetro took on Centaurus Capital as a majority black investor.

The company has proven that it is able to establish long-term relationships with local authorities such as the City of Cape Town (three years) and public transport operators like Prasa (seven years). It has also shown that its system has ready customers in highly developed markets such as the UK and US, as well as in developing economies such as Rwanda and Ghana.

GoMetro's core technology was acknowledged by the University College of London, at the Urban Age Convention in Addis Ababa in 2018 as "world-leading in reforming public transport".

Transaction motivation

GoMetro's initial seed capital investment was used to launch the small enterprise that had been bootstrapping itself over the two preceding years. It subsequently had two more successful fund-raising rounds that have helped to maintain GoMetro's momentum. The rapid growth in the

business necessitated the hiring of costly and scarce skills.

Company founder Justin Coetzee says the advantage of "patient capital" offered by private equity funding has allowed the business to grow at the right pace and allowed management to "build the business we wanted to build". With 30% to 50% of profit reinvested into R&D to drive accelerated development, this breathing room is important.

Impact of the venture capital partnership

GoMetro is starting to reap the rewards of this patient capital that has allowed it to manage growth and prepare for its international expansion.

Coetzee says rapid growth in revenue, operations and complexity required a concerted effort to invest in staff, as well as an effective structure and recognisable culture. This process has produced a new layer of leadership that has been nurtured from within the company.

GoMetro's influential investors have played a key role in opening doors to new markets and opportunities, while helping the business to bed down formalised structures and processes. This provided "accelerated learning" for Coetzee and his relatively young team.

Through this support and the initial expansion into new markets, GoMetro generated revenue above US$1m for the first time this year.

The company is a level 2 B-BBEE contributor, with 51% black ownership.

Justin Coetzee, company founder and CEO: "Every time we've raised venture capital, we've always made break-even a key milestone. And we've been able to achieve that 18 to 24 months after raising funds, so our profitability margins have increased to essentially 50% to 60%." .

"Every time we've raised venture capital we've always made break-even a key milestone. And we've been able to achieve that 18 to 24 months after raising funds, so our profitability margins have increased to essentially 50% to 60%."

- Justin Coetzee, *company founder and CEO*

The impact of investment on BEE

South Africa's black economic empowerment codes are a set of measures that show the extent to which businesses are transforming in terms of key issues such as ownership, management control, skills development of staff, enterprise & supplier development and socioeconomic contributions.

The Broad-Based Black Economic Empowerment (B-BBEE) Codes define several categories of businesses which have implications for the expected compliance and benefits derived. Generic enterprises (GEs) are businesses whose revenue exceed R50m. Businesses in this category are expected to comply with all five elements on the BEE scorecard.

Qualifying small enterprises (QSEs) are businesses with turnover of between R10m and R50m. These businesses are also expected to comply with all five elements on the BEE scorecard. However, a QSE with 100% black ownership immediately qualifies for a level 1 rating while a QSE with at least 51% black ownership qualifies for level 2 rating.

Exempt microenterprises (EMEs) refer to businesses whose revenues are R10m or lower. EMEs receive an automatic BEE score of 100 and are exempt from BEE criteria.

BEE scoring pre- and post-investment

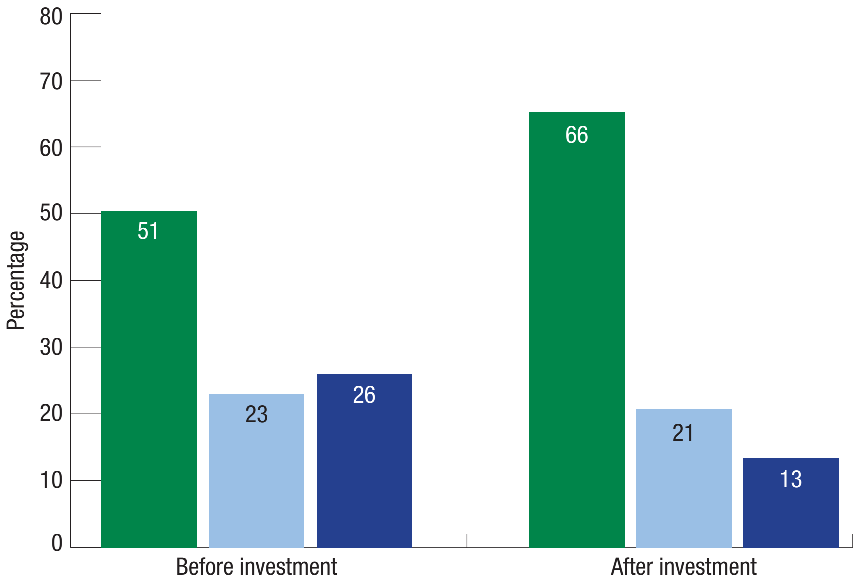


Figure 9

Q11. What size category did your business fall into for BEE scoring before the initial PE/VC investment? n=65
Q12. What size category does your business fall into now for BEE scoring? n=65

The number of companies categorised as EMEs fell to 13% after the investment from 26%, indicating that the investment is effective in growing company revenue.

The corresponding higher number of GE companies (66%) post the investment further supports this assertion.

BEE classification pre- and post-investment

A BEE scorecard refers to a set of elements considered in determining a company's BEE compliance level. When all elements (equity ownership, management control, skills development, enterprise & supplier development and socioeconomic development) have been considered, a BEE score is allocated which ranks a business on a spectrum ranging from level 1 (which is the most empowered, desirable ranking) to non-compliance (which is the least desirable ranking, according to the BEE codes).

The BEE Act defines each compliance level in terms of the following parameters on the generic scorecard:

Level 1: ≥100 points

Level 2: ≥ 95 but <100 points

Level 3: ≥90 but <95 points

Level 4: ≥80 but <90 points

Level 5: ≥75 but <80 points

Level 6: ≥70 but <75 points

Level 7: ≥55 but <70 points

Level 8: between ≥40 and <55 points

Non-compliance: <40 points

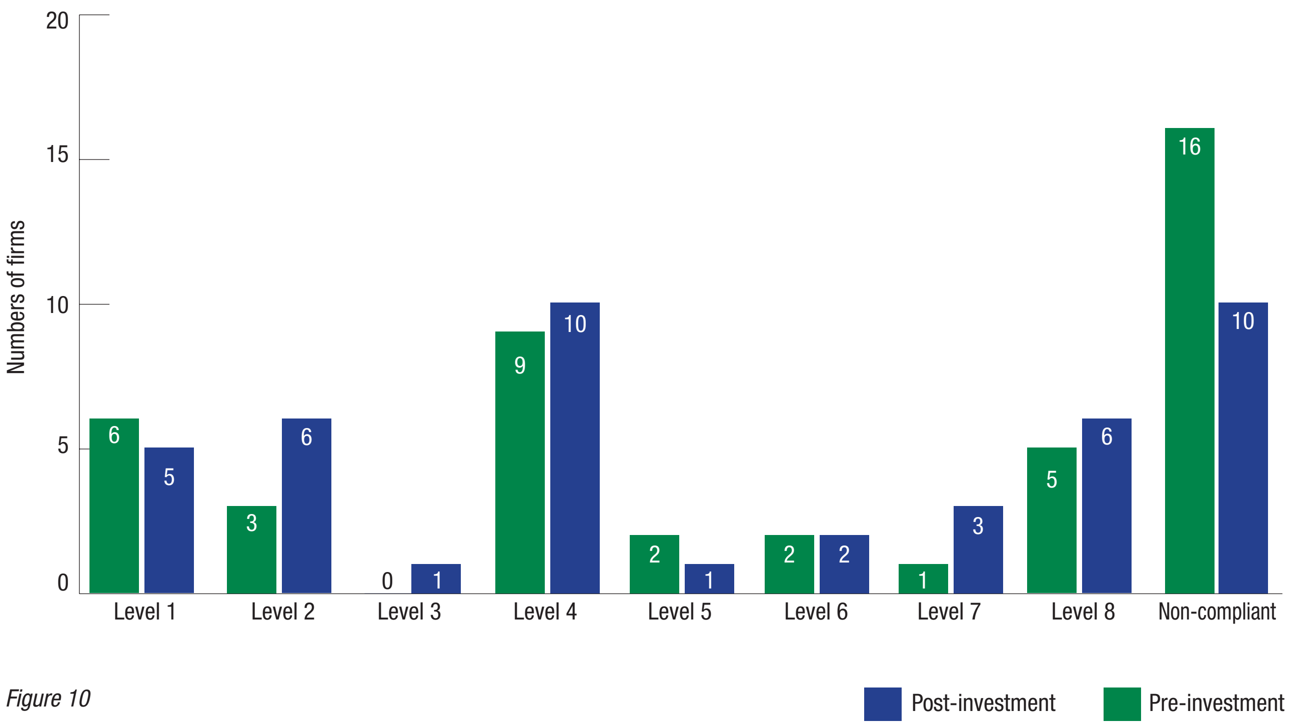


Figure 10

Q13. Please select the classification of your business (within the size categories indicated above) before investment and now.
Pre-investment 44
Post investment n=44

The chart above shows that PE/VC investments clearly have an influence in improving scores in companies with relatively low BEE ratings to begin with (levels 7 and 8) but can also have a dramatic effect with companies at higher levels (levels 2 and 4).

Changes in BEE elements

Drilling down into the different BEE categories, the strong influence of PE/VC investments is clear: the navy-shaded areas are the percentages of businesses that report improved scores in the various categories after the investment.

The equity ownership element relates to shareholdings and voting rights controlled by black people within a business. PE/VC investments clearly have a strong influence here with more than half (54%) of the businesses reflecting higher levels of black ownership post the investment. Conversely, 9% reported lower black ownership – while this is a relatively small number, it is worth noting the diminished performance on this important BEE element.

The management control element refers to the extent to which black board members have voting rights, have control of a business's executive board and form part of senior management. Again, the influence of PE/VC investments is clear with 38% reporting an increase in black management control.

The skills development element refers to the extent to which a business contributes towards the development of the skills and education of its black employees. Just over two thirds (68%) reported an increase in their skills development, which reflects that, post the investment, businesses are ensuring their competitiveness through developing their staff. However, 2% reported lower levels of skills development; while this is a low percentage, it is of concern.

The BEE codes require companies to implement preferential procurement and spend specified percentages of net profit after tax on different enterprise and supplier development (ESD) programmes. Here the influence of the investment is strong, 71% reporting an increase in their ESD expenditure.

The socioeconomic development (SED) element refers to the extent to which a business participates in social and economic investment programmes. The compliance target for SED is 1% of net profit after tax (NPAT). In 2020, 63% of businesses reported an increase in their expenditure on this BEE element while 27% said it remained the same.

Next, we compare the findings from the 2020 study to those in 2009 and 2013. Across the five elements, respondents indicate that progress on BEE elements is better than before the investment, and significantly better than in the previous studies. The exception is management control which in 2020 is lower than in 2009 and only slightly higher than in 2013.

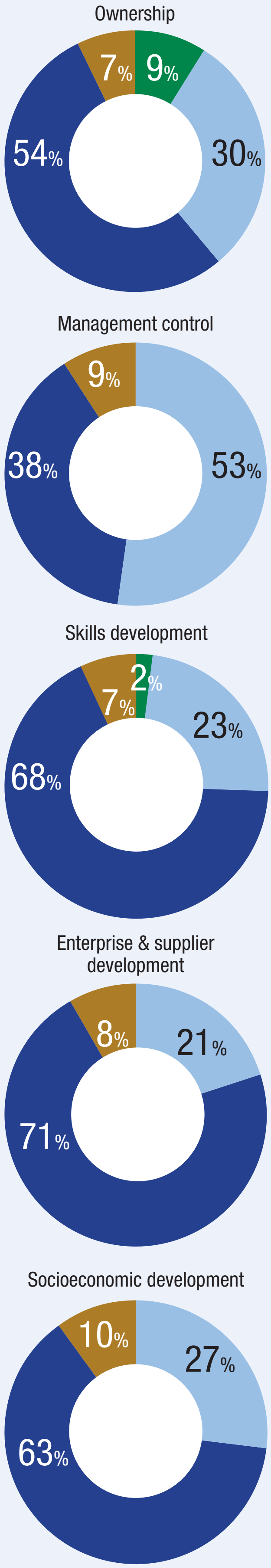


Figure 11

Lower The same Higher Not applicable

Q14. What have been the specific changes to these BEE factors since investment? n=64

Ownership

The impact on black ownership is notably higher in 2020 than in 2009 and 2013.

The number of companies reporting improved equity ownership dropped from 44% in 2009 to 33% in 2013 but soared to 54% in 2020.

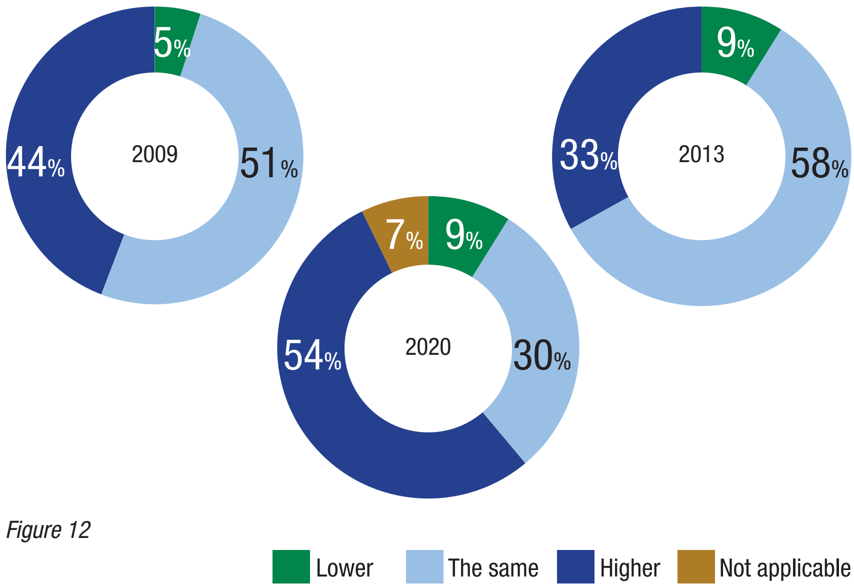


Figure 12

In 2009, 5% of businesses reported lower equity ownership, just over half (51%) said it remained the same and 44% said it had grown higher. In 2013, 9% businesses reported lower equity ownership, 58% said it remained the same, and 33% said it was higher. In 2020, 9% of businesses reported lower equity ownership, about a third said it had remained the same, over half (54%) said it was higher, while 7% said this was not applicable to them.

Management control

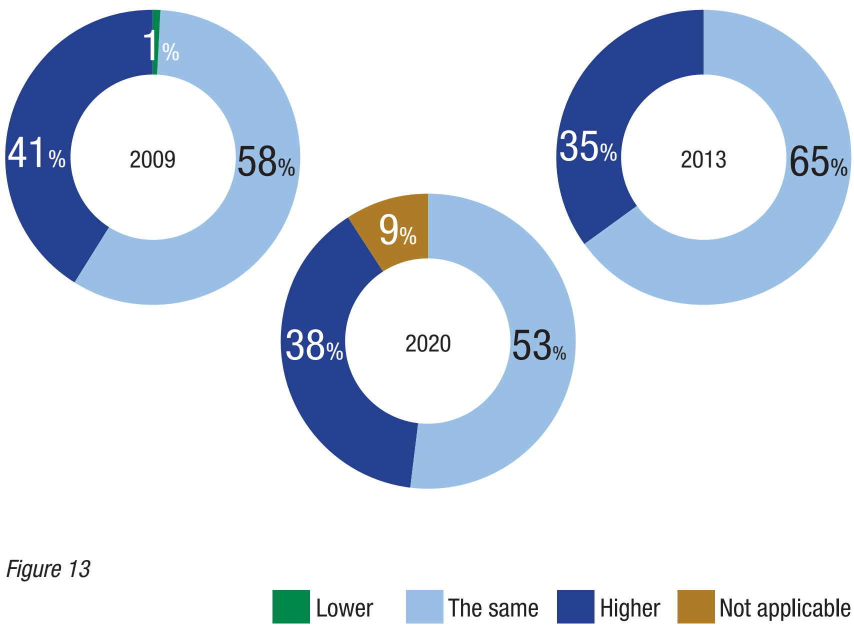


Figure 13

Relative to other elements measured in 2020 and to the previous studies, management control is the underperforming element. While about 40% in all three studies reported improved management control by black people, the majority in each case (2009: 58%; 2013: 65%; 2020: 53%) reported that this element remained the same after investment.

Skills development

Skills development is an extremely important element of black economic empowerment as it improves people's qualifications and provides potential for upward mobility within companies. In this 2020 study, PE/VC investors have clearly focused on this issue, with more than two thirds of investee companies reporting an improvement post the investment against 42% in 2009 and 37% in 2013.

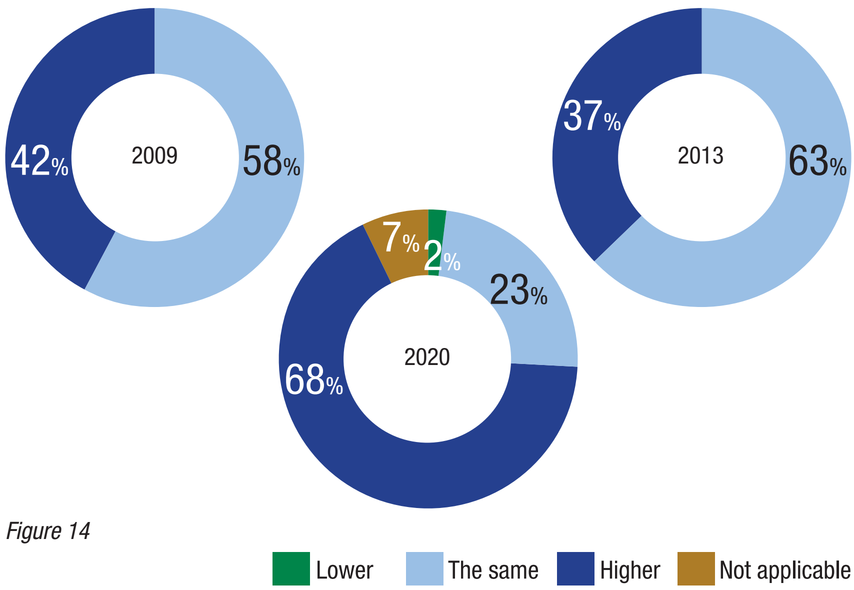


Figure 14

In 2009, 58% of businesses said skills development had remained the same and 42% said it was higher. In 2013, 63% said it remained the same, and 37% said it had grown higher. In 2020, 2% of businesses reported lower skills development, 23% said it had remained the same, over two thirds (68%) said it was higher, and 7% said this was not applicable to them.

Enterprise & supplier development

This element is difficult to compare across the three studies since the updated BEE codes combined enterprise development with preferential procurement to create enterprise & supplier development as one element. We compare the findings here nonetheless to ascertain whether there are any broad trends or observations.

Preferential procurement

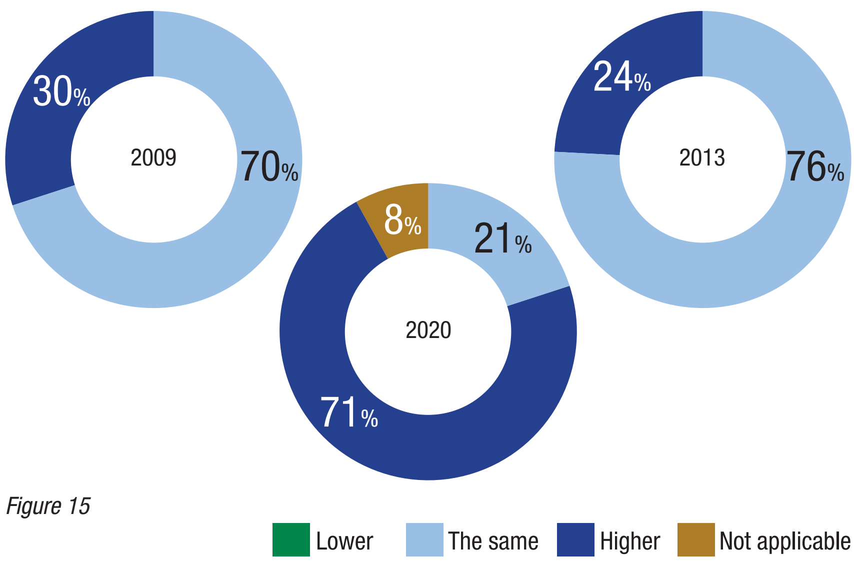


Figure 15

Direct comparison on this element is not possible, but it is worth noting the significant change between the preferential procurement figures from earlier reports, and the 2020 report showing a 71% improvement in ESD.

In 2009, 70% of businesses said preferential procurement had remained the same and 30% said it had grown higher. In 2013, 76% said it remained the same and 24% said it had grown higher.

Enterprise & supplier development

Again, the figures show that investors are pushing enterprise and supplier development (formerly termed enterprise development) of black businesses far more than in previous years, with a very high percentage (71%) of investee companies reporting improvement in this aspect against 32% in 2013 and 37% in 2009.

In 2009, 1% of businesses said enterprise development was lower, 62% said it had remained the same and 37% said it had grown higher. In 2013, 68% said it remained the same and 32% said it had grown higher.

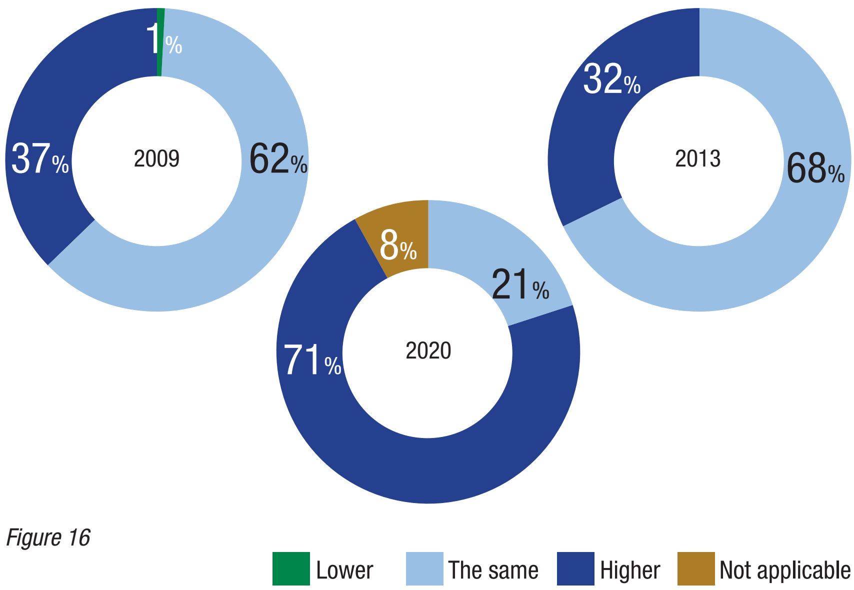


Figure 16

Socioeconomic development

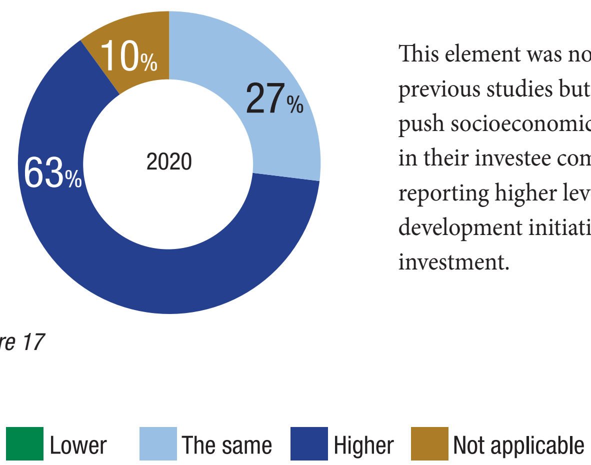


Figure 17

This element was not included in the previous studies but PE/VC investors do push socioeconomic upliftment initiatives in their investee companies, with 63% reporting higher levels socioeconomic development initiatives after the investment.

Conclusion: Strong investment focus on BEE

The figures for all five BEE elements show that investors are clearly encouraging their investee companies to focus strongly on all five elements of black economic empowerment and are indeed succeeding in improving overall transformation within the companies themselves and within their business ecosystems.

Case study

Investment impact highlights

- *Revenue has grown 100% year on year since 2017*
- *Profitability has grown 432% over this period*
- *DSES delivered a 12% internal rate of return (IRR) for the lifetime of the investment*
- *The DSES Domes division promises a whole new chapter for the business*

Key facts	
Website:	www.dses.co.za
Sector/Business focus:	Tankage maintenance and refurbishing
Country:	South Africa
General Partner/investor:	Edge Growth
Year of investment:	2017
Type of investment:	Expansion capital/funding loan
Investor shareholding:	0%
Year of exit (if applicable):	Current
Enterprise value at time of investment:	N/A
Turnover:	R33m
Turnover growth:	100%
EBITDA:	R7.2m
EBITDA growth:	432%
Employees:	153
Employee growth:	448%

Company history
DSES is a tankage maintenance and refurbishment engineering firm in Durban that has rapidly built a solid reputation as a preferred supplier to multinational companies in the petrochemicals, paper and food industries.

The genesis of this growth was a five-year contract secured from Engen to maintain its tanks near Durban harbour. This set the company on a growth path that has seen it win additional contracts in different industries across South Africa.

The company started in 2008 and has grown from a staff complement of 12 to more than 150 today. It has also expanded its range of services and products.

It has been a steep learning curve for the husband and wife team of David and Melanie Swartz who operate the business. They have received considerable support from Edge Growth that has seconded a financial manager to help DSES stay on top of increasingly large projects..

Transaction motivation
The Engen contract may have been the spark that set DSES off on its accelerated growth path, but that project could just as easily have sunk the business if it had been unable to perform as expected. From humble beginnings with a handful of staff and plant and machinery hired as needed, DSES today is a significant, efficient player in the market.

Engen introduced DSES to Edge Growth to bolster the capacity and capabilities at the young company. The funding enabled it to acquire the necessary plant and machinery to fulfil its commitments. Profitability increased as a result.

For Edge Growth, specialists in building the capacity of SMEs through enterprise and supplier development programmes and funding, DSES has proven to be an ideal partner because it has managed to exploit its competitive advantage.

“From when we only had Engen, to our application to Sapref, BTT and other potential clients, Edge Growth has been with us every step of the way. I must attribute most of the new clients we have secured to them.”

***-David Swartz,** CEO*

Impact of the private equity partnership

DSES has recorded phenomenal growth over the past five years on the back of new contracts and expanded capacity.

Apart from plant and machinery, this growing enterprise has also expanded the skills in the team. Of the company’s 150 staff, 12 have professional engineering qualifications, enabling the company to take on increasingly complex projects.

Funding and access to markets apart, Edge Growth’s most valuable contribution has been to help build the internal capabilities needed to handle the rapid growth. Among other improvements, these mentors helped to get DSES certified to the necessary quality, engineering and safety standards.

A major development is the exclusive licensing agreement to supply imported geodesic domes and decks to the local market. These domes and decks are retrofitted to reduce harmful emissions escaping from storage tanks.

Social and environmental impact

DSES is heavily involved in social initiatives within its communities and those surrounding its projects under its Projects with Purpose banner. This encompasses charitable deeds such as its annual Food Drive. DSES challenges its staff to donate food to local communities, which DSES then matches. Staff are also encouraged to nominate families in their local communities who are in need of assistance.

Throughout the year, DSES also raises funds for these and other activities by selling unused materials when projects are completed. It is also a regular contributor and supporter of local churches, schools, crèches and other community organisations.

The company is a level 1 B-BBEE contributor, with 100% black ownership. ■

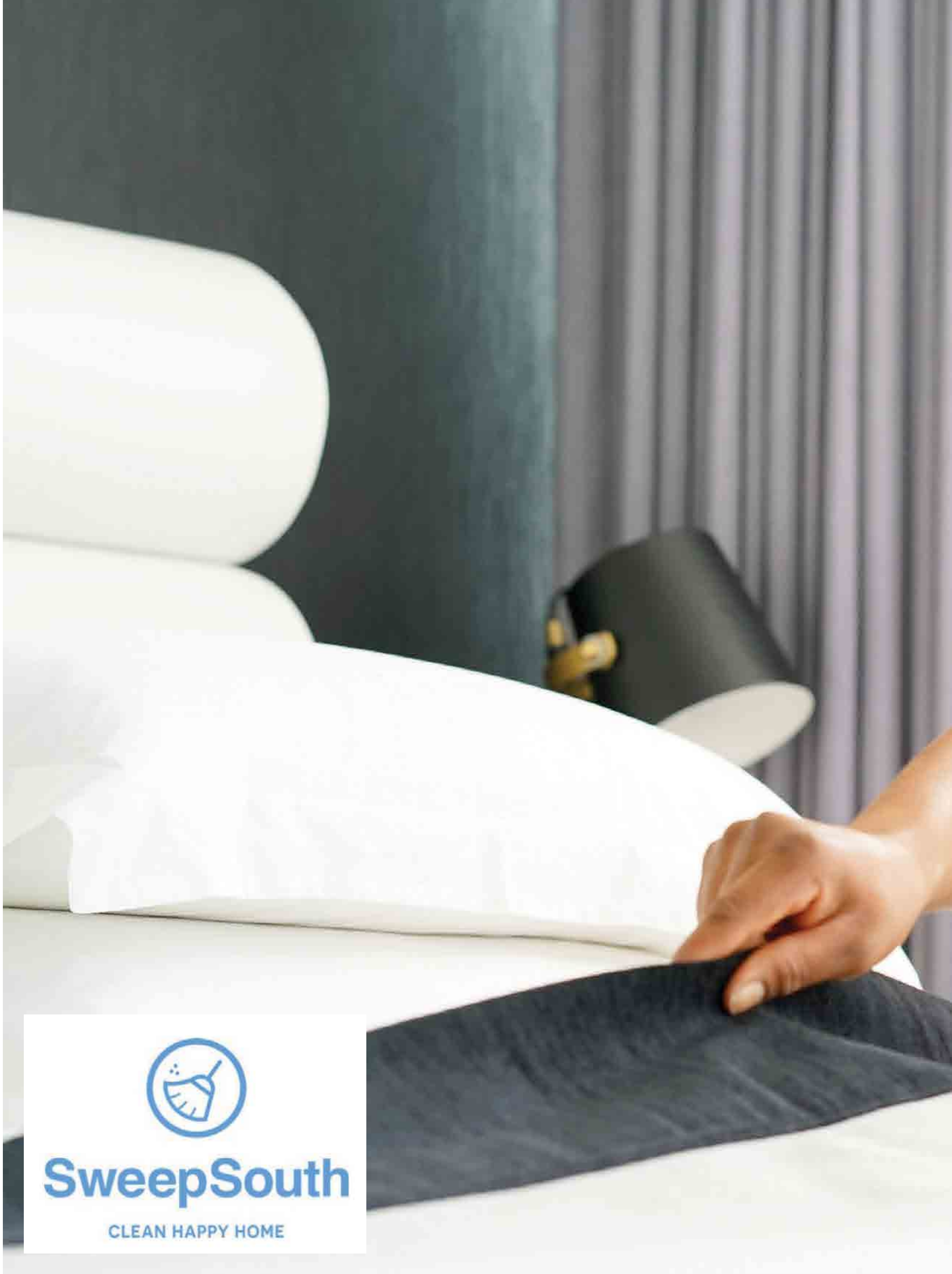
Case study

***SweepSouth:** The capital injection enabled the company to become Africa's biggest player in the domestic cleaning space*

Investment impact highlights

- SweepSouth modernised the home-cleaning industry through technology
- Domestic workers are called SweepStars
- SweepStars are rigorously interviewed and background-checked
- SweepSouth successfully built an on-demand market for domestic workers via its online app
- Edge Growth invested at a very early stage of the business. Subsequently its annual revenue, monthly bookings, active customers and number of cleaners on the platform have grown tenfold

Key facts
Website:
www.sweepsouth.com
Sector/Business focus:
Domestic services / IT
Country:
South Africa
General Partner/investor:
Edge Growth
Year of investment:
2015
Type of investment:
Expansion
Year of exit:
Current
Employees:
1,633
Employee growth:
792%



Company history

SweepSouth is an online platform. An app and a website connect domestic workers in South Africa with households in need of cleaning services. It is essentially the "uberisation" of the market for domestic workers. The group has effectively created a new market and eliminates many of the challenges involved in finding a domestic worker, as well as the background checks. As a result, the business has grown rapidly.

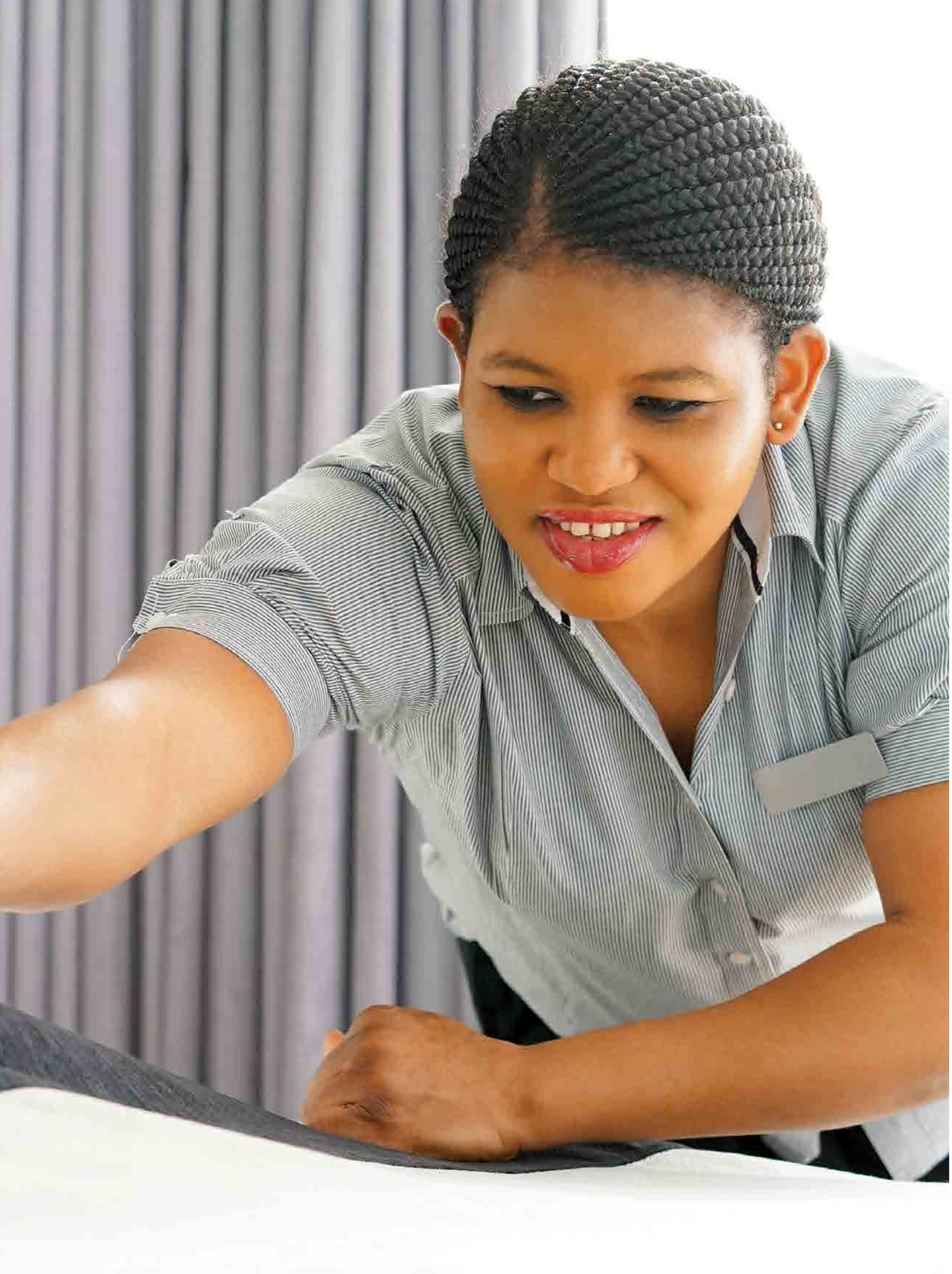
The majority of customers are people who understand the complexities of finding a domestic worker using traditional means. The business has effectively designed technology that makes that connection to domestic workers possible in a few minutes, whereas previously it would have taken days or even weeks.

The business was started by Aisha Pandor about five years ago with three domestic workers and has grown to 44 inhouse employees and more than 1,633 SweepStars on the platform. SweepStars go through a rigorous interview process and successful candidates are experienced and referenced.

SweepSouth has taken it one step further and arranged disability and life insurance for SweepStars at no extra cost to them.

Transaction motivation

The purpose of the private equity investment was expansion. SweepSouth was able to use strategic hiring to accelerate



growth. The capital injection propelled SweepSouth onto a massive growth trajectory and it is now the biggest player on the continent in domestic cleaning services.

Social impact

From the time of the capital injection from Edge Growth, revenue has grown considerably. Since the investment the group has channelled the majority of funds into growth. The investment also had an impact in terms of governance of the business. The investors have a board seat and monthly reports are disseminated to shareholders.

Customer retention is high and word of mouth is one of its most effective sales channels. The business services 13,000 customers monthly and it has paid out more than R30m to its cleaners, despite tough economic conditions.

Aisha Pandor, co-founder and CEO: "The first private equity type investor came in just under three years ago and from that point to now the revenue growth has been about 23 times. We went from earning a couple of tens of thousands of rands per month to now earning multiple millions of rands per month. Prior to bringing on any sort of investments, even with the angel investors coming on board, we were a profitable but very small business." ■

"The first private equity type investor came in just under three years ago and from that point to now the revenue growth has been about 23 times. We went from earning a couple of tens of thousands of rands per month to now earning multiple millions of rands per month. Prior to bringing on any sort of investments, even with the angel investors coming on board, we were a profitable but very small business."

***Aisha Pandor**, co-founder and CEO*

Governance

A key hallmark of maturing and high-performing businesses is good governance. This means the establishment and adherence to a set of transparent and universal rules on how the business is run, how decisions are made, who makes those decisions and how those decision-makers are held accountable.

Investor influence on board compositions

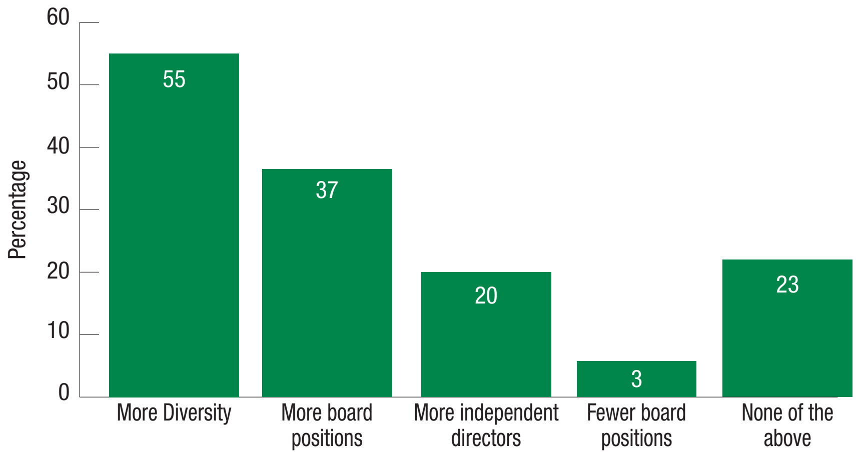


Figure 18

Q16. How has the investment firm influenced the composition of the board? n=60

This study also considered the influence that investors have on the composition of boards. More than half of the respondents (55%) reported increased board diversity, indicating that boards became more representative of the population of South Africa. This reinforces the conclusion of the previous section that investors are zeroing in on transformation and extending that to board representation.

Separation of chairperson and CEO

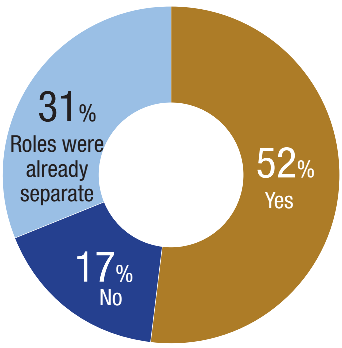


Figure 19

Q17. Has the investment influenced the separation of chairperson and CEO? n=54

The King report on corporate governance requires a clear division between the roles of chairman and CEO. Just more than half of respondents reported that the investment had influenced the separation of the chairperson and CEO in their companies, 17% reported no influence at all while at 31% of the companies, the roles were already separate before the investment.

Governance frameworks and compliance requirements

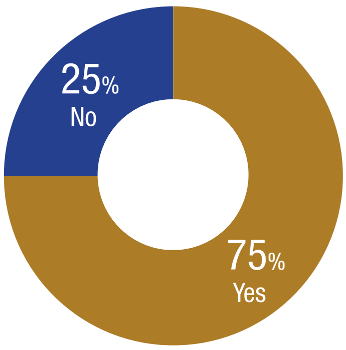


Figure 20

Q18. Has the investor introduced any governance frameworks or compliance requirements? n=63

In the study we sought to determine the relationship between the investment and subsequent adoption of any governance frameworks or compliance requirements. PE/VC inverstors put a lot of work into this area, with 75% of the businesses reporting that the investor had introduced governance frameworks or compliance requirements, while 25% reported no such change.

Compliance with the King codes

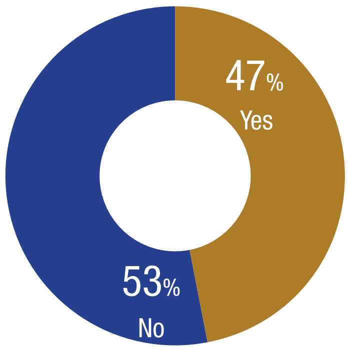
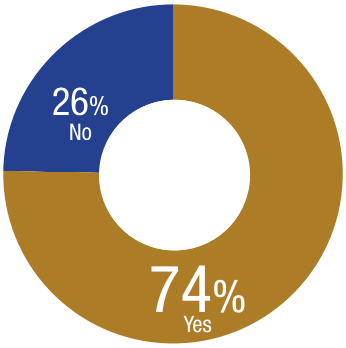


Figure 21

Q19. Has the investor required compliance with the King Code? n=62

The King IV report (2016) defines corporate governance as the exercise of ethical and effective leadership by the governing body in the attainment of certain governance outcomes. King identifies these necessary governance outcomes as ethical culture, effective control, good performance and legitimacy. While 47% of respondents reported that the investor had required such compliance, 53% had not.

Company formalisation



Business formalisation entails processes such as the introduction of legal corporate structures, establishing rules for managerial authority and introducing board disclosures or financial reporting requirements. The investment firm influenced company formalisation processes in 74% of the cases.

Figure 22

Q22. Did the investment firm influence the formalisation of your company? n=58

Risk management frameworks

A risk management framework allows a business to identify potential threats as well as identify ways of mitigating the effects of those risks. Usually the CEO or COO is responsible for the risk management framework. Prior to the investment, 54% of respondents had a risk management framework in place, which increased to 80% post the investment, showing that equity investments have a positive influence on the risk management in companies.

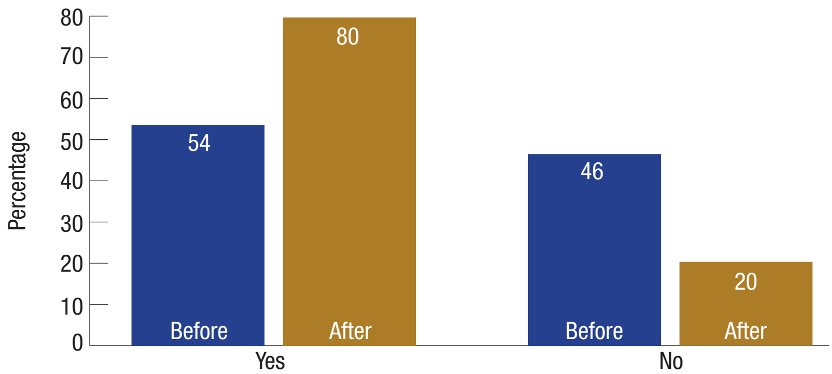


Figure 23

Q20 and Q21. Did your company apply a risk management framework before/after investment? n=56

Conclusion: Investors promote good governance

The above factors related to governance, taken together, show a clear trend that PE/VC investors emphasise the importance of good corporate governance at investee companies. Post-investment, there were clear improvements in the majority of investee companies in terms of board diversity, separation of chairperson and CEO, governance frameworks and compliance, risk management frameworks, company formalisation and other King code requirements.

Case study

***Royal Schools:** Investment expanded access to education to underprivileged children*

Investment impact highlights

- The company started with 43 learners and six staff members
- In 2018 it had about 4,000 learners and at the end of this investment period, by 2027, it is hoping to provide education to 10,000 learners
- Alberton school opened in 2016 and had a dramatic impact on the group's turnover and the surrounding community
- Turnover climbed from R10m in 2014 to R45m in 2017 and was projected to grow to R80m in the 2018 financial year

Key facts	
Website:	www.royalschools.co.za
Sector/Business focus:	Education
Country:	South Africa
General Partner/investor:	Old Mutual Alternative Investments
Year of investment:	2014
Type of investment:	Expansion
Year of exit:	Current
Enterprise value at time of investment:	R30m
Turnover:	R41m
Turnover growth:	740%
Employees:	300

Company history
Royal Schools was established at a time when there was a dire need for quality education in South Africa. Before 1991, black students did not have access to model C schools while private schools, including church schools, were not affordable. Royal Schools started providing private education at an affordable fee to 43 learners with only six staff members in 1993. By 2014 the group operated two inner-city schools. These were converted from office blocks, with statutory compliance. At this point revenue was at R10m a year.

Royal Schools aims to provide educational facilities close to where people live and work, thus eliminating extensive daily travels of between 30km and 40km each way. Aside from providing education, Royal Schools offers several annual bursaries that cover student fees, enabling students from lower-income backgrounds to access independent schooling.

In 2017 the Queens campus achieved a matriculation pass rate of 97% and the Princess Park campus achieved a 100% pass rate.

Transaction motivation
The group signed the phase one agreement with Old Mutual Alternative Investments in 2014. This was aimed at refurbishing the two existing schools to upgrade facilities and to build an additional greenfield school in Alberton.

The Alberton school was opened in 2016 and it had a dramatic effect on the group's turnover, climbing from R10m in 2014 to R45m in 2017. This was projected to grow to R80m in the 2019 financial year.

Royal Schools' real impact lies in social change: providing quality educational opportunities for people that wouldn't otherwise have had access. From 750 learners in 2014, it had 4,000 in 2018, with a target of 10,000.

The investment has allowed Royal Schools to achieve its targets. "Nowhere else could we find such form of investment. No bank would give us a holiday period on paying interest, so for us that has been very advantageous," says MD Dr Bennie Fourie.

Impact of the private equity partnership
Royal Schools was a good fit for Old Mutual Alternative Investments, while the structure of the finance remained advantageous to Royal Schools. The tie-up allowed the group to build relationships with key players in the industry such as Cosmopolitan Projects, a residential developer in South Africa. The

partnership allows Royal Schools the first option to develop schools in Cosmopolitan's residential developments.

Innovation plays an important role in the organisation. Moreover, in the design of the schools the group is moving away from the traditional model to a more innovative design approach, which takes into consideration the needs of the learners. It is designing a college setup with three schools on one campus (pre-school, primary school and secondary school). These schools are completely separated for better security and management. Each of the areas is custom designed for a specific phase.

Social impact

One of the group's social projects entails allowing the children of staff members to attend school for free – 44 learners are children of staff members, equivalent in value to almost R1m a year. Furthermore, Royal Schools offers 15 fully sponsored bursaries to disadvantaged learners which includes textbooks, stationery, clothes and lunch money.

Job creation

The biggest impact of this private equity investment have been on job creation and the number of learners that Royal Schools is now able to accommodate. "This expansion puts pressure on our resources and our most valuable resource is our people," says Fourie. "These are the people that stand in front of the classes every day." The group has had strong growth in educators: from 70 in 2014 to 300 in 2018. Its new target is more than 500. "We are getting good people to teach our children and, contrary to popular belief, I think that there are very good teachers in South Africa. We are managing to attract those people and we are managing to keep them and that is the critical success factor in an organisation like this."

Fourie says Cosmopolitan maintains and constructs the schools. "As a result, we are also creating job opportunities in the construction industry."

It has outsourced its security, IT, tuck shops and uniform provision. "The impact of job creation is not only on the staff and the educators, but on the peripheral services. As an example, we have outsourced the cleaning of our Alberton school to a person in the community, giving full-time employment to 12 people, and that has a huge impact on the local community." ■

"Our target is eight schools over the investment period. We are now midway through that process with four schools and we may look at one or two acquisitions."

***– Dr Bennie Fourie**, MD*

Case study

U Cook: Venture capital boosted operational capacity and drove rapid expansion

Investment impact highlights

- Business started in a garage in Cape Town in 2015 supplying meal kits to the household market
- Venture capital company Silvertree Internet Holdings came on board in 2016 to accelerate expansion
- The company invested extensively in marketing and operations to scale the business
- Silvertree provided management guidance and support
- Operations are now in Johannesburg and Cape Town with delivery to Durban

Key facts
Website:
www.ucook.co.za
Sector/Business focus:
Food services
Country:
South Africa
General Partner/investor:
Silvertree Internet Holdings
Year of investment:
2016
Type of investment:
Expansion
Year of exit:
Current
Enterprise value at time of investment:
R3m
Turnover:
R57m
Turnover growth:
1,890%
Employees:
75
Employee growth:
1,150%

Company history

UCook was formed four years ago in a garage in Newlands, Cape Town. Core to the initial business model was a means to allow one to package and aggregate different ingredients into meal kits for the household market. Customers that wanted to prepare a specific meal but didn't want to buy the recipe book and then the ingredients would order the meal kit. Essentially UCook delivers ingredients in measured quantities for specific meals. All transactions are completed online.

Realising only R40,000 in revenue at the time, UCook closed the venture capital deal with Silvertree in 2016. From the beginning, Silvertree was keen on improving UCook's operational experience. Silvertree came on board with an unrivalled expansion plan, introducing best-practice procedures in a specialised fashion. Whereas many private equity companies have portfolios spread across industries, Silvertree is focused on the technology space. Moreover, its management experience was in line with UCook's strategy.

Transaction motivation

UCook presented immense growth potential which was unmissable to Silvertree. The immediate purpose of the capital was geared towards growing operational capacity to serve a bigger order volume. The group looked to scale up aggressively. It then experienced the rare problem of growing too fast and its infrastructure was under strain. Turnover of R40 000 in the first year rocketed to R800 000 in 2017 then to R38m in 2018. UCook was set to grow another 150% in 2019. Silvertree assisted and guided it through the growth.

"In 2014 there were three of us in the garage doing everything – including packing boxes. Now we have 106 people on our payroll, which is quite exciting. It's also been really exciting to see that as the company grew, it has allowed people to grow with the company. We are very big on upskilling people." – Katherine Barry, MD .

Impact of the venture capital partnership

The capital has enabled rapid expansion. Furthermore, UCook has introduced a tag system that provides for an auto-selection

option, allowing weekly deliveries. The option also enables users to build an autonomous function into the order system that matches meals to one's tastes as opposed to a category. Furthermore, UCook is developing a line of gourmet-frozen meals.

The immediate step on receiving the investment, says CEO David Torr, was to expand the company's operational capacity so it could service a bigger order volume.

"We moved to new premises in Queens Park. We grew exceptionally fast," he says. "First and foremost, the core operations needed to expand in scale far faster than we actually anticipated. The other big thing was actually HR – defining a very clear, well-managed and well-lubricated HR process. As you start shifting and transitioning between horizons in terms of your order volumes, your requirements on a management level become very different as your organisation starts growing, moving away from a set of head of departments that really are the entire department, and then there's a middle tier of management that suddenly arises."

Accompanying the expansion has been a drive to source organic ingredients wherever possible and the group supports ethical farming procedures. UCook also supports small businesses and all its dairy inputs are sourced from a local family dairy. In partnership with Labels for Love, UCook has managed to cut down on food wastage as every single meal kit that is not used is donated to disadvantaged communities.

UCook supports eco-friendly practices as demonstrated by its recycling efforts. The group has implemented a "hand-your-box-back" scheme that allows users to give back their boxes with all their gel packs. These boxes are then recycled and the re-used gel packs are non-harmful to the environment.

Finally, the capital injection has resulted in job creation. UCook only had three employees in 2014. This has grown to 106 employees, with an average staff age of 24. Operations are now in Johannesburg and Cape Town with delivery to Durban. UCook remains innovative, collaborating with the best chefs in the country. ■

"We saw Silvertree as an exceptionally valuable partner, really because of the operational experience they had with the e-commerce sectors."

*– **David Torr**, CEO*

Innovation

Innovation is commercialised invention that results in product or service diversification. Innovation is paramount to entering new markets or retaining existing customers by expanding or enhancing products and services. As a result, innovation directly affects overall revenue and financial performance.

Source of growth

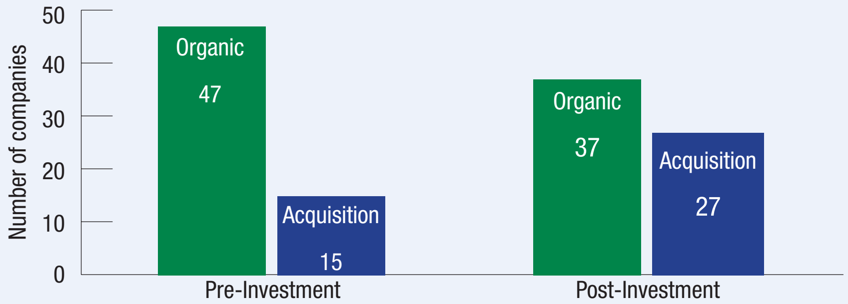


Figure 24

Q23. What was the source of growth for your business before and after receiving investment funding? n=57
Respondents were able to select more than one option.

Source of growth by investment type, post-investment

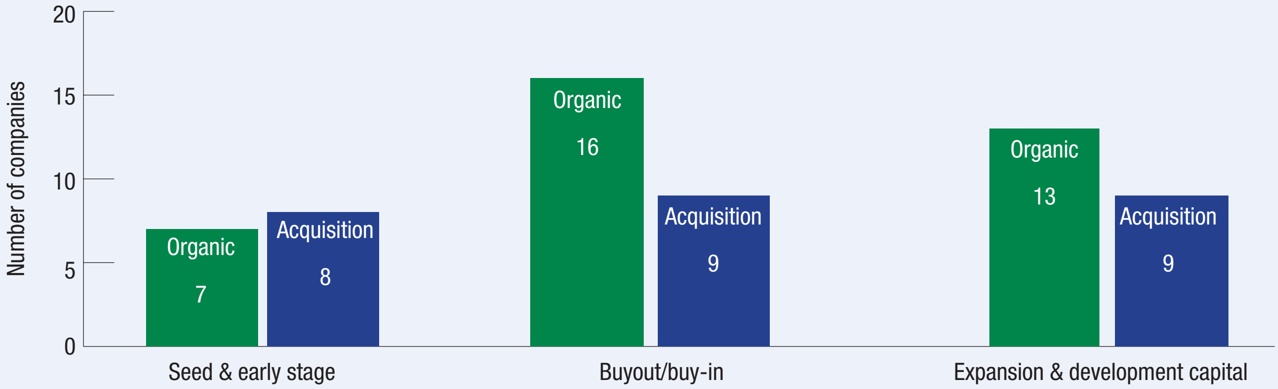


Figure 25

Q8. What type of investment was initially received?
Q23. What was the source of growth for your business before and after receiving investment funding?
n=36 Organic
n=26 Acquisition

This study tracked sources of growth (organic, acquisitions or both) by the type of investment received. Here, organic growth is prevalent in all three forms of funding but there appears to be an anomaly in that a relatively high number of investments in the seed/early stage category triggered acquisitions while with expansion/development capital, it would be expected that a higher number of firms would have grown by acquisition.

Prior to investment the overwhelming majority of businesses grew organically – generating growth using internal resources. Post-investment organic growth was still prevalent but the investment enabled acquisitive growth in more of the companies.

Introduction of new products and services

Equity investments had an overwhelmingly positive effect on innovation with new products or services introduced in 81% of the investee companies.

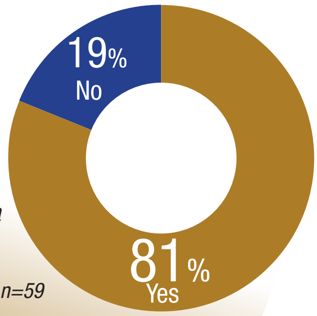


Figure 26a

Q24. Has your business introduced new products or services since investment? n=59

Introduction of new products and services by investment type

Although innovation is prevalent across all three funding types, it is most prevalent with expansion/ development capital.

Of the 81% of businesses that had introduced new products and services, expansion/ development capital is the main funding type that correlated with new products or services, although it is prevalent in the other two categories as well.

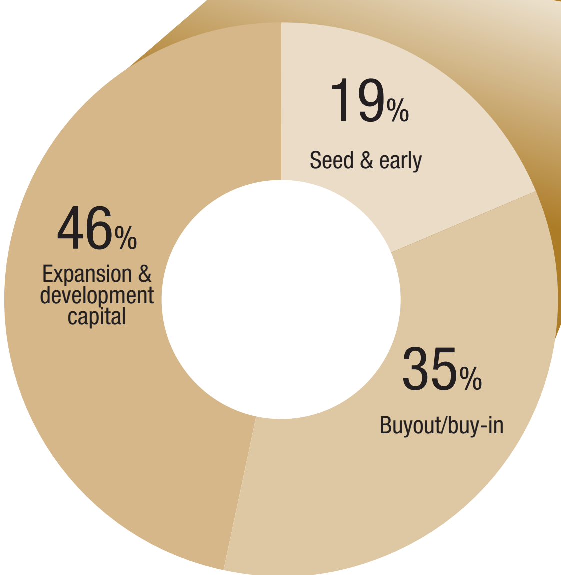


Figure 26b

Q8. What type of investment was initially received?
Q24. Has your business introduced new products or services since investment by investment type? n=36

Percentage of revenue from new products or services

Measuring innovation can be complicated, but when seen through the lens of financial performance, a possible way to measure it is through the contribution to business revenue of new products and services. We have adapted the approach taken by global innovation giant, 3M. Its principle is simple: ensure that 30% of each division's revenue comes from products introduced in the past four years.

Our question measures revenue generated directly from innovation – new products or services – that was introduced in the previous four years, but we did not set a 30% minimum target.

For most of the companies, less than 30% of revenue was generated from new products and services but is still an important factor in each company's development. For a few of the companies surveyed, however, the impact of the innovation was dramatic, with three companies having generated more than 80% of their revenue from new products or services.

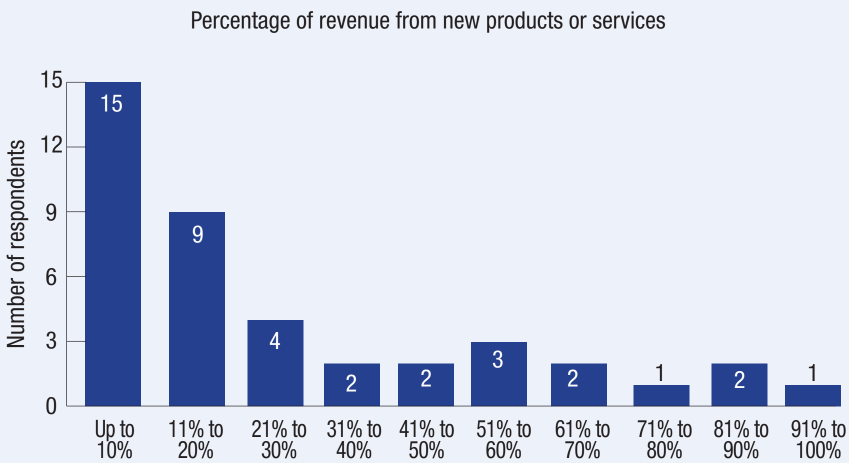


Figure 27

Q25. Thinking about your most recent financial year, what percentage of revenue came from new products and services introduced in the last four years (compared to products and services introduced earlier than four years ago)? n=41

Case study

***Aerobotics:** Funding used to facilitate rapid growth to keep up with escalating demand*

Investment impact highlights

- Top line CAGR revenue growth since 2016 of 147%
- Aerobotics is rapidly expanding into the US, South America and Europe
- Revenue has grown between 80% and 100% in the past two years
- The business is set for exponential growth in revenue in the short term

Key Facts
Website:
www.aerobotics.com
Sector/Business focus:
Agritech
Country:
South Africa
General Partner/investor:
Nedbank
Year of investment:
2018
Type of investment:
Expansion capital
Investor shareholding:
Less than 20%
Year of exit (if applicable):
No exit plans
Enterprise value at time of investment:
R106m
Turnover:
R6.7m
Turnover growth:
147%
EBITDA:
-R41.9m
EBITDA growth:
N/A
Employees:
83
Employee growth:
368%

Aerobotics

Company history

Aerobotics is a multiple-award winning agritech company based in Cape Town that provides advanced analytics to farmers derived from aerial drone and satellite imagery that helps them improve yields and profitability.

The data-rich insights have revolutionised how farmers of tree crops plan, plant and harvest. Aerobotics was named Best Technology Company of the Year 2019 at the Africa Tech Week Awards and was awarded French President Emmanuel Macron's Most Innovative African Startup Award at the AfricaArena challenge at VivaTech 2019.

The company has grown rapidly in the past few years as its expansion plans bear fruit. It has established a sales office in California and is exploring opportunities in Europe, particularly France and Portugal.

Aerobotics now has more than 1,000 farmers in 18 countries using its platform and has processed more than 40-million trees covering approximately 80,000 hectares.

Transaction motivation

Agritech is considered one of the new frontiers waiting to be conquered by tech companies with the right skills to leverage the benefits of artificial intelligence and steal a march on competitors.

Winning market share and rolling out enhancements to the system are expensive pursuits. Aerobotics has had to scale up

"We are helping farmers across the world solve a number of these difficult problems on tree crop farms"

- ***Tim Willis,*** *COO*

rapidly over the past few years to keep up with demand. This has seen its wage bill rise in tandem with the staff count that has mushroomed from 21 to 83 in less than a year. The rapid growth requires capital to sustain the business as it achieves scale.

Impact of the private equity partnership

Aerobotics COO Tim Willis says the company "wouldn't be where we are today if we hadn't had venture capital investors come in and take a bet on what this could be".

The company stood little chance of raising funding through traditional channels such as debt, with commercial banks stymied – Willis says – by the concept of hypergrowth. He says partnering with venture capital investors has brought together like-minded companies that share a vision of how to move the business forward.

Aerobotics has been through numerous capital-raising rounds and has attracted funding from the likes of Nedbank, Paper Plane Ventures, 4Di Capital and Savannah Fund.

Social and environmental impact

Aerobotics supports initiatives in Cape Town's vibrant AI/tech space to help encourage new talent and develop skills needed in the industry. This includes monthly gatherings for 100 top data scientists to share their ideas and skills.

The company creates new, sustainable, jobs for drone pilots in the countries where it is acquiring new clients across the globe. ■

Case study

***Ozow:** Investment provided platform for expansion across Africa*

Investment impact highlights

- Over the past five years, month-on-month growth averages 20%
- The business is set for accelerated growth with a 2020 expansion plan into the rest of Africa

Key facts
Website:
www.ozow.com
Sector/Business focus:
IT / Payments
Country:
South Africa
General Partner/investor:
Kalon Venture Holdings
Year of investment:
2017
Type of investment:
Seed
Turnover growth:
80% (Feb 2018 to Feb 2019)
Employee growth:
19%

Company history

Ozow is an online payments gateway that enables instant payments on all smart mobile and desktop devices. Payments can be made at points of sale, online and as a service integrated into popular accounting systems.

The company has developed a proprietary system that automates electronic funds transfer (EFT) transactions. This method links to a customers' online banking profile to authorise a payment, instead of requiring additional registration or the need to download an app to make payments.

The attraction for merchants is the ability to quickly and securely process payments. Using Ozow, they also have greater clarity over transactions and increased ability to accurately reconcile their EFT payments. About 500-million manual EFT payments are made in South Africa every year. Manually reconciling these transactons can be cumbersome and error-prone.

The company has accelerated its growth and expansion plans following the injection of venture capital in 2017. Ozow is kicking this up a gear in 2020 as it rolls out its presence into eight African countries..

Transaction motivation

Ozow considers the rest of Africa to be its next big growth opportunity if it is to attain a dominant position in its sector. This requires capital to fund staff and operations in new territories. Company co-founder Thomas Pays predicts that the staff count, which has already nearly doubled since 2017 to 33 people, will double again by the end of 2020.

Ozow has the potential to dominate the instant EFT payments industry if it scales up rapidly enough. It has already won a patent for a one-click EFT payment method on a mobile phone.

"Our plan over the next five to 10 years is to cover all 54 countries in Africa."

- Thomas Pays, *co-founder*

The growth potential for the company is still considerable despite its impressive 2018 performance when it processed 90% of all EFTs for online purchases in SA.

Impact of the venture capital partnership

Ozow's partnership with Kalon Venture Partners extends well beyond the injection of capital to support its growth. Pays says this relationship has been a catalyst for growth and allowed it to prepare for its African expansion over the past two years.

The benefits of VC investment are numerous: head count grew from 18 to 33, it opened a second office in Cape Town, established a research and development department and is accessing new networks and potential clients. The impact has also been felt in better operational management, processes and governance that allow the business to operate more efficiently.

Social and environmental impact

Among the initiatives that Ozow undertakes to support local communities is its zero transaction-fee service to registered non-profit and non-governmental organisations. It offers the same deal to startup companies in their first year after signing up, on condition that they process less than R1m per month.

The company also supports Childhood Cancer Foundation South Africa by donating the R1 that users pay when trialling the service on the Ozow demo site.

The company is a level 2 B-BBEE contributor with the aim of achieving level 1 status. This goal is likely to be met following a new investment round that will be concluded soon.

The impact of investment funding in the business

Investments in portfolio companies are guided by the company's needs, the strategic opportunities and the potential return on investment. The contributions from investments are not limited to these factors and encompass a wide range of value that investors bring to a business.

Supporting Innovation

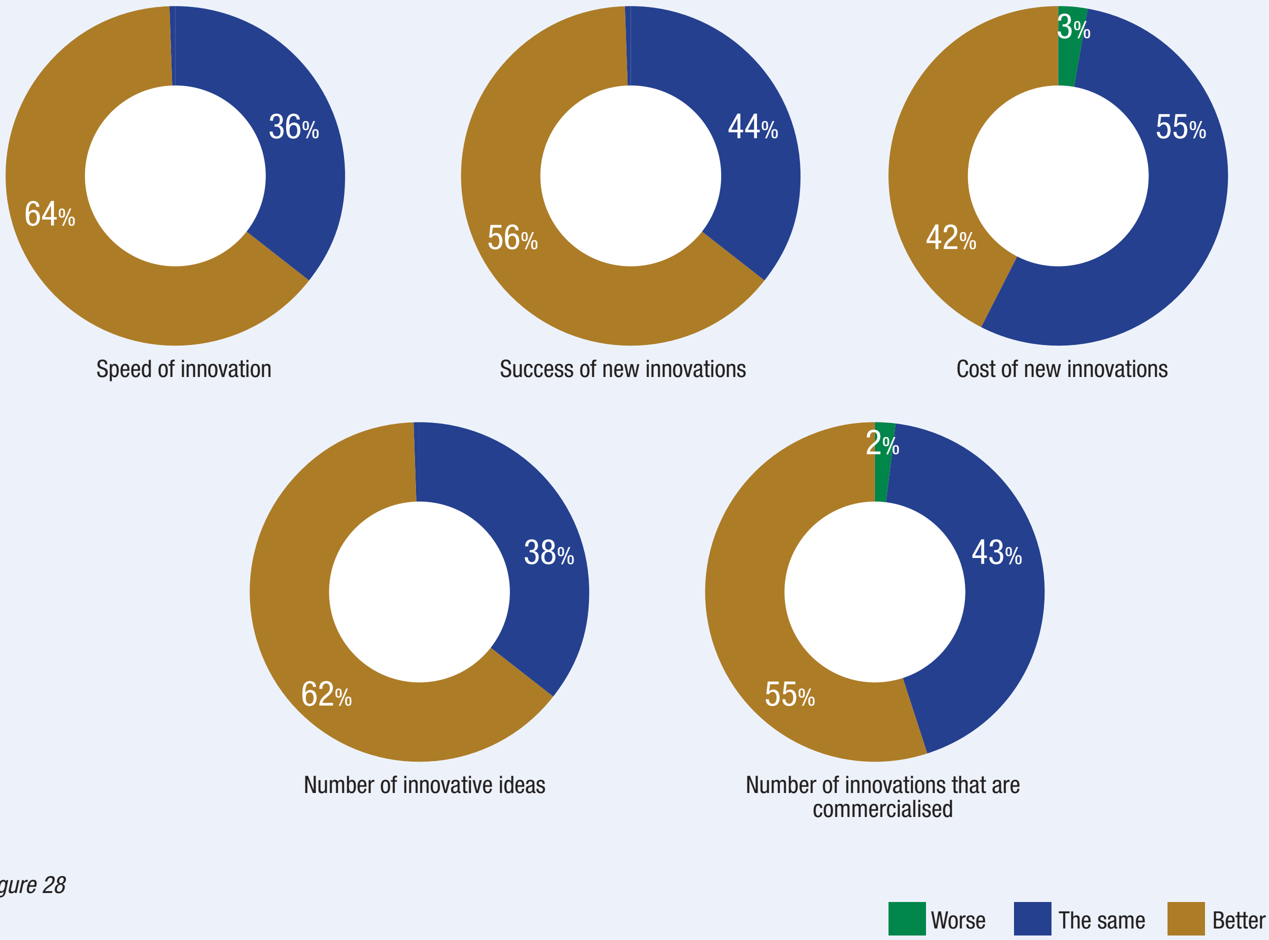


Figure 28

Q26. To what extent has investment played a role in innovation at your company in the following dimensions, when comparing pre- and post-investment periods? n=61

We delved deeper into innovation as we believe it's an extremely important competitive differentiator. Five detailed dimensions shed more light on the influence of investment on innovation: speed of innovation, success of new innovations, cost of new innovations, number of innovative ideas and the number of innovative ideas that are commercialised:

- In four of the five innovation dimensions, investment was seen to deliver better outcomes. Only in the cost of innovation did the majority of respondents (55%) report that the investment did not effect a change.
- Just under two thirds reported that the investment had increased both the speed of innovation (64%) and the number of innovative ideas (62%).
- In terms of success, the innovations at 56% of the respondents were more successful while none were worse off because of the investment.
- Importantly, the innovations went on to be commercialised at more than half (55%) of the investee companies.

How investments enabled faster growth

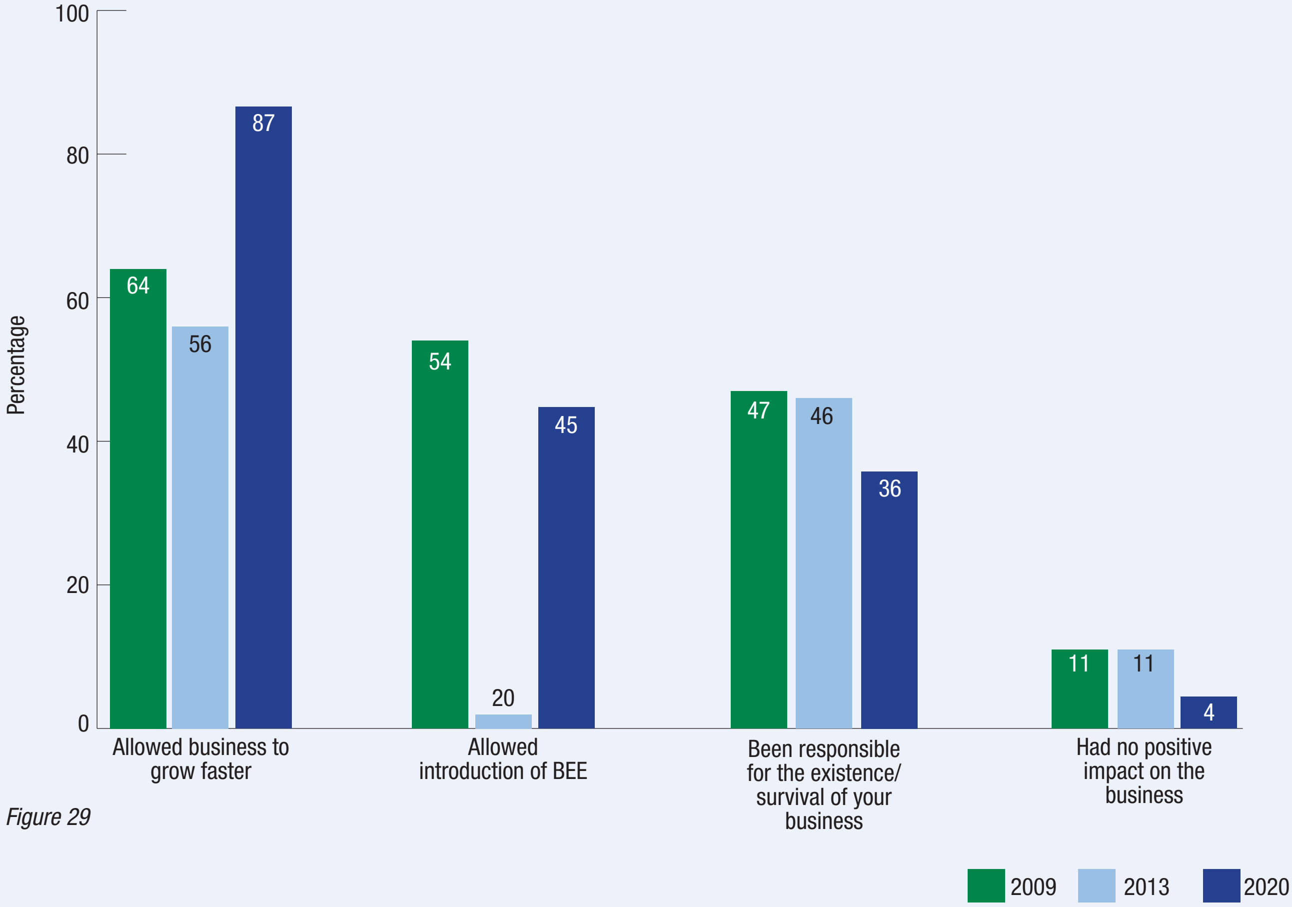


Figure 29

Q27. How has the venture capital/private equity investment made a difference to your business? (You can select more than one option) n=67

Findings from the three impact studies all indicate that the PE/VC investments enable companies to grow faster than they would have without it. This was particularly prevalent in the 2020 study in which 87% of respondents said that was the case, against 64% in 2009 and 56% in 2013 – the latter two still reflecting strong endorsement of the investment as a growth enabler.

The investments also boost BEE within companies – a factor that has had a resurgence this year, where it was introduced in 45% of the companies after dipping sharply in the 2003 study to 20%. This reinforces the findings in the section above on the impact of BEE.

Another important function that the investments serve is to ensure the survival of a company that may be struggling. While the number of companies where this was a factor dipped to 36% (from 46% and 47% in the earlier studies), this remains a vital element of PE/VC investments and contributes to overall economic growth by reducing the number of business failures.

Respondents in this study also pointed to numerous other significant achievements that were a direct result of the investment, including increased revenue, the development of human capital, penetration and access into international markets, product and service diversification, acquisition of patents and other miscellaneous developments favourable to business sustainability and growth as shown in Chapter 1.

Introduction of BEE by investment type

Through the lens of investment type, we are able to explore how PE/VC investments support the introduction of BEE into businesses. Of the 30 businesses that introduced BEE after the investment, 23% had received seed and early stage funding, 37% were given expansion and development capital and 40% were part of a buyout or buy-in deal. The overall result is that even for mature businesses in the latter two funding categories, PE/VC investments made a difference in their BEE compliance.

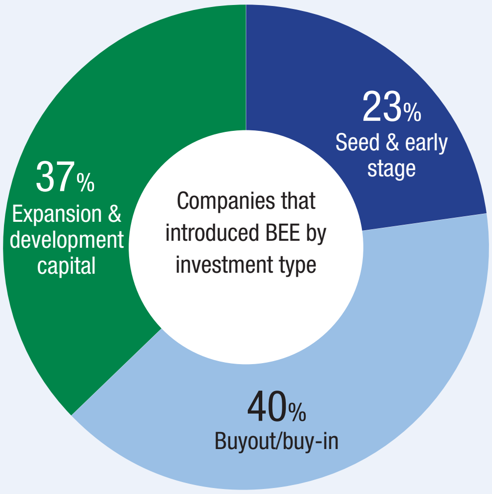


Figure 30

Q8. What type of investment was initially received?
Q27. How has the venture capital/private equity investment allowed for the introduction of BEE? n=30

Preference of investment over other forms of financing

Recipients of PE/VC investments are overwhelmingly positive about this form of funding with more than two thirds of businesses considered in this study preferring it over other forms of financing. Only 2% of those who believe the funding types are comparable preferred other forms of financing.

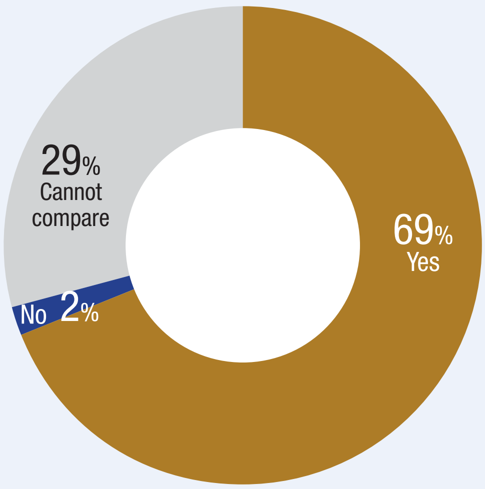


Figure 31

Q30. Is private equity or venture capital preferable to other forms of financing? n=48

Preference of investment over other forms of financing by investment stage

The figures show that recipients of seed capital or early stage funding are not as positive about PE/VC investments compared with other forms of financing as more mature businesses. Every recipient who said it was not preferable to other forms of finance (such as bank loans) was from a seed/early stage business – not one was from the other two categories.

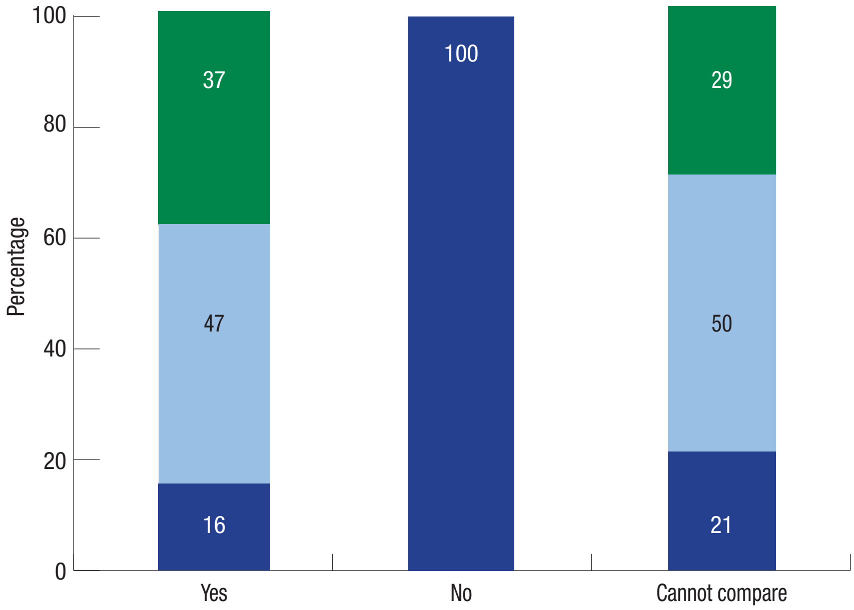


Figure 32

By stage of investment, is private equity or venture capital preferable to other forms of financing? n=47

Case study

***Fidelity:** PE investments over life of company fostered growth and facilitated BEE transaction*

Investment impact highlights

- Cash-in-transit and security business initially owned by Rennies
- Raised buyout capital from RMB Corvest enabling a management buyout
- Purchased Springbok Patrols owned by Bartmann family in 1997
- Underwent a BEE deal in 2006
- BEE restructuring and management buyout in 2012
- Acquired Protea Coin in 2015
- Acquired ADT in 2017

Key facts	
Website:	www.fidelitysecurity.co.za
Sector/Business focus:	Security services, specialised services, cash management solutions, armed response, asset tracking
Country:	South Africa
General Partner/investor:	RMB Corvest
Year of investment:	1990
Type of investment:	Initially growth then buy-out
Year of exit [if applicable]: growth:	Current
Enterprise value at time of investment:	R400m
Turnover:	R9.4bn (R10.6bn projected for 2020)
Turnover growth:	12.8% projected for 2020
Ebitda:	R1.2bn (adjusted, 2019)
Ebitda growth:	10% projected for 2020
Employees:	58,000
Employee growth:	3%

Company history

The company was founded more than 60 years ago and has always remained focused on its purpose to keep its clients safe. Having started out as a small cash-solutions services business, Fidelity is now Southern Africa's largest integrated security solutions provider. The company's strength lies in its exceptional leadership, comprehensive infrastructure and an aggressively proactive approach to staying at the forefront of the continually evolving security environment.

The business was formed because of a gap in the cash-in-transit security industry. A few years later the guarding business was launched and later acquired by the Rennies group, which it ran as a subsidiary until 1990. In 1990, RMB Corvest acquired a shareholding which it retains. The business today has evolved through acquisitions, restructuring and diversification.

In 1997, Fidelity Group acquired Springbok Patrols, which was started by the Bartmann family in 1957. This acquisition formed the backbone of the hybrid corporate structure between Rennies and Springbok Patrols. The management of Fidelity pursued a management buyout assisted by RMB Corvest, and that business traded successfully until 2006. At this point Fidelity had cemented its position in South Africa and had secured its own private equity structure and formed a BEE partnership. The business today is a combination of the corporate structure started by Rennies and the family business started by the Bartmann family.

Transaction motivation

RMB Corvest has a long-standing relationship with the business. It assisted in bringing in substantial black empowerment investment into the group and attaining a very strong level one BEE rating. RMB Corvest supported Fidelity with its diversification and acquisitions strategy. The investor took a substantial stake in the business and supported management.

Fidelity continued to affirm its position in the security sector with the acquisition of Protea Coin in 2015, which was funded through debt and private equity. Two years later, Fidelity's acquisition of ADT solidified the group's profit growth. At that point it had a turnover of just R5.5bn which was projected to escalate to R9.5bn at the close of its 2020 financial year.

With more than 160 integrated points of presence spread across South Africa, Namibia, Botswana, Zimbabwe, Swaziland and Zambia, Fidelity now manages a fleet of 4,142 vehicles. Notably, its strategic and successful transformation and BEE initiatives have made it South Africa's largest black-owned level one integrated security solutions provider. The security solutions

company boasts an exceptional leadership track record, attested by quarterly board meetings and a recent migration from King III standards to King IV.

Impact of the private equity partnership
Fidelity retains a strong focus on black empowerment and job creation is a big part of its business model. It employed more than 20,000 people in 2006 when the BEE deal was concluded and this figure has since grown to more than 58,000.

Fidelity runs more than 4,000 vehicles and as an eco-aware company, it has set out a vision for 2020 to cut down on emissions. The vision does not end at car emissions but includes recycling and planting of trees.

Fidelity has a corporate social investment approach through the Fidelity Foundation. This has a separate board, which focuses on sustainable education, training for women and self-development for people in disadvantaged communities. The dividends and profits flowing from its investment held by the trust are used to fund the foundation. In addition, the group has an enterprise development unit which deals with developing suppliers from previously disadvantaged backgrounds. Pertinent points of its social investments include:

- An environmental strategy with a company called Environmental Solutions
- Recycling and reducing vehicle emissions
- Tree planting
- Creation of a trust to train black female teachers

Fidelity has gone from strength to strength over its lifetime, entering new geographies and expanding and diversifying its service offerings to cover every aspect of security. It dominates the market with a large number of high-profile national contracts. Despite all this, the company still has a strong culture of family values which, combined with an aggressive entrepreneurial spirit and highly skilled and experienced management team, make for a winning combination.

Private equity was involved in each major point in the company's history. Financial Director Shaun Maharaj outlines the history:

"Fidelity was a business originally started 60 years ago by two individuals. That business was acquired by the Rennies Group which ran it as a subsidiary to 1990. At that point the management of Fidelity did a management buyout assisted by RMB Corvest. That business traded successfully up to 2006, then it restructured and unbundled."

Three things happened: "The cash in transit business and management team did their own private equity transaction and formed their own BEE partnership; so did the cleaning business. The security business raised funding through RMB Corvest and invited our own BEE partners. That's the business we see today which has evolved with numerous acquisitions, restructuring and diversification. Added to this, Springbok Patrols, started by the Bartmann family in 1957, was acquired in 1997. The business we see today as Fidelity Security Group is a hybrid of the corporate structure started by Rennies and the family business started by the Bartmann family." ■

"Family values combined with a highly skilled and experienced management team make for a winning combination."

*- **Shaun Maharaj,** Financial Director, Fidelity*

"Following the initial investment in Fidelity Guards in 1990, RMB Corvest has over the years been instrumental in assisting management to build the largest integrated security business in South Africa."

*- **Benka Nakos,** Executive RMB Corvest*

Case study

***AutoX:** Buyout from Altron provided great value and improved competitiveness*

Investment impact highlights

- Top line CAGR revenue growth since 2017 of 10%
- Improving efficiencies and volume growth has led to improved margins
- Export focus should maintain growth momentum

Key facts	
Website:	www.auto-x.co.za
Sector/Business focus:	Lead-acid battery manufacturer
Country:	South Africa
General Partner/investor:	Trinitas Private Equity
Year of investment:	2017
Type of investment:	Private equity
Investor shareholding:	80%
Year of exit (if applicable):	Current
Enterprise value at time of investment:	R280m
Turnover:	R1.2bn
Turnover growth:	10%
Employees:	656
Employee growth:	7%

Company history

AutoX is one of those companies one hardly ever hears of, even though its products literally power a large part of SA's economy. The company is a leading automotive lead acid battery manufacturer that produces brands such as Willard, SABAT and HiFase and also distributes VARTA batteries in SA. AutoX is also a distributor of industrial power systems.

Its history stretches back to 1954 when it was established as Willard Africa, before ending up in the Altron Group in 1981 as the Powertech Battery Group. The strategic realignment of the Altron group led to AutoX being bought out in a private equity deal in 2017, led by Trinitas Private Equity.

The company has delivered a solid performance since the buyout in difficult trading conditions. Double-digit revenue growth has been achieved through improving efficiencies, strategic capital and technology investments and a renewed focus on customer service and export growth. This was enhanced by a culture improving and upskilling employees. The company has a stable, long-serving workforce and is a people-orientated, values-driven organisation.

The rest of Africa is key to its growth strategy and AutoX appointed representatives in a growing number of countries who are delivering results.

Transaction motivation

The decision by Altron Group to shed non-core assets presented Trinitas Private Equity with the opportunity to take control of a significant business at a 52% discount to tangible net asset value. The partners believed there was considerable value to be extracted from a business that been operating as a non-core asset within a corporate behemoth.

The investment has allowed the business to improve margins and returns in a short period as inefficiencies were eliminated and new capital projects initiated.

Impact of the private equity partnership

AutoX has emerged as a more competitive business because of the buyout. It has benefited from greater efficiencies and the

implementation of new growth strategies. The private equity approach supports the longer-term strategic and sustainability objectives to enhance enterprise value and focus on the needs and strategies of the company.

Trinitas has supported capex investment of around R100m that has added value and improved operational efficiencies. This included the establishment of a R25m joint venture in a business that manufactures the battery plastic casings.

AutoX has also strengthened its relationship with Clarios, a global leader in lead acid batteries, to represent certain of its batteries, including the VARTA brand in SA and selected African countries.

One significant outcome of the private equity investment is the growth in employment numbers, which also included appointing all contract workers as permanent employees.

Social and environmental impact

AutoX supports many social initiatives including Reach for a Dream and Good Morning Angels. It is also the official sponsor of The Quadriplegic Society of South Africa, whereby it donates batteries for all its members' electric wheelchairs. The company also hosts an annual fun day for the society and its members.

In 2019, it launched the Willard Blue Limited Edition Battery campaign in support of ocean and marine life conservation to encourage recycling and highlight the threat that plastic poses to oceans. A portion of the proceeds was donated to promote this message and the company initiated and was actively involved in beach clean-ups. This campaign was on the back of previous campaigns such as the Willard Pink Limited Edition Battery in support of breast cancer, the Willard Rhino Limited Edition Battery in support of rhino conservation and the Willard Red Limited Edition Battery in support of blood donation.

AutoX achieved a level 3 BBBEE status in 2019, improving from its prior rating of a level 4. ■

"The growth in the business was not purely on the top line. We improved the business by improving efficiencies and focused on delivering better customer service as well as taking all our people with us on this journey. That allowed us to gain new customers and penetrate new markets."

*– **Glenn Geldenhuis**, CEO*

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Abbreviations, definitions and glossary

BEE
Black Economic Empowerment

B-BBEEE
Broad-Based Black Economic Empowerment

CEO
Chief Executive Officer

Ebitda
Earnings before interest, taxes, depreciation and amortisation

ESD
Enterprise and supplier development

EME
Exempt microenterprise

GE
Generic enterprise

GIIN
Global Impact Investment Network

MD
Managing Director

NPAT
Net profit after tax

PE
Private equity

SAVCA
Southern African Venture Capital and Private Equity Association

SED
Socioeconomic development

VC
Venture capital

QSE
Qualifying small enterprise

Notes

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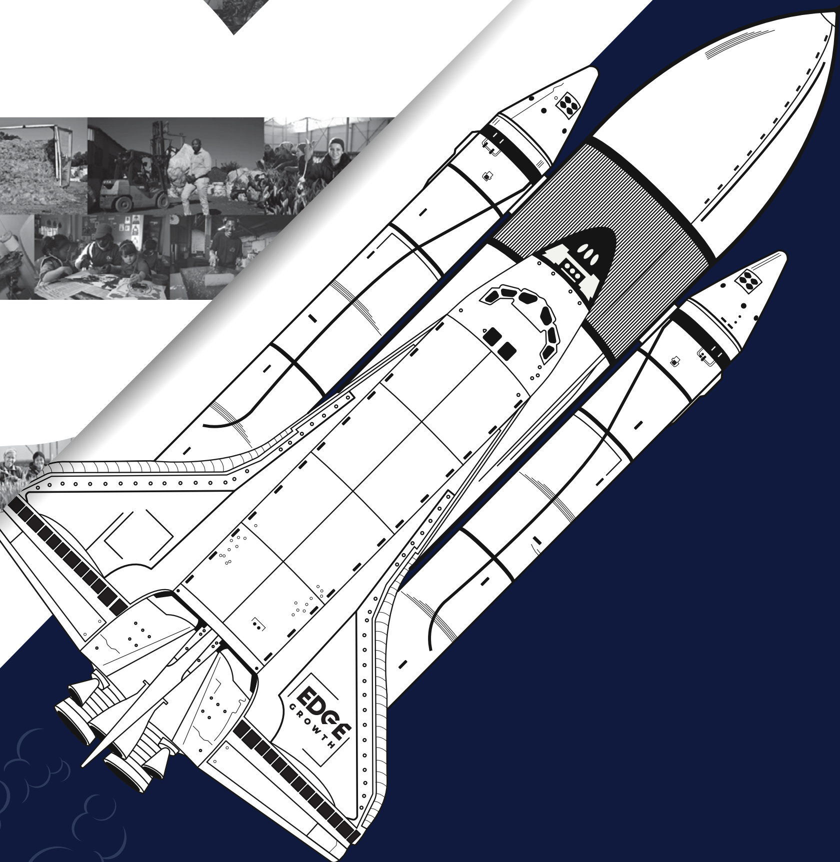
EDGE
GROWTH



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