

Catalyst

SA's quarterly Private Equity & Venture Capital magazine

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Returns in South African solar

FEATURE: Where Private Capital meets family ambition

Q3 deal activity

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Catalyst

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Where investable returns still live in South African solar

Willem Rautenbach and Lushano le Roux

The investment landscape for South African solar has evolved dramatically over the past decade, necessitating a relook at where returns are possible for investors.

Tariff compression, grid congestion and policy changes have shifted the centre of gravity away from price and toward execution, requiring investors to navigate transmission queues and increasingly complex offtake structures. However, with installed capacity expected to reach 12.2 gigawatts (GW) by 2030, expanding at a compound annual growth rate (CAGR) of 10.6%¹⁰ from 2025, the market remains an appealing investment prospect for those who can cut through the noise.



Rautenbach



Le Roux

(PPAs) at predictable tariffs through transparent auction processes, a structure robust enough to draw international capital. When Eskom stalled on signing Round 4 agreements in 2016, it exposed the vulnerability of the single-buyer model. Subsequent rounds became increasingly competitive, driving bid prices down from roughly R1,170 per megawatt-hour (MWh)² in Round 3 to between R420 and R490 per MWh¹ by Round 7. Margins tightened, and success began to favour players with strong balance sheets and proven execution track records.

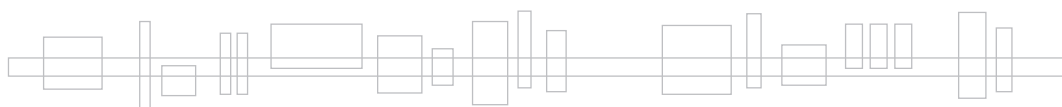
Policy liberalisation then opened the door to private and industrial offtake models, introducing flexibility, but also greater investment complexity. Diverse business models emerged, along with structural market shifts. Grid constraints, market liberalisation, curtailment risk, storage economics, and the rise of distributed generation are redefining the investment logic of the sector. Add policy developments to that mix, and investors have their hands full trying to find their next investment.

A changing market landscape: a brief history

In the early 2010s, the path to returns was more straightforward. Early Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) rounds offered government-backed power purchase agreements

1. Grid constraints determine growth

Transmission bottlenecks determine which projects proceed, with connection queues, substation upgrades and node-specific constraints gating development. In Round 7, despite over 10.2GW of bids submitted³, only projects with credible grid access advanced, and



the Minister of Electricity and Energy stated explicitly that the grid has become a binding concern.

Eskom's transmission approval process averages 24 months for connection studies⁴, while its historical build rate of approximately 300 kilometres (km) of transmission lines per year⁵ falls short of the 2,500 km required annually to meet system needs⁹. The National Transmission Company of South Africa was established as a separate subsidiary with a R112bn capital plan over five years⁶, and a mandate to integrate about 56 GW of new capacity between 2025 and 2034. That requires roughly 14,500 km of new lines and 210 transformers⁶, representing a fivefold increase over the previous decade.

Execution risk remains material, but projects with early queue positions, credible substation upgrade plans, and the balance sheet to post guarantees have measurable advantage. Grid access has become a source of competitive differentiation.

2. Liberalisation opens the market to opportunities and complexity

The removal of generation caps and the emergence of a wholesale market are changing contracting and trading dynamics, particularly in the Commercial and Industrial (C&I) segment, where monthly or pay-as-consumed structures are gaining ground. These models expand access and stimulate innovation in trading and retail, but they also shift risk allocation, and require more sophisticated diligence.

Eskom's contested trading positions and evolving relationship with private generators add friction. While some curtailment protocols have been clarified, the interplay between transmission control, market participation and regulatory oversight creates ongoing complexity that investors must navigate carefully.

Returns now accrue to platforms that can manage contracting risk, shape exposure operationally, and build portfolios across multiple offtake models.

3. Daytime oversupply compresses tariffs and elevates storage

Rapid PV buildout has depressed midday prices in several regions, and curtailment (forced output reduction to protect grid stability) is being used to manage scarce transmission capacity. Revenue depends on shaping output to match demand curves and grid availability, not just contracted MWh pricing. REIPPPP Round 7 introduced a 10% curtailment cap⁴, replacing uncapped rights from earlier rounds, which creates bounded but material revenue risk that must be priced accurately.

Subsequently, batteries have become increasingly important. At grid scale, they stabilise supply and allow producers to dispatch when prices are higher, while in C&I installations, they mitigate curtailment exposure, optimise time-of-use tariffs, and provide backup during outages. Battery Energy Storage Round two showed 35% price compression versus Round 1¹, signalling both improving economics and rising competition.

Conservative models should assume realistic depth-of-discharge parameters, and account for augmentation typically required at year 8 to 10. Investors need to interrogate cycling regimes, degradation assumptions, augmentation plans, warranty coverage, and replacement cost pathways, because projects that treat storage as an afterthought carry downside risk.

4. Distributed generation remains a growth outlet

Behind-the-meter solar expanded rapidly, with installed private capacity climbing from roughly



2.26GW in 2022 to about 7.3GW in 2024⁷, a 220% increase over just two years.

Momentum slowed in 2024 as load-shedding eased and regulatory clarity lagged, with new project volumes down 60 to 80% year-on-year⁸.

Despite this slowdown, distributed generation remains compelling for equity because project cycles are short, exposure to Eskom's grid congestion is limited, and customers value the resilience premium that reliable onsite power provides. Individual assets generate modest returns, but portfolio speed and efficient origination can deliver strong risk-adjusted outcomes.

Municipal feed-in tariffs, now active in roughly 80 to 100 of South Africa's 257 municipalities⁸, allow surplus electricity to be sold back into the grid, creating an additional revenue stream that shortens payback periods and stabilises cash flow. Municipalities that formalise and standardise these tariffs represent the next frontier for scalable distributed portfolios.

Policy and market signals to watch

Supply and demand trends are not the only market forces at play here: investors must also take notice of the latest policy changes, which promise to impact the market even further.

■ Private transmission opening:

Government has introduced Independent Transmission Projects to allow private participation in grid expansion. Seven pilot schemes, covering about 1,164 km in the Northern Cape, North West and Gauteng are planned, with pre-qualification expected by July 2025⁹. If successful, this model could unlock stalled nodes and ease grid congestion; if not, grid scarcity will continue to limit new project growth.

■ Market design and regulatory reform:

The Renewable Energy Masterplan is beginning to give South Africa's power sector a clearer industrial and infrastructure direction. Efforts to formalise private participation and develop a wholesale electricity market could improve liquidity and project bankability over time. However, overlapping mandates and regulatory disputes show that reform remains uneven. Investors should structure deals to remain profitable under current rules, but flexible enough to benefit as reforms mature.

■ Municipal frameworks for distributed generation:

Local regulation will be decisive for the growth of commercial and residential solar models, such as solar-as-a-service and rent-to-own. Standardised tariffs, streamlined approval processes, and stable wheeling frameworks are essential to attract private capital. While regulation is still fragmented, a growing number of municipalities are setting early examples of how coherent local policy can drive replicable and bankable investment opportunities.

What this means for capital allocation

Returns no longer flow from favourable tariffs or cheap capital. They now accumulate to platforms that have developed three specific capabilities: (1) securing early grid queue positions and maintaining relationships with Eskom and NTCSA to navigate transmission approvals, (2) managing battery dispatch optimisation and degradation across asset lifecycles, rather than treating storage as passive equipment, and (3) structuring portfolios across multiple offtake models while maintaining construction discipline when grid capacity constrains.

Most developers lack one or more of these capabilities. Grid queues are long because



projects enter without credible substation upgrade plans or balance sheets to fund connection guarantees. Storage is being added to meet bankability requirements, but without in-house expertise to optimise dispatch strategies or manage augmentation economics. This capability gap creates genuine selection opportunity in what appears to be a crowded market.

For investors, this means evolving the diligence process. The critical questions become:

- Does the target have existing queue positions at substations with identified upgrade pathways?
- Have they successfully connected projects to constrained nodes before?
- Do they have in-house storage expertise to optimise dispatch and manage degradation proactively?
- Can they demonstrate discipline to slow deployment when grid capacity constrains?

Portfolio construction should favour concentrated positions in platforms with proven execution capability over diversified exposure

across earlier-stage developers. Execution capability is now the dominant success factor, and it's not evenly distributed.

Where returns live

South African solar is still investable, but it has become more selective. Returns are concentrated in platforms that can manage grid access, integrate storage effectively, and navigate contracting complexity.

The investors who will outperform are those who recognise that complexity creates advantage for platforms with genuine capability. Strong returns remain, but they belong to investors who can distinguish platforms that execute from those that merely promise to do so. That distinction requires rigorous operational diligence, and making that investment in due diligence capability creates an edge. ♦

Rautenbach is Vice-President and Le Roux is an Associate | Singular Advisory Africa



- ¹ Solar Wins South Africa's REIPPPP 7 Renewable Energy Auction, TaiyangNews (<https://taiyangnews.info/markets/south-africa-announces-preferred-bidders-reipp-7>)
- ² 2023 Large-Scale Renewable Energy Market Intelligence Report, GreenCape (https://greencape.co.za/wp-content/uploads/2023/04/RENEWABLE_ENERGY_MIR_2023_DIGITAL_SINGLES.pdf?utm_source)
- ³ REIPPPP: Grid challenges in SA limit rollout of new energy projects, ESI Africa (<https://www.esi-africa.com/renewable-energy/reipp-pp-grid-challenges-in-sa-limit-rollout-of-new-energy-projects/>)
- ⁴ Eskom clarifies the issue of "curtailment" for IPPs, CDH (<https://www.cliffedekkerhofmeyr.com/news/publications/2024/Practice/Corporate/corporate-commercial-alert-20-march-eskom-clarifies-the-issue-of-curtailment-for-ipp-pp>)
- ⁵ Eskom needs the private sector to help with its R200 billion load shedding problem, BusinessTech (<https://businesstech.co.za/news/energy/768586/eskom-needs-the-private-sector-to-help-with-its-r200-billion-load-shedding-problem/#:~:text=Eskom%20Chairperson%20Mteto%20Nyati%20said,service%20from%20the%20inside%20out.>)
- ⁶ NTCSA targets 'five-fold' infrastructure delivery expansion over next decade, Energize (<https://www.energize.co.za/article/ntcsa-targets-five-fold-infrastructure-delivery-expansion-over-next-decade>)
- ⁷ Rooftop solar, now at 7 300MW, overtakes all Eskom's IPP capacity, Moneyweb (<https://www.moneyweb.co.za/news/south-africa/rooftop-solar-now-at-7-300mw-overtakes-all-eskom-ipp-capacity/>)
- ⁸ Rooftop solar expected to rebound in 2025, Energize (<https://www.energize.co.za/article/rooftop-solar-expected-to-rebound-in-2025>)
- ⁹ South Africa Takes a Decisive Step Towards Private Investment in Power Grid Expansion, Africa Digest News (<https://africaenergynews.co.ke/south-africa-takes-a-decisive-step-towards-private-investment-in-power-grid-expansion/amp/>)
- ¹⁰ Solar Energy in South Africa Market Size & Share Analysis - Growth Trends & Forecasts (2025 - 2030) (<https://www.mordorintelligence.com/industry-reports/south-africa-solar-energy-market>)



Catalyst snippets

2025

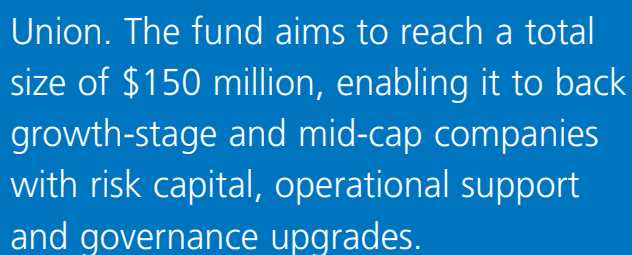
Climate Fund Managers (CFM), a climate-focused blended finance investment manager, closed its second blended finance facility, Climate Investor Two (C12), at R18 billion (US\$1,06 billion). The October close also marked the introduction of a Bridge-to-Bond mechanism, facilitated by CFM's partner, Sanlam Investments. The facilities structure includes a bridge loan from Sanlam Alternative Investments, supported by a guarantee from the European Commission. The mechanism creates a pathway for fixed income markets to access CI2's underlying asset base.

In October, Accion announced the final close of a US\$61,6 million fund, which will invest in early-stage fintech companies meeting the needs of financially underserved people globally. Accion Venture Lab Fund II builds on a decade-long investment strategy focused on delivering social and financial objectives through early-stage venture capital investments. The fund closed with commitments from both existing and new investors, including commercial and impact asset managers, development finance institutions,

foundations, family offices, and strategic financial service companies. Limited Partners in the fund include the Dutch Entrepreneurial Development Bank FMO, Proparco, ImpactAssets, Ford Foundation, MetLife and Mastercard.

Africa-focused alternative asset manager Enko Capital, with US\$1,3 billion in assets under management, announced the first close of its impact focused private credit strategy in October. It raised \$100 million toward its target of \$150 million at final close, with a hard cap of \$200 million. Investors in the first close included British International Investment (BII), the UK's development finance institution; IFC, a member of the World Bank Group; SICOM Global Fund Limited; one of Africa's leading asset managers and a European impact investor, alongside African pension funds and family offices.

The European Investment Bank is to invest US\$38 million in Tanmiya Capital Ventures Fund II, a private equity vehicle aimed at strengthening Egypt's private sector, while enhancing trade and investment links with the European



In September, 27four launched LoanChomi, a national township-linked economy fund aligned with South Africa's priorities for inclusive growth, job creation and broader economic participation. Structured as a blended-finance vehicle, the fund mobilises both institutional and retail investment to provide catalytic, fit-for-purpose finance and targeted enterprise support that helps scale-ready and growth-stage businesses to expand production capacity, deepen localisation, and integrate into competitive value chains. The mandate places deliberate emphasis on black women- and youth-owned enterprises, with a clear focus on delivering return on investment and impact, translating growth into work opportunities and measurable socio-economic outcomes alongside commercial performance.

Alliance for Green Infrastructure in
Africa Project Development Fund

(AGIA-PD), a fund managed by Africa50, announced in August the first close at US\$118 million, marking a major milestone in accelerating the delivery of green infrastructure across the continent. The fund aims to bring together public, commercial, and philanthropic capital to unlock early-stage investment for transformative, climate-resilient projects in Africa. AGIA's first close attracted leading investors, including the African Development Bank, the German Development Cooperation through KfW, the West African Development Bank, the UK's Foreign, Commonwealth & Development Office, the Soros Economic Development Fund and the African Climate Foundation.

In July, venture capital firm HAVAIC announced the second close of its US\$50 million African Innovation Fund 3. Supported by financial services group Sanlam Multi-Manager, and with follow-on investments from cornerstone investors Fireball Capital and the SA SME Fund, the fund secured \$25 million in commitments. The second close coincides with the fund's latest investments into SAPay, and a follow-on investment into Sportable. ♦



Aligning Futures

Where Private Capital meets family ambition

An exclusive event designed to foster dialogue and collaboration at the critical intersection of private capital and family enterprise.

In today's dynamic landscape, the unique opportunities and complex considerations where these worlds meet demand focused attention.

Date Held: Wednesday 10 September 2025

Venue: The Venue Green Park



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The Agenda

Time	Type	Topic	Speakers
08:00–09:00	Arrival and registration		
09:00–09:15	Welcome	<i>Opening Remarks</i>	John Bellew, Bowmans
09:15–10:15	Panel discussion	The rise of African private capital in family-driven businesses. <i>Drivers and enablers for private capital investment, including private credit, venture capital and private equity</i>	Panellists: 1. Gomolemo Mangwathe, Zazi Capital 2. Ulrike Naumann, Bowmans 3. Arnold van Wyk, Standard Bank Investment Banking Moderator: Anthony McCardle, Benchmark International
10:00–10:30	Tea break		
10:30–11:15	Panel discussion	Capital & Legacy: Navigating successful private equity exits in Africa. <i>Transitioning to new ownership and beyond - the good, the bad and the ugly</i>	Panellists: 1. Gift Pule, Sanlam Private Equity 2. John Loubser, Benchmark International 3. Susi Astengo, Coach Matching 4. Jamie Surkont, Getworth Moderator: Joshua Janks, Bowmans
11:15–12:00	Keynote address		JJ Njeke
12:00–13:00	Lunch		
13:00–13:45	Panel discussion	Progress in a time of uncertainty - AI and trade winds <i>Current trends and impact on M&A and investment</i>	Panellists: 1. Martin Hopkins, Bowmans 2. Gys Kappers, Catalyst Digital Fund 3. Arie Maree, Ansarada 4. Warren Chetty, Boston Consulting Group Moderator: Samir Ellary, Bowmans
13:45–14:00	Closing		Andre Bresler, Benchmark

Aligning Futures

Where Private Capital meets family ambition

FOREWORD

The Aligning Futures initiative was designed to bring together family business owners, private equity professionals, and institutional investors to explore how private capital can align with family ambition in Africa. The forum sought to bridge the gap between investors seeking opportunity and families pursuing growth, legacy, and sustainable value creation.

Across the continent, the modern family office is evolving beyond a traditional focus on wealth preservation. Today's emphasis lies in strategic capital allocation, driven by technology, data

insights, and a deeper understanding of Africa's unique market dynamics, regulatory frameworks, and government-supported initiatives.

By fostering dialogue among legal, financial, and entrepreneurial leaders, the forum delivered practical insights into structuring transactions, navigating successful exits, and shaping the next chapter of Africa's business landscape, one where private capital and family ambition move forward in alignment.

Marylou Greig | DealMakers

WELCOME - John Bellew, *Bowmans*

John Bellew is a leading voice in the world of pan-African private capital, including fund formation, mergers and acquisitions, management arrangements and acquisition finance. His expertise extends to public market mergers, acquisitions and listings, and he has led a number of take-private transactions.

John has advised prominent South African and international private equity houses on some of the largest private equity transactions undertaken in the South African and broader African markets. He has represented private equity borrowers and high yield lenders and has formed numerous private equity funds with a focus on South and Sub-Saharan Africa. On behalf of the South African industry body SAVCA, he has been involved in various lobbying activities, especially in regard to pension fund participation in private equity funds, taxation and exchange control.



KEY NOTE SPEAKER - JJ Njeke

JJ Njeke is a seasoned business leader with over 30 years of experience spanning investment, advisory and executive leadership in South Africa's corporate landscape. A former Partner at PwC and co-founder of Kagiso Trust Investments, JJ helped shape one of the country's most respected investment firms. He has served on the boards of several JSE-listed companies, including ArcelorMittal South Africa, Metropolitan, Momentum, MTN, Resilient and Sasol, and currently chairs both the Clicks Group and Motus, while serving as a non-executive director of Datatec.



CLOSING - Andre Bresler, *Benchmark International*

Andre Bresler, Managing Partner of Benchmark International South Africa, began his career as a mechanical engineer at AECL before spending 15 years starting, buying, and selling engineering businesses. After exiting his last venture in 2007, he shifted focus to business rescue and M&A, drawing on firsthand experience as an entrepreneur, acquirer, and investor. Over the years, he has authored and presented on innovation, commercialisation, and business sales across four continents. Andre has built strong global relationships with corporates, private equity, and family offices, helping clients unlock maximum value and achieve successful exits through Benchmark International's unique process.



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The rise of African private capital in family-driven businesses.

Moderator: **Anthony McCardle**, *Benchmark International*

Anthony McCardle has over 13 years of experience in the M&A industry, covering the full spectrum of sell-side advisory activities. He has developed bespoke marketing materials, supported businesses in their preparation-for-sale phase, and managed live-to-market processes, including direct client and prospect interactions.

These hands-on experiences have equipped him with the expertise to engage effectively with business owners considering a sale. Anthony focuses on communicating the benefits, risks and realities of the process, while highlighting the rewards of partnering with Benchmark International as their chosen sell-side adviser.



Gomolemo Mangwathe, *Zazi Capital*

Gomolemo Mangwathe has been an investment banker for 13 years, and has worked in real estate banking, real estate private equity, and leveraged finance in both South Africa and West Africa.

Prior to joining Zazi Capital, Gomolemo held roles as a credit analyst, investment manager, and transactor. He has built strong relationships with numerous family offices, entrepreneurs and founders.

In his free time, Gomolemo enjoys spending time with his family, watching all kinds of sports, and serving in his local church.



Ulrike Naumann, *Bowmans*

Ulrike Naumann, head of the South African Finance Practice at Bowmans, is a highly-regarded African finance lawyer with extensive expertise in a broad range of private capital transactions, including those involving private equity firms, family offices, and family-owned businesses.

She advises on complex debt restructurings and leveraged buyouts, with a deep understanding of the full spectrum of financing instruments, from syndicated lending to more specialised areas like structured finance and private credit.



Arnold van Wyk, *Standard Bank Investment Banking*

Arnold van Wyk is the Head of Equity Investments for Standard Bank South Africa. In this role, he leads the team responsible for providing tailored equity-investment solutions including mezzanine financing and fund-facility structures to growth-oriented businesses across Africa.

Prior to this, he has held senior roles in corporate and investment banking, giving him deep experience in originating and executing complex funding transactions in emerging markets.

Arnold holds professional credentials in finance, and has developed a strong reputation for bridging local deal-flow with international capital markets through Standard Bank's pan-African footprint.



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Where Private Capital meets family ambition



South Africa is experiencing a surge of interest and investment in family businesses

Ulrike Naumann is Head of the General Finance Practice |
Bowmans (Johannesburg)



The role of private capital in financing family business

South African family businesses are experiencing a surge of investment interest from private capital providers, including private creditors, private equity, and venture capital firms. This is largely because of the success of family businesses in the past 30 years, their increasing sophistication, and the significant wealth they've generated.

Many family business owners are now at the point where they are ready for the intergenerational transfer of wealth, pointing to a growing role for private capital investors.

If external capital is required, family businesses will need to assess who to partner with, and what their preferred capital structure should look like.

There is a 'natural tension' that tends to exist between private capital and family businesses. While both can gain from an investment relationship, especially a compatible partnership, their objectives may also be at odds in some respects.

Areas of common ground and divergence

An area of potential common ground and mutual advantage is that private capital providers typically offer family businesses the benefit of flexibility in financing terms.

Private debt providers may be able to offer longer tenors, capital payment holidays and interest rollovers, and less stringent financial covenants than traditional lenders. This is because private equity providers are able to structure their investments through different instruments, including ordinary shares, preference shares, convertible loans, and other structured investment instruments.

In addition, private capital providers may have a higher risk appetite than traditional financial institutions, bearing in mind that there is a direct correlation between the higher risk and the return expectations by private credit providers.

This is a price that some family businesses are prepared to pay for the flexibility of having funding tailored to their needs, strategies and timelines, which are often geared towards leaving a legacy and creating 'forever money' for future generations.

On the other hand, private capital providers may require family businesses to relinquish some of the control they have over their companies, which could entail giving up some of their equity.

Private capital providers may also have reservations about aspects of the family businesses they consider investing in, such as their governance and management structures, which may be less rigorous than they require.

Private investors may be flexible and less risk-averse than traditional lenders, but their objective is to increase the value of their investments, which may call for more structured, formalised governance, management processes and reporting practices than are currently in place.

Investable and lendable

To find strong partners and make family businesses as attractive as possible to investors, business owners should assess the readiness of their entities to go out and raise capital. Strategic readiness is essential before engaging with private capital providers. This means having a clear business plan and a well-defined strategy, including clarity on whether they want future growth to come from acquisitions or internal growth. Family businesses should also ensure that they formalise their governance structures, policies and procedures, develop strong reporting systems, and prepare management for the transition from being a family business to a business with a third-party investor in place. Professional advice is usually helpful in this regard.

When looking for a partner, they may seek those with a natural fit with the business, such as experience in the same sector, presence in industry networks, and expertise that can be tapped into. The right fit also means matching what the partner can offer with the requirements of the business. For example, a family business should not approach a bank if it requires flexible financing terms. Similarly, if it wants to maintain control over its equity, a private equity firm might not be what it's looking for.

When exploring the market and reaching out to potential investors, business owners should ensure that the negotiating team includes people who actually run the business. Investors are often more interested in meeting a hands-on team than dealmakers.

Finally, business owners should be aware that private investors will look beyond the visible elements of the business, such as financial results, to how the owner responds to stressors, such as a period of low or no growth.

Last word

Depending on its commercial needs, a business may well attract numerous types of capital, including private equity, private credit, and traditional bank loans. These forms of financing should therefore not be seen as exclusive, but can be brought together in a well-considered capital structure. ■

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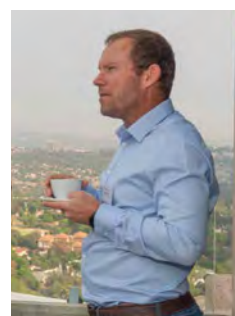
Where Private Capital meets family ambition



“ What was your biggest takeaway from the event?
Ethical fund raising and networking platforms still exist. ”



“ What was your biggest takeaway from the event?
There is more private capital available to grow SMEs than I believed. ”



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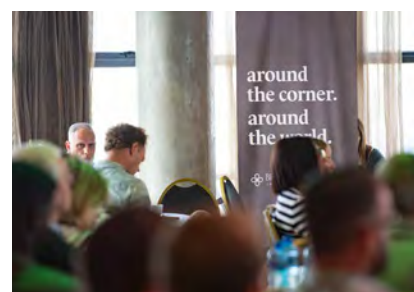
Where Private Capital meets family ambition



“ What was your biggest takeaway from the event?
Private Capital is gaining a lot of ground in RSA. ”



“ What was your biggest takeaway from the event?
Realising that I am not alone! ”



Aligning Futures

Where Private Capital meets family ambition



Capital & Legacy: Navigating successful Private Equity exits in Africa.

Moderator: **Joshua Janks**, *Bowmans*

Joshua Janks, a partner in the M&A and Private Equity practices at Bowmans, helps businesses grow by combining his transactional expertise with deep industry knowledge. He works with a range of clients, including private equity firms, family offices, and venture capital funds, and is particularly focused on the FinTech and Renewables sectors. As an expert in M&A, finance transactions, and fund formations, he is well-known for his cross-border work in Africa, where he delivers forward-thinking and practical advice.



Gift Pule, *Sanlam Private Equity*

Dr Gift Pule is a Senior Principal at Sanlam Private Equity (SPE), having joined the firm in 2020. He has over 10 years' investment experience, gained as an Investment Analyst at Value Capital Partners (VCP) – an activist shareholder firm in several JSE-listed companies – and at Allan Gray (Pty) Ltd, one of the leading asset management firms in South Africa. Gift holds an MBA, and a Doctoral degree in Medicine from the University of Cape Town. He served his Doctoral fellowship at Baylor College of Medicine in Houston, Texas.



John Loubser, *Benchmark International*

John Loubser completed his BCom in Economics and Law, and a postgraduate LLB at the University of Cape Town, followed by an MPhil in Corporate Strategy at the Gordon Institute of Business Science. His career spans diverse areas of corporate finance, including cross-border acquisitions, private and public M&A, and upstream and downstream private equity. He has also worked extensively on project finance and general financial transactions. This broad experience has equipped John with strong strategic insight and transactional expertise, enabling him to advise clients effectively across complex deal structures and international markets.



Susi Astengo, *Coachmatching*

Susi Astengo spent 10 years as an International Management Consultant based in London, working across 37 countries around the world. She moved to South Africa in 2003, working for Deloitte. After seven months' market research into the coaching industry in 2007, Susi founded Coachmatching in 2008. She has been published in Business Day and other professional broadsheets, and received a number of awards. She was named Business Woman of the Year in the entrepreneurial category in 2016, and acclaimed for her work as a Woman in Technology in 2024, having built a world class platform for the coaching industry. Susi is a cancer survivor, a single mother of a 21 year old son, and a published author. Susi sold her business in early 2025, with the assistance of Benchmark International.



Jamie Surkont, *Getworth*

Jamie Surkont is a seasoned CEO, entrepreneur and strategist, with over two decades of experience building and optimising businesses. A natural problem-solver from a family of entrepreneurs, he has started multiple businesses some that succeeded and others that didn't. As the co-founder of GetWorth, he led the tech-driven automotive company from its inception to over R600 million in turnover. He's known for navigating complex challenges, from negotiating a R10 billion multinational transport contract to fixing an international investor's business, operating in a turbulent socio-political environment.



Aligning Futures

Where Private Capital meets family ambition



Why exiting a family business is something to think about early on

Joshua Janks, Partner in the Private Equity Practice |
Bowmans (Cape Town)



For any founder, exiting their family-owned business can be a scary and emotional decision, but may be crucial to the sustainability and legacy of the business. Being deliberate about working towards an exit can help manage those issues and maximise outcomes for the owners.

A family business is for life and, hopefully, for the lives of that family's future generations. This is the intention of many founders of such businesses, who seldom imagine when they start out on their own that taking on a partner or exiting completely might one day be a possibility.

Private capital providers, on the other hand, are thinking about their exit strategy even before they sign the contract to invest in a business. Their aim in buying into an enterprise is invariably to build an even more successful business that can fetch the best possible return, five to seven years down the line.

But these approaches might not be as incompatible as they initially seem.

Being the founder of a business has been described as one of the loneliest jobs in the world. Founders often lack a trusted sounding board, and work exceptionally hard, causing fatigue. Alternatively, the vision of passing the business on to the next generation may dissipate if young family members pursue other career directions, decide to emigrate, or are simply uninterested in taking over.

In South Africa, only 30% of family businesses become second-generation businesses, and only 12% become third-generation enterprises.

A partner could be exactly what a business needs to enjoy a new lease on life and resolve the 'energy crisis' that some founders experience after many years at the helm. The right partner can bring in fresh energy and ideas, along with access to capital, networks and skills.

Is it only about the money?

The question is, will a new partner feel the same passion for the business as the founder has, or will they only care about the money?

The answer is that the right partner can do both – care about the business and focus on making it as economically valuable as possible – provided the business is already in decent shape.

At the Family Business event, we explored success strategies around finding the right partner to take an equity stake or buy the business outright.

Here are some of the points made during the discussion:

- A 'clean' business is a sellable business; i.e., a business with effective governance and management structures, good contract management, proper record keeping, and compliance with applicable laws and regulations, among other things.
- The business may have had these qualities all along, arguably because the founder adopted the mindset from the outset that they were building a company to exit. This mindset, if it has been translated into practice, can significantly increase the value of the business if and when the time comes to sell it.
- However, if there are shortcomings, it is imperative to disclose these to the potential buyer early on. Trust is critical in any deal, and private capital providers will almost certainly walk away if they feel important issues have been withheld.
- Many founders see their company as their 'baby', and have a strong emotional attachment to it. Understandably, revealing their child, warts and all, to an outside party can cause fear and anxiety. This is why it is so important to seek a buyer who will share the founder's vision and excitement for the business, be aware of the problem areas, if any, and still choose to invest. Interestingly, potential buyers are often more likely to be interested in a business whose owner is passionate about it.
- Do not underestimate the importance of strategic and cultural alignment between the founder and potential buyer. The right buyer should share the founder's values and culture, be excited about the business, understand the industry and its challenges, and bring in expertise the company currently lacks. Even the most successful and knowledgeable business owner has blind spots that the right partner can help to fill.

Finally, the earlier a founder starts to think about a future exit, the better for the business and its potential saleability – even if the founder has no intention of exiting right now. ■

Aligning Futures

Where Private Capital meets family ambition



“

How has this event added value to you/your business?

I believe/hope it will in future. It added value in terms of being able to meet representatives of

private capital and family-offices.

And all the plans which I had and had to park/put on hold, could become an opportunity again.

”



“

How has this event added value to you/your business?

I've realised the true value of venture capital

”



Aligning Futures

Where Private Capital meets family ambition



“

How has this event added value to you/your business?

We expanded our network and gained affirmation of the journey we are on, as well as other perspectives from the industry.

”



“

How has this event added value to you/your business?

It has provided ideas about growth and exit solutions.

”



Aligning Futures

Where Private Capital meets family ambition

Progress in a time of uncertainty - AI and trade winds

Moderator: **Samir Ellary**, *Bowmans*

Samir Ellary, a partner in the Tax Practice at Bowmans, has more than 13 years of experience in corporate tax. He brings specific expertise in advising private equity firms and family offices on a range of matters, including corporate restructuring, and mergers and acquisitions. Samir is known for his work in structuring and implementing large Black Economic Empowerment (BEE) transactions and the establishment of BEE trust vehicles.



Martin Hopkins, *Bowmans*

Martin Hopkins is the Head of Reward Advisory Services at Bowmans, specialising in executive remuneration and compensation matters for companies, including family-owned businesses and family offices. With a background in applied mathematics and computer science, he helps boards and committees design and implement effective strategies for performance management and reward. A respected expert in his field, Martin has served as President of the South African Reward Association (SARA), and is a member of the Institute of Directors Remuneration Committee Forum.



Arie Maree, *Ansarada*

Arie Maree leads growth for Ansarada across Africa and the Middle East, helping businesses streamline M&A and Corporate Development processes with digital solutions. He brings deep experience from prior roles at Deloitte, and a strong focus on deal readiness in emerging markets.



Warren Chetty, *Boston Consulting Group*

Warren Chetty is a Managing Director & Partner at Boston Consulting Group (BCG), where he leads the Principal Investors & Private Equity (PIPE) Practice across Africa. He works with leading African and global investors on their investments across the continent, spanning investment and fund strategy, commercial due diligence, and post-acquisition value creation.

Warren has supported transactions across a wide range of sectors and geographies in Africa, and is deeply passionate about the growth of the private capital industry on the continent. He is committed to helping investors unlock both commercial success and long-term impact, and to building the ecosystems that will enable private capital to play an even greater role in Africa's development story.



Gys Kappers, *Catalyst Digital Fund*

Gys Kappers is a straight-talking CEO founder and systems thinker, who has spent 25+ years building and transforming manufacturing and technology businesses across Africa, Europe and the US. A former CEO of DataProphet and founder of Wyzetalk, he's led AI driven operational turnarounds, scaled frontline engagement platforms to nearly a million users, and previously built Africa's largest privately owned concrete masonry group with 19 factories, deploying OEE and world class manufacturing. Known for joining dots and telling stories that move teams to act, Gys is a ferocious reader with an acerbic sense of humour—a sceptic who loves evidence and refuses fluff. Today, he focuses on industrial transformations that cut scrap, energy and carbon while lifting throughput, and is pursuing doctoral research on how AI and Kaizen improve family owned manufacturers. A YPOer and pay it forward evangelist, he builds high trust teams, lasting partnerships and narratives that get results.



Aligning Futures

Where Private Capital meets family ambition

Private equity transactions, mergers and acquisitions are on an upward curve as investors take the long view

Samir Ellary is a Tax Partner | Bowmans (Johannesburg)



Despite difficult market conditions, opportunities are presenting themselves for those willing to adapt and take on the risk. This article looks at some of the African private equity (PE) and merger and acquisition (M&A) trends raised during a panel discussion.

It has taken several years for the continent's PE and M&A markets to recover from the pandemic, but there are clear signs of a resurgence. Transaction volumes are, surprisingly, up 22%, and values 25% in 2024/25, according to panellist Arie Maree, who heads up growth across Africa and the Middle East at Ansarada. Although we are not yet seeing the kind of megadeals of pre-COVID days, the data suggests a definite increase in bigger deals.

At this stage, sectors benefiting the most from renewed M&A activity include mining – where transaction values have increased by over 50% – followed by property and real estate, and telecommunications, media and technology (TMT), which are both up around 30% in terms of value. Transactions in retail, health and renewables have also been picking up.

AI is worth watching

There are positive signs that business in Africa is becoming attuned to the possibilities that artificial intelligence (AI) presents. Investments in AI have contributed significantly to the high levels of dealmaking activity in TMT on the continent, signalling a boost in business confidence in the technology, which has been slow to take off.

What could fuel greater interest in AI investments is credible evidence of AI's business benefits, such as case studies showing the positive impact of AI on energy efficiency.

Gys Kappers, a leading entrepreneur in the tech/IT and manufacturing space, emphasised that the AI boom is here to stay, potentially reinvigorating certain sectors. He shared during the panel discussion that one of his current passion projects is working on AI solutions to help reignite the South African clothing and manufacturing sectors, in light of the efficiencies these AI tools can bring.

Uncertainty over the impact of tariffs

Meanwhile, concerns have understandably arisen over the possible impact of United States-imposed tariffs on economies and companies, and by extension, African PE and M&A activity.

According to Warren Chetty, managing director of PE and

principal investment at Boston Consulting Group, it seems likely that tariffs will become a first-order driver of performance, meaning that tariffs will be a factor for all economies in Africa. However, because of the way the tariffs have been structured around countries' balances of imports and exports, the impact will not be uniform.

South Africa might be squeezed on both sides, with steel, automotives and agricultural products under pressure on the export side while on the import side, some manufacturers might experience supply chain pressures. In oil economies such as Angola and Nigeria, the impact of tariffs is likely to be narrow and probably secondary to price volatility.

On a brighter note, the imposition of tariffs might also create opportunities to build resilience into business models by localising supply chains, giving businesses greater agility, flexibility and control. Experts are also forecasting a shift in trading blocs, resulting in more South-to-South trade from which countries such as South Africa stand to benefit.

Furthermore, if trade liberalisation materialises across Africa, the prospect of pan-African trading growth becomes increasingly likely.

Pan-African platforms could be a major drawcard for international investors, especially those who take a long view, potentially opening up an array of new PE and M&A opportunities.

Martin Hopkins, head of Reward Advisory at Bowmans, ended the panel discussion by sharing some ideas and solutions on how family businesses can incentivise and retain executives and key staff members, even during times of uncertainty. Hopefully, when the markets turn and some of the macroeconomic and geopolitical tensions start to settle, these individuals will be ready to take their businesses to the next level.

Last word

Businesses and investors currently face extremely high levels of uncertainty amid radical shifts in global trade markets and supply chains. The panellists agreed that coming to terms with uncertainty as the new normal, and focusing on the opportunities that go with it – including those presented by AI and other technologies – could be a pragmatic position to take in a world in flux. ■



Companies revisit incentive schemes amid continuing business uncertainty

Martin Hopkins is Head of Reward Advisory | Bowmans (Johannesburg)



Economic and market uncertainty is prompting more South African businesses, from listed companies to family businesses, to rethink their reward and incentive models. Simpler structures with a shorter duration are gaining traction. This article discusses how this current climate of persistent disruption has triggered the desire to derisk remuneration, both in the public listed space and, to some extent, in private capital as well.

The trend towards the simplification of remuneration and incentives began during the COVID-19 pandemic, but the uncertainty that marked the pandemic period has continued. Hard on the heels of the pandemic came geopolitical conflict in the Ukraine, the Middle East and Africa, followed more recently by global trade and tariff turmoil.

Simpler, more streamlined structures

Performance share plans linked to longer-term vesting periods have been a key target for derisking.

In South Africa, share plan periods have typically been set at three years, subject to performance conditions but this may no longer be realistic, given the volatility many companies are experiencing. They are finding it extremely difficult, if not impossible, to set performance targets for three or even two years' time.

On the other hand, corporates are still comfortable with their short-term targeting processes. Therefore, one of their remuneration responses since COVID has been to bundle all bonuses and share plans together into a single incentive plan and scorecard that balances financial and non-financial factors, including ESG.

The incentives themselves tend to consist mostly of cash and deferred shares, which are popular because they vest over regular, predictable periods, protecting companies' capital positions and offering participating employees greater certainty as to when they can access their benefits.

Meanwhile, the employee share option scheme (ESOP) is experiencing a resurgence.

For the better part of two decades, ESOPs have been important for broad-based black economic empowerment (B-BBEE) transactions, and that has not changed. ESOPs are often mandatory, in terms of Competition Commission requirements. Over and above B-BBEE requirements, however, ESOPs are also enjoying attention as an incentive to lock in talent by enabling employees to acquire shares or other units of ownership in the company, usually at a discount.

In line with the general trend towards streamlining incentive structures, we are seeing a departure from the complex and complicated ESOPs of the past, in favour of greater simplicity. Some new ESOPs entail regular awards of restricted shares to participants, with no funding elements and full dividend rights from day one. In this way, new-generation ESOPs avoid some of the pitfalls of the past where, over time, the funding costs outstripped the value of the shares. Other ESOPs only provide rights to the dividends

from ESOP shares, while some provide a mixture of dividend rights and capital vesting, but with simplified funding models and structures.

Family businesses may prefer cash-settled 'phantom' share schemes

For family businesses, which, in South Africa, are undergoing a surge of interest from investors, share plans and ESOPs seldom feature as incentives. These businesses may be reluctant to give up any shares at all. In such circumstances, cash-settled share schemes may be more appealing as participating employees do not own shares, but rather receive cash payouts linked to the company's share price, with appropriate liquidity safeguards.

Cash-settled share schemes can also be simple and straightforward to administer, which fits with the move towards the simplification of incentives. On the downside, these plans can, if they are not carefully structured, create risk for a company through future financial liabilities and possible impacts on cash flows, which must be mitigated by appropriate liquidity safeguards.

Regardless of whether share schemes are based on real or "phantom" shares, the tax aspects should be considered.

Employee share schemes in South Africa are governed by section 8C of the Income Tax Act (ITA), which taxes gains on the vesting of equity instruments, such as shares, options or any rights linked to share value, as ordinary income at a rate of up to 45%, rather than capital gains tax. Vesting occurs either on acquisition (if unrestricted) or when restrictions limiting disposal or imposing financial penalties fall away. Employers must apply for a directive and withhold PAYE at the time of section 8C vesting.

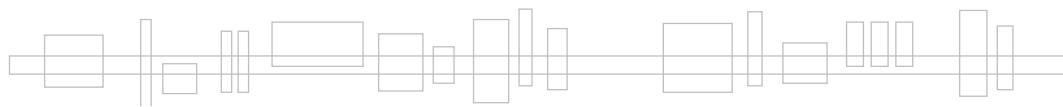
Artificial intelligence adds a new dynamic

While managing incentives amid uncertainty is a priority for public and private companies alike, another factor to keep in mind for remuneration and incentive structures down the line is the impact of artificial intelligence (AI).

Some South African corporates are already using AI to identify patterns in their remuneration data to predict which high-performing employees might leave, and responding by tailoring personalised incentives to retain them. The use of AI, and use cases for it in the incentives environment, is likely to increase significantly in the relatively near future. Companies will need to stay abreast of these developments while, at the same time, considering ethical and compliance aspects that AI use will inevitably raise.

That is not the only possible impact AI could have on employee remuneration and incentive systems. With AI advancement burgeoning by the day, reinventing the world of work as it does so, we may also have to reinvent our reward systems.

For the time being, simpler, more streamlined structures with a shorter tenor are the order of the day. ■



PRIVATE EQUITY DEALS Q3 2025

NATURE	PARTIES	ASSET	ADVISERS	ESTIMATED VALUE	DATE
Disposal by	Hyprop Investments to MEP SPV 4 (Millennium Equity Partners)	50% interest in Hyde Park Corner	Java Capital; ENS	R805m	Jul 1
Acquisition by	RMB Corvest (FirstRand) from some founding and investing shareholders	equity stake in Alaris RF Technology Group	Werksmans; Moore	undisclosed	Jul 3
Investment by	Knife Capital	in Sticitt		undisclosed	Jul 3
Investment by	Knife Capital	in Optique Optometrists		undisclosed	Jul 3
Disposal by	CSSAF (Carlyle)	Safety SA (previously NOSA)	DC Advisory; White & Case South Africa	undisclosed	Jul 4
Disposal by	ONE Eighty Holdings (One Property) to Enyuka Prop	portfolio of six properties (Kempton Square, Heritage Mall Kathu, Northmead Mall, Southdale Shopping Centre, Vaalgate Mall, and a 50% undivided share in Sasolburg Mall)		undisclosed	Jul 7
Disposal by	Phatisa Food Fund 2 to Vaxxinova International B.V.	its stake in Deltamune	DLA Piper South Africa; RSM South Africa	undisclosed	Jul 9
Investment by	P1 Ventures and three angel investors	in MoneyBadger		\$400,000	Jul 15
Disposal by	AECI to Sana Partners GP2 (Sana Partners Group)	Food and Beverage business	Investec Bank; One Capital; Bowmans; Kensington Capital; EY	not publicly disclosed	Jul 17
Investment by	Mergence Investment Managers	in Solarise Africa [mezzanine funding through pref shares]	PSG Capital	R60m	Jul 30
Investment by	OneBio Venture Studio, E Squared Investments and other investors	in Altera Biosciences		R29m	Jul 30
Investment by	BSM Investments	in Thunder Brothers		undisclosed	Jul 31
Acquisition by	Sphere Holdings	a stake in Growth Ten (holding company of Richfield Graduate Institute and the A.A.A School of Advertising)	EY	undisclosed	Aug 1
Investment by	Tlcom Capital, Enza Capital, Incisive Ventures, CVVC and Equitable Ventures	in TurnStay [seed funding]		\$2m	Aug 5
Investment by	CRE.vc and angel investors	in Flood		\$2,5m	Aug 6
Acquisition by	Kogae Rainbow Investment	a 65% stake in Boomgate	Moore Johannesburg	undisclosed	Aug 6
Investment by	VEA Capital Partners	in StraTech		undisclosed	Aug 12
Acquisition by	Nedbank from Apis Partners, Crossfin and the International Finance Corporation	fintech innovator iKhokha	Nedbank CIB; Morgan Stanley; Bowmans; Webber Wentzel; PwC; EY	R1,65bn	Aug 13
Joint Venture	African Infrastructure Investment Managers (Old Mutual) and Motseng Investment	Motseng Ideas Infrastructure Group		undisclosed	Aug 19
Investment by	Alterra Capital Partners	in Cobra Group Holdings	Deal Leaders International; Bowmans	undisclosed	Aug 21
Disposal by	Accelerate Property Fund to Dorpstraat Capital Growth Fund (Dorpstraat Property Investments, Rabie Property Group, Nedbank Property Partners and Alpha Plus) and Property House Group Investments (Wimson Trust and Gray Trust)	the Buzz Shopping Centre and Waterford Centre in Fourways, Gauteng	Questco	R215m	Aug 26



PRIVATE EQUITY DEALS Q3 2025 (Continued)

NATURE	PARTIES	ASSET	ADVISERS	ESTIMATED VALUE	DATE
Acquisition by	Norfund and Infra Impact	a stake in Green Create's Southern Africa business		undisclosed	Aug 27
Disposal by	Spalding Investments 10 RF (PBT Group) to TheIntrepid Projects II (The Intrepid PBT Direct Partnership IV [Pulsent OH GP])	2,6% indirect beneficial holding in PBT	Questco; Cliffe Dekker Hofmeyr	undisclosed	Sep 1
Acquisition by	Santam	51% stake in Avatar		£3m	Sep 1
Acquisition by	Invicta Global (Invicta) from Twinings Topco (D fox, P Bray, N Whelan K Smith and Inspirit Fund 1 LP) and members of Spaldings' management	100% of the issued share capital of Spaldings	Nedbank CIB	£14m	Sep 2
Acquisition by	Old Mutual Private Equity (Old Mutual) from Actis	majority stake in Honoris United Universities	Rand Merchant Bank; Cliffe Dekker Hofmeyr	undisclosed	Sep 4
Investment by	African Forestry Impact Platform (New Forests)	in Rance Timber		undisclosed	Sep 8
Acquisition by	Consortium led by TwoFold Capital and including Octoco	TaxTim		undisclosed	Sep 8
Disposal by	Super Group to Mutares SE & Co KGaE	inTime group (excluding Ader)		undisclosed	Sep 9
Investment by	Kaltroco and other investors from Nashville, Zurich and Cape Town	in The Invigilator		\$11m	Sep 9
Investment by	Invenfin, SAAD Investment Holdings and other investors	in Float		\$2,6m	Sep 10
Acquisition by	Bidvest Services (Bidvest) from Agile Capital and existing shareholders	Aquatico Capital and Aquatico Investments		undisclosed	Sep 17
Investment by	Venture Capitalworks, Fireball Capital, Ke Nako Capital and MAVOVO	in Contactable		\$13,5m	Sep 17
Investment by	Sanari Capital and 27four Investment Managers	in Ctrack	EY	R406m	Sep 18
Disposal by	AgriMark Operations (KAL Group) to Agriplas Holdings (Sana Partners Fund 2)	Agriplas business plus property	Valeo Capital; PSG Capital; Andersen South Africa	R222,5m	Sep 22
Disposal by	African Infrastructure Investment Managers (Old Mutual) to Norfund and Mahlako Energy Fund	stake in Anthem	Flamingo Capital; Standard Chartered Bank; Cliffe Dekker Hofmeyr; PwC	\$86m	Sep 22
Disposal by	Corvest 100 (FirstRand) to Linbro Holdings	8 Melville Road, Illovo	Werksmans	not publicly disclosed	not announced
Disposal by	RMI Invest Two (Momentum) to Authenticatio	stake in Entersekt International	White & Case (SA)	undisclosed	not announced
Acquisition by	Next176 (Old Mutual)	further equity investment in Vault22 Solutions	ENS	not publicly disclosed	not announced
Acquisition by	Alphacode Venture Partners	a stake in AgrigateOne	White & Case South Africa	undisclosed	not announced
Acquisition by	Black Management Forum Investments from CTRS Investments	an additional stake in Cable Tapes Africa	MVR Attorneys	undisclosed	not announced

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