

International public and private partners invest USD 137 million in healthcare in Africa

Amsterdam, December 2015 – A diverse range of public and private organizations, including multinational companies, pension funds and development finance institutions are investing millions in Africa's private healthcare sector. On the afternoon of Wednesday 16 December investors will take part in a ceremonial signing event at the Dutch Design Hotel Artemis in Amsterdam.

International Finance Corporation (IFC), European Investment Bank (EIB), Netherlands Development Finance Organization (FMO), Dutch Good Growth Fund (DGGF), ACHMEA and others have invested a total of USD 136.850 million in the second closing of the Investment Funds for Health in Africa (IFHA). This is the successor fund of the EUR 50.1 million IFHA fund. In total, more than USD 200 million has been raised.

When it was launched in 2008, IFHA was the first private equity fund dedicated to small and medium size (equity) investments in private healthcare companies in sub-Saharan Africa. The private healthcare sector needs investment in order to meet the growing healthcare demands of millions of people in sub-Saharan Africa.

Mary-Jean Moyo, IFC Head of Industry for Manufacturing, Agribusiness, and Services in Sub-Saharan Africa, said, "IFC's partnership with IFHA began with its first fund, and we are extending it today by investing in IFHA II because it will improve the quality, affordability and reach of healthcare in Africa. This continent bears nearly a quarter of the world's burden of disease, yet sees only 1% of global health expenditure." IFC is the world's largest multilateral investor in healthcare in emerging markets, with \$2.5 billion worth of investments in over fifty countries.

As one of the signatories of the Principles for Responsible Investment and the Principles for Sustainable Insurance, Achmea supports initiatives in the realm of inclusive financial services. Not only does our investment in IFHA generate a healthy profit, it ensures we can contribute to accessible, affordable and quality healthcare in Africa. This makes it a classic example of profit with purpose," explains Liesbeth van der Kruit, Director CSR at Achmea.

Private sector development is essential to achieving a better healthcare system in sub-Saharan Africa, where the private sector delivers half of all healthcare services, including for people at the bottom of the period. The private healthcare sector needs investment to design new business models, implement information and communication technologies (ICT), and build state-of-the-art warehouses, factories, clinics and hospitals.

"Magchiel Groot, Senior Investment Officer at FMO's Private Equity Department is pleased that FMO could act again as anchor investor with this experienced fund manager investing in private sector health in Sub-Sahara Africa. FMO performed this same anchor role for the Investment Fund for Health in Africa I back in 2008 (IFHA I). FMO's significant increase of its investment to USD 24 million into the Investment Fund for Health in Africa II (from EURO 10 million in IFHA I) further underpins and reinforces its trust in the fund manager and the strong market for private sector health opportunities in Sub-Sahara Africa. We are also convinced that the fund manager can again deliver consistently on positive developmental impact as we have seen coming out of its various IFHA I investments such as employment and the access to quality healthcare".

The private health sector in Africa has historically outperformed general economic growth and the outlook for the sector remains positive. This, as well as the significant development impact of health investments in sub-Saharan Africa, makes IFHA an attractive investment. IFHA focuses on hospitals and other healthcare providers, as well as companies active in health insurance and in the manufacturing, wholesale and distribution of healthcare products. These target sectors are characterized by fragmented and underdeveloped markets, resulting in low availability and accessibility as well as poor quality of services. IFHA's investments will build liquidity and business capacity, enhancing access to quality healthcare services as well as governance.

"We strongly believe in the transformational value of growth capital for healthcare companies combined with the health sector expertise of our investment staff," said Max Coppoolse, IFHA's Managing Partner. "Our extensive experience and focus on health makes us uniquely positioned to recognize high-potential healthcare companies. By helping them to grow their business and become more profitable, they can also invest more in their own company and provide better care for their clients."

After seven years of operations, the fund manager builds on its strong network and a solid track record of results from its first round investees, which include four successful exits. IFHA-II will focus on buying core platform companies, supporting them to make one or more acquisitions and thus reach new customers, new markets and new technologies.