

# Apis Growth Fund I's investment in DPO Group

A clear investment thesis, translating to impressive commercial and impact returns



*Vertical:*  
Payments -  
Online Payments

*Geography:*  
Sub-Saharan  
Africa

*Date of first  
investment:*  
2016

*Date of  
investment exit:*  
2021

- Direct Pay Online ('DPO') Group is an online payment service provider helping merchants in 21 countries across Sub-Saharan Africa to accept online payments through a range of payment types
- In September 2021, leading global payments company Network International finalised the acquisition of 100% of DPO Group for US\$ 291m, in a landmark transaction for payments in Africa

## Commercial investment thesis

- **Fast growing market**  
Strong eCommerce growth across Africa following increased penetration of internet-capable devices, and an absence of scale online payment processing players in Africa
- **Creating a market leading platform**  
Initial merger combining 3G Direct Pay and Paygate, both leading online payments processors in their respective regions, with subsequent bolt-on acquisitions made
- **Experienced management team**  
Extensive expertise and deep knowledge of the payments space in Africa, with DPO founded in 2006 originally, and having already developed a leading position in East Africa

## Impact investment thesis

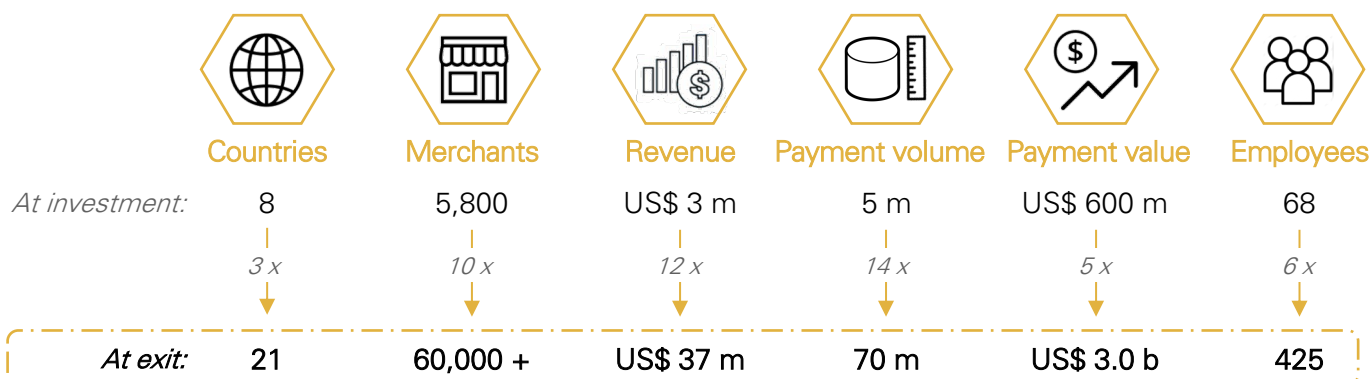
- **Accelerating electronic payments usage**  
The migration from cash to electronic payments benefits consumers, businesses, and governments with security, efficiency, and transparency respectively
- **Supporting SME merchants**  
The growth of a number of SMEs is increasingly tied to online expansion: SMEs play an important role in GDP contribution, local employment, and job creation
- **Facilitating eCommerce in Africa**  
Underserved consumers across the continent can benefit from the increased access, choice, and convenience that expanded eCommerce opportunities can provide

## Creation of a market leading platform

- Six companies were acquired in three years to create DPO Group:

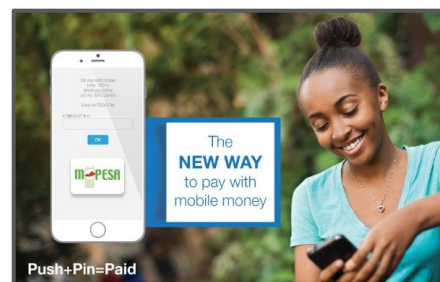
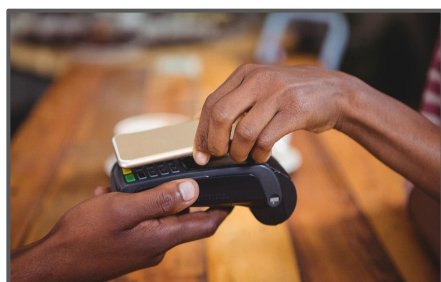


## Scale of growth & impact



# AGFI's investment in DPO outlines Apis' value addition

Targeted portfolio management for the creation of value



## Apis' active portfolio management

- **Planned strategy**  
Apis ensured the 'buy and build' strategy was executable from the outset by tying the initial investment in DPO to subsequent acquisitions, and assisting in the integrations
- **Targeted and accretive M&A**  
Apis identified specific M&A opportunities to build out areas such as product, customer acquisition, and technology, and led accretive structuring of these transactions
- **Customer and organic growth**  
Apis' network helped DPO to gain and retain key merchant accounts such as Mastercard, Uber, and Jumia, resulting in 60% organic growth in DPO Group over the last two years

## Apis' contribution to Impact creation

- **Impact opportunity identification**  
Apis identified a clear need for online merchants across Africa to access affordable payment acceptance solutions and which allow consumers to purchase online
- **ESG focus**  
Apis facilitated numerous ESG improvements in DPO including to employee management, health & safety, and anti-money laundering / anti-bribery & corruption processes
- **Responsible growth**  
Apis' sector expertise helped to grow DPO into a true Pan-African provider, allowing more merchants and end-customers to be reached, multiplying the impact created

*"We are delighted to have worked with Apis Partners in growing DPO Group into one of the leading pan-African payments companies. We have found Apis' financial services sector expertise invaluable as we scaled DPO from a regional player to a truly pan-African platform, serving both blue chip and local merchants."*

*"Apis supported DPO throughout as we made five major acquisitions in four years, entered new markets, and launched innovative new products across the continent."*



**Eran Feinstein - DPO Group CEO & Offer Gat - DPO Group Co-Founder and Chairman**

## Lasting impact created

- **Structural change:** DPO has facilitated the growth of online commerce across Africa, whose importance was highlighted over COVID-19; providing consumers with more choice / convenience
- **Financial sector deepening:** DPO has significantly expanded the number of payment types available to payers in these markets, facilitating the regular usage of numerous formal financial account types
- **Transforming employees' lives:** The employee stock option plan ('ESOP') designed by Apis, generated US\$ 11m for over 400 DPO employees upon exit, of which over 80% were non-management staff. This ESOP truly changed lives - by way of example, some long-serving DPO janitorial staff received 4x their annual salaries as part of the plan

## Awards

### Private Equity Africa Awards 2017



- Small Cap Deal of the Year: Apis Partners for Direct Pay Online

### CDC Group's Impact Gamechangers 2021



- DPO named by CDC Group as an Impact Gamechanger 2021