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# ADvTECH buys Makini in Kenya in further expansion

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LISTED private education group ADvTECH has acquired leading Kenyan private schools group Makini for an undisclosed amount as part of its expansion strategy into Africa.

ADvTECH said the Makini acquisition adds nine schools, five campuses, boarding facilities and about 4 100 students to its growing portfolio.

Chief executive Roy Douglas said the group was committed to its expansion strategy into the rest of the continent to seek future opportunities.

“We have been diligent in our investigations to ensure that we find the right business partners who can help us sustainably grow our mid-fee offering, to increase access to affordable education in the rest of Africa without compromising on quality or academic excellence,” Douglas said.

## Majority stake

The latest acquisition comes after the group acquired a 51 percent majority stake in a private tertiary institution, the University of Africa, in Zambia in January 2017.

ADvTECH said it already held the position as the largest private education provider in Africa, with top schools, private universities, private higher education institutions and tertiary institutions across the continent.

It said the expansion followed the establishment by the group of a new partnership with Scholé, which has managed various schools throughout sub-Saharan Africa since 2012.

“The new partnership will strive to acquire schools across the continent and build a network of institutions known for their academic excellence in the mid-fee segment,” the group said.

“ADvTECH holds a majority stake, with the remaining shareholding held by the original founders of Scholé International and Caerus Capital, a leading international education consultancy group.”

## ADvTech



ADvTECH and Makini would also manage Kisubi High School, a co-ed mid-fee boarding school in Kampala, Uganda, which provides a child-centred learning experience for its more than 900 students in addition to the Kenyan acquisition.

Vestact analyst Bright Khumalo said the acquisition showed that the company studied the market and saw the best opportunity to invest in Makini.

“Capital always has competing opportunities and management as allocators of capital have to choose the best alternative when allocating capital,” Khumalo said.

“We know that the South African market is starting to see a surge in supply for private schools and purchase prices are no longer very generous, so it made more sense to look up east for opportunities,” he said.

Khumalo said ADvTECH had already expressed interest in expanding into Africa at the right price.

“The Kenya and Uganda tie-up makes sense as the schools that are being acquired get a nice cash injection and ADvTECH gets partners they can trust operationally, partners that share the same ethos, partners that understand their local markets like no other, and this makes for an ideal symbiotic relationship,” Khumalo said.

ADvTECH shares rose 0.32 percent on the JSE yesterday to close at R15.86.