



## EXCLUSIVE INTERVIEW WITH BENOIT DELESTRE

### ON HIS RECENT NOMINATION AS TECHNOLOGY AND VENTURE PARTNER AT KIBO CAPITAL PARTNERS

By Raeesha Fakira and Rasmus Bentzen | Kibo Capital Partners

*KCP: Congratulations on your nomination as Technology and Venture Partner at KCP, firstly tell us more about your background and what motivated your choice towards your choice of career and towards Venture Capital?*

BENOIT DELESTRE: After completing my masters from European Business School (France), I started my first company in the mobile sector at the age of 22 with some of my friends. I sold my stake to my partners in 2004. This is when I experienced my first exit.

I used this gain to invest in the Fintech space over the next 15 years, creating and selling two Fintech companies in Europe; both of which were successfully sold to international companies.

Between 2013-2017, I decided to move in the investment space as Business Angel where I invested into 7 deals. In 2017, I decided with Artur Thuet, to create Saviu Ventures to invest in Africa. We firmly believe that Africa has a large potential for growth. We onboarded investors amongst which was Kibo, in 2018, and have been developing the company for the past 3 years.

*KCP: What developments have you witnessed over the years in the African Private Equity and Venture Capital Industry and what are your expectations for the future?*

BENOIT DELESTRE: I would say, the main development has been the huge demand in technology. Over the past 10 years there has been an exponential growth in the ownership and use of mobile phones in Africa backed by a young African population, increasing middle class as well as high penetration rate of the 4G.

I also witnessed that startups were often leaders in implementing a new digitalized platform. They

would subsequently be merged or acquired by the larger companies, in need of their tech innovation, thereby complemented each other.

As to my expectations for the future: 2021 is a year when some of the biggest deals were announced and for me is a beginning to a long series of deals.

*KCP: According to you, how are small- and medium-sized enterprises in Africa evolving from brick-and-mortar companies towards including technology as a larger part of their strategy and business model?*

BENOIT DELESTRE: I think SMEs are doing so rapidly and efficiently; I believe that being small often rimes with being agile, embrace change and evolving rapidly to include technology as a main part of their strategy. It is often seen that even if larger corporates have access to more financial resources, the same process can take more time, and this arises from increased levels of approvals throughout the organization.

New technology is often a key differentiator for SMEs in Africa; so, the mindset is different for SMEs. For the latter it is essential to embed technology rapidly in their business models to compete with larger brick and mortar companies or what I like to call 'disrupt' the operations of the large companies and acquire their customers.

*KCP: How do you see technology affecting the capital raise process of SMEs? And how do you see the impact / impacts of Tech on the way in doing business in SSA?*

BENOIT DELESTRE: What I can see increasingly from investors, is the need to for a good IT platform as a main criterion for investing in a

company. A good IT platform not only reflects a strong and modern vision, but also increased operational efficiency or good controls.

It is important to also understand that increasingly, work tools (for instance 4G or database etc) are readily available and less expensive. SMEs can therefore make use of all these elements to grow their businesses at a faster rate than ever.

*Also, what the sectors / sub sectors where you see the more exciting opportunities (we you're a big fan of logitech and fintech).*

BENOIT DELESTRE: Currently the exiting sectors in Africa are Fintech, Logistics and Ecommerce. Ecommerce is the most recent one of the three but is appealing in view of the growing middle class in Africa and change in spending trends.

Still, we receive about 70% of the deal flow in the Fintech space mostly because of the appetite of the larger corporates. These opportunities come from two cities; Nairobi and Lagos, showing how concentrated the market is.

The remaining 30% would then come from Logistics and Ecommerce. The main difference to Fintech is because the market is not mature enough.

Recently, I also saw two sectors developing rapidly, they are EDTech (explicably a lot of educational platforms had to be developed due to Covid) and Healthcare. We are very enthusiastic about these two developments and expect these sectors to be mature in the next 10 years and are keeping a close eye on them.

*KCP: What do you think are the key challenges for investors looking to invest in Africa?*

BENOIT DELESTRE: The main challenges for me remains the exit plan. Investing in a company without a clear exit plan could be very dangerous; one could be left with one's stake for many years. That is why Fintech and Mobility are the have the most deals; it is because, for these sectors, a good exit route can often be foreseen. This is also the reason why even though Edtech is

developing rapidly, it has only has few interested investors, explained by the limited exit potential.

*Can you share with us your expectations as the Venture and Tech Partner at KCP, especially how do you see your role affecting our third fund, The Kibo Fund III, which is currently under fundraising stage, and what are the main challenges you see ahead?*

BENOIT DELESTRE: My main task will be to create synergies between VC and PE- and this is a vision what we had three years ago when Kibo invested in Saviu. I will ensure that the 3<sup>rd</sup> fund of Kibo has a new arm in the Tech space.

We will also aim to create a bridge between Saviu Ventures and Kibo to fuel any opportunities. The mindset between these two companies is different, yet complementary and by connecting these two teams we be more efficient, have better expertise to select the best opportunities.

*KCP: Lastly, what are some key synergies that you see between Saviu's portfolio companies and Kibo's more mature companies? As a reminder to our readers, we saw a great partnership between Swyft (Portfolio company of Saviu) and GCG (Portfolio company of the Kibo Fund II) whereby GCG developed a strong IP system called TrackRight from its learning from Swyft.*

BENOIT DELESTRE: There are a lot of synergies between the SAVIU portfolio companies and Kibo's portfolio companies that can be materialized. One of them is from the FMCG companies and Saviu's logistics companies. Alternatively, a great partnership can be created between the Banks in Kibo's portfolios and Saviu's Fintech companies.

Whist for the Kibo companies, they can benefit from the new technologies, for the Saviu companies it creates contracts and partners and that are key elements for start-up companies. This creates value for both funds, and I look forward to this...!

*KCP: Thank you very much for granting this interview!*