

Dubai-based investment firm acquires Java House, Africa expansion next

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NAIROBI, Kenya — The Abraaj Group, a Dubai-based private equity investment firm, has announced the acquisition of Java House restaurant chain from Emerging Capital Partners (ECP) for an undisclosed amount.



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Mustafa Abdel-Wadood, managing partner and global head of private equity at The Abraaj Group, commenting on the transaction, noted that, "The landmark transaction is a compelling opportunity to build on Java House's success story across sub-Saharan Africa, to create a true regional champion."

The move, he said, is inspired by Africa's rapidly expanding middle class, sustained population growth and increasing urbanisation which is creating compelling investment opportunities in multiple sectors.

"We believe Java House is ideally positioned to benefit from these trends," he said.

According to Bryce Fort, a founding partner of ECP and head of the pan-African firm, Java House moved from just one city and 13 locations to spread its wings across East Africa to three countries and 60 sites today.

"In partnership with Java's founder Kevin Ashley and a talented management team, we have taken the business from one city and just 13 locations when we originally identified the deal and scaled it across East Africa, to three countries and 60 sites today," noted Fort.

Ken Kuguru, the chief executive officer (CEO) of Java House expressed optimism on the new partnership.

"As Java House aims to accelerate into its next phase of growth, we were seeking a partner that has the scale, platform and sector expertise to enable us to achieve our aspirations. The Abraaj Group is that partner of choice and we look forward to working closely with their team to extend our market leadership position across the continent," noted Kuguru, CEO of Java House.

Founded in 1999, Java House has 60 outlets in Kenya, Uganda and Rwanda. In 2012, Java House founder Kevin Ashley sold a 90% stake to Africa-focused ECP for an undisclosed amount. Ashley will continue to hold 10% stake in the coffee chain.

Java House currently serves over 320,000 guests per month and has a workforce of 2000 people.

Freshfields Bruckhaus Deringer LLP and Bowmans Kenya acted as legal advisors, while PwC acted as financial and tax advisors to Abraaj on the transaction.

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