

Cape Town-founded Peach Payments secures R563m funding for African expansion

UK-based asset manager Apis Growth Fund II has announced a proposed investment of €29m (R563m) in Baobab Payments GmbH (trading as Peach Payments), a digital payment service provider that enables online payments in Africa.



Peach Payments founders Andreas Denleithner and Rahul Jain | image supplied

Completion of the investment is subject to the approval of the Competition Commission of South Africa and customary procedural and closing conditions. Peach Payments' existing investors include UW Ventures, Launch Africa and AG Ventures.

"Apis Partners will leverage its deep networks and unique experience in scaling leading payment companies to support Peach Payments' growth and geographic expansion," Apis said in a statement.

Peach Payments intends to use the investment by the Fund to accelerate its expansion across new African markets, deepen its product offering, and reinforce its core merchant value proposition.

Peach Payments is reportedly the second-largest online payment gateway in South Africa, with activities in Kenya and Mauritius, and a staff complement of nearly 150 international professionals. It was founded by Rahul Jain and Andreas

Demleitner in 2012 in Cape Town and expanded to Kenya in 2018 and to Mauritius in 2021. The company has experienced exceptional growth in recent years, with revenue increasing more than 650% since 2020, and 80% in 2022 alone.

Matteo Stefanel, cofounder and managing partner at Apis Partners, says:

“We continue to see significant opportunity in African payments as strong secular trends that are not related to annual business cycles - such as the conversion from cash to digital and in-store to online payments - persist across key markets.

“We have been impressed by the vision and execution of the management team as Peach Payments capitalises on these trends to bring more end-users into the digital economy, a key part of our drive to democratise access across the continent. We look forward to partnering with Peach Payments to expand its reach into new markets with innovative merchant solutions.”

“At Peach Payments, our mission is to enable African businesses and entrepreneurs to succeed in digital commerce. We want to be the infrastructure layer they build their business on. This was our original vision when we started and is more relevant today than ever,” says Rahul Jain, cofounder and CEO of Peach Payments.

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