

# Entrepreneurship & Company Growth in Kenya:



## Mapping Enterprise Valuations, Investment and Employment

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This is the ninth insight report in a series produced by [GrowthAfrica](#) and [Systemic Innovation](#) under a FCDO-supported Research and Innovation Systems for Africa (RISA) Fund project to formalise and implement data strategies to support impactful growth ventures and innovation ecosystem enablers in Kenya, Ethiopia, and Rwanda. This report has been developed using data from Dealroom. The data used is available - open access - via the [Kenyan Startup Ecosystem Platform](#).

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As Kenya's startup ecosystem matures, the report highlights significant growth in total enterprise value (reaching \$29 billion in 2024), driven by younger, innovation-focused firms and key sectors like fintech and agritech. However, older firms face declining valuations, and disparities in funding and sectoral representation persist. The analysis underscores the critical role of SMEs as job creators, alongside the emergence of high-value firms contributing to market transformation.

Investment trends reveal a maturing ecosystem capable of attracting larger funding rounds, with peaks in 2022 reflecting growing investor confidence. Despite this, gaps in funding for education, governance, and scaling challenges remain barriers to sustainable growth. The alignment of investments with UN Sustainable Development Goals (SDGs) highlights Kenya's focus on balancing economic growth with societal impact, particularly in climate action, energy access, and food security. To sustain momentum, the report calls for coordinated efforts to close funding gaps, support scaling firms, and ensure long-term ecosystem resilience.

# Introduction

Renowned as a regional leader, Kenya has built a reputation for its entrepreneurial energy and technological advancements, establishing itself as a hub for startups and scaleups across Africa. As Kenya's startup ecosystem matures, its value to the economy is increasingly evident. This report looks across the entire ecosystem to understand the interplay of factors, and indicators alongside the growth profile of companies at all stages.

From early-stage ventures to established growth companies, Kenyan businesses are scaling rapidly, attracting significant investment, and generating new employment opportunities. Yet, this growth is not without its challenges. There are sharp disparities in valuation trends between older, established firms and younger, innovation-driven enterprises. Investment flows, while reaching record highs in recent years, remain unevenly distributed, exposing gaps in funding access and sectoral representation.

Employment data reveals the critical role of small and medium-sized enterprises (SMEs) as job creators, alongside the rise of high-value firms capable of transforming labour markets. By aligning investment insights with the UN Sustainable Development Goals (SDGs), the report also highlights how Kenya's innovation economy intersects with its broader development agenda.

Kenya's ecosystem is a story of ambition, resilience, and potential. As the country navigates a complex mix of opportunities and challenges, this report provides both a line in the sand, and prospectively, a roadmap for its next chapter. By identifying key trends and actionable insights, it offers stakeholders a clear understanding of what's needed to support Kenya's innovators, unlock growth, and ensure the ecosystem's long-term sustainability.

# Methodology and Data

This report uses data from Dealroom, accessed in December 2024 on 2,870 companies, of which 2,534 companies are startups, to explore enterprise valuations, investment flows, and employment trends in Kenya's entrepreneurial ecosystem. The data, made available through the open-access Kenyan Startup Ecosystem Platform, forms the foundation for analysing the evolution of company growth, sectoral dynamics, and investment alignment with sustainable development goals (SDGs).

## Data Scope and Limitations

The dataset primarily captures formal enterprises within Kenya's innovation ecosystem. It emphasises startups, scaleups, and high-growth firms that meet criteria for inclusion in Dealroom's database. The platform has enabled tracking of firms in Kenya, but there are likely gaps in accuracy and completeness that remain, and will be filled with enhanced engagement from startups and other ecosystem entities. Furthermore, while this approach provides a robust view of Kenya's formal entrepreneurial landscape, it does not account for the informal sector, which constitutes a significant portion of the broader Kenyan economy.

The valuation data in Dealroom focuses on firms that have attracted investor attention, whether through funding rounds or public disclosures. As such, the analysis might not comprehensively reflect smaller or early-stage companies operating outside formal investment channels. Additionally, firms valued above \$1 billion are highlighted, but as Kenya does not yet have officially recognised startup unicorns, these valuations should be seen in the context of the broader ecosystem.

## Approach

This report integrates quantitative and qualitative analysis to uncover key trends and insights:

### 1. Enterprise Valuation Analysis:

- Examines the total enterprise value (TEV) of Kenyan firms over time, segmented by founding cohorts.
- Tracks valuation trends across different ranges (\$0–200 million, \$200 million–\$1 billion, \$1–10 billion, and \$10 billion+), offering insights into firm-level dynamics and ecosystem maturity.

### 2. Investment Trends:

- Analyses investment data across funding round sizes (\$0–1 million, \$1–4 million, \$4–15 million, etc.), revealing patterns of ecosystem development and scaling challenges.
- Explores sectoral investment flows and alignment with UN SDGs to assess the balance between economic growth and societal impact.

### 3. Employment Contribution:

- Maps employment trends by firm valuation and size, highlighting the role of small and medium-sized enterprises (SMEs) and large firms in Kenya's labour market.

### 4. Sectoral and SDG Alignment:

- Links investment trends to sector-specific activity and SDG priorities, identifying gaps and opportunities for aligning capital with Kenya's broader developmental agenda.

## Data Verification and Quality Control

The data utilised in this report has been verified against available sources, including public announcements, investor reports, and government records. Valuation figures for companies exceeding \$1 billion have been flagged for further review to ensure accuracy, given the absence of officially recognised unicorns in Kenya.

## Data Limitations

The focus of Dealroom data on formal companies introduces potential biases, particularly in the underrepresentation of microenterprises and informal businesses that play a crucial role in Kenya's economy. Additionally, certain sectors are underfunded and underrepresented in the dataset, which may affect the analysis of gaps and opportunities.

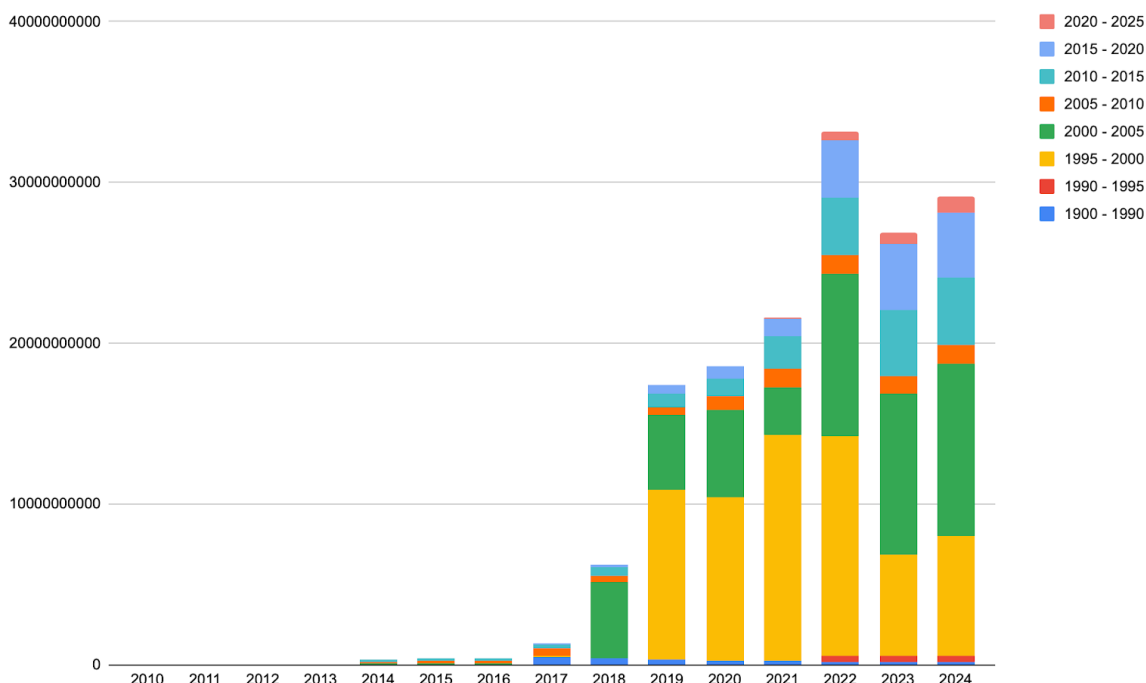
While the dataset offers comprehensive coverage of Kenya's formal startup ecosystem, it is essential to contextualise findings within the broader economic and societal framework. This report, therefore, balances the quantitative data with a narrative on Kenya's entrepreneurial journey, aiming to provide actionable insights for policymakers, investors, and ecosystem enablers.

# Ecosystem Value

Entrepreneurship & Company Growth in Kenya: Mapping Enterprise Valuations, Investment and Employment

The total enterprise value of Kenyan companies is just over \$29bn in 2024, rising from 2023 levels, but remaining below the historical record of reached in 2022.

**Figure 1: Total enterprise value of Kenyan companies from 2010 to YTD 2024 by year founded**



Source: Systemic Innovation and Dealroom, 2024

The valuation from 2010 to 2024 of cohorts of Kenyan companies based upon when they were founded is marked by significant year-on-year changes and notable trends across different cohorts of firms. This period has witnessed steady overall growth in total enterprise value (TEV), reflecting the country's expanding economy, an improving business environment, and increasing investor confidence. In particular, the years following 2020 have seen an acceleration in valuations, likely driven by rapid digital adoption, innovation in key sectors such as fintech and agritech, and heightened global interest in emerging market startups.

Firms established between 1900 and 1990 appear in valuation data only from 2017, when their aggregate value reached \$476 million. However, this cohort has seen a persistent decline in TEV, dropping by 73 per cent to \$126.6 million in 2024. This trend suggests that these older firms may be struggling to adapt to a rapidly changing economic and technological landscape, leaving them less competitive compared to newer businesses.

For companies founded between 1990 and 1995, valuations remained stagnant at \$14 million until 2021. In that year, the cohort experienced a sharp revaluation, with their combined value rising to \$394 million by 2022. Since then, their valuation has plateaued, indicating stability but little evidence of continued rapid growth.

In contrast, firms from the 1995 to 2000 cohort demonstrated explosive growth after 2018. Their TEV jumped from minimal levels to \$10.5 billion in 2019, before settling at \$7.47 billion by 2024. Although their valuation remains among the highest across all cohorts, the downward trend observed after 2020 may reflect market saturation or waning investor enthusiasm for this group.

Companies established between 2000 and 2005 have shown sustained and consistent growth, increasing their TEV from \$6 million in 2010 to \$10.76 billion by 2024. A particularly notable surge occurred between 2021 and 2022, when valuations rose from \$2.97 billion to \$10.12 billion, suggesting an influx of investment or successful large-scale acquisitions.

Similarly, the 2005 to 2010 cohort has experienced steady growth over the years, with valuations reaching \$1.1 billion by 2024. While their growth trajectory has been less dramatic compared to some of the younger cohorts, it demonstrates consistent progress and resilience in the market.

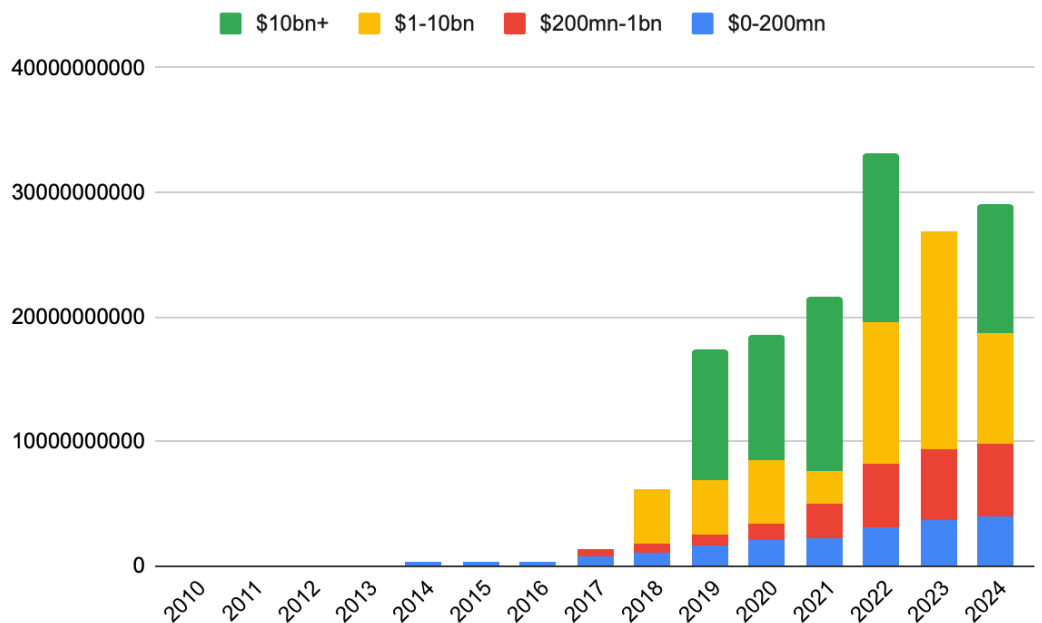
Startups founded between 2010 and 2015 have shown accelerated growth, particularly in the years following 2020. Their TEV grew from \$1.12 billion in 2020 to \$4.19 billion in 2024, reflecting the emergence of scalable, innovation-driven firms that have managed to capture significant market opportunities. Similarly, firms founded between 2015 and 2020 have displayed rapid growth. From a TEV of just \$10.9 million in 2015, their valuation increased to \$4.09 billion by 2024.

The youngest cohort, consisting of companies founded between 2020 and 2025, has begun to make its presence felt in the Kenyan ecosystem. Valuations for this group appear in the data from 2021 and grow rapidly, reaching \$952 million by 2024. Although their overall valuation is lower compared to older cohorts, the rapid rate of growth underscores their potential to become key players in the future.

A broader analysis reveals that companies from the 1995–2000 and 2000–2005 cohorts dominate the valuation landscape, with the highest overall TEVs. These businesses represent mature firms that have successfully scaled and attracted significant investment over the years. However, younger companies founded from 2010 onwards are showing exponential growth, particularly those from the 2015–2020 cohort, which are quickly closing the gap with older, more established firms. Across almost all cohorts, there is a noticeable uptick in valuations after 2020, likely spurred by the pandemic’s impact on digital transformation and a surge in global investment in technology-driven solutions.

The data also points to several challenges. Older cohorts, particularly those established before 1990, are struggling with declining valuations, reflecting limited capacity for innovation or relevance in today’s market. Similarly, the decline in valuations among firms from the 1995–2000 cohort after 2020 may suggest market saturation or intensifying competition.

Figure 2: Total enterprise value of Kenyan companies from 2010 to YTD 2024 by valuation



Source: Systemic Innovation and Dealroom, 2024

# Exploring Valuation Buckets for All Companies

The valuation data for Kenyan companies can also be analysed by grouping firms into valuation buckets: \$0–200 million, \$200 million–\$1 billion, \$1–10 billion, and \$10 billion and above. This approach provides a clearer picture of the distribution of enterprise value across the ecosystem and sheds light on how companies transition through valuation stages over time.

## \$0–200 Million: Foundations of Growth

The \$0–200 million valuation bucket consistently holds the largest number of companies, representing the foundation of Kenya's entrepreneurial ecosystem. In 2010, firms within this range had a combined total valuation of \$7.6 million. This figure grew steadily, reaching \$1.07 billion by 2018, and surged further to \$4.03 billion in 2024.

This segment's rapid growth, particularly after 2016, reflects the increasing number of startups emerging in Kenya and their ability to secure early-stage investment. The boost after 2020 indicates a rise in seed and venture capital activity, as well as the proliferation of tech-enabled solutions tailored to the local and regional market.

## \$200 Million–\$1 Billion: Emerging Giants

The \$200 million–\$1 billion range sees no activity until 2017, when firms within this bracket collectively reached a valuation of \$497 million. By 2020, their valuation had grown to \$1.31 billion, more than doubling by 2022 to \$5.18 billion. However, growth in this segment appears to stabilise post-2022, with a slight decline to \$5.71 billion by 2024. Here, companies like GroIntelligence (AI enabled decision intelligence), Wasoko (access to ecommerce for small businesses) and CSquared (telecoms) have emerged as leading players in Kenya.

This trend suggests that while more firms are progressing into this valuation range, competition and the challenges of scaling may temper growth. The data highlights a critical transition phase, where companies strive to overcome operational and market-entry hurdles to achieve higher valuations.

## \$1–10 Billion: Established Market Leaders

Companies valued between \$1 billion and \$10 billion emerge in the data from 2018, when the total value in this range reached \$4.4 billion. An example of a company in this bracket is Safaricom, a mobile telecoms provider. Growth remained moderate until 2021, when a temporary decline to \$2.64 billion occurred. However, 2022 saw an extraordinary surge to \$11.3 billion, driven by significant investments or revaluations, before falling to \$8.94 billion in 2024.

The volatility in this bucket underscores the challenges of maintaining growth at this level. It reflects market conditions, economic fluctuations, and sector-specific factors. Nevertheless, the consistent presence of firms in this range demonstrates the increasing maturity of Kenya's business ecosystem.

## \$10 Billion and Above: Rare Titans

The \$10 billion+ valuation bucket is the smallest and most exclusive group, with no companies reaching this threshold until 2019. There is just one company in this bucket, Airtel Africa, a mobile telecoms provider, currently valued at \$10.4bn. In 2019, this bucket saw a combined valuation of \$10.5 billion, driven by a small number of firms achieving exceptional scale. This figure peaked at \$14 billion in 2021 before dropping to \$10.4 billion by 2024.

The decline after 2021 might indicate market corrections or the impact of economic challenges, including global trends affecting large-scale firms. Despite this, the presence of companies in this category is a testament to the growing ability of Kenyan firms to operate at a global level, attracting major investment and competing internationally.

The transition from one growth stage to the next is marked by significant challenges. The \$200 million–\$1 billion and \$1–10 billion ranges show both substantial growth and occasional setbacks, reflecting the difficulties of scaling operations and competing on a larger stage.

At the highest level, the \$10 billion+ bucket represents the culmination of this journey, though few companies make it to this stage. The firms that do are likely sector leaders with strong regional or international reach.

To sustain this trajectory, Kenya's ecosystem must focus on supporting firms as they navigate the critical transitions between valuation buckets. By fostering access to growth capital, enabling infrastructure, and conducive policies, the country can ensure more companies progress into higher valuation ranges, strengthening its position as a leading business hub in Africa.

# Jobs and Employment

Entrepreneurship & Company Growth in Kenya: Mapping Enterprise Valuations, Investment and Employment

Employment serves as a critical indicator of economic health and societal progress, making it an essential metric for assessing the impact of companies within Kenya’s entrepreneurial ecosystem. Beyond providing livelihoods, jobs contribute directly to reducing poverty, improving living standards, and fostering social stability. In a country like Kenya, where a significant portion of the population is young and entering the workforce, understanding how businesses of various sizes and valuations generate employment offers valuable insights into the broader trajectory of economic development.

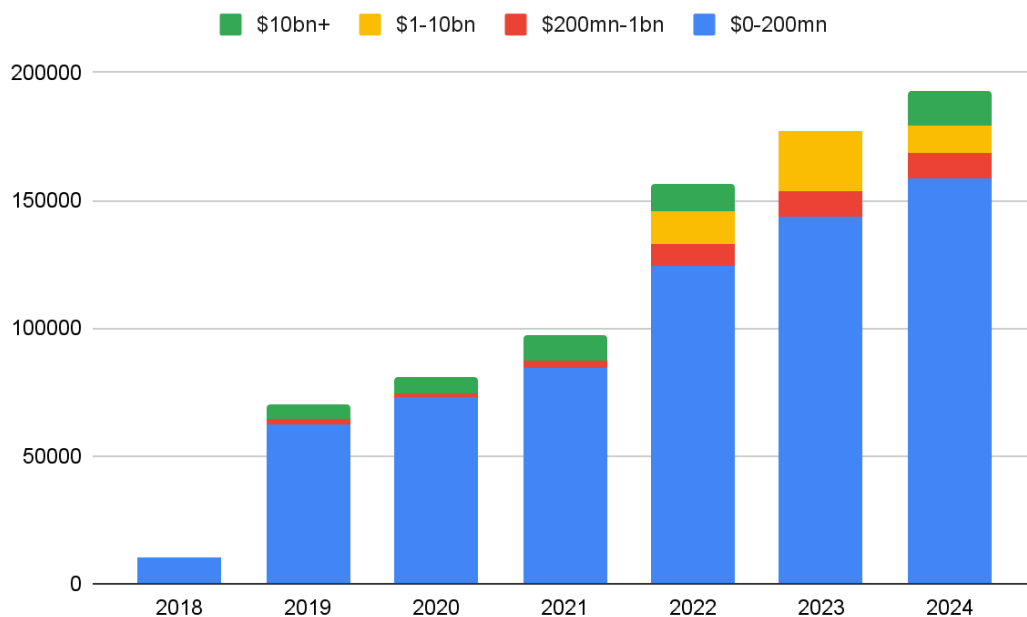
Moreover, employment acts as a proxy for understanding the wider spillover effects of business activity. Job creation by Kenyan companies drives demand for goods and services, stimulates supply chain growth, and supports informal sector opportunities. It can also indicate the degree to which companies are scaling their operations, attracting investment, and contributing to regional development. Furthermore, employment metrics can highlight disparities in labour market access, pointing to areas where targeted interventions might be needed, such as gender equality or skill development initiatives.

In Kenya’s context, where entrepreneurship is often framed as a driver of inclusive growth, measuring employment by company valuation helps unpack the role of different types of businesses in shaping the labour market.

## Employment by company valuation

Companies valued under \$200 million dominate job creation, employing 158,752 people in 2024, up from just 10,170 in 2018.

**Figure 3: Total employment by Kenyan companies from 2018 to YTD 2024 by valuation**



Source: Systemic Innovation and Dealroom, 2024

This remarkable 15-fold increase underscores the critical role of small and medium-sized enterprises (SMEs) in providing employment opportunities. These businesses form the backbone of Kenya’s economy, consistently absorbing the majority of the labour force and expanding to meet local and regional demand. Their steady growth reflects the resilience of Kenya’s entrepreneurial ecosystem and its capacity to support vibrant, job-generating SMEs.

Companies in the \$200 million to \$1 billion valuation range have also shown consistent growth in employment, though on a smaller scale. Employment in this bracket rose from just 367 in 2018 to 10,126 in 2024, with a notable surge between 2021 and 2022, when jobs nearly tripled. This growth highlights the contributions of mid-sized firms that have successfully transitioned from startup phases to more established operations with larger workforces. While they represent a smaller share of total employment, these firms signal the growing influence of businesses that can attract significant growth capital and scale their operations.

Higher-value companies, those in the \$1–10 billion range, began contributing to employment only in 2022, employing 12,913 people that year. This figure fluctuated, peaking at 23,931 in 2023 before dipping to 10,311 in 2024. Such volatility reflects the challenges and dynamics faced by large-scale businesses, which may experience significant workforce changes as they adapt to market conditions, operational challenges, or strategic pivots. Despite these fluctuations, the emergence of companies in this valuation range signals Kenya's progress in fostering firms capable of achieving substantial market influence and economic scale.

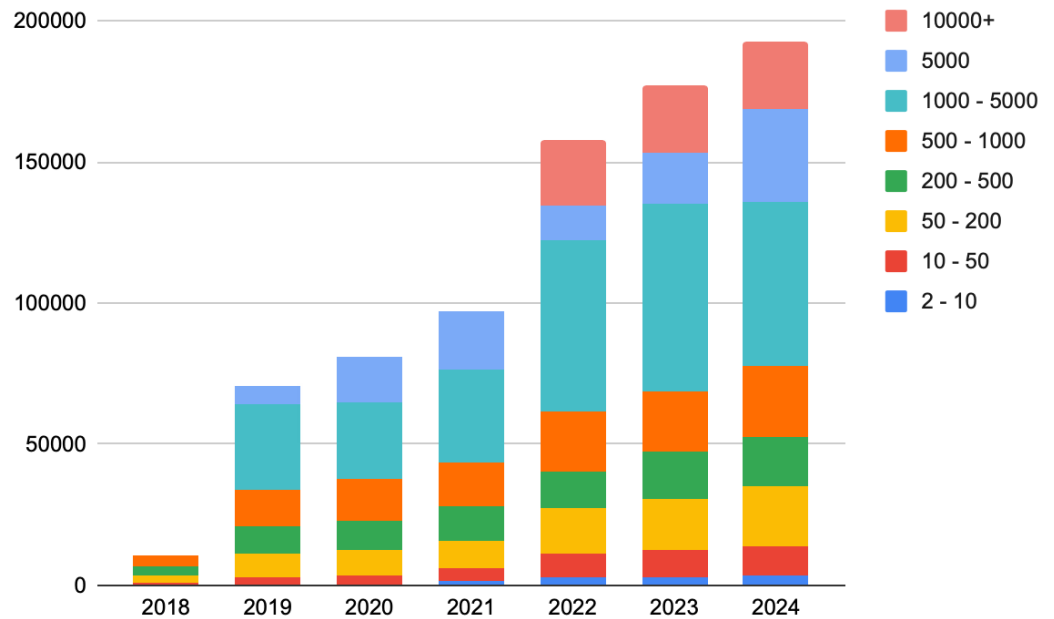
At the highest valuation level, companies worth over \$10 billion have had a more erratic impact on employment. First appearing in 2019 with 6,156 jobs, employment grew to 10,311 in 2022, before vanishing in 2023 and rebounding to 13,666 in 2024. This volatility underscores the significant, albeit unstable, role these high-value enterprises play in Kenya's labour market. Likely concentrated in sectors such as telecommunications or renewable energy, these firms demonstrate the potential for large-scale job creation while also highlighting the risks associated with relying on a few dominant players.

Overall, employment trends reveal the enduring importance of SMEs, which account for over 93% of total employment in 2024. While smaller companies dominate job creation, mid-sized and large enterprises are becoming increasingly significant contributors, reflecting the maturing of Kenya's business ecosystem. However, employment at higher valuation levels remains volatile, influenced by the dynamic nature of large-scale businesses and their sensitivity to market and sectoral changes. As Kenya continues to grow its entrepreneurial landscape, fostering job creation across all valuation brackets will be crucial to achieving sustainable and inclusive economic growth.

## Employment by Number of Employees

Employment in Kenyan companies, segmented by size, offers a lens through which to explore the interplay between entrepreneurialism and economic impact. Small businesses employing between 2 and 10 people have demonstrated consistent growth, from a negligible presence of just 25 employees in 2018 to 3,681 in 2024. While these firms account for a modest share of total employment, their importance lies not in scale but in their function. They are incubators of innovation, opportunity, and ambition—crucial nodes in an ecosystem where many fledgling ideas find their footing.

**Figure 4: Total employment by Kenyan companies from 2018 to YTD 2024 by number of employees**



Source: Systemic Innovation and Dealroom, 2024

The role of mid-sized firms, particularly those employing between 50 and 200 people, becomes increasingly pronounced as we look at their ability to scale. Employment in this segment has grown eightfold, from 2,568 in 2018 to 21,069 in 2024. Similarly, companies with 200 to 500 employees expanded from 3,209 to 17,364 employees over the same period. These firms represent the transitional heart of Kenya’s business landscape—smaller than corporates but increasingly professionalised, with an operational focus and structure to underpin more formalised economic contributions. Their growth signifies not only the maturation of individual companies but also the strengthening of the systems that allow enterprises to scale sustainably.

Larger firms—those with over 1,000 employees—tell a different story, one of rapid expansion tempered by volatility. Businesses employing 1,000 to 5,000 people grew dramatically, from 30,075 employees in 2019 to 66,356 in 2023, before dropping back slightly to 58,455 in 2024. Meanwhile, the emergence of businesses employing over 10,000 people from 2022 onwards reflects the increasing presence of heavyweight employers—companies capable of scaling operations at a regional, if not global, level. These entities, while small in number, wield disproportionate influence over employment patterns, shaping labour markets through their ability to absorb, mobilise, and adapt talent at scale.

This distribution of employment across company sizes reveals a duality at the heart of Kenya’s entrepreneurial ecosystem. At one end are small and mid-sized businesses that drive inclusivity, absorb shocks, and seed long-term growth. At the other are large-scale enterprises that provide transformative impacts but remain susceptible to external forces. Together, they form an ecosystem reflecting both resilience and ambition in the face of promising future growth.

# Investment

Entrepreneurship & Company Growth in Kenya: Mapping Enterprise Valuations, Investment and Employment

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Looking at investment into Kenyan companies by round size, we see an overall trend reflective of the global investment picture, but with some unique attributes which are discussed below. The distribution of investments by size highlights the growing sophistication of Kenya’s business landscape, as well as shifting investor confidence and priorities over time. Four key insights define this journey, and may hint at both opportunities and challenges looking forward:

### 1. Peak Investment Year (2022):

Across all deal size brackets, 2022 stands out as a record-breaking year, with significant activity in all funding ranges from small deals to mega investments. This reflects a convergence of factors, including post-pandemic economic recovery, increased investor confidence, and the maturation of key sectors.

### 2. Post-2022 Decline:

The sharp drop in investment levels across multiple brackets after 2022 may be attributed to global economic uncertainty, tightening financial conditions, or a reallocation of capital to other emerging markets. This decline highlights the importance of sustaining investor confidence to maintain growth momentum.

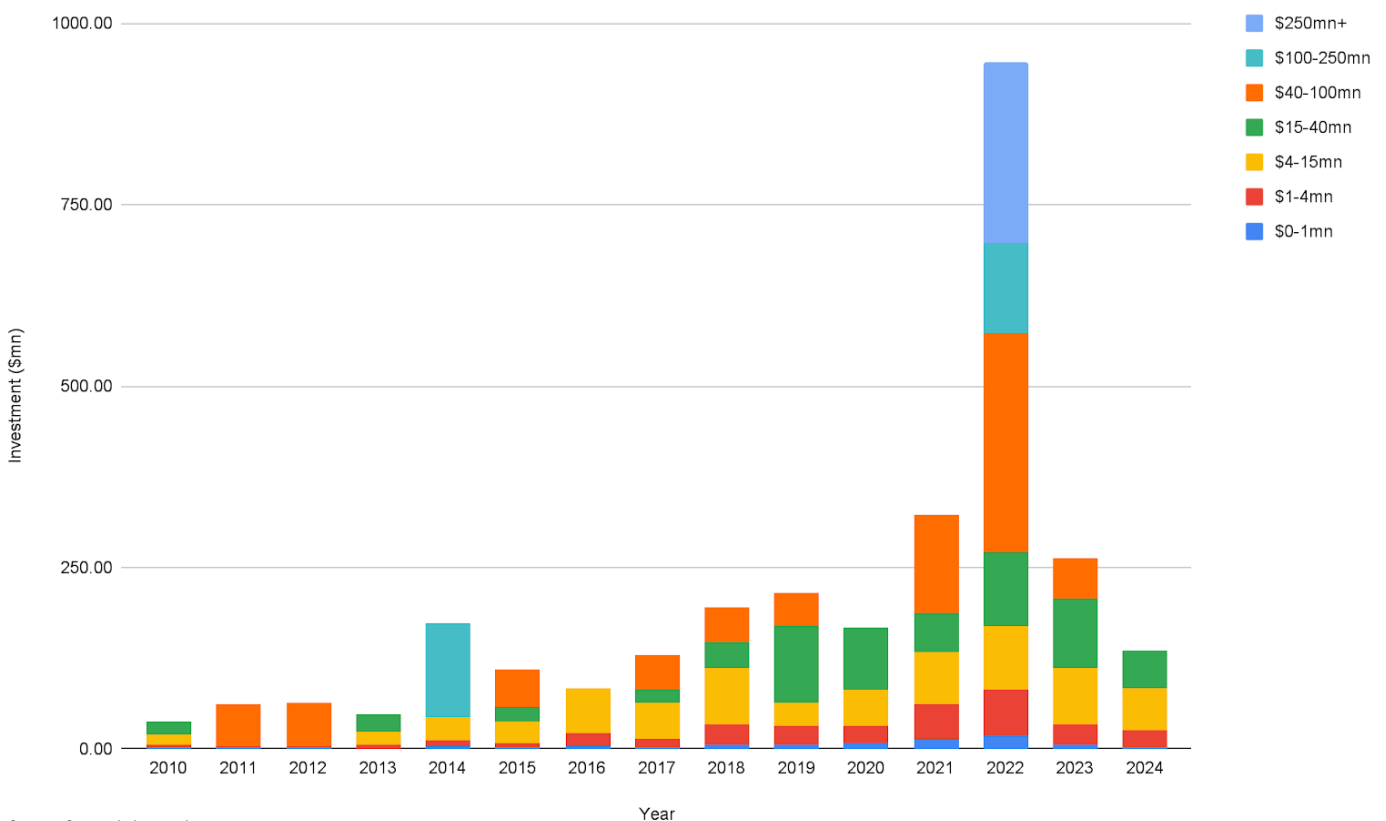
### 3. Shift Towards Larger Deals:

While smaller investments dominated in earlier years, the data shows a gradual shift towards larger deals, particularly after 2015. This trend underscores the maturing nature of Kenya’s startup ecosystem, where businesses are increasingly able to attract growth capital.

### 4. Volatility in Mid-to-Large Brackets:

The mid-sized and large investment brackets show significant fluctuations, reflecting both the opportunities and challenges of scaling businesses in Kenya. The irregularity of funding in these ranges highlights the need for better support systems to enable companies to transition smoothly from early-stage funding to growth capital.

**Figure 5: Total investment into Kenyan companies from 2010 to YTD 2024 by round size**



Source: Systemic Innovation and Dealroom, 2024

Digging deeper into the data, and exploring trends by round size, when zoomed out, we see a maturing ecosystem with firms capable of ingesting higher ticket rounds for later stage growth. Below, the nature of this evolution is explored.

### The Growth of Small Investments (\$0–1M and \$1–4M)

From 2010 to 2024, small-scale investments (under \$4 million) have been a key driver of Kenya's startup ecosystem. Investments under \$1 million experienced steady growth, starting at \$1.07 million in 2010 and peaking at \$17.63 million in 2022. However, they have since declined sharply to \$1.32 million in 2024. Similarly, the \$1–4 million bracket displayed significant growth, rising from \$4.19 million in 2010 to a high of \$63.89 million in 2022, followed by a reduction to \$23.35 million in 2024.

These trends highlight the critical role of small-ticket funding in nurturing early-stage ventures, particularly in fintech, agritech, and healthtech. The post-2022 decline may indicate a combination of economic headwinds and a maturing ecosystem, where more startups are advancing to larger funding rounds.

### Mid-Sized Investments (\$4–15M and \$15–40M)

Mid-sized investment brackets (\$4–15 million and \$15–40 million) illustrate the scaling phase of Kenyan startups. Investments in the \$4–15 million range grew from \$14.30 million in 2010 to a peak of \$88.40 million in 2022, before falling to \$59.12 million in 2024. The \$15–40 million bracket displayed intermittent activity, with significant peaks of \$106 million in 2019 and \$101.44 million in 2022, but a drop to \$51.50 million by 2024.

These patterns reflect Kenya's increasing ability to attract funding for scaling ventures, particularly as companies expand regionally or globally. The fluctuations suggest that while investor interest remains robust, external factors like global economic challenges and sector-specific hurdles impact the consistency of capital flows.

### Large Investments (\$40–100M and \$100–250M)

Large investments in the \$40–100 million category have been sporadic, gaining prominence after 2015. The segment reached a record \$300 million in 2022 but fell to zero by 2024. The \$100–250 million category has been even rarer, with a single \$125 million deal occurring in 2022.

These figures indicate that while there is growing confidence in established Kenyan businesses, opportunities for large-scale investments remain limited. This may reflect a combination of constrained deal flow and the high thresholds required to attract such funding.

### Mega Deals (\$250M+)

The \$250 million+ bracket debuted in 2022 with a landmark deal worth \$250 million, marking a milestone for Kenya's investment landscape. This demonstrated the country's ability to support high-value enterprises, likely in sectors such as renewable energy or telecommunications. However, the absence of similar deals in subsequent years underscores their rarity and reliance on specific conditions and opportunities.

## Investment by sector

Looking at investment by sector, we can see that there are some stalwart areas of the Kenyan high growth economy that have maintained prevalence, such as energy, and the emergence of a number of others that have risen over recent years, such as health and education.

Sustained investment in energy, peaking at \$148 million in 2022, underscores the foundational role of infrastructure development in driving ecosystem expansion. Renewable energy projects, in particular, have not only addressed critical needs like electrification but have also created fertile ground for startups and SMEs to scale, leveraging reliable energy access.

The prominence of fintech, which reached a high of \$269 million in 2022, exemplifies how sectors at the intersection of technology and societal need can catalyse ecosystem growth. Fintech's role in fostering financial inclusion has established Kenya as a regional leader in digital innovation, paving the way for a surge in entrepreneurial activity and fostering linkages with adjacent sectors such as retail, agriculture, and health.

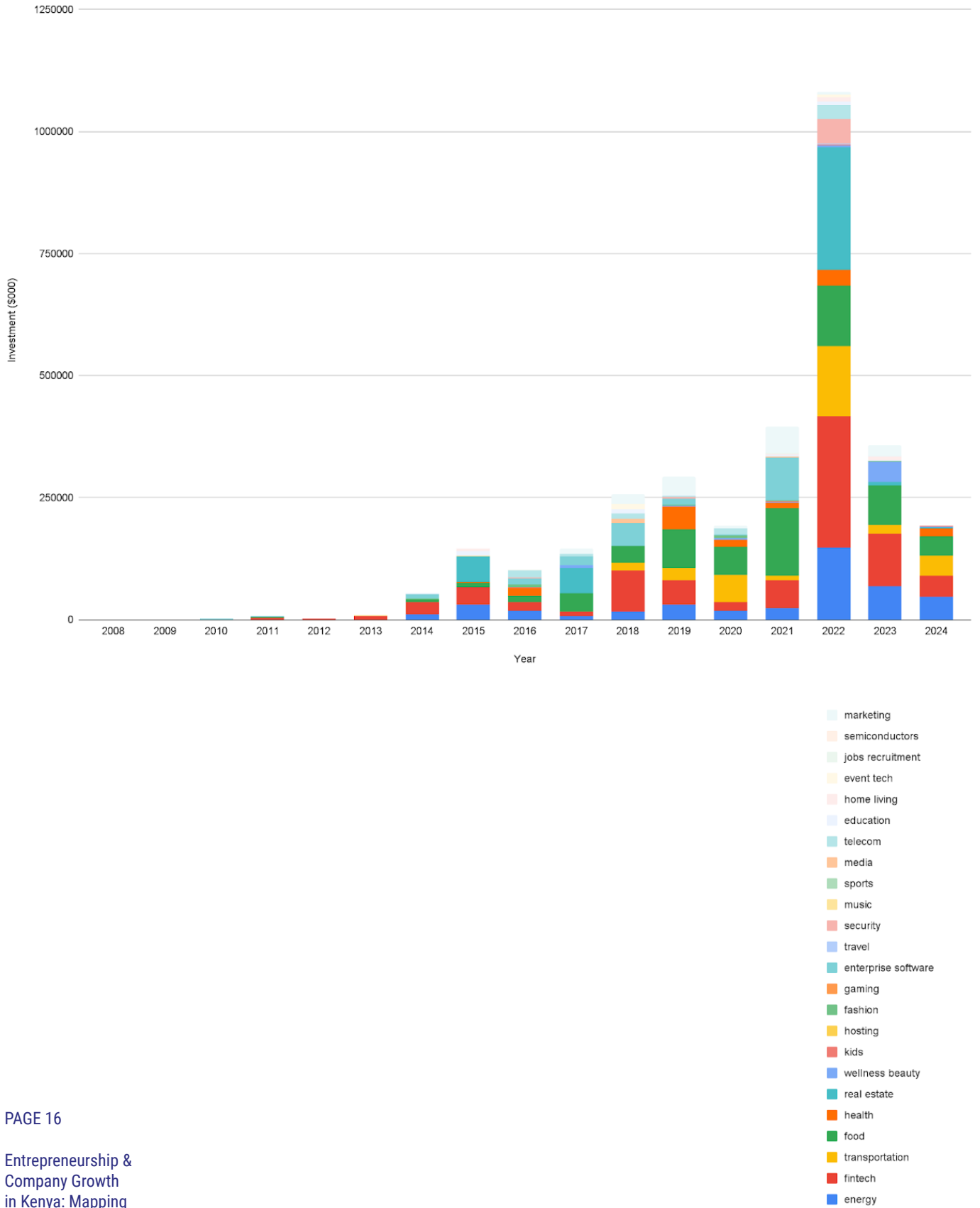
Beyond technology-driven sectors, the rise of food and transportation investments signals diversification within the ecosystem. Investment in food, which peaked at \$139 million in 2021, reflects the ecosystem's ability to address growing consumer demand through innovations in agribusiness, logistics, and supply chain management. Similarly, transportation, with a surge to \$143 million in 2021, highlights Kenya's emergence as a regional logistics hub, critical for enabling trade and scaling ventures reliant on efficient distribution networks.

Emerging sectors such as health, wellness & beauty, and education reflect the deepening of Kenya's ecosystem as it moves beyond its initial focus on technology startups. Health innovations, for instance, have leveraged increasing investor interest to tackle systemic challenges, fostering long-term resilience. Meanwhile, investment in wellness beauty, which peaked at \$41.1 million in 2022, signals the ecosystem's response to evolving consumer trends and growing disposable income.

These trends indicate that Kenya's ecosystem is not just expanding in size but also in complexity and resilience. The interplay between mature sectors like energy and real estate, and emerging opportunities in transportation, food, and health, reflects a thriving ecosystem that is increasingly capable of addressing diverse local and regional challenges. This diversification also positions Kenya to better weather global economic shifts while continuing to attract investment across a broad array of sectors.

**Figure 6: Investment into Kenyan firms from 2008 to YTD 2024 by sector**

Source: Systemic Innovation and Dealroom, 2024



# Investment by UN Sustainable Development Goals

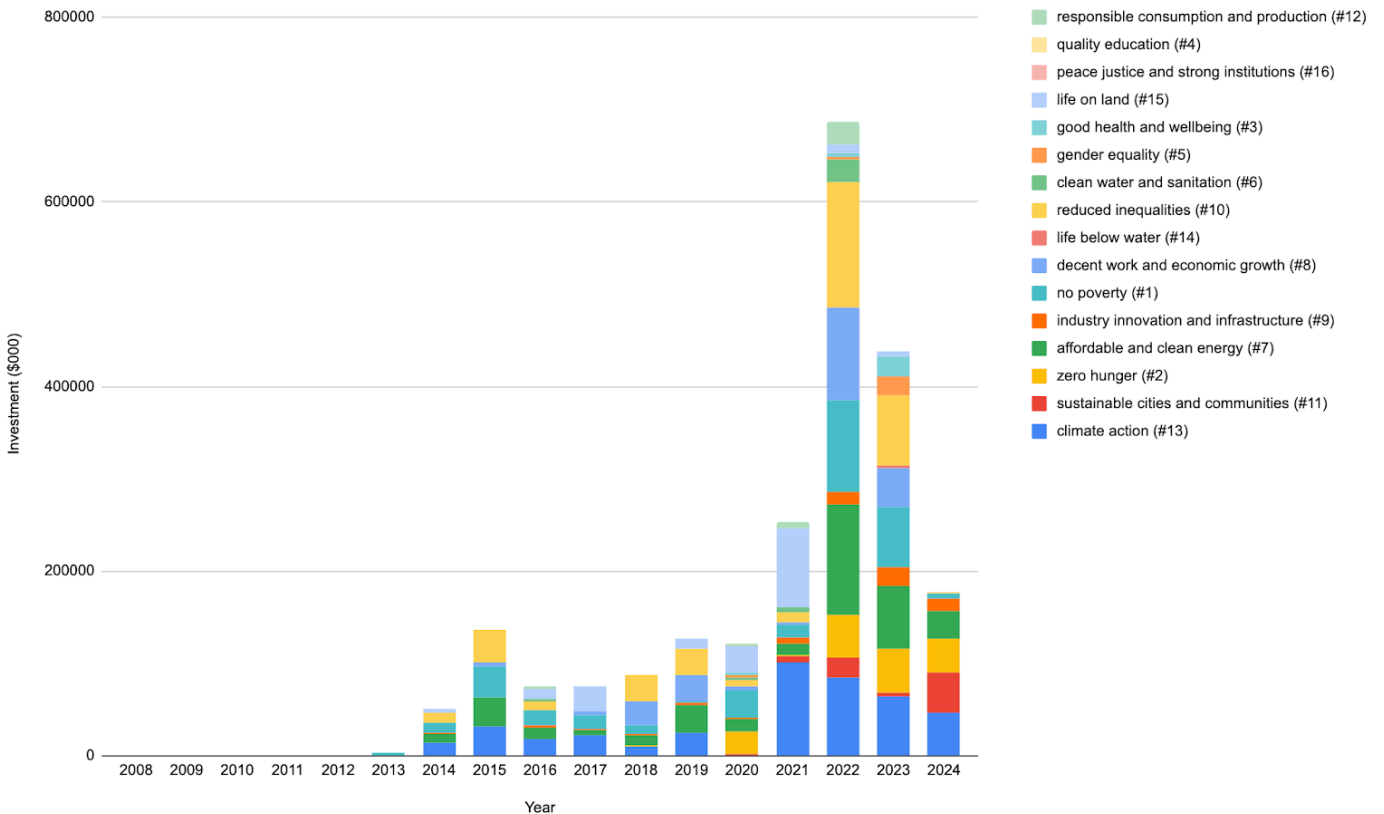
The United Nations Sustainable Development Goals (SDGs) provide a global framework to tackle pressing challenges such as poverty, inequality, and climate change, aiming for a sustainable future by 2030. For Kenya, aligning investments with the SDGs is crucial for addressing systemic development challenges, including climate vulnerability, food insecurity, and inequality, while supporting economic growth. Analysing investment flows into Kenyan companies through the SDG lens offers insight into how financial resources are being directed toward impactful outcomes.

Investment trends reveal a clear focus on a few key SDGs, particularly Climate Action (SDG #13), Affordable and Clean Energy (SDG #7), and Zero Hunger (SDG #2). These goals collectively received the highest volumes of funding, reflecting Kenya’s emphasis on renewable energy, climate resilience, and food security. Investment in climate action grew significantly from \$13.5 million in 2013 to a peak of \$101 million in 2020, underscoring the critical need for climate-resilient infrastructure and reforestation projects. Similarly, investment in affordable and clean energy reached \$120 million in 2021, highlighting Kenya’s leadership in geothermal and solar energy projects. The focus on Zero Hunger saw funding grow from \$24.6 million in 2020 to \$48.2 million in 2022, reflecting initiatives in agricultural innovation and sustainable farming practices.

Other SDGs, such as Decent Work and Economic Growth (SDG #8) and Gender Equality (SDG #5), also saw notable but fluctuating investments. Decent Work funding peaked at \$100 million in 2020 but declined sharply thereafter, suggesting potential gaps in the sustained support needed for employment and entrepreneurship. Investment in Gender Equality, on the other hand, grew steadily to \$21 million in 2024, reflecting increasing efforts to close gender gaps in education, finance, and leadership opportunities.

**Figure 7: Investment into Kenyan firms from 2008 to YTD 2024 by UN SDG**

Source: Systemic Innovation and Dealroom, 2024



Investments in SDGs such as Sustainable Cities and Communities (SDG #11) and Industry, Innovation, and Infrastructure (SDG #9) have also been increasing but at a more moderate pace. Sustainable Cities funding rose to \$42.9 million by 2023, driven by the need to manage urbanisation and housing shortages, while infrastructure-focused investment reached \$ 21.2 million by 2022, reflecting growing efforts to enhance regional connectivity and industrialisation.

Cross-cutting trends reveal that funding has surged significantly post-2020, coinciding with the pandemic and increasing awareness of sustainable development imperatives. However, there are noticeable disparities among the SDGs, with some, such as Peace, Justice, and Strong Institutions (SDG #16) and Quality Education (SDG #4), receiving minimal or no investment. This uneven distribution of funding suggests that while certain sectors attract significant attention, others, equally vital for long-term development, remain underfunded.

Overall, the data reflects Kenya's growing alignment with the SDGs, with substantial progress in addressing climate resilience, energy access, and food security. However, achieving a balanced and comprehensive impact will require targeted efforts to bridge the funding gaps in overlooked areas, ensuring sustainable and inclusive growth across all sectors. By leveraging partnerships and increasing resource mobilisation, Kenya can more effectively align investment flows with its developmental priorities under the SDG framework.

# Conclusions

This report has explored key elements of Kenya's innovation ecosystem, the interplay between firm valuations, employment trends, and investment flows, showcasing how Kenyan businesses are evolving and shaping the country's economic landscape. While the total enterprise value of Kenyan companies has rebounded to \$29 billion in 2024, just shy of its 2021 peak, the story of the ecosystem is as much about its trajectory as its current achievements.

At the heart of this progress are small and medium-sized enterprises (SMEs), the engine of job creation, which have expanded their influence steadily over the past decade. Their resilience, paired with the emergence of high-growth firms scaling into regional and global markets, underlines the duality of Kenya's entrepreneurial narrative. However, volatility at higher valuation levels and uneven distribution of investment remain challenges to address. Firms at the \$200 million to \$1 billion threshold exemplify the potential for growth, but their transition to larger categories is often hindered by operational hurdles and market conditions.

Investment flows reveal a maturing ecosystem increasingly capable of attracting large-ticket rounds, yet still reliant on a few key sectors. The alignment of capital with Sustainable Development Goals (SDGs) highlights Kenya's efforts to balance economic growth with societal impact, particularly in areas such as climate action, clean energy, and zero hunger. Nevertheless, gaps in funding for critical areas like education and governance point to opportunities for a more inclusive approach to ecosystem development.

As Kenya continues to build its reputation as a regional innovation leader, the insights in this report underscore the importance of coordinated action. Supporting firms as they navigate key growth stages, closing funding gaps, and ensuring alignment with broader development goals will be critical. This is not simply a call to invest more but to invest better - targeting the sectors, firms, and enablers that can deliver both economic returns and societal benefits.

Learn more about the [RISA Fund](#) and read more of our [insights](#).  
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