

## MENA PE Deal Space – July 2015

Private Equity (PE) deal activity in MENA dropped in the month of July primarily due to the holy month of Ramadan. Only one deal was reported in July as compared to four deals in the previous month. The deal values for both, June and July of 2015, were not disclosed.

During January to July 2015, a total of 22 PE deals worth USD 2,678 million were reported compared to 31 deals worth USD 134.7 million during the same period in 2014. Further, whilst the areas of investments have been diverse, IT sector lead the activity with eight deals during this period. Alike the global trend, the PE investors in MENA continue to thrust towards a digital driven economy in general and e-commerce in particular. On the other hand, there were just 4 PE exit deals worth USD 36.2 million as of July 2015 compared to 16 PE exits worth USD 167.43 million during the same period in 2014.

In July, the much anticipated and awaited IPO Emaar Misr was listed in Egypt, making a successful debut by raising USD300 million. Additionally, there is a possibility of another IPO listing by Pioneers Holding in Q3 2015, which is expected to raise USD 128 million.

Exhibit 1: PE Deal Value (US\$ M) & Volume - 2014

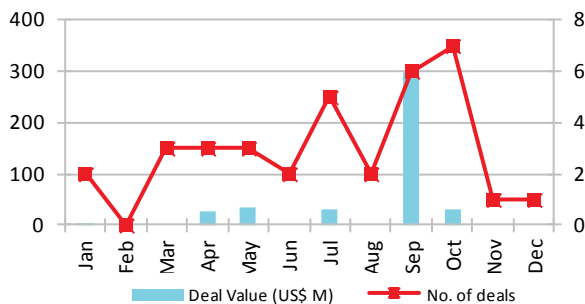
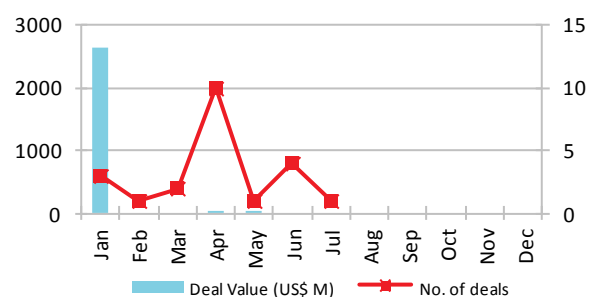


Exhibit 2: PE Deal Value (US\$ M) & Volume



Source: Zawya, Thomson ONE Banker, Al Masah Capital Research

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On July 1, the Saudi Arabian Investment Company (Sanabil) made an investment in Virgin Mobile Saudi Arabia in return for a minority stake in the company. Virgin did not disclose the value of the deal but indicated that the investment will be used to grow its regional operations. Virgin Mobile Middle East and Africa (VMMEA) was launched in 2014 after Saudi Arabia's telecoms regulator ordered its three mobile operators to each host a Mobile Virtual Network Operator (MVNO). VMMEA's core business activity is to provide mobile telecommunication services under two brands – the youth-focused Virgin Mobile, and Friendi mobile, targeted at expat workers. Sanabil is a closed joint stock firm owned by Public Investment Fund, the investment arm of the Saudi government.

Source: Zawya, Al Masah Capital Research

## MENA PE deal Space (cont.)

### Exhibit 3: Deals in MENA PE Space – July 2015

Company Name	Date	Company Nation	Deal Value (US\$ Million)	Sector	Firm/Fund
Virgin Mobile Saudi Arabia Co	July 1, 2015	Saudi Arabia	-	Telecom	Saudi Arabian Investment Company (Sanabil)

Source: Zawya, Thomson ONE Banker, Al Masah Capital Research

## MENA PE Exit Deals – July 2015

No exit deals were reported in July 2015.

## MENA PE News Wrap-up

Wamda Capital launched a USD 75 million regional growth stage venture fund, Wamda MENA Ventures I, the largest of its kind in the MENA region. The Fund completed its first close with leading regional and international investors, including International Finance Corporation (IFC), a member of the World Bank Group, Abraaj Group, Crescent Enterprises and Zain Group. Wamda Capital is led by Fadi Ghandour, the founder of Aramex. (July 5, 2015)

The Abraaj Group announced the completion of full exit of its investment, through one of its funds, in UAP Holdings Limited, a pan-African insurance holding company with subsidiaries in Kenya, Uganda, Tanzania, Rwanda and South Sudan as well as an insurance brokerage arm in the Democratic Republic of Congo. UAP's services include life insurance, general insurance, health insurance, premium financing services and investment management services. Under the terms of the agreement, Abraaj sold its 13.6% stake in the company, which is traded on Nairobi's over the counter (OTC) market, to Old Mutual plc, a London-listed international investment, savings, insurance and banking group. In March 2012, Abraaj invested, through one of its funds, in UAP alongside Africinvest and Swedfund, using a convertible debt instrument. Simultaneously with a limited public offer conducted in November 2012, Abraaj converted its instrument into equity shares in the company. (July 6, 2015)

The Abraaj Group acquired majority stake in Mouka Limited, a leading mattress manufacturer in Nigeria, in partnership with the Moukarim Family (the founding family). Abraaj acquired its stake from the previous shareholders, Actis and the founding family, with the latter retaining a minority stake in the company. Moukarim Metalwood Factory Limited, the precursor of Mouka Limited, was established in Kano, Nigeria in 1959, producing furniture and allied metal products for the bedding industry. KPMG acted as financial and tax advisor, while Freshfields Bruckhaus Deringer LLP and Olaniwun Ajayi acted as legal advisors to The Abraaj Group on the transaction. (July 7, 2015)

The Public Investment Fund (PIF) of Saudi Arabia and the Russian Direct Investment Fund (RDIF) signed a partnership agreement to invest SR 37.5 billion (USD 10 billion) into projects implemented in Russia. The majority of Saudi investment will be made on Russia's agricultural projects, as well as on medicine, logistics and the retail and real estate sectors. PIF's funds would be invested in several other projects over a period of up to five years, and the Saudi investment vehicle would invest together with other foreign sovereign wealth funds mostly from Asia, including the Russia-China Investment Fund, a USD 2 billion vehicle backed by the China Investment Corporation and RDIF. The RDIF also disclosed that it signed an agreement with Saudi Arabian General Investment Authority (SAGIA), to undertake projects in Saudi Arabia and other Middle East countries. (July 8, 2015)

Singapore based CapitaLand's residence business unit, The Ascott Ltd, entered into a joint venture with Qatar Investment Authority to set up a USD 600 million serviced residence fund with an initial focus on Asia Pacific and Europe. The 50-50 joint venture with the sovereign wealth fund is part of CapitaLand's target to launch six new funds with total AUMs of up to SGD 10 billion (USD 7.4 billion) by 2020. With Ascott's newly set up global serviced residence fund, CapitaLand manages 17 real estate private equity funds and five real estate investment trusts (REITs) with AUM worth over SGD 43 billion (USD 31 billion). (July 12, 2015)

Source: Zawya

## MENA PE News Wrap-up (cont.)

Egypt's Social Fund for Development (SFD) contributed EGP 670 million (USD 85.6 million) to finance micro-sized projects in the first half of 2015. According to the management, the first half finances have served around 85,000 micro-sized projects and the fund further intends to raise EGP 1.2 billion (USD 153.2 million) for the microenterprises sector by the end of 2015. SFD's cumulative portfolio of financing microenterprises is estimated at EGP 5.5 billion (USD 702.2 million). (July 15, 2015)

Global Sphere, a UAE-based investment company, signed a contract to build a 500-room five-star resort, GS International Hotel, in El Alamein area on the northern coast of Egypt, with an investment outlay of AED 750 million (USD 204 million). GS International Hotel is the company's first hospitality project amongst a variety of other developments in Egypt. (July 27, 2015)

Greenstone Equity Partners, one of the largest independent fund placement firms in the Middle East, have entered into a strategic partnership with Multiples Alternate Asset Management Private Limited (Multiples), an India-based investment advisory firm, to attract investors from the GCC region to high rewarding investment opportunities in India. The new collaboration will work towards raising capital for Multiples Fund II, a USD 500 million India-specific, sector agnostic PE fund, which aims to invest in mid-to-late stage opportunities and mid-cap buy-out investments with a strong preference for opportunities in sectors that are consumer-focused. Founded in 2009, Multiples is a India-focused PE firm that manages more than USD 800 million across two funds: Multiples Fund I and Multiples Fund II. The company closed its first fund in October 2011 with a total committed capital of USD 405 million from 15 institutions of global repute. Its current offering, Multiples Fund II, has already attracted USD 300 million from new and existing partners, including Canadian Pension Plan Investment Board (Canada), PGGM (Netherlands), CDC Group (UK), as the fund aims to invest in 10-12 portfolio companies across diversified industries and investment themes. (July 27, 2015).

Source: Zawya

## MENA IPO News

Emaar Misr, an Egyptian unit of Dubai based Emaar Properties, was successfully listed on the Egyptian stock exchange, gaining nearly 4% on its first day of trade. The company raised USD 300 million in gross proceeds, making it the largest IPO since 2007 in Egypt. The share sale was oversubscribed 11 times for the institutional tranche and 36 times for the public tranche. The company intends to use the proceeds for development of its commercial properties in its flagship development Emaar Square, Mivida Downtown and the Marina in Marassi. In addition, the company will also use the funds for growing its land bank and funding the pre-launch of Cairo Gate. (July 5, 2015)

Egypt's Beltone Financial Holding announced that it has received regulatory approval for a EGP 200 million (USD 25.5 million) capital increase, enabling the financial services firm to offer shares on the Cairo bourse from August 2 until August 31. The offering would be the second part of a two-stage capital increase program to fund growth in its financial services business which had previously been slated for earlier this year. With more than 200 staff, Beltone's activities include brokerage, asset management, investment banking and private equity operations. Foreign operations include offices in Dubai and London. (July 14, 2015)

Egypt's Pioneers Holding, a market research and brokerage services firm, is seeking an initial share offering of real estate developer Rooya worth at least EGP 1 billion (USD 128 million). Pioneers Holding which also has investment arms in real estate, industrials and financial services, acquired 60% of Rooya's shares in March 2015 for EGP 1.23 billion (USD 157 million). As per the management, the listing on the bourse is expected to be completed by Q3 2015 and the shares will be issued during Q1 2016. Rooya has a real estate portfolio of about 9 million square meters, with 6 million of that currently under development. (July 27, 2015)

Source: Zawya

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