



LUMINA

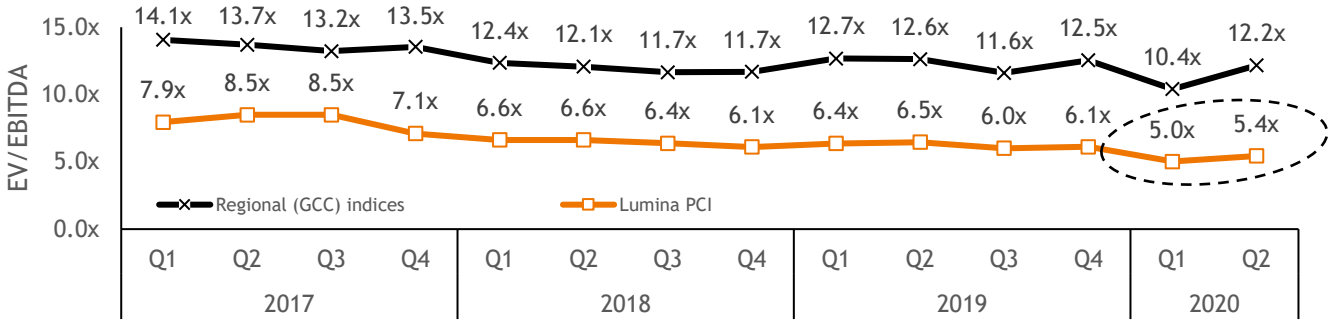
LPCI

Q2 2020

LUMINA PRIVATE COMPANY INDEX (“LPCI”)

The first private company M&A index covering the GCC.

The LPCI tracks private company M&A transaction multiples across a broad range of sectors in the GCC. The index contains average pricing multiples* from proprietary transactions on which LUMINA has advised, together with publicly available information on other private transactions in the market. The GCC Indices comprise average valuation multiples of the GCC public exchanges weighted by their respective market capitalisations.



Source: LUMINA transactions, Bloomberg, Capital IQ

Note: *Excludes Technology deals



Regional trends

Increase in the LPCI in Q2 2020 from 5.0x to 5.4x, broadly in line with public markets, reflecting a gradual improvement in confidence after the Covid-19 shock that commenced in Q1 2020.

Worldwide, and in the GCC region, the number of deals have decreased significantly as compared to Q2 2019. Sellers have been unable to predict the impact of the pandemic on their business' performance, making it difficult for buyers to value the investment.

Different lockdown measures within the GCC seem to have had an impact on the number of deals per country. Out of the total deals in the GCC, -70% had a target that was located in the UAE compared to -24% in KSA. We expect this trend to reverse over the short-medium term.



Abu Dhabi Government funds invest in Agri

Most active investors during Q2 2020 were the Abu Dhabi Investment Office (ADIO) and Abu Dhabi Development Holding (ADQ).

Abu Dhabi Investment Office (Adio) invested \$100 million (Dh367m) to bring four agriculture technology companies to the emirate as part of government efforts to attract high-skilled talent and cutting-edge research.

ADQ agreed to acquire a 50 per cent stake in Al Dahra Holding Company, a multinational agribusiness group that specialises in animal feed and essential food commodities.

The investments are in line with Abu Dhabi's long-term ambitions to attract technology, R&D, high-skilled labour to make the economy less oil dependent.



Cross-border investments from the Netherlands

During Q2 2020 we saw two companies from the Netherlands making investments in the region, proving that the region is still considered an attractive market for European buyers.

Dutch OLX Group bought a 39 percent stake in EMPG with \$150 million investment. EMPG runs property portals in different emerging markets across the world including Bayut.

Netherlands based KOTUG International completed a 100% acquisition of Dubai-based Marsol International, a leading offshore and marine terminal service centre.

Deal activity for the remainder of 2020 is anticipated to recover quickly, as shareholders re-ignite paused deals and investors return to the market.

CONTACTS:

George Traub
Managing Partner
gtraub@lumina-advisers.com

Andrew Nichol
Partner
anichol@lumina-advisers.com