



LUMINA

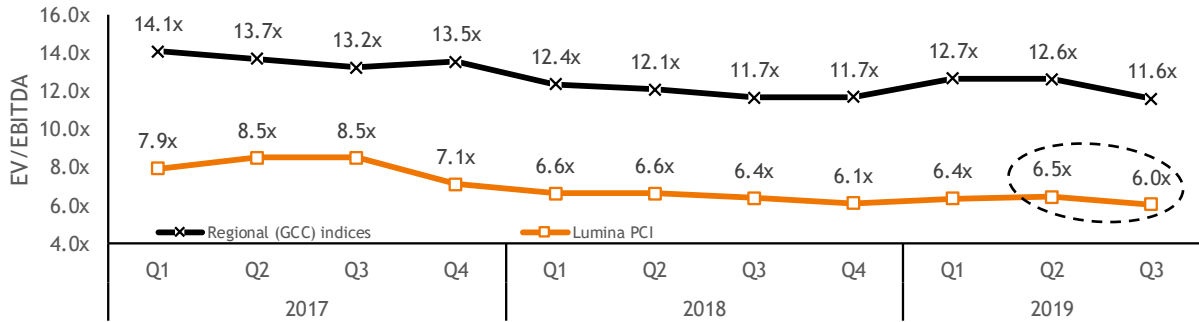
LPCI

Q3 2019

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

Reduction in the LPCI in Q3 2019 from 6.5x to 6.0x, in line with public market valuations, reflects both regional geopolitical tensions and the traditional regional slowdown over the summer period.

Manufacturing, Industrials and Food Security continue to attract capital.

Key themes during the quarter include ongoing consolidation in social infrastructure services and logistics which continue on a regional basis as companies look to build scale and synergy.

KSA continues to drive non-oil private sector investment, opening up the tourism sectors, technology initiatives the announced Aramco IPO driving global headlines.



Saudi Arabia

In Saudi Arabia, despite more muted GDP growth forecasts for 2019 and tensions resulting from the Saudi oil tanker attacks in September, Q3 showed an increase in deal volumes, focused on both M&A deals and VC tech investments.

In traditional M&A, food production remains a key space, as demonstrated by Almarai increasing its stake in Pure Breed Poultry.

Education and Healthcare was also active with PE house MEFIC acquiring Meras Arabia Medical and Gems Education KSA / Hassana acquiring Ma'arif. PIF's acquisition of Jasara Program Management from Aramco and Jacobs Engineering reflects the Government's ongoing infrastructure focus as part of its Vision 2030 programme delivery.



Tech Investment

Technology was the busiest sector in terms of deal activity in Q3. In the UAE, Washmen's Series B funding raised \$6.2m and Pure Harvest's raise of \$1.75 million represented the first phase of their \$20m investment into R&D. Also start-ups Melltoo, AlgoDriven and FlexxPay raised new funding during the period.

In KSA, almost half of Q3 completed transactions in the Kingdom were Venture Capital tech related, with 500 Startups, Vision Ventures (Dhad, E-Learning), Elm Street Ventures (Zid, E-Commerce) and MEVP, WAMDA, SVC and Watar Partners (Nana, online groceries) all active.

Note that given the nature of tech investments the LPCI multiples exclude these deals.

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