



LUMINA

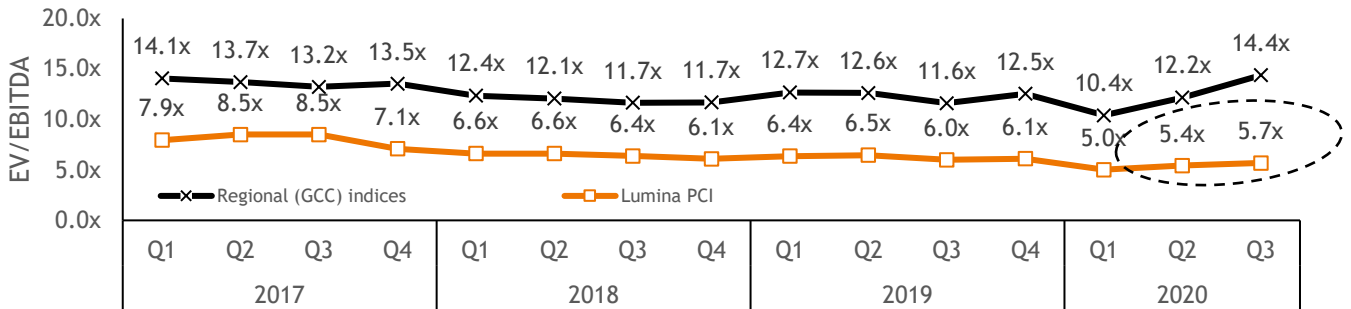
LPCI

Q3 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

Note: *Excludes Technology deals



Regional trends

In Q3 2020 we saw some uptick in valuations as the EV/EBITDA multiple increased from 5.4x to 5.7x. This reflects further improvement in confidence after the Covid-19 shock that commenced in Q1 2020.

While the pandemic continues to have consequences for the GCC economy, there are a few indications that M&A activity is bouncing back from H1 2020 lows.

If this trend continues, Q4 2020 M&A should continue its upward trend, as deals slowed by the pandemic are revived and closed. There is intense corporate focus on ‘core’ business activities, and on those best positioned to capitalise on market recovery with shedding of non-core units as management teams re-prioritise.



Instashop cross-border e-commerce

In Q3 UAE based e-grocery InstaShop announced that it had been acquired by Germany’s Delivery Hero for a total deal value of USD 270m. E-grocery currently is the fastest growing segment of e-commerce in the Middle East. Lockdown supercharged growth and changed consumer habits - many of which will remain post pandemic. The acquisition follows earlier Delivery Hero acquisitions in the region such as Talabat, Otlob in Egypt and Hungerstation in KSA.

In the same sector we saw cloud kitchen platform iKcon closing a pre-series A round of \$5m led by Arzan VC, AlTouq Group and Nazer Group among other investors. Lumina is currently managing the Series A funding round, which is expected to close in Q4.



International Holding acquisitive

During Q3 we noted that International Holding from Abu Dhabi has been very acquisitive. The company acquired Royal Architect Project Management LLC (RAPM), Royal Development Company LLC (RDC), R-Med Medical Supplies LLC and Apex Alwataniah Catering Service LLC, bringing its total assets to AED 12.1 billion.

We also saw some large privatisations in both Abu Dhabi and KSA. ADNOC sold its Abu Dhabi Property Leasing Holding Company. The deal will leverage the rental income streams from select ADNOC real estate assets under a 24-year master lease agreement. In Saudi The National Center for Privatization and PPP announced the long-slated first phase of its flour mill sector privatization. Total deal value SAR 2.777 billion.

CONTACTS:

George Traub
Managing Partner
gtraub@lumina-advisers.com

Andrew Nichol
Partner
anichol@lumina-advisers.com