



LUMINA

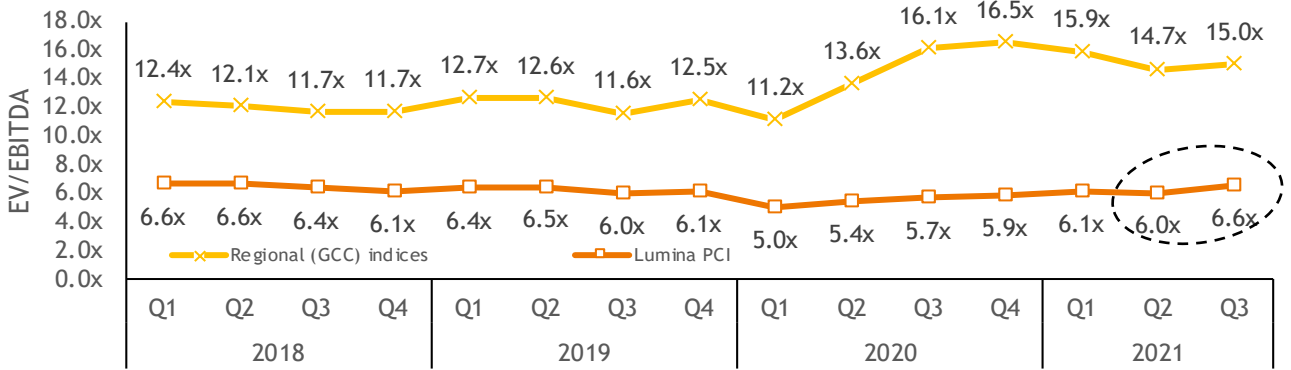
LPCI

Q3 2021

# 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. Q3 regional indices reflect Bloomberg's updates to historic multiples



### Regional trends

The Q3 2021 LPCI increased to 6.6x reflecting an uptake of deal activity in the private market with public markets also increasing to 15.0x.

We expect multiples to grow with increased Q4 activity from foreign investors who look to enter the region as well as regional investors as they seek to adjust their investment portfolios with sustainability and impact investing firmly on the agenda.

There are indicators of increasing cross-border M&A transaction with notable GCC investments into the UK including the recent majority ownership acquisition of Newcastle United Football club by the Saudi Sovereign Wealth Fund PIF.



### The growing UK - Middle East relationship

Growing ties between the UK and GCC, furthered by the two trading partners beginning negotiations on a region-wide trade pact in October 2021, are driving increased investment flow between the economies with an increasing number of deals taking place. This increased cross-border investment activity will likely focus on food security, agritech, sustainability, net zero, healthcare and biotech.

We expect legacy Partnerships will be renewed and new JVs will be established between the two trading partners in infrastructure services, industrials and engineering and construction seeing investment and repositioning for significant future growth.



### ESG and social impact investing growth

ESG and social impact investing are likely to be high on the agenda as a result of the upcoming COP26. This is evidenced by the GBP10bn investment pledge by the UAE into the UK clean energy, technology and infrastructure. This additionally demonstrates a desire for inward global capital into the UK.

In addition to this, power and energy companies are also seeing increasing activity as these companies push towards more sustainable initiatives. Increased demand for these types of investments is shown by the highly successful IPO of ACWA with their shares surging 30% on their debut of listing.

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