



LUMINA

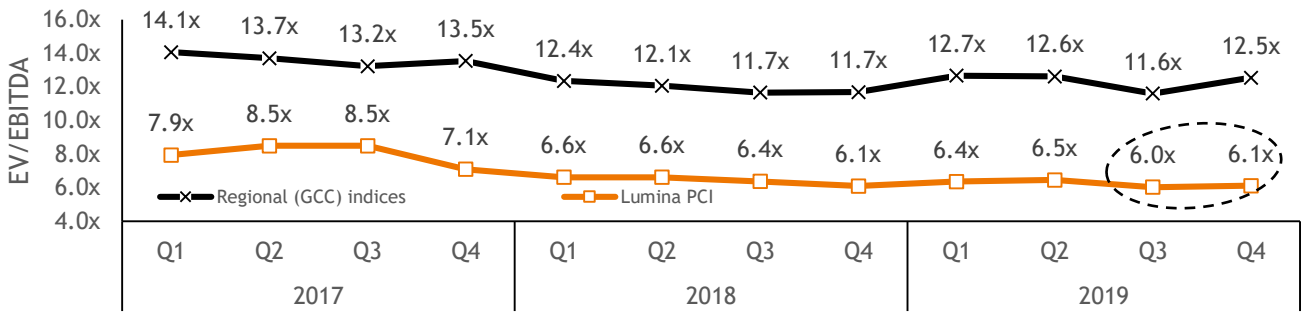
LPCI

Q4 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, MergerMarket

Note: \*Excludes Technology deals



## Regional trends

Increase in the LPCI in Q4 2019 from 6.0x to 6.1x, reflects increased regional confidence from the lows of Q3 and the successful IPO of Aramco.

Key theme, also for us at Lumina, was the landmark structured secondaries transaction with HarbourVest to provide liquidity for Investcorp’s MENA portfolio. Lumina acted as financial advisor to HarbourVest on this transaction.

We further saw that Healthcare, Financial Services and Technology were the main sectors with activity.

For 2020 we expect EXPO 2020 to bring liquidity to the market, boost company’s financial performance and be a catalyst for deal making.



## Secondary Transactions

PE activity may remain subdued and the deals that are happening are mainly healthcare or education focused. We also have not seen much activity at the PE front as no new funds have been raised recently. Finally, given that the Saudi Aramco USD 26bn IPO has taken a considerable amount of liquidity out of the market, a secondary transaction could be an innovative solution for existing PE funds to provide liquidity to their LPs.

Funds from lower interest rate environments such as Europe and the US appear to be interested in offering these types of solutions to local funds.



## Healthcare

Healthcare remains an active sector. We saw Emirates Healthcare Development Company (owner of Saudi German Hospital), successfully concluding a AED 550m syndicated financing facility. We expect to see activity from this group during the coming year as a result of this trend.

The other four main players in the healthcare sector that we expect to be active are Aster, Gulf Capital, Amanat and Foundation Holding. Aster recently acquired Wahat Al Aman Home and Gulf Capital acquired IVI-RMA’s Middle East fertility treatment clinics. In addition to that, Amanat recently announced that it is assessing a potential acquisition of a stake in VPS healthcare, whereas Foundation appears to be in exclusive talks with a listed Asian pre-kindergarten chain for a JV to enter KSA.

### CONTACTS:

George Traub  
Managing Partner  
gtraub@lumina-advisers.com

Andrew Nichol  
Partner  
anichol@lumina-advisers.com