

Kuwait Financial Centre K.P.S.C. "Markaz"

GCC M&A Report

Q3 2022



Asset Management | Investment Banking

GCC M&A Report – Q3 2022

Transactions increased by 23% compared to Q3 2021

December 2022

Research Highlights:

Provides a review of M&A transactions in the GCC region.

Markaz Research is available on:

Bloomberg - Type "MRKZ" <Go>
Thomson Research,
Reuters Knowledge
Nooz
Zawya Investor
ISI Emerging markets
Capital IQ
FactSet Research Connect
TheMarkets.com

Mohammad Al Fahad

Asst. Vice President – Investment Banking
+965 2224 8000 Ext: 1107
mfahad@markaz.com

Fay Al Bader

Analyst – Investment Banking
+965 2224 8000 Ext: 1160
fbader@markaz.com

Nouf Al Muraikhi

Asst. Analyst – Investment Banking
+965 2224 8000 Ext: 1187
noufm@markaz.com

Kuwait Financial Centre K.P.S.C. "Markaz"

P.O. Box 23444, Safat 13095, Kuwait
Tel: +965 2224 8000
Fax: +965 2242 5828
markaz.com

The GCC market welcomed a significant level of M&A activity throughout Q3 2022, during which it closed a total of 59 M&A transactions, demonstrating a growth of 23% year over year. Overall UAE targets attracted the greatest level of interest from buyers, a trend that has persisted for the past consecutive quarters. At 36 transactions, UAE comprised 61% of the total number of transactions that closed during Q3 2022, followed by Saudi Arabia and Kuwait, who accounted for 19% and 10% of these transactions, respectively. In addition, Bahrain and Oman accounted for 5% and 3% of the total number of transactions that closed throughout the period, with Qatar representing the remaining 2%.

As witnessed in previous quarters, the transactions that closed involved companies that operate in various sectors. With that being said, the sectors that attracted the greatest level of activity throughout the quarter were the Financials, Industrials, Consumer Discretionary, and Insurance sectors, who collectively accounted for 49% of the total number of closed transactions.

Moreover, GCC targets received lower levels of interest from foreign buyers when compared to the previous quarter as well as the previous year recording a total of 11 closed transactions in Q3 2022, 13 closed transactions in Q3 2021, and 15 closed transactions in Q2 2022, implying a decline of 15% and 27%, year over year and quarter over quarter. It is worth noting that foreign buyers solely targeted UAE companies throughout the quarter, closing a total of 11 transactions.

Furthermore, GCC acquirers primarily invested in companies within their local markets and in international markets, while investing in regional companies to a lesser extent. Throughout Q3 2022, GCC acquirers closed a total of 39 transactions within their local markets, compared to 23 transactions in Q2 2022. In addition, GCC acquirers sealed 18 cross-border transactions throughout Q3 2022, relative to 24 transactions in Q2 2022. Throughout the most recent quarter, UAE buyers accounted for approximately 44% of the total number of cross-border transactions, followed by Saudi Arabia and Kuwait, who accounted for 33% and 17%, respectively.

Figure: Number of Closed GCC M&A Transactions

Country	Q3 2022	Q2 2022	Q3 2021	% Change (QoQ)	% Change (YoY)
Bahrain	3	3	3	n/a	n/a
Kuwait	6	7	9	-14%	-33%
Oman	2	1	0	100%	N/A
Qatar	1	2	0	-50%	N/A
Saudi Arabia	11	4	12	175%	-8%
United Arab Emirates	36	26	24	38%	50%
Total	59	43	48	37%	23%

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

*Local transactions refer to those whereby a GCC company acquires a target within their respective country (i.e. Kuwaiti company acquires Kuwaiti companies)

GCC Merger & Acquisition Deals (Q3 2022)
M&A Transactions within GCC

GCC Mergers & Acquisitions

Transaction History (Closed)

GCC M&A Transactions – Number of Transactions

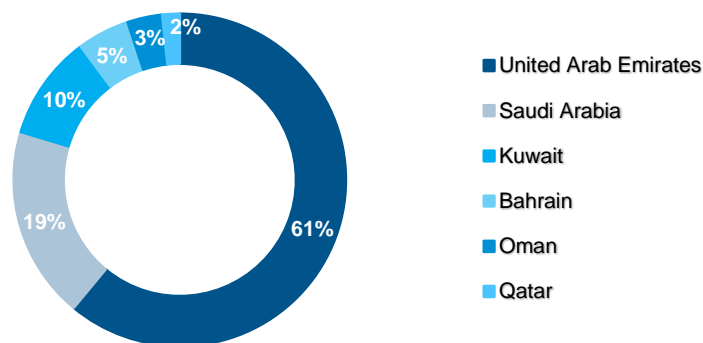
Country	Q3 2022	Q2 2022	Q3 2021	% Change (Q2 2022)	% Change (Q3 2021)
Bahrain	3	3	3	0%	0%
Kuwait	6	7	9	-14%	-33%
Oman	2	1	0	100%	n/a
Qatar	1	2	0	-50%	n/a
Saudi Arabia	11	4	12	175%	-8%
United Arab Emirates	36	26	14	38%	50%
Total	59	43	48	37%	23%

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Key Takeaways

- GCC economies wrapped up yet another quarter of substantial M&A activity, sealing a total 59 transactions across all six countries throughout Q3 2022. This implies a 37% growth quarter over quarter and a 23% growth year over year.
- Once again, UAE targets appeared to be the most attractive relative to the other GCC markets as they recorded a total of 36 closed transactions throughout Q3 2022, which comprises 61% of the total number of transactions that closed throughout the quarter.
- This is followed by Saudi and Kuwaiti targets, who accounted for 19% and 10% of the total number of transactions that closed respectively, while Bahraini, Omani and Qatari targets represented the remaining 10% of the transactions for the quarter.

GCC M&A Transactions – Geographical Distribution by Number of Transactions (Q3 2022)



GCC Mergers & Acquisitions

Announced Transactions in the Pipeline

GCC M&A Transactions – Announced Pipeline Transactions

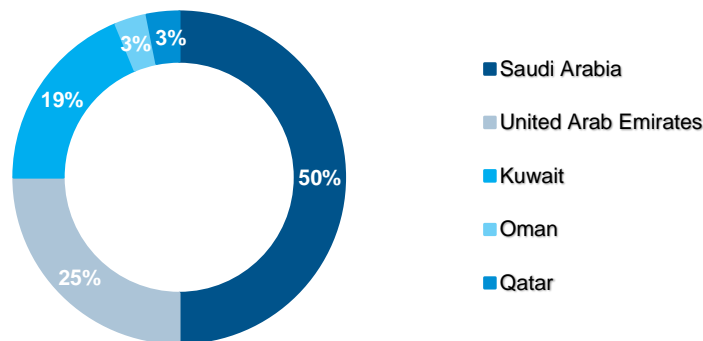
Country	Q3 2022	Q2 2022
Bahrain	0	2
Kuwait	6	3
Oman	1	1
Qatar	1	1
Saudi Arabia	16	11
United Arab Emirates	8	12
Total	32	30

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Key Takeaways

- There were a total of 32 transactions that were announced throughout Q3 2022, in line with the pipeline activity announced during the previous quarter.
- Saudi targets accounted for the majority of the deals announced throughout the quarter at 50%, followed by UAE and Kuwaiti targets, who accounted for 25% and 19% of these transactions, respectively.
- The remaining transactions involved Omani and Qatari targets, while Bahrain ended the quarter with no transactions in the pipeline.
- It is worth noting that Saudi Arabia and Kuwait were the only two markets that witnessed growth in pipeline activity relative to the previous quarter.

GCC M&A Transactions – Geographical Distribution by Number of Announced Pipeline Transactions (Q3 2022)



GCC Mergers & Acquisitions

Top 5 Deals by Reported Value

Targets & Buyers – Q3 2022

Target Company	Target Country	Buyer	Buyer Country	Percent Sought	Deal Value (USDmn)	Status
Abu Dhabi National Energy Company	United Arab Emirates	Multiply Group	United Arab Emirates	7	2,722	Closed
Ithmaar Holding - Consumer Banking Business & Assets	Bahrain	Al Salam Bank	Bahrain	100	2,200	Closed
Seadrill Limited - Drilling Rig Entities	Saudi Arabia	ADES Arabia Holding plc	United Arab Emirates	100	628	Announced
Nebras Power	Qatar	Qatar Electricity & Water Company	Qatar	40	530	Closed
Almosafer Travel & Tourism Company	Saudi Arabia	Public Investment Fund	Saudi Arabia	30	414	Announced

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Reuters, Markaz Analysis. These companies were selected based on available information.

Key Takeaways

- Multiply Group penned an agreement to acquire a ~7% stake in Abu Dhabi National Energy Company (TAQA) for a total consideration of USD 2.7 billion. TAQA is a publicly listed leading utilities company with power, water, oil, and gas operations in 11 countries.
- Al Salam Bank finalizes a USD 2.2 billion deal whereby it acquired a group of assets from Ithmaar Holding including its consumer banking business, indirect shareholdings in Bank of Bahrain and Kuwait, Solidarity Group Holding, Mastercard Inc, The Benefit Company, and a portfolio of sukuk issued by the Government of Bahrain.
- Seadrill Limited pens a binding agreement with ADES Arabia Holding plc under which it will sell all shares of seven of its entities, each of owns and operates a jack up drilling rig, for a total consideration of USD 628 million. The company expects to seal the deal in Q4 2022, upon obtaining regulatory approvals.
- Qatar Electricity & Water Company (Qatar Electricity) seals its acquisition of a 40% stake in Nebras Power for a total consideration of USD 530 million, upon which it will become the sole owner of the company. Note, Qatar Electricity acquired this stake from Qatar Holding L.L.C. through its wholly owned subsidiary, Raslaffan Operating Company W.L.L.
- The Public Investment Fund signs a non-binding agreement to acquire a 30% stake in Almosafer Travel & Tourism Company from Seera Group Holding for a total consideration of USD 414 million, which includes an earn out component amounting to USD 103 million. Note, this is based on an enterprise value of USD 999 million.

GCC Mergers & Acquisitions

Foreign (Non-GCC) Buyers (Closed)

Number of Foreign Buyers' Deals in GCC

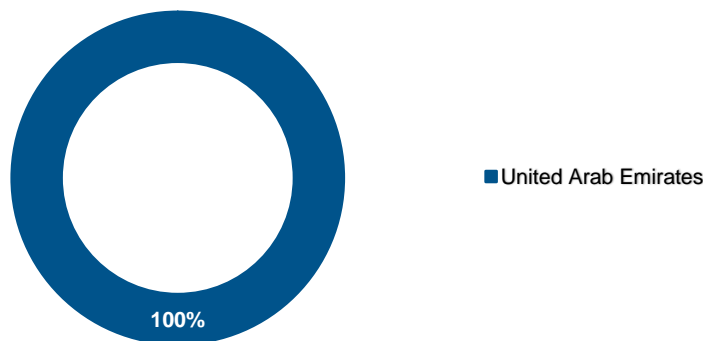
Country	Q3 2022	Q2 2022	Q3 2021
Bahrain	0	2	3
Kuwait	0	0	1
Oman	0	0	0
Qatar	0	1	0
Saudi Arabia	0	0	1
United Arab Emirates	11	12	8
Total	11	15	13

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Key Takeaways

- In comparison to previous quarters, GCC targets welcomed a slightly lower level of interest from foreign buyers, recording a total of 11 (closed) transactions throughout Q3 2022 alone.
- With that being said, the UAE continued to attract a significant level of foreign activity throughout the quarter which is evident as it recorded a total of 11 transactions (closed) that were taken on by foreign buyers.
- The remaining GCC markets didn't record a transaction by a foreign buyer throughout the quarter.

GCC M&A Transactions – Geographical Distribution by Number of Transactions Involving Foreign Buyers (Q3 2022)



GCC Mergers & Acquisitions

Top Deals by Reported Value (Foreign)

Targets & Foreign (Non-GCC) Buyers – Q3 2022

Target Company	Target Country	Buyer	Buyer Country	Percent Sought	Deal Value (USDmn)	Status
Aldar Investment Properties	United Arab Emirates	Apollo Global Management	United States	11	400	Closed
Gassendi Trading	United Arab Emirates	MetalStream Limited	Malaysia	100	n/a	Closed
WME Global – Middle East & Indian Operations	United Arab Emirates	Egis Group	France	100	n/a	Closed
Changi Consulting	United Arab Emirates	Publicis Sapient	United States	100	n/a	Closed
MMR Holding Limited	United Arab Emirates	Chedid Capital	Lebanon	100	n/a	Closed

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Reuters, Markaz Analysis. These companies were selected based on available information.

Key Takeaways

- Caisse Apollo acquires a 11% stake in Aldar Investments Properties in exchange for the issuance of USD 400.0 million worth of common equity and mandatory convertible preferred equity. It is worth noting that this comprises a portion of the USD 1.4 billion transaction the two companies announced back in February. Moreover, Aldar Investments Properties houses its mother company's core asset management businesses, which encompasses over AED 23.0 billion in diverse properties.
- MetalStream Limited acquires 100% of Gassendi Trading, a leading precious metals company based in Dubai, for an undisclosed amount. Gassendi Trading has gained a name in the market as it specializes in transporting and refining precious metals.
- Egis Group successfully acquires WME's Middle East and Indian businesses for an undisclosed amount. WME is a leading engineering and design consultancy business based in Dubai, with several offices located throughout the region in addition to India, Singapore and the United Kingdom.
- Publicis Sapient discloses it has acquired Dubai's Changi Consulting, a leading cloud solutions company, for an undisclosed amount. It is worth noting that Changi Consulting is Salesforce's longest running partner in the UAE and has represented the company for more than twelve years.
- Chedid Capital announces it has fully acquired MMR Holding Limited for an undisclosed amount. MMR Holding Limited owns and operates one of the leading online insurance aggregators in the UAE, BuyAnyInsurance.

GCC Mergers & Acquisitions

By Sector (Closed)

Sector-wise Classification of Deals – Q3 2022

Sector	Foreign Acquirers	GCC Acquirers	Other*	Grand Total	%**
Financials	1	8	0	9	15%
Industrials	0	7	1	8	14%
Consumer Discretionary	0	5	1	6	10%
Insurance	1	4	1	6	10%
Real Estate	1	3	1	5	8%
Information Technology	3	1	0	4	7%
Healthcare	0	4	0	4	7%
Education	1	2	0	3	5%
Media	1	1	0	2	3%
Consumer Staples	0	2	0	2	3%
Utilities	0	2	0	2	3%
Logistics	0	2	0	2	3%
Materials	1	1	0	2	3%
Energy	0	1	0	1	2%
Construction	1	0	0	1	2%
Communication Services	0	1	0	1	2%
Marketing	1	0	0	1	2%
Total	11	44	4	59	100%

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

* Other refers to deals where buyer information is not available.

** Totals may exceed 100% due to rounding.

Sector-wise Classification of Deals – Q3 2021

Sector	Foreign Acquirers	GCC Acquirers	Other*	Grand Total	%**
Healthcare	0	9	0	9	19%
Communication Services	3	2	0	5	10%
Logistics	1	4	0	5	10%
Financials	0	3	1	4	8%
Information Technology	4	0	0	4	8%
Real Estate	0	4	0	4	8%
Utilities	2	2	0	4	8%
Consumer Discretionary	0	2	1	3	6%
Consumer Staples	0	3	0	3	6%
Education	2	0	0	2	4%
Industrials	0	2	0	2	4%
Insurance	0	2	0	2	4%
Materials	1	0	0	1	2%
Total	13	33	2	48	100%

Key Takeaways

- The majority of the transactions that closed throughout Q3 2022 and Q3 2021 were carried out by GCC acquirers, a trend that has persisted throughout the past few quarters. During Q3 2022, GCC acquirers accounted for 74% of the total number of closed transactions while foreign acquirers accounted for 19%. The remaining 7% is comprised of closed transactions for which the buyer information was not available.
- During Q3 2021, GCC acquirers accounted for 69% of the total number of closed transactions while foreign acquirers accounted for 27%. The remaining 4% is comprised of closed transactions for which the buyer information was not available.
- Moreover, the transactions that closed throughout Q3 2022 targeted companies that operate across various sectors however with that being said, a majority of the transactions involved companies within the Financials, Industrials, Consumer Discretionary and Insurance sectors.

M&A Transactions by GCC Acquirers

Merger & Acquisition Watch

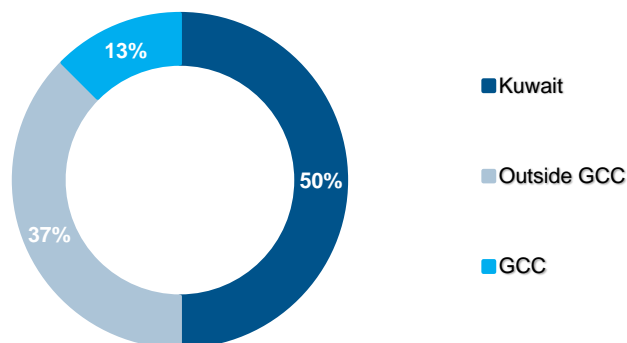
By Kuwaiti Acquirers

Targets & Buyers – Q3 2022

Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
John Menzies plc	United Kingdom	Agility Public Warehousing Company	100	927	Closed
Oak Hill Capital Partners	United States	Wafra Inc.	15	175*	Announced
Gatehouse Capital	Kuwait	The Securities House	100	45	Announced
Kuwait Hotels Company	Kuwait	Petrobrit Kuwait General Trading & Contracting Company	35	12	Announced
Sky Company for Mgmt. of Specialized Medical Centers	Kuwait	Bayan Medical Company	100	13	Closed

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Target Companies – Geographical Distribution by Number of Transactions (Closed) (Q3 2022)



Key Takeaways

- Agility Public Warehousing Company's (Agility) board and shareholders finalized the acquisition of John Menzies PLC (Menzies), a UK-based logistics company, for a total consideration of USD 927 million. Note, Agility will combine the Menzies business with its National Aviation Services business.
- Wafra Inc. announces plans to acquire a minority stake in Oak Hill Capital Partners, a New-York based private equity firm, for an undisclosed amount. Note, the Kuwaiti-backed firm intends to acquire this stake from Jefferies Financial Group Inc., who bought a 15.0% stake in Oak Hill Capital Partners back in 2019.*
- The Securities House receives its board approval to proceed with its proposed acquisition of Gatehouse Capital for a total consideration of USD 45 million, USD 16 million of which will be financed through a new facility. The company intends to complete these payments in three installments, over a period of six months, effective from the day the agreement is signed. Note, the parties are still undergoing negotiations and have yet to receive all regulatory approvals.
- Petrobrit Kuwait General Trading & Contracting Company (Petrobrit) launches a mandatory tender offer (MTO) whereby it intends to acquire the remaining 35% stake in Kuwait Hotels Company at 180 fils per share. Note, this would imply a transaction value of KD 12 million. Moreover, the company has received the Capital Market Authority's approval to proceed with its MTO.
- Bayan Medical Company finalizes its acquisition of Sky Company for Management of Specialized Medical Centers in collaboration with Al Razi Holding Company. Note, Bayan Medical Company previously received an approval from the Competition Protection Agency to acquire 100% of the management company for a total consideration of USD 13 million.

*Note: The transaction value is an estimate that was calculated based on a financial report issued by Jefferies Financial Group Inc stating the group realized USD 175.0 million in proceeds upon the sale of its interest early in October.

Merger & Acquisition Watch

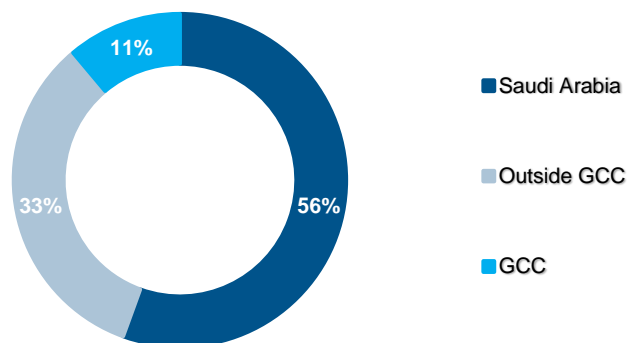
By KSA Acquirers

Targets & Buyers – Q3 2022

Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
Valvoline Global Products	United States	Saudi Arabian Oil Company	100	2,650	Announced
Aman Group	Switzerland	Public Investment Fund; Cain International	30*	900	Closed
Almosafer Travel & Tourism Company	Saudi Arabia	Public Investment Fund	30	414	Announced
Misr Fertilizer Production Company	Egypt	Public Investment Fund	25	391	Closed
Business units of HSBC Saudi Arabia	Saudi Arabia	Alawwal Invest Company	100	320	Closed

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Target Companies – Geographical Distribution by Number of Transactions (Closed) (Q3 2022)



Key Takeaways

- The Saudi Arabian Oil Company signs an agreement with Valvoline Inc. to acquire 100% of its global products business, Valvoline Global Products, for a total consideration of USD 2,650 million. Valvoline Global Products is a leading producer of premium automotive, commercial and industrial lubricants and automotive chemicals. Note, closing is subject to obtaining regulatory approvals.
- Saudi's Public Investment Fund (PIF) and Cain International have jointly invested USD 900 million in Aman Group, a luxury hotel group, to fuel the company as it expands globally. Moreover, the group intends to use the funding to enhance its existing portfolio, continue construction on ongoing projects and acquire and develop new sites. After accounting for the new funding, the company is currently valued at USD 3 billion.*
- The Public Investment Fund signs a non-binding agreement to acquire a 30% stake in Almosafer Travel & Tourism Company from Seera Group Holding for a total consideration of USD 414 million, which includes an earn out component amounting to USD 103 million. Note, this is based on an enterprise value of USD 999 million.
- Saudi's Public Investment Fund seals a USD 391 million deal for a 25% stake in Misr Fertilizer Production Company. PIF acquired ~ 57 million shares in the Egyptian company subsidiary, the Saudi Egyptian Investment Company.
- Saudi British Bank (SABB) finalizes a deal to sell certain business units from its subsidiary, HSBC Saudi Arabia, to Alawwal Invest Company for USD 320 million. Note, SABB will sell the following units: asset management, retail brokerage and retail margin lending.

*Note: The stake mentioned is an estimate that was calculated on the target's post-money valuation and the capital that was injected.

Merger & Acquisition Watch

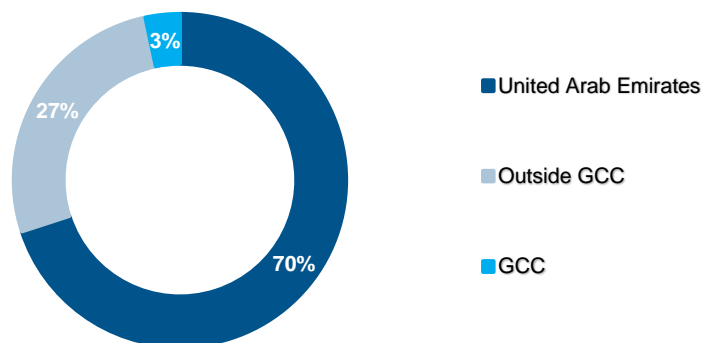
By UAE Acquirers

Targets & Buyers – Q3 2022

Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
Abu Dhabi National Energy Company	United Arab Emirates	Multiply Group	7	2,722	Closed
Fortress Investment Group	United States	Mubadala Investment Company	100	2,000	Announced
Grupo Nutresa S.A.	Colombia	International Holding Company	25	1,721	Announced
Sadrill Limited - Drilling Rig Entities	Saudi Arabia	ADES Arabia Holding PLC	100	628	Announced
Kalyon Enerji	Turkey	International Holding Company	50	501	Closed

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Target Companies – Geographical Distribution by Number of Transactions (Closed) (Q3 2022)



Key Takeaways

- Multiply Group penned an agreement to acquire a ~7% stake in Abu Dhabi National Energy Company (TAQA) for a total consideration of USD 2.7 billion. TAQA is a publicly listed leading utilities company with power, water, oil, and gas operations in 11 countries.
- Mubadala Investment Company moves a step closer to sealing a USD 2 billion deal to acquire 100% of Fortress Investment Group from Softbank Group. Fortress Investment Group is an investment management firm based in New York with ~44 billion in assets under management (as of June 30, 2022).
- International Holding Company announces it intends to launch a tender offer to acquire between a 25% - 31% stake in Grupo Nutresa S.A., a leading Colombian company in the food processing business, for a minimum consideration of USD 1,721 million, at USD 15.0 per share. Note, the company intends to acquire the stake through its subsidiary, IHC Capital Holding L.L.C.
- Sadrill Limited pens a binding agreement with ADES Arabia Holding plc under which it will sell all shares of seven of its entities, each of owns and operates a jack up drilling rig, for a total consideration of USD 628 million. The company expects to seal the deal in Q4 2022, upon obtaining regulatory approvals.
- International Holding Company (IHC) discloses it has acquired a 50% stake in Kalyon Enerji, a leader in the Turkish clean energy market, for a total consideration of USD 501 million. Note, IHC will acquire the stake from Kalyon Holding through its subsidiary, International Energy Holding.

Merger & Acquisition Watch

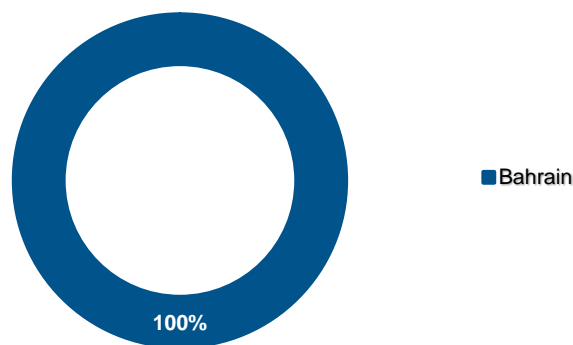
By Bahraini Acquirers

Targets & Buyers – Q3 2022

Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
Ithmaar Holding - Consumer Banking Business & other assets	Bahrain	Al Salam Bank	100	2,200	Closed
SICO Capital	Saudi Arabia	SICO BSC	27	5	Announced
Bahrain Livestock Company	Bahrain	Trafco Group	64	n/a	Closed

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Target Companies – Geographical Distribution by Number of Transactions (Closed) (Q3 2022)



Key Takeaways

- Al Salam Bank finalizes a USD 2.2 billion deal whereby it acquired a group of assets from Ithmaar Holding including its consumer banking business, indirect shareholdings in Bank of Bahrain and Kuwait, Solidarity Group Holding, Mastercard Inc, The Benefit Company, and a portfolio of sukuk issued by the Government of Bahrain.
- Bank Muscat pens an agreement to divest its 27% stake in SICO Capital, a Saudi based financial services company, to SICO BSC for a total consideration of USD 5 million. It is worth noting that Bank Muscat initially sold a 73% stake in the company to SICO BSC by way of a share swap deal valued at approximately USD 15 million; this transaction closed during Q1 2021.
- After buying out its other partners, Trafco Group announces it has become the sole owner of Bahrain Livestock Company. Although neither party has disclosed much detail, it appears the group has acquired up to a 64% stake as they held an approximate 36% stake as of year-end 2021.

Merger & Acquisition Watch

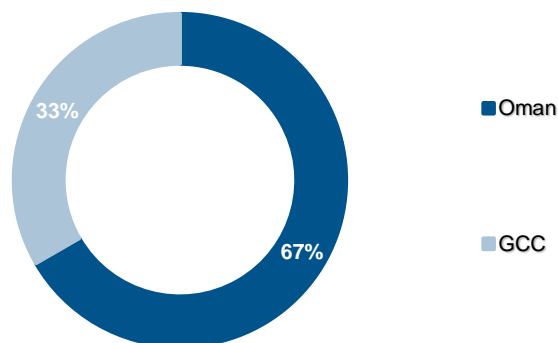
By Omani Acquirers

Targets & Buyers – Q3 2022

Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
Sembcorp Energy India Limited	India	Tanweer Infrastructure Pte. Limited	100	1,470	Announced
Oman Qatar Insurance Company	Oman	Al Hosn Investment Company	12	6	Announced
Al Hael Company	Oman	Al Maha Ceramics	45	5	Closed
Unigaz L.L.C.	Oman	Unigaz International	51	1	Closed
Royal & Sun Alliance Insurance – Middle East	United Arab Emirates	National Life & General Insurance Company	50	n/a	Closed

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Target Companies – Geographical Distribution by Number of Transactions (Closed) (Q3 2022)



Key Takeaways

- Sembcorp Industries announces that its subsidiary Sembcorp Utilities will sell 100% of Sembcorp Energy India Limited (SEIL) to Tanweer Infrastructure for an approximate USD 1,470 million. SEIL operates two supercritical coal-fired plants with a combined capacity of 2.6GW. Note, Tanweer Infrastructure consortium comprises Oman Investment Corporation, the Ministry of Defense Pension Fund, and Dar Investment who carry 70% , 20% and 10% stakes, respectively.
- Al Hosn Investment finalizes an offer to acquire an additional 12% stake in Oman Qatar Insurance Company (OQIC) for a total consideration of USD 6 million, at ~ USD 0.5 per share. If successful, the investment company would raise its stake in OQIC to 34%. No further details have been provided.
- Al Maha Ceramics Company acquires a 45% stake in Al Hael Ceramics Company for a total consideration of USD 5 million. As a part of the agreement, Al Maha Ceramics Company would manage and operate the company's factory for the next five years. Note, the factory is one of the largest factories in the Middle East and is equipped with the latest Italian technologies for tile manufacturing.
- National Gas Company announces it divested a 51% stake in its Omani joint venture to Unigaz L.L.C. for USD 1 million. No further details have been provided.
- National Life & General Insurance Company (National Life Insurance) successfully acquired a 50% stake in Royal & Sun Alliance - Middle East (RSA Middle East), from Sun Alliance Insurance Overseas Limited, for an undisclosed amount. The transaction took place through a share swap agreement however no further details have been provided. Note, RSA Middle East owns a 52% stake in Al Ahlia Insurance Company (Al Ahlia) and as such, National Life Insurance's board has submitted an offer to acquire the remaining 48% from Al Ahlia's minority shareholders, at 1.2x the company's book value.

Merger & Acquisition Watch

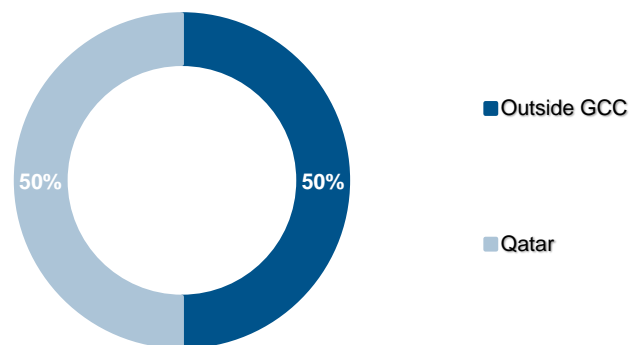
By Qatari Acquirers

Targets & Buyers – Q3 2022

Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
Nebras Power	Qatar	Qatar Electricity and Water Company	40	530	Closed
SK Holdco Private Limited	Turkey	Qatar Investment Authority	37	111	Closed
Al-Koot Insurance and Reinsurance Company	Qatar	Doha Insurance Group	100	n/a	Announced

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Target Companies – Geographical Distribution by Number of Transactions (Closed) (Q3 2022)



Key Takeaways

- Qatar Electricity & Water Company (Qatar Electricity) seals its acquisition of a 40% stake in Nebras Power for a total consideration of USD 530 million, upon which it will become the sole owner of the company. Note, Qatar Electricity acquired this stake from Qatar Holding L.L.C. through its wholly owned subsidiary, Raslaffan Operating Company W.L.L.
- Qatar Investment Authority acquires a 37% stake in SK Holdco Private Limited., the entity that operates Avrasya Tuneli Isletme Insaat ve Yatirim A.S, a Turkish contractor that was established in 2019 to build the Eurasia Tunnel. Note, the authority acquired this stake from SK Group, a South Korean company in the joint venture that legally owns the project, throughout its subsidiary, QH Oil Investment L.L.C., for total value of USD 111 million.
- Doha Insurance Group and Gulf International Services jointly announce they have commenced negotiations regarding a potential merger whereby Doha Insurance Group will merge with the latter's company wholly-owned subsidiary, Al-Koot Insurance and Reinsurance Group. If successful, the companies would create one of the largest insurance companies in the country that could compete with regional peers, in line with Qatar National Vision 2030.

Disclaimer

This report has been prepared and issued by Kuwait Financial Centre K.P.S.C (Markaz), which is regulated by the Capital Markets Authority and the Central Bank of Kuwait. The report is owned by Markaz and is privileged and proprietary and is subject to copyrights. Sale of any copies of this report is strictly prohibited. This report cannot be quoted without the prior written consent of Markaz. Any user after obtaining Markaz permission to use this report must clearly mention the source as "Markaz ". The report is intended to be circulated for general information only and should not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy in any jurisdiction.

The information and statistical data herein have been obtained from sources we believe to be reliable but no representation or warranty, expressed or implied, is made that such information and data is accurate or complete, and therefore should not be relied upon as such. Opinions, estimates and projections in this report constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinion of Markaz and are subject to change without notice. Markaz has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn.

This report may not consider the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors are urged to seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and to understand that statements regarding future prospects may not be realized. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Investors should be able and willing to accept a total or partial loss of their investment. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily indicative of future performance.

Kuwait Financial Centre K.P.S.C (Markaz) may seek to do business, including investment banking deals, with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. This report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of Markaz, Markaz has not reviewed the linked site and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to Markaz's own website material) is provided solely for your convenience and information and the content of the linked site does not in any way form part of this document. Accessing such website or following such link through this report or Markaz's website shall be at your own risk.

For further information, please contact 'Markaz' at P.O. Box 23444, Safat 13095, Kuwait; Email: advisory@markaz.com; Tel: 00965 1804 800; Fax: 00965 2245 0647.

Kuwait Financial Centre K.P.S.C. "Markaz"

P.O. Box 23444, Safat 13095

State of Kuwait

Tel: +965 2224 8000

Fax: +965 2242 5828

Email: advisory@markaz.com

www.markaz.com

المركز
MARKAZ