

Compass Managing Partner Discusses Private Equity Role in Egyptian Market at Al Mal CEO Thoughts Conference

08 December 2019 — Tarek Abdel Rahman, Managing Partner of Compass, a leading private equity firm, took part in a panel entitled “Will the Non-Banking Sector Expand?” at Al Mal’s CEO Thoughts conference to discuss future opportunities in the Egyptian private equity space and how emerging market private equity activities fall into global trends. The panel, which was moderated by Al Mal Editor in Chief Hazem Sherif, also featured views from leading financial sector executives including Egypt’s Sovereign Fund Managing Director Ayman Soliman, EFG Hermes CEO Karim Awad, CI Capital CEO Hazem Badran, and Prime Holding CEO Khaled Rashed.

Abdel Rahman shared industry expertise on the different types of financing available to Egyptian companies and the role of private equity players in Egypt, both now and in the medium and long term. “The Egyptian market continues to be dominated by bank debt to fund companies, with leasing, private equity, and IPOs playing a smaller role. However it is noteworthy that the last two IPOs executed on the EGX, Fawry and Ramedia, both involved companies backed by private equity players.” said Abdel Rahman.

“Reducing interest rates, concluding more IPOs, and further investments from pension funds are crucial to promoting the recovery of stock market liquidity levels,” added Abdel Rahman. “Investment rates from pension funds in Egypt represent only 2%, well below the global rate of 20% and the US rate of 49%.”

The panel also discussed assessing target investments, upcoming trends in NBFIs’ business positioning and underlying business risks that could affect expected returns on investments. Panelists additionally touched on the prospects of the fintech industry in shaping the future of the financial sector and their role in bolstering financial inclusion and intermediation.

“In line with global trends where the net asset value of private equity has grown more than sevenfold since 2002, twice as fast as global public equities with the value of announced deals at their highest level in history, we expect the Egyptian market to follow suit, especially given the favorable investment environment and reduction in interest rates,” said Abdel Rahman.

Al Mal’s CEO Thoughts was established to serve as a platform for investors and entrepreneurs to discuss future market trends and potential opportunities as well as success stories from business leaders and companies. It aims to connect Egypt’s leading CEOs, investors and entrepreneurs to share their ideas regarding the development of the investment climate in Egypt as well as sharing their respective experiences in navigating the Egyptian market.

“I am both honored and excited to have this opportunity to exchange experiences and ideas with such an exceptional group of investment professionals and entrepreneurs,” added Abdel Rahman. “CEO Thoughts provides an ideal platform to share unique and informed insights on future market trends and

potential investment opportunities as well as to identify and unlock hidden value in businesses across Egypt as its economic recovery continues.”

—Ends—

Compass is a leading private equity firm focusing on value investing. The firm’s multi-disciplinary team has a long and successful track record of generating attractive investment returns having successfully executed numerous transactions requiring capital flexibility, financial restructuring, and operational turnaround. Compass follows a disciplined investment approach that hinges on defining strategic initiatives, agile implementation of strategy, supporting talented management, and providing required growth capital to drive growth. The company is a principal investor in its own transactions and actively works to ensure that the interests of all stakeholders are aligned in the investments it pursues.

*References to Compass may include the activities of Compass’ **principle investment, and/or financial advisory.***

All information provided has been prepared solely for information purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The information contained herein does not constitute and should not be construed as an offering of advisory services or an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction in which such offer or solicitation, purchase or sale would be unlawful under the securities, insurance or other laws of such jurisdiction. The information herein has not been based on a consideration of any individual investor circumstances and is not investment advice.

Any investments discussed herein are for illustrative purposes only and are provided solely to demonstrate the company’s views and type of analysis used in implementing their investment strategy.

For more information, please contact:

Ms. Yasmine Negm
Head of Strategic Communications and Investor Relations
Office: +202-33050700
Mobile: +20(1228505050)
yasminenegm@compass-cap.com

