

# **SPE CAPITAL SUCCESSFULLY EXITS ITS INVESTMENT IN ORCHIDIA PHARMACEUTICAL INDUSTRIES**

Cairo, Egypt, November 1st, 2017

SPE Capital (“SPE”), formerly Swicorp Private Equity, an Africa-focused private equity firm, announced today the execution of binding agreements in relation with the exit of its investment in Orchidia Pharmaceutical Industries (“Orchidia”), a leading Egyptian ophthalmic generic medicine manufacturer and one of the fastest growing pharmaceutical companies in Egypt. SPE, through its Intaj II fund, agreed to sell its entire stake in Orchidia to the Egyptian American Enterprise Fund.

SPE invested in Orchidia in 2013 and worked closely with the company to grow its product portfolio in the local market, expand its manufacturing facility to prepare for future growth and strategically prepare the company for the promising regional export opportunity. SPE’s involvement has also helped the company improve its governance and reporting standards. During SPE’s investment period, and despite challenging political and economic times, Orchidia’s revenues have increased more than four-fold as it significantly increased its market share in the local market and generated solid export revenue, while maintaining healthy margins.

Commenting on the exit, Mehdi Charfi, Partner at SPE said: “We are proud to leave the company in a totally different place from the time we invested in it: strengthened brand and image, significantly higher market share, a fast-growing export business and stronger governance. We are no less proud of the significant value created to our investors as we return three times the amount invested in USD, in an environment that has proven to be difficult and volatile. This is a testament to the resilience and attractiveness of the Egyptian market where we see number of attractive opportunities and where we continue to actively prospect.”

David Rey, Managing Director at Swicorp said: “When we invested in Orchidia back in January 2013, Egypt was just emerging from its revolution, with all the uncertainties that this entailed. Not many investors were around at that time. We’ve selectively chosen the pharma sector for its defensive nature, designed a structure to mitigate risks when possible, and partnered with a businessman culturing the highest standards of ethics, skills and leadership. We’ve seen a lot since then: a regime change, regulatory adjustments, a major devaluation and significant pricing changes across the industry. The company navigated steadily through all these challenges and I like to think that the strength and quality of our partnership was key in supporting the company and its management to successfully do so.”

Dr. Ossama Abbas, founder and CEO of Orchidia commented: “This was our first experience of partnering with a private equity firm, and we are delighted with the experience. SPE supported the company in difficult times and helped me and my team reinforce discipline and promote solution oriented and can-do culture that was highly beneficial to the company in its relentless quest for excellence. We together realized major growth achievements, ventured in export markets, and we now plan to sustain these achievements over the coming period with our new partners.”

Arqaam Capital acted as the sole sell-side financial advisor on the transaction. Matouk Bassiouny acted as the legal counsel.

Closing of the transaction is subject to the satisfaction of customary closing conditions and is expected to take place before year end.

### **About SPE Capital**

SPE Capital is a private equity firm formed in 2016 from a spinout from Swicorp, a leading regional investment banking firm. The SPE Capital team has invested over USD 1 billion since 2005, across Africa and the Middle East.

SPE Capital is led by an experienced investment team, with a combined experience of more than 60 years investing in growth companies and an objective to achieve superior investment returns for investors.

### **About Swicorp**

Swicorp is a private financial services group providing solutions in the spheres of investment banking, private equity and asset management in the Middle East and North Africa.

Founded in 1987 by current chairman Kamel Lazaar, Swicorp today has grown to be one of the region's premier financial services providers, with close to 100 employees worldwide.

Swicorp is licensed by both the Saudi Capital Market Authority and the Dubai Financial Services Authority.