

Compass Capital exits investment in CI Capital

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2 May 2018 — Compass Capital for Financial Investments SAE (Compass Capital), a leading Egyptian financial services firm offering both private equity and investment banking advisory services, has successfully completed a partial exit of its investment in CI Capital Holding SAE through an initial public offering on the Egyptian Exchange (EGX) that was more than 29.5x oversubscribed in the retail offering and 6.1x in the international offering.

Compass Capital, alongside a group of investors, identified and executed in March 2017 the acquisition of a stake in CI Capital from Commercial International Bank (CIB). Based on the listing price, the investment generated a 3x return in the year since acquisition.

“CI Capital presented a compelling investment proposition at acquisition, having derived value from the stable yet underserved non-banking financial services (NBFS) sector, while providing a call option on the Egyptian market through its well-regarded investment banking franchise,” said Compass Capital Chairman and CEO Shamel Aboul Fadl. “We are proud to have played a part in CI Capital’s success in the market, which has been rooted in a sound strategy, the expertise of a talented management team, and a solid organizational and financial base.”

During the course of Compass Capital’s investment, CI Capital grew both its core activities as an investment bank and expanded strategically into the NBFS sector. CI Capital created a robust NBFS platform through the acquisition of an additional stake in Corplease, Egypt’s leading leasing company, giving it total ownership of 87%, and the acquisition of 80% of Reefy, the second-largest financial services provider in Egypt focusing on low-income groups.

Compass Capital has successfully deployed significant capital since 2011. In early 2011, Compass Capital and its limited partners acquired 100% of Rameda Pharmaceuticals and subsequently executed a partial exit of 45% of the company in January 2016 based on 2.85x the entry EV. In 2012, the firm and limited partners acquired a c.20% stake in Beltone Financial Holding and 51% of Beltone’s Brokerage arm, where it unlocked value ahead of a full exit in November 2015 that generated an IRR of 29% over the holding period of 3.5 years.

“Strong investor appetite for CI Capital, both at home and from global investors, clearly underscores that appetite for opportunities in Egypt goes far beyond the carry trade and includes compelling equity stories,” said Aboul Fadl. “This is a moment for which we have been prepared since we established the firm in 2010, and we look forward to capitalizing on this appetite in the coming month. We are now reviewing a number of compelling investment opportunities and are working toward another exit via the public market of one of our investments.”

—Ends—

Notes for Editors

Compass Capital for Financial Investments SAE (Compass Capital) is an Egyptian financial services firm focusing on private equity and investment banking. Established in 2010 by a group of finance professionals, industrialists and entrepreneurs, Compass Capital leverages expertise across industries as diverse as financial services, oil and gas, real estate, FMCG, sports services, retail and pharmaceuticals. As a private equity general partner, Compass Capital focuses on large transactions in industries to which limited partners have traditionally had less access. The company is a principal investor in its own transactions and actively works to ensure that GP, LP and management interests are aligned in all investments it pursues. In addition, Compass Capital is a trusted advisor to companies on mergers & acquisitions and restructuring. Compass Capital is a subsidiary of Compass Investment Holding Limited (CIH), a DIFC-based investment company.

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