

## **EFG Hermes Completes Oversubscribed First Close on Egypt Education Fund with Total Commitments of USD 119 million**

*The fund is part of a wider platform established in partnership with GEMS Education, one of the world's leading providers of education services, which will see USD 300 million invested in Egypt's vital education sector over the coming three years*

**Cairo, 23 December 2018**

EFG Hermes, a leading financial services corporation in frontier emerging markets (FEM), via its private equity arm, announced today the successful first close of the Egypt Education Fund focused on Egypt's K-12 sector. The DIFC-based fund was oversubscribed with total commitments of USD 119 million — well above the USD 50-100 million initially targeted. The USD 150 million investment fund is part of a USD 300 million education platform built in exclusive partnership with Dubai-based GEMS Education, one of the world's oldest and largest K-12 private education providers.

The oversubscribed capital was raised in just over six months and has seen strong interest from a diverse group of international investors, including high-net-worth individuals and institutional investors from Egypt, the GCC, and Southeast Asia.

“Our success in raising the substantial equity capital in a relatively short amount of time demonstrates our ability to create innovative private equity products that cater to today's investor demands. The education sector in Egypt is in dire need of major investments, and together with our best-in-class school operator, GEMS, we expect to make a strong impact in the industry and deliver attractive returns to our investors” said Karim Moussa, Head of Asset Management and Private Equity at EFG Hermes. “Investors understand that when partnering with us they don't just benefit from the investment expertise of our team and our ability to devise focused, structured investment vehicles, but can trust that the day-to-day running of the assets will be overseen by a world-class operator and leader in the sector.”

The second close is expected to be completed in 2019, with the goal of raising an additional USD 30 million in capital. Already, the Firm is in talks with several global financial institutions expressing interest in subscribing to the remaining ticket. The fund targets to deliver IRRs exceeding 25% for investors and to deploy, alongside GEMS, USD 300 million over the coming three years to develop a portfolio of 30 schools with a total capacity in excess of 40,000 students.

“We continue to work closely with GEMS to build Egypt's largest institutional education service provider and to create a meaningful impact on the schools we operate” commented Mohamed Khalifa, the Fund manager at EFG Hermes. “Our investment targets are quite ambitious, and we are currently pursuing multiple investment opportunities across the sector with an investment pipeline comprising over 20 schools.”

In May 2018, the platform completed its first investment in Egypt, acquiring four national and British schools in Cairo's suburbs from Talaat Moustafa Group in a transaction worth EGP 1

billion (USD 58 million) and warehousing the assets on the Firm's balance sheet. Now that the asset value has been returned to the Firm, in the coming weeks, EFG Hermes will funnel the acquired portfolio back to the platform which will be 50/50 owned by the Fund and GEMS".

Continuing to capitalize on its strong balance sheet, the Board of Directors of EFG Hermes has agreed to seed USD 15 million to the fund as part of its strategy to support its growing private equity business. With private equity activity in Egypt ebbing over the last few years, the fund's success underscores the firm's commitment to support Egypt's recovery after a period of subdued investment activity bringing in good Foreign Direct Investment flow into one of Egypt's most promising and socially important sectors.

—Ends—

### **About EFG Hermes**

With a current footprint spanning twelve countries across four continents, EFG Hermes started in Egypt and has grown over 30 years of success to become a leading financial services corporation with access to emerging and frontier markets. Drawing on our proven track-record and a team of more than 4,400 talented employees, we provide a wide spectrum of financial services that include investment banking, asset management, securities brokerage, research and private equity to the entire MENA region. In 2015, EFG Hermes launched the NBF Platform, EFG Hermes Finance, which will overlook activities in the non-banking finance field through EFG Hermes Leasing, Tanmeyah Microfinance, valU for instalment sale services and EFG Hermes Factoring. This falls in line with the Firm's strategy to focus on two main pillars: product diversification and geographic expansion into frontier markets, which has seen the firm establish a physical presence in Pakistan, Kenya, Bangladesh, the United Kingdom and the United States.

EFG Hermes' private equity arm is one of the Arab world's leading private-equity groups with a special focus on investing in infrastructure (particularly renewable energy), healthcare and consumer products. With more than 25 years of experience in investing across a broad industrial footprint, the firm is a leader in infrastructure private equity.

For further information about EFG Hermes, please visit [www.efghermes.com](http://www.efghermes.com) and stay connected with us:



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#### **Note on Forward-Looking Statements**

*In this press release, EFG Hermes may make forward looking statements, including, for example, statements about management's expectations, strategic objectives, growth opportunities and business prospects. These forward-looking statements are not historical facts but instead represent only EFG Hermes' belief regarding future events, many of which, by their nature are inherently uncertain and are beyond management's control and include among others, financial market volatility; actions and initiatives taken by current and potential competitors; general economic conditions and the effect of current, pending and future legislation, regulations and regulatory actions. Accordingly, the readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made.*