

business

APM IPO Bahrain's most successful: EY

26 IPOs raise US\$2,946.2m in 2018 in MENA region

● GCC recorded a total of 18 IPOs in 2018

● Saudi Arabia leads in both IPO volume and value

TDT | Dubai

Bahrain witnessed one of the most successful Initial Public Offerings during 2018 in the form of APM Terminals, as the MENA region as a whole raised US\$2,946.2m through 26 IPOs in 2018, a new report said.

The report lists the IPO of the port operator APM Terminals in Q4, 2018 as Bahrain's most successful with APM raising US\$32 million in Q4 2018.

The IPO was oversubscribed by 5.4 times, making it the most successful IPO in Bahrain in over a decade, the report by EY MENA IPO Eye says.

The report, however, says it witnessed a decline in IPO activity in the region as several entities across the region deferred their plans for IPOs.

IPO values, according to EY MENA IPO Eye, decreased year-on-year by 24.6 per cent and activity declined by 23.5pc from 2017.

"This can be attributed to various reasons including challenging economic conditions affecting regional businesses and global trade concerns," said Phil Gandier, MENA Transactions Leader, EY.

"Regulatory changes and a rising interest rate environment over the past year have also contributed to decreased activity. However, despite the slowdown, 26 IPOs were recorded in the region across sectors over the past year, indicating an appetite for more diversified activity," added Gandier.

18 deals in GCC

In the GCC, 18 deals were recorded in 2018 with a total value of US\$2,564.6m. Saudi Arabia led IPO activity in 2018 with 12



Representative picture (Courtesy of Getinthering)



Phil Gandier



IPOs worth US\$1,472.4m.

7 IPO in Q4

In the fourth quarter of 2018, the MENA region witnessed seven IPOs, of which one was a REIT listing, for a total deal value of US\$1,085.1m.

Saudi Arabia witnessed two IPOs in Q4 2018, including Alkhabeer REIT which raised US\$64.1m and the National Company for Learning & Edu-

cation which raised US\$66.7m. Tadawul is working on several initiatives including launching stock index futures (planned for Q1 2019) and launching a special incentive program for local companies to list.

The country is also planning the privatization of more than 20 companies in 2019 in sectors such as water, agriculture, energy, and sports. To help increase transparency, the government plans to retain minority interests in the businesses and undertake IPOs and other transactions for a certain percentage of each asset.

GCC plan for 2019

Nasdaq Dubai plans to launch futures trading on the MSCI United Arab Emirates equity index in 2019 to provide investors with a new avenue to gain exposure to UAE companies.

In Kuwait, S&P has issued a statement that the country will be added to the S&P Dow Jones Global Benchmark Indices with an emerging market classification in 2019. The Kuwait Stock Exchange is currently awaiting MSCI's decision in 2019 on upgrading the exchange to emerging market status from the current frontier market status.

Gregory Hughes, MENA IPO Leader, EY says: "While the interest from several companies across the MENA region to ex-

ecute an IPO is high, especially for those looking to access international investors and exchanges, many plans have been delayed for numerous reasons, including underperformance of businesses due to the challenging economic environment, global market volatility, and the time it takes to adapt to public company listing requirements."

North Africa sees three listings in Q4

In the wider MENA region, Egypt, Morocco, and Algeria recorded one deal each amounting to a total value of US\$176.7m. The IPO of Sarwa Capital on the Egyptian Stock Exchange raised US\$123.2m during Q4 2018. The government of Egypt delayed the sell-off of a 4.5pc stake in the state-owned Eastern Tobacco Company owing to market volatility. Many private IPOs tentatively planned for the quarter were also pushed to 2019 citing market volatility.

In Morocco, the IPO of Mutandis SCA raised US\$44.0m in Q4, making it the second IPO in 2018 on the Casablanca Stock Exchange.

Global IPO Activity

Globally, IPO activity continued to slow down in Q4 2018, with 326 IPOs raising US\$53.7b, marking a decrease of 34pc and 10pc respectively, compared to Q4 2017.

LuLu Financial Group gets EMI licence in Philippines

TDT | Abu Dhabi, UAE

LuLu-Phils International Exchange, Inc. a subsidiary of the UAE-based LuLu Financial Group, received approval from Bangko Sentral ng Pilipinas (BSP) to diversify into electronic money.

The electronic money issuer (EMI) licence allows LuLu-Phils to move into the digital wallet space. The Exchange is currently engaged in remittances and currency exchange.

"This is a historic moment for our company. We are thankful to Bangko Sentral ng Pilipinas for issuing this licence. Having our own e-money licence is a key element of our APAC expansion and will allow us to offer a wider range of financial service products to our customers," said Adeeb Ahamed, Managing Director, LuLu Financial Group.

The new EMI licence enables the company to offer customers wallet to wallet, wallet to bank account transfers, bill payments, recharge, and merchant payments.

LuLu-Phils. International Exchange, Inc. headquartered in Manila, Philippines began its commercial operations in May 2014. The financial services company currently has five branches in the Philippines including two at Ninoy Aquino International Airport (Terminal 1 and 3) and one



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ADEEB AHAMED, MANAGING DIRECTOR, LULU FINANCIAL GROUP

each at Clark International Airport, Robinsons Place Mall in Las Pinas City and Ermita in Manila.

"We're always looking to deliver better and faster financial service to our customers and this licence will enable us to provide a wide product portfolio and ensure significant savings for our customers," added Adeeb Ahamed.

Alba wins British council safety award – 'Merit'

TDT | Manama

Aluminium Bahrain (Alba) has been awarded the International Safety Award – Merit by the British Safety Council.

Alba is one of the 248 organisations to win a Merit in the 2019 International Safety Awards for its extreme ownership and commitment to protect and maintain the safety, health and well-being of its workforce in 2018.

Commenting, Alba's Chief Executive Officer, Tim Murray said: "We believe that our Safety performance is directly linked to our productivity."

Congratulating Alba, Mike Robinson, Chief Executive of the British Safety Council, congratulated said: "The award is in recognition of their commitment and efforts to keep their employees and workplaces free of injury and ill health."



Tim Murray



Bahrain Airport Services Company (BAS) honoured more than 110 staff, who participated in BIAS 2018 last November. Salman Al-Mahmeed, the CEO, praised the efforts and dedication of the staff. He stressed the importance of teamwork and team spirit, reflecting the ability to achieve gains for BAS. Above, employees during a group photo session at the honouring ceremony