

M&A Deal Review

H1 2021 MENA Region

Deal Snapshot

During the first half (H1) of 2021, the Mergers & Acquisitions (M&A) activity in the MENA region witnessed a rebound in deal volumes, as deal makers across the region adapted to the new normal of the COVID-19 crisis. A total of 191 deals were announced during H1 2021, a 69% increase from 113 deals announced during H1 2020. Of these, the disclosed deals (104 in number) represented a deal size of US\$ 12.9 Bn. Disclosed deal value during H1 2021 witnessed a 64% decline compared to H1 2020, on account of two large-size deals that were closed during H1 2020 with deal size of US\$ 14-15 Bn. Overall, the average deal size observed during H1 2021 was US\$ 124 Mn, in line with H1 2020 at US\$ 122 mn*

MENA deal activity by value in H1 2021 was primarily driven by the Banking, Financial Services & Insurance (BFSI) sector. The sector witnessed a large-sized deal of US\$ 2.2 Bn with the merger of Qatari banks Masraf Al Rayan and Al Khaliji Commercial Bank. This deal was announced in January 2021. The total number of deals recorded in the BFSI sector was 23, second only to the Consumer Products & Services sector which recorded 41 deals.

Key Trends:

- Contribution of GCC countries to the overall MENA deals by value declined to 64% during H1 2021 compared to 96% in H1 2020, although contribution in terms of number of deal increased marginally. This indicates a significant decline in average deal size from US\$ 1,256 Mn in H1 2020 to US\$ 160 Mn in H1 2021
- BFSI maintained its dominant position in M&A activity (by value) driven by the on-going trend of consolidation among leading banks in the region
- Real estate sector witnessed substantial activity with a number of small-sized deals and 3 large-sized deals. This includes the merger of Emaar Malls with Emaar Properties, valued at US\$ 900 Mn, announced in February 2021

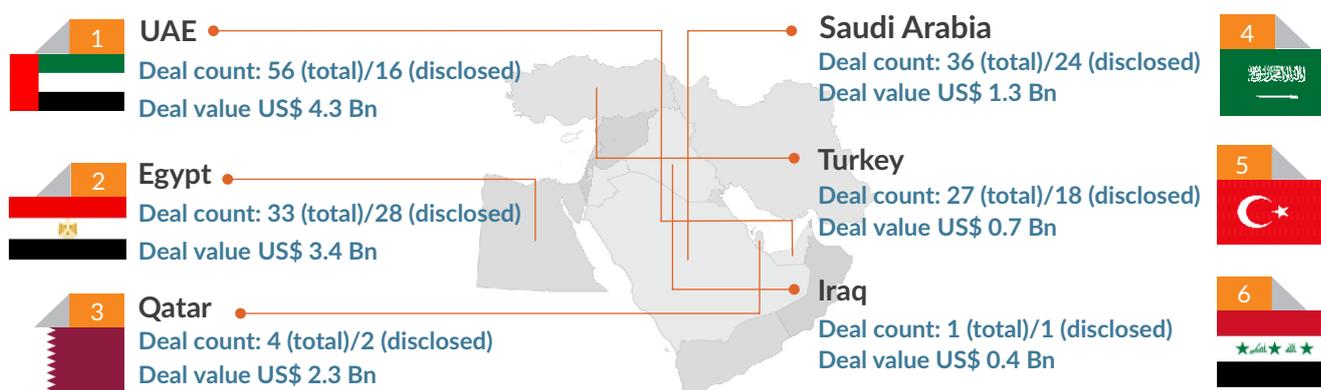


* The average deal size for H1 2020 is excluding the two large-size deals with cumulative deal value of US\$ 28.7 Bn

M&A Deals Trend in the MENA Region



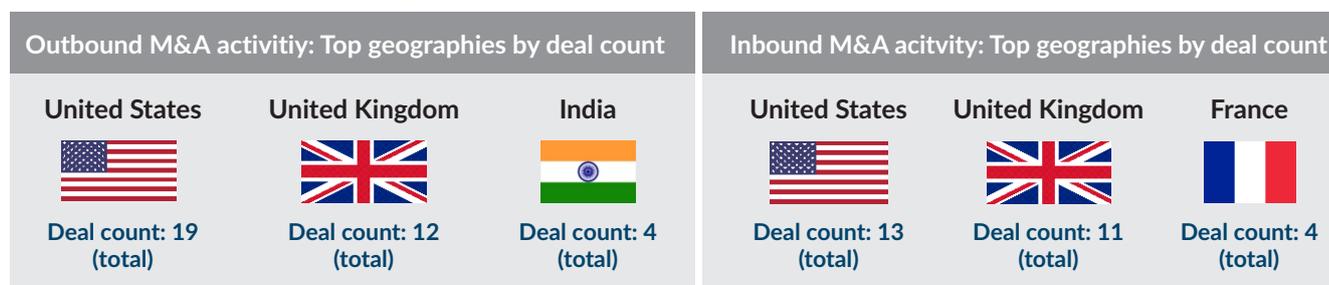
Deal Activity by Country³ (H1 2021)



Deal Activity by Sector³ (H1 2021)



Cross-Border Deal Activity⁴ (H1 2021)



Notes:

- FY2019, FY2020 and H1 2021 deals include both completed and announced deal whereas for FY2018 deals that have been closed are included.
- All deal values and deal counts are based on publicly available information.
- Deal activities by country and sector reflect the deals of the target country and the target sector respectively. Kindly note that rankings under these sections are based on deal value for disclosed deals.
- Top geographies are identified based on the total number of deals (disclosed and undisclosed).

Sources: S&P Global, Bloomberg, Secondary Research, Protiviti Analysis, etc.

Protiviti's Role As M&A Advisor to Zajil on its Recent Acquisition by Kalaam Telecom



Transaction Background

- Protiviti Member Firm for the Middle East Region was the exclusive M&A advisor to Zajil International Telecom Company on its 100% acquisition by Bahrain's Kalaam Telecom, a top technology solutions provider in the Middle East
- Zajil is a leading Kuwait-based Information, Technology and Communication service provider in MENA with over 30 years of experience
- This acquisition will enable Kalaam to significantly expand its presence and reach in the GCC/MENA region. The combined entity will become one of the top three ISP providers in GCC, and will be the only ISP with a license in three countries



Our Value-Add

- End-to-end support (including Valuation and DD support) to Zajil shareholders throughout the transaction cycle
- Optimized deal structure to ensure the best interest of all stakeholders
- SPA negotiation and finalization

“ I take this opportunity to thank Protiviti for being with us throughout this journey, and we are appreciative of their support and advice given to us during this process. ”

- Mr. Mohammed Abdulaziz Al Tuwajri, Chairman at Zajil

Media Coverage

Yahoo Finance
Protiviti cements position as M&A advisor in GCC with major telecom sector deal
 June 9, 2021, 3 min read
 Guides Zajil, Kuwait's leading ICT player, through 100% acquisition by Kalaam
 KUWAIT CITY, June 9, 2021 /PRNewswire/ — Kalaam Telecom, Bahrain's leading technology solutions provider, announced the 100% acquisition of Zajil International Telecom Company, a prominent Kuwait-based Information and Communications Technology (ICT) services provider. Protiviti Member Firm for the Middle East Region (www.protiviti.com/KW-en) was the exclusive M&A advisor to Zajil on this transaction, which is estimated to be the largest ICT deal in the MENA region in the last three years.
 "ICT is one of the most competitive spaces globally – and Protiviti enjoys a leadership position in this space. Our experience helped us tremendously in creating the right transaction strategy for Zajil to materialize this deal," asserted Sanjeev Agarwal, CEO, Protiviti Member Firm for the Middle East Region. "Over the last couple of years, most of the M&A deals – globally in general and MENA in particular, have been fueled not just out of a desire to expand the top line, but also

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Yahoo Finance
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M&A and Fund Raising Advisory	Transaction Support Services	Valuation & PPA Advisory	Other Services
<ul style="list-style-type: none">Exit/sale readiness assessmentSell-side M&A advisory (full auction, negotiated sale, asset sale)Buy-side M&A advisory (bilateral, search & acquire)Licensed investment advisor (Kuwait)Divestment advisoryFund raising advisory (Private Equity, Mezzanine and Debt)	<ul style="list-style-type: none">Financial due diligenceVendor assist due diligenceClosing due diligencePortfolio review and assessmentPost-acquisition/merger support	<ul style="list-style-type: none">Business valuationIntangibles valuationPurchase price allocationValuation reviewsImpairment testing (assets, goodwill and intangibles)	<ul style="list-style-type: none">Project Management Support (PMO)IPO readiness assessmentFeasibility studies and business plansMarket study and researchBid support and documentationFinancial modeling and review

About Protiviti

Protiviti (www.protiviti.com) is a global consulting firm that delivers deep expertise, objective insights, a tailored approach, and unparalleled collaboration to help leaders confidently face the future. Protiviti and its independent and locally owned Member Firms provide clients with consulting and managed solutions in finance, technology, operations, data, analytics, governance, risk and internal audit through its network of more than 85 offices in over 25 countries.

Named to the 2021 Fortune 100 Best Companies to Work For® list, Protiviti has served more than 60 percent of Fortune 1000® and 35 percent of Fortune Global 500® companies. The firm also works with smaller, growing companies, including those looking to go public, as well as with government agencies. Protiviti is a wholly owned subsidiary of Robert Half (NYSE: RHI). Founded in 1948, Robert Half is a member of the S&P 500 index.

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