

investalk2018

ISSUE 61

A QUARTERLY NEWSLETTER OF DUBAI INVESTMENTS PJSC



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CEO MESSAGE

Dubai Investments is in the midst of an exciting phase and a new era in its success journey, embarking on a new business strategy as part of its futuristic growth vision. The Company has rationalized and optimized its portfolio, which will create a powerful synergy based on consolidated strengths of its subsidiaries under specific verticals. This strategic roadmap aligns with the vision of Dubai Investments by identifying new growth horizons and prioritizing the focus sectors as well as markets to sustain the company's growth trajectory in the coming years. This strategy will not only strengthen the diversified portfolio and market leadership of Dubai Investments built over the last 23 years but also help the company to spread its wings – both sector wise as well as geographies as an international entity.

Innovation is the name of the game, and the Company has clearly earmarked its revenue streams and growth plans in the years to come. The core objective of this strategy is to achieve sustainable development goals of Dubai Investments, by drawing on the success of its existing businesses as well as operations and strengthening its focus priority sectors & international footprint. This will create shareholder value and set new benchmarks in excellence

for Dubai Investments and also contribute immensely to Dubai and UAE's economic growth and milestones across different spheres.

Coinciding with this, Dubai Investments has also modified its Corporate Identity in line with the Management's vision and expansion strategy – regionally and internationally. The modified logo reflects Dubai Investments' forward-leaping aspirations and preserves the core values that the company has adopted and nurtured over the past two decades. With its futuristic vision, Dubai Investments is confident of maintaining a consistent growth during 2018 and beyond. By executing its strategy well, and making meaningful progress against the focus priorities, the Company aims to be in a good position to achieve medium-term performance objectives and create long-term value for its stakeholders. With its new business strategy, new markets, it is time to write a new chapter in the company's success journey.

KHALID BIN KALBAN
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER



With its new business strategy, new markets, it is time to write a new chapter in the company's success journey.

DISTRICT COOLING

DUBAI INVESTMENTS BUYS UNION PROPERTIES' STAKE IN EMICOOL

Dubai Investments has acquired additional 50% stake in Emirates District Cooling LLC [Emicool] from Union Properties PJSC for AED 500 million. Following this acquisition, Dubai Investments owns 100% stake in Emicool.

Khalid Bin Kalban, Managing Director and CEO of Dubai Investments, said: "The transaction strengthens Dubai Investments' portfolio in the utility service domain, growing its asset base, and is expected to boost future profitability

and deliver value to shareholders. Emicool has carved a niche in the district cooling sector, and Dubai Investments' acquisition will spur its growth and expansion plans amidst surging demand in the region. The transaction will have a positive impact on Dubai Investments' consolidated financials with EBITDA expected to increase by AED 110 million. Total assets would go up by AED 1.8 billion while liabilities would increase by AED 1.2 billion."



DUBAI INVESTMENTS APPOINTS AL MAL CAPITAL AS LEAD MANAGER OF EMICOOL IPO

Dubai Investments has announced that Al Mal Capital PSC will be the lead manager for the Initial Public Offering [IPO] of Emirates District Cooling [Emicool]. The IPO will be listed on the Dubai Financial Market.

The agreement to lead manage the IPO was signed by Khalid Bin Kalban, Managing Director and CEO of Dubai Investments, and Naser Al Nabulsi, Vice-Chairman and CEO of Al Mal Capital, in the presence of Abdulaziz Bin Yagub Al Serkal, Chairman of Emicool, and Adib Moubadder, CEO of Emicool.

In his comments, Kalban said: "Since its inception, Emicool has registered steady growth and achieved consistent profits. The Initial Public Offering of Emicool will help strengthen the company's balance sheet, increasing its

visibility and providing access to global investors, which in turn will offer great flexibility to pursue new growth, boost its expansion and diversification opportunities in line with its planned roadmap."

He added: "The IPO for Emicool is part of Dubai Investments' strategy to scale up its business and operations in the global markets. Dubai Investments is happy to work with Al Mal Capital which has proven expertise to manage the IPO, backed by its local and international market knowledge."

Dubai Investments is confident that the IPO will provide the best value to its stakeholders."



DISTRICT COOLING

EMICOOL BECOMES FIRST DISTRICT COOLING COMPANY IN MENA TO WIN GC-MARK

Dubai Investments has announced that Emirates District Cooling [Emicool] has won the ISO, OSHAS and Global Conformity [GC-Mark] certifications, underlining its commitment to benchmark against the world's best practices.

The company has received the ISO 9001:2015 for its Quality Management System and the ISO 14001:2015 for Environmental Management System. Emicool has also been awarded the ISO 50001:2011 for its Energy Management System, making it the first district cooling company in the UAE to receive the recognition.


In another first, Emicool has been conferred the Global Conformity [GC-Mark] as a Certified Green Company – the first district cooling in the Middle East and North Africa [MENA] region to receive the award. Emicool has also

been awarded OSHAS 18001:2007 certification for its Occupational Health & Safety Management System.

The ISO and OSHAS accreditation have been certified by international certification bodies Russian Register and IQNet. The GC-Mark was issued by Deutsche Quality Services, IQNet and CanaGulf International Standardization – some of the most prestigious and internationally recognized certification bodies. The award was also accredited by the German Association of Excellence.

The certifications come close on the heels of Emicool winning the prestigious Emirates Energy Awards 2017 by Dubai Supreme Council of Energy. The award recognized Emicool's achievements in energy efficiency and optimization measures for the private sector.





GC-MARK® CERTIFICATE

Emirates District Cooling (Emicool) LLC

Post Box 9152, Dubai Investments Park 1,
Dubai, United Arab Emirates


Scope:
Air-Conditioning, Ventilations & Air Filtration Systems, Installation & Maintenance, Electromechanical Equipment Installation and Maintenance, Air-Condition Trading, Facilities Management Services, District Cooling Services


has fully met the international requirements of the Global Conformity program for green company. The organization has integrated a green company system into its existing quality management and operational processes and has established sufficient control methods to monitor the green company, in accordance with the principles and guidelines of ISO 14001:2015, ISO 50001:2011 and Leed Certification (Green Company).

The organization is authorized to bear the following GC-Mark:
Verified Green Technology

Certificate registration no.	31301138 GC
Date of certification	2017-12-08
Valid until	2018-12-07

DQS CFS GmbH
German Association for Sustainability


Dr. Sied Sadek
Managing Director (CEO)




VERIFIED
GREEN COMPANY


GC-MARK®
DEVELOPED BY DQS

Emirates District (Emicool) LLC
Dubai, UAE

DQS CFS GmbH
Deutsche Gesellschaft für Nachhaltigkeit
August-Schönke-Strasse 21
60433 Frankfurt/Main
Germany



German Association
for Excellence



DIRECT INVESTMENTS

DUBAI INVESTMENTS, CONSORTIUM OF INVESTORS TO LAUNCH ARKAN BANK WITH PAID-UP CAPITAL OF US\$ 100 MILLION



Dubai Investments has announced plans to lead a consortium of investors to launch Arkan Bank, a wholesale Islamic financial institution with an initial paid-up capital of US\$ 100 million. The authorised share capital of Arkan Bank will be US\$ 500 million.

Arkan Bank is applying to the Dubai Financial Services Authority (DFSA) for approval for a prudential Category 5 licence to operate as an Islamic Financial Institution. This will be the first home-grown Islamic bank to operate from Dubai International Financial Centre (DIFC). Arkan Bank will reinforce the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, to position Dubai as the capital of Islamic economy and a centre of Islamic finance.

The bank will offer a fully integrated range of Sharia-compliant banking services and investment products serving the needs of ultra-high-net-worth individuals, corporate as well as institutional clients through its core business lines – Corporate Banking, Asset Management & Awqaf, Investment Banking and Treasury. Arkan Bank also plans to list its shares on NASDAQ Dubai within 12 months of establishment, subject to the fulfilment of listing guidelines and regulatory approvals.

Khalid Bin Kalban, Managing Director and CEO of Dubai Investments, and the Founder & Chairman of Arkan Bank, said: “The launch of Arkan Bank is coming at an opportune time in the UAE Islamic banking landscape. Arkan Bank is poised to achieve phenomenal success, as it will be the first wholesale Islamic bank operating in the UAE. The bank will initially focus on the GCC region and subsequently build scale and reach across its business lines, products and geographies to become the top-tier Islamic wholesale bank in the region and global arena. Coupled with strong public markets, sukuk and mergers & acquisition outlook, the future looks optimistic for the bank and aligns with Dubai’s vision to become the capital of Islamic economy.”



DUBAI INVESTMENTS DIVESTS 50% STAKE IN DRIVE DUBAI

Dubai Investments has announced that Masharie LLC has divested its 50% stake in Drive Dubai [Dubai International Driving Centre] for AED 35 million.

The stake sale generated an internal rate of return (IRR) of 21 per cent. Masharie was one of the founding partners of Drive Dubai in December 2012. Drive Dubai operates an 850,000 square feet, state-of-the-art training facility in Dubai Investments Park [DIP]-2 in partnership with Belhasa International Group of Companies and Saif Belhasa Group.

Khalid Bin Kalban, Managing Director and CEO of Dubai Investments, said: “Dubai Investments invested in Drive Dubai six years back, amidst massive growth potential and demand for a comprehensive driving school within DIP. Drive Dubai has grown phenomenally over the years, and it was a profitable exit for Dubai Investments. This is in line with the company’s prudent strategy on profitable divestments and creating value for its stakeholders.”

He added: “Dubai Investments is on track to achieve its growth plans with a clear focus on enhancing its investments in specific sectors and is diligently adapting its portfolio and business verticals in line with this envisioned strategy.”

DRIVE DUBAI HAS GROWN PHENOMENALLY OVER THE YEARS, AND IT WAS A PROFITABLE EXIT FOR DUBAI INVESTMENTS.

DIRECT INVESTMENTS

AL MAL CAPITAL ANNOUNCES STAGGERING 20% OUTPERFORMANCE FOR AL MAL MENA EQUITY FUND

Al Mal Capital PSC has announced that the Al Mal MENA Equity Fund posted strong returns of 19% after fees for the full year.

The Fund generated strong returns in spite of disappointing and challenging performance for Middle East equities with the S&P Pan Arab Index ending the year slightly down [-1%] amidst oil prices volatility, a hectic geopolitical agenda and concerns over capital flight weighing on the MENA investors' sentiment.

Al Mal Capital is also upbeat about the near future. First, with oil stabilizing around USD 55-65, the region has entered into a 'sweet spot'. The oil price is still not high enough to slow down structural reforms but the recent oil recovery allows the GCC governments to relax their austerity programs. For instance, Saudi Arabia is heading for increased government spending which should stimulate the economy.

Second, current market valuations are so attractive that the region is trading at lower levels than the rest of the emerging markets, although return on equity is higher.

Furthermore, 2018 is a decisive year when it comes to mega IPOs such as Saudi Aramco but also the potential inclusion of Saudi and Kuwait in the major emerging markets indices such as MSCI and FTSE. In case of positive developments on this front, the company expects a major pick-up of foreign flows into MENA equities.

Lastly, the regional markets remain full of alpha opportunities. For instance, the structural reforms which are being implemented are creating major disruptions in various sectors such as the Insurance sector in Saudi Arabia or in the education sector within the GCC.

THE FUND GENERATED
STRONG RETURNS IN
SPITE OF DISAPPOINTING
AND CHALLENGING
PERFORMANCE FOR
MIDDLE EAST EQUITIES



REAL ESTATE

MIRDIF HILLS CONSTRUCTION 30% COMPLETED; LAUNCHES SALES IN NASAYEM AVENUE

Dubai Investments has announced that the construction of the AED 3 billion Mirdif Hills project, being developed by Dubai Investments Real Estate Company [DIRC], is 30% complete.

Structural work on the project's clusters – Janayem Avenue, Nasayem Avenue and Multaqa Avenue – is progressing as per schedule. Construction of Janayem Avenue is 31% complete including the fourth floor slabs, while Nasayem Avenue is 34% completed with fourth floor slabs.

The Mechanical, Electrical and Plumbing works have also commenced. Multaqa Avenue is in preliminary stages of construction.

A luxury community like no other, the project is expected to be fully completed starting from Q2 2019.

Dubai Investments has also launched the sales in Nasayem Avenue. The cluster offers a mix of two & three bedroom apartments as well as three & four bedroom duplexes.



DUBAI INVESTMENTS PARK SIGNS AED 6.8 MILLION CLEANING CONTRACT WITH IMDAAD

Dubai Investments Park [DIP] has signed a three-year cleaning contract worth AED 6.8 million with Imdaad LLC, the GCC's leading facilities management company.

As per the agreement, effective February 2018, Imdaad is responsible for the external cleaning of the 2,300-hectare DIP. A formal agreement to this effect was signed recently by Omar Al Mesmar, General Manager of DIP, and Jamal Abdullah Lootah, Group CEO of Imdaad.

Under the terms of the contract, Imdaad is mandated to provide a comprehensive range of external cleaning, waste collection and disposal services within the development.

IMDAAD IS MANDATED TO PROVIDE A COMPREHENSIVE RANGE OF EXTERNAL CLEANING, WASTE COLLECTION AND DISPOSAL SERVICES WITHIN THE DEVELOPMENT.

EDUCATION

DUBAI INVESTMENTS ANNOUNCES \$20 MILLION INVESTMENT IN AFRICA CREST EDUCATION

Dubai Investments PJSC has announced US\$ 20 million direct investment into Africa Crest Education Holdings [ACE] – an investment company promoting quality education across the African continent.

The investment will fund development of SABIS® operated schools in Africa, with an initial target pipeline of projects in Kenya, Egypt, South Africa, Uganda and Morocco. Al Mal Capital advised Dubai Investments on its investment in ACE. Al Mal Capital will also continue to manage the investment in ACE on DIC's behalf. Investbridge Capital arranged and advised on behalf of Africa Crest Education.

Dubai Investments will join founding investors: Investbridge Capital (IBC), an independent alternative asset management and advisory firm based in Dubai International Financial Centre; Centum – a leading East Africa's Investment Company listed on Nairobi and Uganda Securities Exchanges; and SABIS®, a 130+ years' global school operator educating over 70,000 students across five continents in the project.

The initial project in Kenya, The SABIS® International School – Runda, is currently under construction and now accepting applications for its opening in September 2018. The school will be located on a state-of-the-art campus of 80,000 m² within Runda neighborhood in Nairobi providing outstanding, non-selective, co-educational English-medium education serving local & international communities.

DUBAI INVESTMENTS UNVEILS UNIVERSITY OF BALAMAND IN DUBAI

Dubai Investments unveils University of Balamand in Dubai

Dubai Investments has announced that the University of Balamand in Dubai [UOBD] is set to open its first UAE campus in Dubai Investments Park [DIP] in September 2018.

The UOBD is the first university in DIP, which has seven schools offering a wide array of international curricula. The UOBD campus at DI House – DIP is spread across approximately 75,000 square feet. This is the first campus of University of Balamand outside Lebanon, where it operates five campuses. Admissions for September 2018 intake are under way.

The UOBD is licensed by the UAE Ministry of Education [MOE]. With a strong focus on Engineering and Science streams, UOBD will offer undergraduate programs in Bachelor of Science [B.S.] in Chemical Engineering, Civil Engineering, Biology, Chemistry, Mathematics and Physics. All these programs are accredited by the Commission for Academic Accreditation [CAA], a government-run institutional licensure and degree accreditation department of MOE.

UOBD intends to offer Bachelor of Arts [BA] in English Language and Literature and Professional Teaching Diploma, upon their review and accreditation by CAA at MOE. All degrees are based on the American model of higher education.



MODUL UNIVERSITY DUBAI'S 360-DEGREE PROGRAMS BRIDGE SKILL-SET GAP BETWEEN ACADEMICS, INDUSTRY

Dubai Investments has announced that MODUL University Dubai's 360-degree higher education programs are not only setting unprecedented benchmarks in excellence but also bridging the skill-set gap between academics and industry.

MODUL University has carved a niche with its higher education degrees across sectors – ranging from business, tourism, hospitality, sustainability, public governance, new media technologies, entrepreneurship and innovation to leadership. All courses are adapted to Middle East market, with an international perspective and 110+ years' legacy of Austrian education & research associated with MODUL University.

As part of its commitment to take this world-class education across the UAE and beyond, MODUL University Dubai participated in the 14th International Education Show at Expo Centre Sharjah from January 24 till 26, 2018.

To make it rewarding for students, the University also offered savings up to AED 40,000 for the September 2018 intake and AED 30,000 for the February 2018 intake by way of study grants, guaranteed paid internships and other privileges. MODUL University Dubai has already provided over 100 paid internships to its students. MODUL is also the first and the only university in Middle East to offer paid internships.



EDUCATION

MODUL UNIVERSITY DUBAI PARTICIPATES IN 'GULF SUSTAINABILITY AND CSR AWARDS'

MODUL University Dubai has reinforced its commitment to the cause of sustainability through its research and educational initiatives, and its affiliation with the Gulf Sustainability and CSR Awards as the exclusive education partner.

As part of its partnership with the Awards, 10 MODUL University Dubai students have been offered the opportunity to engage with the Awards committees to gain valuable insights into nominated case studies and entries. Two MODUL representatives Dr. Edith Szivas and Keary Shandler, experts in sustainability and UN Sustainable Development Goals, were also on the jury, emphasizing MODUL's domain expertise.

The Gulf Sustainability and CSR Awards, which took place in February, recognised companies and individuals im-

plementing outstanding sustainability and CSR initiatives across the region. The partnership with the Awards is part of MODUL University Dubai's commitment and outreach efforts to further the cause of sustainability in different spheres.

As an added incentive, MODUL University Dubai also awarded a 100% scholarship to one lucky winner to pursue the MSc programme at the university. The US\$ 30,000 scholarship, comes with relevant exposure benefits and opportunities entitled to any student at MODUL. The scholarship was handed over by Zaid Maleh, Managing Director of MODUL University Dubai, during the Awards gala dinner.



AWARDS



KHALID BIN KALBAN WINS LEADERSHIP AWARD

Khalid Bin Kalban, Managing Director and CEO of Dubai Investments PJSC has won the Leadership Award, conferred by the Pakistani Executives Organization for Promotion of Leadership & Entrepreneurship [PEOPLE].

The award was handed over by His Excellency Sheikh Nahyan Bin Mubarak Al Nahyan, UAE Minister of State for

Tolerance, during the annual gala dinner organised by PEOPLE in Dubai. The award recognized Kalban's contribution across different business sectors and his role in strengthening Dubai's reputation on the international map through his futuristic ideas and vision.

EVENTS

DUBAI INVESTMENTS SUPPORTED 49 INITIATIVES DURING 2017 TO MARK UAE'S YEAR OF GIVING

Dubai Investments supported a total of 49 initiatives during 2017 in line with the UAE's Year of Giving, reaching out and benefitting communities across various sections of the society.

During the year, the Company supported social and community organisations and programs in the areas of education, healthcare, sports and sustainability among others besides helping people with disabilities as part of its outreach. Dubai Investments also supported and participated in a number of environmental programs.

Going with the theme of 'Year of Giving', Dubai Investments lent its support to under-privileged children, events for visually-impaired, clothes for orphans, classroom premises for autistic kids, therapy materials for children with learning disabilities, fund-raising & treatment for lesser privileged, among others.

Some notable initiatives supported by Dubai Investments during 2017 included blood donation and training programs for its employees and partners. The Company also launched a sustainability initiative, where the group's employees and Sustainability Champions identified ideas to support the 17 UN Sustainable Development Goals [SDGs].

DUBAI INVESTMENTS ALSO TRAINED STUDENTS TO INTEGRATE TECHNOLOGY IN REAL BUSINESS PROCESSES



EVENTS

DUBAI INVESTMENTS REINFORCES INNOVATION IN EDUCATION AT INNOVATION ARABIA

Reinforcing its commitment to innovative knowledge-based societies and smart communities of the future, Dubai Investments participated in the Innovation Arabia Annual Conference and Exhibition in Dubai.

Dubai Investments took centre stage at the exhibition through MODUL University Dubai, University of Balamand

in Dubai [UOBD] and the 'Mirdif Hills' project, being developed by Dubai Investments Real Estate Company [DIRC].

The company's participation in Innovation Arabia exhibition comes within the framework of highlighting its innovation across sectors to create sustainable communities.



DUBAI INVESTMENTS EMPLOYEES WALK FOR EDUCATION

Employees from Dubai Investments and its subsidiaries volunteered their time and took part in the Walk for Education organized by Dubai Cares in February. Dubai Investments supported the Walk, which was aimed at assisting millions of children worldwide who do not have access to education.

ASSISTING MILLIONS OF CHILDREN WORLDWIDE WHO DO NOT HAVE ACCESS TO EDUCATION.



EVENTS

DI COMMITMENT TO SCAVENGER HUNT

Dubai Investments supported the Scavenger Hunt initiative launched by Dubai Cares and Dubai Culture in January. The company sponsored one of the 15 art pieces under Commitment theme, created by artists and designers on values instilled by late Sheikh Zayed.

AWLADOUNA CENTER STUDENTS VISIT DUBAI INVESTMENTS

As part of its outreach and support, Dubai Investments invited the students from Awladouna Center for People with Disabilities to Dubai Investments House, to mingle and interact with the employees in February. The students from the vocational unit also set up a display of handmade materials.



DUBAI INVESTMENTS SUPPORTS YEAR OF ZAYED INITIATIVES

As part of its commitment to national events, Dubai Investments is commemorating the Year of Zayed during 2018 through various initiatives. These include a Year of Zayed sticker which has been installed on the Dubai Investments House Building; commemorative Year of Zayed badges which has been distributed to all employees, and entry tickets to employees and immediate family members to visit the Etihad Museum in Dubai so that they can have a first-hand account of the life and achievements of late Sheikh Zayed.



FINANCIAL VIEWPOINT

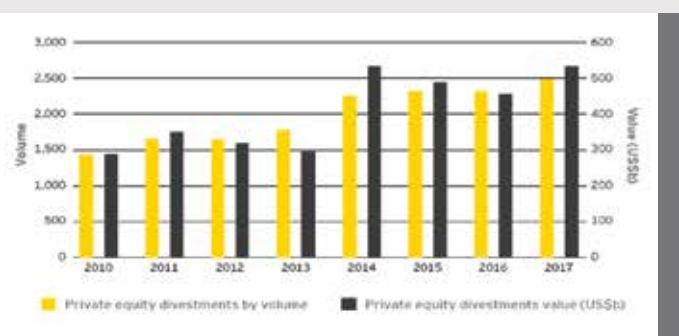
IMPACT OF TECHNOLOGY ON PRIVATE EQUITY DIVESTMENTS

Nearly 2,500 global PE exits worth over US\$ 535 billion were reported in 2017. This was more than any year since 2007.

PE funds are undertaking a more comprehensive review and appraisals of their portfolio companies to enable better decisions and also are using information systems and technology to build a stronger value cases for a wider pool of investors. They are increasingly sharing more data with buyers to safeguard and enhance value during diligence process. Technology is also becoming the dominant theme in many divestment discussions and firms recognize the power of digital disruption to drive or destroy value in their portfolio businesses and the need to address this ahead of an exit.

Source: EY private equity global divestment study 2018 and Mergermarket

ANALYTICS AND TECHNOLOGY DRIVEN DECISION MAKING



On average, around three-quarters of the PE executives struggle to assess the impact technology could have on the value of their portfolio company. This needs to improve if firms expect to make the most of divestments in a technology-driven marketplace. Analytics can identify value source and project impact on exit valuations. PE funds need to take a conscious, formal, data-driven approach

to impact of technology on their portfolio companies. They need to be adept and be focused on collating and managing data in each portfolio business and harness its potential. This may include finding new ways to measure intangible asset value which does not appear on a balance sheet, like customer satisfaction or talent management. This can take shape of a three pronged review -

1. Descriptive analytics focusing on the base business and its historical performance, including strategic, financial and operational advantages
2. Predictive analytics providing insight into the likely future performance of the business and helps optimize decision-making based on predictions and other broader market factors
3. Prescriptive analytics helping make strategic and operational decisions based on predictive scenarios to optimize portfolio performance including divestment decisions

CONSTRUCTING A TECH-DRIVEN TEAM

People are just as important as using the right analytics tools. Almost three-quarters of PE executives find it challenging to identify the right team to assess the impact and value of evolving technologies in their portfolio. There are three important elements to consider here -

1. Finding the right talent - Across all PE firm sizes, majority are seeking operating partners with digital or technological know-how where professionals have the right skills to identify, manage and articulate the detailed, information and data-driven value creation strategy needed to secure higher valuations.
2. Utilizing operating partners - Operating partners with digital expertise can be assigned and utilized based on specific need. They can draw plot a growth strategy through a digital vision and bring in the tools needed to capture business performance KPIs and data at a micro level from exit strategy to planning.
3. Flexible working practices - A large number of PE firms are using operating partners more than in the past.

And by using contractors with specialist expertise, PE firms can access best-in-class resources when they are most needed.

CREATING EXIT VALUE THROUGH TECHNOLOGY

Technology has the potential to create pre-sale value for the sellers. It can be leveraged to resolve exposures and vulnerabilities (e.g., by improving cybersecurity) or improve businesses (e.g., by rationalizing costs through automation). The key is to recognize which information or technology tool adds the maximum value in the limited time available. Firms can identify values in the businesses early on by using information systems and analytics within the functions. Firms can also leverage their middle and back office channels. Cloud computing and cloud technologies can help create pre-sale value as well. For example, in using predictive and prescriptive tools to identify likely future scenarios for the business, sellers can make improvements to put assets in the best possible position for an exit process.

Upgrading information systems and digitalizing the company ahead of an exit or divestment offers the tools to tell a stronger value creation story to the buyers. For example, a digitized inventory management system that monitors in-store stock and allows customers to find out if an item is available can improve sales performance.

MAKING DIGITAL PART OF THE VALUE STORY

Most buyers will expect digital to be part of the sale pitch, dependent on changing business models, processes, products and services. The sellers must be able to demonstrate and be prepared to show how the business performance of the portfolio company has basically changed as a result of digital and technological enhancements.

1. Flexibility at exits- Majority of the PE executives agree that technological upgrade and digitalization provides them more options when it comes to determining the type of exit they wish to pursue. It helps them identify options that maximize the flexibility of exit timing and structure. They are able to better decide whether the best route is an IPO, carve-out, complete trade sale or some sort of JV.
2. Creating value through information systems and analytics- Although all PE funds have used MIS and analytics to create pre-sale value; only three-quarters of PE funds provided buyers with access to the output of advanced analytics and MIS to confirm their cases.

3. Financial benefits from digital improvements - Technology can create several revenue streams, for example, software-as-a-service functionality; Internet of Things for workflow automation to drive cost savings and unlock downstream revenue; and block-chain to drive secure transactions. Results of improvements by applying these can be shared with potential buyers so they can clearly see the benefits.

PUSHING ANALYTICS INTO THE SALE PROCESS

A little more than half of PE executives acknowledge using data and analytics to negotiate with the buyers. Financial modeling, analytics, sensitivity and scenario analysis with potential buyers can mitigate doubts and assist in determining where to focus and allocate time and effort to prove the value case. Engaging and understanding portfolio's performance and results can offer buyers the information they seek during diligence. It can be helpful in reducing buyer's potentially conservative view of the business and valuation. Right and timely information availability and in the right format can reduce the diligence period by helping buyers focus and identify opportunities to grow revenue, such as customers or markets; expansions potentials, improving operations to deliver better margins; or rightsizing or outsourcing the workforce.

CONCLUSION

As PE professionals, start to admit how value in portfolio companies can be driven by utilizing technology, for example through updated middle and back-office processes or improved frontline customer engagement. Sellers must work harder to justify pricing during exit processes especially in the midst of higher valuation expectation. It's time to think variedly by exploiting information and analytical instruments to justify value during all stage of ownership of the portfolio company. Investing in talent with strong digital and technology experience, as well as the tools to extract and process data, will enhance decisions surrounding divestment strategy and planning. Quantifying the value of your enterprise, and utilizing technology to achieve so, will assist in building a convincing value story to appeal to a larger range of potential acquirers. Working with buyers during the diligence process, by sharing information, data and identifying areas for growth, can also help augment the value of exits.

Source: for the article: EY private equity global divestment study 2018

Information: by A Mal Capital

GALLERY

INTERNATIONAL WOMEN'S DAY

Dubai Investments celebrated the International Women's Day on March 8, with an array of activities at DI House centered on the Happiness theme. Activities included interactive sessions on wellness as also expert advice by an expert.



ACTIVITIES INCLUDED INTERACTIVE SESSIONS ON WELLNESS AS ALSO EXPERT ADVICE BY AN EXPERT.



EARTH HOUR

Dubai Investments Headquarters DI House joined the global Earth Hour initiative in March by switching off non-essential lights from 8:30pm to 9:30pm. Dubai Investments employees were also encouraged to participate in the movement.

INVESTMENT FORUM PARTICIPATION

Dubai Investments participated in the UAE-Malaysia Business & Investment Forum 2018 and UAE-Singapore Business & Investment Forum 2018 as part of UAE Ministry of Economy delegation. Ahmed Al Shared, Group Manager - Operations at Dubai Investments, attended the forum on behalf of Dubai Investments.



GALLERY

AL MAL CAPITAL AT SPECIAL NEEDS CENTRE FUNFAIR

As part of its CSR strategy, employees of Al Mal Capital participated in the Special Needs Future Development Center Funfair in January.



MOVIE SCREENING

As part of its community engagement, Dubai Investments organised two screenings of Bollywood movie 'Sultan' for labourers of Emirates Building Systems and Al Futtain Group in their camps in Dubai Investments Park. A total of 1700 employees enjoyed the screening, which also included other entertainment activities.



A TOTAL OF 1700 EMPLOYEES ENJOYED THE SCREENING, WHICH ALSO INCLUDED OTHER ENTERTAINMENT ACTIVITIES.

SUPPORT TO SIGHT ME EXHIBITION

Reinforcing its commitment to the people of determination, Dubai Investments supported Sight ME 2018, an exhibition for visual disability technologies organised by the Emirates Association of Visually Impaired in Sharjah in February.



REAL ESTATE PROJECTS SHOWCASE

The scale models of 'Mirdif Hills' and Green Community - DIP Phase 3 projects were showcased at Mirdif City Center - Dubai, Marina Mall - Abu Dhabi and Bawadi Mall - Al Ain as part of their outreach across the UAE.



