

Gulf Capital Sells its Strategic Stake in Middle East Glass, the largest glass container manufacturer in the Middle East, following a 3x in revenue and 50% increase in profit margins during its holding period

(Cairo/Abu Dhabi, 2 September 2024) – Gulf Capital, one of the largest private equity firms investing from the GCC to the rest of Asia, announced today that it has sold its strategic stake in Egypt-listed Middle East Glass S.A.E. (MEG) to the majority shareholder of the business, MENA Glass Holdings Limited. Gulf Capital's growth investment enabled MEG to become the largest glass packaging manufacturer in the Middle East and the second largest in Africa. MEG serves several high-growth, consumer-facing and resilient industries, including food, beverage, and pharmaceuticals and is currently one of the top five exporters in Egypt.

Today, MEG operates three state-of-the-art facilities with 17 production lines, and six furnaces, with an operating capacity of over 385k MT per annum, from 197k MT per annum at entry. It grew its global footprint by increasing the number of export markets by around 3x, to over 25 countries, serving blue chip clients both locally and in export markets.

During Gulf Capital's holding period, MEG doubled its production capacity, added new production lines, secured a US\$ 100 million debt financing, increased its export markets by around 3x, and grew its key clients by 21x. MEG increased its revenues and profitability by more than 3x each, while increasing its profit margins by 50% during Gulf Capital's ownership period.

Dr. Karim El Solh, Co-Founder and Chief Executive Officer of Gulf Capital said: "MEG is a true example of our ambitious 'buy-and-build' strategy and our deep focus on operational improvements. MEG's transformational journey of value creation was possible through a true partnership for growth with MEG's management team and the majority shareholder. We worked together with the team to implement a clear operational improvements strategy that saw the company grow its business not only through several mergers and acquisitions, but also organically by expanding into new geographies and sectors. In the last fiscal year, MEG achieved all-time high revenues and profitability. As a thematic investor, Gulf Capital's investment in MEG was underpinned by sustainability trends and by the rise in recycling awareness in the region. We are thrilled to have been part of MEG's journey along with its

distinguished leadership and strong management team, and we wish them all the best as the company embarks on its next phase of growth.”

With funding provided by Gulf Capital, MEG led the consolidation of the industry and completed two strategic acquisitions of Wadi Glass and Misr Glass Manufacturing (MGM). The company also secured a US\$100 million debt financing from the International Finance Corporation (IFC) to help fund an ambitious capital expenditure programme to optimise its processes using the latest manufacturing and waste reduction technologies.

Abdul Galil Beshar, Chairman of Middle East Glass added: “Our partnership with Gulf Capital and the support we received from its investment team and operating partners across our operations have enabled the company to accelerate our growth and strengthen our market leading position regionally. MEG today is firmly positioned as the leading glass container manufacturer in the Middle East and North Africa.”

Asaad Salhab, Senior Operating Partner at Gulf Capital, explained: “The disciplined execution of our value creation plan by MEG’s management team has allowed the company to expand its market leading position in the region with record high operating metrics and overall profitability, all while being the only glass manufacturer in Egypt that undergoes cullet treatment and therefore resulting in lower levels of waste. It has also established a solid ground for future growth. The investment in MEG and the implementation of the value creation plan is a great example of Gulf Capital’s deep focus on operational improvements and growth.”

Glass is expected to outgrow other packaging solutions given the more sustainable business practices that continue to be implemented in the industry. As an environmentally friendly, fully recyclable and reusable material, glass provides a more sustainable, environmentally friendly alternative to other packaging solutions.

Tawfik Laham, CEO of Middle East Glass, explained: “Gulf Capital played an active role in enabling MEG to achieve its goals of becoming the largest glass container manufacturer in the region. As an active shareholder, Gulf Capital has worked alongside management and the majority shareholder on several strategic initiatives which resulted in even stronger customer

base in our target markets, product and sector diversification, and a more flexible production capacity.”

Nabil Ismail, Executive Director at Gulf Capital, concluded: “Partnering with MEG’s team has been a rewarding journey. MEG’s management has consistently demonstrated its ability to capture growth and increase profitability, even during challenging global situations. We would like to thank our partners, both management and the majority shareholder, for their partnership during our investment period.”

Gulf Capital was advised on financials by Arqaam Capital and on Legal by White & Case. MENA Glass Holdings Limited was advised on legal by both MENA Associates in association with AMERELLER and Bahaa-Eldin Law Office in cooperation with BonelliErede.

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About Gulf Capital

Gulf Capital is an operationally focused private equity firm with over 18 years of investment experience from the GCC to the rest of Asia, one of the fastest growing investment corridors in the world today. Gulf Capital partners with dynamic entrepreneurs and exceptional management teams to provide them with growth capital, strategic advice, and operational expertise to build market leading global businesses. The Firm has a long and proven track record of investing in Growth Markets, having closed 45 investments since 2006. It currently manages over \$2.4 billion in assets across seven funds and investment vehicles. As a thematic investor, Gulf Capital focuses on resilient, forward-looking sectors such as Technology and Fintech, Healthcare, Business Services, Consumer, and Sustainability. Its mission is to build value with world-class governance and ESG best practices, deep focus on operational improvements and sectoral expertise to generate sustainable and superior performance for its key stakeholders. For more information, please visit www.gulfcapital.com or LinkedIn @gulfcapital

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