

# Saudi Economic & Development Co Ltd (SEDCO)

## Direct Investment Group (DIG)

### INVESTMENT CRITERIA

#### 1. Profile of Target Investee Company –Privately-held

- Region: Gulf Cooperation Countries (GCC)..
- Sectors: All sectors except real estate.
- Net Income: Minimum USD 10 million.
- ROE: Minimum 20%.
- Participation: Minimum shareholding is a function of company's equity value, as follows:
  - ▶ Up to USD 150 million – 20%
  - ▶ USD 150 – 250 million – 15%
  - ▶ Over 250 million – 10%
- Business is *Shariah* compliant.
- Target stake size will range between USD 25 million and USD 40 million.
- Compatible and strategic partner with a long term vision to grow and expand the business across the region.
- Proven business model evidenced by growth in profitability.
- Successful management team
- Business is in a high growth sector (growth at least double that of GDP).
- Company to have potential to rank in the top 3 in its segment, within 3 years.
- Greenfield ventures based on strong feasibility and partners with demonstrable track record..

#### 2. Required Documentation

An investment proposal should include the following:

- Historical financial performance of the company for at least 5 years.
- Business plan with financial projections.
- Business strategy.
- Industry analysis.
- Competitive analysis.
- Risk analysis.
- Critical success factors.
- Key performance indicators.
- Rationale for capital increase.
- Feasibility Study and Business Plan for greenfield projects.

#### 3. Confidentiality

All documents and information submitted will be treated with full confidentiality.