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## Growthgate makes 3x return on \$32 mln Able Logistics sale



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**Growthgate Capital** has sold its 70 percent stake in **Able Logistics Group**, a logistics provider in Dubai, to **Kerry Logistics Network**, for \$32 million. Growthgate has realized total proceeds on the Able investment of 3x return on its investment. Growthgate has been prepping Able for an IPO starting in early 2014, but decided go with the strategic sale to Kerry.

### Press Release

Growthgate Capital, the Gulf-based investment firm announced today that it has exited from its investment in Able Logistics Group (Able) by selling its 70 percent equity stake therein to Kerry Freight Services (South Asia) Pte. Ltd., a wholly owned subsidiary of Kerry Logistics Network, for \$32 million (subject to certain adjustments). Taking into account this transaction and prior dividends received, Growthgate Capital has realized a 3x returns on its investment in Able. The preparations for Able's IPO which were announced in Q1 2014, were set aside indefinitely in favor of Kerry's strategic buyout offer.

Able is a leading freight forwarder and logistics provider headquartered in Dubai, with additional operating bases in the Middle East and other key hubs in the Near and Far East. The transaction involved the acquisition of 70 percent of Able's capital stock by Kerry Freight Services (South Asia). Kerry Logistics Network, the owner of Kerry Freight Services, is a publicly listed company in Hong Kong (stock code 00636) with a total market cap of HK\$20.5 billion as at December 29, 2014. Kerry is one of Asia's major logistics providers with a global network that stretches across six continents, including an extensive distribution network and hub operations in Greater China and the ASEAN region.

Growthgate first invested in Able in 2007, when operations were limited to the UAE and few Asian destinations. Today the company operates from multiple bases in Dubai, Sharjah, Oman, Saudi Arabia, Afghanistan, and Hong Kong, with over 500 corporate customers including multinationals in diversified sectors such as electronics, food, and fast moving consumer goods. Able's management expects to achieve \$135 million in total revenues in 2014.

"We have always believed in Able's business model, and the outstanding team led by Dr. Ghanem Al Hajri, Executive Chairman and Vijay Vikram, CEO. Since 2007, we have been continuously impressed by their commitment to delivery and the phenomenal results achieved. This is a great development for

Able, as Kerry is the best strategic partner to take the company forward and give the senior management team the opportunity to propel the business on a wider scale as part of a global platform,” commented Karim A. Souaid, General Manager of Growthgate Capital.

“Since its establishment in 2001, Able has delivered consistent and outstanding growth quarter after quarter. Starting from scratch, the company has gained a significant market share of the corporate logistics and freight forwarding market in little over ten years, in a highly competitive and concentrated context, and a difficult economic climate. This tremendous success is the result of the combination of an ambitious project with a faultless execution by a great management team. We have consistently supported and funded Able, and are proud of its achievements,” added Souaid.

Vijay Vikram, CEO and co-founder of Able said, “We have very much appreciated the steadfast support from Growthgate throughout the past years. As the only institutional investor in the company, Growthgate took the initial risk, and continued to support us ever since, committing valuable time, capital and efforts to build-up the platform in different markets and varying economic cycles. Growthgate has simply been an ideal growth partner.”

White & Case acted as international counsel for Growthgate Capital on the transaction whereby HLP LLC acted as local counsel. PwC further advised Growthgate on specific finance and accounting aspects of the transaction.

#### About Able Logistics

Able Logistics Group is an integrated provider of freight forwarding, land transportation, and warehousing services, and a regional leader in its business segment thanks to an extensive network than spans throughout the Middle East and Asia; and a management team with over 35 years of experience. Since its inception in 2001, Able has evolved from an airfreight forwarder into a logistics service provider using multi-modal solutions to address the growing needs of governmental agencies; airlines, multinationals and conglomerates operating in Asia, Europe, Africa and the Middle East.

#### About Growthgate Capital

Growthgate Capital is a Gulf-based private investment firm that follows a “buy-and-build” strategy. The firm specializes in buying into well-managed companies with scalable business models, and leveraging those capabilities by acquiring/adding more entities to build up and grow said companies. Targets are principally selected from the GCC and other key markets of the MENA region. Growthgate Capital was formed in 2007 with \$200m in permanent capital subscribed by a select group of shareholders including State-owned banks, public pension funds, and single-family offices from the Middle East. The firm has completed to date four liquidity events including the sale of its stake in Roots Steel International (Saudi Arabia) in 2013, a partial exit from Able via a dividend recap in Q1 2014, the reverse takeover by Gama Aviation with Hangar 8 Plc and its subsequent listing on the London Stock Exchange; and the current strategic sale of Able to Kerry Logistics Networks. Growthgate Capital had, as of beginning of 2013, circa \$1.65 billion in Assets-under-Monitoring and is managed by Growthgate Partners.