

Raya Holding's Chairman Submits MTO To Acquire 36.7% Stake Of The Company

Egypt's Financial Regulatory Authority has obligated the controlling shareholders of Raya Holding For financial Investments including the Founder, CEO and Chairman Medhat Khalil and related parties to submit a mandatory tender offer (MTO) for 100% of the company.

FRA's decision aims to protect the minority shareholders, as the stake owned to Medhat Khalil and his related parties exceeded the legal limits which allowed them to control the company.

According to Egypt's securities regulations, controlling a stake of 33% by related parties requires submitting a mandatory tender offer to the minority shareholders.

The offer comes after weeks of negotiations between FRA and Raya, as the latter has submitted an appeal to FRA, and claimed that the related parties have a stake under 33%. FRA refused the company's complaining and the bourse suspended and reversed transactions on Raya's stock over the past few days.

As per the latest statement from Raya, the company will offer a bid to buy 36.7% stake of the company priced at 9.4 EGP per share.

Headquartered in Egypt, Raya Holding shares have been listed in the Egyptian Exchange (EGX) since 2005; the share's price in the offer is 2.8% higher compared to the current price at 9.14 EGP.

As of July 2018, the ownership was distributed between various shareholders, Medhat Khalil and family owns 31%, while Financial Holdings International LTD has 12% stake, 11% owned by EGYCAP Investments LTD, and 20% owned by others.

Raya reported total consolidated revenues of EGP 6.7 billion (\$376.69 million) in 2017 with 18.4% increase over 2016.

As the parent company of eleven up-and coming lines of business, Raya Holding operates in the fields of information technology, data center outsourcing, contact center, smart buildings, consumer electronics, food and beverage, land transport, PET re-manufacturing and E-payments.

The company empowers more than 11,000 proficient employees, accommodating a wide international customer base from offices based in Egypt, Saudi Arabia, UAE, Poland, and Nigeria.

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