

Joint investors pick up 79pc stake in ITWorx

M&A activity in IT sector hotting up

By Vinod Kumar PK

There is so much demand for IT and related services that mergers and acquisitions (M&As) is generating a lot of interest in the region from institutions to invest in these service providers, a top industry expert says.

"A company with strong management and good product range is what the institutions are looking at before investing in them," Wael Amin, president, ITWorx, a leading global software services organisation, headquartered in Cairo and with offices in the US, Saudi Arabia and the UAE, told *The Business Weekly*.

Amin said that recently joint investors EuroMena Fund, a private equity fund sponsored by Capital Trust Group, Venture Capital Bank and Proparco had purchased a 79 per cent in ITWorx with a view to further expand its



Wael Amin

operations internationally.

The acquisition will be an enabler to fulfill future growth plans and will be a vehicle to fuel the expansion of the company's global footprint as well as its internal development.

The company will be implementing plans such as including

additional staff, creating new opportunities for talent in Egypt, the GCC, where recent office expansions have occurred, and other markets where ITWorx operates, Amin said.

Positive sign

"The acquisition is a very positive sign and reflects the view that the local companies/financial organisations have of the region's economies with a strong focus on Egypt and the optimism of this traditionally reserved market," he added.

In terms of trends in the industry Amin said that there is a substantial level of investments in IT and related services in the region at large, particularly in government, education, healthcare, telecommunications and financial services.

"We are seeing absolutely unprecedented levels of investments in this sector," he said.

The penetration of IT services in the financial sector has over

time has also increased dramatically. A lot of investments in banks have been undertaken for portal infrastructure, e-banking (checking balances online) and a lot of business intelligence is using data analysis for analysing customer behaviour and customer trends.

There is also great demand for consolidated payment gateways in the GCC. Through these gateways, customers can pay electricity, water and telephone bills. This requires integration between the banks and the phone, water or electricity companies.

"There is a migration to such integration among the banks and service providers in a big way in the region," Amin said.

Last September, ITWorx, launched two new regional offices in Dubai and Qatar to further strengthen its market position and to better serve its customers, support their key partners, as well as promote the latest software products and solutions in the region, Amin added.