

The Investor



Gulf Capital is a private equity firm with a focus on health care, business services, consumer, technology/fintech and sustainability. Since 2006, Gulf Capital has made 37 investments and facilitated 21 bolt-on acquisitions, often employing a cross-border, buy-and-build strategy. The team's 47 employees operate out of offices in Abu Dhabi, Dubai, Riyadh, Cairo and Singapore.

FUND NAME
GC Equity Partners Fund III

FUND SIZE
USD750m

TOTAL AUM
USD2.4b

The Company



Founded in 2006, Cedar White Bradley (CWB) provides intellectual property services, such as trademark, copyright, patent and design, as well as media and entertainment law services, including contract drafting, review and advice. CWB's clients range from startups to Fortune 500 companies. In 2023, CWB Group merged with Eastern Europe and Central Asia-focused IP specialist PETOŠEVIĆ Group and African IP specialist Hahn & Hahn, resulting in the ability to provide services in over 100 countries through 27 offices.

LOCATION
Middle East, Central Europe and Africa

SECTOR
Business Services

WEBSITE
www.cwblegal.com

DATE(S) OF INVESTMENT

JAN '20

AMOUNT

CONFIDENTIAL

STAKE

MAJORITY



The Gulf Capital team had been closely analyzing the intellectual property (IP) protection and services landscape for several years when it approached Dubai-based Cedar White Bradley (CWB) in 2019. With IP assets quickly outpacing fixed assets as the most valuable component of most blue-chip company portfolios, the industry was poised for strong growth. However, multinational corporations were struggling to manage their trademark and patent registrations in emerging markets, where each nation has its own set of complex rules and regulations.

Gulf Capital wanted to create one firm where companies could outsource their IP protection across all of Africa, the Middle East, Central Asia and Eastern Europe. CWB had built a reputable brand in the Middle East and North Africa and had developed expertise in a range of industries, including technology, pharmaceuticals, oil and gas, media, transportation, entertainment, consumer electronics and property development. Gulf Capital believed it could turn the regional firm into a global leader in secondary markets through strategic acquisitions.

Although CWB's CEO Halim Shehadeh wasn't actively looking for a buyer, he was seeking a way to replicate his company's success in the MENA region abroad. He had previously explored debt financing options but didn't move forward due to bank requirements for personal guarantees and collateral. Aligned in their vision for CWB's growth, the parties agreed to partner. Gulf Capital acquired a majority stake in CWB in January 2020.

The Deal

Gulf Capital's first initiative post-acquisition was to form a new management team, freeing up Shehadeh to focus on business development. Several new roles were established, including a Chief Commercial Officer, a Chief Financial Officer and a Chief Technology Officer.

Gulf Capital worked with CWB to prioritize technology deployment and integration. The company wanted to create a single point of contact for its clients and a seamless user experience across all the jurisdictions in which they were seeking services. An ERP and integrated IP management system were deployed to improve CWB's day-to-day operations, facilitate the onboarding of new clients and develop an online portal to easily manage IP portfolios. This created new technology jobs throughout the company in the Middle East, Eastern Europe and Africa.

During the due diligence process, the Gulf Capital team identified several potential acquisition targets as part of its buy-and-build global expansion strategy. The private equity firm evaluated over 20 businesses in Eastern Europe to determine which would be the best strategic and cultural fit with CWB. In February 2023, Gulf Capital facilitated CWB's merger with Luxembourg-based PETOŠEVIĆ Group, expanding the company's reach into 28 countries in Eastern Europe and Central Asia.

Following the merger, Gulf Capital partnered with the CWB senior management team—in which PETOŠEVIĆ leadership had integrated—to conduct town halls as well as one-on-one sessions with employees to communicate the benefits and broader vision for the newly combined organization. A Management Incentive Program was also created to allow senior executives to share in the company's growth.

Gulf Capital additionally identified a few potential acquisitions in Africa. In August 2023, CWB partnered with South Africa-based IP firm Hahn & Hahn. This merger added approximately 50 employees and more than 50 countries to CWB's operations.

"By enabling clients such as Microsoft, Apple and Google to protect their IP in challenging markets across Africa, the Middle East, Eastern Europe and Central Asia, we are directly contributing to social reform, technological advancement and economic prosperity in these countries. Because they know their rights can be enforced if needed, these global companies can safely invest in our regions and employ local people."

—Halim Shehadeh, CEO of CWB

At the time of Gulf Capital's acquisition, CWB had a presence in 22 countries across the MENA region, through 100 employees across eight offices. By August 2023, its presence has grown to cover 100 countries throughout the Middle East, Africa, Eastern Europe and Central Asia, with nearly 280 employees across 27 offices. Between 2020 and 2022, CWB's revenue grew by 38%, while EBITDA growth increased by 264%.

Inclusive & Sustainable Growth

CWB strives to employ equitable hiring practices across the organization. Women represent 50% of employees and over 60% of



senior management roles at CWB as of September 2023. Employees in all regions and at all levels benefit from a blanket policy promoting flexible working arrangements, including the ability to work from home. Working mothers are also given adjustable office hours and the opportunity to bring children on business travel.

Holding majority control of the board, Gulf Capital works closely with CWB to ensure diversity and inclusion are a priority for the company. With Gulf Capital's assistance, CWB implemented two initiatives to improve workplace culture. The CWB Way Survey is an annual anonymous survey that allows all employees to share feedback; while CWB Employee Focus Groups allow employees to connect and share suggestions in forums facilitated by an external consultant.

Since Gulf Capital's investment, CWB has been able to dedicate more resources to developing its staff and promoting talent from within the organization. The company implemented several new human resource policies to drive employee advancement, resulting in an annual average percentage of internal promotions of 17% between 2019 and 2022. CWB is developing more junior roles and supporting affirmative action policies put in place by governments, such as Saudi Arabia, to drive local hiring. In these markets, CWB is not only training new employees on the specifics of their jobs but also on the basic components of professional work life, such as how to use common office tools, the importance of working in teams, how to be a better leader and more.

Outlook

Gulf Capital and CWB remain aligned on the goal of building a super-regional emerging markets intellectual property firm. As the company continues to integrate and grow, seamlessly serving clients, while cross-selling services and regions are its priority. Technological and cultural integration are also a key focus for CWB. With new staff based in places as varied as Zimbabwe, Romania and Dubai, the CWB team is prioritizing honoring cultural differences while gradually creating a cohesive workplace culture operating under one set of values.

CWB currently works alongside universities and free zones in markets such as South Africa and the UAE to help new ventures become established and put in place relevant trademarks and patents, often at a subsidized rate. Looking forward, the company aims to play a greater role in supporting emerging market entrepreneurs, particularly once local governments develop broader funding initiatives. ●