

# Daman Investments goes for IPO

As Daman Investments prepares to go to IPO in Q1 2015, **Zoya Malik** spoke to its Chairman and Founder **Shehab Gargash** to discuss the company's objectives in the market in launching the IPO



Chairman and Founder Shehab Gargash

**W**hat is the motivation for proceeding with the IPO?

"The objective of the IPO is two-fold: To realise value for our investors who have invested in and supported Daman since its establishment in 1998, and to enable Daman to venture into a very promising future by enabling it to play a more assertive role as a UAE-based well capitalized public company."

**Who owns the company now and what are their intentions for the IPO?**

"Daman is owned by a group of UAE and GCC investors who have been investing in the company since its establishment in 1998. The owners shall become founders in the "new" public Daman, and none of them shall be selling down any of their stake in the company."

**Are you looking to raise capital and what will be the use of these proceeds?**

"The IPO is based on a capital raise through the issuance of new shares to the public. The proceeds shall be used to support the continued growth of Daman in the financial services field along the lines of the four business lines it has conducted over the past 17 years, namely: Brokerage, asset management, venture capital and corporate advisory services."

**How do you expect the IPO to impact the incentives and culture of the company?**

"While becoming a public corporation has many merits, we are equally aware that it also demands of us a more diligent set of obligations. In this light, Daman embarked as early as 2009 on a comprehensive programme to prepare itself for conversion to a

public corporation through internal preparedness and the development of a robust and ambitious business plan."

**How many senior staff have shares in the company and do you have a share options scheme for employees?**

"Daman already has an employee stock option plan in place mainly with a view to retaining key talent within the firm. Daman is also looking to further enhance its ESOP offering in the future as a public company."

**There are no investment companies listed on the DFM, why is that?**

"The development of the non-bank financial services sector in the UAE has lagged the overall development of the country. This has been a long-standing reality in the UAE, and in fact was one of the key reasons for establishing Daman back in 1998. Since then, the regulatory environment has markedly improved, and the financial sector has also become significantly more populated. These are all welcome developments. By attaining our UAE listing as a public financial services company based in the UAE, Daman hopes to be a pioneer as we hope other similar corporations would also seek to list as public companies on the UAE exchanges, which would serve the country's financial services sector well." 