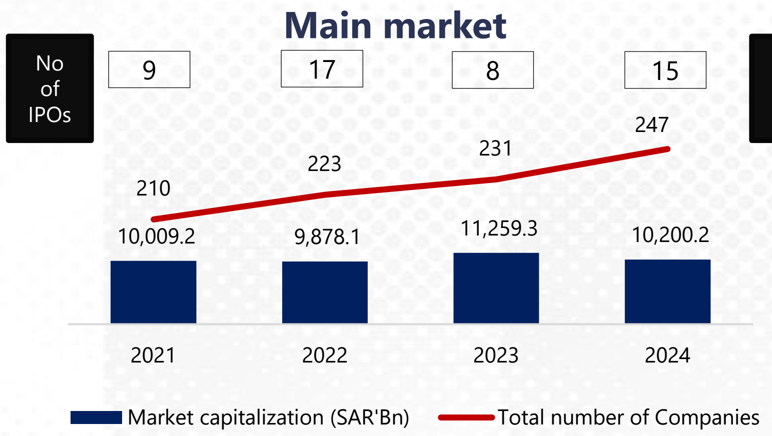
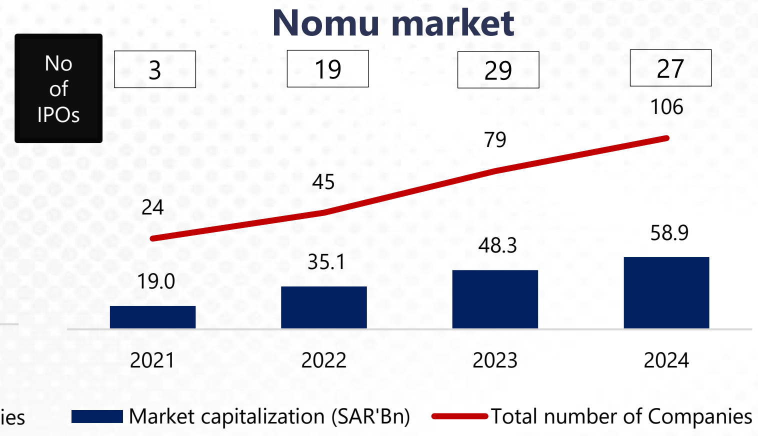
Saudi Arabia's Capital Market Reforms and IPO Momentum

June 2025

KSA's IPO activity surges to 42 listings in 2024, marking a 3.5x increase over 2021 levels

KSA Capital Market: Catalyst for Vision 2030





KSA's Growth Story & Economic Diversification Goals

Saudi Arabia is entering a pivotal era of economic recalibration under the Vision 2030 blueprint, shifting decisively from hydrocarbon dependence to a future powered by diverse, high-performing sectors. The non-oil economy now anchors this transformation, with real growth forecast at 4.4% in 2025—driven by expanding momentum in trade, transport, tourism, finance, construction, and manufacturing.

While the oil sector is expected to rebound modestly with 2.6% growth, it is the resilience and depth of non-oil activities that are redefining the Kingdom's economic identity. As a result, overall real GDP is projected to accelerate to 3.7% in 2025, up from an estimated 1.3% in 2024.

Adding to this economic momentum are strategic population-growth programs, including the Regional Headquarters initiative, which aim to attract up to 8 million new residents by 2030. This demographic shift is poised to amplify demand across urban infrastructure, services, and consumer markets.

With inflation expected to remain contained at around 2%, Saudi Arabia offers a stable macroeconomic platform—supportive of capital market expansion and long-term investor engagement.

The Role of Capital Markets in Vision 2030

Capital markets have emerged as a strategic enabler of Saudi Arabia's Vision 2030, unlocking private sector participation, accelerating economic diversification, and driving the monetization of state-owned assets. By offering diversified financing avenues, the equity market has become instrumental in advancing giga-projects, scaling SMEs, and supporting sectoral reinvention.

A favorable macroeconomic climate—characterized by easing interest rates (with the 3M SAIBOR projected to decline to 4.3% by end-2026) and stable inflation—has improved liquidity conditions and renewed investor appetite across asset classes.

Between 2021 and 2024, the Saudi Exchange (TASI) has demonstrated solid performance. The index climbed to 12,037, marking an 11.8% gain, while total market capitalization rose 3.9% to SAR 10.2 trillion. This growth reflects not only elevated oil revenues but also investor confidence in ongoing reforms and national development plans.

Meanwhile, the NOMU–Parallel Market has captured significant momentum as a launchpad for high-growth enterprises. In 2024 alone, market capitalization surged by 69.2% to SAR 58.9 billion, and company listings from 2021 to 2024 soared by 198.1%, reflecting strong investor alignment with Vision 2030's innovation-driven agenda. From 2021 to 2024, NOMU's index rose 7.8%, while average daily trading volumes increased by 25.5%, pointing to deepening participation in emerging sectors.

KSA Equity Market (Main vs. Nomu)

Saudi Arabia's equity market has been intentionally architected to drive broad-based participation and serve as a catalyst for economic transformation. By offering a spectrum of capital-raising mechanisms—including secondary offerings, private placements, sukuk, bonds, and other debt instruments—the market meets the evolving funding needs of businesses across diverse sectors and stages of growth.

At the heart of this ecosystem is a dual-market structure designed to accommodate both scale and agility. The Main Market (Tadawul) caters to large, established enterprises that meet stringent regulatory benchmarks—an environment well-suited for institutional and foreign capital seeking transparency and stability. Meanwhile, the Nomu – Parallel Market offers a dynamic platform for SMEs and high-growth ventures, enabling earlier access to equity financing and serving as a springboard toward eventual Main Market listing.

This two-tiered model not only fosters IPO readiness across business segments but also ensures that capital market development remains inclusive—aligning seamlessly with Vision 2030's emphasis on diversification, innovation, and private sector expansion.

From FY21 to FY24, Software, Media, and Utilities outperformed with CAGRs, while Consumer Discretionary and REITs adapted to inflationary pressures and evolving consumer behavior, setting the stage for sustained growth

KSA Stock Market Performance Growth FY21-24

From 2021 to 2024, Saudi Arabia's stock market evolved rapidly, driven by Vision 2030 reforms and shifting global dynamics. Strategic investments in technology, sustainability, and infrastructure have redefined sectoral composition and expanded investor interest—positioning the Saudi exchange as a regional hub for innovation-led growth and long-term capital formation.

Between 2021 and 2024, Saudi Arabia accelerated its digital transformation, attracting foreign investment and emerging as a regional hub for technology and entertainment. Programs like NIDLP and the Saudi Green Initiative spurred growth in utilities and capital goods, while state asset privatizations boosted activity in banking and financial services.

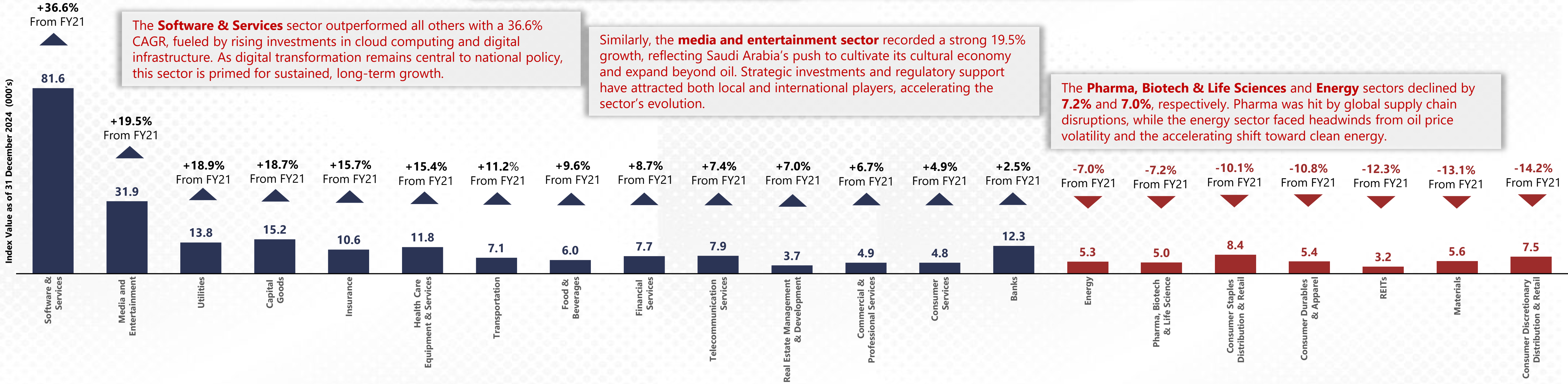
Despite strong momentum, the market has weathered headwinds from volatile oil prices and global supply chain disruptions, affecting sectors such as energy, pharmaceuticals, and retail. These pressures underscore the Kingdom's ongoing challenge: advancing long-term diversification while adapting to shifting global dynamics.

Sector Wise Indices Value at FY24 and % Performance for FY21-24

The **Software & Services** sector outperformed all others with a 36.6% CAGR, fueled by rising investments in cloud computing and digital infrastructure. As digital transformation remains central to national policy, this sector is primed for sustained, long-term growth.

Similarly, the **media and entertainment sector** recorded a strong 19.5% growth, reflecting Saudi Arabia's push to cultivate its cultural economy and expand beyond oil. Strategic investments and regulatory support have attracted both local and international players, accelerating the sector's evolution.

The **Pharma, Biotech & Life Sciences** and **Energy** sectors declined by **7.2%** and **7.0%**, respectively. Pharma was hit by global supply chain disruptions, while the energy sector faced headwinds from oil price volatility and the accelerating shift toward clean energy.



Tadawul retained its commanding position in the GCC with 65% of market cap and 28% of traded volume as of Dec24, underscoring its regional leadership despite 2024 headwinds

GCC Stock Market Performance Snapshot FY21-24

Capitalization Trends Across GCC Markets (2021–2024)

Total GCC market capitalization grew from SAR 13.4 trillion in 2021 to SAR 16.2 trillion in 2023, before declining to SAR 15.4 trillion in 2024, which shows a CAGR of 4.76% from 2021 to 2024. This multi-year trajectory reflects the impact of both cyclical economic tailwinds and policy shifts:

In 2021 and 2022, markets benefited from post-COVID recovery momentum and strong oil prices, which were further supported by record IPO activity in Saudi Arabia and Abu Dhabi. This positive momentum extended into 2023 as easing inflation and speculation around U.S. interest rate cuts revived investor appetite, especially in the latter part of the year. However, in 2024, regional markets came under renewed pressure amid weakening oil prices, a slowdown in corporate earnings, and heightened geopolitical tensions in the first and fourth quarters. These headwinds led to a notable decline in Saudi Arabia's market cap in 2024, driven largely by the contraction in Aramco's valuation.

Despite the broader downturn in 2024, Dubai's market cap increased, benefiting from strong corporate earnings—particularly in real estate and banking—as well as heightened investor confidence fueled by a resilient economic outlook and positive market sentiment. Abu Dhabi maintained a stable upward trend over the four-year period, bolstered by increased foreign investment and steady IPO flows. Kuwait and Oman stayed stable, supported by macroeconomic stability, while Qatar and Bahrain ended 2024 below their earlier levels, reflecting persistent investor caution and weaker sector-specific performance.

GCC Index Performance: Price Trends and Investor Sentiment (2021–2024)

GCC index performance from 2021 to 2024 reflected evolving investor sentiment amid shifting interest rates, oil market volatility, and geopolitical developments.

Dubai led with a 61.4% gain, driven by strong earnings, real estate and banking sector momentum, and improved sentiment during 2023–2024 as global monetary pressures eased. Similarly, Abu Dhabi and Oman followed with steady gains of 11.0% and 10.6%, supported by resilient fundamentals and solid capital flows.

On the other hand, Saudi Arabia's index rose by 6.7%, although performance moderated in 2024 due to weaker earnings and softer oil prices. Kuwait recorded a modest 2.6% increase, while Qatar declined by 9.0%, weighed down by subdued sentiment and limited market catalysts.

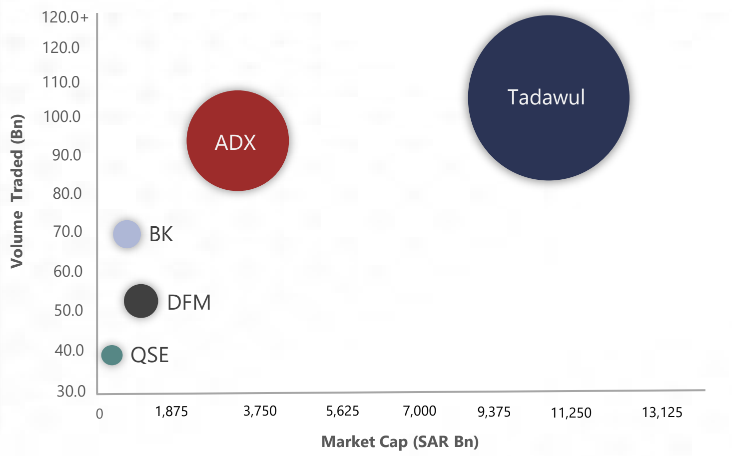
After early 2024 volatility, regional indices recovered partially in the second half, supported by expectations of global rate cuts and targeted economic stimulus.

GCC Market Cap (2021-2024) & Multiples (as of 2024)

Market (SAR'Bn)	2021	2022	2023	2024	Period** △	P/B (x) TTM*	P/E (x) TTM*
Kuwait	513.8	570.0	495.0	532.5	▲ 1.2%	1.1	15.1
Saudi Arabia	10,008.8	9,866.3	11,261.3	10,200.0	▲ 0.6%	2.3	19.4
Abu Dhabi	1,620.0	2,632.5	2,958.8	2,985.0	▲ 22.6%	1.9	16.8
Dubai	416.3	588.8	693.8	922.5	▲ 30.4%	1.5	9.9
Qatar	697.5	626.3	645.0	641.3	▼ -2.8%	1.5	11.5
Bahrain	107.5	113.4	77.2	76.5	▼ -10.7%	0.6	8.2
Oman	54.4	62.3	61.3	71.2	▲ 9.4%	0.6	11.4
Total GCC	**13,418.1**	**14,459.4**	**16,192.2**	**15,428.9**	**▲ 4.76%**		

*As of December 31, 2024 **CAGR for the period (2021-2024)

Top Five Stock Exchanges by Market Capitalization & Volume Traded as of December 31, 2024



GCC Indices Closing (2021-2024)

Market	Index Closing				
	2021	2022	2023	2024	Period △
Kuwait	7,639.1	8,115.7	7,477.0	7,838.8	▲ 2.6%
Saudi Arabia	11,281.7	10,478.5	11,967.4	12,036.5	▲ 6.7%
Abu Dhabi	8,488.4	10,211.1	9,577.9	9,419.0	▲ 11.0%
Dubai	3,195.9	3,336.1	4,059.8	5,158.7	▲ 61.4%
Qatar	11,625.8	10,681.1	10,830.6	10,571.1	▼ -9.1%
Bahrain	1,797.3	1,895.3	1,971.5	1,985.9	▲ 10.5%
Oman	4,136.2	4,857.4	4,514.1	4,576.6	▲ 10.6%

Key Highlights

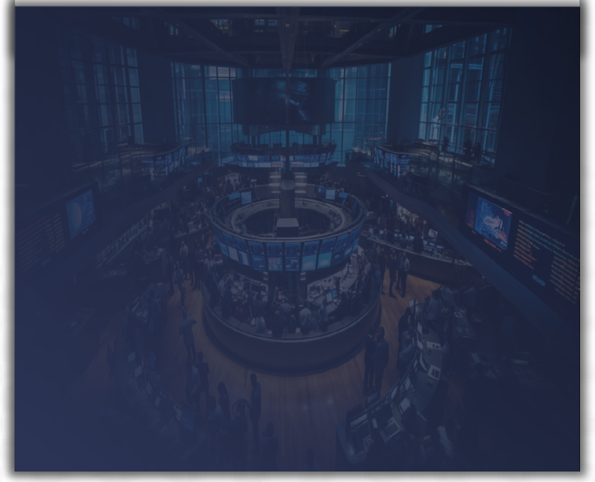
KSA Leads 2024 With
SAR 10.2 Tn market cap, 100 Bn shares traded, and 42 IPOs

ADX Ranks Second With
Market cap SAR 3 Tn and volume (90 Bn shares)

Abu Dhabi & Oman Post
Gains of 11.0% and 10.6% in FY21-24, respectively

Dubai Records
Highest return of 61.4% from FY21 to FY24

Total GCC Market Cap and Traded Volume
SAR 15.4 Tn and 356.4 Bn, respectively, as of 2024



With 42 IPOs and SAR 15.1 billion raised in 2024, Saudi Arabia continues to anchor GCC IPO activity and propel regional capital market expansion

GCC IPO Momentum: KSA Leads with Depth and Volume

KSA: Regional Leader in IPO Volume and Activity

With **42 IPOs raising SAR 15.1 billion**, Saudi Arabia led the GCC in 2024, accounting for the vast majority of regional listings. This momentum underscores the **depth and maturity of the Saudi capital market**, fueled by robust investor demand and a strong **privatization agenda**. Notably, **8 of the 10 most oversubscribed IPOs** in the region originated from the Kingdom—including standout offerings like **Dr. Soliman Fakeeh Hospital** (119x oversubscribed) and **Almoosa Health** (102x). The listings spanned sectors such as **healthcare, food, and industrials**, reflecting Saudi Arabia's emergence as a **diversified and resilient issuer mark**

GCC IPO Activity Rebounds; Saudi Listings Remain Core

The **GCC recorded 54 IPOs in 2024**, raising **SAR 48.3 billion**—a **20.4% increase** year-on-year. At the center of this rebound was **Saudi Arabia**, accounting for **42 IPOs**, including **27 on the Nomu – Parallel Market** and **15 on Tadawul's Main Market**. This balanced distribution reflects the **maturity and depth of the Saudi equity ecosystem**, capable of supporting both emerging growth companies and large-cap issuers. While the **UAE led in total deal value, Saudi Arabia dominated in listing volume and sectoral diversity**—spanning healthcare, industrials, food, and tech. Importantly, **31 of the 54 IPOs in KSA** ended the year with positive share price performance, reinforcing **investor confidence in post-listing fundamentals**.

IPO Market Performance in the GCC: Saudi Arabia as a Catalyst

The **GCC closed 2024 with 54 IPOs**, raising **SAR 48.3 billion**, up from **48 IPOs and SAR 40.1 billion in 2023**—marking a strong year for regional equity markets. **Saudi Arabia** led by volume with **42 listings**, underpinned by **robust oversubscription levels** and high domestic investor confidence.

In terms of capital raised, the **UAE led the region**, fueled by landmark offerings such as **Talabat Holding** (SAR 7.5 billion raised on SAR 37.9 billion in orders) and **Lulu Retail** (SAR 6.4 billion). **Oman** also contributed significant momentum with its largest IPO to date—**OQ Exploration & Production**, raising **SAR 7.5 billion**.

Looking ahead, **30 IPOs are already announced for 2025** across the GCC. With upcoming listings in **logistics, IT, and renewables, Saudi Arabia is expected to maintain its leadership** in shaping the region's capital markets narrative.

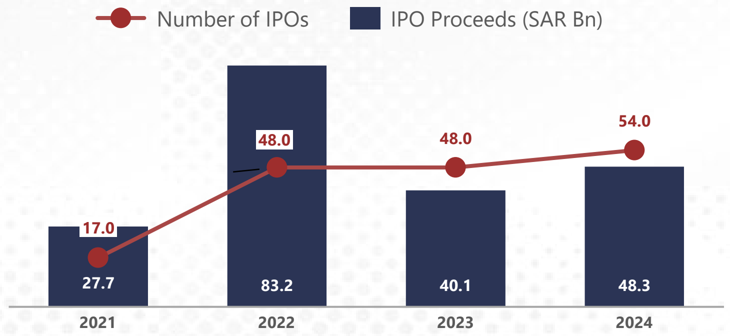
GCC IPO Overview FY21-24

GCC – (2021-2024)

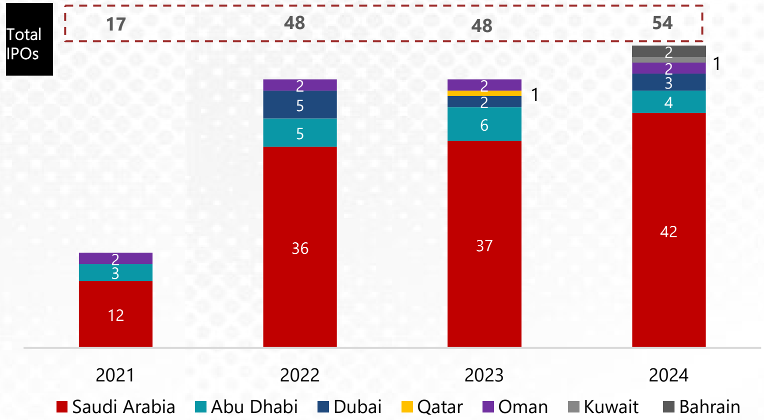
167
Total IPOs
In FY21-24

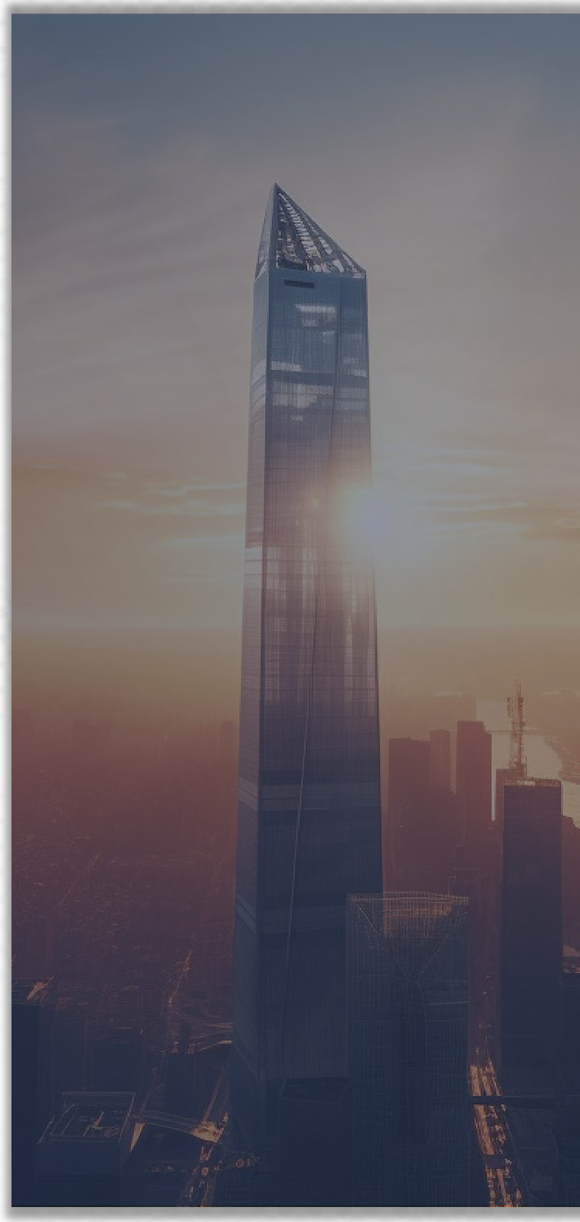
SAR 199 Bn
Total IPO Proceeds
Raised In FY21-24

GCC IPO Activity (2021-2024)



Evolution of GCC IPOs (2021-2024)

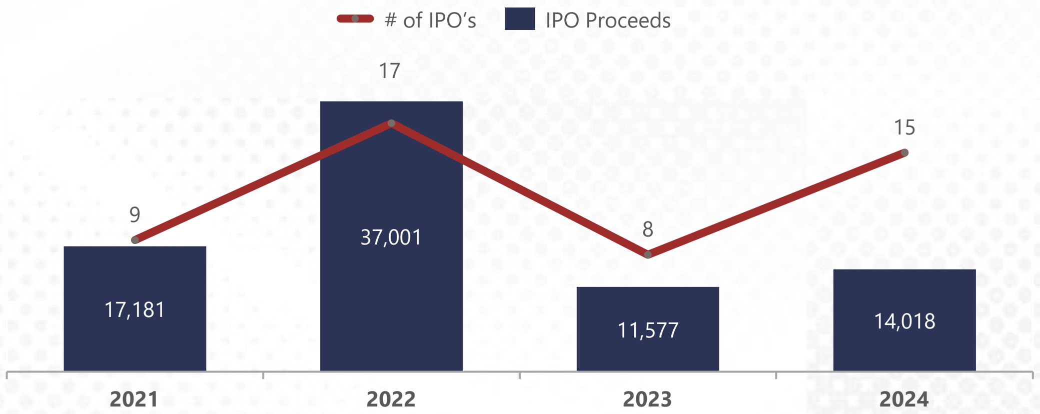




Despite a market cap decline in 2024, Tadawul remains resilient and strategically aligned with Vision 2030's capital market ambitions

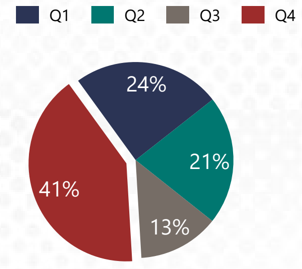
Tadawul IPO Market: Navigating Macroeconomic Headwinds

Tadawul No of IPO's and Proceeds



Tadawul's IPO calendar is strategically influenced by regulatory review cycles, fiscal year-end reporting practices, and market dynamics—with a cultural preference for launching listings in Q1 and Q1, when investor engagement and timing alignment are most favorable.

Avg. Historical Quarter Wise Breakdown of IPOs (2021-2024)



The above-mentioned trend is due to:

- **Financial Reporting:** With most companies' fiscal years ending on **December 31st, audited full-year financials**—a critical component of IPO prospectuses—are typically finalized in **Q1**. This timing naturally aligns with increased IPO activity, as firms become prospectus-ready and market windows open.
- **Regulatory Approvals:** The **Capital Market Authority's (CMA)** review process typically spans several months. As a result, **applications filed in Q1 often receive approval by Q3 or Q4**, paving the way for IPOs in **late Q4 or early the following year**—a pattern that reinforces Tadawul's seasonal listing trends.
- **Market Timing: Q4**, following the summer slowdown, and **Q1**, buoyed by **new year optimism**, are traditionally viewed as periods of **stronger investor sentiment**.
- **Seasonal Factors: Ramadan** and the **summer holiday season** in Saudi Arabia are marked by **slower business activity and reduced investor engagement**, making **Q2 and Q3 less conducive** for major IPO launches. As a result, issuers often avoid these quarters in favor of more active market windows in Q4 and Q1

2021: 2021 marked a strong **post-pandemic rebound**, with **9 IPOs raising SAR 17.2 billion**. The surge was driven by rising oil prices and renewed momentum behind **Vision 2030's diversification agenda**. Landmark listings such as **ACWA Power** (renewables) and **Solutions by STC** (technology) underscored investor confidence in the Kingdom's non-oil future. Most IPO activity occurred in **H2**, following early-year caution due to lingering pandemic uncertainty.

2022: 2022 represented the **peak of IPO activity**, with **17 listings generating SAR 37 billion** in proceeds. Early momentum was fueled by elevated oil prices and abundant domestic liquidity. However, the **Russia-Ukraine conflict**, rising global **inflation**, and tightening monetary policy introduced volatility. Despite this, successful listings like **Americana Restaurants** and **Luberef** demonstrated sustained investor interest in **consumer and downstream energy sectors**, although market sentiment grew more cautious by year-end.

2023: 2023 saw a **notable slowdown**, with **8 IPOs raising SAR 11.6 billion**, as **persistently high inflation** and **aggressive interest rate hikes** dampened risk appetite. Yet, the listings that did proceed—such as **First Milling Company** (food security) and **Jamjoom Pharmaceuticals** (healthcare)—aligned closely with **Vision 2030's strategic themes**, signaling that while volumes dropped, **strategic alignment remained strong**.

2024: 2024 showed signs of renewed momentum, with **15 IPOs raising SAR 14.0 billion**. High-demand offerings like **Dr. Soliman Fakeeh Hospital**, **Almoosa Health Group**, and several REITs highlighted continued investor confidence despite global macroeconomic headwinds. Tadawul's IPO market remains sensitive to variables such as **interest rates**, **oil prices**, and **geopolitical shifts**, yet consistently reflects resilience and long-term alignment with Saudi Arabia's diversification efforts.

Tadawul and Nomu showcase distinct listing profiles, together shaping a complementary dual-market ecosystem for Saudi IPOs

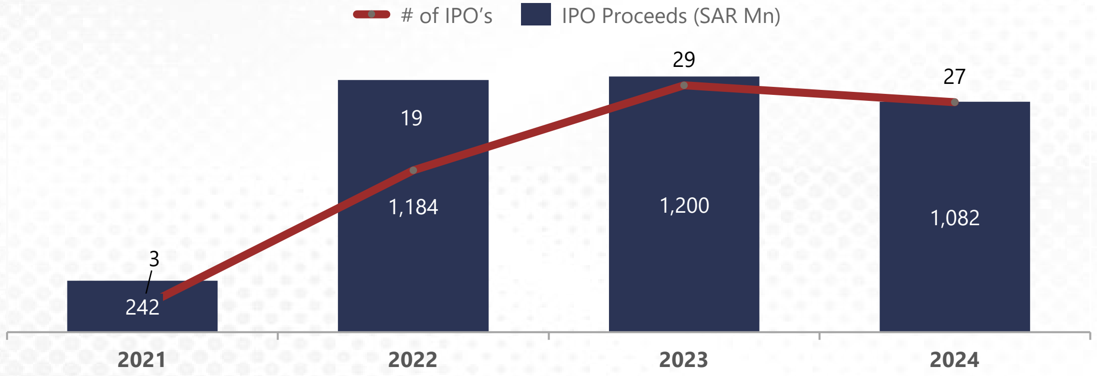
Tadawul vs. Nomu: Two Paths to Capital

- **Tadawul**, the main market for large-cap issuers, has generated substantial, albeit, volatile IPO proceeds, shaped by shifts in global economic conditions and investor sentiment.
- **Nomu**, designed for SMEs, has delivered steady growth in listing volumes. Though deal sizes remain smaller, its trajectory highlights a vital platform for early-stage businesses and broader capital access.
- Together, these markets illustrate the Kingdom's effective market segmentation strategy. While average IPO sizes have declined across both platforms, the increase in listings reflects rising investor participation and deepening market maturity—advancing the goals of Vision 2030 through greater capital accessibility and economic diversification.

The Nomu Parallel Market, designed for smaller Saudi companies, experienced significant growth in IPO activity from 2021 to 2024. While the total proceeds raised were much smaller than the Tadawul's Main Market, the number of IPOs surged from just three in 2021 to 19 in 2022, 29 in 2023, and 27 in 2024, demonstrating Nomu's increasing popularity.

The proceeds raised also grew, from SAR 242 Mn in 2021 to a peak of SAR 1,200 Mn in 2023. The average IPO decreased, which shows that the smaller companies were quick to capitalize on the opportunity. This trend signifies Nomu's successful role in providing a more accessible listing option and supporting the growth of SMEs within the Saudi economy.

NOMU No of IPO's and Funds Raised



Average IPO Size SAR Mn

Year	Tadawul	NOMU
FY21	1,909	81
FY22	2,177	62
FY23	1,447	41
FY24	935	40

TADAWUL VS NOMU COMPARISON

Between 2021 and 2024, IPO trends across Tadawul and Nomu reveal a well-executed segmentation of Saudi Arabia's capital markets, each catering to distinct issuer profiles and economic tiers.

Tadawul, the main market, consistently attracted large-scale IPOs, raising SAR 17.2 billion in 2021, peaking at SAR 37.0 billion in 2022, buoyed by mega-deals, before dipping to SAR 11.6 billion in 2023 and rebounding slightly to SAR 14.0 billion in 2024. These fluctuations highlight its sensitivity to global macroeconomic shifts and investor sentiment.

In contrast, Nomu has established itself as a gateway for SMEs and high-growth firms, maintaining smaller but stable IPO sizes (generally under SAR 100 million) while achieving a surge in listings from just 3 in 2021 to 29 in 2023, with 27 in 2024. Proceeds peaked at SAR 1.2 billion in 2023, with a consistent decline in average deal size reflecting improved accessibility for earlier-stage companies.

This divergence in scale reflects the dual structure of Saudi capital markets: Tadawul as a hub for institutional capital and headline transactions, and Nomu as an inclusive platform for emerging enterprises. Notably, both markets saw a decline in average IPO size, signaling broader participation and the democratization of capital access.

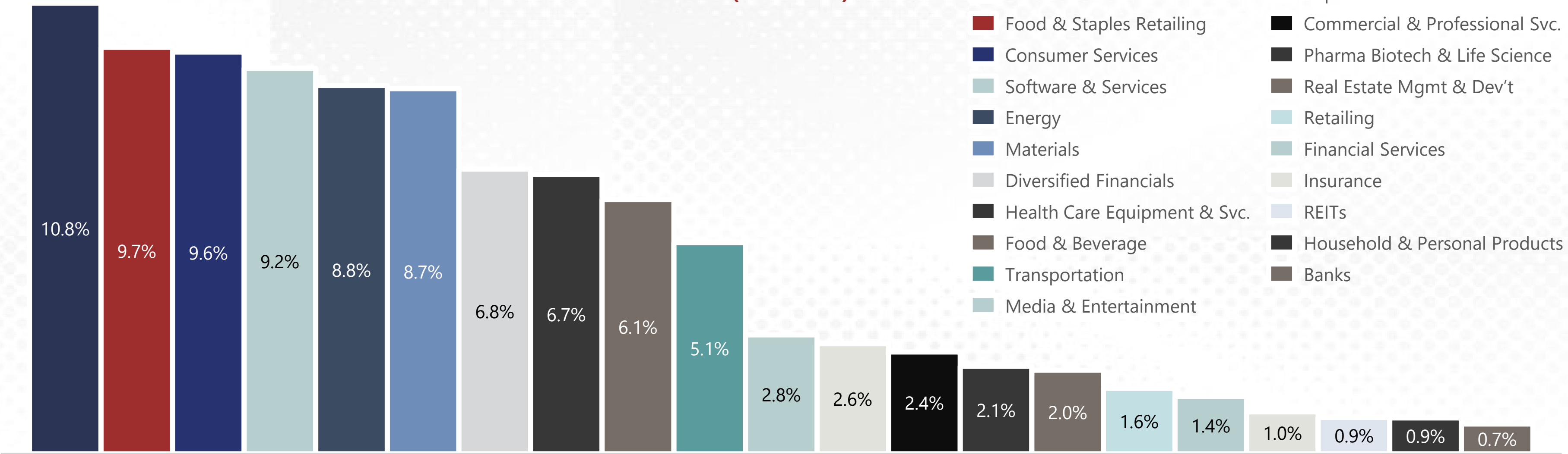
Together, Tadawul and Nomu are not just parallel markets—they are complementary pillars of a more dynamic, inclusive, and resilient financial ecosystem, advancing Saudi Arabia's Vision 2030 goals of diversification and SME empowerment.

Utilities sector's top 2021-24 IPO proceeds at 10.8% underscores the Kingdom's push for infrastructure investment and sectoral diversification

Beyond Oil: Sectoral Diversity in Saudi IPOs

Utilities led the way, accounting for 10.8% (SAR 9.0 Bn) of total IPO proceeds from 2021 to 2024—a clear indicator of Saudi Arabia's sustained investment in critical infrastructure, energy, and water initiatives. Trailing closely were Food & Staples Retailing accounting for 9.7% (SAR 8.1 Bn) and Consumer Services accounting for 9.6% (SAR 8.0 Bn), highlighting strong investor appetite for essential goods and everyday consumer-driven sectors. Meanwhile, Software & Services contributed 9.2% (SAR 7.8 Bn) , Energy contributed 8.8% (SAR 7.3 Bn) and Materials contributed 8.7% (SAR 7.2 Bn), showcasing a well-rounded capital market expansion across tech innovation, resource development, and industrial inputs. Together, these figures underscore a diversified IPO landscape, aligned with the Kingdom's broader push for economic transformation and sectoral balance under Vision 2030.

Sector Wise Distribution of IPO Funds (2021-2024)



*From 2021 to 2024 the total fund raised from IPO activities amounts to SAR 83.0 Bn

In the mid-tier segment of Saudi Arabia's IPO proceeds from 2021 to 2024, Diversified Financials segment contributed 6.3% (SAR 5.3 Bn) and Health Care Equipment & Services 6.7% (SAR 5.7 Bn) stand out—signaling the strategic importance of financial infrastructure and healthcare expansion in the Kingdom's diversification agenda. The Food & Beverage sector, capturing 6.1% (SAR 5.1 Bn), reflects continued investor interest in consumer staples and packaged goods. Sectors like Transportation contributed 5.1% (SAR 5.1 Bn), Media & Entertainment contributed 2.8% (SAR 2.4 Bn), and Capital Goods contributed 2.6% (SAR 2.2 Bn) round out the landscape, contributing smaller yet meaningful slices of the market. Collectively, these sectors paint a picture of broad-based economic participation and growing investor confidence across both essential services and emerging industries.

At the tail end of the distribution—each contributing around 2% of total IPO proceeds—are sectors such as Commercial & Professional Services (SAR 2.0 Bn), Pharmaceuticals Biotechnology & Life Sciences (SAR 1.8 Bn),, Real Estate Management & Development (SAR 1.7 Bn) and Retailing (SAR 1.3 Bn). While smaller in value, their presence signals a widening breadth of investor interest across diverse verticals. An additional set of niche segments—including Financial Services (SAR 1.3 Bn) , Insurance (SAR 0.8 Bn), REITs (SAR 0.7 Bn), Household & Personal Products (SAR 0.7 Bn), and Banks (SAR 0.6 Bn) —each account for approximately 1%, rounding out an increasingly complex and multifaceted capital market. These modest yet notable contributions reflect a maturing ecosystem that welcomes sectoral variety and broad-based participation, hallmarks of a healthy and evolving investment landscape.

Taken together, this sectoral distribution reflects the core tenets of Vision 2030—promoting diversification and reducing dependence on any one industry. The broad spread of IPO activity—from infrastructure and consumer staples to technology, healthcare, and financial services—highlights the deepening maturity of Saudi Arabia's capital markets. It also reinforces the Kingdom's strategic commitment to building a resilient, innovation-driven economy underpinned by inclusive, multi-sector growth.

With SAR 7.0 billion raised in just five months, 2025 is on track to become Saudi Arabia's most dynamic and diversified IPO year yet

KSA Plans Largest Year For Stock Listings in 2025

IPO Landscape Update – Jan–Apr 2025

Saudi Arabia's capital markets have surged into 2025 with extraordinary velocity, ushering in what is poised to be a defining year for public listings. In just five months, 12 companies debuted on the market, collectively raising over SAR 7.1 billion—a striking signal of investor confidence and regulatory momentum. More than just numbers, this early surge reflects a maturing investment ecosystem where capital market reforms are not only working—they're accelerating. The sharp rise in equity fundraising points to a structural shift: local companies are increasingly viewing IPOs as a strategic growth lever, while both institutional and retail investors demonstrate a deepening trust in the market's depth and governance. As 2025 unfolds, this pace suggests a redefined narrative for the Kingdom—not just as an emerging capital hub, but as a catalyst for regional financial leadership.

Tadawul Listings – Jan-Feb 2025

Tadawul saw a strong start to 2025 with **five major listings**, raising a combined **SAR 6.8 billion**, showcasing continued investor confidence and sectoral breadth:

- Nice One Beauty Digital Marketing Co. raised SAR 1.2 billion, marking a milestone for the digital retail space.
- Almoosa Health Co. secured SAR 1.7 billion,—reflecting robust institutional demand in healthcare.
- Derayah Financial Co. secured SAR 1.5 billion, reinforcing momentum in the financial services sector.
- Arabian Co. for Agriculture & Industrial Investment raised SAR 450 million, adding further diversity to Tadawul's sectoral composition.
- Umm Al Qura for Development and Construction Company raised SAR 2.0 billion, highlighting strong investor appetite in the infrastructure and real estate development sector

Nomu (Parallel Market) Momentum

Nomu, Saudi Arabia's SME-focused market, hosted seven IPOs in the first four months of 2025, raising a total of SAR 257.9 million—highlighting continued momentum in SME listings:

- Shmoh Almadi Co and Alshehili Co. for Metal Industries raised SAR 30.8 million and SAR 40 million
- Itmam Consultancy Co and Basma Adeem Medical Co raised SAR 45.0 million and SAR 17.6 million respectively.
- Ratio Speciality Co, Future Vision for Health Training Company and Service Equipment Co raised SAR 50.0 million, 14.0 million and SAR 60.5 million respectively.

These listings reinforce Nomu's growing role in supporting emerging enterprises, advancing the Kingdom's economic diversification goals.

Strong Pipeline Signals a Breakout Year

What makes 2025 truly stand out is not just its record-breaking start—but the depth and diversity of its IPO pipeline. By the end of April, the Capital Market Authority (CMA) had already completed 12 IPOs across a broad range of sectors, including capital goods, real estate, financial services, and healthcare. Looking ahead, market reports point to 25 additional companies preparing to go public—among them high-profile names like SAMACO Motors, Tabby, SAIL, Almoosafer, Flynas, and Riyadh Dynamics. These upcoming listings span strategic sectors such as fintech, transport, real estate, and consumer tech, reinforcing the Kingdom's evolving investment landscape. This robust pipeline is a testament to the maturity of Saudi Arabia's capital markets—driven by strong regulatory frameworks, growing issuer confidence, and sustained investor appetite.

Conclusions

With over SAR 7.1 billion raised in just the first four months and a robust pipeline of listings ahead, 2025 is poised to become the most active IPO year in Saudi Arabia's capital market history. Both Tadawul and Nomu are not only accelerating capital formation but also delivering tangible progress toward the ambitions of Vision 2030—by empowering private sector growth, expanding financial inclusion, and positioning the Kingdom as the region's preeminent IPO hub. The breadth, depth, and sectoral diversity of offerings so far affirm Saudi Arabia's transformation into a globally competitive financial market. As sectoral diversification deepens and regional integration accelerates, the Kingdom stands ready to secure its place as a permanent and influential presence on the global IPO stage.

Already Listed/Approved IPOs in 2025**

#	Company	Status	Offered Value (SAR Mn)
1	Adeer Real Estate Company	Listed	85.0
2	Dkhoun National Trading Company	Listed	48.4
3	United Carton Industries Company	Listed	600.0
4	Axelerated Solutions for Telecommunications and IT Co.	Listed	81.0
5	Al Kuzama Trading Company	Approved	*TBA
6	ASAS Makeen Real Estate Development and Investment Co	Approved	80.0
7	Dome International Investment Co.	Approved	*TBA
8	Anmat Company	Approved	*TBA
9	Hawiya Auctions Co.	Approved	*TBA
10	Time Entertainment Co.	Approved	*TBA
11	Al Khaldi Logistics Company	Approved	*TBA
12	Specialized Medical Company	Approved	*TBA
13	Flynas Company	Approved	*TBA

*To be announced

**The list doesn't include companies that went public in 2024 and got listed in 2025

Potential IPO Pipeline - 2025

SAMACO Motors	Panda Retail	Almunifi Pipes Co.	Almosofer
Webook	Tabby	Gulf Real Estate	
SIRC	GFH Financial Group	Built Industrial	
SAIL	Tamweel Aloula	Al Bawani	
Hashi Basha	Riyad Capital	Darco	
Almatar Group	Addoha Poultry	Mutlaq Al-Ghowairi	
Foodics	Abeer Medical Group	Riyadh Dynamics	
Malahi Saudi	NUPCO	Saudi Global Ports	

Americana's 58x oversubscribed dual listing reflects Saudi Arabia's emergence as a gateway for cross-border IPOs and regional capital integration

The Case for Dual Listings in Saudi Arabia

Saudi Arabia's Reforms Pave the Way for Foreign & Dual Listings

Recent regulatory reforms in Saudi Arabia have reshaped the capital market landscape, creating a more accessible, transparent, and globally aligned environment—particularly for foreign issuers.

Under the enhanced framework, foreign companies seeking a listing on Tadawul must meet a minimum market capitalization of SAR 4 billion and appoint at least two board members residing in the Kingdom. A preliminary readiness assessment has also been introduced, allowing issuers to identify and resolve compliance gaps before committing to the full cost of listing—lowering barriers and improving listing outcomes.

To further facilitate cross-border listings, Saudi regulators have implemented a suite of supportive measures:

- **Mandatory IFRS compliance**, ensuring alignment with international financial reporting standards;
- **Regulatory flexibility**, including waiver mechanisms for reconciling conflicting jurisdictional requirements;
- **Streamlined cross- and dual-listing procedures**, offering greater clarity, reduced friction, and faster time-to-market.

Collectively, these regulatory enhancements have fostered a transparent, well-structured, and globally attuned market environment. They not only enhance investor confidence but also clearly reflect Saudi Arabia's strategic drive to embed itself more deeply into the global financial system.
By reducing procedural friction and clarifying cross-border pathways, the Kingdom has positioned Tadawul as one of the most liquid, agile, and internationally competitive exchanges in the region. These reforms signal more than just openness—they mark a deliberate pivot toward becoming the go-to listing destination for high-growth, globally oriented companies seeking access to a sophisticated and expanding investor base.

Case Study: Americana Restaurants' Regional Success

A standout example of regional capital market integration is Americana Restaurants International Plc's landmark 2022 dual listing on the Saudi Exchange and Abu Dhabi Securities Exchange, which raised SAR 6.8 billion and was oversubscribed 58 times. With a market capitalization of SAR 22.6 billion at listing, Americana's success underscores the depth of investor appetite and highlights Saudi Arabia's emergence as a regional IPO powerhouse capable of attracting both regional and international capital.

Supporting this momentum, a recent survey (outlined earlier) reveals that 52% of participating companies now favor regional exchanges over traditional global venues, compared to just 16% for London and 9% for the U.S. This clear shift reflects growing confidence in MENA-based markets—driven by stronger regulatory alignment, deeper liquidity pools, and increasingly synchronized market infrastructure.

As Saudi Arabia enhances its regulatory framework and strengthens cross-border partnerships, it is laying the groundwork for a more cohesive, integrated Middle Eastern capital market ecosystem. These efforts reinforce the Kingdom's position as a formidable capital markets hub, central to the region's long-term vision for sustainable economic growth, innovation, and financial leadership.

Cross-Border Collaborations: UK & South Africa

Saudi Arabia's capital market evolution is increasingly global in scope, with cross-border partnerships aimed at expanding reach, liquidity, and investor diversity. In the United Kingdom, the government has underscored ambitions for enhanced financial integration, including dual listings between the London Stock Exchange (LSE) and Tadawul, as part of a broader effort to grow bilateral trade to SAR 145.5 billion by 2030.

Similarly, the Johannesburg Stock Exchange (JSE) has signed a memorandum of understanding with the Saudi Tadawul Group, paving the way for potential cross-listings and collaborative innovation across African and Middle Eastern markets. These initiatives signal Saudi Arabia's strategic move to link with key global financial centers—unlocking opportunities to diversify its investor base, co-develop innovative financial products (such as Islamic finance vehicles), and deepen regional liquidity.

The Global Surge in Dual Listings

Saudi Arabia's ambitions align with a growing global trend: dual and multi-listings are becoming a strategic tool for companies seeking broader investor access and enhanced market valuation.

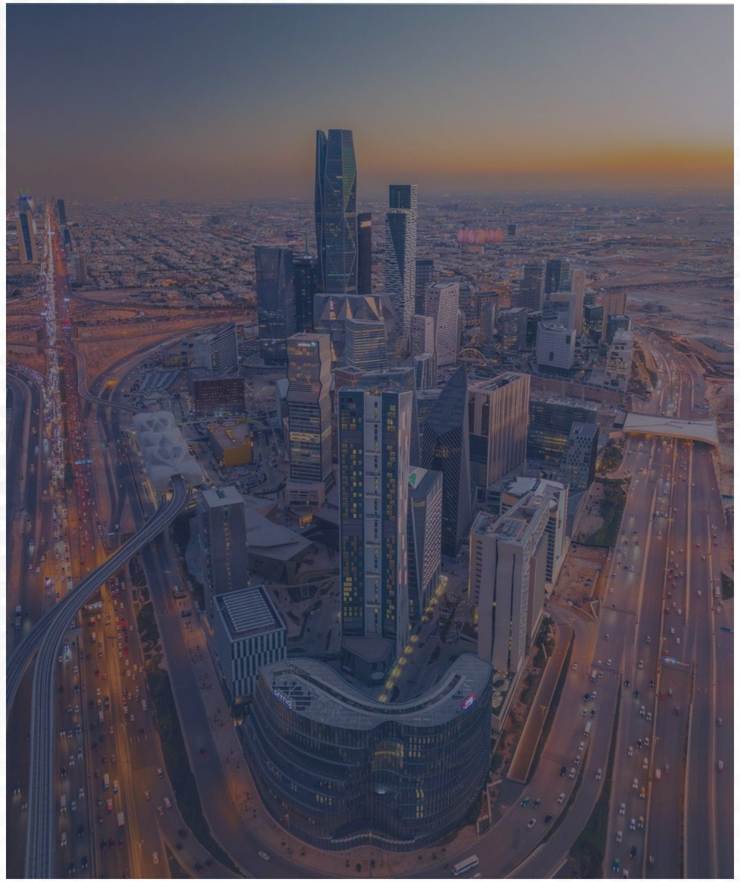
- In 2024, Alibaba's transition to a dual primary listing on both the Hong Kong Stock Exchange and NYSE triggered a 65% surge in market capitalization, demonstrating how multi-market visibility can drive investor confidence and capital inflow.
- JD.com followed suit, extending its listing footprint to tap deeper into international capital.
- NIO Inc., a leading EV manufacturer, added a listing on the Singapore Exchange (SGX) alongside NYSE and HKEX, reflecting a wider trend among high-growth companies targeting regional investor bases in innovation hubs.

The movement is not limited to Asia.

- Glencore, the UK-based commodities giant, leverages dual listings on LSE and JSE to attract investors interested in Africa's resource markets.
- In the Middle East, Adnoc Logistics & Services is reportedly exploring a dual listing strategy to expand its footprint beyond the Gulf—underscoring how regional champions are increasingly turning to cross-listing models to unlock capital and visibility in global markets.
- Together, these developments suggest a pivotal moment for Saudi Arabia's capital markets—one where strategic alliances, regulatory modernization, and regional integration converge to position the Kingdom not just as a national financial hub, but as a globally connected capital gateway.

Bold regulatory reforms and broader investor access are reshaping Saudi Arabia's IPO landscape into a globally competitive platform

Regulatory Reforms Shaping Saudi Arabia's Capital Market



Regulatory Reforms Driving Growth and Market Accessibility in Saudi Arabia

Saudi Arabia's capital markets are undergoing a wave of strategic regulatory reforms, led by the CMA, aimed at deepening liquidity, attracting international investors, and elevating Tadawul's global profile. These reforms are central to the Vision 2030 agenda, focusing on broadening foreign access, diversifying financial instruments, and streamlining the listing process.

The outcome is a more inclusive, transparent, and globally competitive capital market—positioned to accelerate IPO activity, foster cross-border listings, and channel capital toward a more diversified, resilient economy.

CMA Regulatory Updates & New Listing Rules

The CMA introduced a wave of strategic reforms between 2022 and 2025 to expand market accessibility, streamline listings, and attract a broader investor base:

- **SPACs Framework (2025):** Introduced a regulated structure for Special Purpose Acquisition Companies, offering high-growth firms a faster alternative to traditional IPOs—initially on the Nomu market.
- **Enhanced Direct Listings (2025):** Expanded direct listing pathways, especially for SMEs on Nomu, and signaled plans to enable direct listings on the main market—lowering entry barriers for issuers.
- **Investor Qualification Eased (Nomu):** Relaxed criteria for qualified investors to boost market participation and liquidity.

Foreign Ownership Rules & Development of Financial Instruments

The CMA has expanded opportunities for foreign investment and diversified financial products to strengthen market appeal:

- **Unified Foreign Investment Framework (2023):** Streamlined procedures for QFIs, simplifying entry and reducing compliance barriers to boost international participation.
- **Foreign Investment in Makkah & Madinah (2025):** Permitted up to 49% foreign ownership in listed companies owning real estate in the two holy cities, aiming to attract capital for large-scale development projects.
- **Sukuk Regulations (2024):** Simplified issuance processes for sukuk and debt instruments, including eased prospectus requirements and expedited private placements, to deepen the fixed-income market.
- **Real Estate Investment Trusts (REITs, 2025):** Expanded foreign investor eligibility for Real Estate Investment Trusts (REITs), particularly those with assets in Makkah and Madinah, to stimulate investment in the real estate sector.

Cross-Border Listings & Market Diversification

Saudi Arabia is advancing regulatory reforms to integrate its capital markets with global counterparts and diversify investment offerings:

- **Cross-border Listings (2024–2025):** The CMA has clarified pathways for foreign companies to list on Tadawul's through cross-listings and dual listings. These guidelines outline eligibility criteria, including a minimum market capitalization of SAR 4 billion and the requirement for foreign issuers to demonstrate added value to the Saudi economy.
- **Depositary Receipts:** In January 2025, the CMA released draft regulations to introduce depositary receipts, allowing foreign companies to offer DRs on Tadawul that correspond to their shares listed abroad. This initiative aims to deepen market liquidity and broaden investment options. The draft was open for public consultation until February 7, 2025, and is currently under review.
- **International ETF Listings:** In 2024, the CMA approved the first exchange-traded funds tracking Hong Kong-listed equities, marking a significant step in cross-border financial collaboration and providing Saudi investors with exposure to Asian markets.

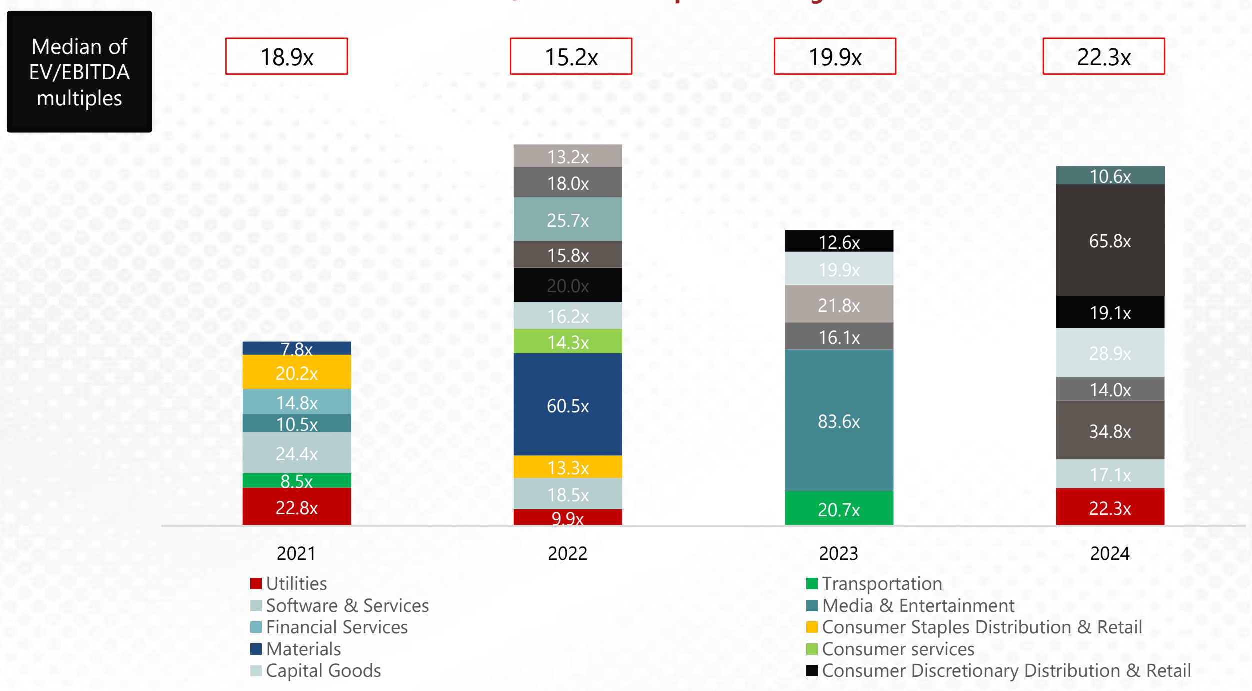
Main Market median EV/EBITDA valuations rebound to 22.3x in 2024, driven by large-cap listings and renewed institutional confidence in stable, high quality issuers

Shifting Dynamics of Saudi IPOs: Valuations and Growth Trajectories

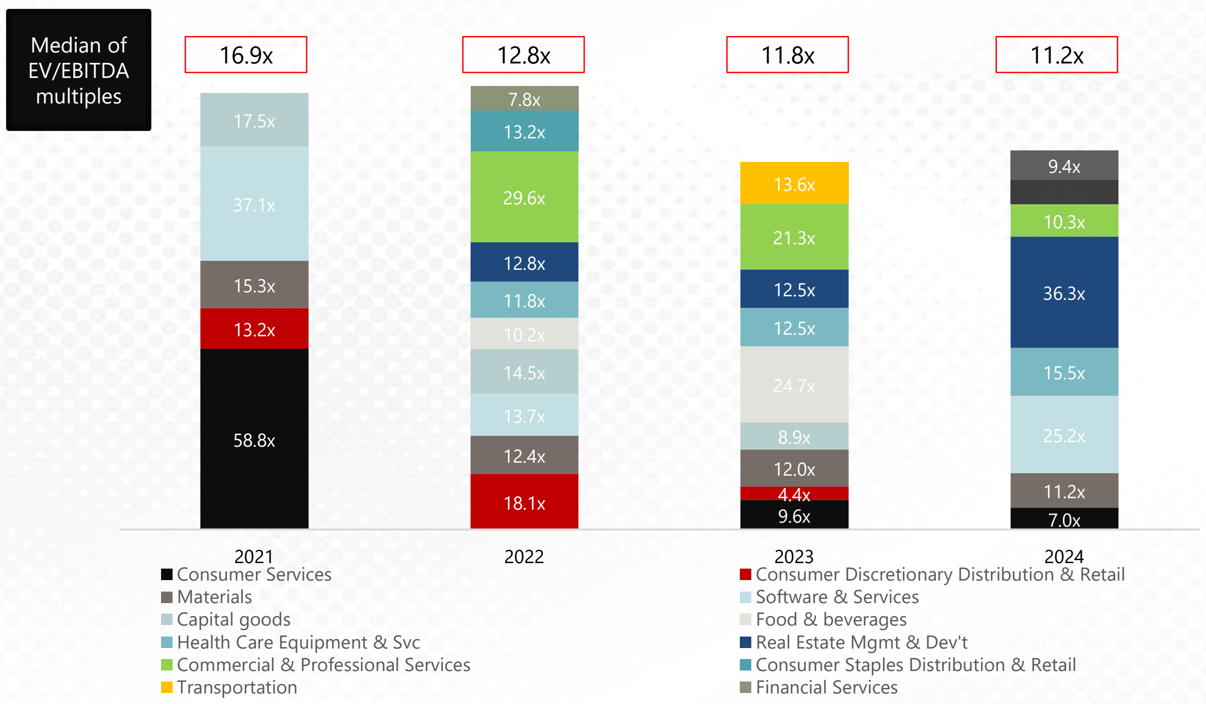
Yearly Trends in IPO Valuations: Main vs. Nomu Market (2021-2024)

Saudi Arabia's IPO market has undergone notable shifts in investor sentiment and valuation dynamics. In 2021, Nomu had the highest median EV/EBITDA multiple of 16.9x, while Main market recorded the median EV/EBITDA multiple of 18.9x driven by post-pandemic optimism and interest in high-growth firms. However, valuation levels moderated in 2022 amid global macroeconomic uncertainty. By 2023, the Main Market began to recover, reaching 19.9x, while Nomu declined to 11.8x, reflecting investor preference for stability. In 2024, the Main Market surged to 22.3x, fueled by major listings like MBC Group (164.4x), underscoring strong demand for large-cap, fundamentally sound issuers. Nomu further declined to 11.2x, maintaining its role as a launchpad for early-stage, high-growth companies. These trends highlight a maturing IPO landscape—where the Main Market is increasingly favored by institutional capital, while Nomu continues to support early-stage, high-growth ventures aligned with Vision 2030.

Year-wise median EV/EBITDA multiples at listing date - Main market



Year-wise median EV/EBITDA multiples at listing date - Nomu



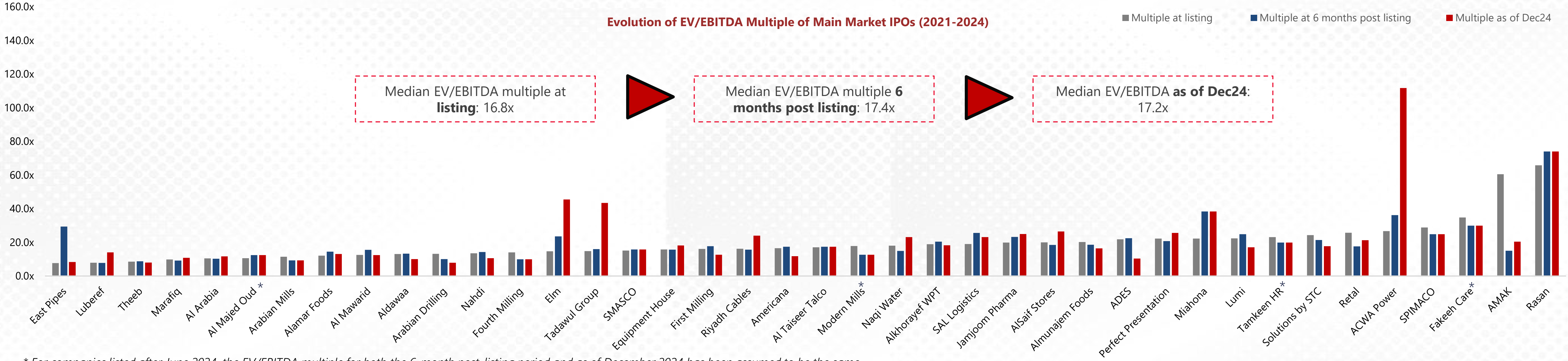
Main Market IPOs reached a median EV/EBITDA multiple of 17.4x six months post listing, before stabilizing at 17.2x, reflecting early investor optimism and subsequent resilience and confidence valuation

Top Value Creators from Main Market Listings (2021–2024)

As a key player in Saudi Arabia's clean energy transition, **ACWA Power** commanded a high EV/EBITDA multiple of 118.8x at the time of its public listing, driven by the rapid expansion of its renewable energy portfolio, including flagship projects under the Red Sea Development and NEOM initiatives. Similarly, **AMAK** (Al Masane Al Kobra Mining Company) debuted in March 2022 at SAR 63 per share, benefiting from the Kingdom's strategic emphasis on mining as a new economic pillar. Well-positioned to tap into rising demand for base and precious metals, AMAK saw its EV/EBITDA multiple rise from 20.5x at listing to 60.5x by 2024.

In the technology and digital services sector, **Elm** went public in February 2022, raising around SAR 3.1 billion after its IPO was oversubscribed by over 1,300%. The company benefited significantly from Saudi Arabia's aggressive digital transformation agenda, with growing demand for its e-government and cybersecurity solutions supporting a sustained rise in its market value, justifying high EV/EBITDA of 45.5x at the time of listing. Meanwhile, **Miahona**, a water infrastructure company, launched its IPO in May 2024 at SAR 11.5 per share, achieving a market cap of nearly SAR 1.8 billion. Its valuation surged sharply post-listing, driven by strong investor appetite and alignment with national priorities for water sustainability and infrastructure modernization, carrying average EV/EBITDA multiple of 33.0x. .

In the fintech and capital markets domain, **Rasan** priced its IPO at SAR 37.0 in June 2024, reaching a valuation of about SAR 2.8 billion. Its strength came from pioneering technology platforms and capturing growing demand for tech-enabled financial services, making it a leading player in digital insurance solutions. Lastly, **Tadawul Group**, which operates the Kingdom's stock exchange, listed in December 2021 in a landmark offering. Its valuation climbed steadily post-IPO, underpinned by the group's central role in developing Saudi Arabia's capital markets, expanding market access, and enhancing infrastructure to attract institutional and international investors.



** For companies listed after June 2024, the EV/EBITDA multiple for both the 6-month post-listing period and as of December 2024 has been assumed to be the same.*

Note: All figures followed by "x" represent EV/EBITDA multiples.

Nomu IPOs saw median EV/EBITDA multiples re-rated from initial listing at 12.5x to 16.1x by Dec24, reinforcing investor confidence and Nomu's role as a launchpad for growth, timely exits, and future Main Market listings

Top Value Creators from NOMU Listings (2021–2024)

Jahez International Company, which debuted in January 2022 with a market capitalization of approximately SAR 9.0 billion, has seen significant growth, posing an EV/EBITDA multiple of 65x. As the first Saudi tech startup to list publicly, Jahez's valuation was bolstered by its rapid expansion in on-demand services, including food delivery and logistics, accounting for 32% share of delivery order in the Kingdom. Similarly, **Advance International Company for Communication and IT** went public in 2021, offering services in IT infrastructure and security solutions, carrying an average EV/EBITDA of 44.3x. The company's valuation growth was driven by its diversified portfolio and the increasing demand for digital solutions in the region.

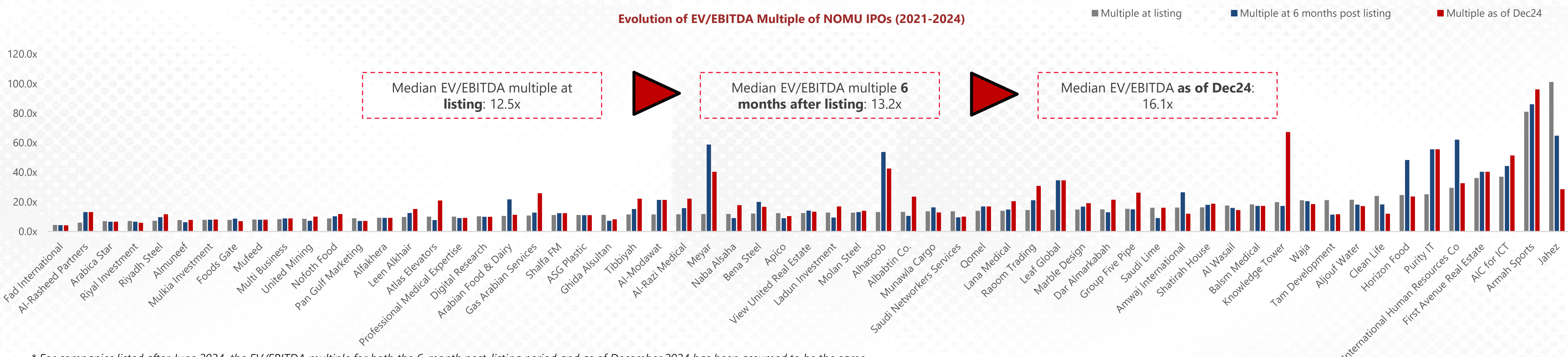
In the fitness and food sectors, **Armah Sports Co.** and **Horizon Food Co.** made significant strides, with average EV/EBITDA multiples of 87.8x and 32.3x, respectively. Armah Sports, listed in 2023, experienced a substantial increase in revenue and profitability, attributed to the expansion of its fitness centers and innovative offerings. Its number of active subscribers climbed to 36,000 as it expands its reach across the kingdom, planning to launch nine clubs by 2026.

On the other hand, Horizon Food, known for its meat and poultry products, saw its profits rise by 10% in 2024, reflecting strong consumer demand and effective operational strategies.

In the technology and real estate sectors, **Purity for Information Technology Company** and **First Avenue for Real Estate Development Company** stood out with average EV/EBITDA multiples of 45.5x and 39.0x, respectively. Purity, listed in 2024, offers IT services including infrastructure and cybersecurity solutions, meeting the growing need for digital transformation in various industries.

First Avenue, also listed in 2024, focuses on developing residential and commercial properties, with its valuation growth supported by strategic investments and the establishment of a SAR 700 million industrial real estate fund.

Evolution of EV/EBITDA Multiple of NOMU IPOs (2021-2024)



** For companies listed after June 2024, the EV/EBITDA multiple for both the 6-month post-listing period and as of December 2024 has been assumed to be the same.*

Note: All figures followed by "x" represent EV/EBITDA multiples.

ACWA Power tops post-IPO performance with a 61.1% multiple uplift, while Arabian Food & Dairy sees a 34.5% correction—highlighting the market's sharp differentiation based on fundamentals

KSA IPO Market: Winners and Losers Reflect Sectoral Shifts"

Steady Ascent: Main Market Index Performance

Global macroeconomic conditions have significantly influenced investor sentiment across Saudi Arabia's capital markets. Rising inflation, supply chain disruptions, and geopolitical uncertainty have weighed on commodity-linked sectors, particularly energy and materials. Oil price volatility has directly impacted energy stocks, while inflation has compressed margins in consumer-sensitive sectors such as food and beverages.

In contrast, the **utilities sector** has emerged as a steady performer, buoyed by Vision 2030's emphasis on renewable energy and infrastructure development. Companies like **ACWA Power** have seen robust growth, supported by consistent government backing.

Likewise, the **IT and software services** sectors have thrived, driven by strong public investment in digital transformation. Firms such as **Elm Co.** and **Advance International** have benefited from sustained policy support, reflecting the broader shift toward diversification and long-term economic resilience.

Top Losers (2021-2024)

- **Arabian Food and Dairy Factories Co. (Food & Beverages):** Its multiple dropped 34.5% from 17.2x to 11.3x due to inflation, supply chain issues, and volatile input costs, eroding margins and investor confidence.
- **Saudi Aramco Base Oil Co. (Energy):** The multiple declined 31.4% from 11.1x to 7.6x, reflecting weaker sentiment amid oil price swings, global slowdown, high interest rates, and uncertainty.
- **East Pipes Integrated Co. (Materials):** East Pipes' multiple fell 30.0% from 23.9x to 16.7x, as soft construction demand, cost pressures, and lower infrastructure spending dampened outlook.
- **Group Five Pipe (Materials):** Its multiple declined 28.9% from 44.0x to 31.2x due to rising costs, reduced project activity, and sector-wide uncertainty in industrial manufacturing.
- **Jahez Int'l Co. (IT):** Jahez's multiple dropped 27.6% from 56.5x to 40.9x amid intense competition, rising costs, and a shift in investor focus toward tech profitability.

Winners

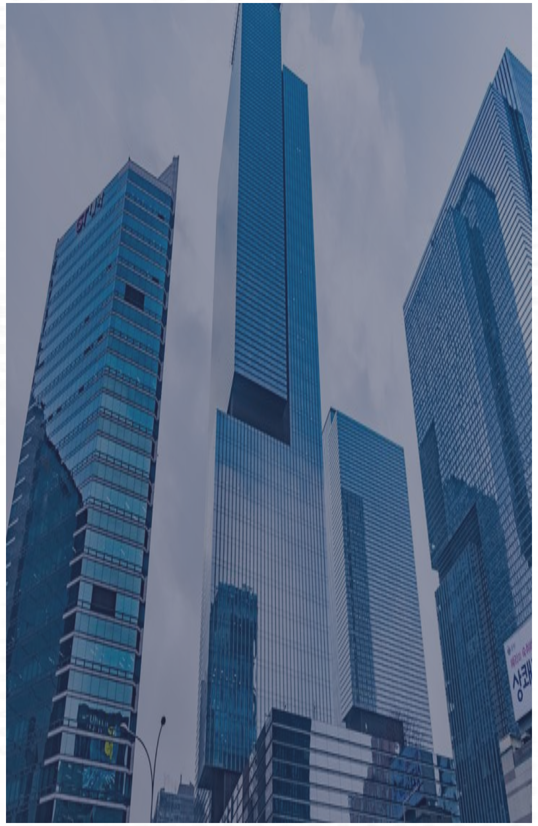
Company	Market	Industry Sector	Listing Year	Listing Multiple	2024 Multiple	Change %
ACWA Power	Main	Utilities	2021	26.7x	111.8x	▲ 61. 1%
Advance Int'l Company for Communication and IT	Nomu	IT	2022	35.9x	53.0x	▲ 47.7%
Elm Co.	Main	Software	2022	35.8x	45.5x	▲ 29.8%
Saudi Tadawul Group Holding Co.	Main	Financial	2021	52.4x	66.9x	▲ 27.7%
Ladun Investment Co.	Nomu	Real Estate	2022	15.5x	19.6x	▲ 26.4%

Top Winners (2021-2024)

- **ACWA Power (Utilities):** ACWA's multiple surged 61.1% from 26.7 to 111.8, reflecting strong investor confidence in renewables and its role in Vision 2030's sustainability drive.
- **Advance Int'l Co. for Communication and IT (IT):** The multiple rose 47.7% from 35.9x to 53.0x, driven by Saudi Arabia's push for digital infrastructure and transformation under Vision 2030.
- **Elm Co. (Software Services):** Elm's multiple increased 29.8% from 35.8x to 45.5x, supported by rising demand for digital services and Vision 2030's focus on a knowledge-based economy.
- **Saudi Tadawul Group Holding Co. (Financial):** Tadawul's multiple climbed 27.7% from 52.4x to 66.9x, reflecting growing interest in capital market infrastructure and financial sector reforms.
- **Ladun Investment Co. (Real Estate):** Ladun's multiple rose 26.4% from 15.5x to 19.6x, benefiting from real estate growth tied to Vision 2030 urban development and infrastructure support.

Decliners

Company	Market	Industry Sector	Listing Year	Listing Multiple	2024 Multiple	Change %
Arabian Food and Dairy Factories Co.	Nomu	Food/Bvg	2022	17.2x	11.3x	▼ -34.5%
Saudi Aramco Base Oil Co.	Main	Materials	2022	11.1x	7.6x	▼ -31.4%
East Pipes Integrated Company	Main	Materials	2022	23.9x	16.7x	▼ -30.0%
Group Five Pipe Saudi Co.	Nomu	Materials	2021	44.0x	31.2x	▼ -28.9%
Jahez Int'l Company	Main	IT	2022	56.5x	40.9x	▼ -27.6%



Note: All figures followed by "x" represent EV/EBITDA multiples.

Diverse financing avenues including Sukuk bonds and rights issues are fueling Saudi Arabia's capital market transformation beyond IPOs

Sukuk/Bond Issuances, Right Issues, and IPOs in the KSA Market (2021-2024)

Sukuk and Right Issues: Stable Financing Mechanisms for Saudi Market Growth

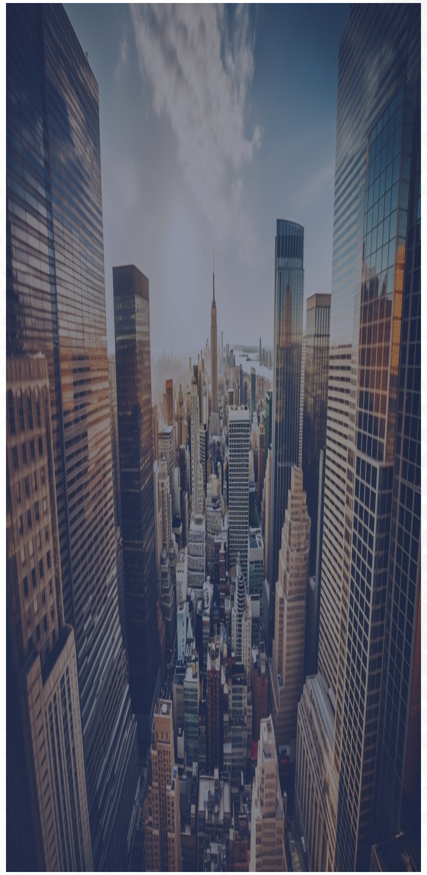
Between 2021 and 2024, Saudi Arabia's capital markets saw significant momentum across **Sukuk/Bond issuances**, **Rights Issues**, and **IPOs**, each playing a distinct role in advancing the Kingdom's financial diversification agenda under **Vision 2030**.

Sukuk and Bonds remained foundational to capital raising, particularly for infrastructure and non-oil sector development. The government actively utilized Sukuk to finance Vision 2030-aligned initiatives, reinforcing its role as a preferred, Shariah-compliant funding tool. In 2021, total issuances reached **SAR 30,289 Mn** across **2,350 trades** with **79 listings**. By 2024, while the total value issued declined to **SAR 21,589 Mn**, trading activity surged to **44,624 trades**, and **65 Sukuk/Bonds** remained listed—signaling a more active, liquid, and maturing fixed-income market. **Rights Issues**, though smaller in scale, served as a strategic financing option.

Starting with **10 issues in 2021** and peaking at **13 in 2022**, activity moderated to **six in 2023** and **nine in 2024**. These issuances allowed listed companies to raise equity from existing shareholders—often at favorable terms—supporting recapitalization, expansion, and post-pandemic resilience.

Collectively, these instruments highlight a deepening and more diversified capital-raising landscape. While **Sukuk** continue to underpin national-scale development, **Rights Issues** provide a flexible, shareholder-centric financing path—complementing IPOs and supporting the Kingdom's ambition to build a resilient, inclusive, and globally competitive **market structure**.

The Food & Beverage sector led rights issue activity between 2021 and 2024, with six offerings raising SAR 8,641.8 Mn—representing 15.0% of total issuances and 35.2% of total capital raised. Other key contributors included the Insurance sector, which conducted 12 issues, accounting for 30.0% of capital raised, while Materials and Capital Goods each contributed 10%. The 'Others' category, encompassing various smaller sectors, raised 48.3% of total capital through 14 issues, reflecting broad-based participation across the market.



How Sukuk and Right Issues Complement IPOs in Diversifying Saudi Arabia's Capital Markets

Sukuk and rights issues play a critical complementary role to IPOs in shaping a more diversified and resilient Saudi capital market. These instruments provide alternative, stable channels for raising capital, aligned with Vision 2030's transformation agenda.

Sukuk have become a preferred long-term, Shariah-compliant financing vehicle—particularly for infrastructure and development projects spearheaded by government-linked entities. Their cost-effectiveness and predictability make them central to financing the Kingdom's strategic initiatives.

Rights issues, by contrast, offer listed companies a flexible means to raise equity from existing shareholders—without the need for public listings. This makes them especially effective for supporting operational growth, balance sheet optimization, or restructuring efforts.

Together, Sukuk, rights issues, and IPOs form a diversified capital-raising toolkit. While IPOs enable private firms to access public equity for expansion, Sukuk and rights issues offer alternative avenues that strengthen market depth, expand investor participation, and reinforce the Kingdom's commitment to building a robust and inclusive market structure.

Company	Right Offerings			
	# of Right Issues	Issue Price Range (SAR)	Shares Issued (Mn)	Raised (SAR Mn)
2021	10	10-12	174.0	1,738.0
2022	13	10-11	1,175.0	11,752.0
2023	6	10	289.0	2,885.0
2024	9	10-11	798.0	7,981.0

Total Size of Issuances Sukuk/Bonds

	Value Traded (SAR Mn)	No. of Trades	Total Issuance Size (SAR Mn)	Number of Listed Sukuk/Bonds
Total – 2021	30,289.1	2,350	461,370.2	79
Total – 2022	11,986.1	5,797	525,316.9	74
Total - 2023	19,002.4	40,601	549,843.2	70
Total - 2024	21,588.9	44,624	633,509.7	65

Sector-wise Right Offerings (2021-2024)

Sectors	# of Right Issues	Shares Issued	Capital Raised (SAR Mn)	%age Right Issues	Share in Capital Raised
Food/Bvg.	6	864.2	8,641.8	15.0%	35.2%
Insurance	12	270.9	2,822.0	30.0%	11.0%
Materials	4	71.8	717.9	10.0%	2.9%
Capital Goods	4	60.9	609.3	10.0%	2.5%
Others	14	1,185.1	12,093.7	35.0%	48.3%
Total	40	2,452.9	24,884.7	100.0%	100.0%

Saudi Arabia's capital markets are evolving into a resilient, innovation-led ecosystem—attracting global capital and advancing Vision 2030's diversification agenda

The Future of KSA's Capital Markets: Growth, Innovation, and Sustainability

Empowering Saudi Arabia's Capital Markets: A Strategic Evolution

As Saudi Arabia advances its **Vision 2030** agenda, its capital markets have emerged as a key engine of economic diversification, sectoral growth, and global competitiveness. The surge in IPO activity, expanding sectoral breadth, and bold regulatory reforms signal a fast-evolving financial market poised for long-term success.

- **Vision 2030 as a Catalyst:** Capital market momentum has accelerated, with **42 IPOs in 2024**, representing **majority of all GCC listings**. This surge directly supports Vision 2030's goals of reducing oil dependency and empowering non-oil sectors as drivers of economic growth.
- **Sectoral Momentum:** IPO activity has been particularly strong in **Utilities**, **Food & Staples Retailing**, and Consumer Services, reflecting national priorities. Sectors like Banking and IT are also expanding, driven by infrastructure investment and rapid digital transformation.
- **Tadawul and Nomu Markets:** The dual-market structure—**Tadawul** for large-cap firms and Nomu for SMEs—enables differentiated access to capital markets. This model supports companies across growth stages and fosters inclusive investor participation.
- **Resilient Investor Sentiment:** Despite global headwinds, investor confidence remains robust, especially in Healthcare and Technology, where post-listing performance has been strong. This underscores growing trust in the resilience and potential of Saudi financial markets.
- **Regulatory Reforms:** Ongoing reforms—such as the introduction of **SPACs** and liberalized foreign investment frameworks—are improving market accessibility and liquidity, reinforcing Saudi Arabia's position as a rising hub for global capital.

Shaping the Future of the GCC

- **Unified GCC Exchange:**
  The integration of GCC markets into a single, unified exchange platform represents a transformative leap for the region—boosting liquidity, streamlining operations, and positioning the GCC among the world's most influential financial markets.
- **Attracting Global Capital:**
  With progressive foreign investment policies, dual-listing frameworks, and ongoing regulatory innovation, Saudi Arabia is strengthening its appeal to global investors and solidifying its role as the region's premier financial hub.
- **Sectoral Priorities:**
  Strategic focus should remain on IPO growth in high-potential sectors such as renewable energy, fintech, and digital infrastructure—areas that are core to Vision 2030's mission of building a diversified, future-ready economy.

Strategic Outlook

- **Policy and Structural Reforms:**
  Accelerating policy enhancements—particularly around foreign ownership thresholds and cross-border capital flows—is vital. Prioritizing the development of a unified GCC exchange will further deepen regional liquidity and elevate global competitiveness.
- **IPO Pipeline Expansion:**
  Sustained regulatory support for both Tadawul and Nomu will enable streamlined capital access for companies at various growth stages, helping to maintain a healthy, diversified IPO pipeline.
- **Driving Market Diversification:**
  Focused growth in non-oil sectors such as technology, healthcare, and renewable energy remains critical to realizing Vision 2030's diversification goals—ensuring long-term market resilience and innovation-driven economic progress.

Closing Thought

Saudi Arabia's capital markets are charting a bold and unprecedented path—defined by resilience, innovation, and strategic vision. As the Kingdom accelerates its transformation under Vision 2030, it is not only reshaping its own financial landscape but also emerging as a global leader in market diversification and investment opportunity. The future is promising—and this momentum is just the beginning.

About BDO's IPO Advisory Group

At **BDO Dr. Mohammed Al-Amri & Co.**, our IPO Advisory Group is designed to guide businesses through every stage of the public listing journey, whether on **Tadawul's Main Market, Nomu Parallel Market**, or an international exchange.

We bring together deep knowledge of **local regulations**, **capital market dynamics**, and **international best practices** to help you assess IPO readiness, navigate regulatory requirements, and prepare for life as a listed company.

From evaluating the feasibility of an IPO to supporting execution and post-listing compliance, our integrated team provides end-to-end support tailored to your company's growth trajectory and capital strategy.

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Glossary

Term	Abbreviations	Term	Abbreviations
ADX	Abu Dhabi Stock Exchange	**Main market**	Saudi Exchange (Tadawul)
ASX	Australian Securities Exchange	**M-Cap**	Market Capitalization
Avg.	Average	**Mn**	Million
BIVA	The New Mexican Stock Exchange	**MSCI EM**	Morgan Stanley Capital International Emerging Markets
BK	Boursa Kuwait	**Multiple**	EV/EVITDA Multiple
BMV	Mexican Stock Exchange	**NASDAQ**	National Association of Securities Dealers Automatic Quotation System
Bn	Bn	**NIDLP**	National Industrial Development and Logistics Program
BSE	Bombay Stock Exchange	**Nomu**	Parallel Market of the Saudi Stock Exchange
CMA	Capital Market Authority	**NSE**	National Stock Exchange of India Limited
CPI	Consumer Price Index	**NYSE**	New York Stock Exchange
DFM	Dubai Financial Market	**P/E**	Price-to-Earnings Ratio
DR	Depositary Receipt	**QSE**	Qatar Stock Exchange
Euronext	Europe	**S&P**	Standard & Poor's
FY	Fiscal Year	**SAR**	Saudi Riyal
GCC	Gulf Cooperation Council	**SFE**	Sydney Futures Exchange
GDP	Gross Domestic Product	**SGX**	Singapore Exchange
HKEX	The Stock Exchange of Hong Kong Limited	**SMEs**	Small and Medium-sized Enterprises
IPO	Initial Public Offering	**SPAC**	Special Purpose Acquisition Company
IT	Information Technology	**TASI**	Tadawul All Share Index
JSE	Johannesburg Stock Exchange	**Tn**	Trillion
KSA	The Kingdom of Saudi Arabia	**TTM**	Trailing-Twelve-Months
LSE	London Stock Exchange	**U.S./USA**	The United States of America

Sources of information

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11.	Reuters
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13.	S&P Market Intelligence
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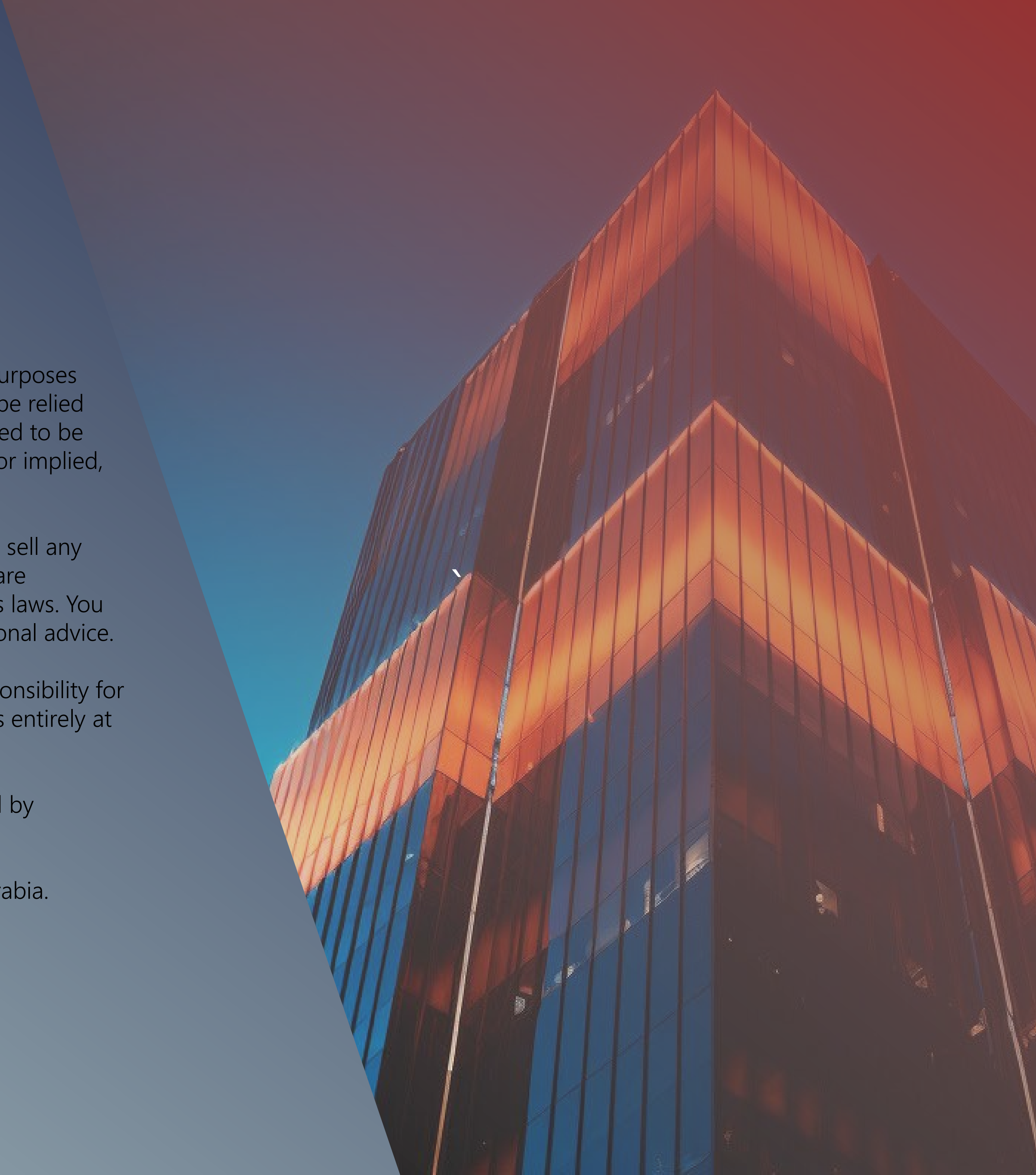

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