

January 2024:
GCC IPO Research

Markaz Research is available on
Bloomberg
Type “MRKZ” <Go>

Authors:
Capital Markets Team
capitalmarkets@markaz.com

Kuwait Financial Centre “Markaz”
P.O. Box 23444, Safat 13095, Kuwait
Tel: +965 2224 8000
Fax: +965 2242 5828
markaz.com

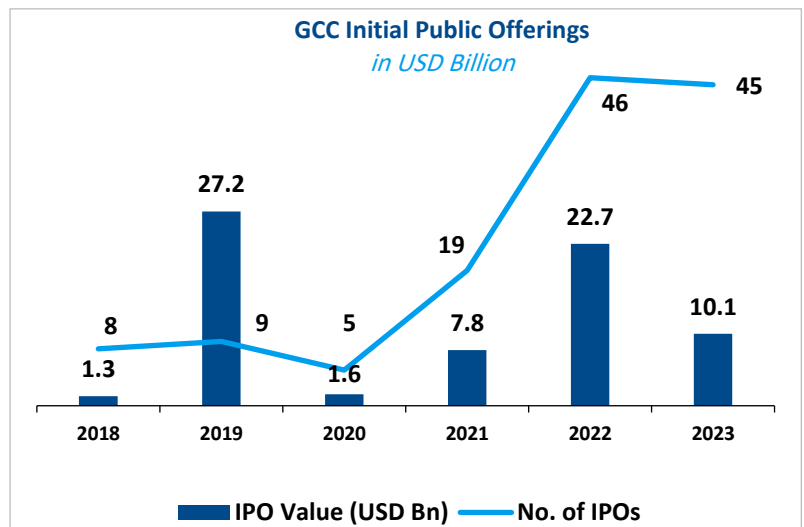
GCC Initial Public Offerings 2023 Highlights

Terminology and notes to consider before reading this report:

- **GCC:** Gulf Cooperation Council
- Several sources were utilized in the drafting of this report; notable sources are Bloomberg, Capital IQ, Zawya, and daily newspapers
- Every effort has been made to include and quote the majority of data that is accessible to Markaz.
- All currencies were converted into US Dollars for easy comparison.

GCC Initial Public Offerings

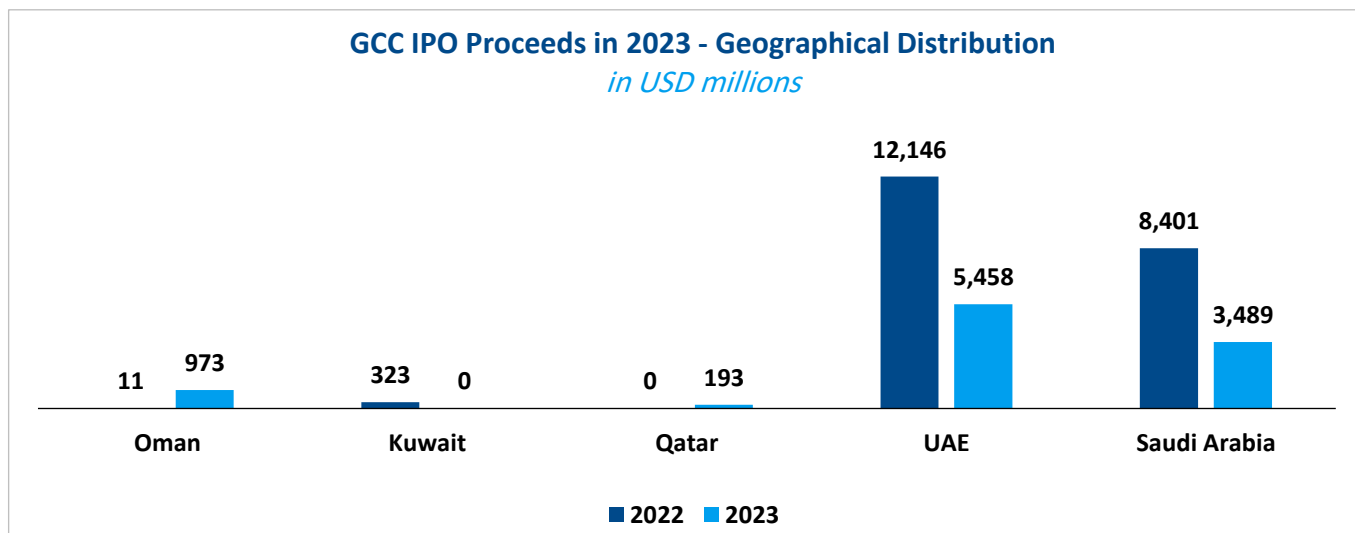
Initial Public Offerings (“IPO”) in the Gulf Cooperation Council Countries (“GCC”) raised total proceeds of USD 10.1 billion through 45 offerings during the year 2023, marking a year-on-year decline of 55% by value compared to the previous year, where GCC issuers raised a total of USD 22.7 billion through 46 offerings.



Sources: Bloomberg, Capital IQ, Zawya and daily newspapers

Geographical Allocation

UAE led the region in terms of IPO proceeds during 2023, raising a total of USD 5.5 billion from 7 offerings constituting 54% of total GCC IPO proceeds. However, this represented a decrease of 55% in the value of UAE IPOs compared to the year 2022. Abu Dhabi Securities Exchange (ADX) witnessed the highest IPO proceeds among UAE markets with USD 4.9 billion followed by Dubai Financial Market (DFM) which witnessed total proceeds of USD 500 million. In Saudi Exchange (Tadawul) IPO proceeds totaled USD 3.5 billion during the year with 35 offerings recording the highest number of IPOs in the GCC during FY 2023 and constituting 35% of total GCC IPO proceeds. Muscat Securities Market (MSM) witnessed two IPOs with total proceeds of USD 973.0 million, constituting 10.0% while Qatar had one IPO that raised a total of USD 193.0 million and constituted 2% of the total GCC IPO proceeds in 2023. Kuwait and Bahrain did not have any IPOs in 2023.



Sources: Bloomberg, Capital IQ, Zawya and daily newspapers

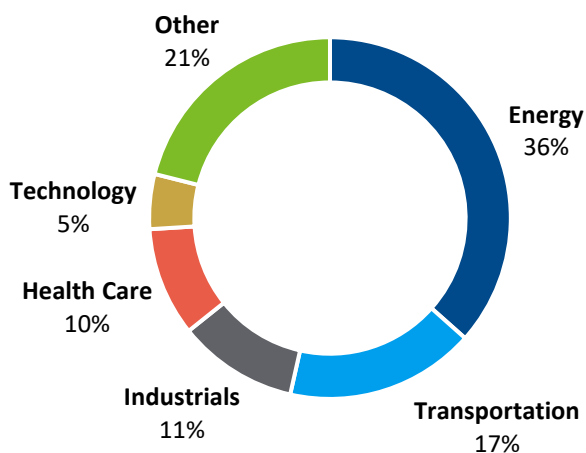
Sector Allocation

Two Initial Public Offerings in the energy sector accounted for nearly 36% of the total proceeds during 2023. Adnoc Gas was listed on Abu Dhabi Exchange (ADX) with a value of USD 2.47 billion and ADES Holding Company, the second largest IPO was listed in Tadawul (Main Market) with a value of USD 1.21 billion.

Companies in the transportation sector raised USD 1.7 billion through 16 IPOs, constituting 17% of total GCC IPO proceeds raised during 2023. This was followed by IPOs from the industrial and healthcare sectors that raised USD 1.1 billion (2 IPOs) and USD 0.985 billion (1 IPO) respectively.

During the year, there was only one IPO from the technology sector, Presight AI company, with an offering size of USD 496 million. Other IPOs primarily include companies from the capital goods, consumer services, financials, F&B and Media sector among others.

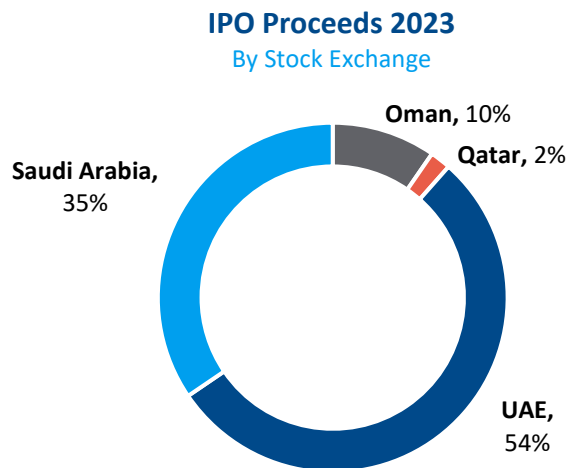
GCC IPO Proceeds in 2023
Sector Allocation



Sources: Bloomberg, Capital IQ, Zawya and daily newspapers

Exchange Allocation

United Arab Emirates markets constituted 54% of total GCC IPO during 2023 with a value of USD 5.5 billion. Abu Dhabi’s exchange (ADX) has raised a total of USD 4.9 billion while Dubai’s exchange (DFM) raised USD 0.5 billion. Saudi Arabia covered 35% of the total IPO proceeds with the value of USD 3.2 billion in the Main Market and USD 317.0 million in Nomu-Parallel Market. Oman constituted 10% with only two IPOs that were listed in Muscat Securities Market with a value of USD 973.0 million. Meeza was the only IPO in Qatar for year 2023 and it covered 2% of the total IPO proceeds in GCC. Meeza was listed in Qatar Stock Exchange with a value of USD 193.0 million.



Sources: Bloomberg, Capital IQ, Zawya and daily newspapers

Top 5 GCC IPOs by Proceeds in 2023

- ADNOC Gas**, an Abu Dhabi National Oil Company gas business, raised USD 2.5 billion in proceeds marking the largest IPO on ADX in March 2. ADNOC Gas offered 3.84 billion shares, or 5% stake, which was covered more than 50 times. ADNOC Gas IPO proceeds constituted 25% of total GCC IPO proceeds in the period.
- ADES Holding Company** IPO raised a total of 1.2 billion USD in proceeds on September 28 making it the second largest IPO in 2023. ADES Holding Company was listed on Tadawul in the Main Market and offered 338 million shares. The company was covered 9.8 times and the proceeds constituted 12% of total GCC IPO proceeds in 2023.
- Pure Health** IPO raised a total of USD 985 million in proceeds on December 19 marking it the third largest IPO on ADX after ADNOC Gas. Pure Health offered 1.11 billion shares or 10% stake. Pure Health IPO proceeds constituted 9.7% of total GCC IPO proceeds in 2023.
- ADNOC Logistics and Services** IPO raised a total of USD 771 million in proceeds on May 25 marking it the fourth largest IPO on ADX. ADNOC Logistics and Services offered 1.41 billion shares or 19% stake and was covered 163 times. ADNOC Logistics and Services IPO proceeds constituted 7.6% of total GCC IPO proceeds in 2023.
- OQ Gas Network** is the largest IPO in Oman in year 2023 that raised a total of USD 728 million in proceeds on October 9 through the sale of 2 billion shares, or 49% stake, with total demand of investors which reached 13.9 times. OQ Gas Network IPO constituted 7.2% of total GCC IPO proceeds of 2023.

Appendix 1: GCC IPO Pipeline

Company	Country	Sector	Market	Offering Size (shares)	Status
Pan Gulf Marketing Company	Saudi Arabia	Media	Nomu - Parallel Market	600,000	Subscription opens Q1 2024
WSM Digitalization & Transformation Company	Saudi Arabia	Technology	Nomu - Parallel Market	390,000	Subscription opens Q1 2024
Almodawat Specialized Medical Hospital Company	Saudi Arabia	Medical	Nomu - Parallel Market	475,000	Subscription opens Q1 2024
Lulu Group International	UAE	Retail	NA	NA	Expected for H1 2024
Spinneys Dubai LLC	UAE	Retail	NA	NA	Expected for H1 2024

NA: Not Available

Sources: Bloomberg, Capital IQ, Zawya and daily newspapers

Disclaimer:

This report has been prepared and issued by Kuwait Financial Centre K.P.S.C. (Markaz), which is regulated by the Capital Markets Authority and the Central Bank of Kuwait. The report is owned by Markaz and is privileged and proprietary and is subject to copyrights. Sale of any copies of this report is strictly prohibited. This report cannot be quoted without the prior written consent of Markaz. Any user after obtaining Markaz permission to use this report must clearly mention the source as “Markaz”. The report is intended to be circulated for general information only and should not be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy in any jurisdiction.

The information and statistical data herein have been sourced from public sources or is based on Markaz’s independent research and internal analysis and is believed to be reliable and accurate in all material aspects. However, no representation or warranty, expressed or implied, is made that such information and data is accurate or complete, and therefore should not be relied upon as such. Opinions, estimates and projections in this report constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinion of Markaz and are subject to change without notice. Markaz has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn. Further, Markaz accepts no liability for any statements, opinions, information, or matters, expressed or implied, arising out of, contained in or derived from this report or any omissions from this report, or any other written or oral communication transmitted or made available to any other party in relation to this report.

This report may not consider the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors are urged to seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and to understand that statements regarding future prospects may not be realized. Investors should note that income from such securities, if any, may fluctuate and that each security’s price or value may rise or fall. Investors should be able and willing to accept a total or partial loss of their investment. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily indicative of future performance.

Kuwait Financial Centre K.P.S.C. (Markaz) may seek to do business, including investment banking deals, with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. This report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of Markaz, Markaz has not reviewed the linked site and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to Markaz’s own website material) is provided solely for your convenience and information and the content of the linked site does not in any way form part of this document. Accessing such website or following such link through this report or Markaz’s website shall be at your own risk.

For further information, please contact ‘Markaz’ at P.O. Box 23444, Safat 13095, Kuwait; Email: research@markaz.com; Tel: 00965 1804800; Fax: 00965 22450647.