

2023: Another solid year for MENA IPOs

MENA IPO Eye: Q4 2023 and year-end report

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About this report

EY MENA IPO Eye report is released every quarter and looks at the IPO markets, trends and outlook for the MENA region.

The current report provides insights, facts and figures on the MENA IPO market during Q4 2023 and the full year 2023.

You will find this report at the [EY IPO](#) website and you can subscribe to receive it every quarter.

All values are US\$ unless otherwise noted.

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MENA IPO market

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In 2023, there were a total of 48 IPOs raising US\$10.7b, of which five listed companies contributed 58% toward the total IPO proceeds raised, mainly in the energy and logistics sectors. Investor confidence in the region continues with 11 out of the 19 Q4 2023 IPOs recording a first day gain in share price.

The 2024 pipeline includes 29 companies across various sectors announcing their intention to list, with the KSA and the UAE leading the way in terms of expected volumes.

Brad Watson

EY MENA Strategy and Transactions Leader

MENA IPO market summary

Key highlights: IPOs and direct listings

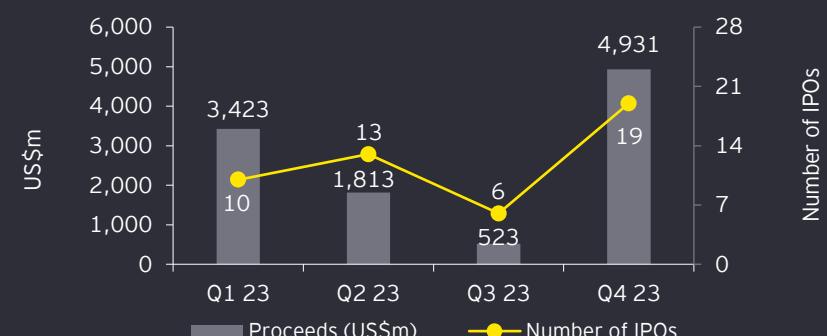
- MENA markets saw 19 Initial Public Offerings (IPOs) during Q4 2023, raising US\$4.9b in proceeds. This represented a 5% decrease in the number of IPOs and a 32% decrease in proceeds compared with Q4 2022. ADES Holding Company raised the highest funds and contributed 25% of the overall IPO proceeds in Q4 2023, followed by Pure Health Holding PJSC, contributing 20%.
- There were a total of 48 IPOs (a 6% y-o-y decrease) in MENA during 2023, raising US\$10.7b, a 51% decrease in funds raised y-o-y. 2022 was impacted by a number of large value (funds raised) IPOs such as Americana, Saudi Aramco Base Oil company, Luberef and Arabian Drilling Company that contributed to the 2023 y-o-y decrease.
- The Kingdom of Saudi Arabia (KSA) dominated the region's IPO activity in terms of the number of listings (14 out of 19) in Q4 2023, with the highest proceeds from ADES Holding Company (US\$1.2b) followed by SAL Saudi Logistics Services Company (US\$0.7b) which were listed on the Tadawul. The remaining 12 IPOs took place on the Nomu Market (total proceeds of US\$140m). In 2023, the IPO funds raised in KSA have come from a variety of sectors, with the dominating sectors being: Energy (36%), Transportation (29%) and Health care (10%).
- The Abu Dhabi Securities Exchange (ADX) welcomed three listings in Q4 2023, namely Pure Health Holding PJSC (raising US\$987m), Investcorp Capital Plc (raising US\$451m) and Phoenix Group PLC (raising US\$371m), raising a combined total of US\$1.8b. In addition, there was one new listing on the Dubai Financial Market (DFM): Dubai Taxi Company PJSC (US\$315m) in the transportation sector. Pure Health Holding PJSC and Phoenix Group PLC accepted only local investors, while Investcorp Capital Plc and Dubai Taxi Company welcomed both local and international investors for their IPOs.
- In Oman, the Muscat Stock Exchange (MSX) saw one IPO (the largest IPO listed in Oman to date) with OQ Gas Networks SAOC raising US\$772m. There were no non-GCC IPOs in Q4 2023.
- Four out of the 19 IPOs offered a free float of more than 30% of the company's share capital. First-day returns were varied, with 11 out of 19 listings for Q4 2023 registering a gain versus the offer price. Of the Q4 2023 listings, share price performance of Pure Health Holding PJSC had the highest first day gain of 76%.
- There was one direct listing in the MENA region during Q4 2023: Almujtama Alraida Medical Co. on the Nomu Parallel Market.
- Despite the challenging geopolitical environment in MENA, the outlook for MENA IPOs in 2024 remains positive, with MBC Group listing on the Tadawul on 8 January 2024 raising US\$222m and Avalon Pharma listing on Tadawul on 24 January 2024 raising US\$437m. An additional 29 private companies and 26 funds intend to list on the MENA exchanges from a variety of sectors. Among the GCC countries, the KSA remains the leader, with 19 companies, followed by five in the UAE and one in Kuwait (intending to list on the Tadawul). Additionally, outside the GCC, Egypt has announced four IPOs. Companies announcing their intended listing plans include Lulu Group International LLC, Amanat Healthcare and Diriyah Gate Company Ltd (a PIF owned subsidiary).
- The UAE hosted the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28) in Q4 2023. During COP28, the DFM launched a pilot platform to trade carbon credits. This platform will allow companies to manage their residual and unavoidable carbon emissions and aid in their pursuit of decarbonization and net-zero targets. In addition, the ADX launched the FTSE Russell ESG Screened Index in time for COP28. This index provides investors with a transparent and tradable environmental, social and corporate governance (ESG) benchmark that ranks a company based on its ESG scores. ADX's ESG index will promote sustainable business practices among its listed companies.

MENA IPO overview

Q4 2023	Total 2023
19 IPOs	48 IPOs
US\$4.9b proceeds	US\$10.7b proceeds
Change y-o-y	Direct listings Q4 2023
-6% IPOs	One
-51% proceeds	Direct listings 2023 Eight

Note: Change y-o-y reflects 2022 vs. 2023.

MENA IPO activity



Sources: Refinitiv Eikon, S&P Capital IQ.

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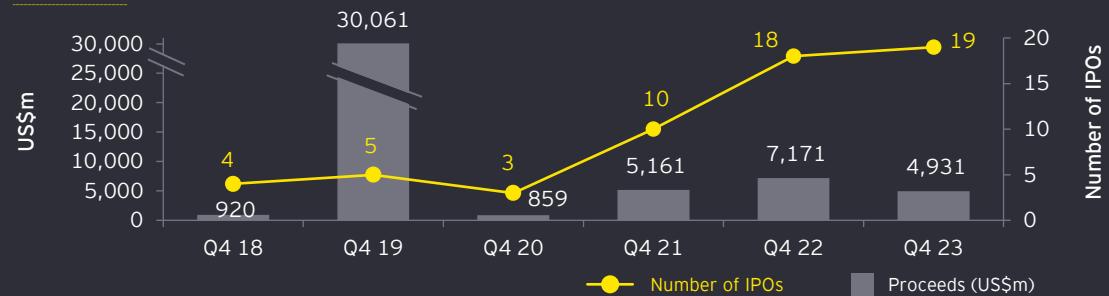
MENA IPO market

MENA IPO market snapshot

MENA IPO activity (Q1 2018 to Q4 2023)



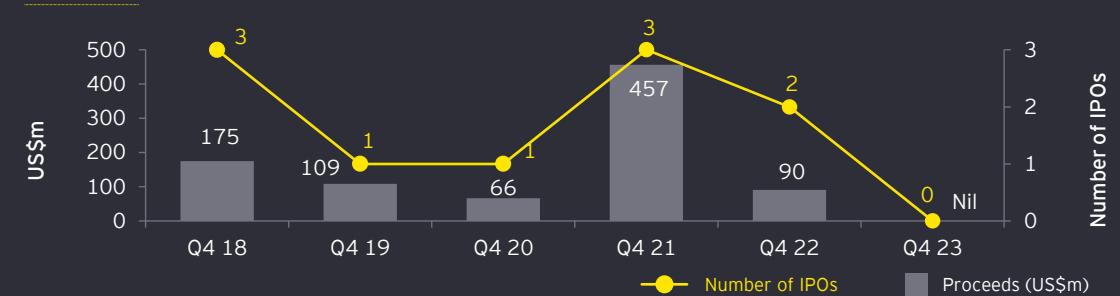
GCC IPOs (Q4 2018 to Q4 2023)



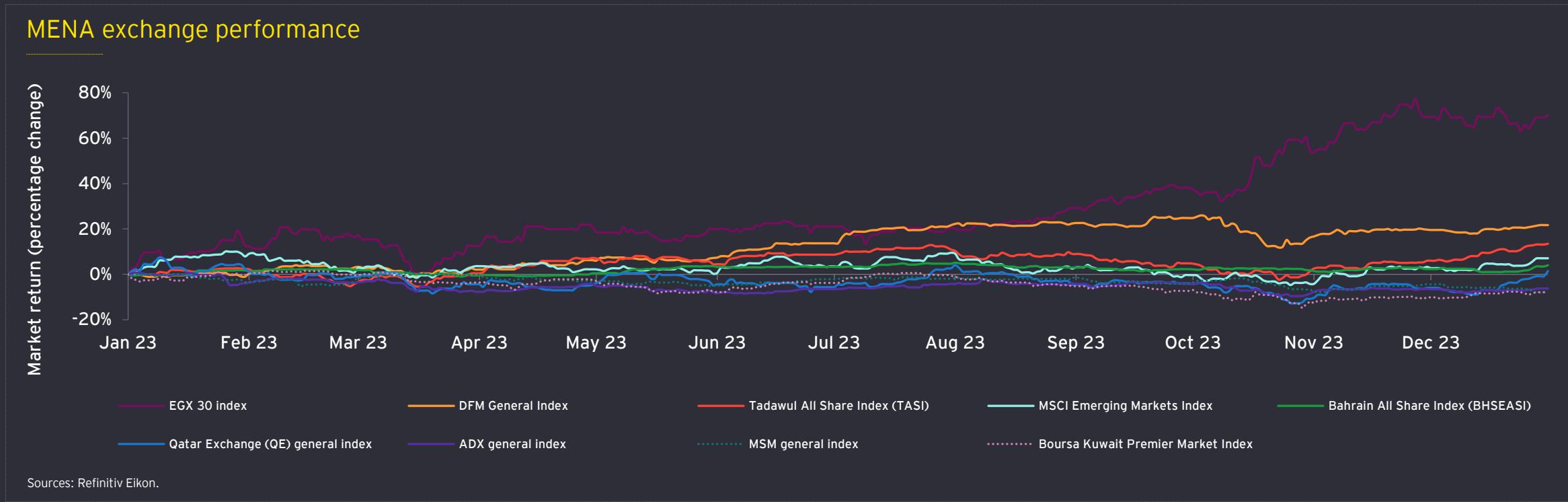
Notes: IPOs, including REIT listings, have been considered in each quarter based on the listing date.

*Saudi Aramco listing.

Non-GCC IPOs (Q4 2018 to Q4 2023)



MENA equity markets



- The MENA stock exchanges exhibited a mixed trend in performance with six exchanges closing 2023 at a gain and three at a loss compared with the start of 2023. Egypt's EGX30 was the MENA region's best performer with a 70% gain (23.8% for Q4 2023) against a declining value of 20% for the Egyptian pound against the US dollar. The DFM closed 2023 strongly with a gain of 21.7%, making it the top-performing market in GCC for 2023. This was followed by the Tadawul, which closed at a 13.5% gain for 2023.
- Borsa Kuwait was the worst-performing market closing at a 7.9% decline for 2023 (1.0% decline in Q4 2023 performance), affected by six companies being delisted in 2023 (including Ahli United Bank that was delisted in May 2023 from the Premier Market and most recently RAK White Cement that was delisted in December 2023). The Muscat Securities Market (MSM) and ADX also registered a decline in performance of 7.4% and 6.2% respectively, for 2023.
- At the end of 2023, 26 out of the 48 MENA IPOs had shown a positive return on 31 December 2023 share price compared with their IPO price, with Armah Sports Company achieving the highest gain at 72%.

MENA IPO performance for listed companies of 2023

MENA IPO pricing and performance: Q4 2023

Listing date	Issuer	IPO proceeds (US\$m)	IPO price (US\$)	First-day return	Share price performance percentage*	Equity offered	Sector	Exchange
2 Oct 2023	Intelligent Oud Company For Trading	4.2	13.1	30%^	13%	20%	Household and personal products	Tadawul (Nomu)
4 Oct 2023	Atlas Elevators General Trading & Contracting Co	7.4	6.1	-5%	-13%	20%	Capital goods	Tadawul (Nomu)
11 Oct 2023	ADES Holding Company	1,219.3	3.6	30%^	78%	30%	Energy	Tadawul
22 Oct 2023	United Mining Industries Company	15.9	9.1	-10%	-26%	13%	Industrial and commercial services	Tadawul (Nomu)
23 Oct 2023	Clean Life Company	9.0	29.9	12%	-15%	20%	Commercial and professional services	Tadawul (Nomu)
24 Oct 2023	Riyal Investment & Development Company	8.1	11.2	-29%	-36%	9%	Transportation	Tadawul (Nomu)
24 Oct 2023	OQ Gas Networks SAOC	771.7	0.4	7%	10%	49%	Energy	MSX
1 Nov 2023	SAL Saudi Logistics Services Company	678.3	28.3	25%	83%	30%	Transportation	Tadawul
7 Nov 2023	Osool & Bakheet Investment Company CJSC	18.0	12.0	-16%	-35%	19%	Banking and investment services	Tadawul (Nomu)
12 Nov 2023	Mulkia Investment Company	13.2	10.1	-19%	-18%	20%	Banking and investment services	Tadawul (Nomu)
17 Nov 2023	Investcorp Capital Plc	450.9	0.6	0%	-13%	33%	Banking and investment services	ADX
28 Nov 2023	Fad International Company	5.4	22.4	30%^	28%	20%	Retailing	Tadawul (Nomu)
30 Nov 2023	Armah Sports Company	36.8	7.5	2%	75%	15%	Consumer services	Tadawul (Nomu)
3 Dec 2023	Riyadh Steel Company	4.5	4.5	3%	39%	20%	Materials	Tadawul (Nomu)
5 Dec 2023	Phoenix Group PLC	370.6	0.4	35%	49%	15%	Financial technology (FinTech) and infrastructure	ADX
6 Dec 2023	Lana Medical Company	6.0	8.3	-3%	3%	20%	Health care services and equipment	Tadawul (Nomu)
7 Dec 2023	Dubai Taxi Company PJSC	314.8	0.5	19%	15%	25%	Transportation	DFM
13 Dec 2023	View United Real Estate Development Company	11.2	18.7	-2%	11%	18%	Real estate management and development	Tadawul (Nomu)
20 Dec 2023	Pure Health Holding PJSC	986.5	0.9	76%	75%	10%	Health care services and equipment	ADX

Share price performance calculation: IPO price as compared with the closing price on 31 December 2023.
“+” or “-” indicates change compared with the offer price at IPO.

^Indicates maximum daily price fluctuation limit was reached.
Sources: Refinitiv Eikon, S&P Capital IQ and stock exchange disclosures.

MENA oil price performance



Organization of the Petroleum Exporting Countries (OPEC) and Brent crude prices remained firm averaging approximately US\$82/bbl in 2023. This presents an upside of approximately 29% compared with pre-COVID-19 pandemic levels of 2019, when the Brent averaged approximately US\$64/bbl.

With the commercial crude oil inventories having declined by 83MMbbl in Q4 2023 from December 2019 and around 3.7MMbbl of global cuts announced by OPEC+ in 2023 which is set to run throughout 2024, the global oil market tightness is expected to continue supporting crude prices. However some GCC countries are expected to witness an increase in oil production but the levels will not materially impact the total OPEC+ production. Additionally, the ongoing geopolitical tensions in the Middle East have elevated the potential for disruption across key supply routes, such as Strait of Hormuz and the Suez Canal, which is expected to feed into the short-term upside in oil prices.

However, headwinds in the form of a bleak global macro environment driven by excessive monetary policy tightening, coupled with the rise in the spare capacity of around 5MMbbl/d among OPEC+ members on the back of production cuts exercised during the past three years is expected to taper any rally above US\$100/bbl. Brent prices are expected to be approximately around US\$84/bbl in 2024 as per consensus estimates.

Sources: Refinitiv Eikon, Energy Information Association (EIA) and analyst reports.

MENA IPO market

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The MENA IPO market delivered a healthy number of IPOs across various sectors in 2023, despite the subdued global economic backdrop and the rising geopolitical tensions in the Middle East. A number of reputable large state-owned companies listed in 2023, including the Dubai Taxi Company and OQ Gas Networks.

As expected, 2024 started off positively with the MBC listing, Avalon Pharma and the announcements of several IPOs on the MENA markets including large private and state-owned names.

Gregory Hughes

EY MENA IPO Leader

Companies and investors should look out for ...

Volatility

1

Inflation, interest rates
and liquidity

2

Government policies
and regulations

3

Recovery of economic
activity

4

Geopolitical tensions
and conflicts

5

ESG agenda

6

Adoption of technology
and artificial
intelligence (AI)

Market sentiment and investor confidence

IPO candidates looking to go public will need to be well prepared

Demonstrate resilience through innovative business models, agility in navigating supply chain constraints and macroeconomic challenges, strong working capital management, and the ability to adapt to new ways of doing business by embracing technology and AI applications.

Be realistic and flexible about valuations, considering post-IPO share price performance and the increasing interest rates.

Conduct extensive pre-marketing and pre-IPO funding, including cornerstone investors, to mitigate uncertainty and improve pricing leverage.

Consider the impact of geopolitical risks, macroeconomic factors and the changing regulatory environment.

Be able to clearly articulate and disclose an embedded ESG strategy and culture, ranging from climate change mitigation initiatives to promoting board and management diversity.

Understand the different requirements of each IPO market that companies plan to enter to meet investors' expectations and avoid potential delays due to regulatory issues.

Consider all options, including an alternative IPO processes (direct listing or de-SPAC merger) and other financing methods (private capital, debt or trade sale).

IPO readiness assessment: how EY teams help companies prepare for an IPO

Are you prepared?

- Once you have decided to go public, it's necessary to map out all the steps involved. Advance preparation and planning are critical. Unpredictable IPO markets make dual tracking, IPO readiness and internal preparation are more important than ever. Be ready to kick-start execution when the IPO window of opportunity opens. Getting IPO-ready in the correct way means implementing change throughout the business, organization and corporate culture. As a public company, you will be subjected to increased filing requirements, transparency, compliance, scrutiny by investors and analysts, and overall accountability for delivering on promises.
- To start the IPO planning and preparation process on the right foot, EY IPO readiness assessment can be used. It is a structured approach designed to guide the company through a successful IPO transaction to a strong debut in the IPO market. Successful businesses typically start to prepare 12 to 24 months before the IPO, with an IPO readiness assessment in many cases.

What are the objectives and values of the EY IPO readiness assessment?

The EY IPO readiness assessment is designed to guide your company through a successful transformation from private to public status. Executives also want to understand more of the measures that matter and what it takes to win in the capital markets.

Typical objectives are:

- Define an IPO base case that would become important information for the assessment.
- Identify IPO readiness gaps and assess the efforts required to get ready.
- Train key people on IPO leading practices and regulatory requirements.
- Prioritize gaps in an IPO roadmap.

Companies that have completed a successful IPO know that the process is truly a metamorphosis – a series of planned, pervasive changes undertaken to achieve long-term objectives.

Start your IPO journey with an EY IPO readiness assessment.

EY integrated assessment and program management of IPO readiness modules are tailored to suit each company's needs as it seeks to prepare the organization for a public listing event in the future. The core modules to consider are illustrated below.

EY IPO readiness assessment

1 Strategy <ul style="list-style-type: none">IPO equity storyIPO destinationIssue concept	2 Structures <ul style="list-style-type: none">Issuing companyGroup structureGovernance and legal	3 Taxes <ul style="list-style-type: none">Company levelShareholder levelTransaction level
4 Timeline <ul style="list-style-type: none">IPO timeline and regulatory approvalPlan B optionsProject management and resources	5 Financial <ul style="list-style-type: none">External and internal reportingBusiness plan and forecastingProspectusNonfinancial metrics	6 Leadership <ul style="list-style-type: none">C-suiteBoard of directorsSubcommitteesRemuneration
7 Functions <ul style="list-style-type: none">Investor relationsComplianceLegalRisk managementHR	8 Systems <ul style="list-style-type: none">Internal controls and auditEnterprise riskCompliance managementIT security	9 ESG and sustainability <ul style="list-style-type: none">ESG, CSR and HSEStrategyPoliciesTeam

2

GCC market highlights

GCC capital market highlights: KSA and the UAE continue to lead IPO activity

KSA

- ▶ In 2023, the KSA took the lead in the GCC market with 37 IPOs, of which 29 were on the Tadawul Nomustock exchange and the remaining eight on the Tadawul. The trend is set to continue into 2024, with two companies already listing their IPOs as of 25 January 2024 and another 15 companies have announced their IPOs, and an additional four companies have mandated the process.
- ▶ The KSA's GDP growth forecast for 2024 has increased to 4.6% from 3.0%. This positive outlook is attributed to the country's strong economic fundamentals, robust government balance sheet and strategic reforms aimed at reducing reliance on the oil and gas sector and increasing investments in non-oil sectors. However, it is also anticipated that there will be an average fiscal deficit, expected to be around 2% in 2023-24, rising to 3.5% in 2025-26 due to increased spending on the ambitious economic diversification plan.

UAE

- ▶ In 2023, the UAE recorded eight IPOs (six listed on ADX and two on the DFM). The positive momentum is anticipated to continue into 2024, as the IPO pipeline remains robust, with expectations that at least five companies will pursue an IPO.
- ▶ The UAE Central Bank (CBUAE) has raised its 2024 economic growth forecast to 5.7%, up from the previous 4.3%, with the non-oil GDP growth of 5.9% in 2023 and 4.7% in the following year, while estimating the oil GDP growth at 8.1 percent in 2024.

Sources: Refinitiv Eikon, Bloomberg, Reuters, Stock exchange announcements and other secondary research.

GCC capital market highlights: KSA and the UAE continue to lead IPO activity (cont.)

Qatar

- ▶ The listing of Meeza QSTP LLC, a leading managed IT and data center service provider in Qatar, was the first listing on the Qatar Stock Exchange (QSE) since 2020. The equity offering was 50%, with the share price closing 32% higher than the offer price as on 31 December 2023.
- ▶ No further announcements have been made on any anticipated IPOs.

Kuwait

- ▶ In 2024, Gissah Perfumes Company, headquartered in Kuwait, is anticipated to launch its IPO on the Tadawul to further its growth opportunities in GCC.
- ▶ In 2024, GDP growth is expected to receive a boost from increased crude supply. This would drive both the oil sector and total GDP up 3.3%.
- ▶ Non-oil GDP is expected to grow at a similar rate, supported by positive consumer spending, increased household lending and high oil prices. Ongoing post-COVID-19 pandemic expatriate inflows are anticipated to alleviate labor shortages and drive project activity.

Oman

- ▶ Oman's sovereign wealth fund, the Oman Investment Authority (OIA), is preparing to launch numerous IPOs and list state assets to strengthen its capital market.
- ▶ The strategy involves anticipating "several dozen" listings in the next five years, with approximately 30 assets marked for IPOs. This initiative aims to position Oman's local stock exchange for the sought-after emerging-market status.

Sources: Refinitiv Eikon, Bloomberg, Reuters, Stock exchange announcements and other secondary research.

3

Non-GCC market highlights

Non-GCC capital market highlights: Egypt's IPO pipeline is poised for a positive outlook in 2024

Egypt

EGX performance during 2023

- ▶ Egypt's privatization efforts have yielded US\$5.6b from selling stakes in 14 state-owned entities. The International Finance Corporation (IFC), an international strategic advisory body appointed by the Egyptian government, is exploring the possibility of including 50 more state-owned companies in its IPO program, with preliminary studies currently underway.
- ▶ An exchange-traded fund (ETF) tracking Egyptian stocks has reached a 21-month high. The ETF stands out as one of the top performers in 2023, driven by a surge in local shares amid concerns over an economic crisis marked by a depletion of foreign currency, rising inflation and a 50% devaluation of the Egyptian pound against the US dollar.
- ▶ Egypt is considering selling real estate in dollars to Egyptians abroad and foreign buyers, collaborating with private real estate companies. The goal is to boost the Egyptian Exchange (EGX), accelerate projects in new cities, stimulate local real estate demand and attract substantial US dollar investments.

EGX IPO outlook in 2024

- ▶ The future of IPOs in Egypt is expected to be positive with increased digitalization, streamlined regulations, and a continued emphasis on transparency and governance.
- ▶ In Q1 2024, Egypt's IPO program will encompass new companies and involve additional sales of state-owned enterprises.
- ▶ In 2024, four companies are anticipated to launch their IPOs.

Other non-GCC

- ▶ In 2023, there were no IPOs in other non-GCC countries.

Sources: Refinitiv Eikon, Reuters, Stock exchange announcements and other secondary research.

4

Global IPO market

Global IPO market

IPO hopefuls navigating a market in flux; pockets of resurgence appear but pricing prudence remains vital

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Enthusiasm for IPOs is high, and smaller deals are emerging with improved after-market performance. While many governments are taking measures to boost IPOs, activity is particularly strong in high-growth economies. Before monetary policy eases and the geopolitical climate stabilizes, IPO candidates should keep their eyes on building fundamentals and managing price expectations to capitalize on the fleeting windows as 2024 progresses.

George Chan

EY Global IPO Leader

Q4 2023 IPO activity took a tumble

	Q4 2022		Q4 2023		% change	
	Number	Proceeds (US\$b)	Number	Proceeds (US\$b)	Number	Proceeds (US\$b)
Global	397	36.5	323	22.2	-19%	-39%
Americas	17	1.5	36	2.9	112%	91%
% of global	4%	4%	11%	13%		
Asia-Pacific	276	23.1	162	9.2	-41%	-60%
% of global	70%	63%	50%	41%		
EMEIA	104	11.9	125	10.1	20%	-14%
% of global	26%	33%	39%	46%		

Q4 2023 covers completed IPOs from 1 October 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). Q4 2022 covers completed IPOs from 1 October 2022 to 31 December 2022.

Source: Dealogic.

2023 full year Global IPO proceeds lagged 2022

	2022		2023		% change	
	Number	Proceeds (US\$b)	Number	Proceeds (US\$b)	Number	Proceeds (US\$b)
Global	1,415	184.3	1,298	123.2	-8%	-33%
Americas	133	8.9	153	22.7	15%	155%
% of global	9%	5%	12%	18%		
Asia-Pacific	897	124.4	732	69.4	-18%	-44%
% of global	64%	67%	56%	57%		
EMEIA	385	51.0	413	31.1	7%	-39%
% of global	27%	28%	32%	25%		

2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). 2022 refers to the full calendar year and covers completed IPOs from 1 January 2022 to 31 December 2022.

Source: Dealogic.

Global IPO market review for 2023 and outlook for 2024

2023 review

The global IPO market in 2023 has experienced some noticeable shifts. Improved Western market sentiment was counterbalanced by China's cool-down, while a rise in developing market small-cap deals contrasted with lackluster performance of large offerings in developed nations.

Overall IPO proceeds in 2023 lag 2022's lukewarm pace by roughly a third, although deal volumes have picked up in both the Americas and EMEA regions.

2024 outlook

Globally, moderating inflation and potential 2024 interest rate cuts could attract investors back to IPOs by improving liquidity and return outlooks. However, sustained geopolitical instability may undermine confidence.

Broadly, the year ahead hinges on improving macro backdrop for an IPO revival as companies eagerly await more favorable market conditions to widen the IPO windows.

IPO performance out of step with buoyant equity markets in 2023

Strong equity markets are typically associated with increased IPO activity, and when struggling markets occur, IPO activity slows down. This was not the case in 2023. Despite a strong market rally and low volatility index on the back of positive economic data, IPOs have remained muted in many developed markets, with the exception of a brief September 2023 window in the US:

- ▶ The stock market's 2023 gains heavily concentrated in mega technology stocks, which buoyed index higher. However, the remaining index constituents were unable to match the mega-cap momentum. Such disproportionate outperformance attracted investor attention on the mega-caps over unproven new debutants in the face of uncertain macros backdrops.
- ▶ Aggressive tightening of monetary policies was another major factor affecting IPO activity, superseding the influence of overall stock market performance. Central banks' persistently high interest rates reduced liquidity and increased financing costs, deterring risk-averse equity investors and discouraging companies from going public.
- ▶ Underwhelming after-market performance reflects the ongoing mismatched valuation expectations between issuers and investors, as well as the growing range of investment alternatives with surging yields, attracting investors.
- ▶ Geopolitical tensions around the globe can rock global markets by upending investor moods. Investors grow cautious amid conflict, retreating from equities into safer investment options.

All of these factors can cool listing momentum and push IPO trends in a direction that goes against the prevailing stock market trends. While global inflation has eased substantially this year, the expectation of potential interest rate reductions could encourage investors by offering a more reliable return on investment in IPOs. Greater pricing alignments between issuers and investors, improved US-China relations, eased geopolitics and regional conflicts could also help headwinds abate as confidence rebounds and markets present opportunities for IPOs again.

US IPO activity vs. S&P 500®



European IPO activity vs. STOXX® Europe 600



2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). 2022 refers to the full calendar year and covers completed IPOs from 1 January 2022 to 31 December 2022.

Sources: EY analysis, Dealogic, S&P Capital IQ (Index data rebased to 100).

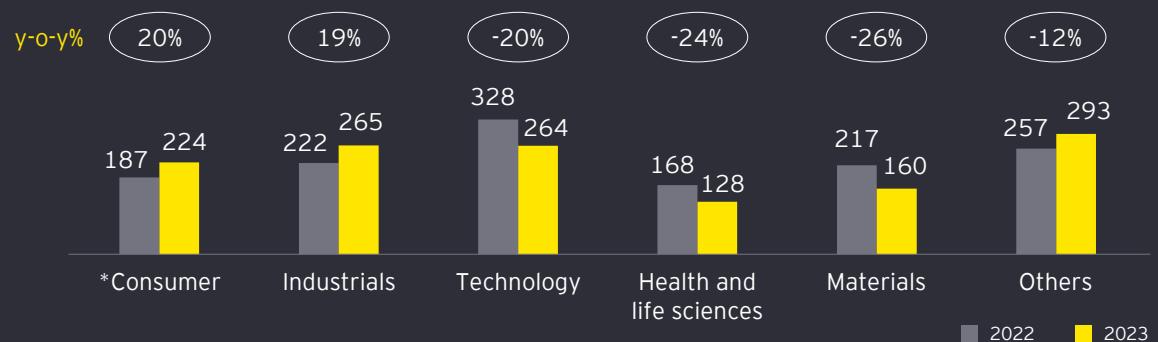
Sector IPO trends reflect shifting global economic and supply chain dynamics

Expansion of IPOs in the consumer and industrials sectors has been driven by buoyant economic growth and global trading. This is happening as global supply chains reduce their reliance on traditional markets and shift to new geographies. India, Indonesia and Japan hosted many of these listings alongside Mainland China, which traditionally draws major consumer and manufacturing IPOs.

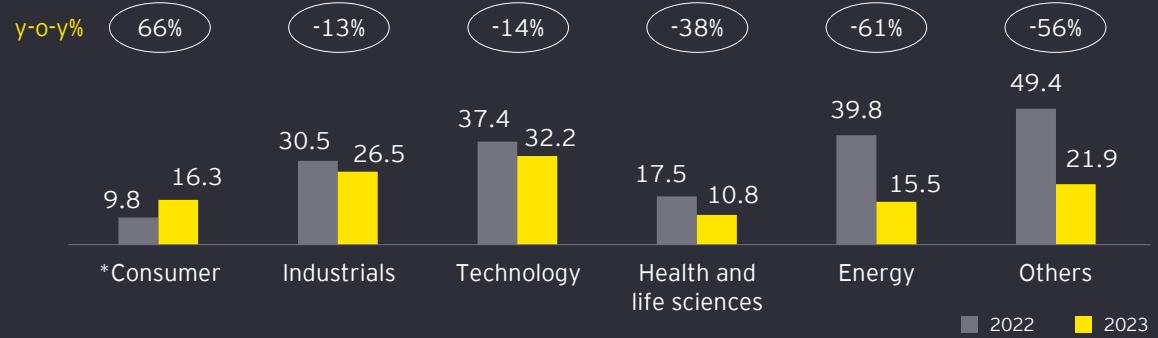
Despite eye-catching technology listings such as ARM Holdings, Instacart and Klaviyo, and significant venture capital investments in generative AI (GenAI) start-ups, the technology sector continued to experience a decline in IPO numbers, valuations and after-market performance in 2023. There has also been a significant downturn in IPO volume and proceeds within the health and life sciences sector, particularly in Mainland China and the US. IPO volumes for private equity (PE) and venture capital (VC) backed companies in the two sectors plunged 78% since 2021. These sectors rode the COVID-19 pandemic-era “easy money” policies to heightened valuations and now face a valuation repricing, as interest rates climb from rock-bottom and cheap capital dissipates.

Amid volatile oil prices, the energy sector has experienced a sharp decrease in both deal numbers and value, accompanied by a notable rise in the number of IPOs where the offer prices fell below the initial filing range. Similarly, the materials sector’s retreat from Mainland China, Canada and Australia are not sufficient to offset outliers like Indonesia’s three large listings. Yet, the pullback also spotlights shifting economic and supply chain dynamics which bring new winners and losers across sectors, although strong fundamentals still win out overall.

Number of IPOs



IPO proceeds (US\$b)



*Consumer includes the combination of “Consumer staples” and “Consumer products and services” sectors.
2023 refers to the full calendar year and covers completed IPOs from 1 January 2023 to 4 December 2023, plus expected IPOs by 31 December 2023 (forecasted as of 4 December 2023). 2022 refers to the full calendar year and covers completed IPOs from 1 January 2022 to 31 December 2022.
Sources: EY analysis, Dealogic.

5

Appendix

MENA IPO activity per stock exchange

IPO activity per stock exchange

Stock exchange	IPOs Q4 2023	IPOs LTM ¹ Q4 2023	IPOs since 2018 ²
Tadawul	2	8	54
Tadawul (Nomu)	12	29	52
ADX	3	6	13
DFM	1	2	8
EGX	0	0	11
Borsa Kuwait	0	0	2
MSX	1	2	10
Bahrain SE	0	0	1
QSE	0	1	4
Casablanca SE	0	0	6
Tunis SE	0	0	3

Notes:

1. Last 12 months (LTM).

2. Up to 31 December 2023.

3. Excludes direct listings.

Sources: Refinitiv Eikon and S&P Capital IQ.

MENA IPO performance for listed companies of 2023

MENA IPO pricing and performance (Q1 2023)

Listing date	Issuer	IPO proceeds (US\$m)	IPO price (US\$)	First-day return	Share price performance percentage*	Equity offered	Sector	Exchange
1 Jan 2023	Leen Alkhair Trading Co	16.6	17.3	-27%	-56%	24%	Consumer products and retail	Tadawul (Nomu)
10 Jan 2023	Nofoth Food Products Co.	11.5	4.0**	0%	48%	12%	Consumer products and retail	Tadawul (Nomu)
30 Jan 2023	Alinma Hospitality REIT Fund	136.1	2.7	-5%	-3%	50%	REIT fund	Tadawul
8 Mar 2023	Waja Company	10.9	1.2**	22%	33%	13%	RE, hospitality and construction	Tadawul (Nomu)
13 Mar 2023	ADNOC Gas	2,476.4	0.7	18%	29%	5%	Oil and gas	ADX
14 Mar 2023	Abraj Energy Services SAOG	244.3	0.7	17%	20%	49%	Oil and gas	MSX
20 Mar 2023	Knowledge Net Co	7.5	10.7	5%	-10%	20%	Technology	Tadawul (Nomu)
22 Mar 2023	BENA Steel Industries	8.3	13.9	-9%	-24%	12%	Diversified industrial products	Tadawul (Nomu)
26 Mar 2023	Horizon Food Company	15.8	9.9	21%	72%	20%	Food and beverage	Tadawul (Nomu)
27 Mar 2023	Presight AI Holding PLC	496.1	0.4	144%	62%	24%	Technology	ADX

*Share price performance calculation: IPO price as compared with the closing price on 31 December 2023.

“+” or “-” indicates change compared with the offer price at IPO.

** IPO price adjusted based on share split done in June 2023 (Nofoth - 1:10 and Waja - 1:20).

Sources: Refinitiv Eikon, S&P Capital IQ and stock exchange disclosures.

MENA IPO performance for listed companies of 2023 (cont.)

MENA IPO pricing and performance (Q2 2023)

Listing date	Issuer	IPO proceeds (US\$m)	IPO price (US\$)	First-day return	Share price performance percentage*	Equity offered	Sector	Exchange
5 Apr 2023	Food Gate Trading Co.	6.3	14.9	23%	11%	20%	Consumer services	Tadawul (Nomu)
6 Apr 2023	Al Ansari Financial Services	210.4	0.3	17%	3%	10%	Banking and capital markets	DFM
13 Apr 2023	Ghida Alsultan for Fast Food Company CJSC	14.3	22.4	-6%	-22%	20%	Consumer services	Tadawul (Nomu)
27 Apr 2023	Saudi Lime	9.1	4.5	3%	-18%	10%	Materials	Tadawul (Nomu)
1 May 2023	Meyar Co	4.2	15.7	30%^	22%	20%	Materials	Tadawul (Nomu)
1 Jun 2023	ADNOC Logistics and Services	769.5	0.5	55%	91%	19%	Logistics	ADX
7 Jun 2023	Almuneef Company for Trade, Industry, Agriculture and Contracting	14.2	18.7	-8%	-27%	20%	Capital goods	Tadawul (Nomu)
14 Jun 2023	Tam Development Company SCJSC	20.3	34.7	0%	1%	16%	Commercial and professional services	Tadawul (Nomu)
19 Jun 2023	Al Mawarid Manpower	76.8	17.1	30%^	95%	30%	Commercial and professional services	Tadawul
20 Jun 2023	Jamjoom Pharmaceuticals Factory Company SJSC	336.0	16.0	30%^	92%	30%	Pharma, biotech and life sciences	Tadawul
21 Jun 2023	Morabaha Marina Financing Company SCJSC	83.4	3.9	2%	-15%	30%	Diversified financials	Tadawul
22 Jun 2023	First Milling Company	266.4	16.0	18%	25%	30%	Food and beverage	Tadawul
22 Jun 2023	Al-Razi Medical Company	2.3	7.5	30%^	114%	20%	Food and staples retailing	Tadawul (Nomu)

*Share price performance calculation: IPO price as compared with the closing price on 31 December 2023.

“+” or “-” indicates change compared with the offer price at IPO. ^Indicates maximum daily price fluctuation limit was reached.

Sources: Refinitiv Eikon, S&P Capital IQ and stock exchange disclosures.

MENA IPO performance for listed companies of 2023 (cont.)

MENA IPO pricing and performance (Q3 2023)

Listing date	Issuer	IPO proceeds (US\$)	IPO price (US\$)	First-day return	Share price performance percentage*	Equity offered	Sector	Exchange
26 Jul 2023	Professional Medical Expertise Co.	19.0	18.1	1%	5%	30%	Health care equipment and services	Tadawul (Nomu)
08 Aug 2023	Marble Design	9.0	14.9	30%^	47%	10%	Capital goods	Tadawul (Nomu)
23 Aug 2023	Meeza Qstp LLC	193.4	0.6	6%	32%	50%	Information technology	Qatar SE
29 Aug 2023	Dar Almarkabah for Renting Cars Co.	5.3	10.7	30%^	10%	20%	Transportation	Tadawul (Nomu)
11 Sep 2023	Munawla Cargo Co.	5.9	29.3	30%^	56%	20%	Transportation	Tadawul (Nomu)
25 Sep 2023	Lumi Rental Co.	290.5	17.6	30%^	51%	30%	Transportation	Tadawul

Share price performance calculation: IPO price as compared with the closing price on 31 December 2023.

“+” or “-” indicates change compared with the offer price at IPO.

^Indicates maximum daily price fluctuation limit was reached.

Sources: Refinitiv Eikon, S&P Capital IQ, stock exchange disclosures.

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