

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Thursday, August 10, 2023 | B1

S&P 4467.71 ▼ 0.70% S&P FIN ▼ 0.78% S&P IT ▼ 1.51% DJ TRANS ▼ 0.83% WSJ \$IDX ▲ 0.02% 2-YR. TREAS. yield 4.800% NIKKEI (Midday) 32338.95 ▲ 0.42% See more at WSJ.com/Markets

Bezos' Blue Origin Methodically Plots Rocket Launch for Next Year

By MICAH MAIDENBERG

Near an empty Florida beach, Jeff Bezos' space company built a launchpad designed to withstand the flames and roar of powerful rocket engines at liftoff. There is hardly a scratch on it. Many in the space industry view Bezos' Blue Origin as a counterbalance to Elon Musk's SpaceX, which has become virtually a monopoly in the rocket-launch market.

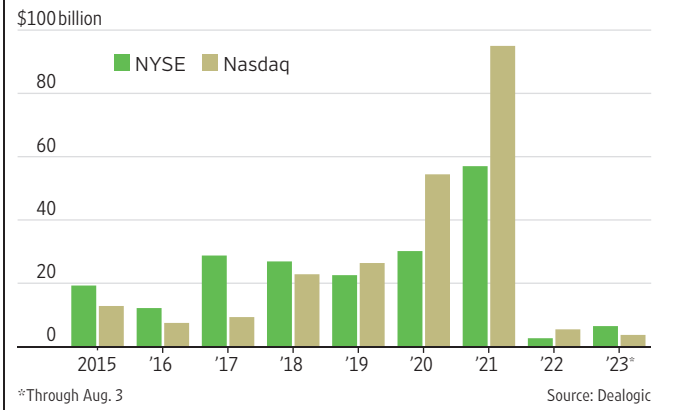
They also wonder why Blue Origin isn't further along. The company hasn't yet made it to orbit but is starting to close in on such a mission, producing huge metal sections and components for its fleet of New Glenn orbital rockets in a cavernous factory near the launchpad. The company, based outside of Seattle, has spread its bets over several businesses, including an engine division and a suborbital space-tour-

ism unit. Along the way, it has built a backlog of orders that stands close to \$10 billion. It has almost 11,000 employees, some working on projects aimed at fostering long-term exploration efforts, such as making solar cells out of moon rocks and dust. Launching New Glenn from the rugged-but-unused pad on Cape Canaveral stands out as a hurdle Blue Origin must show it can surmount. Customers have signed up to fly

on the vehicle, and Bezos' far-reaching goals for space require transport to low-Earth orbit and beyond. The company plans to launch the first New Glenn mission next year—provided the vehicle meets its exacting standards. "I think everybody wants New Glenn to fly at the earliest time possible. Everybody does," Bob Smith, chief executive at Blue Origin, said in an interview. "We're not going to

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Traditional IPOs raised, by exchange



NYSE, Nasdaq Battle to Sign New Listings

Tech-heavy market wins Instacart, Arm, while Big Board snags Birkenstock

By CORRIE DRIEBUSCH AND LAURA COOPER

The fight between the New York Stock Exchange and Nasdaq to win new stock listings is raging again, in another sign the market for initial public offerings is perking up after a long slumber. The Nasdaq recently won grocery-delivery company Instacart's listing, set to take place before year-end, according to people familiar with the matter. The exchange also successfully wooed Arm, the big chip designer. NYSE snagged the listings of marketing-automation platform Klaviyo and

trendy German shoe manufacturer Birkenstock. Exchanges make money each time a stock they host changes hands, but trading volumes are unpredictable. Listing fees, by contrast, are stable, and can add up to as much as a half-million dollars a year per company. Winning big listings confers coveted bragging rights. Nasdaq and NYSE compete for all big IPOs, using inducements such as expensive marketing and advertising packages, fancy coming-out parties and opening- and closing-bell ringing privileges. To woo Arm, likely to be the biggest IPO of the year, Nasdaq promised the British company a package valued at \$50 million, according to people familiar with the matter. The IPO market has been in

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Some Brides Say Yes to the \$100,000 Dresses



WHY SETTLE FOR JUST ONE? No longer satisfied with a single wedding gown, the search for the perfect dress can involve picking at least three options. Budgets vary for what some call bridal wardrobes, with some reaching \$100,000. B2

AI Opens New Ways for Hackers to Do Harm

By ROBERT McMILLAN

ChatGPT's ability to respond quickly and effectively to simple commands has attracted more than 100 million users, and a few hackers along the way. Johann Rehberger, a security researcher, is one of them.

Using plain English, he recently coaxed OpenAI's chatbot to do something bad: read his email, summarize it and post that information to the internet. In the hands of a criminal, this technique could have been used to steal sensitive data from someone's email inbox, Rehberger said.

ChatGPT "lowers the barrier to entry for all sorts of attacks," Rehberger said. "Because you don't really need to be able to write code. You don't have to have that deep knowledge of computer science or hacking." The attack wouldn't have affected most ChatGPT accounts.

It worked because Rehberger was using a beta-test feature of ChatGPT that gave it access to apps such as Slack, Gmail and others. "We appreciate the proactive disclosure of the findings, and have implemented a fix to block these attacks in ChatGPT," an OpenAI spokeswoman

said in an email. "We're grateful to the community for providing us with critical feedback we can use to make our models safer." Rehberger's technique, called prompt injection, is one of a new class of cyberattacks that are increasingly important

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Feuding Hedge Fund Founders Pressed to Make Peace

By GREGORY ZUCKERMAN AND JULIET CHUNG

John Overdeck, co-founder of the hedge fund Two Sigma, has feuded for years with the \$60 billion firm's other co-founder, David Siegel. The pair are so much at odds that the firm disclosed in a securities filing that they are unable to make basic management decisions.

But now another rift might further complicate things: Overdeck's wife has filed for divorce. For decades, Overdeck and Siegel have had an operating agreement that provides that they own roughly equal stakes, hold the only two votes and invest equally in Two Sigma's funds.

Early last year, Overdeck's wife, Laura Overdeck, initiated divorce proceedings, citing "irreconcilable differences," according to court documents. The dissolution of the 20-year marriage could force Overdeck to pay a multibillion-dollar settlement. The couple don't have a prenuptial agreement, according to someone close to the matter, so they are currently negotiating a divorce settlement. Forbes currently estimates Overdeck is worth nearly \$7 billion.

Overdeck's equity in Two Sigma likely makes up the largest portion of his assets, and he is eager to maintain roughly equal ownership and voting rights with Siegel, according to someone close to Overdeck. At the same time, Siegel places a higher value on the firm than Overdeck does, the person said, a new potential reason for conflict.

The pending divorce has accelerated deliberations between the executives about the firm's future, but no resolution has been reached, said people close to the matter. In recent years, Overdeck has in-

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Banks Struggle to Report Uninsured Deposits Correctly

By JONATHAN WEIL

It seems like an easy question for a bank to answer: How much of its deposits are covered by federal deposit insurance and how much are uninsured? Turns out this is hard stuff for some banks.

A case in point: Provident Bank. On Feb. 14, the Jersey City, N.J.-based lender said its uninsured deposits were \$5 billion as of Dec. 31. On June 13, it slashed that number to \$3.1 billion, or 29% of total deposits.

There's more. On July 14, Provident raised the number to \$4.9 billion. Then, on July 28, Provident raised it to \$5.3 billion, or 50% of total deposits.

A spokesman for Provident, a unit of Provident Financial Services, declined to comment.

Provident also restated its first-quarter uninsured-deposits number—twice. Originally, Provident said it was \$2.8 billion as of March 31. Then on July 14, it boosted that to \$4.5 billion. Then on July 28, it restated again, bumping it to \$5 billion.

What gives? Before this year, having a high percentage of uninsured deposits wasn't widely seen as a big problem. Then Silicon Valley Bank began to teeter in March. About 88% of its deposits were uninsured at year-end, which is

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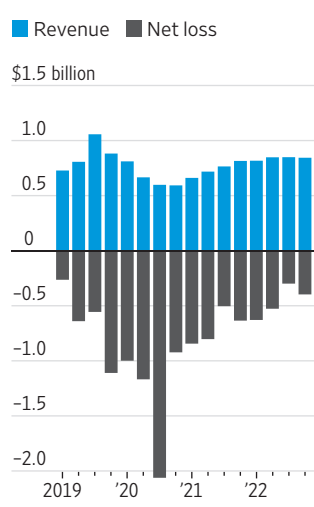


The office provider is vulnerable to a weakening market because of its massive rent bills.

WeWork Adds Bankruptcy Pros To Board After Directors Resign

WeWork shuffled its board after the resignation of three directors who disagreed with its governance and strategy, replacing them with corporate

WeWork quarterly financials



Sources: S&P Capital IQ; the company

bankruptcy experts as it cast doubt on its ability to survive turmoil in the office-building market.

The flexible workspace provider, once valued at \$47 billion but now a penny stock, said Tuesday that board members Daniel Hurwitz, Vivek Ranadivé and Veronique Laury resigned last week because of "a material disagreement regarding board governance and the company's strategic and tactical direction."

To succeed them, WeWork appointed to its board four new independent directors, all of whom have prior experience steering businesses through complex corporate defaults and

continue as a going concern. WeWork shares fell on Wednesday, settling at 13 cents, down 99% since their public listing in 2021. A WeWork representative declined to comment. Hurwitz, Ranadivé, and Laury didn't respond to requests for comment. While the going-concern warning doesn't mean WeWork will restructure its debt or go bankrupt, it illustrates the severity of challenges facing the business, once among the world's most valuable startups with backing from SoftBank and other venture investors. WeWork is vulnerable to a weakening office market because of its massive rent bills for leasing office space. The company typically leases its offices under long-term deals and effectively sublets desks to companies short-term. By locking itself into leases, WeWork has to pay rent whether or not it can fill desks—a recipe for big losses when demand for of-

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INSIDE



AUTOMOBILES Japanese carmakers overhaul China operations as they lose ground there. B3



TECHNOLOGY Roblox reports its loss widened, sending the stock down more than 20%. B4

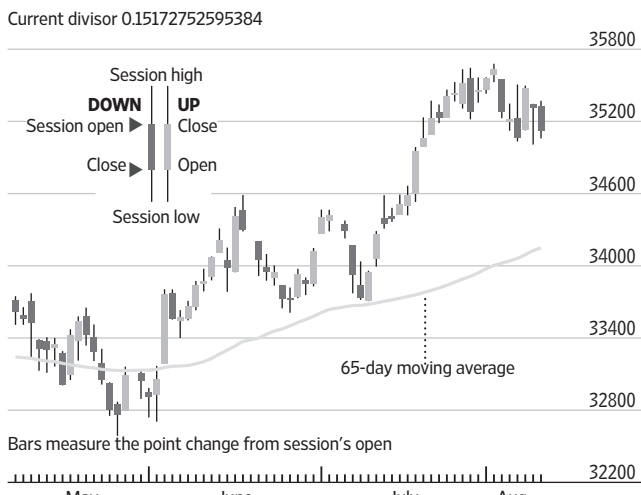
MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

35123.36 ▼191.13, or 0.54%
 High, low, open and close for each trading day of the past three months.

Last Year ago
 Trailing P/E ratio 25.57 19.66
 P/E estimate * 19.38 17.41
 Dividend yield 2.02 2.10
 All-time high 36799.65, 01/04/22

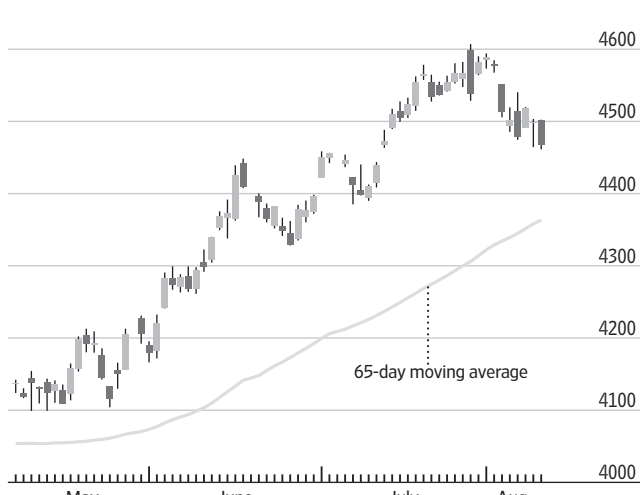


Current divisor 0.15172752595384
 Bars measure the point change from session's open
 *Weekly P/E data based on as-reported earnings from Birinyi Associates Inc. †Based on Nasdaq-100 Index

S&P 500 Index

4467.71 ▼31.67, or 0.70%
 High, low, open and close for each trading day of the past three months.

Last Year ago
 Trailing P/E ratio * 22.43 22.56
 P/E estimate * 20.75 18.22
 Dividend yield * 1.56 1.58
 All-time high 4796.56, 01/03/22



Nasdaq Composite Index

13722.02 ▼162.31, or 1.17%
 High, low, open and close for each trading day of the past three months.

Last Year ago
 Trailing P/E ratio ** 32.02 26.82
 P/E estimate ** 29.15 23.06
 Dividend yield ** 0.81 0.83
 All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	35370.89	35058.73	35123.36	-191.13	-0.54	35630.68	28725.51	5.4	6.0	8.6
Transportation Avg	16291.50	16160.38	16170.07	-134.92	-0.83	16695.32	11999.40	8.0	20.7	15.2
Utility Average	900.81	888.42	891.73	0.30	0.03	1061.77	838.99	-13.2	-7.8	1.9
Total Stock Market	45009.52	44586.16	44657.09	-329.88	-0.73	45969.67	36056.21	5.1	15.9	9.3
Barron's 400	1024.13	1016.62	1018.70	-5.10	-0.50	1036.97	825.73	4.9	10.7	11.8
Nasdaq Stock Market										
Nasdaq Composite	13898.54	13698.39	13722.02	-162.31	-1.17	14358.02	10213.29	6.7	31.1	7.6
Nasdaq-100	15288.76	15077.91	15101.71	-171.34	-1.12	15841.35	10679.34	12.9	38.0	10.7
S&P										
500 Index	4502.44	4461.33	4467.71	-31.67	-0.70	4588.96	3577.03	6.1	16.4	10.1
MidCap 400	2680.86	2658.80	2665.62	-13.73	-0.51	2728.44	2203.53	4.1	9.7	11.2
SmallCap 600	1256.05	1243.59	1249.55	-8.85	-0.70	1315.82	1064.45	-0.5	7.9	11.1
Other Indexes										
Russell 2000	1946.66	1925.13	1930.77	-16.65	-0.86	2021.35	1655.88	-2.0	9.6	7.2
NYSE Composite	16224.91	16107.85	16135.77	-40.58	-0.25	16427.29	13472.18	3.7	6.3	8.1
Value Line	581.70	577.27	578.35	-2.96	-0.51	606.49	491.56	-1.0	7.8	6.6
NYSE Arca Biotech	5227.21	5179.05	5204.44	25.39	0.49	5644.50	4390.11	2.2	-1.5	-2.9
NYSE Arca Pharma	916.31	906.18	912.22	2.89	0.32	912.22	737.84	13.0	5.1	11.3
KBW Bank	87.58	86.14	86.17	-1.46	-1.67	115.55	71.96	-22.8	-14.6	-3.6
PHLX ^S Gold/Silver	118.95	117.39	117.89	-0.51	-0.43	144.37	91.40	5.4	-2.5	-8.5
PHLX ^S Oil Service	95.87	93.61	94.09	1.00	1.08	94.09	56.08	43.2	12.2	35.0
PHLX ^S Semiconductor	3678.75	3606.09	3610.47	-68.95	-1.87	3861.63	2162.32	20.8	42.6	18.3
Cboe Volatility	16.87	15.38	15.96	-0.03	-0.19	33.63	12.91	-19.1	-26.3	-10.4

^SNasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Disney	DIS	10,574.0	90.09	2.60	2.97	92.80	84.61
SPDR S&P 500 ETF Trust	SPY	10,559.2	446.30	0.55	0.12	464.11	436.90
Kenvue	KVUE	6,104.9	23.79	0.44	1.88	25.45	23.28
Energy Transfer	ET	5,749.2	13.00	0.02	0.15	13.00	12.98
Microsoft	MSFT	3,809.5	322.31	0.08	0.02	325.79	305.42
Apple	AAPL	3,682.2	178.30	0.11	0.06	179.74	178.09
EQT Corp	EQT	3,274.6	44.10	0.05	0.11	44.40	44.05
SoFi Technologies	SOFI	3,274.1	8.95	-0.04	-0.44	9.01	8.86

Percentage gainers...

Company	Symbol	Last	Net chg	% chg	High	Low
Applovin	APP	701.3	36.55	7.14	24.28	36.70
Sonos	SONO	288.2	17.23	1.59	10.17	18.47
Digital World Acqn CIA	DWAC	57.5	16.19	1.24	8.29	16.85
Sabre Corp.	SABR	176.5	5.33	0.24	4.72	5.45
Leslie's	LESL	169.5	7.15	0.32	4.69	7.23

...And losers

Company	Symbol	Last	Net chg	% chg	High	Low
Magnite	MGNI	132.7	10.55	-1.79	-14.51	13.35
Purple Innovation	PRPL	84.1	2.39	-0.34	-12.45	2.73
NGL Energy Partners	NGL	92.5	4.10	-0.32	-7.24	4.53
American Superconductor	AMSC	260.7	7.93	-0.61	-7.14	9.00
illumina	ILMN	352.2	174.12	-10.37	-5.62	190.75

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	821,958,120	10,634,956
Adv. volume*	328,052,324	5,869,679
Decl. volume*	479,767,553	4,523,947
Issues traded	3,018	328
Advances	1,289	154
Declines	1,597	155
Unchanged	132	19
New highs	77	6
New lows	37	10
Closing Arms [†]	1.36	1.24
Block trades [†]	3,819	118

	Nasdaq	NYSE Arca
Total volume*	5,591,362,831	237,538,494
Adv. volume*	2,134,682,920	116,503,526
Decl. volume*	3,418,222,157	119,402,433
Issues traded	4,515	1,772
Advances	1,644	713
Declines	2,687	1,030
Unchanged	184	29
New highs	78	17
New lows	187	10
Closing Arms [†]	0.98	0.63
Block trades [†]	44,148	1,103

*Primary market; NYSE, NYSE Amer., NYSE Arca only.
[†](TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World					
	MSCI ACWI	686.19	-2.09	-0.30	13.3
	MSCI ACWI ex-USA	304.61	1.20	0.40	8.3
	MSCI World	2976.31	-11.79	-0.39	14.4
	MSCI Emerging Markets	1008.42	4.71	0.47	5.4
Americas					
	MSCI AC Americas	1692.43	-11.05	-0.65	16.1
Canada	S&P/TSX Comp	20275.27	69.29	0.34	4.6
Latin Amer.	MSCI EM Latin America	2438.55	15.41	0.64	14.6
Brazil	BOVESPA	118408.77	-681.47	-0.57	7.9
Chile	S&P IPSA	3578.11	56.45	1.60	12.8
Mexico	S&P/BMV IPC	54220.74	557.72	1.04	11.9
EMEA					
	STOXX Europe 600	460.58	1.98	0.43	8.4
Eurozone	Euro STOXX	456.01	2.57	0.57	11.2
Belgium	Bel-20	3713.75	14.65	0.40	0.3
Denmark	OMX Copenhagen 20	2173.20	-16.02	-0.73	18.4
France	CAC 40	7322.04	52.57	0.72	13.1
Germany	DAX	15852.58	77.65	0.49	13.9
Israel	Tel Aviv	1887.30	26.75	1.44	5.0
Italy	FTSE MIB	28308.09	365.84	1.31	19.4
Netherlands	AEX	770.22	3.22	0.42	11.8
Norway	Oslo Bors All-Share	1441.87	39.81	2.84	5.8
South Africa	FTSE/JSE All-Share	76837.44	...	Closed	5.2
Spain	IBEX 35	9354.40	52.60	0.57	13.7
Sweden	OMX Stockholm	827.36	5.19	0.63	5.8
Switzerland	Swiss Market	11081.54	24.22	0.22	3.0
Turkey	BIST 100	7600.65	188.45	2.54	38.3
U.K.	FTSE 100	7587.30	59.88	0.80	1.8
U.K.	FTSE 250	18937.20	95.66	0.51	0.4
Asia-Pacific					
	MSCI AC Asia Pacific	164.84	-0.04	-0.02	5.8
Australia	S&P/ASX 200	7338.00	26.84	0.37	4.3
China	Shanghai Composite	3244.49	-16.13	-0.49	5.0
Hong Kong	Hang Seng	19246.03	61.86	0.32	-2.7
India	S&P BSE Sensex	65995.81	149.31	0.23	8.5
Japan	NIKKEI 225	32204.33	-172.96	-0.53	23.4
Singapore	Straits Times	3313.79	...	Closed	1.9
South Korea	KOSPI	2605.12	31.14	1.21	16.5
Taiwan	TAIEX	16870.94	-6.13	-0.04	19.3
Thailand	SET	1528.30	9.86	0.65	-8.4

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	High	Low	% chg
Tango Therapeutics	TNGX	7.81	3.98	103.92	9.39	2.47	57.1
Decibel Therapeutics	DBTX	5.03	2.24	80.29	5.68	1.61	17.2
Mirati Therapeutics	MRTX	37.00	9.20	33.09	101.30	27.30	-55.4
Oportun Financial	OPRT	6.84	1.59	30.29	8.06	2.19	-6.8
United Insurance	UIHC	7.21	1.58	28.06	7.21	0.29	521.6
PMV Pharmaceuticals	PMVP	8.67	1.88	27.69	17.78	3.84	-49.5
Computer Task Group	CTG	10.20	2.20	27.50	10.30	6.05	29.1
BOOM Global	BOOM	22.26	4.71	26.84	28.01	13.95	-1.3
ThredUp	TDUP	4.06	0.84	26.09	4.09	0.73	30.5
Array Technologies	ARRY	22.18	4.30	24.05	24.99	13.86	-5.9
Cheetah Net Supply Chain	CTNT	2.90	0.50	20.83	6.90	2.20	...
China Liberal Educ Hldgs	CLEU	2.56	0.44	20.75	2.57	0.50	313.3
Celsius Holdings	CELH	172.67	29.31	20.45	175.85	78.25	68.3
Azeneta	AZTA	57.76	9.76	20.33	65.86	36.01	-6.7
LivePerson	LPSN	4.75	0.76	19.05	18.17	3.19	-65.2

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
EBET	EBET	443,969	4459.8	0.04	37.50	2.66	0.03
Mullen Automotive	MULN	277,138	12.3	0.11	-2.49	23.25	0.10
T2 Biosystems	TTOO	222,758	185.3	0.34	10.48	15.00	0.05
Ideanomics							

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Mining
Growing the local extractive sector.
Page 3



Transport
Beefing up the local aviation sector.
Page 4



Urban Planning
Becoming a leader in urban modernization.
Page 5

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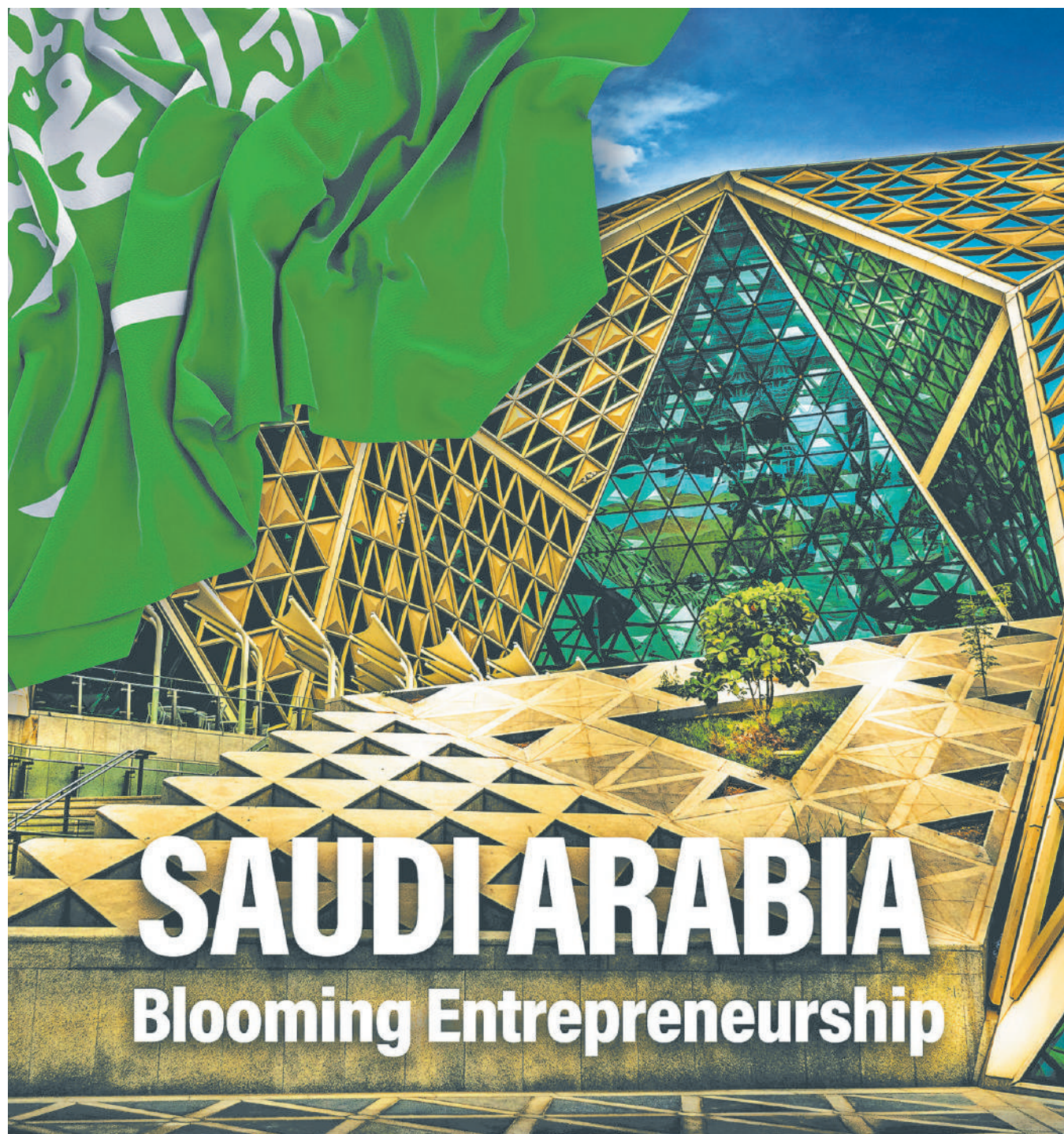
Young entrepreneurs take the tech world by storm

Saudi Arabia's startup and funding landscape is a major economic spark in an otherwise depressed global venture capital landscape. There can be no better time to have a good idea in the kingdom, particularly in tech

Saudi Arabia's path to modernization is putting youth at the forefront under its Vision 2030 initiative. The number of residents under the age of 35 is significant, making up 63% of the country's population of 32.2 million. To support this demographic, the government has committed to creating 200,000 jobs by 2025 through entrepreneurship. Under the Vision 2030 initiative, Saudi Arabia aims to have small and medium-sized enterprises (SMEs) account for 35% of its gross domestic product by 2030. The nation is also currently pushing growth of its nascent technology sectors through its National Strategy for Digital Transformation, which has enabled the creation of digital regulatory sandboxes. The most active of these was created by the Saudi Central Bank in 2018 to catapult digital startups in the financial sector. Since it was launched, the number of local fintech startups have grown by a compound annual growth rate of 147%, with more than 550 fintech entities expected by 2030. The Vision 2030 strategy also envisions a sizable artificial intelligence sector that is targeted to be valued at \$135.2 billion and contribute 12.4% of the country's gross domestic product by 2030.

In 2022, Saudi Arabia saw \$1.2 billion in funding handed to startups, the second highest in the region following the UAE. Fintech startups attracted the most attention, with four out of the top ten funded companies working in the sector. Between 2018 and 2022, Saudi Arabia's venture capital ecosystem saw a compound annual growth rate of 74%. At the LEAP 2023 tech conference in Riyadh in February 2023, a plethora of investment funds and initiatives were announced worth \$2.8 billion to promote technology startups from all corners of the market. These included local banks Banque Saudi Fransi and Riyad Bank committing \$1 billion each and Merak Capital committing \$53 million to support growth of the information and communications technology sector; local asset manager Impact46 contributing \$133 million to fund startups in the Middle East and North African region; Abu-Dhabi-based investment firm Shoroog Partners pledging \$100 million to create a venture debt fund, with \$15 million being put towards Saudi Arabia's first gaming accelerator fund; Saudi Investment Bank announcing it would dedicate \$40 million towards developing fintech; venture capitalist fund Planetary Capital pledging \$30 million to the space technology sector; and fellow venture capitalists entity Rakeezah Ventures committing \$25 million to build an accelerator-backed funding program.

Continues on page 2



Saudi Arabia's economy is growing rapidly. Its gross domestic product rising by 8.7% in 2022, making it the fastest growing economy in G20 countries. The country is now outpacing global giants China, India, Indonesia, South Korea and Taiwan as international markets are hit hard with higher energy prices and a shake up of value chains. While Saudi Arabia's growth is largely funded through its oil operations, the country's giant diversification program meant to reboot the country as a vibrant industrial powerhouse is bearing fruit. In Q1 2023, non-oil activities grew by 5.4% compared to growth of only 1.4% in oil activities. The country is using this new momentum to not only fuel its nascent mining, tourism, medical, entertainment, tech, renewables and logistics sectors, but also transforming the local business mindset towards that of entrepreneurialism and innovative thinking. The nation is actively promoting its new success in global markets to attract participation from foreign investors, including recently making a bid to host the 2030 World Expo.

Launched in 2016, Vision 2030 is the country's flagship vehicle for industrial transformation. Under the initiative, the country aims to attract 100 million visitors annually, put three of its cities in the 100 top-ranked cities in the world, have at least five of its universities in the top 200 global universities and increase the contribution of

small and medium-sized enterprises to 35%. The nation is already far outpacing its targets under the program. In 2022, Saudi Arabia achieved a localization rate of 59.5% in its oil and gas sector, surpassing its targeted baseline of 37%. New jobs created under the program have had a significant impact on lowering unemployment rates in the country, with rates falling to 8%

As Saudi Arabia makes waves across the globe through its industrial diversification roadmap, a new kind of outlook based on entrepreneurial spirit and innovation is taking ahold of private sector leaders

in Q4 2022 compared to 11% the year prior. The percentage of university graduates joining the labor market within six months of graduation reached 32% in 2022 against a set target of 13.3%. Additionally, reforms under the program have empowered women, with their participation in the labor market doubling since 2016 to reach 34% in 2022 and surpassing a set target of 22.8%. Tourism, a key vertical in the program, saw 94 million tourists traveling in the market in 2022. The segment saw growth of 121% in 2022, making it the fastest growing tourism sector among G20 countries. The Vision 2030 program is also pushing for sustainability under its Saudi Green Initiative and the Middle East Green Initiative, with around 50 billion trees planted and 200 million hectares of degraded land reclaimed in 2022 with the larger goal of

achieving net-zero carbon emissions by 2060. Saudi Arabian business leaders are taking advantage of the liberalized market to innovate and create new pathways with a renewed can-do attitude. "The Saudi Arabian government is currently keen on progressing industrial development very quickly. Our challenge as private companies is to be even faster," said Sheikh Mohammed Alajlan, vice chairman of family-owned conglomerate Ajan & Bros Holding Company. The company is making headway in a multitude of sectors, including creating partnerships in information technology, renewables, digital banking, defense and marine services. "Under Vision 2030, the government is now supporting the private sector and giving us tools that we did not have before," said Meshal Bin Omairh, Group CEO of Abdullah Al Othaim Investment Company.

The company is heavily aligned with Vision 2030's goal to make Saudi Arabia an entertainment hotspot through its commercial malls and cinemas. Another leading player is Saudi Arabian Mining Company or Ma'aden that is looking to create a substantial minerals sector in the country by partnering with companies from across the globe. "We have to do things in the sector that have never been done before," said Robert Wilt, CEO of Ma'aden. "Our aim is to be a role model in environment, social and corporate governance activities."

Partnering to leverage Saudi Arabia's \$1.3 trillion mineral potential.

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... The Saudi Unicorns Program was also announced at the conference, which aims to drive the value of its initial 34 companies to above \$1 billion each. Saudi Arabia's recent mass funding of SMEs is already bearing fruit. Tamara, which provides a buy-now-pay-later platform

with their goals is Endeavor Saudi Arabia, which commits to supporting businesses over the long term, including scaling up and connecting business startups with investors in Saudi Arabia. A rigorous process ensures that only the best succeed in partnering with Endeavor; typically,

2023, the company partnered with InspireU, Saudi Arabia's first corporate accelerator, to promote local endeavors in information and communication technology, fintech, cybersecurity and digital innovation. "We have the support of the leadership to be different; I think this is important for the culture," said Ahmed Hamdan, CEO of Unifonic. "That mindset change is happening from the top level, and it will trickle down to everyone to solve the problems we face today." Learning from accelerator best practices from around the world, the country has launched various startup incubators. TAQADAM is the Middle East's only multi-university startup accelerator. It is delivered by King Abdullah University of Science and Technology and provides a six-month initial accelerator program that allows participants access to the university's research and development and infrastructure. In March 2023, TAQADAM awarded \$1 million to 10 new participants. Launched in 2019, Misk Accelerator provides 10-week virtual programs

with Google for Startups in August 2022 to support more than 100 startups around the world. Saudi Arabia's technology sectors are also being supported by its highly performing students and talent, highlighting a change in generational values. In November 2022, the MiSK Global Forum took place in Riyadh under the theme of generational transformation, with 15,000 young people in attendance and people from 120 countries joining virtually. In 2022, 35 Saudi Arabian students from a pool of 1,800 youths from 80 countries received a total of 22 awards at the International Science and Engineering Fair in the United States and a group of Saudi Arabians also won 13 science and technology awards at ITEX, an innovation and invention hub in Malaysia. In June 2023, 120 university students joined the Saudi Arabia Innovation Summit 2023 organized by Schneider Electric for exclusive career coaching designed to create better job prospects and empower the country's youth to become future leaders in science, technology, engineering and mathematics. The company



"The proof of our success lies in the trust we now have from international players that have recognized our potential and value."

Abdulmajeed Al Sukhan
Cofounder & CEO of Tamara

has rocketed to regional acclaim since it was established in 2020, with now more than 3 million customers and more than 4,000 merchants including international brands such as IKEA and Adidas and regional online shopping platforms such as Namshi and Jarir. The local company was the first buy-now-pay-later platform to utilize the Saudi Central Bank's digital sandbox. Within the first five months after launching, the company passed multiple regional funding milestones, including the largest-ever initial seed investment round in Saudi Arabia with \$6 million raised and the largest-ever recorded Series A funding round in the Middle East and North African region with \$110 million raised led by fintech leader Checkout.com. In 2022, the company underwent its Series B investment round, bringing up its total acquired investment to \$216 million. "The proof of our success lies in the trust we now have from international players such as Checkout.com, Goldman Sachs and Coate that have recognized our potential and value," said Abdulmajeed Al Sukhan, co-founder and CEO of Tamara. Further assisting investors

one out of 30 applicant companies receive an initial review. Saudi Venture Capital confirmed its investment of \$75 million in Endeavor Global in May 2023 to fuel the growth of startups and SMEs in the country. "One entrepreneur can positively influence more than 600 startups through mentorship, spin-offs or angel investment," said Lateefa Al Walan, managing director of Endeavor Saudi. "Typically, out of all registered SMEs, only 2% are high growth, yet they account for 50-60% of the jobs created by SMEs. This is why high-impact entrepreneurship is so critical." Founded in 2006, Unifonic is a local pioneer in communications through its unique customer engagement platform. The company now has 500 employees and more than 5,000 business accounts, including leading local banks and government entities. The company now handles more than 10 billion transactions per year in more than 160 countries. In October 2022, the company purchased Sestek, a Turkish company specializing in conversational artificial intelligence, to better serve customers. In April



"One entrepreneur can positively influence more than 600 startups through mentorship, spin-offs or angel investment."

Lateefa Al Walan
Managing Director of Endeavor Saudi

for aspiring entrepreneurs. So far, the incubator has supported more than 130 companies and created more than 2,330 jobs. In March 2023, 20 companies graduated from its program. Another incubator, The Garage, was launched in February 2022. The startup support entity signed a partnership

took on 22 graduates in its Early Career Program in 2022, of whom two third were women. In 2023, the intake number increased to 150. "Youth in Saudi Arabia and the wider Middle East represent a dynamic and tech-savvy generation that is eager to embrace new opportunities," said Al Sukhan.

Saudi Arabia steps up as a world leader in the green energy revolution

Saudi Arabia is inviting foreign participation in its ambitious goals to embrace renewables as a key energy source and cut carbon emissions from its power generation sector

The world's second largest oil producer is progressing rapidly on its mission to diversify away from hydrocarbons and become a global leader in renewable energy. Currently, the country generates 100% of its electricity from fossil fuels, with 49% coming from gas and 51% from petroleum liquids such as oil. However, the country has set an ambitious target to generate 45-50% of its energy mix from renewable sources by 2030, with the remainder coming solely from carbon-friendly gas. The country is now turning the bulk of its energy spending towards the energy transition and raising international notice from prospective partners and investors with a larger goal to achieve carbon neutrality before 2060. The Gulf country is currently developing 70 renewable parks that require around \$100 billion worth of investment, all planned or currently in development stages. To reach its national targets, the country introduced a new energy supplies law in December 2022 that allows foreign companies to fully own engineering companies in the market. "Saudi Arabia is at the forefront of developing renewable energy projects and contributing to a model society set on transforming industry to protect the planet," said Curro Nicolau, chairman of global renewables player Go Energy Group. "Large infrastructure projects are growing, putting [the country] on the map as one of the best locations for investment." Saudi Arabia has significant solar potential, with the World Bank ranking it as the seventh highest worldwide over the course of a year. The country

is currently developing a giant solar park in Al Shuaibah. The development is set to become the world's largest single-contracted photovoltaic plants, with an installed production capacity of 2.06 GW. The project is backed by Saudi's Public Investment Fund and local renewables leader ACWA Power and is expected to begin operations by the end of 2025. Additionally, the group is working on a 1.5-GW solar farm located in Sudair Industrial City. When completed, the project will power 185,000 homes and offset almost 2.9 million tons of carbon emissions per year. Wind energy is also of vital importance to the national plan, with planned projects in Yanbu, Al-Ghat and Waad Al Shamal that together are targeted to produce up to 1.8 GW. In August 2021, the 400-MW Dumat Al Jandal wind farm came on line, Saudi Arabia's first utility-scale wind power project. Additionally, the government has acknowledged nuclear energy as a source for renewable energy and has reached out to US players for guidance and possible partnerships. Another significant clean energy initiative is the \$500-billion NEOM project, which encompasses building a city run entirely on renewable energy in the northwest of the country. NEOM Green Hydrogen Company – an equal joint venture between ACWA Power, US hydrogen producer Air Products and NEOM – is spending \$8.4 billion to produce the world's largest carbon-free green hydrogen plant at the NEOM Oxagon site. The plant will use 4 GW of solar and wind energy to produce up to 600 tons per day of carbon-free hydrogen. The facility is expected to come

on line by the end of 2026. Though the cost may seem high, Paddy Padmanathan, board member of ACWA Power bets on the project's

work on the NEOM project, ACWA Power plans to develop a series of interconnected gigacities, including its \$1.59-billion Red Sea project



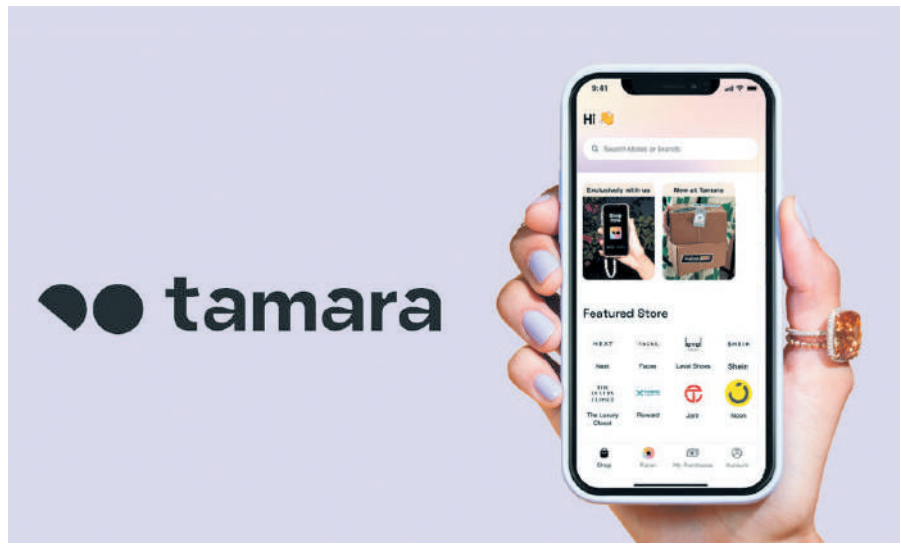
"Saudi Arabia is at the forefront of developing renewable energy projects and contributing to a model society set on transforming industry to protect the planet."

Curro Nicolau
Chairman of Go Energy Group



future profitability: "Approaching sustainability with a long-term mindset actually proves to be the most cost-competitive approach rather than an additional expense. This is a concept that people often struggle to grasp." In addition to its

designed to handle 1 million visitors per year run almost entirely on renewable energy. These giant projects have set the pace, with the government anticipating more participation from the global private sector as activities increase.



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Saudi Arabia is diversifying away from oil and gas as part of its giant Vision 2030 initiative and concentrating on unlocking its economic potential – specifically its significant mineral wealth. State-owned Saudi Arabian Mining Company (Ma’aden) is leading the charge on directing investments into the mining industry in the Kingdom, which is valued at more than \$1.3 trillion. In 2022, the Gulf nation spent \$32 billion on the mining sector and in March 2023 Saudi Arabia’s Ministry of Industry and Mineral Resources announced bidding timelines for five mining concessions within the same year. The Gulf nation’s current mining strategy is based on the four following pillars: launching a regional geological survey program focused on phosphate, bauxite, copper, gold, nickel, zinc and uranium, with four to six auctions for exploration works planned in 2023; redrawing policy to provide a favorable investment environment; updating its environmental, social and corporate governance (ESG) practices; and building up capacities of adjacent value chains. “Under its diversification strategy, the Kingdom wants to develop a significant steel industry for shipbuilding and our mega projects; an electric vehicle industry; and a high-tech industry. These segments all require a portfolio of minerals and metals, which is why building a significant mining industry is imperative,” said Robert Wilt, CEO of Ma’aden.

Created more than 25 years ago as an offshoot of the country’s weighty hydrocarbons industry, Ma’aden has grown significantly in the last decade to have a market capitalization of around \$48 billion. “In reality the company is only about 13 years old in terms of significant growth and investment. Since then, we have become the world’s second largest exporter of phosphates and now have the world’s lowest costing, fully integrated aluminum chain,” said Wilt. In 2022, the company recorded an 87% jump in annual net profits to \$3.23 billion. Among the company’s milestones include the creation of the Ras Al Khair and Wa’ad Al Shamal mining hubs. Ma’aden currently supports around 6,800 direct employees and 45,000 indirect jobs and produces around 6 million tons of phosphate fertilizer per annum. According to Wilt, Ma’aden’s long-term strategy involves expansion of its current key verticals – phosphates and aluminum – and then moving towards expansion of gold and copper production. The first phase of its plan involves raising production of phosphate fertilizer to 8 million tons per year by 2027 under its Phosphate 3 project. Additionally, the company expects to see up to three gold mining projects currently in pre-feasibility stages brought into production by 2028.

As Saudi Arabia’s Ministry of Industry and Mineral Resources works to attract foreign participation, Ma’aden’s CEO views incoming players as key collaborators in the company’s growth. “We know the stakeholders and the landscape, and we have done most of the legwork,” said Wilt. “We are the partner of choice.” In January 2023, Ma’aden and US-based Ivanhoe Electric teamed up to establish a 50:50 joint venture to explore around 48,500 square kilometers of untouched resources on the Arabian Shield using the company’s proprietary Typhoon technology. Under the deal, Ivanhoe Electric will contribute \$66 million to the joint venture, with \$13 million put towards acquiring three new generation Typhoon

Saudi Arabia sets its sights on minerals

Robert Wilt, CEO, Saudi Arabian Mining Company (Ma’aden), outlines the Kingdom’s current strategy to grow a significant local extractives sector and the company’s key partnerships with international entities

machines. According to Wilt, the partner’s equipment will grant a sixfold increase in the speed of Ma’aden’s current exploration activities. As part of the deal, the Saudi state-run mining giant has committed \$126.4 million to purchase a 9.9% stake in the American-Canadian copper-

Corporation in January 2023 to advance exploration of the Jabal Sayid South and Umm Ad Damar mining concessions and create a significant copper hub. The two companies have previously worked on developing the neighboring Jabal Sayid mine, Saudi Arabia’s sole



Saudi Arabian mining company (Ma’aden).

producing entity, which owns properties in Arizona, Utah and Montana and a battery storage entity.

The company’s latest round of partnerships also includes a deal with American-Australian engineering consultancy Worley and Morocco’s JESA International to provide engineering, procurement, construction and management of an integrated production complex at Wa’ad Al Shamal and Ras Al-Khair industrial cities for \$278 million. The 42-month contract falls under Ma’aden’s plans to build a 1.5-million-tonne greenfield phosphate complex under its Phosphate 3 project. The first phase

copper asset located around 350 kilometers north-east of Jeddah, which saw its first shipment of copper concentrate at the end of 2015. “The 50:50 joint venture is getting along extremely well as our values are aligned,” said Wilt. “Our partners are just as interested in developing the Kingdom’s resources and talent as we are.”

While heavy investments are being made to enhance local production, Ma’aden is also focused on expanding its international footprint to fill in necessary gaps in the development of auxiliary industries, with a global



“We have become the world’s second largest exporter of phosphates and now have the world’s lowest costing, fully integrated aluminum chain.”

Robert Wilt
CEO of Ma’aden

of the project is expected to be complete by 2025 and a second expansion by 2027. “As global demand for phosphates continues to grow, only a few companies are capable of meeting production needs through expansion projects – and we are one of them,” said Wilt. Additionally, Ma’aden signed two joint venture agreements with Canadian mining entity Barrick Gold

concentration on iron ore, nickel, copper and lithium. In January 2023, the company launched a joint venture alongside Saudi Arabia’s Public Investment Fund (PIF), which plans to invest an initial \$15 billion in overseas assets. Ma’aden will hold a majority 51% stake in the mining fund, with PIF holding the remaining shares. Following the creation of the fund, the Egyptian Minister

of Petroleum and Mineral Resources announced that Ma’aden planned to invest in Egypt’s mining sector.

The Saudi mining giant is also putting a major focus on sustainability. The company plans to become carbon neutral by 2050 under a roadmap started in 2022. Wilt underlined Saudi Arabia’s potential as a key location for sustainable development: “The Kingdom is well positioned for carbon capture, utilization and storage efforts, with potential for carbon capture and sequestration all up and down the eastern coast. Additionally, we have vast amounts of wind and sunshine and are a great home for renewables.” In November 2022, the company signed a 20-year contract with Emirati gas provider Gulf Cryo to build a carbon capture project in Ras Al Khair that will capture 300,000 tons of carbon dioxide emissions per year from its three ammonia plants. The first phase of the project is expected to come on line by 2024, with the captured product used to replace industrial gasses in the local maritime, enhanced oil recovery and water desalination sectors. According to Wilt, the company’s sustainability roadmap involves setting up carbon capture projects and replacing gas-

“The world requires the mining industry to achieve its energy transition and move towards green energy.”

fired power generation with renewables, with these goals expected to be reached within the next decade.

Wilt underlines the importance of the mining industry in creating necessary building blocks for advancing the energy transition agenda: “The world requires the mining industry to achieve its energy transition and move towards green energy. However, to do so we need to double the amount of copper we are mining in the next decade and produce five times as much aluminum in the next 15 years.” As part of its commitment to creating a global green economy, Ma’aden was certified by German testing, inspection and certification agency TÜV Rheinland in October 2022 to export 138,000 tonnes of blue ammonia, one of the largest certified volumes in the world. The first shipment of 25,000 was sent to South Korea in November 2022 and in March 2023 Ma’aden announced another agreement with Taiwan Fertiliser company for further export of the product.

Additionally, Ma’aden is consciously updating its ESG goals and focusing on upping efficiencies through the creation of more sustainable business practices. “Focusing on ESG is not simply a way of operating; we view this as an opportunity to address global issues and challenges, distinguish ourselves and give ourselves a competitive advantage,” said Wilt. According to the business leader, 45% of products and services are currently locally sourced in Saudi Arabia, which he says needs to be increased to 65% and then 75%. Additionally, the company looks to increase female participation in its workforce from its current 3% to 6% by 2023 with a long-term goal of having 35% of its positions filled by female staff. “ESG is at the front, side and center of our agenda; it matters in everything we do,” the CEO underlined.



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Revamping the transport sector

To support Saudi Arabia's industrial diversification plans, the country is funneling billions into beefing up the local aviation sector with the goal of making the nation a global tourism and logistics hub

The aviation sector contributed \$21 billion to Saudi Arabia's gross domestic product in 2022 with plans to triple its value under the Vision 2030 program through planned investments of \$100 billion. Scale-up targets include building a new mega-airport in Riyadh and launching a new flagship passenger airline. In March 2023, Saudi Arabia secured a \$37-billion deal for 121 Boeing 787s purchased from the United States with the goal of increasing the country's visits to 100 million annually by 2030. The country is on its way to meeting its targets, with 77 million domestic travelers and 16.5 million international travelers welcomed in 2022. As part of its drive to boost local capacities, Saudi Arabia has been selected as the host for the world's largest civil aviation conference in December 2023, the International Civil Aviation Organization's Air Services Negotiation Event or ICAN 2023.

"The event will be a pivotal opportunity to grow bilateral relationships with participating countries and to showcase Saudi hospitality and culture to the aviation world," said Saudi Arabia's Minister of Transport Salah Al-Jasser.

A key part of the country's focus on aviation is the King Salman International Airport master plan launched in November 2022. The development intends to raise the airport's capacities to 120 million passengers by 2030 and 185 million by 2050 along with the ability to handle 3.5 million tons of cargo annually by 2050. The airport will get an additional six runways and 4.63 square miles of facilities. Together, the mega-airport will cover 22 square miles. The development will be powered by renewable energy and plans to achieve a LEED Platinum certification for its sustainable design. The Saudi Arabian aviation authority has announced plans to ax airport fees by 35%. Bloomberg reported that the nation is seeking investment and partnerships from

logistics entity DHL and American multinational Amazon to build out its cargo facilities and support a burgeoning e-commerce sector at the airport. Alongside the airport revamp, Saudi

June 2023 over the capital, with its official launch planned in early 2025.

Saudi Arabia's flagship carrier Saudia is one of the fastest growing airlines in the Middle East,

25 new routes planned for 2023. "We consider ourselves the wings of Vision 2030," said Ibrahim Koshy, CEO of Saudia. In March 2023 the company purchased 49 new Boeing 787s



The Helicopter Company.



"Our immediate goal is to provide air mobility to Saudi Vision 2030 projects and grow domestically. However, we still have the appetite to be both a national champion and lead the region as a global player."

Arnaud Martinez
CEO of The Helicopter Company

Arabia has also announced the creation of its second state carrier, Riyadh Air, that will fly to every major capital in Europe and cities in the United States. The airline debuted its first flight in

with a 13% rise in value in 2022 to \$572 million. The company is a key figure in the country's goals to make tourism contribute 10% of the country's gross domestic product by 2030, with

to support its long-haul traffic. However, Koshy anticipates this will only meet their current traffic of 1.5 million pilgrims per month and more aircraft will be necessary. In line with its sustainability agenda, Saudia signed a deal in October 2022 with all-electric vertical take-off and landing manufacturer Lilium for the purchase of 100 zero-emissions vehicles. "There are eco resorts in the region that are very close to Jeddah. We need to have either sustainable flights or all-electric vertical take-off and landing airplanes with zero emissions," Koshy said. "We as an airline need to accelerate our sustainability initiatives." The country's ambitions also include building up aviation infrastructure outside of cargo and tourism, including integrating it with the healthcare sector. In July 2022, the Saudi Red Crescent Authority and local entity The Helicopter Company signed a deal to build an air ambulance service from scratch. Their plan involves almost tripling the company's fleet of helicopters by 2024, with several fixed-wing aircraft expected to arrive in 2023. "We need to provide state-of-the-art medical services that cover 90% of the kingdom.

This will require around 25 bases and 30 helicopters," said Arnaud Martinez, CEO of The Helicopter Company. "In terms of scale, it is one of the largest projects we have in our portfolio." The company leader says the company is firmly embedded in the Vision 2030 initiative: "Our immediate goal is to provide air mobility to Saudi Vision 2030 projects and grow domestically. However, we still have the appetite to be both a national champion and lead the region as a global player."

Made in Saudi

Saudi Arabia's Made in Saudi program aimed at unlocking value from its local manufacturing sector is catching the eye of local and international investors, with the Saudi Made emblem spreading ever wider

The Made in Saudi program led by the Saudi Export Development Authority was launched in March 2021 to encourage consumers to purchase locally made products and raise awareness and confidence in them with the ultimate goal of expanding non-oil economic growth. The initiative counts over 20 strategic partners from the public and private sectors. So far, around 1,590 companies have applied to be part of the program of which more than 1,050 have been approved. The initiative had more than 6,000 registered products within its first 11 months, with many more expected to sign on as the program picks up steam. The initiative is a key part of the nation's Vision 2030 initiative that aims to diversify its economy away from petrodollars into other industries in which it has a competitive advantage. Since

the launch of the Made in Saudi program, more than 128,000 products have been made in Saudi Arabia occupying around 70% of shelf space in retail stores. Locally manufactured products are now being labeled with the Saudi Made brand. Attention is also being placed at the municipal level, with confirmation that Made in Makkah and Made in Medina brands will soon be launched for both the local and international markets.

In February 2022, the Saudi Export Development Authority launched the first edition of the Made in Saudi Expo in Riyadh. The event drew more than 170 companies, including Al-Othaim, Al-Tamimi, Panda and Lulu supermarkets, SACO, PepsiCo, Al-Dawaa, Showermer and KAFADS. Deals were inked with the Ministry of Culture, King Abdulaziz University, University of Business

and Technology, the Prince Sultan Fund and the National Fisheries Development Program. At the event, Minister of Industry and Mineral Resources Bandar Alkhorayef emphasized goals of the Made in Saudi initiative: "This national program will highlight our industrial strength and capabilities in reaching the world and will enhance the attractiveness of the industrial sector for investment and help create job opportunities."

One business area that has seen a large uptick in growth is the local fragrance industry, which size was estimated to be \$1.73 billion as of 2020 and reach \$3.8 billion by 2030. Arabian Oud, which currently has a presence in more than 36 countries and owns more than 900 stores, is leading the charge. "Currently, the best-known brands in perfume are French brands. From a business perspective, we expect to turn the tables and have the biggest brands in the world in Saudi Arabia," said Omar Al Jasser, CEO of Arabian Oud. Another local segment taking part in the program is Saudi Arabia's renewables sector. Desert Technologies Industries, one of the biggest Saudi companies

manufacturing solar panels, has also signed up to the initiative and its products now wear the Saudi Made emblem in the 30 countries it exports to.

Saudi Arabia is using the Made in Saudi program to foster international participation. In January 2023, the Future Minerals Forum received a delegation from the US-Saudi Business Council consisting of companies specializing in industrial equipment, minerals, geophysical technologies and digital data platforms. Included in the mix was Connecticut-based Tronox that is partially owned by Saudi Arabia's National Industrialization Company. The company specializes in extracting and producing titanium dioxide from Saudi's largest titanium smelter facility in Jazan, which is used in manufacturing paints, coatings and finishes for use in aerospace, machinery and automotive sectors.

Additionally, an April 2023 trade mission in Iraq successfully fostered deeper collaboration in construction, food and medicine segments. The meet bolstered partnerships between 40 Saudi Arabian firms and 40 Iraqi importing firms to allow Saudi Arabian products into the market.

Perfume frontrunner brings Saudi traditions beyond borders

Omar Al Jasser, Group CEO, Arabian Oud, talks about how the perfume sector fits into Saudi Arabia's ambitious Vision 2030 diversification strategy and the company's current international growth strategies - in particular, in the USA.

"Currently, the best-known brands in perfume are French brands. We expect to turn the tables and have the biggest brands in the world in Saudi Arabia."

Luxury perfume powerhouse Arabian Oud has been instrumental in driving the success of the Saudi Arabian fragrance sector, which is expected to climb in value from \$1.73 billion in 2020 to \$3.8 billion by 2030 according to market research firm P&S Intelligence. The sector is now a key focus in Saudi Arabia's Vision 2030 diversification strategy. Arabian Oud currently has a presence in more than 36 countries and owns more than 900 stores across the globe, and - according to its Group CEO - its growth is far from slowing down. "His Royal Highness Prince Mohammed bin Salman was quoted as saying that the Gulf area will become the next Europe," said Omar Al Jasser, Group CEO of Arabian Oud and son of the founder. "Currently, the best-known brands in perfume are French brands. We expect to turn the tables and have the biggest brands in the world in Saudi Arabia."

The story of Arabian Oud began in 1982 when founder Sheikh Abdul Aziz Al Jasser launched a store outside of an established marketplace. While counter to the judgment of his peers, the quickly successful storefront grew step

by step to become an internationally recognized brand of luxury perfume, moving first to Dubai in 1991 and from 2000 onwards opening stores in London, the Champs Elysée in Paris and the USA. He bases Arabian Oud's success on its roots in Arabic fragrances, specifically oud, which is grown in the heartwood of aquilaria trees and traditionally known as the wood of the gods. The company now employs 13 specialists who shape Saudi Arabian fragrances to fit the tastes of global markets. Recently the company launched its latest line of scents known as Arabian Blend, which is fashioned on the local myth of two existing mountains that are in love and one day come together under a storm. For the Group CEO, the story is the most important element in the creation of the company's fragrances outside of the time, effort and care put into every perfume. In 2017, the company launched its leading line named Madawi after the founder's mother. Omar Al Jasser describes the intricate process: "For this my father raised the standards to the fullest. These were a challenge to meet, and we worked on that product for three years." By 2018 the product sold more than 1 million bottles and has since become the company's flagship perfume alongside its more than 400 unique fragrances. The USA has quickly become a focus market for the company, with existing stores in Texas, Washington D.C., Virginia, New York and Florida. The Group CEO attributes the company's success to similarities between the Saudi Arabian and American markets. "We are comfortable in the USA, and we have been welcomed in every community we have entered," said Omar Al Jasser. The Saudi Arabian entity plans to launch a franchise strategy in the USA in its mission to open a store in every major city in the country and is currently seeking interested investors.



"We have now expanded and opened stores in Texas, Washington D.C., Virginia, New York and Florida."

Omar Al Jasser
CEO of Arabian Oud

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Abdullah Al Othaim Investment Company aligns with the National Quality of Life Program

Meshaal Bin Omairh, Group CEO, Abdullah Al Othaim Investment Company \$400 Million capital, details the company's plans to revitalize the face of Saudi Arabia's city centers through its hybrid urban development projects under Saudi Arabia's Quality of Life program



Konozi, Riyadh.

As Saudi Arabia enters into an industrial renaissance under its Vision 2030 initiative, local private players are strongly aligning with the country's goals, including regional powerhouses such as Abdullah Al Othaim Investment Company (AO).

Established in 2004 as Abdullah Al-Othaim real estate, now focused on developing the energy-rich nation's emerging industries, namely real estate, hospitality, cinemas, food and beverage, fashion retail, entertainment and shopping centers. The company has developed 12 malls in Saudi Arabia and is now the second largest shopping center operator in the country in terms of gross leasable area. Additionally, AO runs more than 70 entertainment centers. Located in KSA, GCC countries as well as North African regions and five cinemas in the KSA. As part of its focus on retail, the company owns 70 fashion stores and 40 restaurants and coffee shops in Saudi Arabia. Between 2018 and 2020, the company's assets saw more than 49 million visitors, with this number expecting to ramp up quickly as more of its mega-projects come on line. On the back of its wide expansion plans, the company's revenues grew by 14% in 2022, with EBIDA margin of 55% and net margin 32%. AO is rapidly growing, with a staff of more than 3,000 employees and a 70% Saudization rate. "We have the same values today as we did 43 years ago. Although we have changed our financial position, assets, business lines, knowledge and resources, these values are what have sustained the business," said Meshaal Bin Omairh, Group CEO of AO. "The company's success has been a continual process, and we must look to the future."

One of the largest differentiators between AO and its competitors is its ambitious new strategy, which is centered on improving the quality of life of the Saudi population and developing local talent, including a focus on upskilling youth. The strategy is heavily aligned with Saudi Arabia's Quality of Life program launched in 2018 that aims to develop industries that have a direct impact on its citizens, such as sports, culture, entertainment and tourism. The government's overarching goal is to have three of Saudi Arabia's urban centers among the world's top 100 most livable cities, with AO's projects a crucial component in meeting its targets. AO

currently has 26 projects underway, with most if not all expected to open to the public by 2026. The company is also expanding its number of operated cinemas, with four additional assets set to launch by the end of 2024. The current plan is split between mix-use projects such as its entertainment and retail cities and blue ocean projects such as hotels, residences and offices. By other mean it's a Gated community with an 85:15 ratio respectively. "A substantial strategy should be built on the company's strengths, weaknesses and opportunities it may have in



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Meshaal Bin Omairh
Group CEO of Abdullah Al Othaim Investment Company

the future," said Omairh. "Our mandate is not limited to development in the Kingdom, and we are open to doing business anywhere. However, we currently require our full capacity to fulfill the needs of the Saudi Arabian market." Additionally, the corporate frontrunner pointed to its change in management as a key factor in the company's current success: "While we are family owned, we are not a family business but a corporation with its own corporate governance. This approach has made a real difference in the company's performance."

One of the company's flagship projects is the giant Konozi city in Riyadh, with required

urban developments. The project is currently 10% complete, with its launch planned for the end of December 2026. AO's second flagship development is the Al Othaim Park in Dammam. The 224,000-square-meter project includes a modern shopping center, a world-class hotel and residences. In March 2023, AO entered into a partnership with construction firm Ledar to build the project's 10 residential towers containing more than 600 units for around \$130 million. AO began developing the hybrid complex in August 2022 with initial investments of \$400 million. The project is currently 15% complete, with its launch anticipated at the beginning of January 2025. Other developments include the Al Othaim

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Mall in Al Jubail set to open in June 2024, the Al Othaim Circle in Al Khobar set to open in July 2025, the Al Othaim Mall in Al Mithnab set to open in July 2024, and the Al Othaim Dome in Riyadh that will open its doors in January 2025. Outside of its hybrid complexes, the company also has development projects geared at supporting Saudi Arabia's nascent tourism sector, including its Jazan Beach development and a multitude of projects in Hail.

AO is taking advantage of Saudi Arabia's recent shift in policies seeking to boost private sector participation. "The business environment in Saudi Arabia is positive. We have the support of banking institutions on the debt side, and the government on the other," said Omairh. "This combination is something not found anywhere else." In line with the region's upswing in publicly listed companies, AO announced plans for an initial public offering of 30% of its shares on the local stock exchange in May 2022. The company is keen to move forward with its plans. "Our initial public offering will be very soon. We have a strong stock market here in Saudi Arabia and we are seeing high interest from investors," said Mr.Omairh. "Investing in AO is low risk. Investors are not only investing in one industry but seven. As a rule, we work with low-risk projects. We work in real estate, and all the projects are 70% owned by us. We also have heavy assets and a net margin of 30%, which is something you cannot find anywhere."

Additionally, the company is also open to partnerships beyond its current roster, which includes the local government. "As a company we are also firm believers in partnerships," said Mr.Omairh. "We cannot do it alone and require partners to achieve our vision. When choosing a partner, it is crucial they share our vision, values, standards and timeline." The company leader points to the country's shifting attitudes on foreign participation as a boon to the business: "New regulations regarding foreign investments have eased foreign participation in the Saudi Arabian market. International investors are now happy to come to live and work in Saudi Arabia, which was not the case before. We encourage investors to not be influenced by what they hear and to come to Saudi Arabia themselves and experience what is happening in the market."



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