

FEATURE ARTICLE

Saudi Equities: Pioneering Growth in a Transforming Market

Privatization and record listings are drawing companies to the Tadawul — and rewiring how Saudi Arabia's national champions fund their growth.

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Listing on the Saudi Stock Exchange (Tadawul) has become a strategic move for companies seeking to enhance market presence and financial performance. Major listed players now include Saudi Aramco, Al Rajhi Bank, SABIC and the country's leading miner, Ma'aden.

"The key to any successful transformation is clarity on what needs to be achieved."

OTHMAN ALKASSABI · CEO, TAWUNIYA

"The country has undergone a significant transformation under Vision 2030," said Othman AlKassabi, CEO of Tawuniya. As of Q1 2024, Tadawul had 234 listed companies, with 85 on the parallel market.

Growth is evidenced by the rise of new national champions. Dr. Sulaiman Al Habib Medical Group, listed in 2020, has seen a four-fold increase in its share price to become the largest medical provider in the Middle East. "We are now

seeing a huge move towards the government lowering its capex and looking to the private sector to bridge the gap," said its CEO, Faisal Al Nassar.

Tawuniya, listed since 2005, is now the largest insurer in the Middle East and North Africa. Its leadership points to privatization as not only beneficial but a developer of sectors: "Government privatization efforts have expanded the addressable market as private entities require mandatory insurance."

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Listing on the Saudi Stock Exchange (Tadawul) has become a strategic move for companies seeking to enhance their market presence and financial performance. Saudi Arabia's listed entities are seeing increased earnings due to increased investor confidence, improved access to capital and heightened visibility in the market. Major Saudi Arabian companies now listed on Tadawul include local energy giant Saudi Aramco, the world's largest Islamic financial institution Al Rajhi Bank, chemicals manufacturing frontrunner Saudi Basic Industries Corporation and the country's leading mining player Ma'aden. Listing of the country's major players is part of Saudi Arabia's privatization campaign under its current national blueprint. "The country has undergone a significant transformation under the Vision 2030 program, which is made up of various programs to support its achievement. The key to any successful transformation is clarity on what needs to be achieved," said Othman AlKassabi, CEO, Company for Cooperative Insurance (Tawuniya). As of the end of Q1 2024, Tadawul had 234 listed companies, with 85 on the parallel market.

Strong growth is evidenced through the rise of the country's new national champions. Dr. Sulaiman Al Habib Medical Group (HMG) was listed on the Saudi Stock Exchange in 2020 and has since seen

a four-fold increase in share price. The company is now the largest medical provider in Saudi Arabia and the Middle East region and third largest in the world. Faisal Al Nassar, President and CEO of HMG, points out the impact of privatization on growth of the local market: "In the past, the public sector's spending on capex resulted in a slow implementation when developing sectors. We are now seeing a huge move towards the government lowering its capex and looking to the private sector to bridge the gap and speed up development." Additionally, Tawuniya was an early joiner to the Tadawul, having been listed since 2005 and is now the largest insurance entity in the Middle East and

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Othman AlKassabi
CEO, Tawuniya



North Africa region. The company's leader points to privatization and listing on the Saudi Stock Exchange as not only beneficial, but as a developer for sectors such as insurance: "Government privatization efforts have also expanded the addressable market as private entities require mandatory insurance."



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