

GULF IPO BOOM WHO'S NEXT TO GO PUBLIC IN SAUDI ARABIA AND UAE?

Mr. Shahid Nazir, Partner of Corporate Finance & Deal Advisory, has been featured in Arabian Business, UAE, with his article on the Gulf IPO boom. Dive into his expert insights and discover what's fueling this financial surge!

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The Gulf region's IPO frenzy shows no signs of slowing, with Saudi and UAE firms lining up stock market listings across sectors, expected to attract more global capital as the markets deepen, analysts say.

The first quarter of this year saw 10 IPOs raise \$1.2 billion, all in Saudi Arabia and the UAE - a sustained pace that promises well for continued momentum this year and possibly beyond.



Private sector companies in rapidly growing sectors such as technology, healthcare, renewable energy, and e-commerce are prime candidates for IPOs," he said.

Nazir added that companies in the digital economy, like fintech and digital services, and family-owned businesses could be considering IPOs.



UAE, Saudi diversification drives fuel flurry of listings

"The surge in IPO activity in the UAE and Saudi Arabia signifies a growing confidence in the region's economic prospects and capital markets," said Nazir.

"The successful IPOs in the region are likely to encourage more companies to consider IPOs," he added, citing economic diversification, regulatory support, and investor confidence as key drivers.

"Both the UAE and Saudi Arabia are energetically chasing economic diversification strategies to reduce their dependence on oil," said Nazir.



Deepening markets, wooing global investors

"Increased IPO activity would contribute to the diversification of the GCC economies, reducing their heavy reliance on oil revenues," said Nazir.

This aligns with the economic diversification strategies outlined in plans like Saudi Arabia's Vision 2030 and We the UAE 2031.



Risks, Readiness Concerns

Even as they eye rich public market valuations though, firms must carefully weigh the pros and cons before pulling the trigger on an IPO, experts cautioned.

Key risks of going public include scrutiny from shareholders and short-term pressures, increased disclosure requirements that could leak trade secrets, and potential management upheaval.



Yet, experts reckon such risks are unlikely to derail the IPO juggernaut as long as market conditions remain favorable.

The IPO momentum should not abate unless we face a critical global event such as a recession, market consolidation, or significant geopolitical escalation.



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