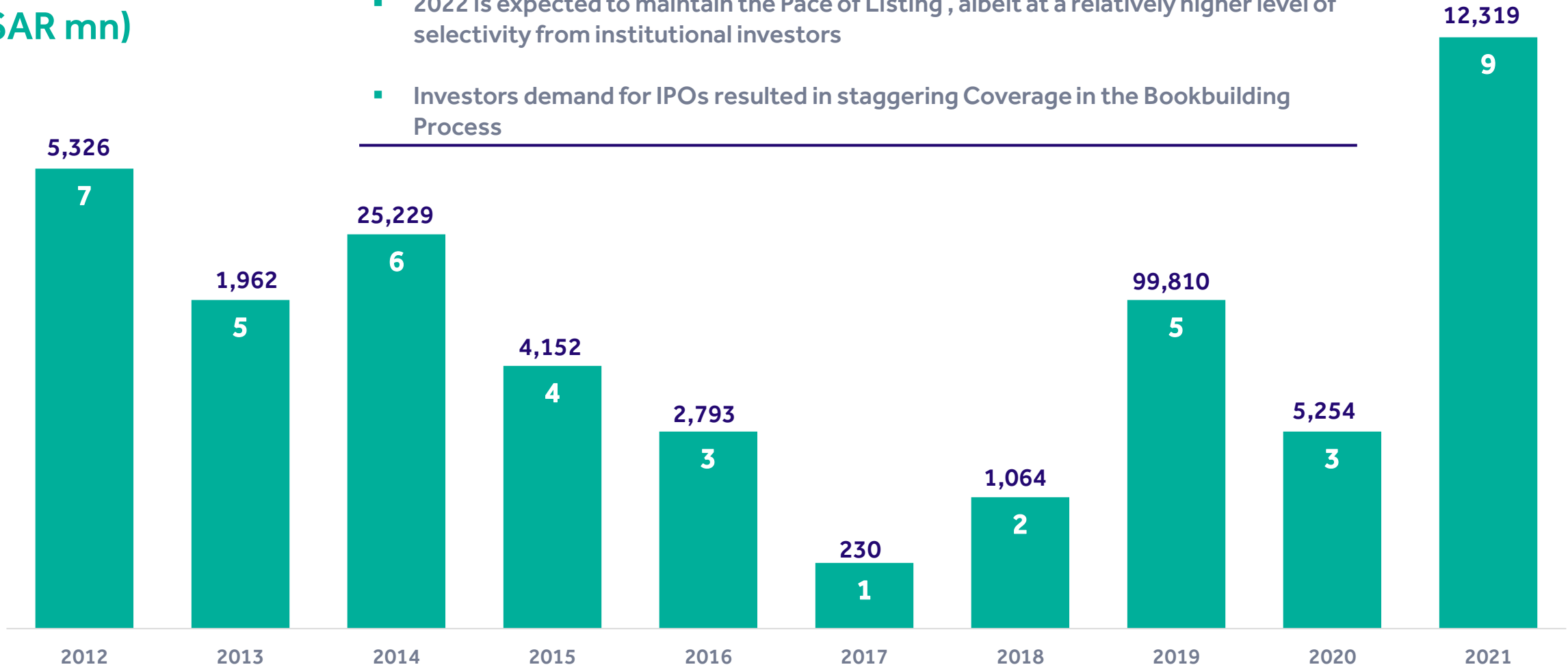


زخم الطرودات الأولية والإقبال المؤسسي

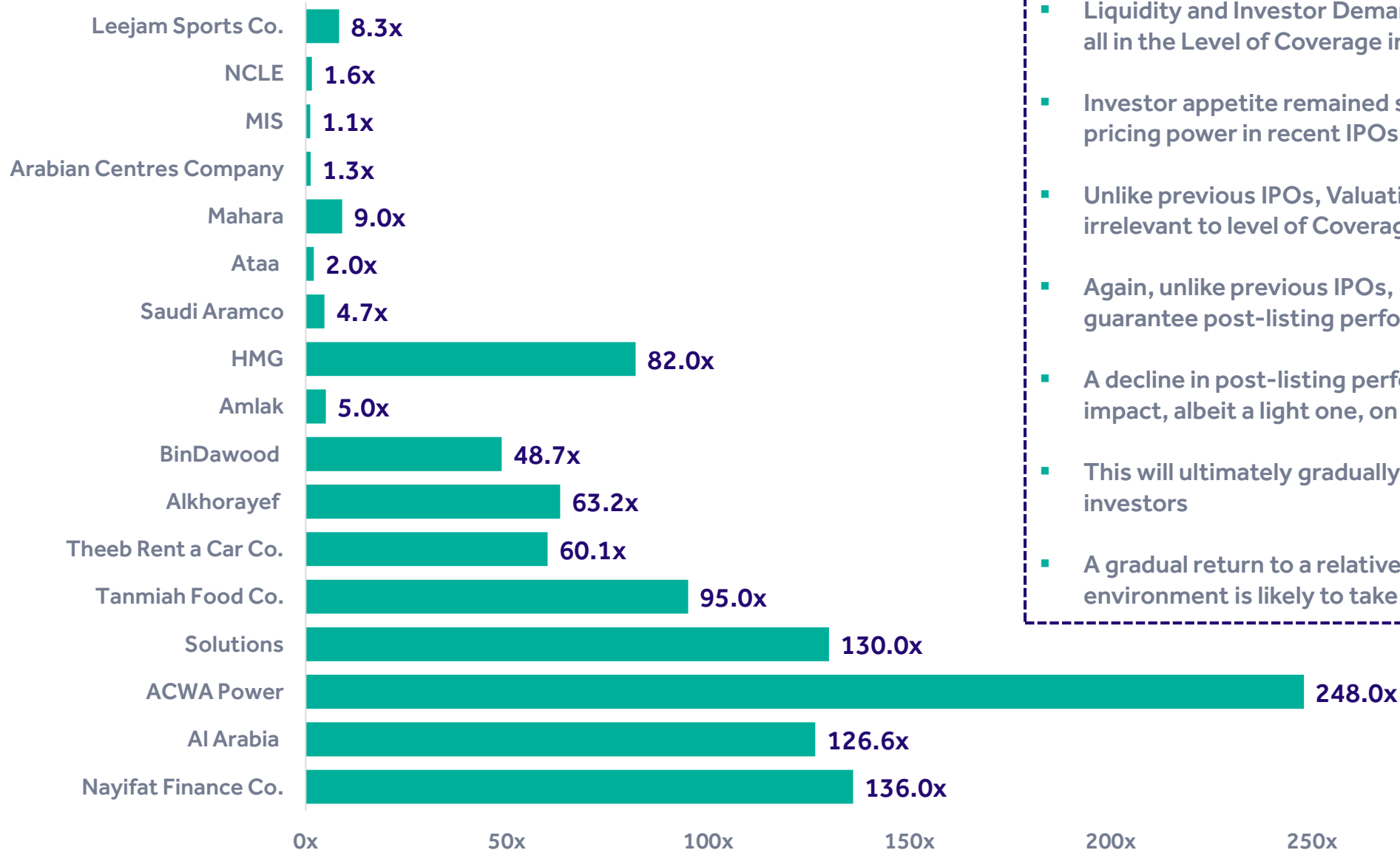
Liquidity Fueled Record IPO Market in Tadawul

Number of IPOs & Amount Raised (SAR mn)

- 2021 witnessed unprecedented Demand for Going Public, fuelled by significant Investor Demand for IPOs
- 2022 is expected to maintain the Pace of Listing , albeit at a relatively higher level of selectivity from institutional investors
- Investors demand for IPOs resulted in staggering Coverage in the Bookbuilding Process



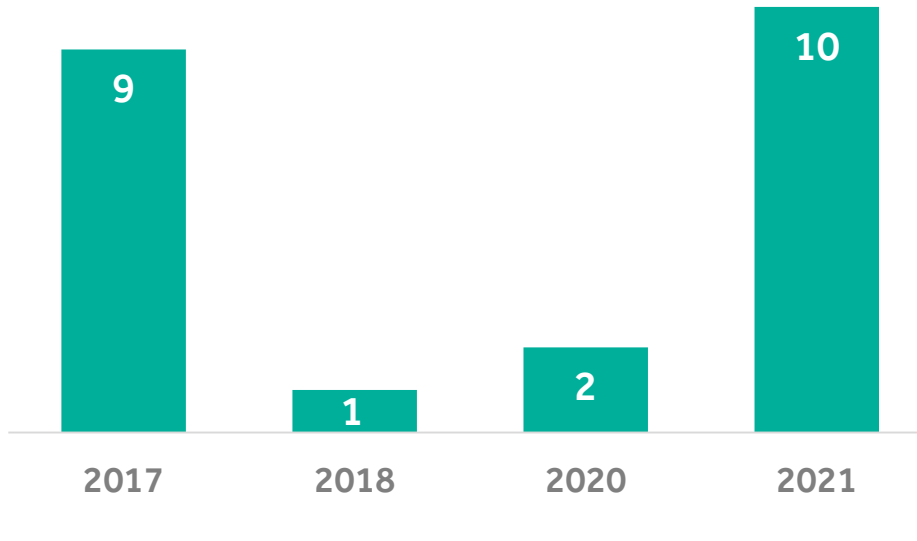
Liquidity and Demand Pushed Coverage to Record Levels



- Liquidity and Investor Demand for IPOs is illustrated above all in the Level of Coverage in recent IPOs
- Investor appetite remained solid, giving the issuers a level of pricing power in recent IPOs
- Unlike previous IPOs, Valuation multiples were relatively irrelevant to level of Coverage
- Again, unlike previous IPOs, Level of Coverage may not guarantee post-listing performance
- A decline in post-listing performance is expected to have an impact, albeit a light one, on investor demand
- This will ultimately gradually shift pricing power back to investors
- A gradual return to a relatively more normalized IPOs environment is likely to take place over time

Liquidity Fueled Record IPO Market in Nomu

Number of IPOs



Raised (SAR mn)



- The demand for Going Public flowed to Nomu Market
- 2022 is expected to witness a higher level of participation by Institutional investors in Nomu

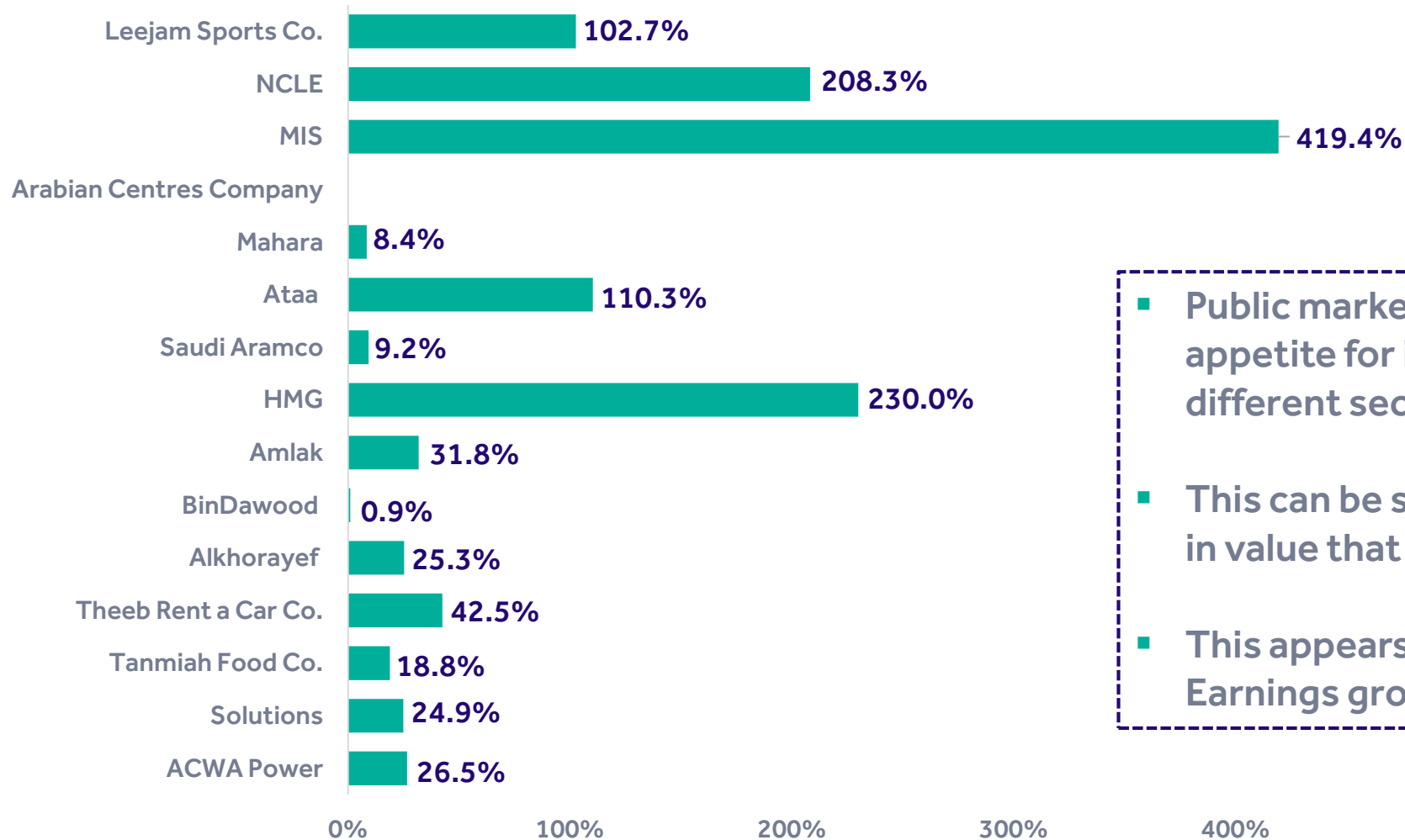
- The higher frequency of direct listing in Nomu had an impact on the amount raised
- Higher level of Institutional participation in Nomu is expected to deepen the level of liquidity in Nomu in terms of the potential for larger offerings size going forward

Going Public in the New Paradigm (1)

Almost all IPOs that took place within the last 3 years have gained value

Companies gained Significant Value post – IPO...

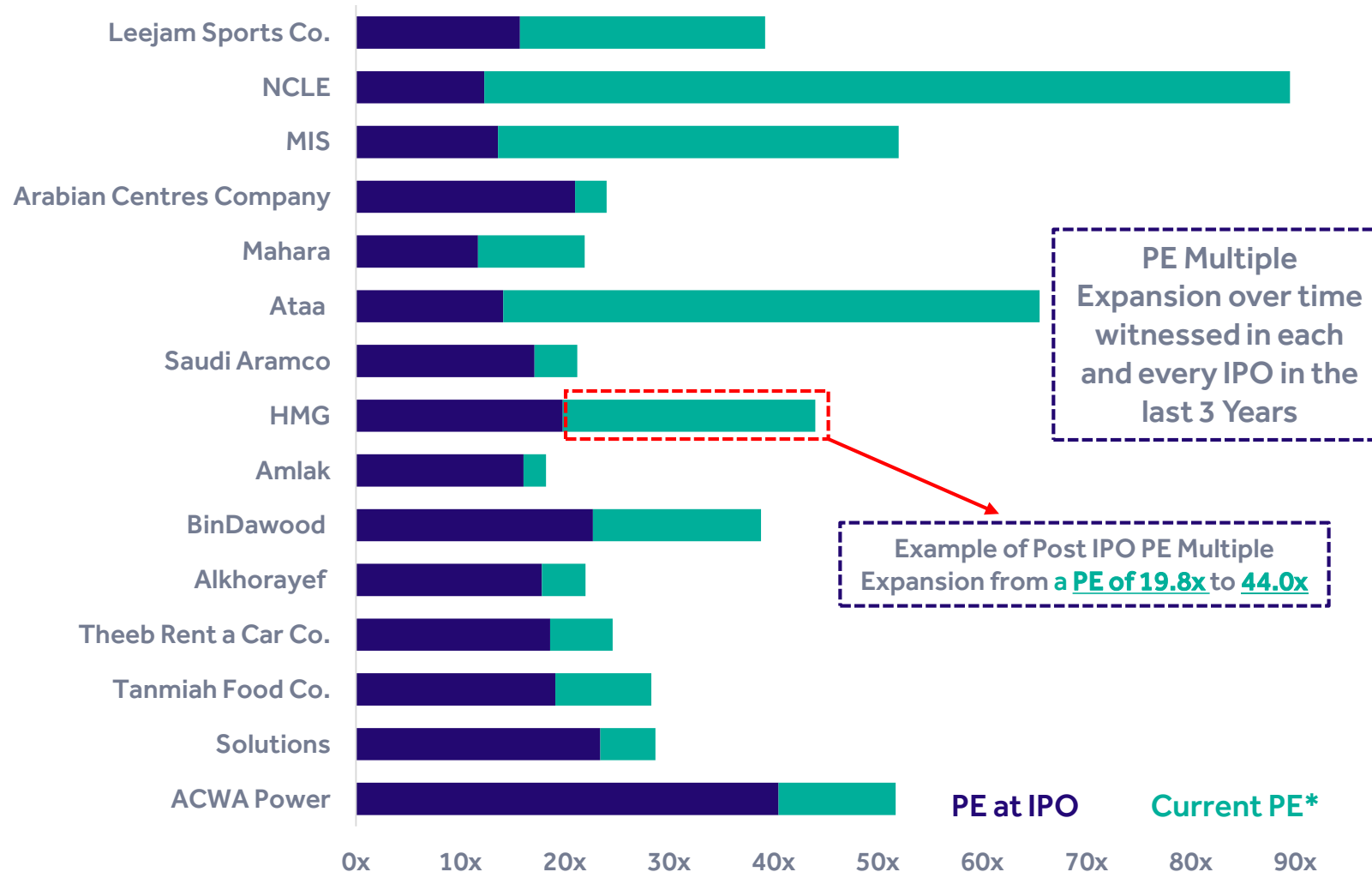
How?



- Public markets in KSA is exhibiting a massive appetite for investment in companies from different sectors
- This can be seen clearly in the significant gain in value that took place post IPO
- This appears to be occurring regardless of Earnings growth

Going Public in the New Paradigm (2)

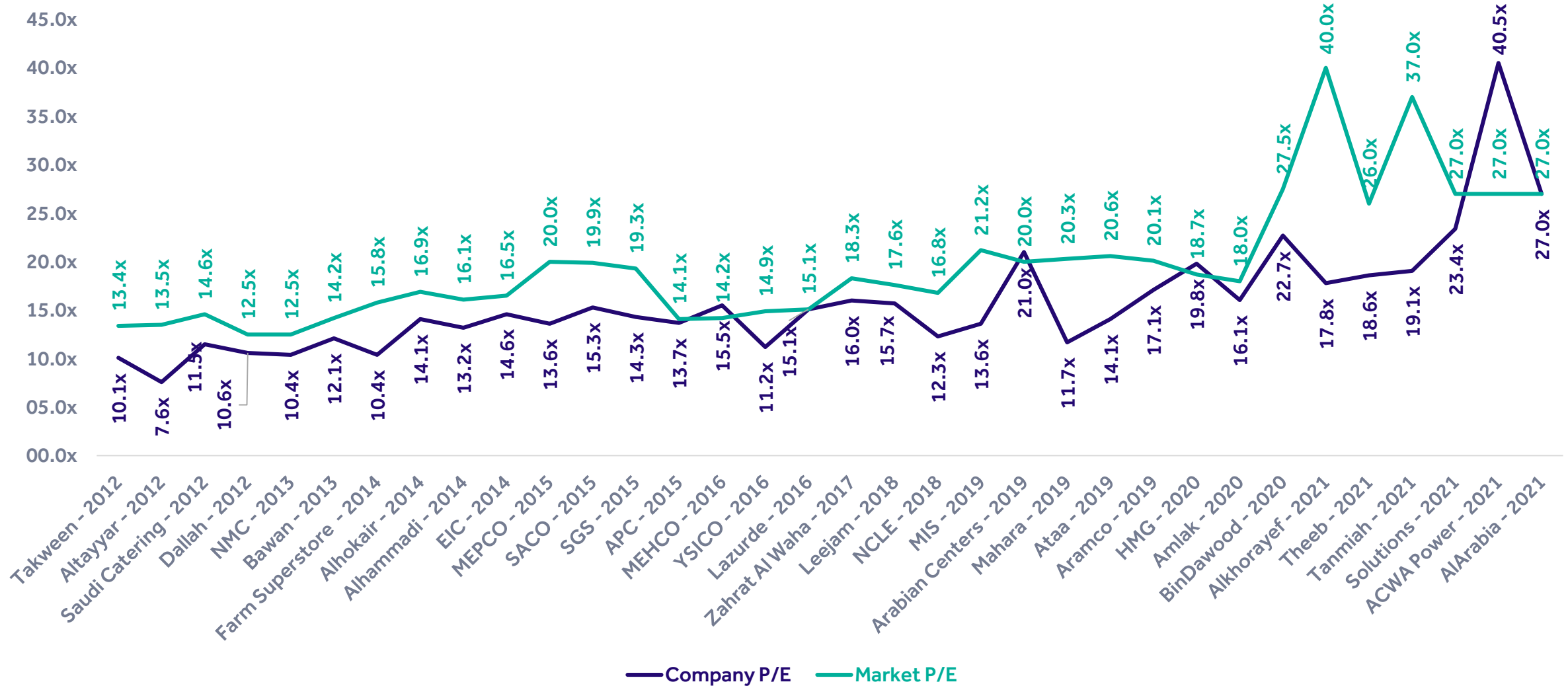
The Market is rewarding companies exponentially for going public in the form of significant multiple expansion overtime



- The Market Appears to Reward Companies for Going public by giving it a lot of room for multiple expansion
- Again, the multiple expansion is taking place **regardless of Earnings growth**
- The main message here “**Going Public is rewarding to private companies owners/founders as well as investors**”
- Also, “**IPOs are a wealth creating Machine for Founders as well as investors**”

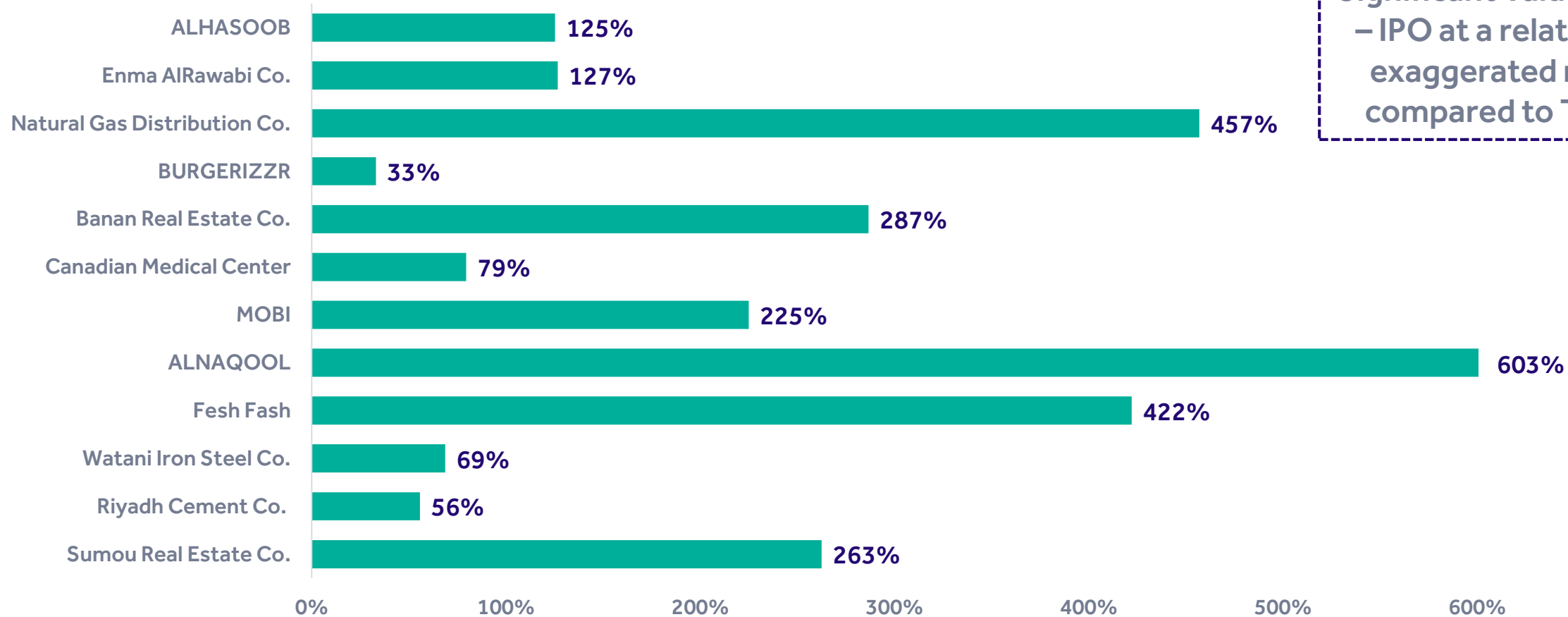
Going Public in the New Paradigm (3)

IPO Valuations Multiples tells a story of a transition to higher IPO multiples



Going Public in the New Paradigm (4)

Nomu IPOs outperformed TASI IPOs in terms of value gain



Companies gained Significant Value Post – IPO at a relatively exaggerated rate compared to TASI

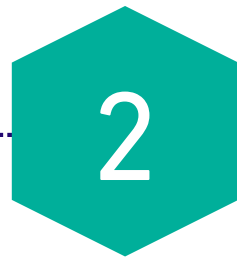
- Nomu market demonstrated that a significant outperformance can take place
- Nomu is on track to have a deeper level of liquidity with a few large and household names on track to list on Nomu
- The exaggerated value gain figures are expected to normalize over time with higher liquidity and regulatory listing liquidity requirement
- Again, this appears to be occurring **regardless of Earnings growth**

Why IPO Market is Thriving?



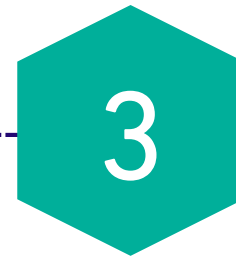
Low Interest Rates

Continued Monetary Stimulus post-Covid
Abundant liquidity in the system



Large Investor Universe

Newer tiers as well as Higher Participation by investors in search for outsized returns



IPO Financing

High demand for investment opportunities led to demand for IPO Financing



High IPO Valuations

Large IPO coverage figures and market valuation gave companies going public enough room to boost valuations

Extensive Experience

RC Executed **7** IPOs during the last 8 Years

Bookrunning Capability

RC Attracted a Cumulative of SAR **1.1** Trillion in the last 3 IPOs

Pre-IPO Research

RC was the First Local AP to issue Pre-IPO Coverage Reports

December 2019

March 2020

October 2021

Ongoing

أرامكو السعودية
saudi aramco




SAR **96,000** mn
Joint Bookrunner & Co Underwriter

د.سليمان الحبيب
DR SULAIMAN AL HABIB
المجموعة الطبية
SAR **2,625** mn
Joint Financial Advisor, Sole Lead Manager, Joint Bookrunner & Joint Underwriter



ACWA POWER
أقوا باور
4,547 mn
Joint Financial Advisor, Sole Lead Manager, Joint Bookrunner & Joint Underwriter



علم
ETM
Financial Advisor, Lead Manager, Bookrunner & Underwriter



Investors can participate in the Institutional Tranche of IPOs through Multiple channels, Investors can Maximize exposure to an IPO by subscribing using all 3 vehicles:

DPMs

DPMs (for individuals and Companies) are eligible to participate in the Institutional Tranche of IPOs

DPM managed by RC: 74

Public and Private Funds

Subscribing to Public and Private Funds enables investors to participate in the institutional Tranche of IPOs

RC Public Funds: 8

RC Public Funds AUMs: SAR 2.8bn

RC Private Funds: 2*

RC Private Funds AUMs: SAR 6.7bn

Saudi Companies

Saudi Companies are eligible to subscribe directly to IPOs in the Institutional Tranche

IPO Financing can be made available for RC/RB clients, this includes, HNWI and Companies

*RC Private Funds leverage ratio for the IPOs is 5 to 1

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