

Opening up a world of opportunity

For our Clients' IPO ambitions in the Middle East



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From the start of 2022, capital markets experienced a significant decline in the number of IPOs globally, triggered by a variety of macroeconomic factors such as the heightened volatility caused by geopolitical tensions, amongst others.

However, building on momentum from a record year in 2021, the Middle East region stood out, with a flurry of major IPOs. The first quarter of 2022 alone saw 15 MENA IPOs raise USD4 billion¹. According to EY data, in the first nine months of 2022, the region witnessed a 550% increase in IPO volume compared to the same period in 2021².

HSBC led a number of transactions in the region, across multiple sectors. The close collaboration between our global product and sector teams allowed us to deliver comprehensive solutions and swift execution to clients. This enabled us to reaffirm position as a leading Equity Capital Markets (ECM) house in the MENAT region, where we are ranked #1 (2022, year to date).

“With strong GDP growth on the back of high energy prices and government initiatives to boost economic and financial diversification, the Middle East market represents an exciting opportunity for domestic and international investors. This was clearly reflected in the deals we have led where we observed unprecedented subscription levels from both regional and international investors, with many international investors new to the region.

Despite the uncertainty which has been plaguing the financial markets throughout the year, investor confidence in the MENAT region remains positive.” says **Ed Sankey, Managing Director, Global Head of Equity Capital Markets, HSBC.**

¹ [15 MENA IPOs raise US\\$4 billion in Q1 2022 \(ey.com\)](#), May 2022

² [Seven MENA IPOs raised US\\$1.5b in Q3 2022 \(ey.com\)](#), September 2022

Borouge: Joint GloCo on the largest MENA chemicals IPO



Overview: The IPO of Borouge was undertaken by Abu Dhabi National Oil Company (ADNOC) and Borealis. Borouge is one of the world's leading providers of innovative and differentiated polyolefin solutions. The Group provides creative plastic solutions for the agriculture, infrastructure, energy, advanced packaging, mobility and healthcare industries.



Our services: HSBC acted as Joint Global Coordinator on the USD2.0 billion (AED7.4 billion) IPO of Borouge on the Abu Dhabi Securities Exchange. HSBC provided a comprehensive service including strong marketing efforts, to attract international anchor investors. The transaction received overwhelming interest from local, regional and international investors.



About the transaction: This landmark transaction is the largest IPO in Abu Dhabi, the largest MENA chemicals IPO ever, and the second-largest IPO in EMEA 2022 at time of closing (June 2022). The IPO further bolsters Abu Dhabi's growing and dynamic equity capital market.



How we differentiated: The transaction represents the fourth IPO from ADNOC and follows the successful IPOs of ADNOC Distribution, ADNOC Drilling and Fertigllobe. HSBC is the only international bank that has acted as Global Coordinator on all four IPOs. The positive outcome also is testament to HSBC's renown leadership in capital markets solutions in the region.

[Find out more](#)

“Reflecting on 2022, it has been particularly interesting to witness Saudi Arabia making a significant stride on the regional IPO activity, with a great variety of opportunities across multiple industry sectors. This aligns well with their “Vision 2030”, the governmental program aiming at developing a diverse non-oil economy,” says Mohammed Fannouch, Managing Director, Head of Investment Banking Advisory at HSBC Saudi Arabia.

“In the UAE, where HSBC has led a number of IPOs in 2021 and 2022, we are seeing an equally interesting market momentum, with a trend of privatisations driving a surge in IPOs. International banks like HSBC with in-depth expertise of the market’s intricacies can play a strategic part with advisory roles combined with holistic services,” says Samer Deghaili, Managing Director Co-Head, Capital Financing & Investment Banking Coverage, MENAT at HSBC.



The current flurry of activity is seemingly more sustainable than previous IPO booms as it is part of a wider, well-defined government strategy to expand and diversify the market. Government companies going public bring prize assets to the market, create momentum, get investors engaged and bring new liquidity. That paves the way for commercial businesses to follow.

We are looking forward to continuing to be part of the ambitious journey the region has embarked on.

Samer Deghaili, Managing Director, Co-head, Capital Financing & Investment Banking Coverage, MENAT, HSBC

Mohammed Fannouch, Managing Director, Head of Investment Banking Advisory, HSBC Saudi Arabia



PIF: The first Saudi ABO executed with broad distribution to KSA



Overview: The Public Investment Fund of Saudi Arabia ('PIF') ambitions to propel the national economy on the international investor scene. In November 2022, PIF sought to sell c. 10% of Saudi Tadawul Group ('Tadawul') shares through an Accelerated Bookbuild Offering (ABO).



Our services: HSBC acted as Joint Global Coordinator and Joint Bookrunner to PIF on their c. USD 610 million (c. SAR 2.3 billion) secondary placing of Tadawul via the ABO on the Saudi Exchange. This is the first Saudi ABO executed with broad distribution to the Kingdom of Saudi Arabia (KSA) and international investors.



About the transaction: The transaction is the second largest ABO to ever take place in the Saudi market and the GCC region, the third largest secondary sell-down via an ABO following an IPO in EMEA in the last two years, and the largest secondary ABO in EMEA in H2 2022. The ABO is in line with PIF's strategy to recycle its capital and reinvest the proceeds in emerging and promising sectors in the local economy.



How we differentiated: HSBC demonstrated its ability to execute on and deliver a milestone transaction for an important client under challenging global equity market conditions. The transaction confirms HSBC's leadership position in the Saudi capital markets where we rank #1 for ECM in 2022 year to date and reaffirms our position as a leading ECM in the MENAT region (#1 2022 year to date).

[Find out more](#)

DEWA: The largest IPO in the United Arab Emirates



Overview: Dubai Electricity and Water Authority PJSC ('DEWA') is the exclusive electricity and water utility provider in Dubai. The Group generates, transmits, and distributes electricity and potable water to end users throughout Dubai.



Our services: HSBC acted as Joint Global Coordinator on the c.USD 6.1 billion (AED22.3 billion) IPO of DEWA, an all secondary offering by the Government of Dubai, on the Dubai Financial Market (DFM). HSBC's leading global distribution platform and top-ranked Emerging Markets EMEA equities sales team ensured HSBC generated the highest demand from any international bank.



About the transaction: The IPO, the first on the DFM since 2017, is part of the Government of Dubai's ongoing efforts to further develop Dubai's capital markets and attract international investors. This landmark offering represents the largest-ever IPO in the United Arab Emirates (UAE), the second largest-ever IPO in the Middle East and the largest-ever MENA utilities IPO at the time of closing (April 2022).



How we differentiated: The deal further reinforced HSBC's over 60-year relationship with the Government of Dubai and its over 30-year relationship with DEWA.

[Find out more.](#)

Disclaimer: Today we finance a number of industries that significantly contribute to greenhouse gas emissions. We have a strategy to help our customers to reduce their emissions and to reduce our own. Read our climate policy [here](#).



Jahez: Landmark technology IPO on Saudi Exchange



Overview: Established in 2016, Jahez International Company ('Jahez') is Saudi Arabia's leading online food delivery platform that utilises disruptive technology to connect customers, restaurants and drivers across Saudi Arabia. As part of its growth plan, Jahez has expanded into new adjacent markets including quick commerce, logistics and cloud kitchens and aims to expand to the GCC region.



Our services: HSBC acted as Sole Financial Adviser, Sole Global Coordinator, Lead Bookrunner, Lead Manager and Stabilising Manager on the USD 474.4 million (SAR 1.8 billion) IPO of Jahez for Information Systems Technology on the Saudi Exchange's Parallel Market (Nomu) (January 2022). HSBC played an instrumental role in securing interest from high profile investors.



About the transaction: The IPO sets a precedent for Saudi early-stage companies to access the capital markets for financing. It also provides an opportunity for the broader investor base to invest in the growth of such companies, which in turn could increase the breadth of the Saudi Stock Market. The IPO will enable Jahez to further expand its offering and propel its growth, both organically and inorganically.



How we differentiated: HSBC played a critical role in constructing a structure to the Capital Market Authority (CMA) of Saudi Arabia to enable a cornerstone investment to be made. The success of the IPO is a testament to HSBC's position as an ECM market leader in Saudi Arabia and the wider Middle East region.

[Find out more.](#)

“Throughout 2022, HSBC has demonstrated our expertise in executing large scale transactions in a global coordinator capacity leading 8 transactions in the GCC region and raising USD 14 billion equity for our clients. Standout transactions where we acted as global co-ordinator included the largest IPO in Dubai (DEWA), in Abu Dhabi (Borouge) and in Saudi Arabia (Al Nahdi), with those three IPOs alone raising in excess of USD 9 billion.” says **Chris Laing, Managing Director, Head of Emerging Markets Equity Capital Markets at HSBC.**

“The breadth of deals across multiple sectors reflects the strength of our local as well as global ECM and sector teams in leading the deal execution and market engagement for our clients. Our global distribution platform also means we have been able to facilitate the international investor community which is now highly active in the region’s ECM flow. HSBC’s position as number one bank for EMEA IPOs means we have insight into global investor views and participation which is second to none in this time zone.” says **Andrew Robinson, Managing Director, Head of EMEA Equity Capital Markets at HSBC.**

Selection of deals supported by HSBC in 2022 in the Middle East				
Company / Date	Country	Deal Type	Total value (USDm)	Sector
DEWA (April)	UAE	IPO	6,077	Utility & Energy
Petro Rabigh (July)	KSA	Rights Issue	2,162	Oil & Gas
Borouge (May)	UAE	IPO	2,005	Chemicals
Americana Restaurants (December)	UAE/ KSA	IPO	1,802	Consumer & Retail
Nahdi Medical (March)	KSA	IPO	1,362	Consumer & Retail
Luberef (December)	KSA	IPO	1,320	Oil & Gas
Salik (September)	UAE	IPO	1,017	Infrastructure
Marafiq (October)	KSA	IPO	897	Utility & Energy
Arabian Drilling Co (October)	KSA	IPO	712	Oil & Gas
Saudi Tadawul Group (November)	KSA	ABB	611	FIG
Jahez (January)	KSA	IPO	474	Technology
Alamar Foods (July)	KSA	IPO	326	Consumer & Retail

Source: HSBC Equity Capital Markets data, December 2022.

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