



Saudi
Exchange

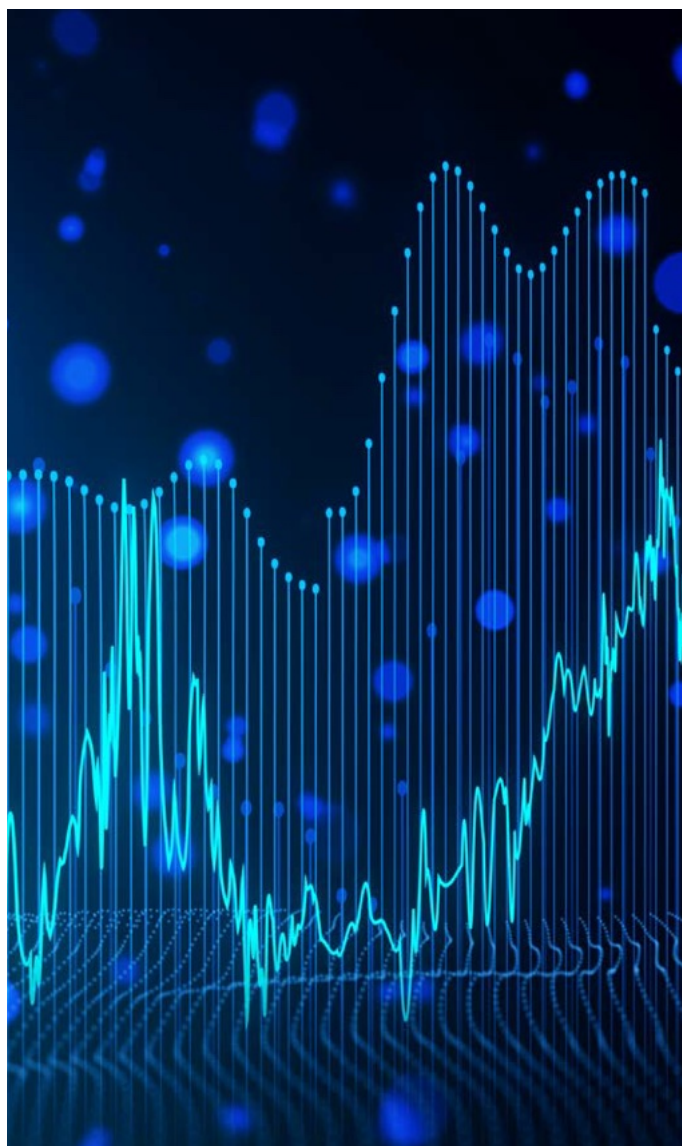
CAPITAL MARKET OVERVIEW

THIRD QUARTER
2024

www.saudiexchange.sa

FOREWORD

During the third quarter of 2024, the Saudi capital market built on the momentum the market achieved in the first half of the year. From a successful secondary offering by Saudi Aramco to the growing qualified foreign investor (QFIs) ownership, the third quarter demonstrated the tangible success of our progress as we continue to invest in sophisticated market infrastructure and develop an exchange equipped to handle the dynamic, expansive potential of the Saudi capital market.



The macroeconomic environment in the region saw ongoing changes while quarter-on-quarter GDP growth in Saudi Arabia in the preceding quarter contracted by 0.3%, non-oil activities grew by 4.9% year-over-year. Inflation rose only slightly to 1.60%, while unemployment fell to 7.1% in Q2 2024.

In Q3 2024, the Saudi Exchange continued to enjoy a high level of trading activity, with the total number of trades on the Main Market rising 16.03% from Q2 2024 to 33.80 million in Q3 2024. The volume traded also increased 24.72% to 22.36 billion. The Saudi Exchange's Nomu – Parallel Market also experienced a rise in trading activity, with the number of trades nearly doubling, rising 48.70% from Q2 2024 to 278,491 in Q3 2024. The daily average number of trades on Nomu – Parallel Market rose 25.82% from the previous quarter to 4,284.48. The number of listed companies on both markets also grew, with the Main Market adding one newly listed company and the Nomu – Parallel Market adding five.

The Exchange's ongoing effort to nurture the growth of our debt market was reflected in another successful quarter, with the nominal value traded of sukuk and bonds rising 35.31% from Q2 2024 to reach SAR 9.59 billion in Q3 2024. This was complemented by a rise in the value traded of negotiated deals, which rose 25.14% quarter-on-quarter to SAR 8.18 billion.

Activity across both the equity and debt markets has been buoyed by continued offerings by new and existing issuers. In this report's Leadership Insights section, we discuss the Exchange's ongoing work to support secondary offerings, highlighting recent success stories and illustrating how these efforts align with and support the goals of Vision 2030.

With opportunities abounding in our market, such as Saudi Aramco's secondary listing this summer, the interest and participation of international investors continues to rise. In Q3 2024, QFI ownership stood at SAR 338 billion, representing 3.34% of the total market and up from SAR 321 billion in the previous quarter.

The third quarter of 2024 represented yet another milestone in our efforts to realize the full potential of the Saudi capital market. As we now begin to look towards the final quarter of the year, we do so with excitement, hope and determination to continue advancing the goals of Vision 2030 and the Financial Sector Development Program.

Mohammed Al Rumaih
CEO of Saudi Exchange



Q3 KEY HIGHLIGHTS

SAUDI CAPITAL MARKET

24.72%

The Q-on-Q increase of volume traded on the Main Market during Q3 2024 to **22.36 billion**.

35.31%

The Q-on-Q increase of nominal value traded of sukuk and bonds during Q3 2024 to **SAR 9.59 billion**.

83.07%

The Q-on-Q increase of the volume of derivatives contracts traded during Q3 2024 to **1,503**.

48.70% | 25.82%

The Q-on-Q increase of the number of trades and the daily average number of trades on the Nomu – Parallel Market, which reached **278,491 and 4,284.48** respectively during Q3 2024.

**414.91
BILLION SAR
(110.46 BILLION USD)**

The holding value of foreign investor ownership on the Main Market in Q3 2024, a **3.10% increase** from the previous quarter.

**610.71
BILLION SAR
(162.58 BILLION USD)**

The total size of issuance of sukuk and bonds in Q3 2024, a **1.49% increase** from the previous quarter.

**209
BILLION SAR
(55.64 BILLION USD)**

The value traded on the Main Market by QFIs in Q3 2024, **representing 23.4%** of the total market traded value in Q3 2024.

THE SAUDI ARABIAN ECONOMIC OVERVIEW

(Based on data available at the time of publication)

Saudi Arabia's economic landscape remained relatively stable during the second quarter of 2024.

While GDP growth decreased slightly by 0.3% in Q2 2024 compared to the previous quarter, Q2 2024 non-oil activities continued to grow by 4.9% year-on-year – up from 3.4% year-on-year in the preceding quarter. Comparatively, the OECD average GDP growth stood at 0.50% quarter-on-quarter,¹ while the G20 average GDP growth was 0.70%.²

The unemployment rate among Saudis fell to an all-time low of 7.1% in the second quarter of 2024, compared to 7.6% in the first quarter of 2024, according to the General Authority for Statistics' (GASTAT) labor force survey. In the third quarter of 2024, the inflation rate increased to 1.60%, reflecting a minor increase while continuing to be relatively low compared to the preceding eight-quarter period.

While these metrics reflect the conditions of broader global macroeconomic environment, they also underscore the necessity of – and resulting success from – the Kingdom's economic diversification efforts as set forth by Vision 2030.

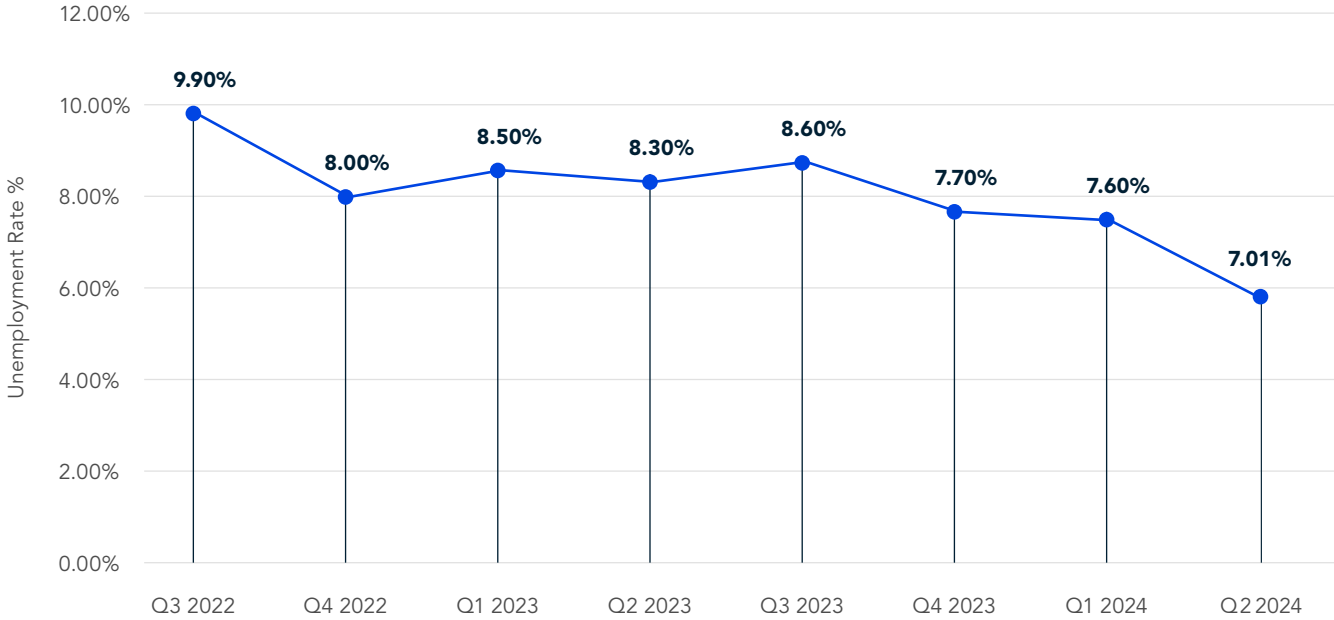
¹"OECD GDP GROWTH CONTINUES AT A STEADY PACE IN THE SECOND QUARTER OF 2024" (OECD, 8/22/2024)

²"G20 GDP GROWTH REMAINS RELATIVELY STABLE IN THE SECOND QUARTER OF 2024" (OECD, 9/12/2024)



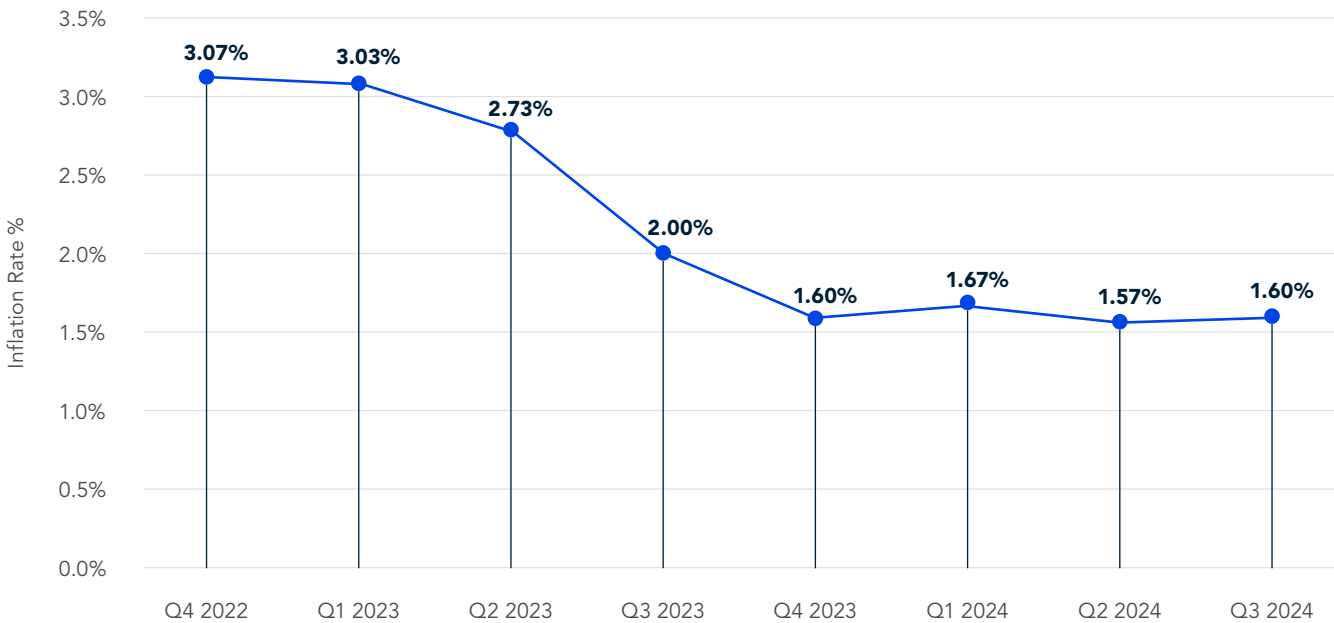
THE SAUDI ARABIAN ECONOMIC OVERVIEW

SAUDI NATIONALS' UNEMPLOYMENT RATE Q-ON-Q



SOURCE: INFLATION RATE (SAMA.GOV.SA)
LATEST AVAILABLE DATA IS UP TO Q2 2024

INFLATION RATE Q-ON-Q



SOURCE: GENERAL AUTHORITY FOR STATISTICS (STATS.GOV.SA)
LATEST AVAILABLE DATA IS UP TO Q3 2024



MARKET ENHANCEMENTS AND UPDATES

Capital Market Authority approval to launch Capital Management System on Main Market

On August 14, 2024, the Capital Market Authority (CMA) granted approval to launch the pilot phase of the Capital Management System (CMS) in the Main Market following its initial launch on the Nomu-Parallel Market. The Capital Management System creates a new operating model for the IPO subscription process, significantly reducing IPO management costs for issuers and reducing streamlining the time to market. It will enhance the IPO process by enabling issuers and lead managers to efficiently assign ownership of shares and manage refunds of excess subscriptions. Additionally, it allows lead managers to include all members as receiving entities, moving IPO subscriptions to a wider range of capital market institutions. This system improves coordination among all participants in the IPO process, ensuring smoother execution and better communication.

IFSAH System enhancements to accommodate publication of ESG reports

During the quarter, the Saudi Exchange upgraded the IFSAH System to accommodate the publication of ESG and Sustainability Reports for the first time. As the largest stock exchange in the Middle East, and one of the top ten largest in the world, the Saudi Exchange's parent company, Saudi Tadawul Group, is committed to playing a leading role in setting the standard for ESG in the Saudi capital market. Earlier this year, Saudi Tadawul Group published its inaugural Sustainability Report for 2023. Part of the Group's ESG strategy is focused on working with issuers to adopt ESG management and disclosures. So far, 38 companies have published an ESG Report through IFSAH.

Saudi Exchange co-hosts EFG Hermes London Conference 2024

On September 9 and 10, 2024, the Saudi Exchange co-hosted the EFG Hermes London Conference. The annual event, now in its tenth year, aims to facilitate meaningful connections and provide insights into the MENA region's evolving investment landscape. Held under the theme 'A New Era of Opportunities', the event included a number of panel sessions and speeches on key issues affected the global economy, providing participants with various insights. Over the course of the two days, the conference hosted over 102 presenting companies across various sectors, included 590 guests from around the world, and institutional investors and fund managers from over 138 global investment firms, conducting over 3,800 meetings.





LEADERSHIP INSIGHTS

Saudi Exchange's Expanding Secondary Market

For the Saudi Exchange, the secondary market represents a key area of opportunity. Secondary offerings are an important liquidity driver for listed companies, while for the Exchange, secondary offerings help drive the market's reach and liquidity and boost its vibrancy. A single secondary offering can have a monumental impact as this summer, Saudi Aramco's secondary offering on the Exchange alone raised over SAR 45 billion (USD 12.35 billion).³

Below, **Mohammed Al-Rumaih, Chief Executive Officer of the Saudi Exchange**, discusses the Exchange's continued efforts to encourage the growth of its secondary market and highlights the significance of secondary offerings within the wider Saudi capital market.



What are the benefits that secondary offerings provide to issuers, investors and the broader Saudi capital market?

For issuers, secondary offerings provide the opportunity to raise additional capital without incurring the debt associated with loans or sukuk and bonds. The additional capital enables companies to finance project expansions, invest in new ventures or research and development, and pay down existing debt.

Investors also benefit significantly via secondary offerings, as the capital raised by the issuer through a secondary listing can help support the company's growth prospects. Thus, active investors enjoy enhanced shareholder value, while prospective investors are drawn by the increased and diversified opportunities. Secondary listings can also enable greater foreign investor participation by making a company's shares more accessible to international investors. A secondary listing in a domestic market offers foreign investors a chance to invest in a company they may have missed out on during its initial offering, while a secondary offering through a cross listing provides local investors with easier access to foreign issuers.

For the broader Saudi capital market, the increased trading activity and liquidity encouraged by secondary listings attracts more diverse investors and boosts the market's overall vibrancy and dynamism. It also enhances market stability and efficiency by promoting institutional investment. More importantly, successful secondary offerings enhance investor confidence not only in the Exchange, but in the wider Saudi capital market and the opportunities it represents – underscoring its robust, resilient and diverse nature.

What steps is the Saudi Exchange taking to promote secondary offerings as a capital raising avenue for listed companies?

The Exchange is making consistent efforts to ensure that both foreign and local issuers understand that we not only welcome their interest in

launching secondary offerings, but we are also equipped to support the process.

For the Exchange, a key step in this process has been to align our offerings with international best standards. As a global top ten stock exchange by market capitalization, we have worked continuously to ensure our issuers and investors have access to best-in-class services. This has included routine infrastructure enhancements to improve our products and operations, increased collaboration with foreign exchanges to encourage knowledge sharing, improve linkages and establish support for dual and cross listings, and active support for prospective and current issuers through the publications of resources, including our ESG Guidelines and Listing Guide.

We are incredibly pleased to see the enthusiastic response from issuers, which have used secondary offerings to build on the strength of their initial listings. What is even more impressive is the strides they have taken in a relatively short period of time. In December 2021, stc Group's secondary public offering represented the first of its kind in the Saudi capital market, successfully raising SAR 12 billion.⁴ Less than three years later, Saudi Aramco's secondary offering on the Exchange in June of this year more than tripled that figure to raise more than SAR 45 billion⁵. Foreign investors in particular took advantage of the opportunity presented by this secondary offering, with more than half of shares being allocated to international investors.⁶ Saudi Aramco's choice of the Saudi Exchange for its secondary offering is a vote of confidence both in our capital market and in the advancements we have made in recent years. We are excited by our progress and confident in the growth of our secondary market as a key element of our broader capital market.



How does the Exchange's work to encourage secondary listings support Vision 2030?

Developing an advanced capital market is one of the key goals of Vision 2030, which seeks to create a vibrant society and thriving economy. Specifically, the Financial Sector Development Program seeks to drive economic growth and diversification – a mission for which the Exchange has been a key partner. Our encouragement of secondary offerings is a small but critical step in this process due to the significant opportunities they represent.

Secondary offerings not only help to increase investor access and participation in our market, but the liquidity they drive creates new opportunities for issuers and supports economic diversification – a key goal of Vision 2030.

Most importantly, the Kingdom is increasingly taking an interest in directly promoting the secondary market. In November of last year, the Capital Market Authority issued a draft framework to regulate secondary offerings in the Saudi capital market and held a public consultation period for 30 days.

While a final framework is still in development, this step forward showcases the government's commitment to strengthening this area of our market, offering greater clarity and confidence for both domestic and foreign issuers and investors.

³["SAUDI ARABIA RAISES \\$12.35 BILLION FROM ARAMCO SHARE SALE AFTER INCREASING OFFER"](#) (REUTERS, 10/7/2024)

⁴["PIF AND STC ANNOUNCE SUCCESSFUL COMPLETION OF STC SECONDARY PUBLIC OFFERING WITH A TOTAL OFFERING SIZE OF SAR 12 BILLION"](#) (PIF, 13/12/2021)

⁵["SAUDI ARABIA RAISES \\$12.35 BILLION FROM ARAMCO SHARE SALE AFTER INCREASING OFFER"](#) (REUTERS, 10/7/2024)

⁶["SAUDI ARAMCO ANNOUNCES END OF SHARE SALE WORTH \\$11.2 BN"](#) (BARRON'S, 11/6/2024)

⁷["THE CAPITAL MARKET AUTHORITY CALLS FOR PUBLIC CONSULTATION ON REGULATING SECONDARY OFFERINGS"](#) (SAUDI EXCHANGE, 22/11/2023)



EQUITIES

The market capitalization on the Saudi Exchange's Main Market and Nomu – Parallel Market increased in the third quarter of 2024. Further, the number of listed companies also increased across both markets compared to the previous quarter.

The market capitalization on the Saudi Exchange's Main Market increased by 0.47% from the previous quarter to SAR 10.10 trillion. With one new listing in the third quarter, the total number of listed companies has now grown to an impressive 239 companies on the Main Market.

The market capitalization on Nomu – Parallel Market continued to build on last quarter's growth, increasing by 0.49% to SAR 55.50 billion, during which period there were five new listings taking the total listed companies to 97 on the Nomu – Parallel Market. Notably, the number of trades and the daily average number of trades increased by 48.70% and 25.82% to 278,491 and 4,284.48 respectively during the same period.

MAIN MARKET Q3 2024

MARKET CAPITALIZATION (SAR)

10.10 trillion
(0.47%) ▲

VALUE TRADED (SAR)

445.75 billion
(-0.38%) ▼

LISTED COMPANIES

239
(1) ▲

TADAWUL ALL SHARE INDEX (TASI) CLOSING

12,226.10
(4.68%) ▲

NOMU – PARALLEL MARKET Q3 2024

MARKET CAPITALIZATION (SAR)

55.50 billion
(0.49%) ▲

VALUE TRADED (SAR)

2.98 billion
(10.47%) ▲

LISTED COMPANIES

97
(5) ▲

PARALLEL MARKET CAPPED INDEX
(NOMUC) CLOSING

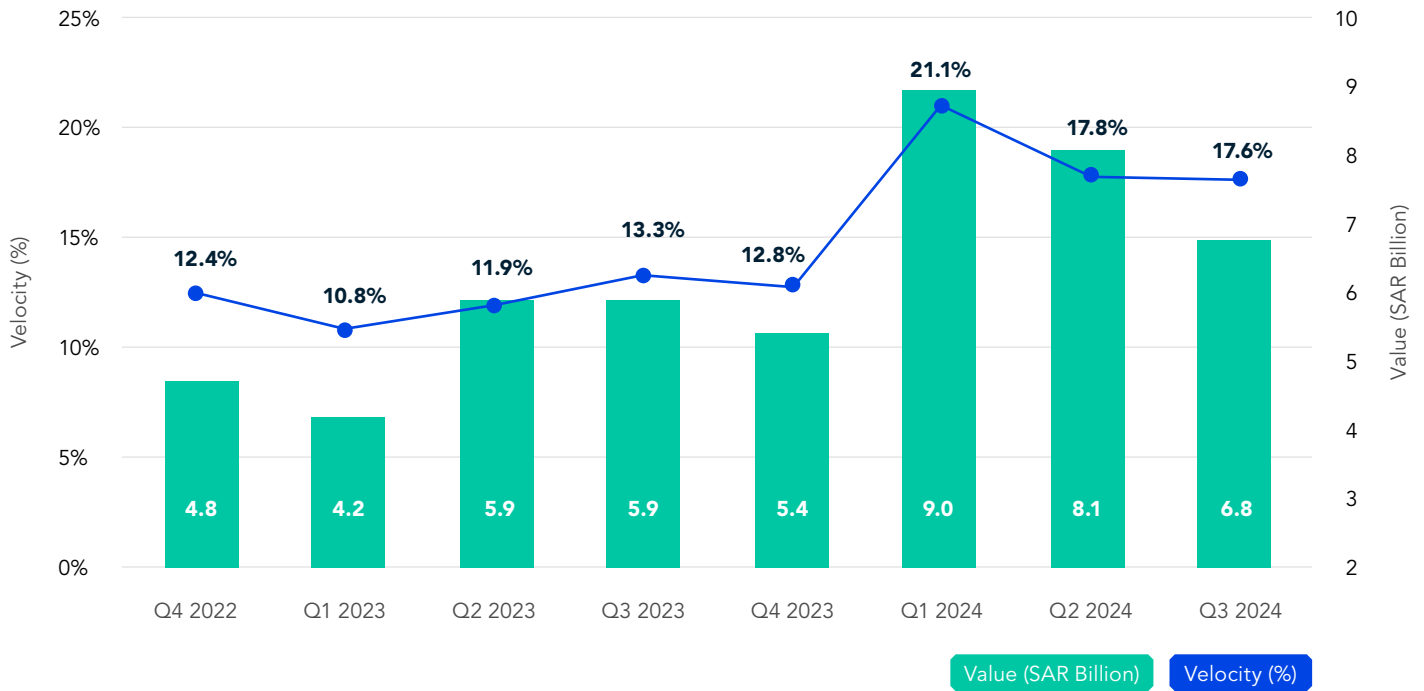
25,442.94
(-2.69%) ▼



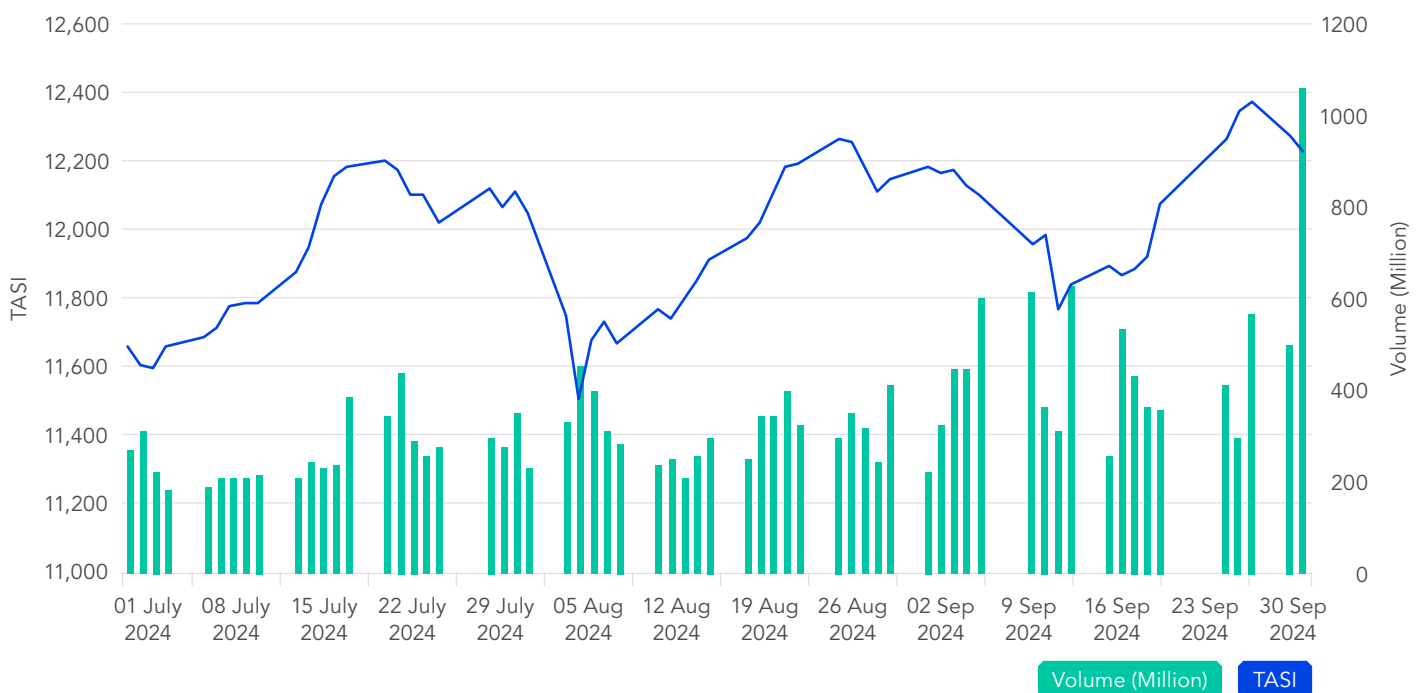
EQUITIES

During the third quarter, the average daily value traded on the Main Market decreased to SAR 6.85 billion, but when compared to the same period year-on-year was still up considerably by 15.66%.

AVERAGE DAILY VALUE TRADED & VELOCITY



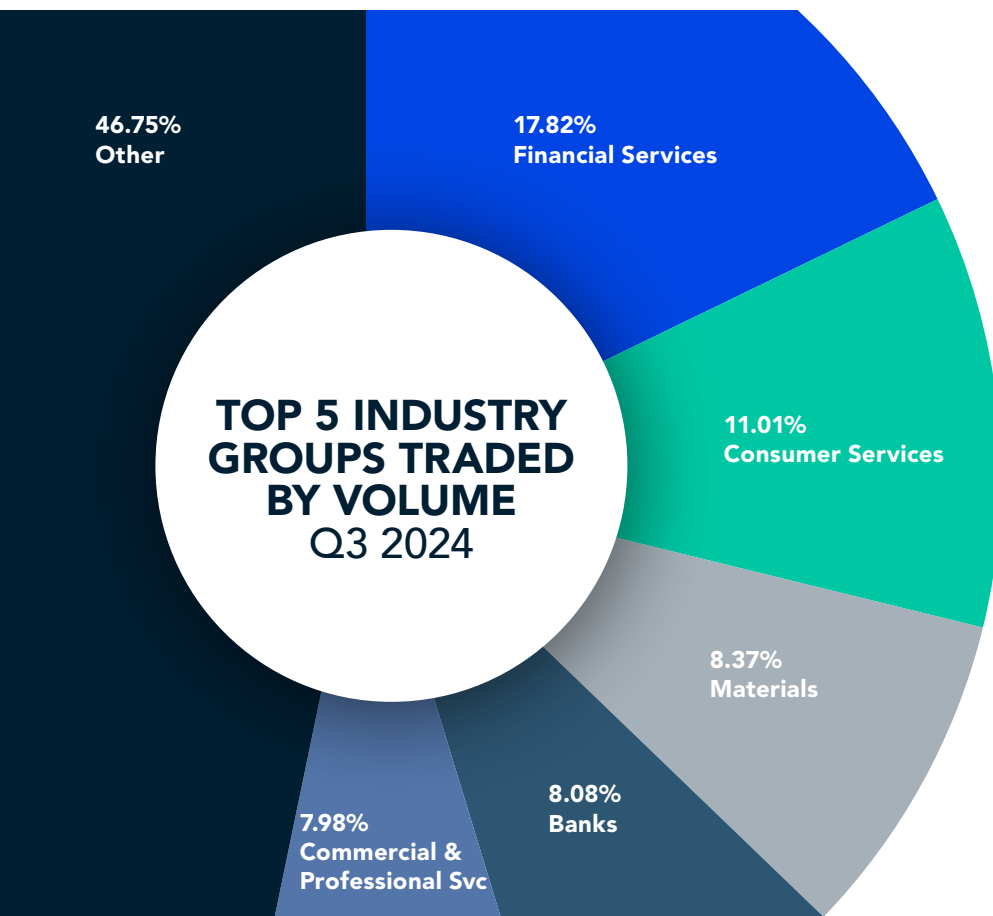
PERFORMANCE OF TASI & VOLUME TRADED



NOTE: TRADING WAS CLOSED ON SEPTEMBER 23 SAUDI NATIONAL DAY.



During the third quarter of 2024, financial and consumer services were the most active industry groups in terms of volume traded, while banks and materials were the most active in terms of value traded.

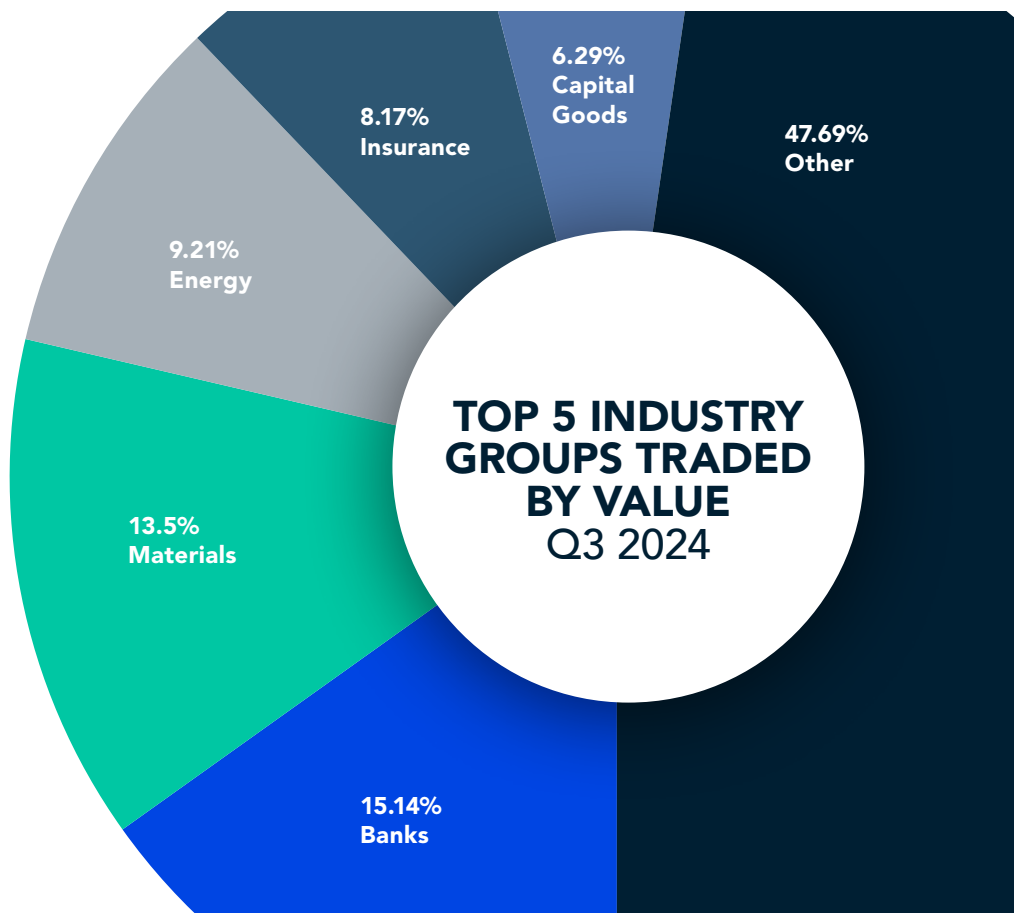


All Sectors

Financial Services	17.82%
Consumer Services	11.01%
Materials	8.37%
Banks	8.08%
Commercial & Professional Svc	7.98%
Capital Goods	6.83%
Energy	6.54%
Consumer Staples Distribution & Retail	6.33%
Real Estate Mgmt & Dev't	4.56%
Insurance	4.55%
Food & Beverages	2.91%
Telecommunication Services	2.66%
Utilities	2.64%
Consumer Discretionary Distribution & Retail	2.12%
Health Care Equipment & Svc	2.08%
Consumer Durables & Apparel	1.85%
Software & Services	1.22%
REITs	0.91%
Transportation	0.89%
Pharma Biotech & Life Science	0.46%
Media and Entertainment	0.20%

All Sectors

Banks	15.14%
Materials	13.50%
Energy	9.21%
Insurance	8.17%
Capital Goods	6.29%
Utilities	6.17%
Telecommunication Services	5.35%
Food & Beverages	4.89%
Real Estate Mgmt & Dev't	4.61%
Health Care Equipment & Svc	4.45%
Commercial & Professional Svc	3.77%
Software & Services	2.99%
Consumer Services	2.98%
Transportation	2.81%
Consumer Discretionary Distribution & Retail	2.27%
Consumer Staples Distribution & Retail	2.26%
Financial Services	1.73%
Pharma Biotech & Life Science	1.44%
Media and Entertainment	0.80%
Consumer Durables & Apparel	0.79%
REITs	0.36%





SUKUK & BONDS

The total size of sukuk and bonds issuance on the Saudi Exchange rose by 1.49% to SAR 610.71 billion in the third quarter of 2024.

The value traded of sukuk and bonds increased by 20.88% in the third quarter to SAR 9.33 billion. The number of trades contracted slightly to 11,104, representing only a 1.25% quarter-on-quarter decline.

SUKUK / BONDS Q3 2024 OVERVIEW

TOTAL SIZE OF ISSUANCE (SAR)

610.71 billion
(1.49%) ▲

SUKUK AND BONDS MARKET INDEX CLOSING

920.59
(3.72%) ▲

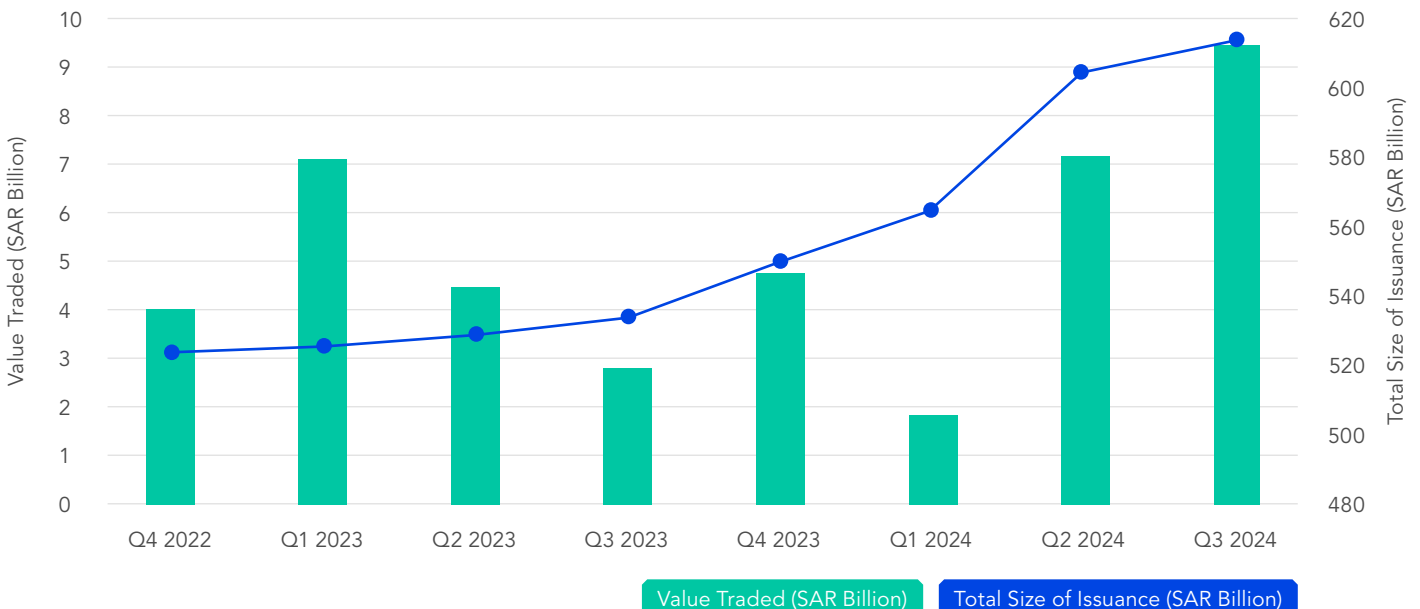
LISTED SUKUK AND BONDS

66
(-4) ▼

Q3 2024 V. Q2 2024

	Q3 2024	% CHANGE Q-ON-Q
NUMBER OF TRADES	11,104	-1.25% ▼
NOMINAL VALUE TRADED (SAR)	9.59 billion	35.31% ▲
VALUE TRADED (SAR)	9.33 billion	20.88% ▲

SUKUK & BONDS TOTAL SIZE OF ISSUANCE AND VALUE TRADED



*AS AT THE END OF THE QUARTER



DERIVATIVES

The value of derivatives contracts traded on the Saudi Exchange decreased to SAR 8.62 million during the third quarter of 2024.

Still, the volume of contracts traded increased to 1,503 during the third quarter, representing an 83.07% increase from 821 in the previous quarter.

DERIVATIVES Q3 2024 OVERVIEW

VALUE TRADED

8.62 million
(-60.63%) ▼

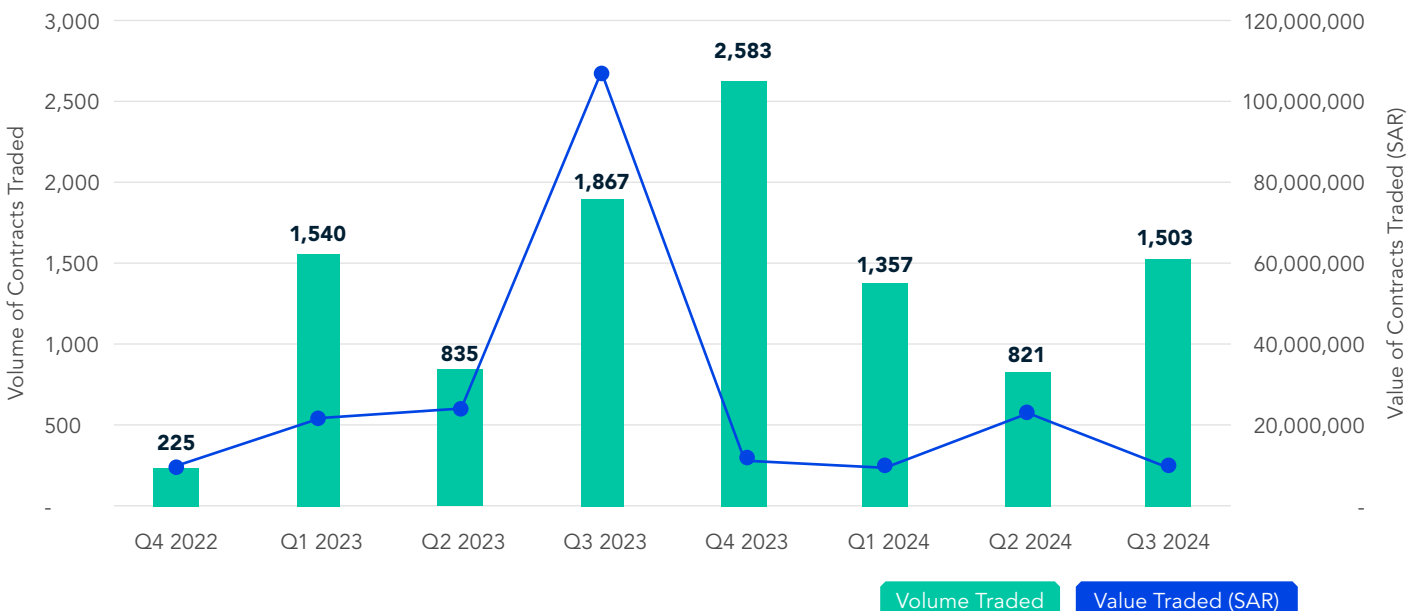
NUMBER OF TRADES

17
(-68.52%) ▼

DERIVATIVES MONTHLY TRADING STATISTICS Q3 2024

	JULY	AUGUST	SEPTEMBER
VOLUME TRADED	1,320	1	200
VALUE TRADED (SAR)	7,876,676	8,500	736,250
NUMBER OF TRADES	14	1	2

VOLUME & VALUE TRADED OF DERIVATIVES CONTRACTS





OWNERSHIP

Foreign ownership across both the Saudi Exchange’s Main Market and Nomu – Parallel Market increased in the third quarter of 2024. The value of foreign investors’ holdings in the Main Market increased by 3.10% compared to the previous quarter

to SAR 414.91 billion, which represents a 13.39% increase year-on-year. During the same period, foreign investor holdings increased by 6.44% to SAR 914.07 million in Nomu – Parallel Market, representing an impressive 67.54% year-on-year increase.

FOREIGN INVESTOR OWNERSHIP* Q3 2024 OVERVIEW

MAIN MARKET HOLDING VALUE (SAR)

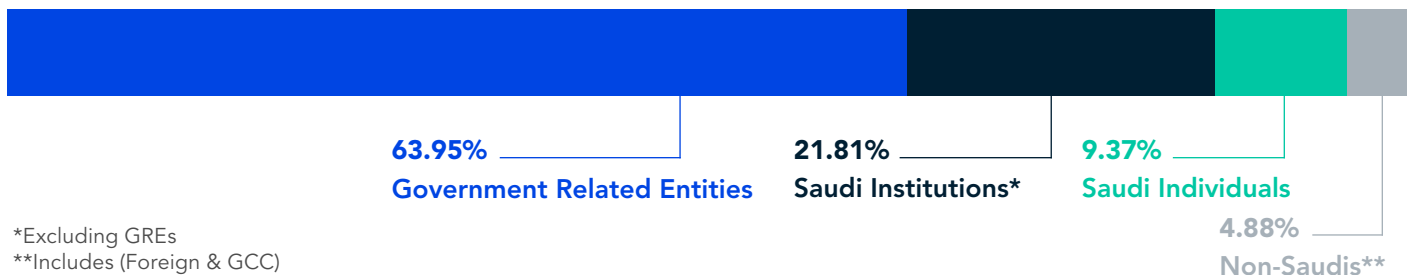
414.91 billion
(3.10%) ▲

NOMU - PARALLEL MARKET HOLDING VALUE (SAR)

914.07 million
(6.44%) ▲

*Includes SWAP Holders, Foreign Residents & Others, QFIs, Foreign DPMs and Foreign Strategic Investors

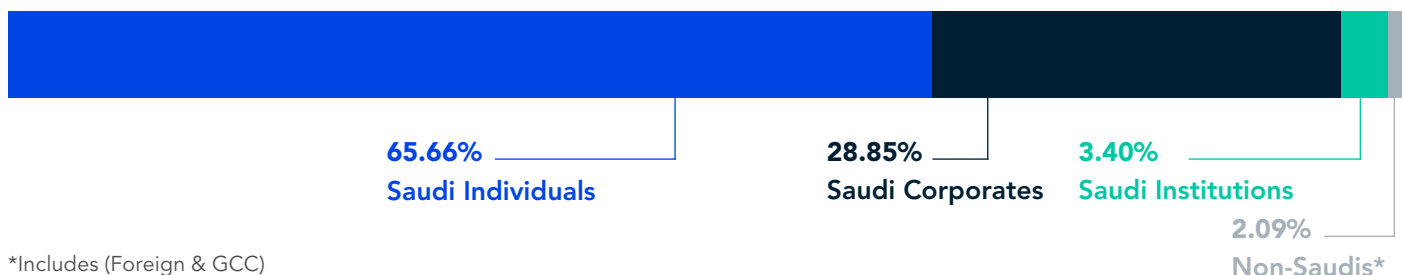
OWNERSHIP BY INVESTOR TYPE Q3 2024 (MAIN MARKET)



*Excluding GREs

**Includes (Foreign & GCC)

OWNERSHIP BY INVESTOR TYPE Q3 2024 (NOMU-PARALLEL MARKET)



*Includes (Foreign & GCC)

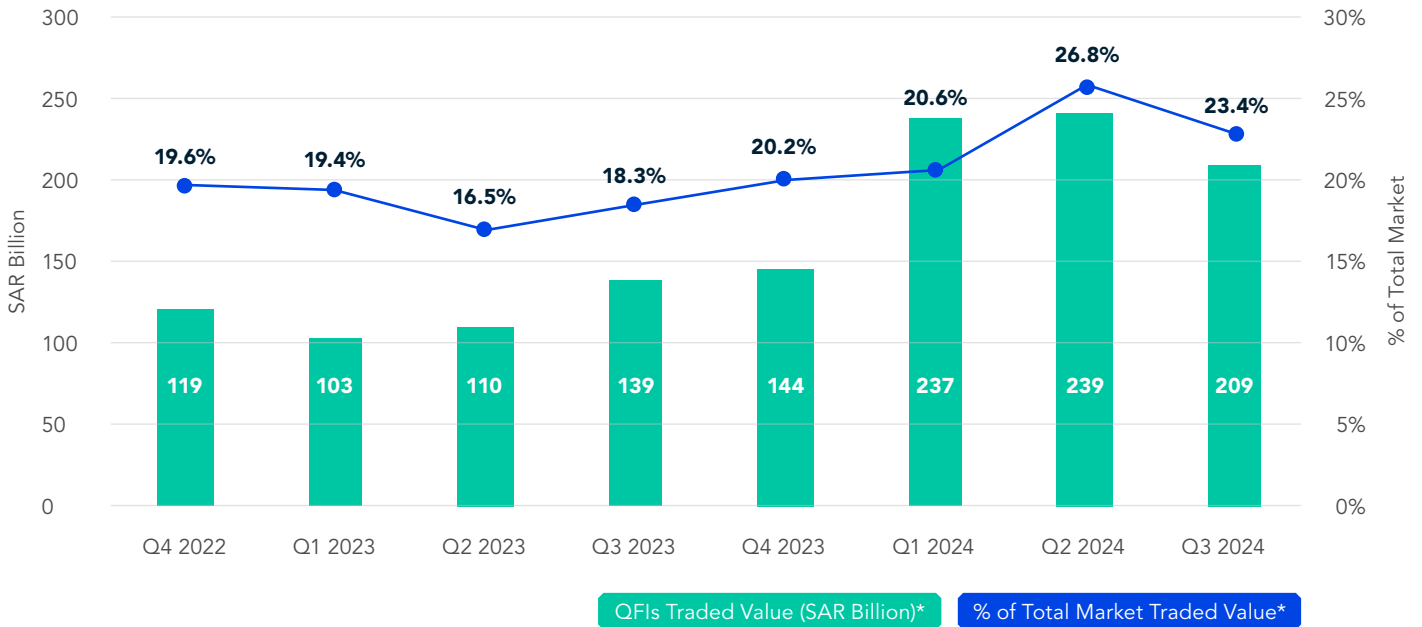
Attracting QFIs remains a key priority for the Saudi capital market. At the close of the third quarter of 2024, their holdings in Saudi-listed firms stood at SAR 338 billion, and the percent of the total market that

QFIs represent increased slightly to 3.3%. During the same period, the value traded on the Main Market by QFIs decreased to SAR 209 billion, which still represented 23.4% of the total market traded value.

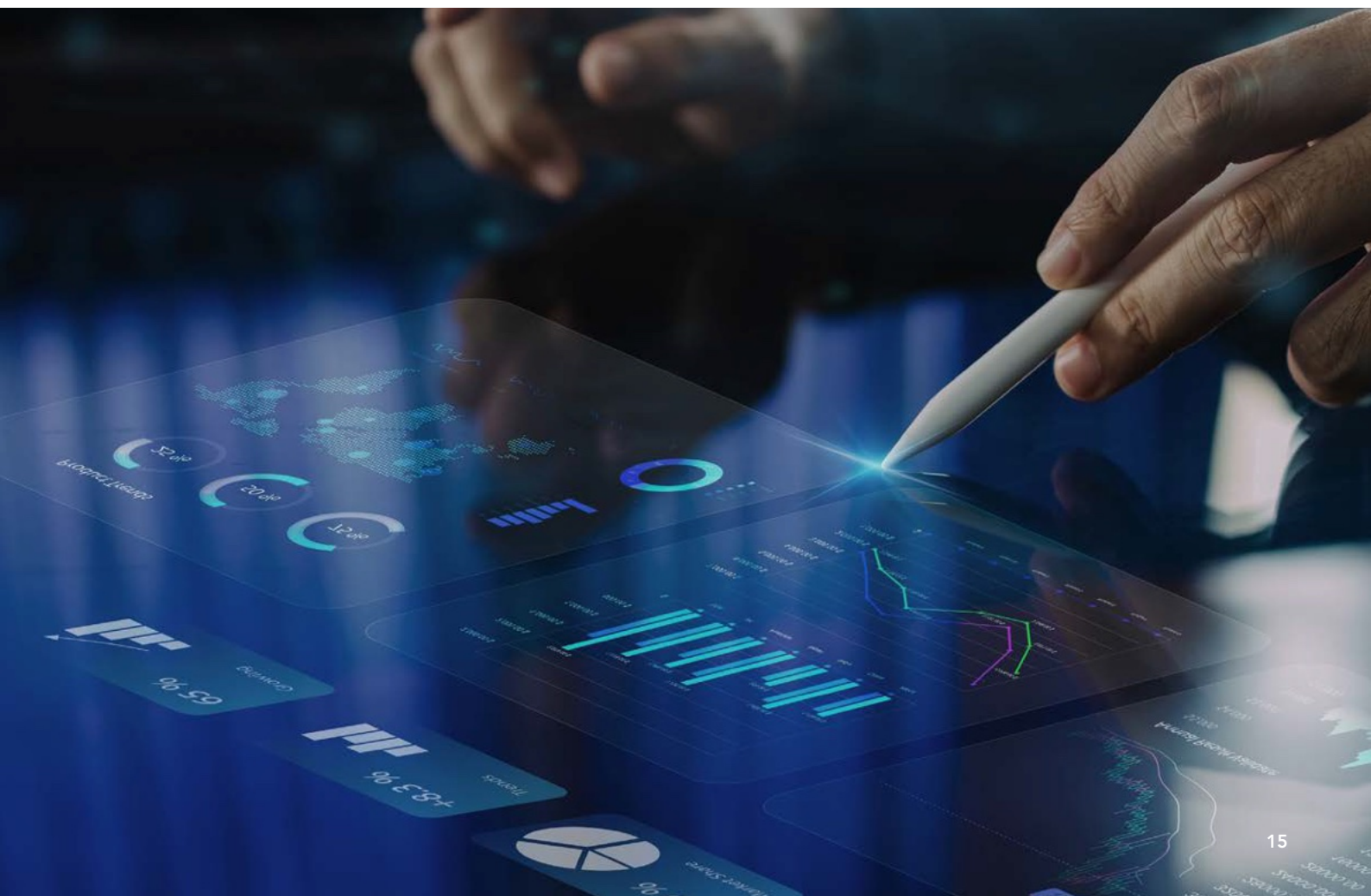


OWNERSHIP

QFI TRADING VALUE - MAIN MARKET ONLY (BILLION SAR)



* AS AT THE END OF THE QUARTER





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