

The New Equation



pwc

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Transforming our Region

Welcome

Stephen Anderson

Strategy Leader
PwC Middle East

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PwC Middle East

Economic Updates

Jing Teow

Director, Economics & Sustainability

PwC Middle East

Qatar Economy Watch

Bassam Hajhamad

Qatar Country Senior Partner and

Consulting Lead

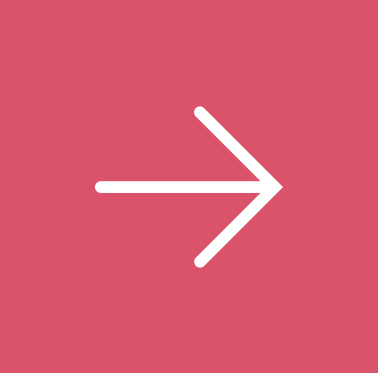
PwC Middle East

GCC IPO+ Watch

Muhammad Hassan

Capital Markets Leader

PwC Middle East



Economic Updates

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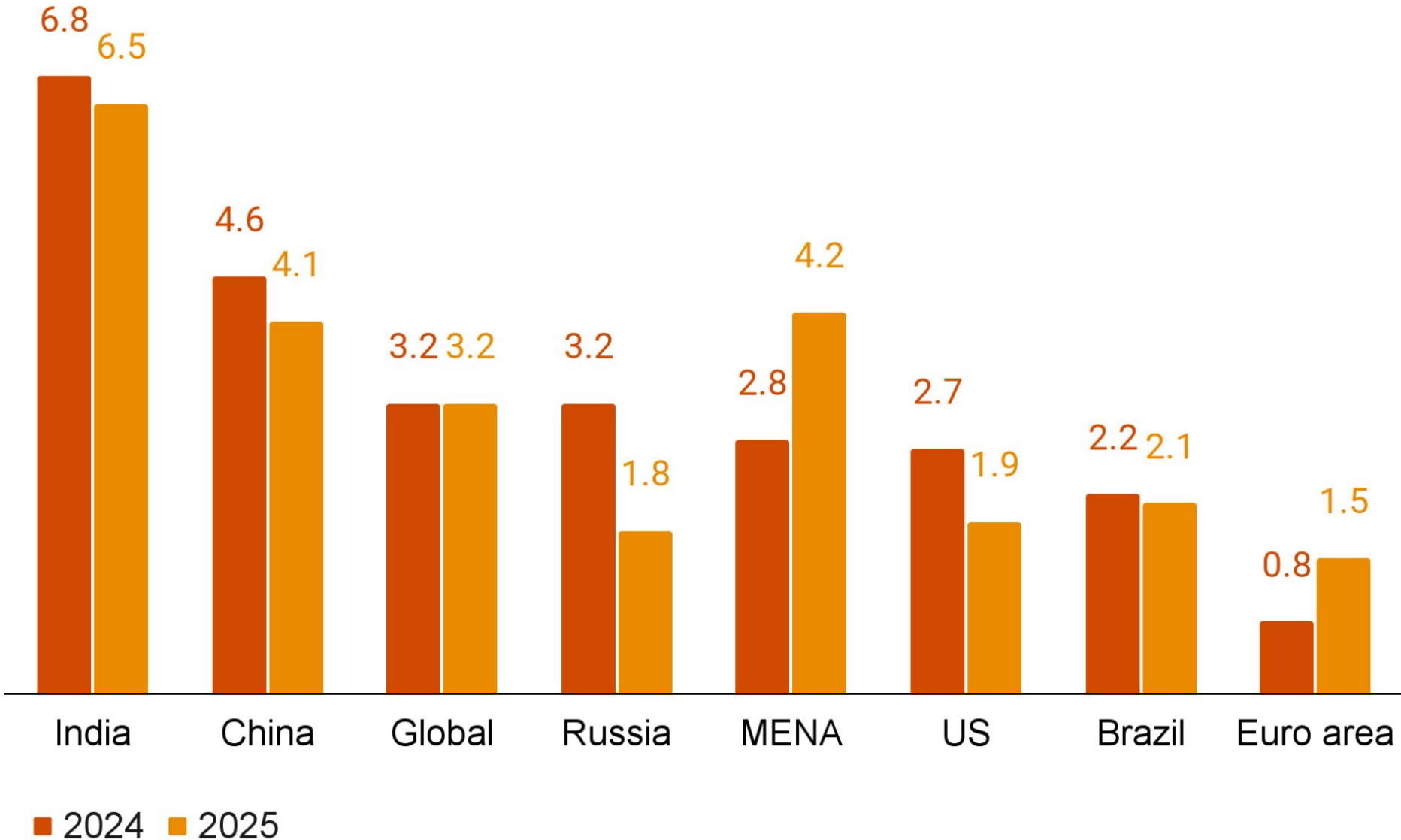
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Economic Update

The global economy is on stronger footing, with inflation moderating

Projected GDP growth



Risks remain broadly balanced

Downside:

- Geopolitical tensions, putting pressure on trade flows and energy prices
- Persistent inflation and high interest rates, putting pressure on the financial system
- Growth in China

Upside:

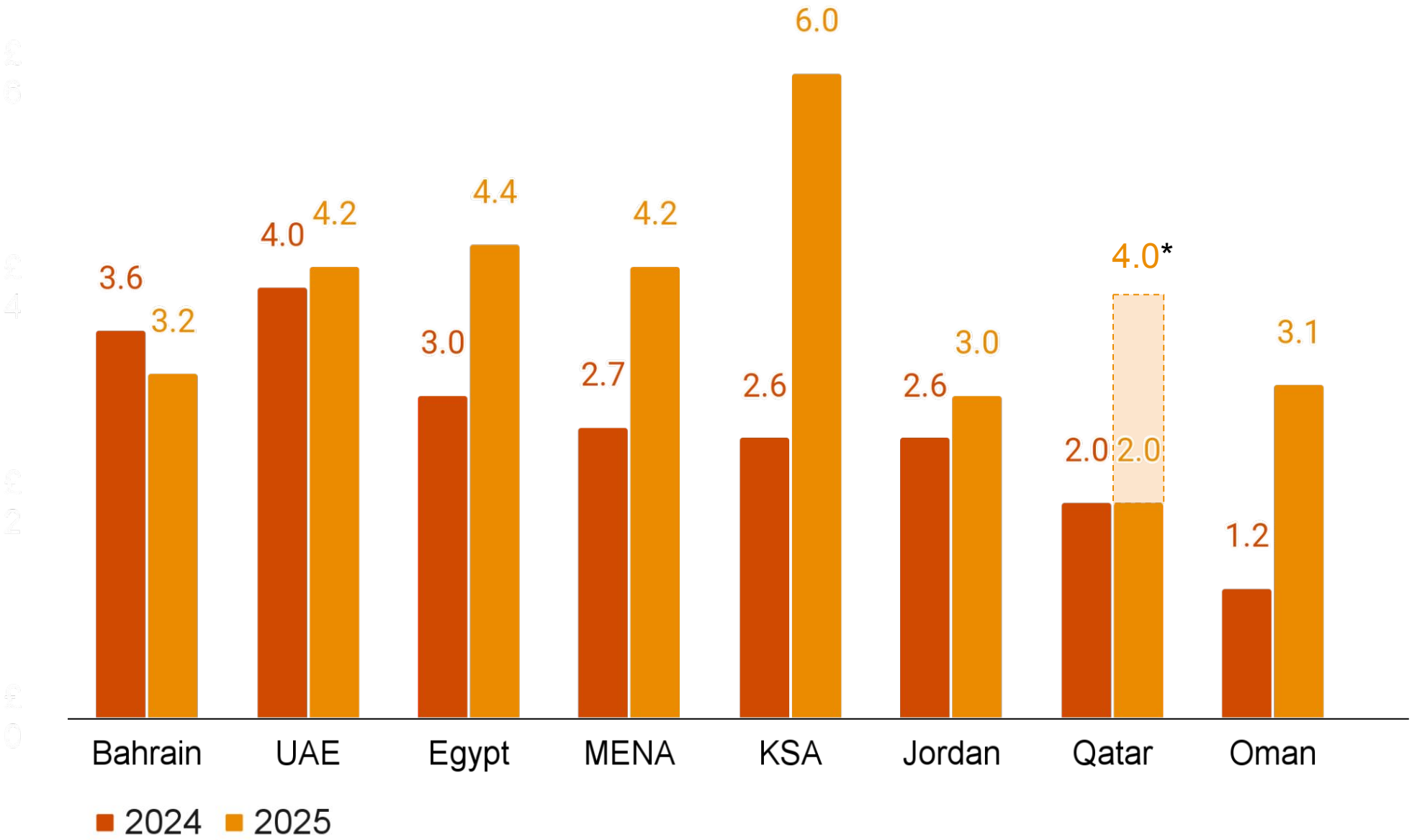
- Fiscal boost from election spending
- Easing of supply side pressures
- Impact of technology on investment and productivity

Source: IMF World Economic Outlook (Apr 2024)

Economic Update

MENA growth expected to strengthen in 2025

Projected GDP growth



Moderate growth in 2024

- Geopolitical risks - Red Sea disruption, Gaza war
- Continued OPEC+ oil production cuts
- Fiscal vulnerabilities due to high levels of debt and borrowing costs

Stronger growth in 2025

- Alleviation of geopolitical risk
- End of monetary policy tightening cycle

Source: IMF World Economic Outlook (Apr 2024), IMF UAE Art IV
* 2025 GDP growth target announced by Government

Bassam Hajhamad

Qatar Country Senior Partner
PwC Middle East

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Qatar Economy Watch

Accelerating economic transformation and growth: Navigating a resilient future with diversification and decarbonisation

Qatar has gone through different stages of growth (and challenges) in the past 5 years. Despite all this, it has consistently displayed resilience.

Qatar journey has been remarkable, from being a predominantly hydrocarbon-based economy to now standing on the cusp of a diversified and knowledge-based one.

Looking ahead, Qatar is pursuing an era of “accelerated” transformation and “diversified” growth, which is underpinned by its Third National Development Strategy (NDS-3).

The strategic foresight of the Qatar National Vision (QNV) 2030 has steered Qatar towards achieving significant milestones in various key sectors that are critical to its long-term success.

In this edition of the QEW, we share our views on the actions that could be taken to continue towards a future that promises prosperity, sustainability, and resilience.

Macroeconomic / Geopolitics,
COVID, World Cup
[2018-2022]

Post World Cup, LNG Expansion,
New Gov't Entities / Governance
[2023]

National Transformation &
Diversification NDS3
[2024-2030]



Accelerating economic transformation and growth:
Navigating a resilient future with diversification and decarbonisation



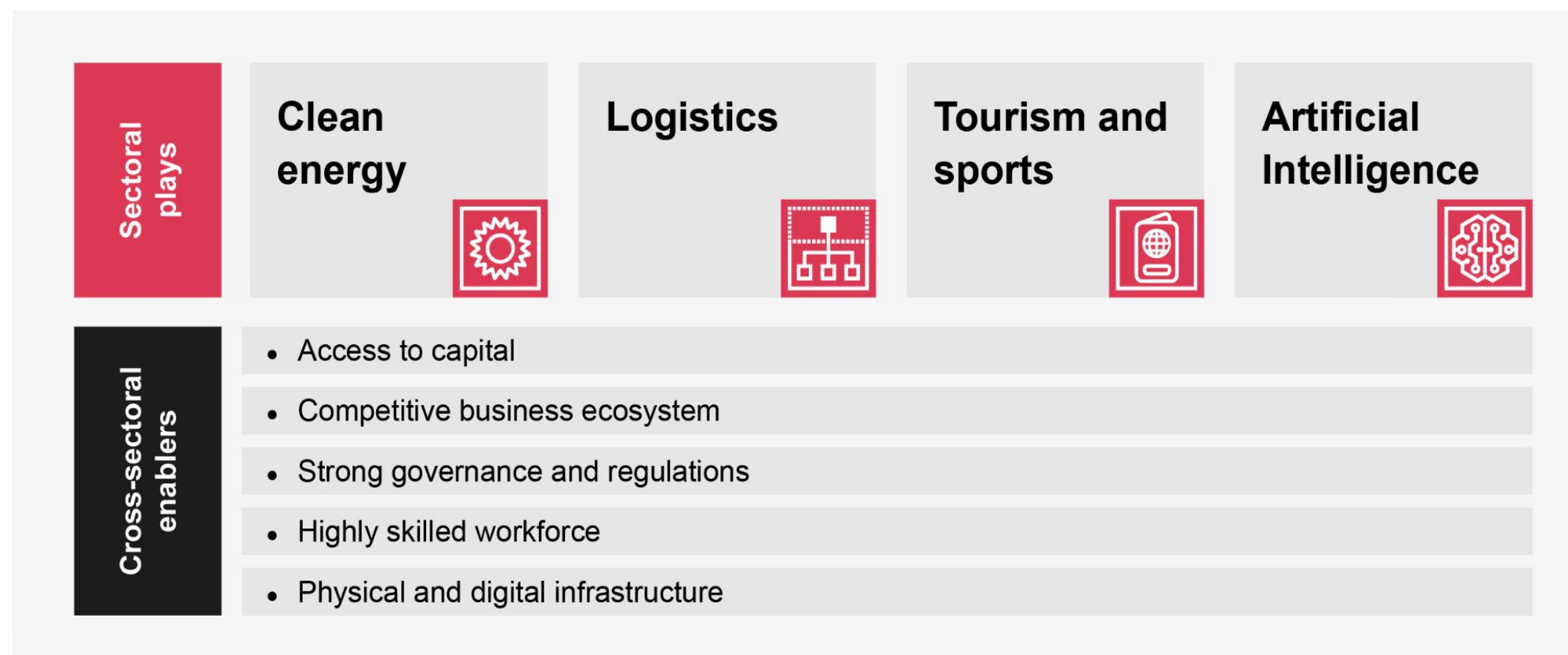
Qatar Economy Watch

Through the report, we take an in-depth look at Qatar's ongoing economic agenda, highlighting new opportunities for hybrid growth.

Our analysis covers the **macroeconomic landscape focusing on four future sector-focused plays:**

- **Clean energy:** Boosting investments in renewable energy forms and investigating emerging fields
- **Logistics:** Strengthening Qatar's position in the global logistics field through direct investments in key international ports
- **Tourism and Sports:** Expanding Qatar's marketing efforts and establishing a worldwide network of tourism offices to further highlight Qatar as a prime destination for travellers. Become a destination for mega-events
- **Artificial Intelligence (AI):** Emphasising Artificial Intelligence (AI) as a key focus, aiming to boost its digital strengths through a dedicated AI economic cluster and specific AI applications

These sectors are crucial for diversifying the economy and enhancing private sector participation.



Cross-sectoral enablers include access to new sources of capital, competitive business ecosystem with strong global partnerships, forward-looking governance, policies, and regulations, highly skilled workforce with new capabilities, and expansion of the country's digital infrastructure.

GCC IPO Watch

Muhammad Hassan

Capital Markets Leader
PwC Middle East

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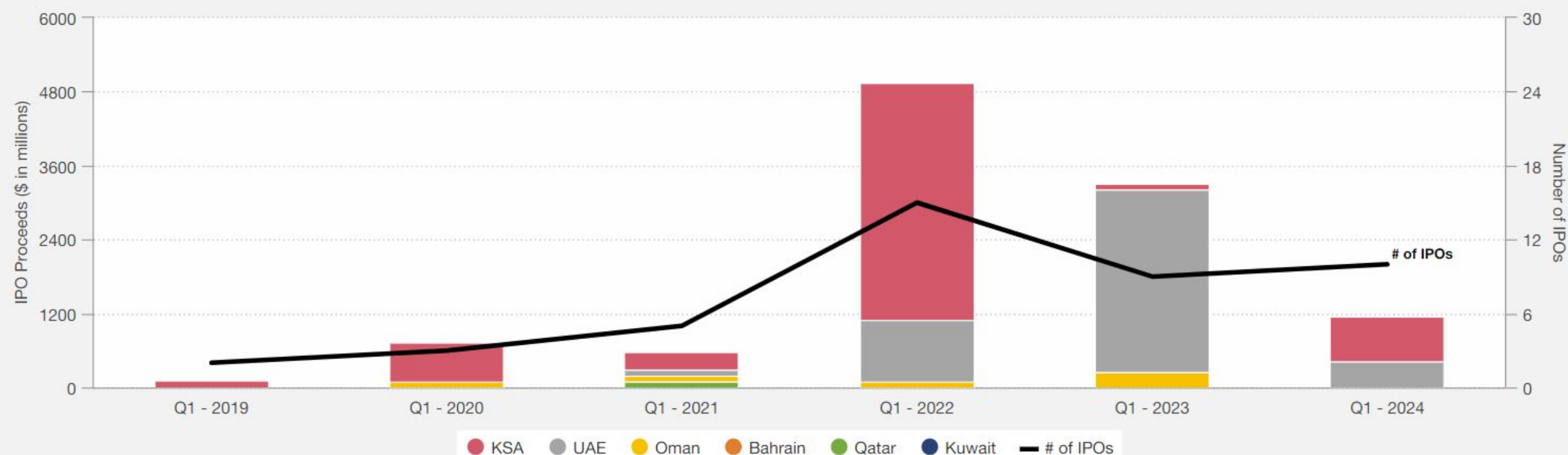


GCC IPO Watch

- **Q1 2024 IPO volumes consistent with Q1 2023 although proceeds were lower**
 - Volumes broadly consistent with Q1 2023 - 10 this Q1 vs 9 last year
 - Q1 2024 IPO proceeds \$1.2bn - compares with \$3.3bn in Q1 2023.
 - This is mainly due to the mega IPO of ADNOC Gas last quarter raising \$2.5b; whereas no such major IPOs this quarter
- **Positive aftermarket performance continues into 2024**
 - Majority of Q1 2024 IPOs saw post IPO-gains with some post IPO profit taking
 - High levels of oversubscription continue such as 165 times on Parkin

- **IPO activity seen across a number of sectors this quarter**
 - Transportation, Health, Consumer and TMT dominated majority of the IPOs
 - No large scale energy IPOs this quarter. The outlook for energy IPOs this year will largely be driven by oil prices.
- **Tadawul continues to be the most active exchange in the GCC**
 - UAE registered the largest IPO of Parkin in the quarter while other IPOs were either on Tadawul main market or Nomu parallel market
 - Expect other GCC exchanges (like Muscat and Qatar) to register some IPOs in the rest of 2024 consistent with last year

Q1 IPO activity by country (2019 - 2023)



GCC IPO Watch

Top 5 GCC IPOs in Q1 2024

Parkin Company P.J.S.C

Exchange: **DFM**
Pricing date: **21 Mar 2024**
Money raised:

\$429m



Modern Mills for Food Products Co.

Exchange: **Tadawul**
Pricing date: **27 Mar 2024**
Money raised:

\$314m



MBC Group Co.

Exchange: **Tadawul**
Pricing date: **8 Jan 2024**
Money raised:

\$222m



Middle East Pharmaceutical Industries Co. (Avalon Pharma)

Exchange: **Tadawul**
Pricing date: **27 Feb 2024**
Money raised:

\$131m



Al-Modawat Specialized Medical Co.

Exchange: **Tadawul-Nomu**
Pricing date: **25 Feb 2024**
Money raised:

\$14m



GCC IPO Watch

Positive outlook for the remainder of 2024

- IPO landscape in the Middle East poised for continued strength in 2024
- Robust pipeline of IPOs supported by continued privatisation agenda combined with private sector companies
- Majority of IPO activity in the region is expected to come from KSA and UAE, however, there is growing momentum in other countries
- IPO volumes are expected to stay remain strong although the scale of IPO proceeds would depend on the number of large scale IPOs we see this year. This will partially be driven by oil prices and geopolitical factors



GCC IPO + Watch
Q1 2024



Q&A





Thank you

