

# Initial Public Offering (IPO) Readiness

Your journey to a successful  
listing begins here.

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## Key Saudi Capital Market Facts (2024)

### 354 listed companies

on Tadawul by the end of 2024 — a record reflecting the market's growth and strength.

### 44 new listings in 2024

— demonstrating strong momentum and investor appetite.

### SAR 13.2 billion raised

through IPOs in 2024 — fueling corporate expansion and opportunities.

### 60 IPO offering applications

submitted in 2024, with 66.6% targeting Nomu (Parallel Market).

The cost of going public on the Main Market (TASI) is estimated between **SAR 16 million** and **SAR 75 million**, while listing on the Parallel Market (Nomu) typically ranges from **SAR 1.8 million** to **SAR 5 million**.

## Growth of Listed Companies (2024-2020)

Category	2020	2021	2022	2023	2024
Main Market	203	210	223	231	247
Parallel Market (Nomu)	4	14	46	79	107

## Reasons Businesses Decide to Go Public



**Access to diverse funding sources** to support expansion and innovation



**Increasing market value and liquidity** through a regulated trading platform



**Enhancing governance and transparency** in line with public company standards



**Raising brand awareness and strengthening competitive reputation** locally and globally



**Facilitating mergers and acquisitions** by using shares as a financing currency



**Attracting & retaining top talent** through incentive programs & employee stock plans

# Is Your Company Eligible?

## 1. Regulatory Requirements

### Main Market (Tadawul):

- A minimum market value of SAR 300 million.
- Demonstrated operating track record and profitability with proof of sustainability.
- Audited financial statements for at least three years in accordance with full IFRS.
- Minimum of 30% of shares offered to the public and at least 200 public shareholders.

### Parallel Market (Nomu):

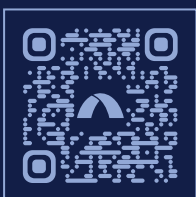
- Minimum capital of SAR 10 million (SAR 100 million for direct listing).
- At least one year of operating history.
- Audited financial statements for at least one fiscal year in accordance with full IFRS.
- A minimum public float of 20% of shares or SAR 30 million, and at least 50 shareholders.

## 2. Internal Requirements

- Clear governance framework (independent board and effective committees).
- Ability to issue annual and interim financial reports on time.
- A compelling, data-backed equity story.
- Strong internal systems (finance, tax, risk, compliance).
- Senior management commitment to continuous disclosure post-listing.

## 3. Market Readiness

- Investor appetite for the sector.
- Capital market conditions (liquidity, price volatility, peer company valuations).



**Measure your IPO readiness  
in just 7 minutes with Dal's  
self-assessment tool**

# The IPO Journey

## Planning Phase

1. Form the internal team (decision-making committee and advisors).
2. Define listing objectives (expansion financing, shareholder exit, reputation enhancement).
3. Assess the appropriate market (Main Market or Parallel Market).
4. Develop a comprehensive plan covering timeline and costs.

## Preparation Phase

5. **Financial Readiness:** Prepare audited financial statements.
6. **Corporate Governance:** Establish committees (audit, nominations & remuneration) and appoint independent directors.
7. **Systems & Controls:** Enhance accounting systems, internal reporting, risk management, and compliance.
8. **Financial Modeling:** Build based on the company's business plan and strategy.

## Execution Phase

9. **Appoint Advisors:** Financial advisor, legal counsel, auditors, and receiving entities .
10. **Prepare and File Documents:** Draft the prospectus and supporting documents, agree on the share price range.
11. **Obtain Approvals:** Fulfill the requirements of the Capital Market Authority (CMA) and Saudi Exchange (Tadawul).
12. **Roadshow:** Present the equity story to investors.

## Post-listing Phase

13. **Ongoing Disclosure:** Provide annual and interim reports.
14. **Effective Communication:** Maintain strong engagement with investors and analysts.
15. **Follow Growth Strategies:** Ensure effective use of IPO proceeds.
16. **Governance Development:** Continuously enhance governance and comply with capital market requirements.

## Expectations: Timeline & Cost

- Timeline: Typically 12 to 24 months depending on the company's readiness.
- Cost: Varies based on the market, offering size, and advisors. Includes fees for auditors, legal counsel, financial advisor, and receiving entities.

**Early preparation saves time and cuts costs, and sets you up for success.**



# Key challenges of an IPO

**Taking a company public represents a unique and complex challenge.**

It is an expensive and lengthy process that requires exceptional preparedness. Since it is often a once-in-a-lifetime experience for a company, any miscalculation of the time and complexity involved can expose it to significant risks. Among the most important challenges associated with this step are the following:

## **Managing stakeholders and advisors**

Coordinating management, board members, auditors, lawyers, financial institutions, and regulators is demanding. Misalignment can create costly delays.

## **Meeting tight timelines**

IPOs run on strict schedules. Financial audits, prospectus drafting, regulatory reviews, and corporate restructuring must align seamlessly to avoid missing market windows.

## **Crafting the equity story**

Investors want more than financials — they want a vision for growth, competitive positioning, and a credible strategy. A weak or unclear story risks undervaluation or lack of demand.

## **Transforming the organization**

Companies must strengthen governance, improve internal controls, enhance reporting systems, and adopt a culture of transparency. This often requires significant investment in people and processes.

## **Operating as a public company**

Life after the IPO brings new responsibilities: interim reporting, strict disclosures, and continuous engagement with investors and regulators.

## **Sustaining investor trust**

Success does not end on listing day. Companies must consistently meet expectations, communicate clearly, and use IPO proceeds effectively to maintain confidence and long-term value.

# Dal: The Trusted Route for Regulated Financial Institutions Going Public

Obtaining the Capital Market Authority's no-objection represents the core step and the foremost challenge for financial institutions when pursuing a listing. Dal is your trusted partner in the IPO journey:

## Specialized Regulatory Expertise

- A team of former CMA leaders with extensive expertise in inspections, licensing, and supervision.
- Deep knowledge of capital adequacy rules, governance standards, and regulatory expectations specific to financial institutions.
- A professional readiness assessment that highlights strengths, identifies gaps, and sets a clear roadmap.

## Integrated Advisory Approach

- Governance, Risk & Compliance (GRC) enhancement.
- Capital adequacy advisory to meet CMA's strict standards.
- CMA inspection simulations to prepare institutions for the Capital Market Authority's pre-no-objection review.
- Action-oriented plans that align stakeholders, mitigate risks, and maximize chances of approval.

# Government Listing Incentives

As part of Vision 2030 and the Financial Sector Development Program (FSDP), Saudi Arabia is fostering an advanced capital market to support the next generation of private companies in listing on Saudi Exchange. A wide range of incentives have been introduced to maximize the benefits for listed issuers.

## Financing & Credit

- Saudi Industrial Development Fund (SIDF): Increased loan limits for listed companies.
- Agricultural Development Fund (ADF): Higher funding percentage and larger credit service limits.
- Projects Support Fund (PSF): Preferential long-term loans up to SAR 1bn for mega projects in health, education, and real estate.
- Tourism Development Fund (TDF): Financing up to 75% of project value, with up to 15-year repayment, grace periods, and fee discounts.

## Fast-Track & Facilitation

- Ministry of Investment (MISA): Facilitated approvals for foreign partner registrations.
- Saudi Food & Drug Authority (SFDA): Fast-track services and training on regulatory systems.
- Projects Priority Office (PPO): Dedicated fast-track resolution of government challenges.
- Zakat, Tax & Customs Authority (ZATCA): Relationship manager, fast-track services, and priority in the Authorized Economic Operator Program.

## Priority Access & Benefits

- Ministry of Health (MoH): Priority in training programs, statistical data, and advertising at ministry events.
- Ministry of Human Resources & Social Development (HRSD): Automatic inclusion in the Safwah program.
- Ministry of Finance (MoF): Preferential treatment in government tenders and procurement.
- Saudi Authority for Industrial Cities & Technology Zones (MODON): Priority access to land and ready-built factories, built-to-suit facilities, and dedicated account manager.
- State Properties General Authority (SPGA): +5% advantage on financial bids for investment lands.
- Wafi Program (WAFI): Eligibility for off-plan sales license and VAT refund for qualified real estate developers



## Notes



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