

# Morning Bulletin

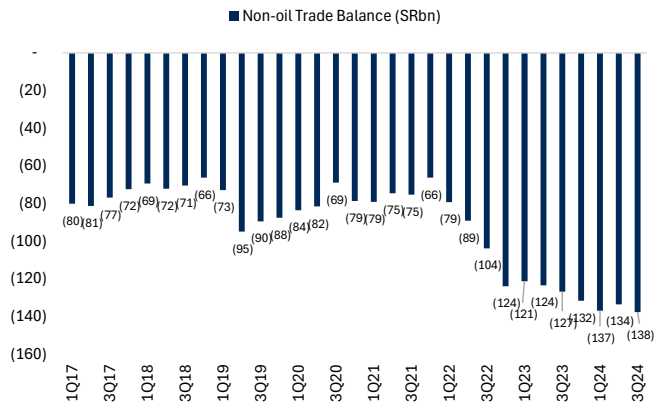
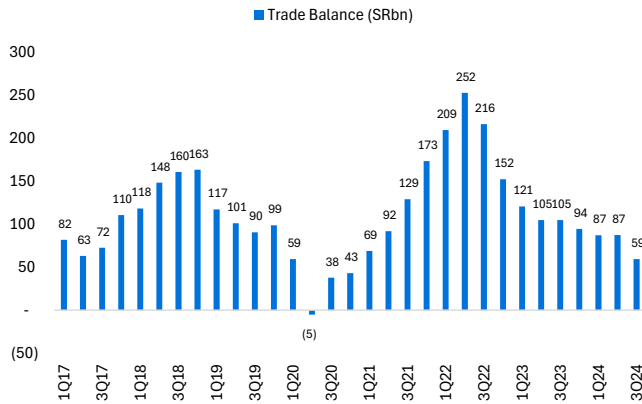
December 15, 2024

## Trade surplus narrows down to its sixteen months low – Focus Charts

Last week, GASTAT issued trade statistics for 3Q24. The data showed that the trade surplus narrowed down primarily due to lower oil receipts amidst a pickup in non-oil export growth and sustained momentum in import growth, reflecting an improved growth backdrop primarily in the non-oil sector.

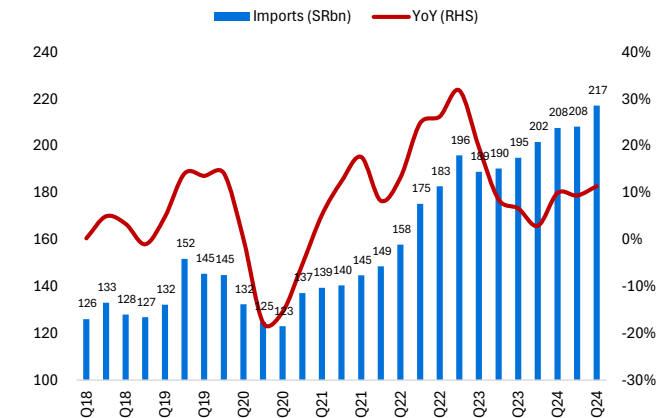
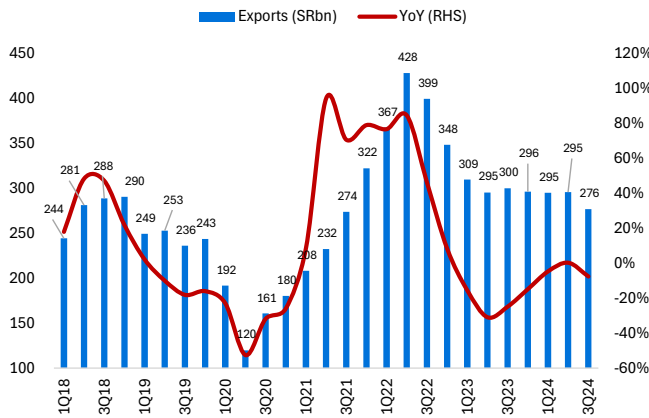
**Trade surplus narrows down to SR59bn in 3Q24, lowest in the last sixteen months....**

**...predominately as non-oil trade deficit widens to SR138bn**



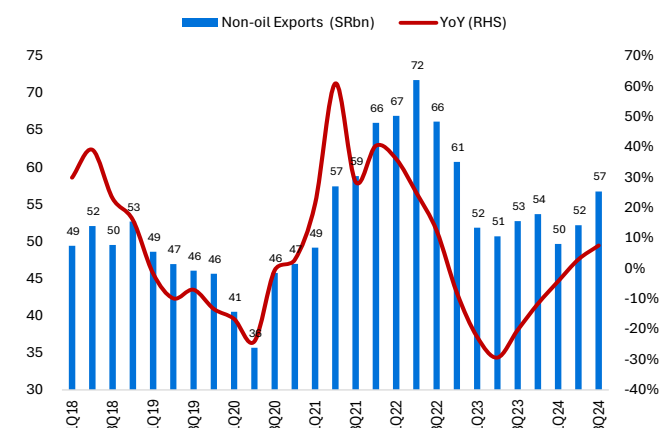
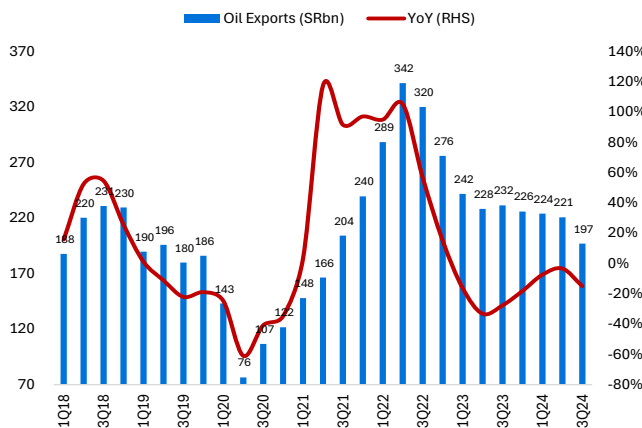
**Exports declined by 8% YoY to SR274bn, the lowest receipts since 2Q21**

**While imports grew by 11% YoY to SR217bn, the highest since at least 1Q17**



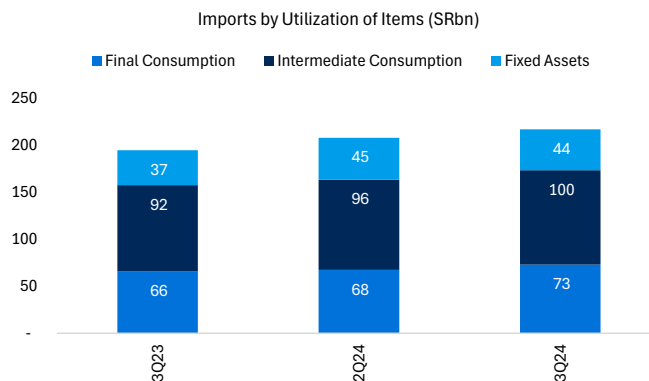
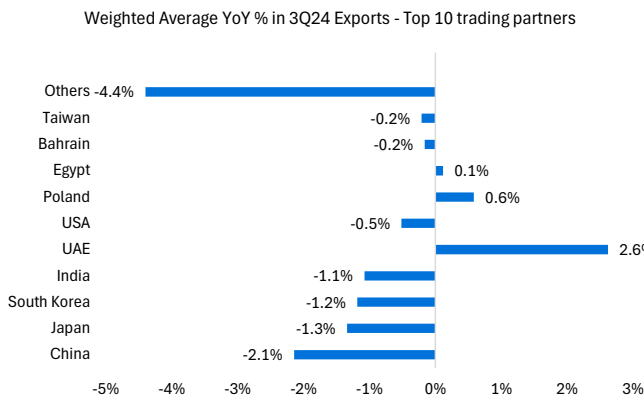
**Lower exports resulted primarily on the back of a 15% YoY decline in oil receipts, likely reflecting lower output and prices**

**Non-oil export receipts were up 8% YoY, its fastest pace of expansion since 3Q22, driven by an uptick in electrical equipment exports**



**Among the top 10 trading partners, barring UAE, Poland, and Egypt, nearly all receipts from partners recorded a YoY decline**

**Encouragingly, growth in imports had been balanced across capx and consumption**



Source: GASTAT

**Balsm Alofoq Medical Co. to debut on Nomu**

Balsm Alofoq Medical Co. shares will start trading on the Nomu-Parallel Market on Dec 16'24. The company's IPO offering consisted of 250K shares, 20% of its post-IPO capital, at an offer price of SR60/share. The offering was 1,695% oversubscribed.

Shareholding structure (in 000's)	Pre-IPO		Post-IPO	
Khamis Abdullah Duhailan Al-Harbi	750	75%	750	60%
Ghadeer Khamis Abdullah Al-Harbi	75	8%	75	6%
Raghad Khamis Abdullah Al-Harbi	63	6%	63	5%
Rami Khamis Abdullah Al-Harbi	44	4%	44	4%
Raed Khamis Abdullah Al-Harbi	38	4%	38	3%
Ryan Khamis Abdullah Al-Harbi	31	3%	31	3%
Qualified Investors	-	0%	250	20%
<b>Total</b>	<b>1,000</b>	<b>100%</b>	<b>1,250</b>	<b>100%</b>

Source: Company Prospectus/Argaam

The company provides therapeutic and cosmetic dental services coupled with selling medical supplies. Therapeutic and cosmetic dental services include dental surgery, orthodontics, dental implants, root canals, prostheses, maxillofacial surgery, and surgical extraction. On the other hand, medical supplies sales include medical needles, gloves, medical disinfectants to combat infection, and sterilization tools needed for hospitals and medical centers.

Dental services are provided through two complexes: 1) Balsam Alofoq Medical Dental Complex, which accounts for 68% of total revenue, and 2) Enaya Al-Nahda Medical Complex, which accounts for 21% of total revenue. The remaining is generated from Nawazer United Trading, which deals in medical supplies. In addition, the company also has a warehouse for the storage of medical devices and supplies, licensed by the Saudi Food and Drug Authority.

Following its IPO, the company plans to utilize all of the proceeds from the IPO to finance its expansion plans. In case of a shortage of funds, the company plans to use bank facilities, while in case of a surplus of funds, the company plans to utilize the additional funds as working capital.

Use of IPO proceeds	Cost- SRmn
Expansion of medical equipment and supplies at the main center in Buraidah	5.4
Completion of an existing project in the Southern Region - Khamis Mushait	6.4
Establishing a medical equipment and supplies warehouse in the Northern Region	6.6
Establishing a medical equipment and supplies warehouse in the Eastern Region - Dammam	6.6
<b>Total</b>	<b>24.9</b>

Source: Company Prospectus

*Dar Global's projects are valued at SR2.8bn in the Saudi market*

In an interview, Dar Global Real Estate Co. CEO Ziad El Chaar indicated that the company's projects are valued at over SR2.8bn alone in the Saudi market. Key highlights of the interview were:

- The amendments to Saudi Arabia's residency laws for foreigners, introduced last March, have significantly increased foreign investor interest in the Saudi market.
- Dar Global launched the "Trump Tower" project in Jeddah, valued at SR2bn. Standing 200 meters tall with 47 floors, it will be among the tallest towers in the city. Construction is set to begin next month, with completion anticipated by 2029.
- The CEO remains optimistic about Saudi Arabia's real estate sector.
- Dar Global is also advancing projects in Dubai and Muscat, with an estimated 20% completion rate by year-end and plans for substantial deliveries by 2027. The company aims to enhance productivity and accelerate development, targeting completing major projects between 2027 and 2029.
- He noted that Dar Global is a subsidiary of Dar Al Arkan. It is 88% owned by its parent company, with the remaining 12% of shares offered for public subscription on the London Stock Exchange last year. The relationship between the two firms is complementary rather than competitive: Dar Al Arkan focuses on projects catering to Saudi citizens, while Dar Global specializes in luxury properties for foreign investors.
- Dar Global's presence extends to regional and international markets, including Greece, Morocco, and U.S. cities like Miami and New York.

Dar Alarkan Real Estate Development Co. (ALARKAN AB) is a real estate development company in Saudi Arabia that was listed on the Saudi Stock Exchange in 2007. In February '23, it listed its subsidiary company, Dar Global PLC, on the London Stock Exchange but retained 88% of holding in the company. Dar Global PLC was established to house and develop Dar Al Arkan's global assets. The following table includes some of its key projects in the pipeline:

**Project Pipeline**

Project Name	Country	Launch Date	No. of units	Status	Scheduled Completion
Da Vinci Tower	UAE	4Q22	85	Undergoing refurbishment	Dec'24
W Residencies	UAE	1Q22	383	Under construction	Jun'26
DG1	UAE	1Q23	223	Pre-sales	Dec'26
The Astera, Interiors by A	UAE	2Q24	223	Pre-sales	Dec'28
Trump International Hote	Oman	2Q24	138	Pre-sales	2028
Trump Cliff Villas	Oman	2Q24	30	Pre-sales	2028
Marriott Residencies	Oman	2Q24	244	Pre-sales	2028
Dar Global Villas	Oman	1Q23	368	Under construction	2027
Trump Golf Villas	Oman	1Q24	220	Under construction	2027
The Great Escape	Oman	4Q23	216	Pre-sales	2027
The Great Escape 2	Oman	2Q24	244	Pre-sales	2028
Tierra Viva	Spain	2Q23	53	Pre-sales	4Q27
Marea	Spain	3Q23	64	Pre-sales	Jun'27
Les Vagues	Qatar	4Q22	77	Under construction	2027
The weekend 01	Qatar	2Q23	83	Pre-sales	2027
The weekend 02	Qatar	1Q24	82	Pre-sales	2027
Oh So Close	London, UK	2Q23	17	Under construction	4Q24
8 mins-to-Central	London, UK	2Q23	9	Under construction	4Q24

Source: 1H24 Investor presentation/Argaam

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