

Saudi Arabia Has Seen 3 Consecutive Years of Private Equity Investment Growth, Closing 2023 With Transactions Worth \$4Bn

The Private Equity landscape has displayed consistent growth since 2020

RIYADH , SAUDI ARABIA , March 26, 2024 /EINPresswire.com/ -- The "2019-2023 Saudi Arabia Private Equity Report" revealed that the Kingdom has witnessed a remarkable surge in Private Equity (PE) activity over the past five years, reaching a pinnacle of approximately \$4Bn in 2023.

According to the report published today by the venture data platform, [MAGNiTT](#), and sponsored by SVC, the Private Equity landscape has displayed consistent growth since 2020, experiencing a substantial 3.7x rise in 2021 and further catapulting to 5.9x its 2021 level in 2022. Notably, the composition of PE transactions has undergone significant shifts, particularly with a pronounced emphasis on Buyout transactions. Between 2020 and 2023, Buyout transactions witnessed a notable 20-percentage point increase in their share of the total, while concurrently, Growth transactions saw a growth of 2 percentage points over the same period. Across the last five years, Buyout transactions have dominated the PE investment landscape, capturing



Dr Nabeel Koshak



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an average of 80% of the total capital deployed in these transactions. This trajectory underscores the evolving dynamics and the increasing prominence of Private Equity within the Kingdom's financial ecosystem, reflecting a strategic shift in investment preferences.

The report also revealed that the PE activity in the Kingdom has been characterized by significant transactional diversity and concentration in specific industries over the past five years. Notably, Food & Beverages emerged as the most transacted industries within the PE landscape between 2019 and 2023. Interestingly, Manufacturing claimed the top spot in terms of total investment, commanding 46% of the capital deployed during this period.

Commenting on the report, Dr. Nabeel Koshak, CEO and Board Member at SVC, said "Following the launch of the 2023 Saudi Venture Capital Report, we unveil the first-of-its-kind Private Equity report that covers the State of private equity in Saudi Arabia over the past five years and outlines its promising growth trajectory. This report represents a significant milestone in our commitment to providing valuable market insights and contributing to understanding the evolving investment landscape in the Kingdom".

He further added, "Alongside our commitment to the growth of Venture Capital, as reported in the 2023 Saudi Arabia Venture Capital Report published by MAGNiTT, we at SVC persist in our unwavering commitment to actively propelling the diverse facets of Private Capital in Saudi Arabia. This dedication is evident through initiating necessary investment programs and products, meticulously crafted based on a thorough analysis of the ecosystem's requirements and aligned with proven working models on both regional and global scales".

Philip Bahoshy, CEO of MAGNiTT, said: "After years of delivering credible market research and real-time insights on the venture capital ecosystem of the region, MAGNiTT is now excited to expand its coverage into the private equity landscape within the markets we cover. And we're even more delighted to be stepping into that direction with our inaugural Private Equity report for Saudi Arabia with our longstanding partners at SVC. This report highlights the pivotal role of private equity in shaping the financial landscape of the Kingdom, while offering insights on industries and leading players within the space."

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