

Saudi Aramco

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Saudi Aramco to bank US\$25bn for 1.5% of company as IPO prices at top end of expected range

Saudi Arabian Oil Co, otherwise known as Saudi Aramco, has priced its stock market float at the top end of the anticipated range - at 32 riyals or US\$8.53 per share.

It sees the company raise US\$25.6bn by selling 1.5% of its equity, valuing the whole group at US\$1.7 trillion.

The IPO on Saudi Arabia's stock exchange marks the first step in opening up the world's largest oil company to public investors, and, is intended to be followed by a secondary listing on an international exchange.

Opening up Saudi Aramco, effectively partially divesting some of the Kingdom's ownership, is part of Crown Prince Mohammed bin Salman's 'Vision 2030' strategy which aims to reduce Saudi Arabia's dependence on oil and drive economic diversification with the development of health, infrastructure and tourism.

Aramco reported a profit of around US\$46.9bn for the first half of 2019, with most of that returned to the state in dividends.

It puts into perspective the US\$40m reportedly being paid as a 'site fee' alone for the country to host this weekend's high-profile boxing match between Britain's Anthony Joshua and Mexican-American Andy Ruiz Jr. It is pitched as the most lucrative fight in boxing, and, such events are seen to be part of a 'modernisation process' and charm offensive, aligned with the Vision 2030 plan.

Also as part of Vision 2030 is the proposed creation of a new 'western' city of Neom, a project near the Red Sea with an estimated at US\$400bn cost. The idea is to establish a city with more relaxed laws, positioned as a tourist destination and host to major international events.

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Share Information

Code: ARAM

Listing: PRIVATE

Sector: Oil & Gas

Website: www.saudiaramco.com

Company Synopsis:

Saudi Aramco, officially the Saudi Arabian Oil Company, is a Saudi Arabian national petroleum and natural gas company based in Dhahran.

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