

How MENA Sovereign Wealth Funds (SWFs) are using investment strategies to future-proof their economies

Understanding how investment activity is shaping up for MENA SWFs and its outlook for 2025

May 2025



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Contents

01

**Market overview:
MENA SWFs activity**

02

**MENA SWFs:
key investment focus
for 2024-25**

2.1 AI integration: a key priority for MENA SWFs

2.2 MENA SWFs to spearhead regional energy transition

2.3 The rise of private credit: a compelling opportunity

2.4 Asia-Pacific: key emerging investment destination for MENA SWFs

03

**Outlook for MENA
SWFs in 2025**

04

**Explore EY transaction
advisory services**

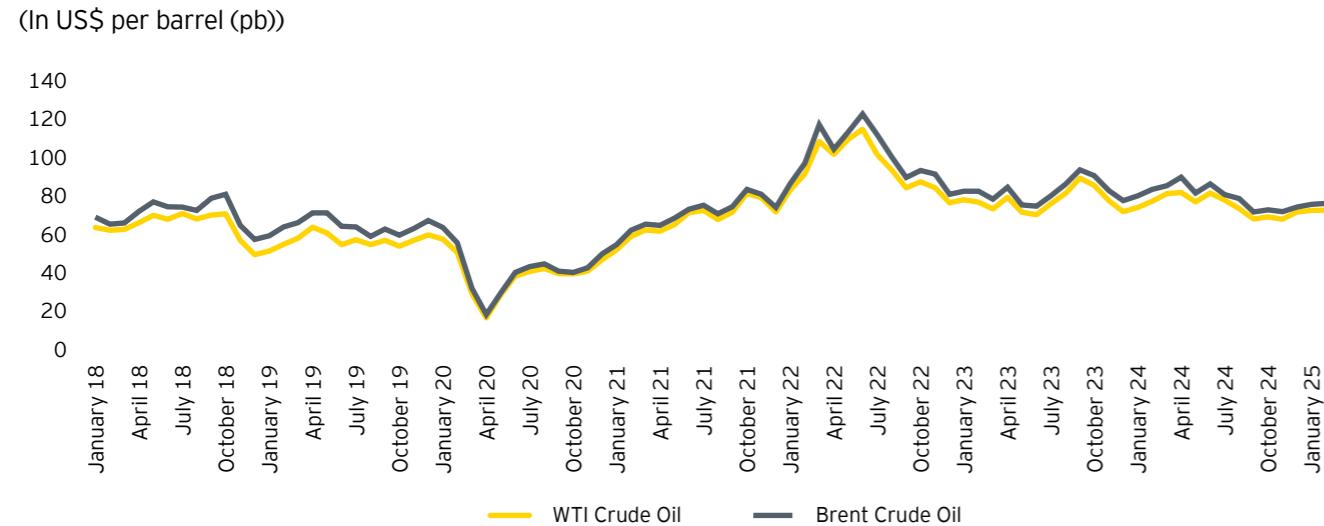


01

Market overview: MENA SWFs activity

Assets under management (AUM) of MENA SWFs have increased by approximately 59% since 2020, boosting their financial firepower

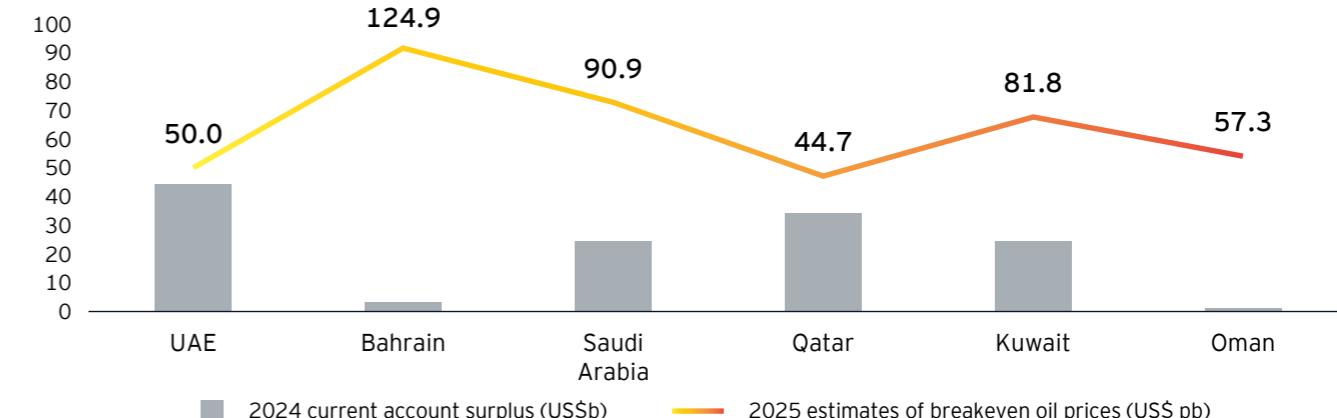
West Texas Intermediate (WTI) and Brent crude oil spot prices (2018 to January 2025)



Higher oil prices in 2022 and 2023 significantly enhanced the public finances of Middle East nations, helping some MENA sovereign wealth funds (SWFs) to increase AUM. AUM as a percentage of national GDP for the top seven SWFs in MENA reached peak levels during 2024. For example, AUM for one of the MENA-based SWF is five times the nominal GDP of Kuwait in 2024.

In 2024, oil prices continued to climb in response to the ongoing tensions in the region. Although the global economy is less reliant on Middle Eastern oil than in the past, a significant disruption could lead to flat energy prices, going forward. Although the exact nature of these events can be difficult to predict, geopolitical events will continue to have a significant influence on the oil market next year.

Current account surplus for select MENA countries and fiscal breakeven oil prices



Source: Oxford Economics, IMF, S&P Capital IQ EY Insights analysis

Following a decline from 17.8% of GDP in 2022 to 11.8% of GDP in 2023, the GCC current account surplus is expected to further moderate to 9.7% of GDP in 2024.

Against the backdrop of current account surpluses and private capital inflows, the GCC countries increased foreign investments, extended financial support to the

region, and accumulated foreign exchange reserves. As a result, SWFs strengthened over the prior year and increased their overall AUM.



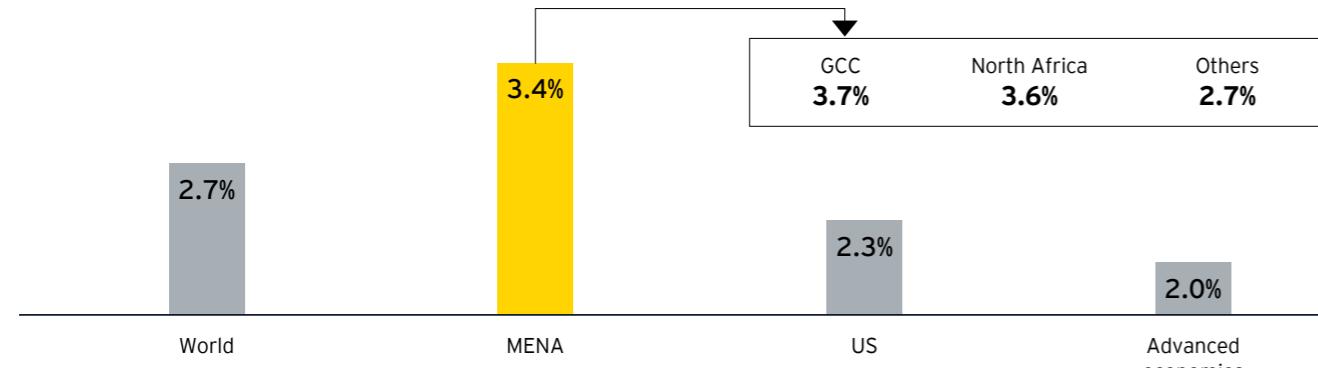
Impact of oil price change on SWF activity

Elevated oil prices during H1 2024 and the revival of prices during the end of 2024 led to a significant jump in SWF assets, improving their financial firepower. While not all SWFs are dependent on oil revenues, a higher oil revenue for the economy translates into large capital injections into many of the MENA SWFs.

GDP growth in MENA is set to outpace advanced countries, propelled by growth across the GCC region and driven by non-oil activity

GDP growth in MENA is set to outpace advanced countries ...

Average real GDP growth between 2024-2028* (percentage)



GDP growth in MENA is projected to increase to 3.3% in 2025 (up from 1.9% in 2024) and 4% in 2026.

The pickup in growth is mainly driven by higher oil output, as oil production cuts are phased out. Additionally, robust growth in the non-oil sector, supported by diversification efforts and reforms, further contributes to the expansion.

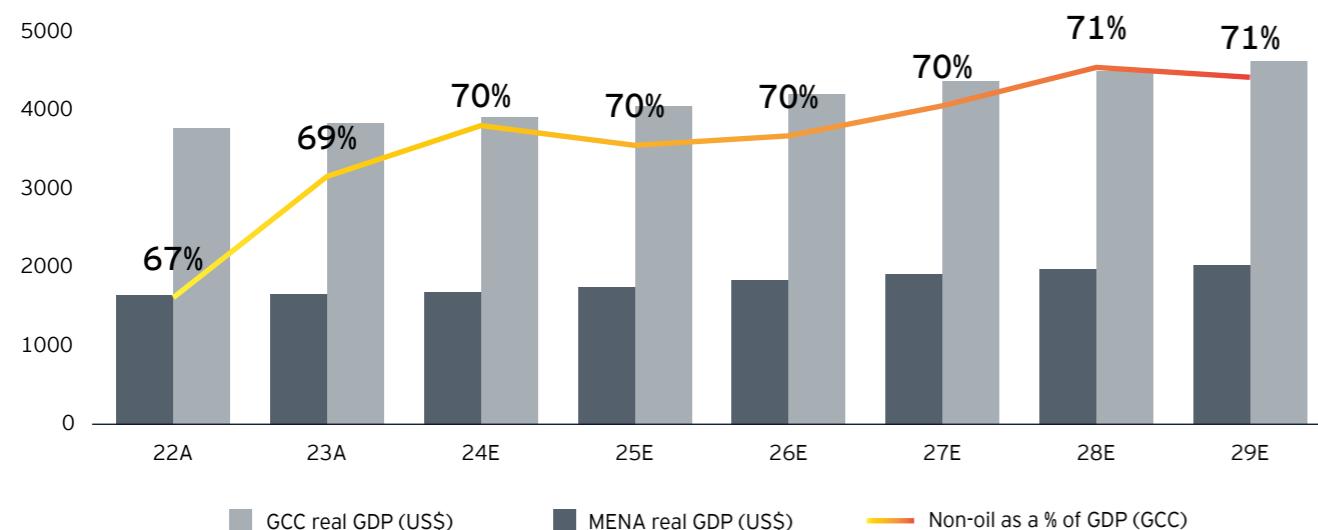
Economies in the MENA region are expected to be more resilient and diversified, thereby unlocking a

period of accelerated expansion, with non-oil GDP contributing more than 70% by 2028 in GCC nations.

Notably, the UAE finalized the Comprehensive Economic Partnership Agreement (CEPA) with multiple countries such as Morocco, India, Turkey and South Korea to enhance non-oil trade and investment by reducing tariffs and barriers, improving market access, and focusing on sectors such as renewable energy and infrastructure.

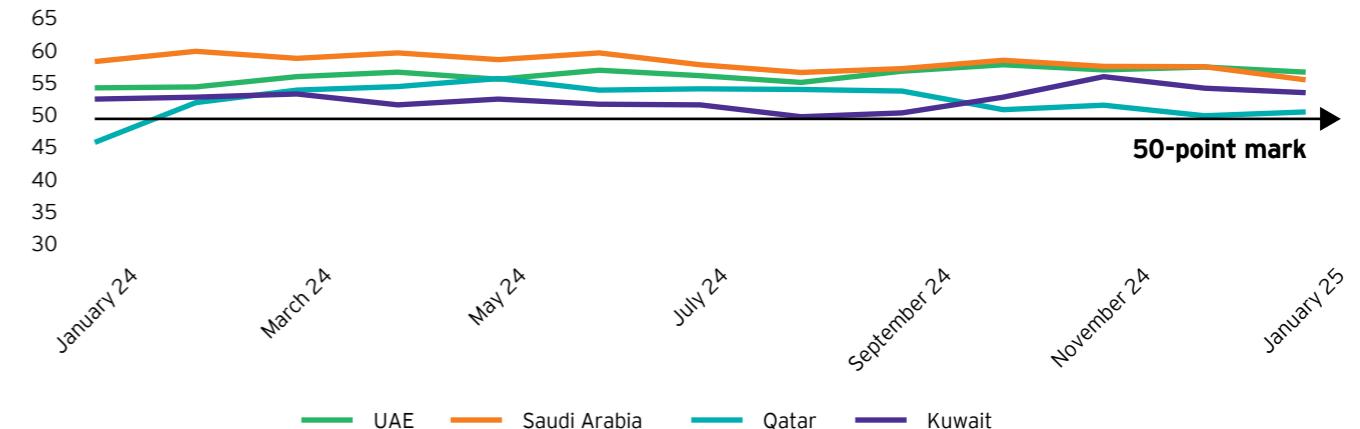
... propelled by growth across the GCC region and driven by non-oil activity

Real GDP (US\$b)



Many key countries in the MENA are experiencing an expansion in their non-oil economy

Purchasing Managers Index (PMI) of selected¹ MENA countries



Note: 2024-2028* represents forecasted figures; ¹includes countries with published PMI points
Source: Oxford Economics, S&P Capital IQ, EY Insights analysis

Impact of GDP growth on SWF activity

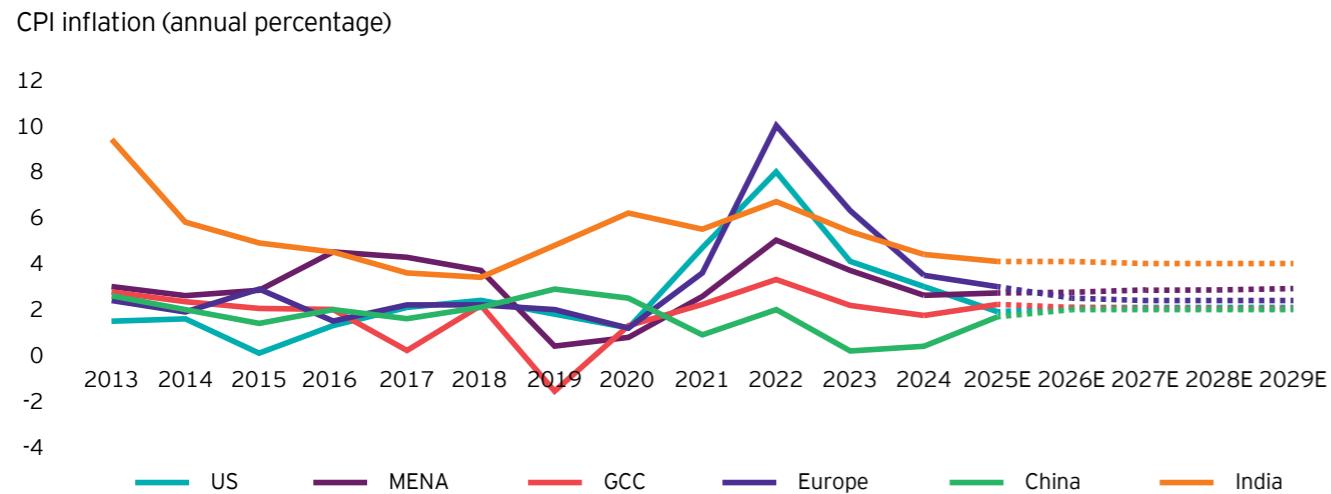
A stronger economic or GDP growth translates into a greater investor confidence in a geography. The MENA region's positive outlook on GDP growth is expected to boost direct investment activity by global, regional and domestic investors.



MENA is projected to experience moderate inflation, leading to gradual decline in interest rates, fostering a better deal making environment

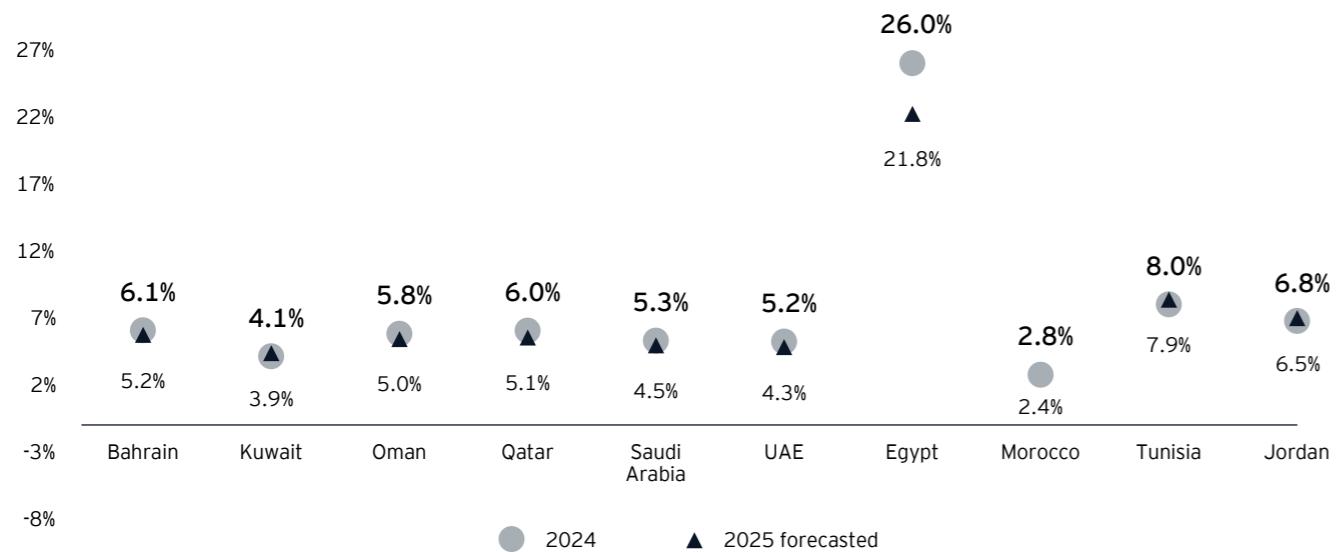
In line with global trends, inflation in many MENA economies started to ease in 2024, reflecting the impact of earlier monetary policy tightening and lower commodity prices. This is expected to lead a further gradual decline in interest rates, resulting in a favorable deal environment for investors.

Major economies inflation rate (annual percentage)



Note: In the above graph, MENA* excludes high inflation countries such as Egypt, Sudan, Syria and Yemen

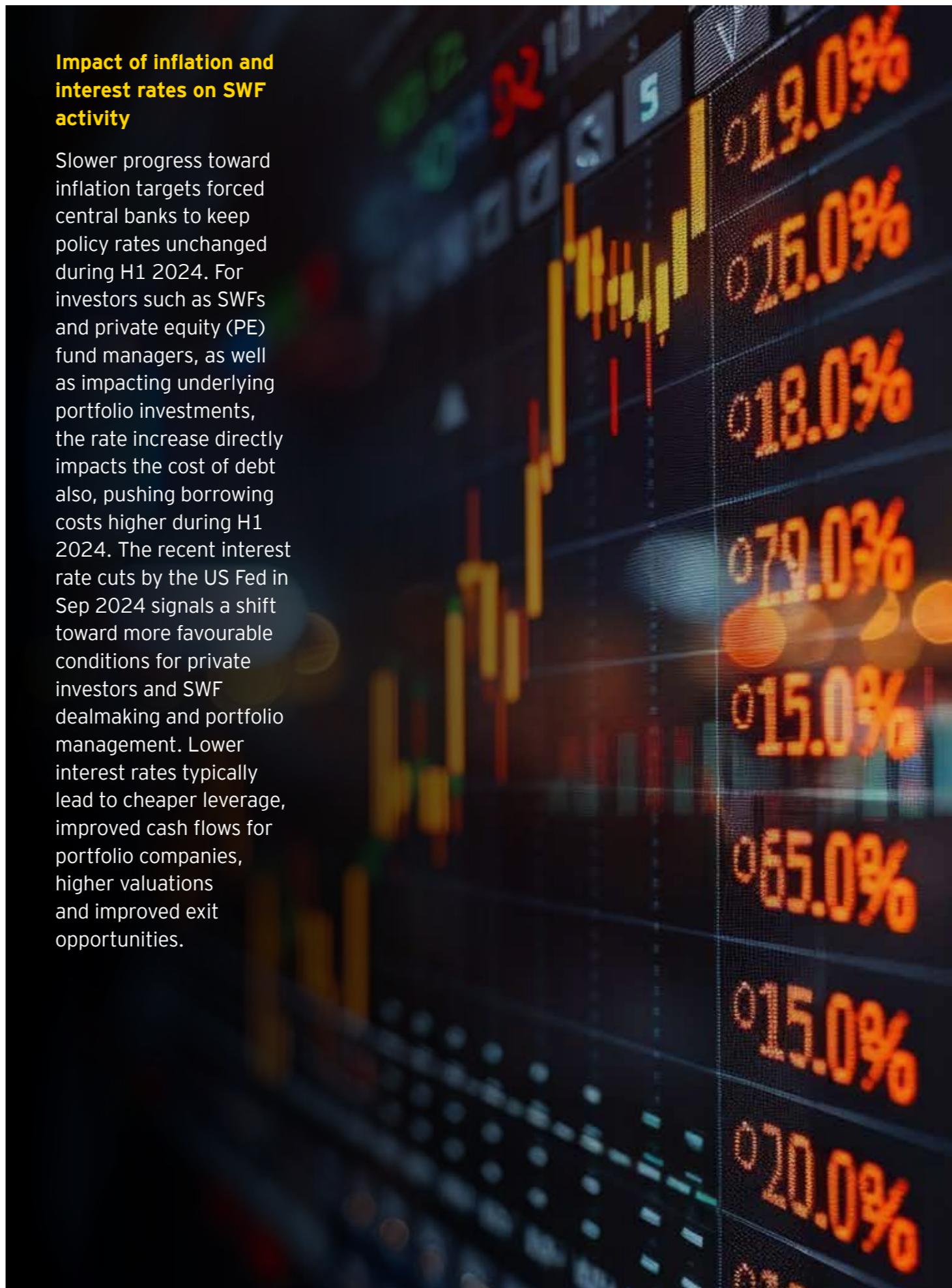
Central bank policy interest rates for select MENA countries in 2024 (in percentage) and outlook for 2025



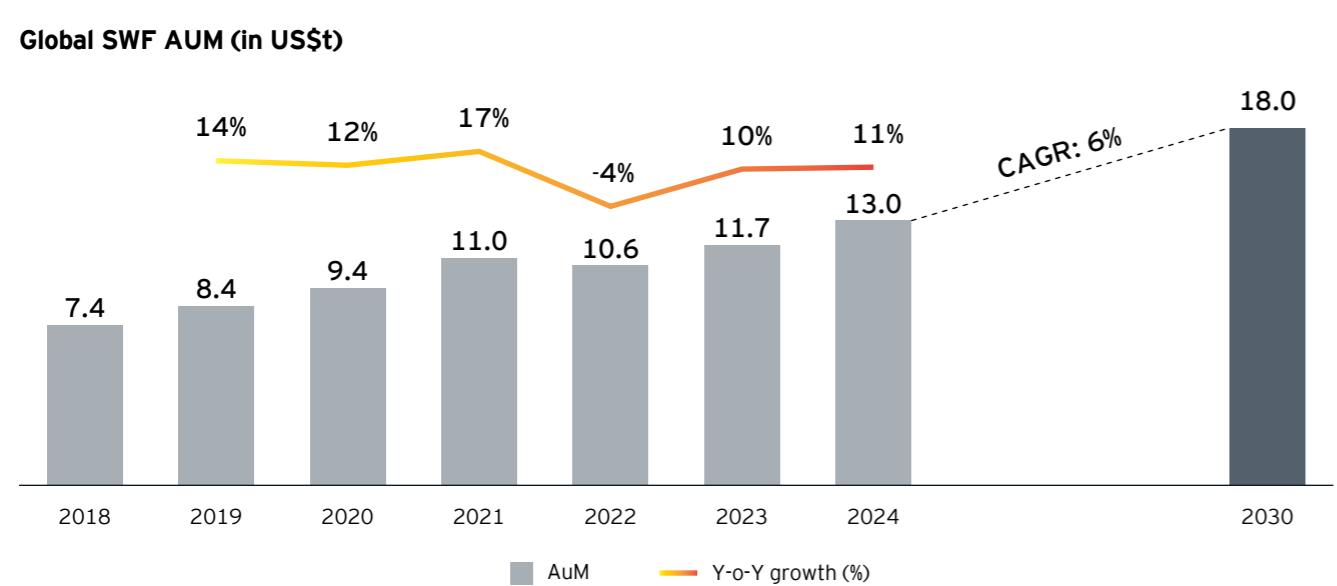
Source: Oxford Economics, IMF, EY Insights analysis

Impact of inflation and interest rates on SWF activity

Slower progress toward inflation targets forced central banks to keep policy rates unchanged during H1 2024. For investors such as SWFs and private equity (PE) fund managers, as well as impacting underlying portfolio investments, the rate increase directly impacts the cost of debt also, pushing borrowing costs higher during H1 2024. The recent interest rate cuts by the US Fed in Sep 2024 signals a shift toward more favourable conditions for private investors and SWF dealmaking and portfolio management. Lower interest rates typically lead to cheaper leverage, improved cash flows for portfolio companies, higher valuations and improved exit opportunities.



Global SWF AUM is expected to reach US\$18t globally by 2030, driven by oil prices, increased allocation to private markets and higher returns



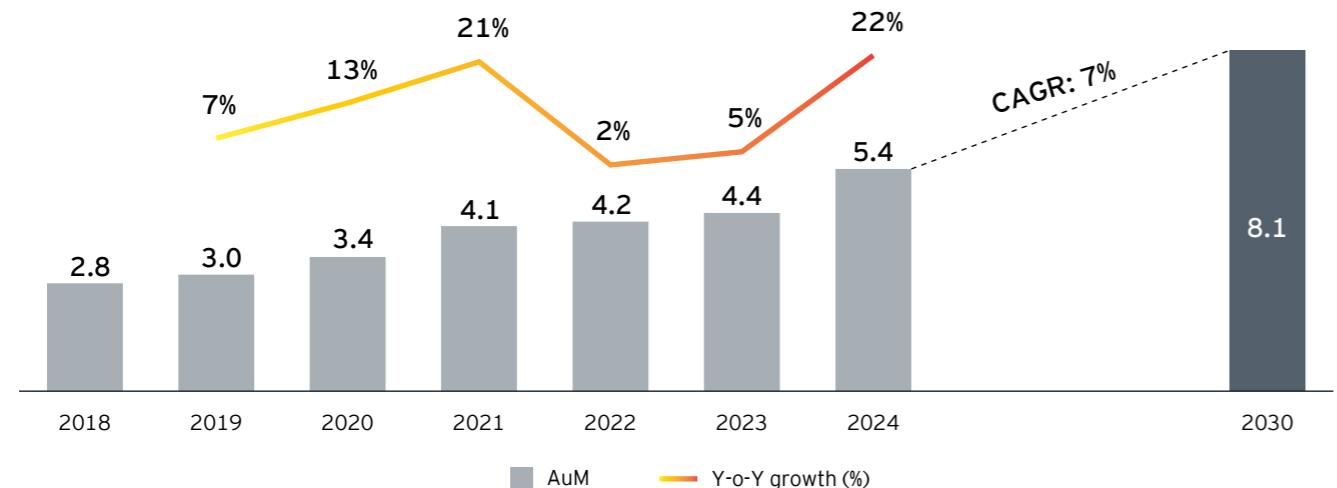
In 2024, SWFs saw significant growth, reaching US\$12.7t in AUM, an 11% increase from the previous year. This expansion is fuelled by the recovery of financial markets and sustained high oil prices, benefiting oil-exporting nations. Additionally, there are strategic investment shifts toward sectors such as finance, energy, communications, health care and agriculture. Increased investment activity, including a rise in greenfield investments in renewable energy technologies such as green hydrogen and solar power,

has also played a crucial role in this growth.

Looking ahead, a compound annual growth rate (CAGR) of 6% is projected through 2030 for SWF AUM, which is expected to be driven by increased allocations to private markets for diversification and higher returns.

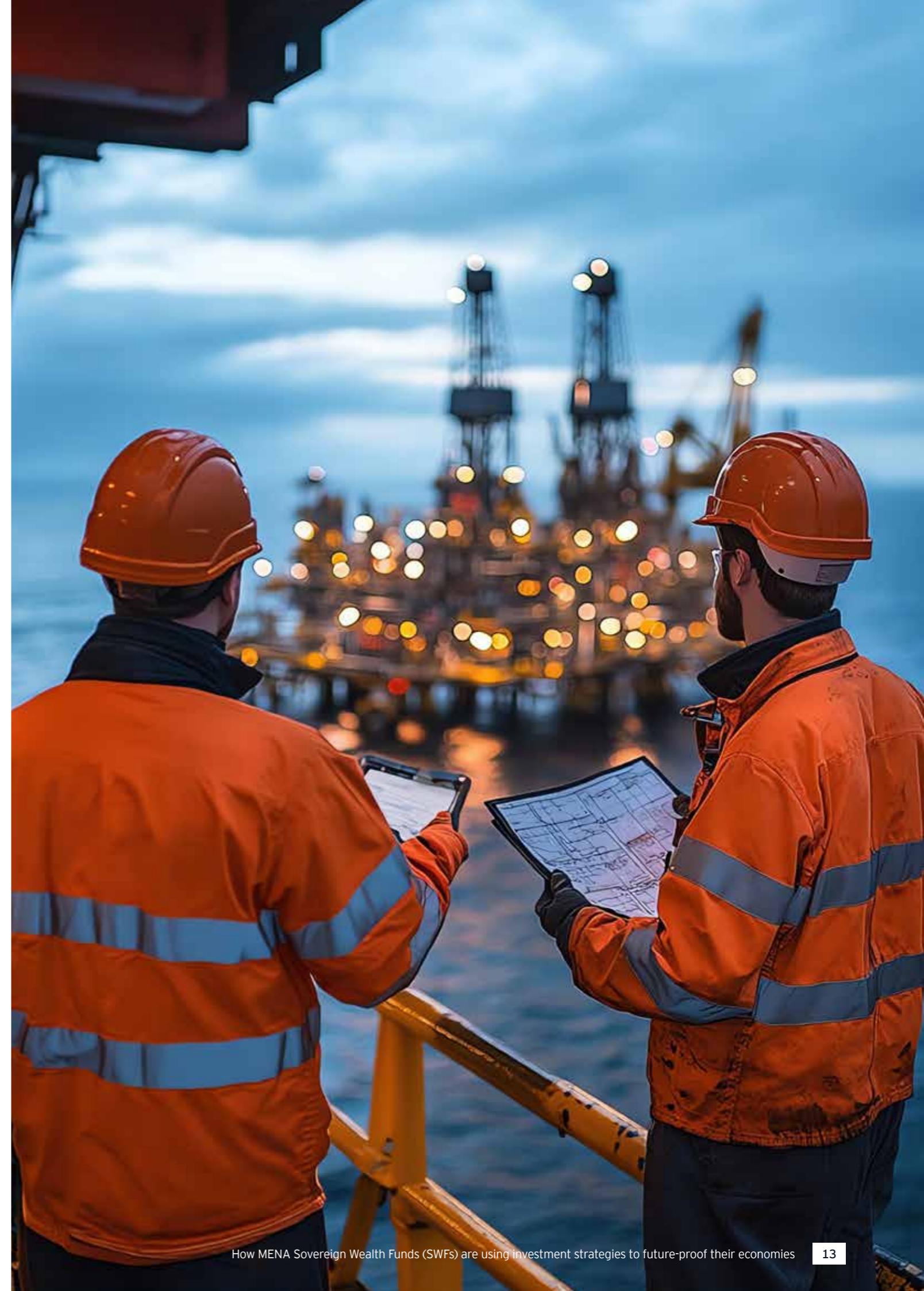
Additionally, there will be continued dominance by top SWFs in global deals.

Growth projection of AUM of MENA SWFs (US\$b)



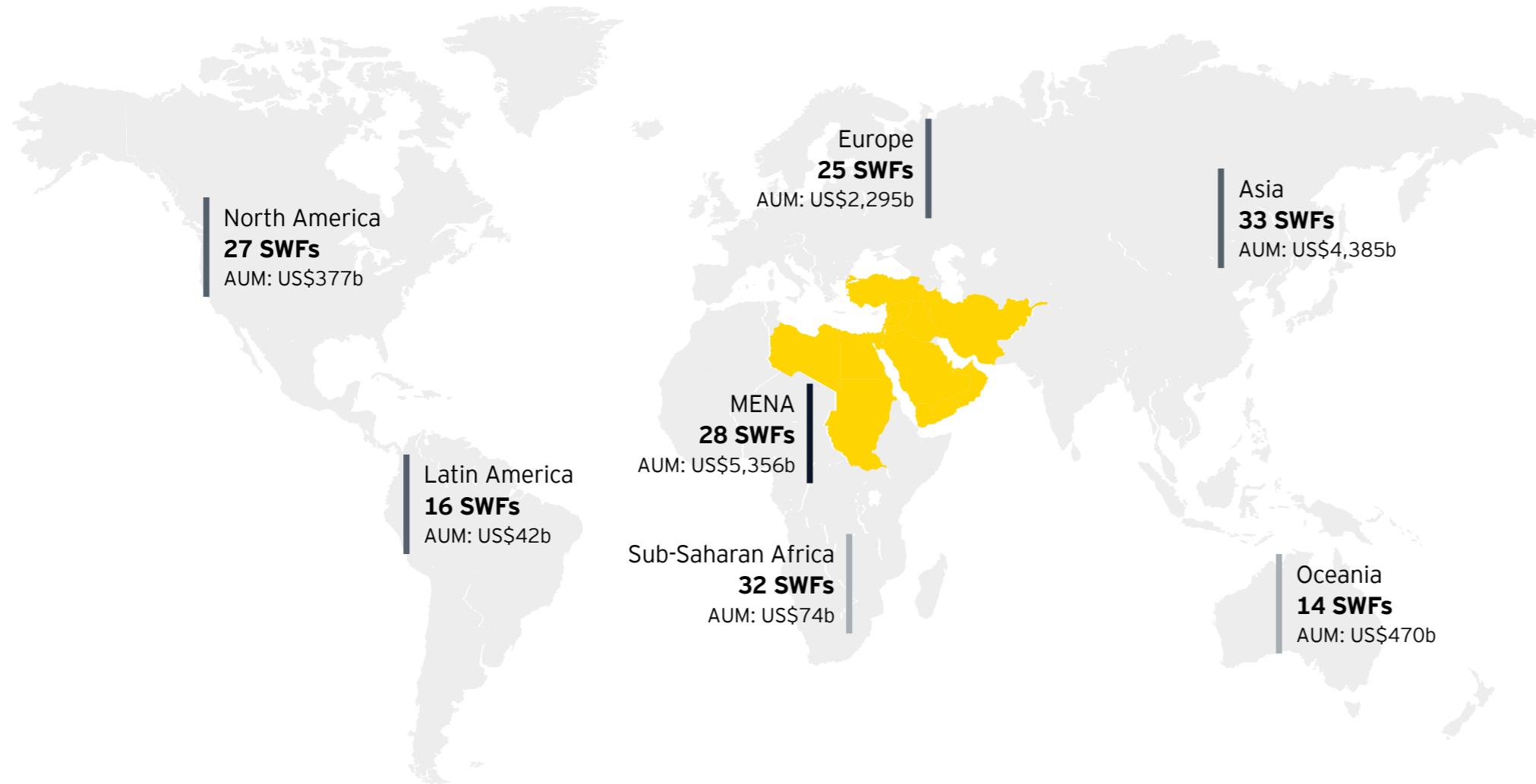
Note: In AUM graphs, the grey bars are for actual values and yellow bars are for projected values.

Source: Global SWF Report 2024, US Energy Information Administration (EIA), EY Insights analysis.

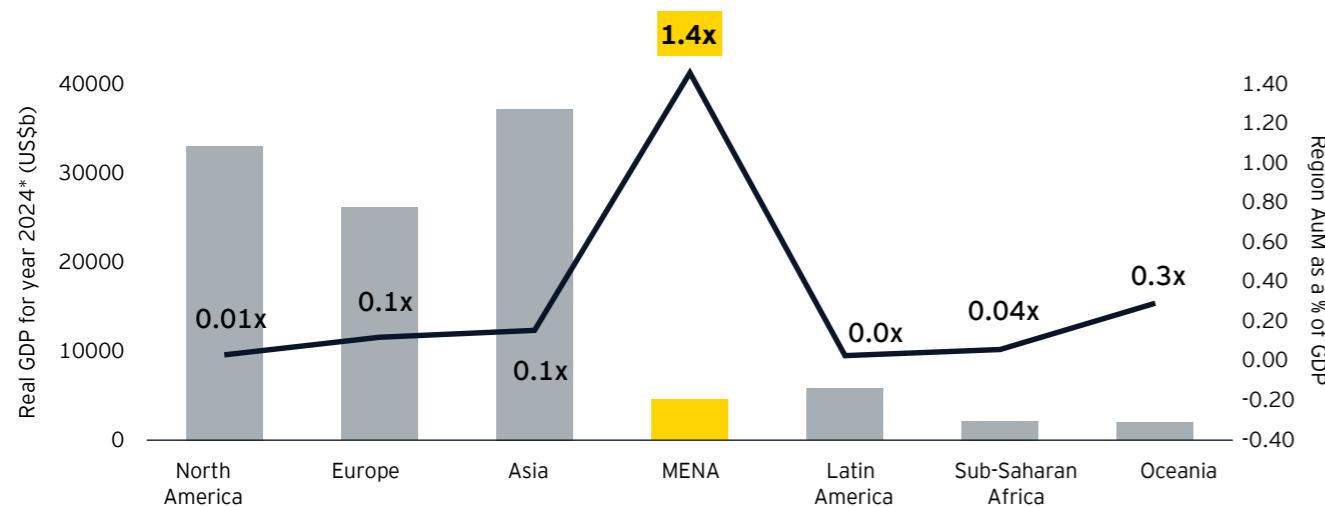


MENA SWFs represent over 40% of global SWF AUM

SWF AUM concentration by geographies as of 31 December 2024



Region-wise SWF AUM as a percentage of GDP



2024* represents forecasted real GDP numbers

Source: Global SWF Report 2024, EY Insights analysis.

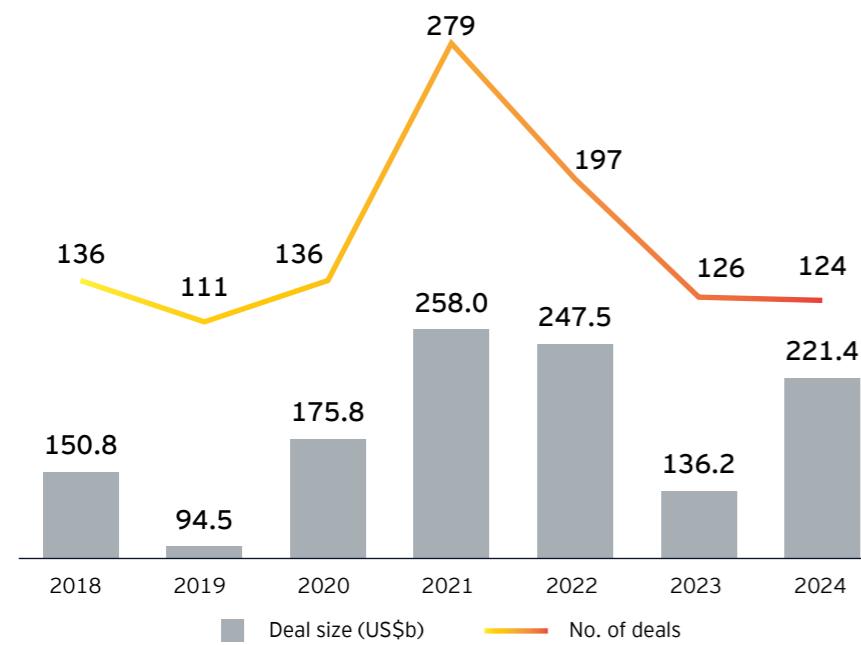
The pace of private capital accumulation is also staggering for MENA SWFs. MENA has the world's largest concentration of sovereign-owned assets that are more than 1.4 times its GDP (2024). This is in comparison to 0.01 times in North America, 0.1 times in Europe and 0.1 times in Asia.

MENA SWFs are expected to become more active and play an even bigger role in global markets in 2025 as they receive large capital injections derived from higher oil revenue.

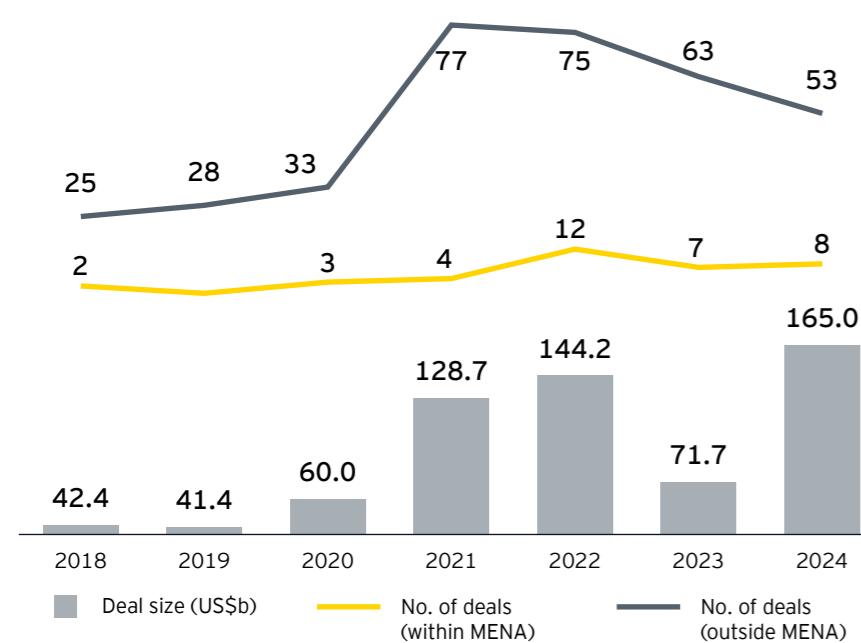


Global and MENA SWF investments strengthened considerably in 2024, driven by a favorable investment environment

Direct investments by SWFs
(2018 to 2024)



Direct investments by MENA SWFs
(2018 to 2024)

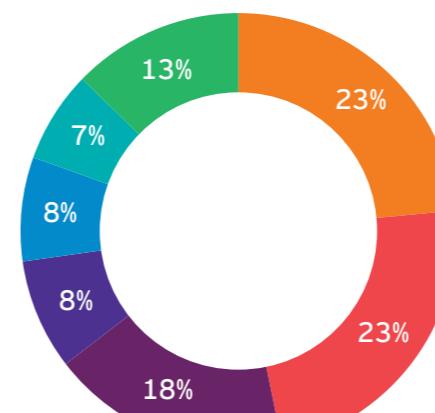


Note: The graph includes only those deals with deal size greater than or equal to US\$100m. Deal size may also include investment made by co-investors.

Source: Pitchbook, EY Insights analysis.

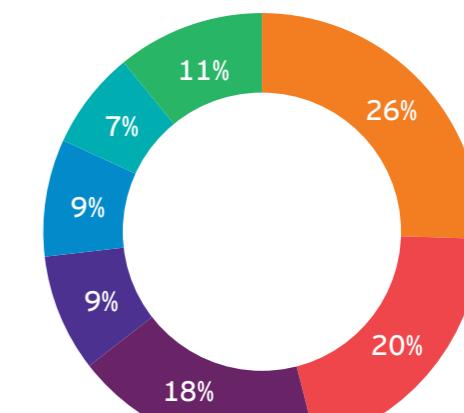
Sector spotlight: direct investments by SWFs were focused on financial services and infrastructure (digital) sectors during 2024

SWF investments by sector, 2024 (US\$221b)



Legend:
█ Financial services █ Digital infrastructure
█ Technology █ Health care
█ Business services █ Power and Utilities
█ Others*

MENA SWF investments by sector, 2024 (US\$165b)



Legend:
█ Financial services █ Digital infrastructure
█ Technology █ Health care
█ Business services █ RHC
█ Others*

In 2024, SWFs allocated more capital to financial services and infrastructure, with a particular focus on digital infrastructure.

SWFs' interest in infrastructure is driven by its predictable cash flows and lower volatility compared to other asset classes, making them suitable for long-term investment horizons. SWFs are targeting large-scale infrastructure projects in renewable energy, urban transport, and digital infrastructure, aligning with global decarbonization and digital transformation trends.

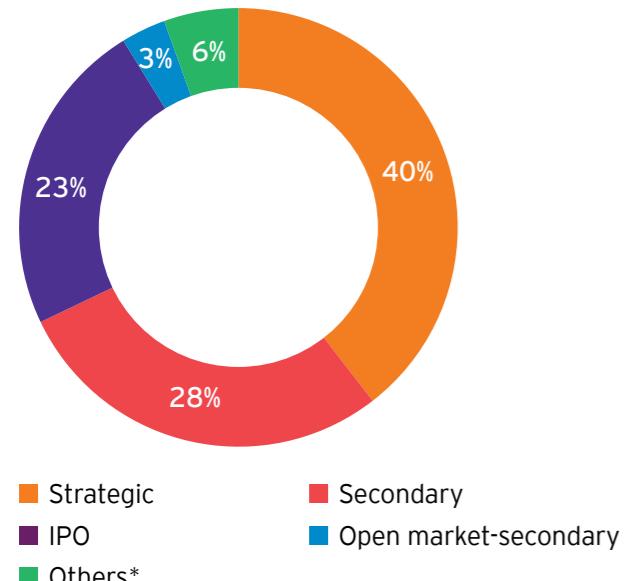
SWFs slightly shifted their focus from technology to finance in 2024, with major transactions observed in payments and asset management companies. A notable example is a US\$12.4b acquisition of a US-based insurance brokerage by a MENA SWF, marking the largest insurance deal of the year.



Digital infrastructure consists of 93% of overall infrastructure deal value globally and 84% in MENA region.
Others (global)* include mobility, consumer, RHC (real estate hospitality and construction), mining and metals, advanced manufacturing, telecom and oil and gas.
Others (MENA)** include consumer, mobility, power and utilities, mining and metals, advanced manufacturing telecom and oil and gas.
The graph includes only those deals with a deal size of US\$100m or greater.
Source: Pitchbook, EY Insights analysis.

A subdued divestment environment in 2024 led investors to hold assets for longer, creating a backlog of SWF portfolio companies awaiting monetization

SWF exits by type in 2024, by value (US\$68b)



Strategic exits remain the dominant form of exit by global SWFs during 2024, followed closely by secondary and IPOs.

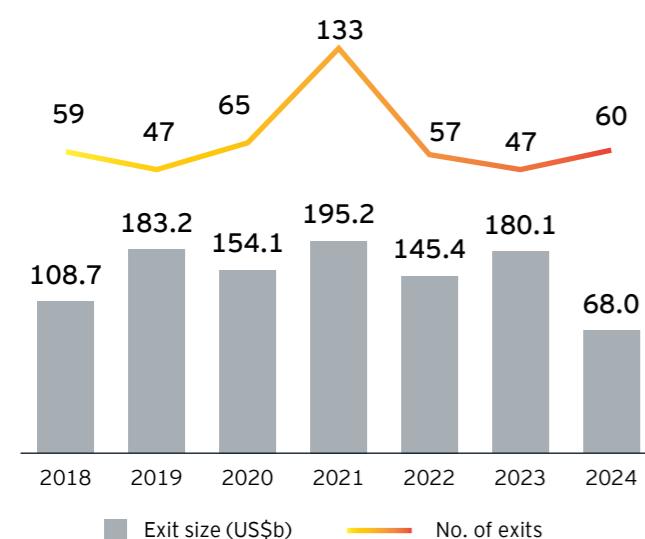
Despite growing asset inventories and weaker fund performance, SWFs continue to hold out for better exit conditions globally, focusing on strengthening portfolio companies' financials, waiting for better valuations and anticipating a more favorable IPO market.

Slower exits and less recapitalization translated into longer median holding periods and decade-low net distributions to LPs.

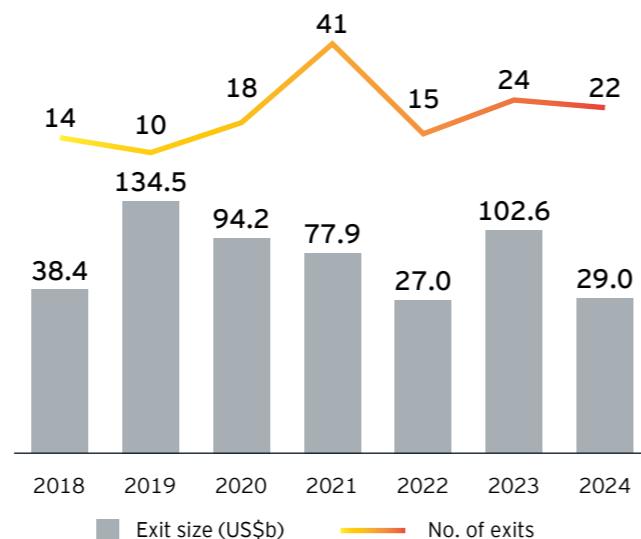
Exit activity includes the companies divested by SWFs. Secondary exits refer to a type of exit where a PE or SWF firm sells a portfolio company to another PE or SWF firms. Strategic exits refer to a type of exit where a corporation acquires a stake in the portfolio company. Open market-secondary is a transaction in which the holders of stock sell their shares on a publicly-traded exchange or a private secondary purchase marketplace.

Others* include exit via secondary private transaction with an undisclosed entity and corporate asset sales.

Exits by SWFs (2018 to 2024)



Exits by MENA SWFs (2018 to 2024)



Note: The MENA region exits for 2023 include the US\$74b divestment of a US-based video game publisher.

MENA SWFs actively reshaped their portfolios through divestments across various sectors, including energy, health care, and hospitality. Exits were executed through secondary market sales, strategic transactions, and IPOs. In line with economic diversification goals, SWFs prioritized divesting carbon-intensive assets to reduce exposure to fossil fuel industries.



02

MENA SWFs: key investment focus for 2024-25

- 2.1 AI integration: a key priority for MENA SWFs
- 2.2 MENA SWFs to spearhead regional energy transition
- 2.3 The rise of private credit: a compelling opportunity
- 2.4 Asia-Pacific: key emerging investment destination for MENA SWFs

AI integration: a key priority for MENA SWFs

US\$100b

MENA SWF formed a US\$100b fund to invest across AI infrastructure, semiconductor and core AI technologies.

US\$40b

MENA SWF partnered with US-based VC firm to create a US\$40b AI fund.

MENA SWFs push for AI integration through direct investments and mega funds

Strategic Initiative (s) by MENA SWFs

Partnered with US-based venture capital (VC) firm to create a US\$40b AI fund.

Launched a firm to enhance region's technological capabilities in areas such as advanced industries and semiconductors, smart appliances, and smart health.

Pledged US\$10.9b in French start-ups and tech funds focusing on AI, semiconductors, digital health care, etc.

Launched Qatar's first VC Fund of Funds (FoF), a strategic investment program to foster innovation in Qatar.

Announced a memorandum of understanding (MoU) with a Spain-based digital transformation and IT firm to establish a framework for future research collaboration on the sustainable and ethical use of AI. This partnership aims to create advanced AI solutions tailored to the needs of different sectors.

Launched a US\$180m tech-focused fund to invest across areas such as FinTech, EdTech, HealthTech and CleanTech.

Formed a US\$100b tech fund focused on AI infrastructure, semiconductors, and AI core technologies and applications.

Along with this, global tech corporations are also increasingly looking to the Middle East for AI:

In April 2024, MENA SWF backed AI technology company received investment of US\$1.5b, as part of strategic investment to bring its AI technologies to the Middle East, Central Asia and Africa.

A US-based cloud computing services firm announced that it will be investing US\$10b in building data centers in Saudi Arabia.

In March 2024, a US-based IT service provider announced an investment of US\$250m to establish a global software lab in Saudi Arabia.

A US-based software provider is committing US\$500m to the region's business and government transformation, job creation and digital skills development. It also announced local partnerships and plans to establish its MENA regional headquarters in Riyadh.

MENA SWFs to spearhead regional energy transition



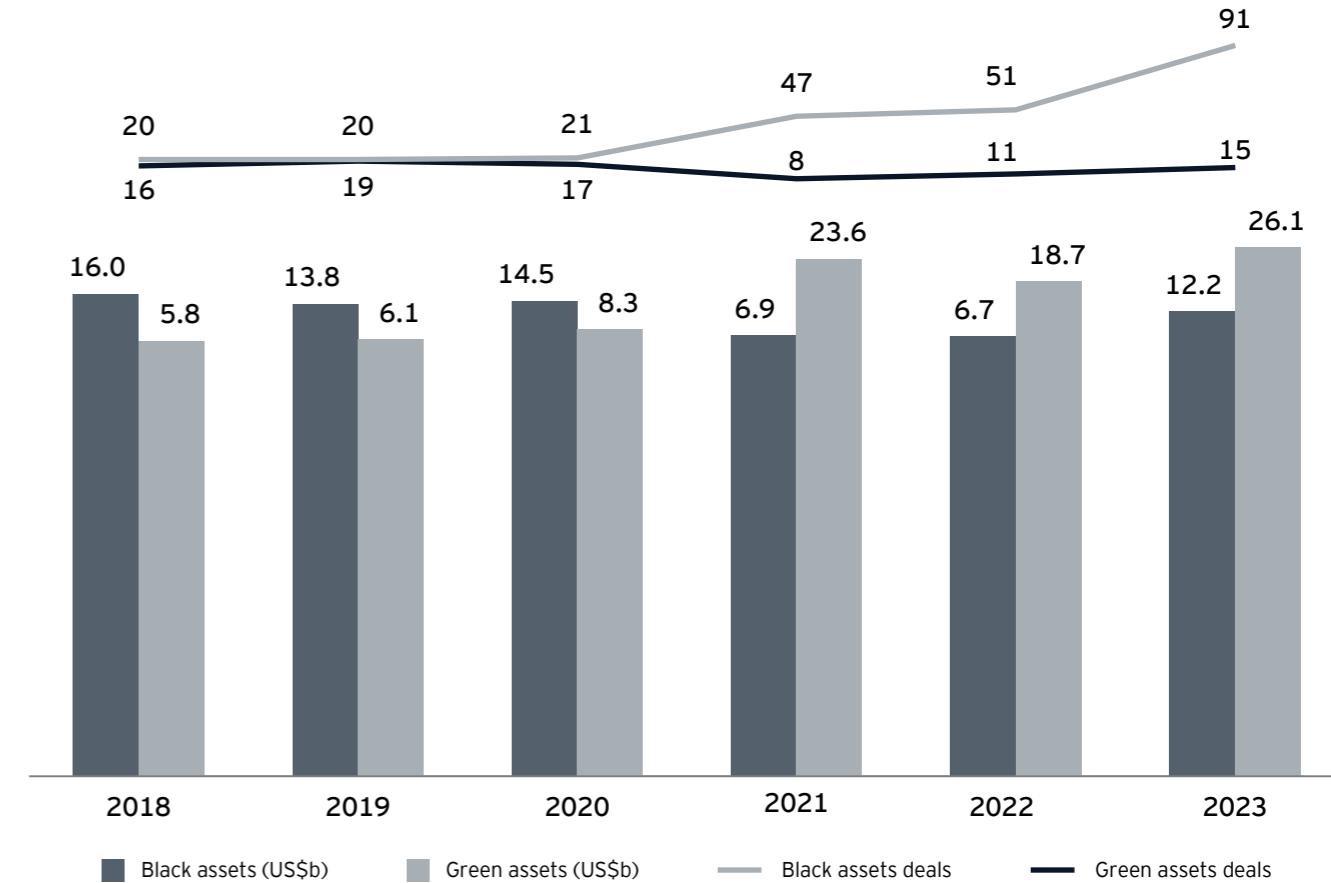
SWFs are pivotal in driving the energy transition agenda by investing across a broader spectrum of sustainability initiatives

SWFs are playing a critical role in energy transition by investing in green technologies. Their long-term obligations and investment horizons align with the risk and return profiles of energy transition-related projects. They have expanded their investment scope from only green energy generation avenues such as solar and wind to incorporate segments such as

green hydrogen, networks and grids, energy storage and management, carbon capture and storage, and manufacturing supply chains. This broader perspective also includes sectors such as electric vehicles, sustainability and recycling, reflecting a more comprehensive approach to the energy transition.

Investment by sovereign investors in black vs. green assets

Sovereign investors include public pension funds (PPF) and SWFs



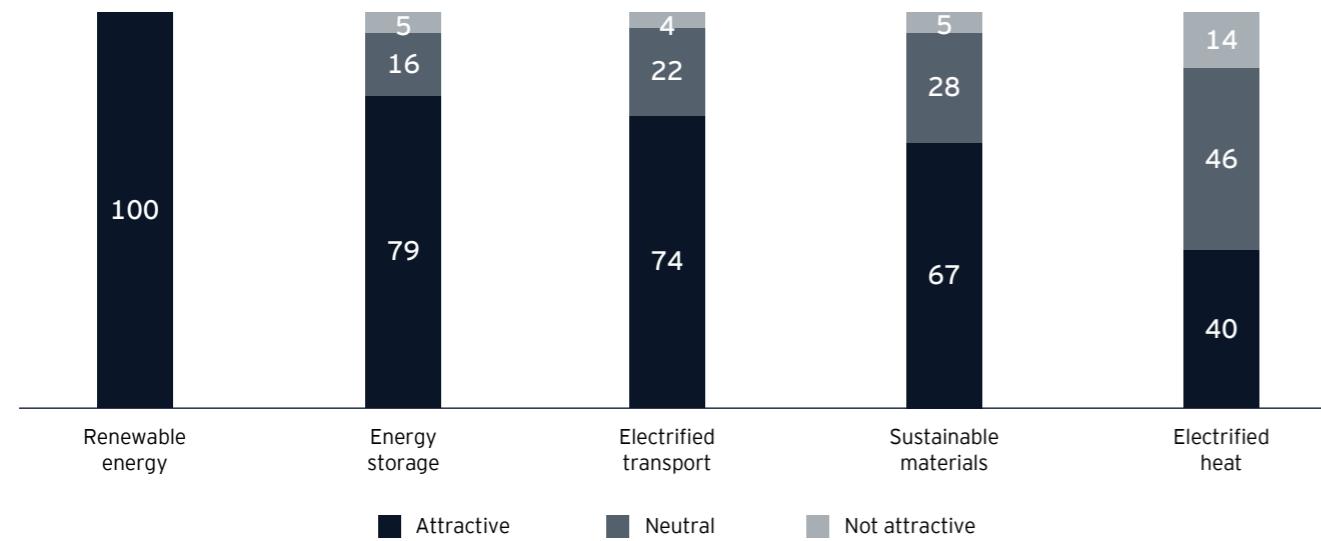
Black assets include finite resources such as carbon-based fossil fuels, nuclear and mining. Green assets include renewable energy, battery storage and electric vehicles.

Sovereign investors allocated more funds to green assets than to black assets in 2023, reaching a historic peak of US\$26.1b in support of companies involved in the energy transition, covering renewable energy, battery storage and electric vehicles.

Nearly half of that amount was attributed to GCC SWFs, demonstrating their commitment to advancing the energy transition and repurposing profits from fossil fuel assets into green impact investments, particularly within their own regions.

Renewable energy remains a top priority for SWFs as part of energy transition investments

Attractiveness of energy transition investment in terms of investment priorities
(percentage citations of SWFs only)²



Renewable energy emerges as the most attractive segment for SWFs, followed by energy storage and electrified transport. The alignment of renewable energy infrastructure investments with the investment objectives and return requirements of SWFs presents promising opportunities for financing the energy transition.

More than twice as many infrastructure-investing SWFs prioritize greenfield projects over brownfield ones within renewable energy because they provide better control and influence. SWFs based in the Middle East prefer brownfield projects over greenfield ones.

²Sample size = 58

Source: Invesco Global Sovereign Asset Management Study 2023, Global SWF Report 2024, EY Insights analysis

MENA SWFs are undertaking diverse initiatives to push forward the energy transition agenda

Strategic initiative(s) by MENA-based SWFs

In May 2024, the UAE-based SWF made a cornerstone investment in an Asia Pacific renewable energy platform, primarily focused on supplying solar power to corporations across Japan.

In February 2024, Qatar-based SWF and Italy-based renewable energy producer signed three long-term power purchase agreements (PPAs) to provide 330 MW of renewable energy to major industrial operators in South Africa.

In November 2023, the UAE-based SWF held the Energy Transition Summit, an event designed to closely examine the science, key drivers and investment opportunities associated with the move to a low-carbon economy.

In October 2023, a MENA SWF and Saudi Arabia-based electricity producer launched a EV fast-charging infrastructure company in Saudi Arabia.

In May 2023, Saudi Arabia's government fund contributed to the financing of the largest green hydrogen production plant in the world set to be established in Saudi Arabia.

In August 2023, Saudi Arabia's government fund invested SAR1.7b in 2.6 GW renewable solar project.

In October 2023, a MENA-based SWF and a renewable energy organization signed an agreement to finance a renewable power plant.



The rise of private credit: a compelling opportunity

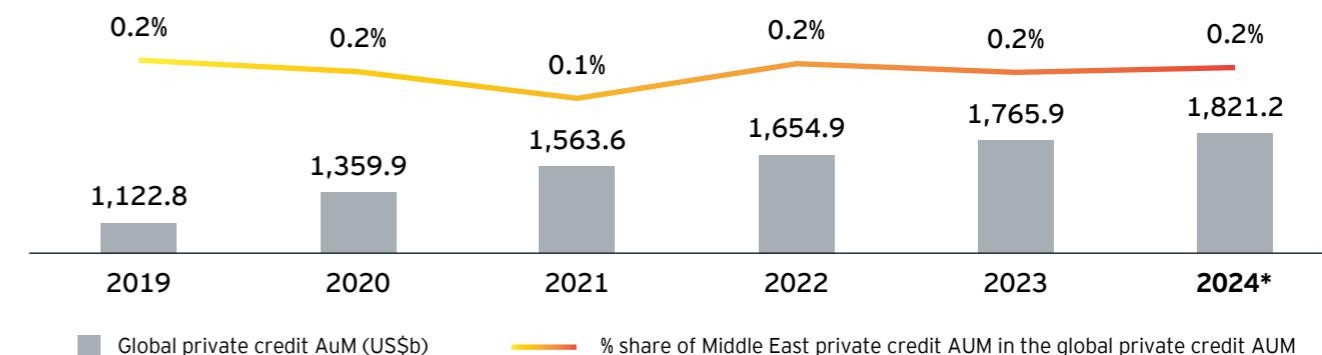


MENA currently comprises only 0.2% of the global private credit AUM, signaling a significant opportunity for growth and expansion

Over the past five years, private credit emerged as a significant alternative financing method, gaining traction among global investors. AUM grew to over US\$1.8t, with global asset managers estimating a potential addressable market of up to US\$30t.

Although, Middle East accounts for just 0.2% of global private credit AUM, highlighting potential opportunities for growth and expansion in the region. The asset class is gaining traction as local investors seek to diversify their returns after decades of wealth derived from hydrocarbons.

MENA share of the global private credit AUM (US\$b)



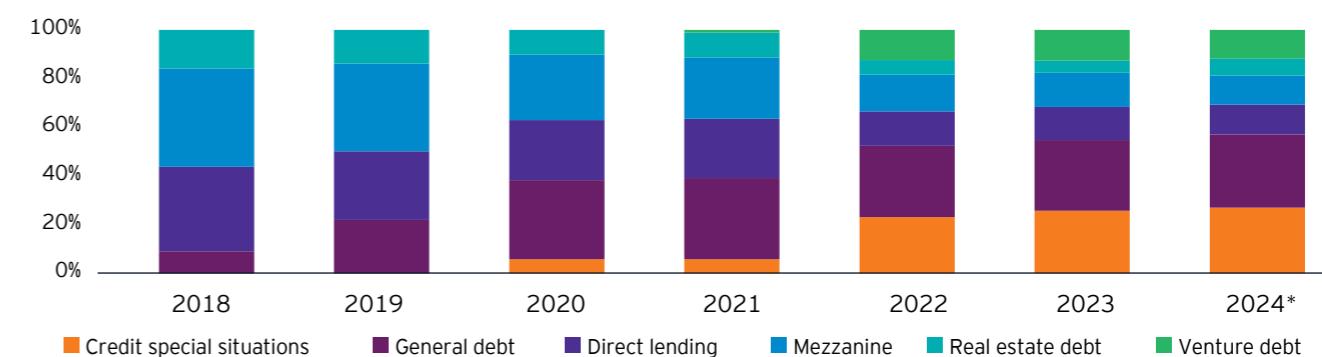
Venture debt is growing in the MENA region as funders target the unbanked mid-market

General debt accounted for one-third of private credit AUM in Middle East during 2024, followed by credit special situations (27%), and direct lending (12%).

Notably, **venture debt** has emerged as a burgeoning fund type in Middle East over the last three years,

signaling a shift in how start-ups and mid-market are accessing capital. As traditional banking channels prove increasingly inadequate for the burgeoning middle market, innovative financing solutions such as venture debt are stepping in to fill the gap.

MENA credit AUM by fund type (%)



Note: 2024* data as of 30/06/2024

Source: Pitchbook, Invesco Global Sovereign Asset Management Study 2024, EY Insights analysis

MENA SWFs have the potential to establish themselves as pivotal players within the regional credit ecosystem

Tightening credit conditions

- With expected adoption of BASEL III capital requirements and significantly high loan-to-deposit ratios, banks may need to carefully manage their lending strategies.
- The private credit market in the MENA region becomes an imperative to actively contribute to the broader financing ecosystem.

Primitive capital market in a thriving SME ecosystem

- The MENA region features a vibrant small-and-medium enterprise (SME) sector, accounting for over 90% of businesses and contributing up to 70% of GDP in some countries. Despite their economic significance, banks dedicate less than 2% of their lending portfolios to SMEs.
- As the government prioritizes supporting SMEs as a key driver of economic diversification, private credit will play a significant role for further expansion and investment.

Financing the real economy

- The MENA region is experiencing a transformative phase in financing its real economy, particularly in sectors such as consumer credit, equipment purchases and data centers. This evolution is driven by strategic investments aimed at bolstering the region's economic infrastructure.
- Private credit can step in to bridge the financing gap by offering flexible, structured long-term capital tailored to these projects, which may not meet traditional lending criteria.

Where to look in MENA for the best opportunities?

Geographical	Asset classes	Sectoral coverage
▪ UAE	▪ Direct lending	▪ Consumer-focused health care
▪ KSA	▪ Real Estate Debt	▪ Real estate
▪ GCC	▪ Mezzanine	▪ Infrastructure

Source: EY Insights analysis

MENA SWFs ventured into private credit fundraising and investments in recent years

Strategic initiative(s) by MENA-based SWFs

In October 2024, a MENA SWF invested US\$750m in the debt of an India-based airport infrastructure company. The investment aims to refinance the company's external debt and reduce pledged shareholding in its airports business.

In September 2024, a MENA SWF participated in US\$25b private credit, direct lending program announced by a US-based commercial bank and another PE firm.

In April 2024, a MENA SWF invested US\$1b to a new US\$2b private credit fund launched through a partnership between a global commercial bank and a hedge fund manager.

In March 2024, a unit of MENA SWF made a US\$53m investment into a fund raised by a US-based private credit firm, marking its second private credit investment. The US\$325m fund is focused on providing debt financing.

In February 2024, a MENA SWF and a US-based asset manager entered into a US\$1b partnership to co-invest in private credit opportunities in the APAC region.

In March 2023, a US-based alternative asset manager and MENA SWF announced the creation of a JV to invest in global credit secondaries opportunities.

In September 2020, a MENA SWF partnered with a Switzerland-based asset management firm to form a direct private credit platform that will provide financing primarily in the form of secured first- and second-lien loans to upper middle-market and larger companies in US and Europe.



Asia-Pacific: key emerging investment destination for MENA SWFs

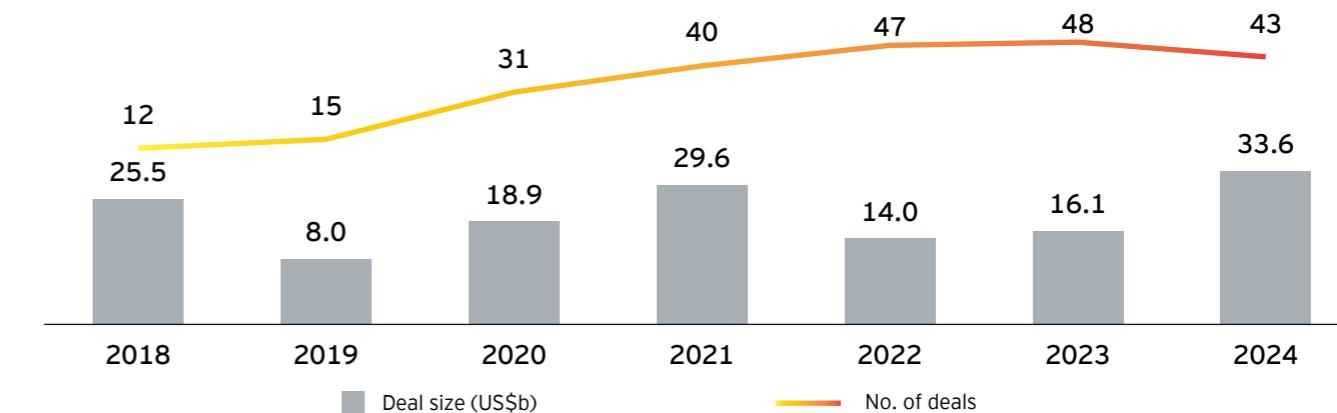


MENA SWFs are increasing APAC investments, driven by diversification, middle-class growth, favorable regulations and stronger regional ties

MENA SWFs are increasingly focusing their investments in the Asia-Pacific (APAC) region as governments seek to diversify their economies and bring innovation into the region. In 2024, MENA SWFs invested a total of US\$33.6b to strengthen their ties with the APAC region, marking a more than twice the increase in capital deployed compared with 2023.

This capital is deployed in strategic sectors that the Gulf wants to develop to help diversification and create returns for future generations.

Investment by MENA SWFs in APAC region

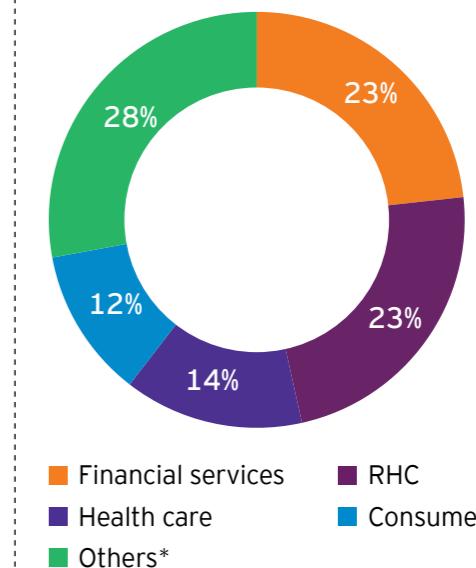


Key factors driving MENA SWF growing interest in APAC

Economic diversification and growth opportunities

MENA SWFs are investing in high-growth opportunities in APAC, particularly in emerging economies and tech-driven sectors such as FinTech, e-commerce and renewable energy, aligning with their strategic portfolio expansion goals. In 2024, MENA SWFs majorly invested in financial services and real estate, hospitality and construction.

Breakdown by sectors in 2024 (n=43)



Growth of middle class in APAC

The growth of the middle class in APAC, especially in countries such as India and China, is creating a burgeoning consumer market. This demographic shift is attracting MENA SWFs as they seek to capitalize on increased demand for digital services and consumer goods.

~50%

of global middle class are expected to be from China and India by 2030

Supportive and investor friendly regulatory landscape

Many APAC countries offer favorable regulatory environments and incentives for investors, enabling MENA SWFs to expand their presence. These initiatives focus on infrastructure development and startup support, making the region more appealing for investment.

100%

income tax exemption for SWFs by central government of India since 2020

Strengthening Middle East-APAC ties

Trade and investment between the Middle East and APAC are rising due to stronger bilateral ties, economic growth prospects and Asia's energy needs. Geopolitical shifts further strengthened regional cooperation. This interdependence is driving cross-border mergers and acquisitions (M&As), facilitating expansion and technology acquisition.

Note: RHC refers to real estate, hospitality and construction. Others include power and utilities, technology, media and others
Source: The Middle-East Pivot to Asia 2024, Invesco Global Sovereign Asset Management Study 2024, EY Insights analysis



China and India continue to remain key investment destinations in APAC

MENA SWF investments in China surged to US\$18b in 2024 from US\$1.3b in 2023, focusing on technology, renewable energy and advanced manufacturing to reduce fossil fuel dependence and support sustainable growth.

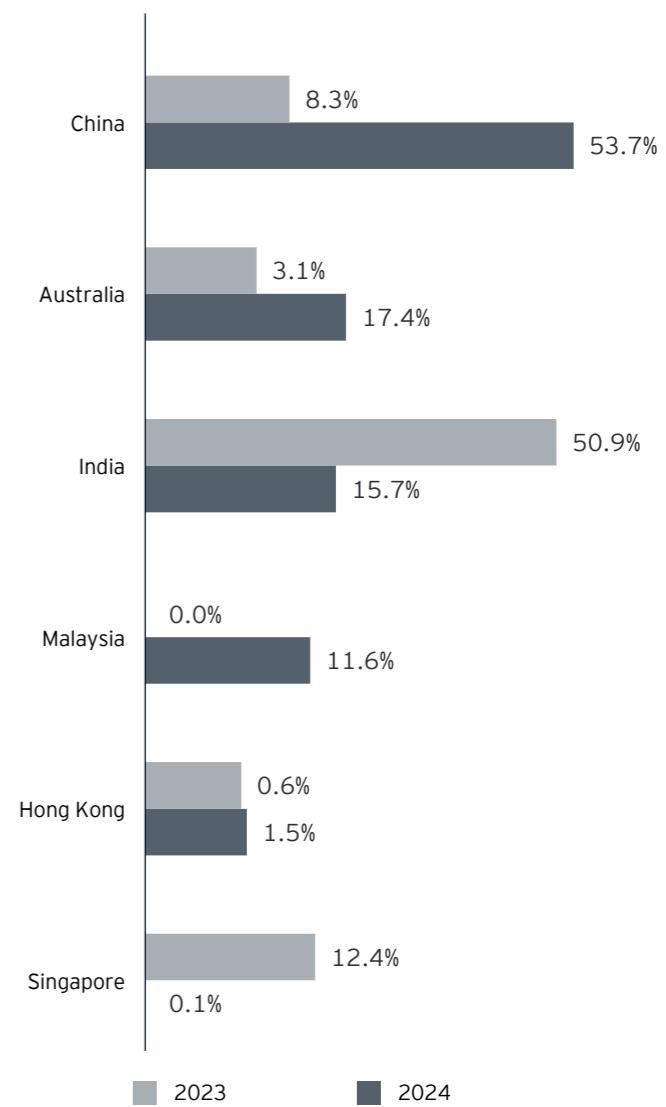
India is also receiving significant MENA SWF investments, accounting for 15.7% of the deal value in APAC, totaling US\$5.3b in 2024. Investments are driven by India's large domestic market, strong growth, and rising global competitiveness, with a focus on technology, including major deals in digital platforms, e-commerce, food delivery, and retail ventures.

How are MENA SWFs strengthening footprint and partnerships across APAC?

- MENA SWFs strengthened ties with key APAC markets through large-scale MOUs, facilitating mutual capital flows, investment cooperation, and financing agreements.
- The establishment of offices in major financial hubs like Beijing and GIFT City Gujarat signals a long-term commitment to deepening economic ties and enhancing on-ground presence.
- Investments in APAC are targeted on high-growth industries such as health care, digital economy, e-commerce, and gaming, aligning with future economic transformation goals.
- Beyond China, MENA SWFs have actively expanded into Japan, South Korea, Hong Kong, and India, broadening their exposure across Asia's most dynamic markets.

Source: The Middle-East Pivot to Asia 2024, Invesco Global Sovereign Asset Management Study 2024, EY Insights analysis

MENA SWF investment value by headquarter (HQ) country (2024 vs. 2023)





03

Outlook for
MENA SWFs
in 2025

Looking to 2025 and beyond

Investors had to navigate significant political uncertainties throughout 2024 as voters in more than 60 countries, including the US, the UK, France, South Korea and Mexico, headed to the polls. In the US, for example, the incoming administration's deregulation agenda and in particular, its approach to antitrust scrutiny has the potential to accelerate transaction activity across multiple sectors. Large transformational deals that might have been sidelined by concerns around regulatory pushback could be revisited, and buy-and-build strategies, a recent target of regulatory scrutiny, could see renewed momentum.

The potential for new tariff regimes in particular introduces new vectors of uncertainties and investors, such as SWFs, are working to understand both the

risks and the opportunities. Firms are helping portfolio companies to assess their exposure across a number of areas, including manufacturing footprints and tax exposure. In some cases, sponsors are considering transactions in jurisdictions likely to receive more favorable treatment.

Given the recent period of subdued M&A activity, there is a pent-up demand for deals, which may be amplified by falling financing costs. While these factors do not directly drive activity by SWFs, they may trigger more deal activity by the co-investors that SWFs partner with, creating opportunities for them to step in, deploy capital and generate good and sustainable returns.

Looking ahead: six priorities for MENA SWFs

01 Leverage technology

Cautious AI and digital tools integration into investment processes while addressing associated risks.

02 Expand partnerships

To amplify the cross-border impact of investments and foster creative collaboration with development banks, multilateral organizations and private investors.

03 Lead in renewable energy

Expand green energy infrastructure and technology investments to catalyze the energy transition.

04 Modernize asset allocation

Focus on navigating a complex geopolitical landscape and implementing dynamic asset allocation strategies to enhance returns and effectively manage risks.

05 Prioritize social impact

Continue safeguarding national wealth for future generations while addressing broader social objectives.

06 Enhance governance

Strengthen transparency and accountability to build trust and ensure effective decision-making.





04

Explore
EY transaction
advisory services

Know more about EY transaction advisory service offerings and capabilities

How EY professionals can help

At the global EY organization, EY MENA teams help enable clients to navigate complexity by reimagining their ecosystems, reshaping their portfolios and reinventing themselves for a better future.

With global connectivity and scale, EY teams drive corporate strategy, capital allocation and transaction advisory through execution to enable fast-track value creation.

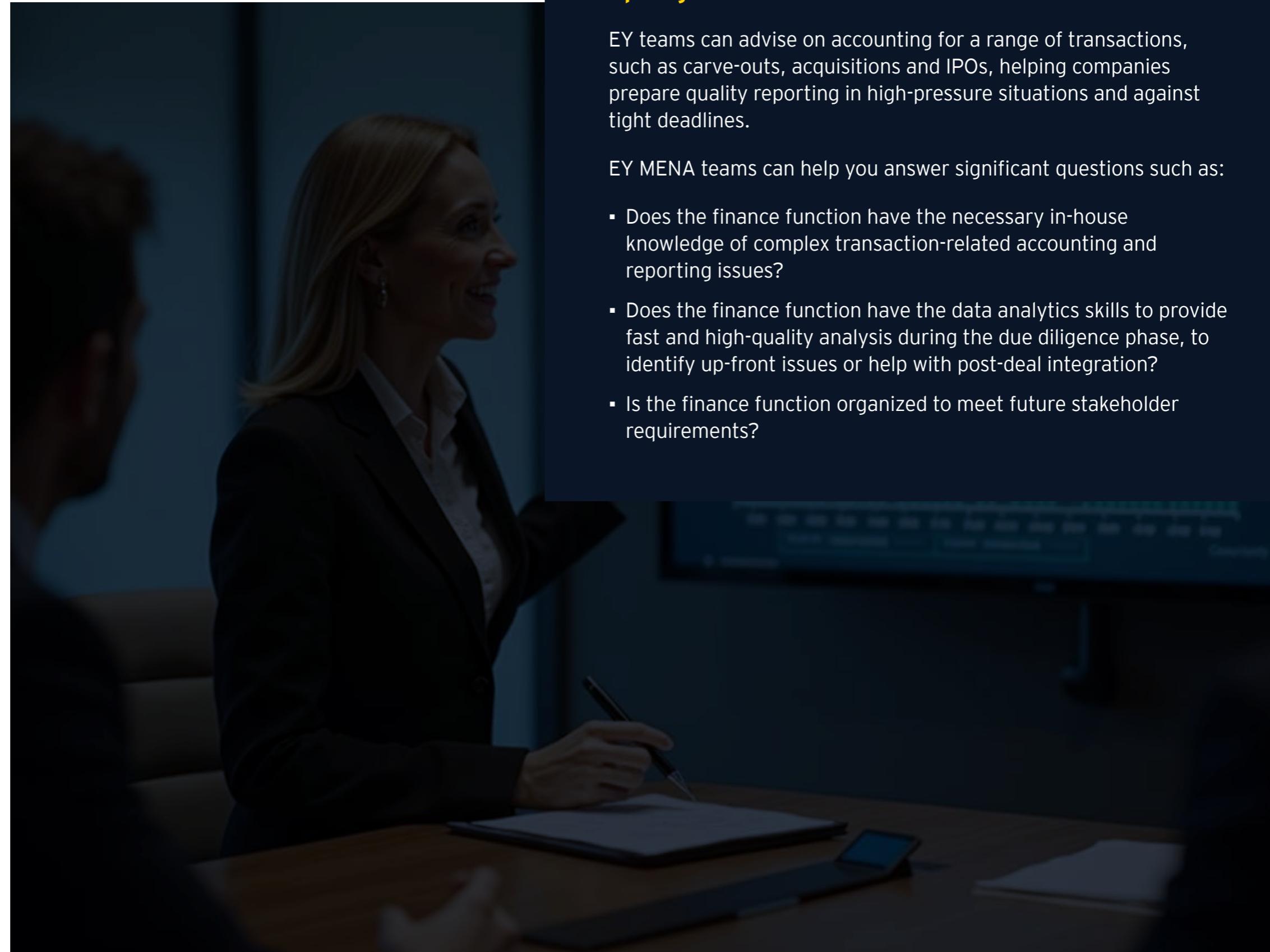
EY teams support the flow of capital across borders and help bring new products and innovation to market. In doing so, EY professionals enable our clients to build a better working world by fostering long-term value.

Our global private equity (PE) team can help you identify, invest in and transform companies to create more value across your portfolio, at every step of your transaction lifecycle.

What separates the best PE firms from the rest is their ability to spot the right opportunities, find profitable paths to growth, execute strategies that create more value, and achieve the best possible exit every time.

EY teams can help increase your ability to create value and maximize return on investment by bringing the skills, technical knowledge and senior industry experience you need.

EY teams are ready to assemble and deploy teams of people to work at your side from day one of an assignment. It is all part of our commitment to the transformative power of PE.



Spotlight on the finance function:

EY teams can advise on accounting for a range of transactions, such as carve-outs, acquisitions and IPOs, helping companies prepare quality reporting in high-pressure situations and against tight deadlines.

EY MENA teams can help you answer significant questions such as:

- Does the finance function have the necessary in-house knowledge of complex transaction-related accounting and reporting issues?
- Does the finance function have the data analytics skills to provide fast and high-quality analysis during the due diligence phase, to identify up-front issues or help with post-deal integration?
- Is the finance function organized to meet future stakeholder requirements?

EY-Parthenon Strategy and Transactions (SaT) offerings

Buying and integrating

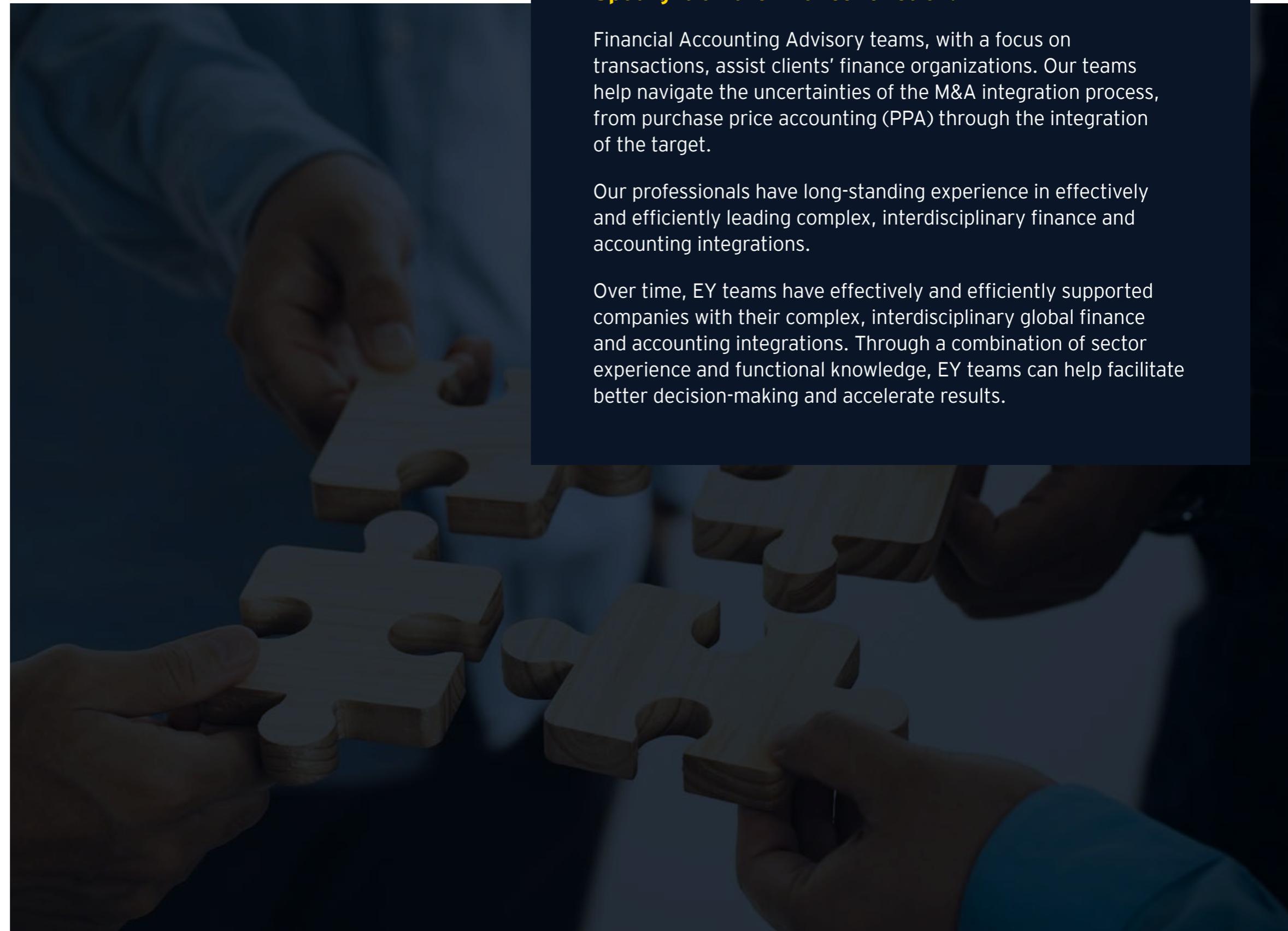
Our EY MENA M&A advisory team helps enable strategic growth through better integrated and operationalized M&A, JVs and alliances.

In a fast-paced M&A market, EY teams help companies move quickly to refine their growth strategy, perform deal sourcing and conduct due diligence.

Our MENA EY-Parthenon Strategy and Transaction team combines M&A, functional and sector experience with M&A technology to help companies make better, faster decisions. In particular, our technology leverages machine learning and AI, robotics and process automation, and data analysis and visualization to help increase confidence in decisions and accelerate synergy capture.

EY Buy and Integrate solutions include:

- M&A diligence (commercial, financial, tax, human resources, IT, operations and synergies, regulatory, cyber, and environment, social and governance (ESG))
- Transaction tax and tax structuring
- Valuation
- Value creation
- M&A integration
- Growth strategy
- M&A deal sourcing, origination and deal insights
- M&A tools: Connected Capital Technologies



Spotlight on the finance function:

Financial Accounting Advisory teams, with a focus on transactions, assist clients' finance organizations. Our teams help navigate the uncertainties of the M&A integration process, from purchase price accounting (PPA) through the integration of the target.

Our professionals have long-standing experience in effectively and efficiently leading complex, interdisciplinary finance and accounting integrations.

Over time, EY teams have effectively and efficiently supported companies with their complex, interdisciplinary global finance and accounting integrations. Through a combination of sector experience and functional knowledge, EY teams can help facilitate better decision-making and accelerate results.

EY-Parthenon Strategy and Transactions (SaT) offerings

Selling and separating

By navigating risk and operating at speed, EY teams help you create long-term value through better divestments – from design to delivery. EY MENA's divestiture consulting services operate across the entire divestiture life cycle, from strategy to separation to stabilization upon deal closing. The team's strategic portfolio management advice helps you decide what and when to monetize.

EY MENA's diverse divestiture teams can help you capture full value from a divestiture, whether you are a corporate or a PE fund. EY MENA teams can help you limit disruption, manage remaining tax cost structures and allow you to focus on creating long-term value for stakeholders. The team help enable strategic portfolio management through divestitures, including development of the value story and deal model, marketing the business to buyers, optimizing tax attributes to buyer and seller, preparing carve-out financials and developing operational separation plans.

To maximize investor returns at exit, begin with the end in mind. The global EY organization has been the global IPO leader for the last 10 years, working with the largest PE funds, globally.

EY Sell and Separate solutions include:

- Portfolio management along with strategy and optimization
- Fairness opinion
- Presale diligence
- Advanced analytics
- Equity story development
- Tax structuring
- Preparation of deal basis and auditable financials
- Negotiation and execution
- Operational separation planning
- Readiness assessment and day-one planning
- Improvement of the remaining business

Spotlight on the finance function:

Financial Accounting Advisory professional teams have extensive experience in transactions. The teams bring a practical, effective methodology to guide complex global finance and accounting separations.

EY MENA teams assist clients with the preparation of carve-out financial statements, operational separation accounting, regulatory reporting and the management of discontinued operations.

EY teams can improve value by supporting management as they execute transformational events, inspiring stakeholder confidence and reflecting positively on the business, its brand, management and directors.

EY-Parthenon Strategy and Transactions (SaT) offerings

IPOs and special purpose acquisition companies (SPACs)

EY IPO professionals support companies to access the capital needed to realize their growth ambitions in becoming market leaders in an ever-changing landscape. Additionally, EY teams assist clients with capital market transactions, including M&A between public and private companies.

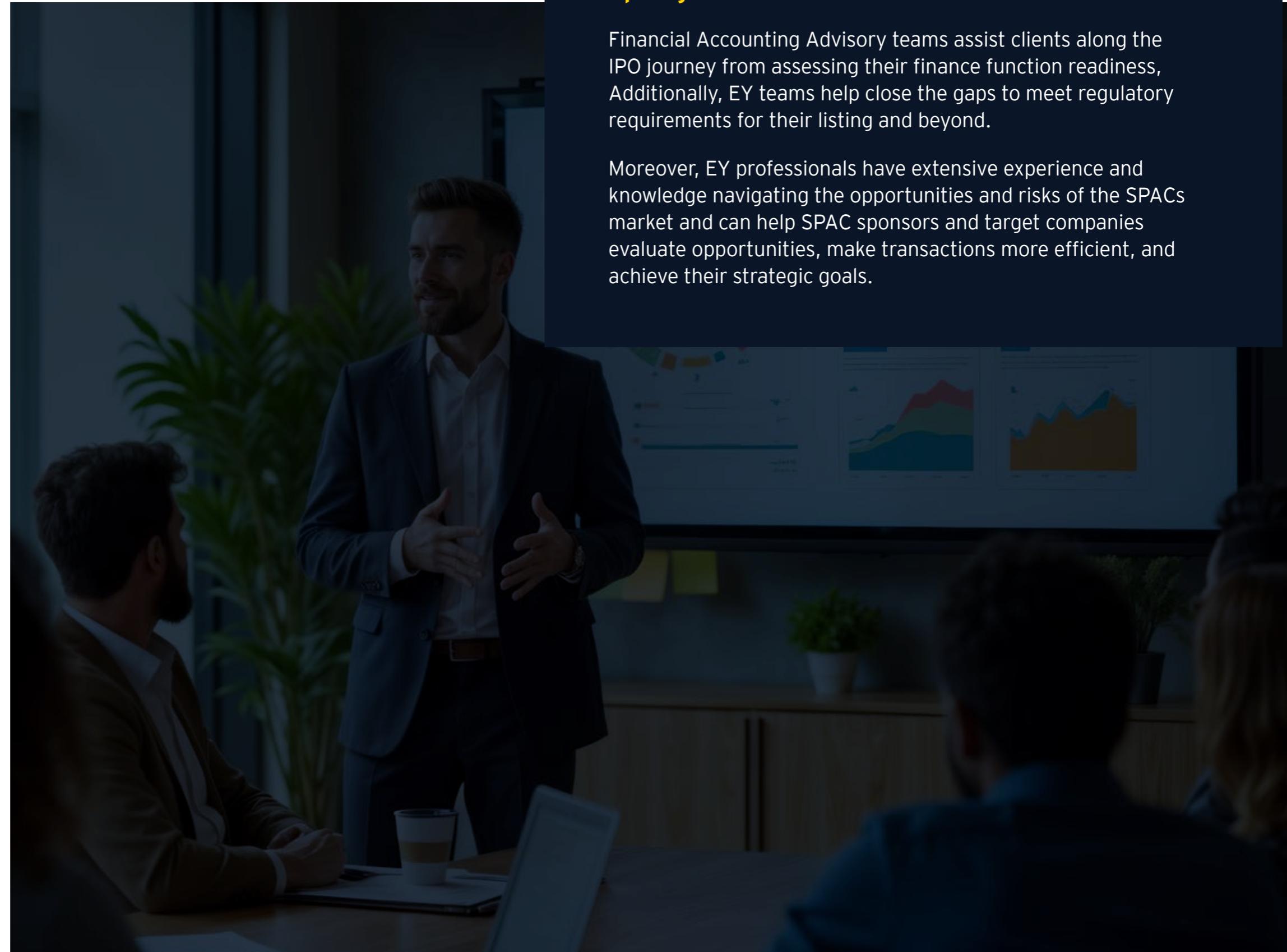
As the leading auditor of IPOs globally, our blueprint for IPO success is built on strategy and clarity: strategy in evaluating listing options and locations, and clarity in the process through IPO readiness assessments, planning and preparation support, execution workstreams such as due diligence, working capital and valuation, financial statement attestation and project management.

Our experience with IPOs and other capital market transactions has shown us that the most critical success factors include:

- Approaching the listing as a transformational process, not just a transaction
- Behaving and operating as a public company well in advance of the IPO
- Outperforming competitors on key performance measures before, during and after the IPO

By adopting a structured approach to preparation and post-listing life, companies can save time and costs and reduce uncertainties. This typically starts 12 to 24 months prior to going public with strategic considerations and IPO planning.

SPACs are investment vehicles designed to raise capital from investors through a traditional IPO that can later be used to acquire one or more target companies.



Spotlight on the finance function:

Financial Accounting Advisory teams assist clients along the IPO journey from assessing their finance function readiness. Additionally, EY teams help close the gaps to meet regulatory requirements for their listing and beyond.

Moreover, EY professionals have extensive experience and knowledge navigating the opportunities and risks of the SPACs market and can help SPAC sponsors and target companies evaluate opportunities, make transactions more efficient, and achieve their strategic goals.

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EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

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