Foreign Investors Can Own the Shares. What Makes a Saudi Issuer Investable?

Six practical tests for converting legal access into sustained international investor demand.

Foreign-investor readiness should not begin after listing. It should be designed into the IPO process.

Robert Vydra | Partner, STAT | September 2026

Legal access is only the starting point

The legal permission to invest is binary. The investment decision is not.

CAN INVEST

- permitted investor category
- available foreign ownership headroom
- market and custody access
- shares legally available to buy

Necessary but not sufficient.

WILL INVEST

- compelling risk-adjusted return
- sufficient liquidity and trading depth
- confidence in governance and disclosure
- management capable of delivering

This is where issuers compete.

The first question is regulatory. The second is an issuer-level competition for capital.

1 A clear international equity story

Why should a foreign institution allocate capital to this issuer rather than to regional or global alternatives?

DIFFERENTIATION

What is genuinely distinctive about the company, its market position and its ability to win?

RETURN DRIVERS

How do growth, margins, cash flow and capital allocation translate into shareholder returns?

TIMING AND CATALYSTS

Why is this the right moment to invest, and what credible milestones can re-rate the equity?

The prospectus explains the company. The equity story must explain the investment case.

2 Sufficient free float, liquidity and trading depth

Legal eligibility means little if an investor cannot build or exit a meaningful position efficiently.

FREE FLOAT

Is enough stock genuinely available to support institutional participation?

TRADING DEPTH

Can positions be accumulated or reduced without excessive price impact?

INVESTOR MIX

Will allocations support a stable, diversified and credible aftermarket?

RESEARCH AND VISIBILITY

Will investors have the information and coverage needed to stay engaged?

Structure the offering for a functioning aftermarket, not only a successful bookbuild.

3 Credible valuation and post-listing delivery

Investors need a valuation supported by the business model, financial performance and realistic growth expectations.

AT IPO

- fundamentals and cash generation
- relevant peer benchmarks
- transparent risks and assumptions
- a return proposition for new shareholders

AFTER LISTING

- milestones delivered
- proceeds deployed as disclosed
- financial performance explained clearly
- expectations managed consistently

A successful pricing is not the end of the investment case. It is the beginning of public-market accountability.

4 Governance and minority-shareholder confidence

International investors price governance risk whether or not the prospectus gives it a separate heading.

BOARD QUALITY

Experience, challenge and oversight appropriate for a listed company.

RELATED-PARTY DISCIPLINE

Clear approval, disclosure and conflict-management processes.

EQUAL TREATMENT

Consistent protection of minority shareholders and market participants.

DECISION-MAKING

Transparent governance, accountability and reliable internal controls.

Governance is not a post-listing clean-up exercise. It is part of the offering's value proposition.

5 Investor-grade disclosure and reporting

Can an international investor understand, model and monitor the company without filling avoidable gaps?

1	**ENGLISH-LANGUAGE ACCESS**	Clear investor materials and disclosures accessible to the intended international audience.
2	**FINANCIAL INFORMATION AND KPIs**	Consistent data, meaningful operating metrics and sufficient history to support analysis.
3	**CLEAR STRATEGY, RISKS AND USE OF PROCEEDS**	Disclosure that allows investors to understand both the upside and the limits.
4	**CONTINUING DISCLOSURE DISCIPLINE**	Timely, accurate and consistent reporting after the shares begin trading.

Disclosure quality is not only a legal compliance issue. It is part of market access.

6 Management access and professional investor relations

The prospectus can open the door. Sustained engagement is what keeps investors in the room.

BEFORE THE IPO

Map the target investor base, prepare management and test the equity story.

AT LISTING

Deliver a disciplined roadshow with consistent messages and credible answers.

AFTER LISTING

Provide regular access, explain performance and manage expectations responsibly.

Foreign-investor readiness should not begin after listing. It should be designed into the IPO process.

For boards, the question is not only whether the company can list. It is whether the shares can earn and retain international capital.

About the author

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Robert has advised on Saudi equity capital markets transactions since 2007, acting for issuers, shareholders and financial advisers on dozens of offerings, including Saudi Aramco's US$29.4 billion IPO and dozens of Saudi Main Market IPOs.

He advises on IPOs, follow-ons, rights issues, public M&A and CMA and Saudi Exchange matters.

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