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# Tadawul Market & Sector Insights

## *Structure, Performance & Sector Positioning*

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This presentation provides a structured analysis of the Saudi capital market, offering a data-driven perspective on Tadawul's structure, performance, and sector classification. Developed by **RATING**, a KSA-based rating agency, this report aims to enhance transparency and support informed decision-making in the evolving Saudi financial landscape.

The first section, Overview of Tadawul, covers the market structure, key definitions, regulatory framework, and the range of traded products. The second section offers a comparative performance analysis, benchmarking Tadawul against regional and global markets to highlight trends and positioning. The third section, Sector Insights, provides an in-depth classification of industries based on key financial metrics, refining sector definitions and ensuring a robust assessment methodology. Our approach aggregates financial ratios rather than averaging them and excludes companies newly listed or delisted to maintain data consistency.

Through this structured framework, we aim to provide stakeholders with actionable insights into Tadawul and its evolving market landscape.



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TADAWUL: THE GATEWAY TO SAUDI ARABIA'S FINANCIAL MARKETS

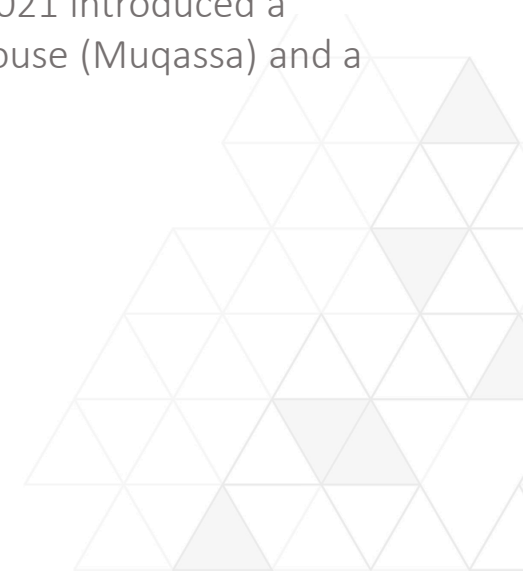
Exploring Tadawul's pivotal role in shaping a dynamic, diversified, and globally integrated capital market ecosystem.



# Overview

*A high-level snapshot of the Saudi stock market.*

What is Tadawul?	The Saudi Stock Exchange (Tadawul) is the sole authorized securities exchange in Saudi Arabia.
Established	Since 2007, licensed and regulated by the Capital Market Authority (CMA).
Purpose	To provide a robust, transparent, and technologically advanced platform for securities trading.
Role in Vision 2030	Supports economic diversification by developing the financial market, attracting foreign investment, and fostering private sector growth.
Ecosystem	Tadawul's transformed into Saudi Tadawul Group in 2021 introduced a diversified financial ecosystem, including a clearing house (Muqassa) and a depository center (Edaa).



# Market Segments

*Tadawul is a one-stop platform offering diverse investment avenues to cater to local and international investors.*

## Equity Market

- The primary platform for trading stocks of listed companies.
- Comprises the **Main Market** and **Nomu - Parallel Market**.

## Debt Market (Sukuk & Bonds)

- Platform for trading Sharia-compliant Sukuk and conventional bonds.
- Facilitates liquidity for government and corporate debt instruments.

## Derivatives Market

- Introduced in 2020 for trading futures and other derivatives.
- Supports hedging and risk management for institutional investors.

## Funds Market

- Exchange-Traded Funds market for diversified investment options.
- Offers exposure to indices, commodities, and other asset classes.

# Equity Markets – Main and Nomu

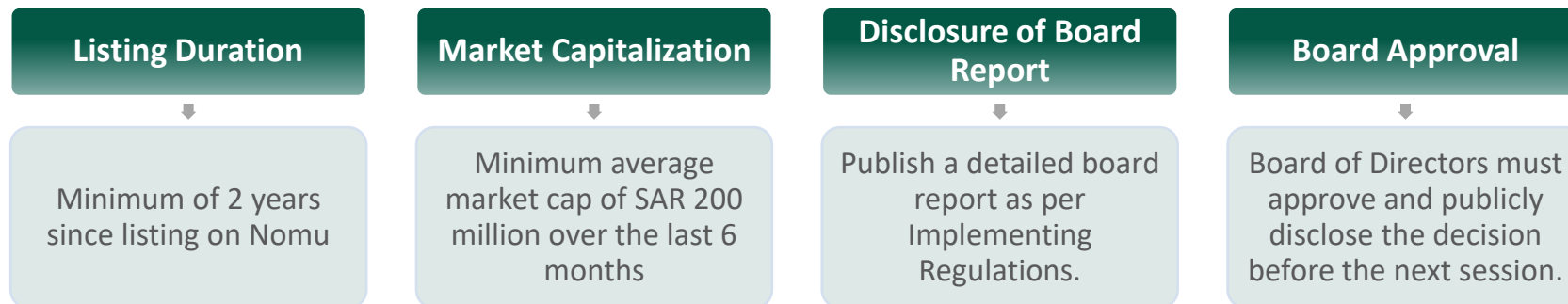
*Understanding the structure, purpose, and listing requirements of the Main and Nomu Markets.*

CRITERIA	MAIN MARKET	NOMU – PARALLEL MARKET
<b>Purpose</b>	Designed for established companies with larger market capitalization	Designed for small and medium-sized enterprises (SMEs) seeking growth capital
<b>Operational History</b>	Operating for at least three years	Operating for at least one year
<b>Free Float</b>	At least 30% of total shares	Lower of at least 20% of total shares or SAR 30 million worth of shares in the market.
<b>Minimum Market Cap</b>	SAR 300 million	SAR 10 million
<b>Shareholders</b>	At least 200 shareholders	At least 50 shareholders if market value of share is more than SAR 40 million or 35 shareholders if market value is less than SAR 40 million
<b>Listing Type</b>	Offering Process	Offering Process or Direct Listing
<b>Listing Flexibility</b>	Strict requirements to ensure transparency and investor protection	Relaxed requirements for easier entry
<b>Financial Disclosure</b>	Annual audited financial statements within 3 months of financial year closure and disclosure of Quarterly financial statements within 30 days from end of the period	Annual audited financial statements within 3 months of financial year closure and disclosure of Semi-annual reviewed financial statements within 45 days from end of the period
<b>Daily Price Fluctuation Limits</b>	The daily price fluctuation limit is $\pm 10\%$	The daily price fluctuation limit is $\pm 30\%$
<b>Investor Type</b>	Any Investor	Qualified Investors

# Transition to Main Market

*Key Requirements and Liquidity Criteria for Nomu Companies*

## Transition Requirements



## Liquidity Criteria

### Criteria 1: Ownership Tier

*Companies must meet one of the following:*

- First tier: if shareholders are 200+, top 25 public shareholders can not own more than 50% of total public shares.
- Second Tier: if shareholders are 300+, top 20 public shareholders can not own more than 50% of total public shares.
- Third Tier: if shareholders are 400+, top 15 public shareholders can not own more than 50% of total public shares.
- Fourth Tier: if shareholders are 600+, no additional ownership restrictions.

### Criteria 2: Public Share Ownership

- At least 1 million shares (nominal value of SAR 10) of the company should be owned by the public. and at least 30% of the class of shares that are listed. If shares are nominally valued under SAR 10, total value of public shares ≥ SAR 10 million.

### Criteria 3: Minimum Public Shareholding Requirements

- At the time of submitting the transfer application, public shareholders must own at least 100 shares each. Public shareholding is calculated based on a nominal share value of SAR 10. If the nominal value of shares is less than SAR 10, the total value of public shareholding must not be less than SAR 1,000.



# Index Pricing Methodology


*Summarizing the methodologies behind TASI and Nomu indices to reflect market performance effectively*

Free-Float Market Capitalization methodology is used for both Main Market (TASI) and Nomu.

The Free-Float share calculation adjusts for shares available for public trading, excluding strategic or non-tradable shares.

The index inclusion is capped to limit dominance of individual stocks or sectors  
*For TASI -The capping threshold of the weight of each issuer in the index is 15%*  
*For NOMU - The capping threshold of the weight of each issuer in the index is 35%*

Both indices are daily adjusted for price movements and corporate actions.



## TADAWUL'S PERFORMANCE IN 2024: A YEAR IN REVIEW

An overview of Tadawul's key performance highlights, market trends, and milestones achieved in 2024.

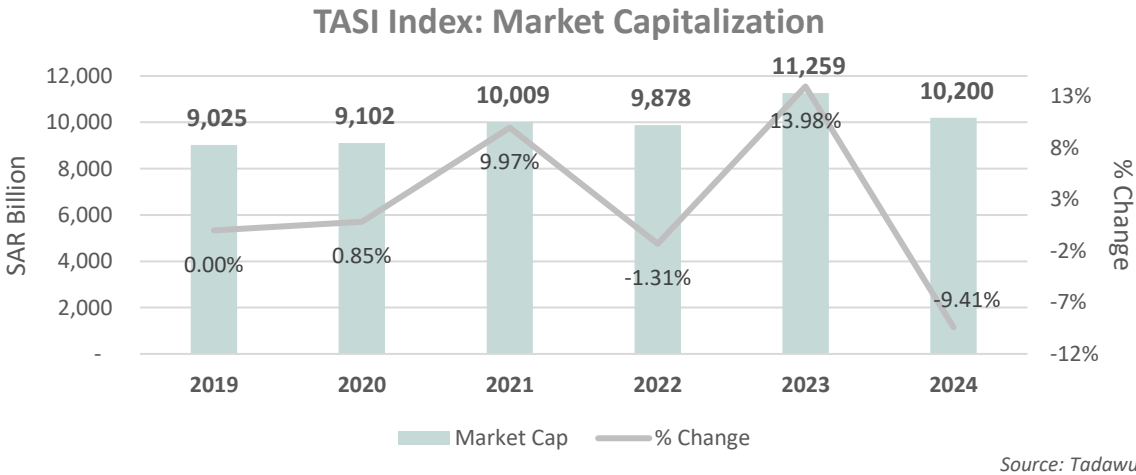
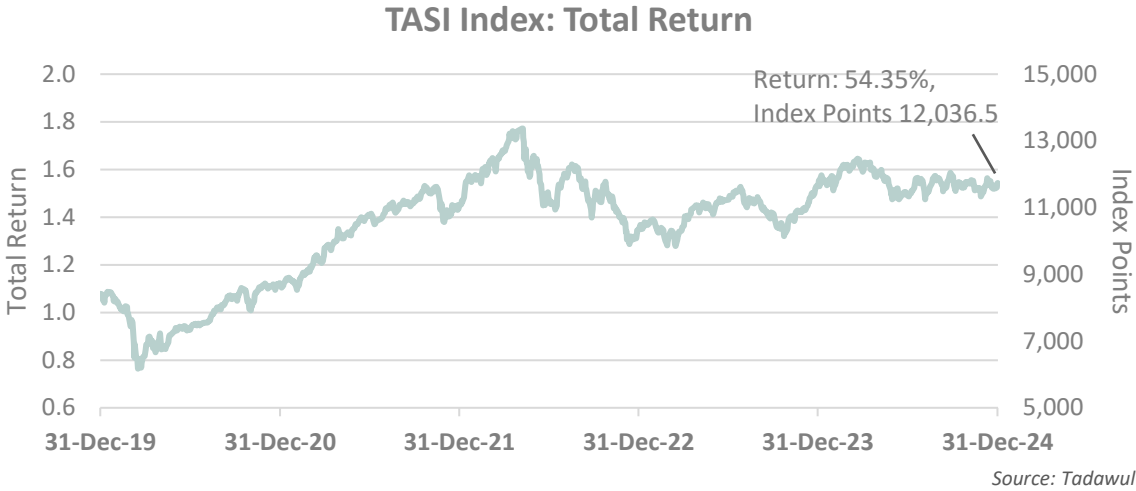
# TASI Market Performance in 2024

## TASI Index: Total Return

- TASI gained 0.58% in 2024, compared to 14.21% in 2023.
- Over a six-year period, TASI gained 54.35% cumulatively.
- During 2024 it reached highest level, 12,835.65 points, on March 21, 2024.
- The total market cap declined to SAR 10,200 billion in 2024 from SAR 11,259.

## TASI Index: Total Value & Volume Traded

- Value traded rose by 39.7% to SAR 1.86 trillion, reversing a consecutive decline from SAR 2.24 trillion since 2021.
- This reflects a CAGR of 13.51% over 6 years.
- Volume traded surged by 20.65% to 99.66 billion shares, with a CARG of 17.41% over six years.



## TASI Index: Total Value & Volume Traded

Year	Value Traded (SAR million)	% Change	Volume Traded (million shares)	% Change
2024	1,862,333	39.70%	99,659	20.65%
2023	1,333,122	(21.95%)	82,605	83.12%
2022	1,708,040	(23.61%)	45,110	(34.16%)
2021	2,235,900	7.09%	68,513	(13.63%)
2020	2,087,800	137.21%	79,324	134.29%
2019	880,139	1.06%	33,858	(11.02%)

Source: Tadawul

# NOMU Market Performance in 2024

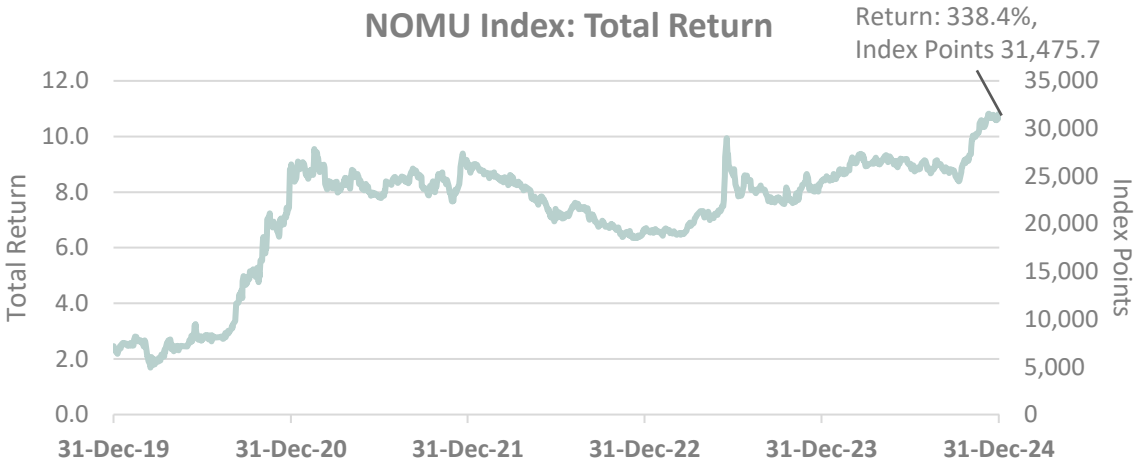
## NOMU Index: Total Return

- Nomu gained 28.32% in 2024, up from 26.33% in 2023.
- Over a five-year period, Nomu gained 338.4% in its value cumulatively.
- The highest level recorded so far was reached, 31,557.61 points, on December 10, 2024.

## NOMU Index: Total Value & Volume Traded

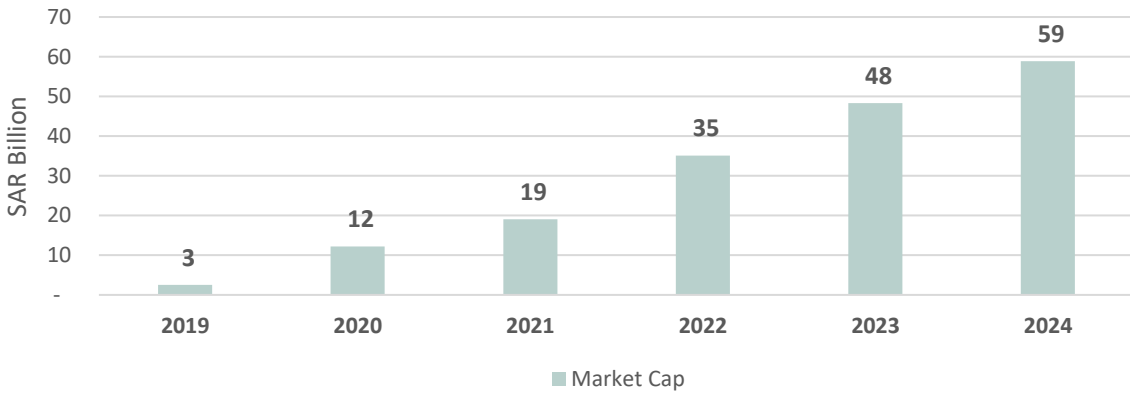
- Value traded increased by 75.03%, reversing a 40.15% decline in the previous year, with a CAGR of 44% since 2019.
- Volume traded surged by 67.93% to 1.18 billion shares, up from 699 million shares in 2023, with a CAGR of 70.25% since 2019.

NOMU Index: Total Return



Source: Tadawul

NOMU Index: Market Capitalization



Source: Tadawul

NOMU Index: Total Value & Volume Traded

Year	Value Traded (SAR million)	% Change	Volume Traded (million shares)	% Change
2024	14,125	75.03%	1,174	67.93%
2023	8,070	(40.15%)	699	(35.78%)
2022	13,484	19.03%	165	132.79%
2021	11,366	59.23%	122	270.10%
2020	7,114	212.04%	109	53.93%
2019	2,280	452.75%	80	207.69%

Source: Tadawul

# TASI Sector Index Performance in 2024

- In 2024, 12 out of 21 TASI sectors outperformed the broader index, and one sector showed positive performance.
- Capital Goods led the gains in 2024 with a 52.79% increase, followed by Utilities at 38.64%.
- Energy and Consumer Staples were the weakest sectors in 2024, declining by 14.77% and 13.54%, respectively.
- On the other hand, in 2023, 14 sectors outperformed the broader market, with six sectors demonstrating positive performance.
- Software & Services topped the leaderboard in 2023 with a 91.09% gain, followed by Capital Goods at 85.51%.
- Retailing was the only negative sector in 2023, declining by 7.74%.

Sector	2023 YoY Change
Software & Services	91.09%
Capital Goods	89.98%
Pharma & Bio Tech	69.02%
Commercial Services	61.78%
Insurance	59.34%
Transportation	39.59%
Utilities	38.53%
Consumer Services	33.87%
Healthcare	32.00%
Real Estate	21.93%
Food & Beverages	20.87%
Telecom	20.83%
Consumer Durables	18.92%
Retail	18.84%
Energy	14.57%
<b>TASI</b>	<b>14.21%</b>
Media	14.10%
Consumer Staples	13.31%
Banks	5.71%
Financial Services	4.55%
Materials	0.99%
REITs	-7.74%

Source: Tadawul

\*Household sector is not included due to its recent index inclusion

Sector	2024 YoY Change
Capital Goods	52.79%
Utilities	38.64%
Media	30.15%
Insurance	25.38%
Real Estate	20.54%
Software & Services	19.02%
Financial Services	16.28%
Transportation	11.50%
Consumer Durables	7.74%
Food & Beverages	7.22%
Pharma & Bio Tech	2.06%
Telecom	1.91%
<b>TASI</b>	<b>0.58%</b>
Banks	0.51%
Consumer Services	-1.88%
Healthcare	-2.26%
Retail	-11.76%
Commercial Services	-11.86%
Materials	-12.35%
REITs	-13.49%
Consumer Staples	-13.54%
Energy	-14.77%

Source: Tadawul



# TASI Sector Positioning Based on P/E Trend

- This slide explains the sector performance trends from the previous slide. It analyzes sector-wise positioning based on P/E movements from 2023 to 2024 against the TASI P/E. Sectors are categorized by P/E changes, earnings growth, and price movements, identifying speculative rises, corrections, earnings-driven growth, or stability. This classification offers insights into market sentiment and sectoral shifts. Sectors are positioned using the criteria below:

Positioning	Com.*	P/E	EPS	Price
Earnings-Driven	>			
Stable	<			
Correction	>			
Speculative	>			

\*Com. – Sector P/E vs. TASI P/E

Sector	PE Change YoY (2023&2024)	EPS Change YoY (2023&2024)	Share Price Change YoY (2023&2024)	Positioning
Capital Goods	Decrease	Increase	Increase	Earnings-Driven
Utilities	Increase	Decrease	Increase	Speculative
Media	Increase	Decrease	Decrease	Speculative
Insurance	Increase	Increase	Increase	Stable
Real Estate	Decrease	Decrease	Decrease	Correction
Software & Services	Decrease	Decrease	Decrease	Correction
Financial Services	Decrease	Increase	Increase	Earnings-Driven
Transportation	Decrease	Increase	Increase	Earnings-Driven
Consumer Durables	Increase	Increase	Decrease	Speculative
Food & Beverages	Decrease	Increase	Decrease	Earnings-Driven
Pharma & Bio Tech	Increase	Increase	Increase	Speculative
Telecom	Increase	Decrease	Decrease	Stable
Banks	Decrease	Decrease	Decrease	Correction
Consumer Services	Increase	Decrease	Decrease	Speculative
Healthcare	Decrease	Increase	Decrease	Earnings-Driven
Retail	Decrease	Increase	Decrease	Earnings-Driven
Commercial Services	Decrease	Decrease	Decrease	Correcting
Materials	Increase	Increase	Increase	Speculative
REITs	Decrease	Increase	Increase	Stable
Consumer Staples	Decrease	Increase	Decrease	Earnings-Driven
Energy	Decrease	Decrease	Decrease	Stable
<b>TASI</b>	Decrease	Decrease	Decrease	-

Source: Tadawul & RATING research

**Note:** Sector P/E and EPS are calculated as the average of companies within each sector, sourced from Tadawul. The sector price is derived using the reverse P/E ratio formula. In certain cases, the magnitude of price and EPS changes influences sector positioning. For example, Media is classified as speculative despite a price decline because the drop in EPS was significantly larger, leading to an overall increase in the P/E ratio. Similarly, other sectors may have been positioned based on the relative impact of these factors on valuation metrics.

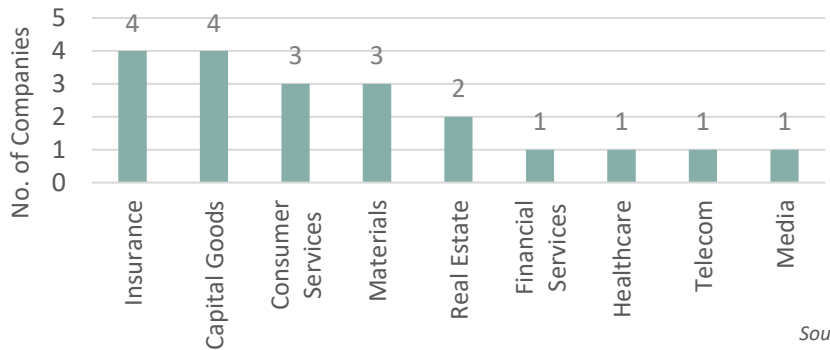
**Disclaimer:** This classification represents RATING research’s independent analysis and interpretation based on available data. Views may differ based on alternative methodologies or individual perspectives. This analysis is for informational purposes only and does not constitute an investment recommendation.

# TASI Gainers & Losers in 2024

- Overall companies with a negative price change (losers) outnumbered companies with positive price change (gainers) - 110 to 105 in 2024, compared to 156 gainers and 50 losers in 2023.
- Saudi Reinsurance surged 190%, followed by Red Sea, Electrical Industries, Al-Baha, and Al-Rajhi Takaful, gaining 142% to 159%.
- Arabian Drilling dropped 42%, while Saudi Kayan, Al-Hammadi, and Al-Arabia fell 34% to 36%.
- As for the sectors, Insurance and Capital Goods had top 4 gainers each, while Materials and Energy had 6 and 3 top losers, respectively

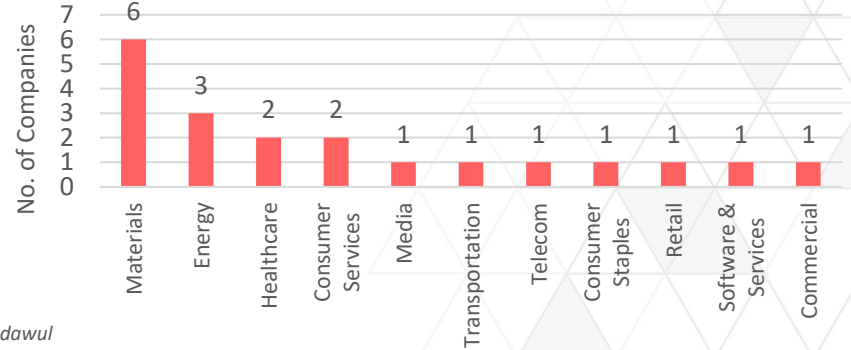
## Top 20 Gainers

Company	Sector	Share Price		
		2023	2024	Change
Saudi Reinsurance	Insurance	18.6	53.9	190%
Red Sea	Real Estate	23.7	61.5	159%
Electrical Industries	Capital Goods	2.84	7.24	155%
Al-Baha Inv. & Dev.	Financial Svc	0.19	0.47	144%
Al-Rajhi Takaful	Insurance	71	172	142%
Saudi Chemical	Healthcare	4.32	9.27	115%
GO Telecom	Telecom	51.51	109	112%
CHUBB Insurance	Insurance	25	49.5	98%
MESC Cables	Capital Goods	22.34	43.4	94%
Retal Urban Dev.	Real Estate	8.52	16.2	90%
MEDGULD	Insurance	14.4	26.1	81%
Saudi Pipe	Materials	36.3	65.1	79%
Burgerizzr	Consumer Svc	11.8	21	78%
NCLE	Consumer Svc	118.2	205	73%
Batic	Capital Goods	2.12	3.66	73%
East Pipes	Materials	81.5	140	72%
Saudi Paper	Materials	40.32	64.9	61%
Saudi Cable	Capital Goods	62.9	101	61%
SRMG	Media	171.4	275	60%
Shams	Consumer Svc	0.6	0.96	60%



## Top 20 Losers

Company	Sector	Share Price		
		2023	2024	Change
Arabian Drilling	Energy	191	112	-42%
Saudi Kayan	Materials	10.96	7.02	-36%
Al-Hammadi	Healthcare	59.4	38.4	-36%
Al-Arabia	Media	219.1	145	-34%
Yanbu Cement	Materials	34.45	24.3	-29%
Americana	Consumer Svc	3.23	2.28	-29%
Lumi	Transportation	100	71.2	-29%
ADES	Energy	24	17.4	-28%
Zain KSA	Telecom	14.08	10.3	-27%
Sipchem	Materials	34.05	24.9	-27%
Aldawaa	Consumer Staples	105.8	78.4	-26%
Cenomi Retail	Retail	17.62	13.2	-25%
SIIG	Materials	22.2	16.7	-25%
Arabian Cement	Materials	34.45	26	-25%
Mouwasat	Healthcare	111.8	85.1	-24%
Luberef	Materials	145.2	112	-23%
Arabian Internet	Software & Svc	349.8	270	-23%
Herfy	Consumer Svc	32.4	25.1	-23%
Maharah	Commercial	7.95	6.16	-23%
SARCO	Energy	93	72.1	-22%



Source: Tadawul

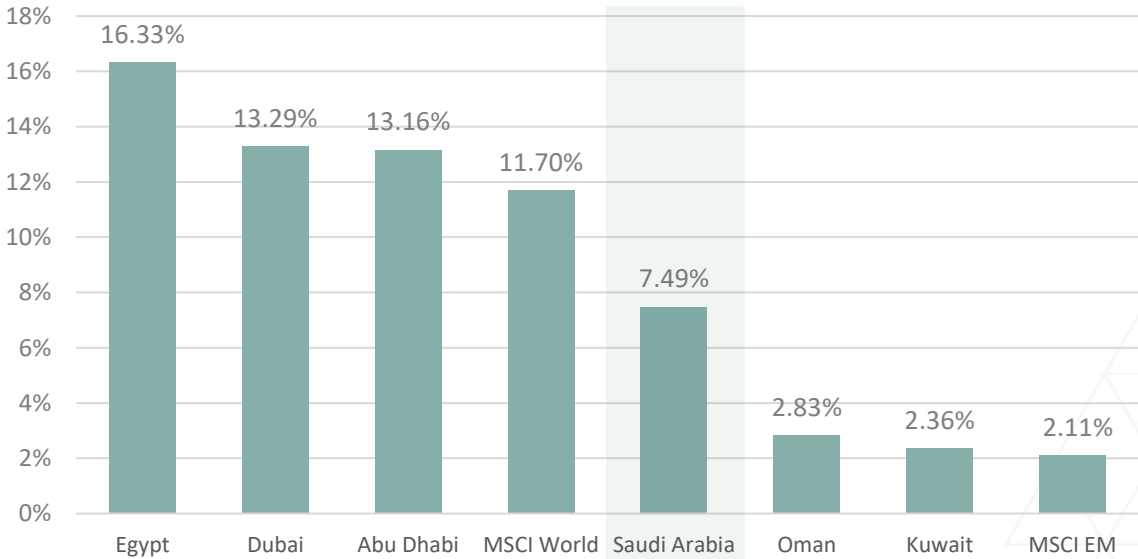
# Regional & Global Indices Performance in 2024

- In 2024, Dubai 27.07%, Kuwait 24.04%, and Egypt 20.45% emerged as the strongest performers, showcasing robust growth among regional markets.
- On a global scale, the MSCI World index delivered a 19.19% return, reflecting broad-based recovery in developed markets.
- In contrast, Oman 2.03% and Abu Dhabi -1.66% underperformed, marking slower regional momentum.
- Over the long term, Egypt's CAGR of 16.33% and Dubai's 13.29% highlight their consistent growth leadership.

## Regional & Global Index Performance

	2020	2021	2022	2023	2024
Saudi Arabia	3.58%	29.83%	-7.12%	14.21%	0.58%
Regional Markets					
Dubai	-9.87%	28.25%	4.39%	21.69%	27.07%
Kuwait	-13.17%	26.11%	6.24%	-7.87%	4.84%
Egypt	-22.32%	10.18%	22.17%	69.14%	20.45%
Oman	-8.10%	12.87%	17.63%	-7.66%	2.03%
Abu Dhabi	-0.60%	68.24%	20.30%	-6.20%	-1.66%
Global Indices					
MSCI World	16.50%	22.35%	-17.73%	24.42%	19.19%
MSCI EM	15.84%	-5.31%	-21.78%	7.04%	5.05%

## Regional & Global Index CAGR (2020-2024)

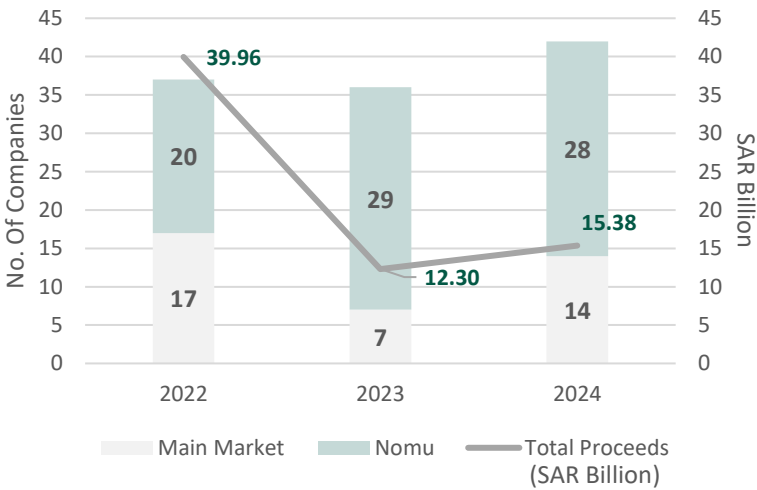


Source: Respective country's stock exchange

# Tadawul New Listings

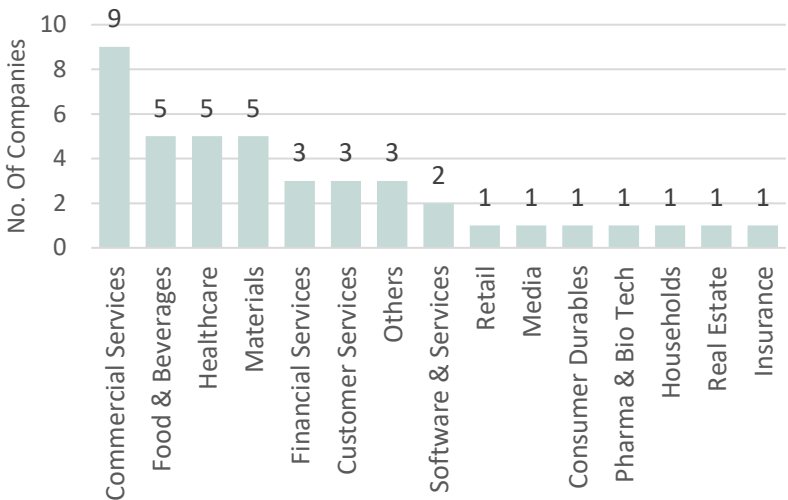
- The IPO market recovered in 2024 with 42 total IPOs, up from 36 in 2023.
- 28 IPOs were on Nomu and 14 on the Main Market.
- IPOs raised SAR 15.38 billion, a 25% increase from SAR 12.3 billion in 2023.
- Commercial Services led with 9 IPOs, followed by Food & Beverages, Healthcare, and Materials with 5 each.
- The IPO index delivered a return of 7.78% in 2024.
- Three companies were transferred from Nomu to Main Market in 2024.

No. of Listings



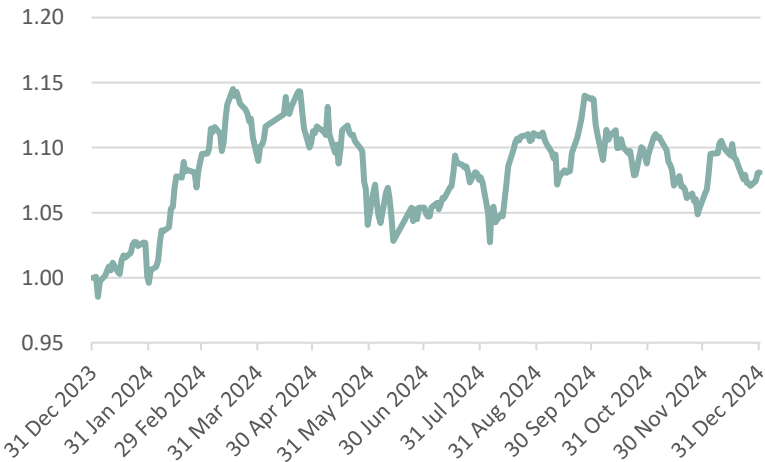
Source: Tadawul

Sector wise Listings



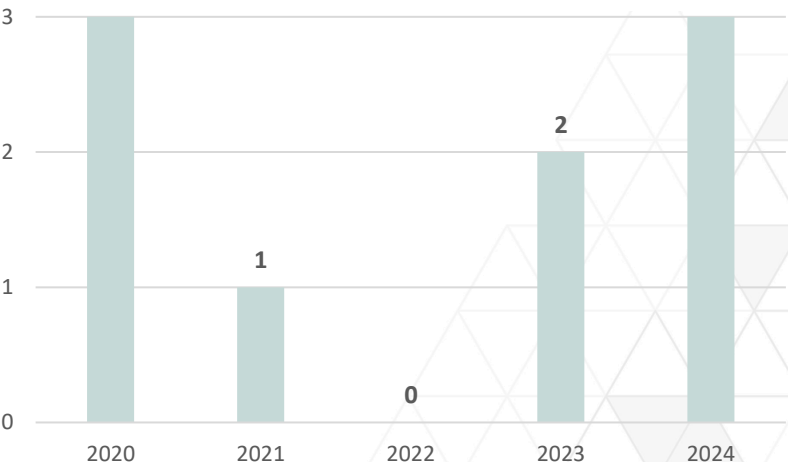
Source: Tadawul

IPO Index Performance



Source: Tadawul

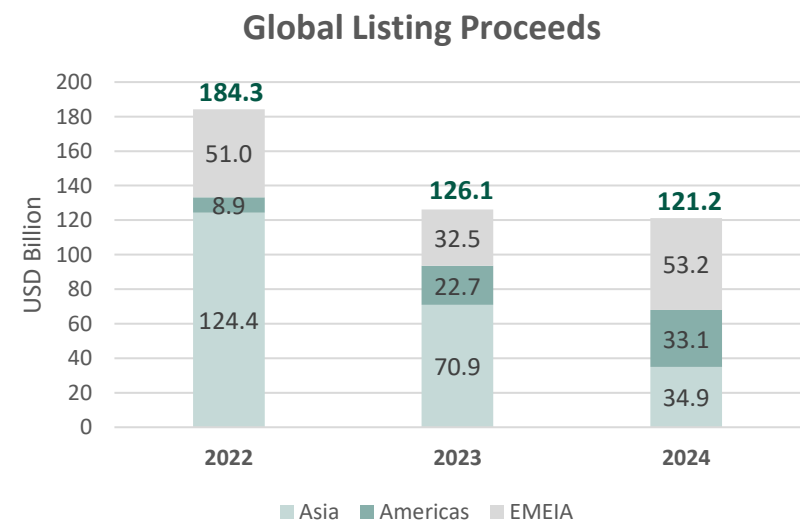
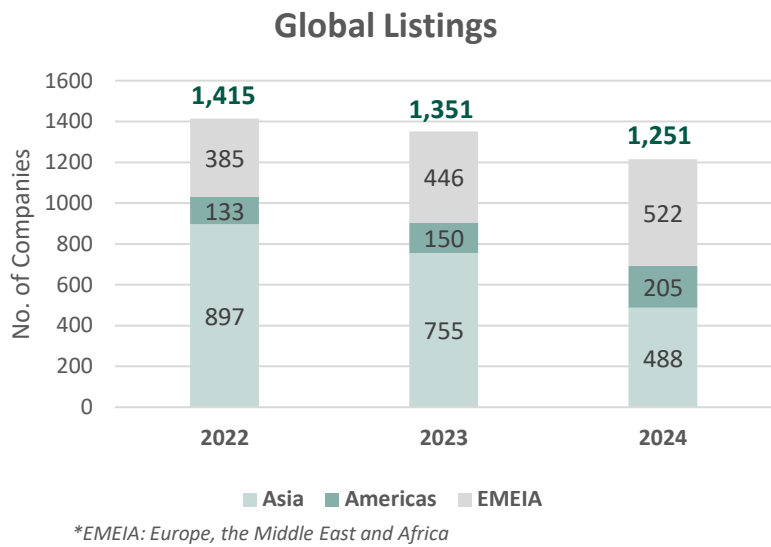
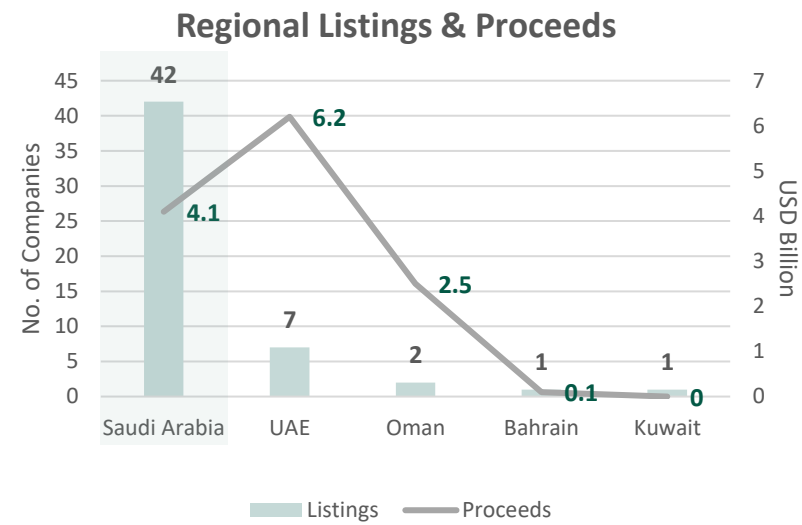
Nomu to Main Market



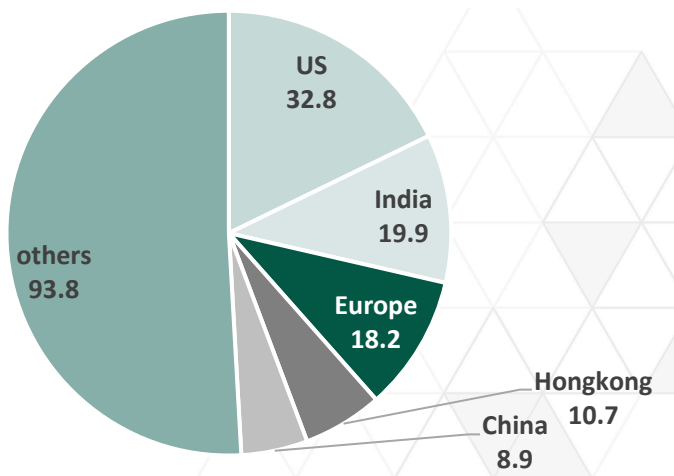
Source: Tadawul

# Regional & Global Listing Trend

- KSA led the GCC IPO market with 42 listings, followed by UAE with 7 listings.
- UAE raised USD 6.2 billion, surpassing KSA's USD 4.2 billion in total proceeds.
- 1,251 IPOs were listed globally in 2024, down from 1,351 in 2023.
- EMEIA led in volume with 522 IPOs, up from 446 in 2023, while Asia IPOs fell to 488 from 755.
- Global IPO proceeds totaled USD 121.2 billion, slightly lower than USD 126.1 billion in 2023.
- EMEIA led in proceeds with USD 53.2 billion, a significant rise from USD 32.5 billion in 2023.
- Asia's proceeds dropped sharply to USD 34.9 billion from USD 70.9 billion in 2023.
- Americas topped country proceeds with USD 32.8 billion, followed by India at USD 19.9 billion.



### Top 5 Proceeds (in USD Billion)

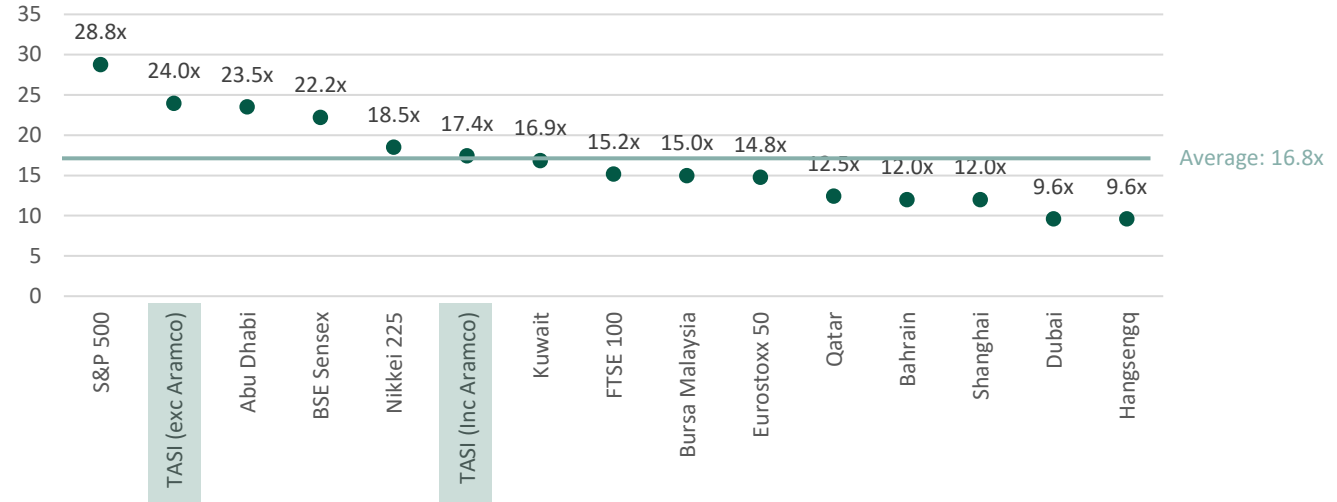




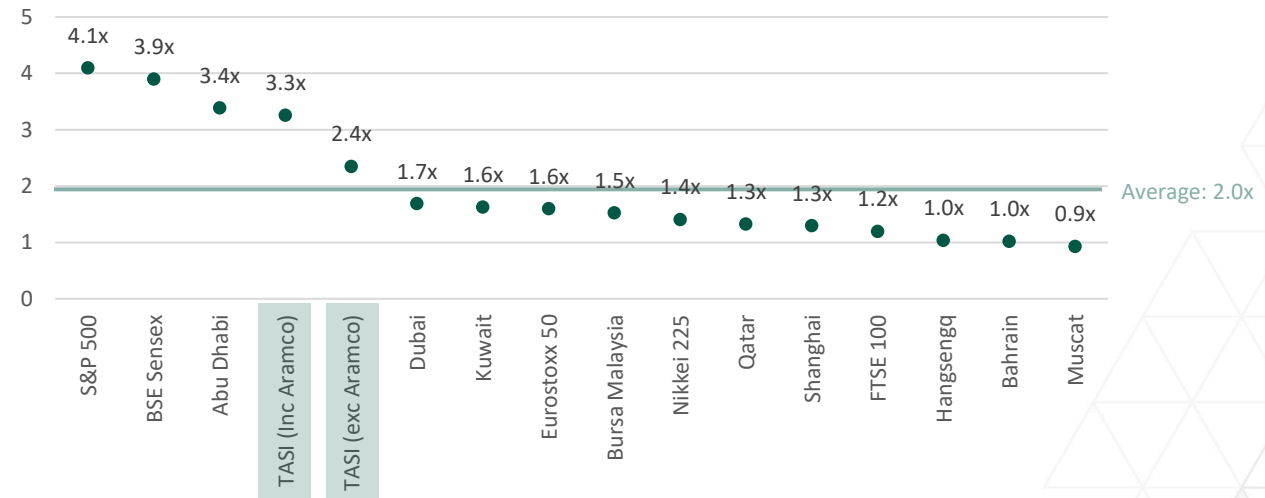
# P/E Comparison: Regional & Global

- **Global Market Valuation:** S&P 500 leads as the most expensive market with a P/E of 28.8x and P/B of 4.1x, followed by BSE Sensex and Abu Dhabi with high valuations. In contrast, Bahrain (P/E 12.0x, P/B 1.02x) and Hang Seng (P/E 9.6x, P/B 1.0x) are among the cheapest globally.
- **Regional Comparison:** TASI, including Aramco, has a P/E of 17.4x and a P/B of 3.3x, making it less expensive than Abu Dhabi and BSE Sensex but pricier than Kuwait, Qatar, and Dubai. TASI, excluding Aramco, has a higher P/E (24.0x) but a lower P/B (2.4x) compared to Abu Dhabi.
- **Relative Valuation:** TASI's valuations suggest a balance between regional affordability and global competitiveness, positioning it as a middle-tier market. However, it trades at a premium compared to GCC peers like Dubai (P/E 9.6x, P/B 1.7x) and Kuwait (P/E 16.9x, P/B 1.6x).

P/E Ratio



P/B Ratio



An aerial photograph of a port area with a dense city skyline in the background. In the foreground, there are numerous stacks of colorful shipping containers (blue, red, green, yellow) and several large yellow gantry cranes. A body of water separates the port from the city. A tall flagpole with a green flag is visible in the middle ground. The sky is overcast and hazy.

## TADAWUL SECTOR INSIGHTs

An in-depth analysis of sectoral key financial metrics to highlight industry trends and financial health.



# Revenue Growth

- Real Estate and Commercial Services have consistently shown strong revenue growth, ranking among the top-performing sectors across all periods.
- Energy, Mining, and Chemicals saw significant declines in 2023, with Energy and Mining still struggling in 2024, while Chemicals remain the weakest sector overall.
- Utilities and Const. Material have shown steady but moderate growth, maintaining a stable performance across years.
- Packaging saw extreme volatility, leading in 2022 but ending as the worst-performing sector in 2023 and turning slightly negative in 2024.

Source: **RATING** research

## 2022

Packaging	77.06%
Real Estate	51.70%
Energy	49.99%
Mining	43.94%
Commercial Svc.	35.30%
Consumer Svc.	28.74%
Media	28.30%
Retail	23.21%
Capital Goods	21.25%
Software	19.21%
Transportation	18.68%
Food & Beverages	14.17%
Staples	13.11%
Healthcare	12.93%
Chemical	11.04%
Telecom.	7.08%
Utilities	3.98%
Const. Material	3.45%
Consumer Dur.	1.63%
Pharma	-2.29%
Household	-5.97%

## 2023

Transportation	29.63%
Healthcare	18.79%
Pharma	15.90%
Consumer Svc.	13.90%
Real Estate	13.65%
Commercial Svc.	10.93%
Capital Goods	10.39%
Telecom.	7.63%
Staples	6.64%
Utilities	6.02%
Retail	5.43%
Household	4.24%
Media	3.69%
Software	2.22%
Food & Beverages	1.39%
Const. Material	0.59%
Consumer Dur.	-5.92%
Energy	-17.81%
Mining	-19.94%
Chemical	-27.33%
Packaging	-36.72%

## TTM (Sep-2024)

Real Estate	22.87%
Commercial Svc.	11.95%
Utilities	11.68%
Const. Material	11.65%
Healthcare	10.19%
Mining	9.50%
Consumer Svc.	9.02%
Transportation	8.94%
Household	8.76%
Capital Goods	7.00%
Software	5.52%
Pharma	5.05%
Staples	4.45%
Telecom.	4.07%
Retail	2.84%
Food & Beverages	2.04%
Consumer Dur.	0.94%
Chemical	0.51%
Packaging	-0.10%
Energy	-1.29%
Media	-3.06%

# Gross Profit Margin

- Energy and Telecom maintain the highest gross margins, consistently leading across all periods, with Energy slightly declining in 2024.
- Pharma and Real Estate show steady improvements, both ranking among the top sectors in recent years.
- Mining and Utilities exhibit lower but stable margins, while Chemicals and Retail remain the weakest, showing little improvement over time.
- Packaging and Media have experienced fluctuations, performing well in 2022 but stabilizing at lower levels in 2024.

Source: **RATING** research

## 2022

Telecom.	56.36%
Energy	53.07%
Packaging	52.41%
Pharma	39.70%
Mining	37.54%
Media	35.76%
Real Estate	33.63%
Healthcare	31.16%
Software	30.86%
Utilities	28.73%
Consumer Svc.	28.49%
Const. Material	26.35%
Household	25.09%
Staples	24.10%
Transportation	23.31%
Food & Beverages	22.84%
Chemical	21.39%
Commercial Svc.	19.26%
Consumer Dur.	17.48%
Capital Goods	16.53%
Retail	13.08%

## 2023

Energy	61.96%
Telecom.	53.50%
Real Estate	43.75%
Pharma	42.83%
Consumer Svc.	35.82%
Media	35.09%
Packaging	35.08%
Household	34.58%
Healthcare	31.58%
Staples	30.65%
Software	27.39%
Food & Beverages	25.09%
Transportation	24.84%
Const. Material	23.51%
Utilities	22.49%
Mining	21.29%
Capital Goods	18.56%
Consumer Dur.	17.77%
Commercial Svc.	16.98%
Chemical	14.62%
Retail	12.26%

## TTM (Sep-2024)

Energy	59.44%
Pharma	52.84%
Telecom.	51.30%
Household	39.61%
Real Estate	36.04%
Consumer Svc.	35.41%
Packaging	33.61%
Media	32.78%
Healthcare	31.62%
Transportation	31.11%
Staples	30.33%
Mining	28.71%
Software	27.94%
Food & Beverages	26.37%
Const. Material	25.70%
Utilities	20.68%
Capital Goods	19.70%
Consumer Dur.	18.08%
Commercial Svc.	16.56%
Chemical	15.96%
Retail	12.32%

# Net Profit Margin

- Packaging continues to lead in net profit margins, but its profitability has declined significantly from 45% in 2022 to around 23% in 2024.
- Energy remains strong but is also on a downward trend, slipping from 25.5% in 2022 to 21.4% in 2024.
- Telecom, Healthcare, and Software maintain stable profitability, ranking consistently among the top performers.
- Mining and Real Estate have seen notable fluctuations, with Mining rebounding in 2024 while Real Estate improved from the bottom in 2022 to a mid-tier position.
- Pharma and Chemicals, which struggled in 2023, have slightly recovered in 2024, though Pharma remains volatile.
- Retail, Consumer Durables, and Chemicals remain the weakest performers, with Consumer Durables still struggling to turn consistently positive margins.

Source: **RATING** research

## 2022

Packaging	45.08%
Energy	25.49%
Mining	21.18%
Media	18.03%
Telecom.	15.49%
Healthcare	14.41%
Const. Material	14.38%
Software	13.44%
Utilities	11.63%
Chemical	8.80%
Commercial Svc.	8.51%
Staples	7.68%
Household	7.30%
Food & Beverages	5.23%
Retail	4.65%
Capital Goods	3.58%
Consumer Svc.	3.29%
Transportation	2.33%
Real Estate	0.63%
Consumer Dur.	-0.78%
Pharma	-11.58%

## 2023

Packaging	24.30%
Energy	23.37%
Real Estate	21.35%
Telecom.	16.90%
Media	16.08%
Household	15.26%
Healthcare	14.40%
Software	13.45%
Const. Material	10.72%
Transportation	8.18%
Consumer Svc.	7.41%
Staples	6.48%
Food & Beverages	6.11%
Capital Goods	5.77%
Utilities	5.59%
Mining	5.20%
Commercial Svc.	4.77%
Retail	1.13%
Pharma	-0.83%
Chemical	-1.47%
Consumer Dur.	-1.52%

## TTM (Sep-2024)

Packaging	23.08%
Energy	21.41%
Telecom.	16.59%
Household	16.20%
Software	15.82%
Healthcare	14.70%
Const. Material	13.24%
Transportation	12.78%
Pharma	12.45%
Mining	12.10%
Media	11.11%
Capital Goods	9.92%
Real Estate	9.85%
Food & Beverages	7.24%
Consumer Svc.	6.94%
Utilities	5.99%
Staples	5.91%
Commercial Svc.	5.23%
Retail	1.38%
Chemical	1.14%
Consumer Dur.	-0.05%



# Debt to Equity

- Most sectors have stable debt-to-equity ratios, with slight declines in some industries, suggesting cautious borrowing trends or improved equity positions.
- Staples, Media, and Real Estate maintain moderate leverage, hovering around 0.7x–1.2x, suggesting a balanced financing approach.
- Energy, Chemicals, and Packaging have the lowest debt levels, with Packaging remaining extremely low (~0.1x), reflecting conservative capital structures.
- Retail maintains the highest debt-to-equity ratio, consistently above 2.5x, indicating heavy reliance on leverage compared to other sectors.

Source: **RATING** research

## 2022

Packaging	0.10x
Chemical	0.21x
Const. Material	0.23x
Energy	0.26x
Software	0.32x
Telecom.	0.33x
Household	0.35x
Utilities	0.44x
Consumer Dur.	0.51x
Consumer Svc.	0.61x
Transportation	0.62x
Healthcare	0.62x
Capital Goods	0.62x
Pharma	0.64x
Commercial Svc.	0.68x
Real Estate	0.68x
Media	0.69x
Food & Beverages	0.75x
Mining	0.78x
Staples	1.20x
Retail	2.55x

## 2023

Packaging	0.11x
Software	0.17x
Consumer Dur.	0.19x
Energy	0.19x
Const. Material	0.24x
Chemical	0.24x
Household	0.38x
Telecom.	0.44x
Utilities	0.51x
Capital Goods	0.55x
Transportation	0.63x
Commercial Svc.	0.63x
Healthcare	0.63x
Real Estate	0.63x
Pharma	0.67x
Consumer Svc.	0.68x
Mining	0.69x
Food & Beverages	0.72x
Media	0.93x
Staples	1.07x
Retail	2.66x

## TTM (Sep-2024)

Packaging	0.09x
Chemical	0.11x
Energy	0.21x
Consumer Dur.	0.21x
Software	0.22x
Const. Material	0.24x
Telecom.	0.33x
Pharma	0.51x
Food & Beverages	0.52x
Household	0.53x
Commercial Svc.	0.53x
Utilities	0.62x
Mining	0.63x
Healthcare	0.65x
Capital Goods	0.67x
Real Estate	0.69x
Media	0.73x
Consumer Svc.	0.74x
Transportation	0.76x
Staples	1.19x
Retail	2.55x

# Debt to Assets

- Retail consistently holds the highest debt ratio, though it has decreased from 0.55 in 2022 to 0.50 in TTM (Sep-2024), indicating a slight reduction in debt reliance.
- Mining, Real Estate, and Staples maintain moderate debt ratios (0.33–0.37), suggesting a balanced debt structure relative to total assets.
- Media and Customer Services have increased debt ratios, showing a rising debt burden in recent periods.
- Energy, Telecom, and Const. Material maintain low debt ratios (~0.14–0.16), reflecting strong equity financing and low leverage.
- Software and Packaging remain the least leveraged sectors, with a debt ratio consistently below 0.10, indicating minimal reliance on debt.

Source: **RATING** research

## 2022

Software	0.06x
Packaging	0.07x
Chemical	0.14x
Const. Material	0.16x
Telecom.	0.16x
Energy	0.17x
Household	0.19x
Utilities	0.23x
Capital Goods	0.25x
Transportation	0.26x
Media	0.27x
Pharma	0.28x
Healthcare	0.30x
Commercial Svc.	0.31x
Consumer Dur.	0.31x
Consumer Svc.	0.32x
Food & Beverages	0.33x
Staples	0.36x
Real Estate	0.37x
Mining	0.39x
Retail	0.55x

## 2023

Software	0.06x
Packaging	0.07x
Consumer Dur.	0.11x
Energy	0.13x
Chemical	0.15x
Const. Material	0.16x
Household	0.20x
Telecom.	0.21x
Capital Goods	0.23x
Utilities	0.25x
Transportation	0.26x
Pharma	0.28x
Commercial Svc.	0.29x
Healthcare	0.30x
Consumer Svc.	0.33x
Food & Beverages	0.33x
Real Estate	0.35x
Mining	0.35x
Staples	0.35x
Media	0.39x
Retail	0.53x

## TTM (Sep-2024)

Packaging	0.07x
Chemical	0.07x
Software	0.09x
Energy	0.14x
Telecom.	0.16x
Const. Material	0.16x
Consumer Dur.	0.16x
Household	0.21x
Commercial Svc.	0.24x
Pharma	0.25x
Capital Goods	0.25x
Food & Beverages	0.27x
Utilities	0.29x
Healthcare	0.30x
Transportation	0.32x
Mining	0.33x
Media	0.33x
Real Estate	0.36x
Staples	0.37x
Consumer Svc.	0.38x
Retail	0.50x

# Return on Assets

- Household, Energy, and Software maintain strong ROA levels, showing consistent profitability relative to assets.
- Packaging's ROA has declined from 30.91% in 2022 to 10.64% in TTM (Sep-2024), suggesting weakening asset efficiency.
- Healthcare, Staples, and Telecom remain stable at around 8–9% ROA.
- Retail, Real Estate, and Utilities show weak returns (~1–2%), indicating asset inefficiency or high leverage impact.
- Pharma and Consumer Durables improved from negative ROA but remain among the lowest-performing sectors

Source: **RATING** research

## 2022

Packaging	30.91%
Energy	23.02%
Household	11.45%
Software	10.39%
Staples	9.88%
Media	9.26%
Healthcare	8.27%
Mining	7.95%
Telecom.	6.95%
Commercial Svc.	6.94%
Retail	5.80%
Chemical	4.82%
Materials	4.69%
Food & Beverages	3.88%
Capital Goods	2.98%
Utilities	1.75%
Consumer Svc.	1.30%
Transportation	0.79%
Real Estate	0.06%
Consumer Dur.	-0.55%
Pharma	-4.31%

## 2023

Household	24.35%
Energy	17.44%
Software	11.83%
Packaging	11.25%
Staples	8.91%
Healthcare	8.45%
Media	7.88%
Telecom.	7.42%
Capital Goods	4.99%
Commercial Svc.	4.51%
Food & Beverages	4.27%
Consumer Svc.	3.59%
Materials	3.50%
Transportation	3.42%
Real Estate	2.10%
Retail	1.63%
Mining	1.57%
Utilities	0.88%
Pharma	-0.34%
Chemical	-0.63%
Consumer Dur.	-1.02%

## TTM (Sep-2024)

Household	17.66%
Energy	15.88%
Software	13.95%
Packaging	10.64%
Healthcare	8.52%
Staples	8.11%
Capital Goods	7.76%
Telecom.	7.54%
Transportation	6.03%
Commercial Svc.	5.73%
Pharma	5.70%
Media	5.03%
Food & Beverages	4.95%
Materials	4.66%
Consumer Svc.	4.06%
Mining	3.91%
Retail	2.12%
Real Estate	1.24%
Utilities	0.98%
Chemical	0.51%
Consumer Dur.	-0.12%

# Return on Equity

- Household, Software, and Energy remain among the best-performing sectors, with relatively stable ROE values over time.
- Staples and Media maintain mid-range ROE levels (~26-19%), showing consistent profitability.
- Real Estate, Utilities, and Mining continue to show low returns, suggesting capital inefficiency.
- Pharma and Consumer Durables recovered from negative ROE but still hover around break-even, indicating ongoing challenges.

Source: **RATING** research

## 2022

Software	53.91%
Packaging	42.82%
Energy	35.18%
Staples	32.36%
Retail	27.17%
Media	23.96%
Household	21.06%
Healthcare	16.83%
Mining	16.01%
Commercial Svc.	15.51%
Telecom.	14.02%
Food & Beverages	8.70%
Capital Goods	7.47%
Chemical	7.07%
Materials	6.69%
Utilities	3.34%
Consumer Svc.	2.49%
Transportation	1.89%
Real Estate	0.11%
Consumer Dur.	-0.91%
Pharma	-9.75%

## 2023

Household	46.33%
Software	32.48%
Staples	26.76%
Energy	25.49%
Media	19.03%
Healthcare	17.80%
Packaging	16.21%
Telecom.	15.33%
Capital Goods	12.08%
Commercial Svc.	9.90%
Food & Beverages	9.38%
Retail	8.26%
Transportation	8.13%
Consumer Svc.	7.48%
Materials	5.12%
Real Estate	3.84%
Mining	3.09%
Utilities	1.79%
Pharma	-0.82%
Chemical	-0.97%
Consumer Dur.	-1.85%

## TTM (Sep-2024)

Household	44.25%
Software	34.41%
Staples	26.18%
Energy	23.62%
Capital Goods	20.75%
Healthcare	18.71%
Telecom.	15.50%
Transportation	14.52%
Packaging	14.31%
Commercial Svc.	12.68%
Pharma	11.73%
Media	11.04%
Retail	10.77%
Food & Beverages	9.68%
Consumer Svc.	7.95%
Mining	7.52%
Materials	6.86%
Real Estate	2.40%
Utilities	2.11%
Chemical	0.76%
Consumer Dur.	-0.16%

# Sector Positioning

- This analysis evaluates 21 sectors based on their **three-year average financial performance** across key metrics, including profitability, growth, and leverage. By averaging the scores from 2022, 2023, and TTM 2024, the model provides a more stable and reliable assessment of sector strength. Sectors are categorized into four groups provided in the table below. This offers insights into their financial resilience and risk profiles.

Positioning	Meaning
Strong & Self-Sufficient	Low debt, strong profitability
Efficient Debt Usage	Relatively high debt ,strong profitability
Underperforming but Stable	Low debt, weak profitability
Financially Adaptive	Relatively high debt, weak profitability

- Efficient Debt Usage:* Energy and Household sectors effectively leverage debt while maintaining strong financial performance.
- Strong & Self-Sufficient:* Sectors like Software, Healthcare, and Telecom operate with low debt and strong profitability, ensuring resilience.
- Underperforming but Stable:* Real Estate and Retail have low profitability but manageable debt, maintaining stability despite weaker returns.
- Financially Adaptive:* Industries such as Customer Services, Capital Goods, and Media face high debt and weak profitability, posing financial challenges.

Software & Services	Strong & Self-Sufficient
Packaging	Strong & Self-Sufficient
Telecom.	Strong & Self-Sufficient
Pharma & Bio Tech	Strong & Self-Sufficient
Healthcare	Strong & Self-Sufficient
Materials	Strong & Self-Sufficient
Commercial Services	Strong & Self-Sufficient
Energy	Efficient Debt Usage
Household	Efficient Debt Usage
Real Estate	Underperforming but Stable
Retail	Underperforming but Stable
Consumer Services	Financially Adaptive
Capital Goods	Financially Adaptive
Transportation	Financially Adaptive
Staples	Financially Adaptive
Media	Financially Adaptive
Mining	Financially Adaptive
Food & Beverages	Financially Adaptive
Utilities	Financially Adaptive
Chemical	Financially Adaptive
Consumer Durable	Financially Adaptive

Source: **RATING** research



# Data Consideration & Methodology

*Explanation of sector bifurcation, selected financial factors, classification methodology, aggregation method, and data exclusions*

## *Sector Adjustments:*

- The Materials sector has been divided into Construction Materials (Cement), Chemicals, Metals & Mining, and Packaging for better granularity.

## *Financial Factors Used:*

- The analysis is based on Revenue Growth, Gross Profit Margin, Net Profit Margin, Debt-to-Equity, Debt Ratio, Return on Assets (ROA), and Return on Equity (ROE).

## *Sector Classification Methodology:*

- Each sector is ranked across key financial ratios, assigned scores (1-5), weighted, and classified into: Efficient Debt Usage, Strong & Self-Sufficient, Financially Adaptive, and Underperforming but Stable.

## *Ratio Aggregation Approach:*

- Aggregate method is used instead of simple averages to ensure accurate representation of sector-wide performance.

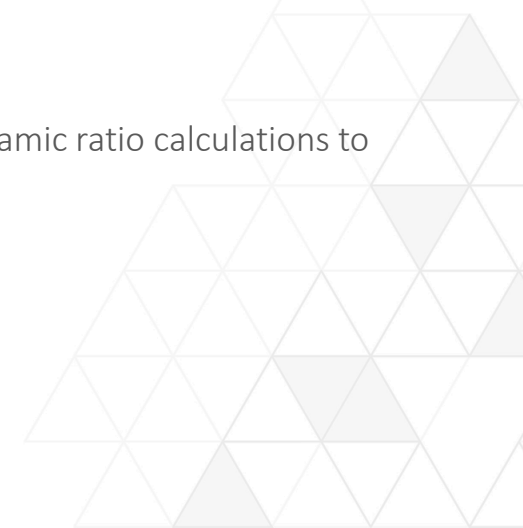
## *Data Adjustments:*

- Companies listed during the year are excluded from growth and other dynamic ratio calculations to maintain consistency.

## *Total Debt:*

- Total debt includes lease liabilities.

Source: **RATING** research



# THANK YOU



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