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# ALUMINIUM RE-MELT BILLETS & EXTRUSION (INTEGRATED)

INVESTMENT OPPORTUNITY SCORECARD

MINING & METALS

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## ALUMINIUM RE-MELT BILLETS & EXTRUSION (INTEGRATED)

**Opportunity Description:** Opportunity to develop a 65 ktpa Integrated Re-melt & Extrusion plant to cater the local and regional demand

### INVESTMENT OVERVIEW

#### INVESTMENT HIGHLIGHTS

- Expected investment size: USD 100Mn
- Plant capacity: 65 ktpa
- Billets are created directly through continuous casting
- Extrusion is the process of shaping aluminum by forcing it to flow through a specifically shaped die

#### FUTURE OPPORTUNITIES

- Opportunity to forward integrate & produce various finished products such as powder coated and anodized profiles

#### VALUE PROPOSITION

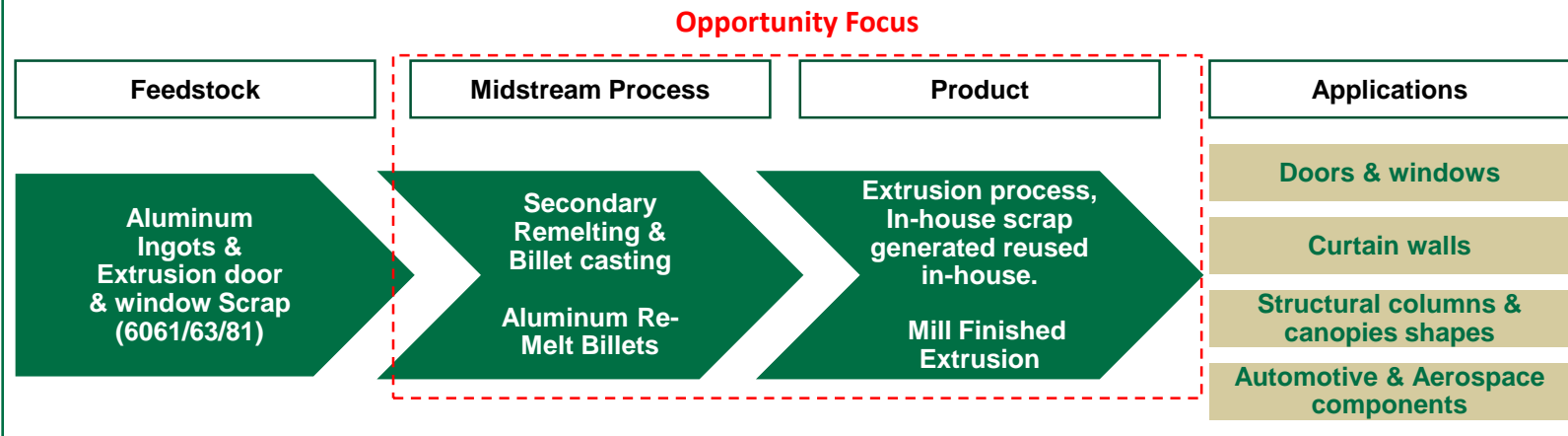
- The KSA is likely to be a powerhouse for value added aluminum downstream products, driven by abundant availability of feedstock and energy at a competitive price.
- The integrated re-melt billet and extrusion facility is well established globally, offers close integration of the value chains, utilizing locally available aluminum scrap which drives cost competitiveness
- The project promotes recycling, reduces carbon footprint and has energy consumption compared to traditional operations.

### MARKET OVERVIEW

#### GLOBAL TREND

- The global Aluminum Extrusion market is estimated at 27 mmtpa in 2020 and is expected to reach 40 mmtpa by 2027 registering a CAGR of 5-6%
- Building & Construction (B&C) occupies the largest share of demand at 70%.
- Extrusion process generates the largest volume of scrap based on the product, and process efficiency
- Butts, end cutting, end pieces are generated as scrap during conversion from Billet to Extrusion, which are tolled back into the in-house furnace to produce fresh billets, as part of a continuous process.

#### VALUE CHAIN ANALYSIS



#### KEY DEMAND DRIVERS

- Market: Aluminum Extrusion demand in GCC is estimated at 500-550 ktpa, growing at 4-5% YoY.
- This project can leverage locally available Ingots, it can also interchangeably leverage locally available door and window extrusion scrap.
- The proposed extrusion plant also offers good export opportunities to Europe & North America, in other segments such in automotive and aerospace.

# DEFINITIONS

#	SCORECARD SECTION	DEFINITIONS
1	<b>Market size</b>	Size of market in value/volume in KSA and/or Region (MENA/GCC) covering future projections based on available estimates from published /government sources
2	<b>Business drivers</b>	A select number of factors that will influence future demand for the related product/service
3	<b>Investment highlights</b>	An overview of key financial metrics summarizing the investment opportunity along with the expected return based on the suggested investment size
4	<b>Value proposition</b>	Summary of key differentiators that position KSA as a strategic choice over other regional/global peers
5	<b>Market readiness</b>	An overview of KSA market structure, market maturity and level of participation by local and global players
6	<b>Competitor analysis</b>	List of the local & international players manufacturing the underlying product in Saudi Arabia and their market share
7	<b>Global trends</b>	Latest business developments within the sector/product category
8	<b>Scalability and localization</b>	Ease of scaling the business across the value chain or into new adjacent products or geographies that would maximize the opportunity's investment returns and the ability and potential to locally manufacture the product and its components
9	<b>Import dependency</b>	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
10	<b>Value chain analysis</b>	The process or activities that would potentially need to be carried out to deliver the underlying product or service
11	<b>Key stakeholders</b>	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
12	<b>Enablers</b>	Factors that enable investment in the underlying opportunity
13	<b>Cost of doing business in KSA</b>	Key factors that position KSA as a competitive destination for investment in the region. Productivity adjusted wages do not include cost of \$1.23/hour towards annual recurring charges including work permit, resident identity (iqama) and health insurance

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