

AUTOMOTIVE BRAKE CASTING

INVESTMENT OPPORTUNITY SCORECARD

MINING & METALS



AUTOMOTIVE BRAKE CASTING

Opportunity Description: Opportunity to develop a 75 ktpa Automotive Brake casting unit to cater to KSA, regional and Global markets

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Expected investment size of USD 450 Mn
- Plant capacity: 75 ktpa
- Automotive braking systems is a disc brake uses the calipers to squeeze pairs of pads against a disc or a "rotor" to create friction and braking power.

FUTURE OPPORTUNITIES

- The foundry can diversify its portfolio and cater to other Automotive & Non Automotive casting requirements,

VALUE PROPOSITION

- Under the Vision 2030, the KSA government aims for OEMs to locally produce passenger vehicles in the country between 2025 & 2030.
- This project will act as a key pillar for development of the Automotive industry, with supply of critical Auto grade sheet metal products to Original Equipment Manufacturers (OEMs)
- This project will also cater to the ever growing spares & aftermarket demand in the GCC region.
- The proposed project will leverage locally available steel scrap and also import pig iron from a secured supply base.

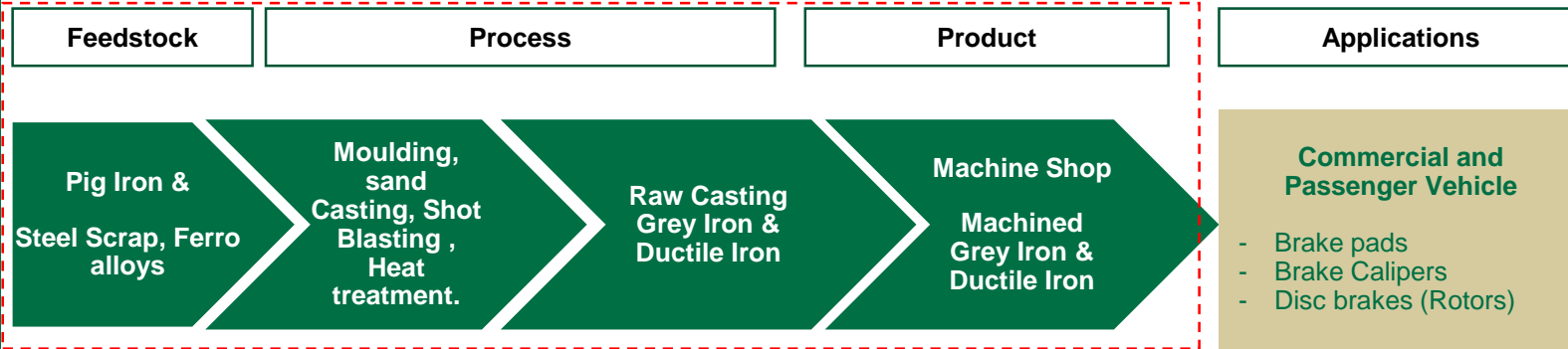
MARKET OVERVIEW

GLOBAL TREND

- The Global Automotive brake casting market size is expected to reach 18-20 mmtpa by 2027, a CAGR of 4-5%.
- Passenger cars will be the major driver with over 78 mn units produced in 2020.
- Automotive OEMs are the ultimate decision makers for the type of material used by the foundries.
- Automotive Brake Casting Foundries supply to Tier II manufacturers, and supply to Tier-1 both for OE and aftermarket requirements.
- Aftermarket segment is also a key driver of demand due to regular replacement cycles observed being a wear and tear component.

VALUE CHAIN ANALYSIS

Opportunity Focus



KEY DEMAND DRIVERS

- The demand in GCC is currently met by imports in finished component form and there is an opportunity for 100% import substitution.
- The KSA is the largest passenger car market in GCC and is aiming at increasing its investments in the automotive Tier-1 ecosystem
- This project provides first mover advantage in the Kingdom to cater to export and domestic demand.
- It also offers good export potential in key OEM destinations such as Europe, US & South East Asia.

DEFINITIONS

#	SCORECARD SECTION	DEFINITIONS
1	Market size	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	Business drivers	A select number of factors that will influence future demand for the related product/service
3	Investment highlights	An overview of key financial metrics summarizing the investment opportunity along with the expected return based on the suggested investment size
4	Value proposition	Summary of key differentiators that position KSA as a strategic choice over other regional/global peers
5	Market readiness	An overview of KSA market structure, market maturity and level of participation by local and global players
6	Competitor analysis	List of the local & international players manufacturing the underlying product in Saudi Arabia and their market share
7	Global trends	Latest business developments within the sector/product category
8	Scalability and localization	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	Import dependency	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
10	Value chain analysis	The process or activities that would potentially need to be carried out to deliver the underlying product or service
11	Key stakeholders	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
12	Enablers	Factors that enable investment in the underlying opportunity
13	Cost of doing business in KSA	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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