

AUTOMOTIVE SHEET (INTEGRATED FLAT STEEL UNIT)

INVESTMENT OPPORTUNITY SCORECARD

MINING & METALS



AUTOMOTIVE SHEET (INTEGRATED FLAT STEEL UNIT)

Opportunity Description: Opportunity to develop a integrated 500 ktpa Automotive Flat Steel plant to cater local and international demand.

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Expected investment size of USD 2,500 Mn
- Plant capacity: 500 ktpa
- Steel as a metal is a leader in automobile applications, Flat rolled steel sheets is a critical material in passenger car & commercial vehicle.

FUTURE OPPORTUNITIES

- Future project: In the Long term, a state-of-the-art Steel recycling unit can be setup adjacent to the steel unit

VALUE PROPOSITION

- 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)
- On average, 900 kg of steel is used per vehicle out of which 40% is used in the body structure, panels, doors and trunk closures for high-strength and energy absorption and crash resistance.
- Globally, advanced high-strength steel is a mainstream product, makes up to 60% in today's vehicle body structure, making lighter, optimized vehicle designs that enhance safety and improve fuel efficiency.
- The proposed plant will leverage locally available primary feedstock of DRI.

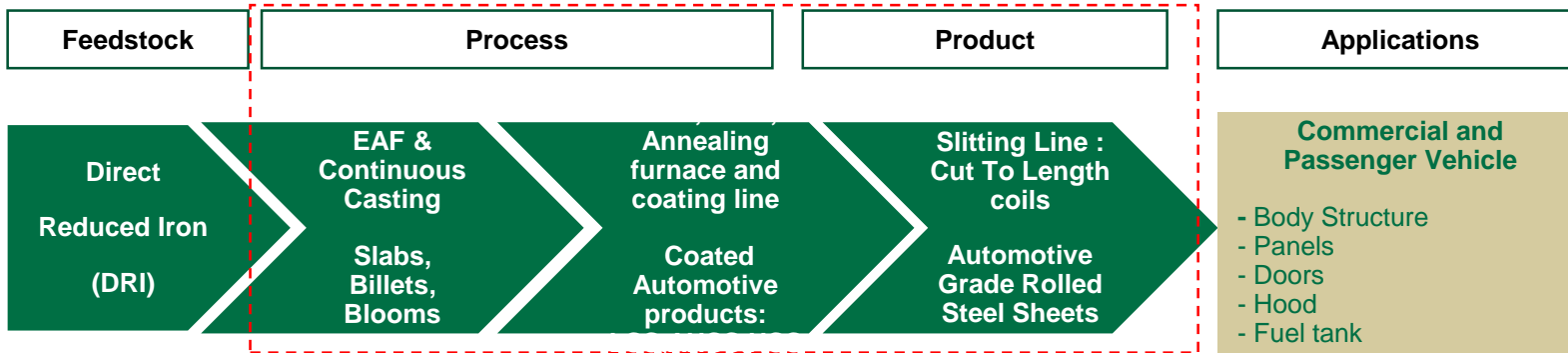
MARKET OVERVIEW

GLOBAL TREND

- The global automotive steel market size was valued at USD 135 Bn in 2020 and is expected to reach USD 184 Bn by 2027, registering a CAGR of 5-6%.
- Globally the demand for steel is expected to increase with the development of advanced high-strength steel that secures the material's future in the automotive industry.
- Steel helps EV manufacturers to achieve goals including weight reduction, recyclability, and economic efficiency. Though steel is facing stiff competition from aluminum, it is expected that steel will be the primary material of choice until 2030, e.g. Tesla uses 86% of the steel in its flagship Model 3, of which 44% is high strength steel.

VALUE CHAIN ANALYSIS

Opportunity Focus



KEY DEMAND DRIVERS

- The KSA is aiming at localizing investments in the automotive passenger and commercial vehicles including electrical vehicles manufacturing.
- Automotive has a share of 5% on overall flat rolled finished steel demand.
- The investment also has potential to cater to the export markets, supplying to established global steel service centers who are pre-qualified vendors of leading automotive OEMs.

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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