

ARTIFICIAL LIFT SYSTEMS

INVESTMENT OPPORTUNITY SCORECARD

INDUSTRIAL EQUIPMENT

AUGUST 2021

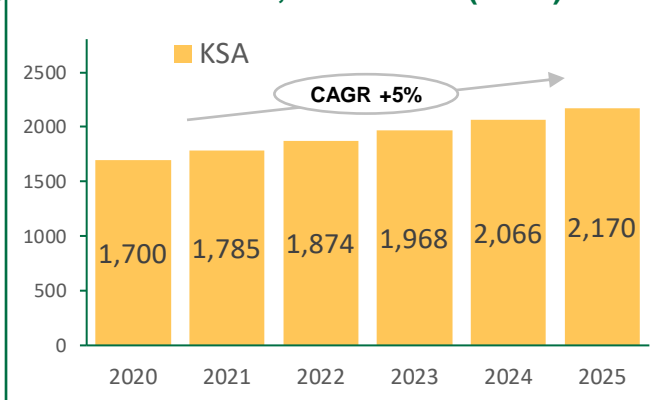


INDUSTRIAL EQUIPMENT ARTIFICIAL LIFT SYSTEMS

OPPORTUNITY'S DESCRIPTION: Establish a manufacturing facility for Artificial Lift

DEMAND

MARKET SIZE, QUANTITY (units)



INVESTMENT HIGHLIGHTS

- Establish a manufacturing facility for ESP and components
- Invest in technical support service centers to provide maintenance and field support requirements for Artificial Lift Systems.
- Establish a local cable manufacturing facility to increase local content in kingdom.
- Establish a precision machine shop to manufacture Artificial Lift core components/spare parts

INVESTMENT OVERVIEW

VALUE PROPOSITION

- Artificial Lift Systems represent an attractive localization opportunity given the current supply gap and expected demand growth
- KSA is the largest Oil producer in the region
- Artificial Lift represents an attractive localization opportunity given the current service intensity and expected growth.
- Attractive cost base including low logistics, land, utilities, and labor costs.

KEY DEMAND DRIVERS

- Artificial Lift demand in KSA has been growing and is estimated to be ~1700 units in 2020.
- Forecasted ~5% annual growth in the Artificial Lift market until 2025.
- The demand for Artificial Lift in KSA is expected to reach ~2170 units by 2025.

MARKET OVERVIEW

COMPETITOR ANALYSIS

Schlumberger

Baker Hughes

BORETS

Alkhorayef

**Non exhaustive list*

GLOBAL TRENDS

- Electric Submersible Pump (ESP) is an important part of Artificial Lift System. It widely accepted in a lot of places in the world as the method of choice for Artificial Lift.
- The major factors that drives the global market for artificial lifts includes increasing demand of energy across the world, improving production efficiencies at mature fields, and increasing deep, ultra-deep offshore oil production.

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	Demand 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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