

# COUPLINGS

## INVESTMENT OPPORTUNITY SCORECARD

### INDUSTRIAL EQUIPMENT

AUGUST 2021

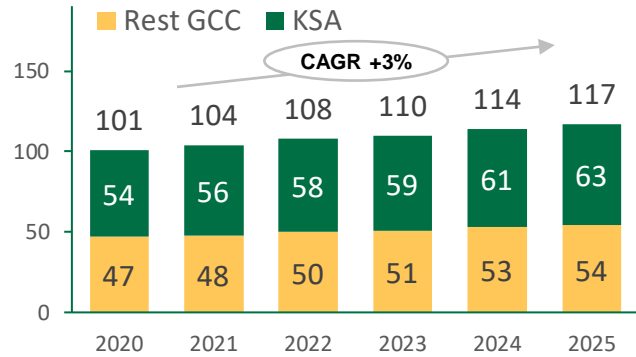


# INDUSTRIAL EQUIPMENT COUPLINGS

**OPPORTUNITY'S DESCRIPTION:** Establish a manufacturing facilities of Couplings.

## DEMAND

### MARKET SIZE, \$ MM



### INVESTMENT HIGHLIGHTS

- Potential to establish facilities to locally machine and manufacture couplings.
- Potential to develop SMEs to perform services, such as non destructive inspection and testing to support local manufacturing.
- Establish technical support service center to serve requirements for manufacturer couplings.
- ⑩ Establish Separation Internals design and R&D center to design for KSA requirements.

## INVESTMENT OVERVIEW

### VALUE PROPOSITION

- Couplings represent an attractive localization opportunity given the current supply gap and expected demand growth.
- No specialized Local Manufacturers for Couplings.
- Attractive cost base including low logistics, land, utilities, and labor costs.
- The majority of couplings were imported from OOK suppliers

### KEY DEMAND DRIVERS

- For the last 5 year , Aramco procured + 800M units.
- Historical Aramco demand on Couplings grow from 11 MM year 2015 and reached 35 MM in Year 2019. Total exceeded 152 MM.
- The Aramco demand on Couplings is expected to grow at 3% from 36 MM in 2020 and will reach 42 MM year 2025 with total of \$ 234 MM.
- The KSA demand on Couplings is expected to grow at 3 from 54 MM in 2020 and will reach 63 MM year 2025.
- The demand for couplings in KSA & GCC is expected to exceed \$ 654 MM over 2020-2025

## MARKET OVERVIEW

### COMPETITOR ANALYSIS

- NONE

### GLOBAL TRENDS

- 3D printing allowing shorter lead time and customization
- Advances in metallurgy to adapt various applications

# 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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