

General Lighting Manufacturing

INVESTMENT OPPORTUNITY SCORECARD

ENERGY & WATER

Mach 2021

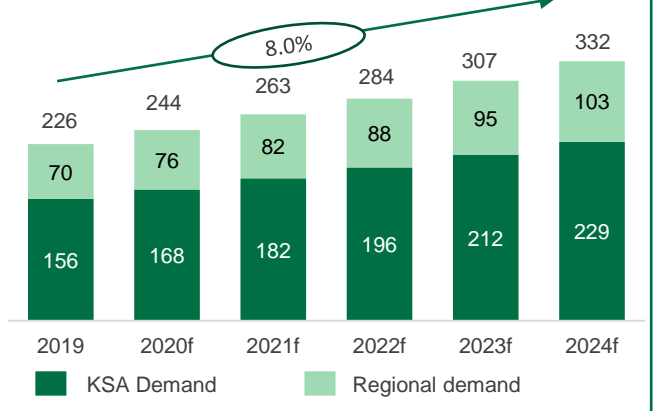


General Lighting Manufacturing

OPPORTUNITY'S DESCRIPTION: Establish an assembly facility for general lighting fixtures to close KSA import gap and satisfy part of the regional demand

DEMAND

MARKET SIZE, USD MN



INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Expected investment size of USD 15-20 Mn
- Opportunity to consider different operating models – pure private sector model or joint venture with local player
- Expected timeline to setup the manufacturing and assembly plant ~ 3-4 months
- Expected IRR – 18-21%

VALUE PROPOSITION

- The lighting market in KSA is highly regulated, ensuring competitiveness for a lighting manufacturer
- The National Energy Services Company, 'TARSHID' will stimulate the development of the Energy Efficiency industry in the Kingdom by providing financial support
- KSA market provides strong potential for exports through high regional demand and government support to export Saudi goods
- KSA is committed to raise awareness on Energy Efficiency through the establishing of Saudi Energy Efficiency Center (SEEC)

KEY DEMAND DRIVERS

- The increasing cost of electricity across commercial and industrial facilities in KSA will lead to increasing demand for Energy Efficiency solutions
- Government has established national ESCO TARSHID to retrofit all government buildings and replace street lighting
- Increased demand for luminaire products in KSA is also driven by multiple developments projects (cities, tourist places, schools, hospitals, religious buildings among others)
- Over 257 K government buildings and over 3.1 M streetlight poles present potential opportunities for retrofitting LED lighting solutions

MARKET OVERVIEW

MARKET READINESS AND COMPETITOR ANALYSIS

Main local players

COMPETITOR ANALYSIS

Leading global players in the Lighting Manufacturing market

GLOBAL TRENDS

- The global lighting market size is estimated to reach USD 163.72 Billion by 2027 and grow at CAGR 4.3% from 2020 to 2027
- Asia Pacific region is the market leader in terms of usage and manufacturing
- The LED luminaires accounts for 56% of the global LED lighting revenue
- The commercial segment accounts for more than 52% of LED lighting end users

ENERGY & WATER

General Lighting Manufacturing

Public / متاح

SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low Medium High

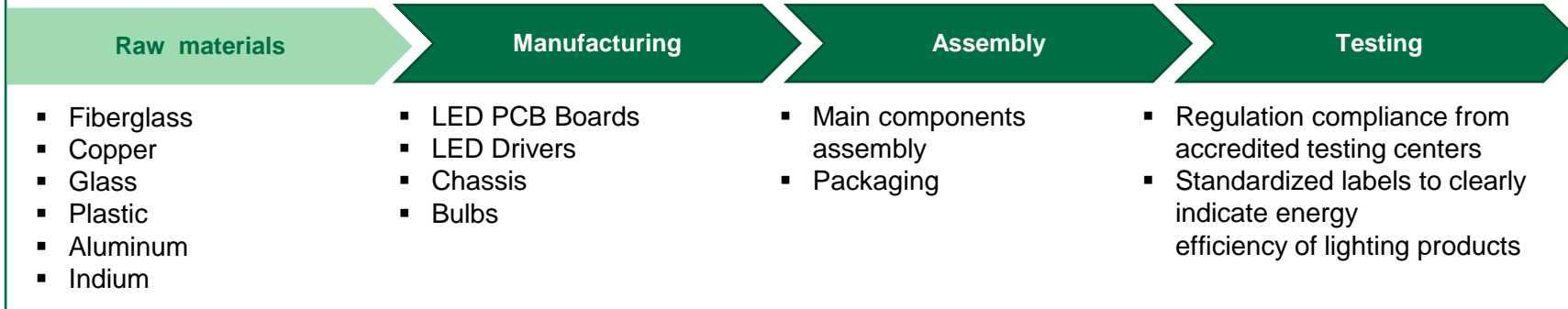
- There are multiple local suppliers providing raw materials (LED PCB Boards, LED Drivers, Chassis) required for LED production
- Potential partners to supply PCB boards and materials to produce PCB Boards & Lenses available in KSA: Fiberglass, Copper, and Bulk Chemicals supplied by SABIC, Pioneers Factory, AMIANTIT, and Ma'aden
- Suppliers for LED drivers include GLINTY, RAND TECH
- Suppliers for LED Chassis include Ma'aden, Saudi Plastic Factory Co., ALUPCO, Saudi Top Plastic Factory

IMPORT DEPENDENCY

- In 2019, the total imported general lights to KSA around USD 60 Mn

Country	% of Saudi imports
China	23%
Spain	4%
Italy	3%

VALUE CHAIN ANALYSIS



KEY STAKEHOLDERS

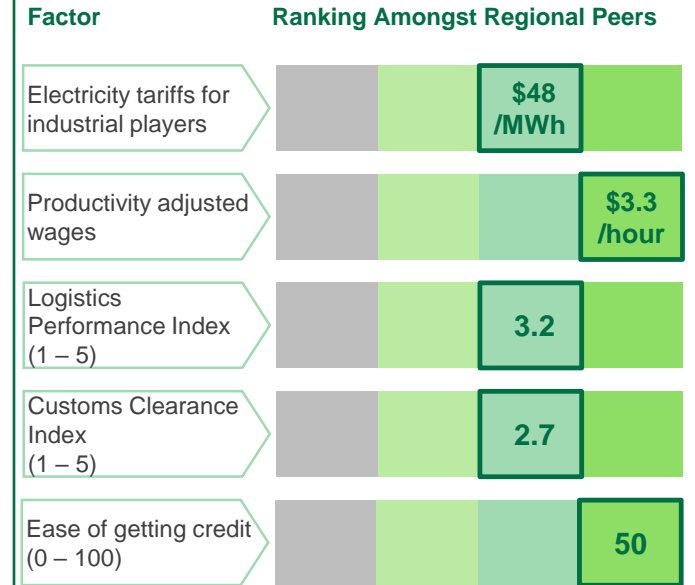


ENABLING FACTORS

ENABLERS

- 100% foreign direct ownership allowed
- Funding Energy Efficiency project development, and building capabilities of traditional ESCOs through TARSHID (Super ESCO)
- Preferential treatment for national products in Saudi government procurement
- Pre/Post-shipment loans to exporters/ importers of Saudi goods

COST OF DOING BUSINESS IN KSA



Bottom 25% | Top 75% | Top 50% | Top 25%

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

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