

Waterproof Lighting Manufacturing

INVESTMENT OPPORTUNITY SCORECARD

ENERGY & WATER

Mach 2021

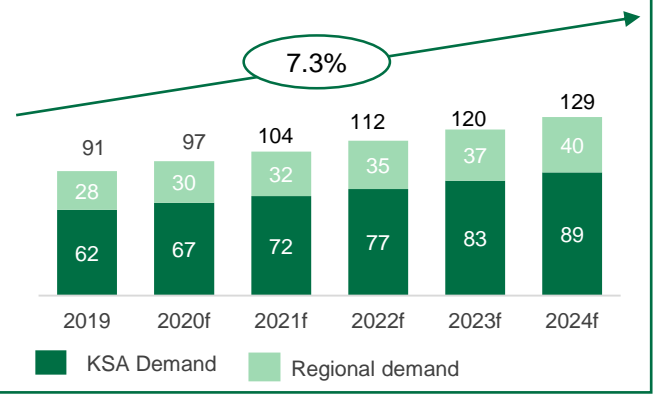


Waterproof Lighting Manufacturing

• **OPPORTUNITY'S DESCRIPTION:** Establish assembly facility for waterproof lighting to close KSA import gap and satisfy part of regional demand

DEMAND

MARKET SIZE, USD MM



INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Expected investment size of USD 7-13 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 –19%

VALUE PROPOSITION

- The lighting market in KSA is highly regulated, ensuring competitiveness for a high-quality waterproof manufacturer
- Industrial cities in KSA offer the ideal environment to establish waterproof lighting manufacturing plants
- Saudi industrial development fund(SIDF) provides financing incentives for industrial projects
- KSA market provides strong potential for exports through high regional demand and government support to export Saudi goods
- Low lands and electricity costs

KEY DEMAND DRIVERS

- Increased demand for luminaire products in KSA is also driven by multiple developments projects such as (industrial cities)
- Many industrial cities coming up in the near future such as NEOM and SPARK
- The number of factories in KSA reached 9,783 in 2021 providing potential opportunities for waterproof lighting
- Growing demand of waterproof luminaire in end use industry are the key factors that fuels the global waterproof luminaire market during the forecast period

MARKET OVERVIEW

MARKET READINESS AND COMPETITOR ANALYSIS

- Main local players



COMPETITOR ANALYSIS

- Leading global players in Waterproof 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
- China is the market leader in terms of manufacturing of waterproof lighting
- The global waterproof luminaire market is highly concentrated with top manufacturers accounting for approximately 25%–30% of the market share

ENERGY & WATER

Waterproof Lighting Manufacturing

Public / متاح

SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low Medium High

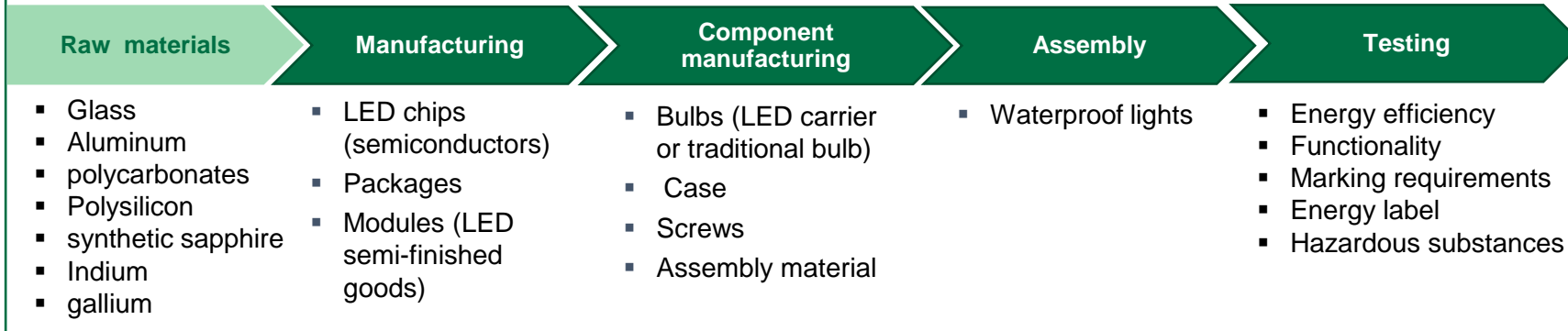
- There are multiple local suppliers providing raw materials such as Aluminum(National Aluminum Factory Co) and (Ma'aden) , polycarbonates (AIRowad National Plastic Company) and (Abdullah Albarrak Plastic Factory)
- (Potential partners to supply PCB boards and materials to produce PCB Boards & Lenses 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

IMPORT DEPENDENCY

- In 2019, 80% of waterproof lights were imported by KSA

Country	% of Saudi imports in 2019
China	69%
USA	4%
Germany	2%
Others	5%

VALUE CHAIN ANALYSIS



KEY STAKEHOLDERS

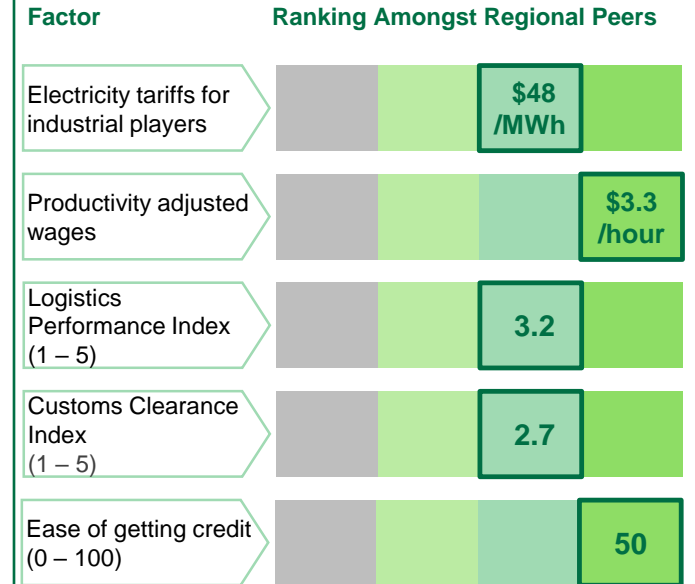


ENABLING FACTORS

ENABLERS

- 100% foreign direct ownership allowed
- Up to 75% of project financing through soft loan by SIDF
- MODON provide a "land and industrial loan" product, that allows the investor to apply for industrial land and finance together
- 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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