

LINER HANGERS

INVESTMENT OPPORTUNITY SCORECARD

INDUSTRIAL EQUIPMENT

AUGUST 2021

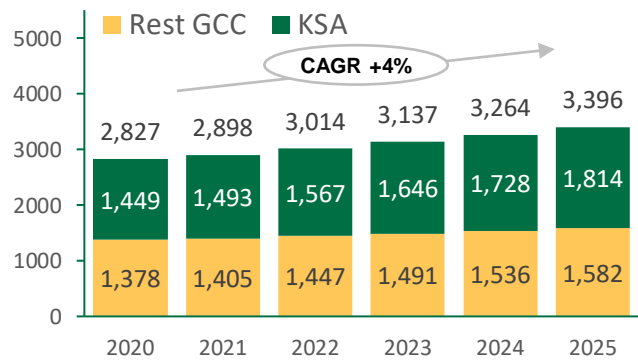


INDUSTRIAL EQUIPMENT LINER HANGERS

OPPORTUNITY'S DESCRIPTION: Establish a manufacturing unit for Liner Hangers.

DEMAND

MARKET SIZE, QUANTITY



INVESTMENT HIGHLIGHTS

- Establish a Liner Hanger design and R&D center to develop designs for KSA requirements.
- Establish a precision machine shop to manufacture Liner Hanger components.
- Establish technical support service center to serve requirements for Liner Hangers

INVESTMENT OVERVIEW

VALUE PROPOSITION

- Liner Hangers represent an attractive localization opportunity given the current supply gap and expected demand growth
- Currently, total KSA demand of Liner Hangers is imported.
- Liner Hanger demand is driven by the upstream activities in the region
- Strong oil and gas production activities is expected to fuel Liner Hanger growth.
- In addition to KSA demand, oil and gas industry activities in the rest of the GCC will support demand growth.
- Attractive cost base including low logistics, land, utilities, and labor costs.

KEY DEMAND DRIVERS

- Current KSA demand is estimated at ~1,400 per year.
- The current market for Liner Hangers in KSA is estimated at \$150MM and the rest of the GCC is estimated at \$130MM.
- Forecasted ~4% annual growth in the regional Liner Hanger market until 2025.
- The demand for Liner Hangers in KSA is expected to reach ~1,800 by 2025
- The demand for Liner Hangers in the GCC is expected to reach ~3,400 by 2025

MARKET OVERVIEW

COMPETITOR ANALYSIS

- NONE

GLOBAL TRENDS

- Global Liner Hanger Market is expected to grow at a healthy CAGR of 4.8% over forecast period 2020-2026. Increase in number of rigs, growing need for higher productivity and efficiency, rising unconventional and deepwater exploration and technological advancement are the factors propelling the market growth.

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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