

MIXER TRUCKS

INVESTMENT OPPORTUNITY SCORECARD

INDUSTRIAL EQUIPMENT

AUGUST 2021

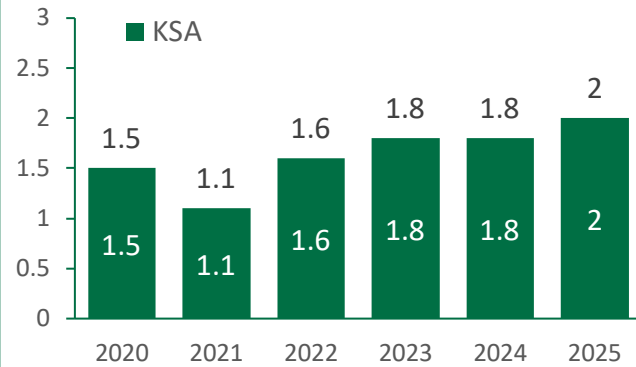


INDUSTRIAL EQUIPMENT MIXER TRUCKS

OPPORTUNITY'S DESCRIPTION: Establish a manufacturing unit for Mixer Trucks.

DEMAND

MARKET SIZE, K Units



INVESTMENT HIGHLIGHTS

- Local production is available but only for concrete mixer component: assembly to the truck is mostly outsourced
- KSA market too small to give suppliers confidence to build a full mixer truck factory (i.e. truck & concrete mixer): focus should be on components for which expertise is already in KSA as well as assembly to truck
- Mixer trucks market is expanding in KSA & regionally due to real estate construction projects but its usage depends on project size & location

INVESTMENT OVERVIEW

VALUE PROPOSITION

- Concrete mixer slowly being commoditized in the GCC due to ease of production (low margins) Int'l manufacturers incur a 12% duties fee on the finished product, while local manufacturers have potential to avoid the 12% fee by assembling truck & concrete mixer locally, providing them with a cost advantage
- Local production exists but profitability is a bottleneck
- Presence of local truck assembly players has potential to increase the reach of the local market

KEY DEMAND DRIVERS

- Demand dropped in KSA from 2013-2018 because existing stock was being used and no new purchases were made, spikes back in 2019 (~5 times 2018 demand) KSA project mix (size & location) optimal for mixer trucks

MARKET OVERVIEW

COMPETITOR ANALYSIS



*Non exhaustive list

GLOBAL TRENDS

- Global mixer trucks market expected to grow at 4% per year (CAGR) till 2029¹
- Middle East mixer trucks market expected to grow 5.8% per year (CAGR) in the next 6 years²

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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