

Packers for Oil & Gas Operations

INVESTMENT OPPORTUNITY

Energy Sector



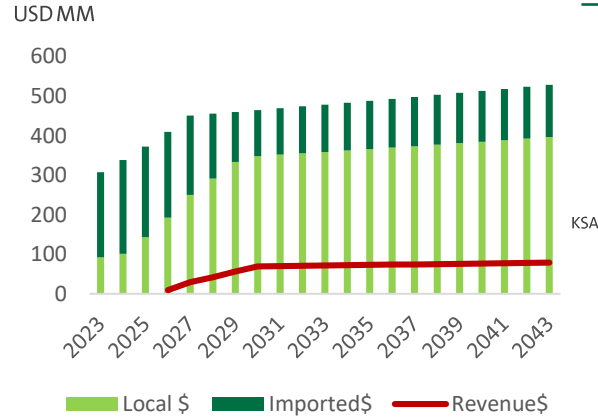
Energy – Oil & Gas

Packers for Oil & Gas Operations

OPPORTUNITY DESCRIPTION: To manufacture packers in Saudi Arabia for downhole installation in hydrocarbon wells.

DEMAND

MARKET SIZE, USD



INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS – 20% Market Share

- Expected Investment size of 75 \$MM
- Plant capacity: 800 Packers
- Expected IRR: 12%
- Payback period: 10 years
- Job Creation: 250-300
- GDP Impact: 2,140 \$MM (cumulative) 0.004%
- Location (Region): Eastern province

VALUE PROPOSITION

- Packers represent an attractive localization opportunity given the current supply gap and expected demand growth.
- Currently, 70% of KSA demand of Packers is imported.
- Packer demand is driven by the upstream activities in the region.
- Strong oil and gas production activities is expected to fuel Packer growth.
- Attractive cost base including low logistics, land, utilities, and labor costs.

KEY DEMAND DRIVERS

- Increase MSC to 13.3 MMBCD by 2027
- Maintain potential requirements
- Unconventional growth
- Localization target 75% by 2030
- R&D Centers
- New Market; MENA and Africa

MARKET OVERVIEW

RAW MATERIALS

- Steel
- Rubber : fluorine rubber, nitrile rubber, hydrogenated nitrile rubber and AFLAS rubber

GLOBAL TRENDS

- Safety
- Sustainability
- Reliability
- Efficiency



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SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low Medium High

- To fulfill local and GCC demand with potential demand growth in Africa.

IMPORT DEPENDENCY

- This will maximize the local supply and ensure business continuity.
- Support the kingdom energy strategies.

VALUE CHAIN



[The process or activities that would potentially need to be carried out to deliver the underlying product or service]

<ul style="list-style-type: none"> Energy Raw material 	N/A	<ul style="list-style-type: none"> Packers 	<ul style="list-style-type: none"> Oil & Gas wells. Industrial applications
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KEY STAKEHOLDERS



ENABLING FACTORS

ENABLERS & INCENTIVES

- MOUs and long term contracts with Oil & Gas companies, giga projects
- Government subsidies (land, Energy, Labor fees, taxes)

COST OF DOING BUSINESS IN KSA

Factor Ranking amongst regional peers

N/A	
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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	Business 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	Global trends	Latest business developments within the sector/product category
7	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
8	Import dependency	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
9	Value chain analysis	The process or activities that would potentially need to be carried out to deliver the underlying product or service
10	Key stakeholders	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
11	Enablers	Factors that enable investment in the underlying opportunity
12	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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