

REFRACTORY MATERIALS

INVESTMENT OPPORTUNITY SCORECARD

MINING & METALS



REFRACTORY MATERIALS

Opportunity Description: Develop a 70 ktpa capacity Refractory Fabrication manufacturing plant to cater for local and regional demand.

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Expected investment size of USD 80 Mn
- Plant capacity: 70 ktpa
- Proposed type: Detailed description:
 - Monolithics (Castables, Insulating Castables, Ramming)
 - Bricks: Insulation, Fire clay, Magnesite & high alumina bricks.
- Refractories are materials that provide linings for high-temperature metal furnaces and other processing units.

VALUE PROPOSITION

- In line with Vision 2030, the KSA aims to start supporting its growing manufacturing industry with locally produced raw materials. Refractory products are essential for iron, steel, aluminum, cement and petrochemical production
- The KSA is home to the largest steel producers in the region. who are the largest consumers of Refractory
- Demand will be mainly driven by recovery in the construction, Infrastructure & industrial sectors.

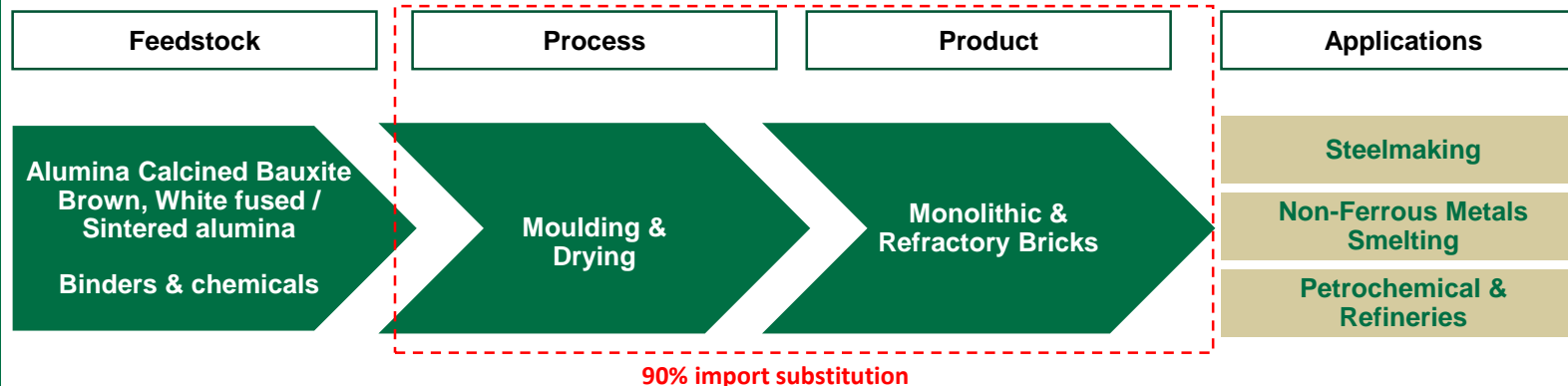
MARKET OVERVIEW

GLOBAL TREND

- The global refractory market is estimated at 23.8 Bn in 2020 and is expected to witness a CAGR of 4.7% between 2020 and 2027.
- Refractories withstand extreme temperature and are the primary material of choice for furnace linings with zero substitution threat
- Refractory industry works on a supply and apply concept with suppliers offering turn-key solutions to ensure complete continuous refractory management support.

VALUE CHAIN ANALYSIS

Opportunity Focus



KEY DEMAND DRIVERS

- Refractory KSA demand in 2020 was 160-170 ktpa, growing at 6-7% CAGR until 2027.
- In the KSA and the rest of GCC, the iron and steel industry is the primary consumer, accounting for 60-70% of demand. Other end use segments include cement, aluminum smelting and oil & gas.

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	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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