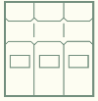


HV GIS

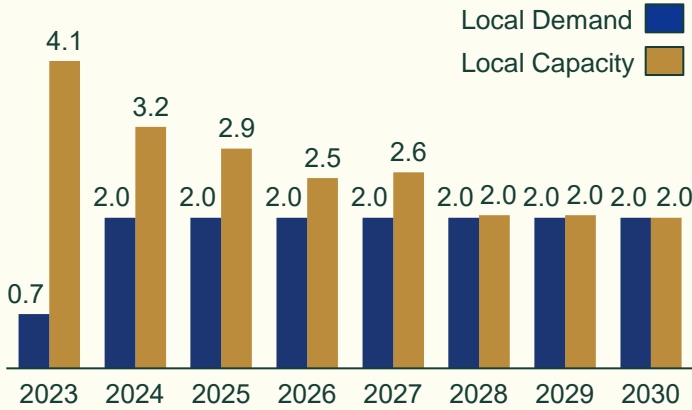
Opportunity Description: To set up a HV GIS manufacturing facility to serve the local and regional demand



HV GIS – Opportunity Card (1/2)

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KSA Market Size in Thousand Units₁



Investment Highlights₂

- Expected Investment: **~\$100 Mn**
- Expected Plant Capacity: **~500 Units**
- Expected Project IRR: **~18%**
- Expected Equity IRR: **~24%**
- Payback Period: **~8 years**
- Expected GDP Impact till 2030: **~\$264 Mn**
- Location: **Dammam**

Major Assumption

HV GIS Price	~\$320,000 / Unit
Debt	70%
Interest rate	7%

Raw Materials

- Stainless Steel
- Aluminum
- SF6
- Porcelain

Energy Sector Demand Drivers

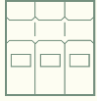
- Demand of HV GISs is driven mainly by the upcoming renewable energy giga projects as HV GIS are used to connect to the existing grid and manage their output. Example of the upcoming projects are, Jubail III, North Qasim1, PP-15 and Taibah

Other Sectors Demand Drivers

- The demand drivers for HV GIS are solely influenced by the energy sector

Value Proposition

- The government in Saudi Arabia has implemented several policies and initiatives supporting the manufacturing sector, including tax incentives, grants, and financing programs
- Saudi Arabia has launched four new special economic zones to attract foreign investors offering benefits such as competitive corporate tax rates, exemption from customs duties on imports, and production incentives



HV GIS – Opportunity Card (2/2)

Import Dependency*

- In **2021**, Saudi Arabia imported **\$478M** in High-voltage Protection Equipment, becoming the **3rd** largest importer of High-voltage Protection Equipment in the world₁
- Saudi Arabia imports High-voltage Protection Equipment primarily from: **United Arab Emirates (\$160M)**, **Switzerland (\$85.1M)**, **South Korea (\$83M)**, **Germany (\$41.1M)**, and **China (\$36.9M)**₁

Localization Potential

Baseline	Target	Contribution**
17%	75%	25%

Scalability

- The business can expand its geographic reach by targeting new markets in the middle east region
- The business can expand its product line to offer a wider range of HV GIS of varying capacities.

Enablers and Incentives

No enablers are taken into consideration in the financial estimation for this opportunity, but the opportunity is subject to off the shelf's incentives like:

- **SIDF financing up to 75% of CAPEX**
- **HRDF covers monthly salaries of up to 3,000 SAR / employee for Saudi employees**
- **Tax credits for R&D for manufacturers**
- **Custom duty exemption for import of capital goods/machinery** required for setup of facility

Major Local and International Manufacturers

- Local Manufacturers: Hitachi Energy
- International Manufacturers: Siemens Energy, General Electric, Hyundai Electric

Key Stakeholders



Value Chain

