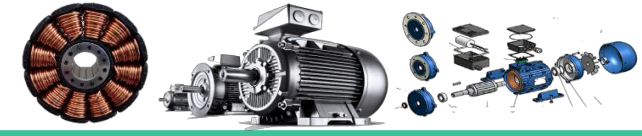


الهيئة العامة للصناعات العسكرية
General Authority for Military Industries



ELECTRIC MOTORS

Attracting investors to contribute in the localization of producing an integral military supply chain



Investment Overview

Opportunity Description

An investment opportunity with versatile applications that is integral for power generation for most of the military mechanical & electrical systems in addition to potential use for non-military activities

This opportunity encompasses usage in multiple military platforms (ground, air and naval systems), including steering, propulsion and fuel pump motors, tilting motors, rotational motors and start-up motors

Investment Highlights

Clear potential for growth in local electric motors market driven by :

- Objective is to localize more than 50% of military expenditure by 2030
- The Kingdom being one of the largest spenders on military activities stimulating demand in the market
- The localization of electric vehicles production in Saudi Arabia boosting demand for electric motors
- Dual use in both military and non-military industries

Financial Highlights

Fixed Asset Turnover	0.9x – 1.1x
Target IRR	8% - 13%
EBITDA Margin	9% - 13%

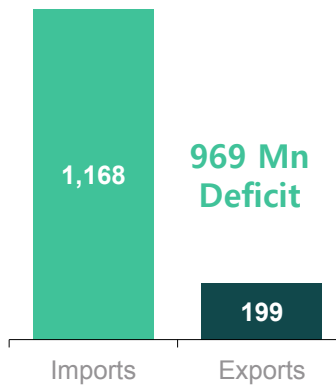
**Note: Financial highlights are based on companies that are in a mature stage*

5-Year Market Size (2023-2027) In SAR Millions



Market Analysis

Imports & Exports (2021 – SAR Million)



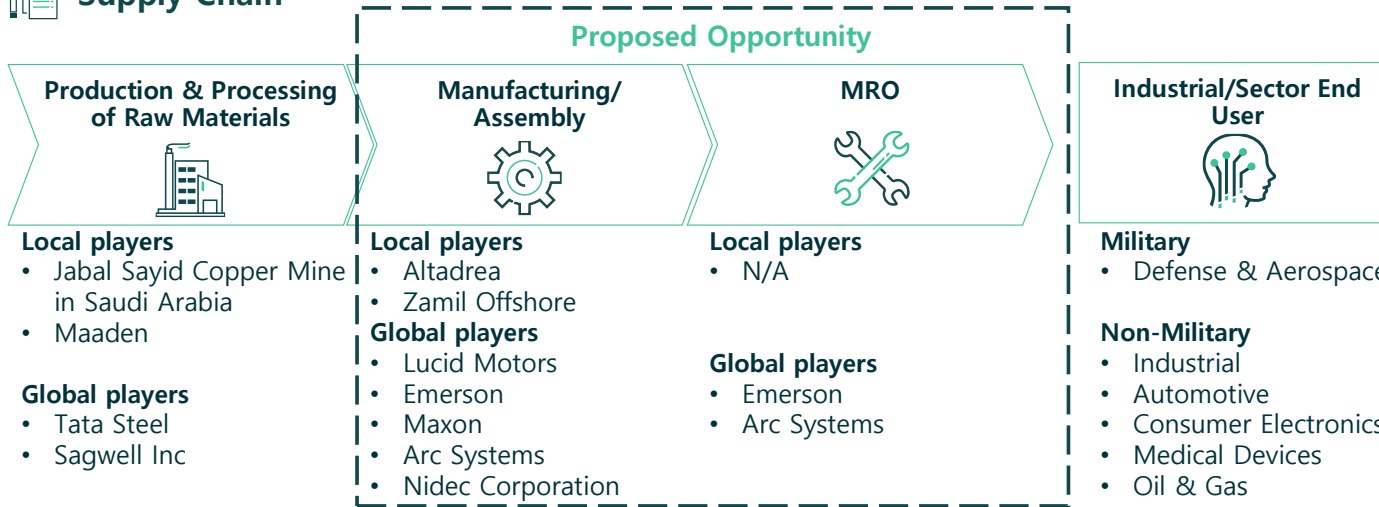
Demand Drivers

- Government initiatives to continuously grow spending on military
- The increasing automation in various industrial processes and the use of electric motors in diverse sectors, industrial manufacturing, automotive, etc., are expected to support the market growth
- Demand for electric DC motors is increasing due to an increase in HVAC system manufacturing
- The electric vehicles market is also being driven by regulatory and economic initiatives to reduce usage of carbon-dioxide-producing internal combustion engines

**Note: Imports & Exports are as per ZATCA standardized classification which may include/exclude other items not related/related to the supply chain*

Market Supply Chain

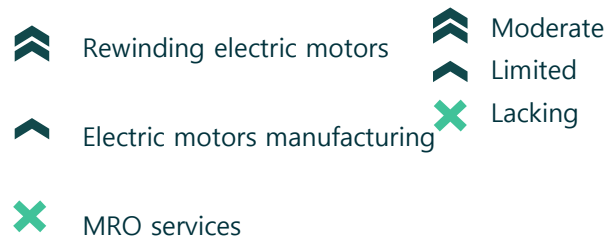
Supply Chain



Scalability (Local)

- Objective is to localize more than 50% of military expenditure by 2030
- PIF through its acquisition of LUCID Motors is aiming to transfer the technology of EV manufacturing to the Kingdom which will act as an enabler for localization of manufacturing electric motors
- Establishment of first local electric car brand, Ceer

Current Production Capabilities



Enablers

Enablers

- GAMI being the regulator, enabler and licensor of the Kingdom's military industries contributing to a highly regulated yet growing industry
- To attract investors, GAMI has developed a set of incentives that may support the investor in (i) speeding up the execution of the investment opportunity and (ii) enhancing financial KPIs

Gap Analysis

Gap Analysis (Military & Non-Military)



Local manufacturing of electric motors is expected to increase in the upcoming years allowing to cover a higher portion of the local demand

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Thank
you