

الهيئة العامة للصناعات العسكرية  
General Authority for Military Industries

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**WIRES, CABLES,  
HARNESSES AND  
FIBER OPTICS**

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



## Investment Overview

### Opportunity Description

Opportunity to invest in one of the most significant military components in old and modern warfare systems as well as other various sectors in addition to potential use in non-military activities

The supply chain encompasses electrical power carriers, electronic and optical signals, which include all types of electrical cables, wires for data transmission and fiber optic cables

### Investment Highlights

#### Clear potential for growth in local markets arising from:

- Objective is to localize more than 50% of military expenditure by 2030
- The Kingdom being one of the largest spenders on military activities
- Increasing export potential to the emerging economies within MENA region
- Potential high demand arising from construction of manufacturing facilities and powerplants
- Dual use in both military and non-military industries

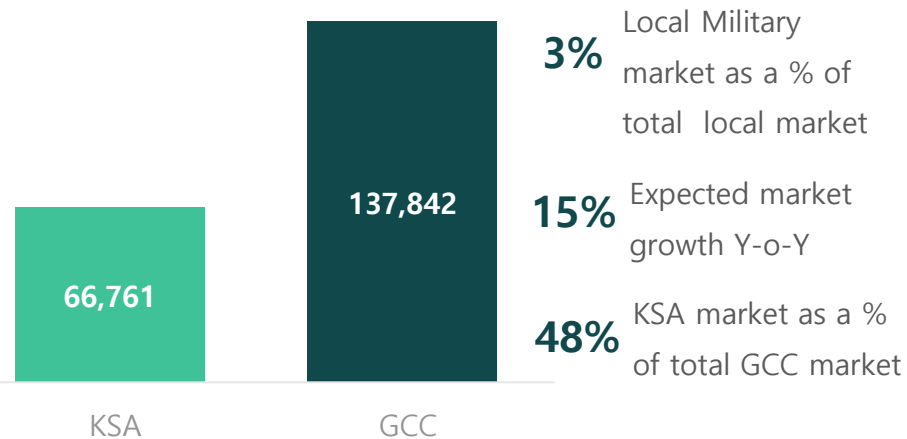
### Financial Highlights

<b>Fixed Asset Turnover</b>	<b>1.0x – 1.2x</b>
<b>Target IRR</b>	<b>9% - 14%</b>
<b>EBITDA Margin</b>	<b>7% - 10%</b>

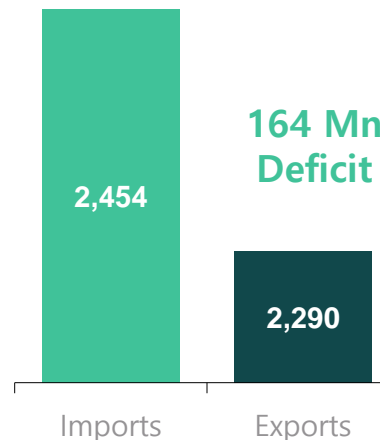
*\*Note: Financial highlights are based on companies that are in a mature stage*

## Market Analysis

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



### Imports & Exports (2021 – SAR Million)



### Demand Drivers

- Government initiatives to continuously grow spending on defense capabilities
- Potential high demand arising from construction of manufacturing facilities and equipment to cater for the overall strategic growth forecasted for the country and the region
- Development of solar and nuclear power plants under energy strategy has been mounting the demand for wires and cables in the country
- The market for fiber optic and high voltage cables in aerospace and military communications is surging due to efficient aviation systems

*\*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



## Scalability (Local)

- Objective is to localize more than 50% of military expenditure by 2030
- Saudi Telecom Co. is aiming to spin off its data centers and international submarine cable business and transfer the assets to a newly created company headquartered in Saudi Arabia
- Saudi Arabia and Oman signed an executive program in which aims to exploit the geographical location of the two countries and promote investment in the submarine and terrestrial cables that pass through them

## Current Production Capabilities

- Production of wires: Moderate
- Repair of wires: Limited
- Installation of wires and cables in aircrafts: Lacking
- Fiber optics production: Lacking

## 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 wires, cables, harnesses & fiber optics is expected to increase in the upcoming years allowing to cover a higher portion of the local demand**

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Thank  
you