



الهيئة العامة للصناعات العسكرية
General Authority for Military Industries



A I R C R A F T P R O P E L L E R S A N D C O M P O N E N T S

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



Investment Overview

Opportunity Description

An opportunity to invest in one of the most important components in the military aviation segment

The supply chain encompasses aircraft propellers that provide thrust from the engine rotational motion for fixed-wing aircraft and unmanned aircraft, in addition to the main and tail propellers of helicopters, generating dynamic lift and control the direction of rotation

Investment Highlights

Clear potential for growth in local Aircraft Propellers Components market 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
- Growth and innovations plans adopted by the Kingdom to modernize the sector
- Kingdom aims to triple aviation sector's contribution to GDP from SAR 82 billion in 2021 to SAR 280 billion by 2030.

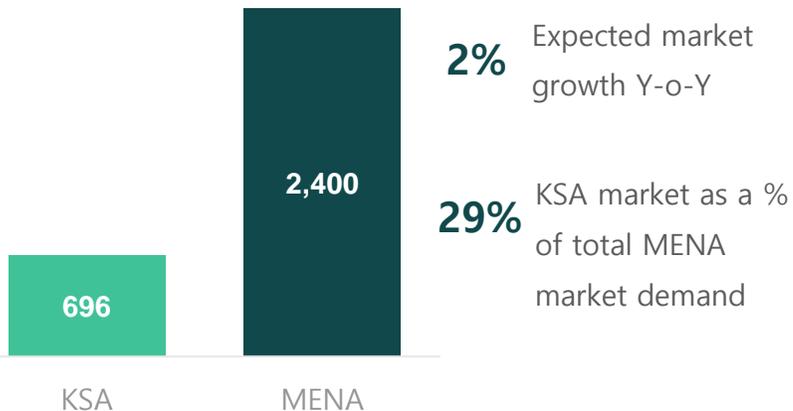
Financial Highlights

Fixed Asset Turnover	1.3x – 1.6x
Target IRR	10% – 15%
EBITDA Margin	8% – 12%

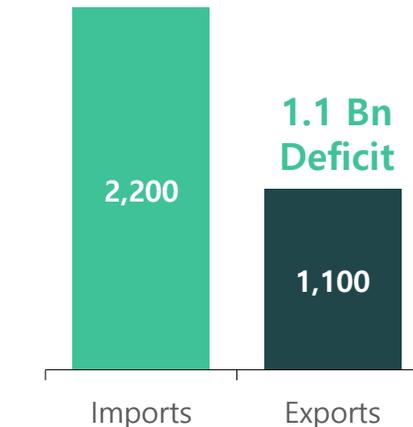
**Note: Financial highlights are based on companies that are in a mature stage*

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 leading to increased demand for aircraft components
- The growing need for lightweight & fuel-efficient aircrafts, as well as lightweight and cost-effective aircraft propeller components due to aviation applications such as unmanned ariel vehicles (UAVs)
- Kingdom's fleet modernization and growth plans for airlines, aircraft operators, armed forces, and charter operators

**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
- A local company, has announced the establishment of new capability that will produce composite parts for structural aerospace sub-assemblies
- 70 of the RSAF's earlier S-model jets are also being modernised to the enhanced configuration, with the work scheduled for completion by Boeing in 2025.

Current Production Capabilities

- Assembly of propellers (fixed-wing and rotorcraft) **Moderate**
- Maintaining of propellers (fixed-wing aircraft) **Limited**
- Manufacturing of Propellers **Lacking**

Enablers

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- 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



Local production of aircraft propeller components is expected to increase in the coming years allowing to cover a higher portion of the local demand

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Thank
you