

Industrial Investment Opportunities







Transformers

Transformers are an apparatus for reducing or increasing the voltage of an alternating current

Investment case

- Setup medium scale facility to manufacture LV / MV transformers
- Investment size = AED 43 Mn
- Plant capacity = 11,850 units per year
- Expected IRR = 15%
- NPV = AED 24 Mn





Global trends & demand drivers

- Stringent government regulations related to carbon emissions are expected to remain strict which increases need of transformers
- Increased deployment of smart grids globally will increase demand for transformers
- Adoption of smart grids that can respond to changes in user demand for electricity while reducing greenhouse emissions will fuel demand for transformers globally
- The launch of new UAE renewable energy projects will require transformers to go from generation, distribution, to transmission





Transformers

Value chain analysis Design & Product Testing & QA Installation & After sale & Component R&D manufacturing engineering assembly commissioning maintenance services Develop new · Design of technical Manufacture of · Assembly of metal cabinet Test small wiring · Visual inspection check, · Performance monitoring Transformer specifications (voltage, components (e.g., and components into mechanical check, electrical check, Predictive maintenance connections, ensuring that configurations for smart amperage, frequency etc.) laminated core, fuses, Transformers with the joints are insulated, earthing first operational check by slowly • Aftersales support grids (e.g., smart and electrical circuit automatic circuit breaker, and final inspection closing and opening the specifications requested by Transformers) mechanism engineering etc.) the customer High localization in UAE Mid localization in UAE Limited localization in UAE

Value proposition

- Concentrated demand and potential offtake from ICV participating entities (e.g., TAQA, ADNOC, EGA, ALDAR, etc.)
- Backward integration into control panels and enclosures is possible given available raw material
- UAE ranked 16th globally in Ease of Doing Business (WB)
- UAE ranked #10 globally for world class infrastructure in (LPI)
- Strong logistics infrastructure UAE has busiest port in MENA
- High quality of life attractive for skilled talent
- 100% foreign business ownership and low VAT (5%)

Enablers

- Up to 80% project financing by Emirates Development Bank
- 2-year grace periods and low interest-rate loans for CAPEX, working capital, and supply chain financing
- Export credit and insurance via Etihad Credit Insurance and Abu Dhabi Exports
- Access to Free Trade Agreements with high-growth markets such as GCC, Arab countries, India, Israel. Indonesia. and others
- · Customs exemptions for raw materials