

Presentation

STRATEGIC ACQUISITION OF RENEWABLE ENERGY ASSETS IN SAUDI ARABIA

OCTAWIZ CONSULTING

SAOR25



Executive Summary

Objective: Facilitate the acquisition of operational renewable energy assets in Saudi Arabia for a multibillion-dollar client.

Scope: 100% equity buyout of strategically aligned assets.

Focus Areas:

- Solar PV
- Wind energy
- Hybrid projects (solar-wind/storage)

Outcome: Enhance client's portfolio with reliable, income-generating renewable assets aligned with ESG goals.



Why Invest in Saudi Arabia's Renewable Sector?

Vision 2030 Alignment:

- Saudi Arabia targets 50% renewable energy by 2030.
- Ongoing privatization efforts in the energy sector.

Strong Market Fundamentals:

- Abundant solar and wind resources.
- Competitive Levelized Cost of Energy (LCOE).

Regulatory Support:

- Favorable policies under the National Renewable Energy Program (NREP).
- Transparent tendering processes and long-term Power Purchase Agreements (PPAs).



Benefits of Acquiring Operational Assets

Immediate Revenue:

- Assets already generating cash flow under established PPAs.

Risk Mitigation:

- Reduced development and construction risks.

Portfolio Synergy:

- Opportunity to integrate with existing energy operations.
- Diversification of energy sources and geography.

ESG Impact:

- Contribution to global decarbonization efforts.



Selection Criteria for Assets

Operational Readiness:

- Minimum 1 year of operational history.
- Stable performance metrics (Capacity Utilization Factor, Availability).

Financial Health:

- Robust revenue streams secured by PPAs.
- Minimal debt exposure.

Technical Excellence:

- Proven technology with strong warranties.
- Compliance with international standards.

Regulatory Compliance:

- Adherence to local and international environmental standards.



Financial Considerations

Valuation Metrics:

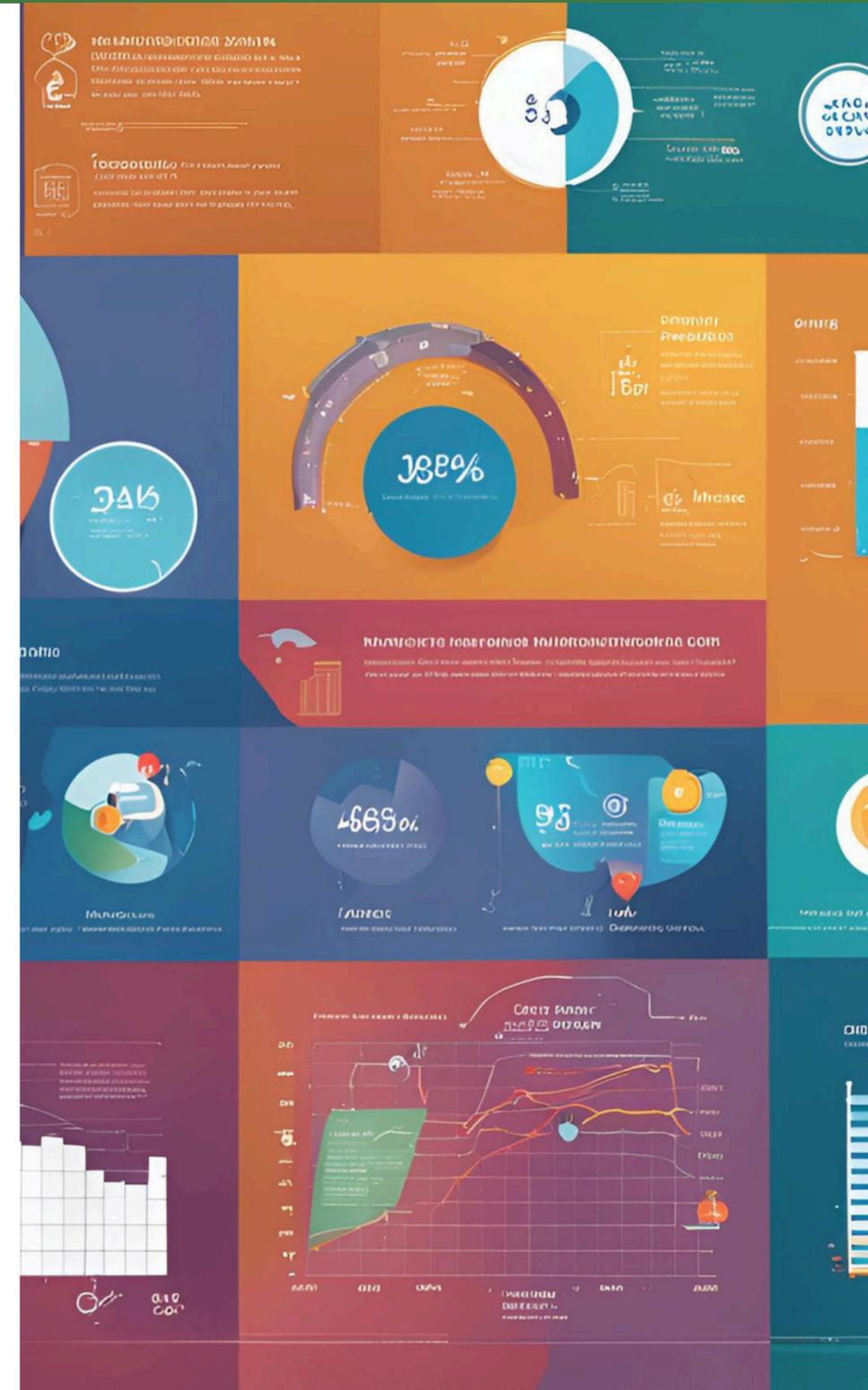
- Discounted Cash Flow (DCF) analysis.
- Comparable transaction analysis.
- Return on Equity (ROE) and Internal Rate of Return (IRR).

Deal Structuring:

- 100% equity buyout.
- Review of existing debt and liabilities.

Due Diligence Areas:

- PPA terms and counterparty risk.
- Historical and projected financial performance.



Transaction Process

Initial Screening:

- Identify and shortlist assets matching client's criteria.

Detailed Due Diligence:

- Technical, financial, legal, and regulatory review.

Valuation & Negotiation:

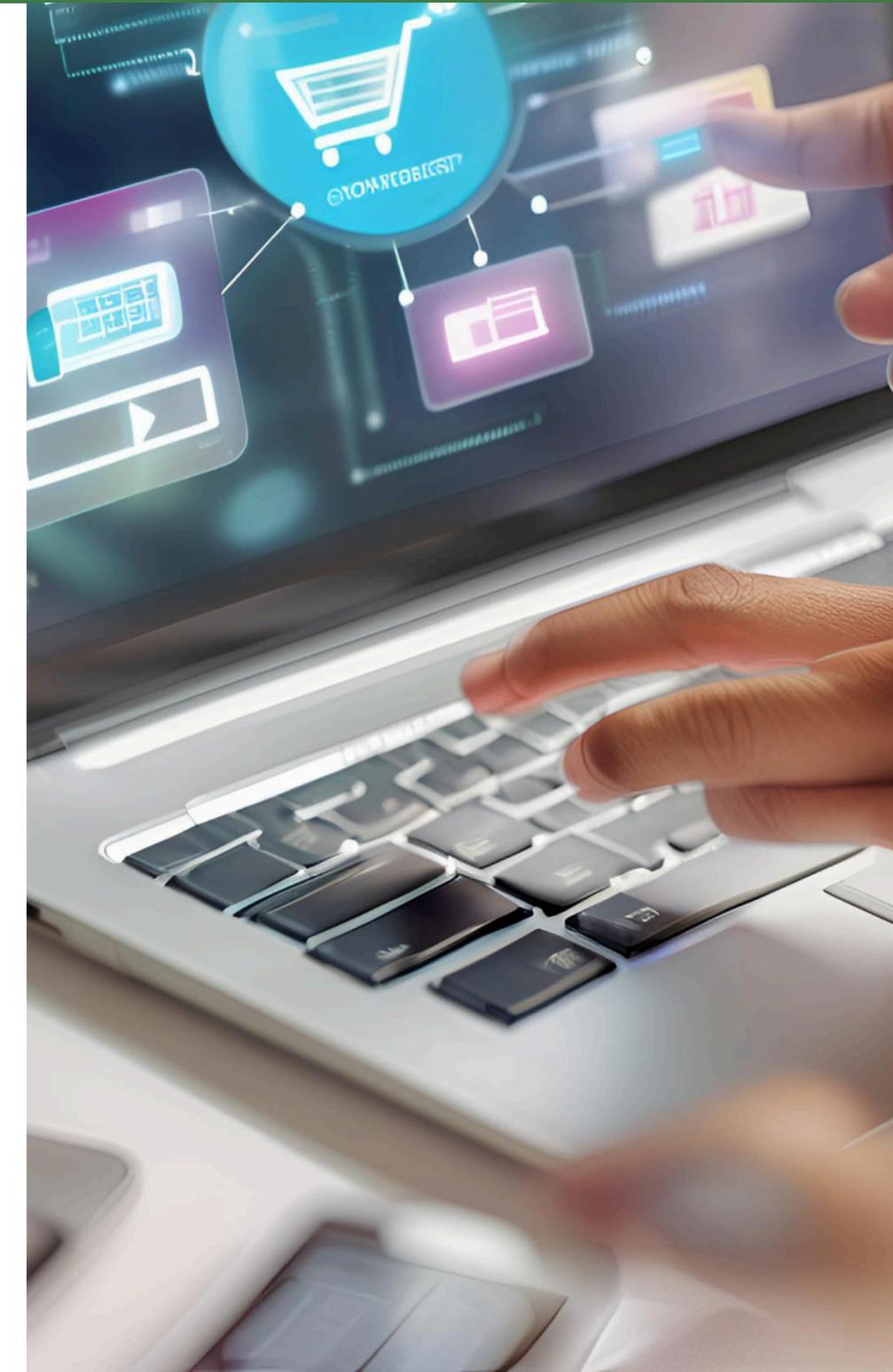
- Conduct asset valuation and negotiate purchase terms.

Approval & Closing:

- Finalize agreements and regulatory approvals.

Post-Acquisition Integration:

- Seamless onboarding into the client's portfolio.



Risk Mitigation Strategy

Market Risks:

- Mitigation via long-term PPAs with creditworthy off-takers.

Operational Risks:

- Employ robust O&M contracts with reputable providers.

Regulatory Risks:

- Maintain compliance with evolving regulations.

Financial Risks:

- Conduct sensitivity analysis for varying energy prices and costs.



Conclusion & Next Steps

Summary:

- Saudi Arabia offers a lucrative market for renewable energy acquisitions.
- Strategic equity buyout of operational assets aligns with the client's investment goals.

Next Steps:

- Approve the acquisition framework.
- Engage in asset identification and due diligence.
- Finalize acquisition deals.



Contact Us

OCTAWIZ CONSULTING

www.octawiz.com
roshan@octawiz.com

