



SAMI, FIGEAC AÉRO, and Dussur launch joint venture to manufacture aerostructure components

Jeddah - 4 December 2021: Saudi Arabian Military Industries (SAMI), a wholly-owned subsidiary of the Public Investment Fund (PIF) and the National Champion of Military Industries Localization, today signed a joint venture agreement with France's FIGEAC AÉRO Group, and the Saudi Arabian Industrial Investments Company (Dussur) announcing the establishment of SAMI FIGEAC AÉRO Manufacturing LLC, which aims to build a high-precision manufacturing facility in Saudi Arabia to produce aerostructures components.

The announcement was made during the Saudi-French Investment Forum held on the sidelines of the visit of the President of France Emmanuel Macron to Saudi Arabia. The agreement was signed by Eng. Walid Abukhaled, CEO of SAMI, and Jean-Claude Maillard, Chairman and CEO of FIGEAC AÉRO.

The joint venture aims to develop Saudi Arabia's aerostructure manufacturing capabilities, train Saudi engineers and technicians to work as part of the project, and boost the localization of military and civil aerospace industries in line with Saudi Vision 2030. Initial products will focus on machining and processing of light alloy (aluminum) and hard metal (titanium) aerospace parts.

Commenting on the announcement, **H.E. Mr. Ahmed bin Aqeel Al-Khateeb, Chairman of SAMI**, said: "Through the establishment of this new joint venture, we at SAMI have further strengthened our commitment to supporting the development of a robust indigenous military industries sector in Saudi Arabia. By creating a distinctive partnership between local companies and a leading international player, we aim to accelerate the localization of advanced technologies in the aerostructures domain. In doing so, we shall also increase investment flows and create high-quality job opportunities for Saudi youth, in line with the targets outlined in Saudi Vision 2030."

Eng. Walid Abukhaled, CEO of SAMI, stated: "The signing of today's joint venture agreement marks a significant step in our drive to strengthen Saudi Arabia's aerospace ecosystem through global strategic partnerships. Together, the three signatories will collaborate with Saudi authorities and regulators to identify opportunities for the transfer of technology and expertise to the Kingdom, enhancing the local content and creating exciting opportunities in both the commercial and military aerostructure manufacturing industries."

"In today's circumstances, with so little visibility on the short term, finalising this partnership will create a real opportunity for FIGEAC AÉRO. It will not only enable us to establish a commercial footprint in the Middle East, but also allow us to access Saudi Arabia's military and commercial industrial offsets markets," points out **Jean-Claude Maillard, Chairman and CEO of FIGEAC AÉRO**. "Our shareholding in SAMI FIGEAC AÉRO Manufacturing LLC will be a minor one, but the Saudi company's future investments will be backed by robust local and state banking partners. We will have a crucial role to play in laying the foundations of Saudi Arabia's future aerospace industry."

Dr. Raed Al-Rayes, CEO of Dussur, said: "This joint venture marks an important milestone in developing the industrial metals value chains in its highest application, aerospace. In line with Dussur's mandate to grow strategic industries in Saudi Arabia, the joint venture will connect the Kingdom to the global aerospace OEMs' supply chain, unlock development of the aerospace industry in Saudi Arabia, and serve as a catalyst for future growth. Further, it will enable the flow of operational know-how to the Kingdom and give rise to the localization of aerostructure components manufacturing."

The joint venture follows the signing of a Memorandum of Agreement (MoA) in 2019 at the International Paris Airshow. Its establishment was finalized upon receipt of all necessary regulatory approvals from the Saudi General Authority for Competition (GAC), which issued a No-Objection Certificate with respect to the completion of the economic merger between the three companies. The joint venture also successfully secured approvals from five other regions, including the European Union. Shares in the new company will be distributed between FIGEAC AÉRO, as a minority shareholder, and SAMI Dussur Aeronautics LLC, a partnership between SAMI and Dussur.



Over a 10-year period, the project will encompass a series of major investments - most of which to be financed by local financial institutions - including the launch of a new production facility in Jeddah located at the site of the Aircraft Accessories and Components Company (AACC). Currently, four cutting-edge 5-axis CNC machines and supporting production equipment are being commissioned by FIGEAC AÉRO's technical teams to manufacture the first products by the end of year 2021.

Phase One involves ramping up the facility, which is scheduled to be completed by 2024 for an investment of about USD 50 million (approximately equivalent to SAR 187.5 million), including machines, infrastructure, training, and certification, and aiming to generate USD 10 million (approximately equivalent to SAR 3.75 million) revenue by the end of year 2024. SAMI FIGEAC AÉRO Manufacturing LLC will be equipped with fourteen state-of-the-art machining units and employ over 60 local people.

This joint venture has signed a service contract worth about USD 40 million (approximately equivalent to SAR 150 million), under which FIGEAC AÉRO will provide SAMI FIGEAC AÉRO Manufacturing LLC with a full range of industrial and technical assistance and transfer the relevant industrial know-how. Further, the three partners will collaborate with the Saudi authorities and regulators to identify and capture opportunities for localization in both the commercial and military sectors.

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About Saudi Arabian Military Industries (SAMI):

Launched in May 2017 and wholly owned by the Public Investment Fund (PIF), Saudi Arabian Military Industries (SAMI) is a military industries company working under the directives outlined in the Saudi Vision 2030. Aiming to be among the top 25 military industries companies in the world by 2030, SAMI is expected to play a key role in supporting the localization of 50 percent of the Kingdom's total government military spending. SAMI also aims to support PIF's efforts in localizing cutting-edge technology and knowledge, as well as building strategic economic partnerships.

SAMI is combining the latest technologies and the best national talents to develop military products and services at par with international standards across five business divisions - Aeronautics, Land Systems, Weapons and Missiles, Defense Electronics, and Emerging Technologies. The company is also focused on increasing exports and bringing foreign investment to the Kingdom's military industries sector.

For more information, visit www.sami.com.sa or e-mail us at info@sami.com.sa.

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About FIGEAC AÉRO:

The FIGEAC AÉRO Group, a leading partner for major aerospace manufacturers, specialises in producing light alloy and hard metal structural parts, engine parts, landing gear and sub-assemblies. FIGEAC AÉRO is a global group operating in France, the USA, Morocco, Mexico, Romania and Tunisia. The Group generated annual revenue of €447m in the year to 31st March 2020.

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