



## NAVIGATOR PROJECT FINANCE: MA'ADEN CASE STUDY

### Ma'aden, building a world class mineral enterprise in Saudi Arabia

Ma'aden was established as a Saudi Arabian joint stock company in March 1997, with the purpose to facilitate the development of Saudi Arabia's non-petroleum mineral resources, and to diversify the Kingdom's economy away from the petroleum and petrochemical sectors.

The company engages in the development, advancement and improvement of all aspects of the mineral industry; mineral products and by-products and related industries.

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*Mathew Leonard,  
Ma'aden General Manager Infrastructure*

Mining projects owned in whole or in part by the government have been consolidated into Ma'aden. To move forward the process of enlarging the Saudi Arabian minerals sector, Ma'aden encourages private sector participation in the development and production of all types of minerals, either independently, or in joint ventures with foreign companies.

Ma'aden is currently developing a Greenfield world-scale DiAmmonium Phosphate processing plant and an Aluminum Smelter and Refinery at its minerals industrial city at Raz Az Zawr, on the east coast of Saudi Arabia.

*"Navigator has a proven track record in delivering specialist services to the project finance sector."*

*Mathew Leonard,  
Ma'aden General Manager Infrastructure*

### A flexible financial model required

Project finance plays a pivotal role in Ma'aden's project development strategy. Financial models must meet the needs of several purposes and different stakeholders, including internal finance, property developers, industrial customers and external financiers including government, private and pension funds.

Prior to enlisting the help of Navigator, Ma'aden was using an external management consultant for financial modelling. Mathew Leonard, Ma'aden General Manager Infrastructure explained, "As well as modelling, the previous supplier was assisting with strategy and business development. However, they were not project finance specialists, and couldn't do what was required without being closely supervised. I just didn't have the management time to support them."



## At a Glance

**Client:** Ma'aden

**Industry:** Mining/Infrastructure

**Geography:** The Kingdom of Saudi Arabia

**Challenges:** Find a professional supplier who has the ability to deliver bespoke project feasibility and financial modelling services that need to be understood by a number of stakeholders

**Solution:** A dedicated financial modelling specialist for the global project finance sector

**Benefits:** Navigator's expertise delivers Ma'aden tailored project finance solutions that meet all requirements

## Considering the alternatives

Mr Leonard continued, "I come from a project finance background so I had a specific list of requirements based on my own knowledge. Essentially I was looking for a supplier with whom I could feel confident. I'm capable of writing a reasonably detailed scope so I need the person who is tasked with its execution to understand it."

"In terms of choice, there are very few specialists in this area. I wasn't keen on engaging the large accounting or actuarial firms, because you never know who will be doing the modelling – it is often left to junior staff. I compared the cost versus quality of various options, and ultimately selected Navigator based on their proven track record."

*"The main benefits of Navigator are speed, low delivery risk and the quality of their product. They have certainly met my expectations."*

*Mathew Leonard,  
Ma'aden General Manager Infrastructure*

## The benefits of enlisting a specialist

Mr Leonard said, "Initially the task for Navigator was to fix modelling that hadn't been done properly. Immediately they demonstrated attention to detail, and a technically sound approach."

"Navigator's proven expertise means they are cost-effective and save me time. They deliver Ma'aden flexible and nimble models that I can adapt for my own purposes. Ultimately I'm confident that I'm outsourcing to a project finance specialist that has the ability to deliver on time, and on budget."

## An ongoing partnership

Mr Leonard described, "Navigator delivers us bespoke project finance solutions, and to date I have employed Navigator for multiple projects. Their market and transaction experience as well as their technical expertise, speed of delivery, and price, means we get models that work "first up", and for this reason we have, and will continue to, use their services."

Navigator has assisted Ma'aden with the following projects at Raz Az Zawr in the Eastern Province of Saudi Arabia.

- The Raz Az Zawr Infrastructure Project – a variety of industrial infrastructures are being developed to support the phosphate and aluminum processing plants including roads, fencing, security, communications, services corridors, a seawater port, a seawater cooling system, as well as emergency response facilities.
- The Raz Az Zawr Village Project – this will house almost 2,500 residents who are the employees of the nearby phosphate and aluminum processing plants.

*"Engaging Navigator is very low risk because I'm giving the task to someone who I know with a high degree of certainty can do the job and give me what I want in return."*

*Mathew Leonard,  
Ma'aden General Manager Infrastructure*

## About Navigator Project Finance

Founded in 2004, Navigator Project Finance Pty Ltd (Navigator) is the project finance modelling expert. Headquartered in Sydney, Australia, Navigator is raising the global benchmark in financial modelling services to the project finance sector. Navigator designs and constructs financial models for complex project financings, offers training courses throughout the Middle East, Asia and Europe, and conducts independent model reviews of project finance transaction models. Navigator delivers fast, flexible and rigorously-tested project finance services that provide unparalleled transparency and ease of use.

Customers include market leaders such as Deutsche Bank, ANZ Investment Bank, Lend Lease, Oxiana, Mirvac Property, Westpac and the Commonwealth Bank of Australia, together with leaders from the finance, mining, property, utilities, banking, chemical and infrastructure sectors.