J.O Steel Holdings PLC to invest $865 million in Saudi Arabia

Wednesday 31 August, 2022

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UK-based J.O. Steel Holdings PLC has secured a $692 million credit facility from a consortium of banks and financial institutions led by Saudi British Bank (SABB) to establish an integrated billet manufacturing plant within Ras Al-Khair Industrial City in the Kingdom of Saudi Arabia. The proposed steel mill, to be located north of Jubail on the eastern coast of Saudi Arabia, will have an annual production capacity of approximately 1.8 million tons and is expected to go into commercial production in Q1 2025. The company will provide $173 million in equity to be raised through convertible warrants. Each warrant will carry a right exercisable by the holder to subscribe to one (1) equity share against each warrant at a price to be determined at a later stage, to establish the project on an overall debt-to-equity ratio of 80:20. Representatives from J.O. Steel Holdings PLC are expected to sign a land lease agreement to that effect with the Royal Commission for Jubail and Yanbu (RCJY) in September. The investment is in line with the Saudi government's National Steel Strategy, which aims to expand Saudi flat steel production according to Saudi Vision 2030.

About J.O. Steel Holdings PLC

J.O. Steel Holdings PLC is a steel-manufacturing holding company incorporated under the laws of the United Kingdom. It currently owns shares in various steel plants located in South Asia and Africa. Belgian industrialist Javed Opgenhaffen has a 92% stake in the company. Opgenhaffen's other business enterprises include textile and garment factories, steel industries, an ethanol refinery, ceramic tiles factories, and real estate and directly employ over 20,000 people. He also owns significant stakes in Bangladesh-based insurance companies and banks.

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