School Nutrition for Public K-12 Schools

Investment Opportunity – Ancillary service

EDUCATION

استثمر في السعودية
INVEST SAUDI

School Nutrition for Public K-12 Schools

OPPORTUNITY DESCRIPTION: Invest in establishing a school canteen to provide nutritious meals to the children

OPPORTUNITY OVERVIEW

Opportunity Overview

Focus on supplying food to public schools in KSA is changing with an emphasis on healthy eating

Establishing canteen services and supplying food to public schools in KSA to ensure proper nutrition and emphasize on healthy eating

Operating Model

Description	Students can purchase food items on a pay-per-item basis
Prevalence	Widely adopted in KSA with some portion of the total food expense being subsidized by the government

Existing providers are old conglomerates and new-age players coming in are focused on healthy food

NOT EXHAUSTIVE

Gulf Catering Co. شركة الخليج للتموين

Algosaibi Services Co. Ltd.

Blooming Bs — Blooming Box, Brain & Body

Growth Drivers and Initiatives

K-12 market in KSA has historically grown steadily and is expected to follow the same trajectory

NOT EXHAUSTIVE

Growth Drivers

- High share of public enrolments
- Increasing development of new cities
- Rising disposable income
- High incidence of childhood obesity
- Nutrition monitoring in school via technology
- Focus on safety and standards

Collaborations between MoE and MoH in the past demonstrate the importance of school nutrition and healthy lifestyle for the government

Initiatives

- **School-Based Obesity Control (Rashaqa)**
- **Healthy School Program**

Financial Metrics and Details

Market opportunity for food nutrition in 2030 is large, ranging between 3.5-4B SAR

4.5-5 M	*Number of public K-12 enrolments in 2030[1]*
X	
55-60 %	*Percentage of students in public schools opting for meals in the canteen[2]*
X	
1 MEAL	*Number of meals eaten by a student in a day from canteen*
X	
180 DAYS	*Number of days a student goes to school in a year on average*
X	
7-10 SAR	*Price per meal charged per student*
=	
3.5-4.5B SAR	*Market size for school nutrition in 2030F*

argets; [2]Survey input (Children, MDPI): Breakfast Eating Habits and Lifestyle Behaviors among Saudi Primary School Children Attending

ants

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INTRODUCTION AND OPERATING DETAILS

Introduction to School Nutrition

Establishing canteen services and supplying food to public schools in KSA to ensure proper nutrition and emphasize on healthy eating

Operating Models

	Pay-per-use	Annual
Description	Students can purchase food items on a pay-per-item basis	Students are charged as a part of the fee at the start of the academic year
Popularity	This is the standard and most popular operating model followed in schools	This model is rarely employed in KSA and is often used in premium private schools

Students in public schools typically get one break during the day when they can visit the canteen to buy their meal (often breakfast) while private schools offer two breaks due to longer school hours

Partnership Models and Regulations

NOT EXHAUSTIVE

Setting up canteens and supplying food to public schools requires the supplier to be compliant with multiple regulatory norms across processes like food preparation, serving, transporting and self-vending

Models of Collaboration with Public Schools for a Supplier

Bidding Process	Direct Contracting
Government has a tendering system in school districts and allocates one or more schools to multiple companies based on competitive technical and financial proposal	In the event where bidding process is not legally possible, schools (via their Principal) raise a request with the MoE to work with specific suppliers

Vision 2030 under School Nutrition Services has identified four key entities to take charge of the regulations surrounding food nutrition

- General Directorate of School Health at the Ministry of Health
- Department of School Health Affairs at the Ministry of Education
- General Administration of Student Immortals at the Ministry of Education
- General Directorate of Nutrition at the Ministry of Health

Definitions

#	SCORECARD SECTION	DEFINITIONS
1	Market size	Size of market in value/volume in KSA and/or Region (MENA/GCC) covering future projections based on available estimates from published /government sources
2	Business drivers	A select number of factors that will influence future demand for the related product/service
3	Investment highlights	An overview of key financial metrics summarizing the investment opportunity along with the expected return based on the suggested investment size
4	Value proposition	Summary of key differentiators that position KSA as a strategic choice over other regional/global peers
5	Market readiness	An overview of KSA market structure, market maturity and level of participation by local and global players
6	Global trends	Latest business developments within the sector/product category
7	Scalability and localization	Ease of scaling the business across the value chain or into new adjacent products or geographies that would maximize the opportunity's investment returns and the ability and potential to locally manufacture the product and its components
8	Import dependency	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
9	Value chain analysis	The process or activities that would potentially need to be carried out to deliver the underlying product or service
10	Key stakeholders	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
11	Enablers	Factors that enable investment in the underlying opportunity
12	Cost of doing business in KSA	Key factors that position KSA as a competitive destination for investment in the region. Productivity adjusted wages do not include cost of $1.23/hour towards annual recurring charges including work permit, resident identity (iqama) and health insurance

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