

Breakfast Cereals

INVESTMENT OPPORTUNITY SCORECARD

FOOD PROCESSING

Sept 2021



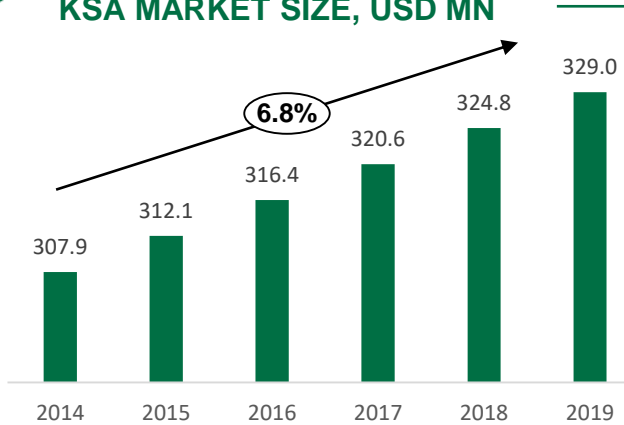
FOOD PROCESSING

Breakfast Cereals

OPPORTUNITY'S DESCRIPTION: Opportunity to establish a facility to produce all forms of pre-packaged cereals

DEMAND

KSA MARKET SIZE, USD MN



INVESTMENT HIGHLIGHTS

- **Scope** – factory for breakfast cereals focusing on:
 - Pre-packaged cereals whether hot or cold
 - Producing porridge oats, oatmeal and prepackaged cereal/milk kits

INVESTMENT OVERVIEW

VALUE PROPOSITION

- High dependency upon imports raises prospect of significant import-substitution opportunities within KSA food industry
- KSA's strategic location and favorable trade agreements (eg: GAFTA) offers potential for local manufacturers to serve emerging markets like Africa and South Asia as well as matured markets like Europe
- Opportunity to leverage recent FDI measures to motivate private sector participation in KSA food industry

KEY DEMAND DRIVERS

- One of the major demand drivers for breakfast cereals is that Breakfast cereals have not traditionally been a part of the daily routine in the typical Saudi Arabian household. However, with the household dynamic changing to women entering the workforce, there is a shortage of time in the morning spent in the kitchen. In addition, cereals are fast becoming an ideal choice for the growing number of health-conscious people who are short of time.
- Rising awareness of the consumers regarding the healthy and balanced food requirement.

MARKET OVERVIEW

MARKET READINESS AND COMPETITOR ANALYSIS

- Top five players are all multinationals, and they collectively controlled nearly 62% of the total breakfast cereal market share in 2016. Although dominated by the top two companies, Saudi Arabia breakfast cereal market still has many small players that account for 20% of the remaining market share

COMPETITOR ANALYSIS



GLOBAL TRENDS

- The global breakfast cereals market is expected to grow from USD 40.9 billion in 2020 and reach USD 49.7 billion by 2027, growing at a CAGR of 2.8% forecast period 2020-2027.
- Breakfast cereals are considered healthy as they are fortified with vitamins, minerals and commonly used grains such as barley, oats, rice, corn and wheat.
- Due to their ease of preparation and nutritional content, these products have gained prominence in the infant industry.

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	Demand 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	Competitor analysis	List of the local & international players manufacturing the underlying product in Saudi Arabia and their market share
7	Global trends	Latest business developments within the sector/product category
8	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
9	Import dependency	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
10	Value chain analysis	The process or activities that would potentially need to be carried out to deliver the underlying product or service
11	Key stakeholders	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
12	Enablers	Factors that enable investment in the underlying opportunity
13	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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