



TOURISM & QUALITY OF LIFE CENTRAL KITCHEN (EXISTING COMPANY)

Restricted / مقيد

High Potential

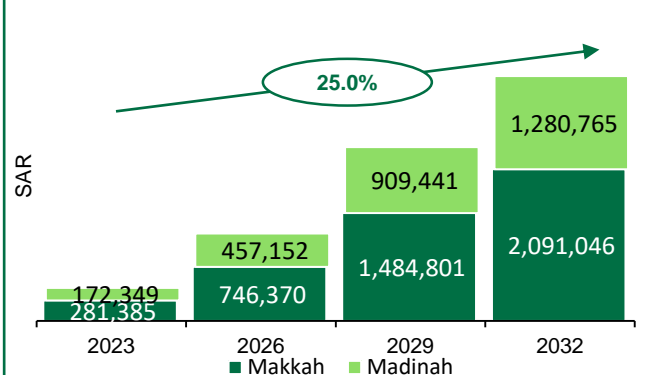
Moderate Potential

Low Potential

OPPORTUNITY'S DESCRIPTION: Opportunity to create a central kitchen that provides a variety of food options with high standards, targeting hotels and hamalat during hajj and umrah seasons in addition to other entities in Makkah and Madinah

DEMAND

MARKET SIZE – Number of meals Served in Makkah and Madinah



INVESTMENT HIGHLIGHTS

- Investment Ticket: SAR 10,109,111
- IRR: 32.5%
- NPV: SAR 35,476,806
- Payback Period: 7.5 years
- ROI: 20.7%
- Opportunity to consider different operating models – FDI with 100% ownership or joint venture with local private sector player(s).

INVESTMENT OVERVIEW

VALUE PROPOSITION

- KSA government targets to host 30.0 million International Umrah Pilgrims under Vision 2030 initiative which will create opportunity to serve additional 20.0 million visitors in the upcoming 10 years
- Enriching Hajj and Umrah experience for visitors is one of the main goals set under Vision 2030 and the government has initiated several measures to support the stakeholders and prospective investors
- Opportunity to cater the growing demand for a central kitchen that holds high standards in matters of hygiene, quality, price, options and expertise in the food industry to enrich the Pilgrims experience in both Makkah and Madinah.

KEY DEMAND DRIVERS

- With 12.2 million domestic pilgrim and 9.3 million International Pilgrims in 2019, religious tourism remains the main driver of Saudi Arabia's tourism.
- Expansion project of the two Holy Mosques, government investments in infrastructure and online visit visa issuance initiative will boost pilgrimage visits and create perennial demand on tour packages which includes a variety of food and beverage packages matching different budgets
- The increasing religious and leisure travel to the Kingdom has opened investment opportunities in the hospitality industry and resulted in number of hotels increasing, giving an opportunity for a central kitchen to provide their services for more efficiency and cutting operational costs at hotels

MARKET OVERVIEW

MARKET READINESS AND COMPETITOR ANALYSIS

- Few existing companies that provide ready meals with multiple food options and serving different budgets
- Limited International cuisines that fits the taste of the majority of International Pilgrims such as Pakistan, Indonesian, Indian and etc.
- Covid-19 increased awareness of hygiene which can be improved.

COMPETITOR ANALYSIS



GLOBAL TRENDS

- Changes in rules and regulations of foreign trade especially in food and beverages as well as meeting the requirements of Saudi Food & Drug Authority (“SFDA”) requirements in ensuring products are at highest standards
- Increased awareness in health has increased the consumption of healthy food options such as, vegan, vegetarian, low carb, high protein and etc.
- Additional precautionary and safety measures adopted across the globe due to Covid – 19 induced pandemic are leading to increased focus on hygiene and safety



TOURISM & QUALITY OF LIFE CENTRAL KITCHEN (NEW & EXESTING COMPANIES)

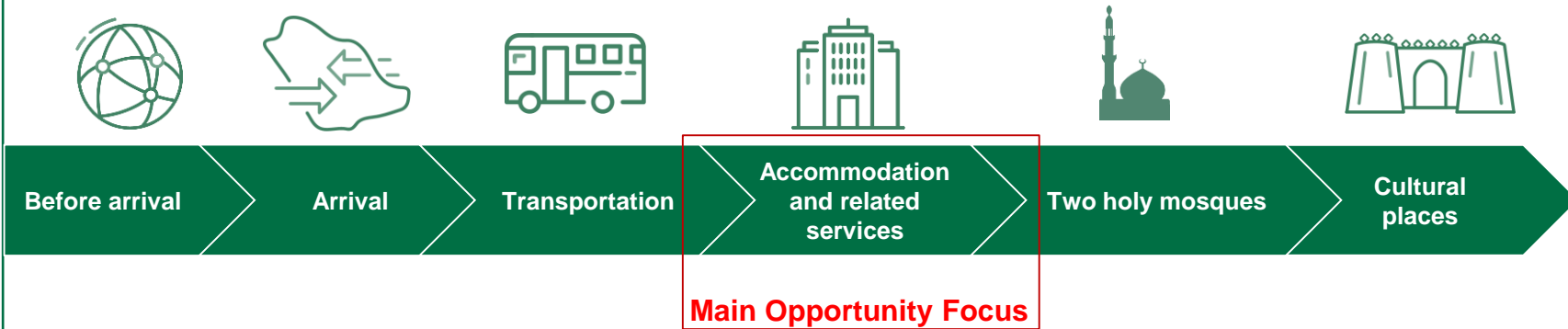
SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low Medium High

- The government has already started restructuring visa processes and issuing online visas. This will boost pilgrimage and touristic visits to KSA in the coming years
- Low cost of construction, labor wages and utility fees combined with availability of trained hospitality resources to support low capital and operating expense for the investor and maximize investment returns
- Early market entry to potentially benefit investors to increase geographic footprint in the two Holy Cities and capture larger market share in medium-long term
- Pilgrims from Southern and Central Asia, Western countries, the Levant, and Russia perform Umrah clubbed with other destinations showing the will and financial capability for entertainment and recreational activities post Umrah

PILGRIM'S JOURNEY



KEY STAKEHOLDERS



ENABLING FACTORS

ENABLERS

- The Ministry of Investment has created supporting regulatory ecosystem for easy issuance of necessary permits
- 100% foreign direct ownership allowed
- Low corporate income tax (20%) on profits only
- Establishing a unified center for investor services in Hajj and Umrah in cooperation with MISA

COST OF DOING BUSINESS IN KSA

Factor	Ranking Amongst Regional Peers
Macroeconomic risk (100=high)	40
Productivity adjusted wages	\$3.3 /hour
Ease of getting credit (0 – 100)	50
Contract enforcement (0-100)	55
Construction Costs (Indexed to US, % 0 is cheapest)	74

Bottom 25% | Top 75% | Top 50% | Top 25%