

DEVELOP 4 STAR HOTEL IN RIYADH

INVESTMENT OPPORTUNITY SCORECARD

TOURISM & QUALITY OF LIFE

September 2021



TOURISM & QUALITY OF LIFE DEVELOP 4 STAR HOTEL IN RIYADH

Restricted / مقيد

High Potential

Moderate Potential

Low Potential

OPPORTUNITY'S DESCRIPTION: Opportunity to develop 4 star hotels in Riyadh the capital of Saudi Arabia

DEMAND

- Expected demand for numbers of keys in 2019:
 - Total of Trips 7,839K
 - Total Tourist Receipts 26,438M SAR
 - Avg. Visitor Spend 4,423 SAR
 - Avg. Occupancy: Hotel 68%, Apartment 69.3%
- Expected demand for number of keys in 2025 is 71K and in 2030 is 158K



INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- To develop 4 star hotel 100-200 keys
- Expected Investment size 60-120 Mn SAR
- Investment model options: leasing, shared revenue model or 100% ownership
- Location: Riyadh city
- Estimated Project IRR: 8-10 %

VALUE PROPOSITION

- Riyadh, the capital of Saudi Arabia has many key destinations as it is one of the main Saudi Cities attracting tourists. Riyadh has many key destinations for exploring its culture and heritage such as Al Masmak Fortress, Shaqra and Ushaiger Village, Historical Diriyah, and the National Museum. It also has many entertainment spots such as Khuraim Garden, Abstract Art Gallery and most importantly Riyadh Season. As for recreation, Ibex Reserve, Edge of the World, and Heet Cave are all a must to visit for adventure enthusiasts.
- Opportunity to develop 158K number of keys in Riyadh by 2030
- Riyadh Metro and public transit project to launch in the near future
- The project will contribute to the employment of citizens

MARKET OVERVIEW

KEY DEMAND DRIVERS

- KSA is the largest economy in MENA, contributing 20%+ to the total regional GDP and is expected to grow at 2.9% post Covid-19 pandemic crisis which will result in booming tourism sector
- Investments made in infrastructure projects, ease and affordability of tourist visas and overall progress made in tourism sector are set to have a major impact on the growth of Riyadh's hospitality sector

MARKET READINESS

- In line with Saudi vision 2030, KSA aims to become an international tourist destination, with aspirations to attract 100 million visitors annually by 2030
- Well established tourism ecosystem led by the Ministry of tourism supporting investors across their journey which includes the tourism development fund, the Saudi tourism authority and Ministry of investment

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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