

NDFC

**Education & Training
Subcommittee**

**Eastern Province Private International
Early Years Schools Opportunity**
Investment Opportunity – Early Years Education

April 2022



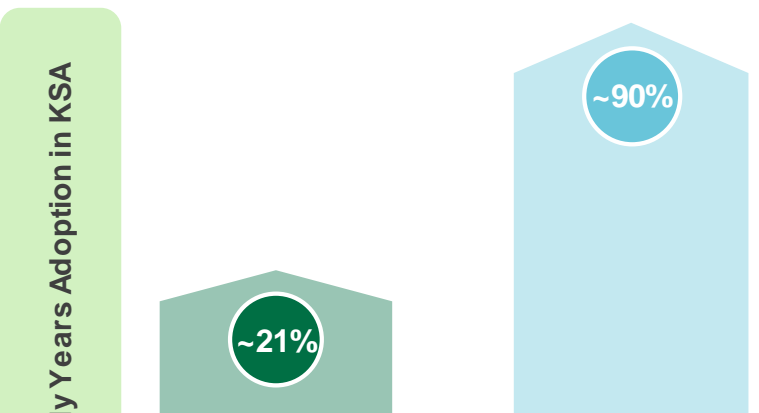
Eastern Province Private Int'l Early Years Opportunity

OPPORTUNITY DESCRIPTION: Invest in KSA's education sector by establishing high-quality, Private Int'l Early Years centers in Eastern Province

OPPORTUNITY OVERVIEW

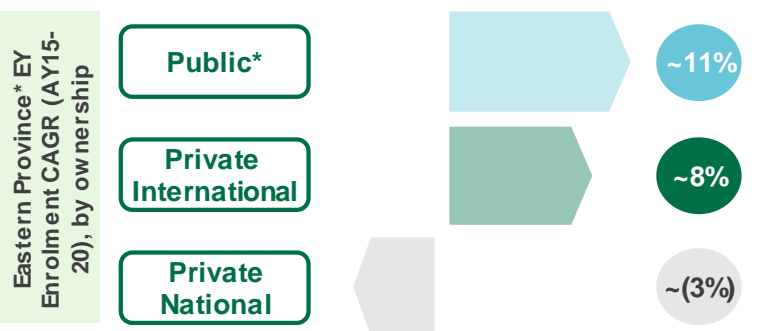
Adoption of Early Years in Eastern Province*

The Early Years GER in Eastern Province* is low (~21%); KSA government has set targets to increase the GER to ~90% across the Kingdom by 2030, outlining headroom for growth

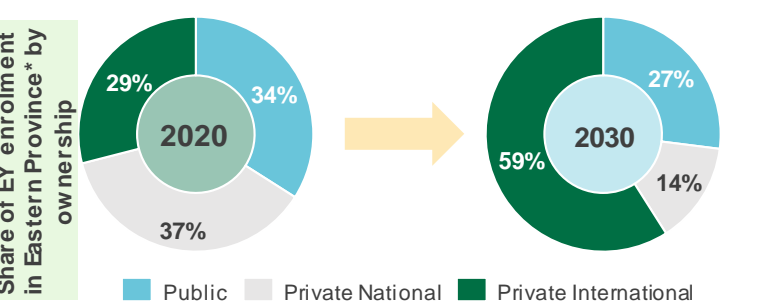


Eastern Province* Early Years Market Overview

Private International is one of the **fastest growing** segments in Eastern Province* Early Years market



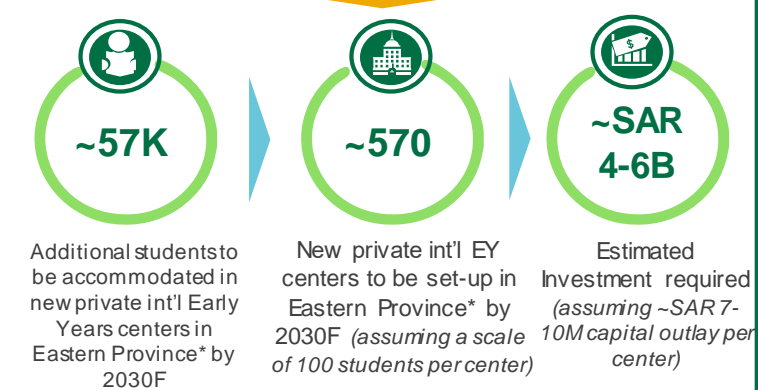
Private International segment's enrolment share is expected to **double by 2030** and reach ~60% based on historical growth rates



Growth Drivers and Market Outlook

There exists multiple growth drivers for EY centers in Eastern Province*

- 1 Growing relevant age population:** projected ~120K relevant age population by 2030
- 2 Increasing Household affordability levels** with disposable incomes expected to increase at ~3% p.a. over the next decade
- 3 High prevalence of expats in the Eastern Province**
- 4 Increasing participation of women in the workforce** and rising awareness of Early Years education





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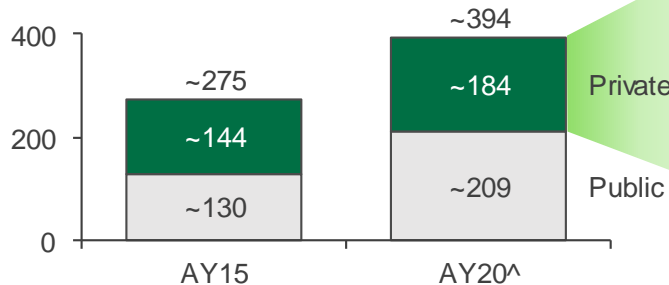
Eastern Province* EARLY YEARS MARKET OVERVIEW

Structure of Early Years education in Eastern Province*

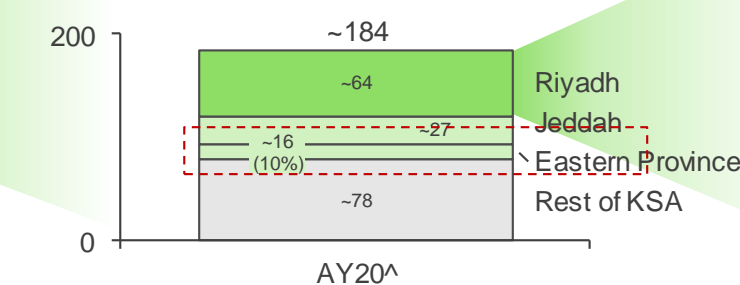
	Early Childhood Development	Pre-primary education	Early Years Education
Age range	0 – 3 years old ¹	3 – 6 years old ¹	0 – 6 years old ¹
KSA designation of education levels	Nursery	Kindergarten	-
Number of students enrolled (AY20)	<5K	~24K	~24K
Total relevant population (AY20)	~116K	~116K	~232K
Adoption rate (AY20)	<0.5%	~21%	~10%

Eastern Province* Int'l EY Market Dynamics

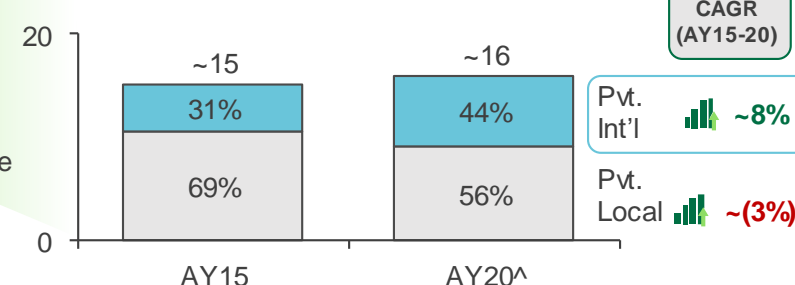
Early Years enrolment in KSA, by ownership; (AY15-20)
000's of Student



Private Early Years enrolment, Riyadh, Jeddah & Eastern Province* vs rest of KSA; (AY20)
000's of Student



Pvt. Early Years enrolment in Eastern Province*, by curriculum; (AY15-20)
000's of Students



The low adoption in the KSA early years market coupled with ambitious GER target of ~90% by 2030 highlights the strong headroom for growth in the market

Eastern Province* accounts for ~10% of KSA's private Early Years enrolment

Private International Early Years centers have driven the growth within the Private Early Years market in Eastern Province*



Note: AY refers to the Academic Year, which typically runs from Sept – Jun in KSA; [^]AY21 has not been showcased due to one-off impact on enrolments due to ongoing pandemic
^{*}Eastern Province includes Dammam, Al Khobar, and Dhahran; ¹-Age 0 to 3 refers to Age 0, Age 1 and Age 2; Age 3 to 6 refers to Age 3, Age 4 and Age 5; Age 0 to 6 refers to Age 0, Age 1, Age 2, Age 3, Age 4, and Age 5; ²-ISCED stands for International Standard Classification of Education



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Eastern Province EARLY YEARS MARKET ASSESSMENT AND COMPETITIVE LANDSCAPE

INDICATIVE

Growth drivers of private Early Years



1 Growth in Eastern Province's population as a result of ongoing megaprojects in and around the Eastern Province (like SPARK: King Salman Energy Park)



2 Rising household affordability levels with disposable incomes rising at 3% p.a. over the next decade



3 High prevalence of expats with expats constituting ~44% of the total population and ~75-80% of the private international EY enrolment in the region



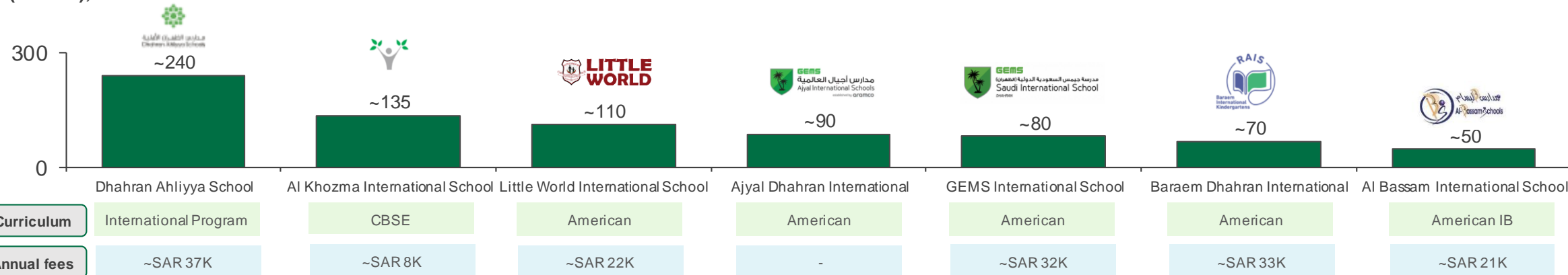
4 Rising participation of women in the workforce (~18% in Q2 of 2016 to ~33% in Q3 of 2021 in Eastern Province) and increasing awareness

Growing demographics and increased urbanization in Eastern Province is expected to drive demand for high quality international education

Eastern Province Pvt. Int'l Early Years Providers

SAMPLE LIST – SCALE PROVIDERS

Enrolment in Private International Early Years Schools, Jeddah (AY2022); Number of students





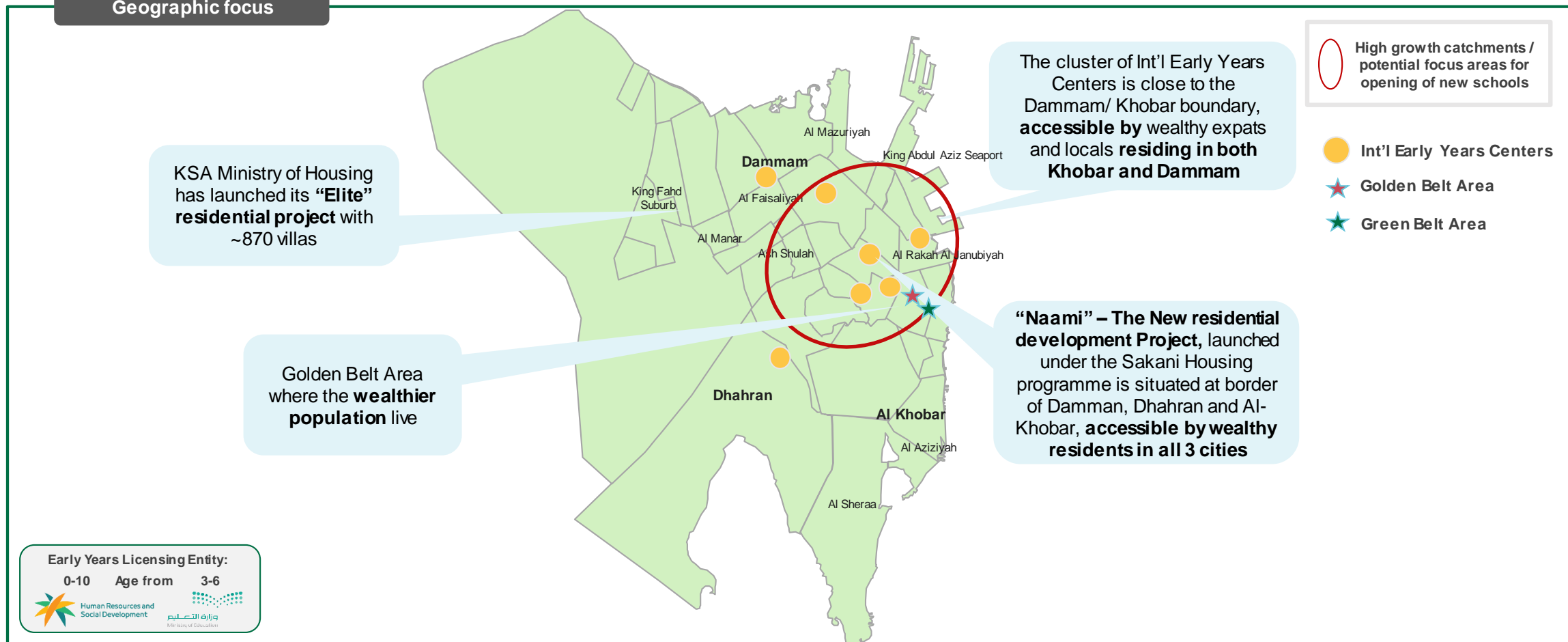
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EASTERN PROVINCE EARLY YEARS MARKET ASSESSMENT AND COMPETITIVE LANDSCAPE

INDICATIVE

Geographic focus





Eastern Province Private Int'l Early Years Opportunity

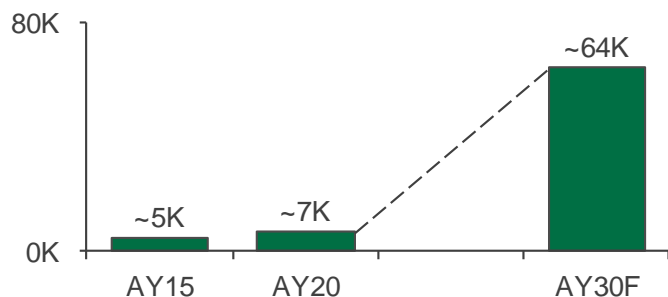
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FINANCIAL CONSIDERATIONS

INDICATIVE

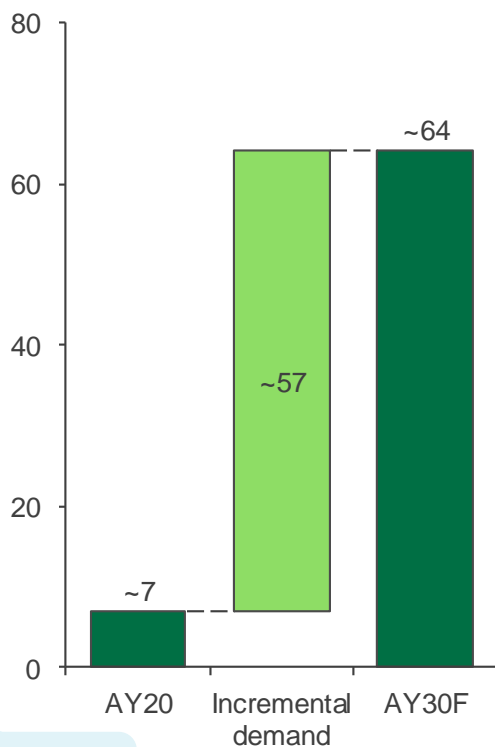
Enrolment forecast and unmet demand

Eastern Province Private int'l curriculum EY enrolment forecast (AY15-21,AY30F)
Number of students



Relevant age population (3-6 years old)	~111K	~116K	~120K
Gross enrolment ratio	~18%	~21%	~90%
Total EY enrol.	~20K	~24K	~108K
% share of pvt. in total EY enrol.	~76%	~66%	~73%
Share of int'l curric. on total pvt. EY enrol.	~31%	~44%	~81%

Required additional capacity estimation EY Int'l segment, Eastern Province; (AY2020-30F);
000's of seats



Future projection based on long-term view from 2014-2020

Additional students in new private Int'l Early Years centres by 2030F



~57K

Average scale of students per center



100

Number of new private int'l Early Years centers to be opened



570

Capital outlay expense required per new center



~SAR 7-10M

Investment required to establish 570 new private int'l EY centres



~SAR 4-6B

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