

Enhancing Primary Healthcare Centers
INVESTMENT OPPORTUNITY
Healthcare Services



Healthcare Services

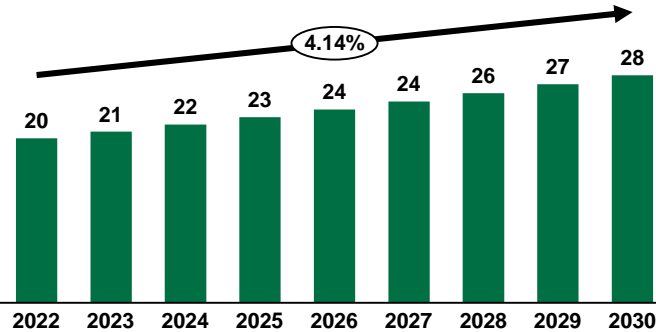
Enhancing Primary Healthcare Centers

OPPORTUNITY DESCRIPTION: Enhancing existing PHCs through physical building refurbishments, service overhaul, improved demand and capacity planning, workforce enhancement (incl. employee proposition and recruitment processes) and delivery of clinical services

DEMAND

MARKET SIZE (SAR B)

Projected total spend on primary healthcare services



INVESTMENT HIGHLIGHTS

- Facility Size: 1,000 - 4,000sqm (land area)
- Annual Patient Capacity (number of visits): 10,000 - 50,000
- Investment Size: SAR 5M - 20M (dependent on new, replacement or refurbishment)
- Jobs Created: 25 - 100 (10 years cumulative)
- GDP Contribution: SAR 50M – 300M (10 years cumul.)
- IRR: 10 - 20%
- NPV: SAR 10M - 50M
- Project Location: Multiple potential locations across west, east, south, north and central clusters

INVESTMENT OVERVIEW

VALUE PROPOSITION

- Well developed and mature healthcare ecosystem with established entities (e.g., MoH, HHC, SHC) and largest healthcare budget in MENA (USD 36.7B in 2022)
- Strong existing efforts towards improving primary care services e.g., HSTP targets 4 visits per person per year in line with global indicators
- Extensive PHC network (2,200+) with increased patient access, high quality standards, and greater effectiveness
- Primary care is prioritized in KSA’s new model of care, specifically “Keep Well” and “Chronic Care”

KEY DEMAND DRIVERS

- ~51m visits to PHC in KSA with demand expected to increase, requiring 3,500+ additional clinics in KSA by 2030 – driven by ageing population, rising chronic conditions related to lifestyle and population genetics
- Provider transformation underway i.e., HSTP focus on integrated care delivery, proposed establishment of ACO’s resulting in shift from hospital to community-based care and prevention – including delivery of essential and essential plus services through PHCs (e.g., health coaching, pre-operative care)

MARKET OVERVIEW

EQUIPMENT/ HUMAN RESOURCE REQUIREMENTS

- Medical equipment including basic diagnostics
- Emergency pharmaceutical supplies
- Non-medical equipment and medical furniture
- HR incl. family physicians, allied health professionals and operational support staff
- For more detailed requirements, please refer to > <https://www.moh.gov.sa/Support/Help/Documents/Private-Health-Institutions-Law.pdf>

GLOBAL TRENDS

- Strengthening primary care of increasing importance across global healthcare systems as care shifts from secondary/ tertiary facilities towards community-based interventions (e.g., chronic disease management), also driven by health system budget pressures
- UK’s NHS optimizes patient flows to secondary/ tertiary care via well-equipped PHCs. The UK’s strong primary care network also aims to minimize system costs, increase efficiency and service quality
- In the US, there is a shift towards value-based payments with large untapped potential in PHC, incentivizing companies to invest in primary care (~\$16B USD in 2021)



Healthcare Services

Enhancing Primary Healthcare Centers

Non-PPP

SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low Medium High

- Potential to scale PHCs further through increased footprint (physical expansion of a single facility to additional areas of primary care) or dev. of add. PHCs to fulfill demand gaps (expected shortfall of 4K clinics by 2030)
- Potential to expand into synergistic opportunity areas e.g., diabetes clinics, men's and women's health centers
- KSA's competitive advantage (e.g., ~15% lower costs for specialized staff, ~10% lower costs for rentals and purchase of land and ~15% lower CAPEX for healthcare equipment against Qatar and UAE benchmarks)

PROPOSED PROCUREMENT MODEL



ENABLING FACTORS

ENABLERS & INCENTIVES

- Up to 50% tax credit on KSA national worker payroll and training cost for 10 years
- HRDF covers monthly salaries for 30-50% of Saudi employees (extra 10% for females) for 2 years, provided cost <USD 4,000
- On-the-job training program for KSA nationals under Tamheer program
- Potential for development of tailored incentives

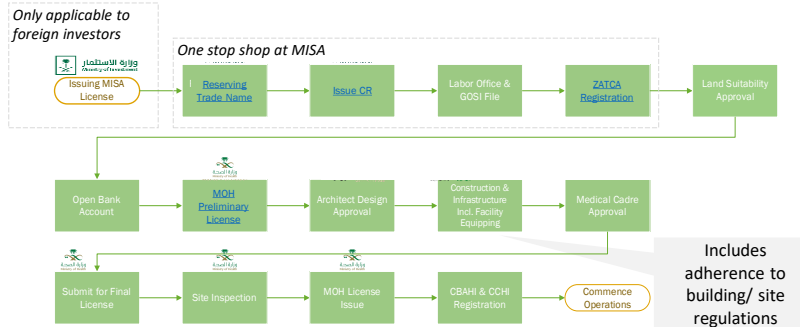
VALUE CHAIN

Prevention & Screening	Registration & Triage	Clinical Consultation & Diagnosis	Primary Care Interventions	Referral & Discharge
<ul style="list-style-type: none"> ▪ Lifestyle programs e.g., on nutrition and fitness ▪ Vaccination ▪ Screening, e.g., pre-marital screening 	<ul style="list-style-type: none"> ▪ Patient registration in PHC and triage to determine immediate care needs – processes can be merged 	<ul style="list-style-type: none"> ▪ Clinical assessments (online or in PHCs) ▪ Patient diagnosis (anamnesis, radiology, laboratory,...) 	<ul style="list-style-type: none"> ▪ Delivery of primary care medical interventions, e.g., casting, wound care, pain injections, prescriptions 	<ul style="list-style-type: none"> ▪ Physician decision based on consultation, lab results etc. ▪ Referral to secondary care if needed ▪ Discharge

Validated with Health Holding Company Patient Journey

DIGITIZED INVESTOR JOURNEY AND LICENSING

Digitized process with assistance from MISA/ other entities through the journey



COST OF DOING BUSINESS IN KSA

Factor	Ranking amongst regional peers
Electricity tariffs for industrial players	\$48 /MWh
Productivity adjusted wages	\$3.3 /hour
Logistics Performance Index (1-5)	3.2
Construction Costs (Indexed to US, % 0 is cheapest)	74
Ease of getting credit (0-100)	50

KEY STAKEHOLDERS



Primary ecosystem stakeholders listed. In addition, MISA will facilitate investment promotion whilst other gov. entities will support to further catalyze opportunity

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

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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