

# POST-ACUTE REHABILITATION

## INVESTMENT OPPORTUNITY SCORECARD

### HEALTHCARE AND LIFE SCIENCES

APRIL 2021



# HEALTHCARE AND LIFE SCIENCES POST-ACUTE REHABILITATION

Public / متاح

High Potential

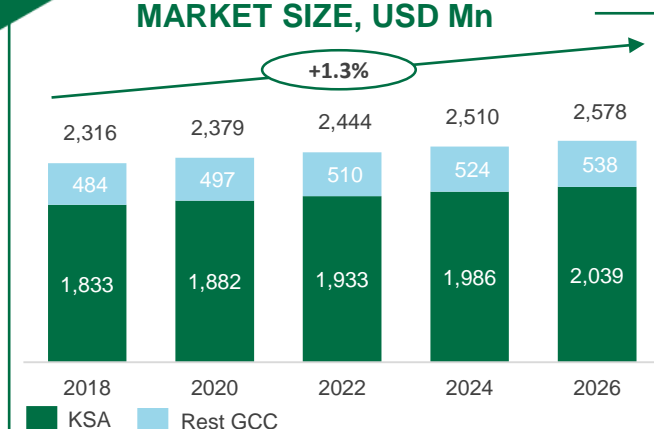
Moderate Potential

Low Potential

**OPPORTUNITY'S DESCRIPTION:** Building facilities for providing post-acute rehabilitation services with a total capacity of 1,000 beds within the next five years

## DEMAND

### MARKET SIZE, USD Mn



### INVESTMENT HIGHLIGHTS

- Expected investment size: USD 400 Mn
- Opportunity to consider different operating models – FDI with 100% ownership or joint venture with local private sector player(s)
- Expected IRR: 11%

## INVESTMENT OVERVIEW

### VALUE PROPOSITION

- KSA has a solid foundation for its healthcare sector through well established ecosystem and incentive schemes for foreign players entering the local market
- KSA is the largest spender on healthcare across the MENA region. The 2019 budget allocated more than USD 45.86 Bn for Health and Social Development
- In line with Vision 2030, KSA is planning to boost the number of rehabilitation beds in the country. Government's Vision 2030 and NTP focuses on healthcare development through Ministry of Health (MoH) and Private Sector Participation (PSP) using PPP Model
- Opportunity to capitalize upon Ministry of Health (MoH)'s focus to privatize and expand post-acute rehabilitation services in KSA across all segments

### KEY DEMAND DRIVERS

- Increasing need for chronic healthcare, especially to tackle \*Alzheimer's, \*Dementia, Parkinson's and Multiple Sclerosis conditions among the growing elderly population (3.4% are 65 yrs+ in 2019 vs forecast of 17% in 2050)
- With growing Saudi population and increased life expectancy of both females and males, it is expected that 7,500 Saudi citizens will need post-acute rehabilitation by 2030
- Increasing care intensive lifestyle diseases in KSA (7.1 mn people in 2019 vs forecast of 9.5 in 2030) to increase secondary diseases leading to rehab such as strokes and heart attacks
- 7% of the total Saudi population is classified as disabled and it is expected to grow by 1.3% p.a. between 2020-30 which will drive the need for post-acute rehabilitation facilities

## MARKET OVERVIEW

### MARKET READINESS AND COMPETITOR ANALYSIS

- There are many private sector healthcare providers which offer rehabilitation services, however, the number of providers with comprehensive rehabilitation service portfolio is limited

### LEADING PLAYER



### GLOBAL TRENDS

- Global post-acute care market size was valued USD 8.25 Bn in 2017 and is estimated to expand rapidly with a CAGR of 4% during the period 2018 to 2025
- Global population of people aged 65 years and above was 703 million in 2019. The number of elderly people is projected to double by 2050 to reach 1.5 billion
- Growing number of traffic accidents and sports injuries, increasing disabilities among the geriatric population around the world are poised to drive post-acute rehabilitation market globally

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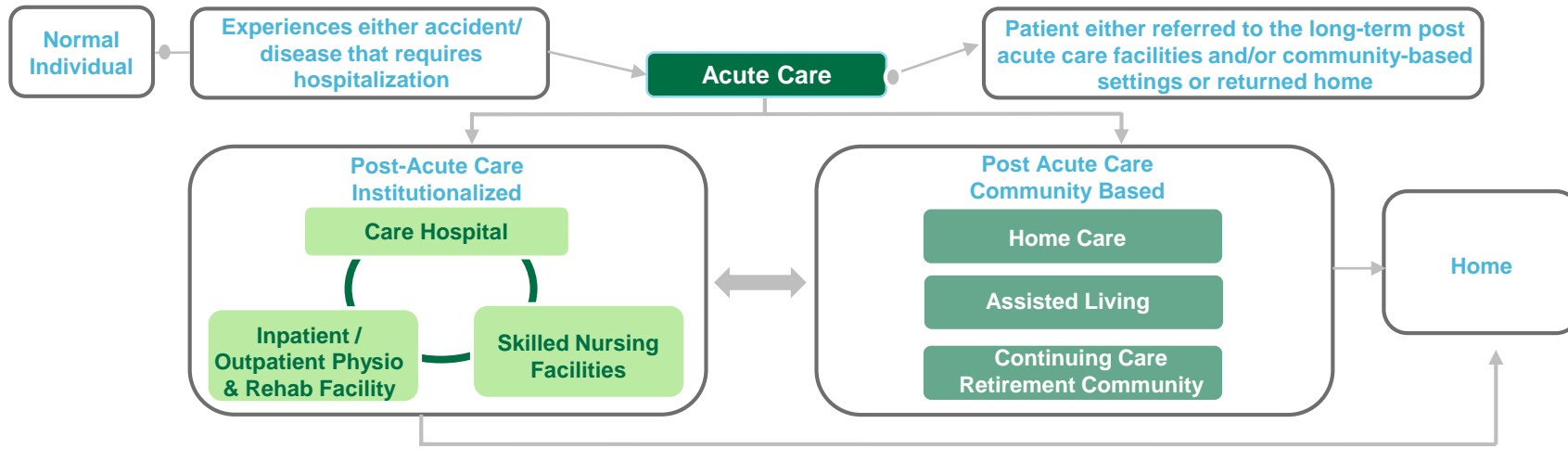
## SUPPLY

### SCALABILITY AND LOCALIZATION

Grade: Low Medium High

- Strong local demand, favorable regulatory ecosystem and ability to provide cost competitive services create scope for localizing post acute rehabilitation services in KSA
- KSA has a competitive cost advantage in providing healthcare services over regional peers: ~15% lower costs for specialized staff, ~10% lower costs for rentals and purchase of land and ~15% lower CAPEX for healthcare equipment
- Saudi Commission for Health Specialties (SCFHS) is working to develop healthcare standards through designing and organizing health training programs; promote medical research and education; and achieve sustained professional development in the KSA

### PATIENT JOURNEY



### KEY STAKEHOLDERS

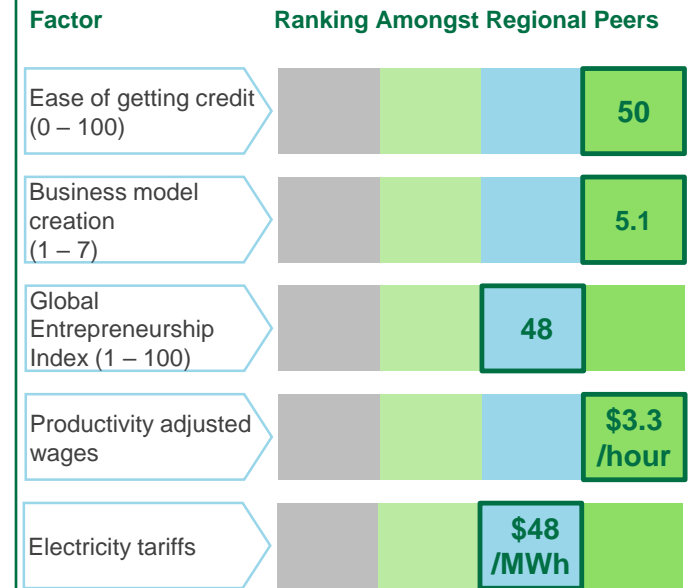


## ENABLING FACTORS

### ENABLERS

- Up to 50% tax credit on Saudi national worker's 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 it does not exceed USD 4,000
- On-the-job training program for Saudi nationals under Tamheer program

### COST OF DOING BUSINESS IN KSA



# 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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