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ML POWERED LIFESTYLE AND WELL-BEING

INVESTMENT OPPORTUNITY SCORECARD

ICT

June 2021



ML POWERED LIFESTYLE AND WELL-BEING

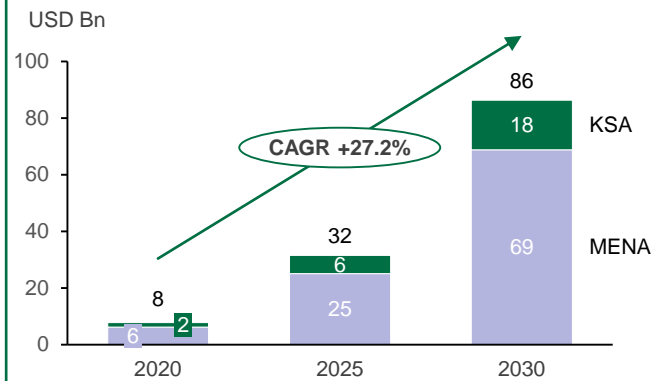
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OPPORTUNITY'S DESCRIPTION: Attract leading ML (Machine Learning) based healthcare service providers to KSA to cater local demand

DEMAND

INVESTMENT OVERVIEW

KSA MARKET SIZE, USD BN



INVESTMENT HIGHLIGHTS

- Expected investment size of USD 730 Mn
- Investment IRR: 15%
- Payback period: 9.2 years
- Opportunity to consider different operating models – FDI with 100% ownership or joint venture with local private sector player(s)

VALUE PROPOSITION

- Leverage recent FDI measures such as 100% foreign direct ownership to motivate private sector participation in KSA healthcare sector
- Healthcare is one of the vital sectors in the Saudi Vision 2030 and the National Transformation Program, with one of the strategic objectives of the government being improving the quality and efficiency of the healthcare services
- In KSA's 2020 budget, Health and Social development sector was allocated ~USD 45 Bn holding the third largest share in the budget expenditure
- Ability to serve large unmet local demand and further expand services by offering services to patients from neighboring markets

KEY DEMAND DRIVERS

- Healthcare services demand is expected to increase in KSA due to general increase in population and high purchasing power of the residents
- KSA is the largest country in the GCC region, and the percent of total population above 60 years is expected to increase from 5.5% in 2020 to 11% by 2030, which will increase the demand for long-term care, rehabilitation and home care services
- Inability of the Ministry of Health to provide long-term care facilities and inadequate number of service providers currently leaving large unmet demand

MARKET OVERVIEW

MARKET READINESS AND COMPETITOR ANALYSIS

- Although in nascent stage of development, there are select global/local players providing limited services in the Kingdom

GLOBAL TRENDS

- Global smart healthcare market size was valued at USD 143.6 Bn in 2019 and projected to grow at a CAGR of 16.2% to reach USD 1.4 Tn by 2027
- Healthcare start-ups are increasingly putting more emphasis on consumer-facing solutions such as self-care, prevention and wellness, and diagnosis applications
- Preventive healthcare technologies witnessed unprecedented demand during Covid-19 pandemic due to the need of constant monitoring of patients

COMPETITOR ANALYSIS

لين لخدمات الأعمال
Lean Business Services



PHILIPS



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SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low Medium High

- KSA has a competitive advantages 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
- Ability to serve large unmet local demand and further expand geographical footprint by leveraging KSA's geographical advantage and trade agreements with neighboring countries creating favorable export ecosystem
- KSA has one of the highest smartphone adoption rate in the world and strong network infrastructure to enable fast access to real-time data
- Lifestyle optimization products such as chest monitors are readily available in KSA however they lack synchronization with advanced technologies such as artificial intelligence, creating large scope for business expansion by enhancing technology features to existing platforms

ECOSYSTEM ANALYSIS

Provider / Potential partners



Healthcare sector providers



- Hospitals
- Clinics
- Checkup centers

End-users



- Healthcare practitioners (including doctors, physicians)
- Patients

KEY STAKEHOLDERS



Sources for Cost of Doing Business: EIU, World Bank

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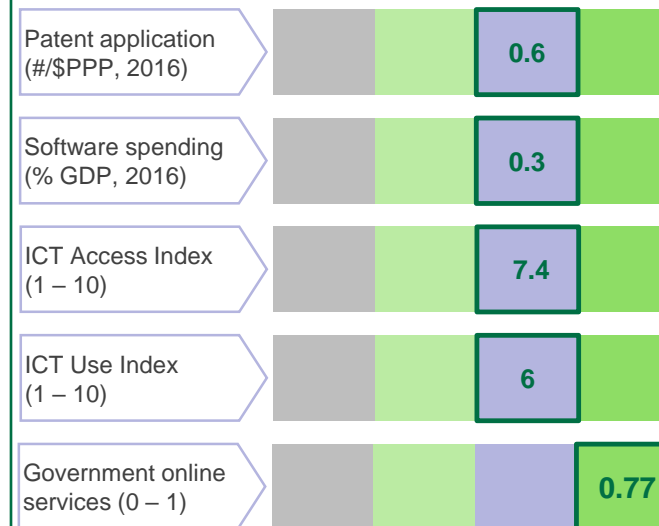
ENABLING FACTORS

ENABLERS

- Subsidized ICT upskilling programs sponsored by the government
- Dedicated entity (National Center for Artificial Intelligence) established by the government to foster sector growth and launch investor friendly measures
- Up to 50% tax credit on Saudi national worker's payroll and training cost for 10 years

COST OF DOING BUSINESS IN KSA

Factor Ranking Amongst Regional Peers



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	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

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