

SEDCO
C A P I T A L



سدكو
كابيتال

Hajj and Umrah Investment Opportunities

November 2019

SEDCO Capital is a **leading asset management firm** with an investment reach and offerings that span the global markets.

With its roots dating back to 1976, SEDCO Capital's cadre of international experts based in Riyadh, London and Jeddah. its Luxembourg funds platform and its Shariah-compliant approach, as well as its commitment to Prudent Ethical Investing and an aligned investment strategy, all add to SEDCO Capital's track record to deliver world-class investment solutions to institutions, sovereigns, and High Net Worth Individuals.

SEDCO Capital has a global range of asset management and advisory offerings encompassing public and private equity, sukuk and global real estate investments as well as asset allocation.

SEDCO Capital's Multi Asset Class Offering

Assets under Management

International Liquid Assets

- *Manager Selection*
- *Cyclical asset allocation*
- *Sukuk*
- *Listed Equities*

MENA Liquid Assets

- *In-house managed funds*
- *Segregated mandates (Equities, Income)*

Commodities Timber & Agriculture

- *Manager Selection*
- *Co-investments*



Other Income Assets

- *Trade Finance*
- *Ijara Leasing*
- *Manager Selection*
- *Infrastructure*

Regional Real Estate

- *Income Generating*
- *Built-to-Suit*
- *REITs'*

International Real Estate

- *Core & Core Plus*
- *Value Add*

Private Equity

- *Manager Selection*
- *Co-Investment*

SEDCO Capital's offices are in Jeddah (Head Office), Riyadh, Luxembourg and London

According to the Makkah Chamber of Commerce and Industry, 25%–30% of the private sector’s income in the region around Makkah and Medina depends on pilgrimage.

Massive safety and security operation swings into action as annual Hajj begins

The Saudi Ministry of Health alone has employed nearly 30,000 physicians, pharmacists, nurses and technicians to provide health care to the 2018 pilgrims.

Recent Accomplishments



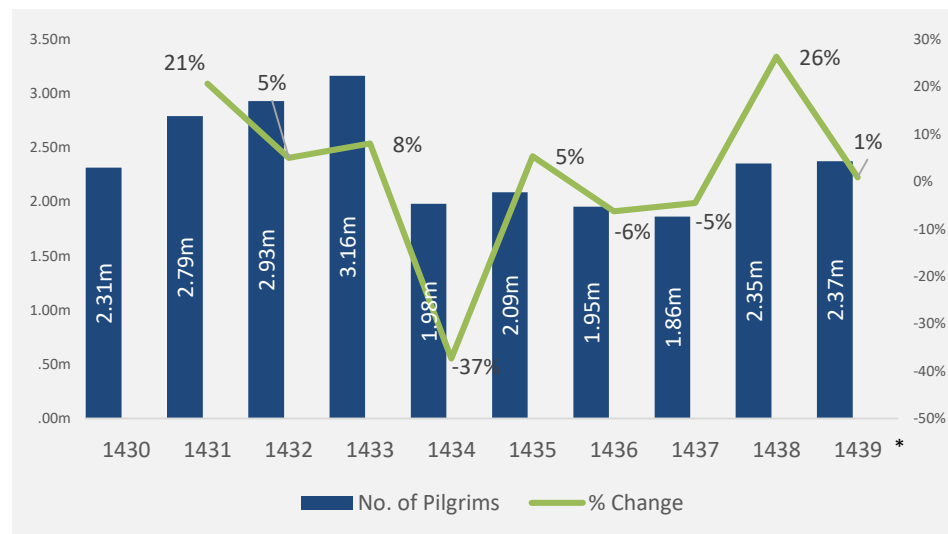
Haramian High Speed Railway
60 Million Passenger/year



New King Abdulaziz International Airport, Jeddah
30 Million Passenger/year



Expansion Projects of the Holy Mosque
 Current expansion added **400,000** visitors and Will add 600,000 more by 2022



- The two holy cities form a major component of Saudi Arabia’s non-oil economy. The pilgrimages of Hajj and Umrah are performed each year, with worshippers’ fees, food, transport and accommodation totaling an average of \$12bn in revenues.
- The hospitality sector also continues to post strong growth rates in Makkah and Medina, with international operators eyeing up opportunities in the high-end segment.
- Growth in both the size and wealth of the global Muslim population has made the annual Haj and Umrah thriving industries.

* Equivalent to 2018
 Source: Arab News; GASTAT

With over 50,000 existing rooms and another 35,000 more in the pipeline, the Makkah and Madinah markets remain an important segment for hotel operators, with some entering the competitive market for the first time this year. The investment is bolstered by Saudi Vision 2030, which aims to boost domestic tourism. Vision 2030 targets include plans to attract 3.75 million Hajj pilgrims by 2020 and 6.7 million by 2030, while growing Umrah pilgrims to 18 million by 2020 and 34 million by 2030.

The first Makkah Economic Forum (held in May 2018), unveiled eight investment opportunities in the Hajj and Umrah sector with a value of approximately USD 160 million (SAR 600 million) across the two Holy cities of Madinah and Makkah. The opportunities in Makkah include the development of historic sites in Al Noor and Thur Mountains. Additionally, the Ministry of Hajj and Umrah is encouraging SMEs to invest in companies offering Umrah services, and has taken steps to ease bureaucratic processes and improve the business environment to support this initiative.

Massive Expansion in Madinah

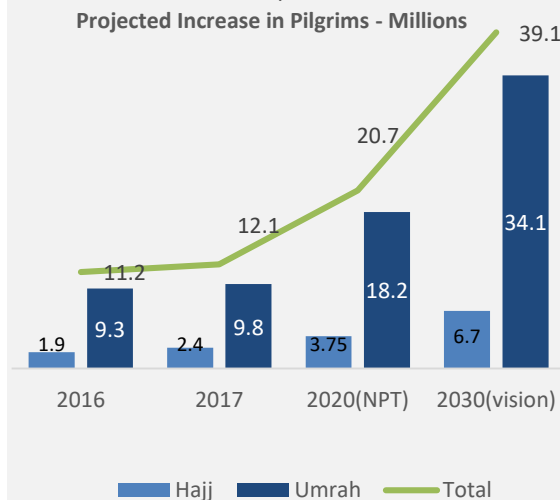
PIF is currently planning to add 80,000 hotel rooms near the Prophet's Mosque in Medina.

Massive Expansion in Makkah

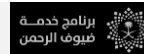
PIF is currently funding the construction of new hotels near the Holy Mosque in Makkah (the US\$3.5bn Abraj Kudai hotel complex alone, a ring of a dozen 45-storey towers, will add 10,000 bedrooms).

Hajj revenues poised to exceed \$150bn by 2022: Experts

The plan to host more than 30 million pilgrims and Umrah performers by 2030 is a real mirror of plans to bring markets in Makkah and Madinah out of disorganization and put them into well-organized economic frameworks serving changing economic mechanisms that attract high returns estimated at billions of dollars annually.



Doyof Al Rahman Program



Due to strategic importance of Vision Realization Programs for the government to achieve Saudi Vision 2030, DARP have direct support from The Saudi Council of Economic Affairs and Development.

DARP Initiatives includes:

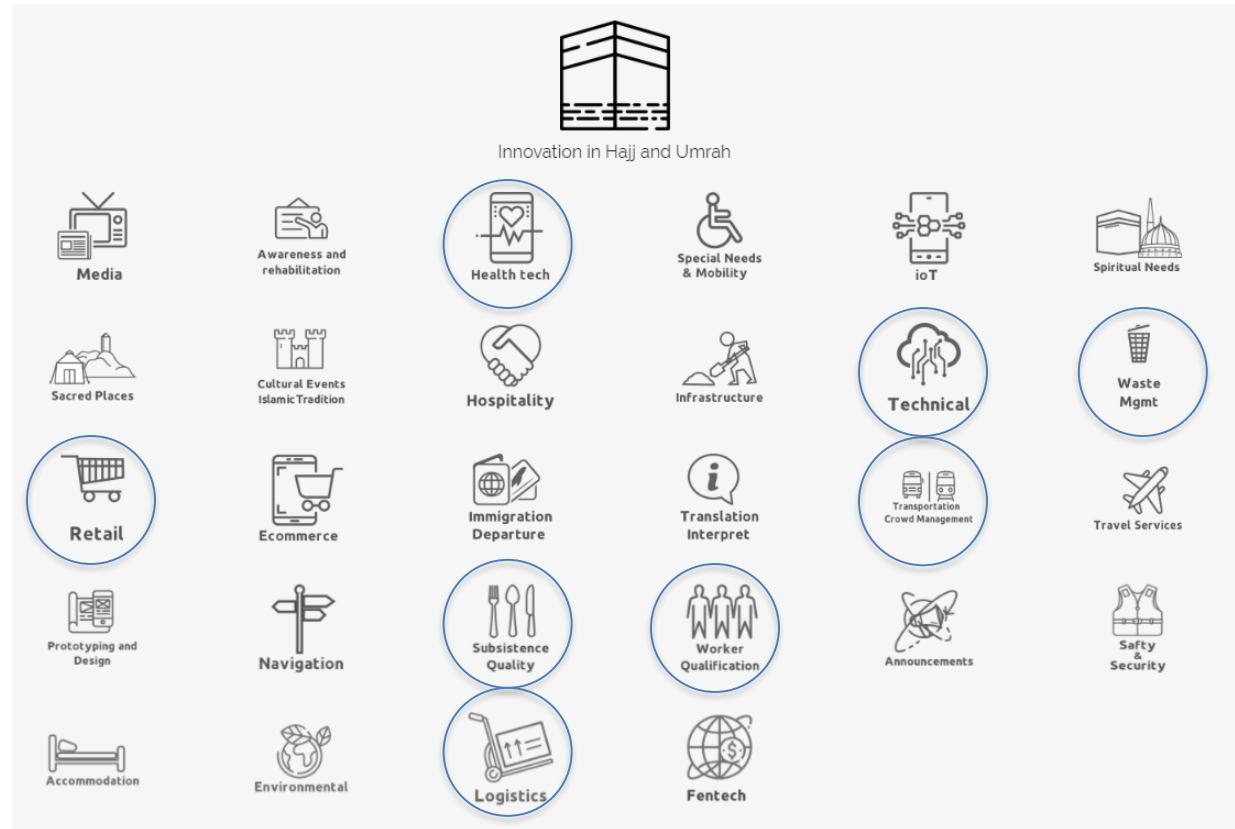
- Facilitate hosting more Umrah visitors and provide an easier access to the holy mosques.
- Improve quality of services provided to Hajj & Umrah visitors.
- Enrich the spiritual and cultural experience of Hajj & Umrah visitors.

Rou'a Al Haram Al Makki

The latest mega project in Makkah which spans over 854k sqm is estimated to contribute SAR 8 billion to national GDP annually once operational. In addition, it will boost the city's capacity to host pilgrims, contributing to the 2030 vision's target to attracting 30 million Umrah pilgrims annually. 70,000 Hotel rooms are planned as part of the Rou'a Al Haram Al Makki development. The first phase is planned to be under operation in 2024.

Source: Saudi Vision 2030,2017; Colliers Analysis, 2018; Hoteliersmiddleeast.com; Saudi Gazette 2018-09-25

Investments in Hajj and Umra Sector



Thank you