
Still celebrating 8th Year Anniversary
since 29-10-2015
118th Marketing Club
78th Business Club
28th Jeddah Club
Strategic Products Selection
Tuesday 28-11-2023
8 PM EGY 9 PM KSA 10PM UAE
FOUNDER & HOST
Dr.Mahmoud Bahgat
Marketing Club
INSTRUCTOR
Dr.Hatem Kandeel
Business Development Manager

Hatem Kandeel

Pharmacist; MBA

Business Development Manager

1 Year SCOPE
1 Year in Hexal Egypt
10 Years in SAJA
7 Years Cigalah Healthcare

Strategic
Products selection

Market Macro Analysis

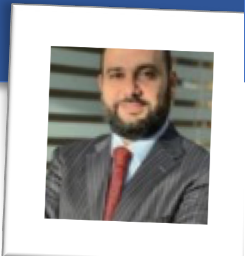
Pharmaceutical Industry

Macro Analysis HD-PESEL

Macro Analysis

H	D	P	E	S	T	E	L

HD - PESTEL



HD - PESTEL

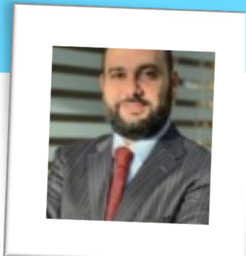
H | D | P | E | S | T | E | L

Historical Issues:

- Fluctuation of Oil prices in past few years.

Business Impact:

- Urge to focus on Non-Oil income.



HD - PESTEL

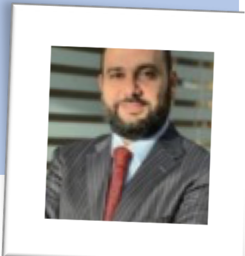
H | D | P | E | S | T | E | L

Demographics Issues:

- Potential market for Pharmaceutical products with population over 35 Million (2022 est.).
- Population growth rate: 1.63% (2022 est.)so the end consumer pool still growing.

Business Impact:

- Potential growing market.



Sources:
General Authority for statistics
CIA factsheet

HD - PESTEL

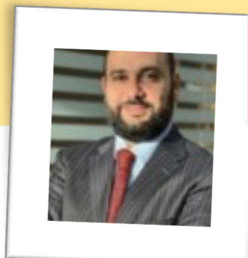
H D P E S T E L

Political

- 2030 vision.
- Main Business impact is the diversification plan for country economic resources other than petrol , nationalization program and encouraging local manufacturing.
- National security issue to secure the essential pharmaceutical products as well as the epidemic disease treatments as Diabetes and hypertension.

Business Impact:

- Nationalization program support by training & recruiting.
- Privilege for local manufacturers.



HD - PESTEL

H D P E S T E L

Economical Issues:

- Fluctuation of Oil prices.
- Supporting local industry.
- Governmental healthcare expenses become more efficient.
- Strong investment capabilities.

Business Impact:

- Privilege for local manufacturers especially in Public sectors tenders.
- Prices should be more efficient to cover the manufacturer profit to encourage investors meanwhile being affordable for the customers and end users.

HD - PESTEL

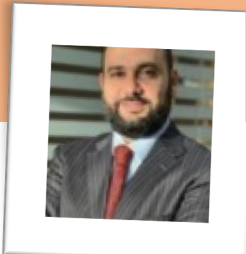
H | D | P | E | S | T | E | L

Socio-Cultural Issues:

- Conservative society.
- Privilege for Local manufactured goods over imported.

Business Impact:

- Local products will have better opportunity especially when they come with international high standards.



HD - PESTEL

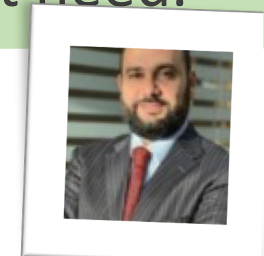
H | D | P | E | S | T | E | L

Technological Issues:

- Common generics and traditional pharmaceutical forms are predominating the local manufacturing.
- Lack of Sophisticated Know How products as Lyophilization and prefilled syringe.
- Lack of APIs manufacturing.

Business Impact:

- Need for building up a strong R&D based local industry.
- Need for building up mega production capacity to enhance the efficiency.
- Need for establish APIs manufacturing industry capable of covering the market need.



HD - PESTEL

H D P E S T E L

Environmental Issues:

- Potential Solar power in Saudi Arabia.
- Potential geographical location of KSA.
- Presence of potential Trade hubs across borders ..Air, maritime, and other transport operators

Business Impact:

- Avail the renewable energy while establishing the new manufacturing facilities.
- Invest in the trade routes to maximize their benefits and impacts.

HD - PESTEL

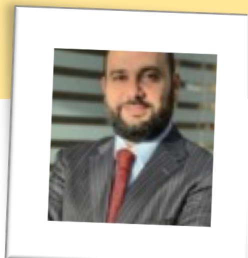
H D P E S T E L

Legal Issues:

- Update need for some Legal SOPs to facilitate the Industry.
- Licensing issues for expatriates skillful pharmacists.
- Nationalization high percentage in a tight time line.

Business Impact:

- Cooping with tight frame is a big challenge.
- Qualification program from the potential Saudi candidates to be aligned with the new polices.



Pharmaceutical Industry
Where are we and where to be ?

2022

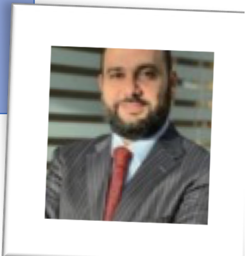
Where are we ?

- 20 local manufacturing site
- 20% of pharma market comes from Local manufacturers.
- Few sophisticated know how technologies.
- One Local APIs manufacturers (*CAD Middle East Pharmaceutical Industries LLC*).

2030

Where to be ?

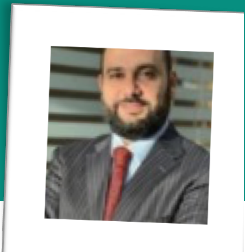
- 40 local manufacturing site
- 60% of pharma market comes from Local manufacturers.
- Localization of High tech Know How industries.
- Localization of APIs manufacturing.
- Globalization of Saudi manufacturing outside KSA, GCC, MENA towards Africa, Europe and Others.



Objectives from Vision to Reality

Key Results Areas:

1. R&D Results Area.
2. Manufacturing Results Area.
3. Investment and Financial Results Area



R&D KRAs

Reliable and trustworthy R&D shall be one of the major pillars of the pharmaceutical industry localization.

- **R&D KPIs:**
  1. Cooperation with dependable partners for Localization of R&D and production **KNOW HOW** in:
     - Chronic, epidemic and main diseases treatments.
     - Essential drugs for national security.
     - Complicated forms " Lyophilized, prefilled...etc."
  2. **Training programs** with our R&D partners in Saudi Arabia and all over the world and extend these training for the pharma faculties students in Saudi Arabia to help in industry nationalization.

Manufacturing KRAs

- Quality and Quantity measures should be applied to direct the industry for what should be produced and in which quantities.
- **Manufacturing KPIs :**

1. Focus on new pharmaceutical forms and new molecules.
2. Increase number of manufacturing facilities.
3. Increase capacity of production to enhance the efficiency.
4. 3 to 5 Years for importing the products before they should run into a localization process.

Investment and Financial KRAs

Indirect :

- Strengthen the macroeconomy

Direct :

- Cooperate with Saudi Authorities as Macro-Fiscal Policies Unit (MFPU) , Spending Efficiency Realization Center (SERC) and Etimad Platform to comply with the strategic vision 2030.

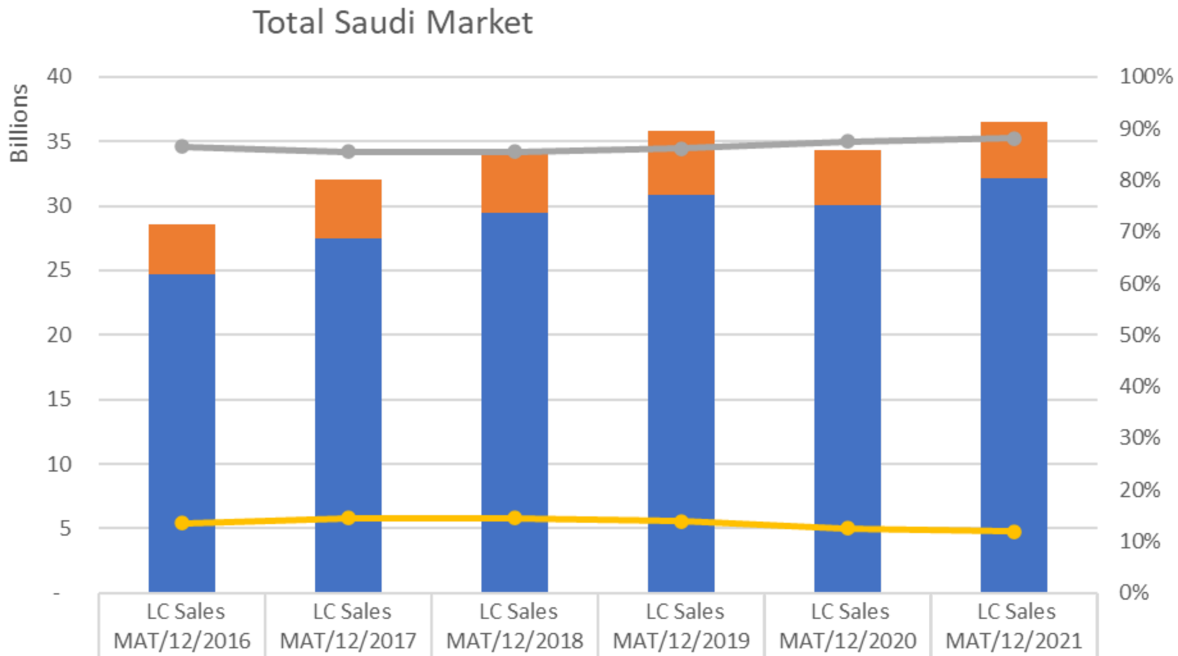
- **Investment and Financial KPIs:**

1. Acquisition and Investment in small to medium size R&D and pharma companies in
   - European countries: Ireland, Portugal..Etc
   - American countries: USA and Canada.
   - Asian countries: India - South Korea – Japan.
   - Arabic countries: Egypt - Jordan – Algeria.
   - Latin American countries: Brazil and Argentina.
2. Investment in Phase 2 and 3 new drugs in R&D companies.

Market Micro Analysis

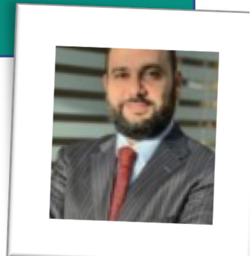
Saudi Market and Industry Update

Top 50 corporations in Saudi Arabia

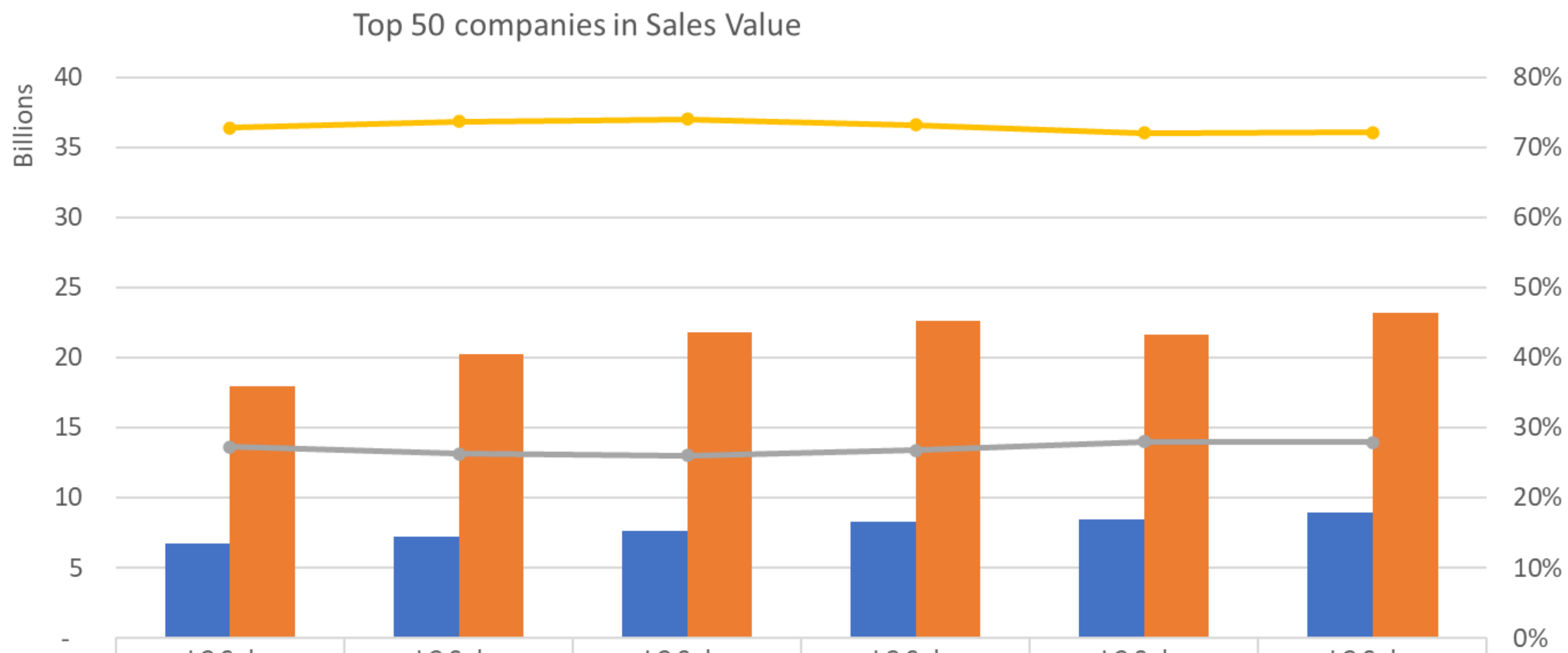


	LC Sales MAT/12/2016	LC Sales MAT/12/2017	LC Sales MAT/12/2018	LC Sales MAT/12/2019	LC Sales MAT/12/2020	LC Sales MAT/12/2021
Saudi Market Others	3,869,100,573	4,649,403,000	4,982,138,747	4,987,274,470	4,317,365,396	4,357,937,009
Saudi Market Top 50 companies	24,708,971,342	27,427,381,023	29,427,818,782	30,851,168,169	30,010,625,676	32,128,525,901
MS % - Saudi Market Top 50 companies	86%	86%	86%	86%	87%	88%
MS % - Saudi Market Others	14%	14%	14%	14%	13%	12%

Top 50 companies represent more than ***88%*** of total market with sales value of ***32 billion SAR.***

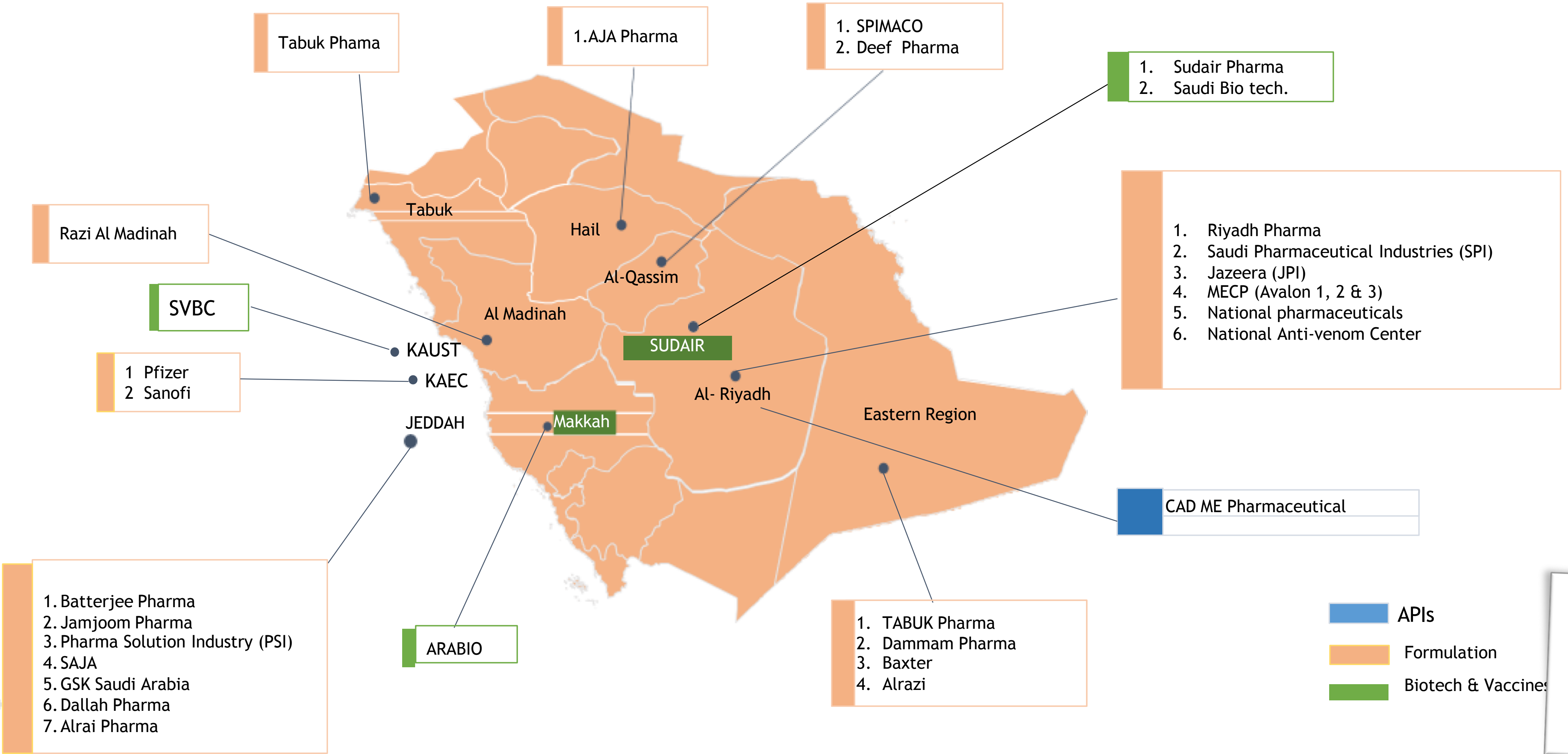


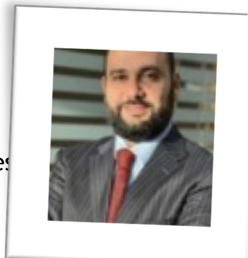
Currently Only 11 out of top 50 corporations are Local/Regional



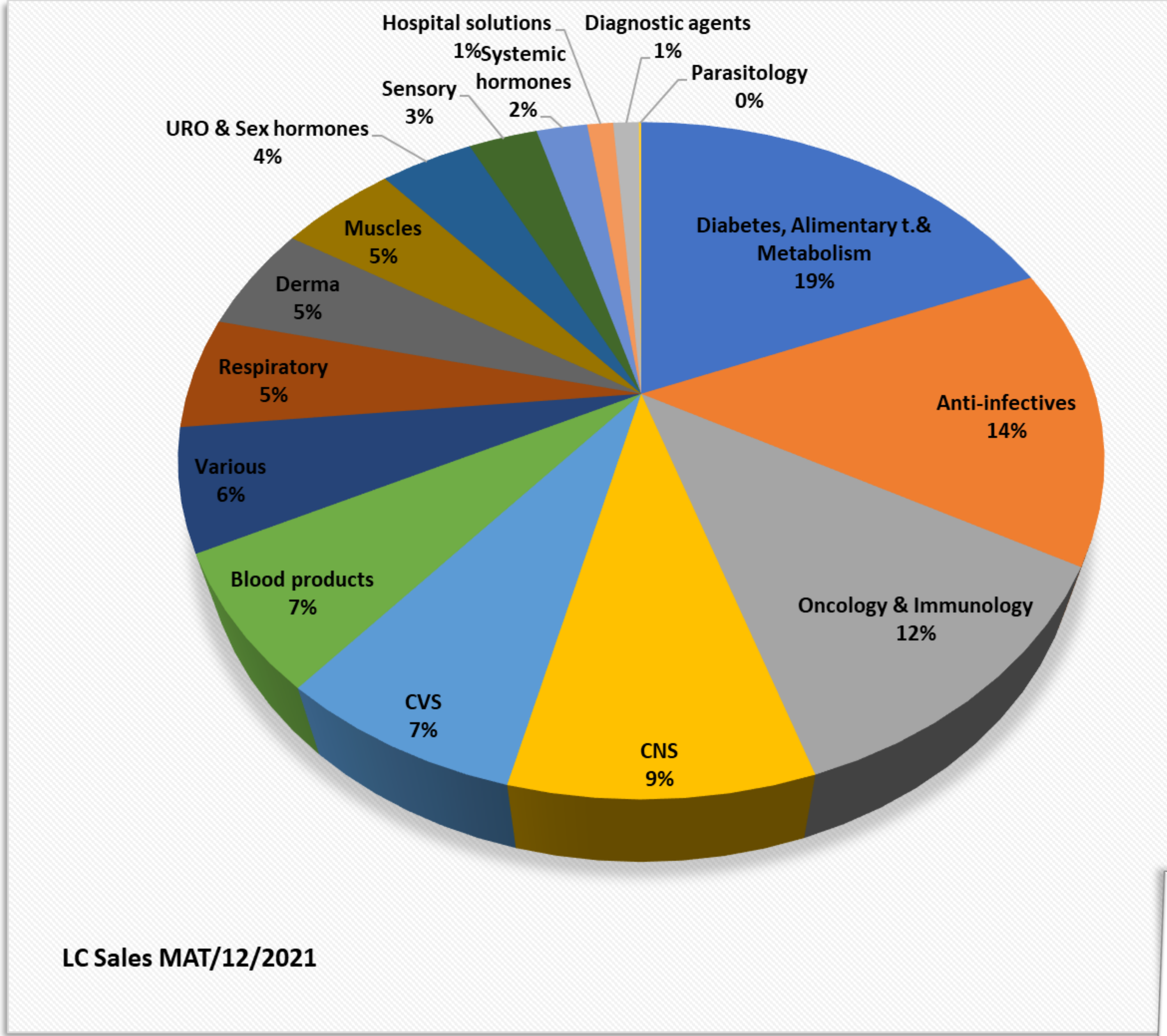
	LC Sales MAT/12/2016	LC Sales MAT/12/2017	LC Sales MAT/12/2018	LC Sales MAT/12/2019	LC Sales MAT/12/2020	LC Sales MAT/12/2021
Top Locals among top 50	6,740,136,611	7,214,055,707	7,657,918,776	8,265,567,818	8,407,647,666	8,965,419,936
Top Non-Locals among top 50	17,968,834,731	20,213,325,316	21,769,900,006	22,585,600,351	21,602,978,010	23,163,105,965
MS % - Top Locals among top 50	27%	26%	26%	27%	28%	28%
MS % - Top Non-Locals among top 50	73%	74%	74%	73%	72%	72%

Saudi Pharma manufacturing overview





Therapeutic groups Market Share in Saudi Arabia



Therapeutic groups Market Share in Saudi Arabia

Groups	LC Sales MAT/12/2021	MS %
Diabetes, Alimentary t.& Metabolism	6,834,361,318	19%
Anti-infectives	5,207,275,444	14%
Oncology & Immunology	4,362,544,525	12%
CNS	3,237,678,544	9%
CVS	2,645,296,373	7%
Blood products	2,376,545,518	7%
Various	2,116,098,859	6%
Respiratory	1,944,697,763	5%
Derma	1,870,356,203	5%
Muscles	1,787,919,110	5%
URO & Sex hormones	1,427,274,973	4%
Sensory	1,060,022,060	3%
Systemic hormones	784,576,990	2%
Hospital solutions	400,131,442	1%
Diagnostic agents	395,845,770	1%
Parasitology	35,838,018	0%
Total Saudi Market	36,486,462,910	100%

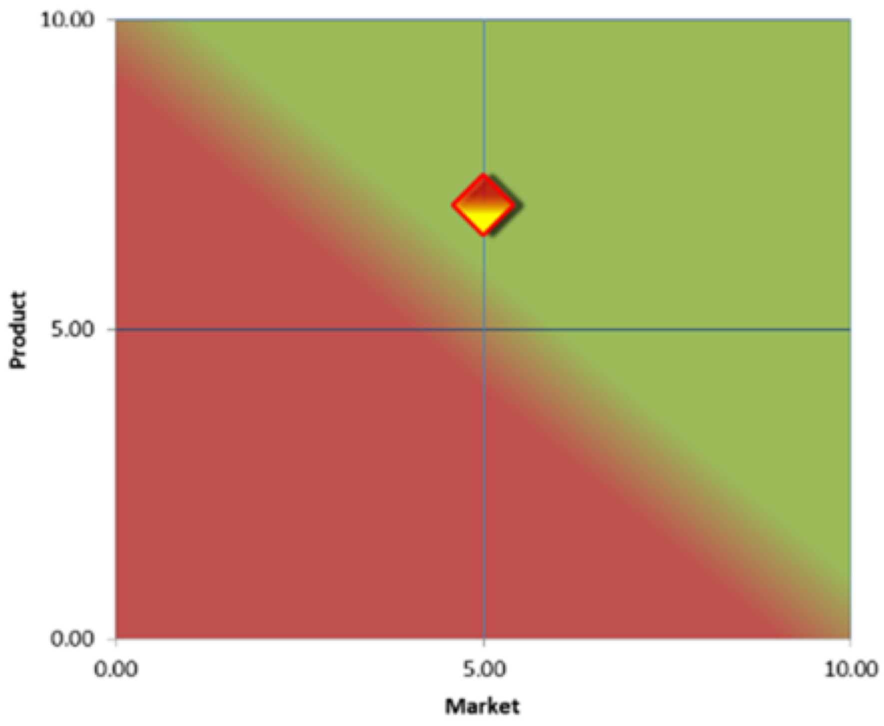
Products Selection Matrix

		Mercedes		Hyundai	
Market	Weight	Degree (1 ~ 10)	Score	Degree (1 ~	Score
Price of the car	5%	3	0.15	8	0.40
Maintenance	40%	10	4.00	7	2.80
Resale	5%	1	0.05	7	0.35
Parts	5%	1	0.05	5	0.25
Luxury	35%	10	3.50	5	1.75
Shape	10%	10	1.00	8	0.80
	100%		8.75		6.35

Products attractiveness

Product-Brand®				
Market	**Weight**	**Value**	**Degree (1 ~10)**	**Score**
Value Size in SAR	30%	###	10	**3.00**
Value CAGR %	20%	2.75	5	**1.00**
Trend of growth	25%	Extended Growing	6	**1.50**
No. of competitors	15%	19	1	**0.15**
Company experience	10%	Good	5	**0.50**
Total Market score	**100%**			**6.15**

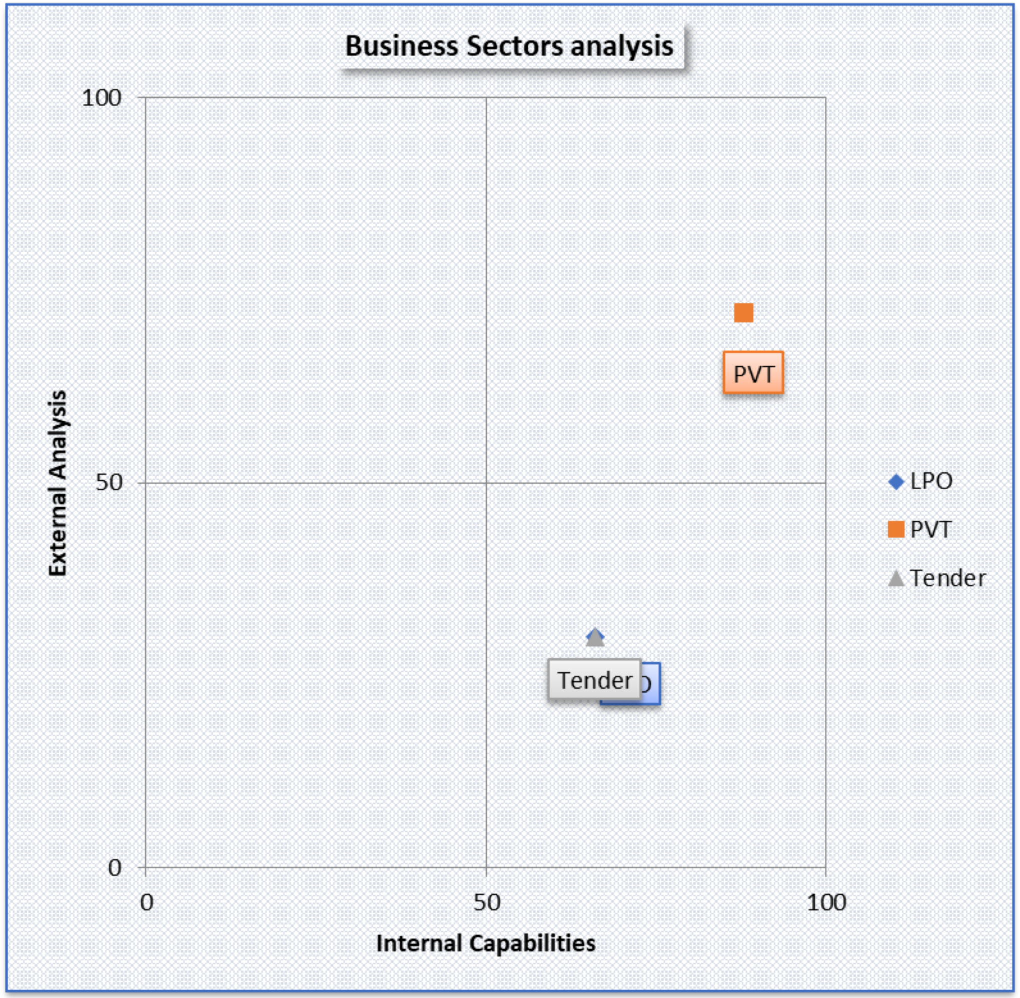
Product	**Weight**	**Value**	**Degree (1 ~ 6)**	**Score**
Our Brand SAR sales in 5th Year of Launch	30%	###	10	**3.00**
Peak Market Share in 5th Year of Launch	10%	6.40	4	**0.40**
Value CAG % for 5 Years of Launch	15%	16.20	10	**1.50**
Trend of growth	10%	Introduction	10	**1.00**
Price in SAR	20%	SAR ##	3	**0.60**
Product Profile (efficacy , safety, ...etc)	15%	Good	7	**1.05**
Total Product score	**100%**			**7.55**



Business Sectors

Business Sectors analysis		score			PVT		LPO		Tender	
External Analysis	Weight	10	5	0	Degree	Score	Degree	Score	Degree	Score
Accessibility	30	High	Medium	Low	10	30	1	3	1	3
Sales Value	30	> 50 m	up to 50 m	< 10 m	10	30	1	3	1	3
Growth Potential	15	>15%	up to 15%	<5%	8	12	1	2	1	2
Competition " Level and number"	25	Fierce competition	Medium	Low	10	0	1	23	1	23
Total External score	100				38	72	4	30	4	30
Internal Capabilities	Weight	10	5	0	Degree	Score	Degree	Score	Degree	Score
Product Profile	10	Good	Average	5%	10	10	5	5	5	5
Company Reputation	10	Strong	Medium	Low	8	8	10	10	10	10
Payment Terms and Facilities	10	Good	Average	Bad	8	8	8	8	8	8
Price / Discount	40	High	Medium	Low	8	32	10	40	10	40
Customer service	30	High	Medium	Low	10	30	1	3	1	3
Total Internal score	100				44	88	34	66	34	66

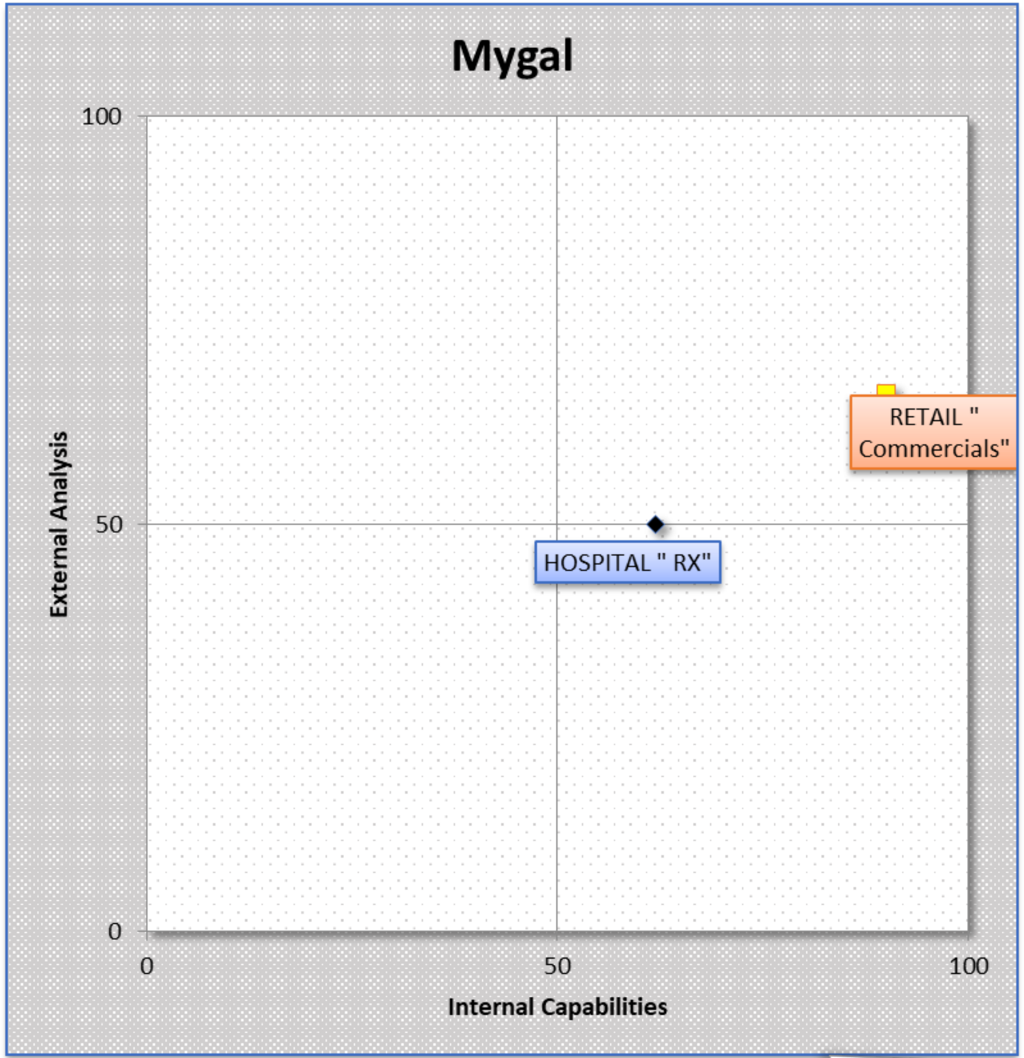
Conclusion	PVT	LPO	Tender
External Analysis	72	30	30
Internal Capabilities	88	66	66

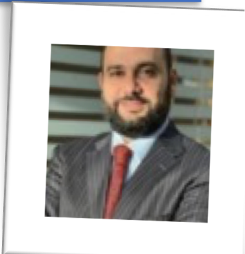


Market Segments

Product-Brand®					HOSPITAL " RX"		RETAIL " Commercials"	
External Analysis	Weight	10	5	0	Degree	Score	Degree	Score
Accessibility	30	High	Medium	Low	8.0	24.0	8.0	24.0
Potential $	30	High	Medium	Low	2.0	6.0	10.0	30.0
Growth Potential	15	>15%	up to 15%	<5%	5.0	7.5	8.0	12.0
Competition " Level and number"	25	Fierce competition	Medium	Low	5.0	12.5	10.0	0.0
Total Market score	100				20.0	50.0	36.0	66.0
Internal Capabilities	Weight	10	5	0	Degree	Score	Degree	Score
Product Profile	10	Good	Average	Bad	8.0	8.0	8.0	8.0
Company Reputation	10	Strong	Medium	Low	5.0	5.0	8.0	8.0
Payment Terms & Facilities	20	Good	Average	Bad	8.0	16.0	10.0	20.0
Price / Discount	30	High	Medium	Low	8.0	24.0	10.0	30.0
Customer service	30	High	Medium	Low	3.0	9.0	8.0	24.0
Total Product score	100				32.0	62.0	44.0	90.0

Conclusion	HOSPITAL " RX"	RETAIL " Commercials"
External Analysis	50	66
Internal Capabilities	62	90



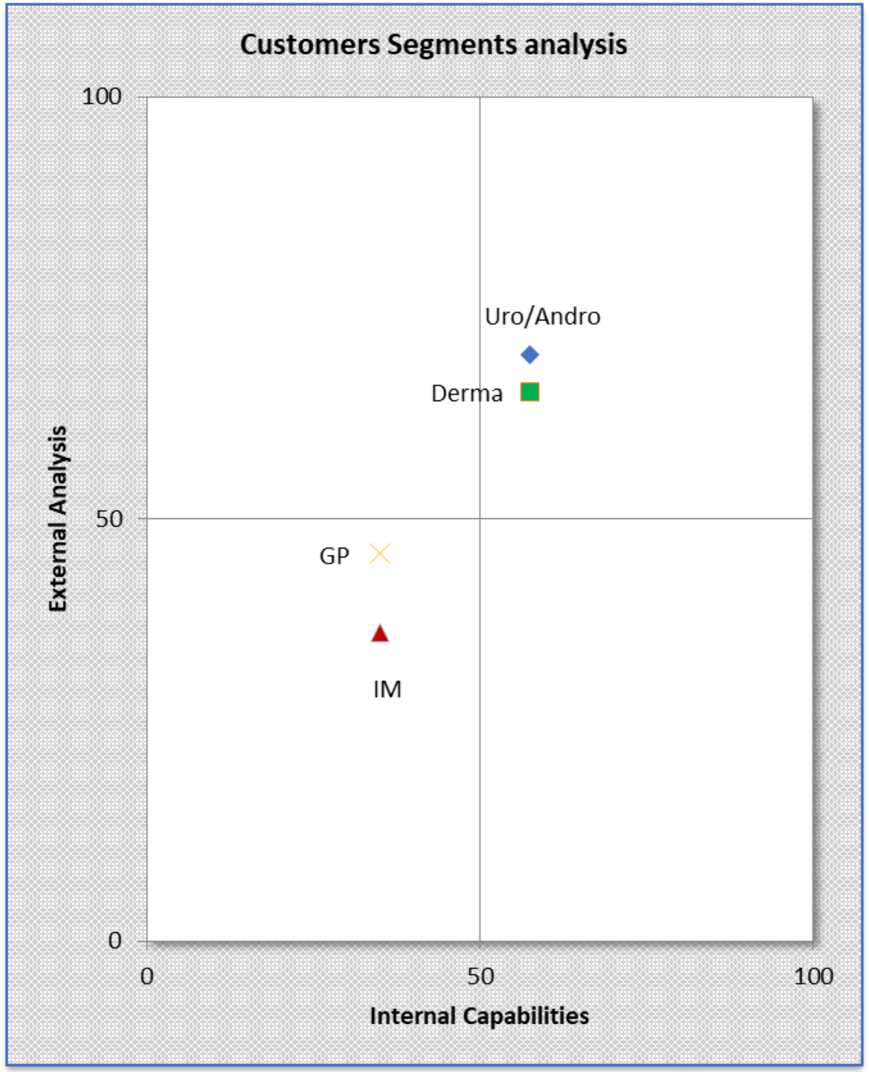


Customers Segments

Product-Brand®

Customers Segments analysis					*Uro/Andro*		*Derma*		*IM*		*GP*	
External Attractiveness	*Weight*	10	5	0	*Degree*	*Score*	*Degree*	*Score*	*Degree*	*Score*	*Degree*	*Score*
Accessibility	15	High	Medium	Low	*5.0*	*7.5*	*5.0*	*7.5*	*5.0*	*7.5*	*8.0*	*12.0*
Potentiality per head	50	High	Medium	Low	*10.0*	*50.0*	*8.0*	*40.0*	*2.0*	*10.0*	*3.0*	*15.0*
Growth Potential	15	>10%	up to 10%	<5%	*8.0*	*12.0*	*5.0*	*7.5*	*2.0*	*3.0*	*2.0*	*3.0*
Competition " Level and number"	20	Fierce competition	Medium	Low	*10.0*	*0.0*	*5.0*	*10.0*	*2.0*	*16.0*	*2.0*	*16.0*
Total Market score	100				*33.0*	*69.5*	*23.0*	*65.0*	*11.0*	*36.5*	*15.0*	*46.0*
					Uro/Andro		*Derma*		*IM*		*GP*	
Internal Capabilities	*Weight*	10	5	0	*Degree*	*Score*	*Degree*	*Score*	*Degree*	*Score*	*Degree*	*Score*
Product Profile	25	Good	Average	Bad	*8.0*	*20.0*	*8.0*	*20.0*	*5.0*	*12.5*	*5.0*	*12.5*
Company Reputation	25	Strong	Medium	Low	*5.0*	*12.5*	*5.0*	*12.5*	*5.0*	*12.5*	*5.0*	*12.5*
Customer service	50	High	Medium	Low	*5.0*	*25.0*	*5.0*	*25.0*	*2.0*	*10.0*	*2.0*	*10.0*
Total Product score	100				*18.0*	*57.5*	*18.0*	*57.5*	*12.0*	*35.0*	*12.0*	*35.0*

Conclusion	*Uro/Andro*	*Derma*	*IM*	*GP*
External Attractiveness	70	65	37	46
Internal Capabilities	58	58	35	35

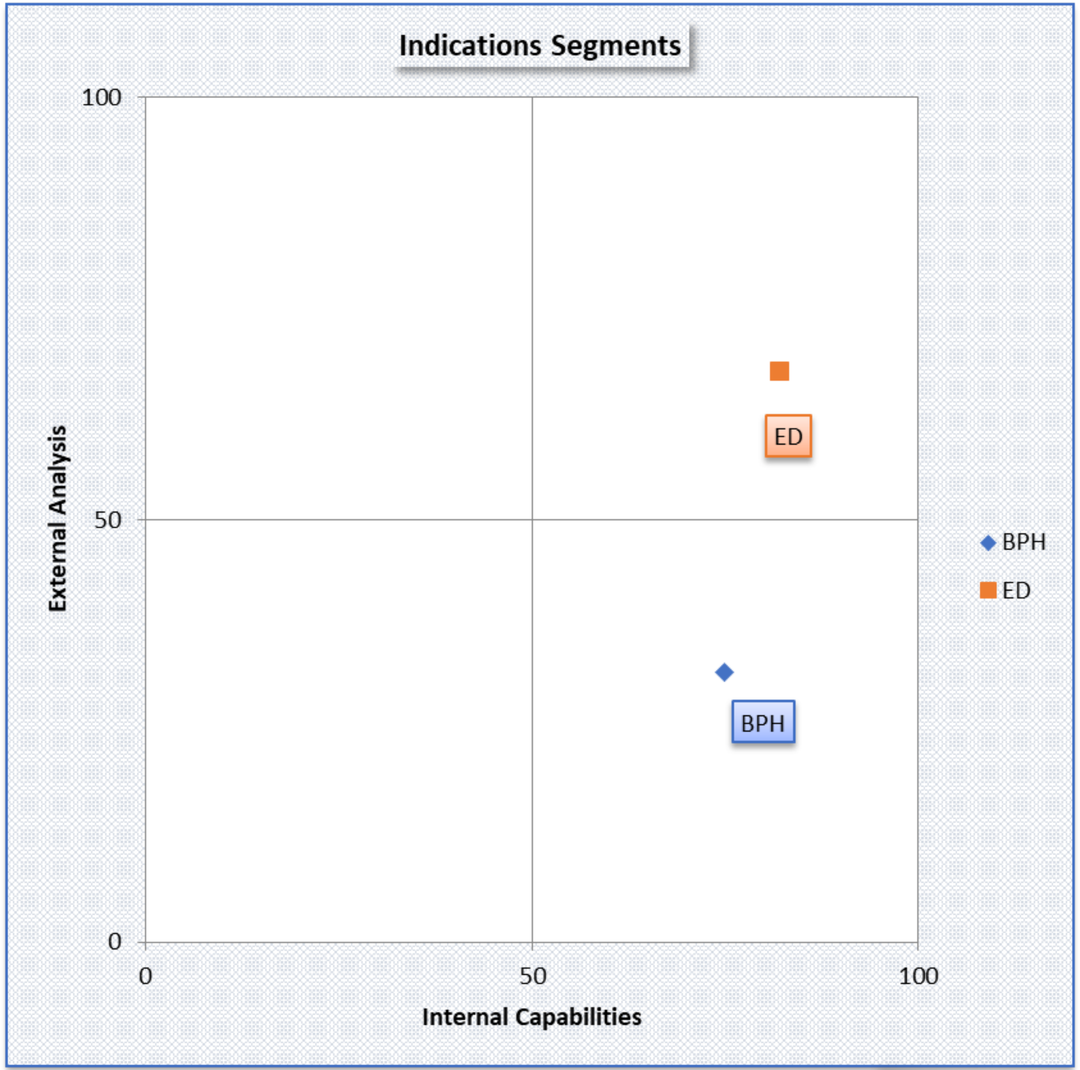


Indications Segments

Indications Segments		score			ED		BPH	
External Analysis	***Weight***	10	5	0	***Degree***	***Score***	***Degree***	***Score***
Accessibility	30	High	Medium	Low	*10*	*30*	*2*	*6*
Sales Value	30	> 50 m	up to 50 m	< 10 m	*10*	*30*	*2*	*6*
Growth Potential	15	>15%	up to 15%	<5%	*5*	*8*	*5*	*8*
Competition " Level and number"	25	Fierce competition	Medium	Low	*10*	*0*	*5*	*13*
Total External score	**100**				*35*	*68*	*14*	*32*

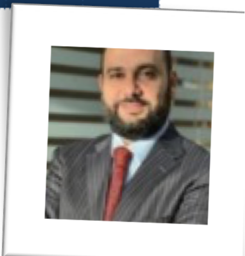
Internal Capabilities	***Weight***	10	5	0	***Degree***	***Score***	***Degree***	***Score***
Product Profile	10	Good	Average	5%	*10*	*10*	*3*	*3*
Company Reputation	10	Strong	Medium	Low	*8*	*8*	*8*	*8*
Payment Terms and Facilities	10	Good	Average	Bad	*8*	*8*	*8*	*8*
Price / Discount	40	High	Medium	Low	*8*	*32*	*8*	*32*
Customer service	30	High	Medium	Low	*8*	*24*	*8*	*24*
Total Internal score	**100**				*42*	*82*	*35*	*75*

Conclusion	***ED***	***BPH***
External Analysis	68	32
Internal Capabilities	82	75

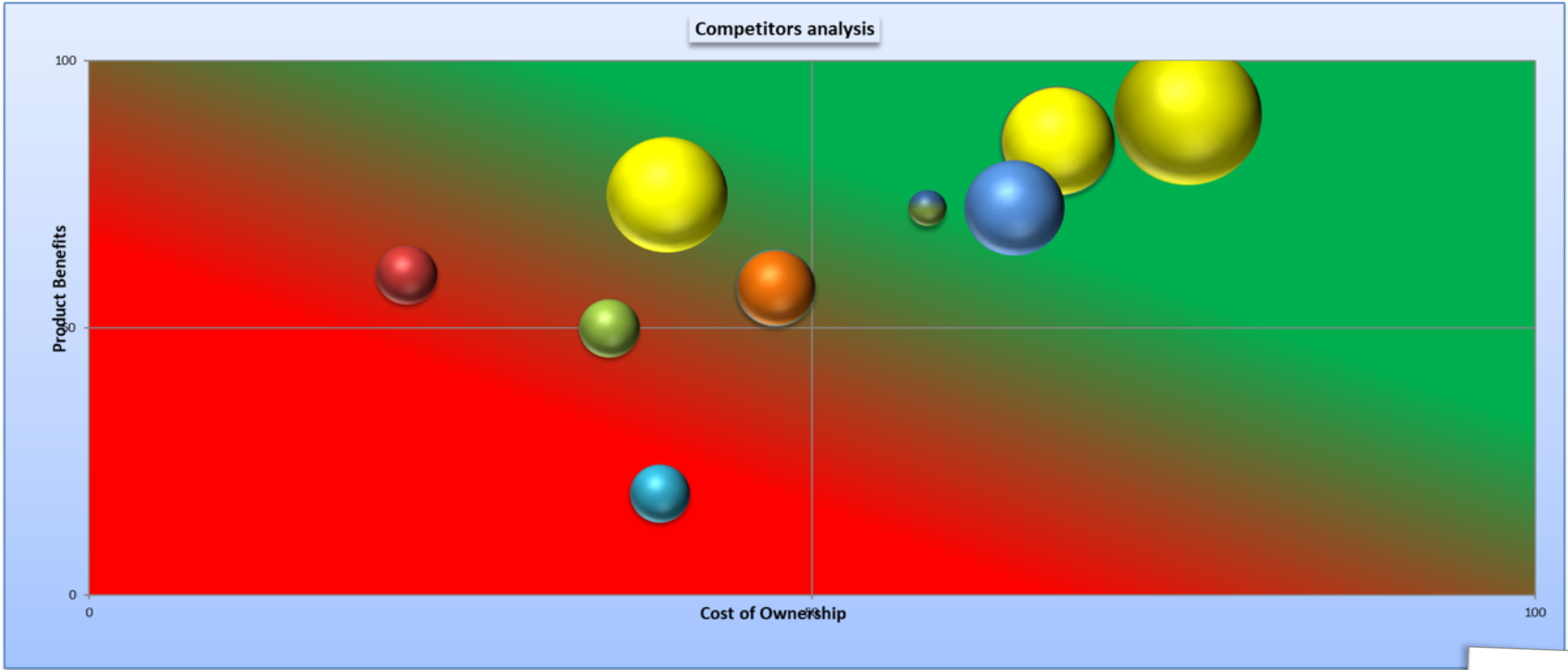


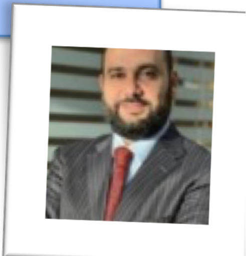
Competition analysis

Competitors analysis		score			Product-Brand®		Competitor1		Competitor2		Competitor3		Competitor4		Competitor5		Competitor6		Competitor7		Competitor8	
Product Benefits	W	10	5	0	D	S	D	S	D	S	D	S	D	S	D	S	D	S	D	S	D	S
Product Profile	25	Good	Average	Bad	8	20	10	25	10	25	10	25	5	13	8	20	7	18	5	13	1	3
Company Reputation	25	Good	Average	Bad	5	13	10	25	10	25	8	20	8	20	5	13	7	18	5	13	3	8
Marketing Activities"Materials,...etc"	10	Good	Average	Bad	8	8	5	5	8	8	8	8	8	8	5	5	5	5	5	5	1	1
Promotion Activities"Physicians...etc"	20	Good	Average	Bad	8	16	5	10	8	16	8	16	8	16	5	10	5	10	5	10	2	4
Sales Activities "Purchasers..etc"	20	Good	Average	Bad	8	16	5	10	8	16	8	16	8	16	5	10	5	10	5	10	2	4
Total Product Benefits score	100				37	73	35	75	44	90	42	85	37	73	28	58	29	60	25	50	9	19
Cost of Ownership	W	10	5	0	D	S	D	S	D	S	D	S	D	S	D	S	D	S	D	S	D	S
Product Price	15	High	Medium	Low	5	8	10	0	8	3	6	6	8	3	5	8	8	3	8	3	1	14
Payment Terms	25	Good	Average	Bad	8	20	5	13	10	25	8	20	8	20	5	13	2	5	4	10	3	8
Bonus	20	Good	Average	Bad	5	10	5	10	10	20	8	16	8	16	5	10	2	4	4	8	3	6
Donations	15	Good	Average	Bad	5	8	5	8	10	15	8	12	8	12	5	8	2	3	4	6	3	5
Credit Facilities	10	Good	Average	Bad	8	8	5	5	8	8	8	8	8	8	5	5	2	2	4	4	3	3
Expiry Guaranty	5	Good	Average	Bad	10	5	10	5	10	5	10	5	10	5	10	5	10	5	10	5	10	5
Total Cost of Ownership	85				41	58	40	40	56	76	48	67	50	64	35	48	26	22	34	36	23	40



Competition analysis





Q &A
Thanks

Still celebrating 8th Year Anniversary
since 29-10-2015
118th Marketing Club
78th Business Club
28th Jeddah Club
Strategic Products Selection
Tuesday 28-11-2023
8 PM EGY 9 PM KSA 10PM UAE
FOUNDER & HOST
Dr.Mahmoud Bahgat
Marketing Club
INSTRUCTOR
Dr.Hatem Kandeel
Business Development Manager