

March 2023

Nahdi Medical Company

INVESTOR PRESENTATION FY 2022



النهدى
nahdi

We exist to add beats to our Guests lives everyday

Vision



To be the most loved & trusted health and wellbeing partner of all our Guests

Mission



To exceed all Guests' expectations by providing superior personalised lifecare experiences everyday, everywhere

Values



- Integrity
- Leading with Purpose
- Care
- Excellence
- Collaboration



35+ years
of building trust



#1 pharmacy chain
In KSA with 1,086 stores



140 cities
serving 97% of KSA population



c. 100mn Guests / yr.
served across pharmacies



75% of revenue
Generated by Nuhdeek members



3 poly & 48 express
clinics along with telemedicine and home health care offering



+ SAR 1bn
in Private Label & Direct Import (13% Sales Contribution)



+ SAR 1bn
in Online Sales from Nahdi Website & Application (13% Sales Contribution)



SAR 8.6bn
Annual Revenue FY 2022



SAR 888mn
Annual Net Profit FY 2022,
10.3% NP Margin



18.0%
Return on Assets (RoA) FY 2022



39.6%
Return on Equity (RoE) FY 2022



SAR 6.83
Earnings Per Share (EPS) FY 2022



SAR 5.31
Dividend Per Share (DPS) FY 2022, 78% Dividend Payout Ratio



BUSINESS OVERVIEW



Highly qualified staff led by strong board and management supported by prominent shareholders



Market leading pharmacy with strong brand and growing private label that adds beats to communities



State-of-the-art distribution capabilities



Seamless omnichannel experience underpinned by best-in-class digital and online offerings



Integrated healthcare services delivered through omnihealth platform



Clear strategy to achieve sustainable growth



Robust business and financial profile





CORPORATE STRATEGY

NAHDI HAS IDENTIFIED 4 STRATEGIC PILLARS TO DRIVE THE PERFORMANCE AND EXPANSION OF THE FIRM



- Boost strategic product categories
- Enhance strong brand image and loyalty
- Grow private label contribution

- Extend footprint in KSA
- Accelerate expansion in the UAE
- Drive omnichannel offering

- Enhance tech and supply chain capabilities
- Attract and retain top talents
- Expand strategic partnerships

- Become a primary care hub with express clinics
- Expand health services via polyclinics, labs, home healthcare
- Further enhance telemedicine and digital offering

LED BY STRONG MANAGEMENT AND A DEDICATED BOARD, SUPPORTED BY PROMINENT SHAREHOLDERS

Experienced members of the board...



Saleh Bin Mahfouz
Chairman of the board



Abdullah Al Nahdi
Founder and Vice Chairman



Abdelelah Bin Mahfouz
Board Member



Yasser Joharji
Board Member



Abdellatif Al Seif
Independent
Board Member



Romain Voog
Independent
Board Member



Dr. Junaid Bajwa
Independent
Board Member

...led by a strong management team...



Yaser Joharji
Chief Executive Officer
29+ years of experience



Hani Ismail
Chief Marketing &
Strategy Officer
27+ years of experience



Mohammed Alkhubani
Chief Financial officer
26+ years of experience



Zuhair Aytah
Chief Network
Development Officer
25+ years of experience



Raed J. Monagel
Chief Supply Chain Officer
23+ years of experience



Samer Bokharee
Chief HR Officer
21+ years of experience



Dr. Khalid Tadlaoui
Chief Information
Technology Officer
29+ years of experience



Karim Dimitri
Chief Commercial Officer
29+ years of experience



Dr. Hossam Khattab
Chief Operations Officer
19+ years of experience



...with strong governance standards in place

Comprehensive corporate governance structure with policies and procedures is enacted

Audit Committee

Nomination & Remuneration Committee (NRC)

Digital & Cybersecurity Committee

✓ Deep understanding of the sector with over 200 years of cumulative management experience

✓ Credible management team with strong track record

✓ Renowned investor base with strong commitment to the business and sector

✓ Strong corporate governance practices in place

✓ Independent Board members with multinational experience

OUR SUCCESS IS ROOTED IN OUR PASSION FOR PEOPLE

Nahdi has a healthy nationalization rate, coupled with a growing Saudi female workforce

5,382*

Overall Nahdi headcount (Dec. 2022)

4,070

Nahdi pharmacists (Dec. 2022)

337

Clinical staff (Dec. 2022)

Nahdi is committed to the nationalization regulation



National
33%

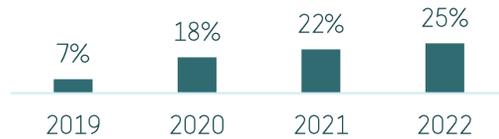


Non-National
67%

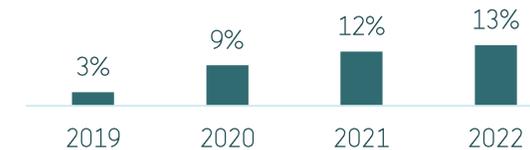


Nationalization

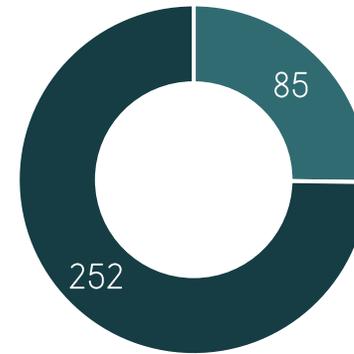
1,000+



Feminization



Clinical staff roles %



Source: Company disclosure
* Total number of Nahdi and Nahdi Subsidiary staff is 10,638



NAHDI WINS WITH GUESTS BY PROVIDING TOP IN CLASS PRODUCT, SERVICES AND SOLUTIONS



Pharmacists' services



- Consultation
- Medical adherence
- Full diet solution
- Refill

Pharmacy



- Beauty applications
- Scan & GO service
- Wazen Hayatak program
- Drive-thru

Online



- Click & Collect
- E pharmacist
- Store to home
- Nahdi Global

Health Care services



- NahdiCare express (Non-Urgent care)
- Virtual Consultations
- Home HealthCare

NAHDI'S FLAGSHIP BUSINESS IS THE LEADING PHARMACY RETAIL CHAIN IN KSA

Pharmaceutical Retail Business



 **#1**

With 31% market share
and c.10% of stores¹



 **1,086**

pharmacies in 143 cities
& villages regionally*



 **3**

Distribution centers



 **419K**

s.q.m
Total store area



Medicine



Wellness



Beauty



FMCG



Mom & Baby

Source: Company disclosure & research as of December 2022
* Including KSA and UAE



Building Strategic Private Label Mega Brands - Across Divisions

Winning Playbook - Guests at the core of Design

Exceeding
SAR 1 Billion



Opportunity
Guest Needs +
Segment Size



Product Design
R&D + Supplier



Concept Test
Drive Purchase Intent



Packaging Test
Winning vs. Competition



Fundamentals
Offline & Online



Holistic Launch
Guest Touchpoints



Gamar Megabrand - Mom & Baby Case Study



Beatswell. **CLÉVIE** **orex** *felbella*
بيتس ويل

SAR +200 mn Opportunity



Product Tested



Concept Tested



Packaging Tested



Fundamentals in Place



Holistic Launch

Sales in 2022 of SAR 143mn, +57% Growth vs 2021

ADDING BEATS TO OUR COMMUNITY VIA CSR EFFORTS



Health Responsibility

Wellness Responsibility

Mom & Baby Responsibility

2030 Target

10mn
Guests

Strategic
Partners



2030 Target

16mn Guests

Strategic
Partners



2030 Target

10mn Guests

Strategic
Partners

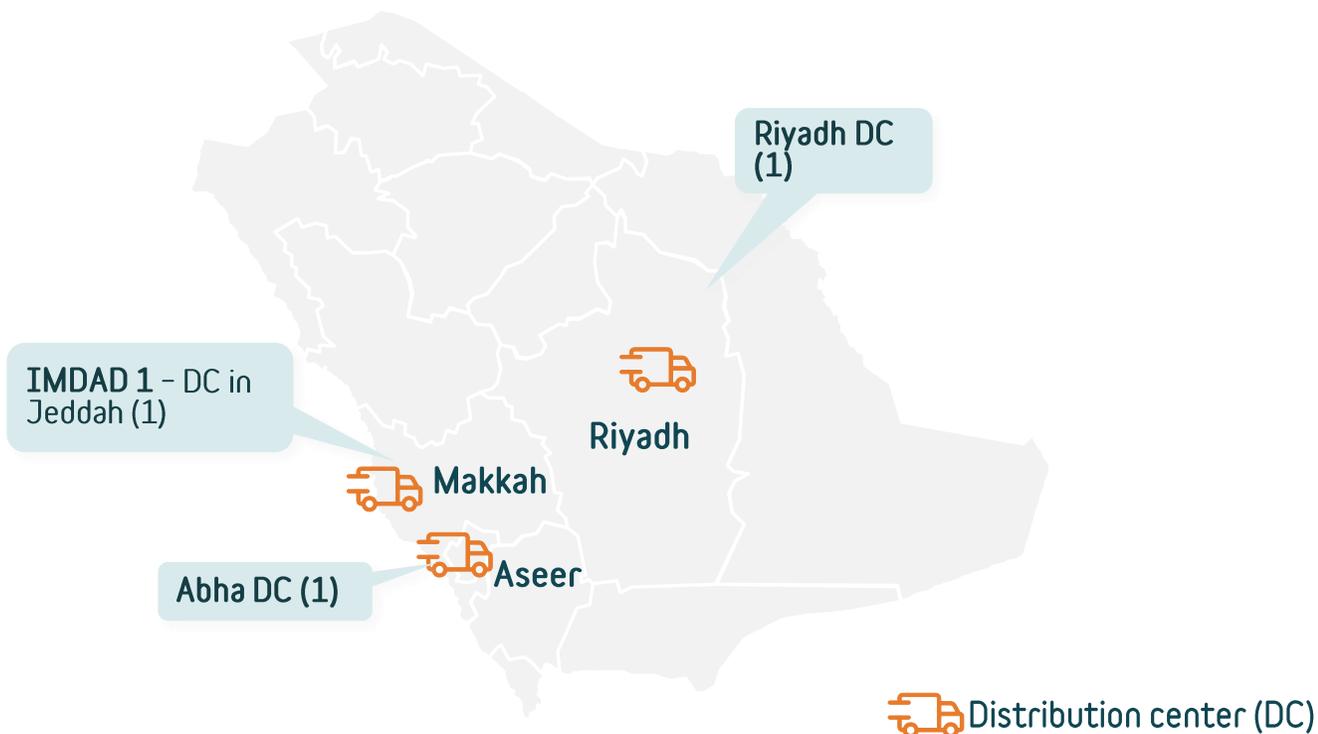


In recognition of our CSR efforts, we were awarded the CSR Program Award (Best Community Development)

STATE-OF-THE-ART DISTRIBUTION AND SUPPLY CHAIN CAPABILITIES TO COMPREHENSIVELY SERVE ALL HEALTHCARE NEEDS ACROSS THE GCC

UNMATCHED SUPPLY CHAIN CAPABILITIES

- Advanced supply chain capabilities with coverage across the KSA, UAE and other GCC countries
- Best-in-class supply chain technologies to build capacity towards a virtual endless shelf



USPs

-  **Smart fulfilment distribution centres** 
-  **250,000 m² Land**
80,000 m² Built up area 
-  **236mn+**
units delivered in 2022 
-  **110**
delivery hub stores 

INTEGRATED HEALTHCARE SERVICES FOR ALL KEY PRIMARY HEALTHCARE NEEDS THROUGH OUR PROPRIETARY OMNIHEALTH PLATFORM

Strengths of Nahdi



Market opportunity



Telemedicine		<p>+276,000 virtual consultations in 2022 Vs. +57,000 calls in 2021</p>
Home Healthcare		<p>+3,200 Home Healthcare Visits in 2022</p>
Express Clinics		<p>NahdiCare Express Clinics jumped from 7 to 48 clinics as year-end 2022</p>
Polyclinics		<p>3 polyclinics Served +500,000 Guests in 2022</p>

FINANCIAL HIGHLIGHTS AS FY 2022



SAR **8.6bn**
Revenue



SAR **888mn**
Net profit



SAR **6.83**
EPS



Generating strong free cash flow

SAR **1.39bn**

Free Cash flow

87%

FCF conversion rate

Zero Debt

Committed to returning cash to shareholders

SAR **690mn**

Total amount
distributed

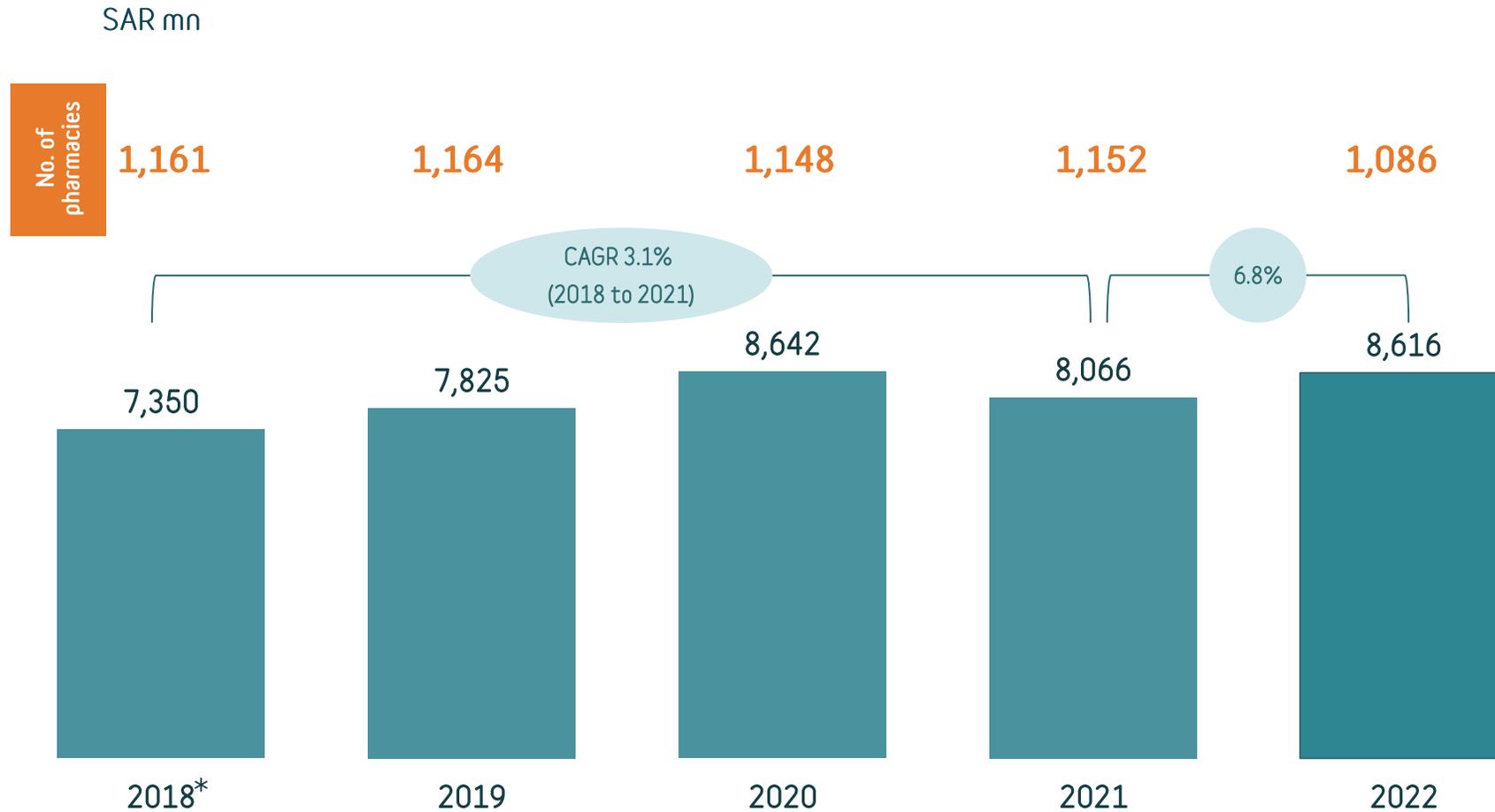
78%

Dividend Payout Ratio



CONSISTANT TRACK RECORD OF VALUE CREATION

Revenue Growth



Solid sales growth of 6.8% in 2022 ahead of historic CAGR (2018 to 2021) of 3.1%

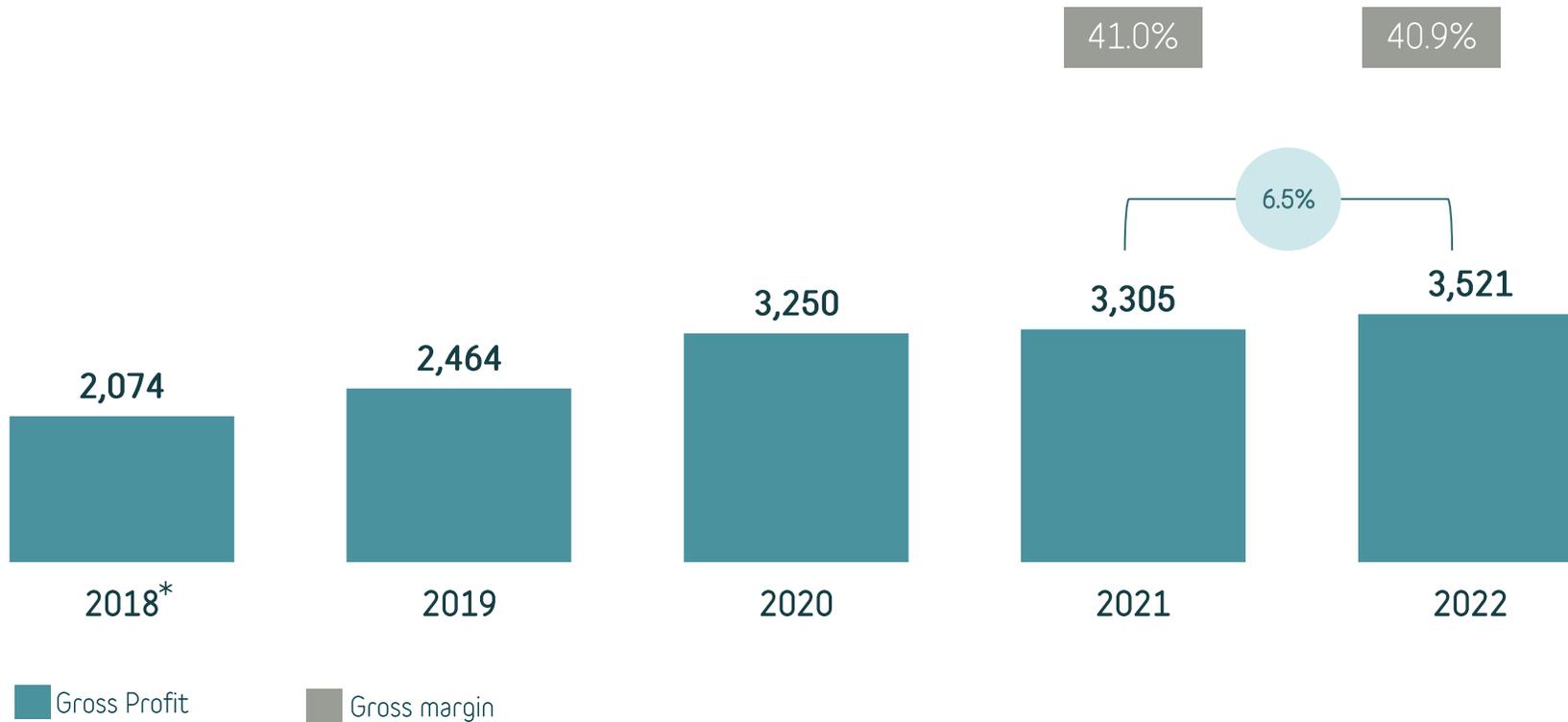
- In 2022 Revenue increased by 6.8%, mainly driven by the growth within the Pharma segment and the return of religious tourism to the two Holy Mosques in Makkah and Madinah to their normal levels.
- 2020 was an exception year due to the pandemic, which lifted sales.

Source: Company disclosure
* Note: 2018 Pre-IFRS



SUPERIOR GROSS PROFIT MARGIN

SAR mn



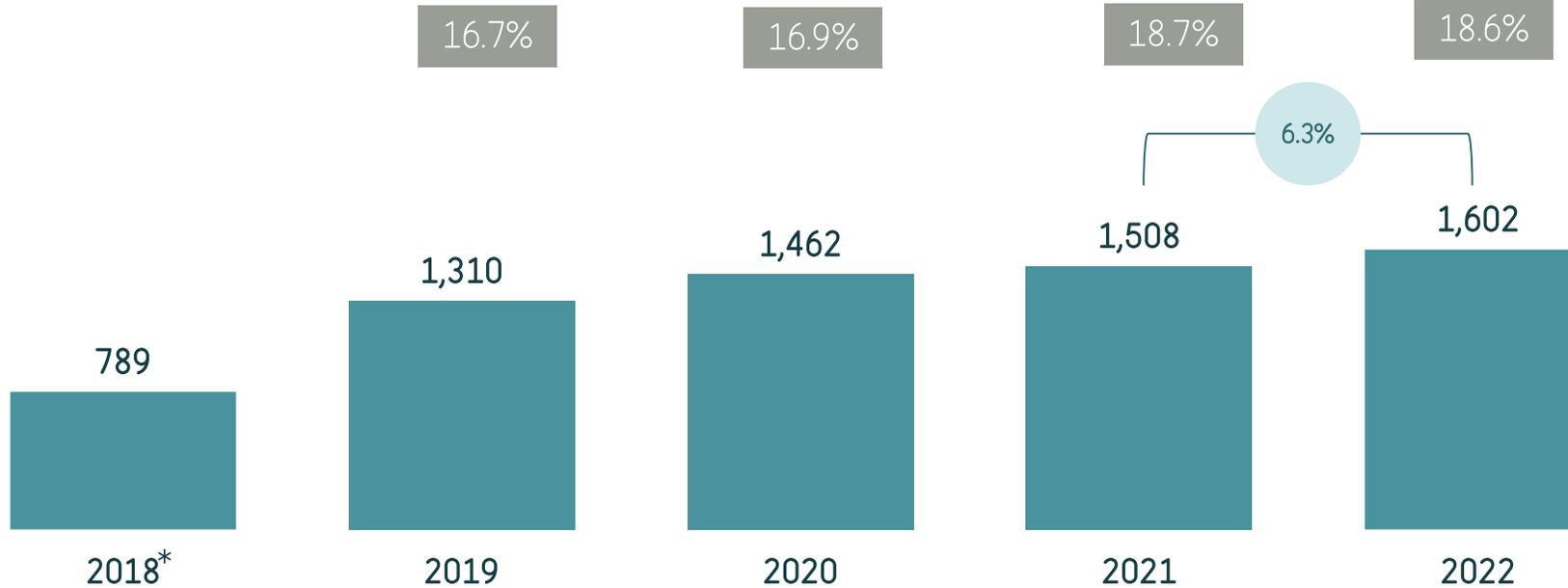
2022 Gross Profit increased by 6.5% as a result of sales growth, gross margin reached 40.9%, maintaining same level of last year.

Source: Company disclosure
*Note: 2018 Pre-IFRS



STRONG EBITDA OUTCOMES

SAR mn



■ EBITDA / Revenue

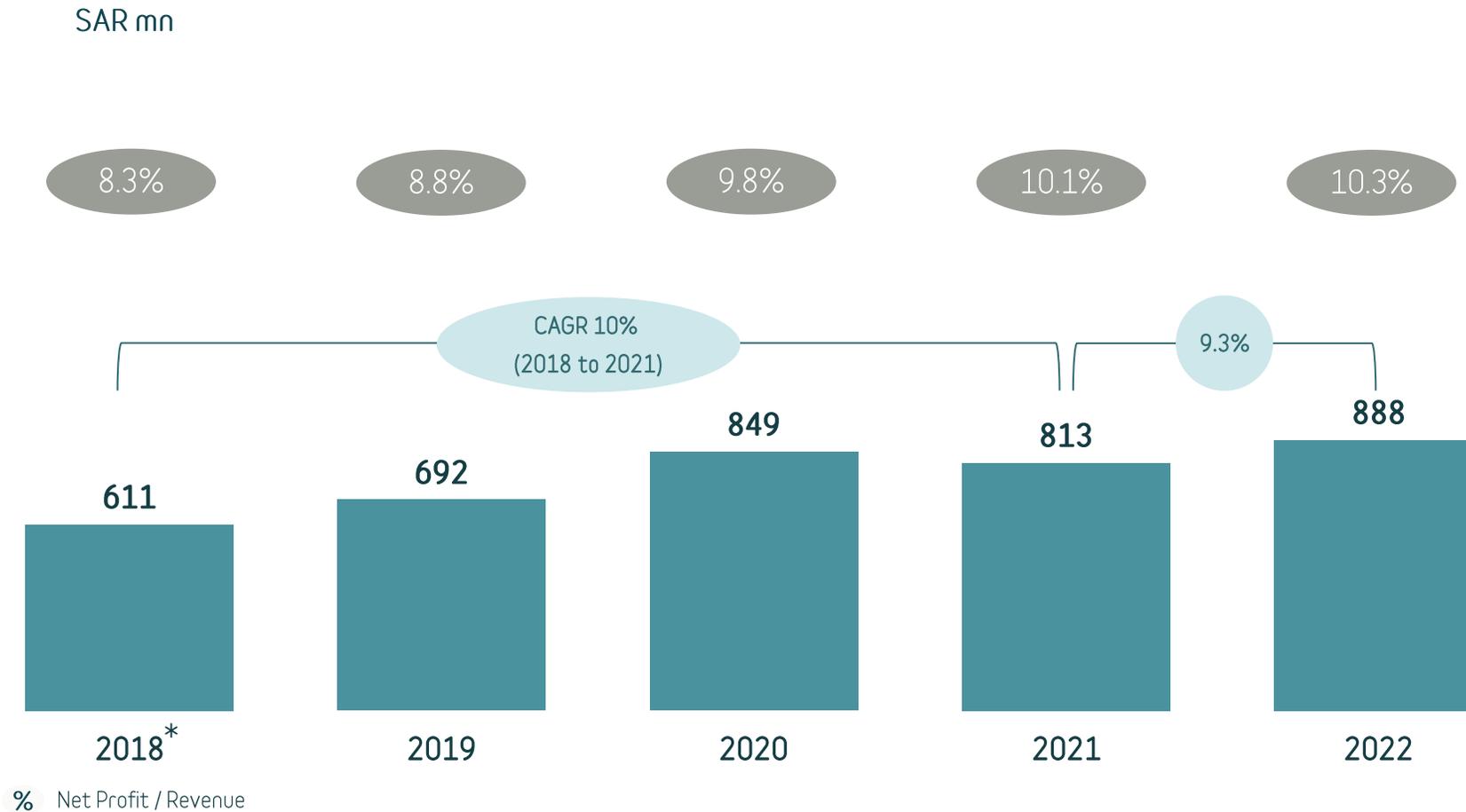
Source: Company disclosure
*Note: 2018 Pre-IFRS

Maintaining best-in-class EBITDA margin

- Solid business model delivering healthy margins.
- Keeping its positive trajectory while maintaining the margin at 18.6% same as 2021 level.
- Stable gross margin with strong control on OPEX & CAPEX management focusing on efficiencies to mitigate additional expenses.



ATTRACTIVE NET PROFIT PROFILE



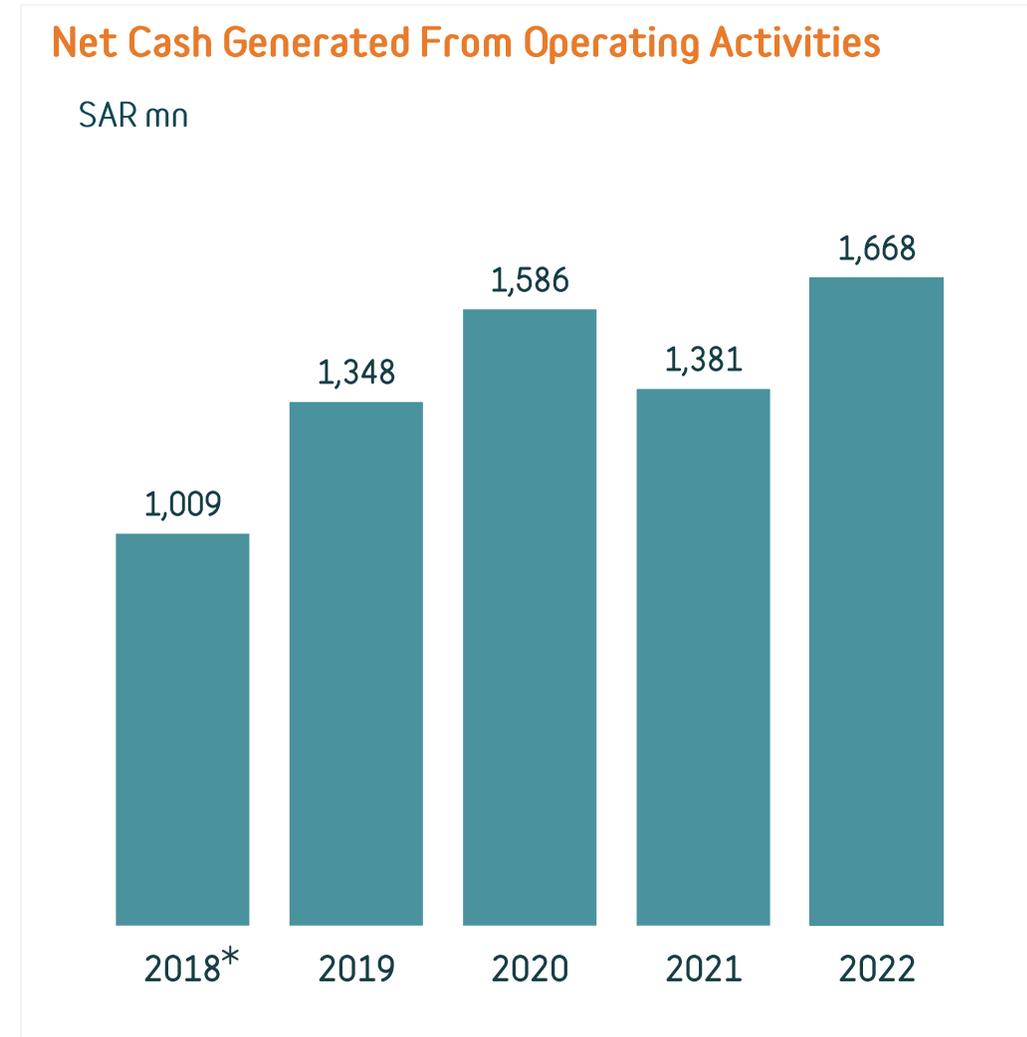
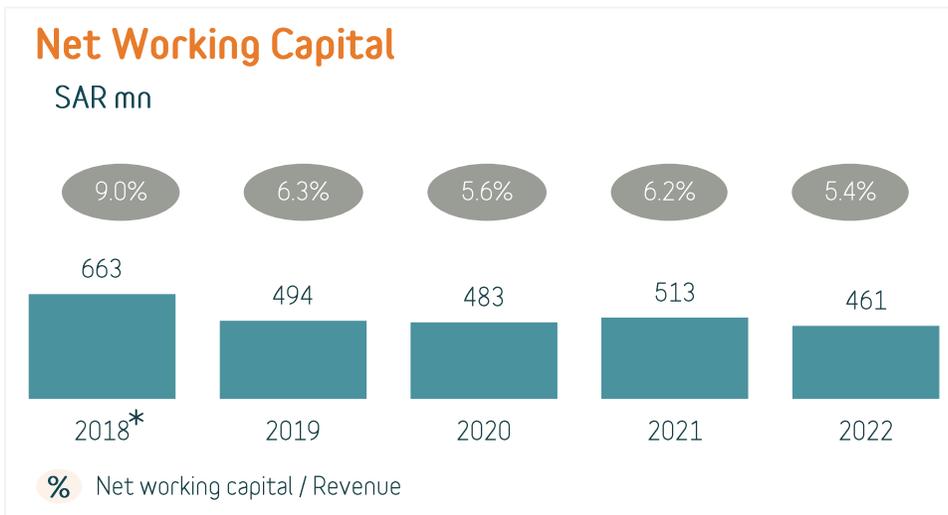
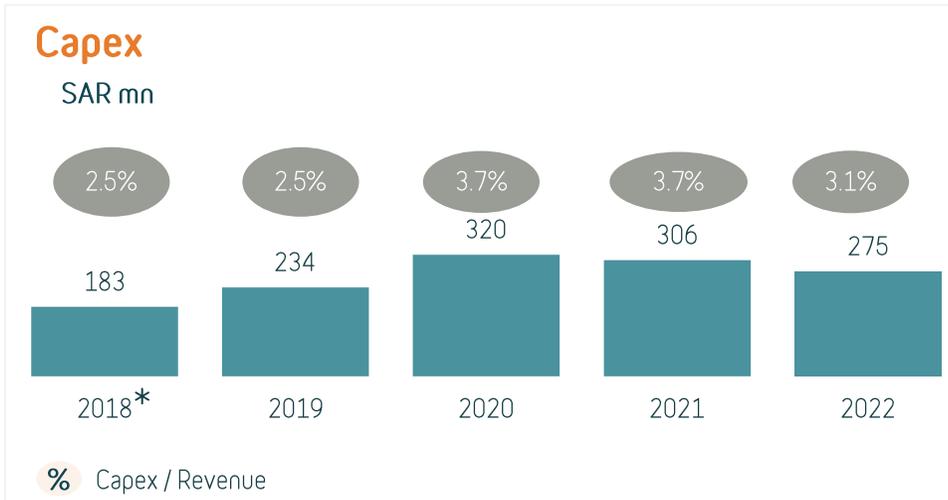
Maintaining a double-digit bottom line

- 2022 Net Profit increased by 9.3% driven by the growth in revenue and gross profit.
- The profit margin improved by 0.2% reaching 10.3% of revenue in the current year compared to 10.1% in the last year, mainly driven by the efficiency in the managing of operating expenses.

Source: Company disclosure
*Note: 2018 Pre-IFRS



WELL-INVESTED BUSINESS TO SUPPORT NEXT PHASE OF GROWTH WITH LIMITED WORKING CAPITAL REQUIREMENTS

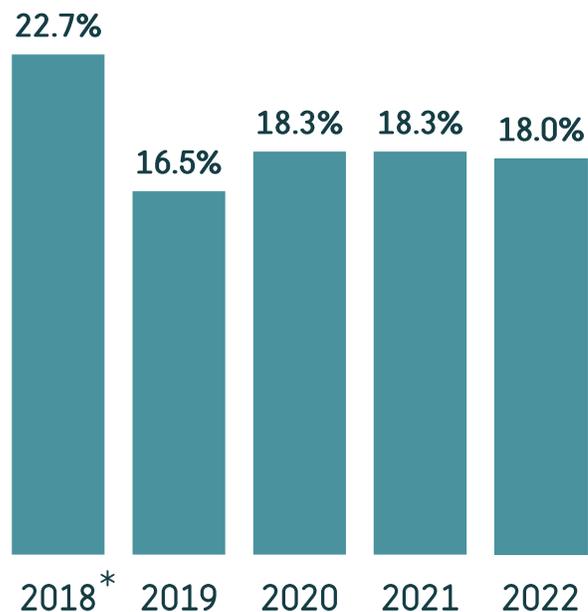


* Source: Company disclosure
Note: 2018 Pre-IFRS

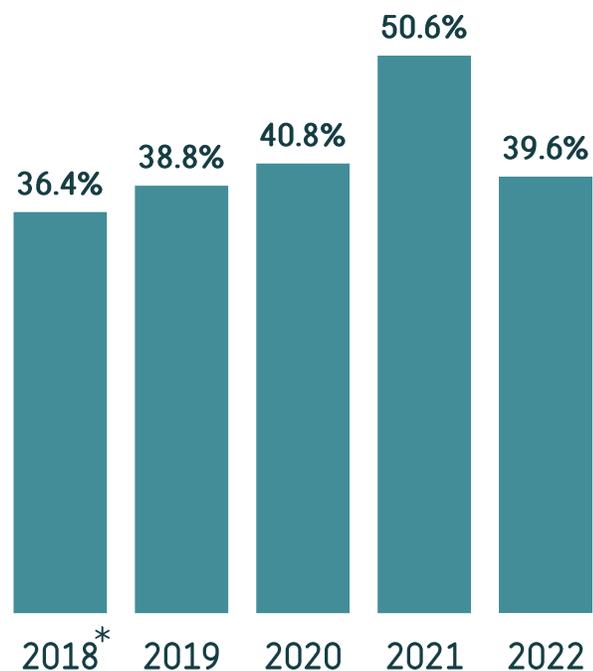


RESULTING IN SUPERIOR RETURN ON ASSETS AND EQUITY

Return on Assets ¹



Return on Equity ²



Demonstrating the sustainable profitability of our business with 39.6% ROE and 18.0% ROA in 2022, higher than retailers' industry averages³

Source: Company disclosure

1. Calculated as net profit of the year divided by total assets

2. Calculated as net profit of the year divided by total equity

3. Peers include: Aldawaa, Extra, Abdullah Al Othaim and Dr. Sulaiman Al Habib

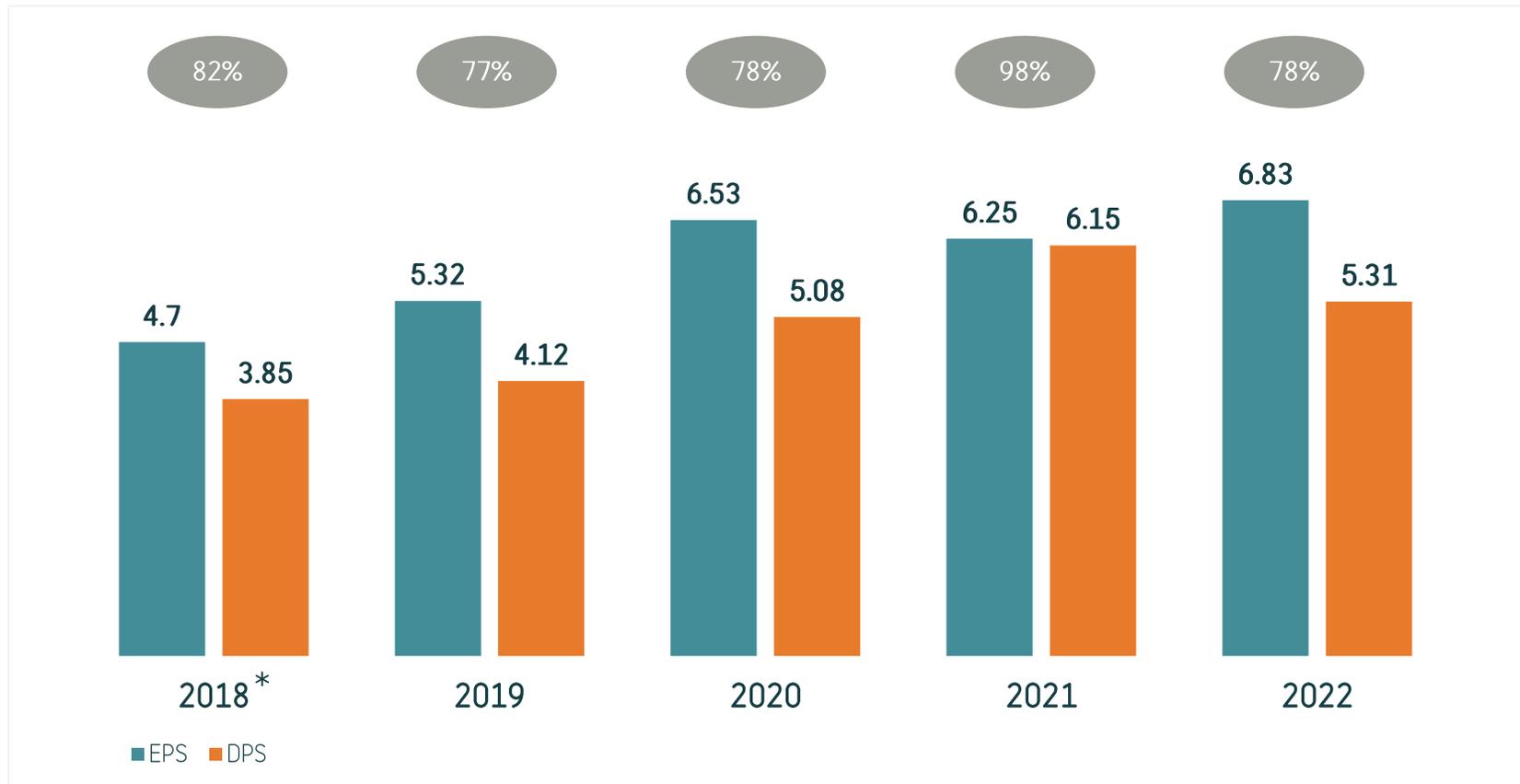
* Note: 2018 Pre-IFRS



CONSISTANT DIVIDEND REWARDS TO SHAREHOLDERS

Dividends Payout %

SAR/Share



Sustainable and consistent Dividends payouts, in line with the company's dividends distribution policy, as result of strong financial performance.

* Note: 2018 Pre-IFRS



النهدى
nahdi



THANK YOU

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