

Q1, 2023

Nahdi Medical Company

INVESTOR PRESENTATION



النهدى
nahdi

داخلي - Internal

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 1,082 stores



140 cities
serving 97% of KSA population



100m+ Guests / yr.
served across pharmacies



72% of transactions
Generated by Loyal Guests



4 poly & 51 express
clinics along with lab services and telemedicine offering



10,000+
staff including pharmacists



SAR 2.1 bn
3 Months 2023



SAR 244.3 mn
Net Profit 3 Months 2023, 11.6% NP Margin



4.3%
ROA 3 Months 2023



11.7%
ROE 3 Months 2023



SAR 1.9
EPS 3 Months 2023



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

5,276*

Overall Nahdi headcount (Q1, 2023)

3,978

Nahdi pharmacists (Q1, 2023)

317

Clinical staff (Q1, 2023)

Nahdi is committed to the nationalization regulation



National
33%



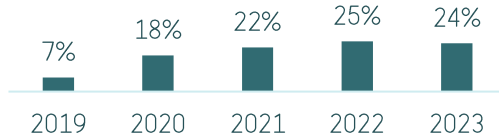
Non-National
67%

Male
86%

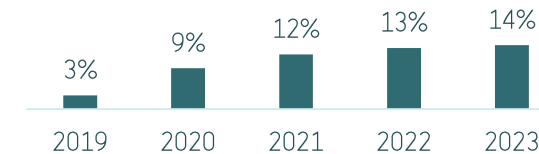
Female
14%

Nationalization

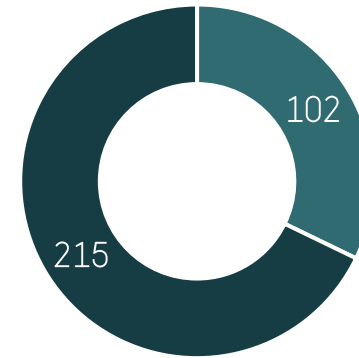
900+



Feminization



Clinical staff roles %



■ Nurses
■ Others Clinical Staff



Source: Company disclosure
* Total number of Nahdi and Nahdi Subsidiary staff is 10,499 as end of Q1, 2023

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 stores



 **1,090***

pharmacies in 144 cities &
villages regionally*



 **3**

Distribution centers



 **427K**

s.q.m
Total store area



Medicine



Wellness



Beauty



FMCG



Mom & Baby



Building Strategic Private Label Mega Brands - Across Divisions

Winning Playbook - Guests at the core of Design

FY 2022 Exceeded
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

**+200mn
Opportunity**



Product Tested



Concept Tested



Packaging Tested



Fundamentals in Place



Holistic Launch

Q1 2023 Sales is SAR 38.8mn, 17% Growth vs Q1 2022

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

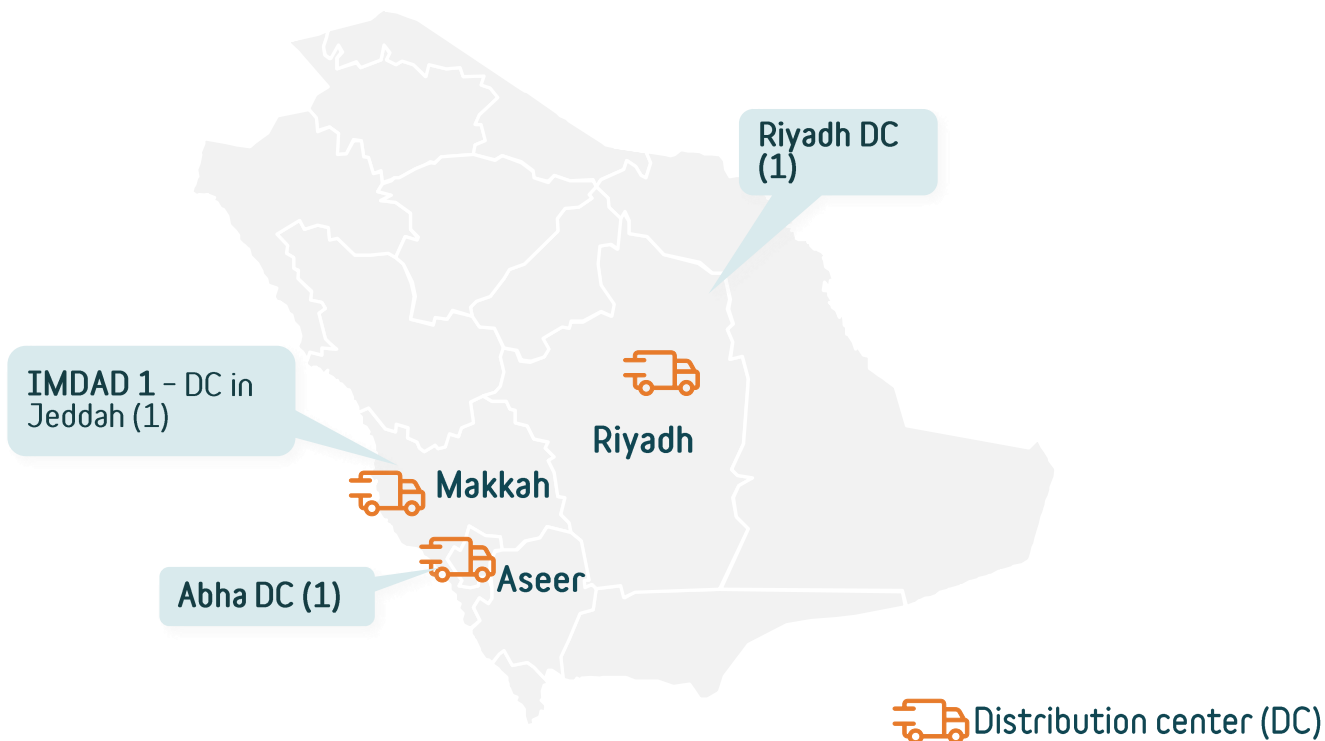


In recognition of our CSR efforts, we were awarded the CSR Program Award (Best Community Development)

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

UNMATCHED SUPPLY CHAIN CAPABILITIES

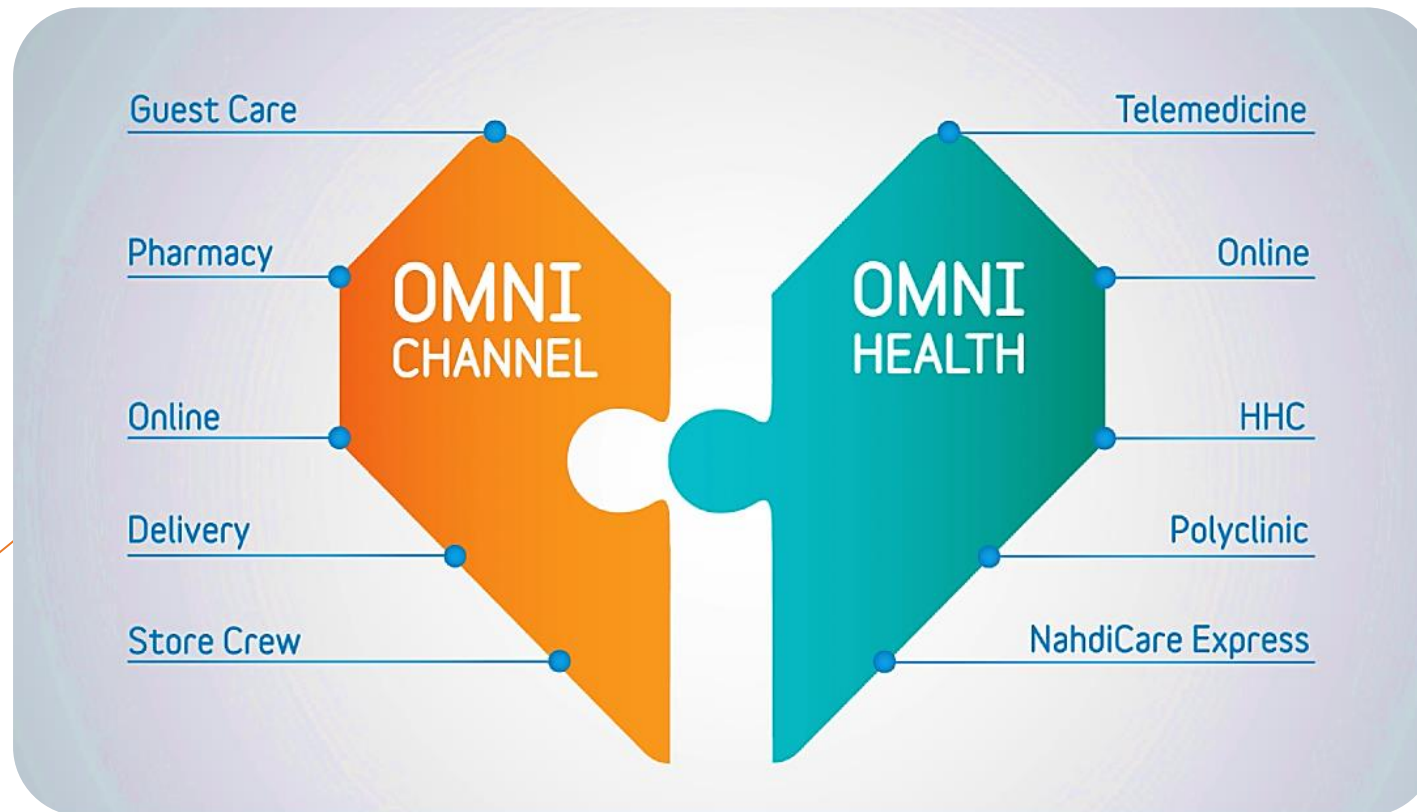
- Advanced supply chain capabilities with coverage across the KSA, UAE and other GCC countries
- Best-in-class supply chain technologies to build capacity towards a virtual endless shelf



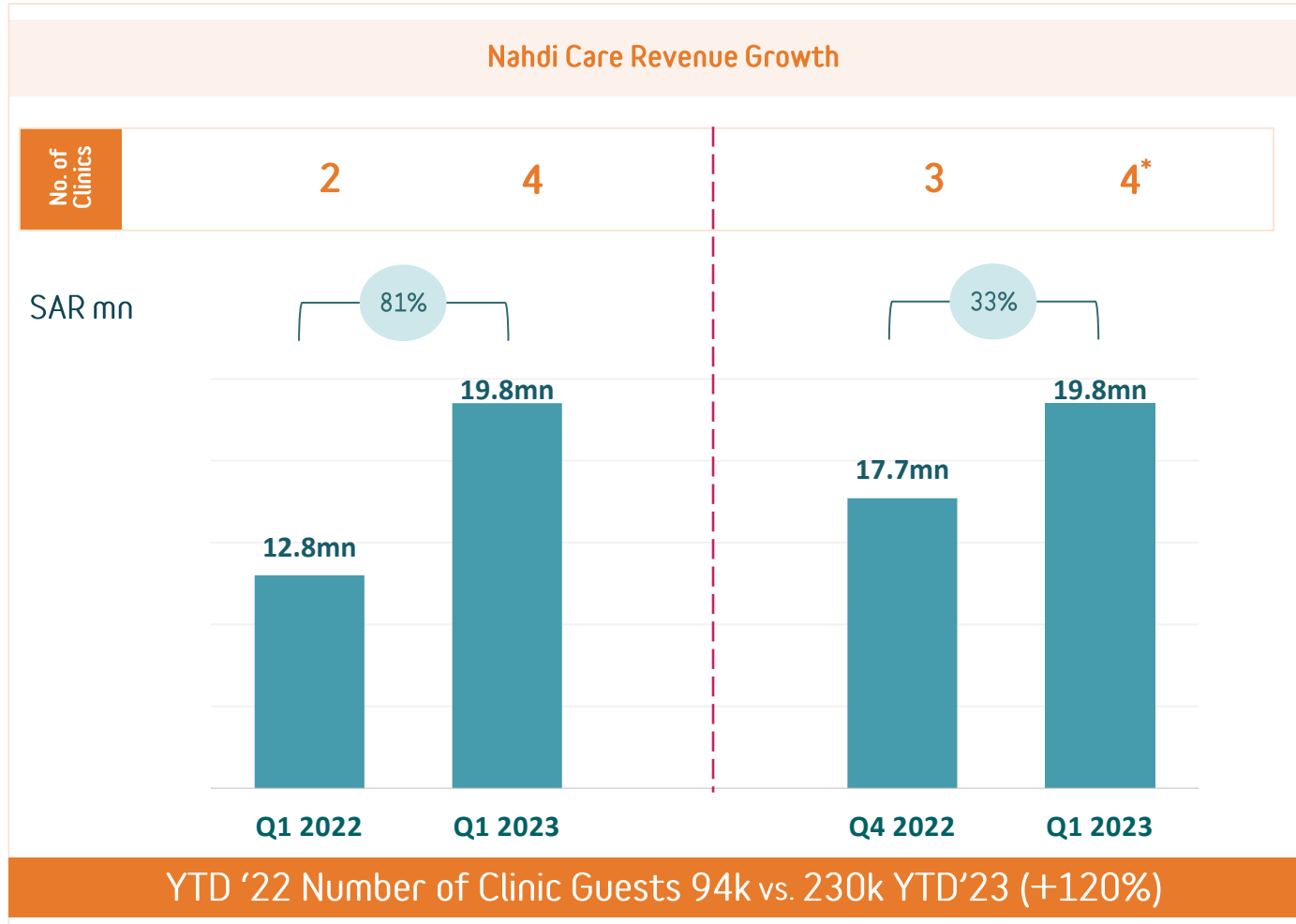
USPs

-  **Smart fulfilment distribution centres** 
-  **250,000 m² Land**
80,000 m² Built up area 
-  **118mn+**
Units Delivered in Q1, 2023 
-  **120**
delivery hub stores 

NAHDI CREATED A UNIQUE OMNIHEALTH GATEWAY, BRINGING THE FULL HEALTH AND WELLNESS ECOSYSTEM TO THE FINGERTIPS AND DOORSTEPS OF ITS GUESTS



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



Nahdi Care Main Partners

Health Accreditation

1st Polyclinic in MENA
TM & HHC

Source: Company disclosure & research as End of Q1, 2023
* Obhur Clinic (4th clinic) started operation on Feb. 2023

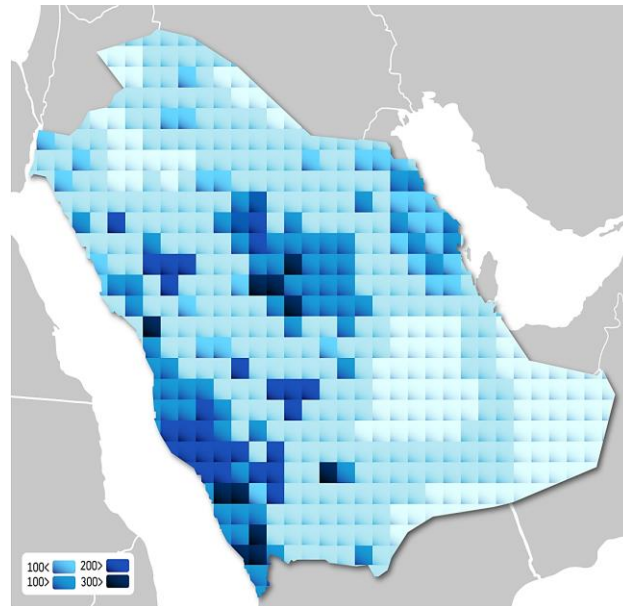
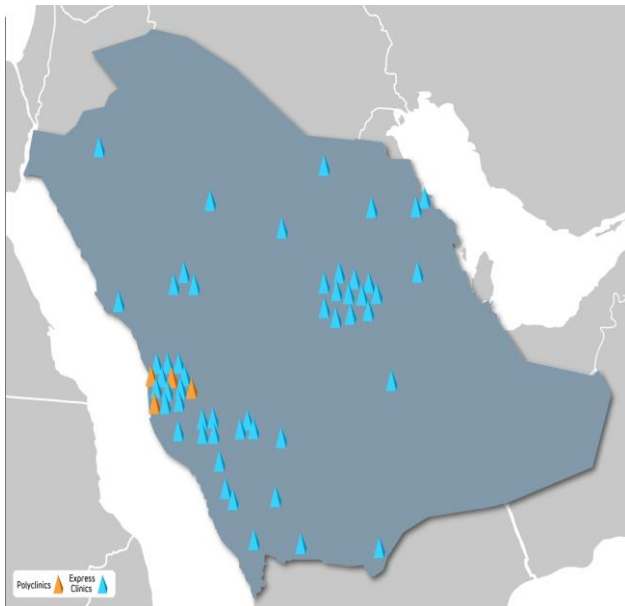


INTEGRATED HEALTHCARE SERVICES TO ADDING BEATS TO GUESTS LIVES EVERYWHERE



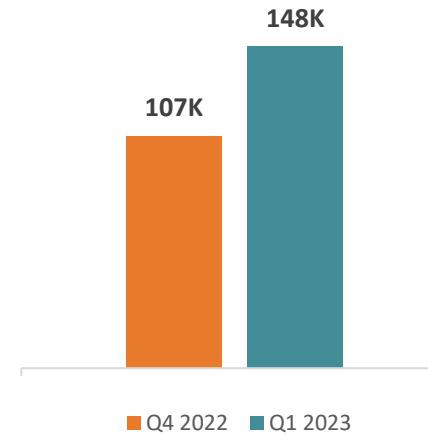
Clinic & Express Clinics Coverage

Virtual Medical Coverage



4 Polyclinics & 51 Express Clinics

Nahdi Virtual Clinic Calls



In 2022, the total number of calls reached to **+276,000** Vs. **+148,000** calls in only Q1 2023

The average monthly calls is **+50,000**

Source: Company disclosure & research as End of Q1, 2023

FINANCIAL HIGHLIGHTS AS END OF Q1, 2023



SAR **2.1 bn**
Revenue



SAR **263 m**
Operating Income



SAR **244 m**
Net profit



SAR **1.9**
EPS



Generating strong free cash flow

SAR **537 M** **124%**
Free Cash flow FCF conversion rate

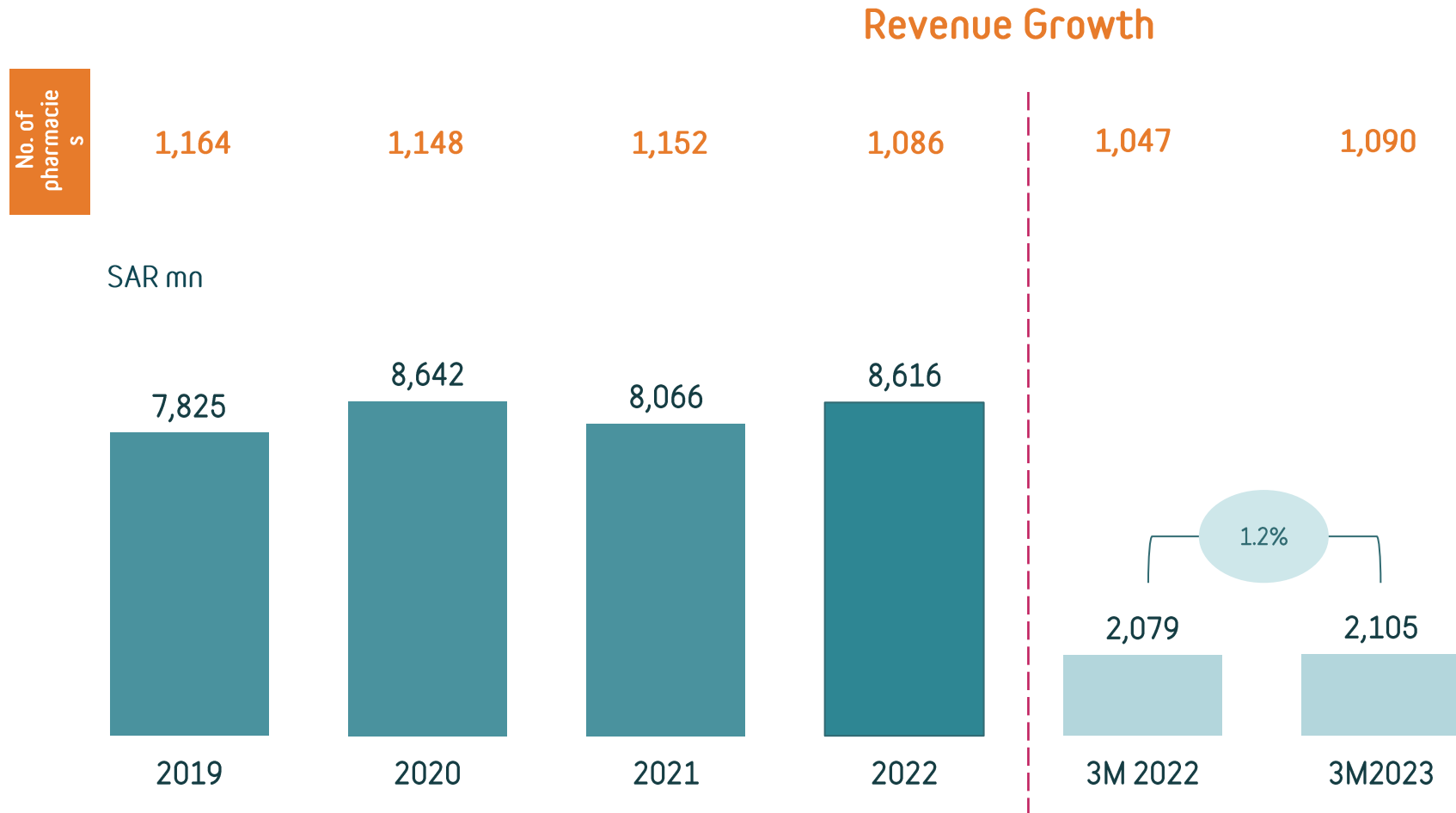
Zero debt

Committed to returning cash to shareholders

SAR **690 m** **78%**
Total Amount Distributed FY 2022 Dividend Payout Ratio



CONSISTANT TRACK RECORD OF VALUE CREATION



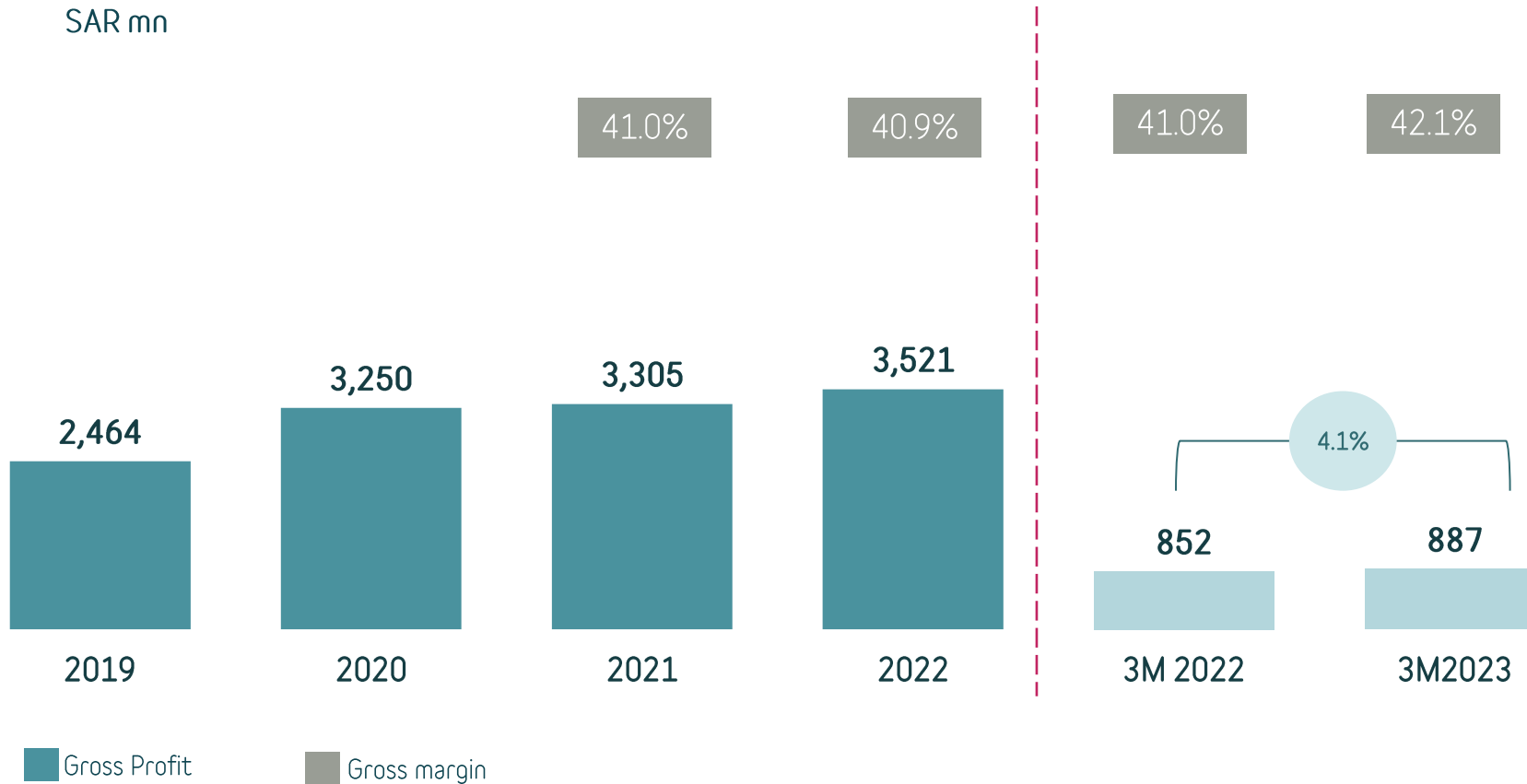
Revenue increased by 1.2% in Q1 2023

Mainly driven by growth in :

- 1) Total retail business despite the higher base of Q1 2022 due to Corona Omicron
- 2) Healthcare business segment.



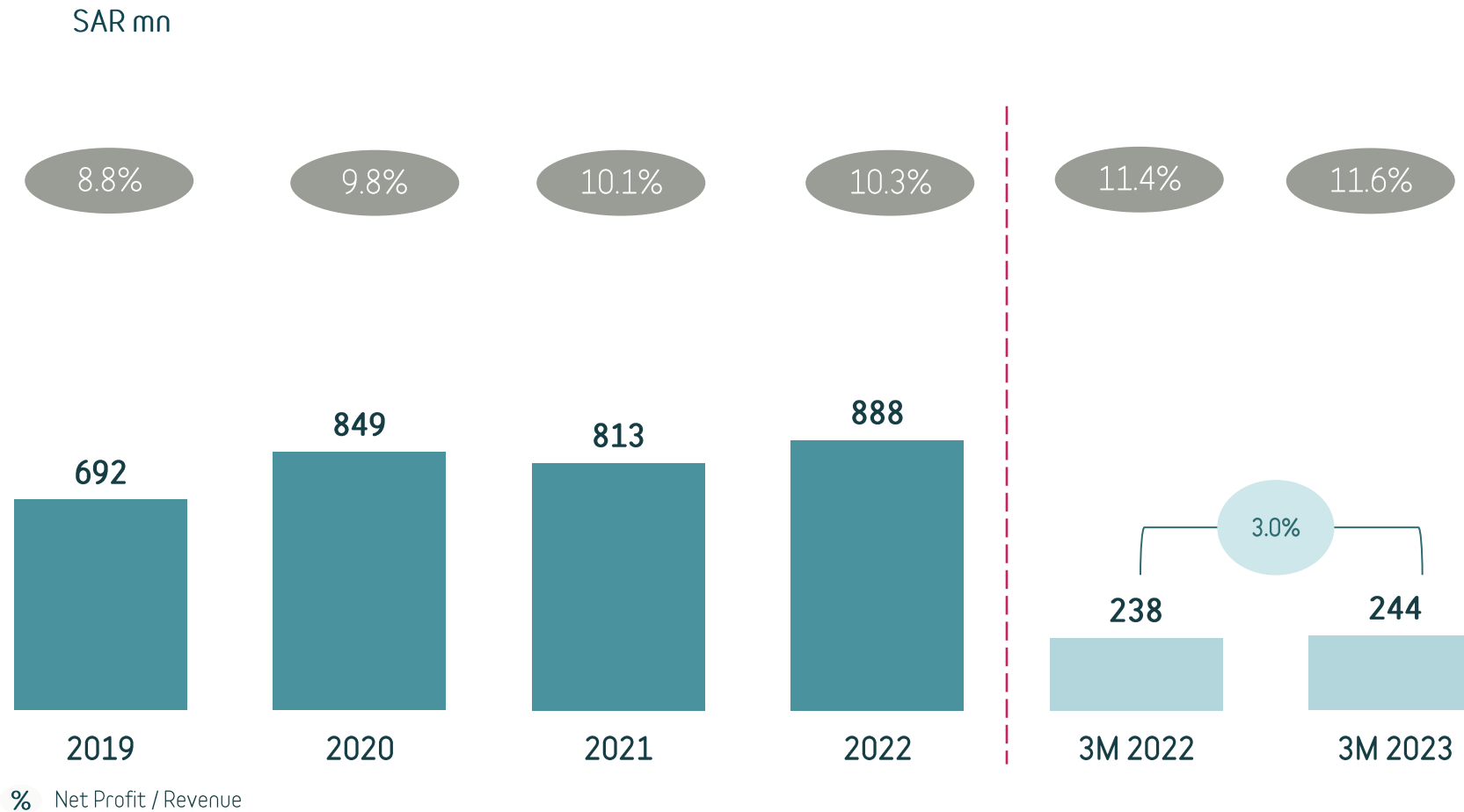
SUPERIOR GROSS PROFIT MARGIN



- Gross Profit increased by 4.1% in Q1 2023 driven by sales growth, private label growth and positive product mix. As a result, gross margin improved by 1.2% reaching 42.1% of revenue compared to 41.0% in Q1 2022.



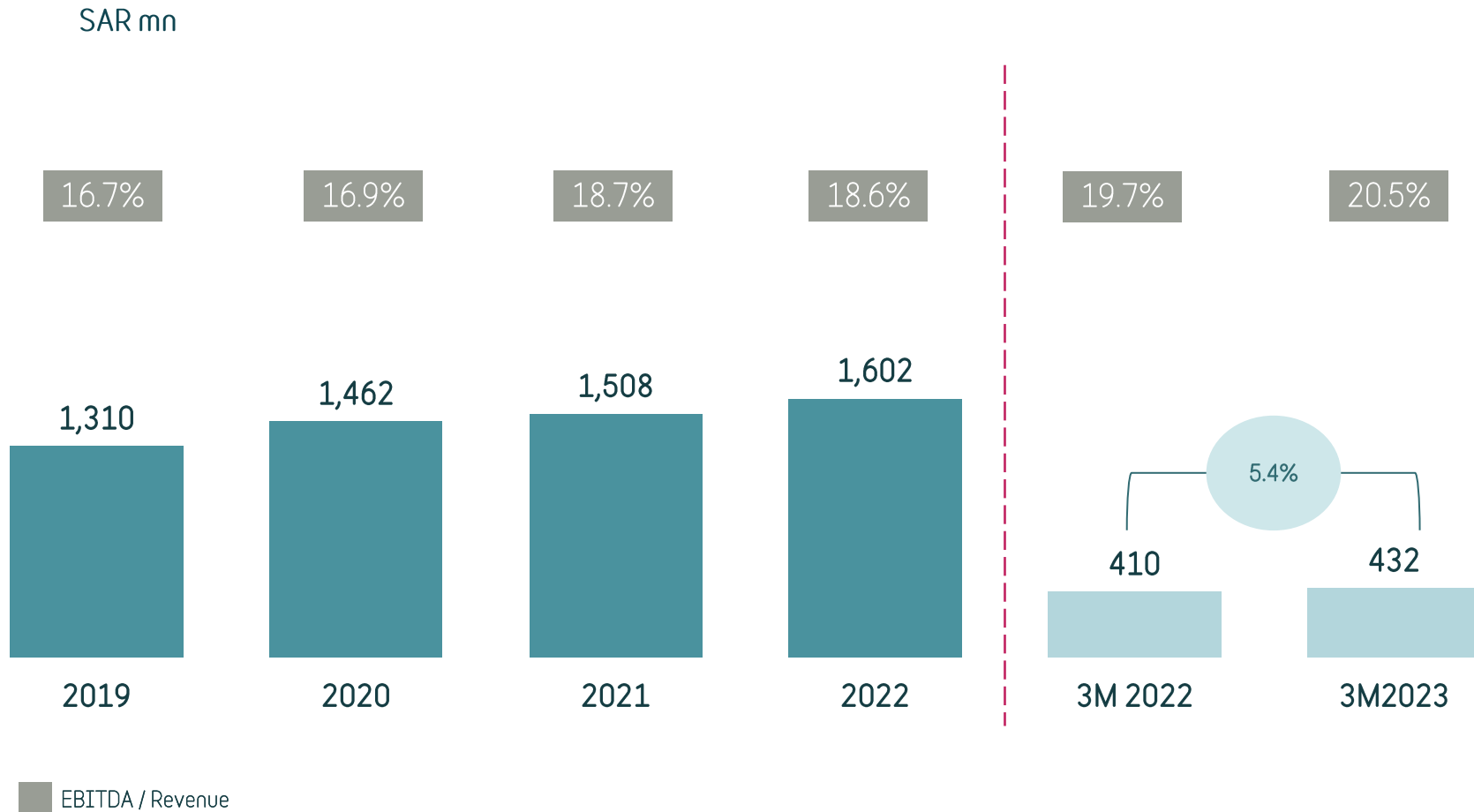
ATTRACTIVE NET PROFIT PROFILE



- Net Profit increased by 3.0% reaching SAR 244.7 Million in 2023 driven by the growth in revenue, gross profit, and investment activates.



STRONG EBITDA OUTCOMES

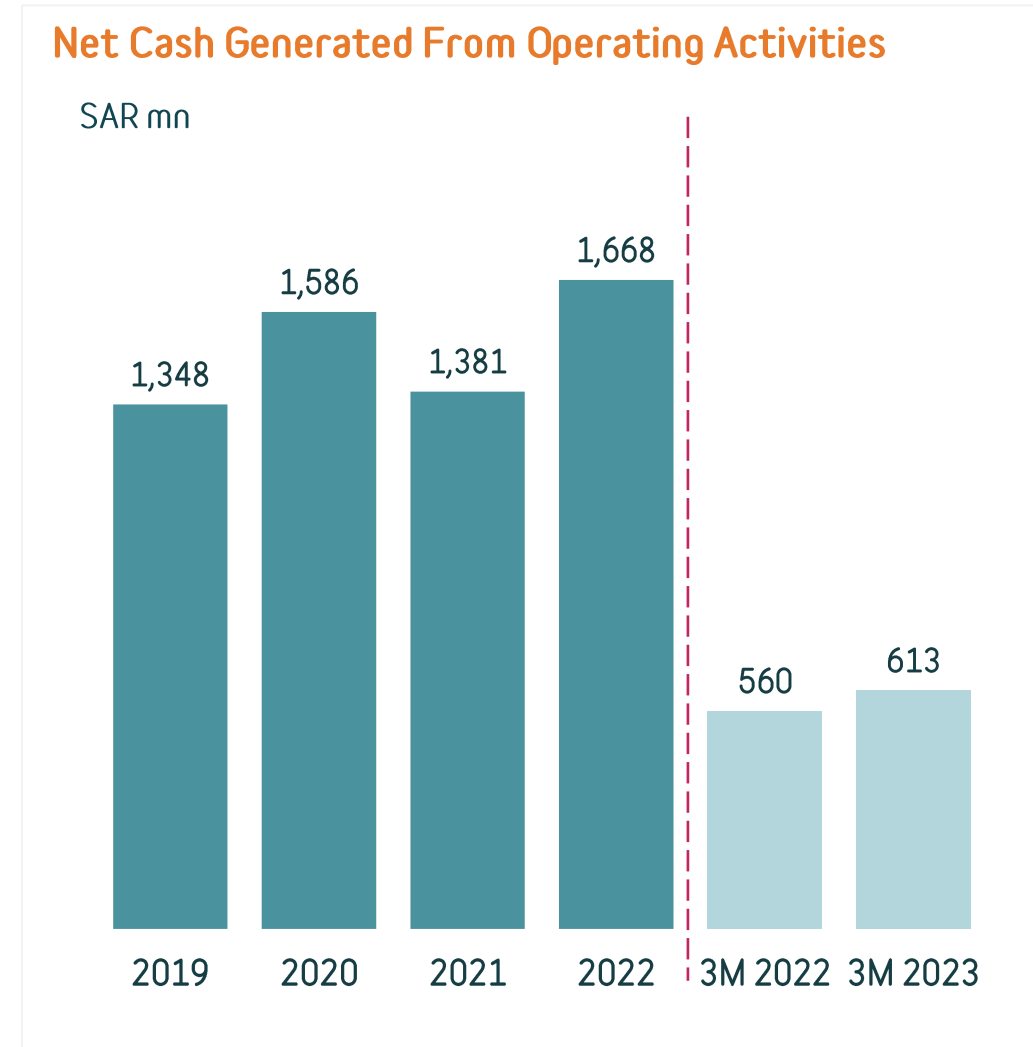
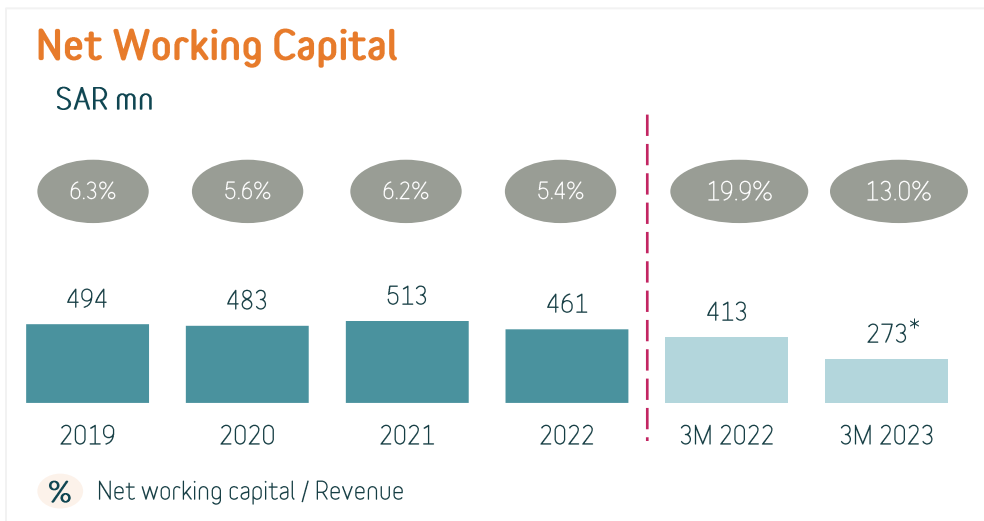
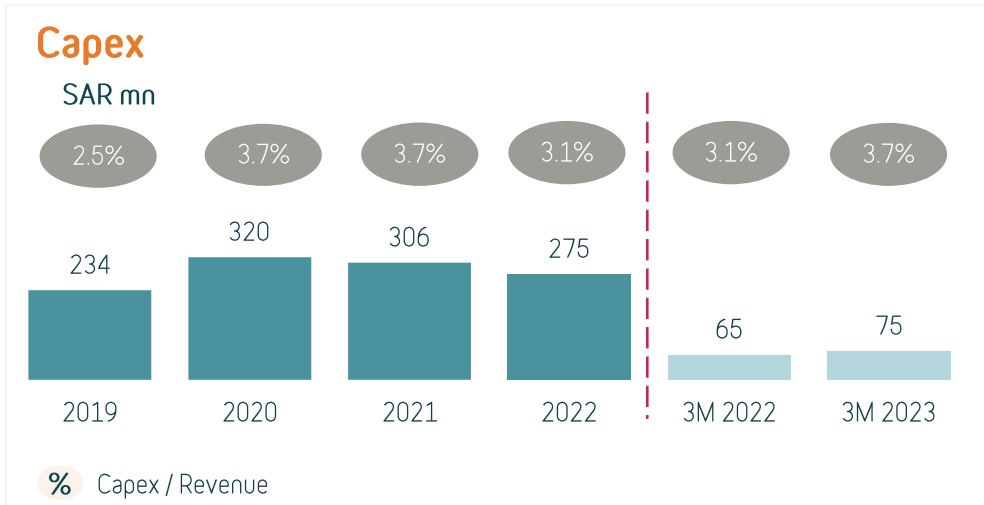


Highly profitable business;
consistently improved margin
even through the pandemic
Margin improvement driven by:

- 1) Sales of higher gross margin products including private label products
- 2) Good control on OPEX / CAPEX management driving efficiencies to mitigate additional expenses
- 3) Income from investment activities



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



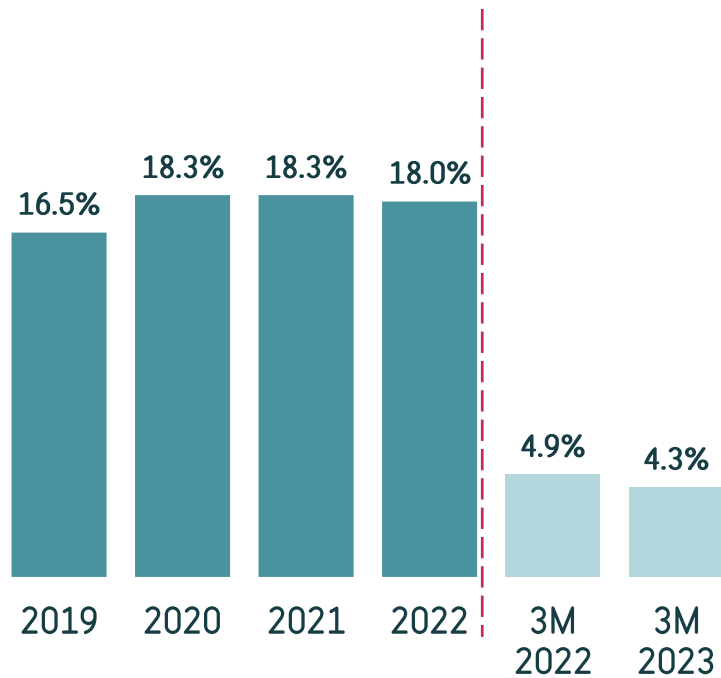
Source: Company disclosure

* 2023 YTD March Accruals and other liabilities in balance sheet includes SAR 390M Dividend payable, this amount is excluded from the net working capital calculation

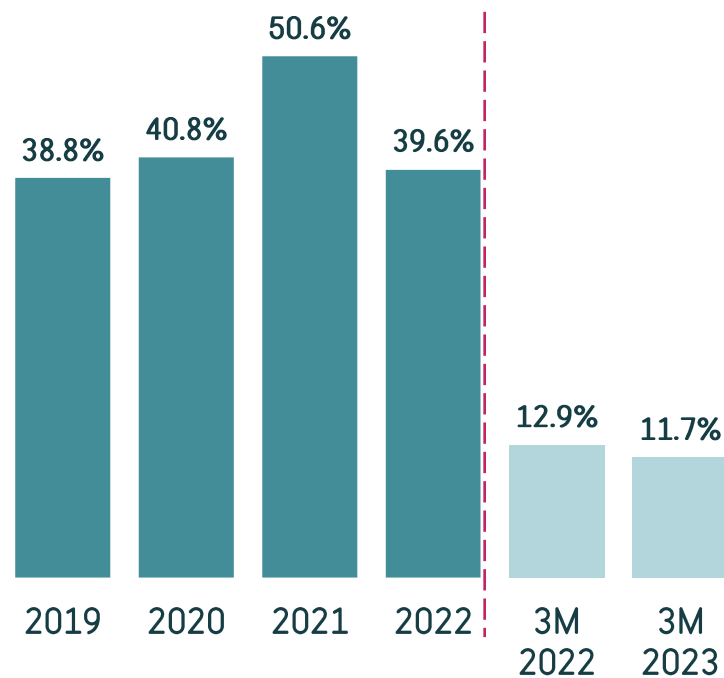


RESULTING IN SUPERIOR RETURN ON ASSETS AND EQUITY

Return on Assets ¹



Return on Equity ²



- Highly profitable business with industry leading ROE and ROA in Q1 2023.

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



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.



Contact

Thank you

Investor Relations Department

Email: IR@nahdi.sa

Website: <https://investors.nahdi.sa/>

P.O. Box 17129 Jeddah 21484, Saudi Arabia

