

H1, 2023

Nahdi Medical Company

INVESTOR PRESENTATION



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 1,093 stores



140 cities
serving 97% of KSA population



100m+ Guests / yr.
served across pharmacies



73% of transactions
Generated by Loyal Guests



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



10,000+
staff including pharmacists



SAR 4.3 bn
H1, 2023



SAR 509 mn
Net Profit H1, 2023,
11.7% NP Margin



9.8%
ROA H1, 2023



21.4%
ROE H1, 2023



SAR 3.92
EPS H1, 2023



SAR 2.50
Dividend Per Share (DPS)
H1 2023



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 Corporate Governance and Business Support Officer
23+ years of experience



Yaser Jamal
Chief Supply Chain Officer
26+ 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

5,223*

Overall Nahdi headcount (H1, 2023)

3,901

Nahdi pharmacists (H1, 2023)

334

Clinical staff (H1, 2023)

Nahdi is committed to the nationalization regulation



National
32%



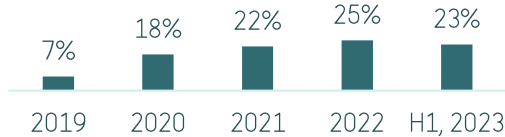
Non-National
68%

Male
86%

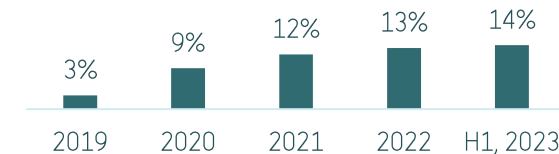
Female
14%

Nationalization

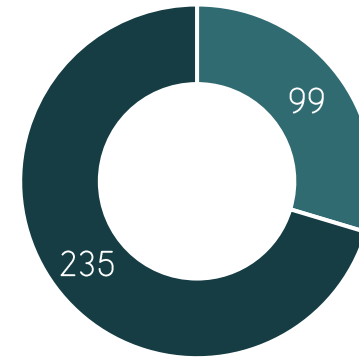
880+



Feminization



Clinical staff roles %



■ Nurses
■ Others Clinical Staff

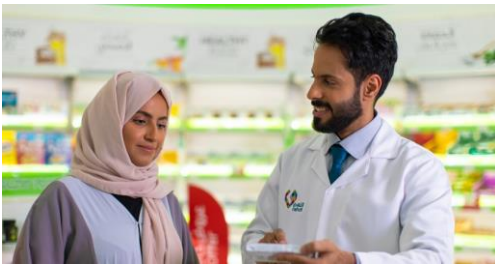


Source: Company disclosure
* Total number of Nahdi and Nahdi Subsidiary staff is 10,367 as end of H1, 2023

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



 **1,102***

pharmacies in 144 cities &
villages regionally*



 **3**

Distribution centers



 **432.5K**

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

To reach Levels
of SAR
+200mn



Product Tested



Concept Tested



Packaging Tested



Fundamentals in Place



Holistic Launch

H1 2023 Sales is SAR 78mn, 12% Growth vs H1 2022

ADDING BEATS TO OUR COMMUNITY VIA CSR EFFORTS



1.7mn+
Guests impacted



1mn+
Guests impacted



850K+
Guests impacted

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



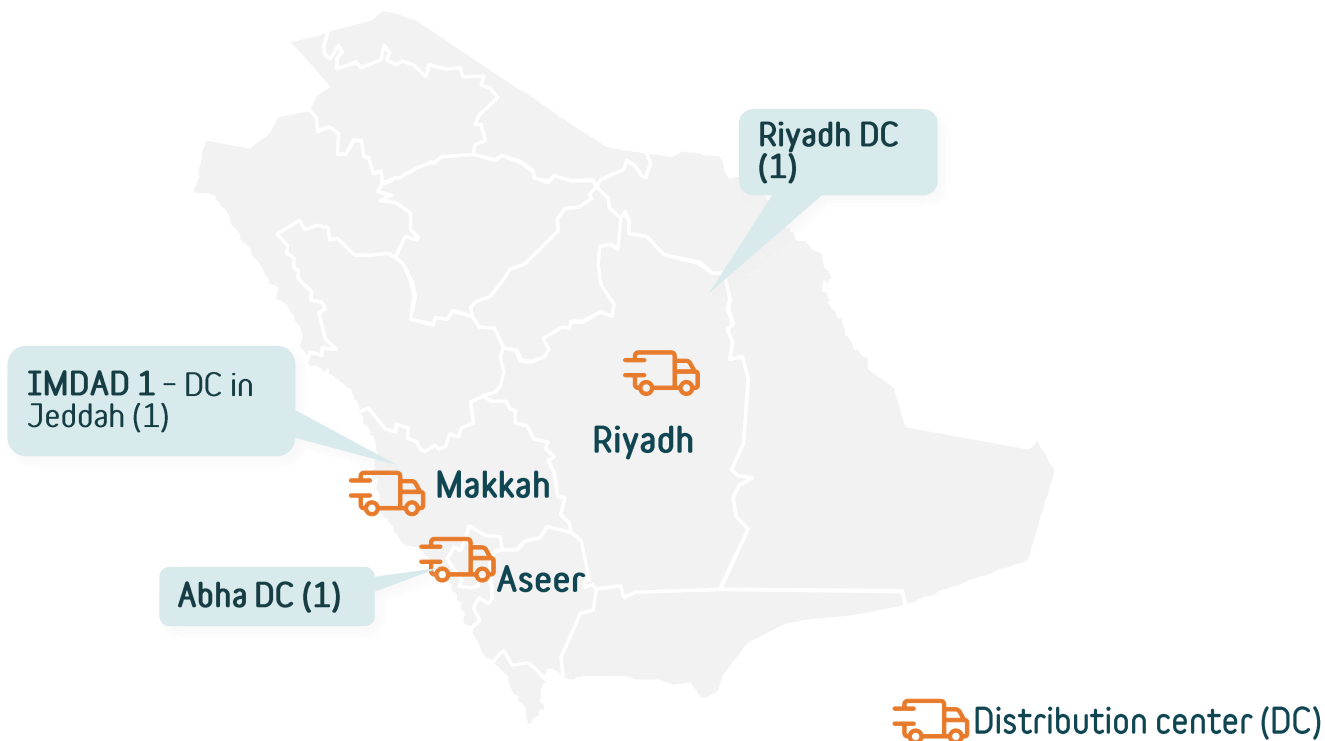
In recognition of our CSR efforts, we were awarded the CSR Program Award (Best Community Development)

Source: Company disclosure & research as End of H1, 2023

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

UNMATCHED SUPPLY CHAIN CAPABILITIES

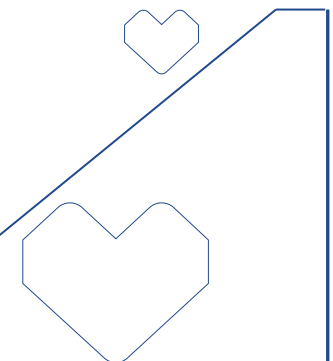
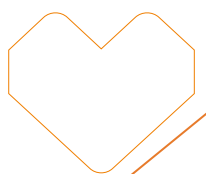
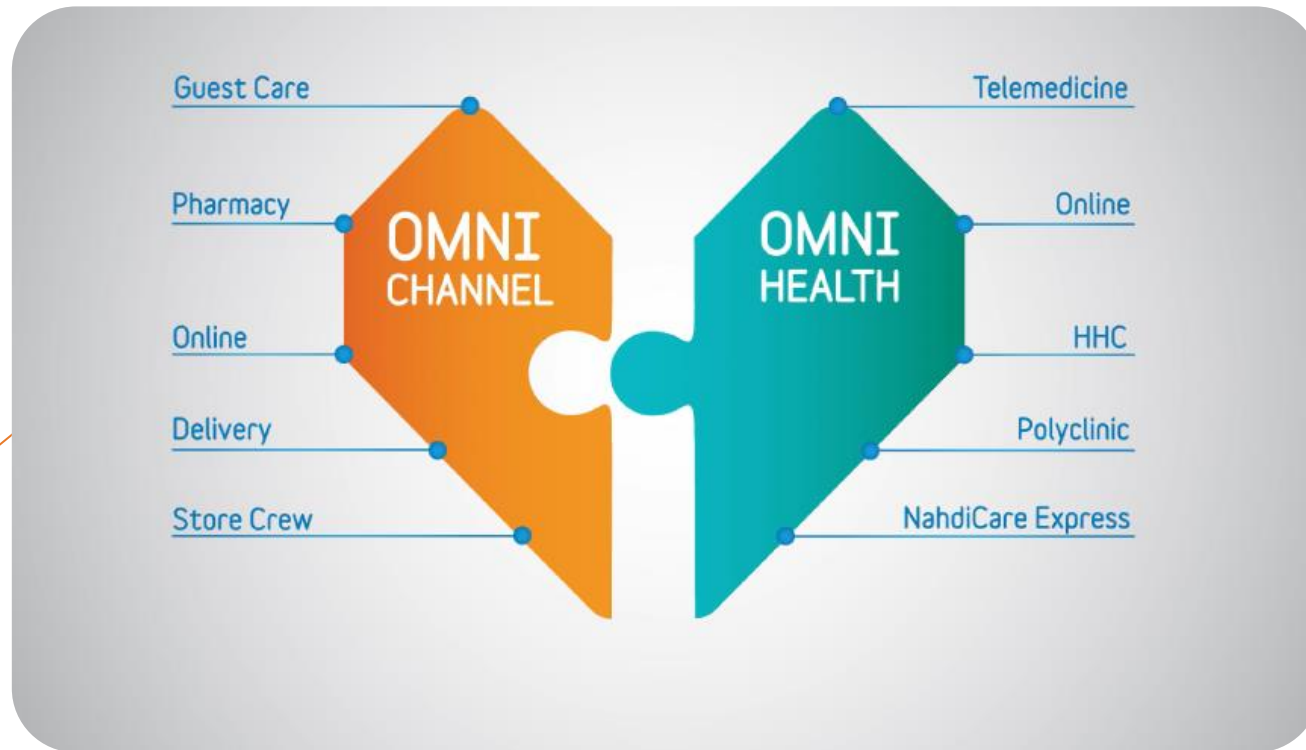
- Advanced supply chain capabilities with coverage across the KSA, UAE and other GCC countries
- Best-in-class supply chain technologies to build capacity towards a virtual endless shelf



USPs

-  **Smart fulfilment** distribution centres 
-  **250,000 m² Land**
80,000 m² Built up area 
-  **112mn+** Units Delivered YTD H1, 2023 
-  **123** Delivery Hub Stores 

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



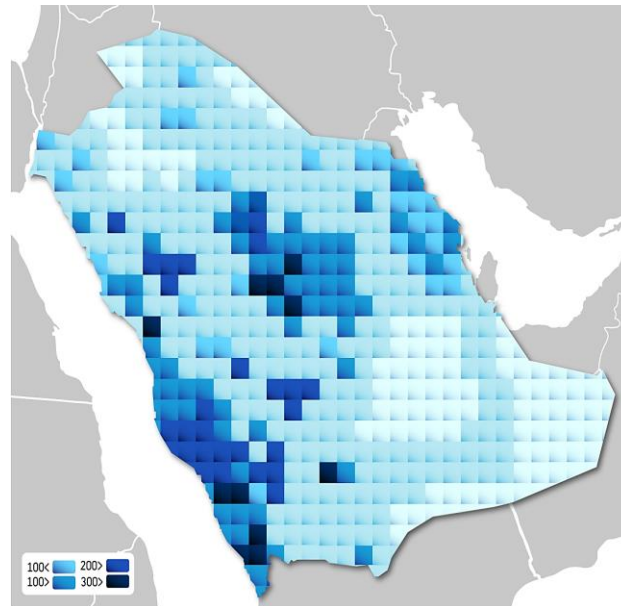
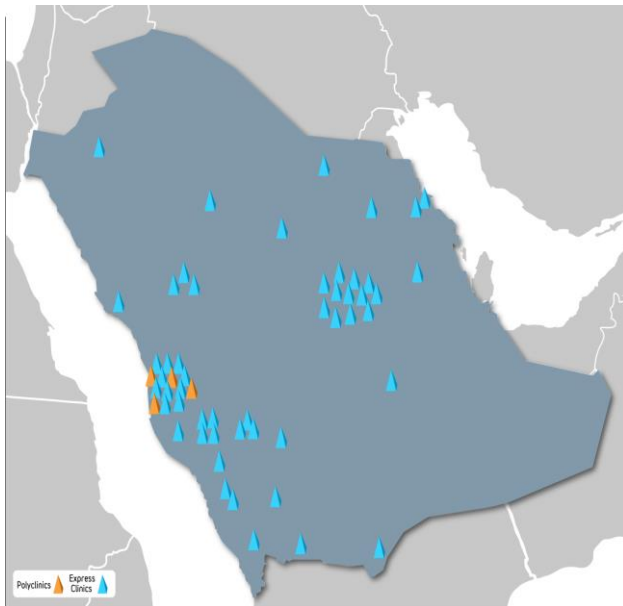


INTEGRATED HEALTHCARE SERVICES TO ADDING BEATS TO GUESTS LIVES EVERYWHERE



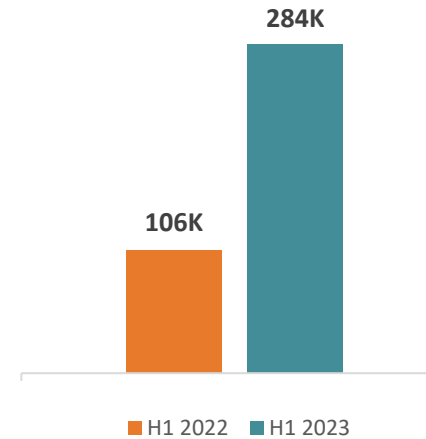
Clinic & Express Clinics Coverage

Virtual Medical Coverage



4 Polyclinics & 51 Express Clinics

Nahdi Virtual Clinic Calls



In 2022, the total number of calls reached to **+276,000** Vs. **+284,000** calls of only 1st half of 2023

The average monthly calls are **+48,000** Targeting **+600,000** calls in 2023

Source: Company disclosure & research as End of H1, 2023

FINANCIAL HIGHLIGHTS AS END OF H1, 2023



SAR **4.3 bn**
Revenue



SAR **546 m**
Operating Income



SAR **509 m**
Net profit



SAR **3.92**
EPS



Generating strong free cash flow

SAR **449 M**

Free Cash flow

52.6%

FCF conversion rate

Zero debt

Committed to returning cash to shareholders

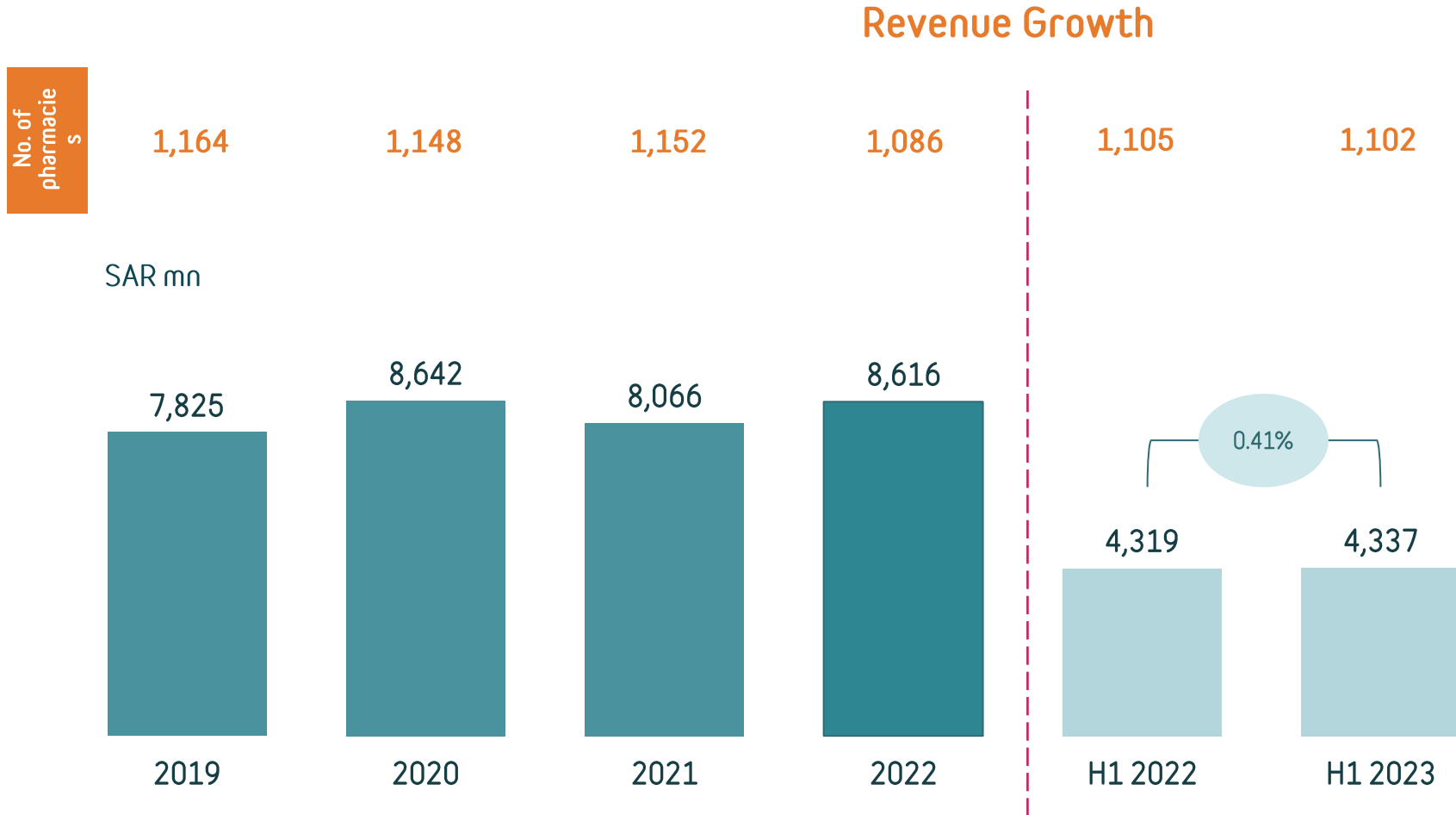
SAR **325mn**

Total Amount
Distributed H1
2023

25%

Dividend distributed as a
percentage of capital

CONSISTANT TRACK RECORD OF VALUE CREATION



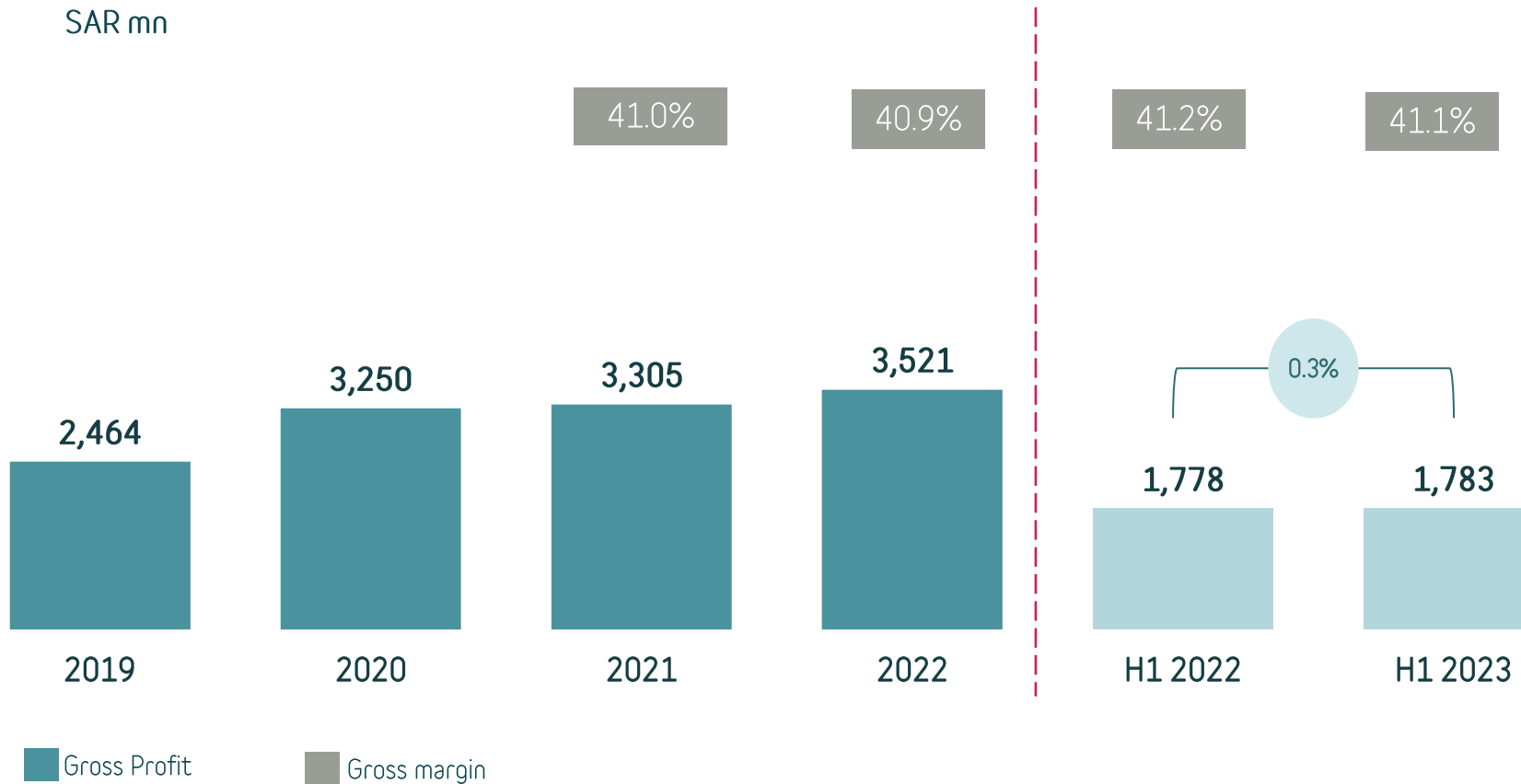
Revenue remained Almost Flat in H1 2023

Medicine segment grew despite the higher base of last year (Corona Omicron). Both Healthcare and UAE businesses also grew vs same period last year. This was partially offset by the decline in some divisions within the non-Pharma segment.

Source: Company disclosure



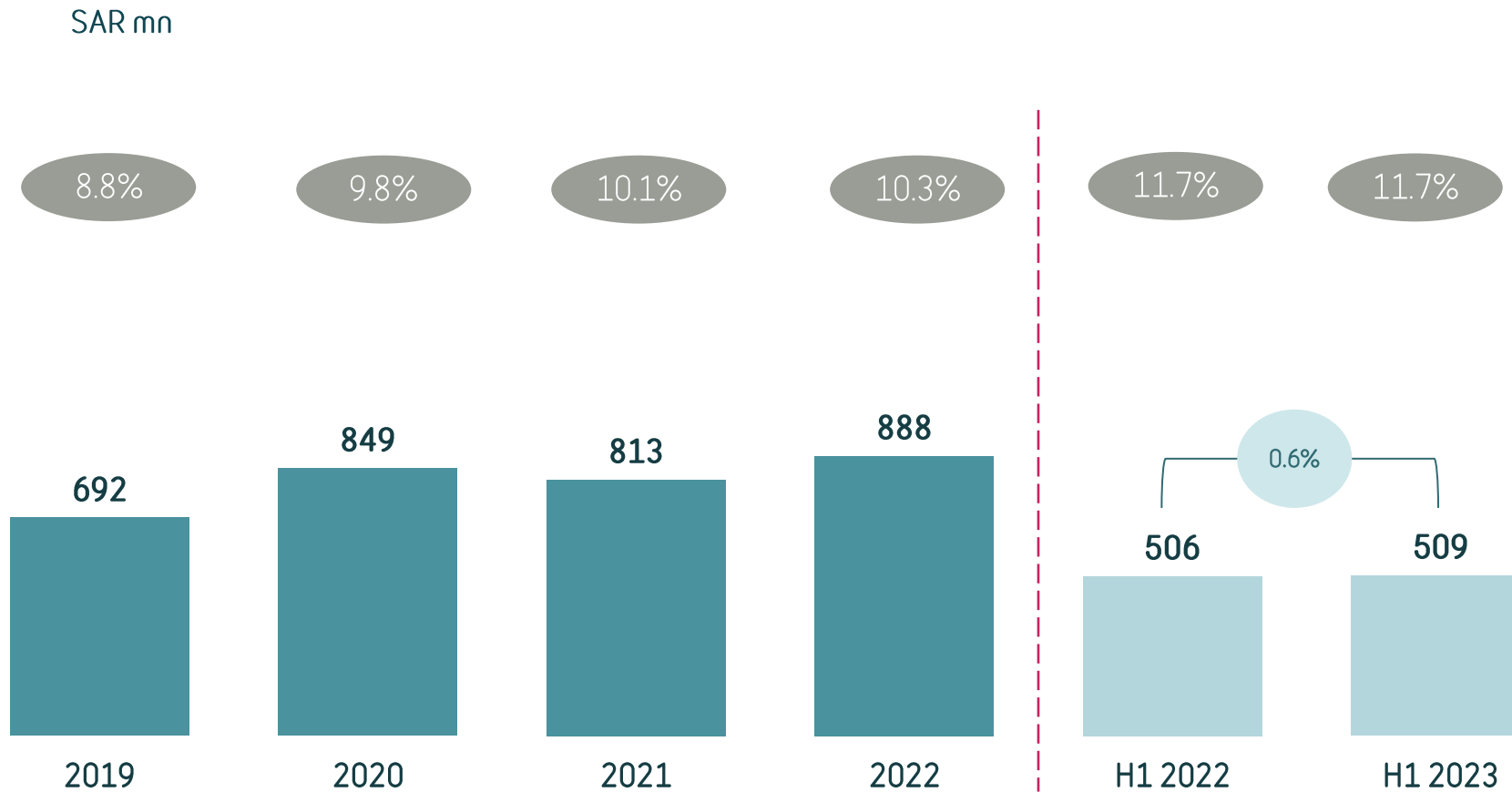
SUPERIOR GROSS PROFIT MARGIN



- **Gross Profit** was maintained at the same level of last year, which is in line with the sales growth. Gross margin remained almost flat at 41.1% of revenue in the current period compared to 41.2% in the same period of last year



ATTRACTIVE NET PROFIT PROFILE

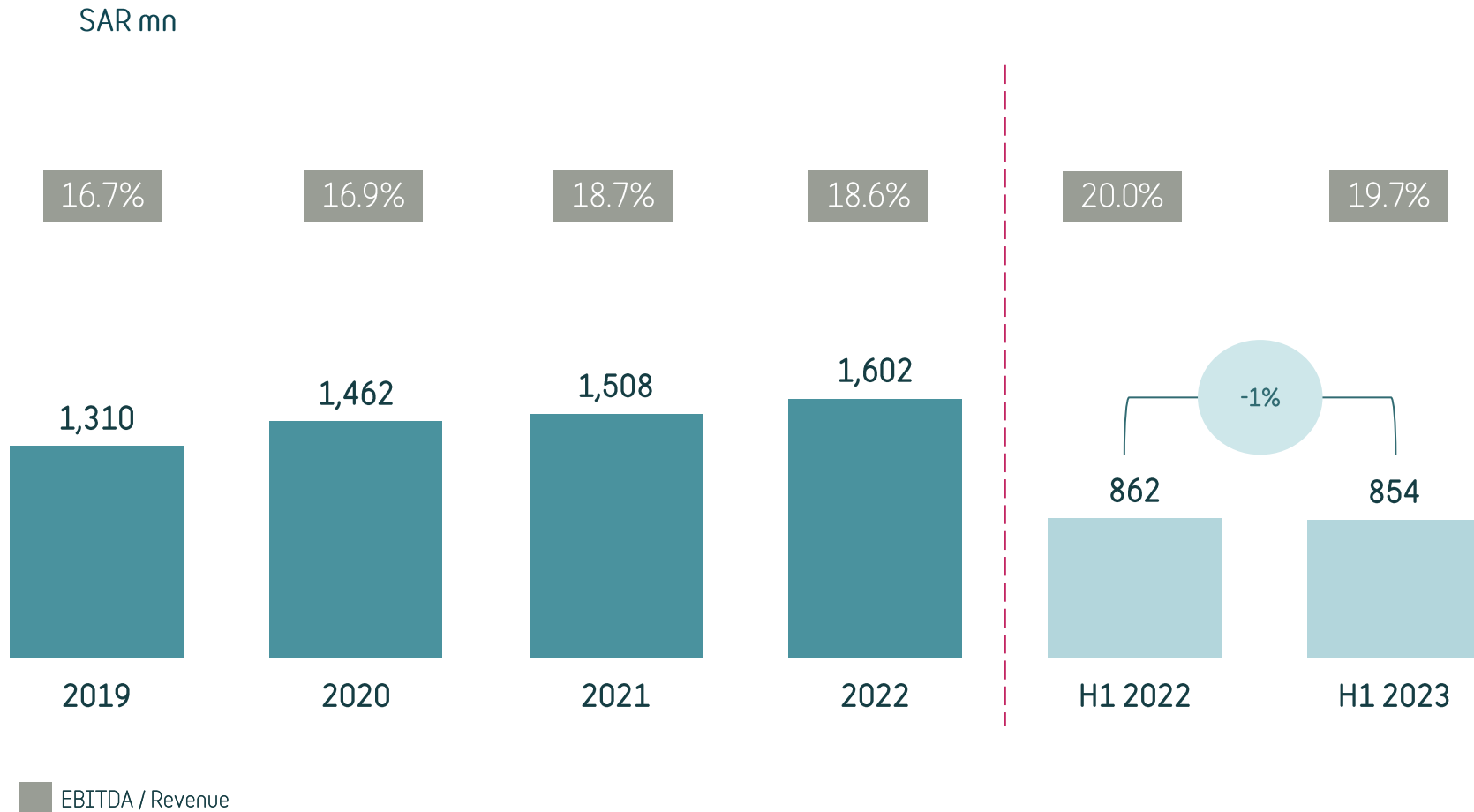


% Net Profit / Revenue

- Net Profit remained almost flat at SR 509.3M in the current period compared to 506M in the same period of last year



STRONG EBITDA OUTCOMES

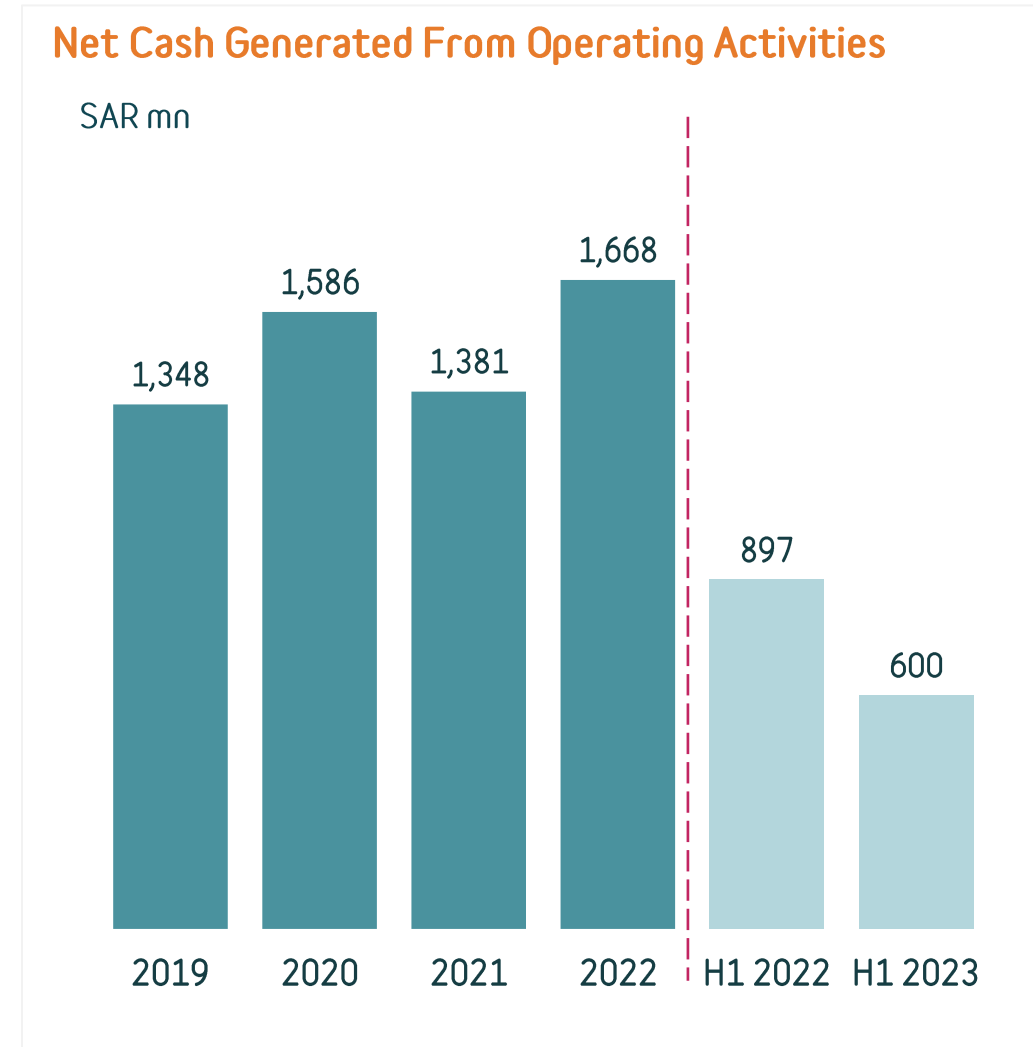
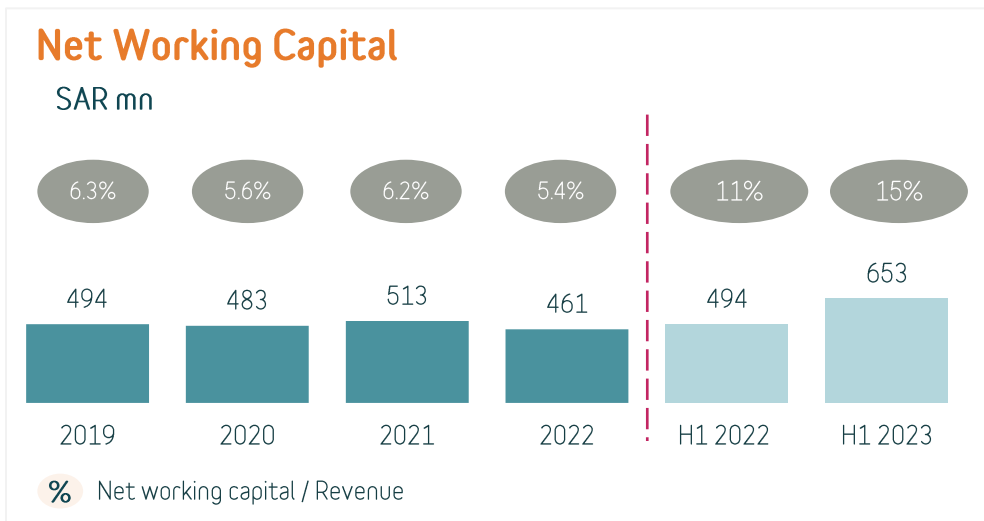
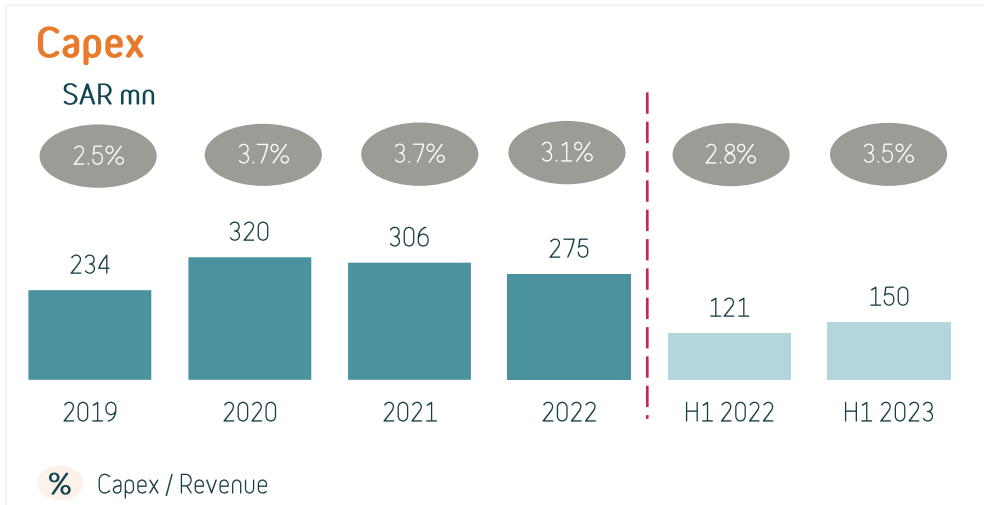


Highly profitable business; consistently delivering best in class EBITDA margin.

EBITDA Margin almost remain flat compared to same period last year



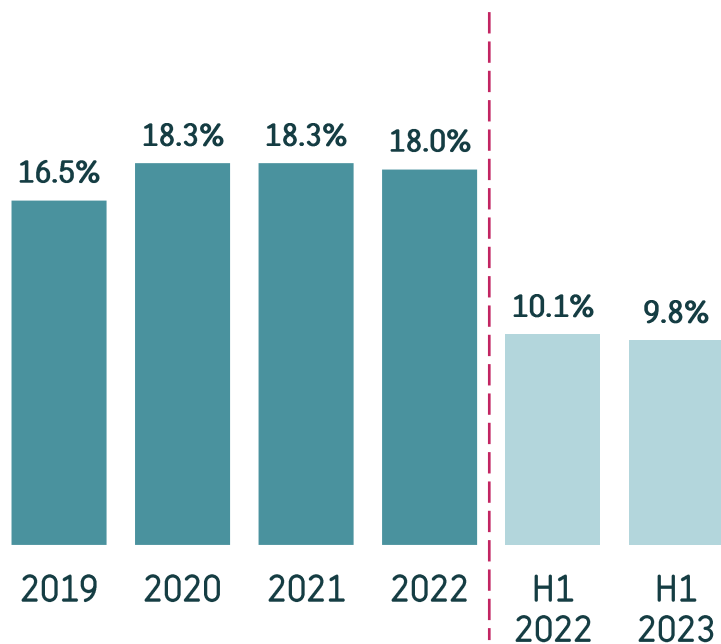
WELL-INVESTED BUSINESS TO SUPPORT NEXT PHASE OF GROWTH WITH LIMITED WORKING CAPITAL REQUIREMENTS



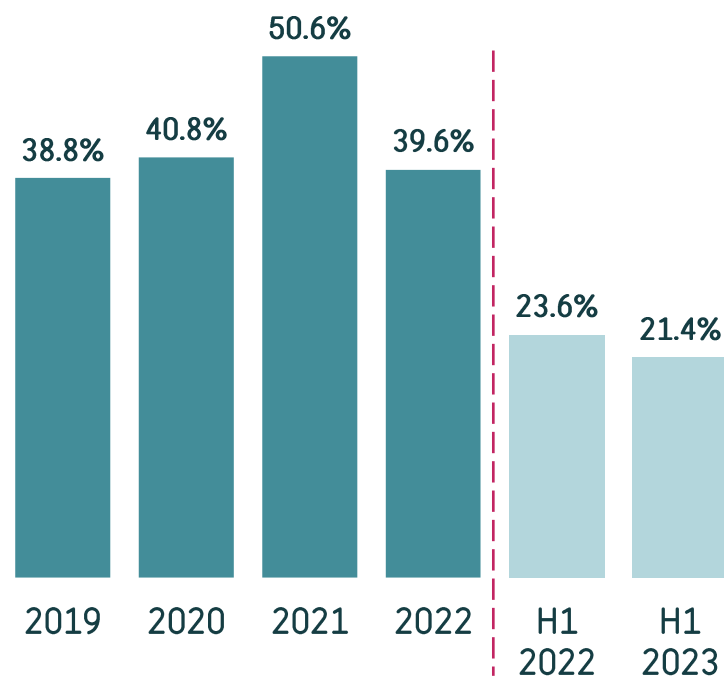


RESULTING IN SUPERIOR RETURN ON ASSETS AND EQUITY

Return on Assets ¹



Return on Equity ²



- Highly profitable business with industry leading ROE and ROA in H1 2023

Source: Company disclosure

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

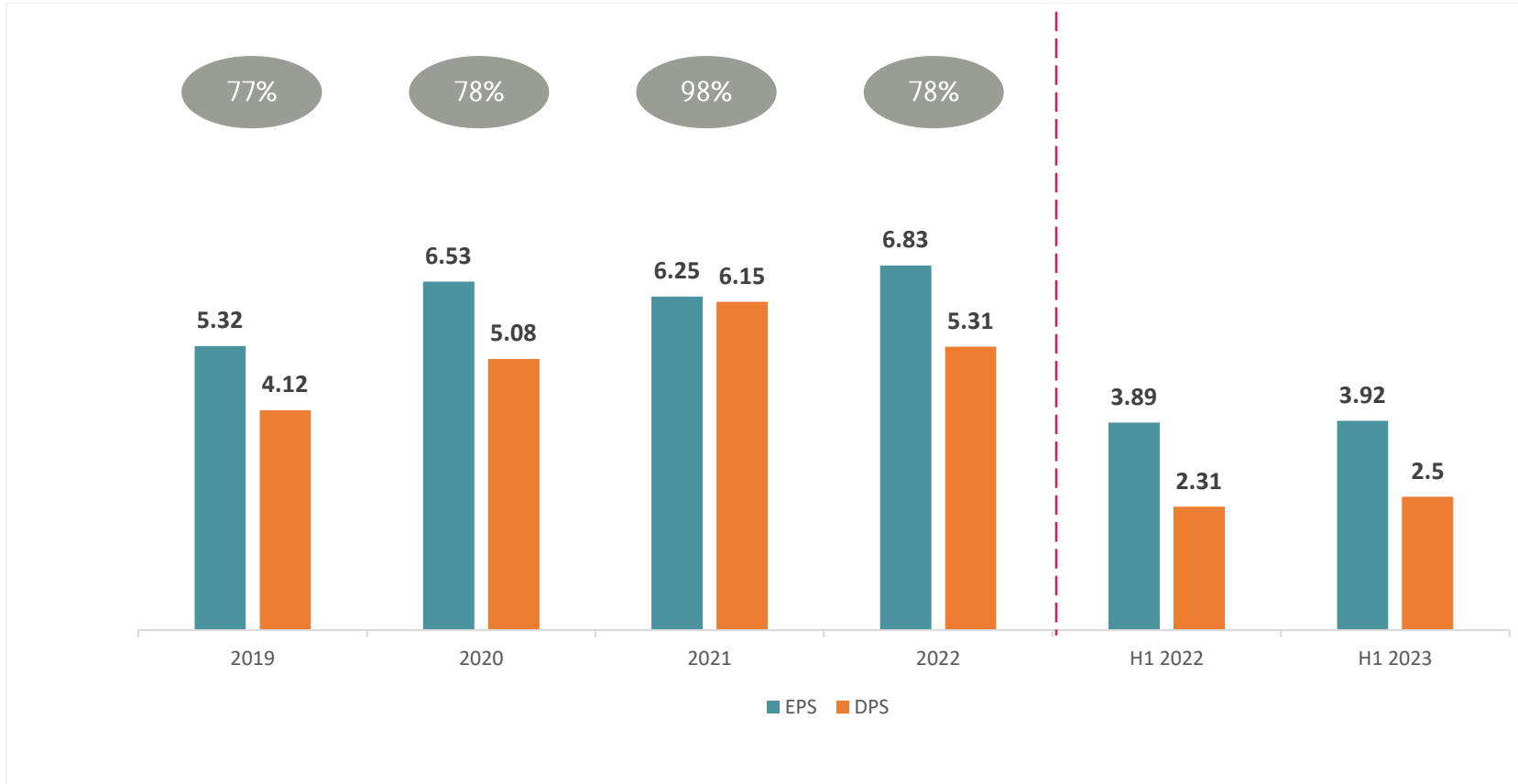
2. Calculated as net profit of the year divided by total equity



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



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nahdi

THANK YOU

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