

March 2024

Nahdi Medical Company

INVESTOR PRESENTATION FY2023



FY 2023 Financial Highlights

RESILIENT FINANCIAL PERFORMANCE

<i>In SAR (YoY % Change)</i>	FY 2023	Q4 2023
Revenue	8.71bn (+1.1%)	2.21bn (+3.6%)
Gross Profit	3.52bn (-0.7%)	865mn (+1.0%)
Net Profit	893mn(+0.5%)	171mn (+33.2%)

STRONG CASH FLOW GENERATION

Free Cash Flow
SAR **984mn**

Capex
4.4% of revenue

ZERO DEBT

SHAREHOLDER VALUE CREATION

ROA
16.6%

ROE
36.2%

EPS
SAR**6.9**

Dividend
SAR **715mn**

Payout ratio
80%

DPS
SAR**5.5**

We exist to add beats to our Guests' lives everyday



Vision

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



Mission

To exceed all our Guests' expectations by providing superior personalised lifecare experiences every day, everywhere



Values

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

#1 pharmacy chain In KSA with 1,120 stores	140+ cities serving 95% of KSA population
100mn+ Guests / yr served across pharmacies	83% of Revenue Generated by Nuhdeek Guests
16% Online Contribution from our e-commerce platforms	13% Private Label & direct imports contribution
6 Polyclinics delivering 106% revenue growth	+1mn Guests served through our omnihealth ecosystem

Our passion for people always delivers value to our Guests



Invested in the success of our people



More than **500,000 hours** of training conducted annually



2nd in Saudi Arabia in 2023. Among the top company in Saudi, GCC and Asia for the **6th** consecutive time.

Always cultivating Saudi talents

Strong Partnerships

24 Universities. providing **2,000+** training opportunities in 2023.

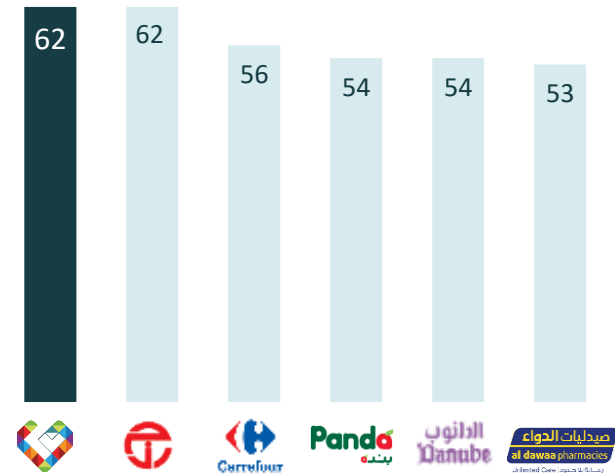


>90% of hiring in 2023 consisting of Saudi nationals.

Guest satisfaction continues to validate our long-term strategy

Significant brand following

Net Promoter Score (NPS) of retailers in KSA (YTD)

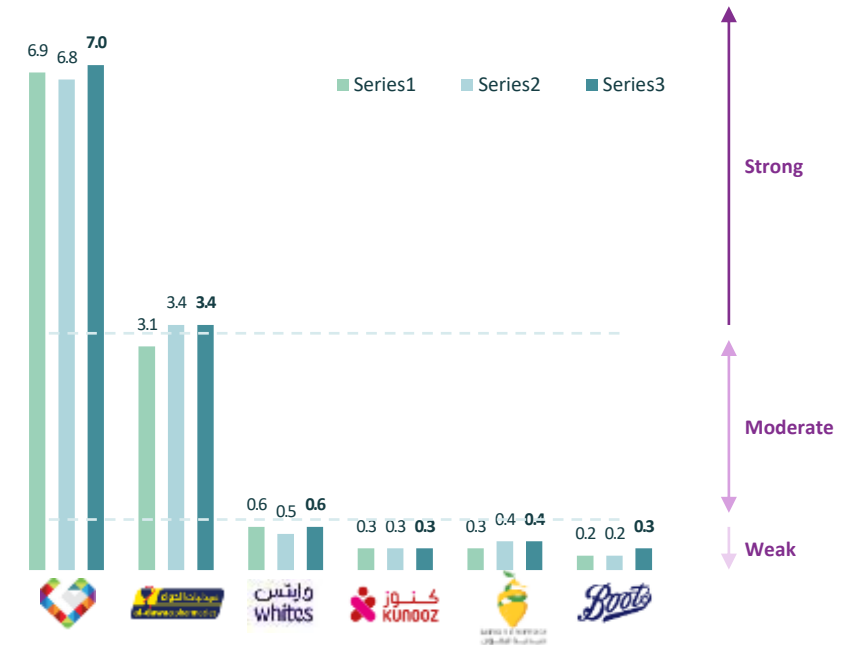


83%
of revenue generated from Nahdi "Nuhdeek" Guests

+1.5mn
new Nuhdeek Guests*

Stronger brand equity YoY

Nielsen Store Equity Index



Source: Company disclosure, Nielsen

* By End of 2023

**Methodology used to identify the brand equity of pharmacies and underlying drivers based on brand saliency, brand positioning, future store visit consideration, guest recommendation, store preference and willingness to pay

We are Striving for Excellence – Accolades Q4 2023



2nd
in Saudi Arabia in 2023



#2
in healthcare
sector



#7 most
valuable Saudi
Brand 2023



One the 10
most trusted
organizations, KSA



Most Admired
Pharmacy &
Healthcare GCC & KSA

Nahdi will continue to strengthen its flagship omnichannel offering while investing in higher margin growth areas

Expanding our Omnichannel Footprint and Strengthen Core Retail offering

Brick & Mortar



Store Mix Optimization

2x Revenues from Destination vs. Neighborhood pharmacies

Geographic Diversification

6 KSA regions (avg. 17% contribution/region)

Balanced Portfolio of Assortments

5 Categories (avg. 20% contribution/category)

UAE Expansion

236% YoY revenue growth
15 pharmacies across UAE

Private Label & Direct Imports

Robust Revenue Generation

13% contribution



SAR **1.1BN**
Revenue

200+ Brands

Online

Growing Revenue Contribution

16% vs 13% in 2022

More Unique Guest transactions

+35%
2.3 million (2023) from 1.7 million (2022)



More Sessions

+26%
182 million from 145 million

SAR **1.4BN**
Revenue

Nahdi's key differentiator is its diversified integrated omnihealth system

Evolve into a leading omnihealth platform



Healthcare Performance

- Revenue **Doubled** vs last year
- Total Healthcare business reported **Breakeven**, despite opening new 3 clinics
- Clinic Guests' visits exceeded **1 million** guests, doubling from 2022
- Virtual Consultations **Doubled** to 565K from 276K consultations last year

Prescription (Build & Borrow)

SAR 101mn healthcare revenue generated **SAR140mn** to pharmacies (factor 1.4x pharmacies' medicine revenue)

Omni Health

Guest spend increased **3x** when exposed to full omni health ecosystem

2023

market headwinds gave us pause to make a series of optimizations, particularly in the Front Shop, to ensure Nahdi is positioned sustainably to continue exceeding Guests expectations every day and everywhere.



Mitigation Actions

Front Shop Turnaround

- ✓ Invest in pricing to sustain competitiveness vs online and new channels
- ✓ Expedite full potential of Nahdi Online and Global
- ✓ Continue nurture strategic partnerships with our vendors / partners

Continue Pharma Growth Momentum

- ✓ Capitalize from synergy between healthcare and pharmacy
- ✓ Expand provider pharmacies
- ✓ Strengthen relationship with private insurance companies

Maintain Healthy Financial Position

- ✓ Refuel program to drive cost optimization & efficiencies
- ✓ Efficient working capital management to maintain strong cash position
- ✓ Creating further value by enhancing diversified portfolio to drive key strategic investments

Outcomes



Total revenue +3.6%;
Beauty category +3.3%
Q4 23 vs. Q4 22



E-commerce
contribution up
16% from 13%



5000 new SKU's &
finalized JBP with top
partners



Strong Pharma growth of
6.1% in Q4 23 vs. Q4 22



Polyclinics doubled
to 6 in 2023/ 2 in Q4



Insurance business
grew +20%



Opex as % of revenue flat;
not impacted by outlays
in new initiatives

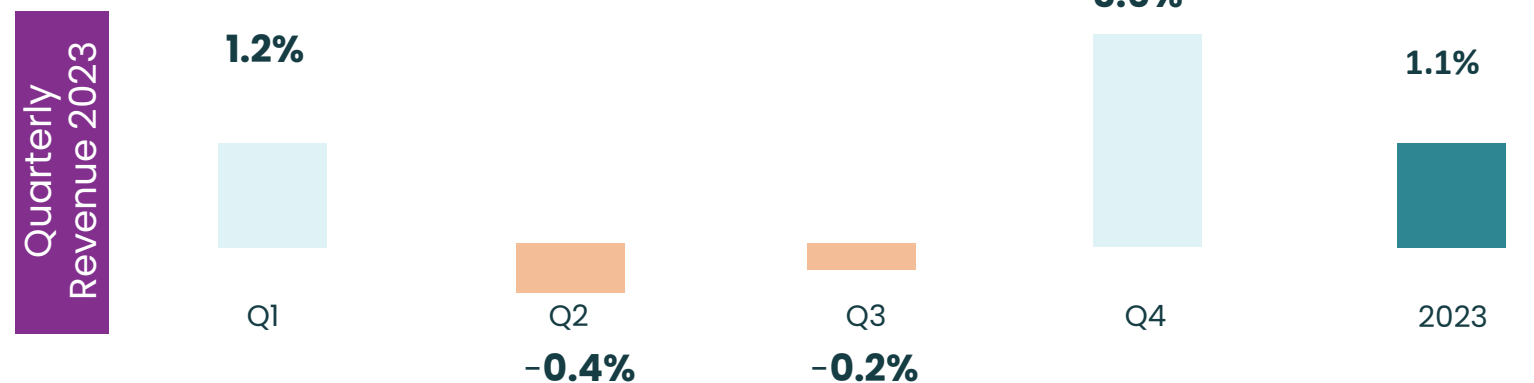
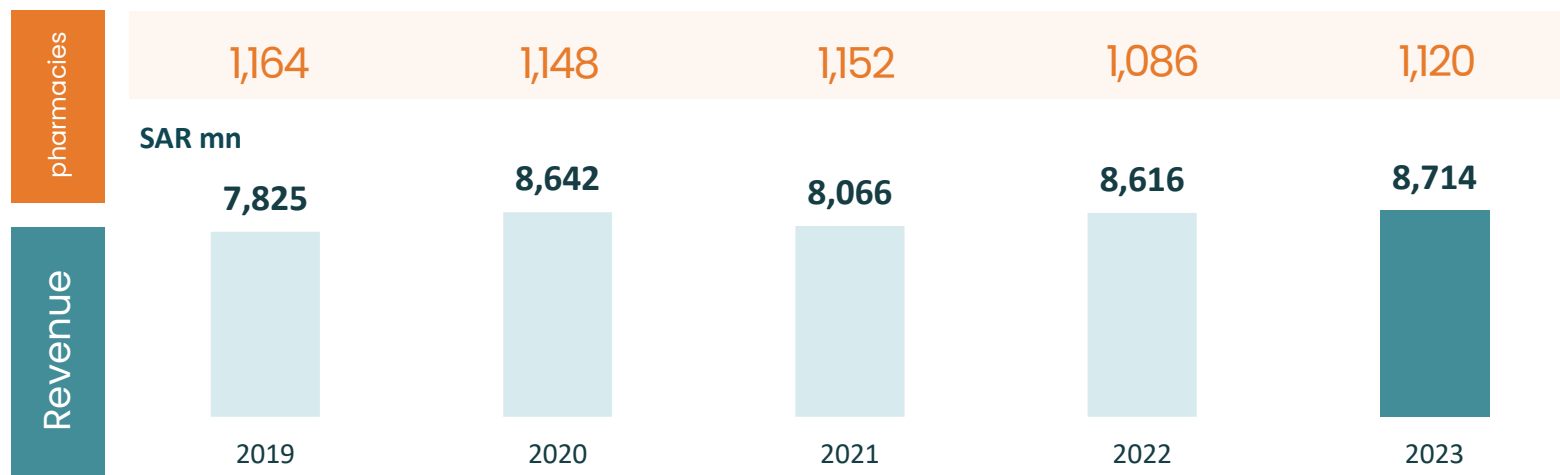


SAR 65mn income
from Islamic time deposit



16.6% ROA &
36.2% ROE

Revenue grew steadily through FY 2023



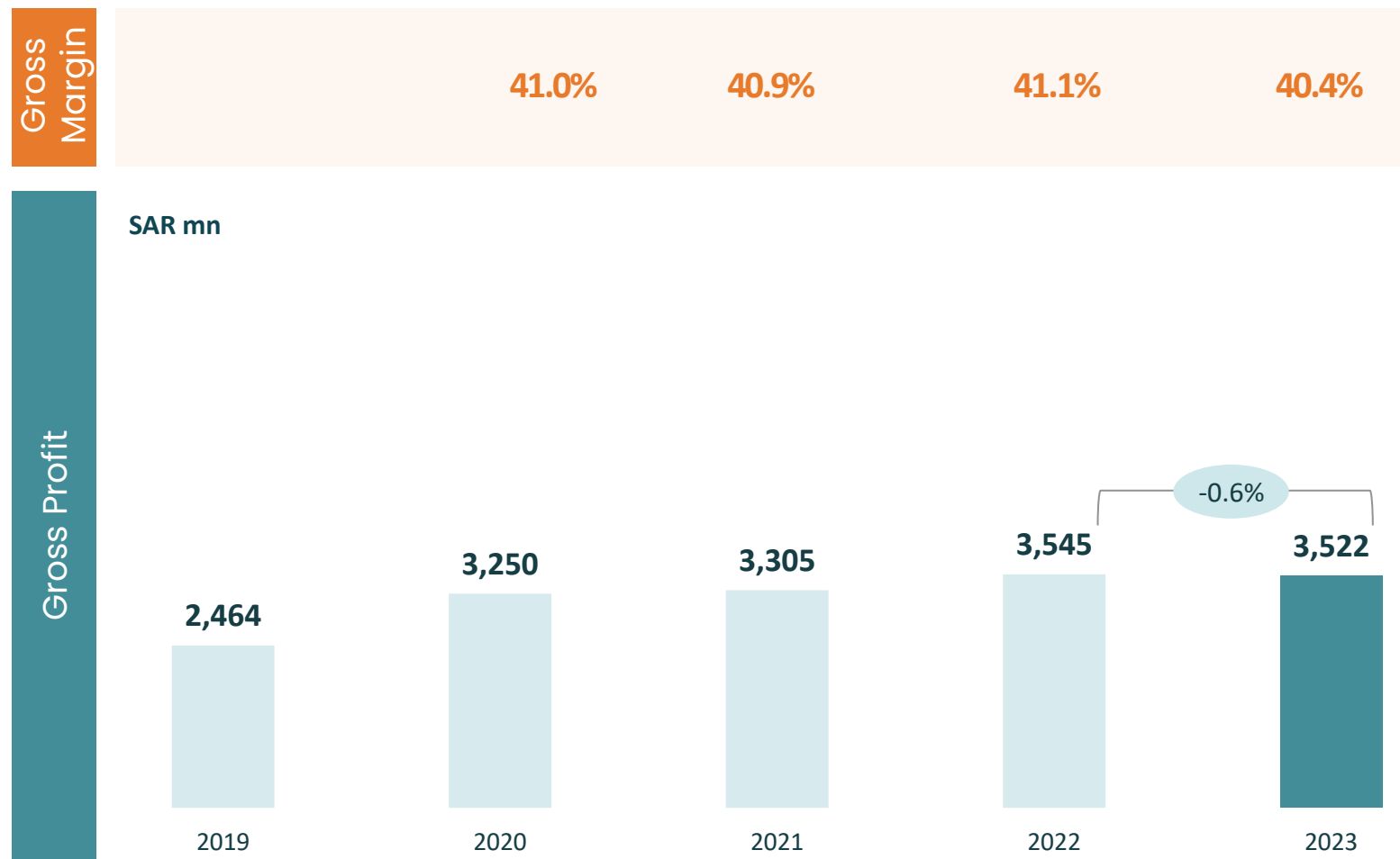
Revenue in Q4 grew 3.6% year-on-year, driven by the Pharma and Beauty categories registering 6.1% and 3.3% increases, respectively

Strong performance of Nahdi's fast-growing businesses, with Q4 YoY revenue from Healthcare up 106% and from the UAE up 236%.

Investment in sales promotions of Beauty products during H2 led to Q4 growth, paving the way for similar trends in other Front Shop categories.

Source: Company disclosure

Resilient gross profit margin

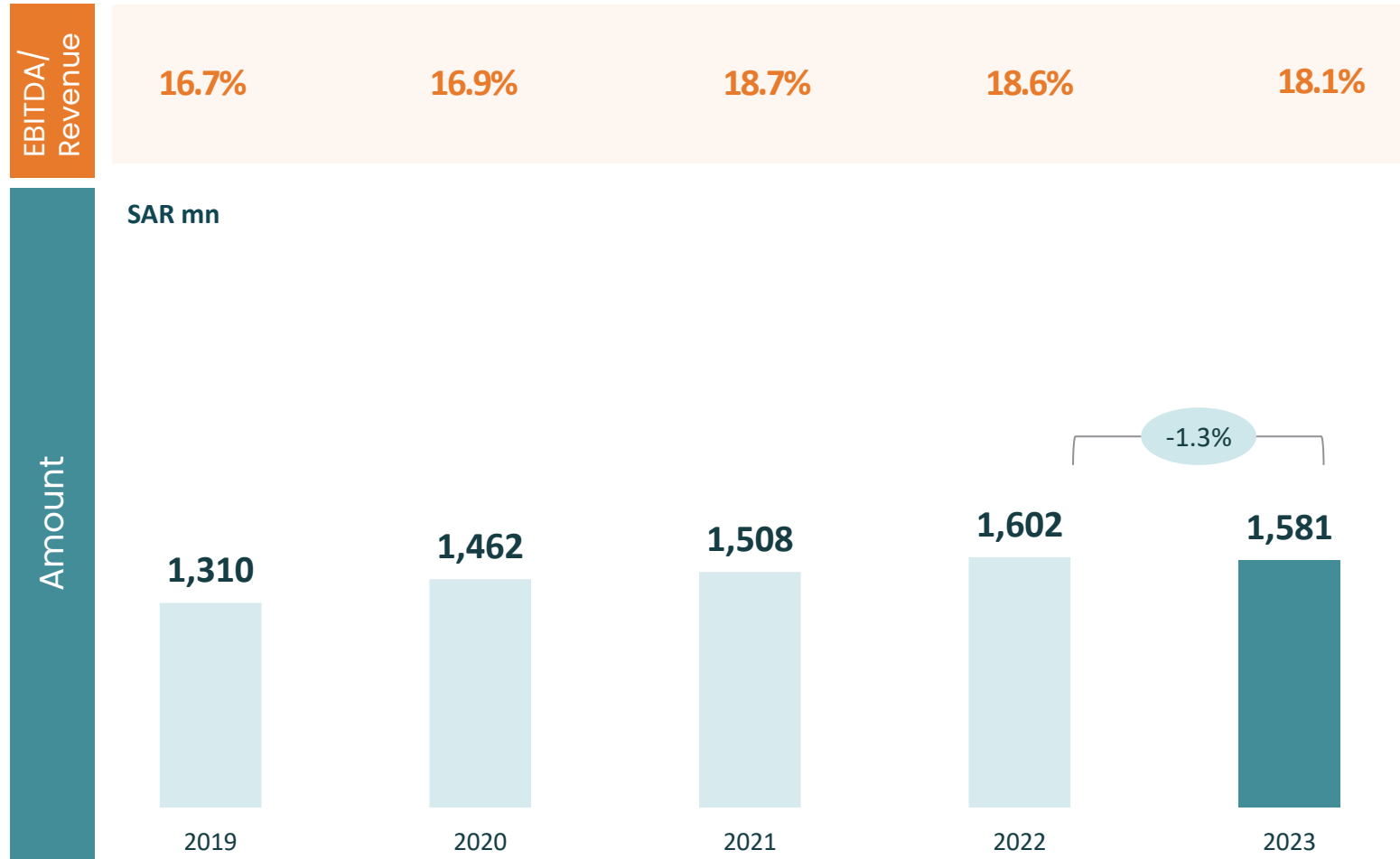


Gross margin held firm at 40.4%, in line with guidance

The investments in Front Shop marketing mix and sales promotions, was partially offset by non-recurring inventory provision release of SAR 33mn.

Without the one-time provision release, the gross margin for the second semester reached 39%.

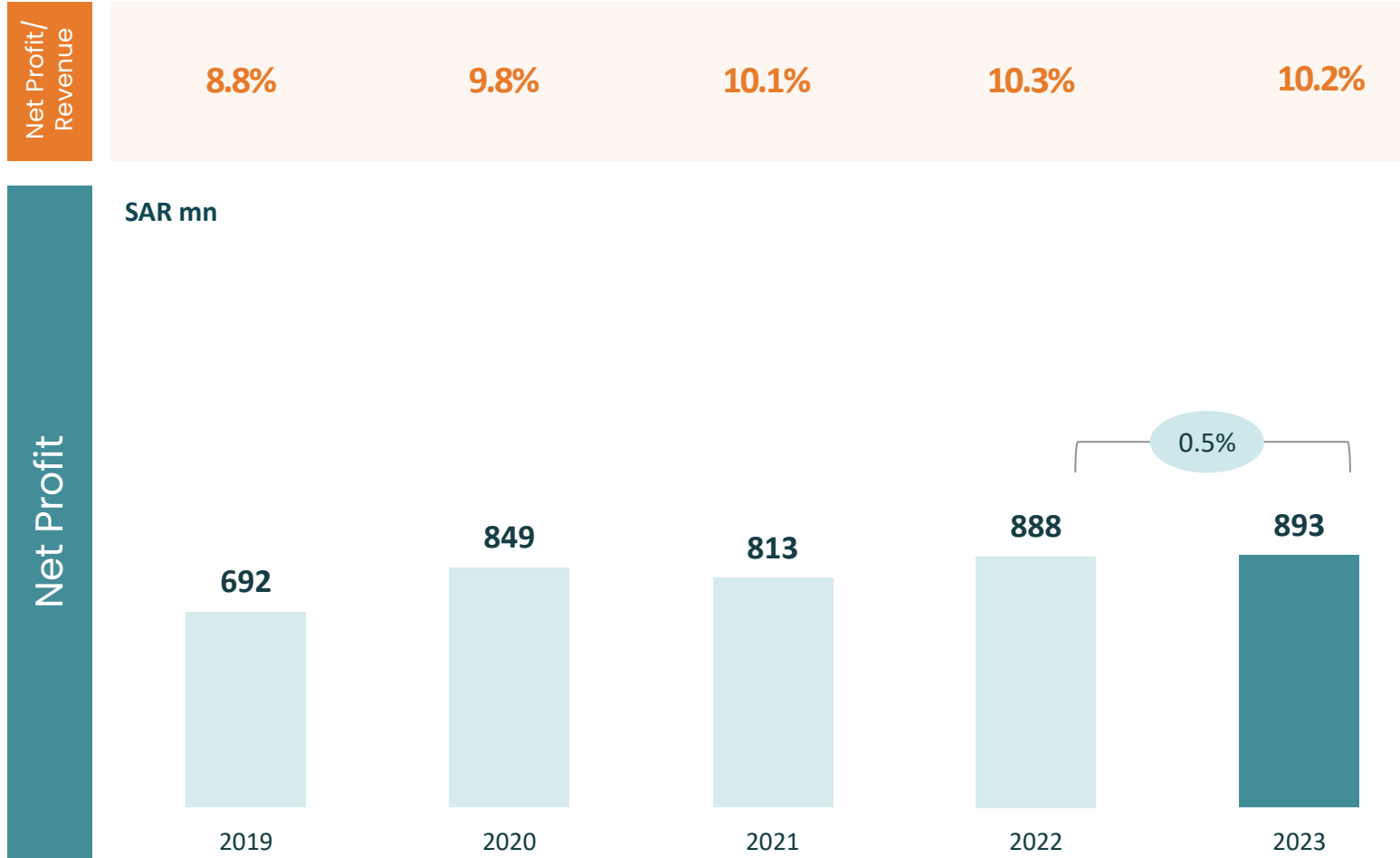
Strong EBITDA outcomes



Highly profitable business

Consistently delivering best in class retail EBITDA margin

Attractive net profit profile



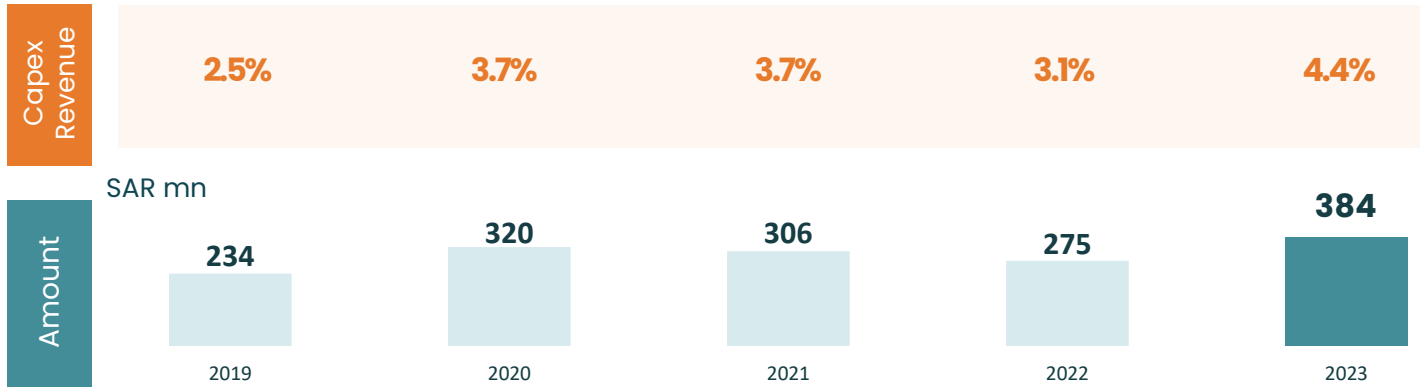
Net profit of SAR 893 million, reflecting a 10.2% margin

Margin remained flat in spite of ongoing investments in strategic initiatives including healthcare, e-commerce, and UAE operations.

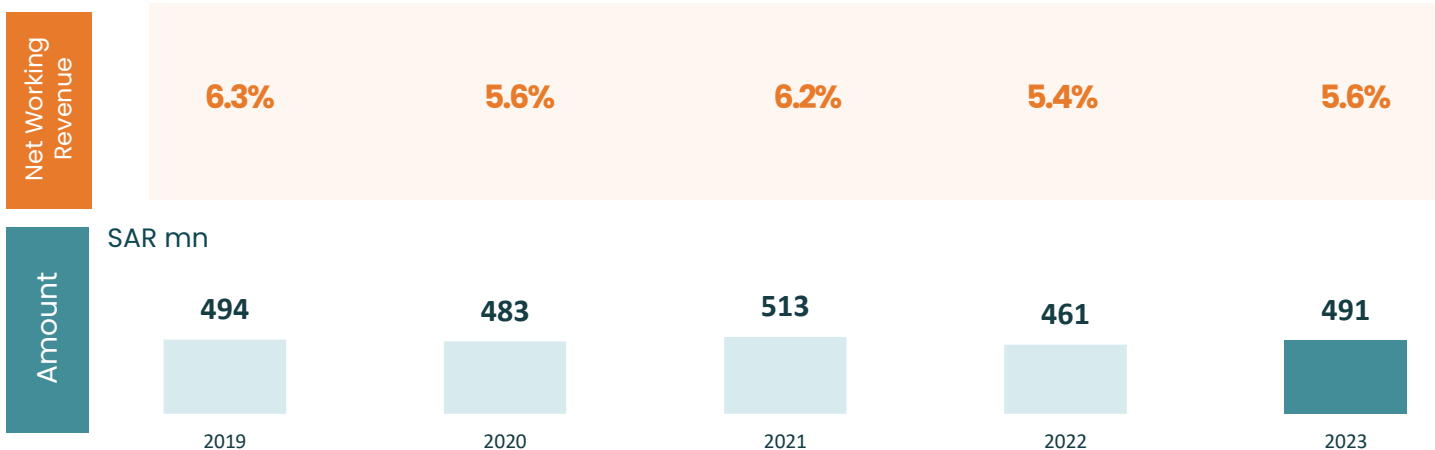
Savings from established cost efficiency programs and income generated from Islamic time deposits helped fund these initiatives.

Zero debt with strong cash flow from operations and working capital

Capex



Net Working Capital



Best-in-class ROA/ ROE

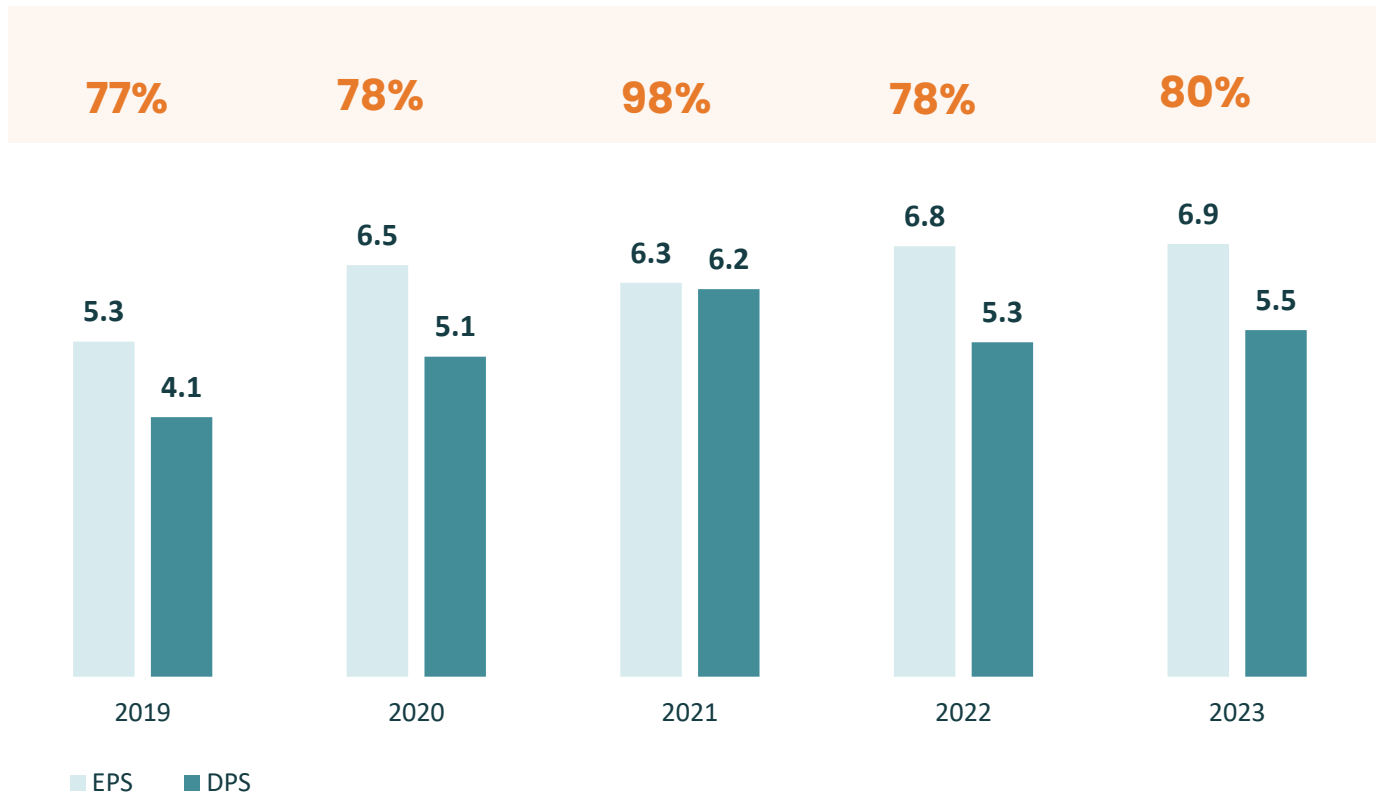
Highly profitable business with industry leading ROE and ROA in 2023.

SAR 1,369mn Net Cash generated from operating activities.

Consistent dividend distribution to shareholders

Dividends Payout %

SAR/Share



Sustainable and consistent Dividends payouts

In line with the company's dividends distribution policy supported by strong financial performance and high liquidity position.

Winning with our Guests



Engage
Guests & Partners



Drive
Efficiencies & Capabilities



Invest
in Innovation



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THANK YOU

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