

# Nahdi Medical Company

INVESTOR PRESENTATION

Q1 2024



# Q1 2024 Financial Highlights

RESILIENT FINANCIAL PERFORMANCE	In SAR (% of revenue)	Q1 2024	Q4 2023
	Revenue	2.26bn	2.21bn
	Gross Profit	861mn (38.1% )	865mn (39.1%)
	Net Profit	233mn (10.3%)	171mn (7.7%)

STRONG CASH FLOW GENERATION	Free Cash Flow SAR 362mn	Capex 4.5% of revenue	ZERO DEBT
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# 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

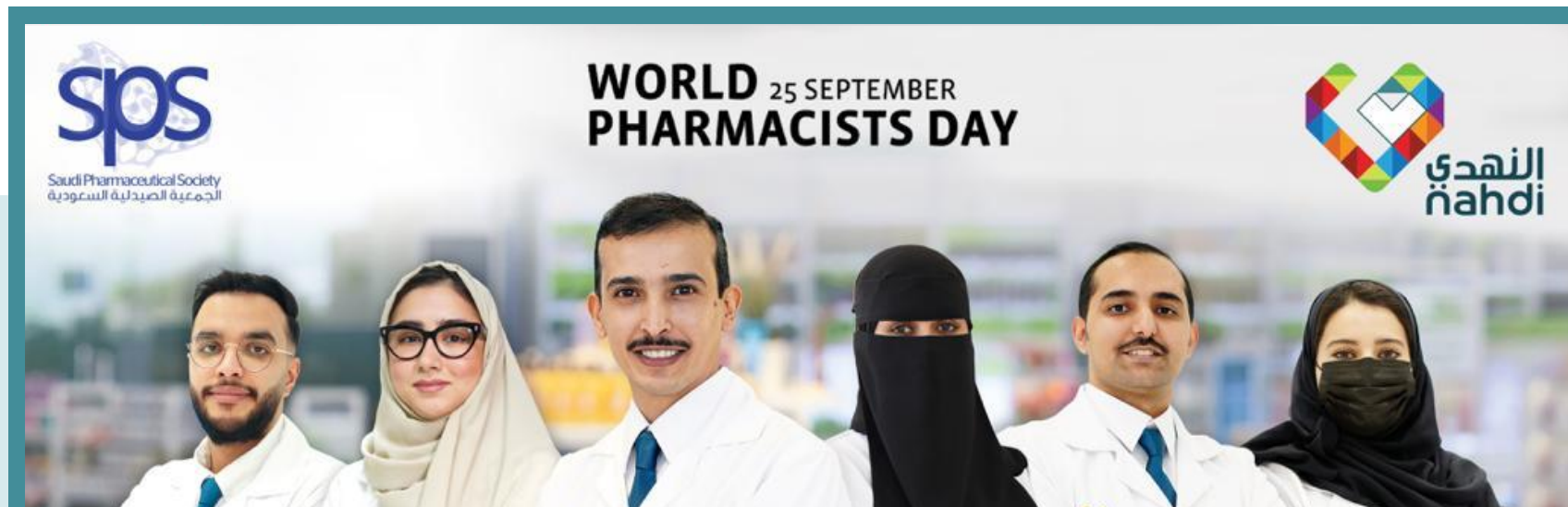


## Values

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

#1 pharmacy chain In KSA with 1,162 stores	140+ cities serving 95% of KSA population
100mn+ Guests / yr served across pharmacies	81% of Revenue Generated by Nuhdeek Guests
20% Online Contribution from our e-commerce platforms	12.4% Private Label & direct imports contribution
7 Polyclinics delivering 121% revenue growth	348K Guests served through our omnihealth ecosystem

# Our passion for people always delivers value to our Guests



HRSE Award  
Employer of the  
Year 2023

## Invested in the success of our people



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



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

## Always cultivating Saudi talents

### Strong Partnerships

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

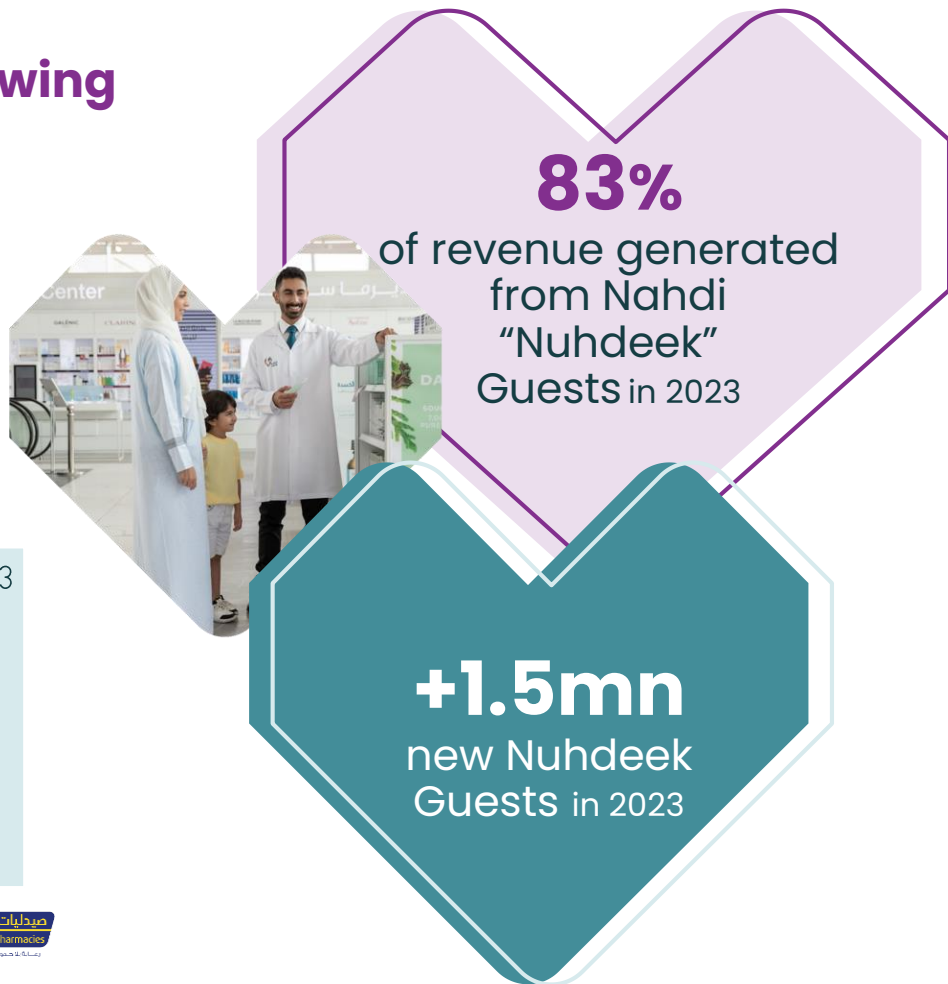
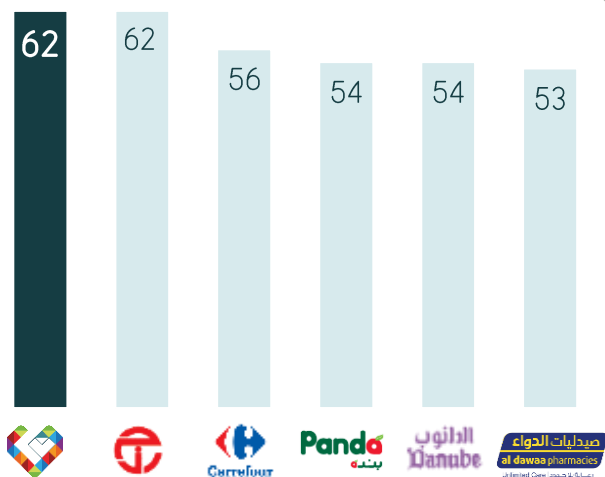


**>90%** of hiring in 2023 consisting of Saudi nationals.

# Guest satisfaction continues to validate our long-term strategy

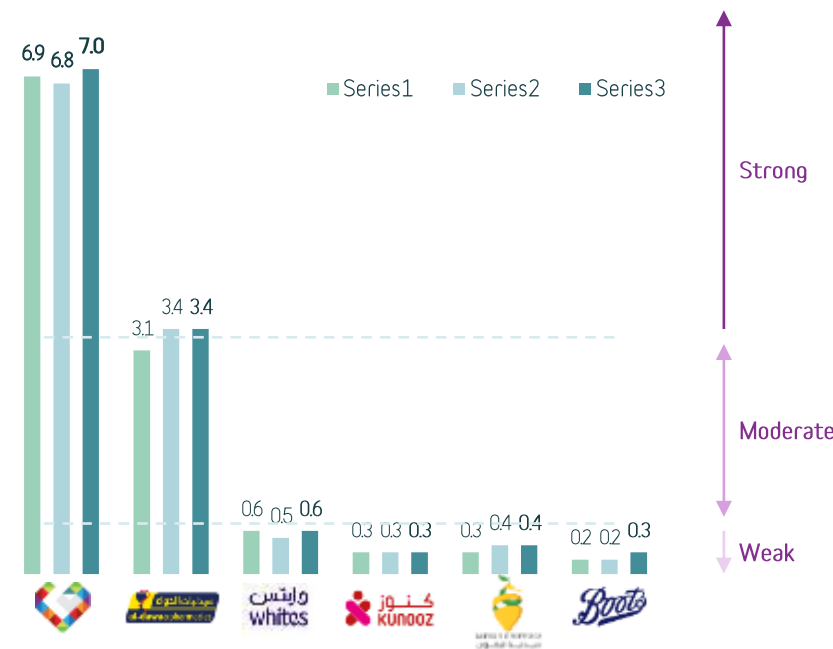
## Significant brand following

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



## Stronger brand equity YoY

Nielsen Store Equity Index\*\*



Source: Company disclosure, Nielsen  
\*\*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



**2<sup>nd</sup>**  
in Saudi Arabia &  
GCC 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



# Strategic Initiatives

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# Nahdi's key differentiator is its diversified ecosystem

Adding Digital Beats, any time, anywhere



## Online Performance

- The company's strategic enablers allowed Nahdi to expand its online business, supported by its state-of-the-art technology and logistics
- This led to **SAR 444 mn** in revenue, representing **20%** Contribution
- **1st** bonded zone for private company in Saudi Arabia
- Solid **IT infrastructure** cater for **16 mn** sessions monthly.
- Sophisticated last mile logistics serving **95%** of population within **2 hours**
- **Endless aisle assortment** (**3200** new SKUs added in Q1) serving our Guests health & wellbeing needs

nahdi  
online



**Express**





# Nahdi's key differentiator is its diversified ecosystem

## Nahdi's expanding regional network



### UAE Performance

- Presence in **5** out of the 7 Emirates in the UAE
- Added **6** new pharmacies to reach a total of **21** pharmacies
- The UAE witnessed **173%** revenue growth in Q1 2024
- Services Available
  - Nahdi Online
  - Nahdi Global
  - E-pharmacist



# Nahdi's key differentiator is its diversified ecosystem

Evolve into a national healthcare player



## Healthcare Performance

- Revenue **+121%** vs Q1 last year
- Total Healthcare business reported **Positive bottom line**, despite opening a new polyclinic in Madinah
- Clinic Guests' visits **348K** guests, **+43%** from 2023
- Virtual Consultations **+46%** reaching **222K** from 152K consultations last year

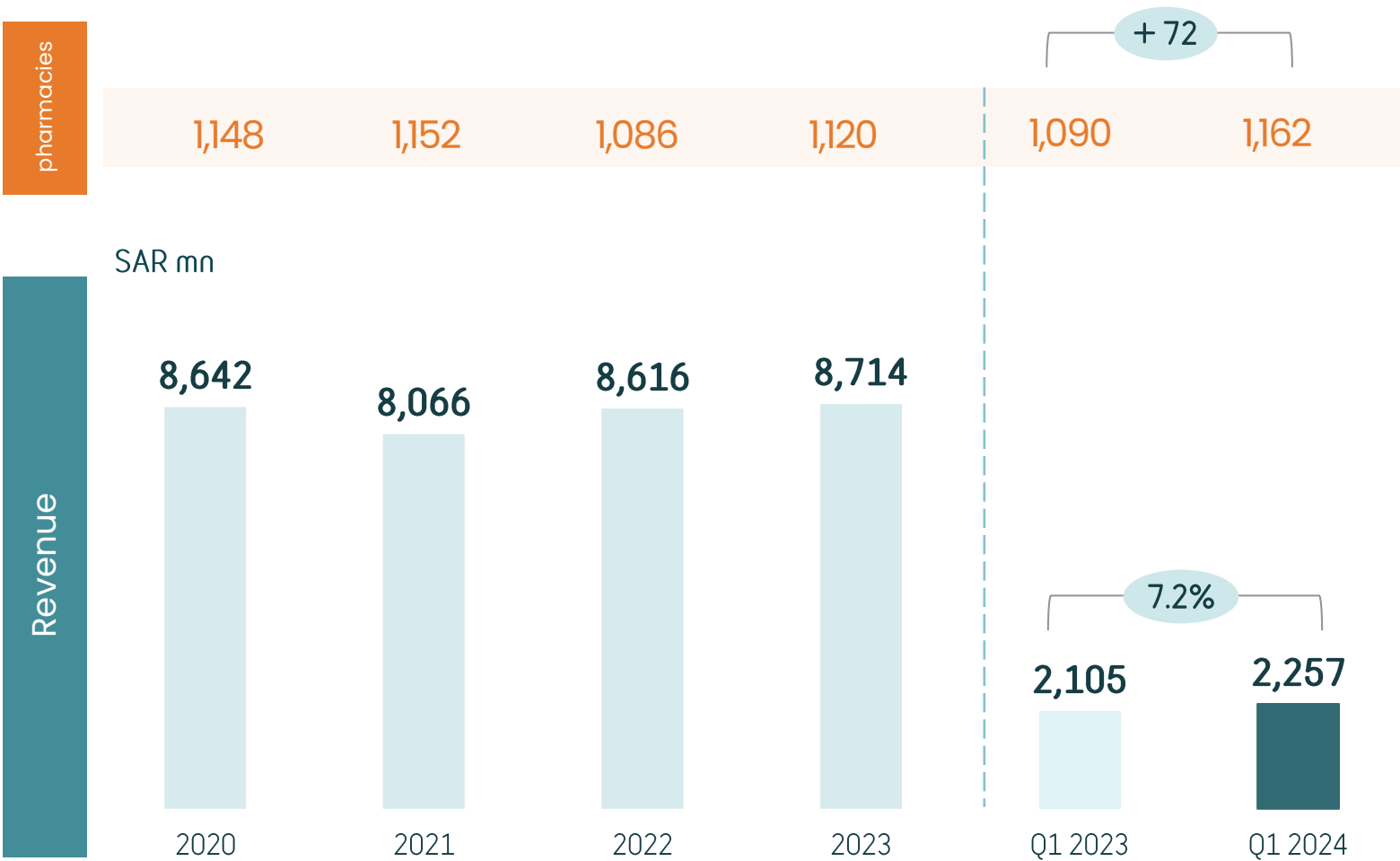
## Prescription (Build & Borrow)

NahdiCare generated **SAR57mn** to pharmacies in Q1

## Outlook

- **7** polyclinic operational with **3** in the pipeline until year end
- The planned presence across **7** cities will provide **~30%** of the Saudi population with access to polyclinic, supported by Kingdom wide virtual consultation and Home Healthcare

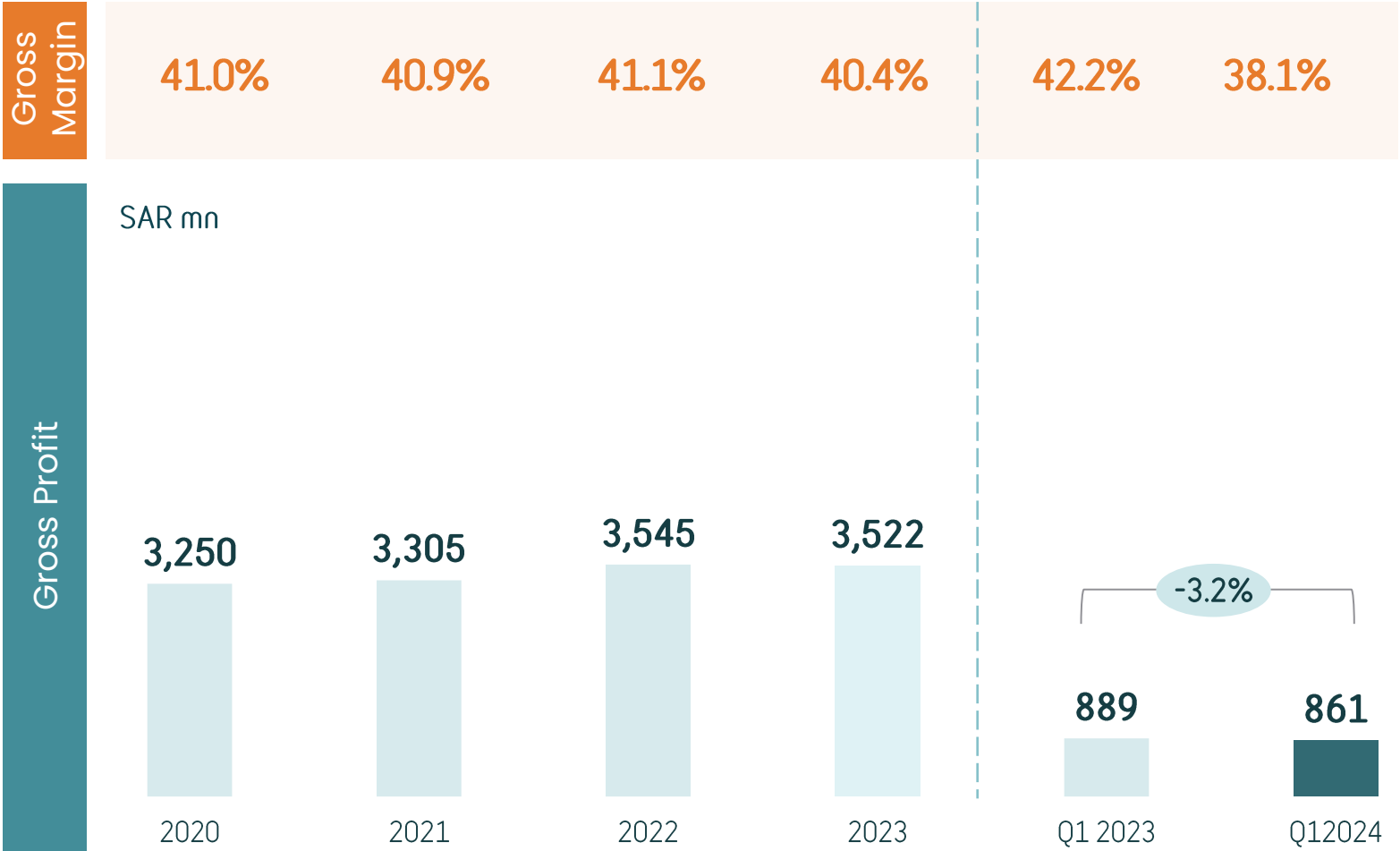
# Solid revenue growth across the businesses and categories



**Revenue in Q1 grew 7.2% year-on-year, driven by a strong performance in the core Pharma segment and a solid recovery in Front Shop segment, particularly in beauty.**

Strong performance of Nahdi's fast-growing businesses, with Q1 YoY revenue from Healthcare up 121% and from the UAE up 173%.

# Resilient gross profit margin

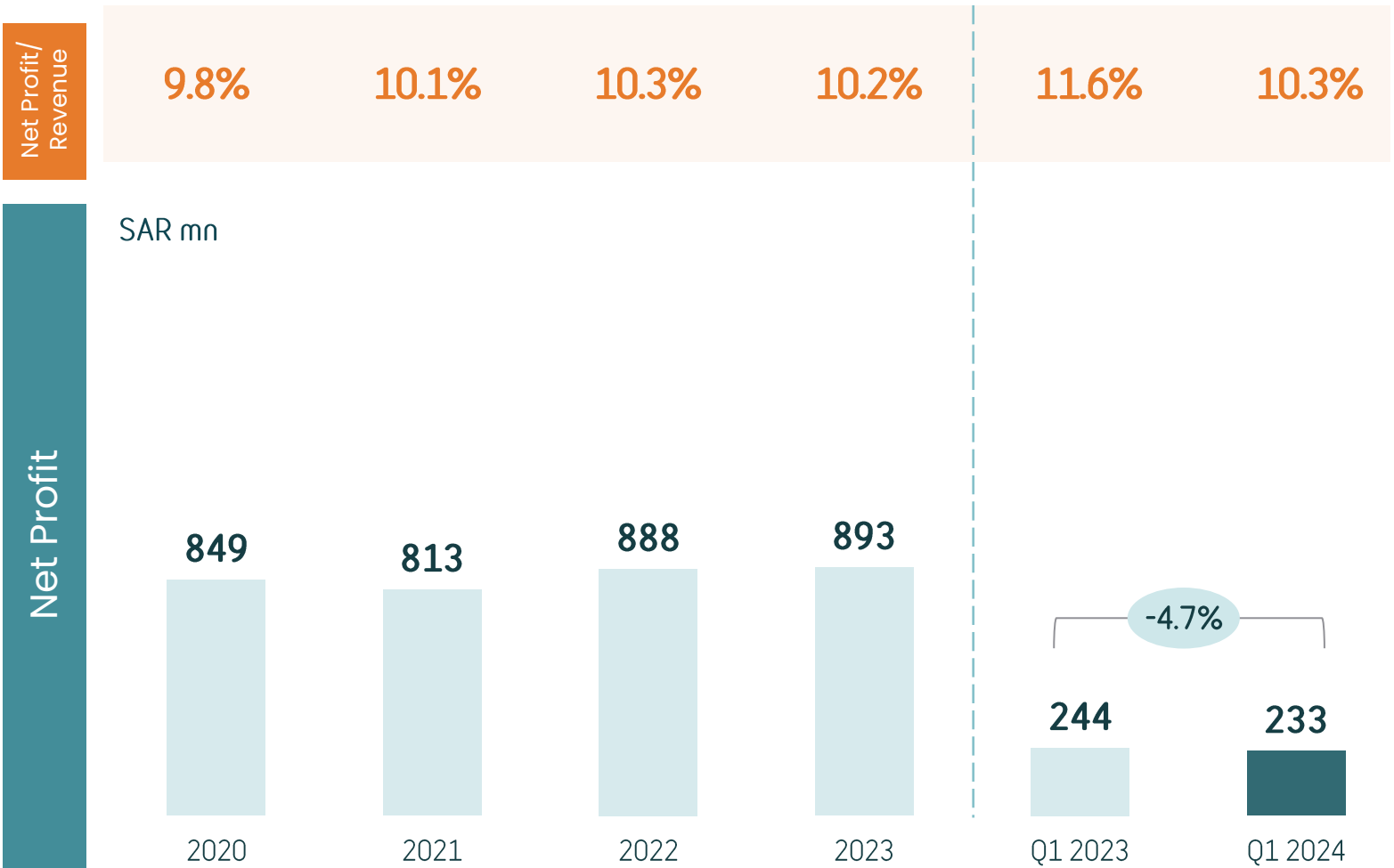


**Gross margin at 38.1%, driving higher topline growth in line with published guidance.**

The continued investments in sales growth initiatives generated solid topline growth.



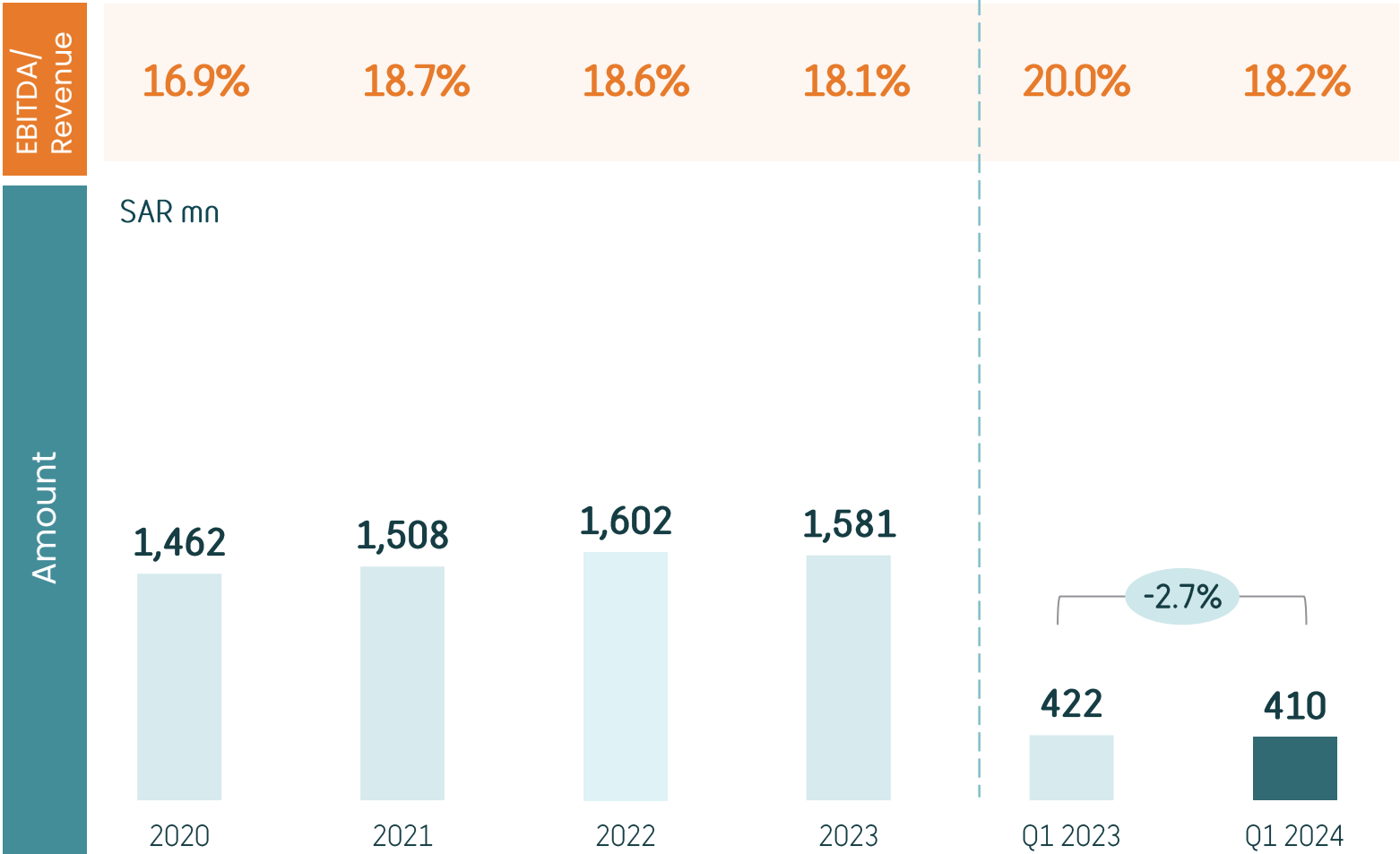
# Attractive **net profit** profile



**Net profit of SAR 233million, reflecting a 10.3% margin.**

- 1.6% improvement in operating expenses % of revenue, despite the investments in key strategic initiatives i.e. healthcare & network expansion and digitalization.
- Savings from established cost efficiency programs contributed to fund most of these initiatives.

# Strong EBITDA outcomes

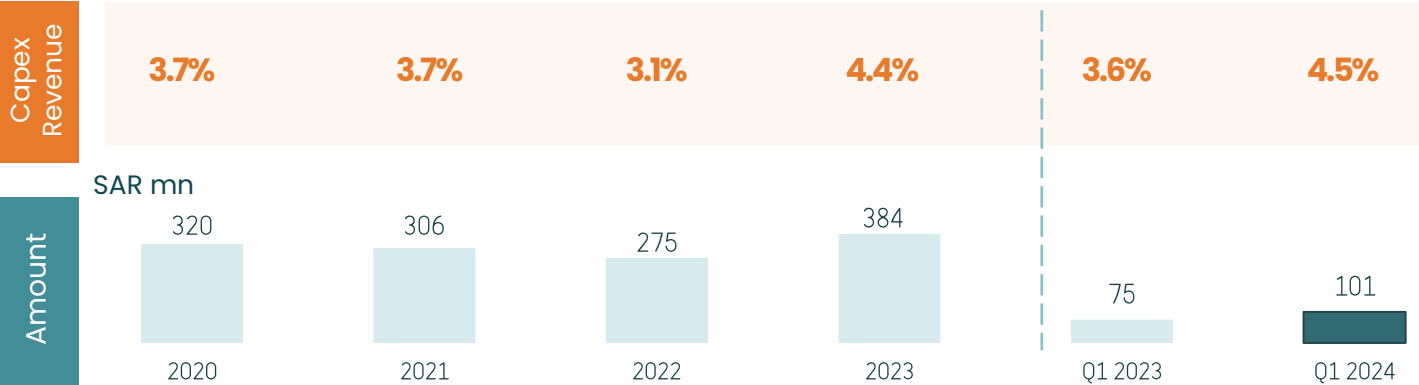


**Highly profitable business.**

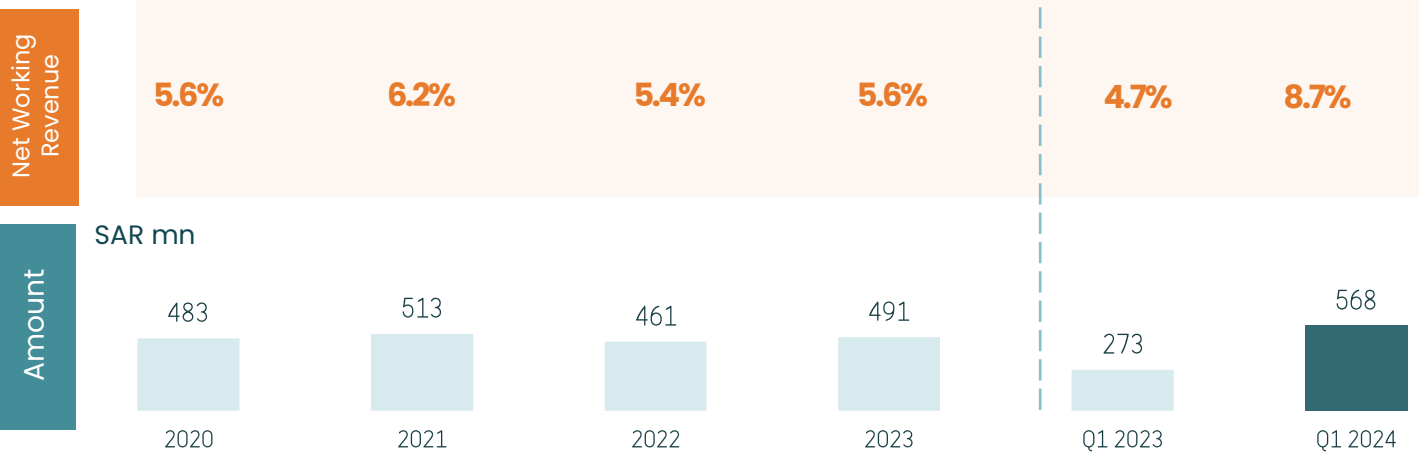
Consistently delivering best in class retail EBITDA margin

# Zero debt with strong cash flow from operations and working capital

## Capex



## Net Working Capital



**Business model with light capex and lower working capital need.**

Temporary spike in working capital in Q1 2024, driven by higher inventory to support Ramadan and Hajj seasonality, growth in online business especially "Global", and to avoid any business disturbance due to geopolitical issues.

SAR 463 mn net cash generated from operating activities.



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nahdi

# THANK YOU

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