

Addendum Announcement from Nahdi Medical Co. in regard to its Interim Financial results for the Period Ending on 2024-06-30 (Six Months)

Element List	Explanation
Introduction	Following to the announcement of the Nahdi Medical Company published on Tadawul website on 25-01-1446 corresponding to 31-07-2024, the company would like to provide further elaboration on its financial results.
Date of Posting the Previous Announcement	2024-07-31 Corresponding to 1446-01-25
Previous Announcement link	Click Here
Change on the Development	<p>- The reason behind the decrease of net profit in Q2 - 2024 vs. Q2 2023 is:</p> <p>Net Profit: The company reported a net profit of SAR 247.7 million representing 10.0% of revenue in the second quarter of 2024, lower by 17.2 million, compared to SAR 265.0 million for the same quarter of last year. This can be attributed to the following reasons:</p> <p>-Gross Profit: Despite the continued investment to support sales growth, Nahdi's gross profit increased by SAR 38.3 million or 4.3% reaching to SAR 938.7 million compared to SAR 900.4 million for the same quarter of last year, recording a gross margin at 38.0%.</p> <p>-Operating Profit: The company continued investing in various strategic initiatives including new openings, healthcare acceleration, UAE expansion and digitalization. Savings generated from ongoing efficiency programs allowed the company to accelerate these strategic investments. This has led to a notable enhancement in operating expenses as a % of revenue, which improved by 1.1% to achieve 27.1% compared to 28.2% in the same quarter last year. However, OPEX / Other operating revenue increased by SAR 47.8 million primarily due to these strategic investments. Consequently, the company reported an operating profit of SAR 273.4 million, a decrease of SAR 9.5 million or 3.4% from SAR 282.9 million in the same quarter of last year.</p>

Additionally, there was an increase of SAR 7.7 million in the financial charges, lease liability interest and other items to support the revenue growth.

As a result of all the above factors, the net profit declined by SAR 17.2 million or 6.5%.

- The reason behind the increase of net profit in Q2 - 2024 vs. Q1 - 2024 is:

Net Profit: The company's net profit increased by SAR 14.8 million or 6.3% reaching to SAR 247.7 million, with a net profit margin 10.0% in the second quarter of 2024, compared to SAR 232.9 million in previous quarter of the year, due to the following reasons:

-Gross Profit increased by SAR 77.9 million or 9.0% which is in line with the revenue growth.

-OPEX / Other expenses increased by SAR 63.1 million, which was mainly driven by the various strategic initiatives including new openings, healthcare acceleration, UAE expansion and digitalization.

- The reason behind the decrease of net profit in H1 - 2024 vs. H1 - 2023 is:

Net Profit: The company reported a net profit of SAR 480.7 million representing a 10.2% of revenue in the first half of 2024, lower by 28.6 million, compared to SAR 509.3 million for the same period of last year, due to the following reasons:

-Gross Profit: Nahdi recorded a gross profit of SAR 1,799.5 million in the first half of 2024, with an increase of 10.0 million, compared to SAR 1,789.6 million for the same period of 2023, driven by the continuous investment to support sales growth, recording a gross margin of 38.0%.

-Operating Profit: The company continued investing in various strategic initiatives including new openings, healthcare acceleration, UAE expansion and digitalization. Savings generated from ongoing efficiency programs allowed the company to accelerate these strategic investments.

	<p>This has led to a notable enhancement in operating expenses as a % of revenue, which improved by 1.3% to achieve 27.7% compared to 29.0% in the same period last year. However, OPEX increased by SAR 51.1 million primarily due to these strategic investments. Consequently, the company reported an operating profit of SAR 505.1 million, a decrease of SAR 41.1 million or 7.5% from SAR 546.2 million in the same period of last year.</p> <p>Additionally, items below operating profit generated a net help of SAR 12.5 million, leading to a net profit of SAR 480.7 million, a decline by SAR 28.6 million or 5.6%, compared to SAR 509.3 million for the same period of last year.</p>
<p>Financial Impact on the change</p>	<p>No Impact</p>