

Nahdi Medical Co. announces its Interim Financial Results for the Period Ending on 2024-09-30 (nine Months)

Element List	Current Quarter	Similar Quarter for Previous Year	%Change	Previous Quarter	%Change
Sales/Revenue	2,353.30	2,162.90	8.802	2,472.70	-4.828
Gross Profit (Loss)	851	878.9	-3.174	938.7	-9.342
Operational Profit (Loss)	175.8	229.8	-23.498	273.4	-35.698
Net Profit (Loss) after Zakat and Tax	182.2	212.8	-14.379	247.7	-26.443
Total Comprehensive Income	156.2	223.1	-29.986	260.9	-40.13

All figures are in (Millions) Saudi Arabia, Riyals

Element List	Current Period	Similar Period for Previous Year	%Change
Sales/Revenue	7,083.40	6,499.40	8.985
Gross Profit (Loss)	2,650.50	2,668.50	-0.674
Operational Profit (Loss)	680.9	775.9	-12.243
Net Profit (Loss) after Zakat and Tax	662.9	722.1	-8.198
Total Comprehensive Income	661.3	747.5	-11.531
Total Share Holders Equity (after Deducting Minority Equity)	2,409.10	2,275.80	5.857
Profit (Loss) per Share	5.1	5.55	

All figures are in (Millions) Saudi Arabia, Riyals

Element List	Explanation
<p>The reason of the increase (decrease) in the sales/ revenues during the current quarter compared to the same quarter of the last year is</p>	<p>Revenue: Nahdi's total revenue grew by 8.8% in the third quarter of 2024 with an increase of SAR 190.4 million, reaching SAR 2,353.3 million compared to SAR 2,162.9 million for the same quarter last year. This was primarily driven by a strong performance in the Retail business. Moreover, the Healthcare and UAE businesses continued their revenue growth momentum, delivering 96.5% & 125.9% respectively (please refer to the attached press release for detailed analysis).</p>
<p>The reason of the increase (decrease) in the net profit during the current quarter compared to the same quarter of the last year is</p>	<p>Net Profit: The company reported a net profit of SAR 182.2 million representing 7.7% of revenue in the third quarter of 2024, compared to SAR 212.8 million for the same quarter last year, lower by 30.6 million or 14.4%. This is attributed to the following reasons:</p> <p>-Gross Profit: Gross profit declined by SAR 28.0 million reaching SAR 851.0 million in the third quarter of 2024 compared to SAR 878.9 million for the same quarter the last year driven by the continuous investment to support the sales growth. It is worth mentioning that the third quarter last year included a non-recurring inventory provision release of SAR 33 million due to a change in the inventory provision policy.</p> <p>-Operating Expenses: The company's operating expenses increased by SAR 28.0 million growing at 4.3%, which is lower than the sales growth. The increase in the operating expenses was mainly to support the company's investments into various strategic initiatives including new openings, healthcare acceleration, UAE expansion and digitalization, which was partially offset by an increase in other operating revenue.</p> <p>This resulted in a decline of SAR 54.0 million in the company's operating profit. Moreover, there was an increase of SAR 9.3 million in the financial charges and lease liability interest to support the revenue growth.</p>

	<p>It is worth noting that the net profit for the current quarter included a reversal of zakat provision of SAR 32.7 million, which resulted from closing the zakat assessment for most of the previous years.</p> <p>As a result of all the above factors, the net profit declined by SAR 30.6 million or 14.4%.</p>
<p>The reason of the increase (decrease) in the sales/ revenues during the current quarter compared to the previous one is</p>	<p>Revenue: The company's total revenue declined by 4.8% or SAR 119.4 million in the current quarter versus the previous quarter of 2024, mainly due to the higher sales impact of the seasonality (Ramadan & Hajj seasons) in the previous quarter.</p>
<p>The reason of the increase (decrease) in the net profit (loss) during the current quarter compared to the previous one is</p>	<p>Net Profit: The company's net profit decreased by 26.5% reaching to SAR 182.2 million, with a net profit margin of 7.7%, compared to SAR 247.7 million in the previous quarter of 2024 due to the following reasons:</p> <ul style="list-style-type: none"> -Gross Profit: Gross profit decreased by SAR 87.7 million or 9.3% in the current quarter due to lower sales impacted by seasonality, in addition to a lower gross margin as result of investment in sales promotions. -Operating Expenses: Operating expenses increased slightly by SAR 8.7 million, which is mainly due to the company's planned phasing pattern of operating expenses. <p>This resulted in a decline of SAR 97.6 million in the company's operating profit. It is worth mentioning that the company's operating profit in the second half of the year is always lower compared to the first half of the year due to the seasonality factor in the first half and the higher operating expenses spending and the investment patterns of the business in the second half of the year.</p> <p>It is worth noting that the net profit for the current quarter included a reversal of zakat provision of SAR 32.7 million, which resulted from</p>

	<p>closing the zakat assessment for most of the previous years.</p> <p>As a result of all the above factors, the net profit declined by SAR 65.5 million or 26.5%.</p>
<p>The reason of the increase (decrease) in the sales/ revenues during the current period compared to the same period of the last year is</p>	<p>Revenue: Nahdi continues its sales performance momentum, delivering 9.0% growth in the nine months of the year compared to the same period last year. Total revenue increased by SAR 584.0 million reaching SAR 7,083.4 million compared to SAR 6,499.4 million for the same period last year, driven by a strong performance in the Retail business. Moreover, the Healthcare and UAE businesses recorded growth of 104.7% & 158.4% respectively (please refer to the attached press release for detailed analysis).</p>
<p>The reason of the increase (decrease) in the net profit during the current period compared to the same period of the last year is</p>	<p>Net Profit: The company recorded a net profit of SAR 662.9 million representing 9.4% of revenue in the current period of 2024, compared to SAR 722.1 million for the same period last year, lower by 59.2 million, due to the following:</p> <ul style="list-style-type: none"> -Gross Profit: Nahdi reported a gross profit of SAR 2,650.5 million in the current period of 2024, with a decrease of 18.0 million, compared to SAR 2,668.5 million for the same period last year, driven by the continuous investment to support the sales growth. It is also worth mentioning that gross profit of last year included a non-recurring inventory provision release of SAR 33 million due to a change in the inventory provision policy -Operating Expenses: Operating expenses increased by SAR 78.6 million due to the company's continuous investment in various strategic initiatives including new openings, healthcare acceleration, UAE expansion and digitalization. Despite the increase in operating expenses, the company's operating expenses as % of revenue improved by 1.3% reaching 28.1% compared to 29.4% for the same period last year. The savings generated from the ongoing efficiency programs allowed the company to accelerate its strategic investments. <p>Consequently, the company's operating profit reached SAR 681 million, a decrease of SAR 95.1 million or 12.3% from SAR 776</p>

	<p>million for the same period last year. Moreover, there was a net increase of SAR 4.3 million in the items below operating profit, mainly in financial charges and lease liability interest to support the revenue growth.</p> <p>Zakat charges decreased by SAR 40.2 million mainly due to a one-time provision release of SAR 32.7 million which resulted from closing the zakat assessment for most of the previous years.</p> <p>As a result of all the above factors, the net profit declined by SAR 59.2 million or 8.2%.</p>
Statement of the type of external auditor's report	Unmodified conclusion
Comment mentioned in the external auditor's report, mentioned in any of the following paragraphs (other matter, conservation, notice, disclaimer of opinion, or adverse opinion)	N/A
Reclassification of Comparison Items	Certain comparative information has been reclassified to align with the current presentation for the period ending 30 Sep 2024.
Additional Information	<p>-Other Comprehensive Income decreased due to increase in actuarial expense resulted from re-assessment of the actuarial estimate for the end-of-service indemnity.</p> <p>-In accordance with the company's governance, it strictly adheres to Shariah principles in all areas of its business, including banking and investment activities. As a result, all costs incurred and revenues generated from these activities are Shariah-compliant.</p>