

# Nahdi Medical Company

INVESTOR PRESENTATION

Q3 2024



# Q3 2024 Financial Highlights

## RESILIENT FINANCIAL PERFORMANCE

*In SAR (% of revenue)*

Q3 2024

Q3 2023

Revenue

2.35bn (+8.8%)

2.16bn

Gross Profit

851mn (36.2%)

879mn (40.6%)

Net Profit

182mn (7.7%)

213mn (9.8%)

*In SAR (% of revenue)*

9M 2024

9M 2023

Revenue

7.08bn (+9.0%)

6.49bn

Gross Profit

2.65bn (37.4%)

2.67bn (41.1%)

Net Profit

663mn (9.4%)

722mn (11.1%)

## STRONG CASH FLOW GENERATION

Capex  
3.8% of revenue

ZERO DEBT

DPS  
SAR 2.5 (H1 2024)  
325mn Dividend Payout

# 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 97% of KSA population
100mn+ Guests / yr served across pharmacies	80%+ of Revenue Generated by Nuhdeek Guests
22.5% Online Contribution from our e-commerce platforms	12% Private Label & direct imports contribution
9 Polyclinics delivering 105% revenue growth	1 mn+ (+45%) Vs. 9M 2023 Guests served through our omnihealth ecosystem

# Our passion for people always delivers value to our Guests

Invested in the success of our people



**nahdi**  
academy

More than **500K hours**  
of training conducted annually

Always cultivating Saudi talents

**Strong Partnerships**

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



Human Resource  
Development  
Fund



Human Resources and  
Social Development



**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.

**No. 1**

Hiring +1000 national pharmacists

# Guest satisfaction continues to validate our long-term strategy

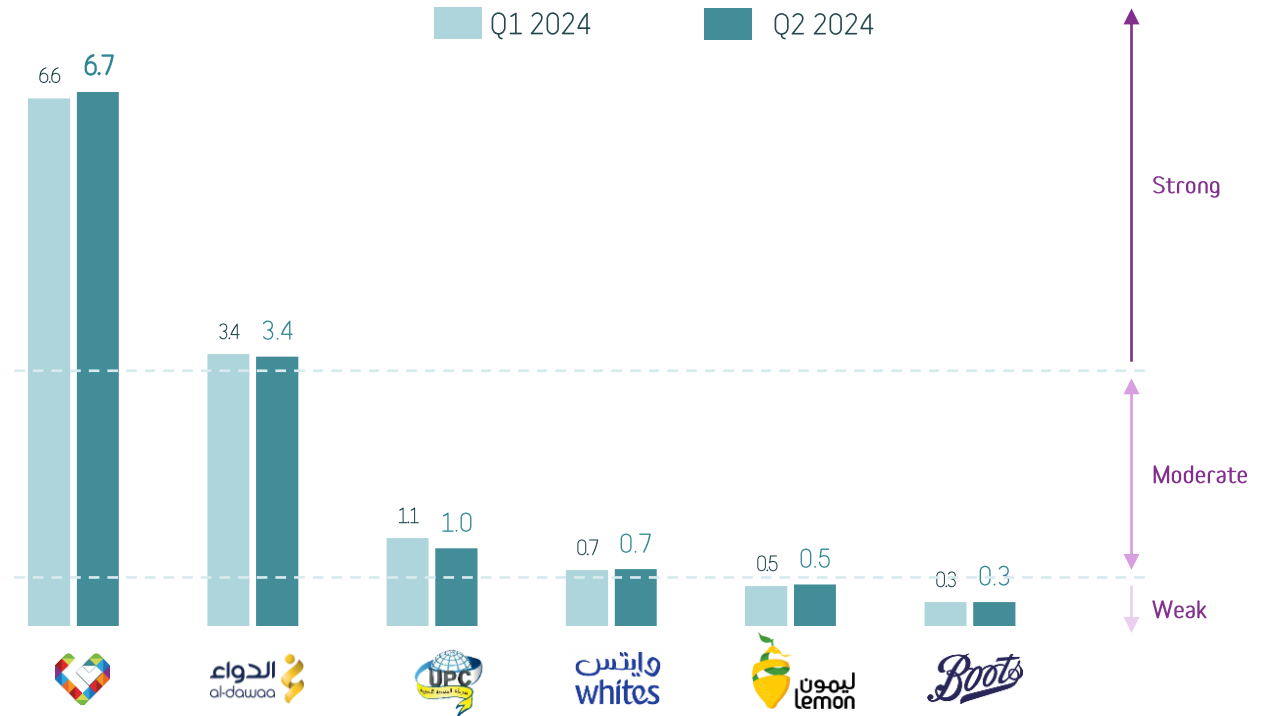


**80%+**  
of revenue generated from Nahdi "Nuhdeek" Guests.

**~1mn**  
new Nuhdeek Guests\*

## Stronger brand equity YoY

Nielsen Store Equity Index\*\*



Source: Company disclosure, Nielsen

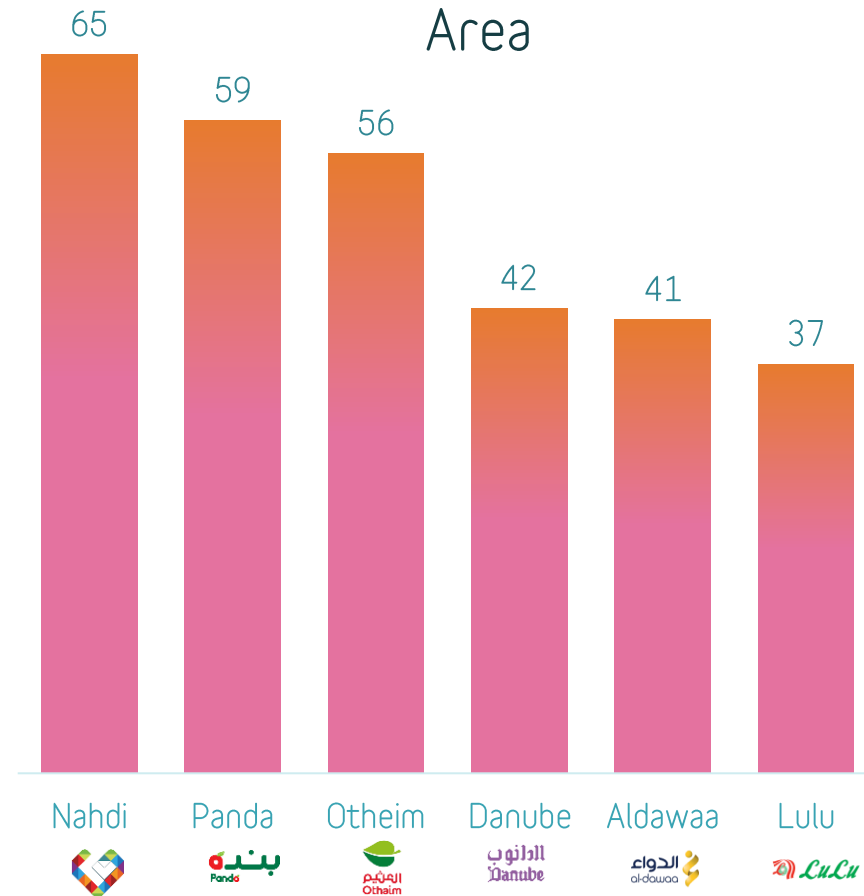
\* By End of Q3 2024

\*\*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

# Voice of the Supplier



## Benchmark Performance by Engagement Driver & Business Area



# Nahdi's Social Sustainability Pillars



Yesterday

CHRONIC DISEASE  
MANAGEMENT



Involves the ongoing care and support provided to members of our communities with long-term medical conditions such as diabetes and hypertension. At Nahdi we aim to optimize health outcomes, improve quality of life, and reduce healthcare costs through our healthcare expertise

Today

COMMUNITY  
WELLNESS



We promote the wellbeing of communities by proactively addressing the prevention of chronic diseases. Through our programs, we promote the access to healthcare and physical activity, as well as social support networks and educational programs, which contribute to a healthier,

Tomorrow

CHILDREN'S  
HEALTH



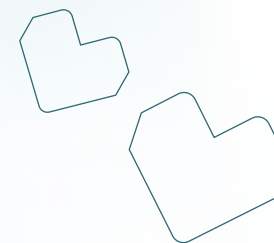
We aim to promote the well-being of children by providing access to essential healthcare services and educational resources. These programs offer a range of benefits, including preventive care, early detection of health issues, immunizations and nutritional support.



# We are Striving for Excellence







# Strategic Initiatives

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# Nahdi shifts into growth mode

## Investing into evolving consumer trends



**+8.8%**

Revenue  
Q3 24 vs. Q3 23

**+16,900**

New SKUs added  
in 9M 2024

**23.3%**

E-commerce  
contribution  
(from 15.8% in Q3 23)

## Efficient OPEX management



**1.2% Improvement**

OPEX as % of revenue not impacted by outlays in  
new initiatives (28.9% in Q3 24 vs. 30.1% in Q3 23)

## Investment into Strategic Initiatives



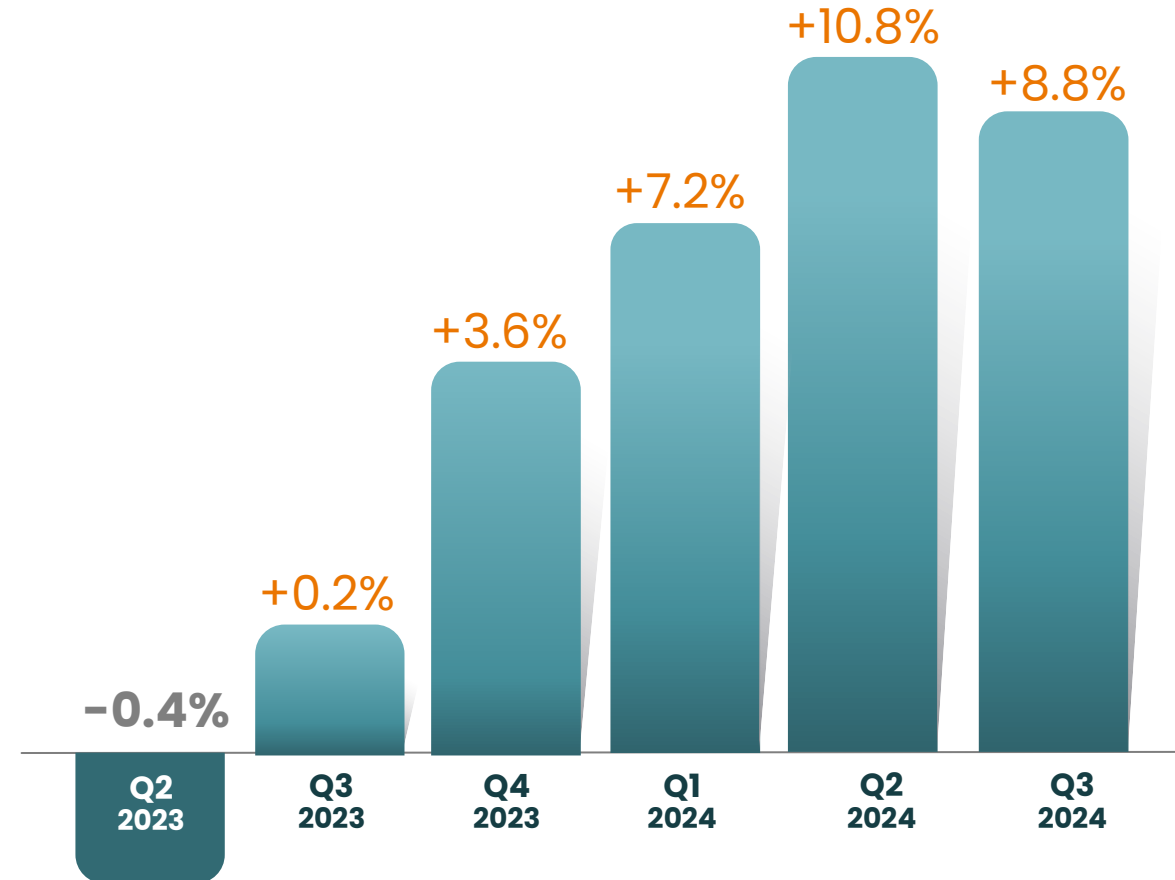
**96.5%**

Revenue growth  
Healthcare  
(Q3 24 vs. Q3 23)

**125.9%**

Revenue  
growth UAE  
(Q3 24 vs. Q3 23)

## Quarterly Growth YOY



# Nahdi's key differentiator is its diversified ecosystem

## Nahdi's expanding regional network



### Performance

- Presence in **5** Emirates in the UAE
- Reach a total of **23** pharmacies
- The UAE witnessed **158%** revenue growth in 9M 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 **105%** growth in 9M 2024
- **4** matured polyclinics are profit-generating delivering a combined net margin of **15%+**
- Total Healthcare business reported **Positive bottom line**, despite opening **3** new polyclinics in Madinah, Yanbu & Najran
- Clinic Guests' visits **+ 1 Million** guests, **+45%** from 9M 2023\*
- Virtual Consultations **+54%** reaching **613K** from 397K consultations 9M 2023

## Prescription (Build & Borrow)

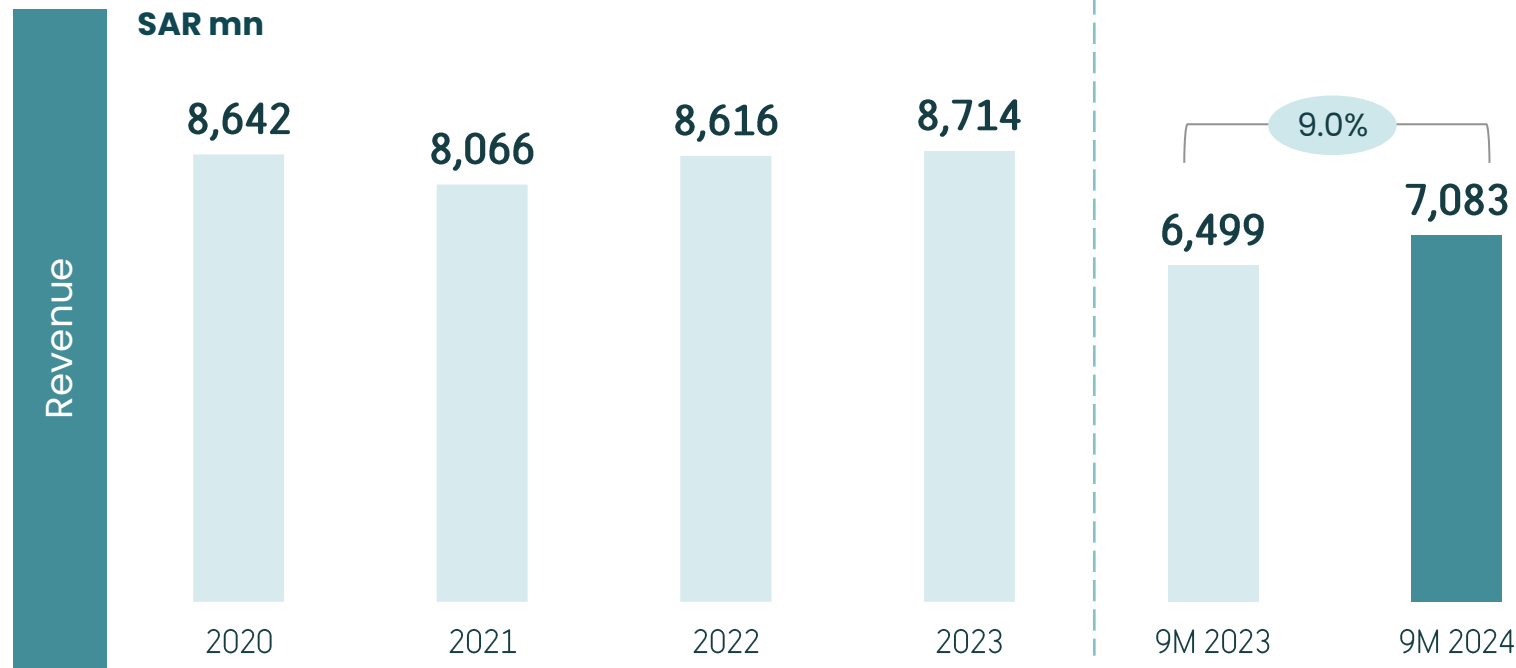
Nahdicare generated **SAR 198mn** to pharmacies in 9M 2024

## Outlook

- **9** polyclinics operational
- The planned presence across **6** 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

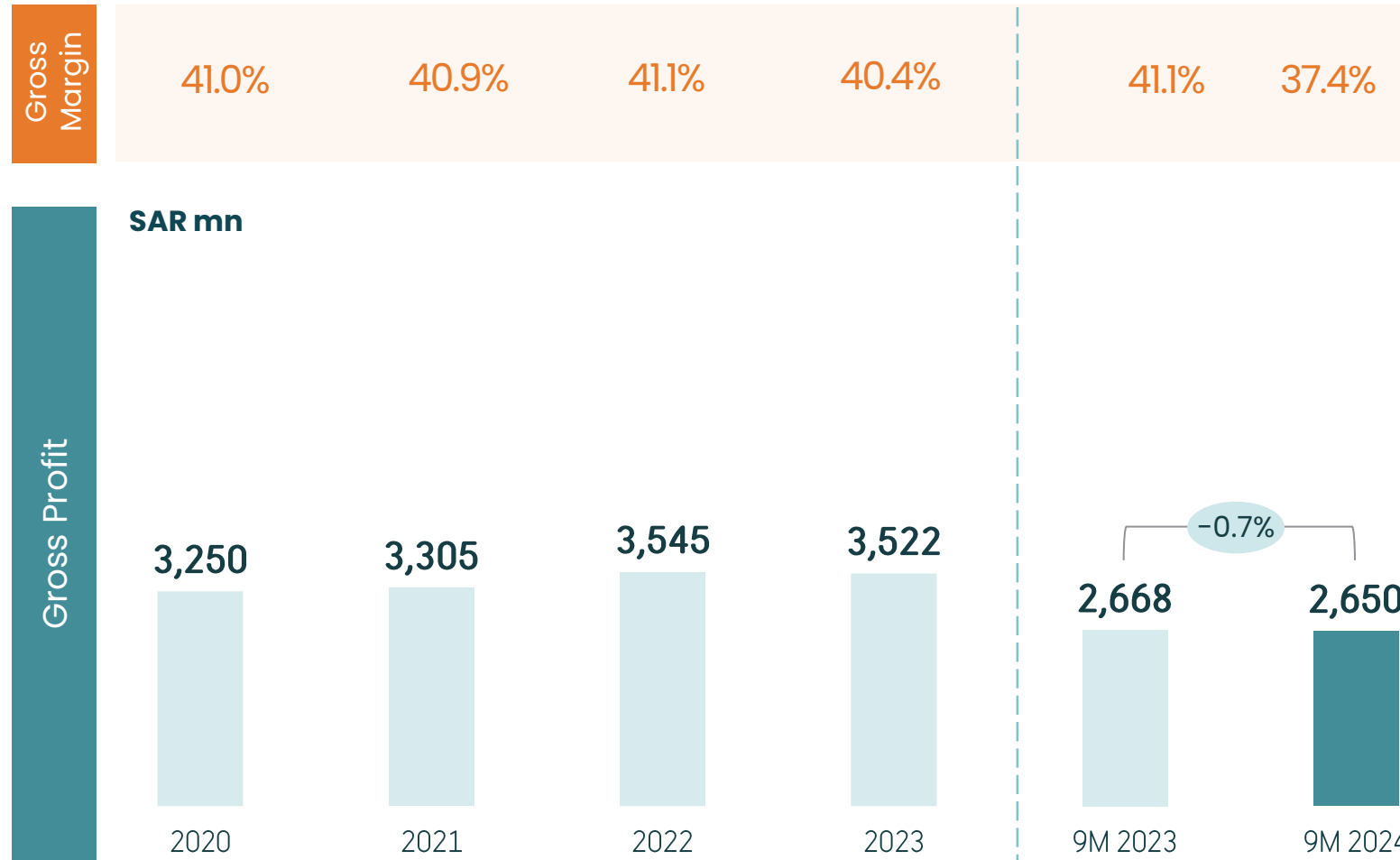
Pharmacies	1,148	1,152	1,086	1,120	1,105	1,185
Clinics	2	2	3	6	5	9



**Revenue in 9M grew 9.0% YoY & 8.8% in Q3 driven by a strong performance in the Retail business**

Strong performance of Nahdi's fast-growing businesses, with 9M YoY revenue from Healthcare up 105% and from the UAE up 158%.

# Resilient **gross profit** margin



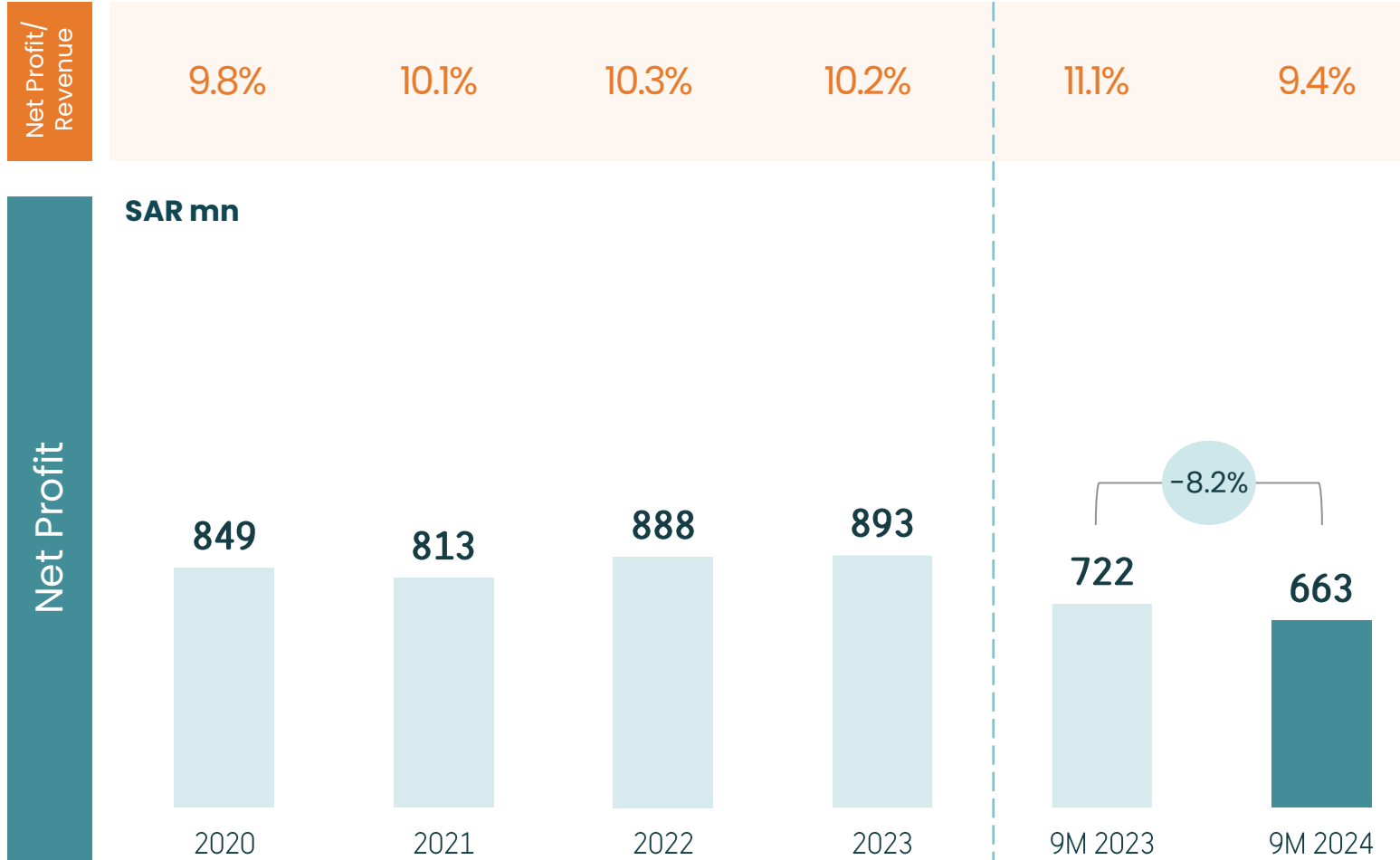
## **Gross margin at 37.4%, Gross profit declined slightly by 0.7%**

- The continues investments to support the sales performance generated solid topline growth.
- Accelerated growth in strategic business channels i.e. Online, Healthcare & UAE.
- Mix negative impact due to higher growth in the insurance business and lower growth in the private label.
- Higher base last year: SAR 33 million inventory provision release resulted from a change in the inventory provision policy.

Source: Company disclosure

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# Attractive net profit profile



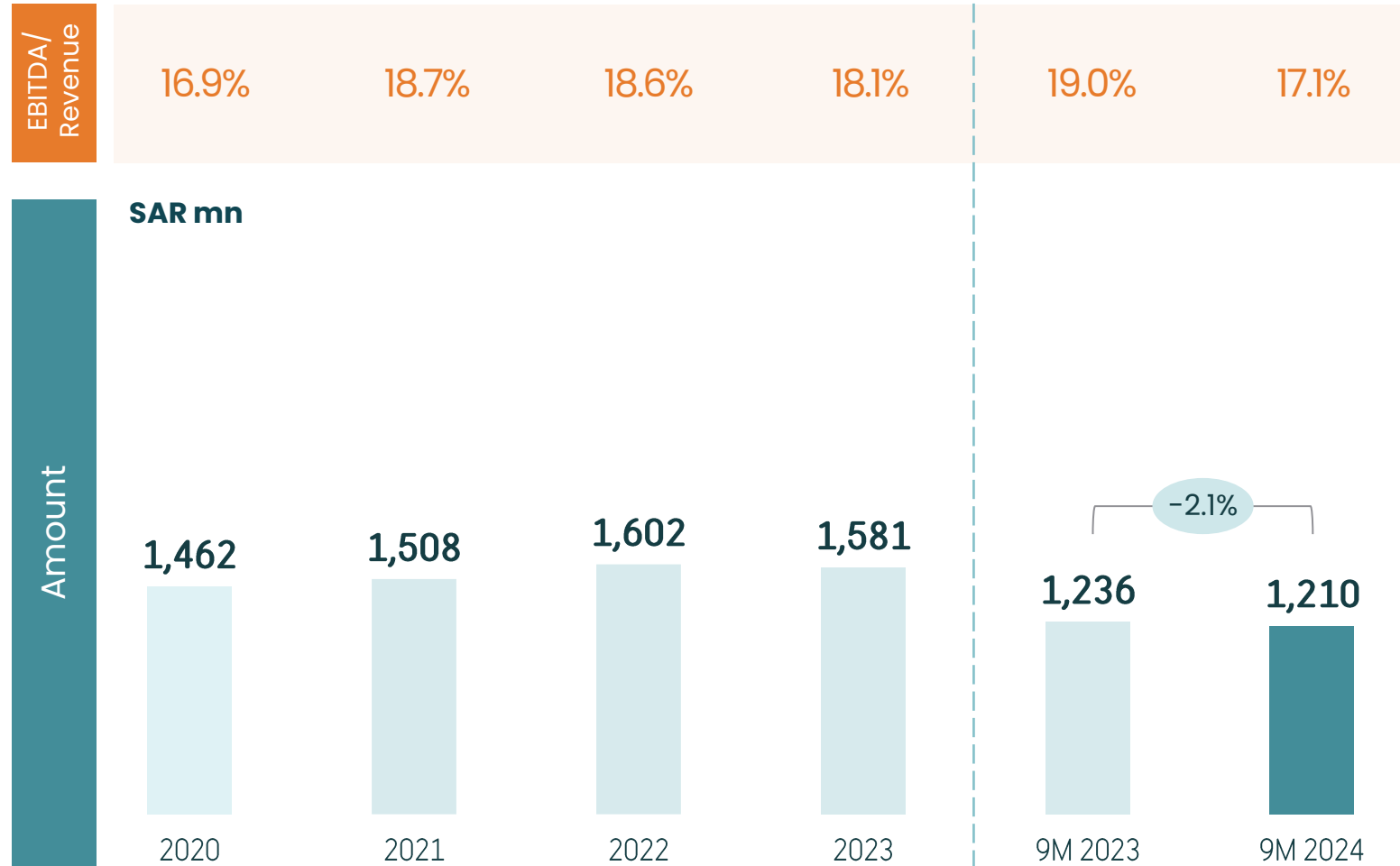
## Net profit of SAR 663 million, reflecting a 9.4% margin

- Operating expenses efficiency shows 1.3% improvement in operating expenses as % of revenue, despite the investments in key strategic initiatives i.e. network expansion, healthcare, UAE & digitalization.
- Savings from established cost efficiency programs allowed the company to accelerate its strategic investments.
- One-time Zakat provision release of SAR 32.7 million resulted from closing the Zakat assessment for previous years.

Source: Company disclosure

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# Strong EBITDA outcomes



## Highly profitable business

Consistently delivering best in class retail EBITDA margin in line with the guidance.

Source: Company disclosure

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nahdi

# THANK YOU

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