

Nahdi Medical Co. announces its Annual Financial results for the period ending on 2024-12-31

Element List	Current Quarter	Similar Quarter for Previous Year	%Change	Previous Quarter	%Change
Sales/Revenue	2,363.0	2,214.3	6.715	2,353.3	0.412
Gross Profit (Loss)	882.4	853.8	3.349	851.0	3.689
Operational Profit (Loss)	192.3	185.0	3.945	175.8	9.385
Net profit (Loss)	157.9	170.5	-7.39	182.2	-13.336
Total Comprehensive Income	177.0	186.9	-5.296	156.2	13.316

All figures are in (Millions) Saudi Arabia, Riyals

Element List	Current Period	Similar Period for Previous Year	%Change
Sales/Revenue	9,446.4	8,713.7	8.408
Gross Profit (Loss)	3,532.9	3,522.2	0.303
Operational Profit (Loss)	873.2	961.0	-9.136
Net profit (Loss)	820.7	892.6	-8.055
Total Comprehensive Income	838.4	934.4	-10.273
Total Shareholders' Equity (after Deducting Minority Equity)	2,586.1	2,462.8	5.006
Profit (Loss) per Share	6.31	6.87	

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: Total revenue rose by 6.7% in the last quarter of 2024, increasing by SAR 148.8 million to reach SAR 2,363.0 million, compared to SAR 2,214.3 million in the same quarter of the previous year. This growth was primarily driven by a 4.8% increase in the Retail business. Additionally, both Healthcare and UAE businesses maintained their positive revenue trends, achieving growth rates of 84.5% and 85.1%, 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 157.9 million representing 6.7% of revenue in the fourth quarter of 2024, compared to SAR 170.5 million in the same quarter last year, lower by SAR 12.7 million or 7.4%. This is attributed to the following reasons:</p> <ul style="list-style-type: none"> - Gross Profit: Gross profit increased by SAR 28.6 million reaching SAR 882.4 million in the fourth quarter of 2024 compared to SAR 853.8 million for the same quarter of the previous year driven by the sales growth. - Operating Expenses: The company's operating expenses increased by SAR 25.4 million or 3.8%, which is below the rate of 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>As a result of the above factor, the operating profit increased by SAR 7.3 million or 3.9%.</p> <p>Moreover, there was an increase of SAR 17.6 million in the items below operating profit, mainly in financial charges to support the revenue growth, along with an increase of SAR 2.4 million in zakat accruals.</p> <p>Accordingly, the net profit declined by SAR 12.7 million or 7.4%.</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: Total revenue increased slightly by SAR 9.8 million or 0.4% in the current quarter versus the previous quarter of the current year.</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 SAR 24.3 million or 13.4% reaching to SAR 157.9 million, with a net profit margin of 6.7%, compared to SAR 182.2 million in the previous quarter of the current year due to the following reasons:</p> <ul style="list-style-type: none"> - Gross Profit: Gross profit increased by SAR 31.4 million or 3.7% in the current quarter driven by a positive sales mix. - Operating Expenses: Operating expenses increased by SAR 20.9 million, which is mainly due to the company's planned phasing pattern of operating expense, that was partially offset by an increase in other operating revenue. <p>As a result of the above, the company's operating profit increased by SAR 16.5 million. It is important to note 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, the higher operating expenses spending and the investment patterns of the business in the latter half of the year.</p> <p>It is worth mentioning that the net profit for the previous quarter included a reversal of zakat provision of SAR 32.7 million, which resulted from closing the zakat assessment for previous years.</p> <p>As a result of all the above factors, the net profit declined by SAR 24.3 million or 13.4%.</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, achieving a growth of 8.4% in 2024 compared to last year. This growth resulted in an increase of SAR 732.7 million, bringing the total to SAR 9,446.4 million compared to SAR 8,713.7 million in 2023. This was primarily driven by a 6.5% growth in the Retail business, which is mainly attributed to the company's investments in its digital capabilities, network expansion and commitment to providing competitive value to our guests. Furthermore, both Healthcare and UAE businesses continued to experience remarkable growth, almost doubling their revenues for the third consecutive year, with increases of 98.3% & 132.6, respectively.</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 reported a net profit of SAR 820.7 million in 2024, representing 8.7% of revenue, compared to SAR 892.6 million in 2023, reflecting a decrease of SAR 71.9 million. This decline was primarily attributed to the following factors:</p> <ul style="list-style-type: none"> - Gross Profit: Nahdi's gross profit witnessed a slight increase of SAR 10.6 million reaching SAR 3,532.9 million in 2024 compared to SAR 3,522.2 million in 2023, despite the ongoing investments to support sales growth. Additionally, it is important to note that last year's gross profit 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 103.9 million reflecting the company's ongoing investment in various strategic initiatives that include new openings, healthcare acceleration, UAE expansion and digitalization. Despite the increase in operating expenses, the company improved its operating expenses as % of revenue by 1.2%, reaching 28.5% compared to 29.7% last year. This improvement was driven by savings from continuous efficiency programs, which allowed the company to accelerate its strategic investments. Additionally, the increase in operating expenses was partially offset by an increase in other operating revenue. <p>Consequently, the company's operating profit reached SAR 873.2 million, a decrease of SAR 87.8 million or 9.1% from SAR 961.0 million last year.</p>

	<p>Furthermore, there was a net increase of SAR 21.9 million in the items below operating profit, primarily driven by higher financial charges and lease liability interest to support the revenue growth.</p> <p>Zakat charges decreased by SAR 37.8 million, mainly due to a one-time provision release of SAR 32.7 million following the closure of zakat assessments for previous years.</p> <p>As a result of these factors, the net profit declined by SAR 71.9 million or 8.1%.</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 31 Dec 2024.
Additional Information	<ul style="list-style-type: none"> - Other Comprehensive Income decreased due to increase in actuarial expense resulted from re-assessment of the actuarial estimate for the end-of-service indemnity. - 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.
Attached Documents	Please Click here to access the press release