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Saudi Arabia's Retail Pharmacy Sector

Key structural tailwinds to drive sector growth

We initiate coverage on Saudi Arabia's retail pharmacy sector with a positive outlook, supported by favorable structural tailwinds. These include a growing and aging population, the phased rollout of mandatory health insurance, and ongoing healthcare reforms under the National Transformation Program. In our view, large-scale players are well-positioned to benefit from this evolving landscape through continued expansion, private label penetration, and digital channel enhancement. We also expect the rising population and expected increase in female workforce participation to support growth in non-pharma categories like wellness, beauty, and personal care. We assign 'Neutral' ratings to Nahdi Medical Co. (NAHDI AB) and Aldawaa Medical Services Co. (ALDAWAA AB). While Aldawaa benefits from its aggressive store rollout and leading position in the Wasfaty program, Nahdi's outlook is underpinned by strong brand equity and its expansion into healthcare services. However, we believe current stock prices largely reflect their long-term earnings outlook, limiting further upside.

Demographic shifts to lift pharma demand: Saudi Arabia's population is expected to grow at a CAGR of 2.0% to reach 39.8 mn by 2030f, largely driven by sustained expatriate inflows supported by the ongoing Vision 2030 initiatives and large-scale infrastructure projects. While the population remains relatively young today, the 65+ age group (2.7% of total current population) is expected to more than double within 10 years, driving demand for chronic and age-related healthcare services. Retail pharmacies stand to benefit from higher footfall and prescription volumes as the population growth and the aging population translates into greater consumption of medications, chronic disease treatments, and preventive care products.

Evolving mix to non-communicable diseases: The Kingdom's evolving disease profile marked by high and rising prevalence of non-communicable diseases such as diabetes, obesity, cardiovascular conditions, and cancer, is increasing the demand for chronic care and long-term medication use. This trend is expected to support sustained growth in prescription volumes and repeat purchases.

Rising insured base to strengthen retail pharmacy volumes: Saudi Arabia's health insurance expansion is a key enabler of healthcare reform, with the number of insured beneficiaries targeted to rise from over 13.0 mn currently to 21.7mn by 2030f as per the Kingdom's targets. Notably, the number of health insurance beneficiaries had increased from 9.8 mn in 2020 to 13.7 mn as of 1H25.

Non-pharma demand to remain strong: Premiumization, rising female workforce participation, and growing health awareness are expected to support demand in the beauty, childcare, and wellness segments. Pharmacies hold a 30.0% market share in Beauty, 30.4% in Consumer Goods, 56.2% in Mom & Baby, and 84.2% in Wellness. We expect this to help drive overall volumes, as consumers increasingly rely on pharmacies for wider product assortments across essential and lifestyle categories.

Store growth and new verticals to anchor long term upside: We highlight company specific growth drivers for retail pharmacies including pharmacy expansions (we forecast 180 net new stores for Aldawaa and 100 for Nahdi between 2025e and 2029f), increased focus on private label portfolios, growing digital channel penetration, and entry into new verticals. Nahdi has started to expand its healthcare services and regional presence, while Aldawaa has recently ventured into medical device manufacturing and healthcare logistics. Accelerated scaling of these segments represents a key upside risk to our forecasts.

Valuation: We rate Aldawaa (ALDAWAA AB) Neutral, with a TP of SAR 72.8 /sh, implying a 13.1% upside based on DCF. The stock trades at 13.8x 2025E PER, below its post-IPO average of 15.9x. We also assign a Neutral rating to Nahdi (NAHDI AB), as we believe the current stock price largely reflects its long-term earnings outlook, with 9.8% upside to our TP of SAR 125.7/sh. Nahdi trades at 17.6x 2025E PER, compared to its historical average of 19.5x.

Risks: Slower than anticipated population growth, coupled with any delays in expanding health insurance coverage could present challenges. Moreover, weaker-than-expected growth in disposable incomes, limited consumer spending, and lower female workforce participation may constrain non-pharma demand.

September 09, 2025

SECTOR COVERAGE

	Bloomberg Code	Last Price (SAR)	Rating	Target Price (SAR)
ALDAWAA	ALDAWAA AB	64.4	Neutral	72.8
NAHDI	NAHDI AB	114.5	Neutral	125.7

Last Price as of September 8th, 2025

VALUATIONS (2025e)

	PBV (x)	PER (x)	RoAE (%)	Div. Yld (%)
ALDAWAA	3.4	13.8	25.8	4.2
NAHDI	6.2	17.6	34.1	4.5

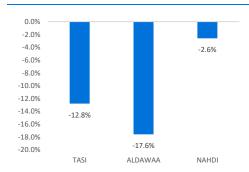
Source: Company Financials, anbc Research

PRICE PERFORMANCE



Source: Bloomberg, anbc Research

RELATIVE PERFORMANCE (YTD)



Source: Bloomberg, anbc Research

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Valuation Table

		Aldawaa	Nahdi	Median
Last price (SAR)		64.4	114.5	
Rating		Neutral	Neutral	
Target Price (SAR)		72.8	125.7	
Upside/Downside (%)		13.1%	9.8%	
Dividend Yield (%)		4.2%	4.5%	
Total Return (%)		17.3%	14.4%	
	Revenue	10.2%	3.8%	7.0%
Growth (2019a-24a)	Gross profit	7.6%	7.5%	7.6%
	Earnings	9.7%	3.5%	6.6%
	Revenue	6.1%	4.8%	5.5%
Growth (2024a-29f)	Gross profit	5.3%	3.4%	4.3%
	Earnings	5.9%	1.7%	3.8%
	2023a	27.3	37.9	32.6
	2024a	26.7	32.5	29.6
ROAE (%)	2025e	25.8	34.1	29.9
	2026f	25.5	35.7	30.6
	2023a	7.2	17.3	12.2
	2024a	7.6	14.2	10.9
ROAA (%)	2025e	7.3	13.7	10.5
	2026f	7.3	13.7	10.5
	2023a	4.2	6.0	5.1
201/ ()	2024a	3.8	5.8	4.8
PBV (x)	2025e	3.4	6.2	4.8
	2026f	3.0	5.8	4.4
	2023a	16.6	16.7	16.6
DED (v)	2024a	14.8	18.1	16.5
PER (x)	2025e	13.8	17.6	15.7
	2026f	12.6	16.8	14.7
	2023a	3.9	4.8	4.3
Dividend yield (%)	2024a	3.9	4.8	4.3
	2025e	4.2	4.5	4.4
	2026f	4.6	4.8	4.7

Source: Company Financials, anbc Research Last price as of September 8th, 2025



Executive Summary

- Sustained population growth to drive domestic demand: Saudi Arabia's population is expected to grow from 35.3 mn in 2024 to 39.8 mn by 2030f (CAGR: 2.0%), supported by mega-project execution leading to continued expatriate inflows. This positions the Kingdom as the largest consumer market in the GCC by population. While the population remains relatively young today, the share of those aged 65+ (2.7% of total current population) is expected to more than double by 2035f, driving demand for chronic disease care and age-related healthcare services. Around 74% of the population resides in key urban centers such as Riyadh, Makkah, the Eastern Region, and Madinah, areas also hosting most large-scale developments, reinforcing demand for healthcare, retail, and infrastructure. These demographic trends are likely to support steady growth in prescription volumes, chronic care demand, and wellness-related retail pharmacy sales.
- Non-communicable diseases prevalence to drive medication demand: The Kingdom faces some of the highest global prevalence rates of obesity (37.6% in 2023) and diabetes (18.7% in 2021), based on the latest available data, with cardiovascular conditions accounting for nearly half of all deaths in 2022. These challenges are compounded by a steadily aging population and rising oncology cases. We expect these trends to fuel long-term demand for chronic disease management and sustained pharmaceutical intervention. As healthcare needs shift toward long-term medication use and disease-specific treatments, retail pharmacies are poised to benefit from the rising volume of prescriptions and growing complexity of care.
- Rising insured base expected to lift retail pharmacy throughput: Saudi Arabia's healthcare insurance reforms are accelerating under Vision 2030, with the government aiming to expand insurance coverage and reduce out-of-pocket spending for both nationals and expatriates. Since 2020, the number of health insurance beneficiaries has increased from 9.8 mn to 13.7 mn as of 1H25. The figure is targeted to reach 21.7 mn by 2030. The shift toward value-based care and tiered insurance networks is reshaping care delivery across the Kingdom. As coverage widens and access improves, particularly among the middle-income segment, prescription volumes are expected to increase. Retail pharmacies stand to benefit from this trend through higher transactions, better patient retention, and growing demand for chronic care medications.
- Expansion, diversification, and digital push to drive growth: We highlight key company-specific growth drivers, including pharmacy network expansion, private label penetration, digital channel adoption, and the scaling of new business verticals. We forecast Aldawaa to add 180 net new pharmacies between 2025e and 2029f, while Nahdi is expected to add 100 over the same period. Both players are also increasing their emphasis on private label products, which offer margin advantages and support brand differentiation. Online sales channels continue to gain traction, backed by growing demand for convenience and broader product access. Nahdi is expanding its healthcare services and regional footprint, particularly in the UAE, while Aldawaa has recently entered medical device manufacturing and healthcare logistics (Premi and Proceed Logistics).



- Non-pharma categories poised for steady growth: Saudi Arabia's non-pharma retail categories, Beauty, Consumer Goods, Mom & Baby, and Wellness, are expected to see steady growth, supported by rising female workforce participation, premiumization, and greater health awareness. Beauty product sales are expected to reach SAR 10.4 bn by 2026f (CAGR: 3.4% over 2020-26), Consumer Goods SAR 6.7 bn (CAGR: 2.5%), Mom & Baby SAR 11.9 bn (CAGR: 3.0%), and Wellness SAR 12.8 bn (CAGR: 3.8%). Pharmacies hold strong positions with market shares of 30% in Beauty, 30.4% in Consumer Goods, 56.2% in Mom & Baby, and 84.2% in Wellness, supported by high consumer trust, value-added services, and broad assortments¹. Players like Nahdi and Aldawaa are well-positioned to capture further upside, leveraging brand equity, scale, and targeted customer engagement.
- Risks and market challenges: Slower than expected population growth and a higher mix of young population
 may weigh on long-term healthcare demand and any delays in expanding health insurance coverage could
 present challenges. Growth in non-pharma categories will be adversely impacted in case of weaker consumer
 spending, lower female workforce participation, or slower adoption of premium and wellness products.
- Aldawaa (Neutral, Target Price: SAR 72.8/share): We assign a 'Neutral' rating on Aldawaa with a TP of SAR 72.8/share (13.1% upside). The stock is trading at 13.8x 2025E P/E. Aldawaa fulfills 56% of all Wasfaty prescriptions, contributing 26% of revenue. Its leadership in Wasfaty strengthens customer acquisition and cross-selling, offering a competitive edge. The management plans to add 50 net new stores in 2025e, with 30 openings added as of 1H25, supporting topline growth, with prescriptions growing at a 19.9% CAGR (2020–24) and revenue per pharmacy rising steadily. We expect store count to reach 1,127 by 2029f, with revenue per pharmacy estimated at SAR 7.2 mn. Aldawaa is also expanding into new verticals such as clinics, medical supplies and logistics. We forecast the non-retail segments to grow at a 9.6% CAGR (2024a–29f), with potential upside if scaled faster. While these drivers support long-term fundamentals, we see limited upside at current levels given uncertainty around Wasfaty's scale and ALDAWAA's sustainable share within the program.
- Nahdi (Neutral, Target Price: SAR 125.7/share): We assign a 'Neutral' rating on Nahdi, with a TP of SAR 125.7/share, implying a 9.8% upside, as we believe current levels fairly reflect the long-term fundamentals. Revenue is forecasted to grow at a 4.8% CAGR (2024a–29f), driven by the addition of 20 net new pharmacies annually, continued expansion of its clinic network (from 10 in 2024 to 29 by 2029f), and higher private-label penetration (13% of revenue in 2024). The clinic segment is scaling profitably, with four mature clinics currently generating 15% net margins and SAR 1.0 bn in targeted revenue over the next 5 years. Nahdi is also expanding regionally, with 34 stores launched in the UAE since the start of 2024, while online sales contribution reached 22% in 2024, supported by same-day delivery and portfolio diversification. Gross and operating margins are expected to remain stable at 35.9% and 9.0% over the next five years (2025e-2029f).

¹ Latest data available as of 2020 from Nahdi's prospectus.



Favorable structural drivers to support sustained growth

The Saudi Arabian retail pharmacy sector is expected to sustain steady growth, supported by structural drivers, including a gradually aging population with rising chronic disease burden, continued urbanization, and the phased rollout of mandatory health insurance.

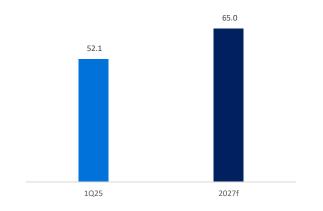
Saudi Arabia remains the largest pharmaceutical market in the Middle East and Africa, accounting for 38.0% of the region's sales. As of 1Q25, the market was valued at SAR 52.1 bn and grown at a 4-year CAGR of 14.0% through 1Q21 to 1Q25. This momentum has been driven by macroeconomic tailwinds such as population growth, demographic aging, the rising incidence of noncommunicable diseases, and the continued expansion of public healthcare infrastructure.

Going forward, the market is expected to reach SAR 65.0 bn by 2027f. We expect these factors to continue contributing to future growth, given the ongoing population expansion and prevalence of disease.

Chart 1: KSA Pharmaceutical Market Size – SAR bn

35.9% 38.0%

Chart 2: KSA is the largest market in MEA - 1Q25

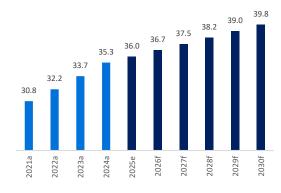


Source: IQVIA, anbc Research

Expatriate-driven inflows supporting demographic expansion

Saudi Arabia's population is expected to grow from 35.3 mn in 2024 to 39.8 mn by 2030f, translating to a CAGR of 2.0%. This growth, largely driven by ongoing economic reforms, including increasing private sector participation (PSP), enhanced business incentives, and continued momentum in mega and giga infrastructure projects, is expected to position the Kingdom as a key hub for expatriate talent.

Chart 3: KSA population to reach 39.8 mn by 2030f

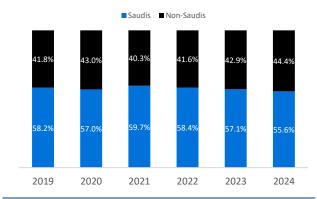


ource: IME anhc Research

Source: SPIMACO, IQVIA, anbc Research

Chart 4: Expatriate share in total population (%)

■ Saudi Arabia ■ Egypt ■ UAE ■ Others



Source: GASTAT, anbc Research

Despite a marginally declining fertility rate, the crude birth rate of 16.9 in 2022 remained slightly above the global average (16.6), helping support the country's demographic momentum. However, a gradual moderation in



population growth is expected, as increased female workforce participation mirrors global demographic trends. Still, the Kingdom's ambition to position itself as a regional professional hub is expected to sustain expatriate-driven growth in the medium term.

Saudi Arabia's demographic momentum remains strong relative to both regional and global peers. The Kingdom's population is expected to reach 39.8 mn by 2030f, outpacing regional neighbors such as the UAE (11.5 mn), Oman (6.4 mn), and Qatar (3.2 mn) in absolute terms. This reinforces Saudi Arabia's position as the largest consumer market in the GCC. In contrast, mature markets such as the U.S. and U.K. are expected to grow at more modest population CAGRs of 0.4% and 0.5%, respectively, over the same period. This demographic advantage is expected to translate to:

- Higher domestic consumption
- Stronger demand for healthcare services, education, housing, and infrastructure
- An expanded labor pool to support non-oil sector diversification

Aging curve in motion

Although the Kingdom's current population is relatively young, 55% of the population falls in the 15-44 age bracket (2024), and a gradual shift toward an aging demographic is underway. The share of the population aged 65+ is expected to more than double from the current 2.7% over the next ten years. During this time, we expect an increase in disease burden, especially for chronic and age-related conditions, including ischemic heart disease, osteoarthritis, and dementia, driving sustained demand for specialized healthcare services and specialized pharmaceuticals.

Chart 5: Aging population 2.7% of the total pop.

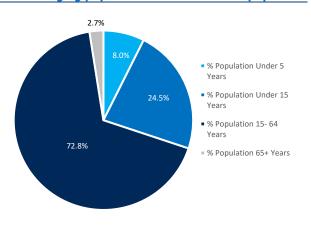
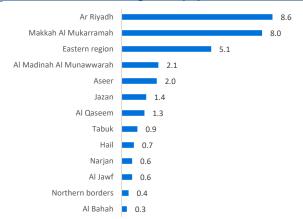


Chart 6: Most of the Kingdom's pop. is urban - 2022



Source: MoH, anbc Research

Source: GASTAT, anbc Research

As of 2022, Saudi Arabia's population is unevenly distributed, with 74% residing in key urban centers: Riyadh, Makkah, the Eastern Province, and Madinah. These regions serve as focal points for economic activity and host the bulk of ongoing megaprojects. According to the SMC prospectus, the Kingdom has over 35 active megaprojects (as of 2024), with 12 major developments concentrated in Riyadh alone. The less populous regions, such as Tabuk, Hail, and the Northern Borders, continue to exhibit robust population gains, albeit from a smaller base, driven by larger average family sizes.

Population growth, urbanization, and giga-project rollouts are expected to drive sustained demand across key economic sectors, particularly healthcare, construction, retail, and education. The 44% expatriate share of the total population (as of 2024) further supports diversification of labor supply and sustained service sector demand.

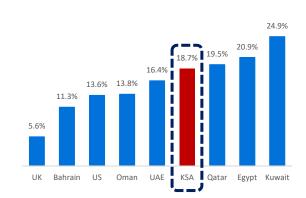


Saudi Arabia's demographic profile, youth-dominated in the short term and aging over the long term, offers growth opportunities in both consumer and healthcare-related sectors. We believe retail pharmacies are well-positioned to benefit from these structural trends.

High NCD prevalence driven by lifestyle and aging population

Saudi Arabia's evolving demographic and epidemiological profile is reshaping the country's healthcare priorities. An expanding and aging population, rising incidence of non-communicable diseases (NCDs), a high rate of road traffic accidents is increasing the pressure on the existing healthcare system. Unhealthy dietary patterns and sedentary lifestyles are key contributors to the growing burden of NCDs. The prevalence of diabetes reached 18.7% in 2021, placing the Kingdom as the third highest in the GCC in diabetes rates. When benchmarked globally, the Kingdom is on par in diabetes prevalence and is with countries like the United States in terms of obesity levels. Cardiovascular diseases, including ischemic heart disease and stroke, are the leading cause of NCD-related mortality, accounting for 47% of total deaths in 2022. Meanwhile, the aging population is contributing to rising oncology demand, with 28,113 new cancer cases diagnosed in 2022. As Saudi Arabia's population ages and NCDs rise, the healthcare system faces a structural shift in demand, from acute to post-acute and long-term care. We believe the high prevalence of these diseases supports sustained demand for related medications, creating a growth opportunity for retail pharmacies.

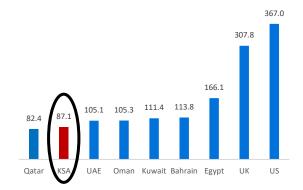
Chart 7: Prevalence of diabetes - 2021*



Source: SMC Prospectus, anbc Research

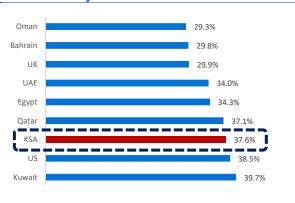
*Data covers individuals aged 20-79

Chart 9: Incidence of cancer cases per 100,000 - 2022



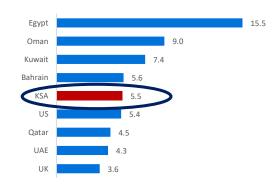
Source: SMC Prospectus, anbc Research

Chart 8: Obesity in adults - 2023



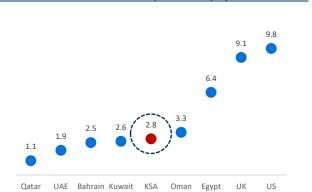
Source: SMC Prospectus, anbc Research

Chart 10: Infant mortality per 1,000 births – 2022



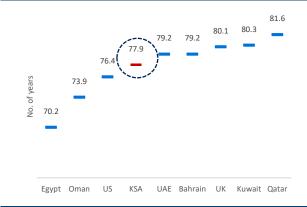
Source: SMC Prospectus, anbc Research

Chart 11: Crude death rate per 1,000 pop. - 2022



Source: SMC Prospectus, anbc Research

Chart 12: Life expectancy at birth - 2024



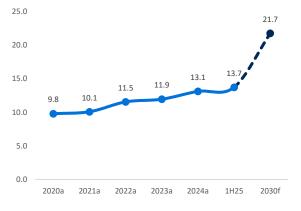
Source: SMC Prospectus, anbc Research

Mandatory insurance rollout to support volumes

Saudi Arabia continues to prioritize healthcare insurance reform as a critical pillar of its broader transformation agenda under Vision 2030 and the National Transformation Program (NTP). The Kingdom is actively working to improve insurance penetration to meet the growing demand for healthcare services and reduce out-of-pocket expenditure for both nationals and expatriates.

In support of these goals, several structural initiatives have been introduced in recent years. The Program for Health Assurance and Purchasing (PHAP) was established to enhance coordination among public health providers. In 2021, the government launched the National Platform for Health and Insurance Exchange Services (NPHIES) to enable integration across all healthcare stakeholders. This was followed in 2022 by a Ministry of Health (MOH) mandate to expand insurance coverage to include primary care, telemedicine, and other service enhancements across both private and public providers.

Chart 13: Health insurance beneficiaries in KSA (mn)



Source: CHI, anbc Research

Chart 14: Health-insured population



Source: CHI, IMF, anbc Research

Between 2020 and 2024, the number of insured lives has increased by a CAGR of 7.5% during 2020-2024, with the number targeted to reach 21.7 mn by 2030f. The healthcare system is gradually shifting toward a value-based care model, where healthcare providers are reimbursed based on care quality and patient outcomes rather than service volume. This transition aims to improve overall care delivery while ensuring cost-effectiveness. In the private insurance landscape, network-tiering structures, such as those used by Bupa Arabia, are becoming increasingly common. These networks vary in service level and benefits, with premium tiers like Network 7 offering broader access and higher quality.



A key area of strategic focus is the middle-income segment, where targeted insurance programs are expected to play a vital role in improving accessibility. Providers aligning their offerings with the principles of value-based healthcare are expected to benefit from enhanced patient retention, improved outcomes, and more efficient resource utilization. As such, regulatory reforms and the ongoing insurance expansion are anticipated to create long-term opportunities for private healthcare operators, diagnostics providers, and digital health platforms in the Kingdom.

We believe that retail pharmacies are well-positioned to benefit from the ongoing insurance expansion. Broader insurance coverage, particularly for outpatient and chronic disease management, should drive higher prescription volumes, improved patient compliance, and increased in-store footfall.

Retail pharmacies to benefit from broader sector reforms

The Health Sector Transformation Program (HSTP) under the Vision 2030, aims to fundamentally reform the Kingdom's healthcare system through strategic restructuring, institutional integration, digitalization, and increased private sector participation. The initiative is designed to transition the existing healthcare model into a value-based, patient-centric system that improves outcomes while enhancing economic sustainability and investment attractiveness.

The HSTP is being implemented in coordination with major health entities and relevant government bodies and targets key sectoral objectives, including:

- Expanding access to healthcare services across the Kingdom
- Enhancing quality and cost-efficiency of care
- Strengthening preventive healthcare and reducing health risk factors
- Improving injury management and traffic safety outcomes

From an investment perspective, the transformation is expected to unlock opportunities across core healthcare delivery (hospitals and clinics), long-term and home care, diagnostics, digital health platforms, and specialized services through Public-Private Partnerships (PPPs) and increased Private Sector Participation (PSP).

We believe retail pharmacies stand to benefit from the HSTP's focus on expanding healthcare access, preventive care, and private sector participation. The program's emphasis on decentralizing service delivery and integrating primary care is likely to increase the role of pharmacies in chronic disease support, basic diagnostics, and health monitoring. Increased private sector engagement and digital integration under HSTP also favor organized retail chains with scale, omnichannel capabilities, and clinical service offerings, positioning them to capture incremental demand and deepen their role within the evolving healthcare ecosystem.

Female workforce participation to support non-pharma segment growth

According to Nahdi's prospectus, retail value sales of beauty products in Saudi Arabia stood at SAR 8.5 bn as of 2020. The segment had witnessed a decline during the COVID-19 period, driven by reduced consumer spending on categories such as color cosmetics during extended lockdowns and periods of home confinement, which had translated into a decline of CAGR of 1.1% over 2016-2020. Demand trends continue to be shaped by the entry of high-value private labels and ongoing innovation by leading brands, which are launching value-added products tailored to evolving consumer needs.

Pharmacies remain a key channel for beauty product sales in the Kingdom, accounting for 30% of total value sales as of 2020. The pharmacy channel's strength is supported by high consumer trust in professional pharmacist advice, value-added services such as skincare analysis by players like Nahdi, broader product assortments, and greater instore space allocation to beauty subcategories, particularly skincare.



Going forward, high female workforce participation and rising disposable incomes are expected to support beauty market expansion. Total beauty product sales are expected to reach SAR 10.4 bn by 2026f. Meanwhile, sales through pharmacies are expected to reach SAR 3.2 bn by 2026f, supported by continued growth in skincare demand. Pharmacy retailers are well-positioned to strengthen their presence in the beauty segment by strengthening brand awareness and enhancing their reputation as trusted healthcare professionals, leveraging their credibility to attract and retain consumers.

Retail value sales of consumer goods products in Saudi Arabia stood at SAR 6.0 bn as of 2020, according to Nahdi's prospectus. Increased consumer awareness around personal and home hygiene post COVID-19 is expected to be a behavioral shift that would persist as a long-term trend, reinforcing demand across core hygiene-related segments.

Pharmacies held a notable 30.4% share of total consumer goods retail sales as of 2020, translating to SAR 1.8 bn. The channel's growth is supported by consumer trust in pharmacists' product recommendations and the increasing appeal of pharmacies as one-stop destinations for essential and personal care items.

Going forward, pharmacy sales of consumer goods are expected to reach SAR 2.1 bn by 2026f, driven by continued premiumization in segments such as men's grooming and oral care, where perceived product quality and pharmacist endorsements play a key role in influencing consumer purchase decisions. The rising participation of women in the workforce is another tailwind for pharmacy channel sales, particularly among working mothers who frequent pharmacies for baby care products and are more inclined to purchase consumer goods tailored to their lifestyle and needs.

Total retail value sales of Mom & Baby products in Saudi Arabia were valued at SAR 10.0 bn as of 2020. The category witnessed a temporary uplift during the COVID-19 pandemic as parents stockpiled baby food and other child-specific essentials amid concerns of supply chain disruptions. Beyond this short-term catalyst, structural growth has been supported by increasing demand for value-added and premium products, driven by rising female employment, improved affordability, and enhanced consumer awareness².

Preference for natural and organic products, with scientifically tested ingredients, has gained traction among Saudi consumers, particularly within the premium segment. The broader shift toward convenience and higher product quality continues to drive innovation and portfolio expansion across the category.

E-commerce has also emerged as a significant growth channel, particularly during and post-pandemic. Online platforms have expanded access to high-value international brands and increased assortment availability for Saudi consumers.

Pharmacy channel sales stood at SAR 5.6 bn as of 2020, Pharmacies have added a strong share across key subcategories such as baby food (50% share), nappies & diapers (65%), and sanitary protection (56%). Their continued dominance can be attributed to the trust placed by consumers, particularly Saudi women, in pharmacy staff for guidance on personal and child care purchases.

The Mom & Baby category is expected to reach SAR 11.9 bn by 2026f, with premiumization expected to remain the key demand driver. Meanwhile, pharmacy retailers are forecasted to grow to SAR 6.8 bn by 2026f. Retail pharmacies are expected to further consolidate their position by introducing private-label offerings in premium categories, leveraging consumer trust, and expanding their product assortment. Players such as Nahdi and Aldawaa are well-positioned to benefit from this structural tailwind, backed by brand equity, wide store network, and targeted investment in customer engagement and loyalty.

Total retail value sales of wellness products in Saudi Arabia were valued at SAR 10.2 bn in 2020. Growth in this segment is supported by rising demand for diabetic care and vitamins & dietary supplements, which together

² This section is based on the latest available (2020) numbers of the non-pharma categories, based on Nahdi's prospectus.



accounted for 34.7% of total category sales in 2020. COVID-19 was a significant short-term catalyst for the segment, with increased consumer focus on immune health driving demand for products such as vitamin C, zinc, and beta glucan. Beyond the pandemic, secular trends such as increasing obesity and diabetes prevalence in the Kingdom continue to reinforce long-term demand for wellness products. Pharmacies dominate the wellness distribution landscape, capturing an 84.2% value share in 2020, equivalent to SAR 6.7 bn in sales. Consumers in Saudi Arabia increasingly prefer purchasing wellness products from trusted pharmacy chains due to perceived product authenticity and access to pharmacist guidance, particularly for chronic condition support.

Rising disposable incomes and growing consumer awareness are expected to sustain growth in this category, with total market sales expected to reach SAR 12.8 bn by 2026f. Sales through pharmacy retailers are expected to reach SAR 9.1 bn. Manufacturers are increasingly investing in product innovation, differentiation, and consumer engagement, including health-focused content via digital platforms and social media. New product launches are centered around immunity-boosting, efficacy-driven ingredients, such as probiotics and condition-specific supplements, with clear health claims to drive conversion. Retail pharmacies, given their high trust quotient and access to health-focused consumers, are well-positioned to capitalize on these tailwinds through curated product assortments and private-label expansion.

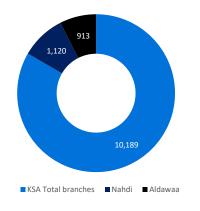
Nahdi and Aldawaa lead the retail pharmacy market

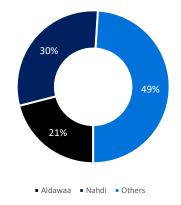
As of 2024, Nahdi Medical Co. led the sector with a 30% share of total market value sales, followed by Aldawaa (21%), while the rest of the market remains fragmented, with United Pharmaceuticals Est. and Planet Pharmacies among some other names.

According to the latest available numbers (2023), the total retail pharmacies in Saudi Arabia stood at 10,189. Nahdi and Aldawaa own 11.0% and 9.0% of the total pharmacies, respectively, in the Kingdom. However, the market has started to become highly competitive in recent years, making it increasingly difficult for the key players to sustain their market share.

Chart 15: 20% pharmacies owned by Nahdi, Aldawaa

Chart 16: Nahdi & Aldawaa: 51% of market share





Source: MoH, Company Financials, anbc Research

Source: MoH, Company Financials, anbc Research

In view of the given situation, the top industry players are pursuing multiple strategies to protect and grow their market share in a competitive environment:

- Retail Network Expansion: Continued store rollout remains a priority to capture underserved urban and semiurban demand.
- E-Commerce Enablement: Significant capital is being deployed to enhance app and web platforms to enable seamless pharmaceutical and non-pharma purchases.
- Product Diversification: Chains are increasingly emphasizing beauty, baby care, and wellness categories to supplement regulated drug sales.



Chart 17: Pharmacy locations



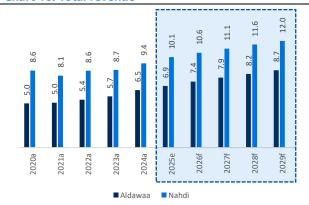
As of 2023, Saudi Arabia had a total of 10,189 pharmacies, with a strong concentration in key urban and economically active regions. The Central Region leads with 3,617 pharmacies, followed by the Western Region with 3,277, reflecting dense populations in cities like Riyadh, Jeddah, and Makkah. The Southern Region hosts 1,568 pharmacies, while the Eastern Region has 1,059. The Northern Region, being less populated, accounts for the smallest share with 668 pharmacies. This geographic distribution highlights a clear urban bias, with over 68% of pharmacies located in the Central and Western regions.

Source: MoH. anbc Research

anbcapital

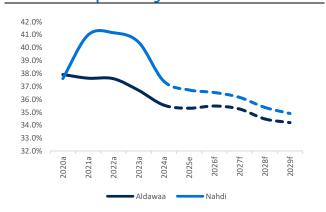
Comparative analysis in charts

Chart 18: Total revenue



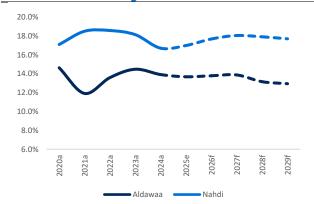
Source: Company financials, anbc Research

Chat 19: Gross profit margin



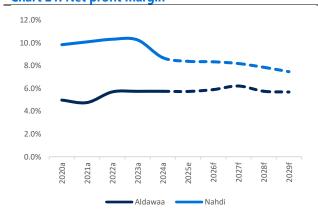
Source: Company financials, anbc Research

Chart 20: EBITDA margin



Source: Company financials, anbc Research

Chart 21: Net profit margin



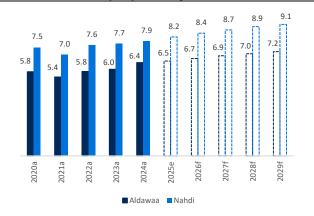
Source: Company financials, anbc Research

Chart 22: Number of pharmacies



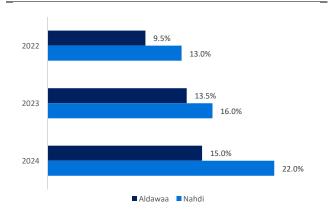
Source: Company financials, anbc Research

Chart 23: Revenue per pharmacy



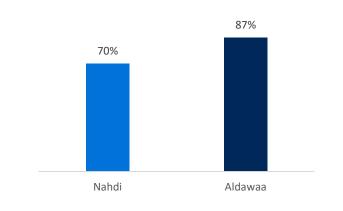
anbcapital

Chart 24: Online sales contribution



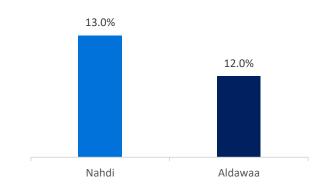
Source: Company financials, anbc Research

Chart 25: Loyalty members revenue share - 2024



Source: Company financials, anbc Research

Chart 26: Private label revenue contribution - 2024



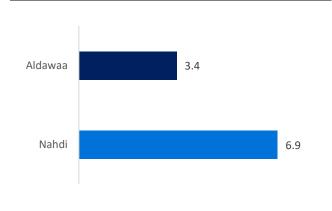
Source: Company financials, anbc Research

Chart 27: Annual visits (Footfall) - 2024 (mn)



Source: Company financials, anbc Research

Chart 28: Brand equity comparison - 2024



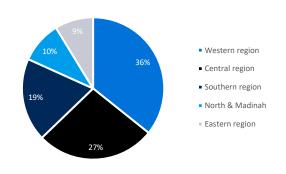
Source: Earnings Presentation, anbc Research

Chart 29: Market Share - 2024



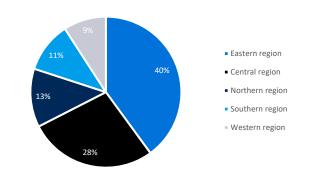


Chart 30: Pharmacy locations - Nahdi (2024)



Source: Company Financials, anbc Research

Chart 31: Pharmacy locations – Aldawaa (2024)





Key Risks

- Lower than expected population growth: A lower-than-expected population growth trajectory could reduce long-term demand for healthcare services. This would also delay the expected rise in age-related medical needs tied to an aging demographic.
- **Below expected expansion of health insurance coverage:** A slower than expected pace in expanding health insurance coverage may limit access to formal healthcare services. This could dampen growth opportunities for organized retail pharmacy players tied to insured prescriptions.
- **Slower uptake of non-pharma products:** Weaker-than-expected growth in disposable incomes, limited consumer spending, and lower female workforce participation may constrain demand. This poses downside risk to non-pharma category growth, especially in premium and wellness segments.



September 09, 2025

Aldawaa Medical Services Co.

We initiate coverage on Aldawaa Medical Services Co. (ALDAWAA) with a 'Neutral' rating and a target price of SAR 72.8, implying an upside potential of 13.1%. Backed by a dominant 56% share in the government's Wasfaty e-prescription program, we believe ALDAWAA possesses a strong competitive advantage and plays a critical role as a private-sector partner in the Kingdom's evolving healthcare ecosystem. The company's solid government alignment, ambitious pharmacy rollout plan (50 net new stores in 2025e), and growing focus on private-label products and new business verticals, including logistics and medical devices, are expected to drive sustained growth and revenue diversification. We forecast a revenue CAGR of 6.1% over the 2024a–2029f period. While these drivers support long-term fundamentals, we see limited upside at current levels given uncertainty around the ultimate scale of Wasfaty and ALDAWAA's sustainable share within the program.

Wasfaty leadership drives competitive advantage: Aldawaa plays a critical role in the government's 'Wasfaty' e-prescription program, commanding a 56% market share, which accounts for approximately 26% of its total revenue. This positions ALDAWAA as a strategic infrastructure partner in the Kingdom's healthcare transformation. Additionally, the platform serves as an efficient customer acquisition engine and enables cross-selling opportunities. We believe the company's established role within the public health ecosystem provides a competitive edge, with its strong position in the Wasfaty program offering a distinct advantage in navigating the Kingdom's increasingly competitive retail pharmacy landscape. However, we see uncertainty around the ultimate scale of the Wasfaty program and Aldawaa's long term market share within it.

Pharmacy expansion fuels revenue outlook: The management aims to add 50 net new pharmacies in 2025e, marking the second-largest annual expansion since 2019. We view this aggressive rollout as a key driver for topline growth. Over the past four years, the company has added 96 net new stores, while prescriptions dispensed have grown at a CAGR of 19.9% (2020–2024); and revenue per pharmacy has increased by an average of 3.0% annually. We forecast the pharmacy count to rise from 947 (including dark stores) in 2024 to 1,127 by 2029f, with the average revenue per pharmacy reaching SAR 7.2 mn from SAR 6.4 mn in 2024. We expect this expansion to drive a 6.1% revenue CAGR over the 2024a–2029f period.

Expansion beyond core retail operations: Aldawaa is diversifying its service portfolio beyond core retail in line with Vision 2030, launching three key verticals: OulaCare (integrated healthcare and clinics), PREMI (local medical device manufacturing), and PROCEED (healthcare logistics). These initiatives present a key upside risk to our revenue estimates. While our forecasts include contributions from non-retail segments, we have assumed a conservative growth trajectory, with a 9.6% CAGR over 2024a–2029f. As such, the scaling of these verticals, could lead to stronger-than-expected topline performance. The company is also scaling its private-label portfolio (house brands), with 75+ house brand projects in development. In 2024, house brands grew over 20% YoY in sales, driven by segments like beauty and pharma OTC.

Valuation: We believe that the stock's current price offers some upside, however, the potential remains limited. Notably, the stock trades at 13.8x 2025E PER, relative to its post-IPO average of 15.9x. Our TP of SAR 72.8/share is based on a DCF valuation, resulting in an upside of 13.1%.

Risks: Key risks include a slower-than-expected pace of store expansion, increasing competition putting pressure on margins, and potential market share erosion including in the Wasfaty program.

RATING SUMMARY	Neutral
Target Price (SAR)	72.8
Upside/Downside	13.1%
Div. Yield (%)	4.2%
Total Exp. Return	17.3%

Source: Company Financials, anbc Research

ISSUER INFORMATION

Bloomberg Code	ALDAWAA AB
Last Price (SAR)	64.4
No of Shares (mn)	85
Market Cap bn (SAR/USD)	5.5/1.5
52-week High / Low (SAR)	98.2/64.0
12-month ADTV (mn) (SAR/USD)	9.1/2.4
Free Float (%)	30
Foreign Holdings (%)	5.3
Last price as of September 8 th , 2025	

VALUATIONS

	2024a	2025 e	2026f	2027f
EPS (SAR)	4.4	4.7	5.1	5.7
PER (x)	14.8	13.8	12.6	11.2
PBV (x)	3.8	3.4	3.0	2.7
DPS (SAR)	2.5	2.7	3.0	3.3
D. Yld. (%)	3.9	4.2	4.6	5.1
RoAE (%)	26.7	25.8	25.5	25.6
RoAA (%)	7.6	7.3	7.3	7.8

Source: Company Financials, anbc Research

FINANCIALS (SAR MN)

	2024a	2025e	2026f	2027f
Revenue	6,451	6,918	7,401	7,850
Gross Pro.	2,293	2,442	2,626	2,767
EBITDA	897	945	1,019	1,088
Net Inc.	370	396	436	487
EPS	4.4	4.7	5.1	5.7
DPS	2.5	2.7	3.0	3.3

Source: Company Financials, anbc Research

RELATIVE PRICE PERFORMANCE



Source: Bloomberg, anbc Research

Ali H. Alshaia

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Investment Thesis

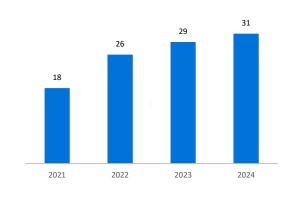
Wasfaty leadership drives competitive advantage, though competition intensifies

Aldawaa is the market leader in Saudi Arabia's Wasfaty e-prescription program, with an estimated 56% share of total Wasfaty prescriptions. Launched in 2018 in collaboration with the Ministry of Health (MOH) and managed by NUPCO, Wasfaty is a nationwide digital platform designed to streamline prescription issuance and fulfillment, reduce errors, and enhance access, particularly for chronic disease patients. Wasfaty streamlines the process of issuing and dispensing prescriptions by electronically connecting healthcare providers with retail pharmacies. The implementation of e-prescribing aligns with the Kingdom's Vision 2030 objectives, promoting digital health initiatives and modernizing healthcare delivery. The initiative directly supports the Kingdom's Vision 2030 digital health agenda by modernizing healthcare delivery and improving medication safety. Since its launch, the program has delivered over 155.6 mn online prescriptions, with over 15.9 mn beneficiaries serving the Kingdom's 172 cities.

As of 1Q25, Wasfaty has 5,766 partner pharmacies, with Aldawaa's over 900 pharmacies being part of the program. However, Aldawaa holds the leading share of approximately 56% in terms of the value of transactions. The platform also functions as a cost-efficient customer acquisition engine, driving recurring pharmacy traffic and enabling cross-selling. In 2024, Aldawaa dispensed over 31 mn prescriptions, while cross-sales contribute approximately 15% to revenue. As of 1H25, Wasfaty-linked transactions account for 26% of the topline, underlining its importance. The program also enhances customer loyalty through home delivery, automated refills, and real-time updates, reinforcing Aldawaa's competitive positioning in an increasingly competitive retail pharmacy landscape.

Going forward, we believe Wasfaty will continue to serve as both a growth driver and a competitive advantage for Aldawaa. As e-health adoption scales and the government restructures healthcare delivery under the HSTP, focusing on cost efficiency, infrastructure improvement, and access enhancement, Aldawaa is well-positioned to remain a core private-sector partner in helping the Kingdom achieve national healthcare objectives. That said, Aldawaa's Wasfaty market share declined from 70% in 2024 to 56% in 1H25 due to increasing competition and Wasfaty's expansion into regions with limited Aldawaa presence. We expect further downside before the market share stabilizes. Given the uncertainty around the ultimate scale of the program and Aldawaa's long-term market share, our assumptions remain measured rather than overly optimistic.

Chart 32: Dispensed 31mn+ prescriptions in 2024



Source: Company Financials, anbc Research

Chart 33: Revenue to reach SAR 8.7 bn by 2029f





Pharmacy expansion fuels revenue outlook

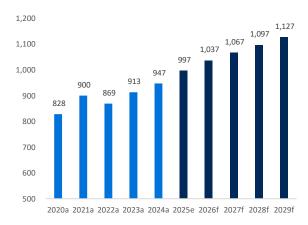
Aldawaa ranks as the second-largest pharmacy retailer by stores in Saudi Arabia after Nahdi, holding an estimated 21% market share as of 2024. As of June 2025, the company operates 954 retail pharmacies and 23 dark stores, collectively serving over 70 mn customer visits annually.

The company has adopted an aggressive expansion strategy in recent years. It plans to add 50 net new retail stores in 2025, its second-largest annual expansion since 2019. This follows the addition of 55 net new pharmacies during 2023–24, a sharp rebound from 2022 when Aldawaa closed 31 net stores as part of a transitional phase to enhance operational efficiency. As of 2024, the company's pharmacy network is primarily concentrated in the Eastern (40%) and Central (28%) regions of Saudi Arabia. In addition, it has initiated its regional expansion with the opening of its first pharmacy in Bahrain during 2024. Additionally, to enhance its omnichannel presence, the company established 23 dark stores during this period, with the omnichannel contribution rising to over 15% of revenue in 2024, up from 2.4% in 2010. These initiatives have translated to a strong topline growth, with revenue growing at a CAGR of 6.8% from 2020 to 2024. This was supported by a 19.9% CAGR in prescriptions dispensed and a rise in average revenue per pharmacy from SAR 5.7 mn (2020-22) to SAR 6.2 mn (2023-24).

We expect the expansion to remain a key topline driver. We forecast revenue to grow at a 6.1% CAGR over 2024a-2029f, underpinned by both store count growth and improved revenue per pharmacy. We expect total pharmacies (including dark stores) to reach 1,127 by 2029f, with revenue per pharmacy averaging 6.8 mn during this period, taking overall revenue to SAR 8.7 bn in 2029f from SAR 6.5 bn in 2024.

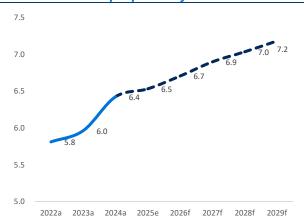
We believe Aldawaa's strong brand equity and high customer retention further supports its growth outlook. Its Arbahi loyalty program remains a key pillar, with registered users rising from 6.5 mn in 2020 to 12 mn in 2024, including 6.8 mn active users and 0.7 mn newly active users in 2024. The program contributes to 87% of total sales and significantly enhances customer stickiness. This growing and engaged customer base provides us conviction in the company's sales trajectory over the medium term.

Chart 34: Pharmacy count to reach 1,127 by 2029f



Source: Company Financials, anbc Research

Chart 35: Revenue per pharmacy





Expansion beyond core retail operations

Aldawaa is actively expanding its services beyond retail pharmacy. The company has launched key initiatives to tap into adjacent healthcare segments and aims to position itself as a one-stop shop for pharmacy, medical, and daily consumer needs.

Business Line	Description
PRESCEED HEALTHCARE LOGISTICS	An arm of Aldawaa's logistics operates over 900 vehicles and dispatches more than 3,000 shipments daily across the Kingdom. Backed by nine regional warehouses and fully automated sorting centers, PROCEED enables end-to-end healthcare logistics with nationwide coverage and 200,000 km of daily delivery routes.
PREMI	PREMI is well-positioned to strengthen the domestic medical device manufacturing ecosystem in Saudi Arabia. It focuses on locally manufacturing high-demand devices such as ECGs, IVDs, vital signs monitors, and home care products—each with a market size of at least SAR 500 mn. PREMI holds multiple quality certifications and currently has 19 medical devices registered, including 4 on the mandatory procurement list, which requires government and semi-government entities to source these products from approved local manufacturers.
OUL COMES FIRST	It's a wholly owned subsidiary focused on delivering integrated, patient-centric healthcare solutions through global and local partnerships. It aims to diversify Aldawaa's portfolio via targeted investments across emerging healthcare subsectors. A notable initiative under OulaCare includes the formation of Modawaa, in partnership with Mouwasat Medical Services, aimed at operating medical clinics and expand Aldawaa's footprint in primary care services.

Chart 36: Non-retail revenue to grow by a 9.6% CAGR

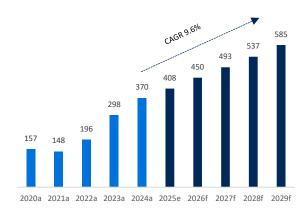


Chart 37: Arbahi members reached 12 mn in 2024.



Source: Company Financials, anbc Research

Source: Company Financials, anbc Research

These new verticals present a potential upside risk to our investment thesis. While our base-case assumes a 9.6% revenue CAGR in non-retail segments over 2024a–2029f, we adopt a conservative stance given the early-stage nature of these businesses. That said, we highlight their strong potential to drive incremental growth and enhance Aldawaa's long-term strategic positioning. Under the Modawaa initiative, two primary care clinics are scheduled to open in 2025, while logistics revenue is expected to grow at a 20.0% CAGR in the medium term. PREMI also began generating revenue in 1Q25, though it remains in an early phase of ramp-up. Aldawaa is strengthening its private-label portfolio, with 75+ products in development across FMCG and pharma. In 2024, the private-label portfolio grew 20% YoY in sales and witnessed an improvement in gross profit by 5%. One of the key house brands, Ronzac ranked 30th among private-sector pharma firms (IQVIA 2024). House brands now contribute 13.6% of revenue (as of 1H25) and are expanding across Wasfaty, insurance, and public tenders. We believe this would help enhance customer loyalty and position the company well for sustainable, margin-accretive growth.



Valuation

We value Aldawaa using a Discounted Cash Flow (DCF) approach, arriving at a target price of SAR 72.8/share, implying 13.1% upside. We have assumed a risk-free rate of 5.0%, a Beta of 0.9, and a market risk premium of 5.2%, leading to a WACC of 7.6%. Additionally, we applied a terminal growth rate of 2.5%. We assign a 'Neutral' rating, while the stock trades at 13.8x 2025E PER, relative to its post-IPO average of 15.9x.

	anbc Estimate	Consensus*	anbc Estimate	Consensus*	anbc Estimate	Consensus*
SAR mn	2025e	2025e	2026f	2026f	2027f	2027f
Revenue	6,918	6,952	7,401	7,423	7,850	7,903
Gross Margin	35.3%	35.1%	35.5%	35.0%	35.2%	35.0%
EBITDA	945	942	1,019	998	1,088	1,057
Net Income	396	405	436	443	487	474
Net Margin	5.7%	5.8%	5.9%	6.0%	6.2%	6.1%
EPS	4.7	4.8	5.1	5.2	5.7	5.6

Source: anbc Research, Bloomberg

^{*}As of September 8th, 2025

SAR mn	2027f	2028f	2029f	2030f	2031f
FCFF	454	441	454	541	579
Terminal Value					11,701
FCFF + Terminal	454	441	454	541	12,279
Discounted FCFF	365	329	315	349	7.368

Enterprise Value 8,726
Cash 47
Debt (2,587)
Equity Value 6,187
Target Price 72.8

Source: anbc Research

Sensitivity Analysis on DCF Valuation

	Growth rate					
		1.5%	2.0%	2.5%	3.0%	3.5%
	5.6%	70.1	77.5	86.4	97.2	110.7
144.00	6.6%	64.1	71.0	79.3	89.5	102.1
WACC	7.6%	58.5	65.0	72.8	82.3	94.1
	8.6%	53.3	59.4	66.7	75.6	86.7
9.6	9.6%	48.5	54.2	61.0	69.4	79.8

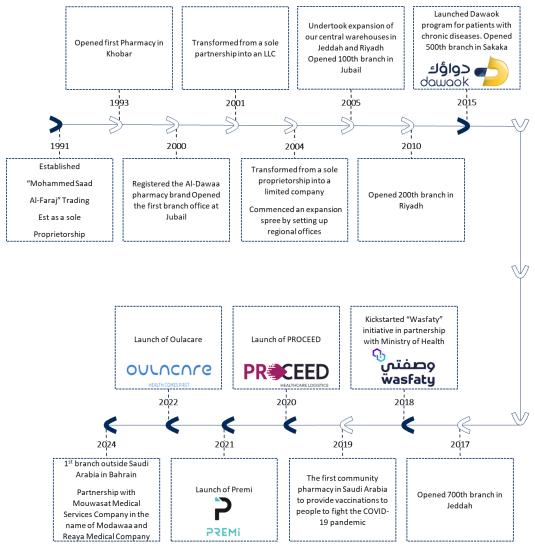
Source: anbc Research



Company overview

Established in 1993 and listed on the Saudi Exchange in March 2022, Aldawaa has evolved into one of the Kingdom's leading pharmacy operators. As of 1H25, the company operates 954 retail pharmacies in Saudi Arabia, with more than 70 mn customer visits annually. Aldawaa holds a 21% market share, dispensing over 31 mn prescriptions in 2024, positioning it as the leading prescription dispenser in the Kingdom. The company is supported by a workforce of over 6,500 employees and continues to expand its presence regionally, with its first international pharmacy opening in Bahrain in 2024.

Aldawaa operates as a multi-vertical healthcare platform anchored in pharmacy retail, which accounts for the majority of revenues. The company leverages integrated operations across five key segments: (i) Retail Pharmacies: 954 pharmacies serving as the backbone of the business, offering pharmaceuticals, wellness products, and personal care items; (ii) Healthcare Logistics (PROCEED): 3,000+ daily shipments via a 900-vehicle fleet across 9 warehouses. (iii) Medical Device Manufacturing (PREMI): Certified local manufacturer with ISO and "Saudi Made" Gold Tier designation. (iv) Primary Healthcare Clinics: 13+ pharmacist-led clinics offering chronic care, diagnostics, and telemedicine. (v) Private Label & Distribution: Over 75 projects in pipeline; distribution across public and private sector channels.





Geographic footprint and scale

Aldawaa's market share of 21% in the Saudi pharmacy retail market places it as the second-largest player after Nahdi. Unlike its peers, Aldawaa leverages in-house logistics to drive scale. Its strength in prescription fulfillment and government contract alignment provides defensibility against front-shop pressures, particularly in beauty and wellness. The company's integrated omnichannel model, as well as over 12 mn active loyalty customers, further underpins retention and lifetime value.

Chart 38: Pharmacy locations



As of 1H25, Aldawaa has a strong geographic concentration in the Eastern region, which accounts for the largest share at 376 stores (39%). This is followed by the Central region with 261 pharmacies (27%), and the Northern and Southern regions with 121 and 106 pharmacies, respectively. The Western region hosts 89 pharmacies, while the company has also taken its first step towards regional expansion with the launch of one pharmacy in Bahrain during 2024.



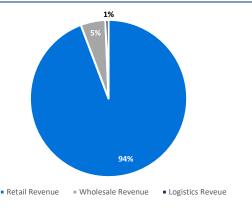
Financial overview

Aldawaa's revenue consists of 94% from retail revenue, while the rest comes from wholesale and logistics. The retail mix remained balanced, with pharma contributing 55% and non-pharma 45%. As of 2024, the company reported SAR 6.5 bn in revenue for 2024, up 12.4% YoY, marking its strongest topline performance in four years. Growth was led by an 11.7% YoY increase in retail sales, 16.7% growth in wholesale revenue, and a 2.4x jump in logistics revenue.

Despite consistent revenue growth, gross margins have declined to 35.5% in 2024 from a peak of 40.1% in 2019, due to the increasing price competition in the retail space in recent years. However, the company has actively focused on enhancing operational efficiencies, particularly by containing the growth of selling and distribution expenses. Despite the steady expansion of its pharmacy network, the OPEX-to-sales ratio improved from 30.0% to 27.6% over the same period, supporting a 9.7% net income CAGR. Net income for 2024 stood at SAR 370 mn.

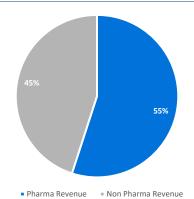
1H25 results were strong, with revenue rising 7.5% YoY to SAR 3.3 bn in line with management guidance and net profit reaching SAR 192 mn. The company also reduced its debt to equity from 96.0% in 2022 to 39.1% in 1H25, lowering finance costs by 3.4% YoY. We believe the declining leverage and a potential easing in interest rates will support the company's profitability in the medium term.

Chart 39: Retail constitutes 94% of the revenue - 2024



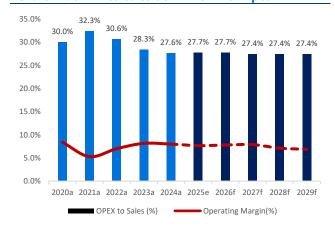
Source: Company Financials, anbc Research

Chart 40: Retail mix remains well balanced -2024



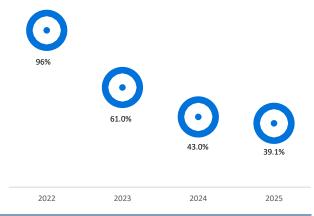
Source: Company Financials, anbc Research

Chart 41: OPEX-to-sales down from 2021 peak



Source: Company Financials, anbc Research

Chart 42: Debt-to-Equity has substantially decreased



Source: Earnings Presentation, anbc Research



Financial Summary

Income statement (SAR mn)	2023a	2024a	2025e	2026f	2027f	2028f	2029f	CAGR 2024-2029f
Revenue	5,741	6,451	6,918	7,401	7,850	8,250	8,675	6.1%
Cost of Revenue	(3,635)	(4,158)	(4,475)	(4,775)	(5,083)	(5,405)	(5,709)	6.5%
Gross Profit	2,107	2,293	2,442	2,626	2,767	2,844	2,966	5.3%
Operating Expenses	(1,627)	(1,779)	(1,916)	(2,053)	(2,152)	(2,261)	(2,374)	5.9%
EBIT	479	514	527	573	615	583	592	2.9%
Dep & Amort	364	383	417	444	471	499	528	6.7%
EBIDTA	843	897	943	1,017	1,086	1,082	1,120	4.5%
Finance Cost	(124)	(122)	(117)	(118)	(106)	(88)	(77)	-8.8%
Profit Before Zakat	342	392	411	457	511	497	517	5.7%
Zakat Tax	13	22	15	22	24	24	25	2.1%
Net Income	329	370	396	436	487	474	492	5.9%
Number of Share	85	85	85	85	85	85	85	
EPS	3.9	4.4	4.7	5.1	5.7	5.6	5.8	
Balance Sheet								
Fixed Assets	2,492	2,527	2,682	2,777	2,814	2,841	2,860	2.5%
Other Non-Current Assets	209	65	64	64	64	64	64	-0.2%
Non-current assets	2,701	2,592	2,746	2,841	2,878	2,905	2,924	2.4%
Trade receivables & Prepayments	640	916	1,268	1,358	1,441	1,514	1,593	11.7%
Cash and Cash equivalents	54	48	83	47	85	130	188	31.7%
Other Current Assets	1,313	1,480	1,718	1,833	1,951	2,075	2,191	8.2%
Current Assets	2,007	2,444	3,070	3,238	3,477	3,719	3,972	10.2%
Total Assets	4,707	5,036	5,816	6,079	6,354	6,624	6,896	6.5%
Total Equity	1,313	1,456	1,612	1,797	2,003	2,205	2,413	10.6%
Long-term loans	140	-	-	-	-	-	-	n/a
Other Non-Current Liabilities	1,458	1,445	1,579	1,629	1,618	1,603	1,590	1.9%
Non-current liabilities	1,598	1,445	1,579	1,629	1,618	1,603	1,590	1.9%
Trade payables	822	1,205	1,471	1,570	1,671	1,777	1,877	9.3%
Short-term Borrowings	500	480	730	730	710	690	670	6.9%
Other current Liabilities	475	449	423	353	351	349	347	-5.1%
Current Liabilities	1,796	2,134	2,625	2,653	2,732	2,816	2,894	6.3%
Total liabilities and equity	4,707	5,036	5,816	6,079	6,354	6,624	6,896	6.5%



Valuation Ratios	2023a	2024a	2025e	2026f	2027f	2028f	2029f
EPS	3.9	4.4	4.7	5.1	5.7	5.6	5.8
DPS	2.5	2.5	2.7	3.0	3.3	3.2	3.4
BVPS	15.4	17.1	19.0	21.1	23.6	25.9	28.4
PE	16.6	14.8	13.8	12.6	11.2	11.5	11.1
Div Yield	3.9	3.9	4.2	4.6	5.1	5.0	5.2
PBV	4.2	3.8	3.4	3.0	2.7	2.5	2.3
EV/Sales	1.4	1.2	1.1	1.1	1.0	1.0	0.9
Price / Sales	1.0	0.8	0.8	0.7	0.7	0.7	0.6
EV/EBITDA	9.5	8.6	8.4	7.9	7.3	7.2	6.9
Margins	2023a	2024a	2025e	2026f	2027f	2028f	2029f
Gross Margin	36.7%	35.5%	35.3%	35.5%	35.2%	34.5%	34.2%
EBITDA Margin	14.5%	13.9%	13.7%	13.8%	13.9%	13.1%	12.9%
Operating Margin	8.1%	8.0%	7.6%	7.8%	7.9%	7.1%	6.8%
Net Margin	5.7%	5.7%	5.7%	5.9%	6.2%	5.7%	5.7%
Returns	2023a	2024a	2025e	2026f	2027f	2028f	2029f
ROA	7.2	7.6	7.3	7.3	7.8	7.3	7.3
ROE	27.3	26.7	25.8	25.5	25.6	22.5	21.3
Health*	2023a	2024a	2025e	2026f	2027f	2028f	2029f
Debt to Asset	0.4	0.3	0.3	0.3	0.3	0.2	0.2
Debt to Equity	1.4	1.1	1.0	0.9	0.8	0.7	0.7
Debt to Capital	0.6	0.5	0.5	0.5	0.5	0.4	0.4
EBIT/ Interest	3.8	4.2	4.5	4.9	5.8	6.6	7.7

*Debt ratios include lease liabilities Source: Company Financials, anbc Research

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We initiate coverage on Nahdi Medical Co. (NAHDI) with a 'Neutral' rating and a target price of SAR 125.7 per share, implying an upside of 9.8% from current levels. We forecast revenue to grow at a 2024-29f CAGR of 4.8%, driven by the addition of ~20 net new pharmacies annually, expansion of the clinic network from 12 in 1H25 to 29 by 2029f, and the continued rollout of higher-margin private label products. We expect both gross and operating margins to remain stable over the forecast period, averaging 35.9% and 9.0%, respectively. Margin stability will be underpinned by increased contributions from private label and digital channels, while increased competition is likely to cap any gross margin expansion. We believe the stock's current price reflects the long-term earnings outlook and offers limited upside from existing levels.

Multi-pronged growth strategy to support long-term growth: Nahdi is aggressively expanding into the healthcare segment while also focusing on increasing its regional footprint. Nahdi's polyclinic count increased from 3 in 2022 to 12 in 1H25, with 4 clinics now mature and generating net margins of 15%. The management aims to scale the healthcare segment, targeting SAR 1.0 bn in revenue within the next 5 years and has communicated that it will be rapidly expanding the network to 15-20 clinics in the near term. The company opened 10 new pharmacies in the UAE during 2024, followed by an additional 9 openings in 1H25, as part of its ongoing regional expansion strategy. Online sales contribution has reached 22% as of 2024, supported by same-day delivery capabilities and portfolio diversification. These initiatives are expected to support a topline CAGR of 4.8% through 2029f.

Planned store openings to sustain revenue growth: Nahdi's management aims to add 20 net new stores annually over the medium term, with a focus on larger-format locations while gradually phasing out underperforming sites. While no stores are currently loss-making, this portfolio optimization is expected to enhance operational efficiency and support sustained topline growth. With 61 net new stores opened in 2024, a brand equity score of 6.9 (2x the nearest competitor), and 70% of revenue linked to Nuhdeek loyalty members, we believe the planned expansion will enable the company to maintain mid-single digit revenue growth over the medium term.

Efficiency measures to support operating margin stability: Nahdi's gross margins have come under pressure due to intensifying market competition. Gross margins declined to 37.4% in 2024 from a peak of 41.1% in 2022. The company launched its "Road to Efficiency" program in 2023, aimed at reducing the OPEX-tosales ratio. This initiative led to a decline of 120 bps in the ratio by 2024. The management continues to prioritize margin-supportive levers, including an increasing focus on private label products and online sales. We forecast the OPEX-to-sales ratio to average 27.2% over the next five years, with gross and operating margins remaining largely stable at 35.9% and 9.0%, respectively.

Valuation: We believe that the stock's current price level adequately reflects the long-term earnings trajectory and offers limited upside from here. Our TP of SAR 125.7/share is based on a DCF valuation, resulting in an upside of 9.8%. Notably, the stock has witnessed only a slight decline of 2.6%, compared to TASI's 12.8% on a YTD basis.

Risk: Key risks include slower store expansion, rising competition affecting margins and market share, and weak scalability of the healthcare segment.

September 09, 2025

RATING SUMMARY	Neutral
Target Price (SAR)	125.7
Upside/Downside	9.8%
Div. Yield (%)	4.5%
Total Exp. Return	14.4%
Source: Company Financials, anbc Research	

ISSUER INFORMATION

ISSOCIA II ONIVIALION	
Bloomberg Code	NAHDI AB
Last Price (SAR)	114.5
No of Shares (mn)	130
Market Cap bn (SAR/USD)	14.9/4.0
52-week High / Low (SAR)	134.2/106.0
12-month ADTV (mn) (SAR/USD)	23.0/6.1
Free Float (%)	30
Foreign Holdings (%)	9.3

Last price as of September 8th, 2025

VALUATIONS

	2024a	2025e	2026f	2027f
EPS (SAR)	6.3	6.5	6.8	7.0
PER (x)	18.1	17.6	16.8	16.4
PBV (x)	5.8	6.2	5.8	5.4
DPS (SAR)	5.5	5.2	5.5	5.6
D. Yld. (%)	4.8	4.5	4.8	4.9
RoAE (%)	32.5	34.1	35.7	34.1
RoAA (%)	14.2	13.7	13.7	13.1

Source: Company Financials, anbc Research

FINANCIALS (SAR MN)

	2024a	2025 e	2026f	2027f
Revenue	9,446	10,134	10,632	11,091
Gross Pro.	3,533	3,721	3,883	4,009
EBITDA	1,577	1,720	1,879	2,000
Net Inc.	821	848	885	907
EPS	6.3	6.5	6.8	7.0
DPS	5.5	5.2	5.5	5.6

Source: Company Financials, anbc Research

RELATIVE PRICE PERFORMANCE



Source: Bloomberg, anbc Research

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Investment Thesis

Multi-pronged growth strategy to support long-term growth

Nahdi continues to diversify its revenue streams with investments in healthcare services, private label expansion, and increasing regional footprint.

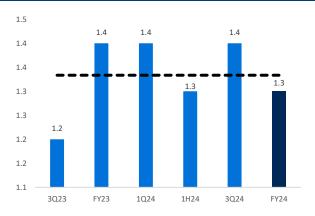
Long-term healthcare revenue ambitions

Nahdi is undergoing a transition from a pharmacy provider to an integrated healthcare provider. The company expanded its healthcare footprint from 3 polyclinics in 2022 to 12 by 1H25, with plans to scale to 15-20 clinics in the near term. The management targets SAR 1.0 bn in healthcare revenue within five years (vs. SAR 200 mn in 2024), while four clinics have reached maturity, delivering 15% net margins. Additionally, for every SAR 1.0 generated by the clinics, the management estimates an incremental SAR 1.3 in pharmacy revenue, translating into SAR 257 mn attributed to the pharmacy retail segment in 2024 through this synergistic "build-and-borrow" model.

The broader healthcare portfolio includes polyclinics, virtual consultations, home healthcare, and delivery. Patient volumes continue to scale, with total polyclinic visits increasing to 1.4 mn in 2024 (vs. 0.9 mn in 2023). As of 2024, the company has handled over 797,000 virtual consultations and 21,000 home healthcare visits.

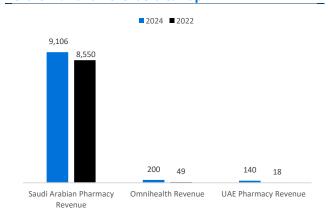
Going forward, we see strong structural tailwinds supporting this segment's growth. Saudi Arabia has already exceeded its Vision 2030 tourism target of 100 mn visitors, achieved seven years early, and has now raised the target to 150 mn. Rising expat inflows are expected to lift Riyadh's population from 8.6 mn to 9.6 mn by 2030f. In addition, demographic shifts toward an aging population (65+ years to more than double from the current 2.7% by 2035f) and elevated prevalence of non-communicable diseases, such as diabetes and obesity, would provide further stimulus. Given these macro tailwinds, we believe the resulting increase in demand for healthcare services positions the healthcare segment as a key long-term growth driver for Nahdi.

Chart 43: Healthcare segment historically helps generate up to 1.4× revenue to pharmacies



Source: Company Financials, anbc Research

Chart 44: Nahdi revenue break up





Regional Expansion in the UAE

Having entered the UAE in 2019, Nahdi has expanded its regional footprint, steadily growing its operations since. Revenue from the UAE increased from SAR 18 mn in 2022 to SAR 140 mn in 2024, driven by expansion to 25 pharmacies, including 10 new openings during 2024. As of 1H25, the company has further expanded its footprint to 34 pharmacies. In 2Q24, Nahdi launched its online platform in the UAE, offering the same convenience and access available in the Kingdom. In 2025e, the company plans to introduce a curated range of its product portfolio in the UAE, further enhancing brand visibility and regional positioning. With a UAE pharmaceutical market estimated at SAR 17.6 bn, the company sees significant potential for growth in the market.

Chart 45: Revenues (SAR mn) to grow at 4.8% CAGR

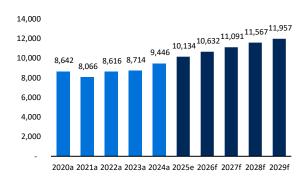


Chart 46: Number of Clinics to grow to 29 by 2029f



Source: Company Financials, anbc Research

Source: Company Financials, anbc Research

Value-driven portfolio to support differentiation

Nahdi is expanding its private label portfolio, which now contributes 13.0% of total revenue as of 2024 compared to 5.0% in 2018. These products typically offer 1.5x the margin of the rest of the portfolio, enhancing profitability. The private label strategy supports value creation through differentiation, stronger local content, and cost-efficient alternatives for consumers.

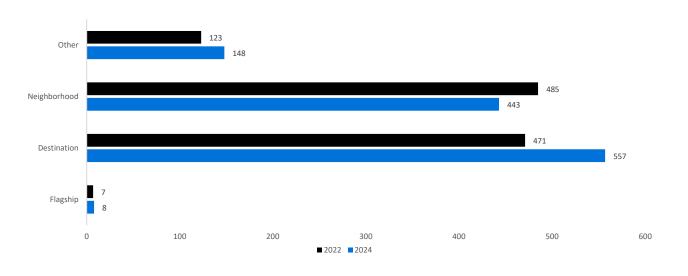
Digitalization remains a core pillar of Nahdi's growth strategy. Since the COVID-19 pandemic, the company has seen strong traction in its online segment. In 2024, Nahdi launched a revamped website and mobile app with an Alenhanced user interface, further integrating its omnichannel capabilities. Online transactions rose by 48% YoY, with digital sales reaching SAR 2 bn in 2024 (up 40% YoY), now contributing 22% of total revenue. The company recorded 200 mn digital sessions in 2024, with over 16 mn sessions per month, outpacing Amazon's 13 mn monthly sessions for comparable products, highlighting the company's growing digital engagement.

Planned store openings to sustain revenue growth

As of 2024, Nahdi operated 1,156 pharmacies across Saudi Arabia (1,173 as of 1H25), achieving 97% population coverage. The majority of these are concentrated in Riyadh (27%), Jeddah (22%), and the Southern region (19%). In the UAE, Nahdi operates 25 pharmacies (34 as of 1H25) under its ongoing regional expansion strategy. Over the past two years, Nahdi has stepped up its expansion efforts, opening 95 net new stores after a phase of portfolio consolidation that saw 75 net closures in the prior four years. This shift was driven by the company's increased focus on larger-format pharmacies. As of 2024, the store network includes: 8 flagship pharmacies (≥800 m², premium format), 557 destination pharmacies (≥240 m²), 443 neighborhood pharmacies (≥150 m²), and 148 additional stores (including mall-based and provider pharmacies).



Chart 47: Store Network 2022-24

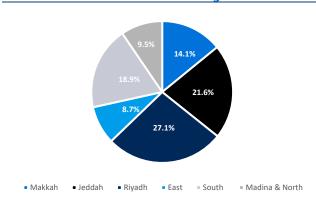


Source: Company Financials, anbc Research

Going forward, the company plans to add 20 net new stores annually, with an emphasis on flagship and destination formats. These are usually larger, street-facing stores and are designed to offer an enhanced customer experience, a broader product range, and increased foot traffic potential. The larger stores also operate as dark stores to support the company's online fulfillment capabilities, strengthening the synergy between offline and digital channels.

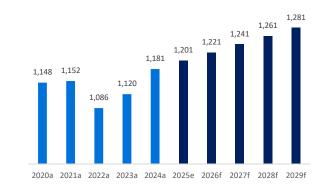
Nahdi holds a leading position in the retail pharmaceutical segment, as of 2024, the company has a Nielsen brand equity score of 6.9, more than double that of the nearest competitor, and a market share of 30.0% in Saudi Arabia. Notably, 70% of the company's revenue is generated through its Nuhdeek loyalty program. We believe this strong brand equity and customer loyalty will support consistent revenue performance from newly opened pharmacies. We forecast the total pharmacy area to grow at a 2024a-2029f CAGR of 1.8%, reaching 536,859 m² by 2029f, supporting an estimated 2.4% annual increase in volumes sold during the same period. We expect this expansion to sustain medium-term topline growth in the range of 3.0-5.0%.

Chart 48: Nahdi's nationwide coverage across KSA



Source: Company Financials, anbc Research

Chart 49: Nahdi to add 20 net new stores annually





Efficiency measures to support operating margin stability

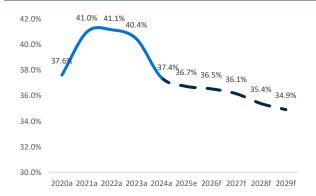
Nahdi's gross margins have moderated from a peak of 41.1% in 2022 to 37.4% in 2024, primarily due to intensifying market competition. The company launched its Road to Efficiency program in 2023, following an internal assessment that indicated an elevated OPEX-to-sales ratio relative to global peers. As a result, the management prioritized cost discipline, successfully reducing OPEX-to-sales from 29.7% in 2023 to 28.5% in 2024. Despite opening 61 net new pharmacies in 2024, we note that the company achieved this improvement with minimal changes in headcount, reflecting the focus on operational efficiency.

We expect OPEX-to-sales to average 27.2% over the next five years, with operating margins remaining steady around 9.0%. While price competition is expected to persist, we expect gross margins to remain broadly stable in the near term, with slight softening projected over the longer horizon. Nahdi remains well-positioned to defend its operating profitability. Margin resilience is expected to be underpinned by the following key factors:

- (i) Private label expansion, which now contributes 13% of revenue and typically delivers 1.5x the margin of the core portfolio.
- (ii) Digital sales growth, with online revenues rising 40% YoY in 2024 and contributing 22% of total sales. Digital channels typically command higher operating margins due to scale efficiencies and lower fulfillment costs.
- (iii) Healthcare segment, which is emerging as a margin-enhancing vertical. As of 2024, four mature clinics are delivering 15% net margins, compared to the company-wide net margin of 9%, indicating uplift potential as the network scales.

Overall, we expect these initiatives, combined with ongoing cost discipline, to support sustainable operating profitability, despite the evolving competitive landscape.

Chart 50: Gross margins stabilizing after prior decline



Source: Company Financials, anbc Research

Chart 52: Total area projected to rise by a 1.8% CAGR



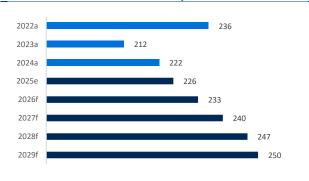
Source: Company Financials, anbc Research

Chart 51: OPEX to Sales to witness a slight decline



Source: Company Financials, anbc Research

Chart 53: Units sold (mn) to expand at 2.4% CAGR





Valuation

We have adopted a Discounted Cash Flow (DCF) valuation approach for Nahdi, which resulted in a target price of SAR 125.7/share, implying a 9.8% upside. We have assumed a risk-free rate of 5.0%, market risk premium of 5.2% and a beta of 0.8, resulting in a WACC of 6.6%. Additionally, we have used a terminal growth rate of 2.5%. We assign a 'Neutral' rating on the stock, as we believe that Nahdi's earnings growth trajectory is already priced in. Notably, the stock has witnessed only a slight decline of 2.6%, compared to TASI's 12.8% on a YTD basis. At a 2025e PER of 17.6x relative to its post-IPO average of 19.5x, we believe the stock is fairly valued, limiting further upside potential.

	anbc Estimate	Consensus*	anbc Estimate	Consensus*	anbc Estimate	Consensus*
SAR mn	2025e	2025e	2026f	2026f	2027f	2027f
Revenue	10,134	10,290	10,632	11,179	11,091	11,872
Gross Margin	36.7%	36.7%	36.5%	36.3%	36.1%	36.0%
EBITDA	1,720	1,748	1,879	1,908	2,000	2,018
Net Income	848	845	885	865	907	955
Net Margin	8.4%	8.2%	8.3%	7.7%	8.2%	8.0%
EPS	6.5	6.5	6.8	6.7	7.0	7.3

Source: anbc Research, Bloomberg

*As of September 8th, 2025

SAR mn	2027f	2028f	2029f	2030f	20231f
FCFF	829	852	868	862	851
Terminal Value					20,579
FCFF + Terminal	829	852	868	862	21,430
Discounted FCFF	772	743	712	666	15,544

 Enterprise Value
 18,436

 Cash
 407

 Debt
 (2,496)

 Equity Value
 16,347

 Target Price
 125.7

Source: anbc Research

Sensitivity Analysis on DCF Valuation

	Growth rate								
		1.5%	2.0%	2.5%	3.0%	3.5%			
	4.6%	177.9	209.5	256.0	330.8	471.7			
WACC	5.6%	131.5	148.1	169.9	200.1	244.4			
WACC	6.6%	103.4	113.4	125.7	141.6	162.4			
	7.6%	84.6	91.1	98.9	108.5	120.3			
	8.6%	71.1	75.7	81.0	87.3	94.8			

Source: anbc Research

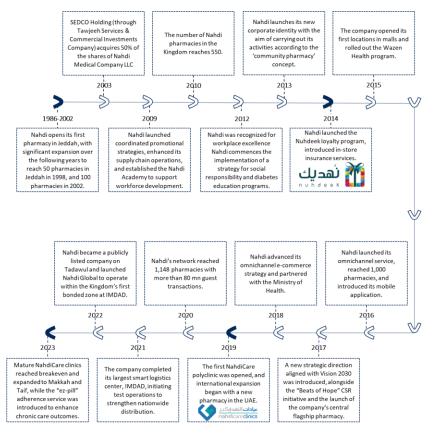


Company overview

Nahdi Medical Company, founded in 1986 and publicly listed on the Saudi Exchange in 2022, is the largest pharmacy chain in Saudi Arabia and a leading omnihealth platform in the GCC. As of 1H25, the company operates 1,173 pharmacies in Saudi Arabia, along with 34 pharmacies in the UAE, achieving a nationwide service coverage of 97%.

Nahdi business model is built around two core pillars: retail pharmacy and omnihealth services. Revenue streams are diversified across (i) front-shop sales (including wellness, mom & baby, and beauty categories), (ii) prescription medicines, private label and direct import products, and (iii) healthcare services such as clinics, telemedicine, and home healthcare.

In addition to its retail footprint, Nahdi manages 12 NahdiCare polyclinics and has built a scalable digital ecosystem encompassing e-commerce platforms, virtual consultations, and integrated healthcare services. This omni-channel strategy is central to improving access, deepening customer engagement, and driving long-term growth across both retail and healthcare verticals.



Source: Company Financials, anbc Research

The company leverages advanced logistics capabilities through its IMDAD distribution center, supporting efficient supply chain operations across its network. Additionally, Nahdi operates on a scalable, cloud-based tech stack, enabling real-time inventory visibility, centralized prescription dispensing, and personalized digital engagement, positioning it well for continued expansion and improving operating efficiency across both physical and digital channels.

Nahdi holds approximately 30% of the value share in the private retail pharmaceutical sector and operates 11% of the total pharmacies in Saudi Arabia as of 2023. It maintains the highest Nielsen brand equity score in the sector (6.9), more than double the nearest competitor as of 2024. Guest loyalty remains robust, with ~70% of revenue generated through the Nuhdeek loyalty program. Nahdi's scale, brand equity, and operational capabilities provide a significant edge in an otherwise fragmented and consolidating market.



Geographic footprint and scale

Nahdi maintains the largest pharmacy network in the Kingdom with 1,173 stores as of 1H25, complemented by a growing presence in the UAE with 34 pharmacies. The company's 12 operational clinics are strategically located in major urban and pilgrimage centers, including Riyadh, Makkah, Madinah, and Jeddah. The IMDAD smart logistics hub in Jeddah and a second bonded zone in Riyadh support rapid fulfillment across regions. Nahdi's infrastructure ensures wide accessibility and operational efficiency.

Chart 54: Pharmacy locations



As of 2024, Nahdi has a well-diversified national footprint, led by Riyadh with 313 pharmacies, followed by Jeddah (250), the Southern region (219), Makkah (163), and Madinah & North (110). The Eastern region hosts 101 pharmacies. This broad coverage across key regions reinforces Nahdi's position as a leading nationwide pharmacy chain in Saudi Arabia.

Source: Company Financials, anbc Research

Financial overview

Nahdi's revenue mix remains diversified, with pharma contributing 54.9%, front shop (non-pharma) accounting for 41.4%, and the remainder from other segments including the UAE pharmacies and healthcare. Nahdi reported total revenue of SAR 9.4 bn as of 2024, reflecting an 8.4% YoY increase, marking its strongest topline performance in recent years. Growth was primarily driven by a 17.5% YoY increase in pharma revenue, along with a more than twofold rise in contributions from other segments.

Despite topline growth, profitability has softened. Gross margins declined from a peak of 41.1% in 2022 to 37.4% in 2024, impacted by the increasing price competition. This has led to EBITDA margins contracting from 18.6% in 2022 to 16.7% in 2024, resulting in a 3.9% CAGR decline in net income over 2022-2024.

In 1H25, Nahdi reported strong financial performance, with revenue growing by 9.1% YoY to SAR 5.2 bn and net profit reaching SAR 493.6 mn. Growth was primarily driven by a 9.9% increase in pharma revenue, alongside a 3.7% rise in non-pharma revenue, while the 'others' segment posted a 67.5% YoY increase.

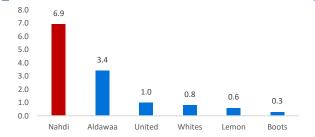
While 1H25 results exceeded the management's 2025 topline guidance of 6-8% YoY growth, the beat was driven by a seasonal boost from Ramadan. We expect revenue growth to normalize in the coming quarters, with full-year performance aligning with guidance.

Chart 55: Pharma leads the topline share



Source: Company Financials, anbc Research

Chart 56: Nahdi leads in brand equity - 2024



Source: Earnings Presentation, anbc Research



Financial Summary

Income statement (SAR mn)	2023a	2024a	2025e	2026f	2027f	2028f	2029f	CAGR 2024- 2029f
Revenue	8,714	9,446	10,134	10,632	11,091	11,567	11,957	4.8%
Cost of Revenue	(5,191)	(5,914)	(6,413)	(6,749)	(7,082)	(7,475)	(7,784)	5.7%
Gross Profit	3,522	3,533	3,721	3,883	4,009	4,091	4,173	3.4%
Operating Expenses	(2,561)	(2,660)	(2,795)	(2,885)	(2,970)	(3,059)	(3,170)	3.6%
EBIT	961	873	926	998	1,039	1,032	1,002	2.8%
Dep & Amort	618	703	794	881	961	1,038	1,112	9.6%
EBIDTA	1,579	1,577	1,720	1,879	2,000	2,070	2,114	6.0%
Finance Cost	(83)	(116)	(130)	(128)	(123)	(106)	(85)	-5.9%
Profit Before Zakat	944	835	861	936	959	960	943	2.5%
Zakat	52	14	13	51	52	52	52	30.1%
Net Income	893	821	848	885	907	908	891	1.7%
Number of Share	130	130	130	130	130	130	130	
EPS	6.9	6.3	6.5	6.8	7.0	7.0	6.9	
Balance Sheet								
Fixed Assets	1,040	1,113	1,231	1,326	1,394	1,434	1,442	5.3%
Other Non-Current Assets	1,572	1,950	2,097	2,210	2,303	2,380	2,445	4.6%
Non-current assets	2,613	3,062	3,328	3,536	3,697	3,814	3,888	4.9%
Trade receivables	173	136	178	177	184	192	199	8.0%
Cash and Cash equivalents	910	957	238	407	567	715	871	-1.9%
Other Current Assets	1,676	2,019	2,470	2,567	2,664	2,777	2,867	7.3%
Current Asset	2,759	3,111	2,886	3,152	3,415	3,685	3,937	4.8%
Total Assets	5,371	6,173	6,214	6,688	7,112	7,499	7,825	4.9%
Total Equity	2,463	2,586	2,389	2,566	2,745	2,924	3,101	3.7%
Lease liabilities	-	-	-	-	-	-	-	n/a
Other Non-Current Liabilities	1,277	1,581	1,824	1,994	2,125	2,218	2,281	7.6%
Non-current liabilities	1,277	1,581	1,824	1,994	2,125	2,218	2,281	7.6%
Trade payables	894	1,249	1,354	1,425	1,495	1,578	1,643	5.7%
Short-term Borrowings	-	-	-	-	-	-	-	n/a
Other current Liabilities	737	757	647	704	747	779	800	1.1%
Current Liabilities	1,631	2,006	2,001	2,129	2,243	2,357	2,443	4.0%
Total liabilities and equity	5,371	6,173	6,215	6,688	7,112	7,499	7,825	4.9%



Valuation Ratios	2023a	2024a	2025e	2026f	2027f	2028f	2029f
EPS	6.9	6.3	6.5	6.8	7.0	7.0	6.9
DPS	5.5	5.5	5.2	5.5	5.6	5.6	5.5
BVPS	18.9	19.9	18.4	19.7	21.1	22.5	23.9
PE	16.7	18.1	17.6	16.8	16.4	16.4	16.7
Div Yield	4.8%	4.8%	4.5%	4.8%	4.9%	4.9%	4.8%
PBV	6.0	5.8	6.2	5.8	5.4	5.1	4.8
EV/Sales	1.8	1.7	1.7	1.6	1.5	1.5	1.4
Price / Sales	1.7	1.6	1.5	1.4	1.3	1.3	1.2
EV/EBITDA	9.9	10.1	9.9	9.1	8.5	8.2	8.0
Margins	2023a	2024a	2025e	2026f	2027f	2028f	2029f
Gross Margin	40.4%	37.4%	36.7%	36.5%	36.1%	35.4%	34.9%
EBITDA Margin	18.1%	16.7%	17.0%	17.7%	18.0%	17.9%	17.7%
Operating Margin	11.0%	9.2%	9.1%	9.4%	9.4%	8.9%	8.4%
Net Margin	10.2%	8.7%	8.4%	8.3%	8.2%	7.8%	7.5%
Returns	2023a	2024a	2025e	2026f	2027f	2028f	2029f
ROA	17.3%	14.2%	13.7%	13.7%	13.1%	12.4%	11.6%
ROE	37.9%	32.5%	34.1%	35.7%	34.1%	32.0%	29.6%
Health	2023a	2024a	2025e	2026f	2027f	2028f	2029f
Debt to Asset	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Debt to Equity	0.5	0.6	0.6	0.7	0.7	0.7	0.6
Debt to Capital	0.3	0.4	0.4	0.4	0.4	0.4	0.4
EBIT/ Interest	12.4	8.2	7.6	8.3	8.8	10.0	12.1



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