

## Nahdi Medical Company

Sector : Pharma Retail

# HOLD

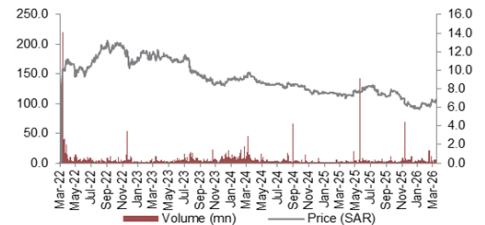
30 March 2026

- Nahdi reported record revenue in 2025 growing by 8.1% YoY and in line with estimates. Both front shop and pharma witness single digit growth. Traction in online and associate segments, Wasfaty to support volumes.
- Gross margin holds steady and in line with expectation, no variance in opex. Net profit for the year was flattish and as per our forecast.
- We retain 2026e revenue and profit estimate, but reduce target price to SAR 113.91 per share on account of increasing risk premium in the region. Recommend to HOLD.

Target price (SAR) **113.91**

Current price (SAR) **107.50**

Return **6.0%**



Exchange Saudi Arabia  
 Index weight (%) 0.4%

(mn)	SAR	USD
Market Cap	13,975	3,724
Enterprise value	15,204	4,051

### Major share holders

AL-NAHDI HOLDING CO	38.1%
Saudi Economic & Dev	25.0%
Vanguard Group Inc/T	1.5%
Others	35.4%

### Valuation Summary (TTM)

PER TTM (x)	14.9
P/Book (x)	4.5
EV/EBITDA (x)	7.9
Dividend Yield (%)	4.9
Free Float (%)	35%
Shares O/S (mn)	130
YTD Return (%)	13%
Beta	0.6

Key ratios	2023	2024	2025
EPS (SAR)	6.87	6.31	6.39
BVPS (SAR)	18.94	19.89	21.10
DPS (SAR)	5.50	5.50	5.60
Payout ratio (%)	80%	87%	88%

Price performance (%)	1M	3M	12M
Nahdi Medical Co	8%	17%	-7%
Tadawul All Share Index	3%	7%	-8%

52 week	High	Low	CTL*
Price (SAR)	132.10	91.00	18.1

\* CTL is % change in CMP to 52w k low

Revenue increased by 8.1% YoY in 2025, in line with our expectations, supported by a 7.4% YoY rise in front-shop sales and 5.0% YoY growth in the pharma segment. This marks the company's highest reported revenue to date, driven by a network of 1,222 pharmacies and 14 clinics. The retail segment grew by 6.2% YoY, reflecting the company's focus on enhancing customer engagement and expanding its product assortment. The Healthcare (+75.3% YoY) and UAE (+35.5% YoY) segments gained significant traction during the year, continuing the growth trend from a low base. Together, these segments now contribute 5% to total revenue, up from 3% in the previous year. During the year, the company opened four NahdiCare clinics in Riyadh and Abha, bringing the total to 14 polyclinics across nine cities. Notably, several clinics opened in the prior year have surpassed their breakeven thresholds and delivered double-digit bottomline growth. Clinics served approximately 2 million guests in 2025 (vs. 1.4 million in 2024). Online revenue accounted for 25.8% of total revenue (vs. 21.7% in 2024). The company also joined the Wasfaty program, delivering 2.3 million transactions in its first quarter of operations (4Q25). Private label products which is an important margin driver contributed 17.4% of sales in 2025 (vs. 13.4% in 2024).

Gross margins remained stable during the year and in line with the previous period. Operating costs were also consistent with historical trends, with minimal variance. As a result, EBITDA grew by 8.1% YoY, in line with topline growth. However, the bottom line was impacted by higher finance costs due to increased lease liabilities associated with expansion. Net profit grew modestly by 1.2% YoY in 2025, but in line with our forecast. The company announced a dividend of SAR 3 per share for 2H25, slightly above our expectations, implying a yield of 5%.

**Valuation:** Nahdi remains a critical player in the healthcare value chain and continues to hold its position as a leading pharmaceutical retailer, supported by a loyal customer base built over decades. However, following the rapid rise of e-commerce, competition has intensified, placing pressure on margins. Management has faced challenges in sustaining topline growth and is currently pursuing a multi-pronged strategy aimed at increasing volumes and diversifying revenue streams. We expect these initiatives to yield results over the coming years. We align with the company's guidance of 6-8% revenue growth but believe bottomline will be better in the range of mid-single digits (vs guidance of 1-2%). We have revised our target price to SAR 113.91 per share, incorporating a higher risk premium due to geopolitical uncertainties. Given the limited upside, we maintain a **HOLD** rating on the stock.



Income Statement (In SAR mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
<b>Revenue</b>	<b>8,616</b>	<b>8,714</b>	<b>9,446</b>	<b>10,213</b>	<b>10,984</b>	<b>11,923</b>	<b>12,966</b>	<b>14,350</b>
Direct Costs	-5,095	-5,191	-5,914	-6,408	-6,783	-7,363	-8,006	-8,861
<b>Gross profit</b>	<b>3,521</b>	<b>3,522</b>	<b>3,533</b>	<b>3,806</b>	<b>4,009</b>	<b>4,352</b>	<b>4,732</b>	<b>5,238</b>
Selling and distribution expenses	-2,240	-2,249	-2,342	-2,521	-2,691	-2,921	-3,177	-3,516
General and administrative expenses	-331	-337	-347	-378	-395	-429	-467	-517
Other operating income (Net)	52	24	29	20	55	60	65	72
<b>Operating profit</b>	<b>1,002</b>	<b>961</b>	<b>873</b>	<b>927</b>	<b>978</b>	<b>1,061</b>	<b>1,154</b>	<b>1,277</b>
<b>EBITDA</b>	<b>1,598</b>	<b>1,579</b>	<b>1,577</b>	<b>1,721</b>	<b>1,808</b>	<b>1,964</b>	<b>2,138</b>	<b>2,357</b>
Finance income	12	65	59	61	60	60	60	60
Finance costs	-79	-83	-116	-142	-112	-126	-139	-152
Other costs	3	2	18	0	0	0	0	0
<b>Profit before tax</b>	<b>937</b>	<b>944</b>	<b>835</b>	<b>846</b>	<b>926</b>	<b>996</b>	<b>1,075</b>	<b>1,185</b>
Income tax and Zakat	-50	-52	-14	-15	-46	-50	-54	-59
<b>Net profit</b>	<b>887</b>	<b>893</b>	<b>821</b>	<b>831</b>	<b>880</b>	<b>946</b>	<b>1,021</b>	<b>1,126</b>

Balance Sheet (in SAR mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Property, plant and equipment	914	1,040	1,113	1,203	1,316	1,420	1,513	1,604
Investment property	254	254	256	256	256	256	256	256
Intangible assets	47	51	69	68	68	68	68	68
Right of use assets	1,167	1,267	1,607	1,825	1,900	1,997	2,116	2,267
<b>Non-current assets</b>	<b>2,382</b>	<b>2,613</b>	<b>3,062</b>	<b>3,392</b>	<b>3,580</b>	<b>3,780</b>	<b>3,992</b>	<b>4,234</b>
Inventories	1,183	1,409	1,711	2,278	2,411	2,617	2,846	3,150
Trade receivables	130	173	136	261	281	305	332	367
Prepayment and other current assets	174	267	308	204	219	238	259	286
Cash and cash equivalents	1,076	910	957	554	880	1,162	1,422	1,669
<b>Current assets</b>	<b>2,563</b>	<b>2,759</b>	<b>3,111</b>	<b>3,299</b>	<b>3,791</b>	<b>4,323</b>	<b>4,858</b>	<b>5,473</b>
<b>ASSETS</b>	<b>4,945</b>	<b>5,371</b>	<b>6,173</b>	<b>6,691</b>	<b>7,371</b>	<b>8,103</b>	<b>8,851</b>	<b>9,707</b>
Share capital	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Statutory reserve	280	369	369	0	-	-	-	-
Retained earnings	664	794	917	1,443	1,619	1,809	2,013	2,238
<b>EQUITY</b>	<b>2,244</b>	<b>2,463</b>	<b>2,586</b>	<b>2,744</b>	<b>2,919</b>	<b>3,109</b>	<b>3,313</b>	<b>3,538</b>
Employee defined benefits	381	392	420	421	475	515	560	620
Lease liabilities	792	871	1,146	1,363	1,631	1,892	2,138	2,396
Accruals and other non-current liabilities	20	15	15	15	-	-	-	-
<b>Non-current liabilities</b>	<b>1,193</b>	<b>1,277</b>	<b>1,581</b>	<b>1,800</b>	<b>2,106</b>	<b>2,407</b>	<b>2,698</b>	<b>3,016</b>
Lease liabilities	375	304	383	420	544	631	713	799
Provision for zakat/ Zakat payable	107	113	77	51	28	30	32	36
Trade payables	637	894	1,249	1,419	1,502	1,630	1,773	1,962
Accruals and other non-current liabilities	389	320	297	258	273	296	322	357
<b>Current liabilities</b>	<b>1,508</b>	<b>1,631</b>	<b>2,006</b>	<b>2,148</b>	<b>2,346</b>	<b>2,587</b>	<b>2,840</b>	<b>3,153</b>
<b>LIABILITIES</b>	<b>2,701</b>	<b>2,909</b>	<b>3,587</b>	<b>3,947</b>	<b>4,452</b>	<b>4,994</b>	<b>5,538</b>	<b>6,169</b>
<b>EQUITY AND LIABILITIES</b>	<b>4,945</b>	<b>5,371</b>	<b>6,173</b>	<b>6,691</b>	<b>7,371</b>	<b>8,103</b>	<b>8,851</b>	<b>9,707</b>

Cash Flow (In SAR mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Cash from operations	1,670	1,369	1,491	1,134	1,663	1,793	1,943	2,112
Investing cash flow	-277	-384	-328	-354	-9	7	17	34
Financing cash flow	-717	-1,151	-1,117	-1,182	-1,328	-1,518	-1,700	-1,898
<b>Change in cash</b>	<b>676</b>	<b>-166</b>	<b>46</b>	<b>-403</b>	<b>326</b>	<b>282</b>	<b>259</b>	<b>247</b>
Beginning cash	400	1,076	910	956	554	880	1,162	1,422
<b>Ending cash</b>	<b>1,076</b>	<b>910</b>	<b>956</b>	<b>554</b>	<b>880</b>	<b>1,162</b>	<b>1,422</b>	<b>1,669</b>



Ratio Analysis	2022	2023	2024	2025	2026e	2027e	2028e	2029e
<b>Per Share</b>								
EPS (SAR)	6.82	6.87	6.31	6.39	6.77	7.28	7.86	8.66
BVPS (SAR)	17.26	18.94	19.89	21.10	22.46	23.91	25.48	27.22
DPS (SAR)	2.31	5.50	5.50	5.60	5.41	5.82	6.29	6.93
FCF per share (SAR)	10.72	7.57	8.95	6.00	12.73	13.85	15.07	16.50
<b>Valuation</b>								
Market Cap (SAR mn)	21,736	17,810	16,042	12,350	13,975	13,975	13,975	13,975
EV (SAR mn)	21,827	18,075	16,615	13,579	15,269	15,335	15,404	15,501
EBITDA	1,598	1,579	1,577	1,721	1,808	1,964	2,138	2,357
P/E (x)	24.5	20.0	19.5	14.9	15.9	14.8	13.7	12.4
EV/EBITDA (x)	13.7	11.4	10.5	7.9	8.4	7.8	7.2	6.6
Price/Book (x)	9.7	7.2	6.2	4.5	4.8	4.5	4.2	3.9
Dividend Yield (%)	1.4%	4.0%	4.5%	5.9%	5.0%	5.4%	5.8%	6.4%
Price to sales (x)	2.5	2.0	1.7	1.2	1.3	1.2	1.1	1.0
EV to sales (x)	2.5	2.1	1.8	1.3	1.4	1.3	1.2	1.1
<b>Liquidity</b>								
Cash Ratio (x)	0.71	0.56	0.48	0.26	0.38	0.45	0.50	0.53
Current Ratio (x)	1.70	1.69	1.55	1.54	1.62	1.67	1.71	1.74
Quick Ratio (x)	0.80	0.66	0.54	0.38	0.49	0.57	0.62	0.65
<b>Returns Ratio</b>								
ROA (%)	17.9%	16.6%	13.3%	12.4%	11.9%	11.7%	11.5%	11.6%
ROE (%)	39.5%	36.2%	31.7%	30.3%	30.1%	30.4%	30.8%	31.8%
ROCE (%)	25.8%	23.9%	19.7%	18.3%	17.5%	17.1%	17.0%	17.2%
<b>Cash Cycle</b>								
Inventory turnover (x)	4.3	3.7	3.5	2.8	2.8	2.8	2.8	2.8
Accounts Payable turnover (x)	8.0	5.8	4.7	4.5	4.5	4.5	4.5	4.5
Receivables turnover (x)	66.3	50.4	69.7	39.1	39.1	39.1	39.1	39.1
Inventory days	85	99	106	130	130	130	130	130
Payable Days	46	63	77	81	81	81	81	81
Receivables days	6	7	5	9	9	9	9	9
Cash Cycle	45	43	34	58	58	58	58	58
<b>Profitability Ratio</b>								
Net Margins (%)	10.3%	10.2%	8.7%	8.1%	8.0%	7.9%	7.9%	7.8%
EBITDA Margins (%)	18.5%	18.1%	16.7%	16.9%	16.5%	16.5%	16.5%	16.4%
PBT Margins (%)	10.9%	10.8%	8.8%	8.3%	8.4%	8.3%	8.3%	8.3%
EBIT Margins (%)	11.6%	11.0%	9.2%	9.1%	8.9%	8.9%	8.9%	8.9%
Effective Tax Rate (%)	5.3%	5.5%	1.7%	1.8%	5.0%	5.0%	5.0%	5.0%
<b>Leverage</b>								
Total Debt (SAR mn)	1,167	1,175	1,530	1,783	2,174	2,522	2,850	3,195
Net Debt (SAR mn)	91	265	573	1,229	1,294	1,360	1,429	1,526
Debt/Equity (x)	0.5	0.5	0.6	0.7	0.7	0.8	0.9	0.9
Net Debt/Equity (x)	0.0	0.1	0.2	0.4	0.4	0.4	0.4	0.4

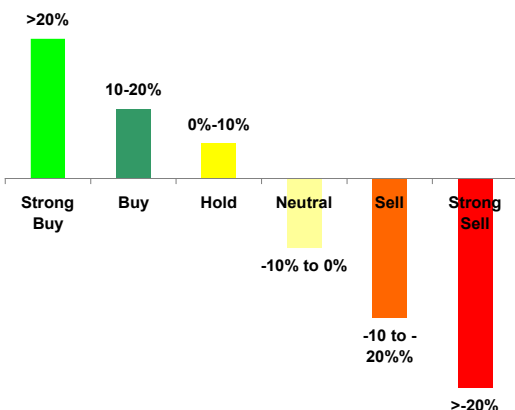
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## Rating Criteria and Definitions

### Rating



### Rating Definitions

<b>Strong Buy</b>	This recommendation is used for stocks whose current market price offers a deep discount to our 12-Month target price and has an upside potential in excess of 20%
<b>Buy</b>	This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 10% to 20%
<b>Hold</b>	This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 0% to 10%
<b>Neutral</b>	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between 0% to -10%
<b>Sell</b>	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between -10% to -20%
<b>Strong Sell</b>	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential in excess of 20%
<b>Not rated</b>	This recommendation used for stocks which does not form part of Coverage Universe

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