

Q1, 2023

# Nahdi Medical Company

## INVESTOR PRESENTATION



النهدى  
nahdi

داخلي - Internal

# We exist to add beats to our Guests lives everyday

## Vision



To be the most loved & trusted health and wellbeing partner of all our Guests

## Mission



To exceed all Guests' expectations by providing superior personalised lifecare experiences everyday, everywhere

## Values



- Integrity
- Leading with Purpose
- Care
- Excellence
- Collaboration



**35+ years**  
of building trust



**#1 pharmacy chain**  
In KSA with 1,082 stores



**140 cities**  
serving 97% of KSA population



**100m+ Guests / yr.**  
served across pharmacies



**72% of transactions**  
Generated by Loyal Guests



**4 poly & 51 express**  
clinics along with lab services and telemedicine offering



**10,000+**  
staff including pharmacists



**SAR 2.1 bn**  
3 Months 2023



**SAR 244.3 mn**  
Net Profit 3 Months 2023, 11.6% NP Margin



**4.3%**  
ROA 3 Months 2023



**11.7%**  
ROE 3 Months 2023



**SAR 1.9**  
EPS 3 Months 2023



**SAR 5.31**  
Dividend Per Share (DPS) FY 2022, 78% Dividend Payout Ratio



# BUSINESS OVERVIEW



Highly qualified staff led by strong board and management supported by prominent shareholders



Market leading pharmacy with strong brand and growing private label that adds beats to communities



State-of-the-art distribution capabilities



Seamless omnichannel experience underpinned by best-in-class digital and online offerings



Integrated healthcare services delivered through omnihealth platform



Clear strategy to achieve sustainable growth



Robust business and financial profile



النهدى  
nahdi



# CORPORATE STRATEGY

NAHDI HAS IDENTIFIED 4 STRATEGIC PILLARS TO DRIVE THE PERFORMANCE AND EXPANSION OF THE FIRM



# LED BY STRONG MANAGEMENT AND A DEDICATED BOARD, SUPPORTED BY PROMINENT SHAREHOLDERS

## Experienced members of the board...



**Saleh Bin Mahfouz**  
Chairman of the board



**Abdullah Al Nahdi**  
Founder and Vice Chairman



**Abdelelah Bin Mahfouz**  
Board Member



**Yasser Joharji**  
Board Member



**Abdellatif Al Seif**  
Independent  
Board Member



**Romain Voog**  
Independent  
Board Member



**Dr. Junaid Bajwa**  
Independent  
Board Member



Deep understanding of the sector with over 200 years of cumulative management experience



Credible management team with strong track record



Renowned investor base with strong commitment to the business and sector



Strong corporate governance practices in place



Independent Board members with multinational experience

## ...led by a strong management team...



**Yaser Joharji**  
Chief Executive Officer  
29+ years of experience



**Hani Ismail**  
Chief Marketing & Strategy Officer  
27+ years of experience



**Mohammed Alkhubani**  
Chief Financial officer  
26+ years of experience



**Zuhair Aytah**  
Chief Network Development Officer  
25+ years of experience



**Raed J. Monagel**  
Chief Supply Chain Officer  
23+ years of experience



**Samer Bokharee**  
Chief HR Officer  
21+ years of experience



**Dr. Khalid Tadlaoui**  
Chief Information Technology Officer  
29+ years of experience



**Karim Dimitri**  
Chief Commercial Officer  
29+ years of experience



**Dr. Hossam Khattab**  
Chief Operations Officer  
19+ years of experience



## ...with strong governance standards in place

Comprehensive corporate governance structure with policies and procedures is enacted

**Audit Committee**

**Nomination & Remuneration Committee (NRC)**

**Digital & Cybersecurity Committee**



# OUR SUCCESS IS ROOTED IN OUR PASSION FOR PEOPLE

Nahdi has a healthy nationalization rate, coupled with a growing Saudi female workforce

5,276\*

Overall Nahdi headcount (Q1, 2023)

3,978

Nahdi pharmacists (Q1, 2023)

317

Clinical staff (Q1, 2023)

Nahdi is committed to the nationalization regulation



National  
33%



Non-National  
67%

Male  
86%

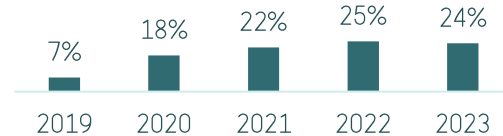


Female  
14%

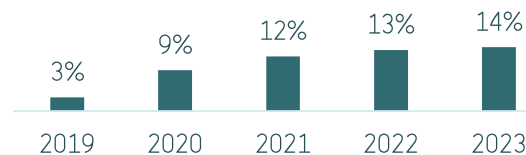


## Nationalization

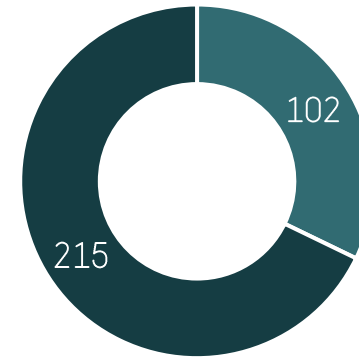
900+



## Feminization



## Clinical staff roles %



■ Nurses



■ Others Clinical Staff



Human Resources and  
Social Development

صندوق تنمية الموارد البشرية  
HUMAN RESOURCES DEVELOPMENT FUND



Source: Company disclosure

\* Total number of Nahdi and Nahdi Subsidiary staff is 10,499 as end of Q1, 2023

# NAHDI WINS WITH **GUESTS** BY PROVIDING TOP IN CLASS PRODUCT, SERVICES AND SOLUTIONS



## Pharmacists' services



- Consultation
- Medical adherence
- Full diet solution
- Refill

## Pharmacy



- Beauty applications
- Scan & GO service
- Wazen Hayatak program
- Drive-thru

## Online



- Click & Collect
- E pharmacist
- Store to home
- Nahdi Global

## Health Care services



- NahdiCare express (Non-Urgent care)
- Virtual Consultations
- Home HealthCare

# NAHDI'S FLAGSHIP BUSINESS IS THE LEADING PHARMACY RETAIL CHAIN IN KSA

## Pharmaceutical Retail Business



 **#1**

With 31% market share  
and c.10% of stores



**1,090\***

pharmacies in 144 cities &  
villages regionally\*



**3**

Distribution centers



**427K**

s.q.m

Total store area



Medicine



Wellness



Beauty



FMCG



Mom & Baby





# Building Strategic Private Label Mega Brands – Across Divisions

## Winning Playbook –

Guests at the core of Design

FY 2022 Exceeded  
**SAR 1 Billion**



### Opportunity

Guest Needs +  
Segment Size



### Product Design

R&D + Supplier



### Concept Test

Drive Purchase Intent



### Packaging Test

Winning vs. Competition



### Fundamentals

Offline & Online



### Holistic Launch

Guest Touchpoints



## Gamar Megabrand – Mom & Baby Case Study



Beatswell. **CLÉVIE** **orex** *felbella*  
بيتس ويل



### Product Tested



### Concept Tested



### Packaging Tested



### Fundamentals in Place



### Holistic Launch

Q1 2023 Sales is SAR 38.8mn, 17% Growth vs Q1 2022

# ADDING BEATS TO OUR COMMUNITY VIA CSR EFFORTS



## Health Responsibility

## Wellness Responsibility

## Mom & Baby Responsibility

2030 Target

10mn  
Guests

Strategic  
Partners



2030 Target

16mn Guests

Strategic  
Partners



2030 Target

10mn Guests

Strategic  
Partners

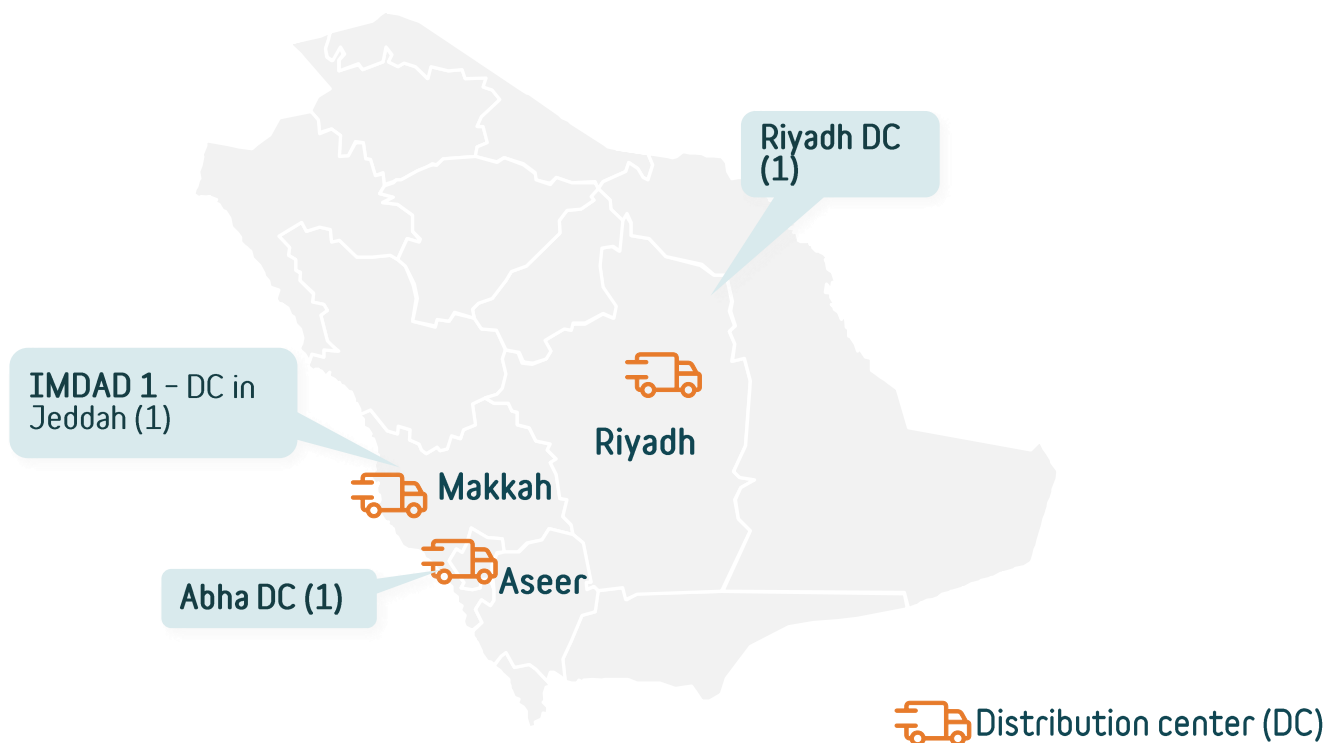


In recognition of our CSR efforts, we were awarded the CSR Program Award (Best Community Development)

# STATE-OF-THE-ART DISTRIBUTION AND SUPPLY CHAIN CAPABILITIES TO COMPREHENSIVELY SERVE ALL HEALTHCARE NEEDS ACROSS THE GCC

## UNMATCHED SUPPLY CHAIN CAPABILITIES

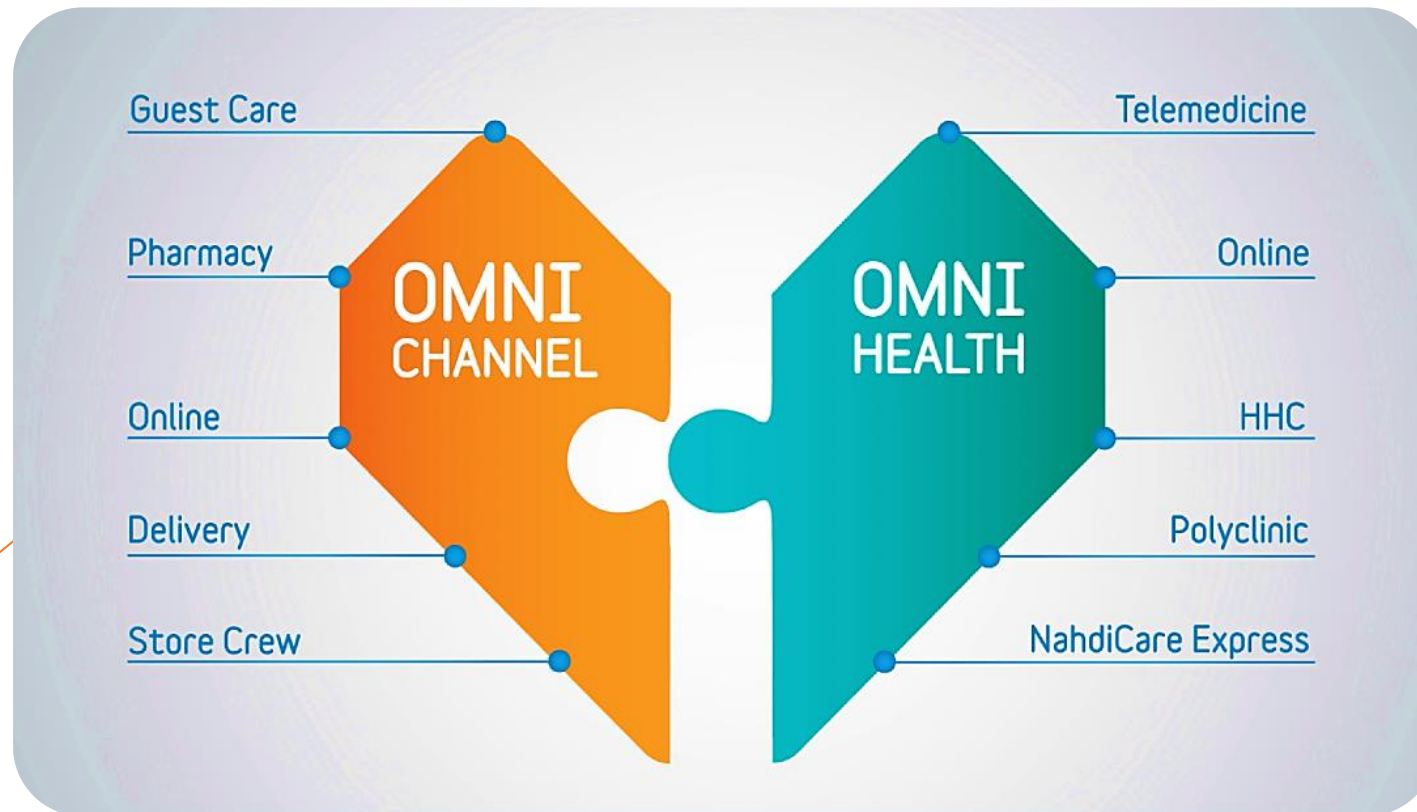
- Advanced supply chain capabilities with coverage across the KSA, UAE and other GCC countries
- Best-in-class supply chain technologies to build capacity towards a virtual endless shelf



USPs		<b>Smart fulfilment</b> distribution centres	
		<b>250,000 m² Land</b> 80,000 m² Built up area	
		<b>118mn+</b> Units Delivered in Q1, 2023	
		<b>120</b> delivery hub stores	



# NAHDI CREATED A UNIQUE OMNIHEALTH GATEWAY, BRINGING THE FULL HEALTH AND WELLNESS ECOSYSTEM TO THE FINGERTIPS AND DOORSTEPS OF ITS GUESTS



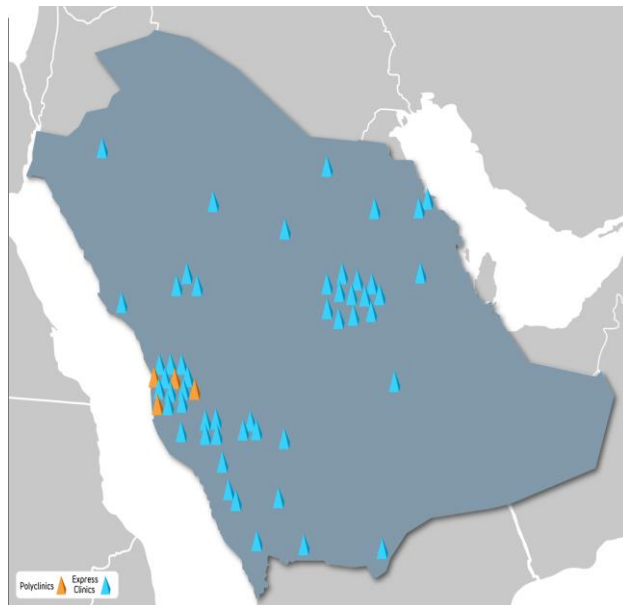




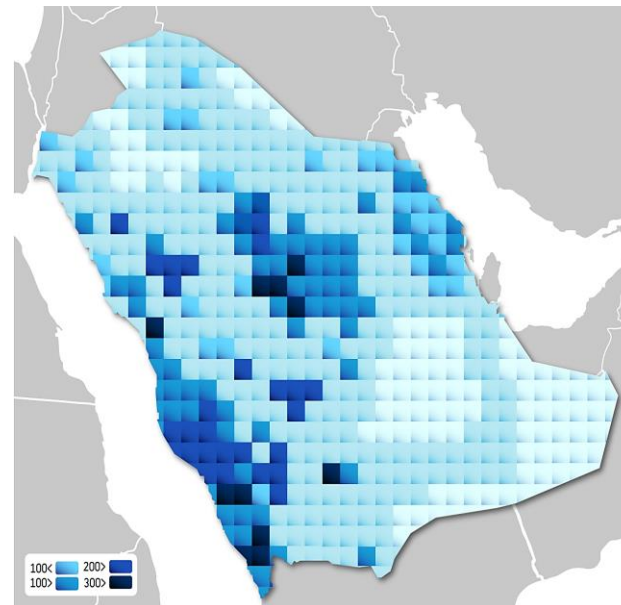
# INTEGRATED HEALTHCARE SERVICES TO ADDING BEATS TO GUESTS LIVES EVERYWHERE



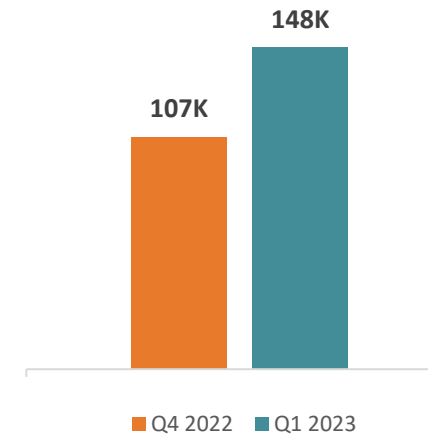
## Clinic & Express Clinics Coverage



## Virtual Medical Coverage



## Nahdi Virtual Clinic Calls



In 2022, the total number of calls reached to

**+276,000**

Vs.

**+148,000**

calls in only Q1 2023

The average monthly calls is

**+50,000**

# FINANCIAL HIGHLIGHTS AS END OF Q1, 2023



SAR **2.1 bn**  
Revenue



SAR **263 m**  
Operating Income



SAR **244 m**  
Net profit



SAR **1.9**  
EPS



Generating strong free cash flow

SAR **537 M**      **124%**  
Free Cash flow      FCF conversion rate

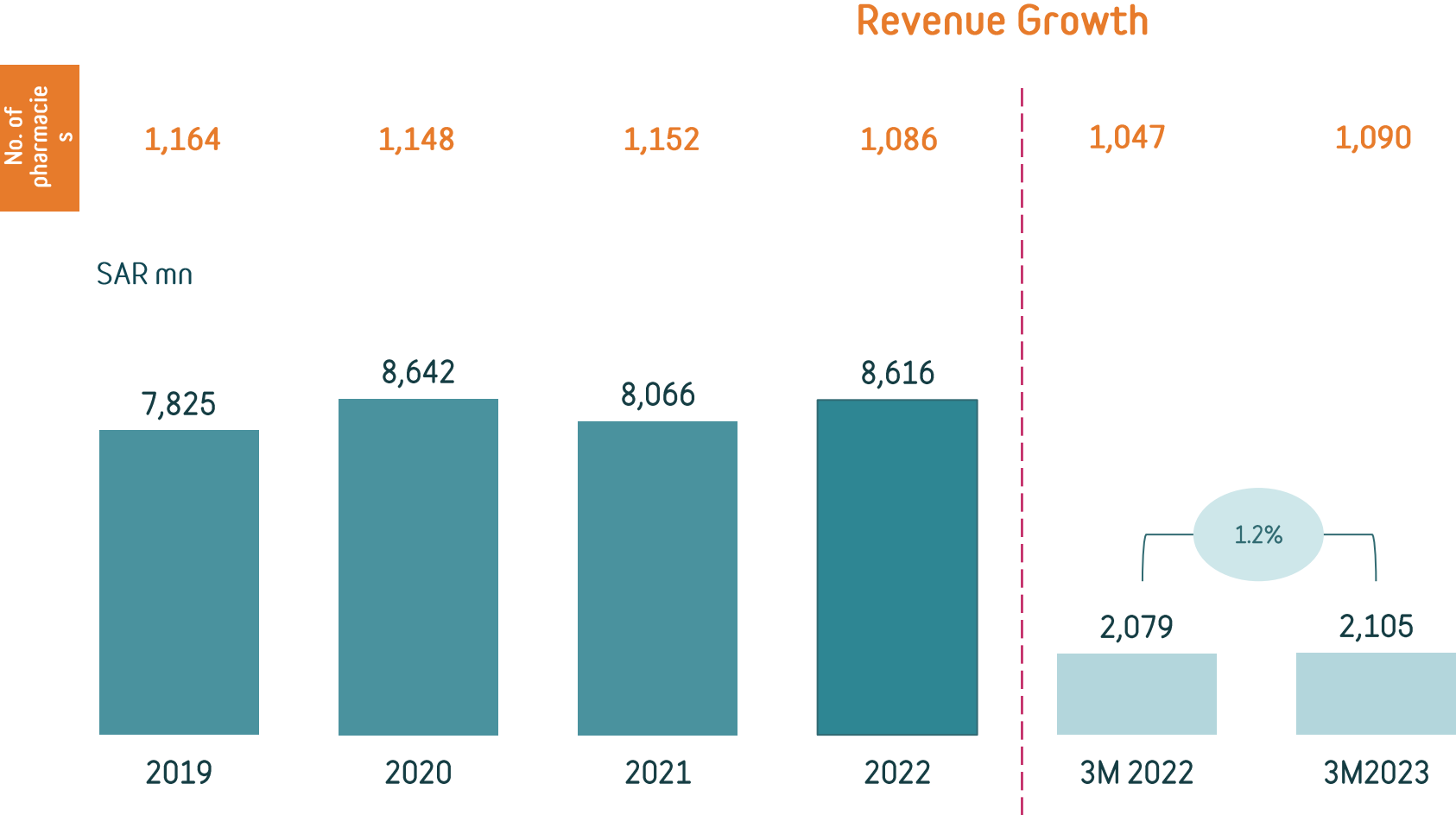
**Zero debt**

Committed to returning cash to shareholders

SAR **690 m**      **78%**  
Total Amount Distributed FY 2022      Dividend Payout Ratio



# CONSISTANT TRACK RECORD OF VALUE CREATION



Revenue increased by 1.2% in Q1 2023

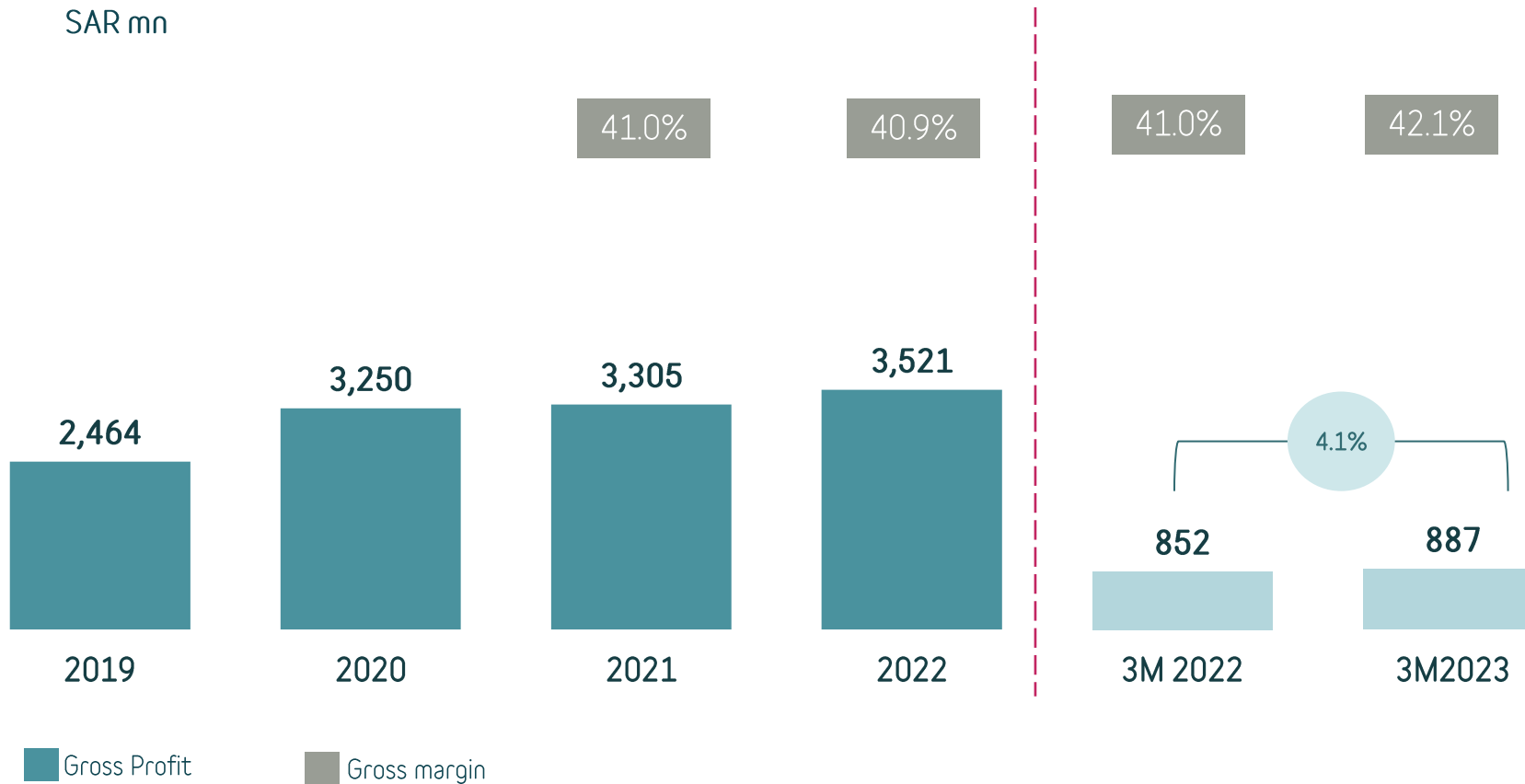
Mainly driven by growth in :

- 1) Total retail business despite the higher base of Q1 2022 due to Corona Omicron
- 2) Healthcare business segment.

Source: Company disclosure



# SUPERIOR GROSS PROFIT MARGIN

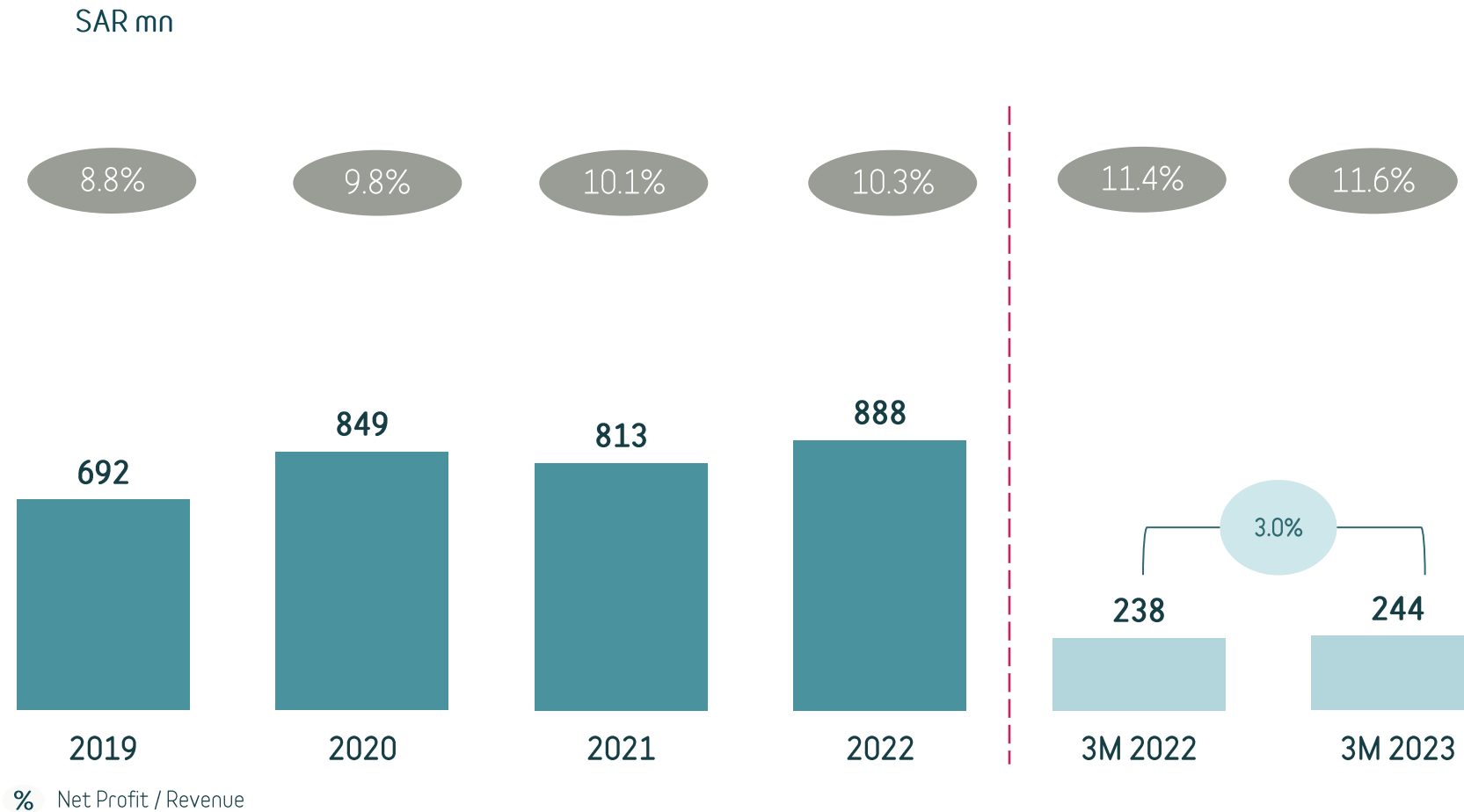


- Gross Profit increased by 4.1% in Q1 2023 driven by sales growth, private label growth and positive product mix. As a result, gross margin improved by 1.2% reaching 42.1% of revenue compared to 41.0% in Q1 2022.





# ATTRACTIVE NET PROFIT PROFILE

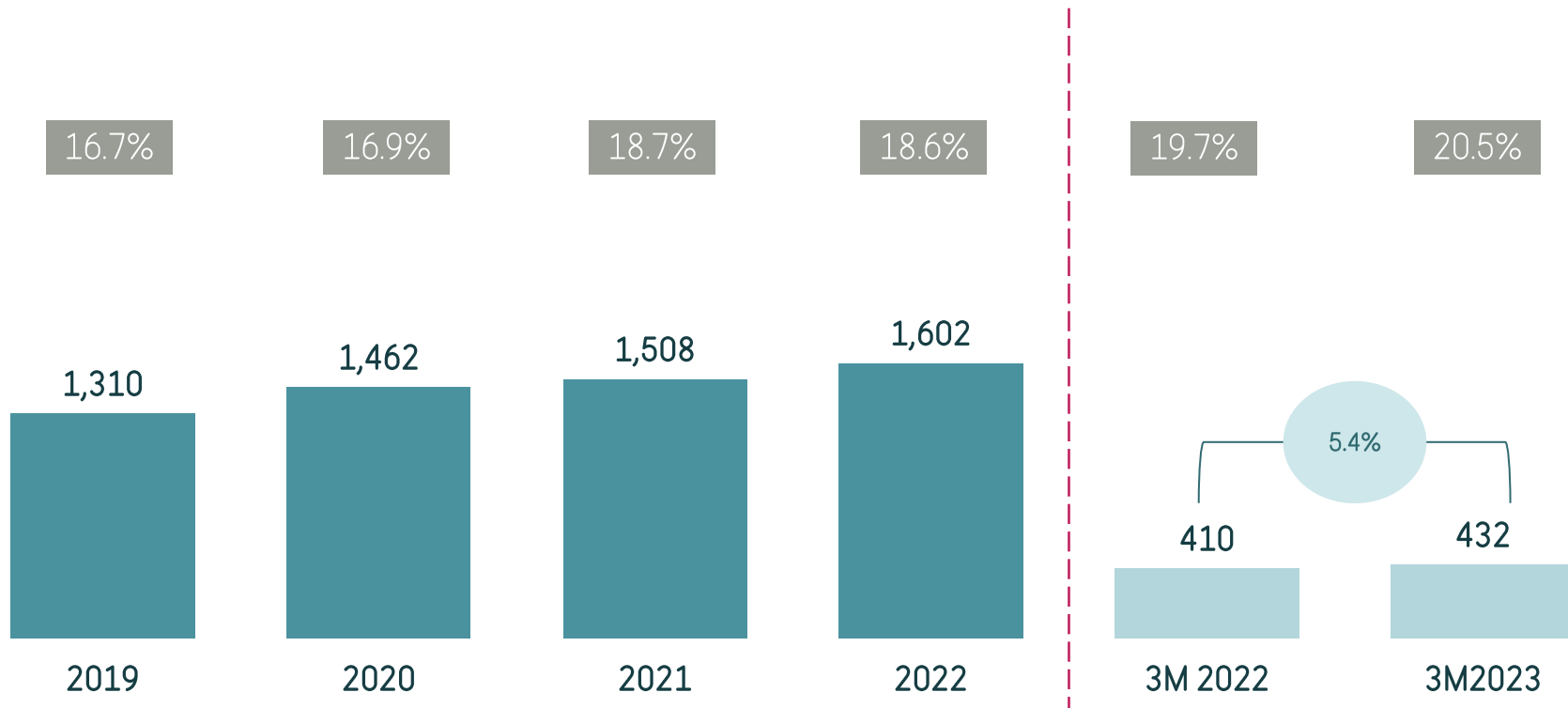


- Net Profit increased by 3.0% reaching SAR 244.7 Million in 2023 driven by the growth in revenue, gross profit, and investment activates.



# STRONG EBITDA OUTCOMES

SAR mn



EBITDA / Revenue

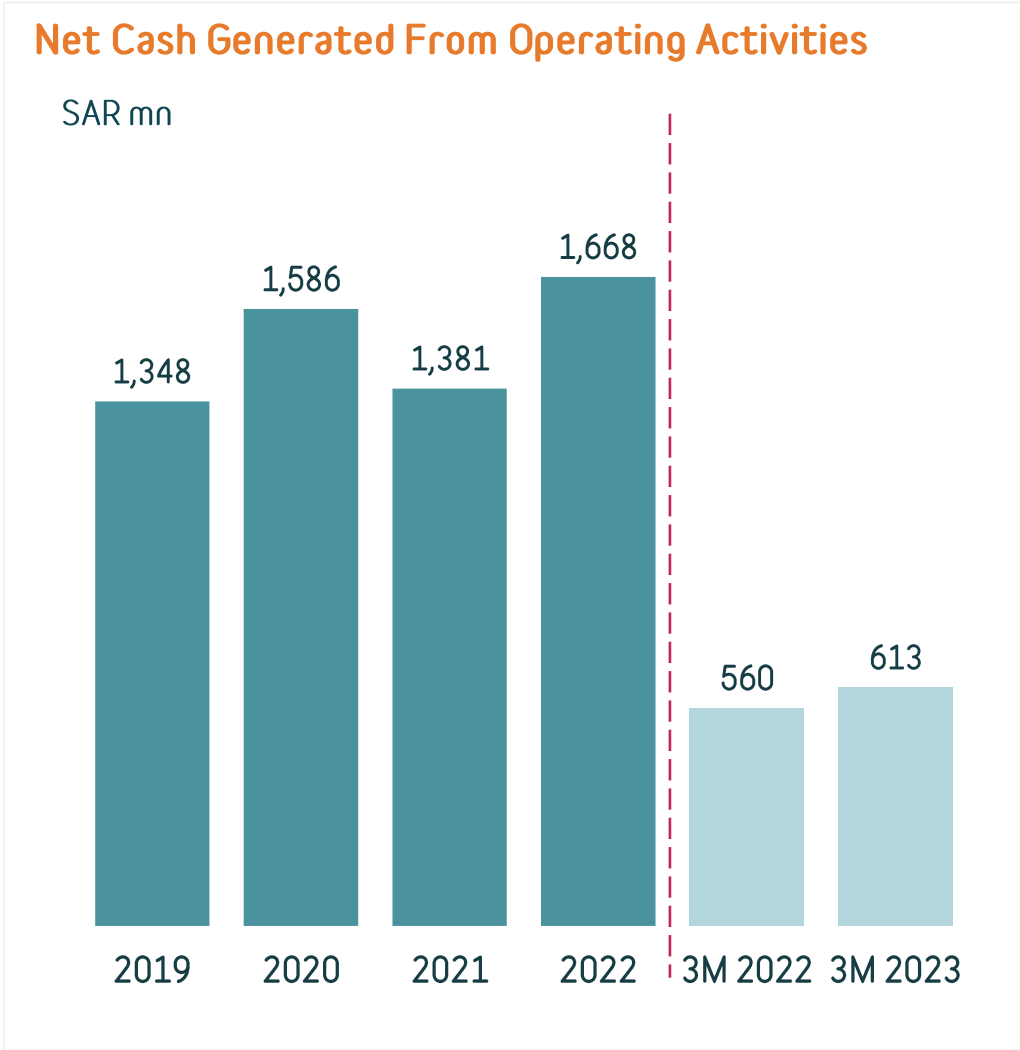
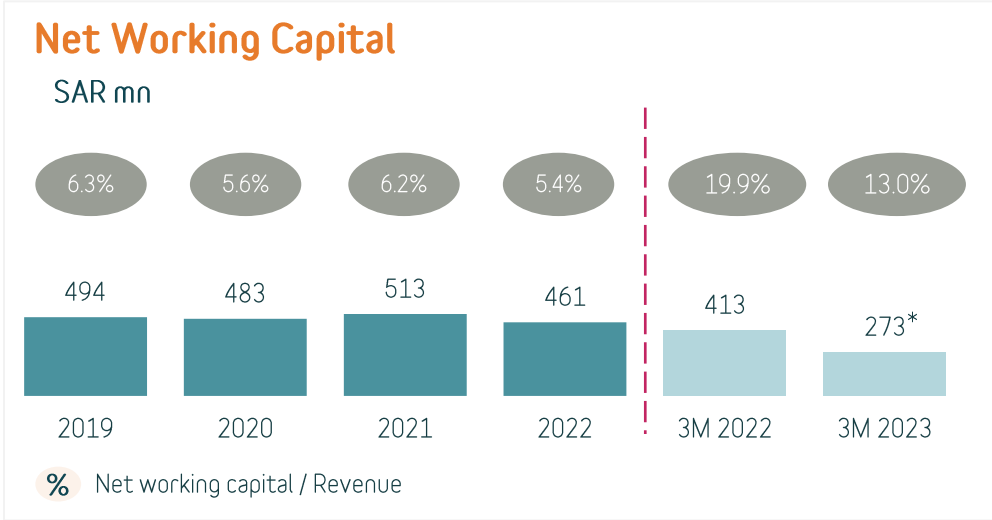
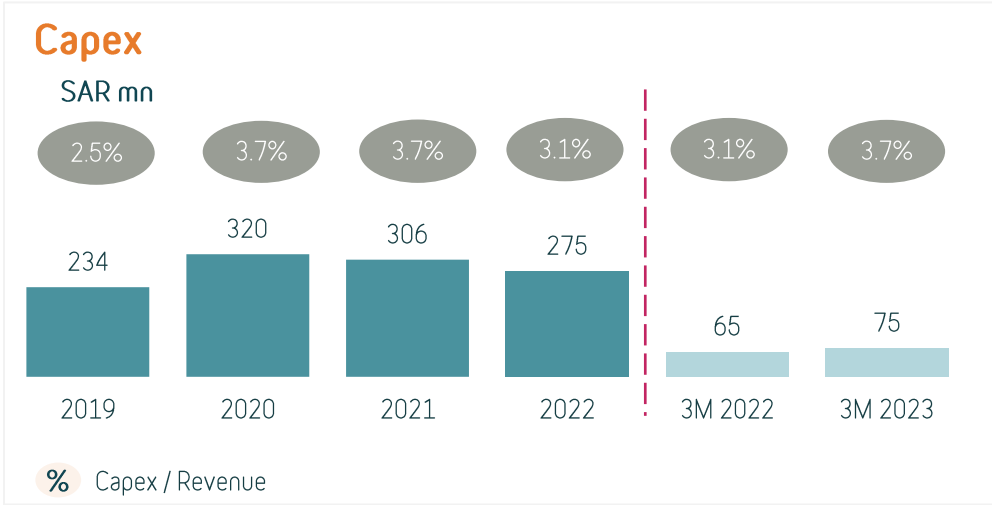
Source: Company disclosure

Highly profitable business;  
consistently improved margin  
even through the pandemic  
Margin improvement driven by:

- 1) Sales of higher gross margin products including private label products
- 2) Good control on OPEX / CAPEX management driving efficiencies to mitigate additional expenses
- 3) Income from investment activities



# WELL-INVESTED BUSINESS TO SUPPORT NEXT PHASE OF GROWTH WITH LIMITED WORKING CAPITAL REQUIREMENTS

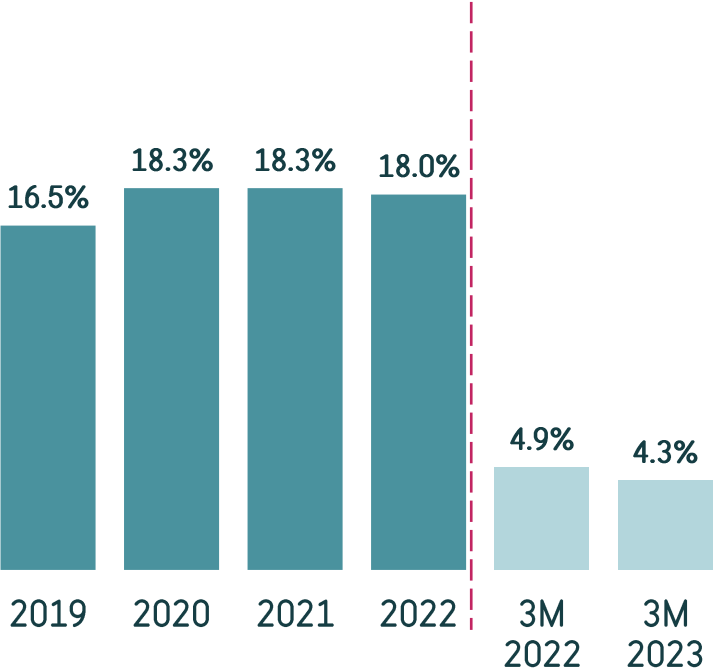


Source: Company disclosure  
\* 2023 YTD March Accruals and other liabilities in balance sheet includes SAR 390M Dividend payable, this amount is excluded from the net working capital calculation

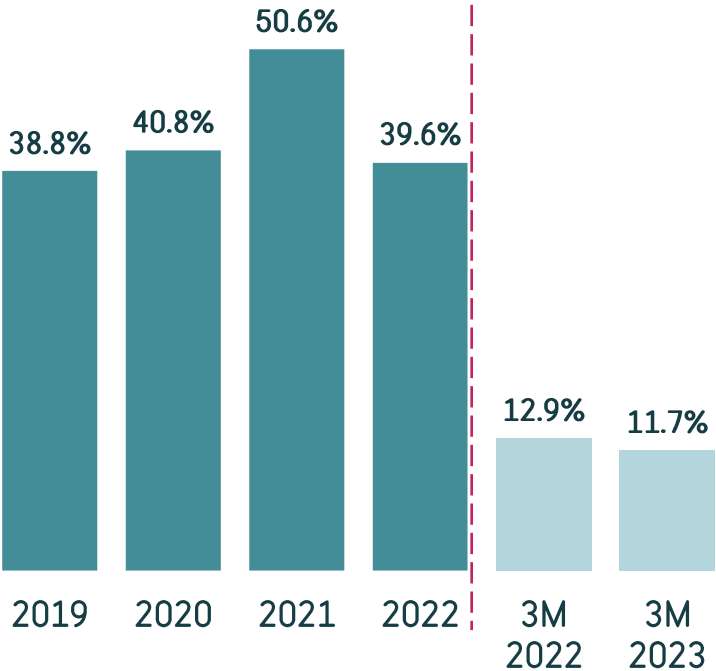


# RESULTING IN SUPERIOR RETURN ON ASSETS AND EQUITY

Return on Assets <sup>1</sup>



Return on Equity <sup>2</sup>



- Highly profitable business with industry leading ROE and ROA in Q1 2023.

Source: Company disclosure  
1.Calculated as net profit of the year divided by total assets  
2.Calculated as net profit of the year divided by total equity



# CONSISTANT **DIVIDEND** REWARDS TO SHAREHOLDERS

## Dividends Payout %

SAR/Share



- Sustainable and consistent Dividends payouts, in line with the company's dividends distribution policy, as result of strong financial performance.



## Contact

# Thank you

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