

June 2, 2025

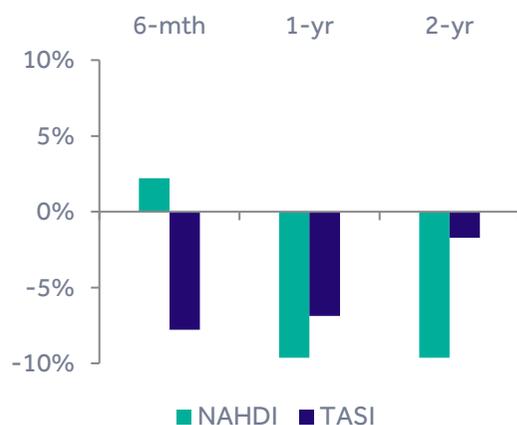
Revenues, Free Cash Flow Higher

Upside to Target Price	24.8%	Rating	Buy
Expected Dividend Yield	5.0%	Last Price	SAR 120.20
Expected Total Return	29.8%	12-mth target	SAR 150.00

Market Data	
52-week high/low	SAR 137.4 / 106.0
Market Cap	SAR 15,626 mln
Shares Outstanding	130 mln
Free-float	37%
12-month ADTV	202,394
Bloomberg Code	NAHDI AB

NAHDI	1Q2025	1Q2024	Y/Y	4Q2024	Q/Q	RC Estimate
Sales	2,635	2,258	17%	2,363	12%	2,530
Gross Profit	951	861	10%	882	8%	945
Gross Margins	36%	38%		37%		37%
Operating Profit	270	232	17%	192	40%	227
Net Profit	255	233	10%	158	62%	193

(All figures are in SAR mln)



- NAHDI recorded revenues of SAR 2.6 bln, in-line with our estimates, an increase of +17% Y/Y and +12% Q/Q. Gross profits also increased both Y/Y and Q/Q, by +10% and +8%, respectively; recording SAR 951 mln in 1Q25. While gross margins in contrast, continued declining, contracting by almost -130 bps Q/Q and -200 bps Y/Y. Fortunately, operating margins moved up this quarter, increasing over +200 bps Q/Q. We also acknowledge the steady progress of management's strategic growth initiatives for its Healthcare and UAE businesses, which have both increased revenues Y/Y, by +76% and +44%, respectively.
- Unlike some prior quarters, where the percentage of operating expenses to revenue has expanded, in 1Q25, this number dropped Y/Y; which is exceedingly positive. As we witnessed SG&A expenses, excluding other operating income, represented 26% of revenues in 1Q25; while these expenses represented 28% in 1Q24, a drop Y/Y. Topline growth in 1Q25, when combined with a better expense ratio, supported operating profit of SAR 270 mln, an increase of +40% Q/Q and +17% Y/Y. NAHDI also posted a net profit of SAR 255 mln in 1Q25, up +62% Q/Q and 10% Y/Y.
- NAHDI's positioning, is still strong, with its balance sheet carrying roughly SAR 988 mln in cash, as of 1Q2025, along with higher FCF generation; coming in at SAR 536 mln in 1Q25 vs. SAR 357 mln in 1Q24. Management has continued to grow the company and its revenues conservatively, therefore we maintain our target price and our rating.

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■ Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors
For any feedback on our reports, please contact research@riyadcapital.com

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