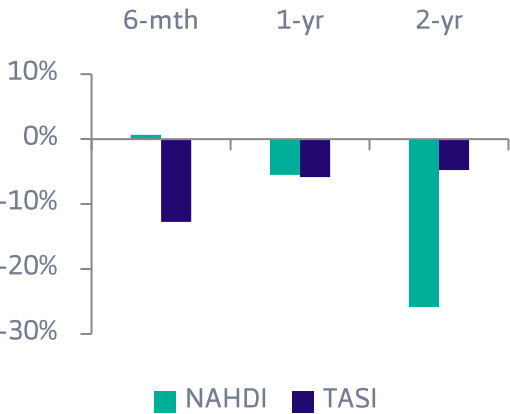


Market Data	
52-week high/low	SAR 137.4 / 106.0
Market Cap	SAR 15,600 mln
Shares Outstanding	130 mln
Free-float	30%
12-month ADTV	206,443
Bloomberg Code	NAHDI AB



Revenues Higher, Gross Margins Return

August 5, 2025

Upside to Target Price	25.0%	Rating			Buy	
Expected Dividend Yield	5.0%	Last Price			SAR 120.00	
Expected Total Return	30.0%	12-mth target			SAR 150.00	
NAHDI	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Sales	2,528	2,473	2%	2,635	(4%)	2,584
Gross Profit	966	936	3%	944	2%	933
Gross Margins	38%	38%		36%		36%
Operating Profit	261	273	(5%)	270	(3%)	264
Net Profit	238	248	(4%)	255	(7%)	233

(All figures are in SAR mln)

- NAHDI recorded revenues of SAR 2.5 bln, in-line with our estimates, an increase of +2% Y/Y, but a decrease of -4% Q/Q. Gross profits also increased both Y/Y and Q/Q, by +3% and +2%, respectively; recording SAR 966 mln in 2Q25. While gross margins surprisingly, expanded both Y/Y and Q/Q, by +36 bps and +240 bps, respectively. Unfortunately, operating margins moved down this quarter, moving lower -75 bps Y/Y. Regardless of lower margins, we acknowledge the progress of management’s strategic growth initiatives for its Healthcare and UAE businesses, which have continued to grow Y/Y.
- Despite positive Y/Y growth in topline and gross profits in 2Q25, we witnessed SG&A expenses as a percentage of total revenues expanding. When excluding other operating income, these expenses represented 28.4% of revenues in 2Q25, while these expenses represented 27.0% in 2Q24; an increase Y/Y of +7%. These expenses pushed EBIT lower by -5% Y/Y and -3% Q/Q, to SAR 261 mln. NAHDI also posted a net profit of SAR 238 mln in 2Q25, down -7% Q/Q and -4% Y/Y.
- NAHDI’s strong balance sheet is maintained, with SAR 407 mln in cash and no debt as of 2Q25. Although there has been lower free cashflow generation Y/Y, which gives us pause. In our view, 2Q25 could have just had heavy capex spending and inventory requirements, although we continue to monitor free cashflow as a key KPI. Management’s efforts continue to expand topline, private label sales, and even gross margins Q/Q; 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](mailto:research@riyadcapital.com)

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