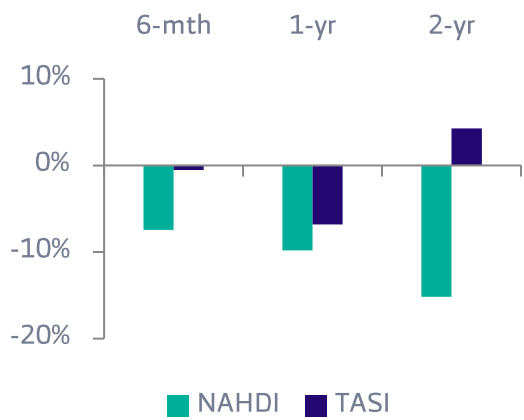


Market Data	
52-week high/low	SAR 132.1 / 106.0
Market Cap	SAR 14,690 mln
Shares Outstanding	130 mln
Free-float	30%
12-month ADTV	176,281
Bloomberg Code	NAHDI AB



Free Cash Flow Grows Q/Q, Gross Margins Steady

November 9, 2025

Upside to Target Price	32.7%	Rating	Buy
Expected Dividend Yield	5.3%	Last Price	SAR 113.00
Expected Total Return	38.0%	12-mth target	SAR 150.00

NAHDI	3Q2025	3Q2024	Y/Y	2Q2025	Q/Q	RC Estimate
Sales	2,462	2,353	5%	2,528	(3%)	2,519
Gross Profit	941	845	11%	966	(3%)	940
Gross Margins	38%	36%		38%		37%
Operating Profit	188	176	7%	261	(28%)	231
Net Profit	161	182	(12%)	238	(32%)	197

(All figures are in SAR mln)

- NAHDI recorded revenues of SAR 2.5 bln, in-line with our estimate, an increase of +5% Y/Y, but a decrease of -3% Q/Q. Gross profit results were also mixed, increasing Y/Y by +11%, while contracting -3% Q/Q; lower gross profits were driven by lower revenues, not lower margins. While we also note, gross margins increased Y/Y, while remaining stable Q/Q; at 38%. Unfortunately, operating margins moved down this quarter, moving lower by more than -200 bps Q/Q; driven by greater SG&A expenses. With gross margins stable, in our view, this is positive, especially when combined with the growth in the UAE business (+39%) and the Healthcare business (+79%) Y/Y.
- Despite positive Y/Y growth in topline and gross profits in 3Q25, we witnessed SG&A expenses as a percentage of total revenues expanding, yet again. When excluding other operating income, these expenses represented 30.7% of revenues in 3Q25, while these expenses represented 28.7% in 3Q24; an increase Y/Y of +12%. In spite of the increase of these expenses, EBIT moved higher +7% Y/Y, coming in at SAR 188 mln. NAHDI also posted a net profit of SAR 161 mln in 3Q25, down -32% Q/Q and -12% Y/Y; Q/Q changes were driven by seasonal consumption patterns in the retail business.
- NAHDI’s strong balance sheet is maintained, with SAR 637 mln in cash and no debt as of 3Q25. Although there has been lower free cash flow generation Y/Y, we acknowledge greater cash generation Q/Q, bringing YTD FCF of SAR 711 mln. In our view, stronger margins are good, FCF even better, 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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