Nahdi Medical Co. (NAHDI)

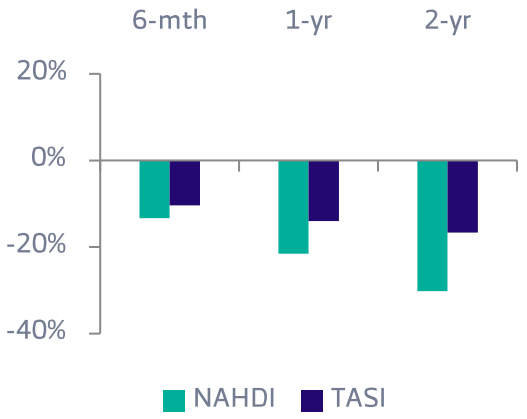
3Q2026 First Look

In-Line Quarter, Gross Margin Slips Again

November 1, 2026

Upside to Target Price	7.5%	Rating	Neutral
Expected Dividend Yield	6.1%	Last Price	SAR 91.20
Expected Total Return	13.6%	12-mth target	SAR 98.00

Market Data	
52-week high/low	SAR 116.8 / 81.1
Market Cap	SAR 11,856 mln
Shares Outstanding	130 mln
Free-float	30.00%
12-month ADTV	178,346
Bloomberg Code	NAHDI AB



NAHDI	3Q2026	3Q2025	Y/Y	2Q2026	Q/Q	RC Estimate
Sales	2,692	2,461	9%	2,674	1%	2,592
Gross Profit	957	941	2%	1,008	(5%)	977
Gross Margins	36%	38%		38%		38%
Operating Profit	196	188	4%	246	(20%)	204
Net Profit	172	161	7%	215	(20%)	171

(All figures are in SAR mln)

- NAHDI delivered 3Q26 revenue of SAR 2.69 bln (+9% Y/Y, +1% Q/Q) and gross profit of SAR 957 mln (+2% Y/Y, -5% Q/Q), both broadly in line with our estimates of SAR 2.59 bln and SAR 977 mln, respectively. Operating income in 3Q26 was SAR 196 mln (+4% Y/Y, -20% Q/Q) and net profit, also in line, was SAR 172 mln (+7% Y/Y, -20% Q/Q).
- For 9M26, net profit was SAR 623 mln (-5% Y/Y), or -2% excluding the SAR 18 mln zakat provision release booked in 9M25, with EBITDA flat at SAR 1.31 bln as higher logistics costs and spending on strategic initiatives absorbed revenue growth of +7%. Online sales rose to 30.6% of Retail sales (9M25: 25.7%) and private label to 19.1% (9M25: 17.5%); NAHDI also reported a market share gain of more than 100 bps in both Pharma and Front Shop, and the network reached 1,219 stores and 15 polyclinics.
- We maintain our Neutral rating and trim our target price to SAR 98.00 per share, reflecting lower gross margin assumptions after a third consecutive quarter of Y/Y decline. The quarter was in line with our estimates and does not change our overall view of NAHDI as a high-quality market leader with durable cash generation and effectively no conventional debt. Of the three conditions we set for a more constructive view in prior reports, gross margin stabilization over two or more consecutive quarters was not met: gross margin has declined Y/Y for three consecutive quarters, and the 267 bps decline in 3Q26, which the company attributes to the mix shift toward healthcare and online, is the widest this year. From 4Q26 the Y/Y comparison includes Wasfaty revenue, following NAHDI's entry into the program in late 2025, so the test from here is whether gross margin holds its 3Q26 level rather than how it compares with last year. With gross margin declining, we see no case to change our rating on a quarter that landed on our estimates.

Brennan Eatough
brennan.eatough@riyadcapital.com
+966-11-203-6808

الرياض المالية
Riyad Capital

Disclaimer

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

Riyad Capital is a Saudi closed joint stock company with paid-up capital of SAR 500 million. Licensed by the Saudi Arabian Capital Market Authority (No. 07070-37). Commercial Registration No. 1010239234. Head Office: 3128 Financial Boulevard, 6671 Al Aqeeq Dist., Riyadh 13519, Kingdom of Saudi Arabia. Ph: 920012299.
The information in this report was compiled in good faith from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated in this report are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable. Riyad Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Riyad Capital does not represent that the information in this report is complete or free from any error. This report is not, and is not to be construed as, an offer to sell or solicitation of an offer to buy any financial securities. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this report. Riyad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Riyad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Riyad Capital or its employees or any of its affiliates or clients may have a financial interest in securities or other assets referred to in this report. Opinions, forecasts or projections contained in this report represent Riyad Capital's current opinions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections which represent only one possible outcome. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified and future actual results or events could differ materially. The value of, or income from, any investments referred to in this report may fluctuate and/or be affected by changes. Past performance is not necessarily an indicative of future performance. Accordingly, investors may receive back less than originally invested amount. This report provides information of a general nature and does not address the circumstances, objectives, and risk tolerance of any particular investor. Therefore, it is not intended to provide personal investment advice and does not take into account the reader's financial situation or any specific investment objectives or particular needs which the reader may have. Before making an investment decision the reader should seek advice from an independent financial, legal, tax and/or other required advisers due to the investment in such kind of securities may not be suitable for all recipients. This research report might not be reproduced, nor distributed in whole or in part, and all information, opinions, forecasts and projections contained in it are protected by the copyright rules and regulations.

الرياض المالية
Riyad Capital