Nahdi Medical Co.

July 29, 2026

Results in line with estimates as gross margin strength offsets revenue shortfall.

Last Price: SAR 94.0 | YoY Performance: -27.2%

2Q26 FIRST TAKE

KEY TAKEAWAYS

- Nahdi reported revenue of SAR 2,674 mn in 2Q26, up 5.8% YoY, coming in 2.4% below our estimate of SAR 2,741 mn. The retail business grew 4.1% YoY, while healthcare and regional expansion businesses continued their upward momentum, up 36.9% and 24.6% YoY, respectively. QoQ, revenue declined 4.3%, which the company attributed to seasonality, as 1Q26 benefited from the Ramadan-related sales uplift.
- Gross profit came in at SAR 1,008 mn, up 4.3% YoY, and 3.4% above our estimate of SAR 975 mn. Gross margin landed at 37.7%, above our estimate of 35.6% but lower YoY. Management attributed the YoY margin decline (from 38.2% in 2Q25) to a shift in business mix with the accelerated growth in healthcare, online and ongoing investments to support revenue growth.
- Operating profit reached SAR 246 mn, down 5.6% YoY and 2.1% below our SAR 251 mn estimate, reflecting higher operating expenses tied to strategic growth initiatives, healthcare expansion, and digital capabilities. Operating margin was in line with our 9.2% estimate, as the revenue shortfall was offset by stronger-than-expected gross margin performance.
- Net profit was SAR 215 mn, down 9.7% YoY, and 2.2% below our estimate of SAR 220 mn, driven by a net increase in expenses of SAR 8.4 mn in items below operating profit. Net margin came in inline with our estimate of 8.0%
- Based on our last update, we have an 'Overweight' rating on the stock with a target price of SAR 125.7/share. Additionally, the company announced a cash dividend of SAR 2.6 per share for 1H26.

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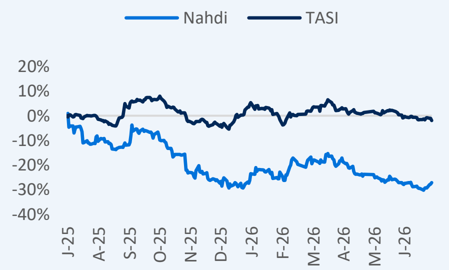
Issuer Information

Bloomberg Code	**NAHDI AB**
Last Price (SAR)	**94.0**
No. of Shares (mn)	**130**
Market Cap bn (SAR/USD)	**12.2 / 3.3**
52-week High / Low (SAR)	**130.5 / 89.8**
12-month ADTV (mn) (SAR/USD)	**19.5 / 5.2**
Free Float (%)	**29.9**
Foreign Holdings (%)	**4.7**

Last price as of July 28th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	2Q26A	2Q26E*	Var (%)	2Q25A	YoY (%)	1Q26A	QoQ (%)
Revenue	2674	2,741	(2.4)	2,528	5.8	2794	(4.3)
Cost of Revenues (COGS)	1667	1,766	(5.6)	1,562	6.7	1,807	(7.7)
Gross Profit	1008	975	3.4	966	4.3	988	2.0
Gross Margin (%)	***37.7***	***35.6***		***38.2***		***35.3***	
Operating Expenses	762	724	5.3	705	8.0	728	4.6
Operating Profit	246	251	(2.1)	261	(5.6)	260	(5.3)
Operating Margin (%)	***9.2***	***9.2***		***10.3***		***9.3***	
Net Profit	215	220	(2.2)	238	(9.7)	236	(8.7)
Net Margin (%)	***8.0***	***8.0***		***9.4***		***8.4***	
EPS (SAR)	1.7	1.7	(2.2)	1.8	(9.7)	1.8	(8.7)

**anbc estimate*
Source: Company Financials, anbc research

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Expected return is more than +15%	Expected return is between +15% & -10%	Expected return is lower than -10%

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