

# Nice One Beauty Digital Marketing Co.

## Issuer Information

		Shareholders	Pre-IPO	Post-IPO
Market	TASI	Omar Ali Al Olayan	40%	28%
Book-building	Dec 1-Dec 8	Abdulrahman Ali AlOlayan	34%	24%
Retail Offering	Dec 24-Dec 25	Wajhat AlHamra for Investment Co.	6%	4%
No. of shares- Pre-IPO (mn)	110.0	Darb AlNomu Investment Co.	7%	5%
No. of shares- Post-IPO (mn)	115.5	Tareek Al Nomu Investment Co.	7%	5%
Number of share offered (mn)	34.65	Bandar Abdulrahman AlDhalea	1%	1%
% of share capital-Post-IPO	30%	Hisham Sulaiman AlHabit	3%	2%
Total share capital-Post-IPO (SRmn)	115.5	Abdulaziz Sulaiman AlHabit	3%	2%
		Public	0%	30%

## Financials

Amounts in SRmn	9M24	9M23	YoY (%)	2023	2022	YoY (%)
Revenue	696	513	36	782	614	27
Cost of sales	496	356	39	566	452	25
Gross profit	200	157	28	217	162	34
Operating profit	71	31	132	36	21	67
Net Income	66	29	125	33	17	95
<b>EPS</b>	<b>0.6</b>	<b>0.3</b>		<b>0.3</b>	<b>0.2</b>	
Total Assets	467	N/A		349	290	21
Total Shareholder's Equity	179	N/A		113	88	27
<b>BVPS</b>	<b>1.6</b>			<b>1.0</b>	<b>0.8</b>	
<b>Ratios*</b>						
Gross margin (%)	28.7	30.6	-1.8	27.7	26.4	1.3
Operating margin (%)	10.2	6.0	4.2	4.6	3.5	1.1
Net Margin (%)	9.5	5.7	3.8	4.2	2.7	1.4
RoAE (%)	60.3	N/A		32.4	19.8	
RoAA (%)	21.5	N/A		10.1	6.8	

## Peer Company Valuations\* (TTM basis)

Company	Market Cap (SRmn)	PER (x)	PBV (x)	RoAE (%)	RoAA (%)
Nahdi Medical Co.	15,028	18.0	6.2	35.6	15.1
Aldawaa Medical Services Co.	6,545	18.2	4.6	27.4	7.5
<b>Average</b>		<b>18.1</b>	<b>5.4</b>	<b>31.5</b>	<b>11.3</b>

\*Valuations are based on a TTM basis as of the closing price of November 27th  
Source: Company Prospectus, Tadawul, Bloomberg, and anbc research

**Nice One Beauty Digital Marketing Co. (Nice One) is an e-commerce retail company selling personal care products, perfumes, and cosmetics. For its IPO on TASI, the company is offering 34.7mn shares, representing 30% of post-IPO capital. This will include 5.5mn new shares while the remaining will be sold by existing shareholders. The book-building process will run from Dec 1 to Dec 8, 2024, while the retail offering is scheduled for Dec 24 and Dec 25, 2024. 35%-45% of the IPO proceeds are to be utilized to develop and market company brands and sales channels, 15%-25% for enhancing logistical and technological capabilities, and 35%-45% for general corporate purposes like M&A activities.**

- Nice One launched its branded digital platforms in 2017 (app and website), and by 2018, the company had started developing its own brands with its customer base exceeding 100,000. Currently, the company's portfolio includes 1,200 international brands as well as 15 own brands with an active customer base of 1.4mn (2023), 4mn registered customers and total downloads exceeding 8mn since inception.
- Cosmetics (38% of revenue), Perfumes (29% of revenue), and Personal Care Products (29% of revenue) are the company's key segments, together accounting for 96% of total revenue. The company's own brands generate 19% of revenue, while the majority are generated from international brands.
- The Cosmetics & Personal Care category is estimated to account for 11% of total retail expenditure in Saudi Arabia. According to the prospectus, this market is projected to grow at an 8% CAGR over 2023- 2028, supported by favorable population demographics (young population) and improved brand access.
- In the competitive landscape, most of the Cosmetics & Personal Care market comprises the offline (in-store) channel (82% of the market in 2023). Pharmaceutical players such as Al Nahdi and Al-Dawaa dominate the care segment, leveraging their wide store footprint, accessibility, and strong distribution networks. Meanwhile, within online retailers, Nice One has established itself as a leader with more than 29% market share in 2023 within the online Cosmetic & Personal care market.
- Nice One's topline has grown at a CAGR of 32% between 2021-2023, primarily driven by over 2.5x growth in cosmetic segment volumes and personal care products. This led to a 55% CAGR in net profits. The company delivered a CAGR of 39% between 2021-23 in orders, while the customer churn rate declined from 29.4% to 26.4% during the same period. In 9M24, the company's revenue expanded 36% YoY and more than doubled its net profit. In line with this growth, the company has also improved its RoE by 1.9x to 60.3% in 9M24 vs 2023 and RoA by 2.1x to 21.5%.
- Regarding peer valuation, the company does not have direct competition, given its online operating model. However, the company faces indirect competition in the care segment from Pharmaceutical players (offline business model), which are trading at an average P/E of 18.1x on a TTM basis and P/B of 5.4x. Despite having a presence in the same segment, we note a key distinction: Nice One operates in the potentially faster-growing online market with an asset-light business model compared to the listed competitors.

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