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NICE ONE



Nice One 2024 Results Call

March 2025

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Speakers



OMAR AL OLAYAN

Chief Executive Officer & Co-Founder



ABDULRAHMAN AL OLAYAN

Chief Marketing Officer & Co-Founder



MUHAMMAD IMRAN

Chief Financial Officer



ELYES JERIBI

Chief Strategy Officer

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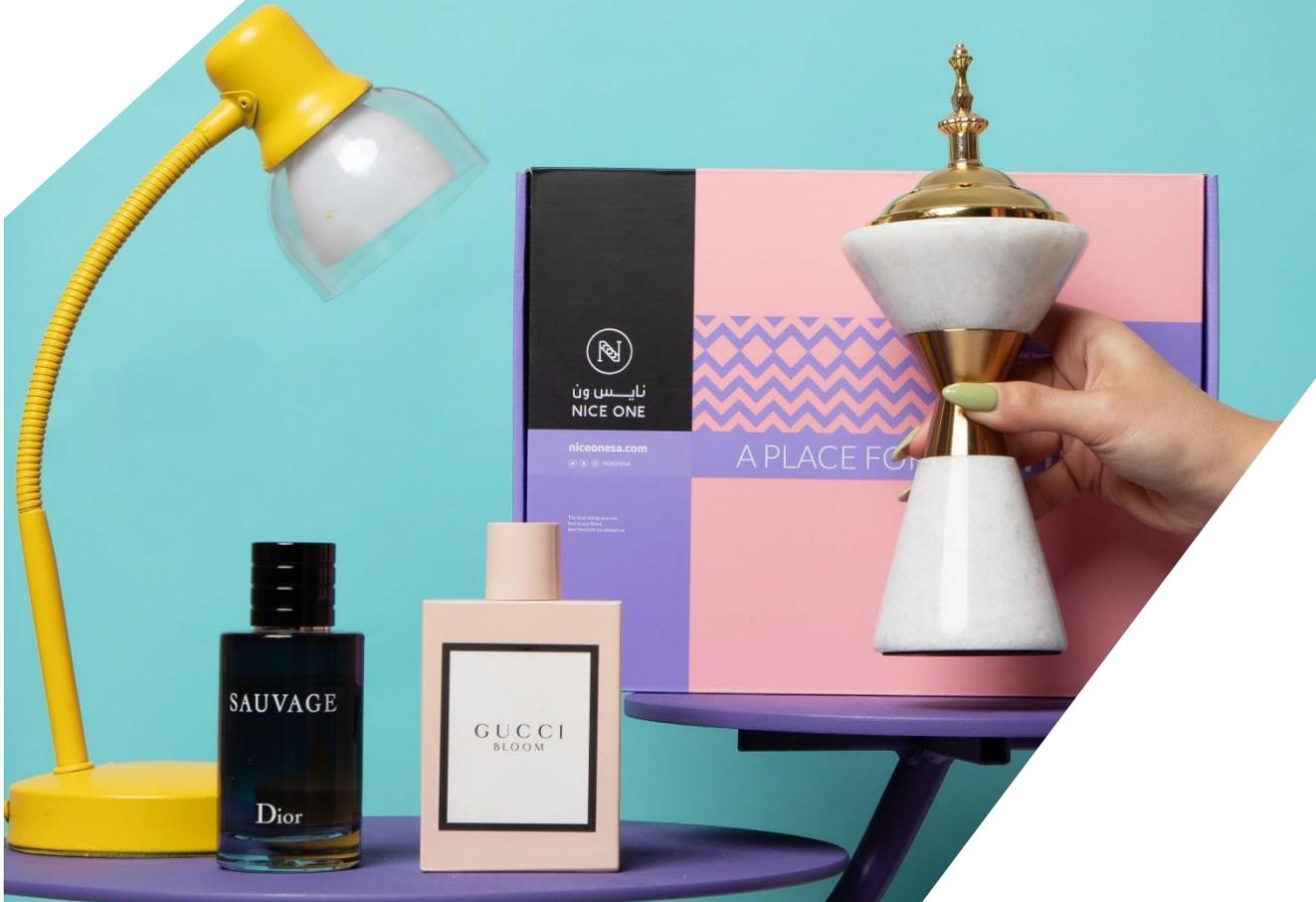
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Zoom-In on Quarterly Performance



3

FY2024 Performance Analysis



FY2024 Trading Update

FY- 2024 at-a-Glance; Strong and Profitable Growth with Revenue and Net Income Increasing by 28% and 120% YoY, respectively



Revenue

SAR 1,003 mn
(vs. SAR 782 mn in FY 2023)

Gross Margin

26.8%
(vs. 27.7% in FY 2023)

EBITDA Margin

8.5%
(vs. 5.4% in FY 2023)

Net Margin

7.1%
(vs. 4.2% in FY 2023)

Avg. Daily Visitors

370k
+32% YoY

Customers

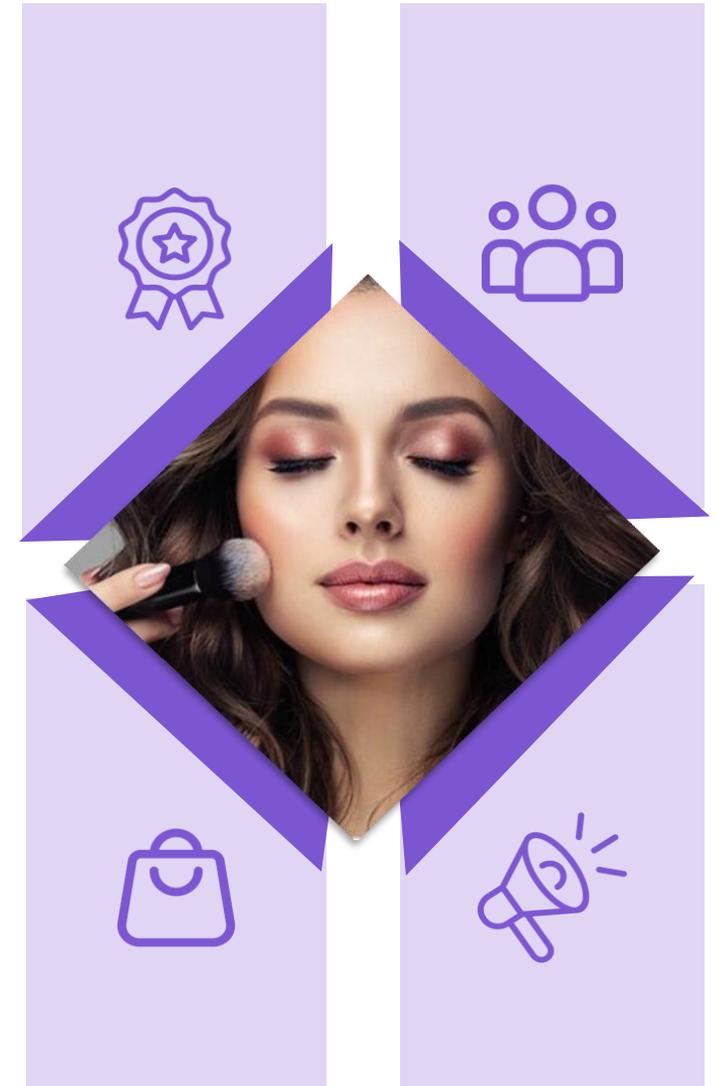
+80%
Revenue from Existing Customers

AOV

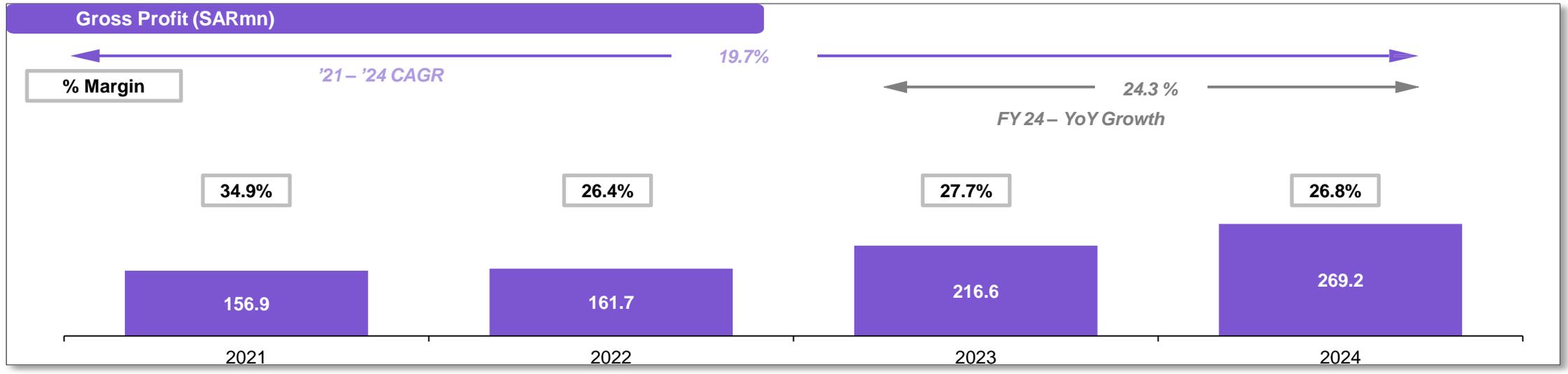
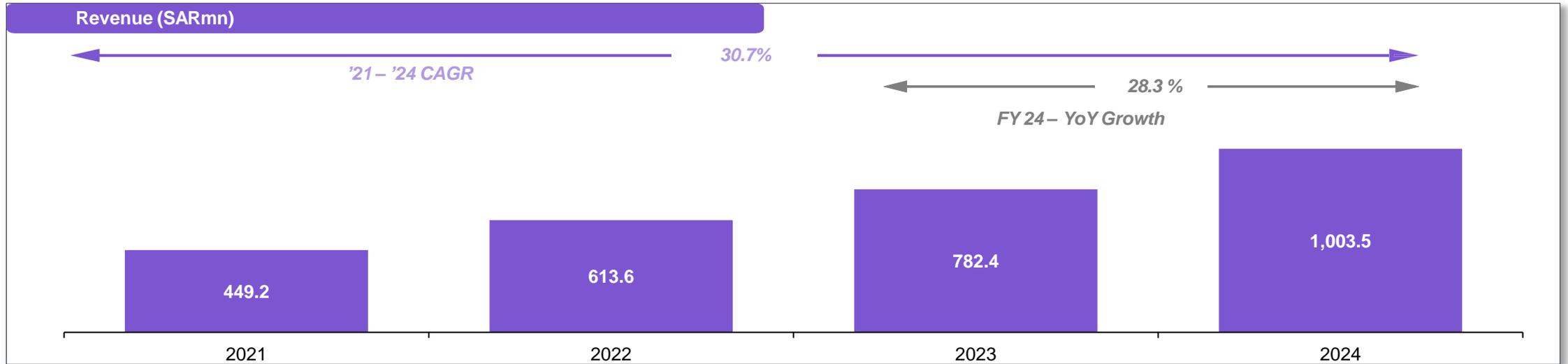
288
-2% YOY

Order Frequency

2.0x
+7% YOY

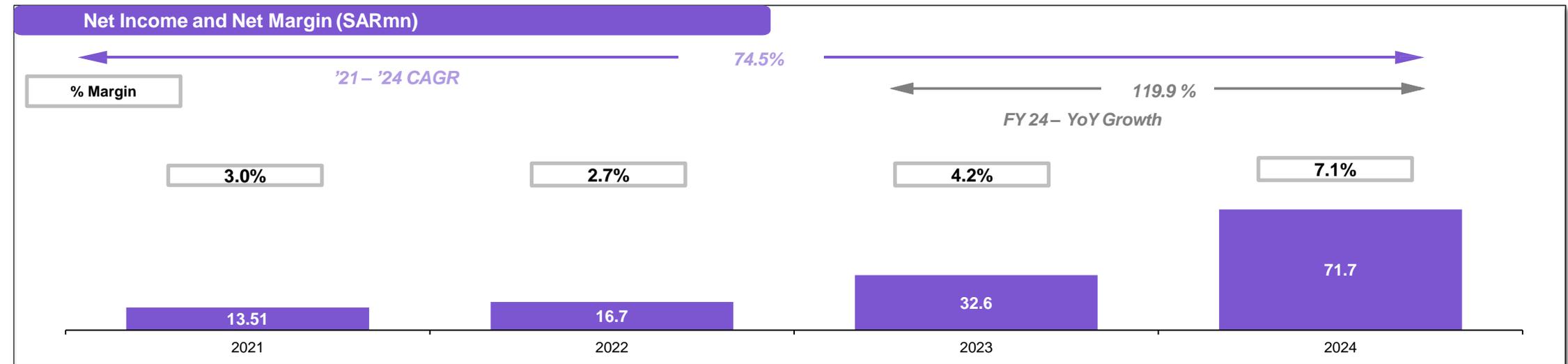
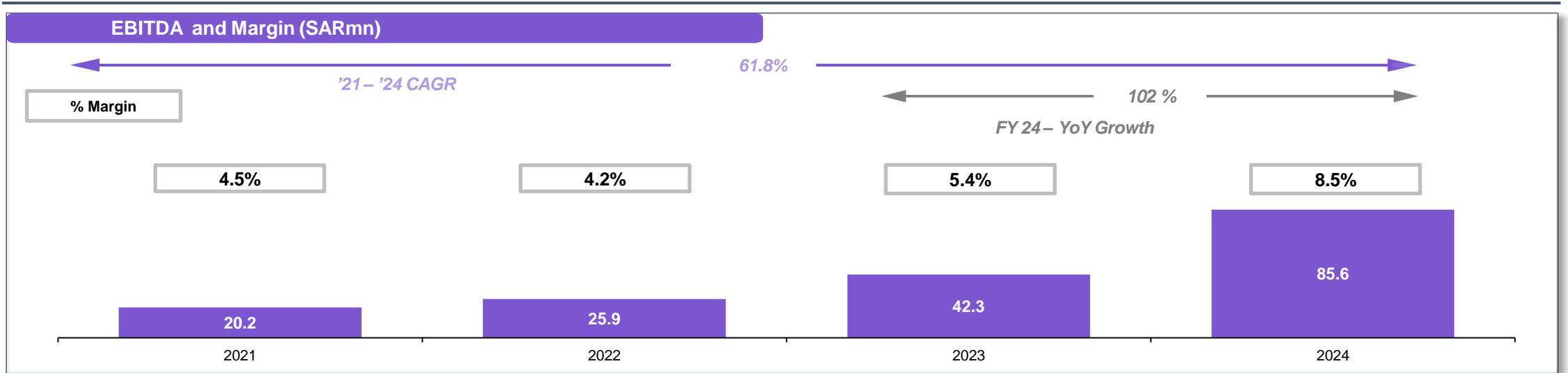


Revenue and Gross Profit Overview



Source: Company Information.

EBITDA and Net Income Overview



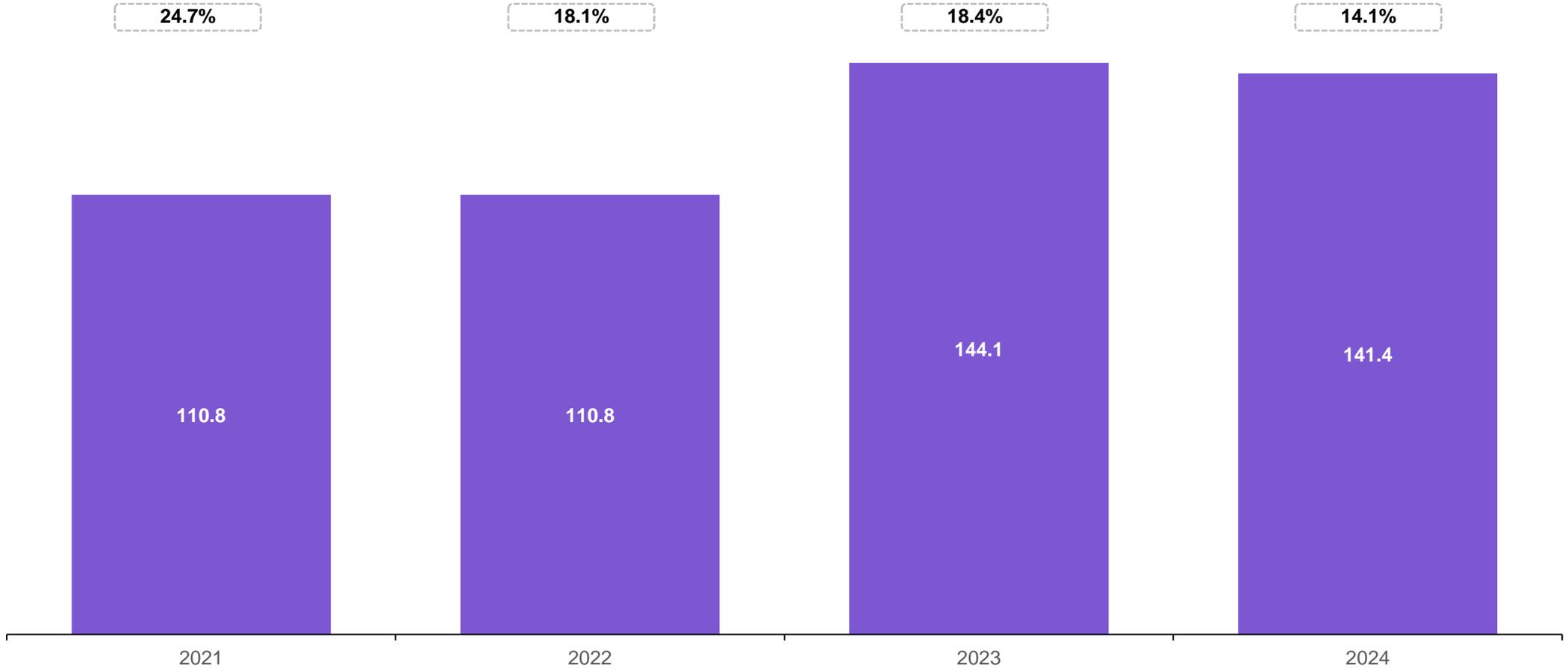
Source: Company Information.

Selling and Marketing Expense



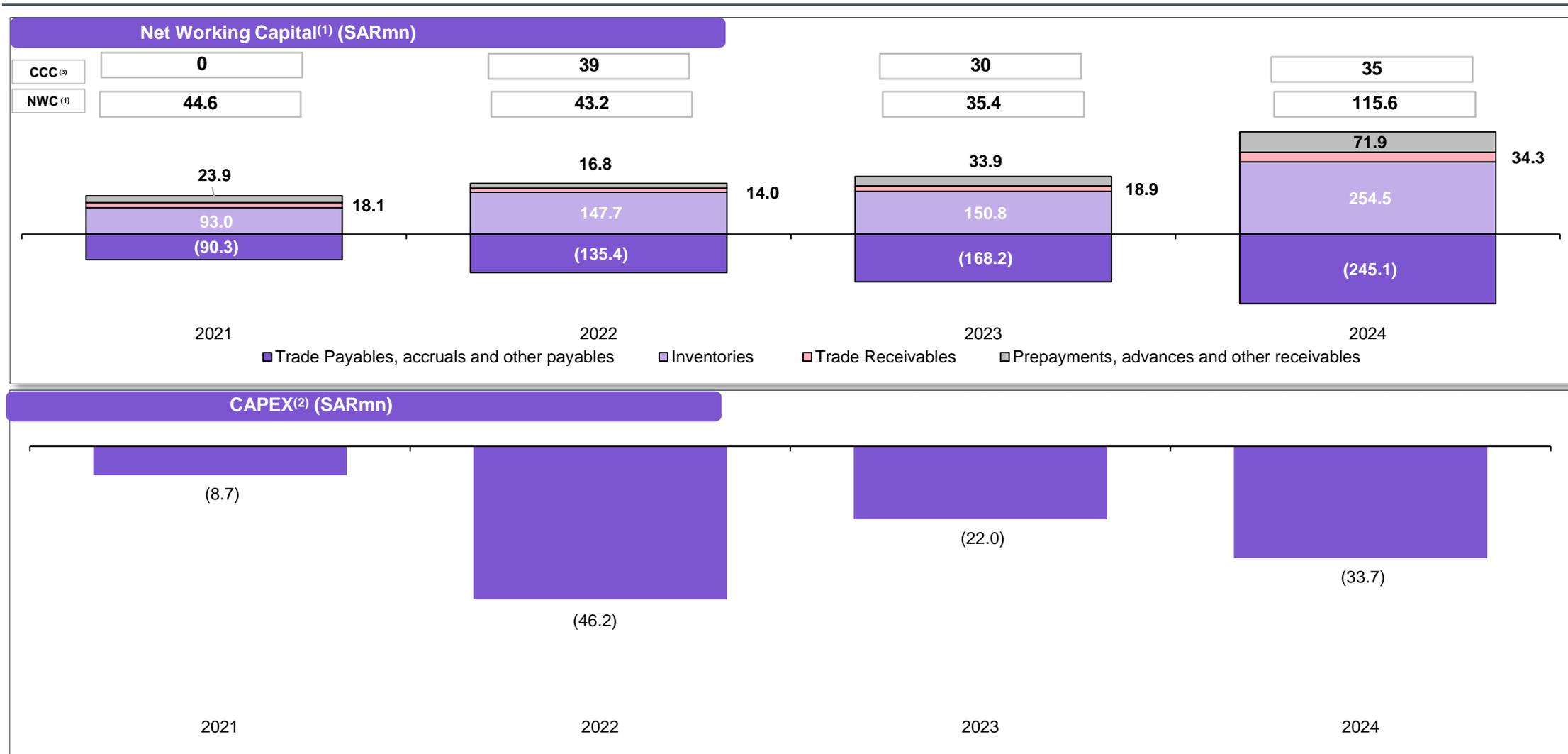
Selling and Marketing Expense (SARMn)

% of Revenue

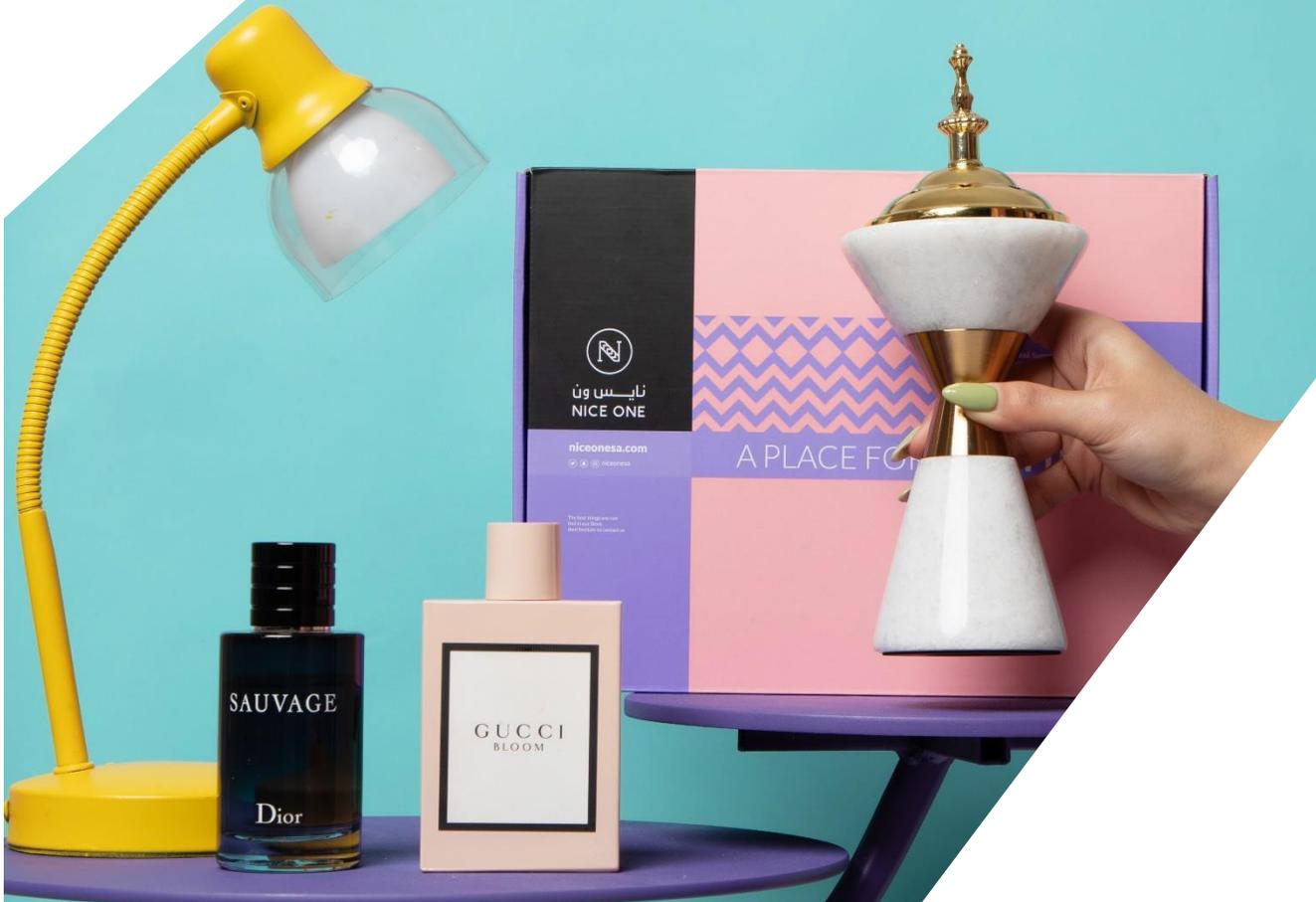


Source: Company Information.

Net Working Capital and Capital Expenditure

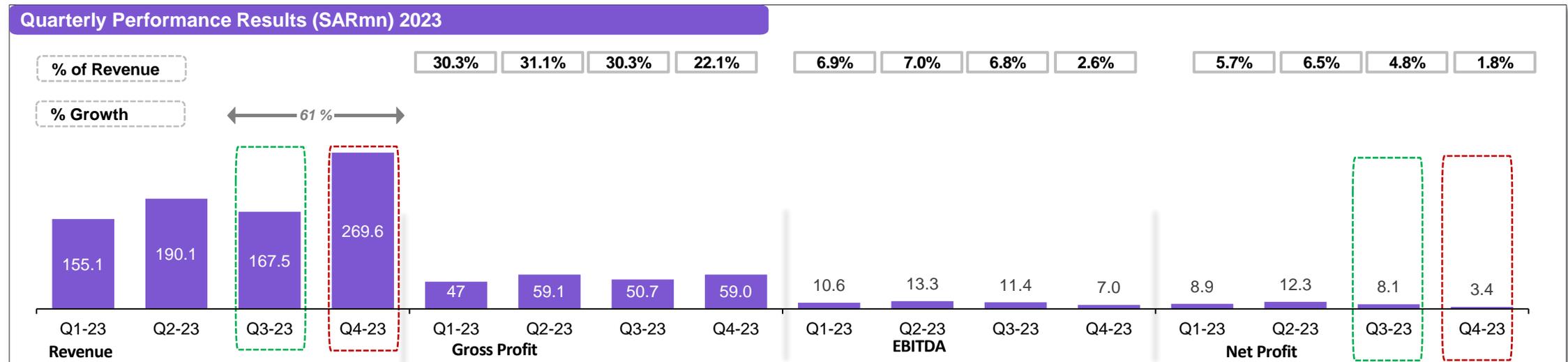
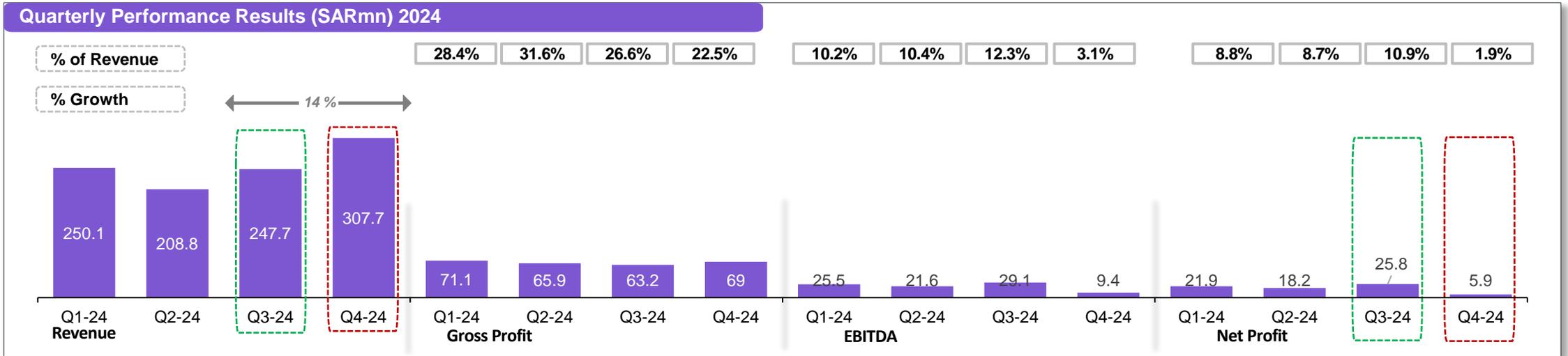


Source: Company Information. Notes (1) Net Working Capital = Inventories + Trade receivables + Prepayments, advances, and other receivables - Trade payables, accruals and other payables; (2) Capex = Purchase of property and equipment + Purchase of intangibles; (3) Cash Conversion Cycle = Days sales outstanding + Days inventory outstanding - Days payable outstanding

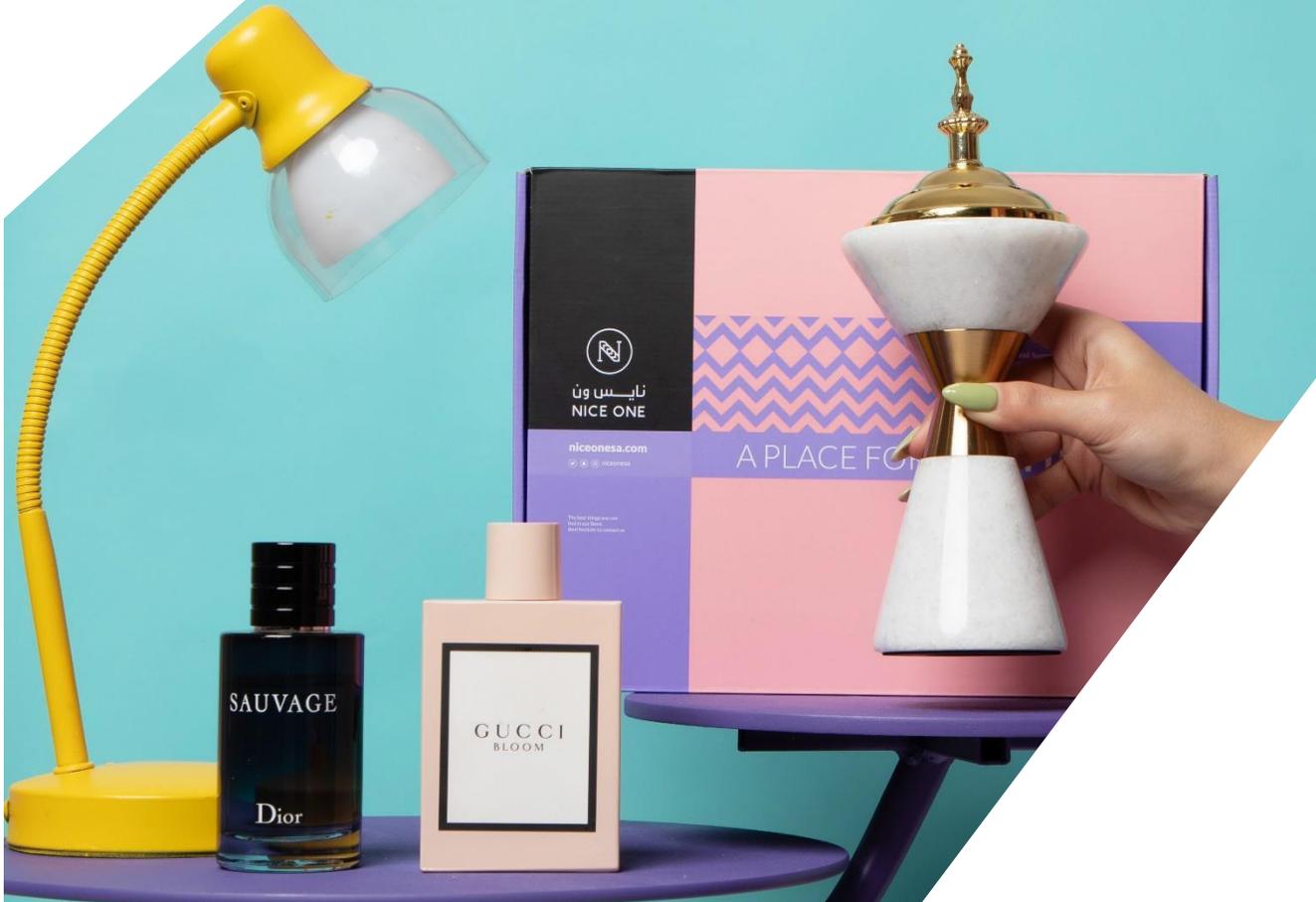


Zoom-In on Quarterly Performance

Nice One profit surges to SAR 71.7M in 2024; Q4 at SAR 5.9M



Source: Company Information.



FY2024 Performance Analysis

FY 2024 Considerations for Missed Target



Event	Details
<p>I.</p> <p>Influencer Marketing Challenges</p>	<ul style="list-style-type: none"> ▪ In November, an unexpected change occurred in a certain social media algorithm, which significantly reduced the ROI on influencer marketing. ▪ This resulted in a decrease in new customer acquisition, which impacted revenue for November ▪ Unlike internal variances, where quick corrective actions are possible, the impact of external shifts took longer to analyze and adjust for, leading to a delayed response
<p>II.</p> <p>More Reliance on Coupons & Discounts</p>	<ul style="list-style-type: none"> ▪ During December 2024, the Company issued additional coupons and discounts aiming to drive sales recovery and meet FY 2024 revenue targets ▪ The strategy was successful in generating sales in December 2024; however, the Company's profitability was impacted
<p>III.</p> <p>Lag in Service Revenues</p>	<ul style="list-style-type: none"> ▪ Given that service revenue is primarily linked to number of orders, the decrease in top-line revenue in Q4 2024 led to a decrease in service revenue as well
<p>IV.</p> <p>Warehouse Migration Impact</p>	<ul style="list-style-type: none"> ▪ In November 2024, the Company transitioned into its bigger warehouse in Riyadh ▪ The transition caused a few days' of operational and technical disruption, impacting stock availability on the system for some SKUs



Overview



New Marketing Strategies

- ✓ CRM-Driven Initiatives
- ✓ Developing Personalized Customer Journeys
- ✓ Deeper Analysis of Customer Behavior
- ✓ Launch of App Recommendations



Refining Influencer Marketing Approach

- ✓ Adjusting Media Content to Avoid Technical Issues
- ✓ Changing Contracts From Quarterly to Monthly to Ensure More Flexibility
- ✓ Focus on Affiliate Marketing as a More Efficient Channel



Enhance Real-Time Performance Tracking

- ✓ Ongoing Optimizations in Pricing, Discounting, and Marketing Allocation
- ✓ More Frequent Cross-Departmental Touchpoints
- ✓ Faster Data-Driven Decision Making Across All Business Functions



Assortment Expansion

- ✓ Continue Expanding Product Offerings
- ✓ Target High Growth Categories
- ✓ Focus on Newly Launched Vitamin Category
- ✓ Leverage Customer Insights to Identify Emerging Trends



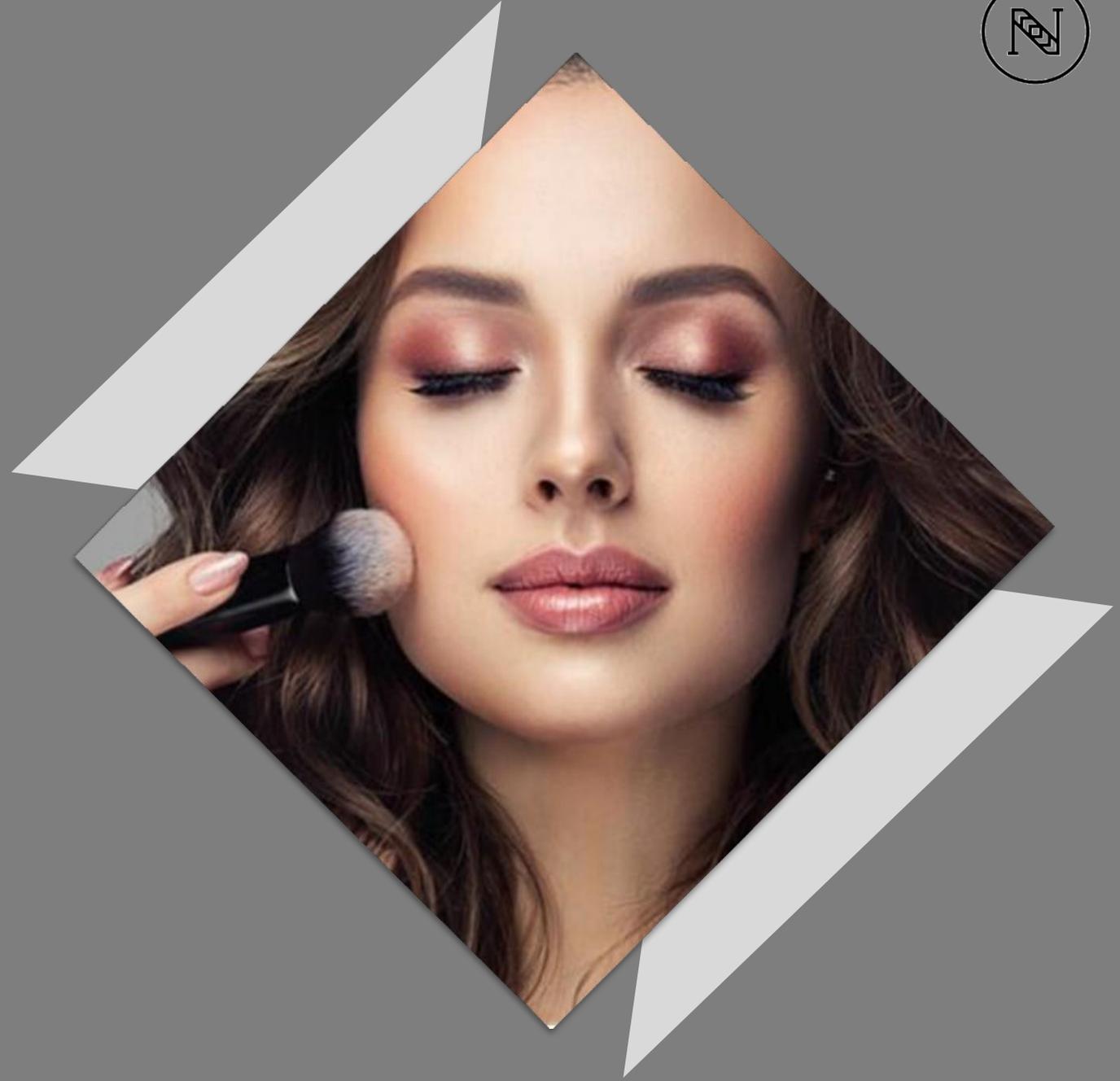
Optimized Pricing & Discount Strategy

- ✓ Optimize Discounting Strategy
- ✓ Drive Revenue While Safeguarding Profitability
- ✓ Refine and Optimize Pricing Strategy to Streamline Product Margins and Profitability across all Quarters



Launch of New Warehouses

- ✓ Enhanced Operational Efficiency in the New Riyadh Warehouse
- ✓ Scheduled Opening of the Jeddah Warehouse in 2025 to Strengthen Distribution and Drive Sales in the Western Region



Q&A