

Professional Medical Expertise Co. (ProMedEx) – IPO Report (NOMU)

Website	Primary activity	Year founded	Capital	Nominal Value per share
promedex.com	Medical Devices Distributer	2010	35,000,000	10 SAR

Business Description

Professional Medical Expertise Co. supplies healthcare equipment and solutions in the Kingdom of Saudi Arabia. The company operates through Medical Devices and Medical Supplies segments. It offers medical devices, consumables, personal aids, implants, and other products. The company also provides intensive care upgrade and development units, cardiac centers, operating equipment, oncology center, and dialysis unit. It offers equipment and solutions for various uses such as operations, monitoring and critical care, oncology, and cardiovascular. The company was founded in 2010 and is headquartered in Khobar, Saudi Arabia.

Analyst Review

The company has been showing substantial growth in revenues during the past 3 years and a steady growth in its gross profit as well. The company mentioned Future growth in the UAE and the rest of the GCC region. This expansion can lead the company to great performance in the near future. Most of their suppliers are from the US, which lowers the risk of a disruption to their supply chain. In addition, most of the company's retail licenses expire within the next two years and the latest expires in 2027. The company possesses lower risk to the industry of health care, as it only supplies equipment, therefore with the opening of new hospitals around the kingdom, the company can have substantial return. Accompanied with the growing financials of the company, we analyzed the company's IPO price to be undervalued to the fair value of the company through a relative valuation by 40.52%

IPO Details

Price offering range	63 - 68 SAR
Subscription period	09/07/2023 - 16/07/2023
Deadline for payment of the subscription	17/07/2023
Announcement of final Offer Shares Allotment and Investor Notification	19/07/2023
Refund of excess subscription	22/7/2023
Minimum Limit	10 Shares
Maximum Limit	174999 Shares
Minimum Limit Price	SAR 630 - SAR 680 Per Share
Financial Advisor and Lead Manager	Saudi Fransi Capital

Date Created: Jul-12-2023

Disclaimer: Forsa Capital Company hereby confirms its full and complete commitment to verify the accuracy of the data and information contained in this report. However, it does not guarantee the accuracy or completeness of the materials or the ability to fully rely on the data and information presented. Under no circumstances should this be construed as a recommendation or encouragement to buy, sell or trade any securities. Those who wish to invest should consult their financial advisor. Forsa Capital Company is not responsible for any losses or changes that may occur in the analyzed company or among investors. Therefore, you alone are responsible for your investment decisions.

Use Of Proceeds

The Net Proceeds from the Offering amounting to approximately SAR [*] (after deducting the Offering expenses estimated at SAR 7,7 million) will be distributed to the Selling Shareholders based on each Selling Shareholder's percentage ownership in the Offer Shares. The Company will not receive any part of the Net Proceeds from the Offering

Relative Valuation

	P/BV	P/Sales	P/EBITDA	P/E
Comparables Average	2.90	1.39	11.63	21.29
ProMedEx - @68	3.25	1.35	8.60	12.52
Company Valuation				
UoM		SAR		%
Company Fair value via P/E comparison		364,389,763.66		60%
Company Fair value via P/EBITDA comparison		289,515,341.78		40%
Total Company Fair Value				334,439,994.91
Price per Share		95.55		SAR/Share
Potential Upward Trend	40.52% - Strong Buy			

Ownership Structure

Substantial Shareholder	Pre-Offering		Post-Offering	
	No. of Shares	Ownership Percentage	No. of Shares	Ownership Percentage
Al-Omran Holding Company	1,750,000.00	50.00%	1,575,000.00	45.00%
Care 2 Health Trading LLC	1,400,000.00	40.00%	700,000.00	20.00%
Riyad Abdullah Rashid Abunayan	350,000.00	10.00%	175,000.00	5.00%
Public	-	-	1,050,000.00	30.00%
Total	3,500,000.00	100.00%	3,500,000.00	100.00%

Professional Medical Expertise Co. (ProMedEx) – IPO Report (NOMU)

Key Financials

In Millions of the trading currency, except per share items.

For the Fiscal Period Ending	2020	2021	2022
Currency	SAR	SAR	SAR
Total Revenue	74,416,606	131,259,497	176,051,291
Growth Over Prior Year	-	76.38%	34.12%
Gross Profit	39,799,007	66,911,979	83,646,604
EBITDA	11,646,914	24,453,719	27,666,097
EBIT	11,416,994	24,463,476	25,608,418
Net Income	9,296,105	20,619,166	19,015,823

Capitalization

In Millions of the trading currency, except per share items.

Share Price	68.00
x Shares Out.	3,500.0
= Market Capitalization	238,000.0
- Cash And Equivalents	5,316.3
+ Total Debt	58,547.9
+ Pref. Equity	.0
+ Total Minority Interest	.0
= Total Enterprise Value (TEV)	291,231.7
Book Value of Common Equity	35,000.0
+ Total Debt	58,547.9
= Total Capital	93,547.9



Key Suppliers and Customers

Table No. (3.24): Key Customers at 30/09/2022G

Rank	Key Customer	Revenues as at 31/12/2022G	% of total sales as at 30/09/2022G
1.	Customer 1	46,956,248	40%
2.	Customer 2	8,197,284	7%
3.	Customer 3	6,784,734	6%
4.	Customer 4	4,864,400	4%
5.	Customer 5	4,454,673	4%

Source: Company information

Table No. (3.22): Key Suppliers as at 30/09/2022G

Rank	Key Supplier	Number of product items purchased	Purchase amounts as at 31/12/2022G	% of total purchases as at 30/09/2022G
1.	Supplier 1	78	27,847,307	37%
2.	Supplier 2	355	10,413,004	14%
3.	Supplier 3	75	8,953,043	12%
4.	Supplier 4	362	5,381,337	7%
5.	Supplier 5	919	3,518,005	5%

Source: Company information

Members of BoD

Table No. (4.3): Members of the Board of Directors

#	Name	Position	Nationality	Status	Appointment Date	Age	Direct Ownership Percentage		Indirect Ownership Percentage	
							Pre-Offering	Post-Offering	Pre-Offering	Post-Offering
1	Sameer Sulaiman Al-Oman	Chairman	Saudi	Independent	04/08/2022G	60	None	None	None	None
2	Dr. Amr Mahmoud Abu Elamayem*	Vice Chairman	Egyptian	Executive	04/08/2022G	42	None	None	1.53%	0.77%
3	Abdullah Abdulrahman Zaid**	Board Member	Saudi	Independent	04/08/2022G	72	None	None	4.55%	2.23%
4	Mohammed Jamal Al Modhayan***	Board Member	Saudi	Executive	28/12/2021G	33	None	None	2.50%	2.25%
5	Mohammad Sulaiman Al Harbi	Board Member	Saudi	Independent	04/08/2022G	57	None	None	None	None
6	Talal Abdulatif Al Abdulkareem	Board Member	Saudi	Non-Executive	28/12/2021G	44	None	None	None	None

Source: the Company

Date Created: Jul-12-2023

Disclaimer: Forsa Capital Company hereby confirms its full and complete commitment to verify the accuracy of the data and information contained in this report. However, it does not guarantee the accuracy or completeness of the materials or the ability to fully rely on the data and information presented. Under no circumstances should this be construed as a recommendation or encouragement to buy, sell or trade any securities. Those who wish to invest should consult their financial advisor. Forsa Capital Company is not responsible for any losses or changes that may occur in the analyzed company or among investors. Therefore, you alone are responsible for your investment decisions.