

## BinDawood Holding 9M 2023 Results

- Revenue for 9M 2023 was SAR 4.2 bn, higher by 16% over 9M 2022, reinforcing the recovery witnessed from the start of the year.
- Net Profit for 9M 2023 was SAR 152.1 mn, an increase of 154.3% over 9M 2022, reflecting higher revenue and improved gross margin.
- Opened 3 supermarkets and 1 express store until now in 2023;
- 1 more store is planned to be opened in Q4 2023.
- The Board of Directors have approved a half-year dividend of SAR 0.1 per share, or SAR 114.3 million. The cash dividend is payable to stockholders of record by the close of business within two weeks of 16<sup>th</sup> November 2023.

**Jeddah, Saudi Arabia; 8<sup>th</sup> November 2023** – BinDawood Holding Co. (Tadawul: 4161 and the “Company”), one of the leading grocery retail operators of hypermarkets and supermarkets in the Kingdom of Saudi Arabia (‘KSA’), today reported its Q3 and 9M 2023 financial results.

### Financial Highlights (SAR Million)

	Q3 2023	Q3 2022	% Up / (Down)	Q2 2023	% Up / (Down)
Revenue	1,358.8	1,182.5	14.9%	1,411.6	(3.7%)
Gross Profit	420.9	307.2	37%	452.0	(6.9%)
Net Profit (Loss)	34.0	(48)	170.9%	65.8	(48.3%)

	9M 2023	9M 2022	% Up / (Down)
Revenue	4,151.5	3,578.7	16.0%
Gross Profit	1,289.5	1,069	20.6%
Net Profit	152.1	59.8	154.3%
Net Profit*	152.1	42.7	256.2%

(\*) Net Profit excluding non-recurring rent relief of (SAR Nil) in 9M 2023 versus (SAR 17.1 million) in 9M 2022.

### Comments from Ahmad AR. BinDawood, CEO of BinDawood Holding:

“Our inherent resilience and a strong focus on serving our customers, coupled with continuous improvement in operational efficiency, has resulted in a solid performance for the first 9 months of the year.

*Our robust performance in Q3 2023 is not due only to the return of full-scale Hajj and Umrah seasons. It also reflects our strategy of enhancing customer engagement through festive campaigns and leveraging the insights provided by the loyalty program to make the shopping experience more customer-centric and relevant.*

*Whilst remaining focused on our loyal customer base, we have also implemented strategic cost rationalization measures which have included, inter alia, improved layouts and product displays, resizing and relocation of stores and better supplier negotiations.*

*With an ever-increasing demand for Express delivery, we transformed 6 of our in-store online applications into dark stores, thereby enhancing their operational capacity. Consequently, the infrastructure supporting our on-line operations includes 16 in-store online applications and 16 dark stores, after having opened the doors of two new locations during the quarter. Unveiling of more dark stores and having a mega-dark store is aimed at further strengthening our presence in the rapidly-growing online space.*

*Looking ahead, management continues to focus on increasing customer footfall and retention, improving sales mix and basket size, expanding the geographical foot print through a careful selection of sites and formats and using our significant cash reserves and debt servicing ability to seek inorganic growth that complements our existing business.*

#### **Financials: 9M 2023**

Revenue for the nine months of 2023 increased by 16% to SAR 4,151.5 million, as compared with SAR 3,578.7 million during the first nine months of 2022.

Growth in sales during the first nine months was primarily driven by a full-fledged Hajj and Umrah seasons. Customized marketing campaigns and loyalty programs also favorably impacted sales performance.

Both brands recorded impressive growth in revenues. BinDawood stores witnessed aggregate sales of SAR 1,332.5 million in 9M 2023, reflecting an increase of 15.4% over the corresponding period of 2022. Total sales of Danube stores stood at SAR 2,626.0 million in 9M 2023, compared to SAR 2,386.3 million in 9M 2022, an increase of 10%. The balance increase was attributable to the full period impact of revenue contribution of the subsidiaries of Future Retail for Information Technology ("FTR") acquired in July 2022.

Gross Profit at SAR 1,289.5 million was 31.1% of sales in 9M 2023 vis-a-vis 29.9% of sales at SAR 1,069.0 million in 9M 2022. This can be attributed to an increase in supplier support and an improved product mix.

Operating Expenses in 9M 2023 stood at SAR 1,073.4 million, compared with SAR 964.6 million in 9M 2022. This year-on-year increase reflects:

- The full period impact of new stores opened in Q4 2022, expansion of existing store in Madinah, and costs associated with new store openings in 2023.
- The full period impact of operating expenses incurred by the two subsidiaries of FTR acquired in July 2022.
- An increase of SAR 12.0 million in the amortization of intangible assets arising from those acquisitions. There was no amortization cost recorded in 2022 since the purchase price allocation has to be carried out within one year of the date of the acquisition.

Net Profit stood at SAR 152.1 million in 9M 2023, compared to SAR 42.7 million in 9M 2022 (after elimination of non-recurring rent relief), resulting in a Net Profit Margin of 3.7% and 1.2%, respectively. This increase in Net Profit reflects the cumulative impact of an increase in Sales and Gross Profit, which was partly offset by an increase in Operating and FTR related expenses, as explained above.

BinDawood Holding's financial position continues to be strong with no bank debt. *As on 30<sup>th</sup> September 2023, the Company had a Cash and Cash Equivalents Balance of SAR 626 million, including short-term deposits.*

### Financials: Q3 2023

During the third quarter of 2023, reported Revenue was SAR 1,358.8 million, a 14.9% increase from SAR 1,182.5 million in the corresponding quarter of the previous year. The improved performance was driven by the full-fledged Hajj and Umrah seasons and customized marketing and loyalty programme campaigns. Footfall at stores improved visibly as demonstrated by a 13.8% increase in the number of transactions. However, Revenue declined on a sequential basis because of seasonal factors. The first two quarters of the year (Q1 and Q2) had benefitted from higher Revenues due to the Ramadan and Hajj seasons.

Gross Profit in Q3 2023 stood at SAR 420.9 million (31% of sales), compared to SAR 307.2 million (26% of sales) in Q3 2022. This significant improvement in Gross Margin reflects improved sales mix, easing of inflationary pressures and enhanced support from suppliers. Gross Margin declined on a sequential basis due to the fact that margins are traditionally higher during the Hajj and Ramadan Seasons that fell in Q2 2023.

Operating Expenses in Q3 2023 were SAR 367 million vis-a-vis SAR 336.5 million in Q3 2022, due to expenses incurred on account of new store openings, amortization of intangible assets and also the full period impact of the operating costs incurred of the subsidiaries acquired in July 2022. However, notwithstanding the absolute increase in operating expenses, the ratio of Operating Expenses to Revenue declined from 28.5% in Q3 2022 to 27% in Q3 2023. No major variance was noted in operating expenses as compared to Q2 2023, owing to the fact that an increase in opening costs during Q3 2023 was offset by the impact of amortization of intangible assets arising on the acquisitions recognized in Q2 2023 with effect from the date of the acquisition.

Net Profit increased to SAR 34.0 million, from a loss of SAR 48.0 million in the corresponding quarter of the previous financial year. This significant turnaround was the cumulative impact of higher sales and improved Gross Margin, which was partly offset by an increase in Operating Expenses. On a sequential basis, Net Profit declined due to the cumulative impact of a decrease in Revenue and Gross Margin.

### About BinDawood Holding Co.:

BinDawood Holding Co. (the Company) is one of the leading grocery retail operators of hypermarkets and supermarkets in the Kingdom of Saudi Arabia. The Company has a total of 87 stores, of which 55 are Hypermarkets, 28 are Supermarkets and 4 are Express stores. The stores are strategically located across KSA with one international store in Bahrain. The Company operates its stores under two complementary brands: BinDawood and Danube, and also has a strong online presence with 16 dark stores and 16 in-store online operations.

*In 2022, the Company made two major acquisitions:*

1. Ykone S.A.S ('Ykone'), an international influencer marketing agency with a proprietary technology offering, focused on retail, travel, beauty, fashion and luxury brands, with a presence in Europe, Asia, the US and the Middle East.
2. International Applications Company Ltd ('IAC'), the company which developed and currently operates BinDawood Holding's Danube and BinDawood E-Commerce channels.

### INVESTOR ENQUIRIES:

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