

BinDawood Holding (also referred to as BDH or the Company) Reports FY 2024 Financial Results

Resilient Revenue Growth Driven by Strategic Initiatives

Key Strategic and Financial Highlights

- FY2024 recorded revenue of SAR 5,677.7 million, reflecting a 1.3% growth over FY23, at an improved margin of 33.4%, the highest recorded in the last five years.
- **FY2024 was a transformative year for BDH, marked by two strategic acquisitions that significantly strengthened its market position.** The acquisition of **Jumairah Trading Company (JTC)** expanded BDH's presence in the **distribution sector**, enhancing its supply chain capabilities. Similarly, the acquisition of **Zahrat Al Rawdha Pharmacies LLC ("Zahrat")**, with a network of over **170 locations**, enabled BDH to diversify into the **health and wellness sector**, unlocking new growth opportunities **whilst complementing its existing business**.
- In 2024, BDH reached a significant milestone by opening 10 new stores, the highest number of store openings in the past five years, including the launching of the first ever Danube flagship hypermarket in Madinah. This achievement highlights the Company's strong growth ambitions and its continued efforts to expand its retail footprint.
- BDH also signed a franchise agreement to open BinDawood stores in Qatar, continuing its gradual geographical expansion.
- Company demonstrated robust performance in Q4 2024, reporting a net profit of SAR 109.7 million, driven by sequential revenue growth of 4.7% and a 3.0% improvement in gross margin due to realization of higher rebates through achievement of revenue targets, underscoring its effective approach to both top-line growth and margin enhancement.

Jeddah, Saudi Arabia, 17th March 2025 – BinDawood Holding Co. (Tadawul: 4161 and the "Company" or "BDH"), one of Saudi Arabia's leading retail conglomerates, which operates prominent grocery stores under Danube and BinDawood brands, along with a Distribution Business supporting its supply chain, and Zahrat Al Rawdha Pharmacies LLC, a retail pharmacy chain, is further enhancing its market position by integrating pharmacies within its supermarkets and hypermarkets, offering customers a seamless and convenient shopping experience. The Company continues to advance by integrating cutting-edge information technology solutions into its core operations and pursuing strategic acquisitions, as it announces its financial results for Q4 and FY 2024.

Financial Highlights (SAR Million)

	FY 2024	FY 2023	% Up /(Down)
Revenue	5,677.7	5,602.9	1.3%
Gross Profit	1,893.8	1,809.8	4.6%
Net Profit	280.2	275.1	1.9%

	Q4 2024	Q4 2023	% Up /(Down)	Q3 2024	% Up /(Down)
Revenue	1,425.6	1,451.4	-1.8%	1361.3	4.7%
Gross Profit	512.8	520.3	-1.4%	449.5	14.1%
Net Profit	109.7	123.0	-10.8%	35.0	213.4%

Comments from Ahmad AR. BinDawood, CEO of BinDawood Holding

*“The results for FY 2024 reflect our commitment to deliver value through customer-centric strategies and operational excellence. Despite facing external challenges like heightened competition, sales decline from store closures, and changing market dynamics, we were successful in maintaining our **grocery retail** sales at more or less the same level as last year, demonstrating our resilience and adaptability. The acquisition of JTC and the significant increase in revenue of our tech subsidiaries enabled us to record a 1.3% increase in overall revenue. This was accompanied by an improvement in our gross profit margin to 33.4%, highlighting the success of our refined product mix, strategic supplier relationships, and operational efficiencies.*

Customer satisfaction remains the cornerstone of our strategy. Our loyalty program has deepened engagement with over 5.8 million customers, enabling us to leverage data-driven insights to offer tailored experiences. This, combined with the success of our seasonal campaigns and the rollout of the new express format (Dash concept), has enabled us to expand our market penetration and strengthen our position as a key player in the grocery retail sector.

As we look ahead, we remain steadfast in our commitment to our strategic priorities. The launch of mega dark stores is expected to enhance e-commerce fulfillment, ensuring faster and more seamless service for our growing online customer base. Our express store format continues to evolve, offering greater convenience and aligning closely with the needs of our customers. Additionally, the unveiling of flagship stores in key locations, including our recently launched store in Madinah (Danube 1st store), underscores our ambition to redefine the grocery shopping experience in Saudi Arabia.

The acquisition of JTC is expected to enhance BDH’s financial performance, offering greater control over the supply chain, capturing distribution margins, expanding product offerings for loyal customers, and improving profitability through cost efficiencies. Additionally, BDH has signed a franchise agreement with The Regional Group in Qatar for the opening of eight BinDawood supermarkets, marking a key milestone in its Gulf region expansion. This agreement strengthens BinDawood supermarket’s brand presence and creates new growth opportunities in Qatar, reinforcing its long-term development strategy.

We expect the Zahrat acquisition to contribute significantly to the revenue and profitability of BDH. This acquisition, which includes over 170 pharmacies, supports our strategic goals and aligns with Saudi Arabia's Vision 2030. It marks our entry into the health and wellness sector, expanding our product offerings and retail footprint. Zahrat's growth plans include integrating new stores into existing Bindawood and Danube locations, providing immediate operational synergies. BDH will be the first retailer in Saudi Arabia to offer pharmacy services within its stores, enhancing convenience for customers and driving sustainable growth.

We are excited about the opportunities that lie ahead. Our steadfast focus on operational excellence, customer satisfaction, and strategic growth will ensure that BDH is well-positioned to thrive in a dynamic and competitive market”.

Financial Analysis: FY24

Overall Revenue Analysis: FY 2024 revenue grew by 1.3%, reaching SAR 5,677.7 million, compared to SAR 5,602.9 million in FY 2023. The revenue of the Retail sector was maintained despite the challenges faced from external factors and the closure of certain stores. These challenges were overcome by strategic initiatives such as seasonal campaigns, an enhanced loyalty program, the opening of new stores, including the expansion of convenience-format stores, and the full year impact of stores opened in the previous year. The acquisition of JTC and the significantly higher revenue of the tech segment were the main factors behind the 1.3% growth in overall revenue.

Revenue Analysis by Segment:

Retail:

BinDawood brand experienced a slight revenue decline, mainly due to the closure of a store in Q1 2024. However, this was partially offset by the opening of an express store in Q2 2024 and two supermarkets in Q4 2024. In contrast, Danube achieved revenue growth, driven by the addition of seven new stores, despite the impact of a store closure in Q2 2024. Growth was further supported by higher POS customer sales, an increased number of transactions, and improved basket size.

Tech Business:

Future Retail Tech (FTR) saw significant growth in revenue with both its subsidiaries, International Applications Company (IAC) and Ykone SAS (Ykone) performing well. The improvement in IAC was driven by a surge in online sales and the contribution from loyalty business, which was acquired at the start of 2024. Ykone delivered strong results in the Middle East, offsetting the weak market conditions in Europe, and also benefited from the acquisition of Barcode Influencer Marketing Private Limited, operating in the vibrant influencer marketing environment in India.

Distribution:

The recently acquired distribution business, also made a notable contribution to the Company's overall revenue growth, demonstrating stronger growth under the BDH banner.

Gross Profit: The gross profit for FY 2024 increased by 4.6% to SAR 1,893.8 million, with the gross profit margin improving to 33.4%, compared to 32.3% in FY 2023. This performance exceeded our guidance of a 32–33% range. The improvement in gross margin despite a competitive market environment margins is attributed to the optimization of our product mix, strengthening of supplier partnerships to secure favorable terms, and the implementation of operational efficiencies across the business.

Additionally, contributions from the distribution and technology businesses positively impacted our overall margins.

Operating expenses (OPEX): For FY 2024 OPEX increased by 4.6% to SAR 1,531.0 million, compared to SAR 1,464.3 million in FY 2023. OPEX as a percentage of sales rose slightly to 26.97%, up from 26.13% on a year-on-year (YOY) basis. The Group has implemented tighter controls on OPEX enabling it to limit the increase in OPEX to Revenue ratio despite focused investments in talent acquisition, the opening of new stores in 2024, the full-year impact of stores that became operational in 2023, and acquisition-related costs for the distribution and retail pharmacy businesses.

Net profit: FY 2024 recorded a modest growth of 1.9%, reaching SAR 280.2 million compared to SAR 275.1 million in FY 2023. This increase was primarily driven by a higher gross margin, offset by an increase in OPEX, reflecting the investment in human capital and the expansion in the business both organically and inorganically.

BinDawood Holding's financial position remains robust, driven by efficient working capital management. As at 31 December 2024 it was debt free despite the payment of a SAR 228.3 million dividend in 2024, fully financing the acquisition of the distribution business, allocating funds for capital expenditure on dark stores and investments in technology and funding the opening of 10 new stores in 2024.

Post year-end, the acquisition of Zahrat was funded partly through the Company's own cash resources and partly through bank financing secured at very attractive terms. The plan is to repay the acquisition loan using the free cash flow generated by the Company.

Financial Analysis: Q4 2024

Overall Revenue Analysis: Overall revenue increased by 4.7% sequentially but decreased by 1.8% on a YOY basis. The sequential increase in revenue was primarily driven by the Retail segment, reflecting seasonal demand, which was partially offset by a decline in the performance of the Tech segment. However, the YOY decrease in revenue was mainly attributed to the Tech segment, followed by the Retail sector, due to the closure of two BinDawood stores and one Danube store. This decrease was partially mitigated by the revenue contribution from the Distribution business acquired during Q3 2024.

Revenue Analysis by Segment:

Retail:

Revenue in Q4 2024 remained steady at SAR 1,425.6 million, declining marginally by 1.8% compared to SAR 1,451.4 million in Q4 2023, primarily due to the closure of two BinDawood stores and one Danube store. However, it reflects a 4.7% increase from SAR 1,361.3 million in Q3 2024. The improved performance on a sequential basis underscores the company's ability to capitalize on seasonal demand and optimize operations, despite a competitive market landscape.

Tech Business and Contribution from Distribution Business:

Ykone secured key contractual in the Middle East which resulted in a very strong Q4. Increase in online sales, along with a boost in loyalty income following the acquisition of the loyalty business at the beginning of the year, helped grow IAC's revenue. The organic growth in the tech segment was driven by the contribution from the distribution business acquired during 2024.

Gross profit decreased by 1.4% on a YOY basis, from SAR 520.3 million to SAR 512.8 million in Q4 2024, mainly due to a decline in sales. However, there was a significant sequential increase of 14.1%, resulting from a gross margin of 36.0% in Q4 2024, which exceeded our overall earnings guidance. The gross margin for Q4 2024 remained consistent with Q4 2023, benefiting from the successful achievement of targets and rebates, as well as efficient supplier management in the final quarter of 2024.

Operating expenses declined in absolute terms on a YOY basis to SAR 384.1 million (26.9% of revenue) as compared to SAR 390.9 million (26.9% of revenue) in Q4 2023 but the OPEX to Sales ratio remained more or less unchanged. This decline in OPEX is primarily attributed to the Company's continued efforts to apply digital tools to manage and reduce costs, as well as a reduction in variable expenses linked to revenue. This was achieved despite the opening of new stores in 2024, acquisition-related expenses for the retail pharmacy business, and the inclusion of JTC.

Net Profit: The Company delivered strong performance in Q4 2024, with a 213.4% sequential growth in net profit, reaching SAR 109.7 million, driven by sequential growth in revenue and improved gross margin. However, as mentioned earlier, net profit decreased by 10.8% in Q4 2024 on a YOY basis, primarily due to a 1.8% reduction in revenue growth.

About BinDawood Holding Co:

BinDawood Holding (Tadawul: 4161 and the Company), a retail conglomerate, which integrates information technology solutions into its core operations and strategically acquires companies to enhance its market position, leveraging these investments to fuel sustained long-term growth. BDH continues to shape the retail landscape through constant innovation and a steadfast commitment to excellence by operating its business under the following brands:

BinDawood: Recognized as one of Saudi Arabia's oldest grocery superstore retail brands. It prioritizes exceptional value for money and superior customer service, making it a preferred choice for shoppers.

Danube: Positioned as a high-end grocery retail brand, Danube is synonymous with quality and freshness. Offering a wide array of organic and specialty products, it caters to discerning customers seeking premium offerings.

BinDawood Dash and Danube Dash: Under its purview, BinDawood and Danube pioneered the express store concept, featuring exclusive outlets at the Haramain High-Speed Railway Station. These outlets showcase premium quality and carefully curated imported goods, offering added convenience for busy shoppers.

Ykone: Headquartered in Paris, Ykone is a global leader in influencer marketing services. Offering comprehensive solutions in strategy, talent management and content production, it serves leading brands in Europe, Asia, the US and MENA region.

International Applications Company (IACo): The developer and operator of BDH's Danube and BinDawood e-commerce channels. Further, it is expanding its network of dark stores across the Kingdom, aiming to ensure prompt delivery and a near-complete fulfillment rate while also enhancing customer satisfaction. In addition, it provides digital support services and implements a loyalty program, equipping BinDawood and Danube with the tools necessary for data-driven decision-making and customer engagement.

Jumairah Trading Company (JTC or Distribution): JTC is engaged in wholesale, retail and distribution business. It conducts its business through four divisions - luggage, food, toys and households- in each of which it holds the distribution rights for internationally acclaimed brands.

Zahrat Al Rawdha Pharmacies LLC (Retail Pharmacy): Zahrat operates in the retail pharmaceutical sector and is headquartered in Riyadh, KSA. The chain of pharmacies focuses on providing healthcare products and services to customers, including prescription and over-the-counter (OTC) medicines, medical supplies, health and wellness products and personal care items. Currently, Zahrat Al Rawdah has more than 170 pharmacies spread throughout the KSA.

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