

BinDawood Holding (also referred to as BDH or the Company) Reports Q1 2025 Financial Results

BinDawood Holding Reports Strong Q1 2025 Performance, Accelerates Expansion and Integration

Key Strategic and Financial Highlights

- BDH delivered a strong start to 2025, achieving an impressive 13.7% year-on-year revenue (YoY) growth to SAR 1,674.4 million in Q1 2025, whilst improving the gross margin to 31.6%, as compared with 30.6% in the corresponding period of the previous year.
- Building on a transformative FY 2024, marked by strategic acquisitions, BDH continued its growth trajectory in Q1 2025, demonstrating strong operational execution and the successful integration of its expanded business segments.
- BDH's retail expansion continued in Q1 2025 with the successful opening of two new express stores and one supermarket. This progress positions the Company closer to achieving its ambitious target of exceeding 100 stores, a significant milestone.
- The strategic integration of Zahrat Al Rawdah Pharmacies LLC ("Zahrat") is well underway, as demonstrated by the launch of four integrated Zahrat stores within existing BinDawood and Danube locations in Q1 2025. Zahrat also continued its network growth, opening three new standalone pharmacies in Q1 2025, further expanding its reach beyond the 175+ existing locations across the Kingdom of Saudi Arabia ("KSA").
- The recently acquired Distribution business continued its strong performance in Q1 2025. Leveraging post-acquisition synergies and BDH's enhanced platform, the business is gaining positive momentum and successfully driving market penetration, particularly for new brands within its portfolio.
- Strong operational execution in Q1 2025 propelled the Company to a net profit of SAR 65.7 million, representing an 8.5% YoY increase.

Jeddah, Saudi Arabia, 14th May 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 Rawdah 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 Q1 2025.

Financial Highlights (SAR Million)

	Q1 2025	Q1 2024	% Up /(Down)	Q4 2024	% Up /(Down)
Revenue	1,674.4	1,472.9	13.7%	1,425.6	17.5%
Gross Profit	528.7	451.0	17.2%	512.8	3.1%
Net Profit	65.7	60.5	8.5%	109.7	-40.1%

Comments from Ahmad AR. BinDawood, CEO of BinDawood Holding

“BDH successfully navigated the competitive retail landscape of Q1 2025 with a strong focus on strategic expansion and operational efficiency, achieving a robust 13.7% increase in overall revenue. Contributing to this solid performance were our tech subsidiaries, which experienced a 46% revenue rise, demonstrating the synergistic benefits of our diversified business model. Our commitment to maintaining healthy profitability was evident in our gross profit margin of 31.6%, a testament to effective cost management and strategic pricing initiatives implemented across our operations. This solid financial performance underscores our resilience and adaptability in a dynamic market.

The strategic acquisition of Jumairah Trading Company (JTC) is proving to be a significant value driver, facilitating a more integrated and efficient supply chain. Post-acquisition, JTC is actively leveraging BDH's extensive BinDawood and Danube retail platforms to introduce a wider array of brands and expand its distribution network. This enhanced synergy not only optimizes our internal operations but also positions us to offer a more comprehensive product selection to our customers, further solidifying our market leadership in KSA.

In our strategic diversification into the health and wellness sector, the integration of Zahrat's pharmacies is proceeding at a rapid pace. During Q1 2025, we successfully launched three new standalone pharmacies, expanding Zahrat's reach beyond its established network of over 175 locations. Furthermore, the rollout of four integrated Zahrat pharmacies within existing BinDawood and Danube stores is a key step in our strategy to enhance customer convenience and drive operational synergies. We are committed to accelerating this integration, with a target of over 70 integrated locations planned within the next two years.

Marking a significant step in its expansion strategy, BDH has launched its inaugural store in Neom, the groundbreaking "city of the future." This entry unlocks access to Neom's considerable untapped potential, positioning BDH to capitalize on the city's projected growth and innovative ecosystem. BDH's presence in Neom signifies a commitment to future-oriented markets and a strategic alignment with the city's ambitious vision.

A pivotal development in Q1 2025 was the unveiling and operationalization of our state-of-the-art mega dark store, a first-of-its-kind facility in Saudi Arabia. This significant investment in our e-commerce infrastructure is already yielding positive results, evidenced by the accelerated growth in our online sales channel. By strategically converging our established retail presence with an

advanced distribution network, a mature online platform, targeted digital marketing efforts, and a growing pharmacy business, BDH is uniquely positioned to redefine the retail landscape, offering customers unparalleled convenience and a comprehensive suite of solutions. Additionally, the adoption of enterprise e-commerce integrators is strengthening our online business capabilities.

Strategic use of AI and fintech solutions—such as 'buy now, pay later'—is enhancing BDH's operational efficiency and deepening customer engagement. These investments are yielding strong returns and positioning us for accelerated growth. We are also integrating pharmaceutical and retail customer data to create a unified customer view, enabling more personalized experiences across channels. Our loyalty program, now exceeding 6 million members, continues to provide rich data insights, enabling targeted marketing and improving customer retention while expanding our market reach across all retail formats.

As we embrace the future, our vision is clear—drive innovation, deepen customer connections, and expand with purpose. Our strong focus on efficient operations, customer satisfaction, and targeted growth initiatives will ensure BDH remains competitive and continues to lead in a rapidly evolving retail landscape”.

Financial Analysis: Q1 2025

Overall Revenue Analysis: BDH's top line surged to SAR 1,674.4 million in Q1 2025, representing a substantial 13.7% increase from SAR 1,472.9 million recorded in the same period of 2024. This growth was driven by successful seasonal campaigns, the addition of new retail locations (expanded convenience formats and the full-year impact of prior-year openings), an invigorated loyalty program, strong growth of the tech division, higher revenue in the distribution business, which has exhibited significant growth on a year-on-year basis following its integration into the BDH, and the contribution from the recently acquired retail pharmacy business.

Revenue Analysis by Segment:

Retail:

BinDawood brand recorded a 5.8% growth, supported by Ramadan seasonality impact, full-period impact of stores opened in 2024 and the addition of two new stores in Q1 2025. Danube posted a 4.2% revenue increase, driven by strong sales performance from stores launched in 2023 and the continued contribution of stores opened in 2024. Like-for-like store performance remained stable, with overall revenue being assisted by the contribution from a newly opened express store in Neom city in Q1 2025. Overall growth was further reinforced by higher POS customer sales, an increased number of transactions and an improvement in basket size.

Tech Business:

Future Retail Tech (FTR) experienced an upswing in its earnings, propelled by advancements in its two primary divisions: International Applications Company (IACo) and Ykone SAS (Ykone). IACo's improved financial performance was driven by a significant escalation in online sales.

Meanwhile, Ykone benefited from an uptick in its European operations, continuing strong growth in the Middle East and a significant improvement in the recently acquired Indian operations.

Distribution:

Demonstrating the strategic rationale of the recent acquisition, the distribution business contributed substantially to BDH's overall revenue gains, exhibiting a positive growth rate under the Company's control. The business has benefitted from the value-added impact of BDH's integration and management.

Retail Pharma:

The recently acquired pharmacy business also made a significant contribution to the Company's overall revenue growth, showing stronger performance under the BDH banner. In Q1 2025, three standalone pharmacy stores and four integrated outlets within BinDawood and Danube stores were successfully launched.

Gross Profit: Gross profit surged to SAR 528.7 million, reflecting the increase in revenue and the improvement in margin to an impressive 31.6% from 30.6% in the prior year. This enhanced profitability in a demanding market environment was achieved through a more customer-centric product mix, improved supplier relationships leading to better terms, and widespread operational improvements. The contribution from the distribution business, with its relatively higher profitability margins, has been a significant factor in achieving higher overall margins compared to the corresponding period last year.

Operating expenses ("OPEX"): For Q1 2025, total operating expenses amounted to SAR 438.5 million, representing an 18.7% increase from SAR 369.5 million in Q1 2024. The OPEX-to-sales ratio rose by 110 basis points year-on-year, reaching 26.2% compared to 25.1% in the previous year. The absolute increase in expenses is primarily attributed to the addition of operational costs from the recently acquired retail pharmacy (including standalone and integrated pharmacy stores opened in Q1 2025) and Distribution businesses, as well as the cost increases stemming from the impact of 10 stores opened last year and new stores launched in Q1 2025.

Net profit: Q1 2025 recorded a growth of 8.5%, reaching SAR 65.7 million compared to SAR 60.5 million in Q1 2024. This increase was primarily driven by higher revenue and gross margin, partially offset by an increase in operating expenses, a decline in deposit income, and incremental finance costs related to a recently obtained loan for retail pharma acquisition.

BDH maintains a strong financial position supported by effective working capital management. As of 31 March 2025, the Company has healthy cash and liquidity levels, enabling it to meet upcoming commitments, including the dividend's distribution on May 2025 and the planned roll-out of new stores and pharmacies. This financial strength also supported the strategic acquisition of Zahrat, partially funded by a SAR 300 million bank loan, of which SAR 25 million has already been repaid.

Financial Analysis: Q1 2025 compared to Q4 2024

Overall Revenue Analysis: BDH demonstrated strong sequential momentum, with overall revenue expanding by 17.5% compared to the prior quarter, primarily driven by strong seasonal demand within the Retail segment. This growth was further supported by the positive impact of newly opened stores in Q4 2024 and Q1 2025, alongside contributions from the recently acquired retail pharmacy businesses and the positive performance of both the Tech and the Distribution business segments.

Revenue Analysis by Segment:

Retail:

Revenue in Q1 2025 rose to SAR 1,464 million, reflecting a 14.4% increase compared to SAR 1,279 million in Q4 2024. This growth was primarily driven by the rollout of two express stores and one supermarket, positive contributions from stores opened in Q4 2024, and the Company's ability to capitalize on seasonal demand and optimize operations.

Tech:

Ykone's performance reflected a quieter period compared to the last, which is understandable as their business model typically sees the majority of the revenue generated in the second half of the fiscal year, driven by seasonal factors. In contrast, IACo benefited from increased online sales, contributing to its overall revenue growth.

Distribution:

The newly integrated Distribution arm also bolstered the Company's total revenue expansion, demonstrating an accelerated growth trajectory since becoming part of BDH's ecosystem. This underscores the synergistic benefits and improved operational framework provided by BDH.

Retail Pharma:

BDH's strategic entry into the pharmacy sector is already delivering positive results, contributing meaningfully to revenue growth and generating strong momentum for an accelerated expansion of this new vertical.

Gross profit saw a modest uptick of 3.1% sequentially, rising from SAR 512.8 million to SAR 528.7 million in Q1 2025, primarily fueled by robust sales momentum compared to the prior quarter. There is a sequential decrease in gross profit margin from 36% in the previous quarter to 31.6% in Q1 2025. This reduction in margin can be attributed to the Company's conservative strategy in recognizing certain supplier rebates only when there is greater certainty on the outturn for the full year. Furthermore, the Distribution and Tech segments and the newly acquired retail pharmacy business contributed positively to overall profitability.

Operating expenses: BDH's operating expenses increased in Q1 2025 due to the inclusion of the retail pharmacy business, the opening of new stores in both the retail grocery and retail pharmacy segments during Q1 2025, and the full-year impact of the 10 stores opened in FY2024. However,

the OPEX-to-sales ratio improved by 76 basis points. This improvement was primarily driven by the continued deployment of digital solutions for cost optimization and increased revenue, which helped dilute the impact of fixed costs.

Net Profit: Despite growth in sales and gross profit in absolute terms, net profit for Q1 2025 stood at SAR 65.7 million compared to SAR 109.7 million in Q4 2024. The decline in net profit was primarily driven by an increase in operating expenses as explained above and was further impacted by a rise in finance costs related to the acquisition of the retail pharma business, and a decline in finance income.

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 and passengers.

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 Rawdah 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 over 175 pharmacies spread throughout the KSA.

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