

BinDawood Holding (also referred to as BDH or the Company) Reports H1 2025 Financial Results

BinDawood Holding Reports H1 2025 Revenue Growth and Strategic Expansion, Prioritizing Operational Efficiency amid Uncertain Macro-Economic Dynamics

Key Strategic and Financial Highlights

- BDH registered an 8.9% year-on-year growth in revenue to reach SAR 3,148.7 million.
- Top-line growth was complemented by improvement in gross margin, rising to 33.7% from 32.2% year-on-year.
- BDH expanded its retail grocery footprint with four new express stores and two supermarkets, surpassing the 100-store milestone.
- Zahrat Al Rawdah Pharmacies (Zahrat or Retail Pharma) advanced its strategic growth plans by integrating 11 new pharmacies within BinDawood and Danube stores apart from opening standalone pharmacies, enhancing retail synergies and reinforcing its position as one of the leading, accessible pharmaceutical retailer.
- Future Technology Retail's (FTR) sales grew significantly, driven by International Applications Trading Company (IACo's) online performance and Ykone's strong growth, reflecting the integration of the newly acquired Indian subsidiary and increased activity in the Middle East region.
- Distribution Business was successful in leveraging the BinDawood and Danube platforms to enhance reach and brand visibility to achieve overall revenue growth.

Jeddah, Saudi Arabia, 10th August 2025 – BDH (Tadawul: 4161) is one of Saudi Arabia's leading retail conglomerates, which operates the prominent Danube and BinDawood hypermarket/supermarket brands, a robust Distribution Business and Zahrat retail pharmacy chain within the Kingdom. BDH has also made investments through FTR, its wholly owned subsidiary, in tech related services that are complementary to its core retail business, such as IACo, which runs its online and loyalty program and Ykone, a global influencer marketing group. BDH continues to advance its market position through the adoption of cutting-edge digital technologies and the pursuit of strategic acquisitions, reinforcing its commitment to innovation and sustainable growth.

Financial Highlights (SAR Million)

	H1 2025	H1 2024	% Up /(Down)	H2 2024	% Up /(Down)
Revenue	3,148.7	2,890.8	8.9%	2,786.9	13.0%
Gross Profit	1,062.0	931.5	14.0%	962.3	10.4%
Net Profit	116.2	135.6	-14.3%	144.7	-19.7%

	Q2 2025	Q2 2024	% Up /(Down)	Q1 2025	% Up /(Down)
Revenue	1,474.3	1,417.8	4.0%	1,674.4	-11.9%
Gross Profit	533.3	480.4	11.0%	528.7	0.9%
Net Profit	50.5	75.0	-32.7%	65.7	-23.2%

Opening Remarks – Mr. Ahmad AR Bindawood CEO, BDH (H1 2025 Performance)

It's a pleasure to be with you today as we reflect on our progress in the first half of 2025. I am proud to share that BDH continues to demonstrate strong strategic execution across its diversified business model, even in the face of macroeconomic pressures.

In H1 2025, BDH advanced its multi-format retail strategy through focused expansion and cross-vertical integration. Zahrat expanded its presence, opening new locations, many of which are integrated within BinDawood and Danube stores. This enhances customer access to health services and creates operational synergies. Based on the initial success, we have plans to scale this in-store model to over 70 locations in the upcoming two years.

Our express formats, BinDawood Dash and Danube Dash, expanded to 13 stores across the Kingdom, reflecting growing demand for convenience-driven retail. Powered by AI and analytics, these stores offer personalized, data-driven experiences that deepen customer engagement.

Revenue contribution from the Distribution Business is supported by broader market access and seamless integration with our existing retail infrastructure. These efforts are improving operational efficiency and strengthening channel visibility.

Our e-commerce performance remained a key growth driver, backed by continued investment in digital infrastructure and platform integration. The Mega Dark Store initiative—underpinned by exclusive technology rights—further positions BDH as a major player in omnichannel retail.

With over 6.25 million loyalty members and integrated customer data across grocery and pharmacy, we're unlocking new personalization opportunities that drive retention and increase market reach.

While grocery sales faced pressure due to a decline in the consumer spending, BDH delivered a solid 8.9% increase in total revenue, driven by significant growth in our tech subsidiaries and contributions from recently acquired Retail Pharma and Distribution Businesses. We also maintained a strong gross margin of 33.7%, reflecting disciplined pricing, effective cost control, and the positive impact of acquiring high-margin Retail Pharma and Distribution Businesses.

Our multi-pillar model—across grocery, pharma, distribution and tech—continues to deliver resilient, sustainable growth. We remain confident that our strategic reinvestments and customer-first approach will strengthen BDH's leadership in Saudi Arabia's dynamic retail landscape”.

Financial Analysis: H1 2025

Overall Revenue Analysis:

BDH delivered an 8.9% year-on-year revenue increase in H1 2025, reaching SAR 3,148.7 million. While Retail Grocery declined due to softer consumer sentiment and reduced discretionary spending, Danube achieved modest growth through store expansion. Strong performance in the Tech segment—driven by IACo’s online sales and Ykone’s growth, in the Middle East region and in its newly acquired business in India—contributed significantly. Additional uplift came from the newly acquired Distribution Business, acquired in the second half of FY24, and the Retail Pharma segment, acquired in Q1 2025.

Revenue Analysis by Segment:

Retail Grocery:

This segment recorded a 0.5% revenue decline in H1 2025, reflecting softer consumer sentiment and reduced discretionary spending amid a decline in consumer spending which is partially offset by a contribution from new store openings during H1 2025 and full period impact of stores opened last year.

Retail Pharma:

The strategic acquisition of the pharmacy business was a key contributor to BDH’s top-line growth in H1 2025. Revenue growth was further supported by the segment’s continued expansion, including the launch of new standalone stores and the integration of additional in-store locations, significantly improving accessibility and customer convenience. Although not reflected in the H1 2024 results since it was acquired in Q1 2025, this business has registered a significant growth over the corresponding period of FY24.

Distribution Business:

The Distribution Business acquired in H2 2024 contributed meaningfully to BDH’s top-line performance, in H1 2025. This growth underscores the strategic value of the acquisition and reflects the successful integration of new product lines within BDH’s distribution network.

Tech Business:

FTR delivered strong revenue growth in H1 2025. IACo’s performance was bolstered by increased online sales, supported by the successful integration of new aggregator platforms. Ykone sustained its growth across the Middle East and further strengthened its performance with improved performance in Europe and strong growth in its Indian subsidiary acquired in Q1 2024.

Gross Profit rose to SAR 1,062.0 million, driven by higher revenue and an increase in margin from 32.2% to 33.7%. This improvement reflects negotiation of better supplier terms in the core grocery business and the higher margins in the Retail Pharma and Distribution Business.

Operating expenses (OPEX) rose 18.8% to SAR 892.4 million in H1 2025, up from SAR 751 million in H1 2024. This was primarily driven by the integration of expenses from recently acquired Retail Pharma and Distribution Businesses, as well as ongoing costs from new store openings and recent expansions.

Net profit: Net profit declined 14.3% to SAR 116.2 million in H1 2025, despite growth in sales and gross profit. The decrease was driven by higher operating costs, lower deposit income and increased finance expenses related to the Retail Pharma acquisition.

Financial Analysis: Q2 2025

Overall Revenue Analysis: BDH delivered a 4.0% increase in sales in Q2 2025, supported by revenue contributions from the Distribution Businesses acquired in the second half of FY24 and from Retail Pharma, acquired in Q1 2025. The tech segment also contributed to the overall growth.

Revenue Analysis by Segment:

Retail Grocery:

Revenue for Q2 2025 declined on year-over-year, impacted by softer consumer sentiment and decline in seasonal sales.

Retail Pharma:

The Retail Pharma segment was a significant component of BDH's revenue growth in Q2 2025 since it was not reflected in Q2 2024, having been acquired in Q1 2025. However, the segment has performed strongly in comparison with last year driven by the solid performance of existing stores and the launch of standalone and integrated in-store locations within BinDawood and Danube stores, underscoring the strength of BDH's expansion strategy.

Distribution Business:

The Distribution Business also made a notable contribution to BDH's revenue in Q2 2025 since it was not reflected in the Q2 2024 numbers, having been acquired in Q3 2024.

Tech Business:

The tech segment grew modestly in Q2 2025, driven by strong performance from Ykone's Middle East operations and the full integration of its Indian business. IACo also contributed through increased online sales.

Gross profit rose 11.0% year-on-year to SAR 533.3 million in Q2 2025, supported by margin expansion from the integration of higher-margin Distribution and Retail Pharma Businesses—both exceeding traditional grocery margins. Further uplift came from higher supplier rebates as a result of improved negotiated terms.

OPEX: OPEX rose in absolute terms in Q2 2025 over Q2'24 due to the consolidation of the Retail Pharma and Distribution Business. However, even the ratio of OPEX to revenue increased to 30.8% in Q2 2025 as compared with 26.9% in Q2 2024 due to the costs associated with the newly opened stores which are still to ramp up fully.

Net profit for Q2 2025 declined to SAR 50.5 million from SAR 75 million in Q2 2024, primarily due to higher OPEX, lower finance income and increased finance costs related to the Retail Pharma acquisition.

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 Trading 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 KSA, 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 Business): 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 (Zahrat or Retail Pharma): 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 185 pharmacies spread throughout KSA.

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