BinDawood Holding Reports Stellar Q1 2026 Results: A Triumph of Strategic Agility

BinDawood Holding Outpaces Expectations in Q1 2026

Key Strategic and Financial Highlights

- **Blending Heritage with Innovation: BinDawood Holding (BDH) Secures a Promising Start to 2026**
  BDH has set a strong tone for the year, delivering a solid first-quarter performance driven by strategic expansion and revenue growth. This momentum, particularly in Q1, testifies to the resilience of the group.
- **Strategic Revenue Drivers: Core Retail and Diversified Segments Power Q1 Gains**
  Top-line revenue grew approximately 8.2% year-on-year, propelled by the strength of core retail operations, alongside steady gains in the Retail Pharmacy segment and an accelerated contribution from Ykone.
- **Efficiency in Action: Streamlined Workflows and High-Margin Focus Expanded Profit**
  Operating profit rose by around 18.8% compared to Q1 2025, reflecting ongoing efforts to improve efficiency and optimize the portfolio mix.
- **Cross-Segment Excellence: Grocery, Pharmacy, Distribution, and Tech Secure Positive Earnings**
  Each of the Group's core divisions—Retail Grocery, Retail Pharmacy, Distribution, and Technology—delivered positive earnings this quarter. This collective profitability underscores the inherent stability and synergy of our diversified portfolio.
- **Evolving with the Consumer: Synchronized Excellence Expands BinDawood's Market Footprint**
  Market share reached new heights as the Group synchronized operational excellence with an expanding retail footprint. This growth reflects a clear alignment between our service offerings and the evolving preferences of our customer base.
- **BDH H2 2025 Cash Dividend Announcement**
  BDH announces a cash dividend distribution for the second half of the 2025 financial year at a rate of SAR 0.04 per share.
- **Unlocking Synergy: Progressing M&A Targets and Widening Retail Reach**
  - **Strategic Acquisition of Vaza Foods Company (VFC):** Signed in April 2026; integration is expected to conclude by the end of Q2 2026, with value realization commencing from H2 2026 onwards.
  - **Wonder Bakery LLC (WB) Progression:** Steady momentum toward completing the acquisition, with an estimated closing by the end of Q2 2026.
  - **Toys Triangle Integration:** Continued value extraction and contribution following the Q4 2025 portfolio inclusion.
  - **Network Expansion:** Active scaling of both grocery and healthcare storefronts, deepening the Group's geographic reach, with the addition of 8 pharmacy stores and 3 grocery stores during 2026 YTD.

Jeddah, Saudi Arabia, 11th May 2026 – BinDawood Holding Company – a Saudi Joint Stock Company – ("the Company") and its subsidiaries ("the Group") (Tadawul: 4161) is one of the Kingdom of Saudi Arabia's leading retail groups, anchored by the well-known Danube and BinDawood hypermarket, supermarket, and convenience store brands. Its core retail ecosystem is complemented by its Distribution Segment, including the recently acquired Toy Triangle, a GCC-wide toy developer and distributor with over 30 years of experience, as well as the Zahrat Retail Pharmacy chain. The Company also invests in technology through its wholly owned subsidiary, Future Technology Retail (FTR). FTR's holdings in International Application Company (IACO), a dedicated online and loyalty engine, and Ykone SAS (Ykone), a global influencer marketing firm, further complement the core retail platform.

BDH continues to strengthen its market position through strategic M&A initiatives and the integration of innovative digital technologies. In this context, following the completion of an ongoing transaction expected by the end of Q2 2026, two additional companies — WB and VFC — will be integrated under the new Food Processing Division, further enhancing the Group's vertical integration and product offering.

Financial Highlights (SAR Million)

	Q1 2026	Q1 2025	%Up/(Down)	Q4 2025	%Up/(Down)
Revenue	1,811.4	1,674.4	8.2%	1,669.8	8.5%
Gross Profit	580.1	528.7	9.7%	583.0	-0.5%
Operating Profit	110.2	92.8	18.8%	146.9	-25.0%
Net Profit	71.3	65.7	8.4%	113.6	-37.3%

CEO Perspective: Q1 2026 Performance Review – Ahmad A.R. BinDawood, CEO

"Q1 2026 acts as a vital catalyst, accelerating the ongoing transformation of BinDawood Holding. Our performance in the first quarter of 2026 marks a decisive start to the year, characterized by disciplined execution and a clear alignment with our long-term strategic goals. We are successfully balancing our deep-rooted heritage with the agility required to lead in a modern, tech-driven retail landscape.

The financial health of the Group remains a key highlight. By focusing on high-margin segments and operational efficiency, we successfully translated 8.2% revenue growth into a 18.8% increase in operating profit. This margin expansion, supported by an uplift in our grocery segment, reflects disciplined execution and the effective use of AI-driven tools to optimize costs, enhance efficiency, and mitigate inflationary pressures.

In parallel, we remain vigilant amid the evolving geopolitical environment, with a strong focus on securing our supply chain. Proactive contingency measures have been implemented to ensure continuity and safeguard operational stability.

What is most encouraging this quarter is the collective strength of our diversified model. Seeing every core pillar—Grocery, Pharmacy, Distribution, and Technology—deliver meaningful contributions simultaneously reflects the synergy we have built across the Group. This alignment is not only supporting market share growth but also reinforcing investor confidence in BDH's brands.

Our focus now remains on the horizon. We are moving with purpose to finalize the integration of VFC and WB, while continuing to extract high value from our recent Toys Triangle inclusion. These steps, backed by a stable balance sheet and targeted investments in AI-driven retail technology, are essential to our commitment to deliver an unmatched shopping experience."

Financial Analysis: Q1 2026

Overall Revenue Analysis

BDH achieved a consolidated revenue increase of approximately 8.2% year-on-year in Q1 2026, signaling a promising start to the new fiscal year. This growth was primarily anchored by the Retail Grocery division and was further amplified by the continued scaling of the Retail Pharmacy segment. The Group's ability to maintain upward momentum across its Distribution and Technology verticals underscores the success of its diversified business model and its focus on high-margin, synergetic revenue streams.

- **Retail Segment**

  Grocery

  The Retail Grocery division delivered steady growth supported by a foundation of stable consumer demand and optimized store-level performance. By refining operational efficiencies across its existing network, the segment has successfully enhanced the performance of its physical footprint, ensuring consistent contributions to the Group's top-line stability.

  Pharmacy

  The Retail Pharmacy segment continued to drive incremental growth delivering strong revenue performance. The segment is effectively leveraging the "store-within-a-store" model alongside standalone store expansion, benefiting from the strong footfall of the BinDawood and Danube brands. This momentum underscores its evolution into a core pillar of the BDH ecosystem, enhancing access to high-value healthcare services for the Group's customer base.

- **Distribution Segment**

The Distribution segment delivered strong growth driven by the integration of Toy Triangle and the addition of new brands in JTC such as Samsung and renowned food brands. This performance reflects improved supply chain integration, operational efficiencies, and a more agile route to market, supporting both internal needs and external demand.

- **Technology Segment**

The Technology vertical delivered strong growth driven by exceptional performance at Ykone and steady contribution from IACO. Ykone's expansion was further supported by the acquisition of Mirror Mirror and Barcode. Beyond revenue, the segment continues to support the Group's digital transformation, enhancing margins through advanced data insights and marketing technology solutions.

Gross Profit reached SAR 580.1 million, representing a 9.7% increase, with gross margin increasing by 0.4% to reach 32.0% in Q1 2026, reflecting the Group's disciplined approach to margin preservation amid evolving market conditions. This was supported by improved supplier investments, proper recognition of pharmacy targets and rebates in line with Group policy, and a diversified distribution portfolio delivering stable margins. Additionally, optimized product mix and enhanced procurement efficiencies helped mitigate external cost pressures, ensuring resilient core profitability.

Operating expenses reached SAR 471.7 million, up 7.6% from SAR 438.5 million in Q1 2025. This increase was primarily driven by the full-year impact of the Retail Pharmacy segment following its acquisition in February 2025 and the consolidation of Toy Triangle within the Distribution segment from Q4 2025. The growth also reflects continued investment in physical and digital infrastructure, including the full-period costs of stores opened during 2025 and the scaling of the mega dark store beyond its pilot phase.

Operating profit grew 18.8% to SAR 110.2 million (vs. 2025: SAR 92.8 million), propelled by a stronger, diversified portfolio and the continued contribution of accretive acquisitions.
The enhanced margin profile effectively absorbed a 7.6% rise in OPEX linked to infrastructure and expansion. Importantly, the core grocery segment sustained a stable OPEX-to-sales ratio despite accelerated store rollouts—reflecting strong operating leverage, disciplined cost management, and resilient, high-quality earnings growth.

Net profit grew by 8.4%, reaching SR 71.3mn, primarily driven by steady top-line performance that translated into a 18.8% rise in operating profit. This strengthened operating core comfortably absorbed the increased finance costs associated with the addition of new leases, as well as the debt funding utilized for Zahrat's acquisition in Q1 2025. Meanwhile, finance income declined, reflecting lower surplus cash levels following the strategic deployment of capital toward the Group's acquisition programme.

Financial Analysis: Q1 2026 compared to Q4 2025

Overall Revenue Analysis

On a sequential basis, BDH delivered revenue growth of approximately 8.5% versus Q4 2025, supported by a favorable seasonality shift in Q1 2026. Additional uplift came from new store contributions across the grocery and pharmacy networks in Q4 2025 and Q1 2026. Sustained momentum in the Distribution and Technology segments underscores the strength of the Group's multi-channel strategy and its focus on high-yield, integrated revenue streams.

- **Retail Segment**

  Grocery

  Top-line results for the period increased compared to Q4 2025, reflecting strong year-on-year growth. This growth was driven by new store openings and the full-period impact of locations launched in the previous quarter, alongside a favorable seasonal shift in Q1 2026. The Group also capitalized on increased seasonal consumer activity by enhancing operational execution to maximize throughput across its store network.

Pharmacy

The segment delivered strong results, driven by a significant step-change in scale following the addition of 7 independent pharmacies and full period impact of integrated stores in Q4 2025. This growth is a clear indicator of the vertical's high consumer resonance with the existing customer base of the core grocery operation. By maintaining this structural momentum across the newly expanded network, the Group remains positioned to broaden the segment's reach at an accelerated pace.

- **Distribution Segment**

The Distribution segment delivered strong growth compared to the prior quarter, supported by a favorable seasonality shift in Q1, the integration of Toy Triangle, and the addition of new brands. This reinforces its role as a reliable growth driver for the Group. The performance was further underpinned by enhanced supply chain integration, improved sourcing efficiencies, and a more agile route to market, effectively supporting both internal demand and external customers.

- **Technology Segment**

The Technology segment posted a reduction because for Ykone the bulk of financial activity is traditionally weighted toward the latter half of the year due to seasonal trends. By further aligning these digital assets, the Group is effectively increasing its footprint within the digital landscape and strengthening its recurring income streams.

Gross profit reached SAR 580.1 million in Q1 2026, compared to SAR 583 million in Q4 2025, representing a slight decline of 0.5%. The 2.9% decline in gross margin was primarily due to the recognition of supplier targets and rebates upon realization in Q4 2025, in line with industry practice. This reduction was partially offset by operational efficiencies and supply chain optimizations.

Operating expenses reached SAR 471.7 million, up 8% from SAR 436.8 million in Q4 2025. The increase was driven by the operational rollout of new locations in Q1 2026 and the full-period impact of the store network established in Q4 2025 across the Grocery and Retail Pharmacy chain.

Operating profit declined by 25% to SAR 110.2 million in Q1 2026 compared to Q4 2025, primarily due to the decline in gross margin and the increase in operating expenses as explained above.

Net Profit: Reflecting the decline in operating profit, net profit for the quarter stood at SAR 71.3 million, compared to SAR 113.6 million in the preceding period. This sequential softening was further impacted by borrowing costs associated with new leases and the retail pharmacy acquisition. A concurrent decline in finance income further weighed on the bottom line.

About BinDawood Holding Company:

BinDawood Holding: 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, operating 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.

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 has over 211 pharmacies spread throughout KSA.

***Wonder Bakery L.L.C (WB):** WB is a Dubai-based industrial-scale bakery specializing in fresh and frozen products for hotels, restaurants, cafés, airlines, and the retail sector. It operates from a state-of-the-art facility in Dubai Industrial City, producing bakery as well as hot and cold kitchen products. The Company serves GCC markets including Qatar, Bahrain, and Kuwait, with plans for international expansion, positioning it as a leading manufacturer in the fresh and frozen bakery segment. *The SPA was signed in December 2025, with legal formalities currently in progress to complete the acquisition.

****Vaza Food Company (VFC):** VFC is a Saudi based food manufacturing, retail and distribution company focused on confectionery, bakery and food segments. VFC operates through production facilities, cloud kitchens, retail outlets and direct to consumer channels, including third party aggregators, supported by quality control and operational systems. **The SPA was signed in April 2026, with legal formalities currently in progress to complete the acquisition.

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

Toy Triangle Company (TTC): TTC, a leading toy developer and distributor operating for over 30 years, maintains its market position through a wide Sales and Distribution network across the **GCC**. The company has established strong collaboration with suppliers and retail partners and is committed to accelerating regional toy industry growth.

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.

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