BinDawood Holding Accelerates Momentum in H1 2026: Delivering Operational Excellence

BinDawood Holding Company Records Exceptional H1 2026 Results, which is a Testament to Sustained Growth

Key Strategic and Financial Highlights

- **Revenue & Profitability Metrics**
  The Group delivered a strong H1 2026 performance, with revenue increasing by 9.7% year-on-year and operating profit rising by 22% compared with H1 2025. Growth was supported by resilient retail demand, continued momentum at Ykone and the contribution from Vaza Foods following its acquisition in June 2026.

- **Portfolio Expansion and Acquisitions**
  The Group continued to advance its strategic acquisition programme during H1 2026. The integration of Toy Triangle has been successfully completed and is contributing positively to earnings. The acquisition of Vaza Foods was completed on 1 June 2026 and has begun contributing to the Group's performance. The proposed acquisition of Wonder Bakery LLC continues to advance toward completion, which is expected during Q3 2026.

- **Retail Network Expansion**
  The Group further strengthened its retail network during H1 2026 by opening three Danube/BinDawood supermarkets and eight pharmacy outlets. The Group also secured strategic retail locations in Riyadh for future BinDawood stores, marking the brand's entry into the Riyadh market. One of these stores opened in July 2026.

- **Diversified Segments Performance**
  All core segments—Retail Grocery & Pharmacy, Distribution and Technology—delivered positive earnings contributions during the period, reflecting the strength and resilience of the Group's diversified business model.

- **Technology and International Expansion**
  Ykone continued to expand its international footprint in Europe and Asia. These investments strengthen the Group's global digital marketing capabilities and enhance its integrated technology, data and influencer marketing platform.

- **Operational Excellence**
  The Group advanced the development of its integrated meat processing facility, which is centralizing the sourcing, processing and distribution of premium imported beef. The facility is designed to improve operational efficiency, strengthen supply chain control and support both retail and B2B customers.

Jeddah, Saudi Arabia, 10th August 2026 – BinDawood Holding Company – a Saudi Joint Stock Company – ("the Company") and its subsidiaries ("the Group") (Tadawul: 4161), is a leading retail conglomerate in the Kingdom of Saudi Arabia, anchored by the Danube and BinDawood retail brands and the Zahrat pharmacy chain. The Group's operating model integrates this core retail base with a specialized Distribution Segment, featuring Toy Triangle, a regional developer and distributor. The Group's technology and innovation vertical, Future Technology Retail (FTR), manages investments including International Application Company (IACO), a dedicated online and loyalty engine and the global influencer marketing firm, Ykone SAS (Ykone).

The Group's growth strategy remains focused on vertical integration and the expansion of its portfolio through disciplined M&A. This activity includes the acquisition of Vaza Foods, which was consolidated into the Group effective June 2026 and the acquisition of Wonder Bakery LLC, which is expected to be completed and financially consolidated in Q3 2026. Both entities operate under the newly established Food Processing Division, further enhancing the Group's production capabilities and product depth.

Financial Highlights (SAR Million)

	H1 2026	H1 2025	%Up/(Down)	H2 2025	%Up/(Down)
Revenue	3,454.5	3,148.7	9.7%	3,199.3	8.0%
Gross Profit	1,156.5	1,062.0	8.9%	1,103.8	4.8%
Operating Profit	211.3	173.2	22.0%	222.5	-5.0%
Net Profit	124.4	116.2	7.1%	153.8	-19.1%
Net Profit attributable to Shareholders of the Issuer	119.7	119.0	0.6%	151.0	-20.7%

	Q2 2026	Q2 2025	%Up/(Down)	Q1 2026	%Up/(Down)
Revenue	1,643.0	1,474.3	11.4%	1,811.4	-9.3%
Gross Profit	576.4	533.3	8.1%	580.1	-0.6%
Operating Profit	101.1	80.4	25.7%	110.2	-8.3%
Net Profit	53.2	50.5	5.3%	71.3	-25.4%
Net Profit attributable to Shareholders of the Issuer	49.6	51.8	-4.3%	70.1	-29.3%

CEO Perspective: H1 2026 Performance Review – Ahmad A.R. BinDawood

"The first half of 2026 marks a period of disciplined consolidation and operational hardening for BinDawood Holding. Our performance during this period serves as a testament to the resilience of our diversified model, characterized by rigorous execution and unwavering alignment with our long-term

strategic objectives. We are successfully complementing our deep-rooted retail heritage with the agility required to compete and lead in an increasingly complex, tech-driven marketplace.

The Group's financial health remains a core highlight. We achieved a 9.7% year-on-year expansion in consolidated revenue, fueled by sustained core retail demand, strong performance of Ykone and the successful onboarding of Vaza Foods. This top-line growth, coupled with meticulous portfolio management and enhanced operational throughput, resulted in an operating profit improvement of 22% compared to the same period in 2025. This performance underscores our ability to scale our footprint while maintaining structural stability and long-term earnings potential.

In parallel, we remain vigilant in the rapidly evolving macro-environment. By prioritizing supply chain resilience and proactive contingency planning, we have safeguarded our operational continuity. Our strategy of vertical integration further bolstered by the establishment of our new Food Processing Division, positions us to be less reliant on external sources and, thereby, more resilient against market volatility.

What is most encouraging this half-year is the collective strength of our diversified ecosystem. Seeing every core pillar; Retail, Distribution, and Technology and newly acquired food processing segment, deliver meaningful, accretive contributions simultaneously reflects the powerful synergy we have built across the Group. This multi-channel approach is not only driving market share growth but also reinforcing our competitive positioning through enhanced data-driven insights.

As we look toward the second half of the year, our focus remains on the horizon. We are moving with purpose to finalize the acquisition of Wonder Bakery LLC and ensure the full financial consolidation of Vaza Foods. These steps, backed by a stable balance sheet and continued investment in our digital and physical infrastructure, are essential to our commitment to delivering an unmatched, data-informed shopping experience. We remain dedicated to creating sustainable value for our shareholders and delivering excellence to our customers".

Financial Analysis: H1 2026

Overall Revenue Analysis

The Group recorded a 9.7% year-on-year expansion in consolidated revenue for the first half of 2026. This trajectory was driven by core retail operations and augmented by the strategic integration of recent portfolio additions, including Vaza Foods and the full-period contribution from Retail Pharmacy (acquired in Feb 2025) and Toy Triangle (acquired in Q4 2025). The Group's ability to generate consistent top-line growth across the Distribution and Technology segments demonstrates the efficacy of our vertical integration and our commitment to high-value, synergetic expansion.

- **Retail Segment**

  Grocery

  In H1 2026, the Retail Grocery division delivered balanced and steady growth, driven by increased customer traffic, an enhanced in-store shopping experience and continued expansion of the Group's customer value proposition. Improvements in product availability, store navigation and personalized customer engagement contributed to higher shopping frequency and stronger customer retention.

- **Pharmacy**
  The Retail Pharmacy segment reported higher revenue in H1 2026 compared with H1 2025, primarily driven by the full six-month contribution from the acquired pharmacy segment following its consolidation in February 2025, compared with a partial contribution in the prior-year period. Although performance in Q2 softened due to changes in the sales mix in line with industry trends, coupled with modifications to the Wasfaty program, the segment remains an important strategic platform within the BDH ecosystem, underpinning the Group's long-term healthcare expansion strategy and customer engagement initiatives.

- **Distribution Segment**
  The Distribution segment recorded a significant uplift in H1 2026, primarily due to the full-period integration of Toy Triangle and the addition of key non-food brands and various food lines into the distribution portfolio. By refining our supply chain and increasing the speed of our delivery networks, we have effectively met both internal group requirements and rising external market demand. This focus on operational efficiency and broader brand partnerships has allowed the segment to consistently contribute to our overall revenue expansion.

- **Technology Segment**
  The Technology segment posted significant gains, anchored by the stellar performance of Ykone and a stable contribution from IACO. Ykone's growth was further amplified by the full-cycle benefit of prior acquisitions and fresh operational scaling initiated in the second quarter. More than just a revenue source, this division functions as the primary architect of the Group's digital evolution, utilizing deep-data intelligence and specialized marketing tools to widen profit margins across the segment.

Gross Profit grew 8.9% to SAR 1,156.5 million. While the gross margin experienced a slight contraction of 0.2% to 33.5%, this outcome remains consistent with our stated guidance and commitment to margin protection in a shifting market. This performance was underpinned by sustained supplier contributions, the proper application of group-wide policies regarding pharmacy rebates and targets, the contribution by Vaza Foods following its consolidation late in the period and operational improvements within IACO. By refining our product assortment and improving procurement precision, we successfully neutralized external cost headwinds, maintaining the stability of our core profitability.

Operating expenses increased 6.2% to SAR 948.0 million (H1 2025: SAR 892.4 million), reflecting the full-period consolidation of Retail Pharmacy, up from partial inclusion in H1 2025 and the full inclusion of Toy Triangle, following its acquisition in Q4 2025. The increase also reflects the normalized operating cost base of the Group's 2025 expansion, including new supermarkets, pharmacy outlets, the scaling of the mega dark store into full commercial operations, and the one-month consolidation of Vaza Foods following its acquisition on 1 June 2026.

Operating profit grew 22% to SAR 211.3 million, up from SAR 173.2 million in the prior-year period, driven by a more diversified portfolio and the earnings contribution from recent acquisitions. Within the core grocery and tech segment, the OPEX-to-sales ratio improved, demonstrating strong operating leverage and disciplined cost oversight. Conversely, the pharmacy segment reported an increased OPEX-to-sales ratio, reflecting the integration phase of the expanded network.

Net profit increased by 7.1% to SR 124.4 million, supported by resilient revenue growth and a 22% increase in operating profit. The stronger operating performance helped absorb higher finance costs associated with new lease liabilities and acquisition financing, while lower finance income reflected the strategic deployment of surplus cash towards new acquisitions.

Financial Analysis: Q2 2026 compared to Q2 2025

Overall Revenue Analysis

BDH delivered a 11.4% year-on-year increase in sales in Q2 2026, driven primarily by growth in its core Retail Grocery segment and the contribution from Toy Triangle, which was acquired in Q4 2025 and forms part of the Group's Distribution segment, together with an initial revenue contribution from the newly acquired Vaza Foods. Growth was further supported by the Technology segment, with Ykone delivering improved performance across the US, Asia and Europe.

- **Retail Segment**

  Grocery

  Q2 2026 revenue significantly outpaced Q2 2025, driven by both organic footprint expansion and the full-period contribution of late-2025 store launches. This growth was further accelerated by a more intuitive shopping journey and heightened customer engagement, which collectively delivered an uplift in transaction frequency. Ultimately, our success in converting seasonal traffic into loyal, high-frequency visits validates the efficacy of our growth strategy in securing sustained top-line advancement.

  Pharmacy

  The Pharmacy segment’s revenue profile in Q2 2026 reflects a strategic shift following modifications to the Wasfaty program. While these changes resulted in lower top-line contributions compared to Q2 2025, the impact was successfully mitigated by a surge in core retail pharmacy performance. This transition toward higher-margin retail sales has improved the segment’s profitability, validating the resilience of our expanded store network. By prioritizing value-added retail transactions over volume-heavy program mandates, the segment has successfully recalibrated its financial foundation for more sustainable, margin-accretive growth.

- **Distribution Segment**

  The Distribution division realized notable gains against the prior-year period, largely credited to the inclusion of the Toy Triangle acquisition and a broader product lineup. This trajectory reaffirms the segment's capacity to drive consistent revenue for the Group. Enhanced sourcing capabilities and greater logistical fluidity have optimized our operational framework, allowing us to seamlessly fulfill our own retail requirements while simultaneously addressing wider market demand.

- **Technology Segment**

  The Technology segment posted an increase in performance, fueled primarily by the scaled-up operations at Ykone following recent expansions, while IACO maintained a stable revenue contribution. Beyond these gains, the division is effectively broadening our reach within the digital landscape, systematically building more resilient and recurring income streams through the strategic application of its proprietary assets.

Gross profit for Q2 2026, reached SAR 576.4 million, reflecting a 8.1% increase over the SAR 533.3 million recorded in the same period last year. The 1.1% contraction in gross margin reflects the ongoing impact of a highly competitive retail landscape coupled with evolving consumer spending patterns and external cost headwinds. These external pressures were partially offset by consistent operational efficiencies and supply chain optimizations, which ensured that core profitability remained resilient despite the shifting market environment.

Operating expenses totaled SAR 476.3 million, a 4.9% increase from SAR 453.9 million in Q2 2025. This rise reflects the ongoing expansion of our store network, including the rollout of new locations during the quarter and the full-period operating costs of sites established since the second quarter of last year across both the Grocery and Retail Pharmacy divisions. Furthermore, the figures incorporate the consolidation of Toy Triangle, now reflected on a full-period basis, alongside the initial integration of Vaza Foods following its acquisition in June 2026.

Operating profit for the second quarter increased by 25.7% to SAR 101.1 million, up from SAR 80.4 million in the prior-year period. This growth, despite a contraction in gross margin, was largely driven by an increase in revenue and a more efficient OPEX-to-sales ratio in core grocery and tech segments, reflecting improved cost discipline across the group entities.

Net profit for the quarter reached SAR 53.2 million, an increase from SAR 50.5 million in the same period last year. This growth reflects the conversion of top-line performance into core earnings, though the final result was tempered by higher borrowing costs linked to new lease obligations and the financing for recently acquired subsidiaries. Additionally, a decline in finance income, a direct consequence of the Group’s strategic capital allocation and debt-funded expansion further impacted 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 209 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.

Jumairah Trading Company (JTC or Distribution Segment): JTC is engaged in wholesale, retail and distribution of products. It operates through four divisions - luggage, food, toys and household goods- 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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