

FY2021 Financial Results

BinDawood Holding reports Q4 and FY 2021 Financial Results

Jeddah, Saudi Arabia; 30 March 2022 – BinDawood Holding Co. (Tadawul: 4161 and the “Company”), one of the leading grocery retail operators of hypermarkets and supermarkets in the Kingdom of Saudi Arabia (“KSA”), today reported its fourth quarter and full year 2021 financial results.

Financial Highlights (SAR Millions)

	FY2021	FY2020	% Up / (Down)	FY2019
Revenue	4,382.2	5,156.5	-15.0%	4,843.8
Gross Profit	1,438.9	1,671.9	-13.9%	1,644.5
Net Profit	240.6	447.7	-46.3%	419.1
	Q4 2021	Q4 2020	% Up / (Down)	Q4 2019
Revenue	1,057.1	1,113.2	-5.0%	1,220.3
Gross Profit	268.9	359.1	-25.1%	421.8
Net Profit	13.2	57.4	-77.0%	123.9

- Board of Directors approved second half dividend of SAR 0.65 per share, totaling SAR 74.295 million
- Cash balance of SAR 484.1 million, with no bank debt

Comments from Ahmad AR. BinDawood, CEO of BinDawood Holding:

“Notwithstanding a testing year of ongoing macroeconomic challenges, we made continued progress in the execution of our key strategic priorities for 2021 and beyond. We invested in four new store openings, with a commitment to reach 100 by 2024. We invested in inventory technology, distribution and talent. We recently announced the signing of a definitive agreement through our subsidiary, Future Technology Retail, to purchase a majority stake in our e-grocery platforms and are committed to investing up to SAR 160m over a two-year period in recognition of a paradigm shift in grocery shopping and the need to strengthen our omnichannel approach. Most importantly, we used this period to reset many relationships with our suppliers and ensure a more sustainable future for both parties.

Despite working hard to minimize uncertainty and complications, the pandemic continued to directly impact our sales. We did not see the anticipated return of travelers to Makkah and Madinah; we were unable to launch our regular promotions and we felt the onset of inflation and some supply chain disruptions.

2021 was never going to replicate 2020, an exceptional year for the industry, driven by pantry buying as a result of the pandemic and the increase in VAT. Our gross margin is consistent in 2021 even without the full benefit of the Makkah and Madinah stores which are some of the most productive stores in the Company's portfolio.

We are hoping for a more settled period now after a two-year disruption. If religious travellers return and if we are allowed to undertake promotional campaigns as before, we expect our performance to improve given all the investment and forward planning we have undertaken."

Financials: FY 2021

Revenue for the full year 2021 is SAR 4,382.2 million versus SAR 5,156.5 million in 2020.

Danube and BinDawood supermarkets sales decline were primarily driven by lower H1 sales as compared to the same period in 2020, which benefited enormously from pantry-buying in response to the pandemic lockdowns and the lead-up to the VAT hike. In addition, the Company's sales performance continued to be impacted by pandemic travel restrictions leading to a lack of pilgrim inflow during Umrah, Hajj and Ramadan seasons and store restrictions in the Makkah and Madinah area, coupled with the lack of promotional campaigns such as Back to School, year-end and food festivals.

Danube supermarkets contributed revenue of SAR 3,173 million in 2021 as compared to SAR 3,655.5 million in 2020. H2 2021 sales were SAR 1559.9 million versus SAR 1,609.5 million in H2 2020.

BinDawood supermarkets contributed revenue of SAR 1,209.2 million in 2021 as compared to SAR 1,500.9 million in 2020. H2 2021 sales were SAR 575 million versus SAR 586.2 million in H2 2020.

Gross profit for the full year 2021 was SAR 1,438.9 million versus SAR 1,671.9 million in 2020 and despite the drop in absolute terms, the Company posted a higher gross profit margin of 32.8% in 2021 as compared to 32.4% in 2020. The increase was due to stringent wastage and shrinkage controls and improvement in pricing and procurement efficiency.

Operating expenses for the full year 2021 were broadly in line with 2020, despite opening four new stores in 2021 and the full cost impact of the stores opened in 2020. In 2021, the Company had no Covid-19 related relief support, whereas, in 2020, SAR 15.5 million was secured in the form of bank fee waivers and subsidized electricity charges.

Other income increased significantly due to the recording of one-time store rental relief amounting to SAR 64.72 million. The corresponding figure for 2020 was SAR 27.6 million. Net profit for the full year 2021 is SAR 240.6 million versus SAR 447.7 million in 2020.

Cash generated from operations during 2021 was SAR 710.2 million and the year-end cash balance was SAR 484.1 million with no bank debt after total payment of SAR 142.9 million dividend.

During the full year 2021, the Company opened four new Danube stores in Jeddah, Khobar and Makkah taking the tally of stores to 78, of which 51 are Danube and 27 are BinDawood stores.

This week, the Company announced the signing of a definitive agreement - via its subsidiary, Future Technology Retail- to acquire 62% of the shares of International Applications Trading Company (IATC) which developed and operates the Danube Online e-commerce platform and online mobile applications of the Danube and BinDawood brands in addition to the provision and management of services relating to the online platform and mobile applications. The transaction is subject to customary closing conditions and completion of regulatory review and is expected to close in the second half 2022. The acquisition is strongly aligned with BinDawood Holding's objectives to enhance its position in e-commerce, optimize operations and fortify its omnichannel presence, poising the business for future growth.

Financials: Q4 2021

Revenue for the fourth quarter 2021 was SAR 1,057.1 million versus SAR 1,113.2 million in Q4 2020.

Danube sales Q4 2021 were SAR 752.3 million versus SAR 812.6 million in Q4 2020.

BinDawood sales Q4 2021 were SAR 304.8 million versus SAR 300.6 million in Q4 2020. The inability to hold promotional campaigns such as 'Back to School' and year-end campaigns had a greater impact on Danube sales than on BinDawood sales.

Gross profit for Q4 2021 was SAR 268.9 compared to SAR 359.1 million in Q4 2020, reflecting a gross profit margin of 25.4% versus 32.3% respectively. The sharp fall was specifically due to lower than anticipated sales resulting in cumulatively lower volume discounts from suppliers than previously assumed.

Operating expenses for Q4 2021 are SAR 296.9 million compared to SAR 296.8 million during Q4 2020.

Net profit for the fourth quarter 2021 is SAR 13.2 million compared to SAR 57.4 million in Q4 2020.

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About BinDawood Holding Co.

BinDawood Holding is one of the leading grocery retail operators of hypermarkets and supermarkets in the Kingdom of Saudi Arabia. The Company has a total of 78 stores of which 52 are hypermarkets and 26 are supermarkets, each located strategically across KSA, operating two complementary brands: BinDawood and Danube.

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