

Q1 2022 Financial Results

BinDawood Holding's sales boost leads to improved Q1 2022 profit

BinDawood and Danube supermarkets posts higher sales

BinDawood Holding acquires majority share in e-grocery partner

Jeddah, Saudi Arabia; 23 May 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 first quarter 2022 financial results.

Financial Highlights

(SAR M)	Q1 2022	Q1 2021	% Up / (Down)		Q4 2021	% Up / (Down)
Revenue	1,175.2	1,124.4	4.5%		1,057.1	11.2%
Gross Profit	383.7	373.4	2.8%		268.9	42.7%
Net Profit	65.5	62.1	5.5%		13.2	396.2%

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

"We are finally beginning to see a marked improvement in trading. The removal of [the majority of] the pandemic restrictions stipulated by the government has seen a return of pilgrims to the Holy Sites of Makkah and Madinah, as well as the more regular tourist and business travelers. Additionally, greater freedom of movement for the local population has led to higher consumer spending in general, and more specifically, an increase in footfall through our stores.

"Our Q1 revenue is SAR 1.2bn, which is 4.5% higher year-on-year and 11.2% sequentially. The gains were driven primarily by the return of Sha'ban and Back to School seasons. In addition, the BinDawood Haramain stores, located in Makkah and Madinah, benefitted from the government lifting all restrictions on pilgrims performing Umrah. The higher revenue has translated into significantly higher profitability. The net profit of SAR 65.5m is 5.5% higher year on year and 396.2% sequentially.

"We are also pleased to have signed a definitive agreement for the acquisition of International Apps (IATC), the company which developed and operates our two ecommerce channels. The transaction is subject to customary closing conditions and completion of regulatory review and is expected to close in the second half of 2022. We plan to invest up to SAR 160m more over a two-year period to further support the platform and roll-out a network of state-of-the-art dark stores and fulfillment centers. It's a strategic acquisition for us, enabling BinDawood Holding to plan and control the future growth of its business in an increasingly digitally-connected world."

Financials: Q1 2022

Revenue in Q1 2022 was SAR 1,175.2 million, up 4.5% as compared to the same period last year. On a sequential basis, revenue increased by 11.2%, from SAR 1,057.1 million in Q4 2021.

The primary driver behind the increase in revenue was the return of Sha'ban and Back to School seasons. In addition, the BinDawood Haramain stores, located in Makkah and Madinah, benefitted from the government lifting all restrictions on pilgrims performing Umrah.

Gross profit for Q1 2022 was SAR 383.7 million as compared to 373.4 million in Q1 2021 and SAR 268.9 million in Q4 2021. Gross margin of 32.6% in Q1 2022 was marginally lower than the 33.2% margin achieved in Q1 2021 due to the return of the regular marketing campaign schedule, but far higher than the 25.4% posted in Q4 2021, which reflected the cumulative impact of lower supplier rebates on lower sales.

Operating expenses in Q1 2022 were SAR 312.8 million versus SAR 288.6 million in Q1 2021 and SAR 296.9 million in Q4 2021. The year-on-year increase reflects the impact of new store openings during 2021. The sequential increase was due to staff related costs and expenses.

The Company's Q1 2022 net profit was SAR 65.5 million versus SAR 62.1 million for the same period last year, which also reflected rental relief of SAR 17.1 million which offset the slight reduction in gross margin and the increase in operating expenses, as explained above

The Company's financial position continued to be strong with no bank debt. Cash generated from operations in Q1 2022 was SAR 420.1 million versus SAR 214.6 million in Q4 2021.

As of 31 March 2022, the Company had a cash balance of SAR 778.6 million, which represented an increase of 60.8% as compared to 31 December 2021.

On 27 March 2022, 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, subject to customary closing conditions and completion of regulatory review, is expected to close in H2 2022. The acquisition is 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.

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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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