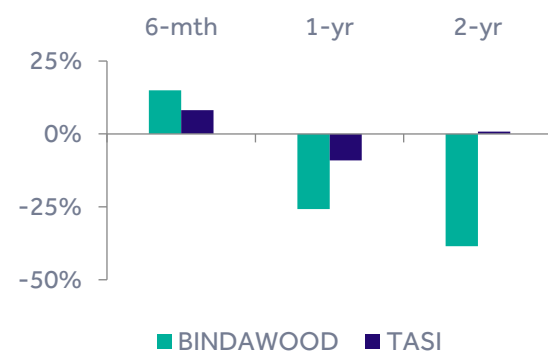


Market Data	
52-week high/low	SAR 9.06/4.47
Market Cap	SAR 7,544 mln
Shares Outstanding	1,143 mln
Free-float	20.0%
12-month ADTV	1,886,684
Bloomberg Code	BINDAWOO AB



## Haramain Stores Lead 2Q Earnings

August 17, 2023

Upside to Target Price	6.1%	Rating	Neutral
Expected Dividend Yield	3.2%	Last Price	SAR 6.60
Expected Total Return	9.3%	12-mth target	SAR 7.00

BDH	2Q2023	2Q2022	Y/Y	1Q2023	Q/Q	RC Estimate
Sales	1,412	1,221	16%	1,381	2%	1,423
Gross Profit	452	378	20%	417	9%	432
Gross Margins	32%	31%		30%		30%
Operating Profit	90	65	38%	76	18%	82
Net Profit	66	42	55%	52	26%	57

(All figures are in SAR mln)

- BDH's top-line grew by +16% Y/Y and +2% Q/Q to SAR 1.4 bln, matching our estimates, on the back of higher number of pilgrims as well as targeted marketing campaigns across both banners. Sales were positively impacted by an increase in total transactions by +17% Y/Y and +5% Q/Q to 14.6 mln, despite a drop of -6% Y/Y and -3% Q/Q in basket size to SAR 91.4. For 1H2023, higher pilgrims for Hajj and in Ramadan resulted in BinDawood stores showing a strong growth Y/Y (+17%) supported by sales from Haramain stores.
- Gross Profit is up +20% Y/Y and +9% Q/Q to SAR 452 mln. Gross margins improved to 32% this quarter, expanding by +105 bps Y/Y and +186 bps Q/Q due to better product mix and better contractual terms with suppliers.
- Opex was at SAR 364 mln versus SAR 315 mln in 2Q2022 and SAR 342 mln in 1Q2023, the increase was attributed to a new store opening in Jeddah and the resizing of the Taiba store in Madinah.
- BDH's bottom-line rose significantly both Y/Y and Q/Q to SAR 66 mln, close to our estimates. We increase our target price to SAR 7.00 but maintain our Neutral rating.

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## Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors  
For any feedback on our reports, please contact [research@riyadcapital.com](mailto:research@riyadcapital.com)

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