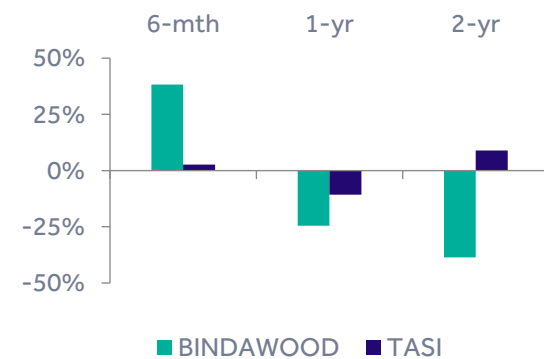


Market Data	
52-week high/low	SAR 92.70/44.70
Market Cap	SAR 7,772 mln
Shares Outstanding	114 mln
Free-float	20.0%
12-month ADTV	184,085
Bloomberg Code	BINDAWOO AB



## Rent Relief Absence Hits Earnings

May 25, 2023

Upside to Target Price	(7.4%)	Rating	Neutral
Expected Dividend Yield	2.6%	Last Price	SAR 68.00
Expected Total Return	(4.8%)	12-mth target	SAR 63.00

BDH	1Q2023	1Q2022	Y/Y	4Q2022	Q/Q	RC Estimate
Sales	1,381	1,175	18%	1,318	5%	1,358
Gross Profit	417	384	9%	368	13%	391
Gross Margins	30%	33%		28%		29%
Operating Profit	76	73	5%	40	91%	75
Net Profit	52	65	(20%)	65	(20%)	62

(All figures are in SAR mln)

- BDH's top-line grew by +18% Y/Y and +5% Q/Q to SAR 1.4 bln, matching our estimates on the back of greater number of pilgrims and Ramadan season sales. This was positively impacted by an increase in total transactions by +24% Y/Y and +8% Q/Q to 13.9 mln despite a -9% Y/Y drop in basket size to SAR 94.3.
- 1Q Gross Profit is up +9% Y/Y and +13% Q/Q to SAR 417 mln. Gross margin contracted to 30% this quarter, down -248 bps Y/Y but expanded by +224 bps Q/Q due to better product mix, lower inflationary conditions and better contractual terms with suppliers.
- Opex of SAR 342 mln was up +9% Y/Y and +4% Q/Q coupled with a decline of -12% Y/Y and Q/Q in Other Operating Income while EBIT rose +5% Y/Y and +91% Q/Q to SAR 76 mln, matching our estimates.
- BDH's bottom-line declined -20% both Y/Y and Q/Q to SAR 52 mln, missing our estimates of SAR 62 mln and market consensus of SAR 56 mln. This is mainly attributed to absence of rent relief. We maintain our target price of SAR 63.00 and Neutral rating as the margins remains weak despite a bullish top-line outlook. Higher sales emanating from Haramain stores on the back of higher pilgrims is likely to lead to higher footfall.

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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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