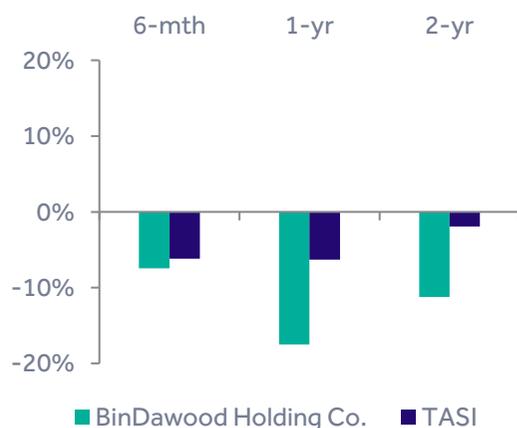


Market Data	
52-week high/low	SAR 8.06 / 5.55
Market Cap	SAR 6,949 mln
Shares Outstanding	1,143 mln
Free-float	26.54%
12-month ADTV	1,520,440
Bloomberg Code	BINDAWOO AB



## New Acquisitions Change Margins

Upside to Target Price	6.9%	Rating	Neutral
Expected Dividend Yield	3.3%	Last Price	SAR 6.08
Expected Total Return	10.2%	12-mth target	SAR 6.50

May 28, 2025

BDH	1Q2025	1Q2024	Y/Y	4Q2024	Q/Q	RC Estimate
Sales	1,674	1,473	14%	1,426	17%	1,497
Gross Profit	529	451	17%	513	3%	472
Gross Margins	32%	31%		36%		32%
Operating Profit	93	83	11%	127	(27%)	85
Net Profit	66	61	9%	110	(40%)	61

(All figures are in SAR mln)

- BDH's top-line moved higher by +14% Y/Y and +17% Q/Q, with revenues of SAR 1.7 bln, higher than our more conservative estimate. The Y/Y growth was driven by revenue from FTR, the Distribution Business, and now, partial contributions from the Pharmacy Business (Zahrat Pharmacies LLC). We also note, that store expansions completed in 2024, also had a positive impact on revenues, as well as partial contributions from stores opened in 1Q2025.
- 1Q25 gross profit increased by +17% Y/Y and +3% Q/Q, to SAR 529 mln, higher than our estimate. The differential versus our estimate was driven by higher margins from BDH's newly acquired Pharmacy Business. Specifically, margins improved to 32%, up by +90 bps Y/Y, driven by higher margin segments. 1Q25 Opex was SAR 438.5 mln (26.2% of sales) vs. SAR 369.5 mln (25.1% of sales) for 1Q24. Management attributed these higher costs to the acquisition of Zahrat.
- BDH reported a 1Q25 bottom-line of SAR 66 mln vs. SAR 61 mln in 1Q2024 and a net profit of SAR 110 mln in 4Q2024, coming in slightly higher than our estimate; on greater than expected growth in revenues and in gross margins. We lower our target price based on the growth in Opex, but maintain our rating, while acknowledging continued expansion, into distribution, and now, the Retail Pharmacy Sector with Zahrat, as a potential margin expanding game-changer.

**Brennan Eatough**  
 brennan.eatough@riyadcapital.com  
 +966-11-203-6808

## 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)

Riyad Capital is a Saudi Closed Joint Stock Company with Paid up capital of SR 500 million, licensed by the Saudi Arabian Capital Market Authority NO.07070-37. Commercial Registration No: 1010239234. Head Office: Granada Business Park 2414 Al-Shohda Dist. – Unit No 69, Riyadh 13241 - 7279 Saudi Arabia. Ph: 920012299. The information in this report was compiled in good faith from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated in this report are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable. Riyad Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Riyad Capital does not represent that the information in this report is complete or free from any error. This report is not, and is not to be construed as, an offer to sell or solicitation of an offer to buy any financial securities. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this report. Riyad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Riyad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Riyad Capital or its employees or any of its affiliates or clients may have a financial interest in securities or other assets referred to in this report. Opinions, forecasts or projections contained in this report represent Riyad Capital's current opinions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections which represent only one possible outcome. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified and future actual results or events could differ materially. The value of, or income from, any investments referred to in this report may fluctuate and/or be affected by changes. Past performance is not necessarily an indicative of future performance. Accordingly, investors may receive back less than originally invested amount. This report provides information of a general nature and does not address the circumstances, objectives, and risk tolerance of any particular investor. Therefore, it is not intended to provide personal investment advice and does not take into account the reader's financial situation or any specific investment objectives or particular needs which the reader may have. Before making an investment decision the reader should seek advice from an independent financial, legal, tax and/or other required advisers due to the investment in such kind of securities may not be suitable for all recipients. This research report might not be reproduced, nor distributed in whole or in part, and all information, opinions, forecasts and projections contained in it are protected by the copyright rules and regulations.