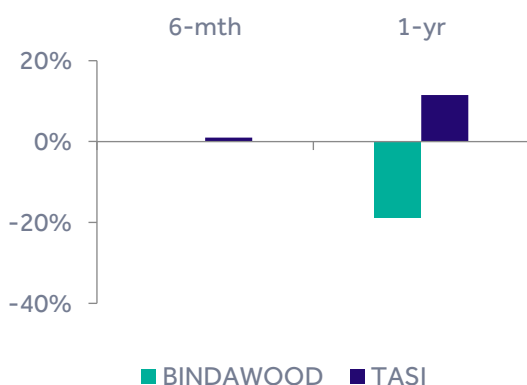


Market Data	
52-week high/low	SAR 113.8/81.8
Market Cap	SAR 9,693 mln
Shares Outstanding	114 mln
Free-float	20.0%
12-month ADTV	126,811
Bloomberg Code	BINDAWOO AB



NI Impacted by Lower Margins

August 25, 2022

Upside to Target Price	28.5%	Rating	Buy
Expected Dividend Yield	2.4%	Last Price	SAR 84.80
Expected Total Return	30.9%	12-mth target	SAR 109.00

BDH	2Q2022	2Q2021	Y/Y	1Q2022	Q/Q	RC Estimate
Sales	1,221	1,123	9%	1,175	4%	1,269
Gross Profit	378	399	(5%)	384	(1%)	419
Gross Margins	31%	36%		33%		33%
Operating Profit	65	117	(45%)	73	(11%)	104
Net Profit	42	95	(55%)	65	(35%)	78

(All figures are in SAR mln)

- BDH's top-line saw a +9% Y/Y and +4% Q/Q growth to SAR 1.2 bln for 2Q2022, matching our forecast. The increase in top-line was attributed to higher footfall for both Danube and BinDawood due to higher pilgrims.
- Gross Profit fell by -5% Y/Y and -1% Q/Q to SAR 378 mln. Gross margin contracted on both yearly and quarterly basis by -460 bps and -167 bps respectively to 31% due to the promotional Ramadan season and loyalty program campaigns. Net margins at 3.5% this quarter, fell on both yearly and quarterly basis by -499 bps and -210 bps respectively.
- EBIT fell by -45% Y/Y and -11% Q/Q to SAR 65 mln due to the new stores and costs associated with stores in the process of opening as well as costs related to the acquisition of IATC and Ykone.
- BDH has rolled out Danube Express stores at Jeddah and Makkah Haramain High Speed Railway Stations in 3Q, the first express store model for Danube with two more stores to be open soon.
- BDH bottom-line saw a significant decline by -55% Y/Y and -35% Q/Q to SAR 42 mln due to lower margins. We maintain our target price of SAR 109.00 and our Buy rating on the stock as we believe the company will benefit soon from its M&A activities.

Abdullah D Alharbi
 abdullah.ulihan.alharbi@riyadcapital.com
 +966-11-486-5680

■ 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

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