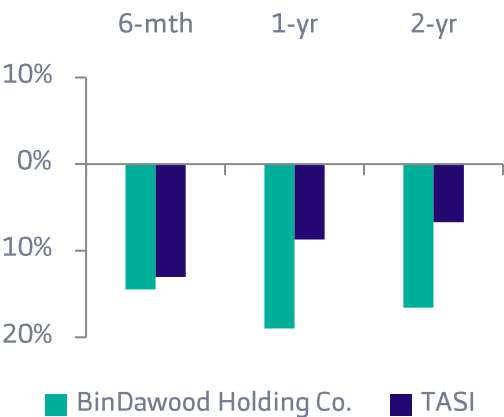


Market Data	
52-week high/low	SAR 8.06 / 5.38
Market Cap	SAR 6,515 mln
Shares Outstanding	1,143 mln
Free-float	26.54%
12-month ADTV	1,488,991
Bloomberg Code	BINDAWOO AB



■ New Integrations Boost Margins, While Grocery Declines

August 14, 2025

Upside to Target Price	9.6%	Rating			Neutral	
Expected Dividend Yield	3.5%	Last Price			SAR 5.70	
Expected Total Return	13.2%	12-mth target			SAR 6.25	
BDH	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Sales	1,474	1,418	4%	1,674	(12%)	1,475
Gross Profit	533	480	11%	529	1%	487
Gross Margins	36%	34%		32%		33%
Operating Profit	80	102	(21%)	93	(13%)	76
Net Profit	52	73	(29%)	66	(23%)	44

(All figures are in SAR mln)

- BDH’s top-line moved higher by +4% Y/Y, but fell -12% Q/Q, with revenues of SAR 1.5 bln, approximately our estimate. The Y/Y growth was driven by revenue from FTR, the Distribution Business, and the Pharmacy Business (Zahrat Pharmacies LLC). We also note, that store expansions completed in 1Q2025 also had a positive impact on revenues. Although the retail grocery business did witness a decline via softer consumer sentiment and lower seasonal sales.
- 2Q25 gross profit increased by +11% Y/Y and +1% Q/Q, to SAR 533 mln, higher than our estimate. The differential versus our estimate was driven by higher margins from BDH’s newly acquired Pharmacy Business, which was also supported by higher margin activities from the Distribution Business as well. Specifically, margins improved to 36%, up by +229 bps Y/Y. 2Q25 Opex was SAR 453.9 mln (30.8% of sales) vs. SAR 369.5 mln (26.9% of sales) for 2Q24. Management attributed these higher costs of store openings, which have not ramped up their profitability.
- BDH reported a 2Q25 bottom-line of SAR 52 mln vs. SAR 73 mln in 2Q2024 and a net profit of SAR 66 mln in 1Q2025, coming in higher than our estimate; on greater than expected growth in gross margins. We lower our target price based on the growth in Opex, the growth in debt levels, and the decline in the Grocery Business.

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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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