

Market Data	
52-week high/low	SAR 105.00/48.25
Market Cap	SAR 5,715 mln
Shares Outstanding	114 mln
Free-float	20.0%
12-month ADTV	162,999
Bloomberg Code	BINDAWOO AB

Losses Recorded in 3Q

Upside to Target Price	26.0%
Expected Dividend Yield	4.1%
Expected Total Return	30.1%

Rating	Buy
Last Price	SAR 50.00
12-mth target	SAR 63.00

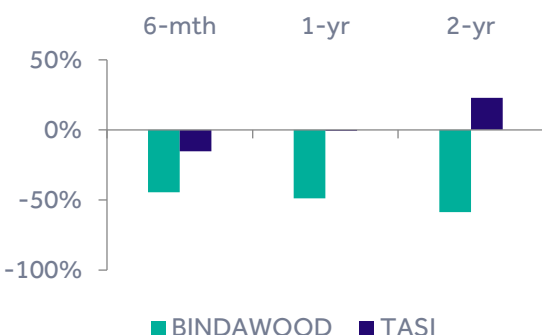
November 30, 2022

BDH	3Q2022	3Q2021	Y/Y	2Q2022	Q/Q	RC Estimate
Sales	1,183	1,078	10%	1,221	(3%)	1,234
Gross Profit	307	397	(23%)	378	(19%)	371
Gross Margins	26%	37%		31%		30%
Operating Profit	(27)	95	-	65	-	60
Net Profit	(48)	70	-	42	-	38

(All figures are in SAR mln)

- BDH's top-line witnessed a +10% Y/Y growth but a decline of -3% Q/Q to SAR 1.2 bln, in-line with our forecast. The increase Y/Y was attributed to an increase in BinDawood stores revenues, which are up +39% Y/Y, as well as the revenue contribution from its subsidiaries, despite a decline in Danube stores revenues on the back of a slow-down in sales related to the corporate customers.
- Overall footfall saw a +26% growth Y/Y due to the return of pilgrims and an increase in promotional and marketing activity. However, basket size showed a -15% Y/Y decline due to competitive pricing by BDH to attract footfall.
- Gross profit fell by -23% Y/Y and -19% Q/Q to SAR 307 mln. Gross margin contracted on both yearly and quarterly basis by 11% and 5% respectively to 26% due the combined effect of the promotional and marketing activity and lower support from suppliers as well.
- BDH reported an operating loss of SAR (27) mln due to +11% Y/Y and +7% Q/Q increase in employment costs, expenses associated with new store openings as well as acquisition related costs. This led to a net loss of SAR (48) mln.
- We reduce our target price to SAR 63.00 on the back of revised estimates as well as adjustment in cost of equity, but we maintain a Buy rating on the stock.

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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

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