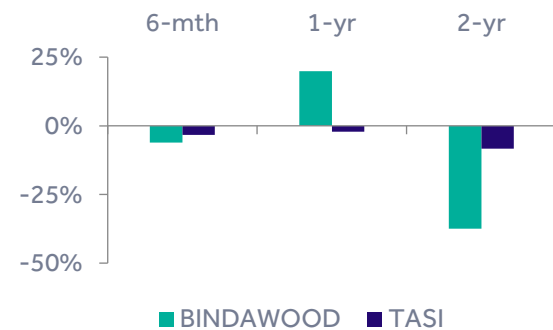


Market Data	
52-week high/low	SAR 8.17/4.47
Market Cap	SAR 7,167 mln
Shares Outstanding	1,143 mln
Free-float	20.0%
12-month ADTV	1,579,504
Bloomberg Code	BINDAWOO AB



Opex Remains High

Upside to Target Price	11.6%
Expected Dividend Yield	3.0%
Expected Total Return	14.6%

Rating	Neutral
Last Price	SAR 6.27
12-mth target	SAR 7.00

November 15, 2023

BDH	3Q2023	3Q2022	Y/Y	2Q2023	Q/Q	RC Estimate
Sales	1,359	1,183	15%	1,412	(4%)	1,383
Gross Profit	421	307	37%	452	(7%)	421
Gross Margins	31%	26%		32%		30%
Operating Profit	56	(27)	-	90	(37%)	80
Net Profit	34	(48)	-	66	(48%)	54

(All figures are in SAR mln)

- BDH's top-line grew by +15% Y/Y but fell -4% Q/Q to SAR 1.4 bln, matching our estimates. The Y/Y growth was on the back of higher number of pilgrims as well as targeted marketing campaigns across both banners. Sales were positively influenced by an increase in total transactions by +14% Y/Y while top-line was impacted sequentially by seasonality.
- Gross Profit is up +37% Y/Y but -7% lower Q/Q to SAR 421 mln, matching our estimates. Gross margins improved Y/Y to 31%, expanding by +500 bps Y/Y due to better product mix and better contractual terms with suppliers but contracted -105 bps Q/Q.
- Opex was at SAR 367 mln (27% of sales) versus SAR 337 mln (28% of sales) in 3Q2022 and SAR 342 mln (26% of sales) in 2Q2023. Hence, EBIT margins at 4% this quarter were lower than 6% in 2Q2023.
- BDH's reported a bottom-line of SAR 34 mln versus a loss of SAR (48) in 3Q2022 and a net profit of SAR 66 mln in 2Q2023, missing both our and market consensus on lower than expected EBIT margins. We maintain our target price of SAR 7.00 and a Neutral rating.

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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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