

Market Data	
52-week high/low	SAR 105.00/44.70
Market Cap	SAR 6,789 mln
Shares Outstanding	114 mln
Free-float	20.0%
12-month ADTV	181,787
Bloomberg Code	BINDAWOO AB

## Challenging 2022 for BDH

Upside to Target Price	6.1%
Expected Dividend Yield	3.4%
Expected Total Return	9.5%

Rating	Neutral
Last Price	SAR 59.40
12-mth target	SAR 63.00

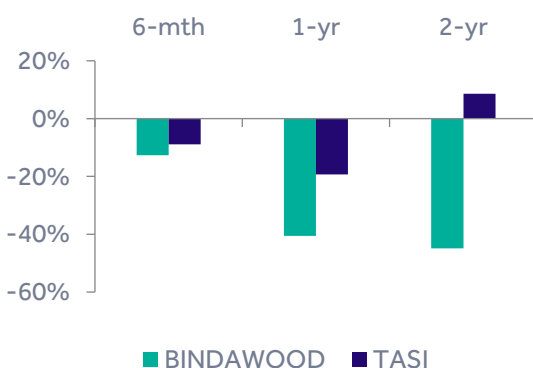
March 29, 2023

BDH	4Q2022	4Q2021	Y/Y	3Q2022	Q/Q	RC Estimate
Sales	1,318	1,057	25%	1,183	11%	1,162
Gross Profit	368	269	37%	307	20%	325
Gross Margins	28%	25%		26%		28%
Operating Profit	40	(25)	-	(27)	-	13
Net Profit	65	13	391%	(48)	-	(7)

(All figures are in SAR mln)

- For FY2022, BDH's top-line grew by +12% Y/Y to SAR 4.9 bln driven by the return of pilgrims. Both Danube and BinDawood supermarket sales grew Y/Y by +2% and by +27% respectively. GP margins contracted by -349 bps Y/Y to 29% in 2022 on the back of higher inflation that was partially absorbed by the Company to remain competitive along with the effect of the promotional and marketing activity. Opex for 2022 was up by +10% Y/Y which affected EBIT margin. The Company's bottom-line fell significantly by -48% Y/Y to SAR 125 mln.
- In 4Q2022, BDH's top-line witnessed growth on both yearly and quarterly basis by +25% and +11%, respectively, to SAR 1.3 bln. This was attributed to higher footfall as both brands showed an increase Y/Y despite a slight decline in the average basket size.
- 4Q2022 Gross Profit is up by +37% Y/Y and +20% Q/Q to SAR 368 mln. Gross margin expanded on both yearly and quarterly basis by +249 bps and +195 bps, respectively, to 28%.
- The Company reported a bottom-line of SAR 65 mln in 4Q2022 compared to SAR 13 mln in 4Q21 and a loss of SAR (48) mln in the previous quarter, beating both our and market forecasts. This was due to higher sales and better margins. We maintain our target price of SAR 63.00 but we downgrade our rating to a Neutral as the stocks is trading at an upside of just +6% to our TP. We expect the Company to benefit from higher pilgrims in 2023.

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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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