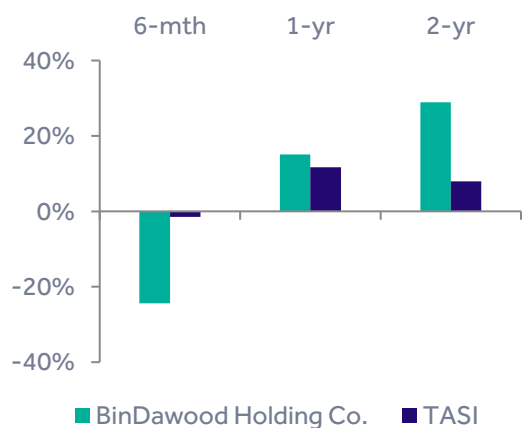


Market Data	
52-week high/low	SAR 9.74 / 5.91
Market Cap	SAR 7,921 mln
Shares Outstanding	1,143 mln
Free-float	26.54%
12-month ADTV	2,447,892
Bloomberg Code	BINDAWOO AB



Store Banner Sales Lower Q/Q, Qatar A Wildcard

November 11, 2024

Upside to Target Price	8.2%	Rating	Neutral
Expected Dividend Yield	2.9%	Last Price	SAR 6.93
Expected Total Return	11.1%	12-mth target	SAR 7.50

BDH	3Q2024	3Q2023	Y/Y	2Q2024	Q/Q	RC Estimate
Sales	1,361	1,359	0%	1,418	(4%)	1,368
Gross Profit	450	421	7%	480	(6%)	452
Gross Margins	33%	31%		34%		33%
Operating Profit	57	56	1%	102	(44%)	97
Net Profit	35	34	3%	75	(53%)	70

(All figures are in SAR mln)

- BDH's top-line traded flat Y/Y but was down -4% Q/Q, to SAR 1.4 bln, in-line with our estimates. The Y/Y growth was driven by revenue from FTR and the distribution business, while we also note decreases from both BinDawood and Danube store banners (when compared with 3Q24 vs. 3Q23), of -13% and -3%, respectively. Management attributed growth to contributions from the recently acquired distribution business, which offset the lower store banner sales.
- 3Q24 gross profit increased by +7% Y/Y but declined -6% Q/Q, to SAR 450 mln, in-line with our estimates. We correctly accounted for rebates for inventory from suppliers this quarter, supporting our gross margin estimate also being in-line with 3Q24 results. Margins improved to 33%, up by +205 bps Y/Y, supported by superior visibility on supplier contracts. 3Q24 Opex was SAR 395.9 mln (29.1% of sales) vs. SAR 367.0 mln (27.0% of sales) for 3Q23. Management commented that these costs were driven by human capital investments, new stores, and the acquisition of JTC.
- coming in below our estimates; on greater discrepancies between our expectations for zakat and other post-Opex items. We maintain our rating and our target price, while acknowledging continued expansion, into distribution, and now, the Company's new effort to bring BinDawood stores to Qatar, which is an interesting development.

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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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