

Company

BinDawood Holding Co.
2Q25 Result Review

Rating

Under Review

Bloomberg Ticker

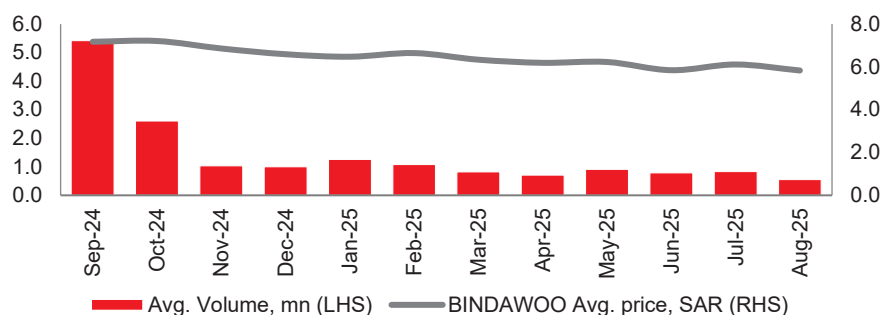
BINDAWOO AB

Date

14 August 2025

Results

Target Price SAR	UR
Upside/ Downside	—

**Pharma business supports revenue growth in 2Q25**

BinDawood Holding's (BDH) revenue grew 4% YoY in 2Q25. Expansion of standalone retail pharmacies, following the acquisition of Zahrat Al Rawdah Pharmacies in 1Q25, as well as integration of pharmacy stores in existing Danube and BinDawood stores, aided the revenue growth. Additionally, the distribution business, which was acquired in 3Q24, and improved performance of Ykone in the Middle East and India, also helped in driving the top line higher.

Net profit declines sharply on increased operational costs

An expansion in margins of the pharma and distribution business and improved terms from suppliers in grocery retail boosted gross profit by 11% YoY. However, a 19% YoY rise in total operating expenses, partly due to additional costs arising from the pharma & distribution business, an increase in finance costs resulting from acquisitions, and reduced finance income, led to a 33% YoY dip in the net profit in 2Q25.

U-Capital view

We plan to revisit our investment case on BDH, considering its notably weaker-than-expected 2Q25 earnings performance, and hence place the stock under review.

Current Market Price (SAR)	5.5
52wk High / Low (SAR)	8.1/5.4
12m Average Vol. (mn)	1.5
Mkt. Cap. (USD/SAR mn)	1,687/6,332
Shares Outstanding (mn)	1,143.0
Free Float (%)	26.5%
3M ADTV (SAR mn)	5.2
6M ADTV (SAR mn)	5.1
P/E'25e (x)	22.4
EV/EBITDA'25e (x)	9.1
Dividend Yield '25e (%)	3.6
Price Perf. (1m/3m) (%)	-10.4/-10.4

Research Department

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For our
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**Financial Summary**

SAR mn	2Q24	3Q24	4Q24	1Q25	2Q25	2Q25e	YoY	QoQ	Var.	1H24	1H25	YoY
P&L												
Revenue	1,418	1,361	1,426	1,674	1,474	1,575	4%	-12%	-6%	2,891	3,149	9%
Gross profit	480	450	513	529	533	543	11%	1%	-2%	931	1,062	14%
Operating profit	102	57	127	93	80	110	-21%	-13%	-27%	185	173	-6%
Net profit	75	35	110	66	50	81	-33%	-23%	-37%	136	116	-14%
BS												
Sh. Equity	1,471	1,440	1,399	1,357	1,493		2%	10%		1,471	1,493	2%
Ratios												
Gross margin	33.9%	33.0%	36.0%	31.6%	36.2%	34.5%				32.2%	33.7%	
Operating margin	7.2%	4.2%	8.9%	5.5%	5.5%	7.0%				6.4%	5.5%	
Net profit margin	5.3%	2.6%	7.7%	3.9%	3.4%	5.1%				4.7%	3.7%	
EPS, SAR	0.06	0.03	0.09	0.06	0.04	0.07				0.12	0.10	
RoE (TTM)					18.3%							
TTM P/E (x)					24.3							

Source: Financials, Tadawul, Bloomberg, U Capital Research



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Recommendation

BUY	ACCUMULATE	HOLD	REDUCE	SELL
Greater than 20%	Between +10% and +20%	Between +10% and -10%	Between -10% and -20%	Lower than -20%

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