BinDawood Holding Reports FY 2025 Financial Results

BinDawood Holding Reports Strong and Resilient Financial Performance Driven by Growth in All Operating Segments, Reinforcing the Diversification Strategy Undertaken by Management

Key Strategic and Financial Highlights

- **Top-Line Growth: 11.8% Surge in Top-Line Earnings in a Competitive Operating Environment**
  Driven by a diversified revenue mix, the Group's top-line grew by 11.8% in FY 2025. This growth was underpinned by the resilient performance of the core retail (BinDawood and Danube Stores) network, full-year impact of the distribution segment (Jumairah Trading Company), acquired in Q3 2024, the pharmacy verticals and strong momentum in the technology segment.

- **Improved Profitability: Balancing Core Efficiency with High-Margin Acquisitions**
  BDH realized a healthy uptick in gross profitability, ending the year at 34.1%, compared to 33.4% in the previous year. This positive trajectory reflects both internal efficiencies and impact of new acquisitions. Specifically, improved commercial terms bolstered the core retail segment, while the inclusion of the newly acquired Distribution and Retail Pharma segments provided the high-margin contributions to elevate the Group's overall performance.

- **Scaling the Network: Multi-Format Expansion and Pharmacy Integration**
  BDH continues to scale its multi-format strategy, having launched nine new retail locations in FY 2025—comprising four supermarkets and five "Dash" convenience stores. Parallel to this core retail growth, the Group is rapidly integrating Zahrat Al Rawdah ("Zahrat"), successfully embedding 27 pharmacies within existing stores and opening 14 new standalone outlets. This synergy has expanded the total pharmacy network to over 204 locations, strengthening BDH's health and wellness footprint and solidifying its stores as comprehensive, one-stop shopping destinations.

- **Strategic Regional Scaling: Qatar Market Entry**
  BinDawood has officially extended its regional footprint into Qatar via a strategic franchise agreement with The Regional Group, opening its first store in February 2026. This move serves as a cornerstone of the Group's broader expansion strategy, aimed at consolidating its market leadership and scaling its brand presence across the GCC.

- **Strategic Tech Expansion: Advancing Ykone's Global Influence**
  BDH is expanding its Tech Segment through the strategic acquisitions of Mirror Mirror and Digital Prototype in 2025. This unified ecosystem strengthens Ykone's digital influence by merging international influencer marketing with advanced data analytics and creative technology. By internalizing these specialized capabilities, Ykone enhances its ability to drive innovation in brand storytelling and consumer engagement, establishing a future-ready presence in the global digital landscape.

- **Strengthening the GCC Distribution Footprint**
  The acquisition of Toy Triangle, completed in October 2025, marks a strategic expansion of the Group's distribution segment and supports the upgrade of its product offering through the addition of new international brands. Contributing to revenue and margins from Q4 2025, the segment strengthens BDH's distribution capabilities across the GCC, enabling the Group to serve both its internal retail network and the wider regional market.
- **Strengthening Capabilities in Food Processing**
  BDH's new integrated meat processing facility centralizes the sourcing and distribution of premium imported beef. Utilizing a fully automated, high-hygiene production line, and the plant provides scalable capacity for both internal retail and external B2B markets. This end-to-end value chain management ensures superior cost visibility, operational control, and sustainable margins. Additionally, during December 2025, the Group signed a SPA to acquire a majority stake in UAE-based Wonder Bakery, with consolidation expected from H1 2026. The transaction supports the Group's vertical integration strategy, enabling margin optimization through localized production and reduced reliance on third-party suppliers.

Jeddah, Saudi Arabia, 10th March 2026 – BinDawood Holding Company – a Saudi Joint Stock Company – ("the Company") and its subsidiaries ("the Group") (Tadawul: 4161) is one of the Kingdom of Saudi Arabia's leading retail groups, anchored by the well-known Danube and BinDawood hypermarket, supermarket, and convenience store brands. Its core retail ecosystem is complemented by its Distribution Segment, including the recently acquired Toy Triangle, a GCC-wide toy developer and distributor with over 30 years of experience, as well as the Zahrat Retail Pharmacy chain. The Company also invests in technology through its wholly owned subsidiary, Future Technology Retail (FTR). FTR's holdings in International Application Company (IACO), a dedicated online and loyalty engine, and Ykone SAS (Ykone), a global influencer marketing firm, further complement the core retail platform. BDH continues to strengthen its market position through strategic M&A initiatives and the integration of innovative digital technologies.

Financial Highlights (SAR Million)

	FY 2025	FY 2024	% Up /(Down)
Revenue	6,348.0	5,677.7	11.8%
Gross Profit	2,165.7	1,893.8	14.4%
Operating Profit	395.7	369.1	7.2%
Net Profit	270.0	280.2	-3.6%

	Q4 2025	Q4 2024	% Up /(Down)	Q3 2025	% Up /(Down)
Revenue	1,669.8	1,425.6	17.1%	1,529.4	9.2%
Gross Profit	583.0	512.8	13.7%	520.7	12.0%
Operating Profit	146.9	127.3	15.4%	75.6	94.3%
Net Profit	113.6	109.7	3.6%	40.2	182.7%

Opening Remarks – Mr. Ahmad AR Bindawood CEO, BDH (FY 2025 Performance)

Fiscal Year 2025 marked a pivotal year in the transformation for BinDawood Holding. *"We delivered 11.8% revenue growth, outperforming the market and reinforcing our position as a leading Saudi retail group with an estimated 12.5% supermarket market share. This performance reflects our successful evolution into a diversified retail ecosystem, supported by the resilience of our core grocery segment, strong scaling of our Technology segment, and the full-year contribution of our Distribution and Pharmacy segments.*

Despite a competitive pricing environment and ongoing cost pressures across the sector, we continued to strengthen our operational foundations through digital transformation, business intelligence, and disciplined supply chain optimization. These initiatives have enabled us to mitigate rising supplier and logistic costs while maintaining service quality and value for our customers.

Our flagship brands, BinDawood and Danube, continued to expand across the Kingdom, complemented by the launch of our convenience store accelerator to address changing consumer lifestyles. The pharmacy segment has already proven to be a highly accretive addition, benefiting from the 'BDH Effect' through integrated procurement, logistics, and digital capabilities.

BinDawood is executing its vision for regional dominance by entering the Qatari market. The inaugural store under this arrangement opened in February 2026. Utilizing a franchise arrangement with The Regional Group, the company is effectively scaling its network and strengthening its competitive position at a regional level.

We also made meaningful progress in scaling our Technology and Distribution companies. The acquisition of Toy Triangle expanded our distribution footprint across the GCC, while the acquisition of Mirror Mirror, Digital Prototype, and Barcode strengthened Ykone's position as a global influencer marketing platform spanning Europe, America, India, and the Middle East.

Looking ahead, we are advancing our vertical integration strategy through the acquisition of a majority stake in UAE-based Wonder Bakery, with consolidation expected in 2026 to support margin optimization and localized quality control. This acquisition is a cornerstone of our long-term plan to establish similar, high-tech facilities within the Kingdom, leveraging acquired expertise to produce items locally. By expanding these capabilities at home, we are committed to fueling the "Made in KSA" initiative and ensuring our future growth is driven by Saudi-led industrial excellence.

As we enter 2026, our focus remains on unlocking the full value of these strategic investments. By deepening control across our value chain and leveraging data-driven technologies, we are well positioned to deliver sustainable growth and long-term value for our shareholders, while continuing to meet the evolving needs of a value-conscious, quality-focused consumer base".

Financial Analysis: FY 2025

Overall Revenue Analysis:

BDH delivered 11.8% year-on-year revenue growth in FY 2025, reaching SAR 6,348.0 million, driven by contributions across all major segments. The Group's core retail grocery segment navigated mid-year market weakness to finish with a positive trajectory, aided by network expansion and a late-year resurgence in consumer spending. Strategic diversification yielded significant results as the recently integrated pharmacy and distribution segments became major contributors to the top line. Furthermore, the technology vertical achieved double-digit growth, scaling its international presence and digital capabilities through key global acquisitions.

Retail Grocery segment delivered a steady growth, underpinned by a proactive store expansion strategy and the full-year contribution of outlets launched in 2024. This growth was further reinforced by a strengthened presence in key markets, which successfully drove higher footfall and deepened customer engagement.

While the second quarter faced temporary headwinds due to a shift in consumer sentiment and a softer confidence index, a sustained recovery emerged in the latter half of the year. Consumer confidence significantly rebounded in Q3 and Q4, enabling the Group to close the year with positive momentum and a reinforced market position.

Acquired in February 2025, the Retail Pharmacy segment has quickly emerged as a vital revenue engine. Its performance was propelled by an aggressive rollout strategy, encompassing 14 new standalone outlets and the seamless integration of 27 in-store pharmacy locations across our network. On a pro-forma basis, the segment achieved high single-digit growth over FY 2024—a testament to the speed and success of its absorption into the BDH ecosystem.

The Distribution segment made a substantial impact on annual revenue, benefiting from its first full calendar year of integration following the H2 2024 acquisition. Since joining the Group, the segment has successfully enhanced its operational capacity and significantly broadened its product portfolio. Performance was further amplified by robust "Back-to-School" demand and the strategic Q4 addition of Toy Triangle, which will provide an immediate lift to the segment's top-line results and expanded our reach into the family entertainment space.

The Tech segment delivered strong growth, driven by Ykone's solid performance in the Middle East, a recovery in the Western Europe, and the first full-year contribution from its Indian operations. Growth momentum was further accelerated in Q4 2025 through the strategic acquisitions of Mirror Mirror and Digital Prototype, strengthening Ykone's technological capabilities and creative expertise globally.
Additionally, incremental growth in online sales was supported by the onboarding of aggregators and enhanced customer insights derived from the company's loyalty program data.

Gross Profit: rose to SAR 2,165.7 million vs SAR 1,893.8 million in 2024, primarily driven by stable grocery margins supported by product mix and supplier income, despite competitive pricing and sector-wide cost pressures and by the consolidation of the Retail Pharmacy segment and the full-year contribution from the Distribution segment. While the Gross Margin reached 34.1% (up from 33.4%)—reflecting a shift in the overall segment mix—profitability was sustained through optimized supplier terms within the Retail Grocery segment and the integration of Pharmacy and Distribution verticals within the core retail eco system.

Operating expenses (OPEX): reached SAR 1,775.9 million, a 16.0% increase over the SAR 1,531 million reported in FY 2024. This change is primarily due to the consolidation of operating costs from the Retail Pharmacy segment following its acquisition in February 2025, as well as the full-year impact of the Distribution segment. The increase was further influenced by the ongoing store network expansion within the retail grocery segment, including the full-period costs of locations launched in 2024, coupled with higher operating expenses related to the mega dark store, which were incurred in the current year as the pilot phase commenced.

Operating Profit: Operating profit increased by 7.2% to SAR 395.7 million from SAR 369.1 million, reflecting improved performance across all operating segments and the contribution from healthy, margin-accretive acquisitions. Growth was supported by strategic expansion into the higher-margin pharmacy and distribution sectors, lifting the gross margin to 34.1%.

This margin enhancement effectively absorbed a 16.0% increase in operating expenses (OPEX) associated with infrastructure scaling and segment expansion. Importantly, the opex-to-sales ratio within the core retail grocery segment remained stable despite significant new store openings. This resilience underscores strong operating leverage, disciplined cost management, and enhanced operational efficiency within the core retail segment, mitigating the typical margin dilution associated with expansion and reinforcing the quality of earnings growth.

Net Profit: Despite the increase in operating profit driven by improved margins and effective cost controls across all segments, net profit declined by 3.6%. This was primarily impacted by higher finance costs resulting from the bank loan secured to partially fund the acquisition of Zahrat Al Rawdah in Q1 2025. Additionally, finance income decreased compared to the prior year; this was due to lower surplus cash levels following the strategic deployment of funds for both the Zahrat Al Rawdah and Toy Triangle acquisitions. While the remaining surplus continues to be placed in deposits, the combined effect of increased finance expense and reduced deposit income led to the year-on-year decline in net earnings.

Financial Analysis: Q4 2025

Overall Revenue Analysis: BDH recorded a consolidated sales growth of 17.1% in Q4 2025, reflecting the success of its strategic diversification across segments.

The Retail Grocery division achieved a positive year-on-year increase, fueled by the combined impact of current-year footprint expansion and the maturation of locations launched in 2024. This growth underscores a successful strategy of continuous network optimization and a refined focus on enhancing the consumer experience through a broader physical presence.

Following the first-quarter integration, the Retail Pharmacy vertical emerged as a significant growth driver, fueled by the strategic commissioning of standalone branches and in-store pharmacies within the BinDawood and Danube networks. This expansion leveraged the Group's existing retail infrastructure to unlock immediate cross-selling opportunities and logistic efficiencies. By embedding pharmacy services directly into the high-traffic grocery ecosystem, the segment capitalized on built-in footfall, resulting in a rapid scaling of market presence and a decisive contribution to the total revenue mix.

The Distribution segment reported significant year-on-year gains, catalyzed by an aggressive diversification of its inventory and a successful push into untapped market categories. This momentum was amplified by leveraging the internal logistics and shelf space of the BinDawood and Danube brands, creating a seamless route to market for new product lines.

The Technology vertical demonstrated strong year-on-year improvement, fueled by the sustained momentum of the Ykone platform within Middle Eastern markets and a resurgent performance across the Western Europe. This growth was further solidified by the successful operational alignment of the Indian operations, Barcode, which is now contributing to the segment's global scale. By harmonizing these international territories, the division has enhanced its digital influence and successfully captured a larger share of the global marketing-tech landscape. Rising momentum across online sales and loyalty initiatives is fueling this growth, allowing the Tech segment to leverage deep consumer insights and secure recurring revenue models that outpace market benchmarks.

Gross Profit In the fourth quarter of 2025, Gross Profit surged 13.7% to SAR 583.0 million vs SAR 512.8 million in 2024, a jump largely attributed to the inclusion of the Retail Pharmacy vertical and its accretive margin profile. This upward trajectory was further supported by the continued scaling of the Distribution arm. Beyond these new streams, profitability was enhanced by optimized commercial terms within the primary grocery division and a strengthened performance from the Ykone technology segment.

OPEX: In absolute terms, expenses increased by SAR 52.7 million in Q4 2025 compared to Q4 2024, primarily due to the consolidation of the recently acquired Retail Pharma segment following its acquisition in February 2025, and the addition of operating expenses related to the mega dark store pilot launched in the current year. The OPEX-to-revenue ratio improved to 26.2% (compared to 26.9% in Q4 2024), demonstrating enhanced operational leverage within the Retail Grocery segment. This efficiency gain reflects the segment's successful optimization of its cost structure against a larger revenue base.

Operating Profit & Net Profit: Operating profit increased by 15.4% to SAR 146.9 million from SAR 127.3 million, driven by a 13.7% rise in gross profit. This growth was driven by high-margin pharmacy sales and improved cost management, which brought operating expenses down to 26.2% of revenue. This enhanced operational leverage enabled the group to absorb higher financing costs and lower deposit yields, resulting in a Net Profit of SAR 113.6 million. The quarter's performance demonstrates BDH's ability to successfully scale its diversified portfolio while protecting bottom-line growth through disciplined cost optimization.

Below is the performance of our recently acquired companies:

The Tech segment includes Ykone and International Applications Trading Company. Retail Pharma comprises Zahrat Al Rawdah Pharmacies LLC. The Distribution segment includes Jumairah Trading Company only, as Toy Triangle was acquired in Q4 2025 and is therefore excluded from this analysis.

(Amounts in SAR million)	Tech	Retail Pharma	Distribution
Initial Cash Outlay	245	441.1	186.3
Operating Profit FY2025	25.8	*43.4	34.7
Return on Investment	10.5%	9.8%	18.6%

**Feb to Dec 2025.*

About BinDawood Holding Company:

BinDawood Holding: a retail conglomerate, which integrates information technology solutions into its core operations and strategically acquires companies to enhance its market position, leveraging these investments to fuel sustained long-term growth. BDH continues to shape the retail landscape through constant innovation and a steadfast commitment to excellence, operating under the following brands:

BinDawood: Recognized as one of Saudi Arabia's oldest grocery superstore retail brands. It prioritizes exceptional value for money and superior customer service, making it a preferred choice for shoppers.

Danube: Positioned as a high-end grocery retail brand, Danube is synonymous with quality and freshness. Offering a wide array of organic and specialty products, it caters to discerning customers seeking premium offerings.

BinDawood Dash and Danube Dash: Under its purview, BinDawood and Danube pioneered the express store concept, featuring exclusive outlets at the Haramain High-Speed Railway Station. These outlets showcase premium quality and carefully curated imported goods, offering added convenience for busy shoppers and passengers.

Zahrat Al Rawdah Pharmacies LLC (Zahrat or Retail Pharma): Zahrat operates in the retail pharmaceutical sector and is headquartered in Riyadh, KSA. The chain of pharmacies focuses on providing healthcare products and services to customers, including prescription and over-the-counter (OTC) medicines, medical supplies, health and wellness products and personal care items. Currently, Zahrat Al Rawdah has over 204 pharmacies spread throughout KSA.

***Wonder Bakery L.L.C:** Wonder Bakery L.L.C is a Dubai-based industrial-scale bakery specializing in fresh and frozen products for hotels, restaurants, cafés, airlines, and the retail sector. It operates from a state-of-the-art facility in Dubai Industrial City, producing bakery as well as hot and cold kitchen products. The Company serves GCC markets including Qatar, Bahrain, and Kuwait, with plans for international expansion, positioning it as a leading manufacturer in the fresh and frozen bakery segment. *The SPA was signed in December 2025, with legal formalities currently in progress to complete the acquisition.

Jumairah Trading Company (JTC or Distribution Segment): JTC is engaged in wholesale, retail and Distribution Segment. It operates through four divisions - luggage, food, toys and households- in each of which it holds the distribution rights for internationally acclaimed brands.

Toy Triangle Company (TTC): TTC, a leading toy developer and distributor operating for over 30 years, maintains its market position through a wide Sales and Distribution network across the GCC. The company has established strong collaboration with suppliers and retail partners and is committed to accelerating regional toy industry growth.

Ykone: Headquartered in Paris, Ykone is a global leader in influencer marketing services. Offering comprehensive solutions in strategy, talent management and content production, it serves leading brands in Europe, Asia, the US and MENA region.

International Applications Trading Company (IACo): The developer and operator of BDH's Danube and BinDawood e-commerce channels. Further, it is expanding its network of dark stores across the KSA, aiming to ensure prompt delivery and a near-complete fulfillment rate while also enhancing customer satisfaction. In addition, it provides digital support services and implements a loyalty program, equipping BinDawood and Danube with the tools necessary for data-driven decision-making and customer engagement.

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