

9M 2020 Financial Results

BinDawood Holding announces first financial results post IPO; records 9M 2020 revenue of SAR 4bn and declares SAR 228m in dividends

Jeddah, Saudi Arabia; 10 November 2020 – BinDawood Holding Co. (Tadawul: 4161 and the “Company”), one of the leading grocery retail operators of hypermarkets and supermarkets in the Kingdom of Saudi Arabia (‘KSA’), today reported its third quarter and nine months 2020 financial results.

Financial Highlights

	9M 2020 (SAR M)	9M 2019 (SAR M)	% Up / (Down)
Revenue	4,043.3	3,623.5	11.6%
Gross Profit	1,312.8	1,222.7	7.4%
Operating Profit	451.3	370.7	21.7%
Net Profit	390.3	295.3	32.2%
	3Q 2020 (SAR M)	3Q 2019 (SAR M)	% Up / (Down)
Revenue	1,082.5	1,196.4	-9.5%
Gross Profit	356.3	447.2	-20.3%
Operating Profit	86.8	149.9	-42.1%
Net Profit	78.6	124.4	-36.8%

- Board of Directors approved interim dividend of SAR 2 per share, totaling SAR 228.6 million
- Cash balance of SAR 508.2 million, with no bank debt
- 4 new stores in the 9M 2020
- Danube sales continues to grow in 3Q 2020 despite the introduction of VAT in Saudi

Comments from Ahmad AR. BinDawood, CEO of BinDawood Holding.

“In these tough times, we continue to see people rely on our stores for their grocery shopping. By all accounts, this was a challenging quarter despite positive sales growth across our Danube stores. Our business is not immune to the impact of the pandemic and the VAT increase, which happened in July 2020 but operating two retail brands, BinDawood and Danube, gives us a unique advantage due to our considerably diverse range of customers and products.

In the first nine months of 2020, we delivered both revenue and net profit growth, which was largely down to the strong execution by our management teams that limited the impact of the VAT increase and a drop in footfall to the two Holy Cities of Makkah and Madinah for Hajj and Umrah. The Company achieved sales just over SAR 4bn and posted a net profit of SAR 390.3m. The company's cash position continues to be strong and consequently, the Board has approved an interim dividend of SAR 2 per share for the Q2 and Q3 periods”.

Financials: 9M 2020

Revenue increased by 11.6% to SAR 4,043.3 billion in 9M 2020, compared to SAR 3,623.5 billion for the same period last year. Danube performance helped offset a decline at BinDawood stores. Danube saw sales rise by SAR 540.2 million (23.5%) in 9M 2020 as the Company responded to a growing demand in premium food; as well as the impact of 4 new stores opening in 2020. BinDawood saw sales decline by SAR 120.4 million (9.1%) in 9M 2020. Net Profit 9M 2020 reached SAR 390.3 million, an increase of 32.2% compared to SAR 295.3 million in 9M 2019. Improvements were supported and driven by effective cost management of the business.

Financials: Q3 2020

Revenue declined by 9.5% to SAR 1,082.5 billion in Q3 2020, compared to SAR 1,196.4 billion for the same period last year. Danube stores outperformed across its 46 stores, recording a 3.9% growth to SAR 796.9 million versus SAR 767.1 million in Q3 2019. This highlights the importance of demand for premium product in KSA and BinDawood Holding is ideally placed to continue to lead this segment. BinDawood's 27 stores posted sales of SAR 285.6 million, down by SAR 143.7 million as compared to Q3 2019. The prime reason for a loss in revenue was the management's decision to temporarily close its principal branches in the Holy City of Makkah and Madinah, because of Covid-19 related restrictions; as well as a limited Hajj season and no "Back to School" marketing campaigns. Net profit for Q3 2020 was SAR 78.6 million as compared to SAR 124.4 million in Q3 2019, a 36.8% decline.

Cash and cash equivalents as of 30 September 2020 increased by SAR 293.3 million (136.4%) to SAR 508.2 million as compared to SAR 215.0 million in 31 Dec 2019. The Board of Directors have approved an interim dividend of SAR 2 per share, or SAR 228.6 million, for the second and third quarter periods. In Q1 2020, the Board of Directors approved a dividend of SAR 90 million, bringing the total dividend declared to SR 318.6 million.

Operations

In the nine-month period, the Company has:

- Opened four new branches in Hail, Riyadh (Al Mazaar Takhasusi-1), Riyadh (Al Andalus Plaza) and Khamis Mushait.
- Bindawood Holding's FMCG segment outperformed overall group sales.
- Significantly increased security and cleaning at all 73 sites and introduced social distancing, hygiene measures and larger layouts.
- Increased product depth and competitive pricing to prioritize availability of essential items.
- Improved online transaction experience.
- Launched multiple marketing campaigns including *Health Festival Week*, the *Coffee & Chocolate Festival*.
- Finalist at the World Retail Awards in the Retail & Reinvention Award for Danube Online. *September 2020*
- Forbes Middle East, Top 100 Arab Family Businesses for BinDawood Holding (#72). *July 2020*

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About BinDawood Holding Co.

BinDawood Holding is one of the leading grocery retail operators of hypermarkets and supermarkets in the Kingdom of Saudi Arabia. The Company has a total of 73 stores of which 51 are hypermarkets and 22 are supermarkets, each located strategically across KSA, operating two complementary brands: BinDawood and Danube.

Investor Enquiries

Hassan Javaid, Head of Investor Relations [interim]

hassan.javaid@danubeco.com

Media Relations Enquiries

Siobhan McCarthy, Chief Communications Officer

siobhan@bindawood.com