



Driving  
sustainable  
profitability  
through resilience  
and innovation

Robotics Supermarket  
Sustainability  
**Leading...**  
Solutions  
Opportunities  
Investment  
Acquisition  
Technology  
Innovation  
Omni-channel  
Transformation  
Advantage Retail

# INVESTOR PRESENTATION

Q4 and FY2023

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# TODAY'S PRESENTERS



**Ahmad AR. BinDawood**  
*Chief Executive Officer*



**Muhammad Salim Patka**  
*Chief Financial Officer*



**Hassan Javaid**  
*Director Finance and  
Head of Investor Relations*

BinDawood Holding Co. (the Company) is one of the leading grocery retail operators of hypermarkets and supermarkets in the Kingdom of Saudi Arabia. The Company has a total of 87 stores, of which 55 are Hypermarkets, 25 are Supermarkets and 7 are Express stores. The stores are strategically located across KSA with one international store in Bahrain. The Company operates its stores under two complementary brands: BinDawood & Danube and also has a strong online presence with 19 dark stores and 15 in-store online operations.

## In 2022, the Company made two major acquisitions:

1. Ykone S.A.S ('Ykone'), a profitable international influencer marketing agency with a proprietary technology offering, focused on retail, travel, beauty, fashion and luxury brands, with presence in Europe, Asia, the US and the Middle East.
2. International Applications Company Ltd ('IAC'), the company which developed and currently operates BinDawood Holding's Danube and BinDawood ecommerce channels.



## BDH Universe

### Retail

- 2 unique brands
- Multiple store formats
- Strong presence in Riyadh and Western region
- 397,061 Total store selling space
- 285 Fleet of Commercial Vehicles
- Stores across several major Saudi Arabian cities including one in Bahrain
- One of the Top 3 Market Leaders having significant market share

### IACo

1st mover in  
Omni-channel

Digital  
transformation

Sophisticated  
loyalty engine

Vast network  
of Dark Stores  
& fleet  
network  
overall the KSA

2  
Unique online  
grocery platforms –  
Danube online and  
the BinDawood app

### Ykone

One of the largest  
(Rank#3) influencer  
marketing agency

#### Won Award

Awarded 'Influencer  
Marketing Agency of  
the Year' in 2023 in  
France.

#### 12 countries

Presence in Europe,  
US, Middle East and  
Asia





## CEO MESSAGE



**Ahmad AR. BinDawood**  
Chief Executive Officer

*"We recorded the highest-ever sales and achieved double-digit revenue growth while maintaining our earnings guidance, driven by our agile business model. A number of prudent measures taken in 2022 have borne fruit in 2023, resulting in a healthy turnaround in our revenue and profitability, underscoring the inherent resilience of the business. Both our brands performed strongly and contributed significantly to our overall success.*

*One of our key accomplishments has been the implementation of data-driven decisions by "mining" the information and insights gained from our very successful loyalty programme comprising of more than 4.7 million customers. This has revolutionized the way customers engage with both of our brands, allowing us to connect with our customers on a deeper level and to anticipate their needs more effectively. We continue to focus on providing a unique shopping experience across both the Danube and BinDawood brands, through expansion of stores, introduction of new formats and the strengthening of the online platform.*

*We are consistently monitoring and analyzing data to implement cost rationalization measures, which involve resizing and relocating stores based on strategic and technical analysis of customer foot traffic. These actions allow us to enhance operational efficiencies through improved store layouts and product displays.*

*Furthermore, the introduction of our Express format has been met with great enthusiasm from our customers, offering them greater convenience and flexibility in their shopping experience. Our strategic investments through Future Retail for Information Technology ("FTR"), our technology focused investment subsidiary, in dark stores and social media influencer partnerships have added value to our core business. These initiatives reflect our commitment to staying at the forefront of industry trends and embracing new growth opportunities.*

*We are working on making our stores smarter and our online shopping faster and better. Our target is to widen our online presence by adding more dark stores, while at the same time, reducing the delivery time in the Express delivery format.*

*Looking Ahead, our focus remains on expanding our presence in major cities such as Riyadh, Jeddah, Makkah, Madina, and Taif. We are dedicated to delivering a premium shopping experience that reflects the latest trends in consumer preferences. In addition, we will continue exploring opportunities, both organic and inorganic, to achieve geographical diversity. Our strong liquidity and debt-free position allows us to undertake acquisitions whenever an attractive opportunity is identified.*

*We look forward to forging ahead on our path of progress and to drive sustainable profitability."*



# **GROWTH STRATEGY & OPERATIONAL HIGHLIGHTS**



# WELL-DEFINED GROWTH STRATEGY

## Retail



Improving the performance of the existing stores



Achieving full potential for recently opened stores



Continuous store expansion  
Resizing the existing Stores



Customer centric approach - Focusing on providing a unique shopping experience  
Rewarding the loyal customers base of more than 4.7 million

## Ykone



Drive market growth through new acquisitions, diversification of clientele, and investment in talent management initiatives.

## IACo



Being a pioneer, aspire to further improve the market share by:

- utilizing data analytics and AI for targeted campaigns
- providing Fintech solutions to enhance customer experience & Basket size

Supermarket

Sustainability

Innovation

Technology

Omni-channel

Retail Transformation

Advantage

Experience

Life Style

# OPERATIONAL HIGHLIGHTS OF 2023

**5,602.9 mn (+14.4%)**

Revenue (SAR) &  
YoY growth % in 2023

*"Highest Sales Achieved in BinDawood History"*

**1,809.8 mn (+25.9%)**

Gross Profit (SAR) &  
YoY growth % in 2023

**275.1 mn (+120.5%)**

Net Profit(SAR) &  
YoY growth % in 2023

**4.9% (+2.4% YoY)**

Net Profit Margin (%)

## Increased Footprints in 2023

### Retail

Opened 3 Supermarkets; and  
2 Convenience Stores

## Increased Geographical Presence

### Non Retail

**IACo:** Added 3 Store  
**Ykone:** Expansion in South East Asia

**Leading...**

**Supermarket** Retail

Sustainability Innovation

Robotics **Technology**

**Advantage** Omni-channel

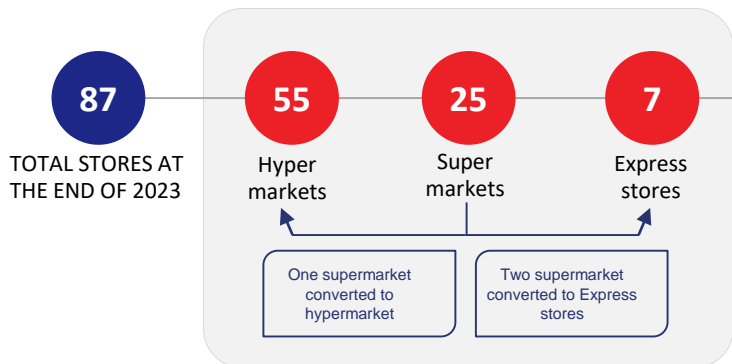
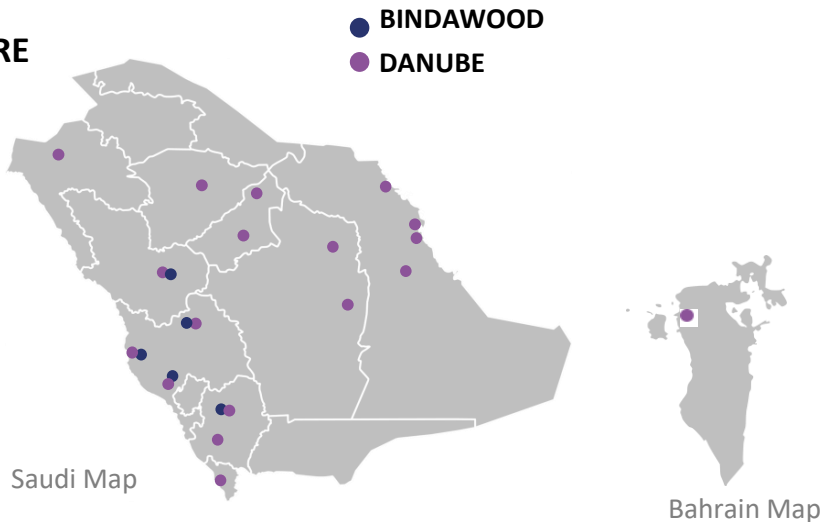
Investment **Transformation**

**Solutions** Acquisition

**Opportunities**

# GEOGRAPHICAL COVERAGE

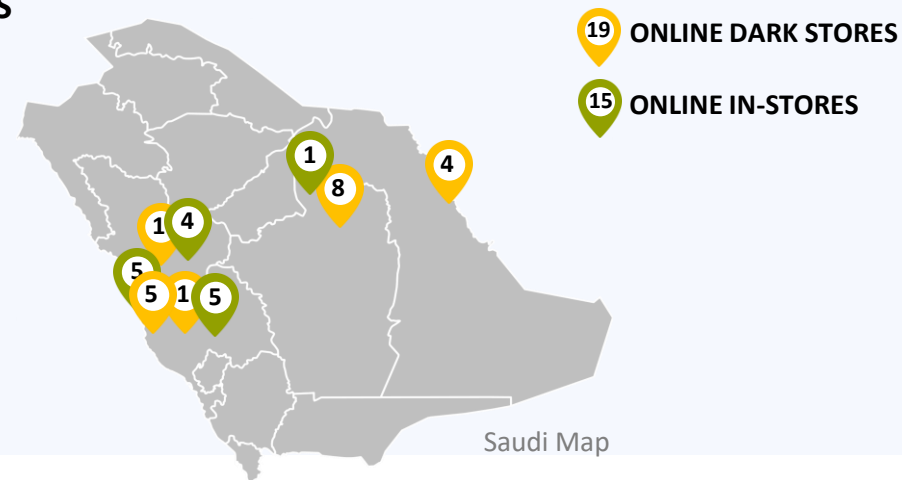
## RETAIL STORE



## YKONE



## IACo ONLINE STORES

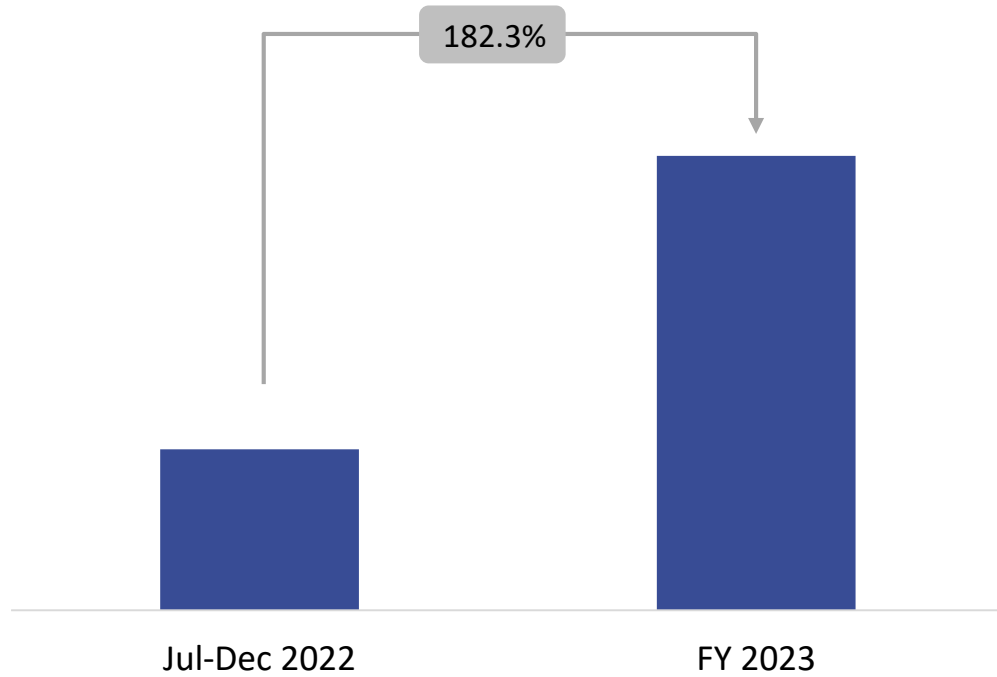


- 2 Supermarkets opened in Western Region and 1 supermarket opened in Central Region in 2023.
- 2 convenience stores opened in Western Region in 2023.
- In total, Company opened 5 stores and closed 2 store in 2023.
- Area under retail increased from 385k sqm in 2022 to 397k sqm in 2023.
- No. of cities covered increased from 17 in 2022 to 18 in 2023 (including Manama-Bahrain).

# Growth in Revenue Performance

*Growing Faster than historical and anticipated*

# Ykone

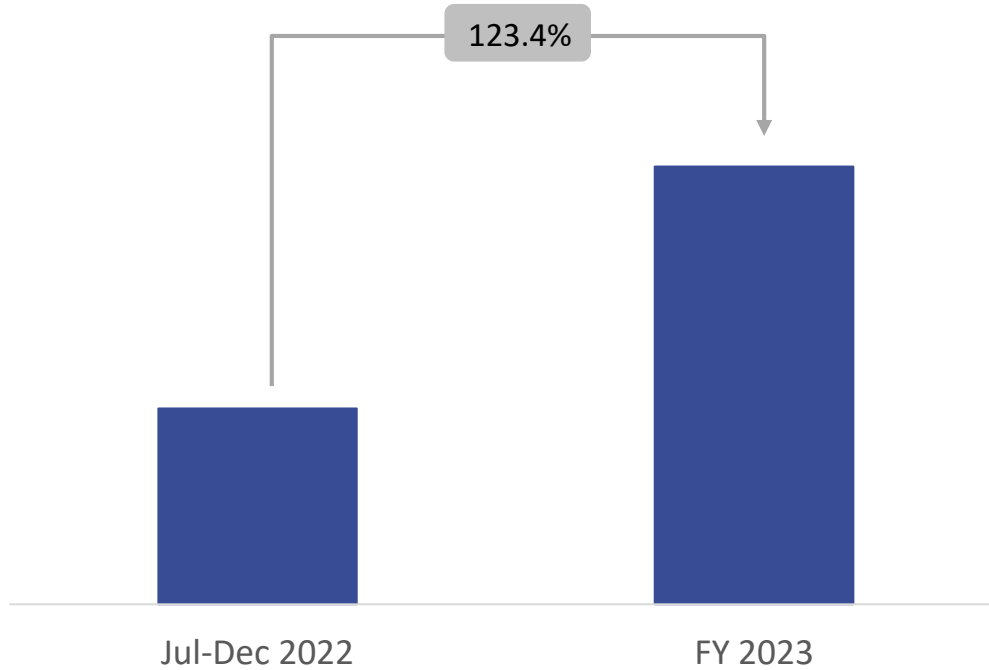


Ykone significant growth can be attributed to several key factors:

- Acquisition of a majority stake in Ykone Asia and Hong Kong in 2023 and further expanded to India in 2024.
- Additionally, major business agreements with Dubai Culture and Tourism (DCT) Authority boosted the top-line numbers.

# Growth in Revenue Performance

*Growing Faster by leveraging AI-driven information and data insights*



IACO's significant growth can be attributed to several key factors:

- Leveraging its expanding network of dark stores across KSA to enhance customer experience through fast delivery and a 100% fulfilment rate.
- Seamless integration of the loyalty program into the Danube and BinDawood Apps has empowered the business with advanced tools, including data insights and AI-driven information.
- This strategic approach allows IACO to tailor its services and promotions to meet the unique needs of different customer segments, thereby enhancing their overall experience.



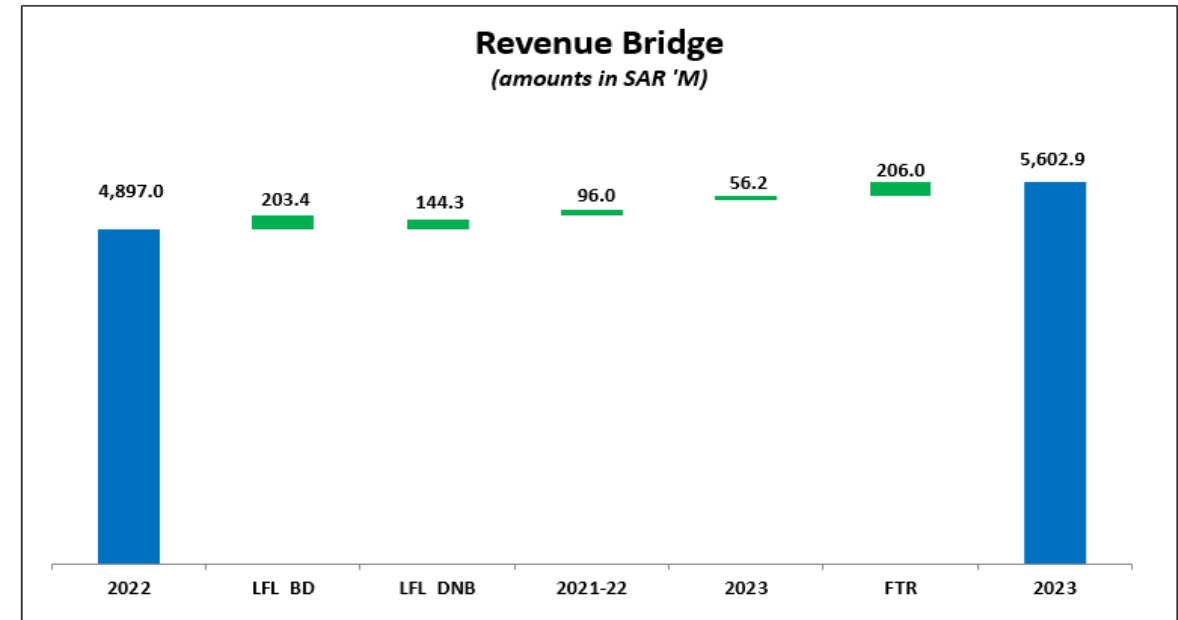
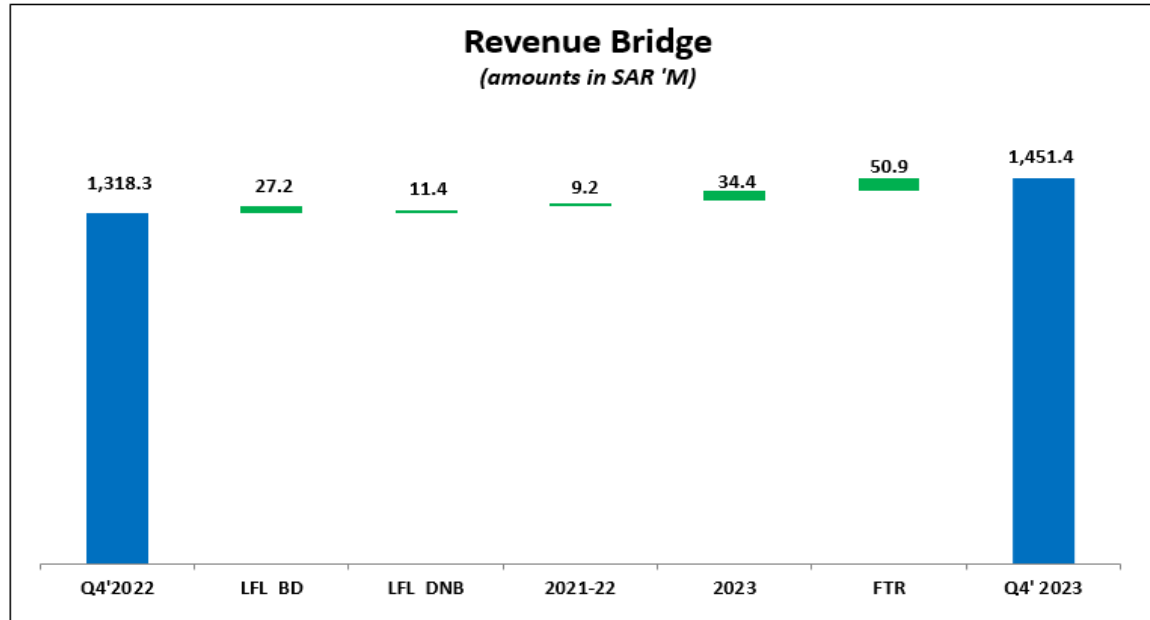


# TRADING UPDATE





# REVENUE BRIDGE: FY2023 VS FY2022 & Q4FY23 VS Q4FY22



## Revenue for FY 2023 increased by 14.4% vs FY 2022 driven by both BinDawood and Danube stores:

- BinDawood stores witnessed an increase of 13.2% in Revenue due to enhancing the premium quality of our products and using the knowledge gained from customer loyalty programme.
- Danube stores posted 9.1% increase owing to our continuous customer engagement, customer loyalty programme and full year impact of FTR subsidiaries acquired in July 2022.

## Revenue for Q4 FY2023 increased by 10.1% vs Q4 FY2022 due to:

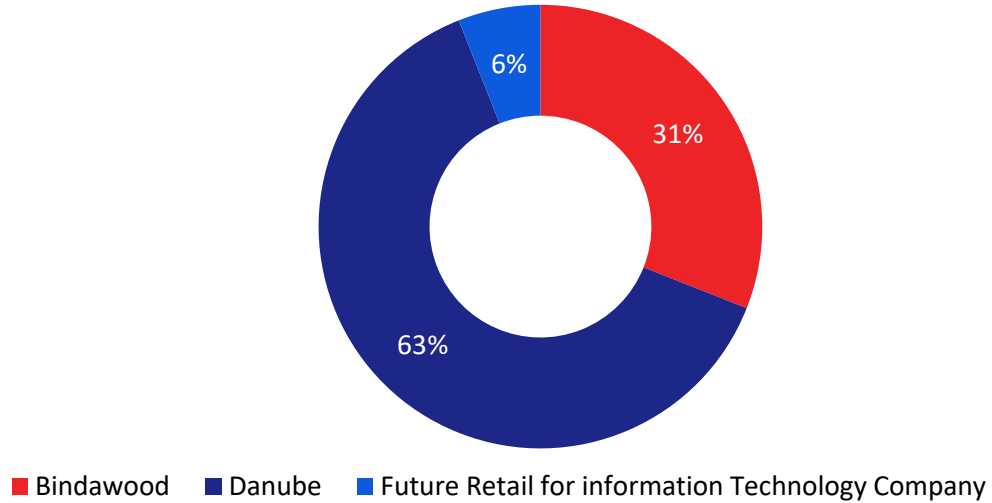
- The increase in revenue is attributed to enhanced customer experience and enriched product offerings made possible through data driven decision from the loyalty programme

Source: Company Information FY 2023 & FY 2022 Audited FS.

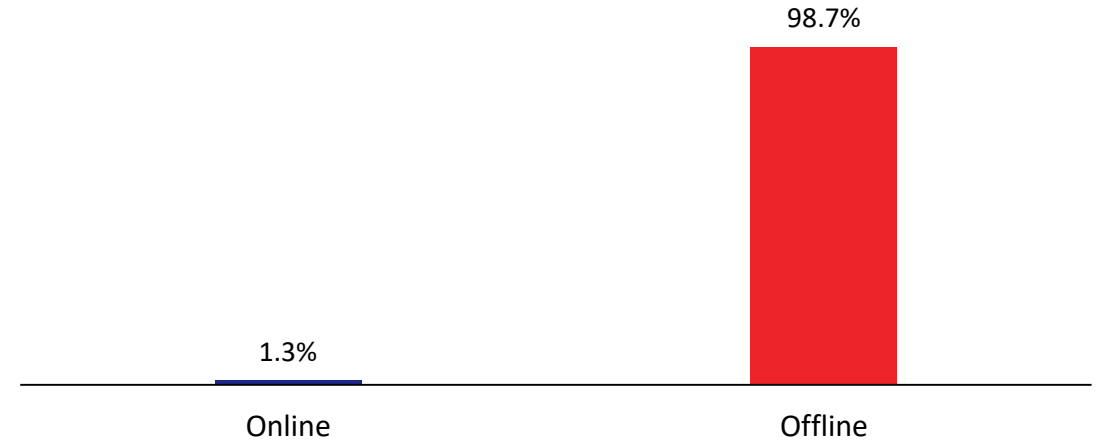


# REVENUE BY SUBSIDIARIES & ONLINE vs OFFLINE

Revenue by Subsidiaries – FY2023



Online vs Offline- 2023



## Revenue by Subsidiaries:

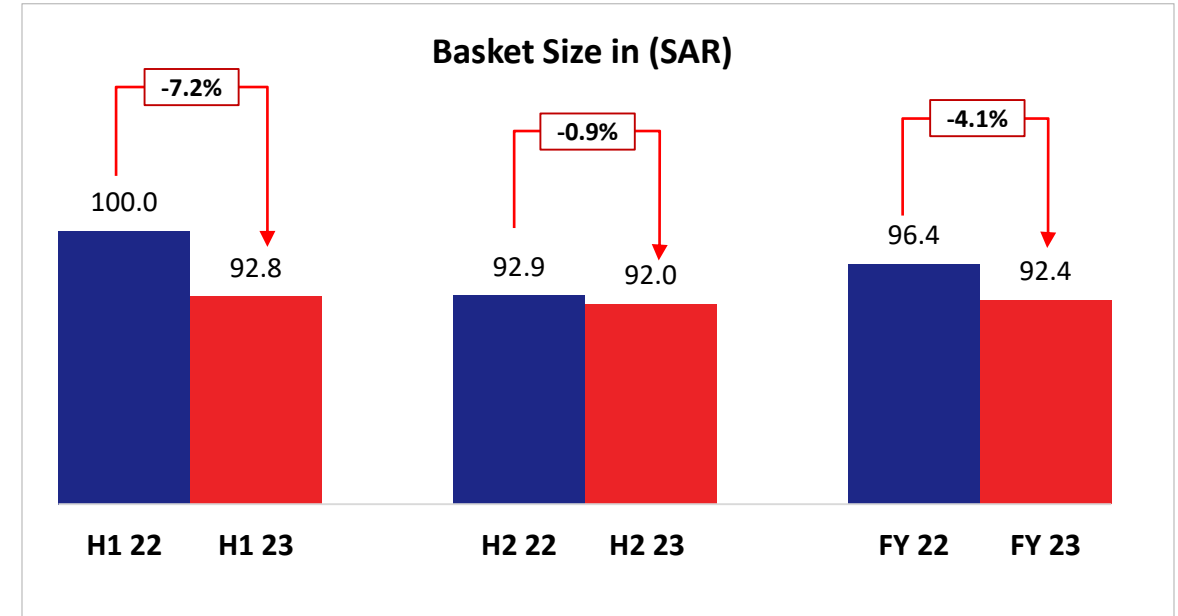
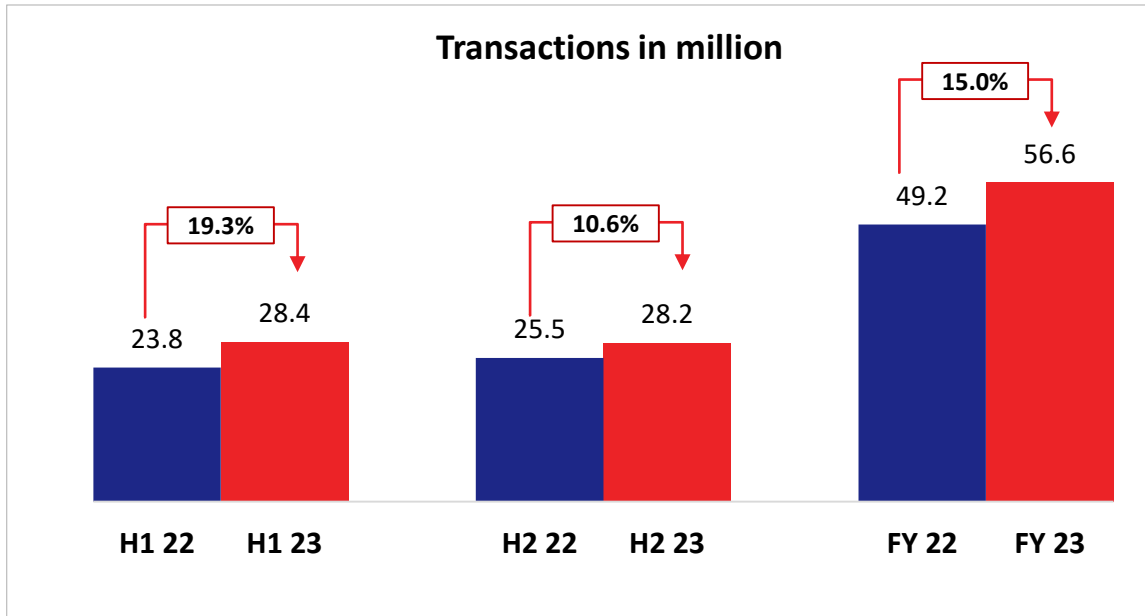
- Among the subsidiaries, Danube contributes 63% of the Group's overall revenues, followed by BinDawood which contributes 31% to the Revenues. The digital piece of Future Retail contributes 6% of the overall Revenues.

## Online vs Offline:

- Offline Retail Sales contributed 98.7% to Total Revenue in 2023 vis-à-vis 1.3% contributed by Online Retail Sales

Source: Company Information FY 2023 Audited FS.

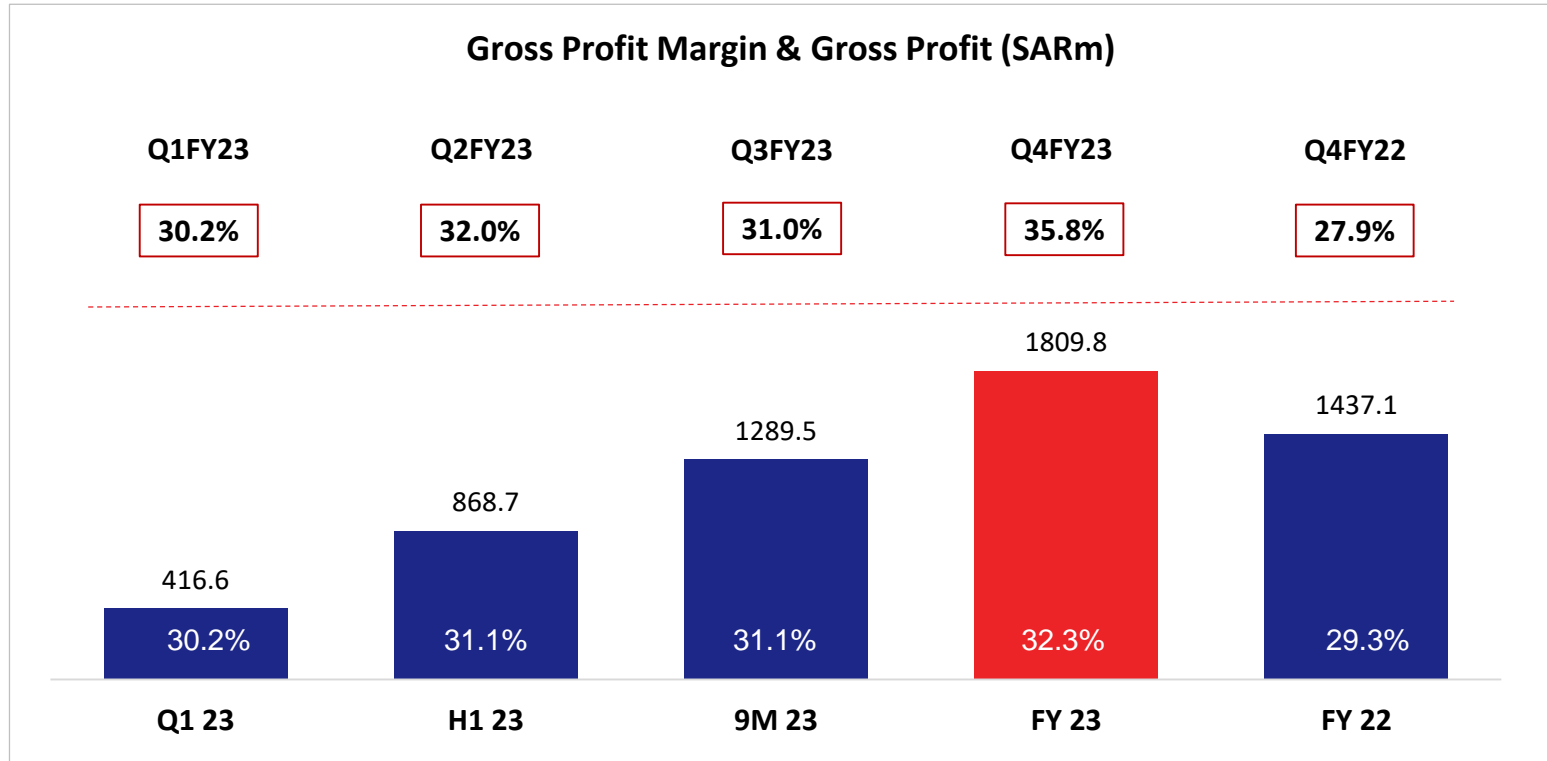
# TRANSACTIONS AND BASKET SIZE



- Total transactions demonstrated robust growth in both FY 2023 compared to FY 2022 and in Q4 FY2023 versus Q4 FY2022. This growth can be attributed to enhanced customer engagement through festive campaigns, improved customer experience, and increased insights into customer behavior obtained from the loyalty engine.
- Total transactions increased by +15.0% in FY 2023 versus FY 2022 & +7.4% in Q4 FY2023 versus Q4 FY2022 reflecting sustained frequency of customer visits to stores.
- Witnessed a rebound in basket size resulting from strong data analytics and data mining tools through loyalty engine and an improved product offering.

Source: Company Information FY 2023 & FY 2022 Audited FS.

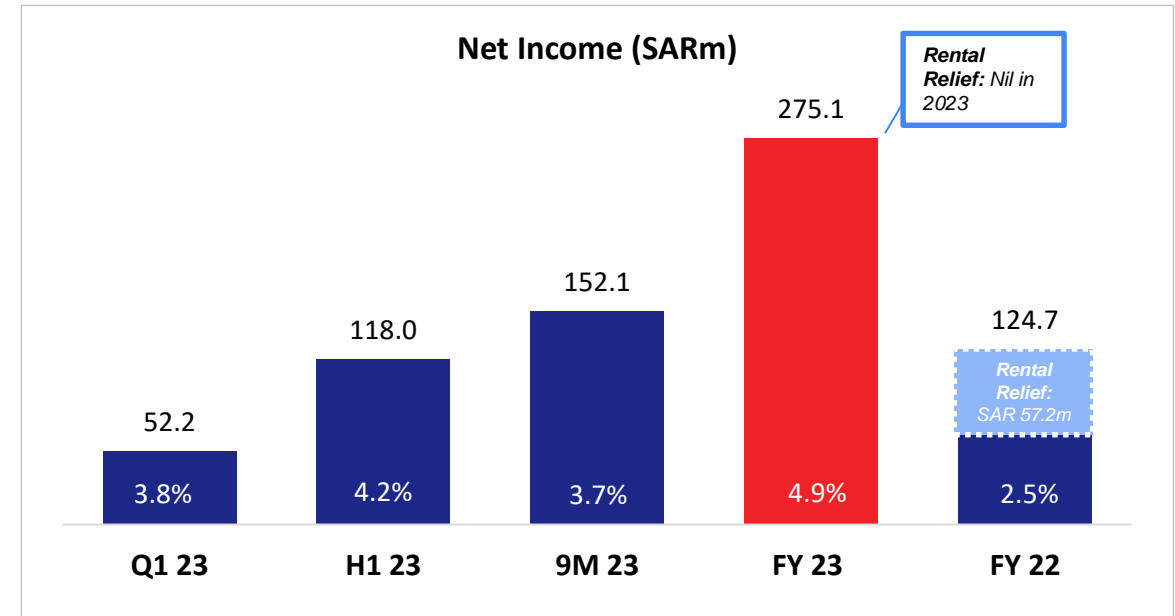
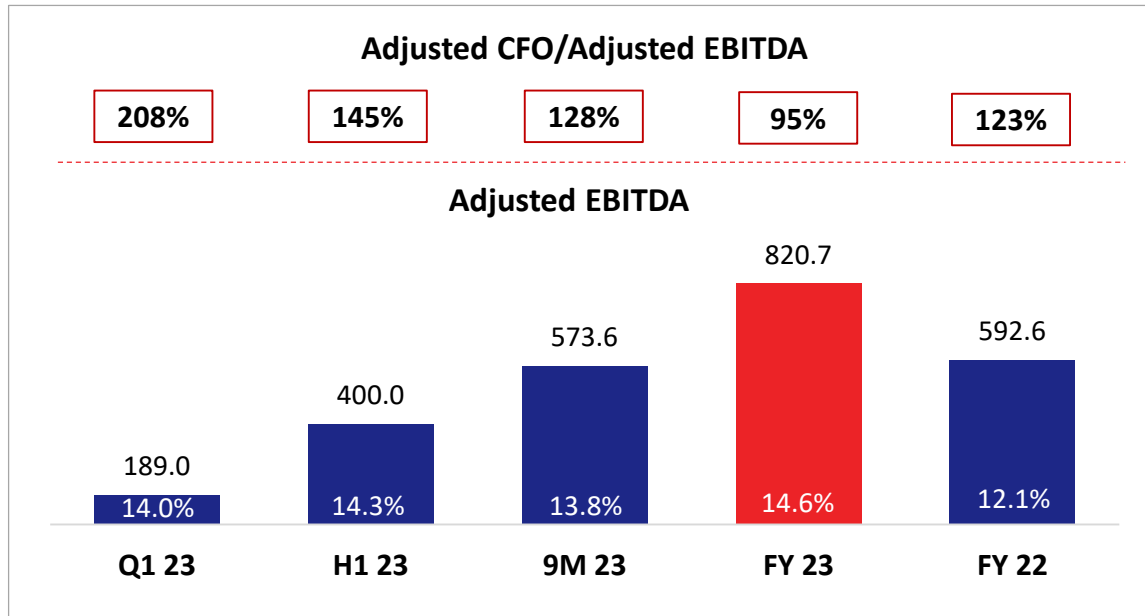




- Gross profit was SAR 1,809.8 million or 32.3% of sales in FY 2023 versus SAR 1,437.1 million in FY 2022 or 29.3% of sales.
- Gross profit margins have been recovering substantially from Q1 2023 which was 30.2% increased to 31.0% in Q3 2023 and further strengthened in Q4 2023 to 35.8%.
- Margin improvement was driven by a more favorable product mix, increased support from suppliers, heightened customer engagement, and enhancements in quality and customer experience.

Source: Company Information FY 2023 & FY 2022 Audited FS.

# FY 2023 TRADING UPDATE



\* Net Profit excluding non-recurring rent relief in FY 2023

- Adjusted EBITDA was up by 38.4% to SAR 821 million in FY 2023 from SAR 593 million in FY 2022 attributed to an increase in operating profit by 134.6%.
- The increase in EBITDA% is attributed to growth in gross margin and improvement in opex ratio to sales from 26.4% to 26.1% in 2023.

- Net profit was SAR 275.1 million in FY 2023 compared to SAR 124.7 million in FY 2022 after excluding the impact of rent relief, representing a net profit margin of 4.9% and 2.5% respectively. Had there been no rental relief in FY22, then the growth in net profit would be 307.6%. The increase in net profit reflects the cumulative impact of increase in sales and gross profit.
- Q4 2023 net profit was SAR 122.9 million versus Q4 2022 net profit of SAR 64.9. This significant turnaround was the cumulative impact of higher sales and improved Gross Margin, which was partly offset by an increase in Operating Expenses.

Source: Company Information FY 2023 & FY 2022 Audited FS.

Adjusted EBITDA is defined as operating profit + D&A + recurring portion of other income (empty carton sales).

# FY 2023 TRADING UPDATE

## Trade Working Capital (SARm)

### Trade Working Capital

Trade working capital rose by 4% compared to FY'22, primarily driven by:

### Accounts Receivables & Prepayment

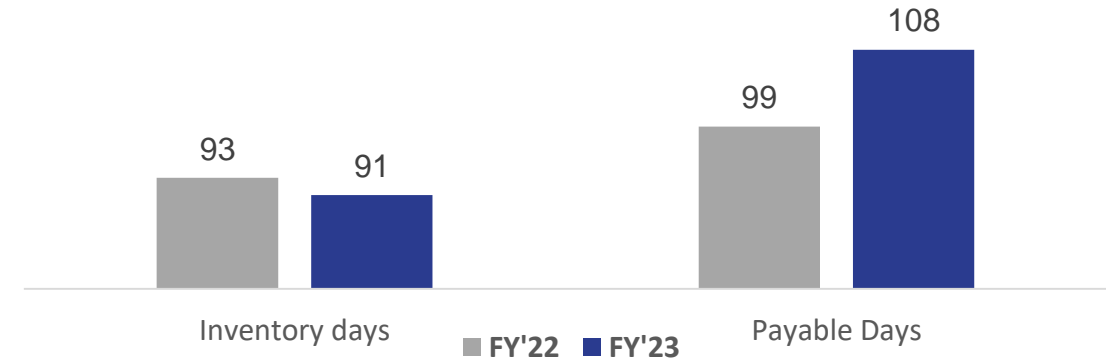
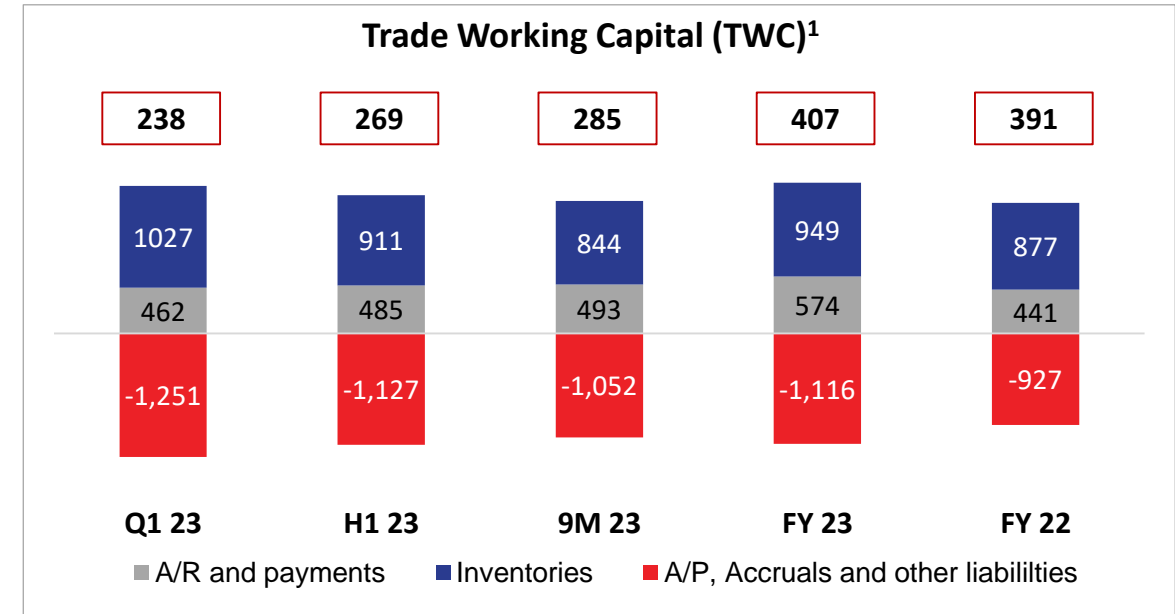
Higher receivable balances in FY'23, resulting from increased business volume from FTR subsidiaries and corporate customers of BDH. Despite this, the recoverability rate remained consistent. After the close of the year, there was a notable improvement in the recovery of corporate receivable balances.

### Accounts Payables, Accruals and other Liabilities

Increase in payables was due to higher purchases to meet rising demand of shaban season (early ordering), including the opening of five new stores and the conversion of one supermarket to a hypermarket.

### Inventory

However, inventory did not increase at the same pace due to rapid liquidation across all categories, as reflected in the average revenue growth of approximately 11.6% across all categories.

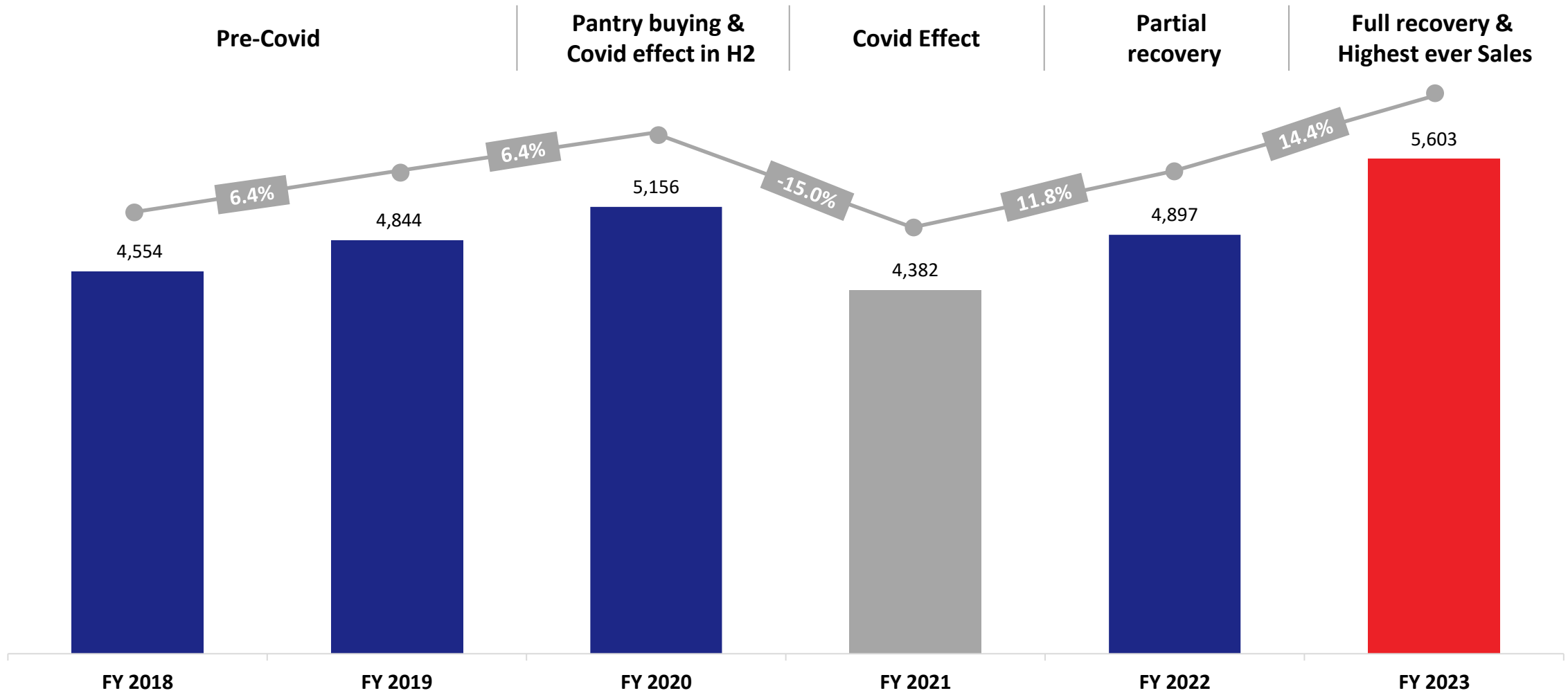


Source: Company Information FY 2023 & FY 2022 Audited FS. Trade working capital defined as inventories + A/R and prepayments – A/P, accruals and other liabilities excluding payables to capex suppliers.

Inventory Days = Avg inventory / COGS \* 365

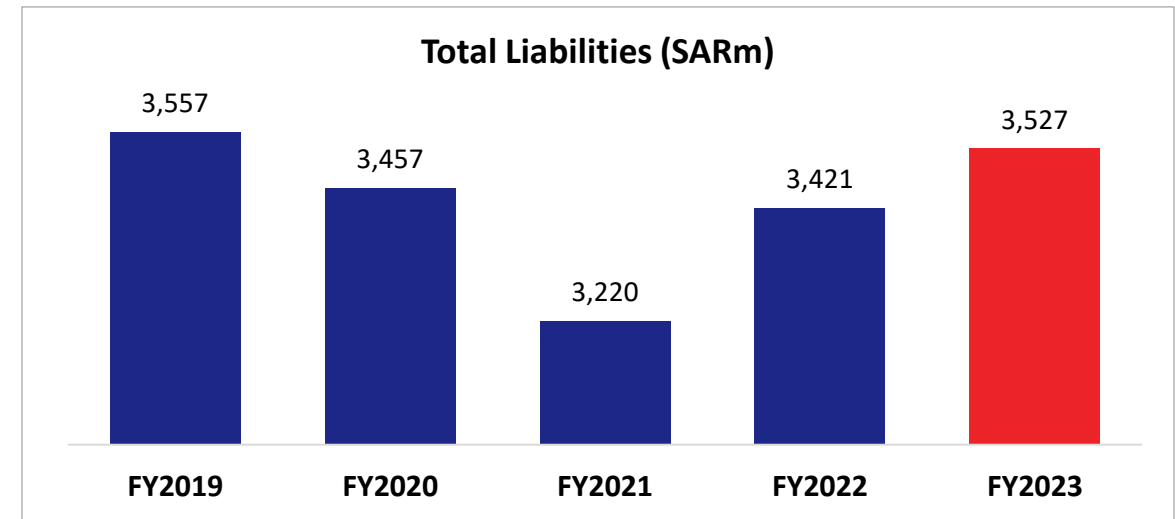
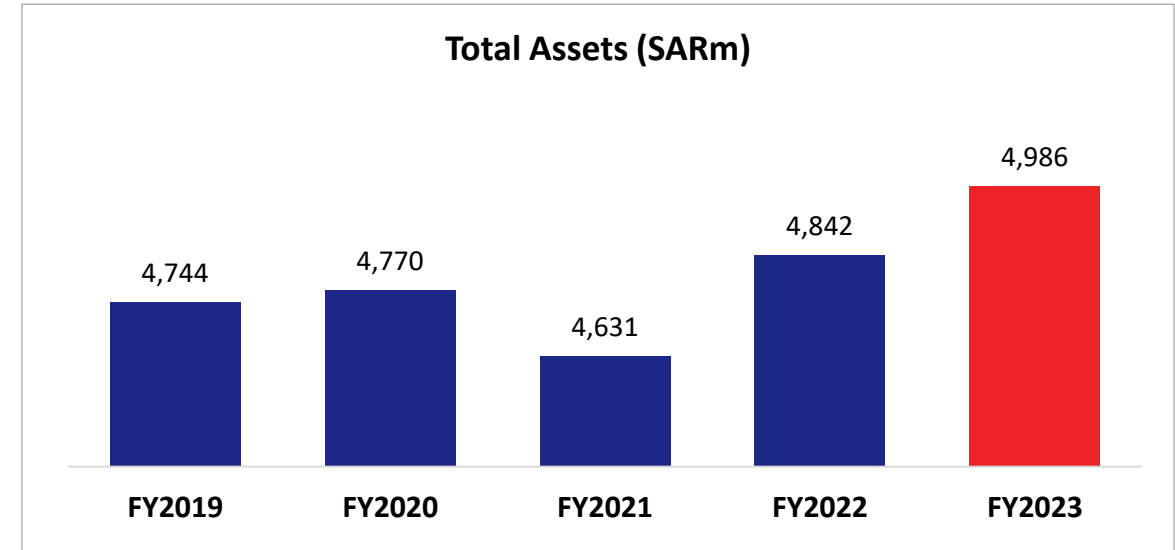
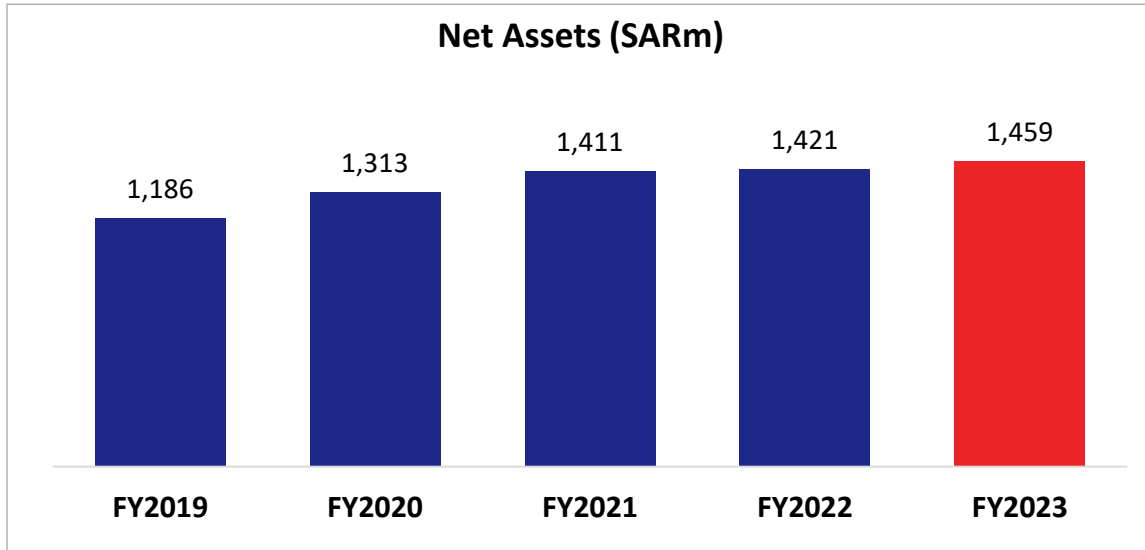
Payable days = Accounts Payable X Number of Days/Cost of Goods Sold (COGS)

# 5 YEAR SALES TREND



Source: Company Information FY 2023, FY 2022, FY 2021, FY 2020 & FY 2019 Audited FS.

# 5 YEAR ASSETS & LIABILITIES TREND



- From 2019 onwards, owing to implementation of IFRS 16, Right-of-use Assets and Leased Liabilities were recognized that resulted in significant increase in total assets and total liabilities, whereas, net assets reported a steady growth over a period of 5 years.
- The rise in total assets is a result of investments in subsidiaries and the opening of new stores.

Source: Company Information FY 2023, FY 2022, FY 2021, FY 2020 & FY 2019 Audited FS.





## **FUTURE OUTLOOK & GROWTH DRIVERS**

# FUTURE OUTLOOK & GROWTH DRIVERS

## INVESTMENT IN TECHNOLOGY empowers us to excel and deliver superior outcomes.



### ORGANIC GROWTH

- **Retail**
  - Roll out 5-6 new stores
  - Strategic focus in Riyadh and Western Region.
  - Further expansion into the convenience stores segment.
- **Non Retail**
- **Ykone** aims to ramp up expansion efforts and concentrate on the vast growth potential in the USA and China.
- **IACo** is set to introduce a cutting-edge Mega Dark Store, poised to bolster IACo's online sales market share.



### IMPROVE MARKET SHARE

- **Regional - Retail and IACo**
  - Continuously increase our market share in the region by leveraging a competitive range of products.
  - Enhancing product variety with Artificial Intelligence solutions via a loyalty engine.
  - Incorporating fintech solutions alongside data analytics will empower customers to expand their basket size.
- **Ykone**
  - Enhance market growth by pursuing new acquisitions, diversifying existing clientele, and fostering talent management initiatives.



### CUSTOMER EXPERIENCE

- Elevating premium offerings and services while introducing diverse sections.
- Cultivating new customer engagement strategies.
- Tailoring shopping experiences to individual preferences.
- Fostering competitiveness through a focus on quality.



### MARGIN GROWTH

- Cost rationalization involves adjusting store sizes and locations based on customer traffic.
- The Loyalty Program reduces acquisition costs, promotes higher-margin products, and boosts average transaction values, while lowering overall promotional expenses. This results in higher margins from a more engaged customer base.
- Operational efficiency has improved through the automation of routine administrative tasks.



### ROBUST CASHFLOW & INORGANIC GROWTH

- The company's operational cash flow rose due to enhanced working capital efficiency and a higher business volume. This has resulted in a strong cash balance, positioning the company well to explore new opportunities.
- We are directing our investment efforts towards the **following sectors**: Distribution, Fintech, and Data Analytical Solutions.

# Appendix

## Core achievements

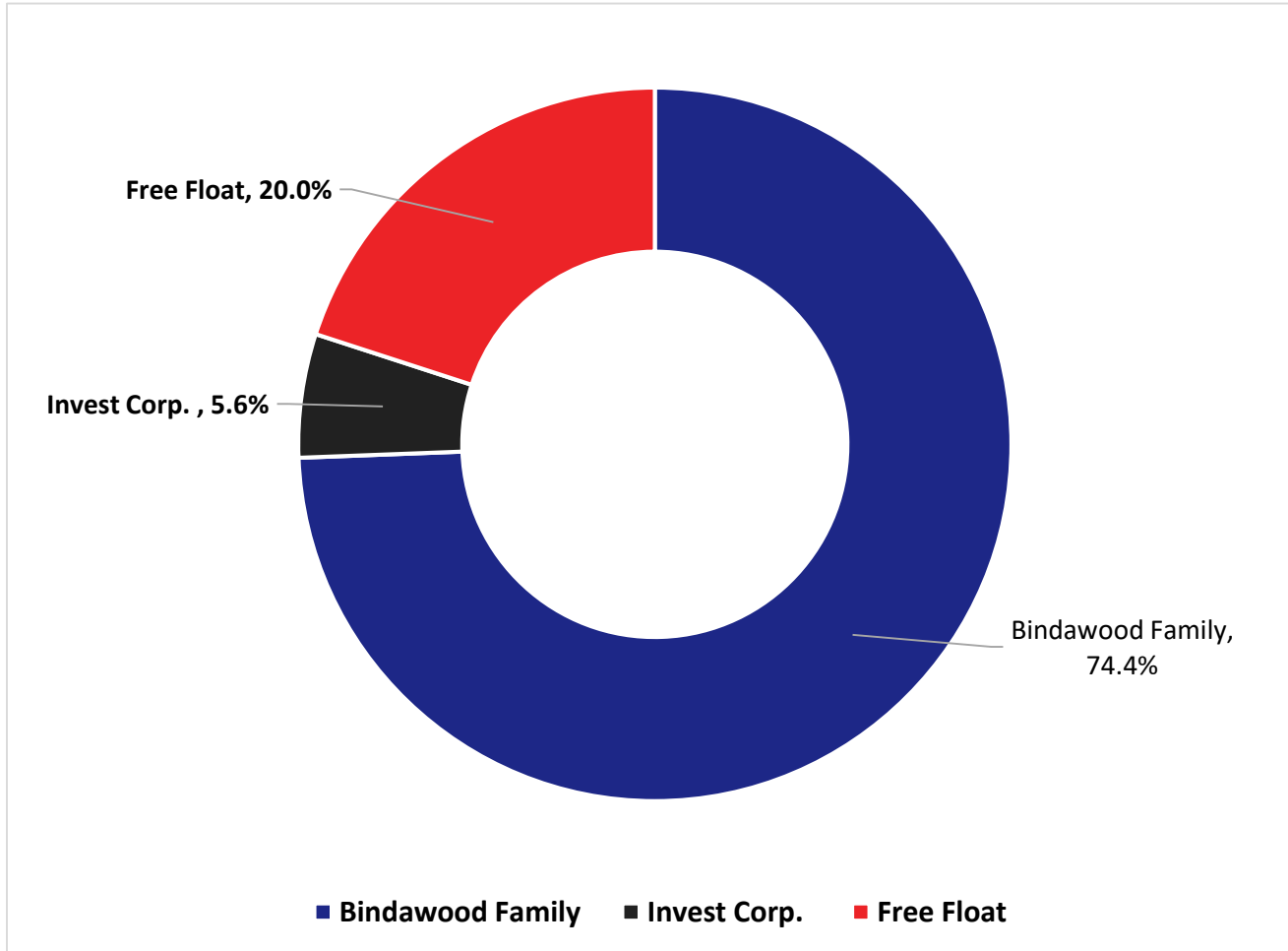
- ❖ Improvement of sales densities across all formats
- ❖ Sustainable margin
- ❖ Strict cost control
- ❖ Net working capital turned to negative driven by significant inventory days improvement
- ❖ Healthy financial position

### Concise Profit & Loss

	2022	2023	YoY
<b>Sales</b>	4,897.0	5,602.9	+14.4%
<b>Gross Profit</b>	1,437.1	1,809.8	+25.9%
<b>Gross margin %</b>	29.3	32.3	+296Bps
<b>SG&amp;A</b>	1,294.7	1,464.3	13.1%
<b>Adjusted EBITDA</b>	592.6	820.7	+38.5%
<b>Adjusted EBITDA %</b>	12.1	14.6	255ps
<b>Net income</b>	124.7	275.1	120.5%
<b>Net income %</b>	2.5	4.9	+236Bps
<b>Net income(excluding rent relief)</b>	67.5	275.1	307.6%
<b>Net income %(excluding rent relief)</b>	1.4	4.9	+353Bps
<b>Profit (Loss) per Share</b>	0.10	0.24	140.0%

Source: Company Information FY 2023 & FY 2022 Audited FS.

# SHAREHOLDER STRUCTURE



# THANK YOU

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## INVESTOR ENQUIRIES:

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