



Driving  
sustainable  
profitability  
through resilience  
and innovation

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

# INVESTOR PRESENTATION

Q1 2024

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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*

# ABOUT THE COMPANY

**BinDawood Holding** (Tadawul: 4161 and the Company), a retail conglomerate, that focuses on technology and retail solutions, it capitalizes on investment opportunities, driving long-term growth. Driven by a vision for sustained growth, BinDawood Holding continues to solidify its position as a frontrunner in the retail industry, poised to capitalize on emerging opportunities and deliver exceptional value to stakeholders. BinDawood Holding continues to shape the retail landscape through constant innovation and a steadfast commitment to excellence by operating its business under the following brands:

- **BinDawood:** Renowned as one of Saudi Arabia's premier grocery superstore retail brands. It prioritizes exceptional value for money and superior customer service, making it an iconic 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.
- **Ykone:** Headquartered in Paris, Ykone is a global leader in influencer marketing services. Offering comprehensive solutions in strategy, talent management, content production, and monitoring, it serves leading brands worldwide, including those in Europe, Asia, the US and MENA region.
- **International Applications Company (IACo):** the developer and operator of BinDawood Holding's Danube and BinDawood e-commerce channels. Furthermore, it is expanding its network of dark stores throughout the Kingdom, aiming not only to ensure prompt delivery and an unwavering 100% fulfillment rate but also to elevate customer experience. 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.

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

## BDH Universe

### Retail

- 2 unique hypermarket/supermarket brands
- 2 new brands launched to roll-out express stores with size ranging from 150-800 sqm
- Multiple store formats
- Strong presence in Riyadh and Western region
- 400,315 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 (2023: 7.9% vs 2022: 7.4%)

### 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  
\*\*Recently acquired  
Barcode marketing  
agency in India





## CEO MESSAGE



**Ahmad AR. BinDawood**  
Chief Executive Officer

*“The first quarter of 2024 recorded a revenue of SAR 1,472.9 million, reflecting an upswing of 6.6%, on a YoY basis. This increase was achieved by a 7.5% increase in footfall on a YoY basis, confirming our success in elevating the customer experience.*

*Our AI driven loyalty programme boasts an extensive reach of more than 5 million customers, enabling us to collect and analyze data, understand and respond to customer needs more effectively and make informed decisions to enhance profitability. We are exploring the use of AI and fintech solutions to further improve our operations and customer interaction, including customer financing options like "buy now, pay later" schemes. These innovations will not only boost our operational efficiency but also deepen customer engagement with our brand. Our investment in technology has yielded sizable returns, and we are optimistic that digital technology and AI will accelerate our growth momentum in the years ahead.*

*Ykone, our subsidiary in France, continues to expand its operations and is now recognized as one of the top three influencer marketing agencies worldwide. IAC showed YoY growth in revenue and has been instrumental in driving customer analytics.*

*We continue to focus on expanding our store footprint and online presence. We are investing heavily in the rollout of different store formats in Riyadh and the Western Region. Our first mega dark store will be complete and ready for operations in H2 2024. This store will facilitate an uptick in the numbers and frequencies of local deliveries, which in turn will augment sales and boost business growth and is completely on point with our omni-channel strategy.”*



## **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 5 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 Q1 2024

**1,472.9 mn (+6.6%)**

Revenue (SAR) &  
YoY growth % in Q1 2024

**451.0 mn (+8.3%)**

Gross Profit (SAR) &  
YoY growth % in Q1 2024

**60.5 mn (+15.9%)**

Net Profit(SAR) &  
YoY growth % in Q1 2024

**4.1% (+8.8% YoY)**

Net Profit Margin (%)

## Increased Footprints in Q1 2024

### Retail

Opened 1 supermarket in Makkah in Q1 24

*\*Opened 1 express store in Medina and 1 supermarket in Jeddah post Q1'24*

## Increased Geographical Presence

### Non-Retail

IACo: Added 1 dark store in Riyadh post Q1 24

Ykone: Acquisition of Barcode in India

## Interim Dividend H2 2023

Declared dividend of SR 0.1/share

**Leading...**

**Supermarket** Retail

Sustainability Innovation

Robotics **Technology**

**Advantage** Omni-channel

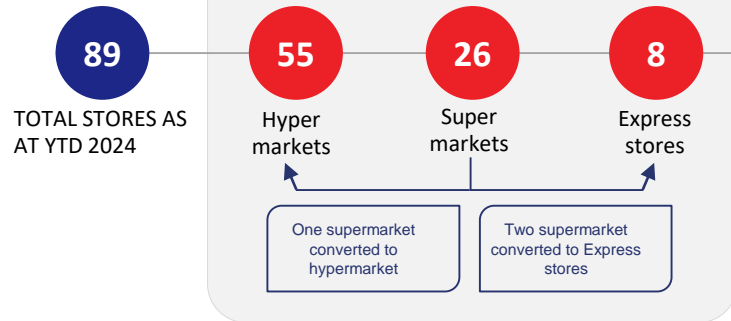
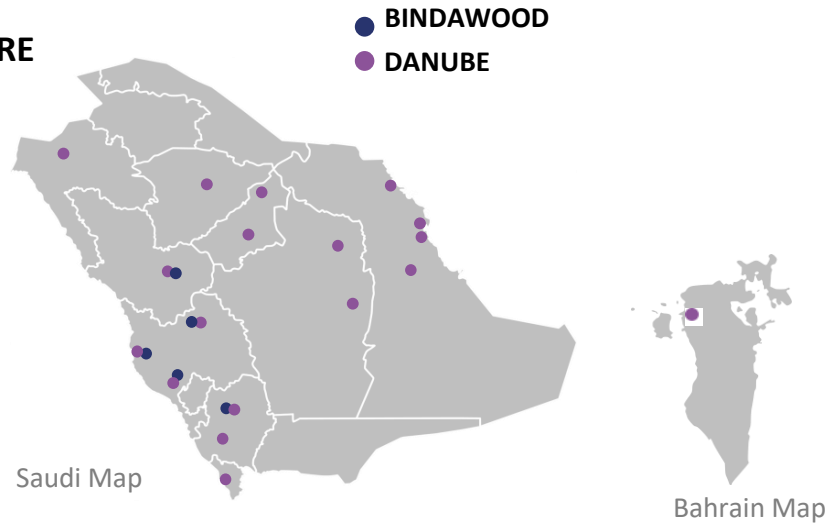
Investment **Transformation**

**Solutions** Acquisition

**Opportunities**

# GEOGRAPHICAL COVERAGE

## RETAIL STORE

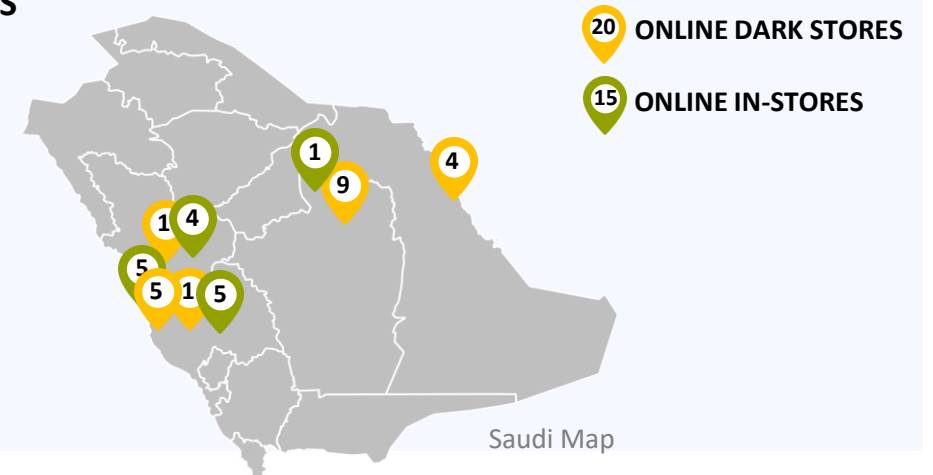


- Company opened 1 supermarket in Mecca in Q1 2024.
- Further, opened 1 express store and 1 supermarket in Medina and Jeddah respectively post Q1'24 apart from adding 1 more dark store in Riyadh.
- Area under retail increased from 385k sqm in Q1 2023 to 400k sqm in YTD 2024.
- No. of cities covered reached to 18 as at Q1 2024 (including Manama-Bahrain).

## ●YKONE



## IACo ONLINE STORES





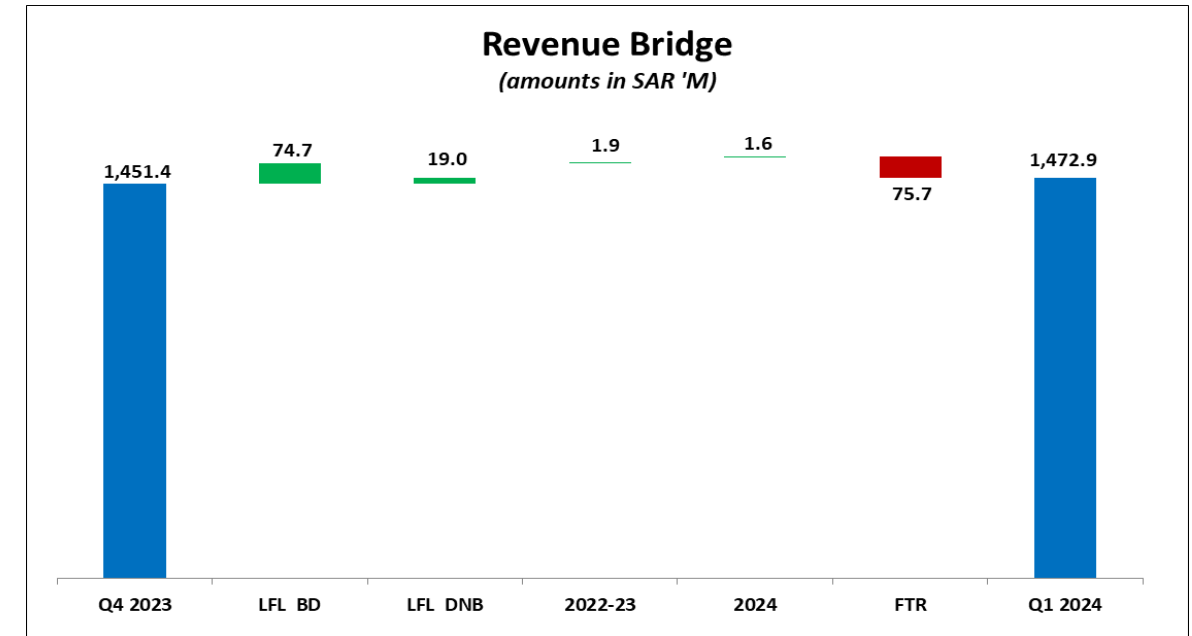
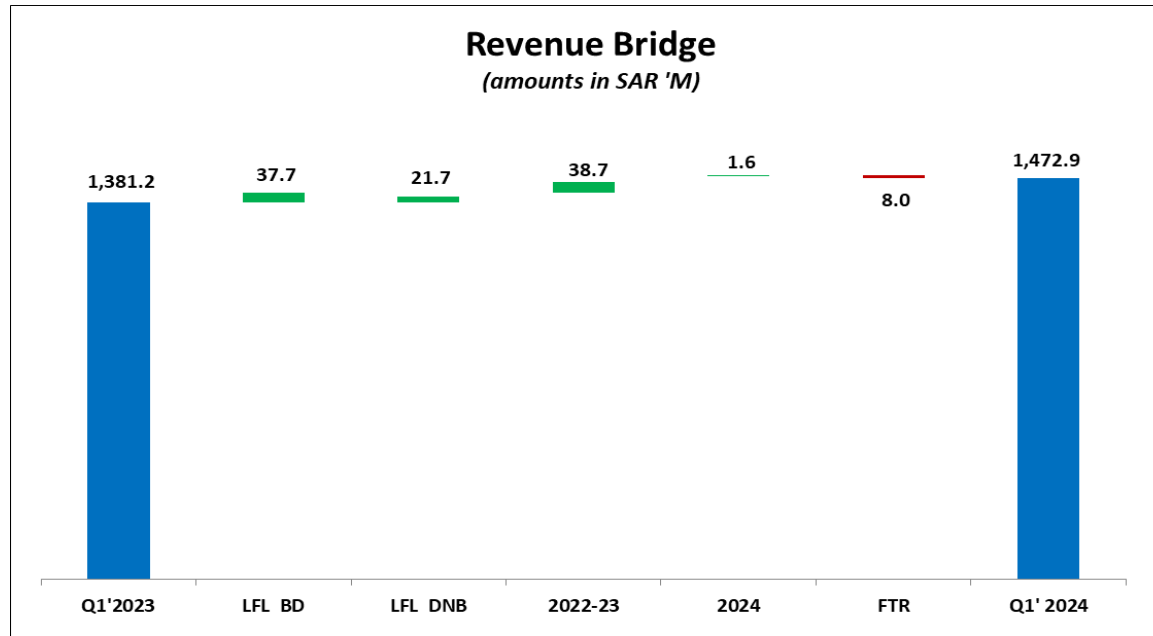
**TRADING UPDATE**







# REVENUE BRIDGE: Q1'2023 & Q4'2023 VS Q1'2024



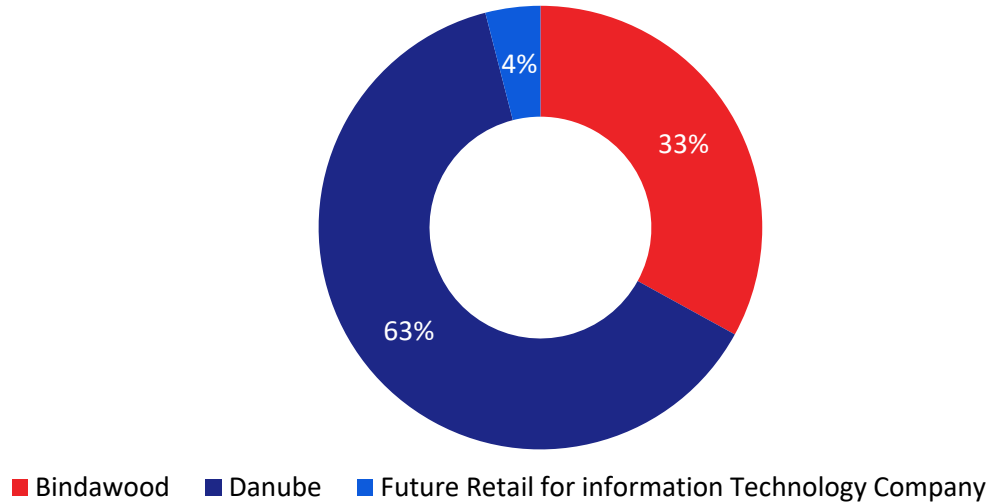
## Revenue for Q1 2024 increased by 6.6% vs Q1 2023 and 1.5% vs Q4'2023 driven by both BinDawood and Danube stores:

- Sales for BinDawood stores for the current quarter were SAR 484.0 million, an increase of 8.5% compared to Q1 2023 and 18.2% compared to Q4 2023.
- Danube stores recorded sales of SAR 934.9 million for Q1 2024 which reflected an increase of 7.1% compared to Q1 2023 and 2.5% compared to Q4 2023.
- The upturn in performance was driven by enhanced preparations for the Pre-Ramadan season and the continuing success of the loyalty program. The above increases were partly offset by the lower revenue earned by Ykone in Q1 2024 as compared to Q4 2023, which is traditionally its strongest quarter.

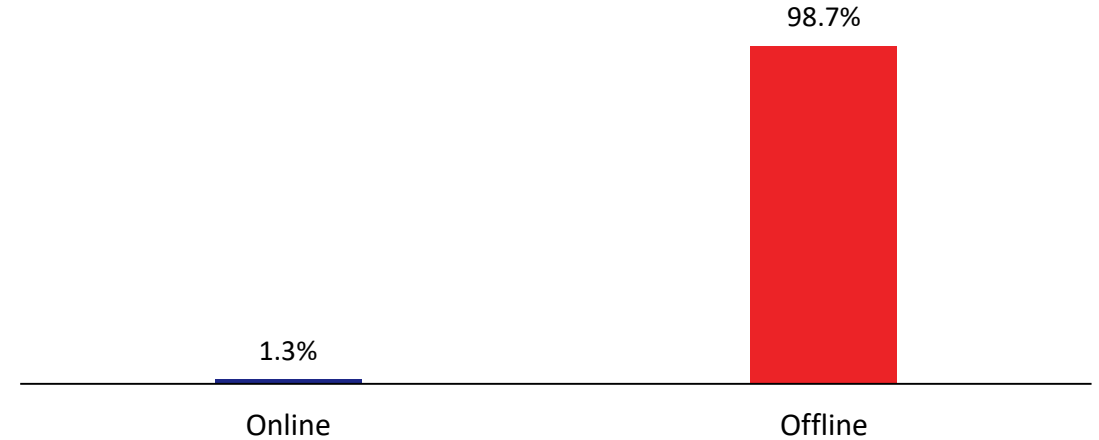
Source: Company Information 9M 2023, FY 2023, Q1 2024 FS.

# REVENUE BY SUBSIDIARIES & ONLINE vs OFFLINE

Revenue by Subsidiaries – Q1 2024



Online vs Offline- Q1 2024



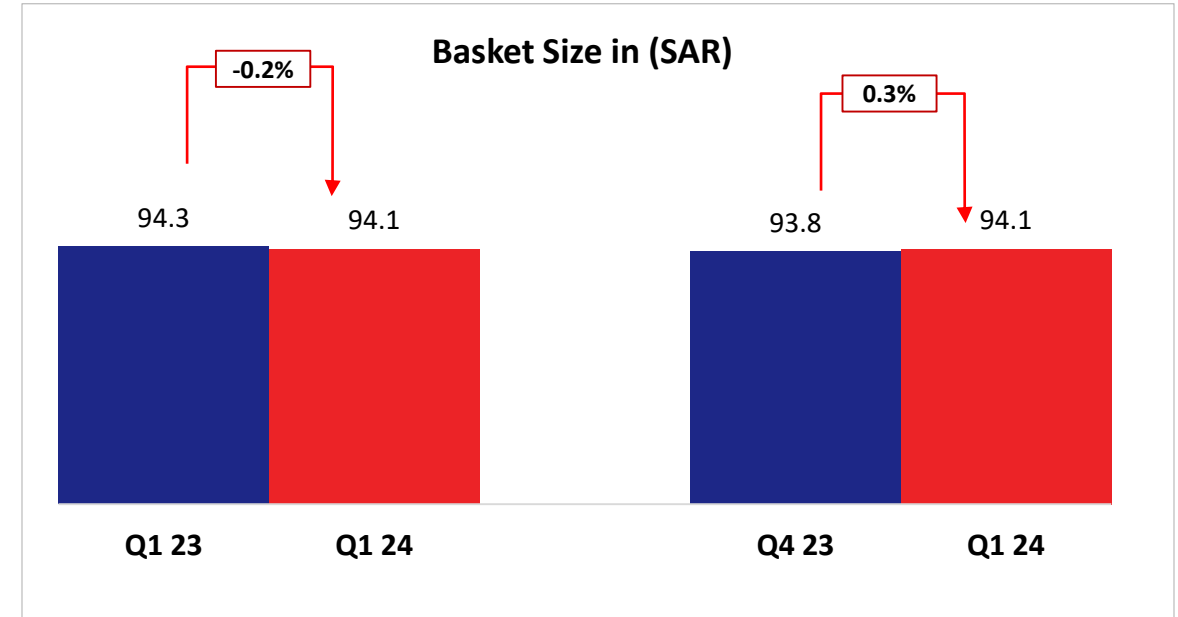
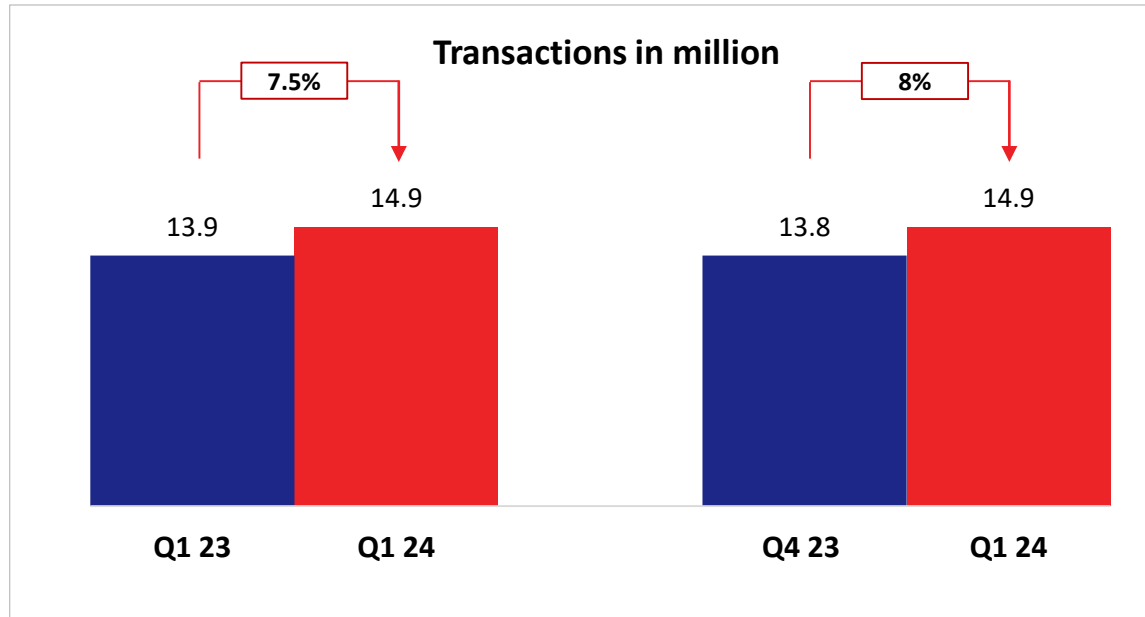
## Revenue by Subsidiaries:

- Among the subsidiaries, Danube contributes 63% of the Group's overall revenues, followed by BinDawood which contributes 33% to the Revenues. The digital piece of Future Retail contributes 4% of the overall Revenues.

## Online vs Offline:

- Offline Retail Sales contributed 98.7% to Total Revenue in Q1 2024 vis-à-vis 1.3% contributed by Online Retail Sales

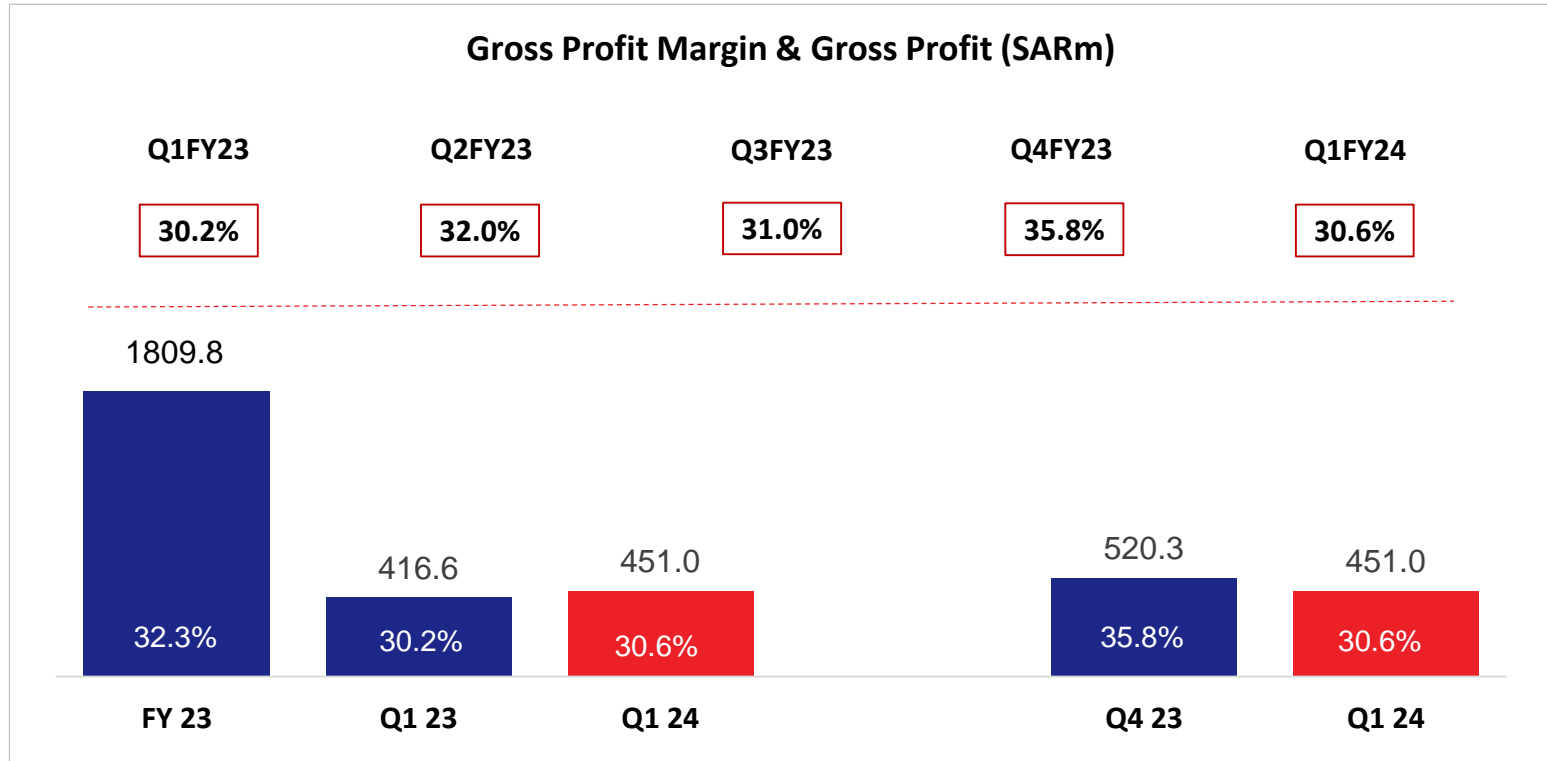
# TRANSACTIONS AND BASKET SIZE



- In Q1 2024, there was an increase in total transactions compared to both Q1 2023 and Q4 2023. This rise is credited to heightened customer engagement, enhanced customer experience, and deeper insights into customer behavior gained from the loyalty engine.
- Total transactions increased by +7.5% in Q1 2024 versus Q1 2023 & +8% in Q1 2024 vs Q4 2023 reflecting sustained frequency of customer visits to stores.
- Experienced a slight reduction in basket size for Q1 2024 as compared to Q1 2023, with a 0.3% increase in Q1 2024 as compared to Q4 2023.

Source: Company Information 9M 2023, FY 2023, Q1 2024 FS.

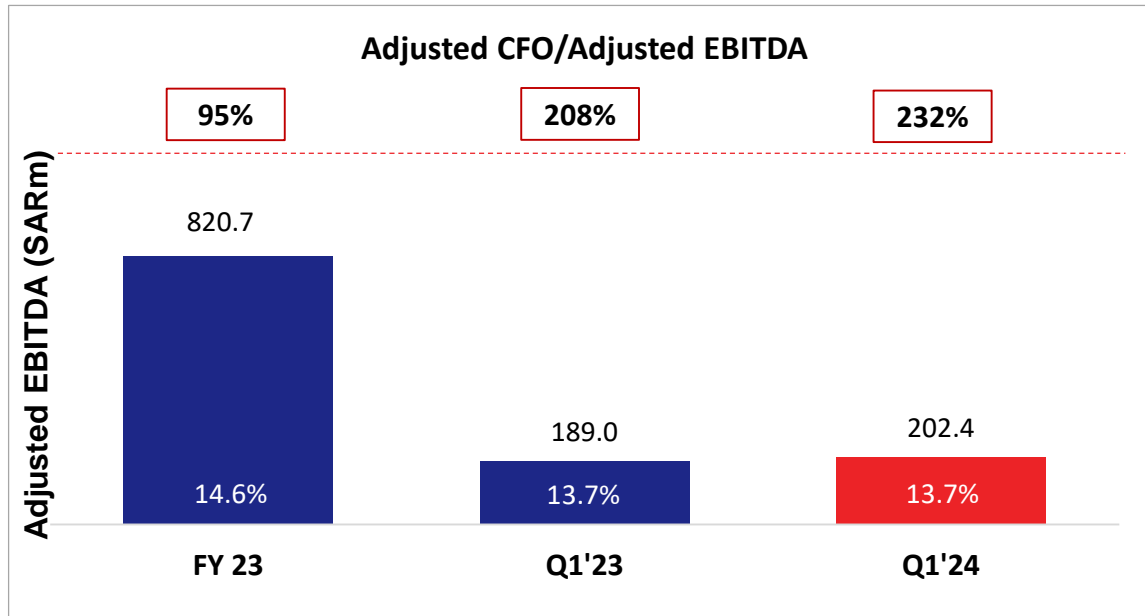
# Q1 2024 TRADING UPDATE



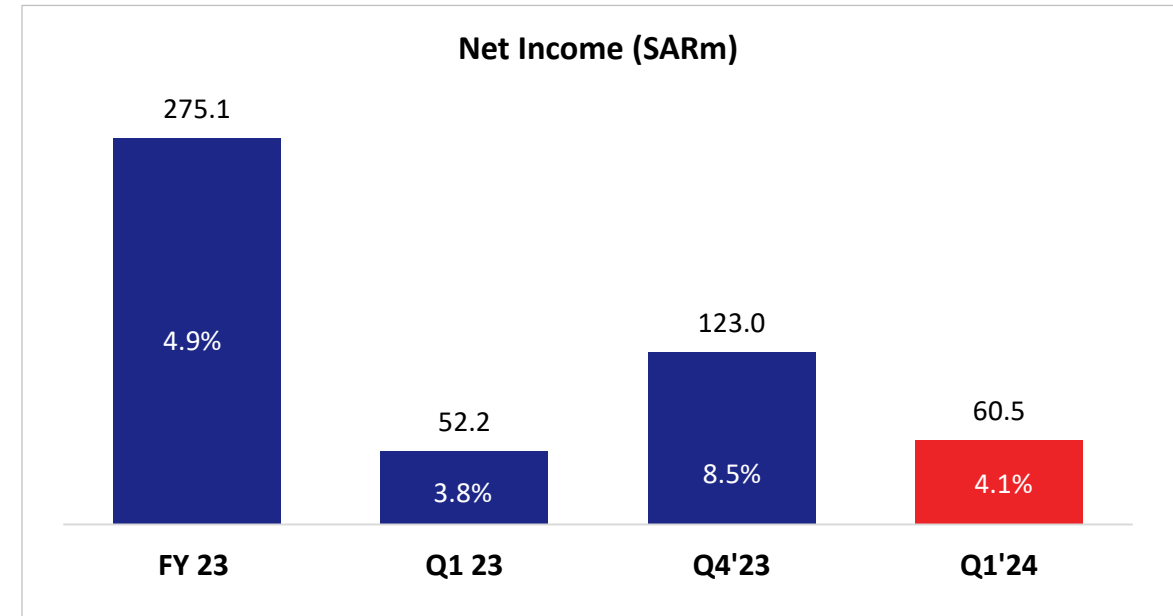
- In Q1 2024, the Gross Profit amounted to SAR 451.0 million, marking a respectable increase of 8.3% compared to SAR 416.6 million in Q1 2023.
- Moreover, Q4 2023 witnessed a Gross Profit of SAR 520.3 million. The Gross Profit Margin for Q1 2024 stood at 30.6%, showing a slight enhancement from the same quarter of the previous year, which was at 30.2%.
- However, there was a sequential decrease from 35.8% in the previous quarter. This reduction in margin can be attributed to the Company's conservative strategy in recognizing supplier incentives during first three quarters, followed by actual realization of supplier incentives in last quarter.

Source: Company Information 9M 2023, FY 2023, Q1 2024 FS.

# Q1 2024 TRADING UPDATE



- Adjusted EBITDA was up by 7.1% to SAR 202.4 million in Q1 2024 from SAR 189.0 million in Q1 2023
- Adjusted CFO/Adjusted EBITDA improved in Q1'24 increased cash flow from operating activities in comparison to Q1'23.
- Adjusted EBITDA% remained steady in alignment with Q1'23, yet observed a decrease compared to FY'23, primarily due to the decline in gross margin as previously explained.



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

- The net profit, stands at SAR 60.5 million, rose by 15.9% compared to SAR 52.2 million in the same quarter of the previous fiscal year. The net profit for Q4 2023 stood at SAR 123.0 million. This sequential reduction is a direct consequence of the accounting practice adopted in relation to recognition of supplier incentives on estimated basis as mentioned in the previous slide.
- The net profit margin increased from 3.8% in Q1 2023 to 4.1% in Q1 2024. This growth in net profit is credited to enhanced sales and operational efficiencies.

Source: Company Information 9M 2023, FY 2023, Q1 2024 FS.

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

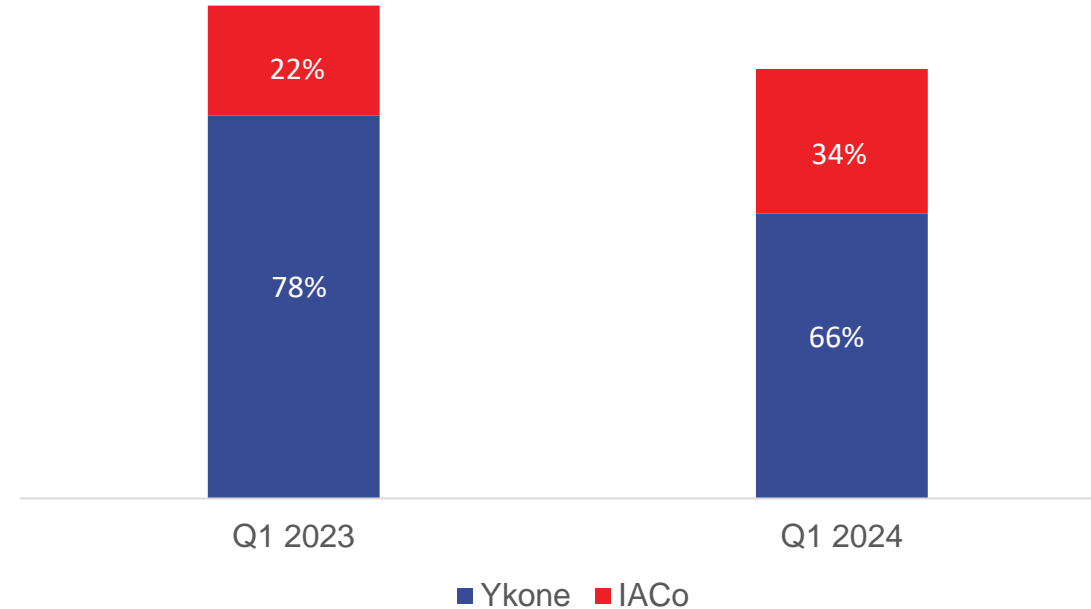


# FTR Revenue Performance

Ykone

IACO  
International Apps Company

بن داود  
DAWOOD  
HOLDING القابضة



Performance of FTR witnessed a slight decline due to:

- Decline in revenue of Ykone by 15% due to timing disparities in contract execution across various subsidiaries; which is partially offset by:
- Growth in revenue of IACO by 51% in Q1'24 as compared to Q1 2023. This increase can be directly attributed to enhanced fulfillment rates and shorter delivery times, as well as data-driven decisions driven by improved insights from the loyalty engine.

# Q1 2024 TRADING UPDATE

## Trade Working Capital (SARm)

### Trade Working Capital

Trade working capital declined by 65.8% vs. FY'23 and 41.6% vs. Q1'23, primarily driven by:

### Accounts Receivables & Prepayment

Decline in receivable balances in Q1'24 vs FY'23, is attributable to recovery of receivable balances by BDH from corporate customers, followed by a recovery of receivables by FTR subsidiaries and a drop in business volume of corporate customers of BDH.

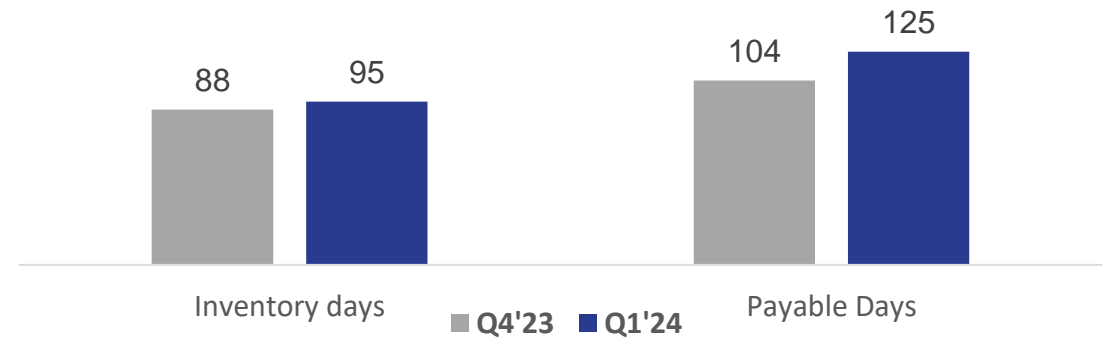
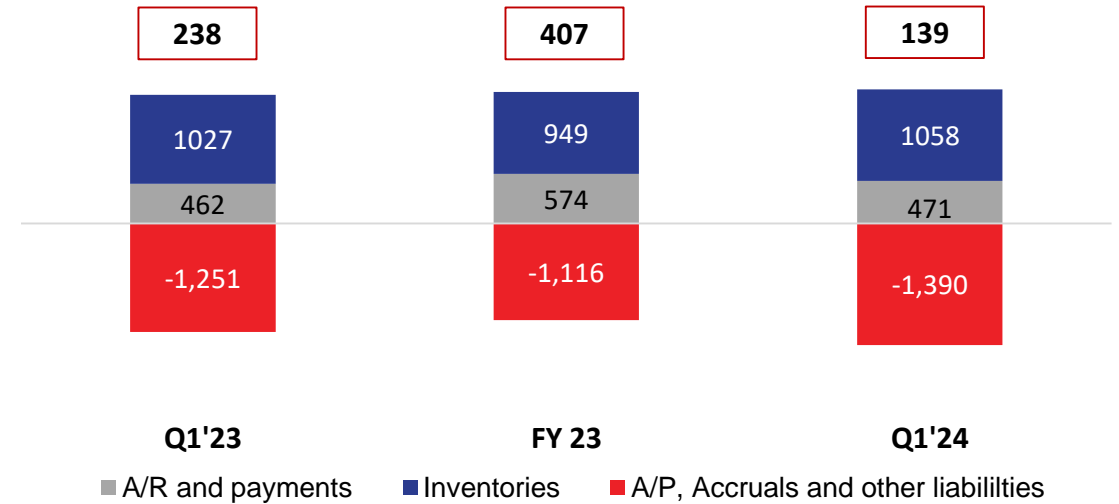
### Accounts Payables, Accruals and other Liabilities

Rise in payables stemmed from increased purchases to accommodate the growing demand during Umrah season and early orders for the forthcoming Hajj Season, alongside the inauguration of 2 new stores opened following Q1'24. Moreover, recording of rebates & targets on conservative basis in Q1'24 leads to lower reduction in payable balances in contrast to an actualization of supplier income at the end of FY'23.

### Inventory

However, inventory levels have largely stayed consistent compared Q1'23, primarily due to the need to meet seasonal demand during the Umrah and upcoming Hajj season. Further compounded by the swift liquidation of inventory, driven by an average revenue growth of more than 10% across all categories.

### Trade Working Capital (TWC)<sup>1</sup>



Source: Company Information FY 2023, Q1 2024 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 = Avg Accounts Payable X Number of Days/Cost of Goods Sold (COGS)



## 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, China and Asia.
- **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 solutions.
- 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

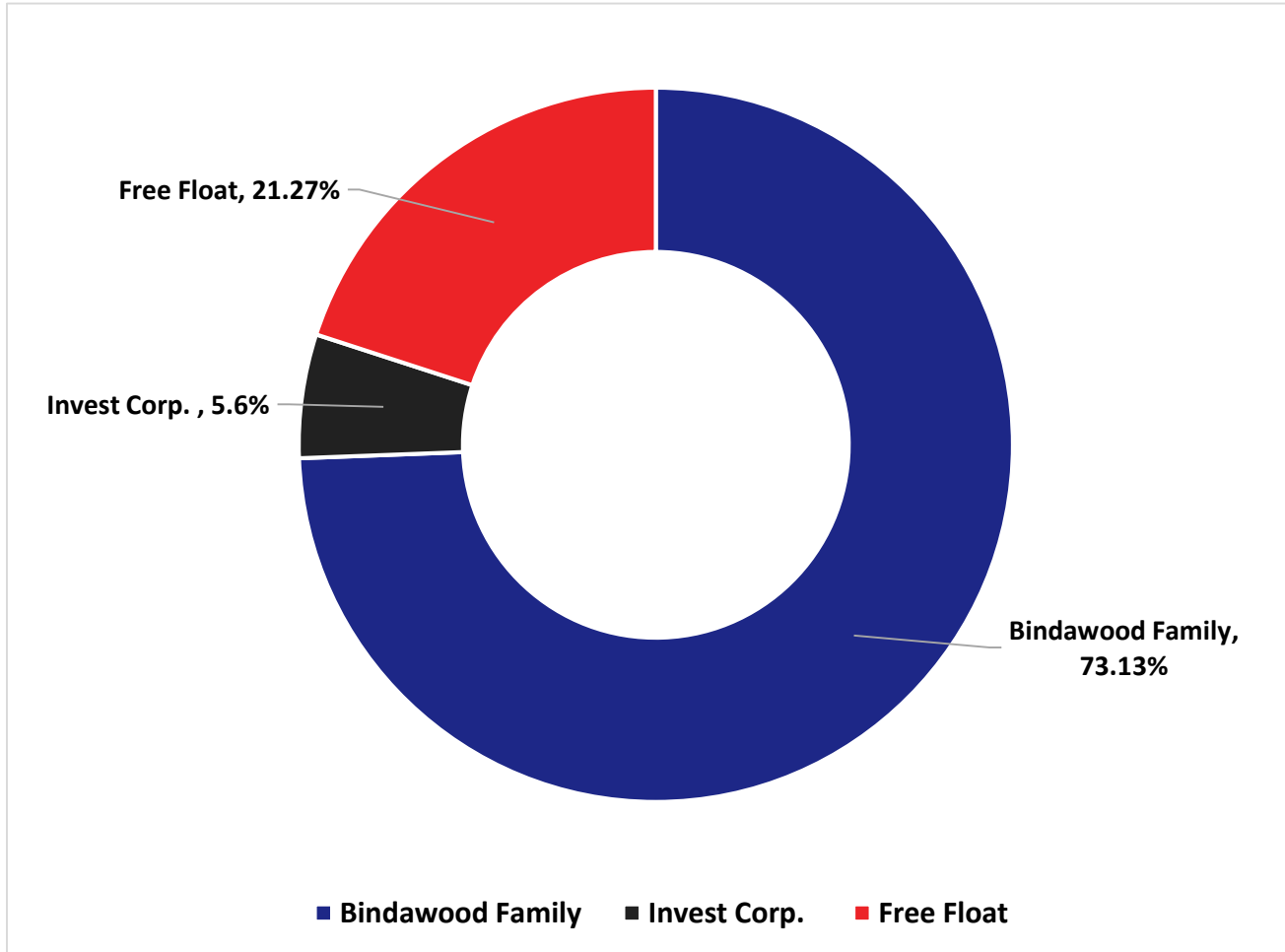
- ❖ Improvement of sales densities across all formats
- ❖ Sustainable margin
- ❖ Strict cost control
- ❖ Healthy financial position

### Concise Profit & Loss

|                   | Q1 2023 | Q1 2024 | YoY    |
|-------------------|---------|---------|--------|
| Sales             | 1,381.2 | 1,473.0 | +6.6%  |
| Gross Profit      | 416.6   | 451.0   | +8.3%  |
| Gross margin %    | 30.2    | 30.6    | +46Bps |
| SG&A              | 342.1   | 369.5   | 8.0%   |
| Adjusted EBITDA   | 189.0   | 202.4   | 7.1%   |
| Adjusted EBITDA % | 13.7    | 13.7    | 6Bps   |
| Net income        | 52.2    | 60.5    | 15.9%  |
| Net income %      | 3.8     | 4.1     | +33Bps |

Source: Company Information Q1 2024 FS.

# SHAREHOLDER STRUCTURE



# THANK YOU

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## INVESTOR ENQUIRIES:

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