

Daily Bulletin

December 25, 2025

BinDawood Holding to acquire 51% of Wonder Bakery for AED 96.9 mn

Last Price: SAR 4.7 | Consensus Target Price: SAR 5.4 | YTD: -28%

BinDawood Holding Co. has announced the signing of a share purchase agreement to acquire a 51% stake in UAE-based Wonder Bakery LLC for AED 96.9 mn (SAR 99.0 mn). The company plans to fund the acquisition through internal resources and available financing facilities. Established in 2014, Wonder Bakery is an industrial bakery headquartered in Dubai, specializing in the production and supply of fresh and frozen bakery products. Its customer base includes hotels, restaurants, cafés, supermarkets, airlines, and other food and beverage businesses.

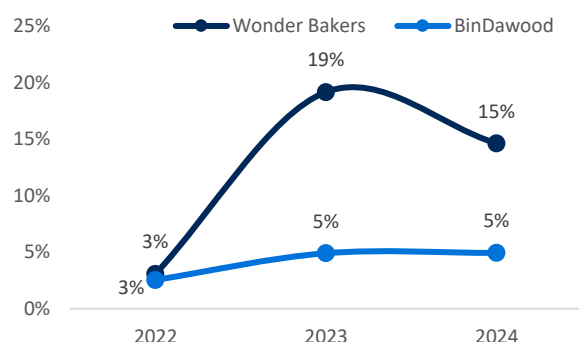
The bakery operates a modern manufacturing facility spanning 62,000 square feet, with an annual production capacity of up to 50,000 tons of fresh and frozen baked goods, in addition to hot and cold kitchen products. It distributes its products across the GCC, including Qatar, Bahrain, and Kuwait, and has plans to expand internationally.

Financially, Wonder Bakery delivered strong growth, with revenue increasing by 104% to SAR 74.8 mn in 2024 from SAR 36.6 mn in 2022. Net income grew at a faster pace, rising by 875% to SAR 11.0 mn in 2024 from SAR 1.1 mn in 2022, improving net profit margins to 15% from 3% over the same period. However, on an annual basis, the bakery's performance softened in 2024, with net income declining by 8% YoY and margins contracting to 15% from 19% in 2023, despite revenue growing by 20% YoY.

Strategically, the acquisition supports BinDawood's expansion beyond the Saudi market into the wider GCC region. It also aims to establish and operate a manufacturing facility in Saudi Arabia, strengthening the company's position in the growing bakery manufacturing segment. The transaction is aligned with BinDawood's broader strategy to build a vertically integrated food ecosystem and remains subject to regulatory approvals.

BinDawood's share price has declined 27.7% YTD, underperforming the broader market, which is down 12.4% over the same period. The stock is currently trading at a 2026f P/E of 18.2x, with a consensus target price of SAR 5.4/share, implying a potential upside of 15.4% from the last close price.

Net margins of acquirer and target company



Source: Company financials, Tadawul, anbc research

Relative price performance



Source: Bloomberg, anbc research

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