

## Daily Bulletin

September 4, 2025

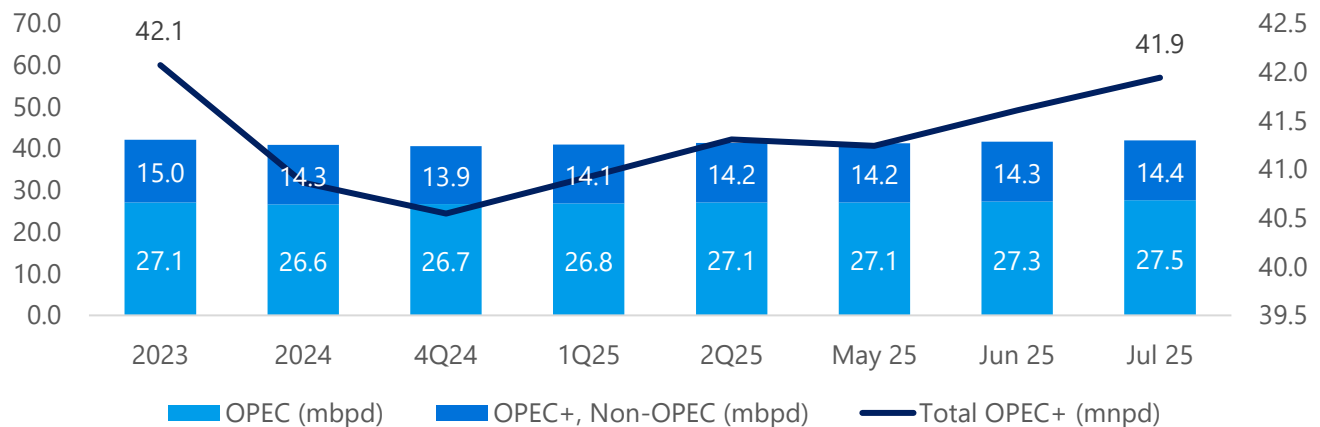
- > OPEC+ mulls fresh oil output hike at upcoming meeting
- > BinDawood falls to 52-week low

### OPEC+ to Consider Further Oil Output Hike

OPEC+ is considering increasing its oil production at an upcoming meeting on Sunday 7<sup>th</sup> September 2025. The measure aims to strengthening its position and regain global market share. This potential increase would reverse some of the previous oil production cuts of about 1.65 (mbpd) that OPEC+ had implemented to manage supply and prices. However, some market participants suggests that there is a chance that OPEC+ could pause the increase for October.

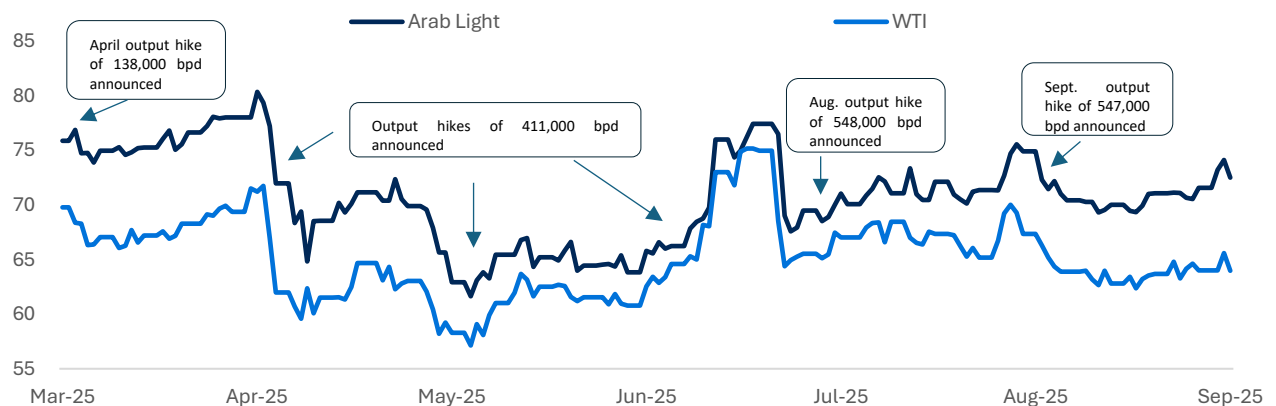
Notably, at their last meeting in August, the OPEC+ raised production by 547,000 bpd for September, an early reversal of its largest tranche of output cuts. Additionally, the OPEC+ had already agreed to raise output targets by about 2.2 mbpd from April to September 2025, in addition to a 300,000 bpd quota increase for the UAE. If OPEC+ increases production levels while maintaining market share, it could reduce oil price volatility and stabilize revenues for energy stocks.

Crude oil production based on secondary sources (mbpd)



Source: OPEC and anbc research

Global oil prices (USD/bbl)



Source: Bloomberg, anbc research

## BinDawood falls to 52-week low

BinDawood Holding Co. closed at its 52-week low of SAR 5.32/sh on 3<sup>rd</sup> Sep-25, down 26.5% since 2<sup>nd</sup> Sep-24, underperforming TASI, which fell 12.7% over the same period.

During 1H25, the company's net profit arrived at SAR 116.2 mn, down 14.3% YoY. The decline was primarily due to increase in operating expenses to SAR 892.4 mn, up 18.8% YoY, as a result of integrating costs from recently acquired retail pharma and distribution businesses, along with ongoing expenses from new store openings and recent expansions.

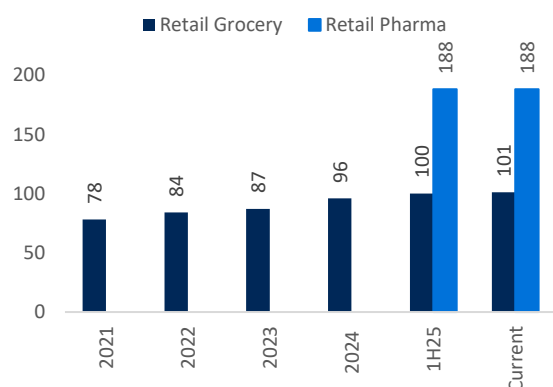
BinDawood Holding Co. delivered an 8.9% YoY revenue increase in 1H25 to SAR 3,148.7 mn, driven by new Danube store openings and acquisition of Zahrat Al Rawdah pharmacies. The increase in revenue is further supported by positive momentum in the tech segment through IACo's online sales. Company has expanded its geographic presence in Middle East and India. However, the grocery retail segment, declined by 0.5% YoY due to weaker consumer sentiment and reduced discretionary spending. Gross margins improved from 32.2% in 1H24 to 33.7% in 1H25, supported by improved negotiations with suppliers for the core grocery business and higher margins in the retail pharma and distribution segments.

During 1H25, the company opened 6 grocery stores, 4 pharmacies standalone, and 11 integrated pharmacies. Post 1H25, the company has opened one additional grocery store, bringing total retail grocery stores to 101 and retail pharmacies to 188. The company is also operating 14 online dark stores, 17 online in-stores, and 41 third party delivery app stores.

Looking ahead, the company plans to open 6-7 supermarkets annually and launch 500 express stores over the next seven years, focusing on Riyadh and the Western region. In the retail pharma segment, it aims to integrate Zahrat's pharmacies into 70 existing BinDawood stores within two years. The company also intends to adjust store sizes and locations in line with customer traffic patterns, as a part of its cost optimization efforts.

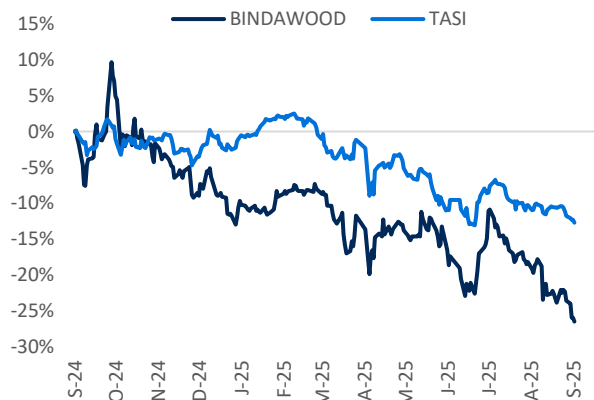
The stock is currently trading at a 2025e P/E of 22.4x, with a consensus target price of SAR 6.39/sh, providing a potential upside of 20.1%.

### Total stores



Source: Earnings presentation, anb research

### Relative price chart



Source: Bloomberg, anb research

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