

Market Data	
52-week high/low	SAR 225.0/185.4
Market Cap	SAR 24,720 mln
Shares Outstanding	120 mln
Free-float	100%
12-month ADTV	131,653
Bloomberg Code	JARIR AB

Challenging Year

Upside to Target Price	(4.4%)
Expected Dividend Yield	4.0%
Expected Total Return	(0.4%)

Rating	Neutral
Last Price	SAR 206.00
12-mth target	SAR 197.00

April 17, 2022

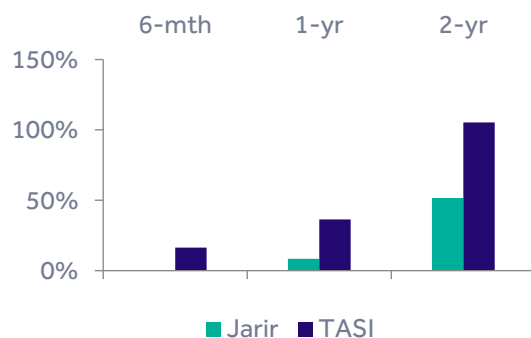
Jarir Marketing	1Q2022	1Q2021	Y/Y	4Q2021	Q/Q	RC Estimate
Sales	2,287	2,530	(10%)	2,318	(1%)	2,662
Gross Profit	325	338	(4%)	286	14%	322
Gross Margins	14%	13%		12%		12%
Operating Profit	268	286	(6%)	278	(4%)	285
Net Profit	251	268	(6%)	263	(4%)	270

(All figures are in SAR mln)

- Despite the rise in revenues from school and office supplies segments on the back of return to school of elementary students, sales fell by -10% Y/Y and -1% Q/Q to SAR 2.3 bln due to the decline in smartphones and accessories, computers and their supplies as well as video games.
- Gross profit of SAR 325 mln matched our forecast due to the change in sales mix towards higher margin segments like books and office, school and arts supplies. This helped gross margin to expand on both yearly and quarterly basis by +88 bps and +189 bps respectively. Thus, gross profit declined at a slower rate than sales Y/Y.
- The Company reported a bottom-line of SAR 251 mln (-6% Y/Y and -4% Q/Q) in 1Q2022 below both our and market forecasts due to an increase in operating expenses and lower other income.
- We expect Jarir to face challenges in its top-line during the ongoing year as delivery delays continue in smartphones and electronic devices segments coupled with a hike in inflation. Hence, we maintain our target price and recommendation on the stock.

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Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors
For any feedback on our reports, please contact research@riyadcapital.com

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