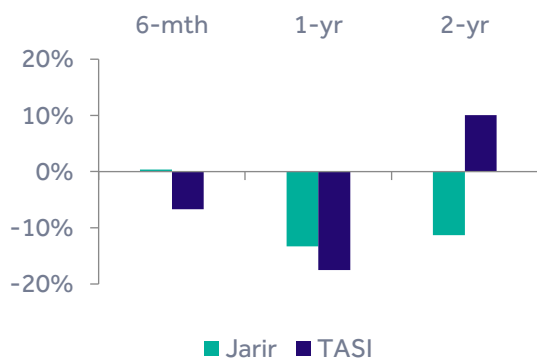


Market Data	
52-week high/low	SAR 196.0/141.6
Market Cap	SAR 20,160 mln
Shares Outstanding	120 mln
Free-float	72.58%
12-month ADTV	179,302
Bloomberg Code	JARIR AB



Earnings Match Expectations

April 25, 2023

Upside to Target Price	4.8%	Rating	Neutral
Expected Dividend Yield	5.4%	Last Price	SAR 168.00
Expected Total Return	10.2%	12-mth target	SAR 176.00

Jarir Marketing	1Q2023	1Q2022	Y/Y	4Q2022	Q/Q	RC Estimate
Sales	2,718	2,287	19%	2,577	5%	2,394
Gross Profit	324	325	(0%)	341	(5%)	311
Gross Margins	12%	14%		13%		13%
Operating Profit	265	268	(1%)	268	(1%)	263
Net Profit	248	251	(1%)	268	(7%)	247

(All figures are in SAR mln)

- Jarir's top-line is up on both yearly and quarterly basis by +19% and +5% respectively, to SAR 2.7 bln in 1Q2023, on the back of higher sales from smartphones and video games sections.
- Gross profit of SAR 324 mln was flat Y/Y but fell by -5% Q/Q while gross margins contracted on both yearly and quarterly basis by -230 bps and by -134 bps respectively, to a level of 12% this quarter. This was attributed to a decline in school supplies sales. Net margin of 9% this quarter contracted on both yearly and quarterly basis by -187 bps and by -126 bps respectively.
- Jarir Marketing Co. reported a bottom-line of SAR 248 mln that declined on both yearly and quarterly basis by -1% and by -7% respectively, matching our estimates. We maintain our target price of SAR 176.00, while we downgrade our rating to Neutral as the stocks is trading at an upside of just +5% to our TP. We expect some challenges for the Company this year on the back of change in the sales mix.

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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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