

Market Data	
52-week high/low	SAR 14.0 / 12.3
Market Cap	SAR 15,168 mln
Shares Outstanding	1,200 mln
Free-float	72.58%
12-month ADTV	1,866,175
Bloomberg Code	JARIR AB



■ Growth Y/Y Shows Promise In Strategy

April 24, 2025

Upside to Target Price	34.5%	Rating	Buy
Expected Dividend Yield	7.3%	Last Price	SAR 12.64
Expected Total Return	41.8%	12-mth target	SAR 17.00

Jarir Marketing	1Q2025	1Q2024	Y/Y	4Q2024	Q/Q	RC Estimate
Sales	2,720	2,650	3%	2,864	(5%)	2,747
Gross Profit	303	295	3%	353	(14%)	336
Gross Margins	11%	11%		12%		12%
Operating Profit	236	238	(1%)	294	(20%)	262
Net Profit	217	219	(1%)	275	(21%)	242

(All figures are in SAR mln)

- Jarir's top-line increased by +3% Y/Y to SAR 2.7 bln for 1Q25, mostly driven by higher sales in after sale services and smartphone products. Sequentially, Jarir's total sales dropped -5% Q/Q, which was driven by notably lower sales from the smartphone segment. A significant gross profit decline was also recorded sequentially, coming in at SAR 303 mln in 1Q2025, -14% Q/Q. While conversely, +3% Y/Y growth in gross profit was driven by greater revenues.
- We speculate that price competition continues to be a key headwind into 2025, as evidenced by the continuous decline of operating margins. EBIT margins in 1Q25 were 8.7%, lower when compared Y/Y and Q/Q, with margins of 9.0% and 10.3%, respectively. Operating profits were recorded at SAR 236 mln, lower -1% Y/Y and -20% Q/Q. We also note, management commented that growth in selling and marketing expenses moved operating margins lower.
- Net margins came in at 8.0%, down from 8.3% in 1Q24, and also from 9.6% in 4Q24; notably lower than our estimates. Net profit results are driven by a less advantageous product mix, such as lower gross margins from the computer and tablet segment. We maintain our target price and rating, based on strong profits and a strong balance sheet.

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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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