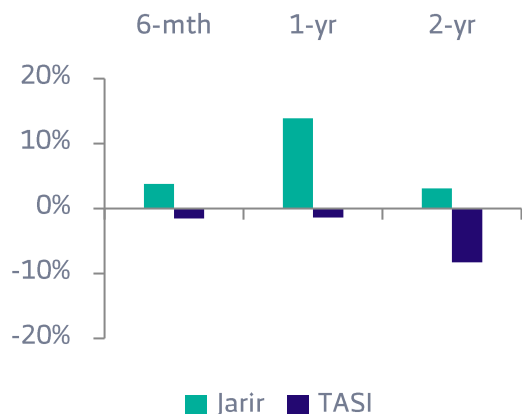


Market Data	
52-week high/low	SAR 15.1 / 12.0
Market Cap	SAR 18,096 mln
Shares Outstanding	1,200 mln
Free-float	72.58%
12-month ADTV	1,541,579
Bloomberg Code	JARIR AB



## Dividends Keep Coming; Valuation is Validating

April 21, 2026

Upside to Target Price	6.1%	Rating	Neutral
Expected Dividend Yield	5.6%	Last Price	SAR 15.08
Expected Total Return	11.7%	12-mth target	SAR 16.00

Jarir Marketing	1Q2026	1Q2025	Y/Y	4Q2025	Q/Q	RC Estimate
Sales	3,039	2,657	14%	3,195	(5%)	2,854
Gross Profit	342	303	13%	403	(15%)	330
Gross Margins	11%	11%		13%		12%
Operating Profit	269	236	14%	327	(18%)	260
Net Profit	254	217	17%	310	(18%)	242

(All figures are in SAR mln)

- Jarir's top-line increased +14% Y/Y and -5% Q/Q, to SAR 3.0 bln for 1Q26; in-line with our estimate for the quarter. Management commented that Y/Y growth in sales was driven by increases in sales from most segments, but highlighted smart phones, computers, and tablets. Sequentially, Jarir's total sales decreased -5%, which was driven by decreased sales in the smart phones section. Gross profit decreased sequentially, coming in at SAR 342 mln in 1Q2026 (-15% Q/Q); with a Y/Y increase of +13%. We highlight to investors yet again, that the Q/Q decline was driven by the sales mix, which is usually driven by lower sales from the higher margin segments of the Company.
- Our estimates for gross and EBIT margins were roughly in-line this quarter, despite our more optimistic outlook. EBIT margins of 8.8% in 1Q26 moved lower Y/Y and Q/Q, with margins of 8.9% in 1Q25 and 10.2% in 4Q25, respectively. While net margins came in at 8.3%, down from 9.7% in 4Q25, but notably higher than in 1Q25 (8.2%).
- With the gap between our price target (valuation) closing, especially after the share price performance this week, we maintain our target price and lower our rating to Neutral. While we also highlight to investors the EV/FCFF ratios (TTM) dropped nearly -25% Y/Y. Based on these multiples, lower debt on the balance sheet, and more free cash flow generated in 2025 than 2024, we may review our rating after Jarir's 1Q2026 Financials are published.

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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](mailto:research@riyadcapital.com)

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