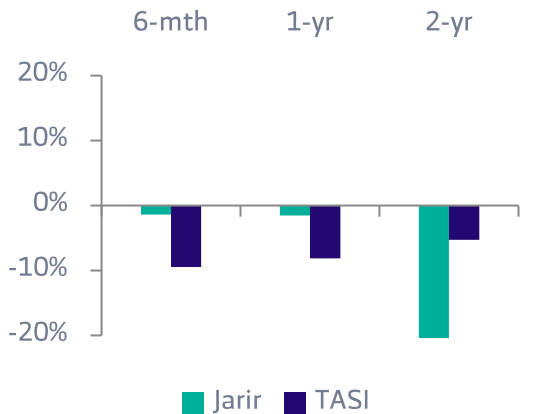


Market Data	
52-week high/low	SAR 13.7 / 12.0
Market Cap	SAR 15,288 mln
Shares Outstanding	1,200 mln
Free-float	72.58%
12-month ADTV	1,646,784
Bloomberg Code	JARIR AB



■ Net Profit Growth Y/Y, Welcome Surprise

July 17, 2025

Upside to Target Price	33.4%	Rating	Buy
Expected Dividend Yield	6.0%	Last Price	SAR 12.74
Expected Total Return	39.4%	12-mth target	SAR 17.00

Jarir Marketing	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Sales	2,648	2,650	(0%)	2,720	(3%)	2,628
Gross Profit	274	263	5%	303	(9%)	261
Gross Margins	10%	10%		11%		10%
Operating Profit	217	189	15%	236	(8%)	190
Net Profit	197	171	15%	217	(9%)	173

(All figures are in SAR mln)

- Jarir’s top-line decreased by less than 100 bps Y/Y to SAR 2.6 bln for 2Q25, dropping due to lower sales of video games and related products. Sequentially, Jarir’s total sales dropped -3% Q/Q, which was driven by notably lower sales from the smartphone segment. A significant decline in gross profit was also recorded sequentially, coming in at SAR 274 mln in 2Q2025 (-9% Q/Q). While conversely, an increase of +5% Y/Y in gross profit was driven by a stronger sales mix, which included after sales services, which had particularly high margins Y/Y.
- We speculate that price competition continues to be a key headwind into 2025, while we also recognize that there has been some recovery of operating margins Y/Y. EBIT margins in 2Q25 were 8.2%, higher Y/Y, but lower Q/Q, with margins of 7.1% and 8.7%, respectively. 2Q25 Operating profits were SAR 217 mln, up +15% Y/Y and down -8% Q/Q.
- Net margins came in at 7.4%, up from 6.5% in 2Q24, but down from 8.0% in 1Q25; higher than our estimates. Net profit results were driven by an unexpected increase in gross profits, driven by a superior product mix. With continued dividends, 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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