

Market Data	
52-week high/low	SAR 211.0/141.6
Market Cap	SAR 19,704 mln
Shares Outstanding	120 mln
Free-float	88.78%
12-month ADTV	168,251
Bloomberg Code	JARIR AB



Back-to-School Helps Top-line

October 16, 2022

Upside to Target Price	12.1%	Rating	Buy
Expected Dividend Yield	5.5%	Last Price	SAR 164.20
Expected Total Return	17.6%	12-mth target	SAR 184.00

Jarir Marketing	3Q2022	3Q2021	Y/Y	2Q2022	Q/Q	RC Estimate
Sales	2,517	2,224	13%	2,011	25%	2,380
Gross Profit	372	344	8%	249	50%	345
Gross Margins	15%	16%		12%		15%
Operating Profit	291	293	(0%)	192	52%	297
Net Profit	274	272	0%	177	54%	280

(All figures are in SAR mln)

- Jarir Marketing Co. reported a +13% Y/Y and +25% Q/Q growth in top-line to SAR 2.5 bln, in-line with our estimates. The increase was driven by sales from smartphones and school supplies, which was positively impacted by promotional offers and back to school season.
- Gross profit of SAR 372 mln grew on both yearly and quarterly basis by +8% and +50% respectively. Gross margin of 14.8% this quarter contracted Y/Y by -68 bps due to promotional offers due to the company's efforts to increase its market share.
- EBIT fell slightly Y/Y to SAR 291 mln while EBIT margin of 11.6% this quarter contracted by -158 bps Y/Y due to higher expenses. Net margin contracted by -138 bps Y/Y to a level of 10.9%.
- Jarir reported a bottom-line of SAR 274 mln (+54% Q/Q) matching our estimates. We maintain our target price of SAR 184.00 and Buy rating.

Abdullah D Alharbi
 abdullah.ulihan.alharbi@riyadcapital.com
 +966-11-486-5680

■ 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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