

Market Data	
52-week high/low	SAR 17.62/14.00
Market Cap	SAR 17,904 mln
Shares Outstanding	1,200 mln
Free-float	72.58%
12-month ADTV	5,385,515
Bloomberg Code	JARIR AB

■ Back-to-School Season Helps Q/Q

October 12, 2023

Upside to Target Price	17.7%	Rating	Buy
Expected Dividend Yield	5.6%	Last Price	SAR 14.92
Expected Total Return	23.3%	12-mth target	SAR 17.56

Jarir Marketing	3Q2023	3Q2022	Y/Y	2Q2023	Q/Q	RC Estimate
Sales	2,639	2,517	5%	2,436	8%	2,921
Gross Profit	384	372	3%	240	60%	342
Gross Margins	15%	15%		10%		12%
Operating Profit	316	291	9%	175	81%	272
Net Profit	296	274	8%	156	90%	257

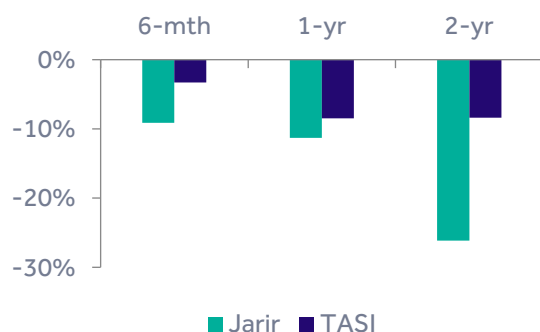
(All figures are in SAR mln)

- Jarir's top-line is up +5% yearly and +8% quarterly to SAR 2.6 bln, lower than our estimates. The growth was supported by higher sales in all segments especially computers and video games as well as school and office supplies. We believe back-to-school season helped coupled with the new smartphone launches, which were carried out during the quarter.
- Gross profit was higher on both yearly and quarterly basis by +3% and +60%, respectively, to SAR 384 mln. Gross margins contracted -22 bps Y/Y but was +473 bps higher Q/Q to 14.6% this quarter. The improvement Q/Q was driven by sales from school supplies and office supplies. Net margins at 11.2% improved compared to 10.9% in 3Q22 and 6.4% in 2Q23.
- Jarir's bottom-line of SAR 296 mln is up +8% Y/Y and +90% Q/Q, beating both our and market consensus of SAR 257 mln and SAR 266 mln, respectively, due to higher than expected margins. We maintain our target price of SAR 17.56 but upgrade the rating to Buy as the stock has underperformed in the past few months.

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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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