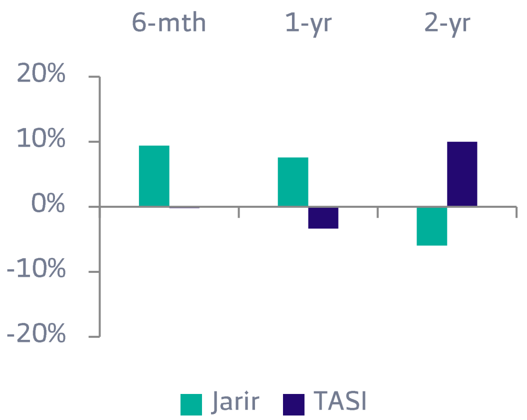
Margins Up, Online Sales Lead

October 15, 2025

Upside to Target Price	15.3%	Rating	Buy
Expected Dividend Yield	5.3%	Last Price	SAR 13.88
Expected Total Return	20.6%	12-mth target	SAR 16.00

Market Data	
52-week high/low	SAR 14.6 / 12.0
Market Cap	SAR 16,656 mln
Shares Outstanding	1,200 mln
Free-float	72.58%
12-month ADTV	1,561,936
Bloomberg Code	JARIR AB



Jarir Marketing	3Q2025	3Q2024	Y/Y	2Q2025	Q/Q	RC Estimate
Sales	2,985	2,667	12%	2,648	13%	2,848
Gross Profit	436	415	5%	274	59%	370
Gross Margins	15%	16%		10%		13%
Operating Profit	346	332	4%	217	59%	307
Net Profit	325	308	5%	197	65%	284

(All figures are in SAR mln)

- Jarir's top-line increased +12% Y/Y and +13% Q/Q, to SAR 2.9 bln for 3Q25; in-line with our estimate for the quarter. Management commented that increased sales of smart phones, computers, and tablets, as well as after-sales-services lifted sales Y/Y. Sequentially, Jarir's total sales increased +13%, which was driven by increased sales in most sections, especially computers, tablets, and school supplies. An increase in gross profit was also recorded sequentially, coming in at SAR 436 mln in 3Q2025 (+59% Q/Q); with a more muted Y/Y increase of +5% Y/Y. Both were driven by higher-profit departments and segments, essentially sales mix, both Y/Y and Q/Q.
- Our interpretation of gross and operating margins, both lower Y/Y, being driven by marketing expenditures and price competition is maintained. While we also recognize our estimate for margins was conservative, coming in lower than actual results. EBIT margins in 3Q25 were 11.6%, lower Y/Y, but higher Q/Q, with margins of 12.4% and 8.2%, respectively. 3Q25 Operating profits were SAR 346 mln, up +4% Y/Y and +59% Q/Q.
- Net margins came in at 10.9%, down from 11.6% in 3Q24, but up from 7.4% in 2Q25; higher than our estimates. Net profit results were driven by higher margins, online sales, and expansion. With continued dividends and GCC expansion, we are positive; but share price growth motivates us to trim our target price and maintain our rating.

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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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