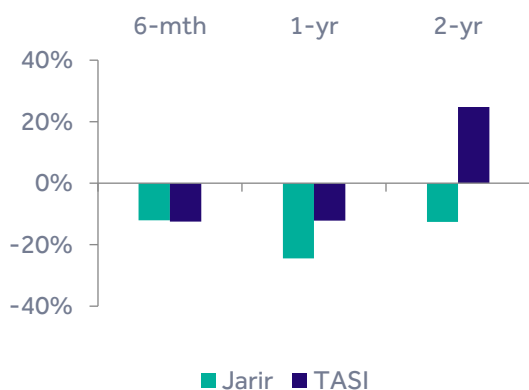


Market Data	
52-week high/low	SAR 211.0/141.6
Market Cap	SAR 18,096 mln
Shares Outstanding	120 mln
Free-float	72.58%
12-month ADTV	170,619
Bloomberg Code	JARIR AB



■ Back-to-School Helps Top-line

February 02, 2023

Upside to Target Price	16.9%	Rating	Buy
Expected Dividend Yield	5.9%	Last Price	SAR 150.80
Expected Total Return	22.8%	12-mth target	SAR 176.00

Jarir Marketing	4Q2022	4Q2021	Y/Y	3Q2022	Q/Q	RC Estimate
Sales	2,577	2,318	11%	2,517	2%	2,610
Gross Profit	341	286	20%	372	(8%)	329
Gross Margins	13%	12%		15%		13%
Operating Profit	268	278	(4%)	291	(8%)	275
Net Profit	268	262	2%	274	(2%)	259

(All figures are in SAR mln)

- Jarir's top-line is up by +2% Y/Y to SAR 9.4 bln in 2022, supported by school and office supplies and smartphones. Gross profit is also up by +5% Y/Y while gross margin showed a slight improvement by +18 bps Y/Y to 13.7% due to favorable sales mix. Net income in 2022 fell by -2% to SAR 970 mln.
- In 4Q2022, Jarir sales grew on both yearly and quarterly basis by +11% and +2% respectively to SAR 2.6 bln, matching our estimates, driven by iPhone device sales as well as back-to-school season.
- Gross profit of SAR 341 mln is up by +20% Y/Y but fell -8% Q/Q. Gross margin of 13.3% this quarter improved Y/Y by +93 bps due to lower global shipping costs. Net margin of 10.4% this quarter contracted on both yearly and quarterly basis by -94 bps and by -49 bps respectively.
- Jarir reported a bottom-line of SAR 268 mln (+2% Y/Y, -2% Q/Q) in 4Q2022 matching our estimates. We reduce our target price to SAR 176.00 from SAR 184.00 but maintain our 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

Riyad Capital is a Saudi Closed Joint Stock Company with Paid up capital of SR 500 million, licensed by the Saudi Arabian Capital Market Authority NO.07070-37. Commercial Registration No: 1010239234. Head Office: Granada Business Park 2414 Al-Shohda Dist. – Unit No 69, Riyadh 13241 - 7279 Saudi Arabia. Ph: 920012299.

The information in this report was compiled in good faith from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated in this report are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable. Riyad Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Riyad Capital does not represent that the information in this report is complete or free from any error. This report is not, and is not to be construed as, an offer to sell or solicitation of an offer to buy any financial securities. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this report. Riyad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Riyad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Riyad Capital or its employees or any of its affiliates or clients may have a financial interest in securities or other assets referred to in this report. Opinions, forecasts or projections contained in this report represent Riyad Capital's current opinions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections which represent only one possible outcome. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified and future actual results or events could differ materially. The value of, or income from, any investments referred to in this report may fluctuate and/or be affected by changes. Past performance is not necessarily an indicative of future performance. Accordingly, investors may receive back less than originally invested amount. This report provides information of a general nature and does not address the circumstances, objectives, and risk tolerance of any particular investor. Therefore, it is not intended to provide personal investment advice and does not take into account the reader's financial situation or any specific investment objectives or particular needs which the reader may have. Before making an investment decision the reader should seek advice from an independent financial, legal, tax and/or other required advisers due to the investment in such kind of securities may not be suitable for all recipients. This research report might not be reproduced, nor distributed in whole or in part, and all information, opinions, forecasts and projections contained in it are protected by the copyright rules and regulations.