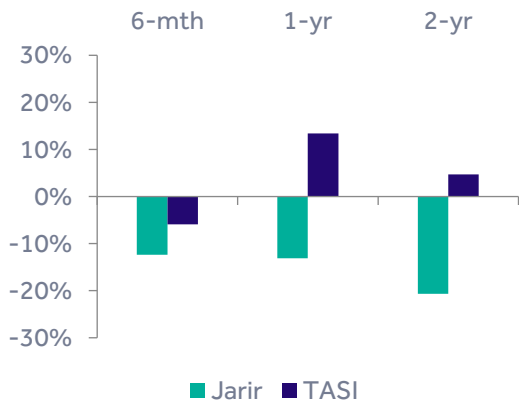


Market Data	
52-week high/low	SAR 15.9 / 12.4
Market Cap	SAR 15,672 mln
Shares Outstanding	1,200 mln
Free-float	72.58%
12-month ADTV	1,920,008
Bloomberg Code	JARIR AB



■ Record Gross Profits Drive Margins

October 15, 2024

Upside to Target Price	30.2%	Rating	Buy
Expected Dividend Yield	4.6%	Last Price	SAR 13.06
Expected Total Return	34.8%	12-mth target	SAR 17.00

Jarir Marketing	3Q2024	3Q2023	Y/Y	2Q2024	Q/Q	RC Estimate
Sales	2,667	2,639	1%	2,650	1%	2,800
Gross Profit	415	384	8%	263	58%	402
Gross Margins	16%	15%		10%		14%
Operating Profit	332	316	5%	189	76%	338
Net Profit	308	296	4%	171	80%	317

(All figures are in SAR mln)

- Jarir’s top-line increased by +1% Y/Y to SAR 2.7 bln for 3Q24, mostly driven by higher sales in electronics, computers, and smart phone products. Sequentially, Jarir’s total sales slightly improved, while gross profits increased +58%. Gross profit declines reversed sharply in 3Q24, with gross margins also improving, these margin improvements were mostly driven by greater margins from smart phones; moreover, driven and supported via discounts from vendors.
- Previously announced price competition was overshadowed by gross margin expansion in 3Q24, growing +98 bps Y/Y on the back of increased margins on smart phone products. Operating profits were recorded at SAR 332 mln. We also note, marginal increases in selling and marketing expenses were not enough to offset record gross profits this quarter.
- Net margins came in at 11.6%, slightly up from 11.2% in 3Q23 and slightly higher than our estimates. These net income results are driven by the strong performance of gross profits and operating leverage of the Company. We maintain our target price and rating, based on strong profits and a strong balance sheet.

## ■ 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](mailto:research@riyadcapital.com)

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