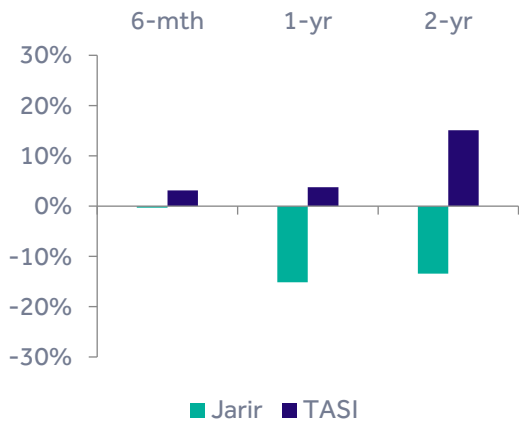


Market Data	
52-week high/low	SAR 15.9 / 12.4
Market Cap	SAR 15,600 mln
Shares Outstanding	1,200 mln
Free-float	72.58%
12-month ADTV	1,944,645
Bloomberg Code	JARIR AB



■ Annual Net Profits Edge Up Despite Competition

January 30, 2025

Upside to Target Price	30.8%	Rating	Buy
Expected Dividend Yield	8.0%	Last Price	SAR 13.00
Expected Total Return	38.8%	12-mth target	SAR 17.00

Jarir Marketing	4Q2024	4Q2023	Y/Y	3Q2024	Q/Q	RC Estimate
Sales	2,864	2,803	2%	2,667	7%	2,800
Gross Profit	353	328	7%	415	(15%)	314
Gross Margins	12%	12%		16%		11%
Operating Profit	294	290	2%	314	(6%)	252
Net Profit	275	273	1%	308	(11%)	233

(All figures are in SAR mln)

- Jarir’s top-line increased by +2% Y/Y to SAR 2.9 bln for 4Q24, mostly driven by higher sales in electronics, computers, and smart phone products; a consistent driver throughout 2024. Sequentially, Jarir’s total sales also improved, while gross profits decreased -15%. With gross profits declining Q/Q in 4Q24, gross margins followed suit, these margin contractions Q/Q happened despite greater margins from smart phones; on the back of discounts from vendors.
- Previously announced price competition appeared to weigh on margins in 4Q24, contracting over -300 bps Q/Q, despite slightly higher margins on smart phone products. Operating profits were recorded at SAR 294 mln, up +2% Y/Y and down -6% Q/Q. We also note, increases in selling and marketing expenses, as well as other administrative costs, were lower than our expectations, causing our net profit estimates to deviate.
- Net margins came in at 9.6%, roughly in-line with 9.7% in 4Q23 and 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 net profit performance, while maintaining a cautious lens on cost structure increases.

■ 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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