

Result update

Jahez International Company for Information Systems Technology

Sector : Food Delivery Aggregator

3 December 2025

HOLD

- Revenue down 11% YoY, on weaker order volumes and lower GMV.
- Margins declined YoY but slightly exceeded our projections except for EBIT margin.
- Profit down by 24% YoY and fell short of forecast by 10%.
- Reduce our revenue and profit estimates, lower target price to SAR 16.80 and reiterate our HOLD rating.

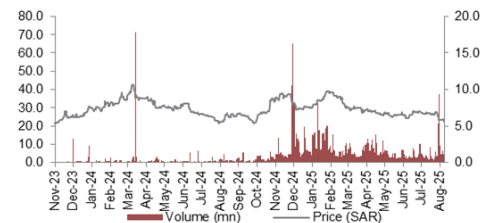
Jahez reported 3Q25 revenue of SAR 533mn, down 11.3% YoY and 26% below our expectations. For 9M25, revenue was broadly flat YoY at SAR 1.62bn. The weak quarterly topline stemmed from a 6.8% YoY decline in order volumes to 26.1mn, driven by intensifying competition in Saudi Arabia, softer food delivery demand during the summer season, and lower average order value (AOV). Order momentum weakened mainly due to a 11% YoY drop in KSA orders, which outweighed 17% YoY growth from non-KSA markets. Jahez's GMV fell 3% YoY to SAR 1.67bn, with KSA representing 84%. In 3Q25, gross profit declined 16% YoY to SAR 132mn, as direct costs rose to 75.2% of revenue (vs. 73.8% in 3Q24), compressing the gross margin by 140bps YoY to 24.8%. Net operating costs increased 8% YoY, resulting in a 42.8% YoY drop in operating profit to SAR 43mn. Consequently, EBIT and EBITDA margins fell 440bps and 210bps YoY to 8% and 11.9%, respectively. Net income declined 24% YoY to SAR 61mn, with net margin contracting 190bps YoY to 11.4%. Profit missed our forecast by 10%, though margins generally outperformed expectations, except for EBIT. For 9M25, profit dropped 7.5% YoY to SAR 114mn.

Valuation and outlook: Jahez remains focused on targeted marketing initiatives while maintaining a disciplined approach to profitability in an increasingly competitive Saudi market, where rising competition continues to pressure delivery fees. The company has enhanced its app interface, expanded its merchant network, entered the Qatari market through the Snoonu acquisition, and broadened its presence in the high-growth grocery and quick-commerce segment through partnerships with Noon and an investment in Doos. However, Saudi Arabia's food delivery industry is drawing new entrants, most notably China's Meituan, which is scaling rapidly via its Keeta app across 20 Saudi cities. This intensifying competition continues to weigh on Jahez's pricing and profitability. Both revenue and profit underperformed expectations, despite margin resilience in most areas. Reflecting KSA market dynamics the management revised its 2025 guidance downward to SAR 7.4-7.5bn GMV (vs SAR 7.4-8bn), revenue to SAR 2.2-2.4bn (vs SAR 2.6-3bn), and EBITDA to SAR 200-210mn (vs SAR 280-330mn). Reflecting current performance and updated guidance, we lower our 2025 revenue forecast to SAR 2.3bn (from SAR 2.52bn) and profit to SAR 178mn (from SAR 194mn). Accordingly, we reduce our target price to SAR 16.80 (from SAR 23.30), implying 7.7% upside from current levels, and maintain our Hold rating.

Target price (SAR) 16.80

Current price (SAR) 15.60

Return 7.7%



Exchange Saudi Arabia
Index weight (%) 0.1%

(mn)	SAR	USD
Market Cap	3,273	872
Enterprise value	3,637	969

Major shareholders

ALAMAT INTERNATIONAL	27%
AZMA HLDG CO	7.2%
Al Omran Abdul Aziz	3.8%
Others	62.3%

Valuation Summary

PER TTM (x)	17.0
P/Book (x)	2.3
EV/EBITDA (x)	14.3
Dividend Yield (%)	NA
Free Float (%)	62%
Shares O/S (mn)	210
YTD Return (%)	-49%
Beta	1.2

Key ratios	2022	2023	2024
EPS (SAR)	0.29	0.61	0.92
BVPS (SAR)	4.79	5.59	6.04
DPS (SAR)	0.00	0.00	0.00
Payout ratio (%)	0%	0%	0%

Price performance (%)	1M	3M	12M
Jahez International Co	-25%	-29%	-57%
Tadawul All Share Index	-8%	-1%	-11%

52 week	High	Low	CTL*
Price (SAR)	40.00	15.27	2.2

* CTL is % change in CMP to 52wk low



Income statement (in SAR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Revenue	1,160	1,602	1,785	2,219	2,308	2,544	2,814	2,983
Direct Costs	-914	-1,243	-1,379	-1,678	-1,759	-1,935	-2,156	-2,297
Gross Profit	246	359	406	541	549	609	658	686
Reversal/Impairment (loss) of trade receivables	-3	4	-5	-14	-10	-23	-25	-27
Marketing & advertising expenses	-87	-131	-150	-169	-204	-203	-211	-209
General and admin expenses	-26	-136	-106	-136	-137	-127	-127	-134
Research & development expenses	-11	-34	-42	-53	-46	-51	-56	-60
EBIT	120	64	102	169	152	204	238	256
EBITDA	126	88	154	222	222	282	330	363
Unrealized (losses)/profits on investments at FVTPL	8	2	3	-6	7	7	7	7
Share of profits/losses from equity accounted investees	-	-	-	-2	-2	-2	-2	-2
Finance cost	-1	-3	-5	-5	-7	8	8	8
Finance income	-	22	46	49	39	39	30	30
PBT	121	85	146	205	189	255	281	299
Tax	-4	-28	-27	-20	-11	-26	-28	-30
Net Profit	117	57	119	184	178	230	253	269
Balance Sheet (in SAR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Property and equipment	8	40	54	211	305	403	506	609
Intangible assets and goodwill	4	6	81	102	66	97	131	168
Right of use assets	27	134	97	69	124	165	212	265
Investments at FVTPL	20	23	84	68	73	73	73	73
Equity accounted investments	-	-	-	101	100	100	100	100
Total non-current assets	59	202	316	551	668	838	1,022	1,214
Inventories	0	1	10	11	18	19	22	23
Trade receivables	7	23	36	75	92	102	113	119
Prepaid expenses and other receivables	37	82	72	78	104	114	127	134
Cash and cash equivalents	392	903	1,109	1,054	1,148	1,188	1,223	1,237
Total current assets	435	1,209	1,335	1,219	1,361	1,424	1,483	1,514
TOTAL ASSETS	494	1,411	1,651	1,770	2,030	2,262	2,505	2,728
Share capital	96	105	105	105	105	105	105	105
Statutory reserve	13	18	18	18	-	-	-	-
Share premium	-	740	740	740	740	740	740	740
Treasury Shares	-	-2	-2	-93	-93	-93	-93	-93
Employees shares reserve	-	12	31	29	11	11	11	11
Retained earnings	79	132	259	441	619	812	1,006	1,196
Total Equity attributable to shareholders	187	1,005	1,152	1,240	1,383	1,575	1,769	1,960
Minority Interest	1	-1	-6	9	2	2	2	2
Total equity	188	1,004	1,145	1,249	1,385	1,577	1,771	1,962
Lease liabilities	21	97	63	40	156	156	156	156
Employees benefits obligations	6	11	17	23	30	30	30	30
Total non-current liabilities	27	108	80	63	186	186	186	186
Proceeds due to customers	165	119	162	197	176	193	216	230
Lease liabilities	5	32	33	32	57	57	57	57
Trade payables	29	51	84	54	70	77	86	92
Accrued expenses and other liabilities	75	68	116	151	149	164	183	195
Short term loan	-	-	2	-	1	1	1	1
Due to related parties	1	1	-	-	-	-	-	-
Zakat provision	4	28	29	23	5	5	5	5
Total current liabilities	279	299	425	458	459	498	548	580
Total liabilities	306	407	505	521	645	685	735	766
Total equity and liabilities	494	1,411	1,651	1,770	2,030	2,262	2,505	2,728
Cash Flow (in SAR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Cash from operations	206	7	257	203	226	274	311	344
Investing cash flow	-17	-219	-16	-138	-104	-116	-129	-138
Financing cash flow	-3	723	-34	-120	-28	-118	-148	-191
Change in cash	186	511	206	-55	94	41	34	15
Beginning cash	206	392	903	1,109	1,054	1,148	1,188	1,223
Ending cash	392	903	1,109	1,054	1,148	1,188	1,223	1,237



Ratio Analysis	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Per Share								
EPS (SAR)	0.61	0.28	0.60	0.90	0.90	1.13	1.24	1.32
BVPS (SAR)	0.98	4.79	5.49	5.91	6.59	7.51	8.43	9.34
DPS (SAR)	-	-	-	-	0.18	0.28	0.37	0.46
FCF per share (SAR)	0.99	-1.01	1.15	0.31	0.58	0.75	0.87	0.98
Valuation								
Market Cap (SAR, Millions)	5,760	7,336	5,552	6,358	3,273	3,273	3,273	3,273
EV (SAR, Millions)	5,394	6,562	4,541	5,376	2,340	2,299	2,265	2,250
EBITDA	126	88	154	222	222	282	330	363
P/E (x)	49.2	124.4	44.3	33.8	17.4	13.8	12.6	11.8
EV/EBITDA (x)	42.9	75.0	29.5	24.2	10.5	8.1	6.9	6.2
Price/Book (x)	30.8	7.3	4.8	5.1	2.4	2.1	1.9	1.7
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	1.1%	1.8%	2.4%	3.0%
Price to sales (x)	5.0	4.6	3.1	2.9	1.4	1.3	1.2	1.1
EV to sales (x)	4.7	4.1	2.5	2.4	1.0	0.9	0.8	0.8
Liquidity								
Cash Ratio (x)	1.4	3.0	2.6	2.3	2.5	2.4	2.2	2.1
Current Ratio (x)	1.6	4.0	3.1	2.7	3.0	2.9	2.7	2.6
Quick Ratio (x)	1.6	4.0	3.1	2.6	2.9	2.8	2.7	2.6
Returns Ratio								
ROA (%)	23.6%	4.0%	7.2%	10.4%	8.8%	10.2%	10.1%	9.9%
ROE (%)	62.0%	5.6%	10.4%	14.7%	12.9%	14.6%	14.3%	13.7%
ROCE (%)	54.2%	5.1%	9.7%	14.0%	11.3%	13.0%	12.9%	12.5%
Cash Cycle								
Inventory turnover (x)	4,619	1,344	140	151	100	100	100	100
Accounts Payable turnover (x)	32.0	24.3	16.5	30.9	25.0	25.0	25.0	25.0
Receivables turnover (x)	173.7	70.4	49.0	29.5	25.0	25.0	25.0	25.0
Inventory days	0	0	3	2	4	4	4	4
Payable Days	11	15	22	12	15	15	15	15
Receivables days	2	5	7	12	15	15	15	15
Profitability Ratio								
Net Margins (%)	10.1%	3.5%	6.7%	8.3%	7.7%	9.0%	9.0%	9.0%
EBITDA Margins (%)	10.9%	5.5%	8.6%	10.0%	9.6%	11.1%	11.7%	12.2%
PBT Margins (%)	10.5%	5.3%	8.2%	9.2%	8.2%	10.0%	10.0%	10.0%
EBIT Margins (%)	10.3%	4.0%	5.7%	7.6%	6.6%	8.0%	8.5%	8.6%
Leverage								
Total Debt (SAR, Millions)	26	129	98	72	214	214	214	214
Net Debt (SAR, Millions)	-366	-774	-1,011	-982	-934	-974	-1,008	-1,023
Debt/Equity (x)	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1
Net Debt/EBITDA (x)	-2.9	-8.8	-6.6	-4.4	-4.2	-3.5	-3.1	-2.8
Net Debt/Equity (x)	-1.9	-0.8	-0.9	-0.8	-0.7	-0.6	-0.6	-0.5

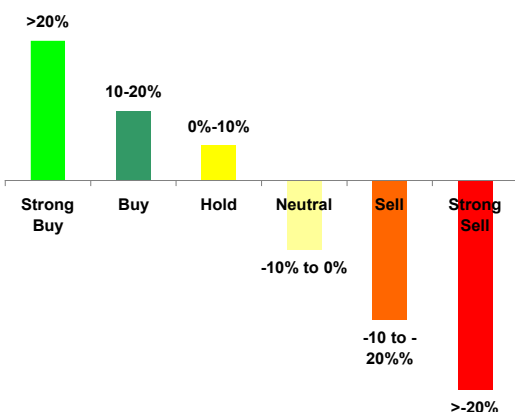
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Rating Criteria and Definitions

Rating



Rating Definitions

Strong Buy	This recommendation is used for stocks whose current market price offers a deep discount to our 12-Month target price and has an upside potential in excess of 20%
Buy	This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 10% to 20%
Hold	This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 0% to 10%
Neutral	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between 0% to -10%
Sell	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between -10% to -20%
Strong Sell	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential in excess of 20%
Not rated	This recommendation used for stocks which does not form part of Coverage Universe

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