

Food Delivery Aggregator

HOLD: 12M TP @ 23.30

Upside +8.7%

Valuation Summary (TTM)

Price (SAR)	21.44
PER TTM (x)	21.4
P/Book (x)	3.3
P/Sales (x)	1.9
EV/Sales (x)	2.1
EV/EBITDA (x)	40.2
Dividend Yield (%)	NA
Free Float (%)	61%
Shares O/S (mn)	210
YTD Return (%)	-29%

Beta	1.2
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(mn)	SAR	USD
Market Cap	4,499	1,199
Enterprise value	4,946	1,318

Price performance (%)	1M	3M	12M
Jahez International Co	-23%	-18%	-15%
Tadawul All Share Index	-4%	-5%	-12%

Trading liquidity (,000)	1M	3M	6M
Avg daily turnover (SAR)	24,041	30,141	37,377
Avg Daily Volume (,000)	1,424	1,192	1,389

52 week	High	Low	CTL*
Price (SAR)	42.00	21.32	0.6

* CTL is % change in CMP to 52wk low

Major shareholders

ALAMAT INTERNATIONAL	27%
AZMA HLDG CO	7.2%
Al Omran Abdul Aziz	5.6%
Others	60.5%

Other details

Exchange	Saudi Arabia
Sector	Software
Index weight (%)	0.2%

Key ratios	2022	2023	2024
EPS (SAR)	0.29	0.61	0.90
BVPS (SAR)	4.79	5.49	5.91
DPS (SAR)	0.00	0.00	0.00
Payout ratio (%)	0%	0%	0%

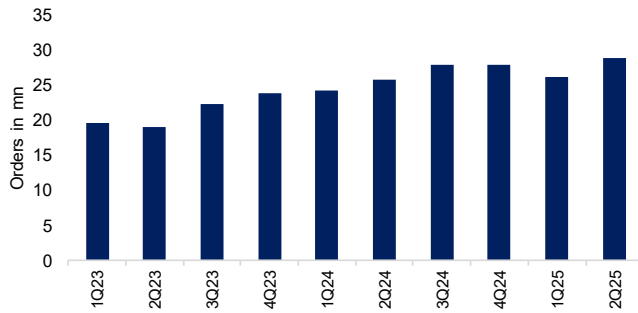


Jahez – Profits decline despite higher operations

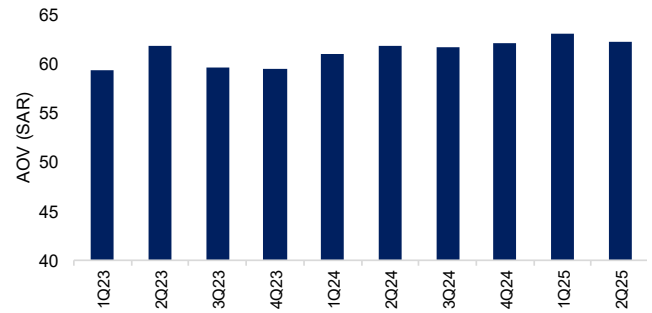
Jahez reported 2Q25 revenue of SAR 567mn, representing moderate growth of 4.8% YoY but falling 12% below our expectations. For 1H25, revenue grew 7% YoY to SAR 1bn. Quarterly topline growth was supported by an 11.6% YoY increase in the number of orders, reaching 28.8mn, and an improvement in the average take rate to 15.7% in 2Q25 from 14.6% in 2Q24. Order growth was driven primarily by KSA (+14% YoY), while non-KSA operations slightly declined (-2.5% YoY). Jahez's GMV (Gross Merchandise Value) rose 12.6% YoY to SAR 1.8bn, with KSA contributing 89%. In 2Q25, direct costs outpaced revenue, rising 6.7% YoY, largely due to heavy promotions and delivery campaigns in KSA. As a result, gross profit fell 1.7% YoY to SAR 119mn, with the gross margin contracting 140bps YoY to 21% from 22.4% in 2Q24. Net operating costs increased 11.2% YoY, leading to a 45.8% YoY decline in operating profit to SAR 15mn. Consequently, EBIT and EBITDA margins contracted by 240bps and 180bps YoY to 2.6% and 5.4%, respectively in 2Q25. Net income dropped 37% YoY to SAR 20mn, with net margin declining 230bps YoY to 3.5% in 2Q25. Profit was 57% below our forecast, as weaker revenue drove margin underperformance. For 1H25, however, profit rose 23.2% YoY to SAR 53mn.

Outlook and valuation: Jahez remains focused on executing its strategic priorities and building an integrated ecosystem to support expansion and sustainable growth across multiple segments. During the quarter, it launched an enhanced app integrating grocery and retail offerings, where it anticipates aggressive growth given the early-stage nature of these verticals. In July 2025, Jahez signed an agreement to acquire a 76.6% stake in Snoonu, Qatar's fastest-growing technology and on-demand delivery company for SAR 919mn. Completion is expected in early 4Q25, with the acquisition set to impact consolidated financials. This marks Jahez's entry into the Qatar market, unlocking technological and operational synergies. While Snoonu operates at lower margins than Jahez, the deal broadens exposure to new products and accelerates growth in markets where Jahez currently lacks presence. Management reiterated 2025 guidance of SAR 7.4–8bn GMV, SAR 2.6–3bn revenue, and SAR 280–330mn EBITDA. We align with this guidance but, based on current results, revise our 2025 estimates slightly lower: revenue to SAR 2.52bn (vs. SAR 2.59bn) and profit to SAR 194mn (vs. SAR 222mn). Results fell short of expectations, and rising competition particularly from new Chinese entrant KETA poses a potential threat to Jahez's performance. Accordingly, we lower our target price to SAR 23.3 (vs. SAR 30), implying an upside of 8.7% from the current levels and maintain our Hold rating.

Number of orders driven by KSA growth



AOV improved YoY due to minimum order cap



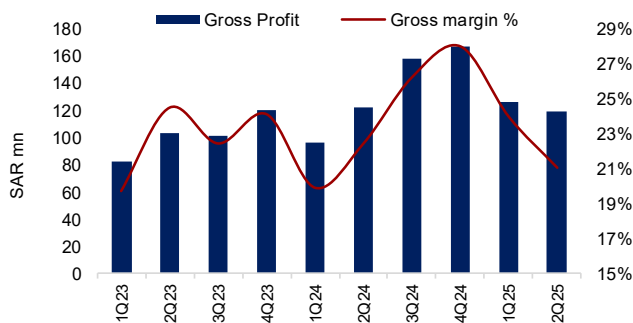
GMV grew 12.6% YoY on increased orders



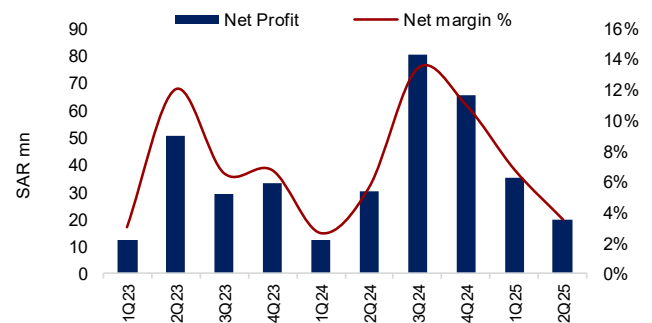
Revenue grew moderately on improved take rate



Gross margin drops on increased promotional costs



Lower revenue and higher costs drags down profits



Source: Company filings and US Research

Income statement (in SAR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Revenue	1,160	1,602	1,785	2,219	2,525	2,768	3,067	3,254
Direct Costs	-914	-1,243	-1,379	-1,678	-1,919	-2,092	-2,332	-2,484
Gross Profit	246	359	406	541	606	676	735	770
Reversal/Impairment (loss) of trade receivables	-3	4	-5	-14	-15	-25	-28	-29
Marketing & advertising expenses	-87	-131	-150	-169	-212	-208	-230	-228
General and admin expenses	-26	-136	-106	-136	-139	-138	-138	-146
Research & development expenses	-11	-34	-42	-53	-53	-55	-61	-65
EBIT	120	64	102	169	188	250	278	302
EBITDA	126	88	154	222	248	330	374	414
Unrealized (losses)/profits on investments at FVTPL	8	2	3	-6	-5	-5	-5	-5
Share of profits/losses from equity accounted investees	-	-	-	-2	-1	-1	-1	-1
Finance cost	-1	-3	-5	-5	-5	-5	-5	-5
Finance income	-	22	46	49	44	44	44	44
PBT	121	85	146	205	220	282	311	334
Tax	-4	-28	-27	-20	-25	-28	-31	-33
Net Profit	117	57	119	184	194	254	280	301

Balance Sheet (in SAR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Property and equipment	8	40	54	211	315	423	537	650
Intangible assets and goodwill	4	6	81	102	70	103	141	182
Right of use assets	27	134	97	69	125	167	215	269
Investments at FVTPL	20	23	84	68	67	67	67	67
Equity accounted investments	-	-	-	101	100	100	100	100
Total non-current assets	59	202	316	551	676	860	1,060	1,269
Inventories	0	1	10	11	19	21	23	25
Trade receivables	7	23	36	75	101	111	123	130
Prepaid expenses and other receivables	37	82	72	78	114	125	138	146
Cash and cash equivalents	392	903	1,109	1,054	1,090	1,134	1,172	1,193
Total current assets	435	1,209	1,335	1,219	1,324	1,391	1,456	1,495
TOTAL ASSETS	494	1,411	1,651	1,770	2,000	2,251	2,517	2,764
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	12	12	12	12
Retained earnings	79	132	259	441	636	849	1,063	1,278
Total Equity attributable to shareholders	187	1,005	1,152	1,240	1,400	1,613	1,827	2,042
Minority Interest	1	-1	-6	9	4	4	4	4
Total equity	188	1,004	1,145	1,249	1,404	1,617	1,831	2,046
Lease liabilities	21	97	63	40	111	111	111	111
Employees benefits obligations	6	11	17	23	28	28	28	28
Total non-current liabilities	27	108	80	63	140	140	140	140
Proceeds due to customers	165	119	162	197	192	209	233	248
Lease liabilities	5	32	33	32	33	33	33	33
Trade payables	29	51	84	54	58	63	70	75
Accrued expenses and other liabilities	75	68	116	151	163	178	198	211
Short term loan	-	-	2	-	-	-	-	-
Due to related parties	1	1	-	-	-	-	-	-
Zakat provision	4	28	29	23	11	11	11	11
Total current liabilities	279	299	425	458	457	494	546	579
Total liabilities	306	407	505	521	597	634	685	718
Total equity and liabilities	494	1,411	1,651	1,770	2,000	2,251	2,517	2,764

Cash Flow (in SAR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Cash from operations	206	7	257	203	207	311	351	391
Investing cash flow	-17	-219	-16	-138	-115	-127	-142	-151
Financing cash flow	-3	723	-34	-120	-62	-140	-171	-219
Change in cash	186	511	206	-55	36	44	38	21
Beginning cash	206	392	903	1,109	1,054	1,090	1,134	1,172
Ending cash	392	903	1,109	1,054	1,090	1,134	1,172	1,193

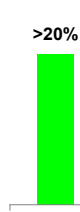

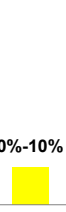



Ratio Analysis	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Per Share								
EPS (SAR)	0.61	0.28	0.60	0.90	0.98	1.25	1.37	1.48
BVPS (SAR)	0.98	4.79	5.49	5.91	6.67	7.69	8.71	9.73
DPS (SAR)	-	-	-	-	0.20	0.31	0.41	0.52
FCF per share (SAR)	0.99	-1.01	1.15	0.31	0.44	0.88	1.00	1.14
Valuation								
Market Cap (SAR, Millions)	5,760	7,336	5,552	6,358	4,499	4,499	4,499	4,499
EV (SAR, Millions)	5,394	6,562	4,541	5,376	3,553	3,509	3,471	3,450
EBITDA	126	88	154	222	248	330	374	414
P/E (x)	49.2	124.4	44.3	33.8	22.0	17.2	15.6	14.5
EV/EBITDA (x)	42.9	75.0	29.5	24.2	14.3	10.6	9.3	8.3
Price/Book (x)	30.8	7.3	4.8	5.1	3.2	2.8	2.5	2.2
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.9%	1.5%	1.9%	2.4%
Price to sales (x)	5.0	4.6	3.1	2.9	1.8	1.6	1.5	1.4
EV to sales (x)	4.7	4.1	2.5	2.4	1.4	1.3	1.1	1.1
Liquidity								
Cash Ratio (x)	1.4	3.0	2.6	2.3	2.4	2.3	2.1	2.1
Current Ratio (x)	1.6	4.0	3.1	2.7	2.9	2.8	2.7	2.6
Quick Ratio (x)	1.6	4.0	3.1	2.6	2.9	2.8	2.6	2.5
Returns Ratio								
ROA (%)	23.6%	4.0%	7.2%	10.4%	9.7%	11.3%	11.1%	10.9%
ROE (%)	62.0%	5.6%	10.4%	14.7%	13.9%	15.7%	15.3%	14.7%
ROCE (%)	54.2%	5.1%	9.7%	14.0%	12.6%	14.5%	14.2%	13.8%
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	33.3	33.3	33.3	33.3
Receivables turnover (x)	173.7	70.4	49.0	29.5	25.0	25.0	25.0	25.0
Inventory days	0	0	2.6	2.4	3.7	3.7	3.7	3.7
Payable Days	11	15	22	12	11	11	11	11
Receivables days	2	5	7	12	15	15	15	15
Profitability Ratio								
Net Margins (%)	10.1%	3.5%	6.7%	8.3%	7.7%	9.2%	9.1%	9.3%
EBITDA Margins (%)	10.9%	5.5%	8.6%	10.0%	9.8%	11.9%	12.2%	12.7%
PBT Margins (%)	10.5%	5.3%	8.2%	9.2%	8.7%	10.2%	10.1%	10.3%
EBIT Margins (%)	10.3%	4.0%	5.7%	7.6%	7.4%	9.0%	9.1%	9.3%
Leverage								
Total Debt (SAR, Millions)	26	129	98	72	144	144	144	144
Net Debt (SAR, Millions)	-366	-774	-1,011	-982	-946	-990	-1,028	-1,049
Debt/Equity (x)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Net Debt/EBITDA (x)	-2.9	-8.8	-6.6	-4.4	-3.8	-3.0	-2.7	-2.5
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	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	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	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	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	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	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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