

Jahez International Company for Information Systems Technology

Sector : Food Delivery Aggregator

NEUTRAL

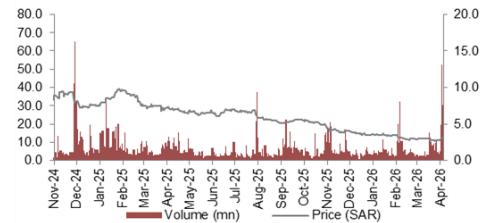
19 April 2026

- Revenue up 4.7% YoY in 2025, driven by increased order volumes and GMV.
- Margins declined YoY and fell short of projections.
- Profit down by 68.5% YoY, falling significantly below our forecast.
- For 2026e, we forecast revenue of SAR 2.53bn and profit of SAR 138mn. We lower our target price to SAR 12.00 per share and downgrade our rating to NEUTRAL from HOLD.

Target price (SAR) 12.00

Current price (SAR) 12.41

Return -3.30%



Jahez reported 2025 revenue of SAR 2.3bn, up 4.7% YoY and broadly in line with our expectation. Revenue in 4Q25 grew 17.1% YoY to SAR 697mn. Full year growth was driven by a 5.3% YoY increase in order volumes to 111.6mn, supported by strong expansion in non-KSA delivery platforms and continued diversification of revenue streams. Order momentum was primarily fueled by a 54% YoY increase in non-KSA orders, reflecting effective marketing in Kuwait and Bahrain, as well as a strong contribution from Snoonu in 4Q25. This was partially offset by a 3% decline in KSA orders due to intensifying competition. Jahez's gross merchandise value (GMV) rose 10.8% YoY to SAR 7.2bn, with KSA accounting for 81%. Gross profit declined 2% YoY to SAR 530mn, as direct costs outpaced revenue growth, rising 6.9% YoY. As a result, gross margin narrowed by 160bps YoY to 22.8%. Net operating costs increased 29% YoY, due to higher marketing spend to defend market share and the consolidation of Snoonu's cost base. Consequently, EBIT and EBITDA margins fell 550bps and 400bps YoY to 2.1% and 6%, respectively. Net income declined 68.5% YoY to SAR 58mn, with net margin contracting 580bps YoY to 2.5%. Profit significantly missed our forecast of SAR 178mn, with margins underperforming expectations. In 4Q25, Jahez reported a net loss of SAR 56mn, compared to a profit of SAR 61mn in 4Q24.

Exchange Saudi Arabia
 Index weight (%) 0.1%

(mn)	SAR	USD
Market Cap	2,604	694
Enterprise value	2,888	770

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

Valuation Summary	
PER TTM (x)	34.4
P/Book (x)	1.9
EV/EBITDA (x)	20.8
Dividend Yield (%)	NA
Free Float (%)	62%
Shares O/S (mn)	210
YTD Return (%)	-14%
Beta	1.1

Key ratios	2023	2024	2025
EPS (SAR)	0.61	0.92	0.35
BVPS (SAR)	5.59	5.91	6.39
DPS (SAR)	0.00	0.00	0.00
Payout ratio (%)	0%	0%	0%

Price performance (%)	1M	3M	12M
Jahez International Co	4%	-10%	-56%
Tadawul All Share Index	6%	6%	0%

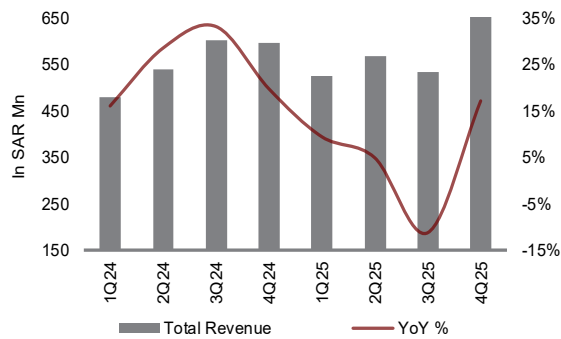
52 week	High	Low	CTL*
Price (SAR)	29.10	10.72	15.8

* CTL is % change in CMP to 52wk low

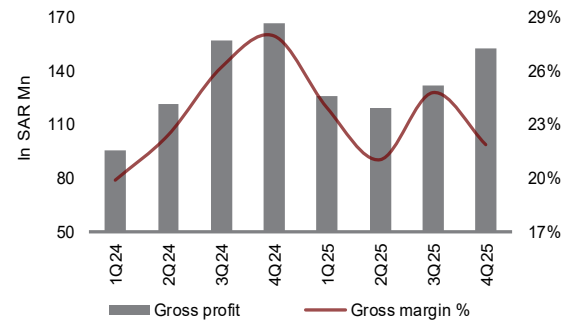
Valuation and outlook: Amid heightened competition in KSA, particularly after the entry of China's Meituan, Jahez ramped up its marketing and promotional efforts to retain high value customers and safeguard its market share, while further shifting its revenue mix toward higher-margin streams, including commissions. In February 2026, Jahez introduced its international strategy, positioning Snoonu as the Group's core platform for overseas operations. The company plans to expand Snoonu's role across international markets, starting with launches in Kuwait and Bahrain, supported by its advanced technology infrastructure and integrated multi-vertical model. While revenue aligned with our estimate, profitability and margins underperformed expectations. For 2026e management has guided for revenue of SAR 3.1-3.5bn and GMV of SAR 10.1-10.8bn. However, ongoing geopolitical tensions may pose near term operational risks, particularly in 1Q26. We forecast 2026e revenue of SAR 2.53bn and net income of SAR 138mn, below management guidance. Accordingly, we lower our target price to SAR 12.00, implying a 3.3% downside from current levels, and downgrade our rating to NEUTRAL from HOLD on the stock.



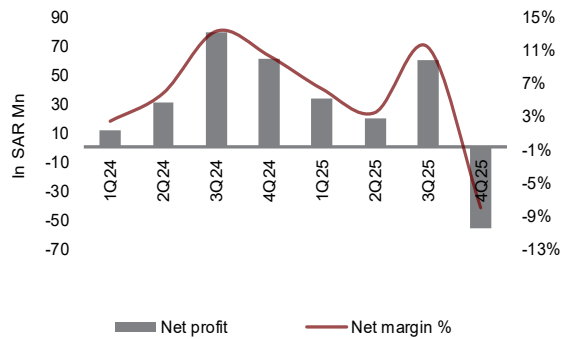
Revenue growth driven by new verticals



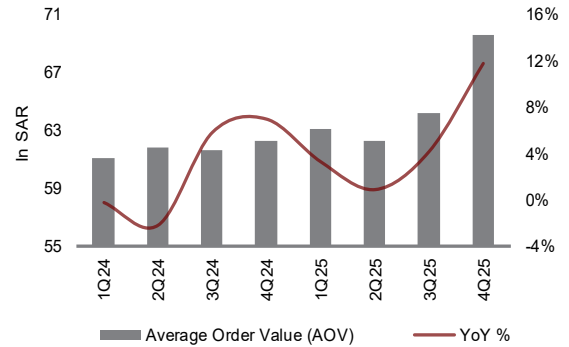
Gross margin in 4Q25 declines on higher direct costs



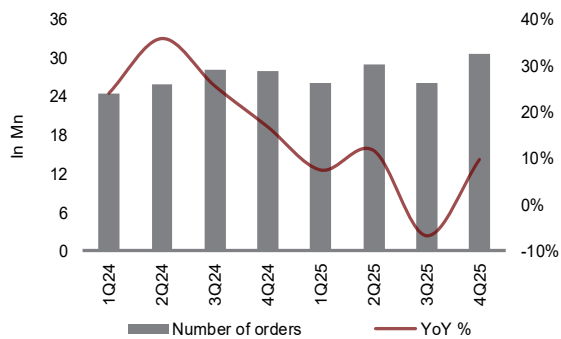
Net margin pressured by increased marketing costs



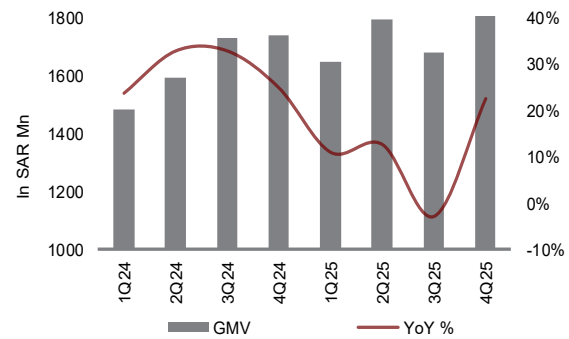
AOV improves on minimum order cap & market mix



Promotional investment drives order growth



4Q25 GMV growth led by Snoonu





Income statement (in SAR Mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Revenue	1,602	1,785	2,219	2,324	2,537	3,007	3,423	3,898
Direct Costs	-1,243	-1,379	-1,678	-1,794	-1,889	-2,222	-2,527	-2,891
Gross Profit	359	406	541	530	648	785	896	1,006
Reversal/Impairment (loss) of trade receivables	4	-5	-14	-31	-38	-45	-51	-58
Marketing & advertising expenses	-131	-150	-169	-228	-241	-271	-308	-351
General and admin expenses	-136	-106	-136	-159	-165	-180	-205	-234
Research & development expenses	-34	-42	-53	-51	-63	-75	-86	-97
EBIT	64	102	169	49	140	214	246	266
EBITDA	88	154	222	139	280	369	418	458
Unrealized (losses)/profits on investments at FVTPL	2	3	-6	-11	-11	-11	-11	-11
Share of profits/losses from equity accounted investees	-	-	-2	-1	-1	-1	-1	-1
Finance cost	-3	-5	-5	-9	-8	-8	-8	-8
Finance income	22	46	49	34	34	30	30	30
PBT	85	146	205	62	153	223	255	275
Tax	-28	-27	-20	-4	-15	-22	-26	-28
Net Profit	57	119	184	58	138	201	230	248

Balance Sheet (in SAR Mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Property and equipment	40	54	211	288	385	497	619	753
Intangible assets and goodwill	6	81	102	1,063	375	401	434	474
Right of use assets	134	97	69	283	242	340	445	557
Investments at FVTPL	23	84	68	86	86	86	86	86
Equity accounted investments	-	-	101	100	100	100	100	100
Total non-current assets	202	316	551	1,819	1,188	1,424	1,684	1,970
Inventories	1	10	11	30	38	44	51	58
Trade receivables	23	36	75	83	127	150	171	195
Prepaid expenses and other receivables	82	72	78	91	127	150	171	195
Cash and cash equivalents	903	1,109	1,054	428	892	847	782	695
Total current assets	1,209	1,335	1,219	633	1,184	1,192	1,175	1,143
TOTAL ASSETS	1,411	1,651	1,770	2,452	2,372	2,616	2,859	3,113
Share capital	105	105	105	105	105	105	105	105
Share premium	740	740	740	740	740	740	740	740
Treasury Shares	-2	-2	-93	-75	-75	-75	-75	-75
Employees shares reserve	12	31	29	13	13	13	13	13
Retained earnings	132	259	441	558	696	858	1,024	1,187
Total Equity attributable to shareholders	1,005	1,152	1,240	1,342	1,480	1,641	1,807	1,971
Minority Interest	-1	-6	9	73	73	73	73	73
Total equity	1,004	1,145	1,249	1,414	1,552	1,713	1,880	2,043
Lease liabilities	97	63	40	225	225	225	225	225
Employees benefits obligations	11	17	23	37	37	37	37	37
Total non-current liabilities	108	80	63	412	262	262	262	262
Proceeds due to customers	119	162	197	273	189	222	253	289
Lease liabilities	32	33	32	65	65	65	65	65
Trade payables	51	84	54	88	93	109	124	142
Accrued expenses and other liabilities	68	116	151	180	190	223	254	291
Short term loan	-	2	-	-	16	16	16	16
Zakat provision	28	29	23	5	5	5	5	5
Total current liabilities	299	425	458	627	557	640	717	808
Total liabilities	407	505	521	1,038	820	903	979	1,070
Total equity and liabilities	1,411	1,651	1,770	2,452	2,372	2,616	2,859	3,113

Cash Flow (in SAR Mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Cash from operations	7	257	203	100	339	450	498	534
Investing cash flow	-219	-16	-138	-809	-93	-117	-138	-161
Financing cash flow	723	-34	-120	84	218	-378	-425	-460
Change in cash	511	206	-55	-626	464	-46	-65	-87
Beginning cash	392	903	1,109	1,054	428	892	847	782
Ending cash	903	1,109	1,054	428	892	847	782	695



Ratio Analysis	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Per Share								
EPS (SAR)	0.28	0.60	0.90	0.35	0.76	1.01	1.15	1.24
BVPS (SAR)	4.79	5.49	5.91	6.39	7.05	7.82	8.61	9.39
DPS (SAR)	-	-	-	-	0.19	0.30	0.40	0.43
FCF per share (SAR)	-1.01	1.15	0.31	-3.38	1.17	1.59	1.72	1.78
Valuation								
Market Cap (SAR, Millions)	7,336	5,552	6,358	3,026	2,604	2,604	2,604	2,604
EV (SAR, Millions)	6,562	4,541	5,376	2,888	2,018	2,063	2,128	2,215
EBITDA	88	154	222	139	280	369	418	458
P/E (x)	124.4	44.3	33.8	41.5	16.4	12.3	10.8	10.0
EV/EBITDA (x)	75.0	29.5	24.2	20.8	7.2	5.6	5.1	4.8
Price/Book (x)	7.3	4.8	5.1	2.3	1.8	1.6	1.4	1.3
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	1.5%	2.4%	3.2%	3.5%
Price to sales (x)	4.6	3.1	2.9	1.3	1.0	0.9	0.8	0.7
EV to sales (x)	4.1	2.5	2.4	1.2	0.8	0.7	0.6	0.6
Liquidity								
Cash Ratio (x)	3.0	2.6	2.3	0.7	1.6	1.3	1.1	0.9
Current Ratio (x)	4.0	3.1	2.7	1.0	2.1	1.9	1.6	1.4
Quick Ratio (x)	4.0	3.1	2.6	1.0	2.1	1.8	1.6	1.3
Returns Ratio								
ROA (%)	4.0%	7.2%	10.4%	2.4%	5.8%	7.7%	8.0%	8.0%
ROE (%)	5.6%	10.4%	14.7%	4.1%	8.9%	11.7%	12.2%	12.1%
ROCE (%)	5.1%	9.7%	14.0%	3.2%	7.6%	10.2%	10.7%	10.7%
Cash Cycle								
Inventory turnover (x)	1,344	140	151	59	50	50	50	50
Accounts Payable turnover (x)	24.3	16.5	30.9	20.4	20.4	20.4	20.4	20.4
Receivables turnover (x)	70.4	49.0	29.5	28.0	20.0	20.0	20.0	20.0
Inventory days	0	3	2	6	7	7	7	7
Payable Days	15	22	12	18	18	18	18	18
Receivables days	5	7	12	13	18	18	18	18
Profitability Ratio								
Net Margins (%)	3.5%	6.7%	8.3%	2.5%	5.4%	6.7%	6.7%	6.4%
EBITDA Margins (%)	5.5%	8.6%	10.0%	6.0%	11.1%	12.3%	12.2%	11.7%
PBT Margins (%)	5.3%	8.2%	9.2%	2.6%	6.0%	7.4%	7.5%	7.1%
EBIT Margins (%)	4.0%	5.7%	7.6%	2.1%	5.5%	7.1%	7.2%	6.8%
Leverage								
Total Debt (SAR, Millions)	129	98	72	290	306	306	306	306
Net Debt (SAR, Millions)	-774	-1,011	-982	-138	-586	-541	-476	-389
Debt/Equity (x)	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.1
Net Debt/EBITDA (x)	-8.8	-6.6	-4.4	-1.0	-2.1	-1.5	-1.1	-0.9
Net Debt/Equity (x)	-0.8	-0.9	-0.8	-0.1	-0.4	-0.3	-0.3	-0.2

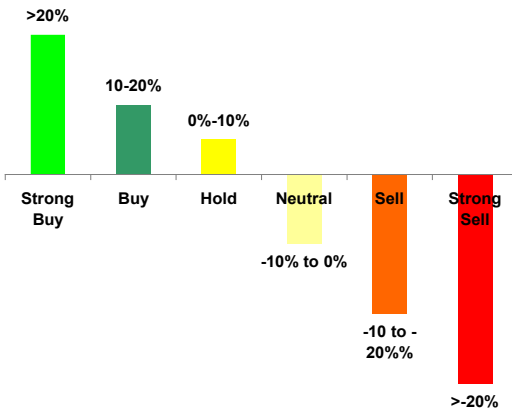
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Rating Criteria and Definitions

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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