Jahez International Company for Information Systems Technology

SELL

Sector : Food Delivery Aggregator

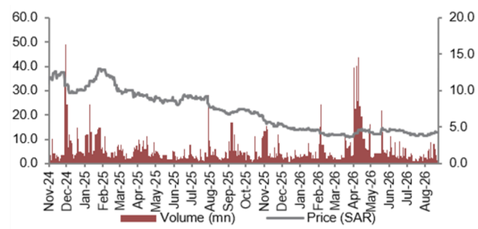
06 September 2026

- **Revenue up 34.5% YoY in 2Q26, driven by increased order volumes and GMV.**
- **Margins declined YoY and fell short of projections.**
- **Reported net loss of SAR 22mn, falling significantly below our estimate.**
- **For 2026e, we slightly increase our revenue forecast to SAR 3.2bn and reduce profit to SAR 30mn. We lower our target price to SAR 11.00 per share and downgrade our rating to SELL from NEUTRAL.**

Jahez reported 2Q26 revenue of SAR 763mn, up 34.5% YoY and 22% above our expectation. Revenue for 1H26 grew 36% YoY to SAR 1.49bn. Growth during the quarter was driven by a 26.5% YoY increase in order volumes to 36.4mn, supported by continued contribution from the international platforms and revenue diversification. Non-KSA orders increased threefold YoY, reflecting the consolidation of Snoonu in 4Q25 and continued strong growth in Qatar, while KSA orders declined 1.2% YoY amid intensifying competition. GMV grew 40% YoY to SAR 2.5bn, with KSA accounting for 60%. Gross profit growth was contained to 15% YoY to SAR 137mn, as direct costs grew 40% YoY, outpacing revenue growth. As a result, gross margin narrowed 300bps YoY to 18%, reflecting lower delivery-fee economics and higher delivery costs from increased order volumes. Net operating costs rose 53% YoY, due to continued investment in customer retention and launch-phase spending on Snoonu's international expansion. Consequently, EBITDA margin fell 210bps YoY to 3.3% in 2Q26. Overall, Jahez reported a net loss of SAR 22mn compared with a profit of SAR 20mn in 2Q25, significantly below our forecast loss of SAR 1mn. Also, margins across the board underperformed expectations. For 1H26, net loss stood at SAR 34mn versus a profit of SAR 53mn in 1H25.

Valuation and outlook: Jahez continues to invest in customer acquisition and retention, while its new loyalty program aims to strengthen customer engagement through tailored offers and redeemable benefits. Internationally, Snoonu remains Jahez's primary expansion platform, with Qatar delivering strong performance while Kuwait rollout continues and Oman expansion gains encouraging early momentum following launches in Nizwa and Sohar. Besides, the company plans expansion into Muscat. While international expansion requires upfront investment, it remains key to building a scalable multi-vertical regional platform. Revenue exceeded expectations, but profitability and margins underperformed due to higher costs. Management retained its 2026e guidance of SAR 3.1-3.5bn revenue and SAR 10.1-10.8bn GMV. Based on the current results, we raise our 2026e revenue forecast to SAR 3.2bn (from SAR 2.7bn), while reducing our net profit to SAR 30mn (from SAR 49mn). Accordingly, we lower our target price to SAR 11.00, implying a 15.3% downside from current levels, and downgrade our rating to SELL from NEUTRAL on the stock.

Target price (SAR)	**11.00**
Current price (SAR)	**12.98**
Return	**-15.30%**



Exchange	Saudi Arabia
Index weight (%)	0.1%

(mn)	SAR	USD
Market Cap	2,724	725
Enterprise value	2,807	737

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

Valuation Summary	
PER TTM (x)	NA
P/Book (x)	2.0
EV/EBITDA (x)	27.5
Dividend Yield (%)	NA
Free Float (%)	62%
Shares O/S (mn)	210
YTD Return (%)	-10%
Beta	1.2

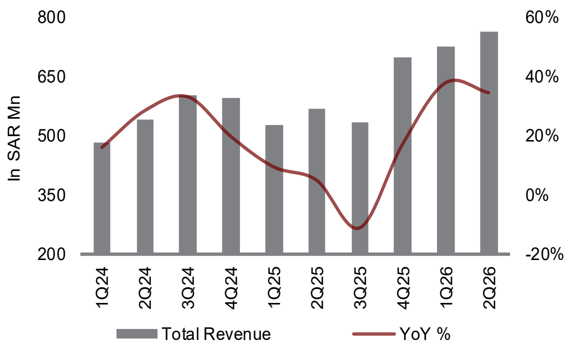
Key ratios	2023	2024	2025
EPS (SAR)	0.61	0.92	0.35
BVPS (SAR)	5.59	5.91	6.39
DPS (SAR)	0.00	0.00	0.00
Payout ratio (%)	0%	0%	0%

Price performance (%)	1M	3M	12M
Jahez International Co	7%	-7%	-41%
Tadawul All Share Index	2%	0%	4%

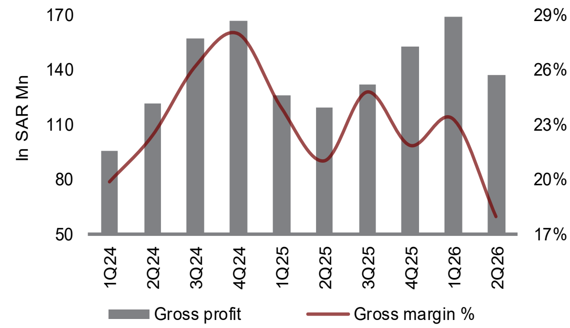
52 week	High	Low	CTL*
Price (SAR)	22.90	10.72	21.1

* CTL is % change in CMP to 52wk low

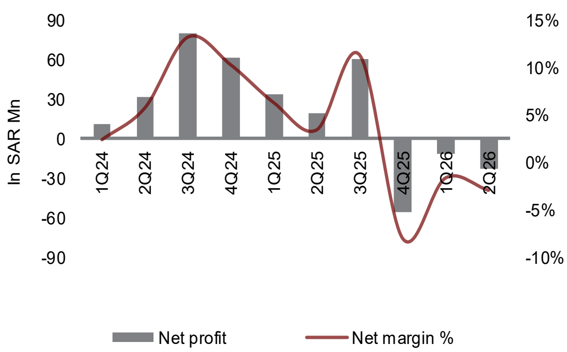
Revenue growth driven by higher order volumes



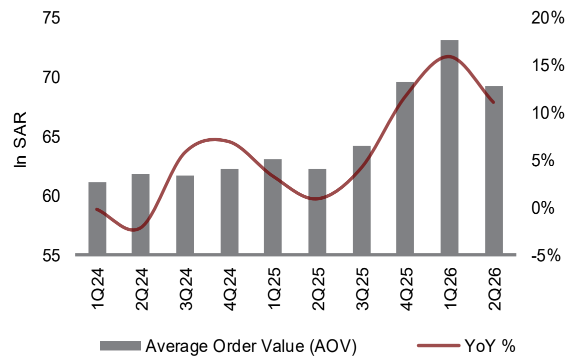
Rising direct costs compress gross margin



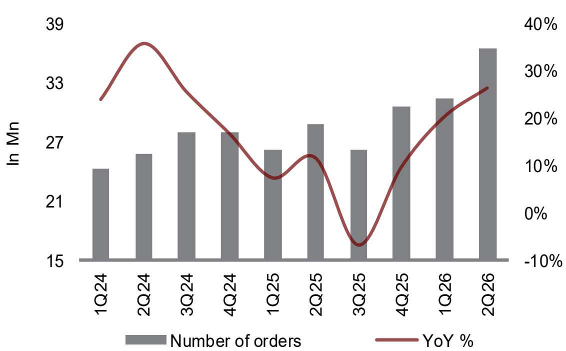
Higher marketing spend weighs on net margin



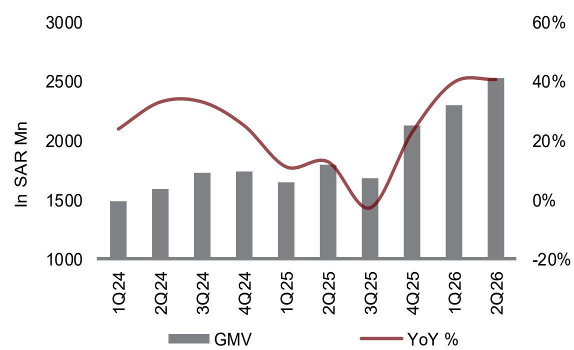
Stronger non-KSA growth supports AOV



Promotional investment drives order growth



2Q26 GMV growth led by Snoonu's contribution



Income statement (in SAR Mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Revenue	**1,602**	**1,785**	**2,219**	**2,324**	**3,168**	**3,615**	**4,038**	**4,512**
Direct Costs	-1,243	-1,379	-1,678	-1,794	-2,456	-2,741	-3,036	-3,386
Gross Profit	**359**	**406**	**541**	**530**	**712**	**874**	**1,002**	**1,126**
Reversal/Impairment (loss) of trade receivables	4	-5	-14	-31	3	-54	-40	-68
Marketing & advertising expenses	-131	-150	-169	-228	-363	-398	-464	-519
General and admin expenses	-136	-106	-136	-159	-242	-253	-283	-316
Research & development expenses	-34	-42	-53	-51	-97	-90	-101	-113
EBIT	**64**	**102**	**169**	**49**	**27**	**92**	**127**	**124**
EBITDA	**88**	**154**	**222**	**139**	**213**	**241**	**289**	**303**
Unrealized (losses)/profits on investments at FVTPL	2	3	-6	-11	-	-	-	-
Share of profits/losses from equity accounted investees	-	-	-2	-1	5	5	5	5
Finance cost	-3	-5	-5	-9	-19	-16	-16	-16
Finance income	22	46	49	34	21	30	30	30
PBT	**85**	**146**	**205**	**62**	**33**	**110**	**145**	**143**
Tax	-28	-27	-20	-4	-4	-11	-15	-14
Net Profit	**57**	**119**	**184**	**58**	**30**	**99**	**131**	**128**

Balance Sheet (in SAR Mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Property and equipment	40	54	211	288	325	367	413	506
Intangible assets and goodwill	6	81	102	1,063	384	420	462	511
Right of use assets	134	97	69	283	243	344	452	569
Investments at FVTPL	23	84	68	86	86	86	86	86
Equity accounted investments	-	-	101	100	102	102	102	102
Total non-current assets	**202**	**316**	**551**	**1,819**	**1,141**	**1,319**	**1,516**	**1,774**
Inventories	1	10	11	30	49	55	61	68
Trade receivables	23	36	75	83	95	108	121	135
Prepaid expenses and other receivables	82	72	78	91	158	181	202	226
Cash and cash equivalents	903	1,109	1,054	428	1,141	1,073	1,000	849
Total current assets	**1,209**	**1,335**	**1,219**	**633**	**1,443**	**1,417**	**1,384**	**1,278**
TOTAL ASSETS	**1,411**	**1,651**	**1,770**	**2,452**	**2,585**	**2,737**	**2,899**	**3,052**
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	-74	-74	-74	-74
Employees shares reserve	12	31	29	13	6	6	6	6
Retained earnings	132	259	441	558	588	675	769	842
Total Equity attributable to shareholders	**1,005**	**1,152**	**1,240**	**1,342**	**1,365**	**1,451**	**1,546**	**1,619**
Minority Interest	-1	-6	9	73	65	65	65	65
Total equity	**1,004**	**1,145**	**1,249**	**1,414**	**1,430**	**1,517**	**1,611**	**1,684**
Lease liabilities	97	63	40	225	300	300	300	300
Employees benefits obligations	11	17	23	37	44	44	44	44
Total non-current liabilities	**108**	**80**	**63**	**412**	**484**	**484**	**484**	**484**
Proceeds due to customers	119	162	197	273	246	274	304	339
Lease liabilities	32	33	32	65	79	79	79	79
Trade payables	51	84	54	88	98	110	121	135
Accrued expenses and other liabilities	68	116	151	180	221	247	273	305
Short term loan	-	2	-	-	23	23	23	23
Zakat provision	28	29	23	5	4	4	4	4
Total current liabilities	**299**	**425**	**458**	**627**	**670**	**736**	**804**	**884**
Total liabilities	**407**	**505**	**521**	**1,038**	**1,155**	**1,220**	**1,288**	**1,368**
Total equity and liabilities	**1,411**	**1,651**	**1,770**	**2,452**	**2,585**	**2,737**	**2,899**	**3,052**

Cash Flow (in SAR Mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Cash from operations	7	257	203	100	314	356	401	416
Investing cash flow	-219	-16	-138	-809	-77	-93	-108	-169
Financing cash flow	723	-34	-120	84	476	-331	-367	-397
Change in cash	511	206	-55	-626	712	-68	-74	-150
Beginning cash	392	903	1,109	1,054	428	1,141	1,073	1,000
Ending cash	**903**	**1,109**	**1,054**	**428**	**1,141**	**1,073**	**1,000**	**849**

Ratio Analysis	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Per Share								
EPS (SAR)	0.28	0.60	0.90	0.35	0.24	0.57	0.76	0.74
BVPS (SAR)	4.79	5.49	5.91	6.39	6.50	6.92	7.37	7.71
DPS (SAR)	-	-	-	-	0.06	0.17	0.26	0.26
FCF per share (SAR)	-1.01	1.15	0.31	-3.38	1.13	1.25	1.40	1.17
Valuation								
Market Cap (SAR, Millions)	7,336	5,552	6,358	3,026	2,724	2,724	2,724	2,724
EV (SAR, Millions)	6,562	4,541	5,376	2,888	1,984	2,052	2,126	2,276
EBITDA	88	154	222	139	213	241	289	303
P/E (x)	124.4	44.3	33.8	41.5	53.9	22.6	17.2	17.5
EV/EBITDA (x)	75.0	29.5	24.2	20.8	9.3	8.5	7.4	7.5
Price/Book (x)	7.3	4.8	5.1	2.3	2.0	1.9	1.8	1.7
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.5%	1.3%	2.0%	2.0%
Price to sales (x)	4.6	3.1	2.9	1.3	0.9	0.8	0.7	0.6
EV to sales (x)	4.1	2.5	2.4	1.2	0.6	0.6	0.5	0.5
Liqiudity								
Cash Ratio (x)	3.0	2.6	2.3	0.7	1.7	1.5	1.2	1.0
Current Ratio (x)	4.0	3.1	2.7	1.0	2.2	1.9	1.7	1.4
Quick Ratio (x)	4.0	3.1	2.6	1.0	2.1	1.9	1.6	1.4
Returns Ratio								
ROA (%)	4.0%	7.2%	10.4%	2.4%	1.1%	3.6%	4.5%	4.2%
ROE (%)	5.6%	10.4%	14.7%	4.1%	2.1%	6.5%	8.1%	7.6%
ROCE (%)	5.1%	9.7%	14.0%	3.2%	1.5%	5.0%	6.2%	5.9%
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	25.0	25.0	25.0	25.0
Receivables turnover (x)	70.4	49.0	29.5	28.0	33.3	33.3	33.3	33.3
Inventory days	0	3	2	6	7	7	7	7
Payable Days	15	22	12	18	15	15	15	15
Receivables days	5	7	12	13	11	11	11	11
Profitability Ratio								
Net Margins (%)	3.5%	6.7%	8.3%	2.5%	0.9%	2.7%	3.2%	2.8%
EBITDA Margins (%)	5.5%	8.6%	10.0%	6.0%	6.7%	6.7%	7.1%	6.7%
PBT Margins (%)	5.3%	8.2%	9.2%	2.6%	1.1%	3.0%	3.6%	3.2%
EBIT Margins (%)	4.0%	5.7%	7.6%	2.1%	0.8%	2.5%	3.1%	2.8%
Leverage								
Total Debt (SAR, Millions)	129	98	72	290	402	402	402	402
Net Debt (SAR, Millions)	-774	-1,011	-982	-138	-739	-672	-598	-448
Debt/Equity (x)	0.1	0.1	0.1	0.2	0.3	0.3	0.2	0.2
Net Debt/EBITDA (x)	-8.8	-6.6	-4.4	-1.0	-3.5	-2.8	-2.1	-1.5
Net Debt/Equity (x)	-0.8	-0.9	-0.8	-0.1	-0.5	-0.4	-0.4	-0.3

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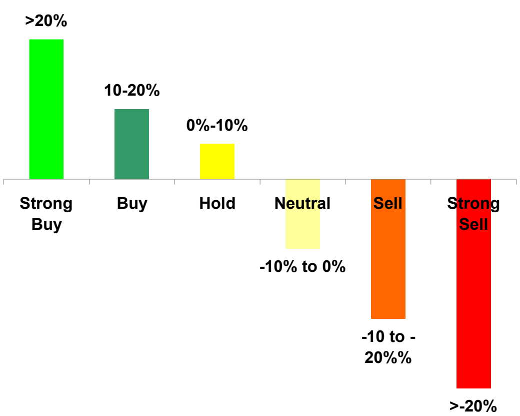
Rating Criteria and Definitions

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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