Jahez International Company for Information System Technology. (BUY, TP: SAR 15.4, 6017.SE) 4Q25 Results Review

Snoonu consolidation and Logi scale (>40% of volume) to drive non-KSA momentum and cost efficiencies. Maintain BUY.

In 4Q25, Jahez maintained top-line momentum with Snoonu's full-quarter contribution lifting group GMV 23% Y/Y to SAR 2.1bn and net revenue 17% Y/Y to SAR 697mn, while AOV rose 12% Y/Y to SAR 69.4 and orders grew 10% Y/Y to 30.7mn. Non-KSA share of GMV expanded sharply to 37.4%. However, higher marketing expense, Snoonu integration costs, and one-offs (ECL SAR 23.4mn, Marn goodwill impairment SAR 11.8mn, RedColor FV loss SAR 12.2mn, and acquisition expenses ~SAR 8mn) led to a drop in adjusted EBITDA to SAR 41.9mn (margin 6%, down 9ppts Y/Y) and a net attributable loss of SAR 41mn.

For FY25, non-KSA losses narrowed significantly, Logi turned a positive SAR 24.3mn EBITDA contribution, and non-food/grocery GMV accelerated 4x Y/Y. Cash closed at SAR 428mn with positive operating cash flow of SAR 100mn.

- Net revenue in 4Q25 increased 17.1% Y/Y (30.8% Q/Q) to SAR 697mn, driven by Snoonu consolidation, higher commissions and advertising growth. Take rate in KSA improved 1.3ppts Y/Y to 16.15% in 4Q25. GMV reached SAR 2.1bn in 4Q25 (+23% Y/Y), with non-KSA up 4.5x Y/Y. For FY25, GMV clocked in at SAR 7.2bn (+10.8% Y/Y). Orders increased 10% Y/Y to 30.7mn in 4Q25 while AOV increased 12% to SAR 69.4 (KSA SAR 65.6, non-KSA SAR 76.5). Improvement in AOV and number of orders is primarily due to consolidation of Snoonu.

- Cost of revenue was positively impacted by Logi efficiencies, with logi hadling 40% of deliveries in 4Q25, and delivering SAR 2/order cost saving. Cost of revenue increased 27.0% Y/Y (35.9% Q/Q) to SAR 544.8mn. Gross profit of SAR 153mn in 4Q25 (margin 21.9%, down 6.1ppts Y/Y) was impacted by lower delivery revenue.

- Operating expenses rose sharply in 4Q25 (+86% Y/Y) on marketing, Snoonu costs, and one-offs, leading to operating loss. Marketing expense jumped 79% Q/Q to SAR 83.8mn. General and administrative expenses surged 55.3% Q/Q to SAR 55.9. Similarly, R&D expense jumped 144% sequentially to SAR 18.7mn. These substantial hikes are due to consolidation of Snoonu post Oct'25.

- One-offs totaled ~SAR 50mn in 4Q25 (ECL, impairments, FV losses). Impairment losses on trade receivables jumped to SAR 24.9mn in 4Q25 after the company cleaned its books post consolidation, this shows a substantial hike compared to SAR 2.1mn in 4Q24. Impairment to gross receivables ratio jumped 16ppts Y/Y 40%. The company also booked goodwill impairment of SAR 11.78mn, related to its acquisition of Marn, a cloud based POS platform. The company applied TTM revenue multiple of 2.7x, while a multiple of 4.8x would have resulted in no impairment. The company also recorded higher losses on its Redcolor portfolio of SAR 12.2mn in 4Q25, up 106% Y/Y.

- Finance costs surged 2.9x Y/Y to SAR 4.2mn as loans/leases increased 5.2x Y/Y to SAR 455mn by Dec'25. Finance income declined 70% Y/Y to SAR 3.2mn due to lower cash balance following Snoonu acquisition expense. Zakat expense also declined 93% Y/Y to SAR 0.3mn as lower cash balance resulted in lower zakat base. Company reported net loss of SAR 55.6mn, loss attributable to shareholder clocked in at SAR 48.6mn. Although the company doesn't provide details, but we estimate that Snoonu related net loss (including integration costs) was around SAR 20mn.

- For FY25, adjusted EBITDA per order in KSA eased to SAR 2.4 (from SAR 3.2), while non-KSA improved SAR 3.3 per order. Attributable net profit was SAR 73mn (-61% Y/Y).

SAR mln	4Q25	3Q25	4Q24	Q/Q %	Y/Y %
Revenues	697	533	596	31%	-10%
Cost of Goods	-545	-401	-429	36%	-6%
Gross Profit	153	132	167	15%	-21%
Operating Expenses	-158	-91	-102	74%	-11%
Impairment Losses	-37	1	-2	N/A	N/A
Operating Profit	-42	43	62	N/A	-31%
Net Finance Income	-1	6	10	N/A	-38%
Other gains/losses	-12	6	-1	N/A	N/A
Zakat and Taxes	0	6	-3	N/A	N/A
Net Income	**-56**	**61**	**61**	N/A	-1%
EPS	-0.27	0.29	0.29	N/A	-1%
Margins (%)					
Gross Margin	21.9	24.8	28.0	-291 bps	-611 bps
Operating Margin	-6.1	8.0	10.4	-1,404 bps	-1,646 bps
Net Margin	-8.0	11.4	10.3	-1,935 bps	-1,830 bps

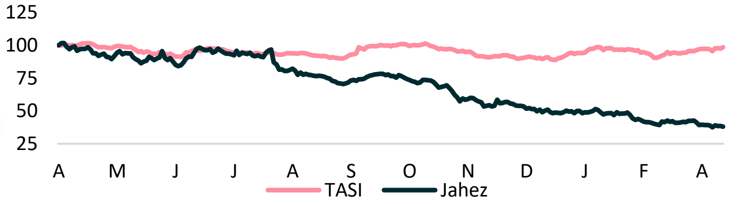
Rating Summary and Forecasts

Rating Summary	
Rating	Buy
Market Price	11.0
12-month Target Price	15.4
Upside / Downside	40.6%
Mkt Cap (SAR mn)	2,297.7
52 week High/Low	29.95/10.72

Forecasts	12/24 A	12/25 E	12/26 F	12/27 F
Net Income (SAR mn)	184	58	160	205
PER (x)	12.5	39.7	14.4	11.2
PBV (x)	1.8	1.6	1.5	1.4
EPS (SAR)	0.9	0.3	0.8	1.0
DPS (SAR)	0.0	0.0	0.0	0.0
RoE (%)	14.7	4.1	10.5	12.3
Dividend Yield (%)	0.0	0.0	0.0	0.0

Price Chart

TASI JAHEZ



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Investment Thesis

- *Jahez's FY25 results show resilience in a highly competitive KSA market through deliberate value-over-volume strategy. Despite delivery-fee compression and promotional intensity, KSA platforms delivered 11.9% adj EBITDA margin (SAR 208.8mn), while non-KSA losses narrowed sharply to SAR 14.4mn (vs SAR 56.1mn) in FY24. To offset some pressure on delivery revenue in near-term, there is some upside in take-rate (KSA rate improved to 6.15% in 4Q25, but still remain below peers) and ad monetization provide further headroom.*

- *Logi scaled to 40% of group volume, delivering SAR 2/order cost savings, acting as a moat amid regulatory driver constraints. Non-food/grocery GMV grew 4x Y/Y (91% in 4Q25 for KSA), supported by unified app, Noon partnership (app-in-app, mutual commissions, low overlap), and Doos dark-store investment. This repositioning makes Jahez a lifestyle ecosystem platform.*

- *Snoonu contributed SAR 627mn GMV and SAR 9.7mn adj EBITDA in 4Q25, with full-year GMV of SAR 2.36bn (+66%), AOV SAR 87, and adj EBITDA SAR 53.7mn. It commands second largest market share in Qatar in just three years while staying profitable-focused. Snoonu is now the international growth engine for Jahez with Kuwait pilot underway, Bahrain launch expected in 2H26, and Oman as next destination. The company plans to leverage shared Logi network, merchants, and multi-vertical tech for faster rollout and synergies. With previous overseas ventures nearing breakeven in 3 years, the expansion into Oman will likely prove beneficial for the company over medium term. Snoonu Qatar is also expected to maintain high growth in GMV/Net revenue.*

- *FY26 guidance shows healthy Y/Y growth, led by Snoonu acquisition. GOV is forecasted around SAR 12.2-13.0bn (+9-16% Y/Y), GMV of SAR of 10.1-10.8bn (+10-20% Y/Y), net revenue of SAR 3.1-3.5bn (+7-21% Y/Y), and adjusted EBITDA of SAR 200-220mn. Profitability is weighted more towards 2H26, with 1Q26 trends already ahead of 4Q25 as price war softens and competitors reintroduce fees. Cost optimization and Logi/vertical scale support margin recovery despite higher D&A and lower deposit income.*

- *Company has taken many initiaves for broader reach. Loyalty programs (Qitaf, Mokafaa, AlFursan integrations + Snoonu Royal Club rollout to KSA) target high-LTV cohorts (>3 orders/month), driving churn concentration among low-frequency users. Thus, customer losses resulting from higher promotional activities / free deliveries by competitors don't translate proportionally into revenue and profitability. These initiatives also leads to higher AOV/frequency (Royal Club: +51.6% GMV, +47% frequency for members), and payment flexibility (BNPL/cash).*

- *We revise target price down to SAR 15.4 due to lower-than-expected FY26 EBITDA guidance, and slower 1H26 ramp. This is compounded by sustained delivery-fee pressure (negative delivery margin in KSA) and Keeta's entry into other non-KSA markets where Jahez operates. Nonetheless, Snoonu synergies, Logi cost benefits, multi-vertical acceleration and regulatory tailwinds provide structural advantages over medium term and support our BUY rating. At current price levels, the forward FY26 P/E falls to 12.6x, around 82% lower than its average since IPO. Similarly, FY26 EV/EBITDA compresses to 9.7x, compared to 23.6 / 12.1 in FY24 / FY25 respectively. Maintain Buy.*

Rating and Risks

We are Buy rated on JAHEZ and our 12-month target price is SAR 15.4. Upside risks include faster non-food/grocery scale, ad-tech monetization acceleration, Snoonu synergies in new markets (Kuwait/Bahrain/Oman), quicker regulatory enforcement on sub-cost delivery, and stronger than anticipated profitability recovery. Downside risks include prolonged KSA promo wars, execution/integration delays on Snoonu/international rollout, persistence of higher-than-expected one-offs or impairments.

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Rating Framework

Buy

Shares of the companies under coverage in this report are expected to outperform relative to the sector or the broader market.

Hold

Shares of the companies under coverage in this report are expected to perform in line with the sector or the broader market.

Sell

Shares of the companies under coverage in this report are expected to underperform relative to the sector or the broader market.

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