

Pharmaceuticals

HOLD: 12M TP @ 176.75

Upside +8.7%

Valuation Summary (TTM)

Price (SAR)	162.60
PER TTM (x)	26.1
P/Book (x)	6.8
P/Sales (x)	7.9
EV/Sales (x)	8.3
EV/EBITDA (x)	20.8
Dividend Yield (%)	2.1
Free Float (%)	48%
Shares O/S (mn)	70
YTD Return (%)	7%
Beta	0.8

(mn)	SAR	USD
Market Cap	11,382	3,033
Enterprise value	11,185	3,020

Price performance (%)	1M	3M	12M
Jamjoom Pharmaceuticals	-7%	-10%	-3%
Tadawul All Share Index	-2%	-6%	-9%

Trading liquidity (,000)	1M	3M	6M
Avg daily turnover (SAR ,000)	7,895	9,458	11,778
Avg Daily Volume (,000)	58	56	71

52 week	High	Low	CTL*
Price (SAR)	202.40	134.00	21.3

* CTL is % change in CMP to 52wk low

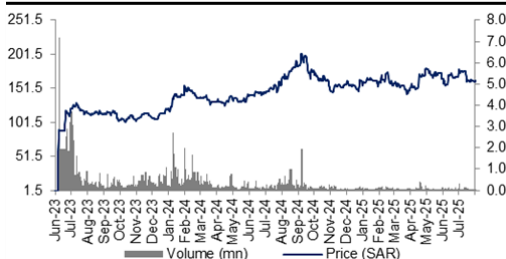
Major shareholders

Jamjoom Yousuf Moham	41.7%
Jamjoom Mahmoud Yous	5.6%
Jamjoom Ahmed Yousse	4.6%
Others	48.2%

Other details

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

Key ratios	2022	2023	2024
EPS (SAR)	2.45	4.18	5.09
BVPS (SAR)	17.38	20.06	21.29
DPS (SAR)	2.13	2.50	3.06
Payout ratio (%)	87%	60%	60%



Jamjoom Pharma – in line results

Jamjoom Pharma (JP) delivered another strong performance in 2Q25, reporting revenue of SAR 396mn and net profit of SAR 132mn. Revenue rose 14.6% YoY, while net profit grew 23.4% YoY, both broadly in line with our forecasts. For 1H25, revenue increased 16.8% YoY and net profit surged 37.7% YoY. Approximately 98% of the revenue growth came from higher volumes, supported by stronger demand across product segments and expanded production capacity this year.

Growth in key markets and brands: The core Saudi market grew 16% YoY, while the Gulf (+21% YoY), Iraq (+38% YoY), and Egypt (+9% YoY) also posted healthy growth. The smaller and relatively new North African market, however, contracted by 34% in 2Q25 due to regional conflict. Ophthalmology and Dermatology together contributing 41% of revenue in 2Q25 (vs. 46% in 2Q24) declined by 2% and 4% YoY respectively. This was more than offset by robust growth in General Medicine (+45% YoY), Consumer Health (+20% YoY), Gastrointestinal (GIT, +32% YoY), and Cardiovascular (CVD, +44% YoY). The recently launched Anti-Diabetic segment also grew strongly, albeit from a small base. Only the CNS segment declined (-30% YoY) due to portfolio restructuring. JP currently manages 144 brands, with 3 launched this year and 59 in the pipeline. Management also signed 12 agreements with global majors targeting biosimilars, oncology, and adjacent therapeutic areas. Overall, JP outperformed the Saudi market growth of +14.2% and solidified its position as one of the country's leading pharmaceutical manufacturers.

Margins surprise positively: Production levels increased significantly, with the Jeddah main facility operating at 90.5% utilization and the sterile unit producing 4mn units, while Egyptian operations continued to scale to meet local demand. Margins improved due to higher sales of strategic, high-margin brands and enhanced operational efficiency. The direct cost of production declined from SAR 3.1 per unit to SAR 3.0 per unit. As a result, EBITDA margin expanded from 33.8% in 2Q24 to 37.5% in 2Q25. Consistent cost control, despite scaling operations, supported profitability. Additional bottom-line contributions came from JVs, finance income, and other income. Overall, net profit rose 23.4% YoY in 2Q25 and 37.7% YoY in 1H25.

Valuation and outlook: Jamjoom has maintained a strong growth trajectory since the new management took over. The leadership team has brought greater clarity to the company's strategy, transforming it into a consistent performer across key metrics. We believe this momentum will continue despite a challenging market environment. Following its 1H25 performance, management has revised EBITDA guidance upward to 31.5–33% (from 30–31.5% previously). We maintain our 2025e revenue forecast at SAR 1.5bn but raise our net profit estimate to SAR 505mn (from SAR 477mn). Our target price remains largely unchanged at SAR 176.75 per share, implying an upside of 8.7%. Accordingly, we maintain a **HOLD** recommendation.

Income Statement (in SAR mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Revenue	917	1,101	1,318	1,529	1,748	1,999	2,286
Direct Costs	-323	-397	-498	-562	-651	-745	-851
Gross Profit	594	704	821	967	1,097	1,254	1,435
Selling and distribution	-261	-286	-317	-344	-385	-440	-503
General and Admin	-55	-66	-71	-77	-87	-100	-114
R&D	-33	-33	-34	-35	-44	-50	-57
Impairment on receivables	-11	-5	-18	-4	-19	-22	-25
Operating Profit	233	313	381	508	562	643	735
EBITDA	256	338	437	539	599	683	780
Net finance cost	-49	-2	-17	5	5	5	5
Other income	2	4	19	17	17	18	18
Profit before tax	186	316	383	530	584	665	759
Zakat and Income Tax	-15	-23	-26	-25	-29	-33	-38
Profit after tax	171	292	357	505	555	632	721

Balance Sheet (in SAR mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Property, Plant and Equipment	703	696	672	673	724	803	896
Right-of-use asset	2	2	2	23	22	21	20
Intangible assets	14	13	12	14	14	14	14
Other non current assets	0	36	57	61	61	61	61
Non-current assets	720	747	743	771	821	900	992
Current Inventories	132	234	271	253	293	335	383
Trade receivables	352	332	444	765	874	999	1,143
Prepayments and other receivables	56	51	52	69	79	90	103
Other current assets	6	5	1	1	1	1	1
Cash and cash equivalents	141	284	262	202	286	300	387
Current assets	688	907	1,029	1,288	1,532	1,725	2,016
ASSETS	1,408	1,654	1,772	2,060	2,353	2,625	3,008
Share capital	700	700	700	700	700	700	700
Reserves	-8	-41	-93	-89	-89	-89	-89
Retained earnings	524	745	884	1,174	1,426	1,725	2,067
EQUITY	1,216	1,404	1,491	1,785	2,037	2,337	2,678
Lease liabilities	2	2	2	3	3	3	4
Employees' benefits	62	68	77	77	87	75	86
Non-current liabilities	65	70	79	80	91	78	89
Short-term loan	-	-	-	-	-	-	-
Lease liabilities	0	0	0	1	1	1	1
Trade payables and other current liabilities	109	154	173	169	195	186	213
Zakat and income tax provision	18	26	29	25	29	23	27
Current liabilities	127	180	202	194	225	210	240
LIABILITIES	192	250	281	274	316	289	330
EQUITY AND LIABILITIES	1,408	1,654	1,772	2,060	2,353	2,625	3,008

Cash Flow (In SAR Mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Cash from operations	229	296	263	225	465	492	597
Investing cash flow	-54	-77	-62	-32	-87	-120	-137
Financing cash flow	-149	-70	-217	-253	-293	-358	-374
Change in cash	29	143	-23	-60	84	15	86
Beginning cash	113	141	284	262	202	286	300
Ending cash	141	284	262	202	286	300	387







Ratio Analysis	2022	2023	2024	2025e	2026e	2027e	2028e
Per Share							
EPS (SAR)	2.45	4.18	5.09	7.21	7.92	9.03	10.30
BVPS (SAR)	17.38	20.06	21.29	25.51	29.10	33.38	38.26
DPS (SAR)	2.13	2.50	3.06	4.33	4.75	5.42	6.18
FCF per share (SAR)	2.50	3.12	2.87	2.75	5.39	5.32	6.57
Valuation							
Market cap (SAR mn)	7,910	7,994	10,654	11,382	11,382	11,382	11,382
EV (SAR mn)	7,771	7,712	10,394	11,185	11,100	11,086	11,000
EBITDA (SAR mn)	256	338	437	539	599	683	780
P/E (x)	11.5	27.3	29.9	22.6	20.5	18.0	15.8
EV/EBITDA (x)	7.6	22.8	23.8	20.8	18.5	16.2	14.1
Price/Book (x)	6.5	5.7	7.1	6.4	5.6	4.9	4.2
Dividend Yield (%)	1.9%	2.2%	2.0%	2.7%	2.9%	3.3%	3.8%
Price to sales (x)	2.2	7.3	8.1	7.4	6.5	5.7	5.0
EV to sales (x)	2.1	7.0	7.9	7.3	6.4	5.5	4.8
Liquidity							
Cash Ratio (x)	1.1	1.6	1.3	1.0	1.3	1.4	1.6
Current Ratio (x)	5.4	5.0	5.1	6.6	6.8	8.2	8.4
Quick Ratio (x)	4.4	3.7	3.8	5.3	5.5	6.6	6.8
Returns Ratio							
ROA (%)	12.2%	17.7%	20.1%	24.5%	23.6%	24.1%	24.0%
ROE (%)	14.1%	20.8%	23.9%	28.3%	27.2%	27.1%	26.9%
ROCE (%)	13.4%	19.8%	22.7%	27.1%	26.1%	26.2%	26.0%
Cash Cycle							
Inventory turnover (x)	2.4	1.7	1.8	2.2	2.2	2.2	2.2
Accounts Payable turnover (x)	3.0	2.6	2.9	3.3	3.3	4.0	4.0
Receivables turnover (x)	2.2	2.9	2.7	1.8	1.8	1.8	1.8
Inventory days	149	215	199	164	164	164	164
Payable Days	123	142	127	110	110	91	91
Receivables days	140	110	123	183	183	183	183
Cash Cycle	166	183	195	237	237	256	256
Profitability Ratio							
Net Margins (%)	18.7%	26.6%	27.0%	33.0%	31.7%	31.6%	31.5%
EBITDA Margins (%)	27.9%	30.7%	33.2%	35.2%	34.3%	34.2%	34.1%
PBT Margins (%)	20.3%	28.7%	29.0%	34.7%	33.4%	33.3%	33.2%
EBIT Margins (%)	25.5%	28.5%	28.9%	33.2%	32.1%	32.2%	32.2%
Effective Tax Rate (%)	8.1%	7.4%	6.8%	4.7%	5.0%	5.0%	5.0%
Leverage							
Total Debt (SAR, mn)	2.6	2.4	2.1	4.0	4.2	4.3	4.4
Net Debt (SAR, mn)	-139	-282	-260	-197	-282	-296	-382
Debt/Equity (x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt/Equity (x)	-0.1	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1

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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	Not rated This recommendation used for stocks which does not form part of Coverage Universe

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