

Result update

Jamjoom Pharmaceuticals Factory

Sector : Healthcare

HOLD

2 November 2025

- Core Saudi market revenue declined by 2%, resulting in a lower-than-expected topline for 3Q25. Revenue from Dermatology and General Medicine (GM) fell, while other therapeutic areas (TAs) recorded expected growth.
- Effective expense management helped maintain margins in line with expectations.
- Net profit grew 12.3% YoY in 3Q25, although it came in below our forecast due to the weaker topline.
- We are revising our recommendation to HOLD, with a target price of SAR 166.30 per share, reflecting reduced revenue and profit estimates.

Revenue increased by a modest 4.5% YoY in 3Q25, missing our estimate by 9.1%. The shortfall was primarily due to weaker performance in Saudi Arabia (-2% YoY) and certain core therapeutic areas, which was unexpected. Iraq, which delivered robust double-digit growth in 1H25, declined 15% YoY this quarter, further weighing on the topline. Among core TAs, Ophthalmology posted a 14.2% YoY increase, while Dermatology contracted 12% YoY. There was also softness in General Medicine and the newly introduced anti-diabetic segments. The company launched six new brands this year, including three in 3Q25, bringing the total portfolio to 147 brands with 60 more in the development pipeline. Production volume across facilities reached 128 million units (-1.1% YoY), the slight decline attributed to inventory optimization and a strategic shift toward high-value brands. The Egypt facility has achieved self-sufficiency, and the sterile facility expanded by 144% YTD.

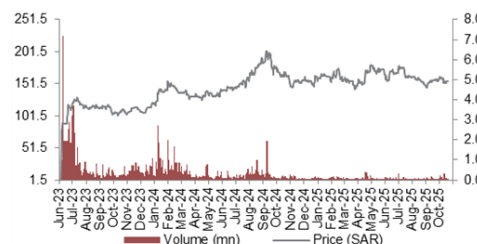
Despite rising raw material and employee costs, the company maintained strong gross margin of 60.9% and EBITDA margin of 35% in 3Q25. Operational expenses remained steady, driving operating profit growth of 13% YoY. Non-operating costs and income were stable, supporting the bottom line. Net profit stood at SAR 106.7 million, up 12.3% YoY, while for 9M25, it reached SAR 395.7 million, a 29.8% YoY increase.

Valuation: Jamjoom Pharma remains a top pick in the pharmaceutical sector despite a softer-than-expected quarter. The company benefits from a robust brand pipeline, efficient production capabilities, and focused management. Although recent results warrant a slight downward revision to our estimates, our sector outlook and confidence in management execution remain positive. We project 2025e revenue at SAR 1.48 billion and net profit at SAR 485 million, broadly in line with management guidance. However, following a moderation in forecasts, we revise our blended DCF-peer valuation-based target price to SAR 166.20 per share, implying an upside potential of 6.6% from the current level. Accordingly, we reiterate a HOLD rating on the stock.

Target price (SAR) 166.30

Current price (SAR) 156.00

Return 6.6%



Exchange Saudi Arabia
Index weight (%) 0.2%

(mn)	SAR	USD
Market Cap	10,920	2,912
Enterprise value	10,696	2,868

Major share holders

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

Valuation Summary (TTM)

PER TTM (x)	24.4
P/Book (x)	6.6
EV/EBITDA (x)	20.6
Dividend Yield (%)	2.2
Free Float (%)	48%
Shares O/S (mn)	70
YTD Return (%)	2%
Beta	0.8

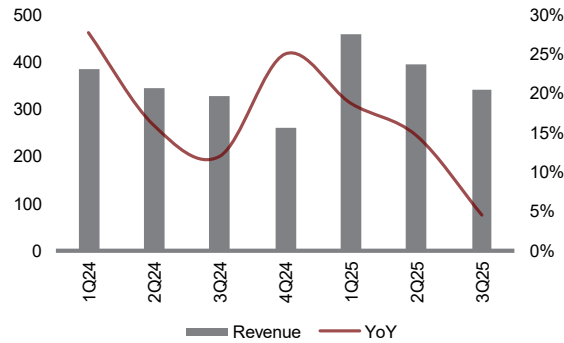
Key ratios	2022	2023	2024
EPS (SAR)	2.45	4.18	5.09
BVPS (SAR)	17.38	20.06	21.29
DPS (SAR)	2.13	2.50	3.06
Payout ratio (%)	87%	60%	60%

Price performance (%)	1M	3M	12M
Jamjoom Pharmaceuticals I	0%	-4%	-8%
Tadawul All Share Index	1%	7%	-3%

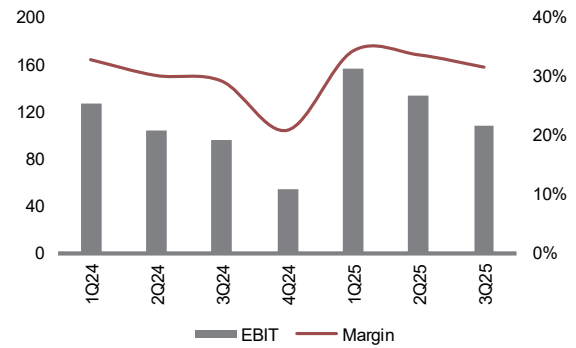
52 week	High	Low	CTL*
Price (SAR)	183.80	134.00	16.4

* CTL is % change in CMP to 52w k low

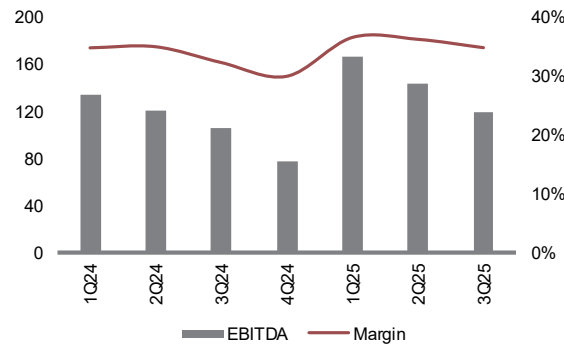
Weaker Saudi performance drags revenue lower



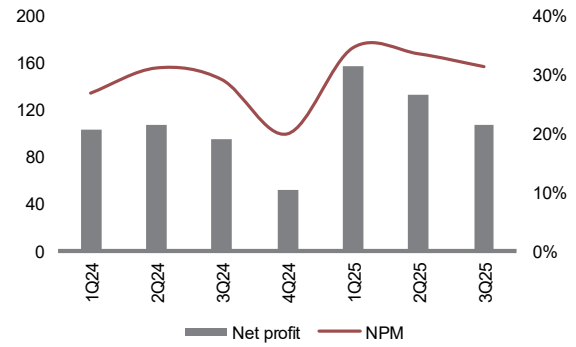
Operating margin sustains above 30% levels



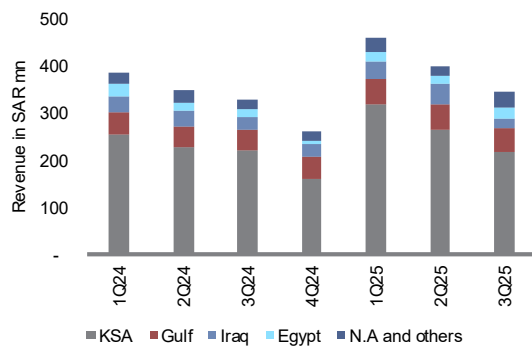
EBITDA margin also higher on a YoY basis



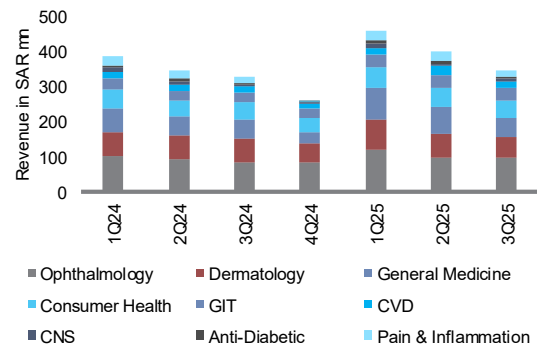
Net profit slips below estimate on lower topline



Countrywise performance - Saudi slips in 3Q25



Dermatology and GM weak during the quarter



Income Statement (in SAR mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Revenue	917	1,101	1,318	1,484	1,696	1,938	2,217
Direct Costs	-323	-397	-498	-556	-647	-739	-845
Gross Profit	594	704	821	927	1,049	1,199	1,371
Selling and distribution	-261	-286	-317	-326	-373	-426	-488
General and Admin	-55	-66	-71	-74	-85	-97	-111
R&D	-33	-33	-34	-35	-42	-48	-55
Impairment on receivables	-11	-5	-18	-4	-20	-23	-26
Operating Profit	233	313	381	489	529	605	692
EBITDA	256	338	437	520	566	645	736
Net finance cost	-49	-2	-17	4	4	4	4
Other income	2	4	19	18	17	18	19
Profit before tax	186	316	383	511	550	627	715
Zakat and Income Tax	-15	-23	-26	-25	-28	-31	-36
Profit after tax	171	292	357	485	523	595	679

Balance Sheet (in SAR mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Property, Plant and Equipment	703	696	672	678	726	801	890
Right-of-use asset	2	2	2	19	19	18	17
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	773	820	895	983
Current Inventories	132	234	271	278	323	370	423
Trade receivables	352	332	444	816	933	1,066	1,219
Prepayments and other receivables	56	51	52	52	59	68	78
Other current assets	6	5	1	1	1	1	1
Cash and cash equivalents	141	284	262	228	302	165	223
Current assets	688	907	1,029	1,375	1,618	1,669	1,943
ASSETS	1,408	1,654	1,772	2,147	2,438	2,564	2,926
Share capital	700	700	700	700	700	700	700
Reserves	-8	-41	-93	-89	-89	-89	-89
Retained earnings	524	745	884	1,155	1,386	1,668	1,990
EQUITY	1,216	1,404	1,491	1,766	1,998	2,279	2,601
Long-term loans	-	-	-	-	-	-	-
Lease liabilities	2	2	2	3	4	4	4
Employees' benefits	62	68	77	74	85	73	83
Non-current liabilities	65	70	79	77	88	77	87
Short-term loan	-	-	-	-	-	-	-
Lease liabilities	0	0	0	1	1	1	1
Trade payables and other current liabilities	109	154	173	278	323	185	211
Zakat and income tax provision	18	26	29	25	28	22	25
Current liabilities	127	180	202	304	352	208	237
LIABILITIES	192	250	281	381	440	284	325
EQUITY AND LIABILITIES	1,408	1,654	1,772	2,147	2,438	2,564	2,926

Cash Flow (In SAR Mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Cash from operations	229	296	263	240	440	315	541
Investing cash flow	-54	-77	-62	-37	-85	-116	-133
Financing cash flow	-149	-70	-217	-236	-281	-336	-349
Change in cash	29	143	-23	-33	74	-137	58
Beginning cash	113	141	284	262	228	302	165
Ending cash	141	284	262	228	302	165	223

Ratio Analysis	2022	2023	2024	2025e	2026e	2027e	2028e
Per Share							
EPS (SAR)	2.45	4.18	5.09	6.93	7.47	8.51	9.70
BVPS (SAR)	17.38	20.06	21.29	25.23	28.54	32.56	37.16
DPS (SAR)	2.13	2.50	3.06	4.16	4.48	5.10	5.82
FCF per share (SAR)	2.50	3.12	2.87	2.90	5.08	2.83	5.83
Valuation							
Market cap (SAR mn)	7,910	7,994	10,654	10,920	10,920	10,920	10,920
EV (SAR mn)	7,771	7,712	10,394	10,696	10,622	10,760	10,702
EBITDA (SAR mn)	256	338	437	520	566	645	736
P/E (x)	11.5	27.3	29.9	22.5	20.9	18.3	16.1
EV/EBITDA (x)	7.6	22.8	23.8	20.6	18.8	16.7	14.5
Price/Book (x)	6.5	5.7	7.1	6.2	5.5	4.8	4.2
Dividend Yield (%)	1.9%	2.2%	2.0%	2.7%	2.9%	3.3%	3.7%
Price to sales (x)	2.2	7.3	8.1	7.4	6.4	5.6	4.9
EV to sales (x)	2.1	7.0	7.9	7.2	6.3	5.6	4.8
Liquidity							
Cash Ratio (x)	1.1	1.6	1.3	0.8	0.9	0.8	0.9
Current Ratio (x)	5.4	5.0	5.1	4.5	4.6	8.0	8.2
Quick Ratio (x)	4.4	3.7	3.8	3.6	3.7	6.3	6.4
Returns Ratio							
ROA (%)	12.2%	17.7%	20.1%	22.6%	21.4%	23.2%	23.2%
ROE (%)	14.1%	20.8%	23.9%	27.5%	26.2%	26.1%	26.1%
ROCE (%)	13.4%	19.8%	22.7%	26.3%	25.1%	25.3%	25.2%
Cash Cycle							
Inventory turnover (x)	2.4	1.7	1.8	2.0	2.0	2.0	2.0
Accounts Payable turnover (x)	3.0	2.6	2.9	2.0	2.0	4.0	4.0
Receivables turnover (x)	2.2	2.9	2.7	1.7	1.7	1.7	1.7
Inventory days	149	215	199	183	183	183	183
Payable Days	123	142	127	183	183	91	91
Receivables days	140	110	123	201	201	201	201
Cash Cycle	166	183	195	201	201	292	292
Profitability Ratio							
Net Margins (%)	18.7%	26.6%	27.0%	32.7%	30.8%	30.7%	30.6%
EBITDA Margins (%)	27.9%	30.7%	33.2%	35.1%	33.4%	33.3%	33.2%
PBT Margins (%)	20.3%	28.7%	29.0%	34.4%	32.5%	32.3%	32.2%
EBIT Margins (%)	25.5%	28.5%	28.9%	32.9%	31.2%	31.2%	31.2%
Effective Tax Rate (%)	8.1%	7.4%	6.8%	4.9%	5.0%	5.0%	5.0%
Leverage							
Total Debt (SAR, mn)	2.6	2.4	2.1	4.0	4.5	5.0	5.4
Net Debt (SAR, mn)	-139	-282	-260	-224	-298	-160	-218
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

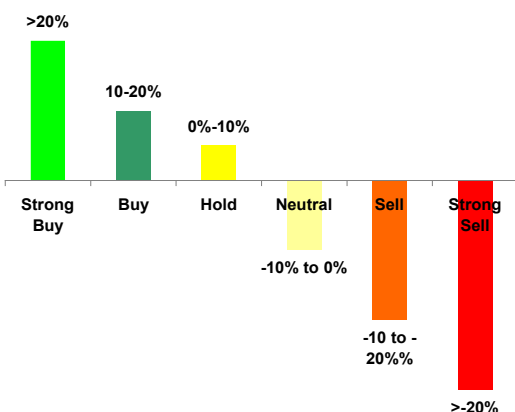
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Rating Criteria and Definitions

Rating



Rating Definitions

Strong Buy	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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