

**Company**

# Jarir Marketing Co.

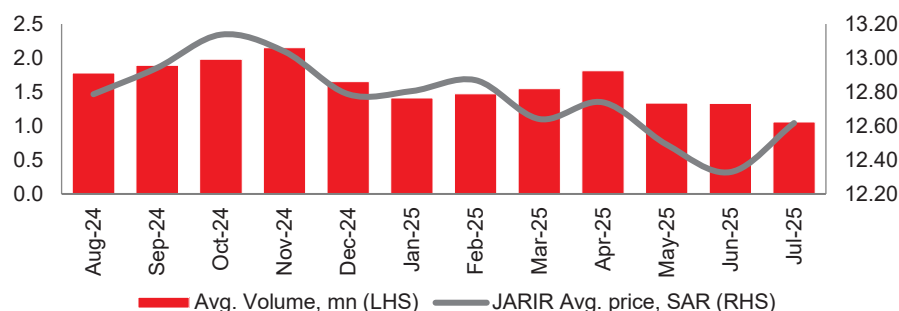
## 2Q25 Result Review

**Rating****Buy****Bloomberg Ticker****JARIR AB****Date**

17 July 2025

**Results**

<b>Target Price SAR</b>	<b>15.5</b>
<b>Upside/ Downside</b>	<b>21%</b>

**Revenue falls marginally, matches Bloomberg and our estimate**

Jarir's revenue in 2Q25 fell marginally by 0.1% YoY, coming in line with Bloomberg consensus (-3.0% variance) as well as our estimate (-1.9% variance). A decline in the sales of video games offset an increase in the sales of some other segments, causing the top line to inch lower.

**Net profit jumps YoY, beating both Bloomberg and our estimate**

Despite the lackluster performance at the top line, gross profit improved, matching our estimate, helped by an increase in after-sales service that carries relatively better profitability. Higher gross profit and an increase in other income boosted operating profit by 14.8% YoY, thereby driving net profit up 15.3% YoY, which exceeded both Bloomberg's consensus and our expectations.

**Maintain the target price**

We commend Jarir's efficiency optimization efforts to offset competitive pressure and maintain our SAR 15.5 target price on it. Currently, the stock trades at 15.5x P/E and 12.9x EV/EBITDA, based on our FY'25 estimates, below its 3-year daily average blended forward P/E of 16.8x and EV/EBITDA of 14.1x.

Current Market Price (SAR)	12.79
52wk High / Low (SAR)	13.72/12
12m Average Vol. (000)	1,644.8
Mkt. Cap. (USD/SAR bn)	4,076/15,288
Shares Outstanding (mn)	1,200.0
Free Float (%)	73%
3m Avg Daily Value Traded (SAR mn)	16.3
6m Avg Daily Value Traded (SAR mn)	18.6
P/E'25e (x)	15.5
EV/EBITDA'25e (x)	12.9
Dividend Yield '25e (%)	6.5%
Price Perf. (1m/3m) (%)	5.6/-0.9

**Research Department**Email: [ubhar-research@u-capital.net](mailto:ubhar-research@u-capital.net)For our  
last report**Financial Statements**

SAR mn	2Q24	3Q24	4Q24	1Q25	2Q25	2Q25e	YoY	QoQ	Var.	1H24	1H25	YoY
<b>P&amp;L</b>												
Revenue	2,650	2,667	2,864	2,720	2,648	2,701	-0.1%	-2.6%	-1.9%	5,300	5,369	1.3%
Gross profit	262	415	353	303	274	270	4.5%	-9.3%	1.5%	557	577	3.6%
Operating profit	189	332	294	236	217	187	14.8%	-8.0%	16.0%	427	453	6.1%
Net profit	171	308	275	217	197	169	15.3%	-9.2%	16.8%	390	415	6.2%
<b>BS</b>												
Sh. Equity	1,651	1,779	1,745	1,686	1,656	1,675	0.3%	-1.8%	-1.2%	1,651	1,656	0.3%
<b>Ratios</b>												
NPM	6.5%	11.6%	9.6%	8.0%	7.4%	6.3%				7.4%	7.7%	
EPS, SAR	0.14	0.26	0.23	0.18	0.16	0.14				0.33	0.35	
RoE (TTM)					58.1%							
TTM P/E (x)					15.4							
Current P/B (x)					9.3							

Source: Financials, Tadawul, Bloomberg, U Capital Research; NA - Not available, NM - Not meaningful



# Investment Research

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### Recommendation

BUY	ACCUMULATE	HOLD	REDUCE	SELL
Greater than 20%	Between +10% and +20%	Between +10% and -10%	Between -10% and -20%	Lower than -20%

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