

# Jamjoom Pharmaceuticals Factory Co. (HOLD, TP: SAR 151, 4015.SE) 4Q25 Results Review

## Revenue growth from key TAs continues to drive bottom-line

JAMJOOM PHARMA (JAMJOOMP AB) reported a net profit of SAR 68mn for 4Q25, up 32% Y/Y and down 36% Q/Q. The Y/Y earnings growth was driven by sustained revenue growth in key TAs including general medicine, consumer health, GIT and CVD. The was further aided by operating margin expansion with controlled opex. Gross profit increased 18% Y/Y, while operating profit increased by 32% Y/Y, with operating margin expanding by 262bps.

- Revenue was SAR 305mn, up 17% Y/Y, and down 11% Q/Q. Revenue increased Y/Y from Saudi Arabia (+22%), North Africa (+31%), Egypt (+71%), while Gulf markets saw a decline in revenue of 7%. Key therapeutic areas except for Ophthalmology witnessed Y/Y growth. Ophthalmology revenue saw a decline of 8% Y/Y, after seeing a sharp jump of 43% Y/Y last year. The could be potentially due to differing ordering and manufacturing patterns during the year, however its worth pointing that Ophthalmology has historically exhibited continued growth. Other TAs that contributed to revenue growth included Derma (+25% Y/Y), GM (+33% Y/Y), Consumer health (+35% Y/Y), GIT (+23% Y/Y) and CVD (+48% Y/Y). On Q/Q basis, revenue declined due to the seasonality of to-market sales.
- Gross profit increased 18% Y/Y to SAR 187mn as gross margin remained largely flat at 61.3%. Operating profit clocked at SAR 71mn, up 32% Y/Y, driven by revenue growth and margin expansion by 262bps Y/Y to 23.4%. Operating expenses grew slower than revenue as admin expenses declined Y/Y due to lower corporate sponsorships, while selling and R&D expenses increased Y/Y. Opex to revenue ratio was 37.9% vs. 40.2% last year. EBITDA grew alongside operating profit by 22% Y/Y while EBITDA margin expanded by 107bps Y/Y.
- Below operating line items, the company's finance costs declined sharply by 94% Y/Y, due to higher currency loss and impairment of investments booked last year. However this was offset by lower profit from the Algerian JV, which declined by 41% Y/Y during the quarter.
- JAMJOOMP has exhibited consistent revenue growth (3 year revenue CAGR of 17.8%), with new product launches and higher market share. The company has also scaled its presence in the institutional segment, with a 56% Y/Y revenue increase in 2025, while retail market presence has also growth with a 6.3% market share (+14% market share growth Y/Y). Going forward, institutional business remains a growth driver however pace of growth is likely to slow down as the company continues to penetrate the space. In the retail space, management has hinted towards slower growth of the market, which has benefited from post-Covid tailwinds over the last few years and increasing consumer health awareness. The management has trimmed FY26-27 revenue growth guidance to 10-12% p.a. vs. 12-15% growth guidance for FY25. With market growth likely to slow down, continued product innovation would likely drive the next leg of growth for Jamjoom, however this would also involve higher capex intensity (guided capex/revenue for FY26-27 at 6-9% vs. 4-6% historically). The company currently has 57 new molecules under development while the recent JV with Lifera paves the way for expansion into vaccines, biologicals and biosimilars. While we remain upbeat on the company's product pipeline and ability to penetrate the market with new launches and sales strategy, we see near term risks emanating from the conflict in the region – namely the impact on higher freight rates and raw material imports for Jamjoom and the aftermath of higher energy prices on the Egyptian pound which can result in increased currency losses and lower margins for the Egypt facility. We maintain our HOLD rating.

## Rating and Risks

We are HOLD rated on Jamjoom Pharma and our 12-month price target is SAR 151. Upside risks include faster than expected ramp-up of new facilities and upward product repricing. Downside risks include sharp increase in import costs or disruption to imported APIs, continued depreciation of the EGP and increased competition resulting in under utilization of new facilities.

SAR mln	4Q25	3Q25	4Q24	Q/Q %	Y/Y %
Revenues	305	342	260	-11%	17%
Cost of Goods	118	134	101	-12%	17%
Gross Profit	187	209	159	-11%	18%
Opex	115	99	105	17%	10%
Operating profit	71	110	54	-35%	32%
EBITDA	88	124	72	-29%	22%
<b>Net Income</b>	<b>68</b>	<b>107</b>	<b>52</b>	<b>-36%</b>	<b>32%</b>
EPS	0.97	1.52	0.74	-36%	32%

## Margins (%)

	4Q25	3Q25	4Q24	Q/Q %	Y/Y %
Gross Margin	61.3	60.9	61.0	35	23
Operating Margin	23.4	32.1	20.8	-870	262
EBITDA Margin	28.8	36.3	27.7	-746	107
Net Margin	22.4	31.2	19.9	-881	249

## Rating Summary and Forecasts

### Rating Summary

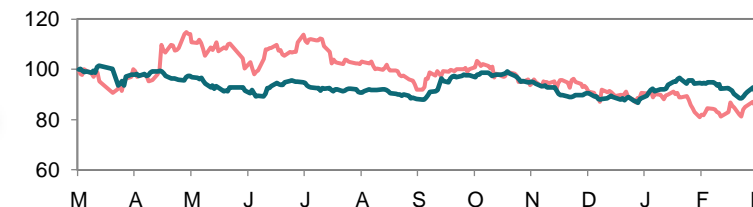
Rating	HOLD
Market Price	142
12-month Target Price	151
Upside / Downside	6%
Mkt Cap (SAR mn)	9,940.00
52 week High/Low	183.8/125.0

### Forecasts

	12/25 A	12/26 E	12/27 E	12/28 E
Net Income (SAR mn)	464	512	569	603
PER (x)	21.4	19.4	17.5	16.5
PBV (x)	6.9	6.1	5.5	4.9
EPS (SAR)	6.6	7.3	8.1	8.6
DPS (SAR)	4.0	4.4	4.9	5.2
RoE (%)	32.1	31.5	31.3	29.5
Dividend Yield (%)	2.8	3.1	3.4	3.6

## Price Chart

● JAMJOOM ● TASI



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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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### Saudi Fransi Capital

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