



Revenue came below market expectations; improved sales and improved margin profile still delivered a Y/Y net income growth

Jamjoom posted a Q3-25 net income of SAR 106.7mn, at a growth of 12.3% Y/Y, while down 19.2% Q/Q mainly as a result of its sequential sales cycle. Results missed our and market forecasts of SAR 117.3mn and SAR 115.2mn by -9.0% and -7.4% respectively. Revenues reported at SAR 342.3mn were up 4.5% Y/Y and down 13.6% Q/Q (-8.7% deviation). Geographic sales were supported by growth in North Africa & Others while KSA sales were down marginally by 2% Y/Y. Margins displayed healthy improvement on a Y/Y scale as gross margins of 60.9% increase by 160bps while EBIT margins of 32.1% increased 320bps. Jamjoom remains strategically active in its product expansion campaigns via licensing & supply partnerships with other firms, as well as a consistent product pipeline. At current prices, at a forward FY25E PE of 25x we view that the visible positives of the stock are reflected into current valuations. We retain our "Neutral" recommendation on the stock with a TP of SAR 167.2/share.

- Jamjoom posted a net income of SAR 106.7mn during the quarter, up 12.3% Y/Y and down 19.2% Q/Q as a result of its natural sales cycle. Bottom line was reported lower than our forecasted SAR 117.3mn at a deviation of -9.0%, and lower than the market consensus of SAR 115.2mn at a deviation of -7.4%. While our estimated net margin was in line with the reported 31.2%, our deviation was mainly owed to the miss in revenue estimates. Y/Y performance was mainly as a result of higher revenue and improved margin profile.
- Top line was reported at SAR 342.3mn, at a growth of 4.5% Y/Y; yet down 13.6%, likely as a result of Jamjoom's natural quarterly sales cycle. Sales performance was driven by new brand additions, price revisions, as well as increased volumes. While sales from KSA was down slightly by 2% Y/Y, positive revenue performance was delivered via increase sales across other geographies (mostly from North Africa & Others). Top line missed our estimates of SAR 374.7mn by -8.7%, and the market consensus of SAR 367.9mn by -7.0%.
- Gross profits reached SAR 208.5mn at a growth of 7.3% Y/Y, yet seasonally sequentially down by 16.8%. This came below our estimates of SAR 233.6mn at a deviation of -10.7%, mainly due to the top line miss, but also exasperated by GP margins at 60.9%, against our estimate of 62.3% at a deviation of -140bps. GP margin, however, improved 160bps Y/Y while seasonally down 240bps Q/Q. Cost of sales was reported nearly flat Y/Y despite higher revenues, as a result of a focus on high value brand sales.
- Operating profit (considering other income & expenses) was recorded at SAR 109.9mn, up 15.9% Y/Y and down 18.8% Q/Q. This came below our estimate of SAR 120.6mn by -8.9%, despite being in line with forecasted operating margins reported at 32.1%. OP margins of 32.1% were reported 310bps higher Y/Y, while down 210bps Q/Q. Notably, selling and distribution at SAR 74.2mn was up 9% to support commercial expansions.

AJC view and valuation: Jamjoom remains a strategically active firm, as it seeks to expand its product portfolio through 'license and supply' partnerships, with high value launches expected to kick off by Q4-26. Its consistent product launch pipeline also remains a growth driver for the firm's prospects. However, we believe that product diversification into competitive areas could challenge its margin profile. We expect that much of the expected positives of the stock are priced in at current prices at a forward FY25E PE of 25x. We retain our "Neutral" recommendation on the stock with a TP of SAR 167.2/share.

Results Summary

SAR mn	Q3-24	Q2-25	Q3-25	Change Y/Y	Change Q/Q	Deviation from AJC Estimates
Revenue	327.6	396.2	342.3	4.5%	-13.6%	-8.7%
Gross Profit	194.4	250.8	208.5	7.3%	-16.8%	-10.7%
Gross Margin	59.4%	63.3%	60.9%	-	-	-
EBIT	94.9	135.4	109.9	15.9%	-18.8%	-8.9%
Net Profit	95.0	132.0	106.7	12.3%	-19.2%	-9.0%
EPS	1.36	1.89	1.52	-	-	-

Source: Company Reports, Aljazira Capital Research

Recommendation	Neutral
Target Price (SAR)	167.2
Upside / (Downside)*	4.8%

Source: Tadawul *prices as of 22nd of October 2025

Key Financials

SARmn (unless specified)	FY22	FY23	FY24	FY25E
Revenues	917	1,101	1,318	1,509
Growth %	24.6%	20.1%	19.7%	14.5%
Gross profit	594	704	821	936
EBIT	233	313	381	464
Net Income	171	292	357	453
Growth %	0.35%	70.7%	21.9%	27.1%
EPS	2.45	4.18	5.09	6.43
DPS	2.1	1.00	2.55	3.60

Source: Company reports, Aljazira Capital Research

Key Ratios

	FY22	FY23	FY24	FY25E
Gross Margin	64.8%	64.0%	62.2%	62.0%
Oper. Margin	25.7%	28.5%	28.9%	30.8%
Net Margin	18.7%	26.6%	27.0%	30.0%
P/E (x)	-	-	30.3	24.8
P/B (x)	-	-	7.2	6.7
EV/EBITDA (x)	-	-	26.6	20.2
Dividend Yield	-	-	1.7%	2.3%

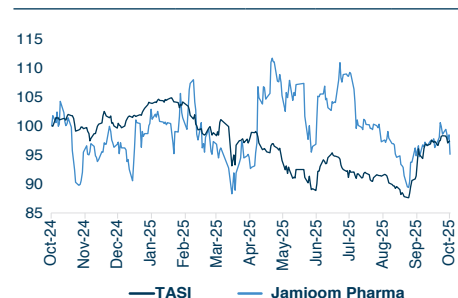
Source: Company reports, Aljazira Capital Research

Key Market Data

Market Cap(bn)	10.8
YTD%	4.9%
52 week (High)/(Low)	134/183.8
Share Outstanding (mn)	70

Source: Company reports, Aljazira Capital Research

Price Performance



Source: Tadawul, Aljazira Capital Research

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DIVISION

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RATING
TERMINOLOGY

1. **Overweight:** This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated "Overweight" will typically provide an upside potential of over 10% from the current price levels over next twelve months.
2. **Underweight:** This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
3. **Neutral:** The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. **Suspension of rating or rating on hold (SR/RH):** This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

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