

Jamjoom Pharmaceuticals Factory

Sector : Healthcare

HOLD

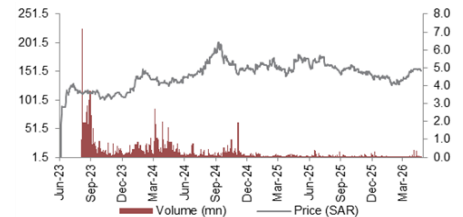
7 May 2026

- Jamjoom (JP) reported its highest quarterly revenue in 1Q26 at SAR 481mn. Revenue from Saudi increased by 6%, while other geographies reported a mixed performance during quarter.
- Gross margin expanded by 47bps on the back of changes in product mix and improvement in efficiencies.
- Net profit grew by 7.1% YoY in 1Q26, beating our estimate by 15.5%
- Revenue for 2026e expected at SAR 1.6bn, while net profit forecasted to reach SAR 523mn. Target price unchanged at SAR 160.73 per share, recommend to HOLD.

Target price (SAR) **160.73**

Current price (SAR) **152.00**

Return **5.70%**



Exchange Saudi Arabia
Index weight (%) 0.2%

(mn)	SAR	USD
Market Cap	10,640	2,873
Enterprise value	10,293	2,779

Major shareholders

Jamjoom Yousuf Moham	37.4%
Jamjoom Mahmoud Yous	10.2%
Jamjoom Ahmed Yousuf	4.6%
Others	47.9%

Valuation Summary (TTM)

PER TTM (x)	14.8
P/Book (x)	5.8
EV/EBITDA (x)	13.3
Dividend Yield (%)	3.0
Free Float (%)	48%
Shares O/S (mn)	70
YTD Return (%)	7%
Beta	0.7

Key ratios	2023	2024	2025
EPS (SAR)	4.18	5.09	6.63
BVPS (SAR)	20.06	21.29	24.53
DPS (SAR)	2.50	3.06	4.00
Payout ratio (%)	60%	60%	60%

Price performance (%)	1M	3M	12M
Jamjoom Pharmaceuticals I	0%	14%	-10%
Tadawul All Share Index	-1%	-2%	-4%

52 week	High	Low	CTL*
Price (SAR)	183.80	125.00	21.6

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

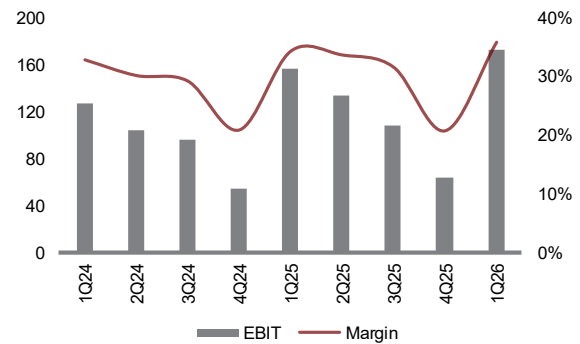
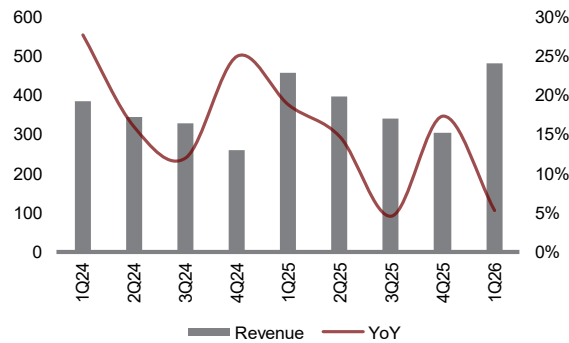
Revenue increased 5.2% YoY in 1Q26 to SAR 481 million, marking the company's highest-ever quarterly topline performance. While we remain optimistic about the company's growth trajectory, we had moderated our estimates due to ongoing disruptions and market slowdowns stemming from the war. Nevertheless, 1Q26 revenue came broadly in line with our forecast. The topline performance was achieved despite an overall contraction in regional market volumes, with the KSA market declining 6% compared to a 2% decline in JP. Growth was primarily volume-driven, supported by selective price increases across certain brands. Geographically, Saudi Arabia recorded 6% YoY growth, driven mainly by retail demand, while the Gulf region grew 9% YoY. Iraq and Egypt each declined 2% YoY. In Iraq, logistical delays resulting from regulatory changes implemented by local authorities contributed to the decline. North Africa and other export markets grew 7% YoY, benefiting from improved distributor alignment and enhanced product availability. By therapeutic area (TA), ophthalmology grew 10% YoY, while dermatology declined 6% due to deliberate portfolio rationalization. General Medicine, Pain & Inflammation, and GIT were reclassified under Primary Care, which recorded 9% YoY growth. Cardiovascular, Anti-Diabetic, and CNS categories were consolidated into Cardiometabolic, which delivered the strongest growth at 36% YoY. Consumer Health declined 18% due to supply constraints affecting certain stock imports during the quarter.

Total production volumes reached 46.5 million units in the quarter, up 14.7% YoY. Production at the main Jeddah facility increased to 34.8 million units (+4.1% YoY), while higher utilization at the new Jeddah sterile facility drove a significant increase in production volumes to 4.5 million units (+178% YoY). The company signed 20 agreements recently, including four new agreements concluded during 1Q26 to license and supply cardiometabolic and anti-infective products. As of the end of 1Q26, the company managed a portfolio of 147 brands.

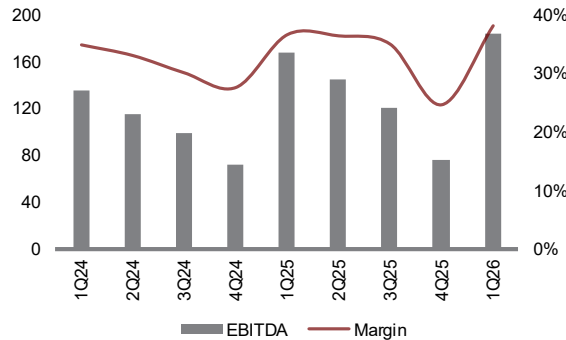
Operating expenses remained broadly under control during the quarter. General and administrative expenses rose modestly, mainly due to higher personnel-related costs. The increase in receivables does not appear concerning at this stage and is unlikely to rise materially further. EBITDA margin improved modestly to 38.8%, compared with 37.7% in 1Q25, supported by operating leverage, stronger retail sales, and an improved product mix. Net profit increased 7.1% YoY to SAR 168.2 million, exceeding our expectations by 15%, primarily due to better-than-expected margins.

Valuation: Jamjoom recently acquired a manufacturing unit of Pfizer in Saudi Arabia which specializes in oral solid dosage (OSD). The company expects to add more such facilities through the inorganic route thereby enhancing its overall capabilities. The management has a proven track record of improving utilization levels of both greenfield and brownfield projects and we believe the same would continue going forward. While revenue came in line with expectation, it was lower than the full year guidance rate of 10-12%. Considering that the 2H is generally weaker seasonally we believe a revision downwards maybe inevitable. We reduce our 2026e revenue estimate to SAR 1.6bn while retaining net profit at SAR 523mn on the back of better margins. Our target price also remains unchanged at SAR 160.73, which offers an upside of 5.7%, Accordingly, we provide a HOLD rating on the stock.

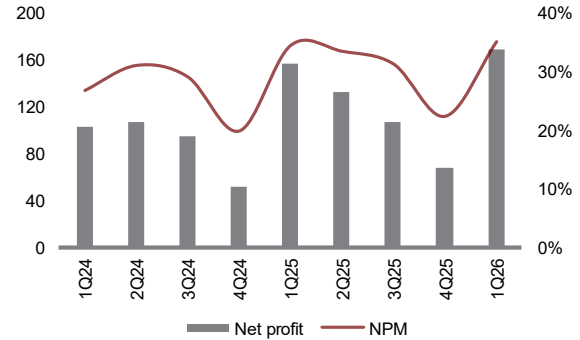
Quarterly revenue grows by 5.2% YoY in 1Q26 marking a record high, margins also improve



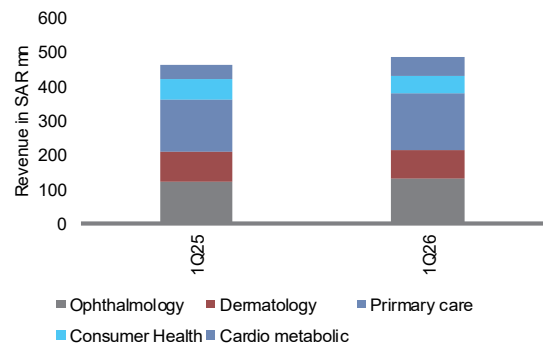
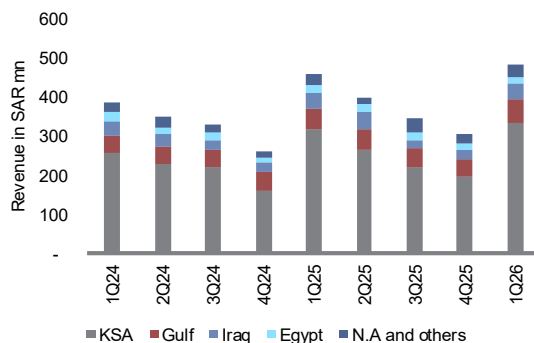
EBITDA grows by 9.6% YoY in 1Q26



Net profit peaks at SAR 168mn



Mixed growth across geographies and Tas, core segments contribution stable at 44%





Income Statement (in SAR mn)	2023	2024	2025	2026e	2027e	2028e	2029e
Revenue	1,101	1,318	1,501	1,617	1,871	2,085	2,326
Direct Costs	-397	-498	-562	-620	-714	-796	-888
Gross Profit	704	821	939	997	1,157	1,289	1,438
Selling and distribution	-286	-317	-357	-352	-412	-459	-512
General and Admin	-66	-71	-79	-80	-94	-104	-116
R&D	-33	-34	-39	-36	-47	-52	-58
Impairment on receivables	-5	-18	-3	-3	-21	-25	-30
Operating Profit	313	381	462	526	585	649	722
EBITDA	338	418	506	569	633	702	722
Net finance cost	-2	-17	5	5	4	4	6
Other income	4	19	27	22	28	30	33
Profit before tax	316	383	493	553	618	684	761
Zakat and Income Tax	-23	-26	-29	-29	-37	-41	-46
Profit after tax	292	357	464	523	581	643	715

Balance Sheet (in SAR mn)	2023	2024	2025	2026e	2027e	2028e	2029e
Property, Plant and Equipment	696	672	689	742	806	879	961
Right-of-use asset	2	2	29	38	39	41	43
Intangible assets	13	12	17	17	17	17	17
Other non current assets	36	57	69	69	69	69	69
Non-current assets	747	743	805	865	931	1,005	1,089
Current Inventories	234	271	248	217	250	278	311
Trade receivables	332	444	586	808	935	1,043	1,163
Prepayments and other receivables	51	52	48	81	94	209	349
Other current assets	5	1	1	1	1	1	1
Cash and cash equivalents	284	262	358	338	426	441	445
Current assets	907	1,029	1,241	1,445	1,705	1,972	2,269
ASSETS	1,654	1,772	2,046	2,311	2,636	2,977	3,358
Share capital	700	700	700	700	700	700	700
Reserves	-41	-93	-84	-99	-99	-99	-99
Retained earnings	745	884	1,101	1,344	1,611	1,905	2,234
EQUITY	1,404	1,491	1,717	1,945	2,211	2,506	2,835
Long-term loans	-	-	-	-	-	-	-
Lease liabilities	2	2	13	17	17	17	17
Employees' benefits	68	77	91	96	112	125	140
Non-current liabilities	70	79	104	113	129	142	157
Short-term loan	-	-	-	-	-	-	-
Lease liabilities	0	0	3	4	4	4	4
Trade payables and other current liabilities	154	173	186	205	235	263	293
Zakat and income tax provision	26	29	35	44	56	62	68
Current liabilities	180	202	225	253	295	328	366
LIABILITIES	250	281	329	366	425	471	522
EQUITY AND LIABILITIES	1,654	1,772	2,046	2,311	2,636	2,977	3,358

Cash Flow (In SAR Mn)	2023	2024	2025	2026e	2027e	2028e	2029e
Cash from operations	296	263	406	397	500	588	649
Investing cash flow	-77	-62	-69	-97	-112	-125	-140
Financing cash flow	-75	-224	-242	-319	-301	-447	-506
Change in cash	143	-23	96	-19	87	16	4
Beginning cash	141	284	262	358	338	426	441
Ending cash	284	262	358	338	426	441	445

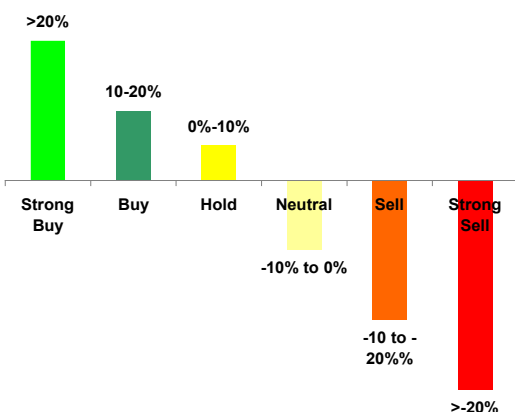
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Rating Criteria and Definitions

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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