



Healthy set of results supported by Y/Y growth across virtually every therapeutic area segment

Jamjoom Pharma posted a healthy set of results for Q2-25 with a net income reaching SAR 132mn, up 23.4% Y/Y, yet down 15.9% Q/Q due to its natural quarterly sales cycle. Net income was broadly in line with our estimated SAR 123.6mn at a 6.8% deviation, and market consensus of SAR 123.3mn by 7.0%. Revenue growth at an H1-25 basis was driven by mainly contributions from the General Medicine segment, while all other segments but one posted Y/Y increases ranging from 7% to 71%. Resilient OPEX-to-sales further supported this quarter's performance. Jamjoom maintains a healthy financial position, with immediate operational developments pending for FY25 and FY25E. We maintain our "Neutral" recommendation on the stock, at a target price of 167.2 /share.

- Jamjoom Pharma recorded a solid set of results summarized by a net income of SAR 132mn during Q2-25 (up 23.4% Y/Y and down 15.9% Q/Q). This came broadly in line with our estimate of SAR 123.6mn at a 6.8% deviation, and market consensus of SAR 123.3mn by 7.0%. Sequential net income decline was driven by Jamjoom's natural sales cycle, as revenues reached SAR 396mn (up 14.6% Y/Y and down 13.4% Q/Q). Improvement at the OPEX-to-sales level supported a clean delivery to bottom line, and drove the deviation from estimates.
- Revenues at SAR 396mn were reported at an increase of 14.6% Y/Y, yet down 13.4% Q/Q as per the firm's natural sequential sales cycle. This came in line with our estimated SAR 402.7mn in sales, at a -1.6% deviation. On an H1-25 basis, General Medicine was the segment to lead the largest contribution to sales growth by SAR 45.5mn, growing 35% Y/Y to reach SAR 166mn. All other segments, besides CNS, grew from a range of 7% to 71% Y/Y.
- Gross profit during the quarter reached SAR 251mn, up 14.9% Y/Y and down 14.4% Q/Q, driven by sales performance. This came in line with our estimated SAR 252mn at a -0.5% deviation. Q2-25 GP margin came in at 63.3%, up a modest 20bps Y/Y, most likely due to higher volumes and input cost normalization, but down 70bps Q/Q.
- Operating profits reached SAR 135mn (up 29.8% Y/Y and down 14.4%), deviating from our estimates of SAR 127mn by 6.7%. Healthy operating margins of 34.2% were up by 380bps Y/Y, yet down by 40bps Q/Q. Better than expected OPEX-to-sales at 29.1% (including other income & expenses), came 200bps better than our forecasted 31.1% and supported operating profits.

AJC view and valuation: Jamjoom Pharma posted another set of healthy results in Q2-25, with healthy performance displays across its therapeutic segments. The remainder of FY25 possesses positive developments ahead for Jamjoom, as it finalizes agreements with multinational pharma companies to leverage Jamjoom's operational activities and product offerings. No debt, improving operating cashflows, and a relatively low CAPEX business earmark Jamjoom Pharma's financial profile- posting a 27.7% ROE to investors and growing shareholder equity by 15% Y/Y, while delivering a payout ratio of c. 60%. Its better than expected OPEX-to-sales management likely drove management to revise EBITDA margin guidance from an upper bound of 31.5% to a revised 33.0%. We expect developments ongoing at Jamjoom to support an FY25E net income of SAR 444mn (up 24.6% Y/Y) at a forward PE of 28x, and a dividend of SAR 3.6/share (60% payout, and a FY25E dividend yield of 2.0%) towards the upper range of its guidance. We maintain our TP on the firm at **SAR 167.2 /Share** at a "Neutral" recommendation.

Results Summary

SAR mn	Q2-24	Q1-25	Q2-25	Change Y/Y	Change Q/Q	Deviation from AJC Estimates
Revenue	346	458	396	14.6%	-13.4%	-1.6%
Gross Profit	218	293	251	14.9%	-14.4%	-0.5%
Gross Margin	63.1%	64.0%	63.3%	-	-	-
EBIT	104	158	135	29.0%	-14.4%	6.7%
Net Profit	107	158	132	23.4%	-15.9%	6.8%
EPS	1.53	2.24	1.89	-	-	-

Source: Company Reports, Aljazira Capital Research

Recommendation	Neutral
Target Price (SAR)	167.2
Upside / (Downside)*	-5.7%

Source: Tadawul *prices as of 24th of July 2025

Key Financials

SARmn (unless specified)	FY22	FY23	FY24	FY25E
Revenues	917	1,101	1,318	1,509
Growth %	24.6%	20.0%	19.9%	14.4%
Net Income	171.3	292.4	356.5	444.2
Growth %	0.4%	70.7%	21.9%	24.6%
EPS	2.45	4.18	5.09	6.32
DPS	2.13	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%	61.7%
Oper. Margin	25.7%	28.5%	28.9%	30.2%
Net Margin	18.7%	26.6%	27.0%	29.4%
ROA	12.2%	17.7%	20.1%	22.3%
ROE	14.1%	20.8%	23.9%	26.4%
P/E (x)	-	27.5	29.9	28.0
P/B (x)	-	5.7	7.2	7.3
Dividend Yield	-	2.2%	2.0%	2.0%

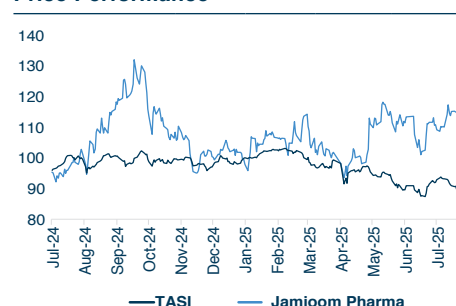
Source: Company reports, Aljazira Capital Research

Key Market Data

Market Cap(bn)	12.3
YTD%	16.3%
52 week (High)/(Low)	202.4/134.0
Share Outstanding (mn)	70.0

Source: Company reports, Aljazira Capital Research

Price Performance



Source: Tadawul, Aljazira Capital Research

Senior Equity Analyst

Ibrahim Elaiwat

+966 11 2256115

i.elaiwat@Aljaziracapital.com.sa





RESEARCH DIVISION

Head of Sell-Side Research - Director
Jassim Al-Jubran
+966 11 2256248
j.aljabran@aljaziracapital.com.sa

RESEARCH
DIVISION

AlJazira Capital, the investment arm of Bank AlJazira, is a Shariaa Compliant Saudi Closed Joint Stock company and operating under the regulatory supervision of the Capital Market Authority. AlJazira Capital is licensed to conduct securities business in all securities business as authorized by CMA, including dealing, managing, arranging, advisory, and custody. AlJazira Capital is the continuation of a long success story in the Saudi Tadawul market, having occupied the market leadership position for several years. With an objective to maintain its market leadership position, AlJazira Capital is expanding its brokerage capabilities to offer further value-added services, brokerage across MENA and International markets, as well as offering a full suite of securities business.

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.

Disclaimer

The purpose of producing this report is to present a general view on the company/economic sector/economic subject under research, and not to recommend a buy/sell/hold for any security or any other assets. Based on that, this report does not take into consideration the specific financial position of every investor and/or his/her risk appetite in relation to investing in the security or any other assets, and hence, may not be suitable for all clients depending on their financial position and their ability and willingness to undertake risks. It is advised that every potential investor seek professional advice from several sources concerning investment decision and should study the impact of such decisions on his/her financial/legal/tax position and other concerns before getting into such investments or liquidate them partially or fully. The market of stocks, bonds, macroeconomic or microeconomic variables are of a volatile nature and could witness sudden changes without any prior warning, therefore, the investor in securities or other assets might face some unexpected risks and fluctuations. All the information, views and expectations and fair values or target prices contained in this report have been compiled or arrived at by Al-Jazira Capital from sources believed to be reliable, but Al-Jazira Capital has not independently verified the contents obtained from these sources and such information may be condensed or incomplete. Accordingly, no representation or warranty, express or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. Al-Jazira Capital shall not be liable for any loss as that may arise from the use of this report or its contents or otherwise arising in connection therewith. The past performance of any investment is not an indicator of future performance. Any financial projections, fair value estimates or price targets and statements regarding future prospects contained in this document may not be realized. The value of the security or any other assets or the return from them might increase or decrease. Any change in currency rates may have a positive or negative impact on the value/return on the stock or securities mentioned in the report. The investor might get an amount less than the amount invested in some cases. Some stocks or securities maybe, by nature, of low volume/trades or may become like that unexpectedly in special circumstances and this might increase the risk on the investor. Some fees might be levied on some investments in securities. Aljazira Capital, its employees, one or more of its affiliates, or its clients may have investments in the securities or assets referred to in this report. This report has been produced independently and separately by the Research Division at Al-Jazira Capital and no party (in-house or outside) who might have interest whether direct or indirect have seen the contents of this report before its publishing, except for those whom corporate positions allow them to do so, and/or third-party persons/institutions who signed a non-disclosure agreement with Al-Jazira Capital. Funds managed by Al-Jazira Capital and its subsidiaries for third parties may own the securities that are the subject of this document. Al-Jazira Capital or its subsidiaries may own securities in one or more of the aforementioned companies, and/or indirectly through funds managed by third parties. The Investment Banking division of Al-Jazira Capital maybe in the process of soliciting or executing fee earning mandates for companies that is either the subject of this document or is mentioned in this document. One or more of Al-Jazira Capital board members or executive managers could be also a board member or member of the executive management at the company or companies mentioned in this report, or their associated companies. No part of this report may be reproduced whether inside or outside the Kingdom of Saudi Arabia without the written permission of Al-Jazira Capital. Persons who receive this report should make themselves aware, of and adhere to, any such restrictions. By accepting this report, the recipient agrees to be bound by the foregoing limitations.

Asset Management | Brokerage | Investment Banking | Custody | Advisory

Head Office: King Fahad Road, P.O. Box: 20438, Riyadh 11455, Saudi Arabia, Tel: 011 2256000 - Fax: 011 2256068