

## Daily Bulletin

September 11, 2025

- > *Obeikan Glass: Construction Begins on Second Float Glass Line*
- > *Jahez touches all time low as higher competition impacts 1H25 results*

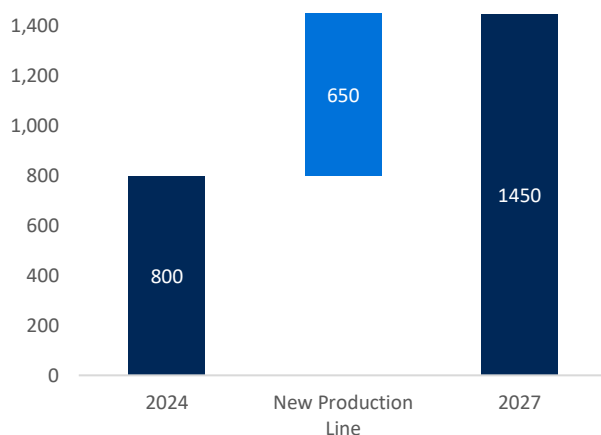
### Obeikan Glass: Construction Begins on Second Float Glass Line

Obeikan Glass Co. (Obeikan) has initiated construction of a second float glass production line at its current site within the Royal Commission for Jubail and Yanbu (RCJY). The new line will add capacity of 650 tons per day, with commercial operations expected in 2027. The company has signed an agreement with Zhongyuan Glass Industry Equipment Co. for the supply of technology and partial equipment. The project cost is estimated at SAR 520 mn.

Obeikan is among the largest glass manufacturers in the Middle East, operating with a current capacity of 800 TPD (approximately 250,000 tons annually). With the completion of a new production line in 2027, total capacity will increase to 1,450 TPD, representing an 81.3% increase compared to 2024 levels. The expansion is intended to enhance production capabilities and capture rising demand from renewables and automotive, supported by Saudi Arabia's Vision 2030 target of generating 130 GW of clean energy (50% of the power mix) by 2030 and the expected 12% growth in the Kingdom's automotive sector by 2030. It also enables product diversification into flat and colored glass for automotive, construction, and mirror applications, complementing the existing portfolio of float glass, safety glass, and mirrors. Obeikan already commands a 40-45% share of the Saudi clear flat glass market.

We note that Obeikan's share price has declined by 39% in the last 12 months, significantly underperforming TASI's 12% decline over the same period.

#### Obeikan's production capacity (TPD)



Source: Company financials, anbc research

#### Relative price performance



Source: Bloomberg, anbc research

## Jahez touches all time low as higher competition impacts 1H25 results

Jahez International Company for Information System Technology (Jahez), stock price has declined to its all-time low of SAR 20.50/sh, before closing slightly up at SAR 20.82/sh on 10<sup>th</sup> Sep-25. The stock has declined 50.9% since its IPO.

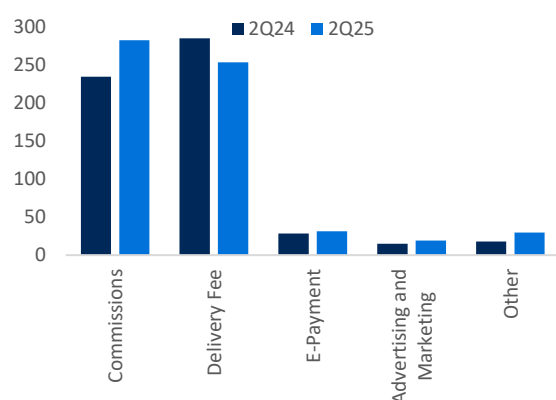
During 2Q25, Jahez International reported a net profit of SAR 23.6 mn (down 21.9% YoY), significantly below the consensus net profit of SAR 52.0 mn. Net revenue for 2Q25 reached SAR 567.1 mn, (+4.8% YoY), supported by healthy growth in number of orders to 28.8 mn (+11.7% YoY) and Gross Merchandise Value (GMV) expanding 12.6% YoY to SAR 1.8 bn. However, the increase in gross revenue was partially offset by a 22.5% increase in promotional compensation and cash back. Gross margins in 2Q25 contracted by 138 bps YoY to 21.0% mainly due to 107.5% YoY increase in salaries and wages.

Competitive pressures, particularly from the recently launched Chinese player Keeta, forced Jahez to ramp up promotions and delivery campaigns to protect its customer base. This strategy resulted in average delivery fees per order dropping 20.4% YoY to SAR 8.8. The company managed to lower delivery cost by 7.0% YoY to SAR 12.7/order through enhanced utilization, price negotiations, and fleet optimization. However, additional cost pressures stemmed from the integration of grocery and retail segments into the Jahez platform, which further elevated operating expenses.

Net profit for the company's KSA delivery platform segment declined 30.4% YoY to SAR 45.8 mn amid cost pressures in 2Q25. The company's Non-KSA delivery platforms saw an improvement from a net loss of SAR 20.6 mn in 2Q24 to a net loss of SAR 5.9 mn in 2Q25.

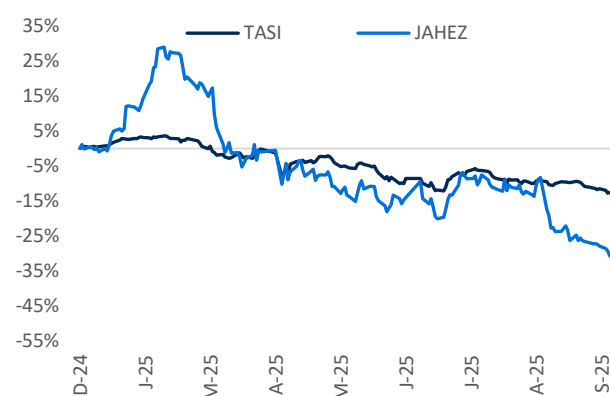
Looking ahead, Jahez has entered into an agreement to acquire a 76.6% stake in Snoonu, Qatar's fastest-growing technology and on-demand delivery company. The acquisition, expected to complete in 4Q25, will provide Jahez with strategic exposure to Qatar's market. In addition, the recently launched grocery and retail segments are anticipated to serve as incremental growth drivers, further enhancing the company's GMV. The stock is currently trading at a 2025e P/E of 21.4x, with a consensus target price of SAR 29.08/sh, providing a potential upside of 39.7%.

Gross revenue breakup (SAR mn)



Source: Company financials, anbc research

Relative price chart



Source: TASI, anbc research

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