Sahat Almajd Company

Pre-IPO Note

October 15, 2025

Market Data

Market	Nomu
Offering Price (SAR)	7
Offering Period (Qualified Investors)	Oct'19-Oct'23
Number of Shares Offered (mn)	4.4
% of Share Capital (Post-IPO)	11.11
No. of shares Pre-IPO (mn)	35.0
No. of shares Post-IPO (mn)	39.4

Shareholders	Pre-IPO	Post-IPO
Tawared Investment Est.	30.5%	27.1%
Saleh Al-Humaidhi	22.6%	20.1%
Mohammed Saleh Al-Humaidhi	6.5%	5.8%
Nawaf Saleh Al-Humaidhi	5.8%	5.2%
Other Shareholders (5% or Less)	34.6%	30.7%
Public (Qualified Investors)	0.0%	11.1%
Total	**100%**	**100%**

Financials

Amounts in SAR mn	2024	2023	YoY (%)	1H25	1H24	YoY (%)
Revenue	166.0	131.2	**26.6**	99.8	76.4	**30.6**
Cost of sales	(100.7)	(94.4)	**10.2**	(59.2)	(50.2)	**17.9**
Gross profit	65.3	39.8	**64.3**	40.6	26.2	**55.0**
Operating profit	22.4	12.1	**84.6**	9.2	9.4	**(2.3)**
Net income	20.1	10.1	**97.9**	8.3	8.2	**1.9**
EPS	**1.8**	**1.0**		**0.24**	**0.23**	
Total assets	102.5	87.6	**17.0**	113.3	-	
Total shareholder's equity	64.4	56.7	**13.6**	72.7	-	
BVPS	**5.8**	**5.7**		**2.1**	**-**	
Ratios						
Gross margin (%)	39.3	30.3	**9.0**	40.7	34.3	**6.4**
Operating margin (%)	13.5	9.3	**4.2**	9.2	12.3	**(3.1)**
Net margin (%)	12.1	7.7	**4.4**	8.3	10.7	**(2.3)**
RoAE (%)	33.1	-				
RoAA (%)	21.1	-				

Peer Company Valuations (TTM)

Company	Market Cap (SARmn)	PER (x)	PBV (x)	RoAE (%)
Ratio Specialty Co. for Trading*	154	10.3	3.3	31.8
Arabica Star Co.	58	31.8	1.5	4.7
Shmoh Almadi Co.	129	27.4	2.1	7.6
Average		***22.8***	***2.3***	***14.7***

*Valuations are based on a TTM basis and closing prices of October 13, 2025.
Source: Company Prospectus, Tadawul, Bloomberg, and anbc research

Sahat Almajd Co. Founded in 2005, is headquartered in Riyadh with a capital of SAR 35 mn. Known for its high-quality chocolates, the company also produces and sells fresh baked goods, sweet treats, and soda drinks. The company has four brands: Jadeel, Susam, Spark and Hanoverian. Sahat Almajd is offering 4.4 mn shares, representing 11.11% of it's total share capital, at an IPO price of SAR 7 per share, implying a P/E multiple of 13.6x. The IPO will be limited to qualified investors on Nomu Market from Oct 19 – Oct 23. All proceeds will go to the company to fund a) new SAR 43 mn factory in Sudair Industrial City to produce raw chocolate (enhance vertical integration) b) machinery upgrades of SR 7mn at existing chocolate/confectionary facility. The SAR 50 mn planned Capex will be partially financed from the SAR 30.7 mn IPO proceeds, while the remaining SAR 19.3 mn will be financed from internal liquidity and external financing.

- Per prospectus, Saudi Arabia's food and beverage sector is growing rapidly, with spending rising over 6.5% annually and expected to surpass SAR 110 bn by 2025. This growth is fueled by youth demand for premium products, strong government backing through Vision 2030 and Made in Saudi, and rising regional interest in local Saudi brands.
- Sahat Almajd includes emerging brands such as Hanoverian and Jadeel within its portfolio, in-house manufacturing, diverse product lines, and a franchise-driven expansion strategy supported by a strong Gulf-wide distribution network. The company is expanding with a new factory and equipment upgrades to existing facility.
- The company plans to expand its flagship Hanoverian brand internationally, with new franchise branches expected to open between (2026-2030) across key markets including London, Paris, Qatar, Dubai, Jordan, Kuwait, and Bahrain. This strategic rollout underscores the company's ambition to position Hanoverian as a recognized premium brand.
- In 2024, Sahat Almajd posted strong revenue growth of 26.6% YoY to SAR 166 mn, with gross profit up 64.3% YoY to SAR 65 mn, driving gross margin to 39.3% (vs. 30.3% in 2023). However, operating profit increased 85% YoY to SAR 22 mn and net income ramped up 98% YoY to SAR 20 mn. Margins declined in 1H25 vs. 1H24 due to higher costs from new branch openings, but profitability should recover as these locations mature. In 2024, confectionery factory produced around 285 tons annually, equal to 7.1% of its licensed capacity (4,000 tons) and about 29.5% of total design capacity (965 tons). Low utilization stems from branch-based sales, with plans to centralize production for higher efficiency. The company earned around 22% or SAR 36.7 mn of 2024 revenue from delivery apps like Jahez, Hunger Station, The Chefs, and Keeta.
- Sahat Almajd plans to establish a new SAR 43 mn factory to produce raw chocolate that will also support vertical integration with the company's brands, reducing operating costs, add more value through localized production, ensure stronger compliance with safety and quality standards, meeting local market demands and enabling export opportunities.
- For peer comparison we could not identify a listed direct competitor. Therefore we collated the closest peer group operating within the coffee and restaurant space for relative valuation purposes. Ratio Specialty (the closest peer) was listed on 9 of March 2025 at an IPO valuation of PER and PBV of (on TTM basis) of 15.4x and 5.7x, respectively. Ratio Specialty's current share price is down 23.1% from its IPO price of SAR 10 and trades at a TTM PER of 10.3x and PBV of 3.3x.
- In the case of Sahat Almajd, the offering price of SAR 7 values the company at TTM PER of 13.6x and PBV of 4.0

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Sahat Almajd Company

Details of Current and Projected Branches

Brand	Current Branches	Planned New Branches by 2030	Total by 2030
Hanoverian	5	20	25
Jadeel	11	34	45
Susam	2	0	0
Total	**18**	**54**	**70**

Use of Proceeds and the Company's Expansion Plan (Figures in SAR mn)

Project Details	Estimated Cost (SAR mn)	Summary of the Timeline for Use of Net Proceeds			
		2H25	1H26	2H26	1H27
Establishment of a new factory on leased land from the Saudi Authority for Industrial Cities and Technology Zones (MODON) in Sudair Industrial City.	**43.0**	3.0	8.0	15.0	17.0
Replacement and upgrading of industrial equipment and machinery for the existing factory.	**7.0**	1.5	4.0	1.5	0.0
Total	**50.0**	**4.5**	**12.0**	**16.5**	**17.0**

Chart1: Revenue by Segment

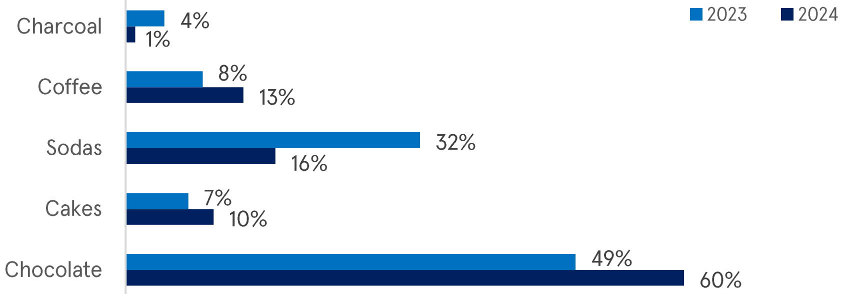

Chart2: Revenue Breakdown by Business Line

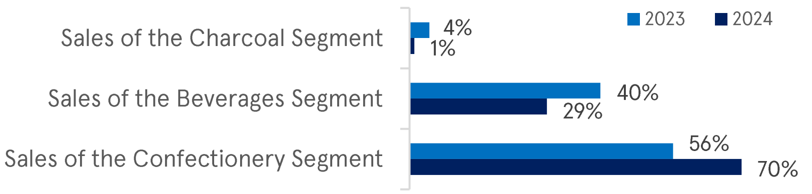

Chart3: Revenue by Geographical Distribution

Sahat Almajd in Numbers

- Number of Sales Representatives 30+
- Number of Exported Countries 6+
- Number of Warehouses 3+
- Number of Storage Stores 20+
- Number of Products 300+
- Transportation Fleet 60+
- Number of Markets and Stores Served 250+

Sahat Almajd Brands

Source: Company Prospectus, Company Financials, anbc Research

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Disclaimer

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