

Report Date: 22-Apr-25

JORDAN INTERNATIONAL TRADING CENTER

ASE: JITC

Annual Earnings: 31/12/2024

RATING:


Initiated Coverage 22/04/2025

We project that JITC will perform in line with the market over the next 6-12 months. This projection is based on our analysis of four key factors that influence common stock performance: (1) relative valuation, (2) earnings strength, (3) financial stability, and (4) price movement.

Target Price
JD 1.08

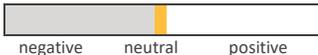
Previous Rating					52- Week Price Range	Market Capitalization	Dividend Yield	Dividend/Share
1	2	3	4	5	30/04/2025 JD 0.95 - JD 1.04	JD 3.50 M	4.85%	JD 0.05

Founded: 1982 **Shares Outstanding:** 3.4 M **Employees:** 97 **Sector:** Industrials **Industry:** Commercial Services

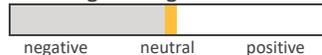
Jordan International Trading Center (hereinafter referred to as “JITC” or the “Company”) is a public shareholding company established in Jordan and specializes in trading activities. The Company operates various branches across the Kingdom to trade electrical appliances, furniture, mobile phones, computers and others, as well as offer its customers an online platform to shop for the aforementioned products. In addition to trading, the Company specializes in printing services and operates a printer that was recently expanded during 2023. What differentiates JITC is that it offers customers the option of paying through Sahria’ah-compliant installments (Murabaha). **On March 6, 2025, the Board of Directors of JITC announced the distribution of 22% cash dividends to its shareholders.**

Recommendation Summary

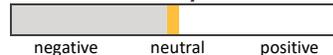
UFICO’s **HOLD** recommendation of JITC is the result of our systematic analysis of four basic characteristics mentioned above, reflecting a balanced view of its solid financial footing and weakening profitability. JITC maintains strong liquidity and low leverage, alongside consistent dividend payments, which support its defensive profile. However, declining profit margins and earnings—driven by external factors such as regional instability and shifting consumer sentiment—signal near-term headwinds. Technically, while the stock is rated a Buy at its moving averages, its approach toward overbought territory suggests limited immediate upside. Given these mixed signals, we believe a Hold rating is sensible until clearer earnings recovery or technical confirmation emerges.

Relative Valuation


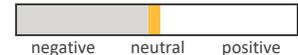
The stock is **overvalued** based on its P/E ratio, and **undervalued** based on its P/BV ratio. Dividend yield is less than the average yield of dividend payers in the market.

Earnings Strength


The Company has been profitable over the past 5 years. At the end of 2024 earnings decreased by 29% compared to the same period of 2023.

Financial Stability


JITC exhibits strong financial stability with acceptable debt levels, a balanced financial structure, and solid liquidity.

Price Movement


Low volatility with minimal price fluctuation over time. The stock is rated a **Neutral** at its current 14-Day RSI, and a **Buy** at its MA200.

Major Risks & Rewards

- **Low Trading Activity:** Over the last three months, the low average trading volume of 5,087 shares shows a lack of market interest and liquidity.
- **Earnings Growth:** The Company's profits saw a sharp decline during in 2024, raising concerns about its future ability to maintain profitability. This could raise fears amongst shareholders and negatively impact stock prices, particularly if the ongoing war in Gaza continues to adversely affect the trading and industrial sectors.
- **Brand Portfolio:** JITC's branches provide access to a wide range of internationally famous brands sourced from Japan, Korea, Europe, America, and China.
- **Financial Stability:** JITC has an acceptable debt-to-equity ratio and an efficient current ratio, indicating financial stability and a low reliance on debt. This gives investors more trust in the Company's capacity to satisfy short-term obligations.
- **Dividend:** Commitment to dividends signals management's confidence in cash flow stability, but the sustainability of these payouts may be challenged if profitability continues to decline.

Peers Group Comparison

Ticker	Peer Name**	Country	Price 21/4/2025	Mkt Cap* 21/4/2025	EPS (2024)	P/E (Current)	P/BV (2024)	NPM (2024)
JITC	Jordan International Trading Center	Jordan	JD 1.03	3.5	JD 0.05	20.14x	0.64x	1.91%
ITOCY	Itochu Corp. ADR	USA	JD 67.38	95,679.6	JD 2.80	24.06x	1.70x	5.93%
MSBHF	Mitsubishi Corp	USA	JD 12.48	49,670.4	JD 1.16	10.76x	1.10x	5.82%
BZIFY	Bunzl plc	USA	JD 10.60	3,452.1	JD 1.42	7.46x	3.56x	4.25%
SSUMY	Sumitomo Corp	USA	JD 16.07	19,439.1	JD 1.60	10.04x	0.90x	5.56%
Weighted Average (Peers)						18.18x	1.47x	
Sector Average						11.40x	1.40x	
Median						10.76x	1.70x	

* in JD Millions.

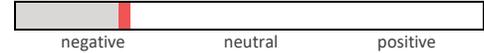
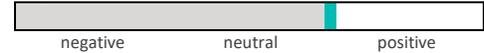
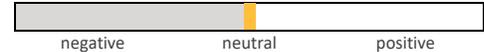
Past Performance

	2018	2019	2020	2021	2022	2023	2024
Net Profit Margin	6.11%	5.72%	3.26%	2.34%	3.38%	2.71%	1.91%
Earning/ Share (JD)	0.13	0.14	0.08	0.06	0.09	0.07	0.05
Debt to Equity	31.86%	27.62%	0.00%	2.56%	24.74%	12.52%	16.76%
Gross Profit Margin	13.84%	11.55%	12.26%	12.18%	14.06%	11.36%	10.97%
Dividend/ Share (JD)	0.07	0.08	0.05	0.05	0.07	0.05	0.05

Relative Valuation: NEUTRAL

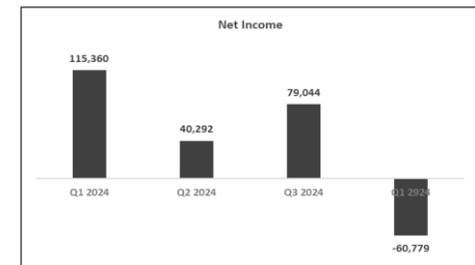
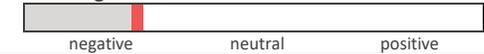
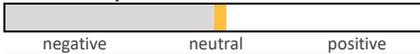
Last Price	Mkt Cap	EPS	P/E	BV/Share	P/BV	DPS	Div. Yield
21/4/2025	21/4/2025	(2024)	(Current)	(2024)	(2024)	(2024)	21/4/2025
JD 1.03	JD 3.5 M	JD 0.05	20.14x	JD 1.61	0.64x	JD 0.05	4.85%

- **P/E vs. Industry** is higher than the peer group average and the sector average indicating overvaluation.
- **P/BV vs. Industry** is lower than the peer group average and the sector average, indicating that the Company may be undervalued.
- **Dividend Yield** is below the average of dividend payers on the Jordanian market.

P/E

P/BV

Dividend Yield

Earning Strength: NEUTRAL

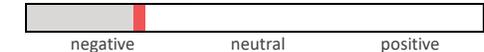
FY24 Results	Revenues	Net Income	ROE	NPM
	JD 9.10 M (+1.25%)	JD 173,917 (-28.69%)	3.18%	1.91%

- **Earnings Trend:** JITC was profitable over the past 5 years. Net income fell by 28.7% despite a marginal revenue increase, primarily due to external geopolitical factors such as the war on Gaza and consumer behavior shifts tied to boycott movements.
- **Return on Equity** is modest and lower than 4.45% achieved at the end of 2023.
- **Net Profit Margin** is lower than 2.71% achieved at the end of 2023.


Earnings Trend

Profitability

Financial Stability: NEUTRAL

FY24 Results	Assets	Equity	ROA	Debt/ Equity	Current Ratio
	JD 10.0 M	JD 5.5 M	1.90%	16.76%	1.96x

- **Return on Assets** is lower than 2.67% achieved at the end of 2023.
- **Debt/ Equity** of 16.76% is acceptable, indicating low reliance on debt for financing operations with lower financial risk.
- **Current Ratio** of 1.96x indicates JITC's strong ability to meet short-term obligations with its current assets.

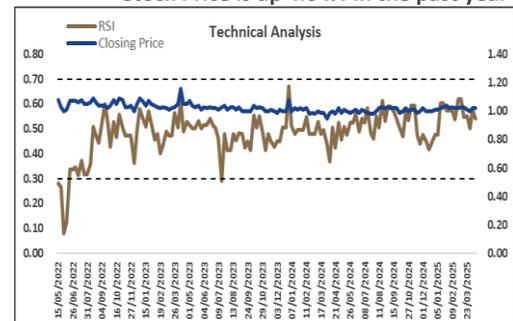
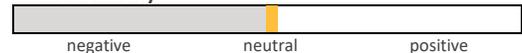
Return on Assets

Debt/ Equity

Current Ratio

Price Movement: NEUTRAL

Annual Volatility:	14-Day RSI:	200 Day MA:	Avg. Vol (3M):
+/- 19.44%	55.095	1.007	5,087 Shares

- **Price Volatility** of 19.44% indicates a neutral level of fluctuation in price over time. The higher the volatility, the riskier the stock.
- **14-Day Relative Strength Index (RSI)** is 60.175, indicating the stock is approaching the overbought territory. Traditionally, a stock is considered overbought or overvalued when RSI is above 70 and oversold or undervalued when it is below 30.
- **Moving Averages (MA):** The stock currently trades above its 200-day MA, which might indicate a **Buy** signal. The MA for the 50-Day and 100-Day are 1.017 and 1.012, accordingly, indicating a **Buy** signal.
- **Average Volume 3-Months** is 5,087 shares, which indicates low trading activity, although free float is 17.76% (603,806 shares).

Stock Price is up 4.04% in the past year

Price Volatility


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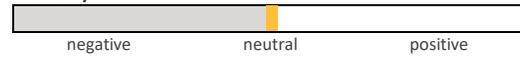
Price as of 21-Apr-25

JD 1.03/Share

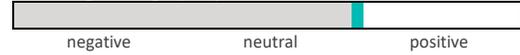
Price movement is an evaluation based on a company's relative share price strength in the past 1-quarter, 14 day and 1-year period. **JITC has a Positive price strength in the past 200-day period indicating a favourable signal of near term price gains.**

- JITC is currently trading at JD 1.03, slightly higher than its 200-day MA indicating a slight bullish trend. The price is reaching a resistance zone at JD 1.05- JD 1.06, with support near the JD 1.00 mark. If it successfully breaks above resistance, the next target price is expected to be between JD 1.08 and JD 1.10.

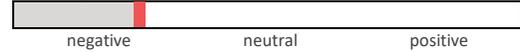
14-Day RSI



Moving Average (MA)



Average Volume



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JD 1.03/Share

UFICO Stock Ratings: UFICO's coverage of stocks uses a quantitative model that evaluates a company's relative valuation, earnings strength, financial stability, and its recent price movement. UFICO's five recommendation ratings include strong buy, buy, hold, sell, strong sell. For all stocks in our coverage universe, ratings are generated each week and reflect the fundamental and price data as of the last trading day of the week.

1	2	3	4	5	Strong Buy	Significantly Satisfactory
1	2	3	4	5	Buy	Satisfactory
1	2	3	4	5	Hold	Average
1	2	3	4	5	Sell	Unsatisfactory
1	2	3	4	5	Strong Sell	Significantly Unsatisfactory

Relative Valuation: Relative valuation is a weighted combination of factors that measure a company's current stock price valuation vs industry. These include the company's price-to-earnings vs. industry, and its price-to-book vs. industry. UFICO also measures the rank of a company's dividend yield among dividend payers on the Amman Stock Exchange. A stock may stay undervalued or overvalued for a long period of time. For this reason, it is important to combine dividend yield rank factor with shorter-term predictive factors such as earnings momentum or price momentum to identify more imminent valuation adjustments. In addition, UFICO also measure a company's dividend payments growth over the past 10 years and the degree its dividend payments are covered by earnings.

Earnings Strength: Over 20 years of research have shown that the change in the growth of earnings per share is an important factor that drives stock price performance. UFICO measures earnings momentum to get an early indication of changing earnings patterns. Earnings strength is a weighted combination of factors that measure a company's earnings growth performance. These include the company's 5-year average earnings growth rate, its 1-year earnings growth rate vs its 5-year average earnings growth rate, its 1-year earnings growth rate vs. industry, its relative strength of ROE, and its y-o-y profit margin growth rate.

Financial Stability: Financial stability is a weighted combination of factors that measure a company's ability to pay its debts in the short and long terms. UFICO looks for a company's capital structure where its total liabilities do not exceed 40% of its equity. For a company's solvency strength, we look for an interest coverage of at least 3x, indicating a company's ability to cover its interest payments through its operating income, and a debt coverage of at least 200%, indicating a company's ability to cover its loans and interest payments through its operating income. For liquidity strength, we look for a company's current ratio of at least 1.25x, indicating current liabilities are sufficiently covered by current assets. Companies in the banking sector are analyzed using assets/equity ratio, loans/deposits ratio, loans/assets ratio, and level of bad loans. For assets/equity ratio, we look for a ratio below 10x, indicating adequate reliance on debt to fund the bank's operations. For loans/deposits ratio, we look for a ratio below 125%, indicating high liquidity and low exposure risk to cover unexpected funding requirements. For loans/asset ratio, we look for a ratio below 110%, indicating high liquidity and low exposure risk to defaults. For the level of bad loans, we look for a ratio below 5.00%, indicating lower provisions are required and, hence, increases bank profitability.

Recent Price Movement: Historical price action of a company's stock is an especially helpful measure used to identify intermediate and short term performance potential. Long term historical performance is a good predictor of future price performance, but much more importantly, large price movements over the intermediate and short term tend to reverse themselves. UFICO's price momentum measure integrates historical long, intermediate and short term price changes, creating ratings that are highest for stocks with strong twelve-month price performance that have had a price consolidation in the past quarter and month. Price movement is an evaluation based on a company's relative share price strength in the past 1-quarter, 14-day and 1-year period. In UFICO's analysis, positive price strength in the past 200-day period is a favorable indication of near-term price gain. Conversely, positive price changes in the past quarter or 14-day period can indicate a short-term overbought condition resulting in negative near-term price change.

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