

Company	CMP*	TP	Upside	Rating
HMG	258.6	300.0	16.0%	OW
Mouwasat	68.70	90.0	31.3%	OW
Hammadi	26.62	38.0	42.8%	OW

Source: Tadawul, GIBC. * As of 15th Feb 2026.

Saudi Healthcare Sector

Ambitious expansions amid transformation initiatives; Initiate on three providers with “OW” ratings

- Structural and macro factors are supportive for private providers; HMG’ passed expansion peak, Mouwasat & Al Hammadi to hike bed capacity by 80-100% in the mid-run.
- Revenues to grow at a low double-digit CAGR in 2025-30e with earnings growth likely for HMG (CAGR: 14%) & Al Hammadi (+15%) over Mouwasat (+10.5%) on higher ramp up.
- We initiate on HMG (SAR300/sh TP), Mouwasat (SAR90/sh TP) and Al Hammadi (SAR38.0/sh TP) with OW ratings, based on DCF and P/E valuations.

Structural tailwinds to sustain growth in KSA healthcare industry... Saudi Arabia’s healthcare expenditure expanded at a 6.8% CAGR, increasing from SAR175bn in 2019 to SAR228bn in 2023, driven by rising insurance penetration, medical cost inflation, and government-led initiatives such as pharmaceutical localization and the implementation of accountable care models. Looking ahead, healthcare spending is expected to sustain a 6.8% CAGR, reaching SAR360bn by 2030, with private sector participation projected to rise to ~25%, reflecting the Kingdom’s broader privatization agenda. Growth will be underpinned by: (i) demographic tailwinds, with the 60+ population growing at a 10.1% CAGR, significantly outpacing overall population growth of 1.3%; (ii) a high prevalence of lifestyle diseases such as diabetes (KSA: 19% vs. OECD: 7% and global: 10%) and obesity (KSA: 24% vs. OECD: 20% and global: 13%); (iii) continued expansion of mandatory and private health insurance, estimated at an 8.8% CAGR over 2024–30; (iv) increasing public–private partnerships across healthcare delivery; and (v) higher patient inflows supported by tourism from mega projects and upcoming global events.

...with private players driving growth amid rising privatization and insurance penetration:

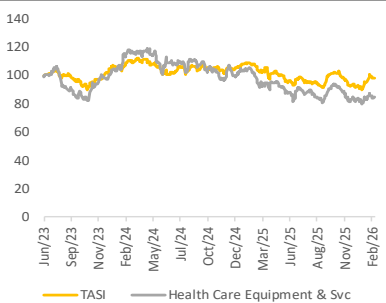
Historically, KSA’s healthcare has been predominantly public-sector led, with public hospitals accounting for ~75% of total bed capacity of ~83k beds in 2024. However, under the Kingdom’s ongoing privatization drive and the Health Sector Transformation Program, private sector participation is expected to accelerate meaningfully. Private hospital bed capacity is projected to expand at a ~7% CAGR over 2024–28e, materially outpacing the ~3% CAGR expected for the public sector. As a result, the private sector’s share of total beds is estimated to increase from ~25% in 2025 to ~28–30% by 2028, based on various industry estimates. In parallel, private operators continue to benefit from rising health insurance penetration in Saudi Arabia. Insured lives grew at a 7.5% CAGR over 2020–24, with coverage increasing from 27% in 2020 to ~37% in 2024. Looking ahead, sustained insurance expansion and structural demand growth should support utilization, with upcoming private bed additions largely absorbed, despite potential short-term competition or ramp-up pressures during initial expansion phases.

Figure 1: Key financial metrics

Company	Revenues (SARmn)		EBIT (SARmn)		Earnings (SARmn)		P/E	
	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e
Al Habib	16,262	18,004	3,242	3,757	3,000	3,467	30.2x	26.1x
Mouwasat	3,655	4,010	889	1,000	800	891	17.1x	15.4x
Al Hammadi	1,316	1,524	318	361	304	344	14.0x	12.4x

Source: Tadawul, GIB Capital

Health Care Equipment & Svc index movement vs. TASI index movement



Source: Bloomberg

Ahmed Almutawah

+966-11-834 8498

ahmed.almutawah@gibcapital.com

Al Habib: The largest and well-diversified player, with a leading presence in Riyadh: Dr. Sulaiman Al Habib Medical Group is the largest private hospital operator in Saudi Arabia, with a total bed capacity of around 3,469 beds as of 2025. This represents around ~16% of the Kingdom's private-sector bed capacity and nearly 28% of beds among listed healthcare players, underscoring the group's dominant market position. The portfolio is geographically well diversified, with a strong concentration in Riyadh, which accounts for roughly 2,000 beds (~58% of total capacity), followed by Jeddah (~20%) and the Eastern Region (~18%). We note that Al Habib has expanded its capacity significantly over 2023–25, increasing total beds from around 1,900 in 2023 to 3,469 by the end of 2025. This expansion was primarily driven by new hospitals and capacity additions in Riyadh and Jeddah, aimed at catering to strong population growth and rising healthcare demand, particularly in the capital.

Looking ahead, management's focus is expected to shift toward ramping up recently added capacity and improving utilization, rather than aggressive near-term expansion. Further, incremental additions of around 713 beds are planned for 2028–29e, mainly in Riyadh and the Eastern Region. Consequently, overall bed capacity growth is expected to moderate to a 3.8% CAGR over 2025–30e, following the sharp expansion seen in the prior period. Accordingly, we forecast revenue to grow at a ~11% CAGR over 2025–30e, driven primarily by higher utilization. On a gross margin level, it declined from 34.4% in 2023 to 30.7% in 2025, reflecting the ramp-up phase of new hospitals and increased competitive intensity. However, margins are expected to gradually recover to ~33.5% by 2030e, supported by operating leverage, although they are unlikely to return to 2023 peak levels given rising competition and the company's broader interest in non-premium patient segments. Overall, we estimate earnings to grow at a 14.2% CAGR over 2025–30e, supported by operating leverage.

Mouwasat to retain Eastern Region leadership, with planned expansion in other regions: Mouwasat is the largest private healthcare operator in the Eastern Region of Saudi Arabia and the third largest in KSA among listed hospital players, with a total bed capacity of around 1,600 beds as of 2025. This represents ~13% of the Kingdom's private-sector bed capacity and 16% of beds operated by listed private healthcare companies. The company has outlined an ambitious SAR3.0bn expansion program aimed at adding around 1,300 inpatient beds by 2030e, implying a robust 12.5% CAGR in bed capacity over 2025–30e. This expansion is expected to translate into a revenue CAGR of ~12% over the same period, supported by both capacity additions and steady demand across its core catchment areas.

On profitability, Mouwasat continues to demonstrate industry-leading gross margins. Despite some normalization in margins over 2024–25, following the conversion of its Madinah hospital into a long-term care and rehabilitation facility, the company maintained a gross margin of ~44% in 9M25, materially above the peer average of ~32%. Looking ahead, expansion ramp-ups are likely to weigh on margins over the mid-run we expect gross margins to normalize at a lower level with an average of ~43% over 2025–30e, which would likely still represent the highest margin profile in the sector. Consequently, we forecast net income to grow at a CAGR of 10.5% over 2025–30e, supported by expansion-led revenue growth, albeit partially offset by margin normalization.

Al Hammadi remains focused on Riyadh with a strong expansion plan: Al Hammadi Group is a mid-sized hospital operator with a total bed capacity of 600 beds, representing around 5% of total beds among listed healthcare players in Saudi Arabia. The company currently operates two hospitals, both located in Riyadh, and plans to double its bed capacity by 2030e. This expansion will be driven by the reopening of the Olaya hospital in 2027e and the construction of two new hospitals in Narjis (2028e) and Mansiyah (2030e), implying a robust capacity expansion (CAGR of ~15%) over 2025–30e. We believe Al Hammadi's strong brand recognition in Riyadh, together with favorable population growth dynamics, supports the successful execution and absorption of this focused expansion strategy. Accordingly, we forecast revenue to grow at a CAGR of ~13% over 2025–30e, driven primarily by capacity additions and gradual improvements in utilization.

On profitability, Al Hammadi's gross margin declined from 36.8% in 2023 to 30.4% in 9M25, reflecting higher employee and operating costs associated with premiumization initiatives, extended clinic operating hours, expansion of sub-specialties, and investments in training and DRG readiness, alongside a 25% price cut in MoH referrals. Over the forecast period, we accordingly expect gross margins to remain under pressure, averaging around 31.5% compared to an average of 35.7% over 2020-24. Despite this, we project net income to grow at a ~15% CAGR over 2025–30e, supported by top-line growth driven by expansions.

Valuation: We value Al Habib, Mouwasat, and Al Hammadi using equal weights of DCF and P/E valuation methods. For valuation multiples, we assign a 1Y Fwd P/E multiples of 35x, 22x, and 20x for Al Habib, Mouwasat, and Al Hammadi, respectively. We initiate our coverage for the three providers with OW ratings, aided by capacity expansion and healthy earnings growth. **For AlHabib**, our 1-year forward target price stands at **SAR300/share**, implying a 16% upside. **For Mouwasat**, we set our 1Y forward **TP at SAR90/share** with a 31% upside. As for **Al Hammadi**, we derive a 1Y forward **TP of SAR38/share**, implying a 42.8% upside. We believe that current market valuations amid market pressure provide a good buying opportunity with limited downside risks; thus, we are bullish on the three stocks.

Key downside risks include project execution delays, slower than expected ramp-up, and utilization, any negative impact from DRG implementation, increasing competition, lower bargaining power with insurance companies, failure to comply with regulations, weaker than expected collection of receivables, medical errors, and the cost of attracting personnel.

Risks

Key downside risks include the following:

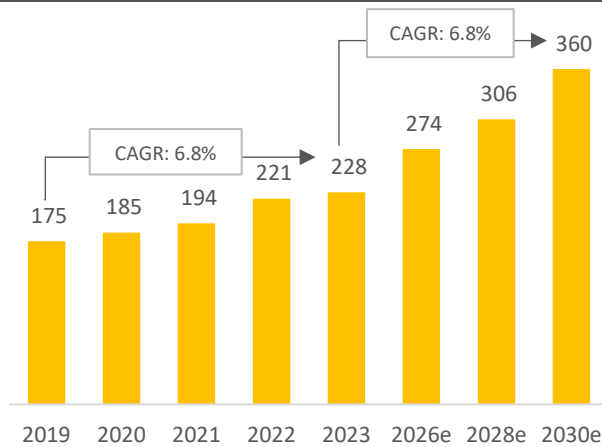
- **Lag in new hospitals project execution:** Most healthcare providers undergo brown-field and green-field expansions. Any delay in the execution of those projects may impact their revenue generation process and profitability.
- **Failure to attract sufficient patient volumes:** Healthcare providers need a certain level of utilization rates of current and added capacity to absorb costs and improve profitability. Any failure to attract sufficient volumes of patients may adversely affect the provider's revenues and profitability.
- **Shifts to Diagnosis-Related Group (DRG):** Reimbursements and capitation models may increase pressure on revenue margins within current payment structures.
- **Increase in market competition:** Healthcare providers may face competition from existing and new hospitals, and the privatization of government hospitals. Moreover, insurance companies may start providing healthcare services as well.
- **Bargaining power with insurance companies:** Changes to the relative positioning between healthcare service providers and insurance companies could result in amending pricing policies and, hence, the providers' profitability.
- **Regulatory changes and failure to comply with regulations:** The KSA healthcare sector operates under strict regulatory oversight. Any amendments to current rules or the implementation of new requirements may adversely affect providers' operations, revenue, and profitability. Failure to comply with these regulations may result in losses, fines, restrictions, or damage to reputation.
- **Collection:** Healthcare providers typically have outstanding amounts from government institutions or insurance companies. Failing to recover those amounts due from those parties could impact the liquidity and require provisioning, which could impact profitability.
- **Medical errors:** The providers are exposed to medical errors that may be committed by medical staff. Healthcare providers typically can't guarantee that errors will not occur within their facilities. This may result in financial compensation costs or reputational harm.
- **High costs associated with attracting doctors, medical professionals, and nursing staff:** retaining qualified medical and nursing professionals remains a significant challenge for the providers due to the limited availability of skilled personnel in the Saudi market. Consequently, any inability to recruit top-tier medical talent may negatively impact the providers' operations and hinder the ability to achieve clinical and financial objectives.
- **The pace of development in medical devices and technologies:** The healthcare sector evolves quickly, with continual advances in medical devices, equipment, and technology. To maintain high-quality service for its customers, healthcare providers must regularly upgrade their systems, even as the associated costs continue to rise.

Healthcare industry of Saudi Arabia

Industry overview

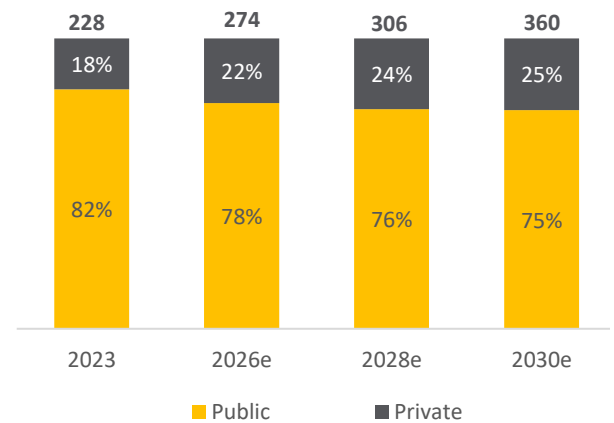
Saudi Arabia’s healthcare spending grew at a 6.8% CAGR from SAR175mn in 2019 to SAR228bn in 2023, supported by higher insurance penetration, rising medical costs, and government initiatives such as pharmaceutical localization and the rollout of accountable care models. Looking ahead, the sector is projected to maintain the growth rate of 6.8% CAGR through 2030e, with private sector participation expected to reach 25%. Key growth drivers include: i) demographic shifts, with the 60+ population rising at 10.1% CAGR vs. 1.3% for the total population, ii) mandatory and expanding private health insurance (+8.8% CAGR over 2024–2030e), iii) growing public-private partnerships, and iv) tourism influx from mega projects and upcoming global events.

Figure 2: Healthcare spending in KSA (SARbn)



Source: GASTAT, Fitch, GIB Capital

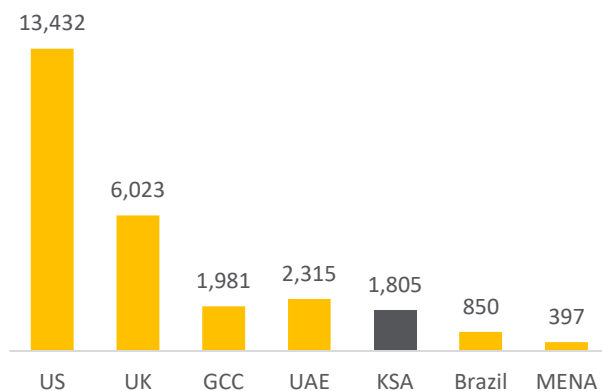
Figure 3: Healthcare spending breakup in KSA (SARbn)



Source: GASTAT, Fitch, GIB Capital

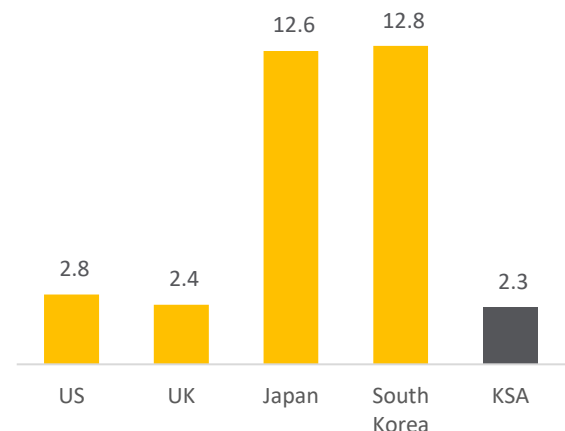
While Saudi Arabia’s per capita healthcare spending is broadly in line with the GCC average, it remains slightly below the UAE and lags significantly behind mature markets such as the UK and US (Figure 4). However, with rising insurance penetration, continued improvements in healthcare infrastructure, and the growing prevalence of lifestyle-related diseases, this gap is expected to gradually narrow over the coming years.

Figure 4: Per capita healthcare spending (USD) – 2023*



Source: World Bank, Fitch, GIB Capital, *data points for few countries are as of 2022.

Figure 5: No. of beds per 1,000 capita – 2024*

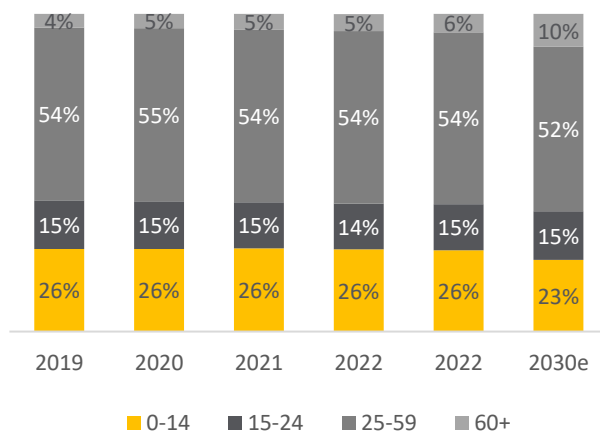


Source: MoH, OECD, GIB Capital, *For some countries latest data is till 2021.

Demand drivers

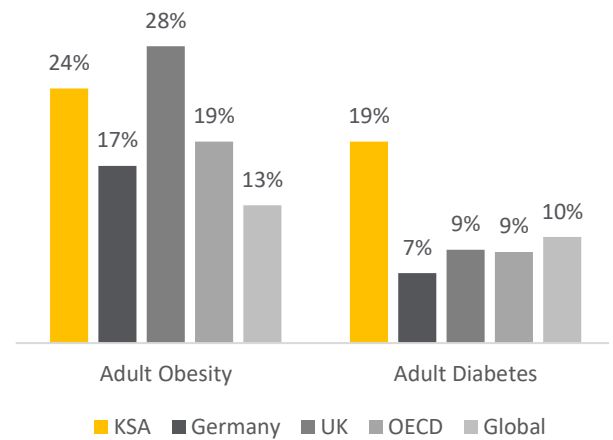
Saudi Arabia’s population, though young, is rapidly aging, with the 60+ age group expected to grow at a 10.1% CAGR during 2022–30e (+1.3% CAGR for overall population). This shift will drive demand for healthcare services, particularly in long-term care, geriatrics, neurosciences, and orthopedics. At the same time, societal changes are likely to reduce the 0–14 age bracket. Additionally, high prevalence of lifestyle diseases such as diabetes (KSA: 19%, OECD: 7%, global: 10%) and obesity (KSA: 24%, OECD: 20%, global: 13%) further underscores the need for preventive care, chronic disease management, and specialized healthcare, creating significant growth opportunities for the healthcare and pharmaceutical sectors.

Figure 6: KSA population by age bracket



Source: GASTAT, Fitch, GIB Capital

Figure 7: Lifestyle disease in KSA vs other countries*

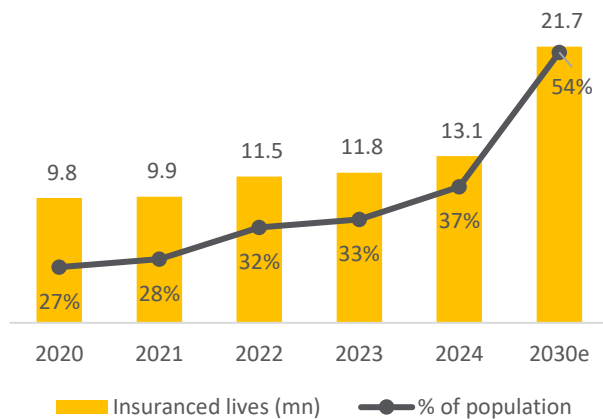


Source: World Obesity Federation, International Diabetes Federation, WHO, World Bank, NHS, OECD, GIB Capital. *Based on the latest available data.

Saudi Arabia’s health insurance landscape has transformed markedly since the launch of the mandatory unified scheme in 2016. While the number of insured individuals initially declined during 2016–2020 due to expatriate outflows, the market rebounded strongly thereafter, with insured population growing at a 7.5% CAGR between 2020–24, rising to 37% of the total population (vs. 27% in 2020). This recovery was underpinned by reforms such as enhancements to the Essential Benefit Package and the extension of mandatory insurance to domestic workers. Coverage is targeted to reach 54% (21.7mn people) by 2030e.

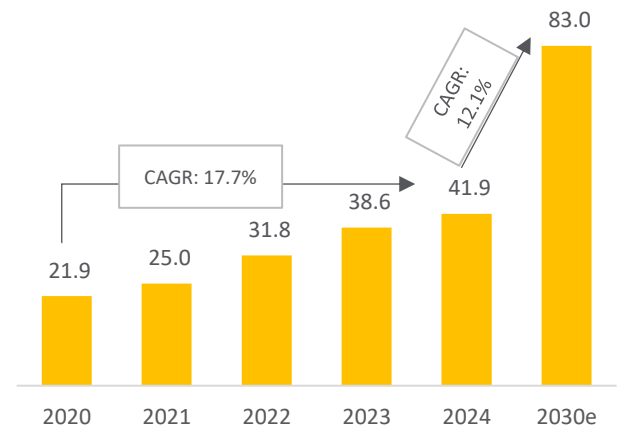
Similarly, health insurance GWPs grew at a robust 17.7% CAGR over 2020–24 and are projected to expand at a robust 12.1% CAGR through 2024–2030e, supported by these structural tailwinds. The expanding coverage and broader benefit offerings, spanning preventive care, telemedicine, and chronic disease management, are set to drive strong demand for hospital chains, as patients increasingly transition to private healthcare and seek specialized, value-based services.

Figure 8: Private health insurance in KSA



Source: CHI, JLL Healthcare Research, GIB Capital

Figure 9: Health Insurance GWPs - KSA (SARbn)



Source: CHI, Bupa Arabia, GIB Capital

Regulatory landscape

Saudi Arabia’s healthcare regulatory framework involves nine key government bodies overseeing public health, insurance, standards, food, drug and medical devices, practitioners, research, and digitization. The Ministry of Health governs healthcare provision and performance, while the SFDA regulates food, drugs, and devices. Other major entities include the Saudi Health Council, National CDC, Council of Health Insurance, NHIC, Commission for Health Specialties, CBAHI (accreditation agency), and Saudi NIH, collectively ensuring service quality, safety, research advancement, and effective healthcare system integration. Over the years, KSA has taken various steps to improve efficiency, accountability, and quality of healthcare in the country, including the latest ones as follows.

DRG: Saudi Arabia began the process to implement the Diagnosis-Related Groups (DRG) system in 2022, as part of Vision 2030 healthcare reforms, to shift from fee-for-service to value-based care. The model enhances efficiency, transparency, and accountability in healthcare spending. For patients, DRG promotes standardized, outcome-driven treatment and reduces unnecessary procedures. For hospitals, it drives cost control, resource optimization, and improved clinical outcomes. For insurance companies, DRG ensures predictable reimbursements and fraud prevention. For example, in pilot hospitals, appendectomy cases are reimbursed at a fixed package rate, encouraging hospitals to optimize care quality while avoiding excessive tests or procedures. While we await further developments in this regard and the official implementation of the system (we do not expect it before 2027), the preparations for implementation are currently taking place by private providers, as reflected in increasing hirings and widening the services portfolio and complexity, to get an optimal score for the provider.

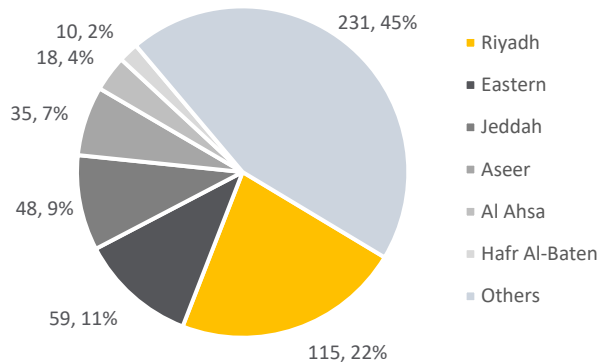
NAHPIES: Saudi Arabia launched the NAPHIES program in 2021, under the Council of Health Insurance and the Saudi Health Council, to create a unified digital platform for health and insurance data exchange. It was introduced to standardize transactions, enhance transparency, and improve claims efficiency. For patients, it ensures faster approvals, smoother service access, and greater data security. For hospitals, it streamlines billing, accelerates reimbursements, and reduces administrative errors. For insurance companies, it strengthens fraud prevention and enables real-time monitoring. For example, major hospitals connected to NAPHIES now process claims instantly, significantly reducing delays that previously stretched to weeks.

Accreditation and quality of healthcare: Saudi Arabia’s healthcare quality has improved in recent years, evidenced by lower neonatal mortality (3.6 per 1,000 live births in 2018 to 2.4 in 2022) and higher Saudi life expectancy (up from 75 in 2018 to 78.8 years in 2024). To drive this progress, the government introduced programs such as the Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI) and the National Accreditation Program for Health Facilities (NAP), which evaluate safety, infection control, and care quality. Global standards like HIMSS are also being adopted, emphasizing digital health maturity and advanced technologies. Such accreditations not only improve outcomes but also affect hospital pricing and reimbursement, as accredited facilities can negotiate better terms with insurers and receive higher rates from payers, including the Ministry of Health.

Supply dynamics of Hospitals and beds

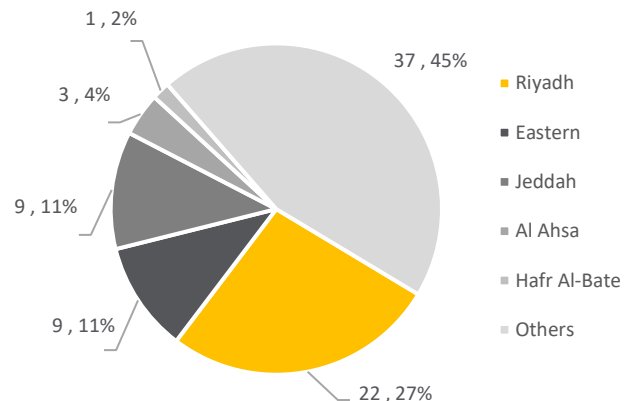
As of 2024, KSA had 516 hospitals, with the highest concentration in Riyadh (115 hospitals, 22% of total), followed by the Eastern region (59 hospitals, 11%) and Jeddah (48 hospitals, 9%). These three regions, which together account for ~38% of the population, house 43% of the Kingdom’s bed supply. Overall bed capacity increased from 68,879 in 2019 to 82,721 in 2024, implying a CAGR of 3.7% over 2019-24, led by Riyadh, Al Qaseem, Tabuk, and the Eastern region.

Figure 10: No. of hospital – breakdown by region, as of 2024



Source: MoH, GIB Capital.

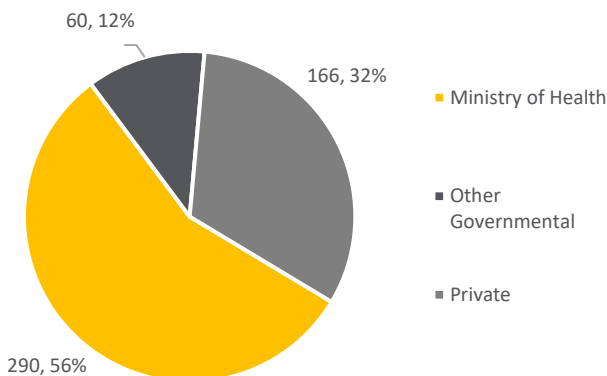
Figure 11: No. of beds ('000') – breakdown by region, as of 2024



Source: MoH, GIB Capital.

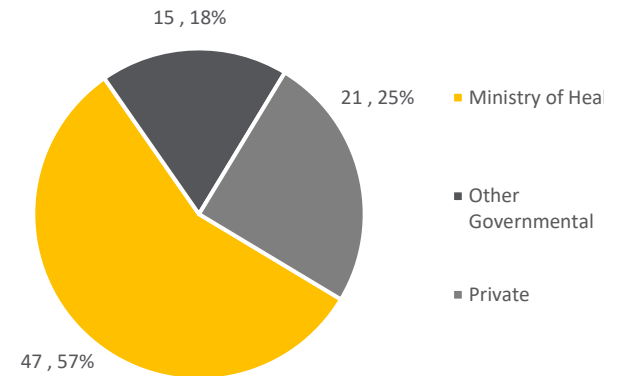
The public sector dominates the overall market, with the Ministry of Health and other government-owned hospitals accounting for 75% of the total available beds in KSA, and the remaining 25% owned by private-sector players.

Figure 12: Hospitals by the public & private sectors, as of 2024



Source: MoH, GIB Capital.

Figure 13: Beds (000') by public & private sectors, as of 2024



Source: MoH, GIB Capital.

KSA's hospitalization rate stood at 8.4% in 2022 (latest available data), well below the OECD average of 13.6%, highlighting significant growth potential in healthcare consumption. This gap is expected to narrow with rising capacity and broader access driven by the rollout of mandatory insurance. By 2028e, the Kingdom is projected to add ~12k new beds, helping address the acute care gap. Notably, the new bed supply will be led by the private sector, which is set to grow at a CAGR of 6.6% (vs. 2.5% for public), increasing its share from 25% in 2024 to 28% by 2028e.

Figure 14: Existing and upcoming hospitals

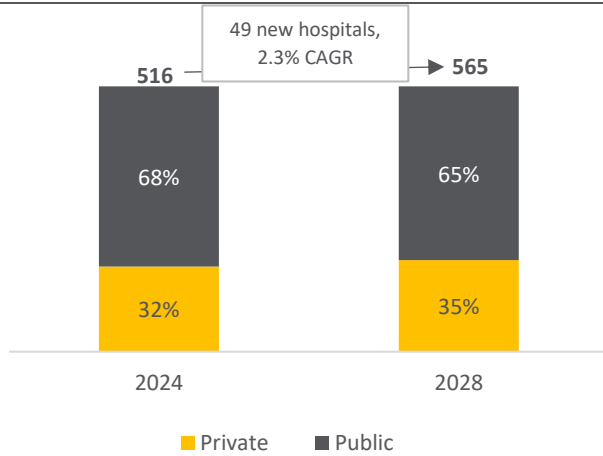
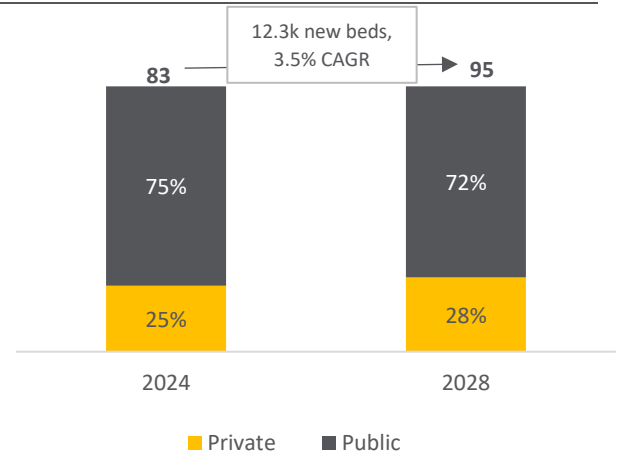


Figure 15: Existing and upcoming beds (000')



Source: MoH, MEED Projects, Company data, GIB Capital

Source: MoH, MEED Projects, Company data, GIB Capital

Between 2024 and 2028, the upcoming public bed supply in KSA will be concentrated in Riyadh, Asir, and Al Jouf, which together account for 65% of known announced projects. In the Eastern Region, supply remains limited, with a 500-bed facility in Khobar likely by 2025-26e and additional specialized cardiac care capacity planned by 2027. Major expansions include King Faisal Medical City (824 beds) and Military Medical City (150 beds) in Asir, and Prince Mohammad Abdulaziz Medical City (1,000 beds) in Al Jouf by 2027. On the private side, listed providers' bed supply grew +3,600 in 2024-25, driven mainly by AlHabib's expansions (+1,500 beds). Based on public companies' data, listed providers are expected to add ~5,000 beds by 2030e compared to the 2025 base (excluding potential acquisitions of other non-listed providers). More than 50% of these bed additions are expected to be in Riyadh, while Almoosa will drive growth in the Eastern Province, adding 700 beds by 2028-29e through new facilities in Al Hofuf (300 beds) and Khobar (400 beds).

Figure 16: Incremental beds supply in the public sector by 2028 –

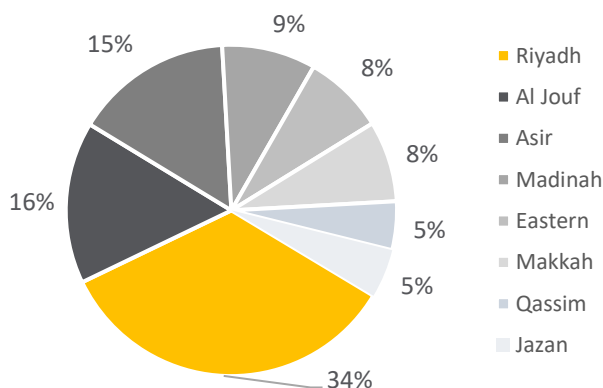
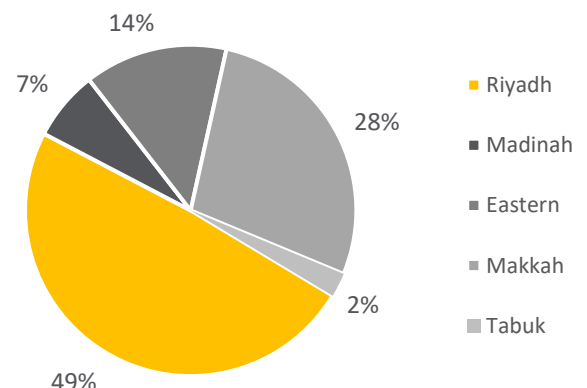


Figure 17: Incremental beds supply in the private sector by 2028



Source: MoH, MEED Projects, Company data, GIB Capital

Source: MoH, MEED Projects, Company data, GIB Capital, *exl PPP

Health Sector Transformation Program: A core pillar of Vision 2030, it aims to improve healthcare quality, efficiency, and accessibility across the Kingdom. The program focuses on shifting from a treatment-centric model to a preventive and value-based healthcare system. Key priorities include integrated care delivery, expanding private sector participation, and accelerated adoption of digital health solutions. Structural reforms such as hospital corporatization, health insurance expansion, and public-private partnerships are central to improving system sustainability. Over the medium to long term, the program is expected to enhance patient outcomes, improve operational efficiency, and create a more attractive environment for healthcare investment, supporting long-term sector growth.

Figure 18: Transformation program’s main metrics

Key Metrics	2023	2024	2030e
Health Service Coverage	96.4%	97.4%	99.5%
Average life expectancy	78.1	78.8	80
Unified digital health file	NA	30mn	100% of population
Virtual consultations	NA	51mn	Continued growth

Source: Vision 2030 website, MoH, GIB Capital

Riyadh is providing growth opportunities for private providers: Riyadh City remains the healthcare hub of KSA, hosting 27% of national beds (22,100 as of 2024) and recording a CAGR of 2.4% (2018–2024), reflecting its economic and demographic weight. The private sector in Riyadh grew faster, with a 4.4% CAGR over the period, reaching 7,428 beds, underscoring its rising importance. This growth is expected to continue, driven by population growth and broader insurance coverage. Even with the planned expansions, supply will likely lag population growth, as recent data show that the demand/supply gap is expected to widen from 575 beds in 2024 to 1333 beds by 2030e. Thus, increasing private beds in Riyadh is unlikely to cause market share cannibalization, but rather supports a strong case for capacity expansion by private providers, given the city’s favorable demand outlook and structural undersupply.

Insurance penetration in Riyadh indicates sufficient depth to absorb capacity expansions, especially for premium providers: According to the latest data from the Council of Health Insurance, the number of insurance beneficiaries in the Riyadh region has reached 9.4mn, representing 65% of the total beneficiaries in Saudi Arabia. Of these beneficiaries, 30% have VIP/A class insurance coverage, translating into ~2.82mn beneficiaries. For benchmarking purposes, as premium providers, we consider Al Habib, Dallah, and Fakeeh as peer competitors in Riyadh. Based on current bed capacity for the four players and our estimation of VIP/A insurance beneficiaries in the Riyadh region, we derive a current multiple of 731 patients per premium bed in the region.

Our analysis suggests that every 100 beds requires a coverage of around 60,000 insured patients to achieve optimal utilization rates equivalent to a multiple of 600 patients per bed. This benchmark is notably lower than the current level of 731 patients per bed, underscoring the strength of existing demand. It's worth highlighting that, under current insurance figures, without factoring in population growth or higher insurance penetration, the market would only converge to the optimal multiple of 600 patients per bed when Al Hammadi, Al Habib, Fakeeh, and Dallah successfully deliver their planned expansions by 2029e. In our view, this demonstrates the resilience of Riyadh's healthcare market and its capacity to absorb additional bed supply while maintaining healthy utilization levels for the premium healthcare providers.

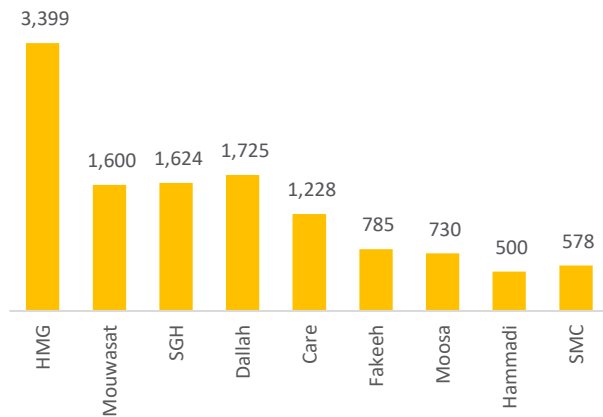
Competitive Landscape – Major private players

The private healthcare sector in KSA is led by major hospital chains such as Al Habib Medical Group (HMG), Saudi German Hospital (SGH), and Mouwasat, which currently account for +50% of the listed companies' total bed capacity. While HMG and SGH maintain a well-diversified presence across the country, Mouwasat and Moosa dominate the Eastern Province (inc. Al Ahsa) with a total bed market share of 8% and 4%, respectively, as of 3Q25

However, the competition scene is intensifying in the region post Dallah's recent acquisition of 5% of the region's beds, which might incentivize regional premium providers to diversify geographic presence. In contrast, providers such as Hammadi, Dallah, and Care serve the Riyadh region, which remains the expansion hub in the near future, driven by its favorable demographic and macro dynamics. For the Western region, as Al Habib, the most dominant brand in the private sector, penetrated the Jeddah market via 680 beds in 2 hospitals in the last two years, the region is currently getting more competitive for legacy players in the region, like Fakeeh and SGH.

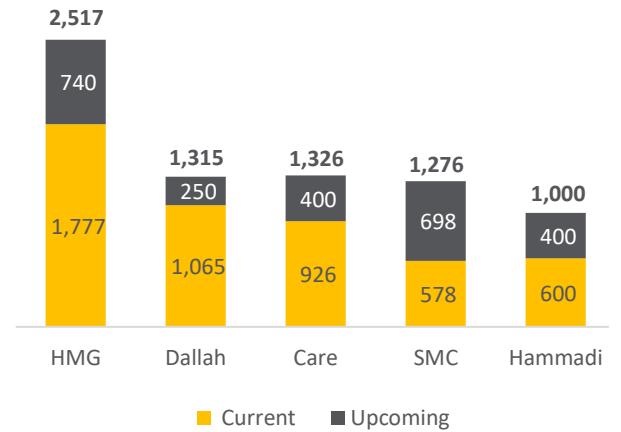
We view the competitive scene in the sector stemming from, and concentrated on, the high population and economic concentration in the major areas. However, urbanization in Riyadh and the expected population growth are likely to absorb the upcoming additions. For regionally focused players like Mouwasat, pursuing geographic diversification and penetrating areas like Abha & Yanbu, given its focus on Class-B patients, could likely mitigate the competition impact. In general, we believe that the current level of competition is likely to be mitigated by private providers via different strategies, in addition to favorable macro factors in the long run. The aging of the young population, healthcare privatization, and the increasing insurance coverage are key factors for sustaining demand for healthcare services in the future. Hence, we are positive about the sector's prospects and its ability to contain the current planned expansions.

Figure 19: No. of beds for major private players – as of 3Q25



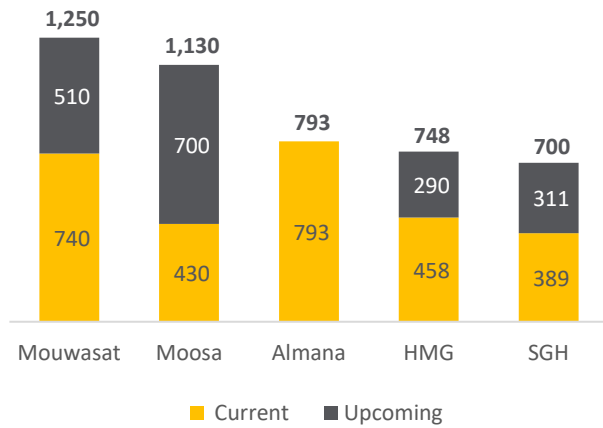
Source: Company data, Argaam, GIB Capital

Figure 20: Major private players in Riyadh by beds



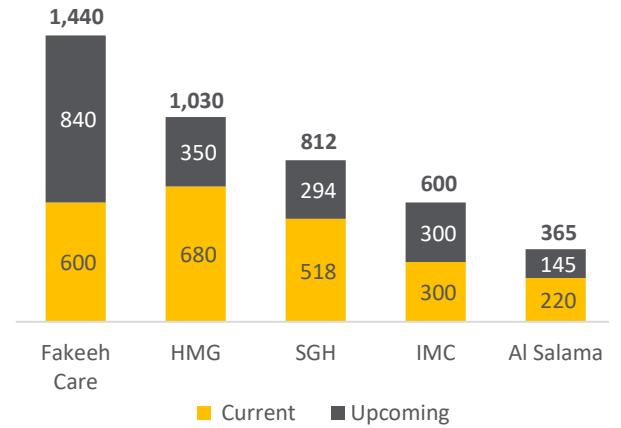
Source: MoH, Company data, JLL Analysis, Argaam, GIB Capital

Figure 21: Major private players in the Eastern region by beds



Source: MoH, Company data, JLL Analysis, Argaam, GIB Capital

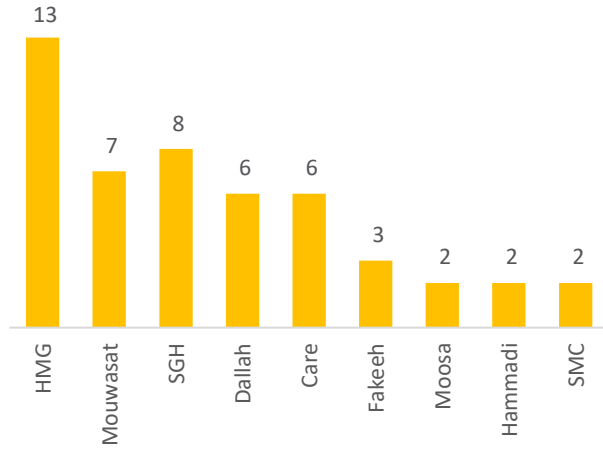
Figure 22: Major private players in the Western region by beds



Source: MoH, Company data, JLL Analysis, Argaam, GIB Capital

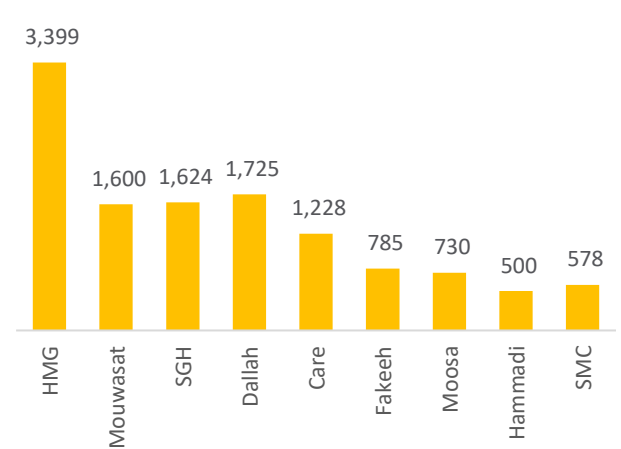
Peer analysis in charts

Figure 23: No. of hospitals (consolidated) – as of 3Q25



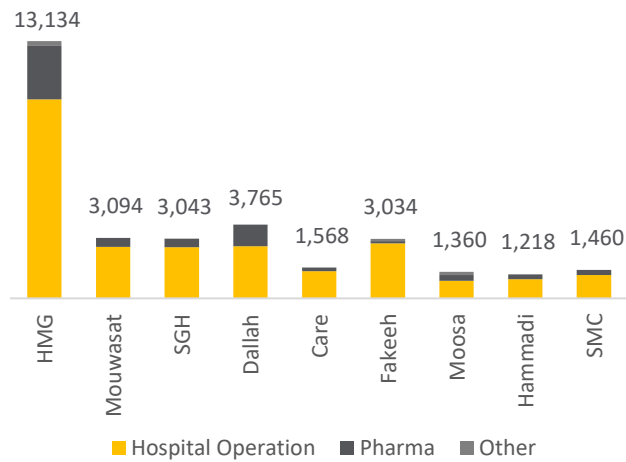
Source: Company data, Argaam, GIB Capital

Figure 24: No. of beds (consolidated) – as of 3Q25



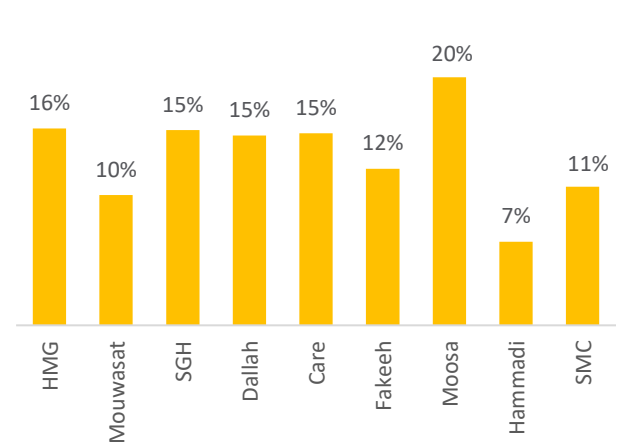
Source: Company data, Argaam, GIB Capital

Figure 25: Revenue mix – TTM as of 3Q25 (SARmn)



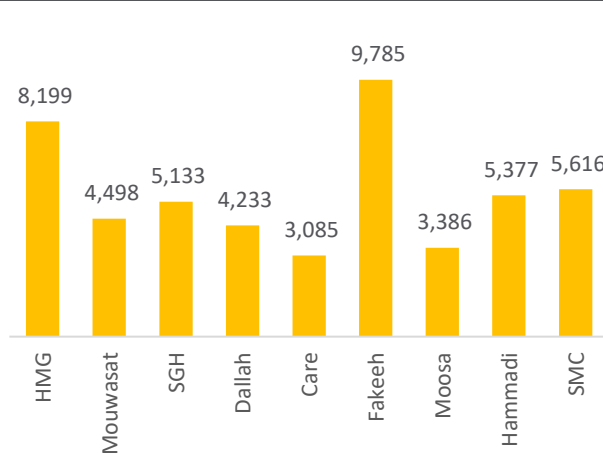
Source: Company data, Argaam, GIB Capital

Figure 26: Revenue CAGR – 2021-24



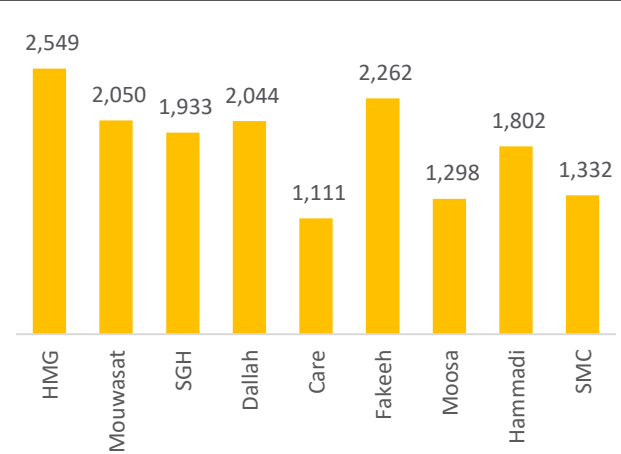
Source: Company data, Argaam, GIB Capital

Figure 27: Daily avg revenue per bed (SAR) – TTM as of 3Q25



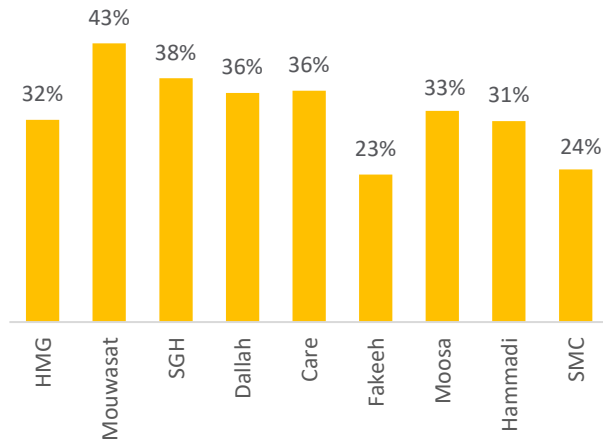
Source: Company data, Argaam, GIB Capital

Figure 28: Daily gross profit per bed (SAR) – TTM as of 3Q25



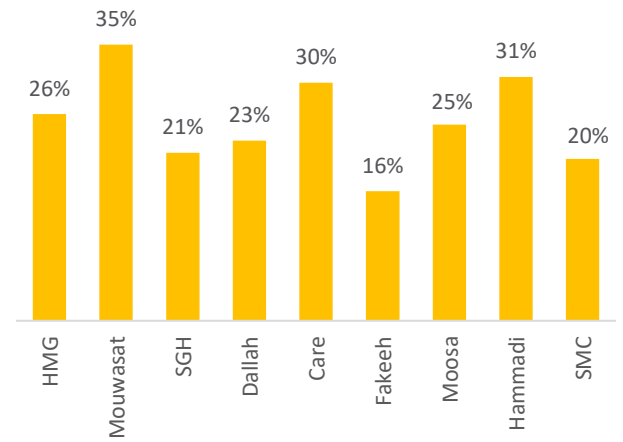
Source: Company data, Argaam, GIB Capital

Figure 29: Gross margin – TTM as of 3Q25



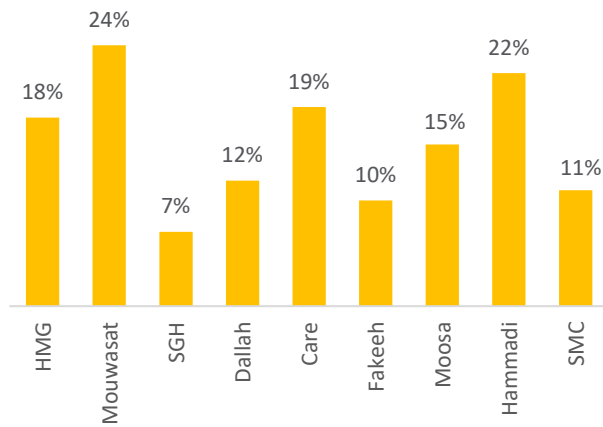
Source: Company data, Argaam, GIB Capital

Figure 30: EBITDA margin – TTM as of 3Q25



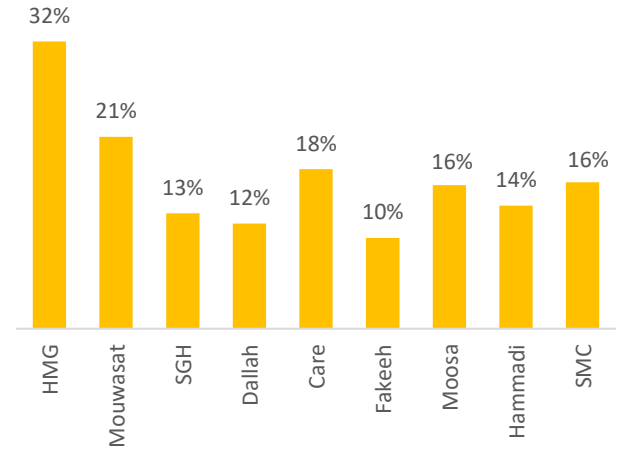
Source: Company data, Argaam, GIB Capital

Figure 31: Net margin – TTM as of 3Q25



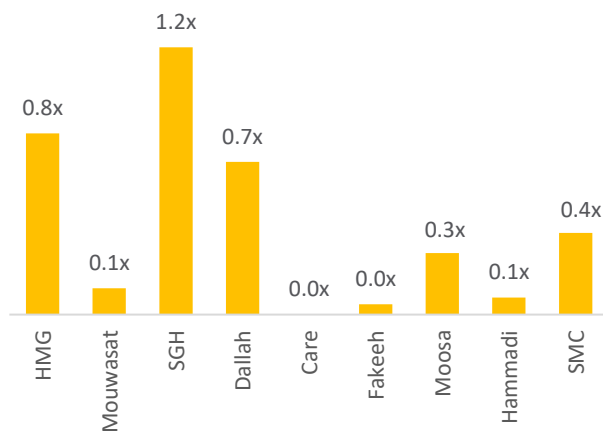
Source: Company data, Argaam, GIB Capital

Figure 32: ROE – TTM as of 3Q25



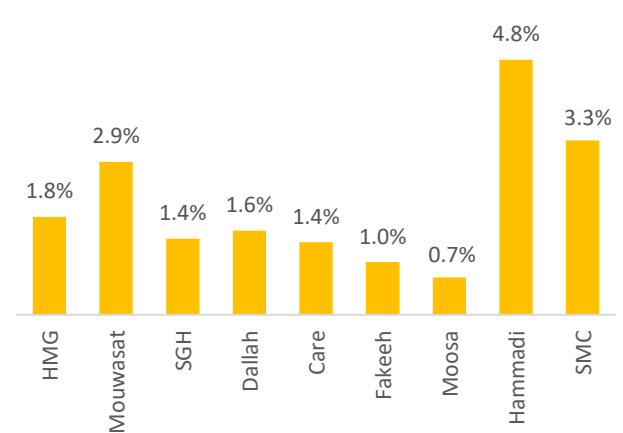
Source: Company data, Argaam, GIB Capital

Figure 33: Net debt/equity – as of 3Q25



Source: Company data, Argaam, GIB Capital

Figure 34: Dividend yield - 2024



Source: Company data, Argaam, GIB Capital

Target Price: SAR300/share
Current Price: SAR258.60/share
Upside: 16% (+Div. Yield: 2.3%)
Rating: Overweight

Dr. Sulaiman Al Habib Medical Services Group

Market leadership strengthens as new capacity ramps up

- Having passed the peak expansion phase, ramp-up will drive growth, with a few new hospitals set to launch in the coming years.
- Expect top line to grow 11% over 2025-30e driven by increasing utilization and capacity addition; Earnings to grow ~14% over the period with a gradual margin expansion.
- Initiate with a TP at SAR300/share using equal weights of DCF and P/E valuations with an “Overweight” rating.

AlHabib to maintain leadership position with further market penetration: AlHabib Group operates 13 premium-service hospitals across KSA's main regions and Dubai as of 3Q25, with expected penetration into other cities in KSA by 2030e. Al Habib commanded +11% of bed market share among private providers in 2024, and with newly added capacity (1566 beds during 2024-25), this share likely increased to ~14% by 3Q25. Its service offering spans the full continuum of care, from primary services to advanced surgical procedures, with a strategic focus on premium insurance segments (A/VIP). In addition, the group has begun expanding its outpatient footprint, opening a medical center in Khobar in Feb-25 and two more centers were planned in Riyadh during 2025. We view this as a strategic move to penetrate the Class-B insurance segment and capture higher patient volumes. We believe AlHabib is exceptionally well-positioned competitively, supported by strong brand equity and strong bargaining power with insurers. This advantage is likely to remain durable, given the group's scale leadership in both capacity and service breadth. While the specifics of the DRG pricing framework remain uncertain, Al Habib's current metrics suggest it is likely to rank among the highest scorers. We believe this position will help safeguard the group's competitive advantage and leadership once the system is implemented.

Major expansion wave concludes with a few regional expansions in pipeline: Al Habib expanded its total bed capacity by approximately 81% during 2024–25 versus 2023, reaching around 3.5k beds. The bulk of this growth came from major additions such as the 500-bed Northern Riyadh Hospital and the 680 beds introduced through two newly opened hospitals in Jeddah. The group also executed smaller-scale expansions, including Sehat Al Kharj (145 beds) and the Women's Health Hospital (145 beds).

Figure 35: Key financial metrics

SARmn	2024a	2025a	2026e	2027e
Revenue	11,200	13,707	16,262	18,004
Revenue growth	18%	22%	19%	11%
Gross profit	3,744	4,207	5,138	5,839
Gross margin	33%	31%	32%	32%
Operating profit	2,356	2,619	3,242	3,757
Operating margin	21%	19%	20%	21%
Net profit	2,315	2,401	3,000	3,467
Net profit growth	13%	4%	25%	16%
Net profit margin	21%	17%	19%	20%
EPS (SAR)	6.6	6.9	8.6	9.9
DPS (SAR)	4.8	4.8	6.0	7.0
P/E	39x	38x	30.2x	26.1x
EV/EBITDA	33x	28x	23x	21x

Source: Company's report, GIB Capital

Stock data	
TASI ticker	4013
Mcap (SARmn)	90,930
Avg. Trd. Val (3m) (SARmn)	49.2
Free float	29.1%
QFI holding	6.8%
TASI FF weight	2.22%

Source: Bloomberg, Tadawul

TASI vs Al Habib indexed to 100



Source: Bloomberg

With these flagship projects now completed alongside a strengthened presence in the key metropolitan markets of Riyadh and Jeddah, we believe the group has moved past the peak of its expansion cycle. Looking ahead, regional projects are planned in Tabuk (140 beds by 2028e), Dammam (211 beds), Jubail (145 beds), and Riyadh (217 beds), all by 2029e, requiring an initial estimated costs of SAR3bn and expected to add roughly 17% to current capacity. Accordingly, we assume a stable bed base of ~3.5k for 2025–27e in our forecasts, with the four planned hospitals driving total capacity toward ~4182k beds by 2030e.

Focus on volume to accelerate operations in new hospitals and drive growth: AlHabib delivered a solid 22% y/y top-line growth in 2025, following ~18% y/y growth in 2024. This performance was primarily driven by incremental capacity added between 1Q24 and 2Q25, as well as by new pharmacies. Meanwhile, we believe that most of the growth of 2025, as indicated by the 9M25 performance, originated from newly opened hospitals, while previously existing facilities posted mid-single-digit growth rates. The new facilities are ramping at different speeds: North Riyadh Hospital reached break-even within its first 6M of operation, while the South-West and North Jeddah hospitals are approaching this point. Nearly all newly opened hospitals are already generating positive EBITDA. These dynamics translated into a group-wide utilization rate of roughly 57% for operating beds in 9M25.

With the group now prioritizing volume growth to accelerate the ramp-up of new hospitals, we expect utilization rates to rise steadily through 2026–28e. Some temporary pressure may emerge in 2029 with the planned addition of ~713 beds across four new hospitals. Overall, we forecast revenue to reach ~SAR16.3bn in 2026e (~19% y/y), largely supported by hospitals and , driven by a full-year contribution from the newly added capacity across both hospital and pharmacy segments. Moreover, we highlight that despite the small contribution on the aggregate level, the “HMG Solutions” segment is expected to post strong growth starting in 2026e, as a SAR 2bn, five-year contract begins to impact financials. Looking further ahead, we forecast the top-line to reach around SAR 22.7bn by 2030e, implying a CAGR of roughly 11% over 2025–30e.

Margins to be under pressure in the mid-run with a gradual improvement: AlHabib’s gross profit margin contracted by 3pps y/y in 2025, declining from 33.4% to 30.7%, primarily due to ramp-up pressure from newly opened hospitals. However, we expect gradual margin improvement starting in 2026e, driven mainly by a healthy performance in new facilities (particularly North Riyadh and North Jeddah) in terms of both volume and profitability. Hence expect a gross margin of 31.6% in, with a clearer margin recovery in 2027e to 32.4%, supported by scalability and efficiencies. On the other hand, a new wave of capacity additions across four hospitals in 2028–29e is likely to slow margin expansion temporarily and could push achievement of management’s ~34.5% target (the 2023 level) beyond 2030e. Overall, we forecast an average gross margin of approximately 32.3% over 2025–30e.

Healthy earnings growth despite higher finance expenses: Following new hospital openings, finance expenses increased sharply in 9M25, rising 1.7x y/y to ~SAR250mn, and we expect them to reach around SAR330mn by year-end 2025 (awaiting the detailed financial statements disclosure from the company), equivalent to ~14% of expected net income (vs. 7% in 2024). Looking ahead, our leverage outlook and projects timeline suggest that finance costs will remain largely elevated in the mid-run, averaging about SAR318mn annually over 2026–30e, with a downward trajectory toward ~SAR288mn by 2030e, as borrowings decline.

We therefore forecast net income of SAR3bn in 2025e (+25% y/y), driven by top line growth and margin expansion, reflected in an NM of 18.5% compared to 17.5% in 2025. Earnings momentum should improve in 2027–28e as operational scalability eases margin pressure, before moderating again in 2029–30e amid the ramp-up of new capacity. Overall, we conservatively project a ~14% CAGR in net income over 2025–30e, reaching ~SAR4.7bn by 2030e.

Rising leverage but remains manageable: AlHabib's borrowings increased meaningfully over 2024–25e as the group financed the opening of several new facilities. Total CAPEX reached ~SAR10.3bn in 2023–25, driving the loan balance from around SAR5bn in 2023 to roughly SAR8.5bn by September 2025 (likely remained at the same level by Dec 2025). As a result, the net D/E ratio rose to 0.8x over the same period, compared with just 0.3x in 2023. Looking ahead, management expects to deploy more than SAR 10.6bn (including new hospitals and renovations of existing hospitals) in CAPEX over 2026–29e, averaging about SAR 2.7bn per year. Consequently, outstanding debt is likely to remain elevated in the medium term, averaging close to SAR9bn over 2025–30e. Even so, we remain confident in the group's ability to manage its balance sheet effectively, supported by strong cash flow generation (negative cash converging cycle as of 2025), keeping leverage contained at an average net debt-to-equity ratio of around 0.6x, with a gradual decline expected through 2030e. Accordingly, we anticipate AlHabib will be able to deliver its planned expansion projects, while maintaining its current dividend payout levels, averaging roughly 70% over the same period.

Valuation

We use an equal mix of P/E multiple and DCF methods for valuing the company. For relative valuations, we use a 35x multiple on 2026e EPS and arrive at a P/E-based target price (1 year forward) of SAR300.0/share. As for DCF, based on a WACC of 8.3% and a 4.5% terminal growth rate, we derive SAR300.0/share as the DCF-based target price (1 year forward). We arrive at an equal-weight average target price of **SAR300.0/share** (1 year forward), implying an upside of 20% from the current price. We initiate on the stock with an “**Overweight**” stand.

Figure 36: DCF Valuation

DCF model (In SARmn)	2026e	2027e	2028e	2029e	2030e
EBIT	3,242	3,757	4,253	4,505	4,963
Zakat	(49)	(72)	(82)	(88)	(97)
EBIT minus taxes	3,193	3,685	4,171	4,417	4,866
(+) Depreciation & amortization	747	841	925	965	992
(+/-) Change in working capital	254	157	177	134	128
(-) Capex	(2,865)	(2,998)	(3,216)	(1,310)	(866)
(-) Lease payment	(115)	(114)	(113)	(118)	(134)
FCF	1,213	1,572	1,943	4,088	4,986
Terminal Value					138,790
Enterprise value of the explicit period	10,323				
PV of Terminal Value	93,355				
Total Enterprise Value	103,679				
(-) Debt, incl. lease liabilities	(9,044)				
(+) Cash	2,360				
(-) Minority	(487)				
(-) Pension/other liabilities	(840)				
(+) Investments	472				
Equity value	96,141				
Number of shares	350				
Equity value per share	275				
Target price (one year forward)	300				
Cost of Equity	9.2%				
Cost of debt	6.0%				
Target D/A	30.0%				
WACC	8.3%				

Source: GIB Capital

DCF sensitivity analysis

Figure 37: Sensitivity of WACC and terminal growth

		Terminal growth				
		3.5%	4.0%	4.5%	5.0%	5.5%
W A C C	7.3%	312	361	427	522	671
	7.8%	270	306	354	418	512
	8.3%	237	265	300	347	410
	8.8%	210	232	260	294	340
	9.3%	187	205	227	254	289

Source: GIB Capital

Peer multiples

The KSA healthcare universe is currently trading at a 1Y Fwd P/E of ~21x for 2026e, on average, representing a ~27% discount to its five-year average of ~29x. This re-rating follows a ~29% correction in the TASI healthcare index since its April 2024 peak. Al Habib, which has historically commanded a premium to peers with an average forward P/E of ~41x since listing, now trades at a 1Y Fwd P/E of ~30x. In our valuation, we apply a 35x P/E, representing a ~15% discount on the stock's historical average but aligned with the sector's revised multiple framework. However, this multiple still reflects a premium compared to peers, which we believe remains justified given Al Habib's competitive positioning, market leadership, and strong long-term growth outlook.

Figure 38: Peer valuations

	Country	Mkt Cap (USDmn)	P/E (TTM)	P/E FY26	P/E FY27	P/B (TTM)	P/B FY26	DY FY26
HMG	KSA	24,245	38x	30x	26x	12x	10x	2.3%
Al Hammadi	KSA	1,142	16x	14x	12x	2x	2x	4.3%
Mouwasat	KSA	3,656	18x	17x	15x	4x	3x	3.2%
Dallah	KSA	3,128	21x	22x	19x	3x	3x	1.9%
Saudi German	KSA	885	9x	10x	11x	2x	2x	1.7%
SMC	KSA	1,363	N.A.	21x	15x	5x	5x	3.1%
Care	KSA	1,901	21x	21x	18x	4x	4x	1.5%
Almoosa	KSA	1,791	30x	N.A.	N.A.	3x	N.A.	N.A.
Fakeeh	KSA	2,153	27x	26x	22x	3x	2x	0.8%
Average			21x	21x	17x	3x	3x	2.1%
Median			23x	20x	17x	4x	4x	2.3%

Source: Bloomberg, GIB Capital. As of 12th Feb 2026.

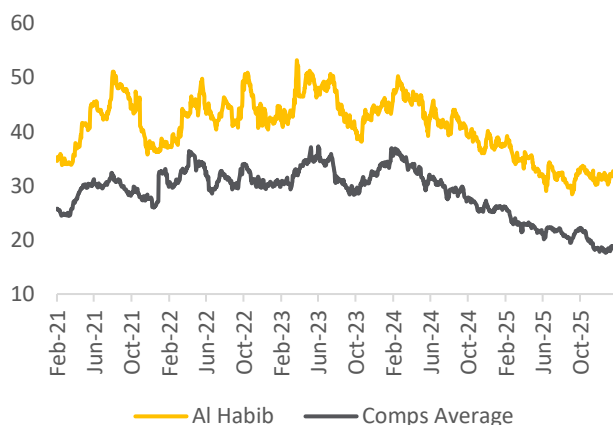
P/E sensitivity analysis

Figure 39: Sensitivity of P/E multiple and 2026 EPS

		P/E multiple				
		31x	33x	35x	37x	39x
EPS	7.6	235	250	265	280	295
	8.1	250	266	283	299	315
	8.6	266	283	300	317	334
	9.1	281	299	318	336	354
	9.6	297	316	335	354	373

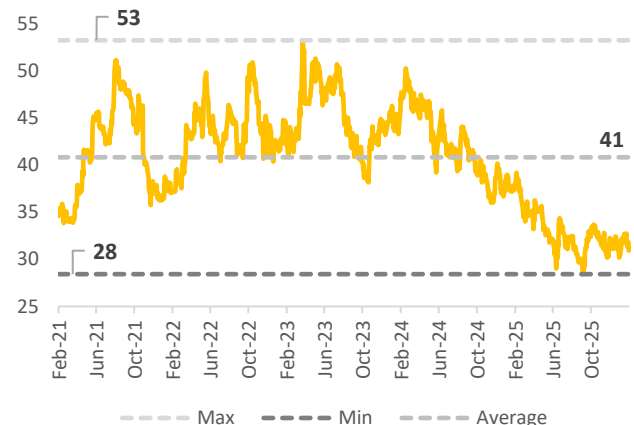
Source: GIB Capital

Figure 40: AlHabib 1Y Fwd P/E vs. comps trend – 5Y



Source: Bloomberg, GIB Capital

Figure 41: AlHabib 1Y Fwd P/E trend – 5Y



Source: Bloomberg, GIB Capital

Figure 42: Blended valuation

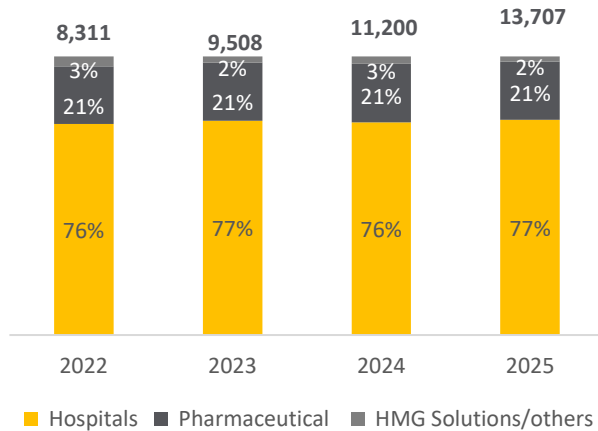
Valuation Method	Weight (%)	TP (SAR/sh)
DCF	50%	300.0
P/E	50%	300.0
Average 1Y forward target price (SAR)		300.0

Source: GIB Capital

Company profile

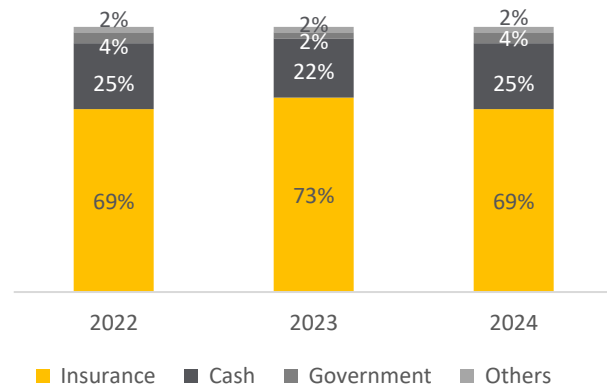
Dr. Sulaiman Al Habib is the largest hospital chain operator in Saudi Arabia. As of 4Q25, the Group operates 13 hospitals, well diversified across KSA and one in Dubai, with a total bed capacity of ~3,500. HMG's core operations include developing, managing, and operating hospitals, pharmacies, and diagnostic labs. It also provides third-party management, including NEOM clinics. The Group owns Middle East Pharmacies in Saudi Arabia and PharmaChoice in Dubai. Revenue is generated from three segments: Medical Services/Hospital Operations (~77% of total revenue), Pharmaceuticals (~21%), and HMG Solutions/Others (2%).

Figure 43: Revenue by business segments (SARmn)



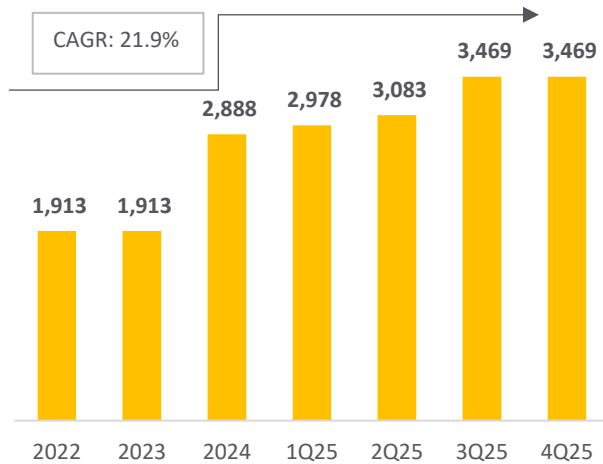
Source: Company data, GIB Capital

Figure 44: Revenue mix by customer type



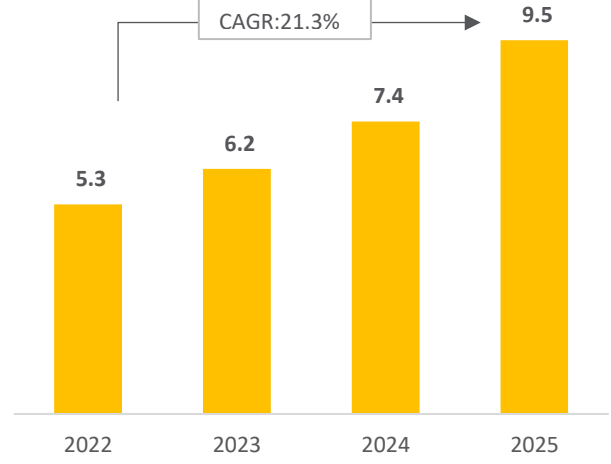
Source: Company data, GIB Capital

Figure 45: Total no. of beds



Source: Company data, GIB Capital

Figure 46: Total no. of patients served (mn)



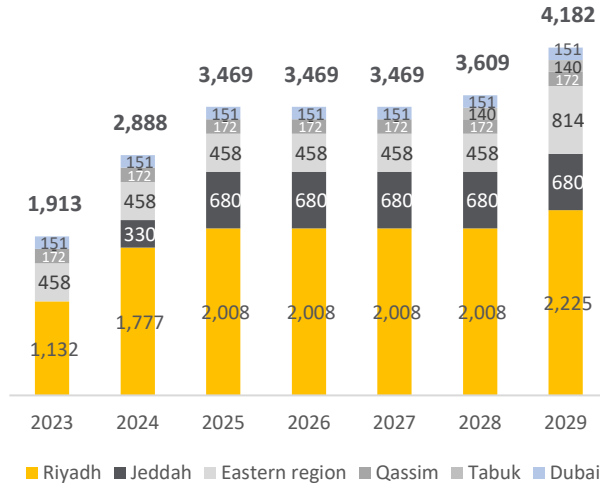
Source: Company data, GIB Capital

Hospital Operations

In recent years, HMG has rapidly expanded its footprint across the Kingdom, increasing its hospitals from 7 in 2023 to 10 in 2024, and adding 3 more in 1H25, reaching 13 hospitals with 3,469 beds by 4Q25, reflecting a ~22% CAGR over 2023–2025. Of the 1,556 new beds added, 56% were in Riyadh Region and 44% in Jeddah, strengthening its presence in key cities to meet the growing demand. HMG now operates over 60 specialties, with Centers of Excellence in cardiology, oncology, orthopedics, and several others.

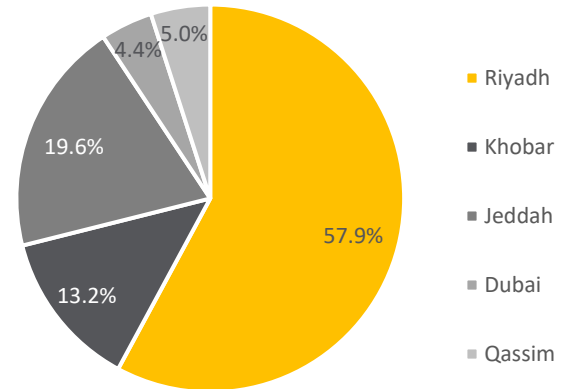
Additionally, the Group plans to add four more hospitals by 2029e: a 140-bed facility in Tabuk, currently under construction and expected to open by end-2027e, a 145-bed hospital in Jubail, a 211-bed hospital (including critical & inpatients) in Dammam, and a 217-bed hospital (including critical & inpatients) , all scheduled for inauguration by 2029e.

Figure 47: Current and upcoming no. of beds



Source: Company data, GIB Capital

Figure 48: Beds mix by city, as of 4Q25

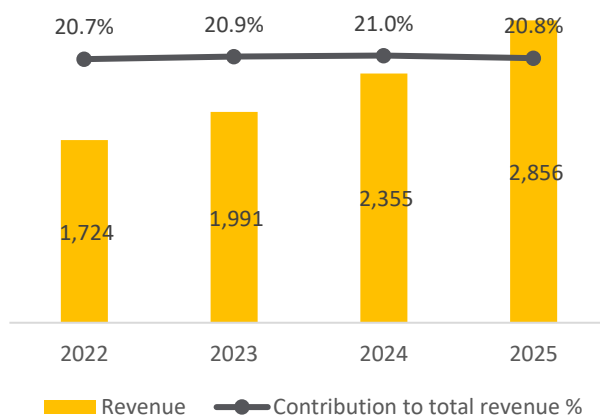


Source: Company data, GIB Capital

Pharmaceutical business

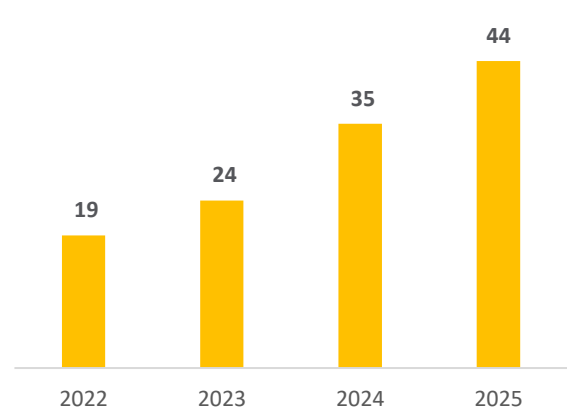
The Pharma segment primarily represents revenue from selling diverse medical and consumable products that include all kinds of medicines and medical and cosmetic supplies to cover patients' needs at in-house pharmacies across the facilities. As of 4Q25, the Group operates 44 pharmacies compared to 35 in 4Q24. Notably, a few of these added branches were outside its facilities, including one at King Khalid International Airport. Over the medium term, HMG set an ambitious target contribution for the segment to revenues starting the next year. Alongside its offline expansion, the Group maintains a strong and growing e-pharmacy platform, in which the company aims to generate 10% of pharmacy revenue. The Pharma segment has consistently contributed ~21% of annual revenue in recent years, recording a 18% CAGR over 2022–25.

Figure 49: Pharma segment revenue trend (SARmn)



Source: Company data, GIB Capital

Figure 50: Pharmacies' growth



Source: Company data, GIB Capital

HMG Solutions and others

This business segment includes a wide range of healthcare and support services provided to both internal and external clients through its specialized subsidiaries. These include diagnostic and home healthcare services, advanced health IT solutions, and revenue cycle management. It has also introduced telemedicine solutions to improve patient care, as well as medical equipment maintenance and facility management services. Additionally, HMG has expanded into higher education through Dr. Sulaiman Al Habib for Education Company and manages real estate operations via Wrass Real Estate Company. More recently the group signed an operation and management (O&M) contract in September 2025 for 2 hospitals with Red Sea Real Estate Co, and with AMAALA Co. The group expects to generate ~SAR2bn in 5 years from those contracts starting in 4Q25.

Collectively, these initiatives strengthen service quality, enhance patient experience, and diversify revenue streams beyond core hospital operations and generate ~3% of the group’s revenue annually over the medium term.

Associate and equity investments

HMG has investments in several companies that operate in related or support industries, including a 50% stake in Ajaji Dental, a Riyadh-based provider of specialized medical complexes and day surgery centers. It also holds a 17.5% interest in Tamkeen Human Resources, which offers recruitment and labor services across public and private sectors, and a 40% stake in Eraf Medical, focused on home healthcare services. Additionally, the Group has invested in the NLC Health Impact Fund in Amsterdam, providing access to global healthcare expertise and venture investment opportunities.

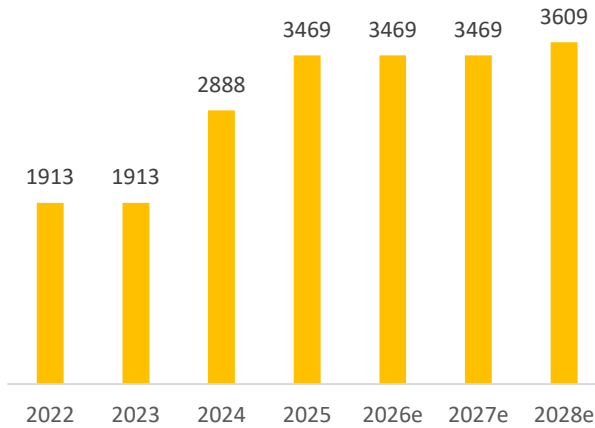
Figure 51: Associates and others – as of 2024.

Associate name	Stake	Investment value (SARmn)	Share of profit/(loss) (SARmn)	Dividend (SARmn)
Ajaji Dental	50.0%	37.3	(0.5)	3.5
Tamkeen	17.5%	117.8	21.1	8.8
Eraf	17.5%	1.8	0.4	-
NLC	NA	8.5	-	-

Source: Company data, GIB Capital

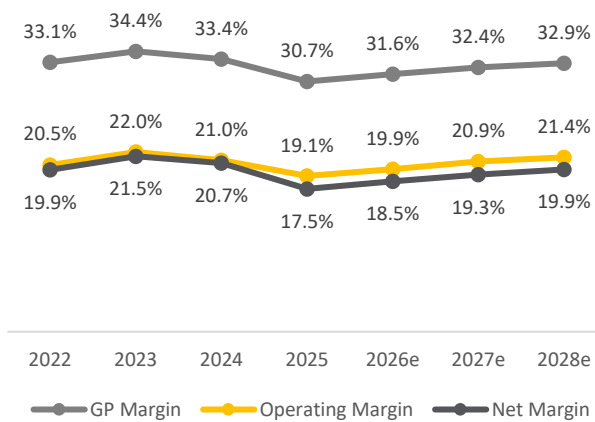
Financial analysis in charts

Figure 52: Bed capacity development



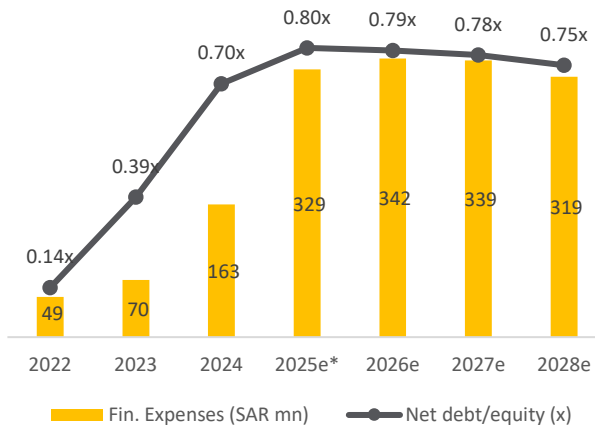
Source: Company data, GIB Capital.

Figure 54: Margins trend



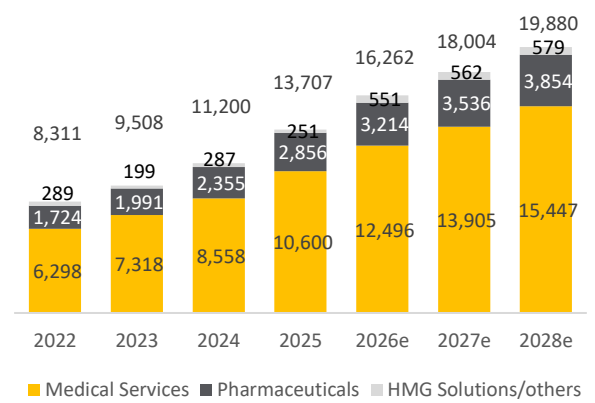
Source: Company data, GIB Capital

Figure 56: Leverage trend



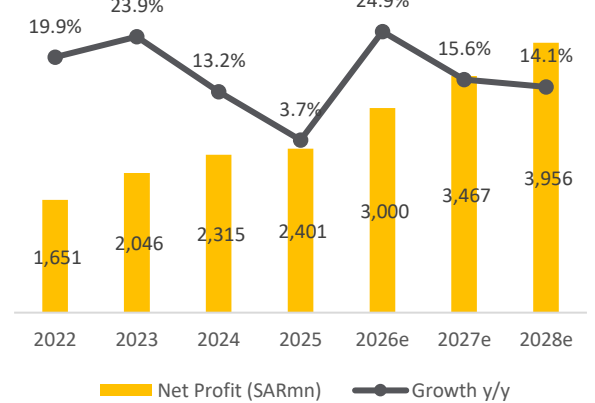
Source: Company data, GIB Capital. *Estimated awaiting detailed financials disclosure

Figure 53: Revenue trend (SARmn)



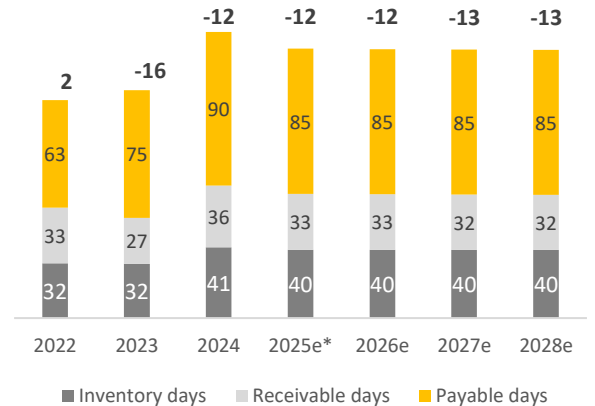
Source: Company data, GIB Capital

Figure 55: Earnings trend (SARmn)



Source: Company data, GIB Capital.

Figure 57: Cash conversion cycle (days)



Source: Company data, GIB Capital. *Estimated awaiting detailed financials disclosure

Financials

Figure 58: Summarized basic financial statements (SARmn)

Income statement	2023a	2024a	2025e*	2026e	2027e	2028e
Revenue	9,508	11,200	13,707	16,262	18,004	19,880
revenue y/y	14%	18%	22%	19%	11%	10%
COGS	(6,238)	(7,456)	(9,500)	(11,124)	(12,165)	(13,334)
Gross Profit	3,270	3,744	4,207	5,138	5,839	6,546
Gross Profit margin	34%	33%	31%	32%	32%	33%
G&A expenses	(772)	(892)	(1,126)	(1,284)	(1,412)	(1,567)
Selling & marketing expenses	(403)	(496)	(847)	(613)	(670)	(725)
Operating profit	2,096	2,356	2,619	3,242	3,757	4,253
Operating margin	22%	21%	19%	20%	21%	21%
Finance costs	(70)	(163)	(329)	(342)	(339)	(319)
Other income	144	219	205	211	192	186
PBT	2,170	2,413	2,391	3,110	3,610	4,120
Zakat/tax	(69)	(43)	(39)	(49)	(72)	(82)
Non-controlling interest	55	55	49	61	71	81
Net income	2,046	2,315	2,401	3,000	3,467	3,956
Net margin	22%	21%	17%	19%	20%	20%
y/y	24%	13%	4%	25%	16%	14%
EPS	5.8	6.6	6.9	8.6	9.9	11.3
DPS	4.3	4.8	4.8	6.0	7.0	7.9
Payout	74%	72%	70%	70%	71%	70%
EBITDA	2,531	2,975	3,464	4,182	4,773	5,345
EBITDA margin	27%	27%	25%	26%	27%	27%

Balance Sheet	2023a	2024a	2025e*	2026e	2027e	2028e
Inventories	543	847	1,032	1,219	1,333	1,461
Trade receivables	703	1,110	1,235	1,450	1,597	1,754
Prepayments and other assets	271	471	577	685	758	837
Cash and cash equivalents	2,620	2,891	2,360	2,403	2,171	1,054
Total Current Assets	4,138	5,319	5,204	5,757	5,859	5,106
Property and equipment	11,163	14,773	17,208	19,326	21,483	23,774
Investment in associate	198	165	172	180	187	195
Investment in Sukuk	300	300	300	300	300	300
Total Non-Current Assets	11,660	15,239	17,681	19,806	21,970	24,269
Total Assets	15,798	20,558	22,884	25,563	27,829	29,375
Current Liabilities	3,299	4,162	4,784	5,633	6,180	6,785
Non-current Liabilities	5,733	8,783	9,728	10,593	11,228	10,910
Equity	6,766	7,613	8,373	9,337	10,420	11,680
Total Equity and Liabilities	15,798	20,558	22,884	25,563	27,829	29,375
BVPS	19	22	24	27	30	33

Cashflow	2023a	2024a	2025e*	2026e	2027e	2028e
Cashflow from Operations	3,244	2,970	3,883	4,705	5,161	5,785
Cashflow from Investing	(3,487)	(3,775)	(3,082)	(2,855)	(2,987)	(3,205)
Cashflow from Financing	116	1,075	(1,332)	(1,806)	(2,405)	(3,697)
Total Cashflows	(127)	270	(531)	43	(232)	(1,117)

Source: Company, GIB Capital. * Some items are estimated, awaiting disclosure of detailed financials.

Figure 59: Key ratios

Key ratios	2023a	2024a	2025e*	2026e	2027e	2028e
Profitability ratios						
RoA	14.4%	12.7%	11.1%	12.4%	13.0%	13.8%
RoE	33.1%	33.9%	31.9%	36.0%	37.3%	38.1%
Sales/Assets	60%	54%	60%	64%	65%	68%
Net margin	22%	21%	18%	18%	19%	20%
Liquidity ratios						
Current ratio	1.3x	1.3x	1.1x	1.0x	0.9x	0.8x
Quick ratio	1.1x	1.1x	0.9x	0.8x	0.7x	0.5x
Inventory days	32	41	40	40	40	40
Receivable days	27	36	33	33	32	32
Payable days	75	90	85	85	85	85
Cash conversion cycle	-16	-12	-12	-12	-13	-13
Debt ratios						
Net Debt/EBITDA (w/o IFRS liab.)	2.0x	2.6x	2.5x	2.2x	2.1x	1.8x
Net Debt/EBITDA (w/ IFRS liab.)	2.1x	2.8x	2.6x	2.3x	2.2x	1.8x
Debt/Assets (w/o IFRS liab.)	0.3x	0.4x	0.38x	0.37x	0.35x	0.32x
Net Debt/Equity (w/o IFRS liab.)	0.3x	0.6x	0.7x	0.7x	0.7x	0.7x
Net Debt/Equity (w/ IFRS liab.)	0.4x	0.7x	0.8x	0.8x	0.8x	0.8x
Valuation ratios						
P/E	44x	39x	38x	30x	26x	23x
P/B	13x	12x	11x	9.7x	8.7x	8x
EV/EBITDA	39x	33x	28x	23x	21x	18x
FCF Yield	-0.9%	-1.7%	0.3%	1.3%	1.7%	2.1%
Dividend Yield	1.7%	1.8%	1.9%	2.3%	2.7%	3.1%

Source: Company, GIB Capital. * Some items are estimated, awaiting disclosure of detailed financials.

Target Price: SAR90.0/share
Current Price: SAR68.7/share
Upside: 31.3% (+Div. Yield: 3.2%)
Rating: Overweight

Mouwasat Medical Services Co. (MOUWASAT)

Increasing footprint outside the Eastern Coast

- Aiming to boost bed capacity by 80% over the mid-run and penetrate 3 new cities.
- Top-line is expected to grow 12% over 2025-30e amid expansion, while earnings are likely to grow 9.5% over the period amid a lower normalized base for margins.
- Initiate with a TP at SAR90.0/share using equal weights of DCF and P/E valuations with an “Overweight” stand.

Ambitious expansion pipeline to transform scale: Mouwasat ranks as the 3rd largest player among listed healthcare providers in the Kingdom in terms of revenue bed capacity (following Al Habib and Dallah), as of 3Q25. That said, Mouwasat has a relatively high geographic concentration in the Eastern Province, via 4 hospitals providing ~1,000 beds and 375 clinics (+70% revenue contribution), making it the largest regional player. The company is executing a ~SAR3.5bn major expansion program, aimed at increasing inpatient bed capacity by roughly 80% and outpatient clinics by ~50% over the mid run. While some projects timelines are not yet announced, incremental capacity additions are likely to be realized over in 2026-30e. In greenfield projects, Mouwasat completed construction of Yanbu Hospital and commenced pilot operations in 4Q25. The facility is set to add 210 beds and 60 clinics, with commercial operations expected to begin in 1Q26. The Jeddah Hospital (210 beds, 80 clinics) is also on track for completion, likely by 1H26. Beyond 2026e, Mouwasat plans to open three hospitals in Riyadh (Al Narjis, likely replacing the previously announced Qadisiya project), Abha, and Alhassah, collectively adding ~660 beds and +200 clinics, likely by 2030e, at an estimated cost of SAR 2.3bn. In parallel, the ~SAR680mn in brownfield expansions at its existing Qatif and Riyadh facilities, are set to add 200 beds and 60 clinics by 2028-29e. Based on this pipeline, we forecast a total capacity of 2,880 inpatient beds (Inc. LTC) and 1,030 outpatient clinics by 2030e, extending Mouwasat’s network from 8 hospitals in 7 cities to 12 hospitals in 10 cities.

Intensifying competition shadows the Eastern province: Mouwasat has a relatively high geographic concentration in the Eastern Province, via 4 hospitals providing ~1,000 beds and 375 clinics (+70% revenue contribution), making it the largest regional player. Competition, however, is intensifying in the province relative to its population size and growth prospects, as private bed supply grew 12% y/y in 2024, decreasing Mouwasat market share from 15.4% to 13.8%.

Figure 60: Key financial metrics

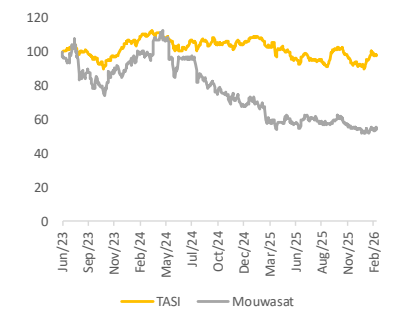
SARmn	2024a	2025e	2026e	2027e
Revenue	2,879	3,148	3,655	4,010
Revenue growth	6%	9%	16%	10%
Gross profit	1,289	1,382	1,552	1,719
Gross margin	45%	44%	42%	43%
Operating profit	724	839	889	1,000
Operating margin	25%	27%	24%	25%
Net profit	646	770	800	891
Net profit growth	23%	25%	23%	23%
Net profit margin	23%	25%	23%	23%
EPS (SAR)	3.2	3.9	4.0	4.5
DPS (SAR)	2.0	2.1	2.2	2.4
P/E	21.2x	17.8x	17.1x	15.4x
EV/EBITDA	14.5x	12.7x	11.8x	10.5x

Source: Company’s report, GIB Capital

Stock data	
TASI ticker	4002
Mcap (SARmn)	13,710
Avg. Trd. Val (3m) (SARmn)	23.6
Free float	63.2%
QFI holding	12.1%
TASI FF weight	0.47%

Source: Bloomberg, Tadawul

TASI vs Mouwasat indexed to 100



Source: Bloomberg

Furthermore, MEH capacity increase in Dammam, Dallah entrance via acquiring Salam hospital, and the expected expansion plans from Al Habib and Almoosa by 2028-29, all in our view, signal a more competitive scene in the Eastern province.

Expanding hospital network outside the eastern coast to drive more contribution from other regions: Mouwasat's regional performance reflects a clear divergence in growth dynamics. Revenue from the Eastern region expanded by only ~7% over 2020–24, compared with ~15% growth in the Central and Western regions, whose combined contribution to the top line rose to 29% by 2024 (25% in 2022). Notably, around 90% of the company's planned capacity additions are located outside the Eastern region, with nearly half concentrated in more peripheral, less-populated cities such as Abha, Alhassah, and Yanbu. That said, the outlook remains mixed. The Western region (particularly Jeddah) is also experiencing intensifying competition, while insurance penetration in peripheral cities remains meaningfully lower than in major metropolitan areas. A further 380-bed expansion in Riyadh is expected by 2029-30e, which should help rebalance the geographic mix. Against this backdrop, we expect future revenue to be less concentrated in the Eastern province and forecast revenue to grow ~9% in 2025e to ~SAR 3.1bn, supported primarily by improved contractual agreements and higher patient attraction. From 2026e onward, new capacity and ramp-up, beginning with Yanbu Hospital in 1Q26, should drive stronger top-line momentum. Overall, we project a revenue CAGR of 12% over 2025–30e, with total revenue reaching around SAR 5.6bn by 2030e.

Expansion-driven cost absorption to temper margin advantage: Mouwasat continues to lead the sector in cost efficiency, maintaining superior profitability with an average GPM of 46.3% and during 2020–9M25, compared with a peer-average of 32% over the same period. However, margins began to contract in 2024 following the conversion of the Madinah hospital into an LT care and rehabilitation facility, which has experienced a slow ramp-up. Looking ahead, the commissioning of the Jeddah and Yanbu hospitals by 2026e is also expected to weigh on margins, given the likely gradual ramp-up and limited cost absorption capacity in markets facing competitive pressures. Additional capacity coming online between 2028–29e will further constrain margin expansion in the medium term. Despite these pressures, we expect Mouwasat to retain its margin leadership within the sector, albeit at a lower base compared with historical levels. We forecast an average GPM of ~43% over 2025–30e, representing a 5.5pps decline from the 2023 peak.

ECL pressure on earnings to ease, finance expenses impact likely to be minimal: Operating expenses are set to rise with the opening of new hospitals as well as with capacity expansions of existing facilities. Moreover, more costs are expected amid higher staffing and a broadening service mix, and complexity ahead of DRG implementation. This, however, is likely to be limited for Mouwasat compared to premium providers, given its focus on mid-class insurance clients. As a result, we forecast OPEX as a percentage of sales to increase to an average of ~17.5% over 2025–30e (vs. ~17% in 2023–24). Conversely, we note a clear normalization in ECL expenses in 9M25 (including positive reversals) following unusually high provisioning in 2023–24 (SAR117-78mn, respectively), which was driven by weak collections. The improvement is largely attributable to a sharp reduction in receivable days, which declined from 156 days in 2024 to 99 days by 3Q25. Given this progress, we expect significantly lower write-off requirements going forward and project provision expenses to normalize at an annual average of ~SAR 20mn over 2026–30e, following a one-off positive reversal impact in 2025 (SAR19mn in 3Q25). We expect finance charges to average ~SAR 54mn annually over 2025–30e, amid expected higher leverage (see section below) and the impact of opening new hospitals.

However, this is expected to bear minimal impact on earnings during the period (~4% of earnings). As a result, we project a 21% y/y rebound in net income in 2025e, driven by the weak 2024 base. From 2026 onward, earnings growth is likely to fluctuate as margins remain sensitive to the ramp-up of incremental capacity additions. Overall, we forecast a net income CAGR of ~10% over 2025–30e, with earnings reaching ~SAR 1.26bn by 2030e.

Leverage remains healthy; payouts likely to stay disciplined in the mid-term: Mouwasat's balance sheet remains solid, with a net debt-to-equity ratio of 0.14x as of 3Q25 (well below the sector average of 0.39x) despite outstanding loans rising to ~SAR 1bn from SAR 738mn in 2024. Looking ahead, we expect the leverage level to remain broadly stable at the current level in the medium term, supported by manageable CAPEX requirements (~SAR3bn based on announced projects) that should begin to ease by 2030e following the end of the planned expansion cycle. As the balance sheet expands, net debt-to-equity is projected to remain within a healthy 0.1–0.2x range over 2025–30e. On the capital-return side, we expect the company to maintain dividend payouts in the 50–60% range during the period, balancing shareholder returns with the need to preserve liquidity for ongoing expansion. This is expected to reflect a DPS of SAR2.1–2.2/share for 2026–27e, reflecting a DY of 3.2–3.6%, respectively.

Valuation

We use an equal mix of P/E multiple and DCF methods for valuing the company. For relative valuations, we use a 22x multiple on 2026e EPS and arrive at a P/E-based target price (1 year forward) of SAR88/share. As for DCF, based on a WACC of 9.5% and a 4.5% terminal growth rate, we derive SAR92.0/share as the DCF-based target price (1 year forward). We arrive at an equal-weight average target price (1 year forward) of **SAR90.0/share**, implying an upside of 31% from the current price. We initiate on the stock with an “**Overweight**” stand.

Figure 61: DCF Valuation

DCF model (In SARmn)	2026e	2027e	2028e	2029e	2030e
EBIT	889	1,000	1,074	1,181	1,414
Zakat	(38)	(42)	(45)	(49)	(60)
EBIT minus taxes	851	957	1,029	1,131	1,354
(+) Depreciation & amortization	282	322	364	395	411
(+/-) Change in working capital	(111)	(78)	(48)	(108)	(191)
(-) Capex	(1,092)	(971)	(1,021)	(725)	(384)
(-) Lease payment	(8)	(10)	(9)	(9)	(12)
FCF	(78)	220	316	683	1,177
Terminal Value					24,791
Enterprise value of the explicit period	1,579				
PV of Terminal Value	15,776				
Total Enterprise Value	17,355				
(-) Debt, incl. lease liabilities	(768)				
(+) Cash	371				
(-) Minority	(177)				
(-) Pension/other liabilities	(188)				
(+) Investments	110				
Equity value	16,702				
Number of shares	200				
Equity value per share	83.5				
Target price (one year forward)	92.0				
Cost of Equity	10.2%				
Cost of debt	6.6%				
Target D/A	20.0%				
WACC	9.5%				

Source: GIB Capital

DCF sensitivity analysis

Figure 62: Sensitivity of WACC and terminal growth

		Terminal growth				
		3.5%	4.0%	4.5%	5.0%	5.5%
W A C C	8.5%	96	106	119	136	159
	9.0%	85	94	104	117	134
	9.5%	77	84	92	102	115
	10.0%	70	75	82	90	100
	10.5%	63	68	74	81	89

Source: GIB Capital

Peer multiples

The KSA healthcare universe is currently trading at a 1Y Fwd P/E of ~21x for 2026e, on average, representing a ~27% discount to its five-year average of ~29x. Mouwasat historically traded slightly below the sector's average, averaging around a 1Y forward P/E of ~27x over the last 5 years, and now trades at a multiple of 15x for 2026e. We assign a P/E multiple of 22x for Mouwasat valuation, ~19% discount to the historical average, to account for increasing competition in its main market, which might undermine its position in the area, and to reflect the risk of new expansion execution and ramp-up.

Figure 63: Peer valuations

	Country	Mkt Cap (USDmn)	P/E (TTM)	P/E FY25	P/E FY26	P/B (TTM)	P/B FY26	DY FY26
Mouwasat	KSA	3,656	18x	17x	15x	4x	3x	3.2%
Al Hammadi	KSA	1,142	16x	14x	12x	2x	2x	4.3%
HMG	KSA	24,245	38x	30x	26x	12x	10x	2.3%
Dallah	KSA	3,128	21x	22x	19x	3x	3x	1.9%
Saudi German	KSA	885	9x	10x	11x	2x	2x	1.7%
SMC	KSA	1,363	N.A.	21x	15x	5x	5x	3.1%
Care	KSA	1,901	21x	21x	18x	4x	4x	1.5%
Almoosa	KSA	1,791	30x	N.A.	N.A.	3x	N.A.	N.A.
Falseeh	KSA	2,153	27x	26x	22x	3x	2x	0.8%
Average of total			21x	21x	17x	3x	3x	2.1%
Median of total			23x	20x	17x	4x	4x	2.3%

Source: Bloomberg, GIB Capital. As of 12th Feb 2026.

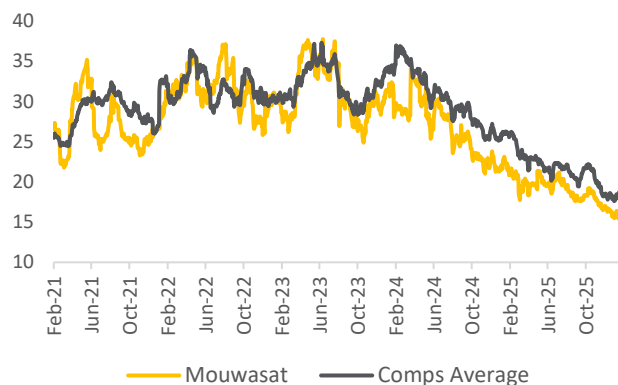
P/E sensitivity analysis

Figure 64: Sensitivity of P/E multiple and 2026 EPS

		P/E multiple				
		20x	21x	22x	23x	24x
EPS	3.6	72	76	79	83	86
	3.8	76	80	84	87	91
	4.0	80	84	88	92	96
	4.2	84	88	92	97	101
	4.4	88	92	97	101	106

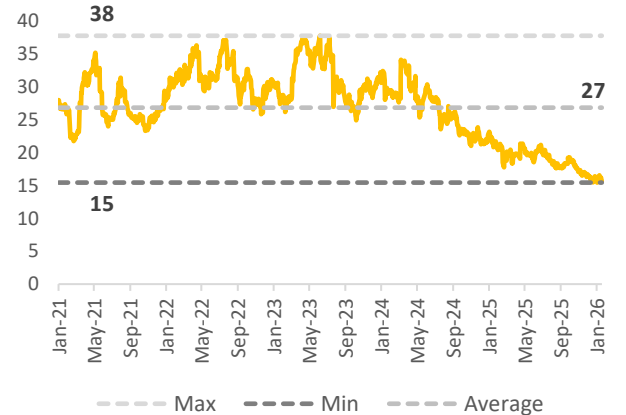
Source: GIB Capital

Figure 65: Mouwasat 1Y Fwd P/E vs. comps trend – 5Y



Source: Bloomberg, GIB Capital

Figure 66: Mouwasat 1Y Fwd P/E trend – 5Y



Source: Bloomberg, GIB Capital

Figure 67: Blended valuation

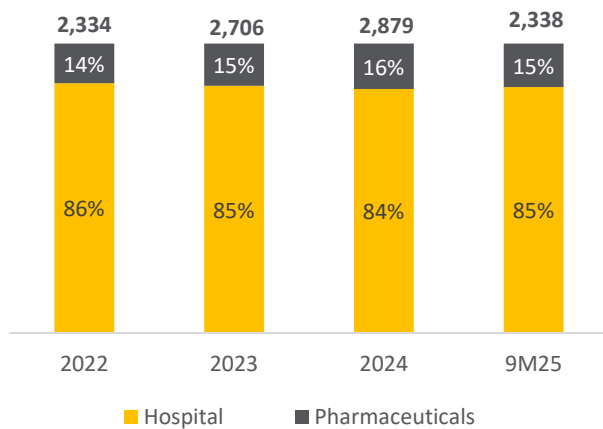
Valuation Method	Weight (%)	TP (SAR/sh)
DCF	50%	92.0
P/E	50%	88.0
Average 1Y forward target price (SAR)		90.0

Source: GIB Capital

Company Profile

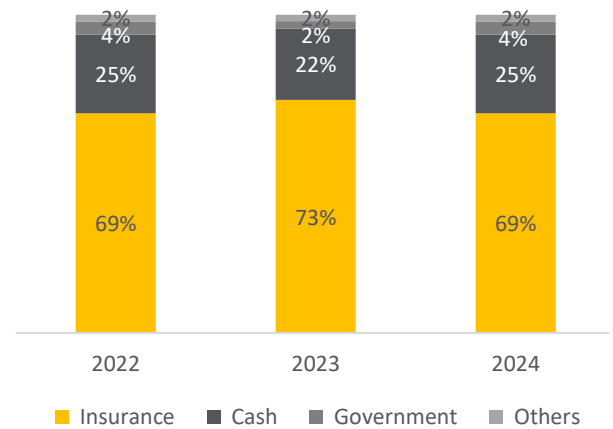
Mouwasat began its journey in 1974 with a dispensary in Dammam, later expanding into a comprehensive medical facility in 1988. As of 2024, the company operates seven hospitals across the Kingdom, offering over 1,600 operational beds and 600 clinics, including a dedicated facility for long-term care in Medinah. The company has a very strong presence in the Eastern region, accounting for around 70% of group revenue. The business model is primarily hospital-driven, with ~85% of revenue generated from hospital operations and the remaining 15% from its pharmacy segment.

Figure 68: Revenue by business segment (SARmn)



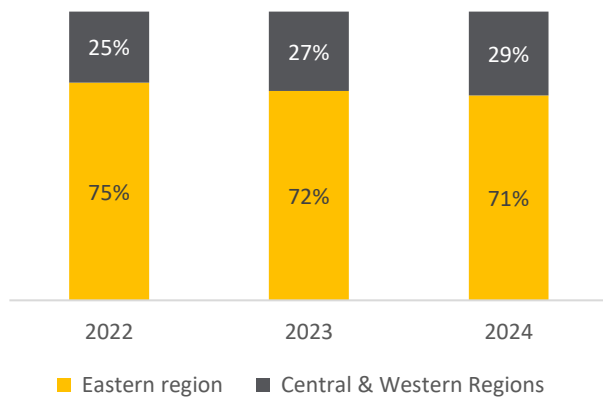
Source: Company data, GIB Capital

Figure 69: Revenue mix by customer type



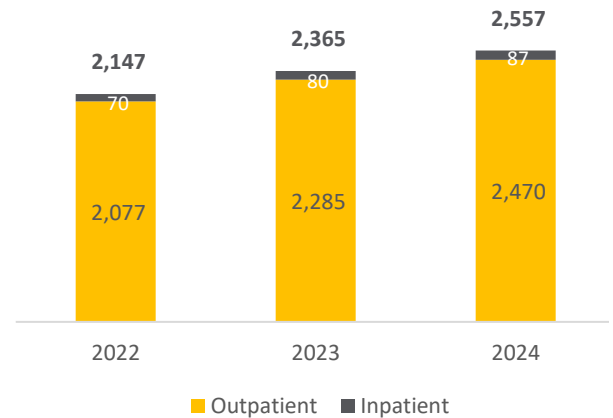
Source: Company data, GIB Capital

Figure 70: Revenue mix by region



Source: Company data, GIB Capital

Figure 71: No. of patients served ('000')



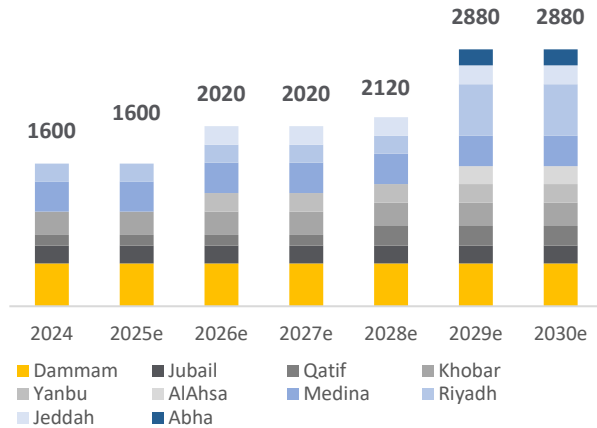
Source: Company data, GIB Capital

Hospital Operations

Mouwasat currently operates seven hospitals, four in the Eastern Region, one in Riyadh, and two in Madinah, with a combined capacity of 1,600 beds and 600 clinics. Of the two Madinah hospitals, one is dedicated to long-term care and rehabilitation, while its Dammam facility also houses a separate long-term care building. Yanbu Hospital is currently at the pilot operations stage, and is expected to add 210 beds and 60 clinics by 1Q26.

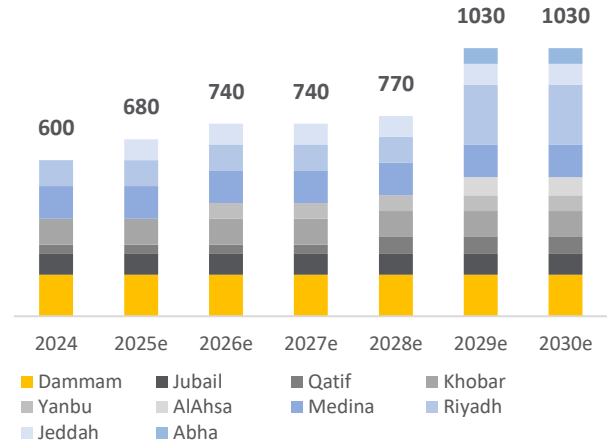
Looking ahead, the company has four greenfield projects in the pipeline with a total capacity of 920 beds and 310 clinics (Inc. Jeddah hospital), slated to launch between 2026e and 2029e. In addition, the company plans brownfield expansions at several existing hospitals, including the addition of 100 beds each at the Qatif and Riyadh hospitals in 2028e and 2029e, respectively. These expansions (greenfield + brownfield) are expected to drive a 11% CAGR in bed capacity over 2024–29e.

Figure 72: No. of beds - current and upcoming



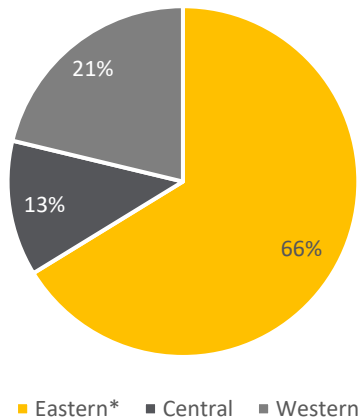
Source: Company data, GIB Capital

Figure 73: No. of clinics – current and upcoming*



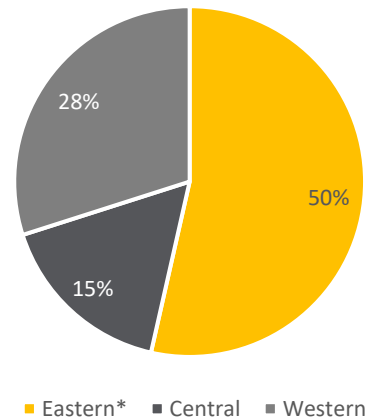
Source: Company data, GIB Capital. * Some clinic additions are estimated by GIBC based on historical trends in relation to bed additions.

Figure 74: Current beds mix by region, as of 3Q25



Source: Company data, GIB Capital. *Inc. Al Ahsa

Figure 75: Beds mix post expansion, as of 2030e



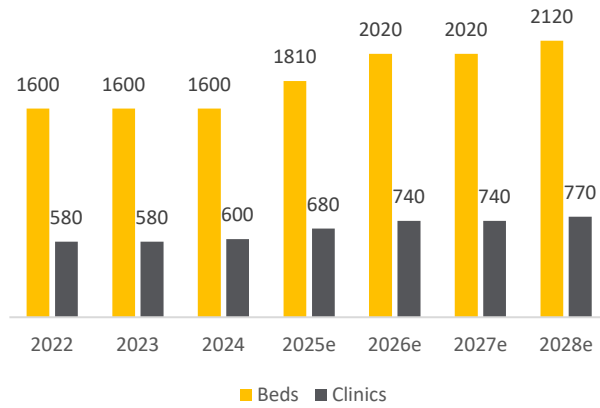
Source: Company data, GIB Capital. *Inc. Al Ahsa

Pharmaceutical

This segment primarily reflects revenue from the sale of medicines and consumables through the company’s in-house pharmacies. These pharmacies offer a broad range of services, including consultations and pharmaceutical education. To enhance customer experience, Mouwasat has introduced several initiatives, notably the installation of 24 automated dispensing machines across its hospitals, which collectively dispense around 100k doses per month. The company is also expanding its investment in smart pharmacy projects, building on the successful model implemented at its Dammam Hospital. As a result of these initiatives, pharmaceutical revenue grew at a CAGR of 17.5% over 2021-24 (vs 9.2% for the hospital segment), leading to segment contribution increasing from 13% in 2021 to 15% by 9M25.

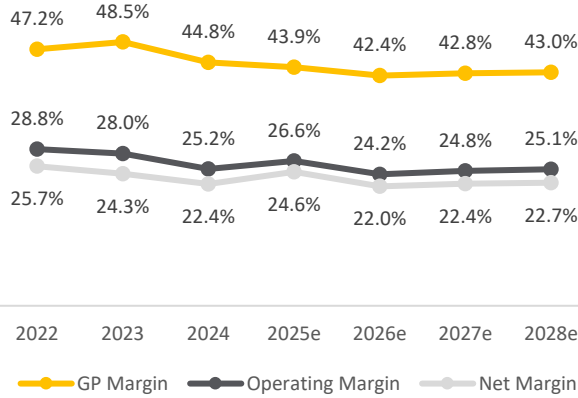
Financial analysis in charts

Figure 76: Capacity development. *



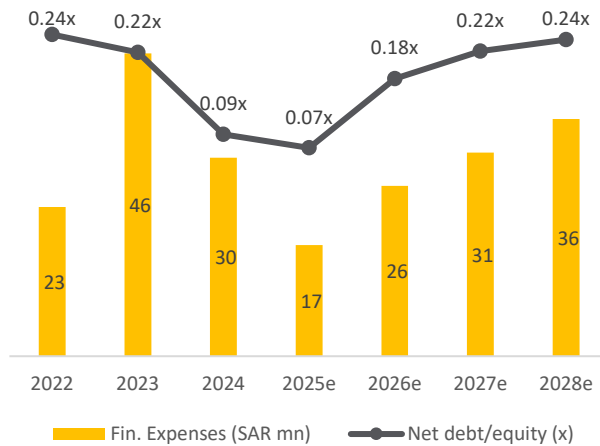
Source: Company data, GIB Capital. *Some clinic additions are GIBC estimates.

Figure 78: Margins trend



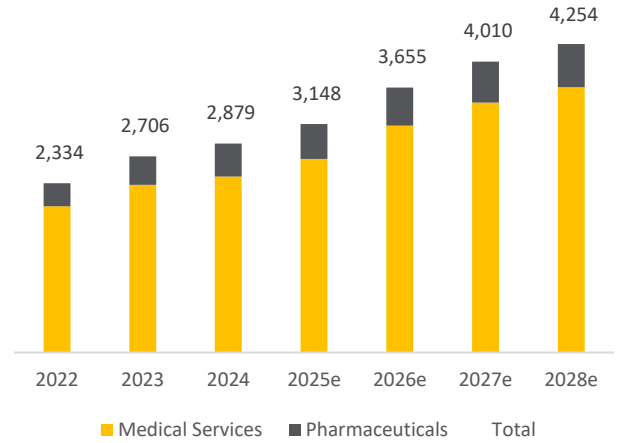
Source: Company data, GIB Capital

Figure 80: Leverage trend



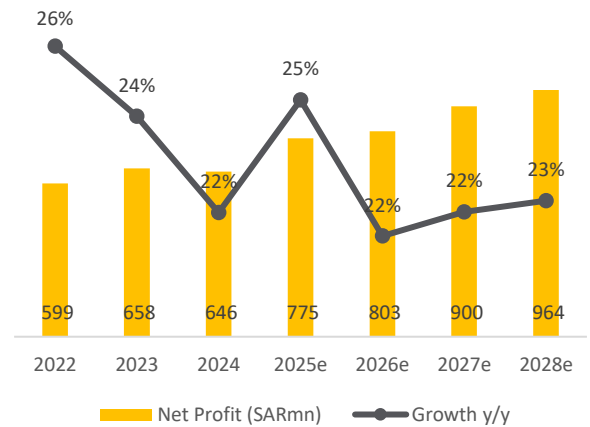
Source: Company data, GIB Capital

Figure 77: Revenue trend (SARmn)



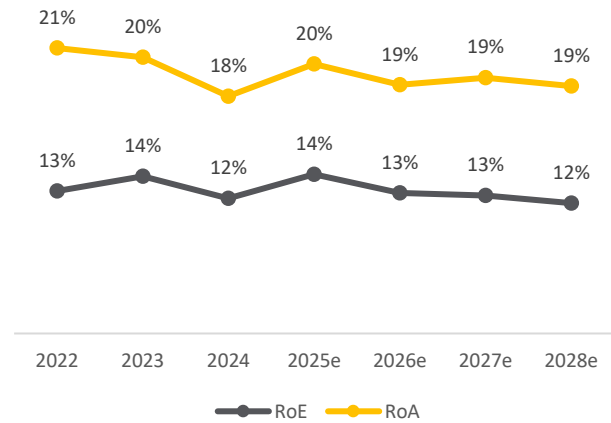
Source: Company data, GIB Capital

Figure 79: Earnings trend (SARmn)



Source: Company data, GIB Capital.

Figure 81: Profitability trend



Source: Company data, GIB Capital

Financials

Figure 82: Summarized basic financial statements (SARmn)

Income statement	2023a	2024a	2025e	2026e	2027e	2028e
Revenue	2,706	2,879	3,148	3,655	4,010	4,254
revenue y/y	16%	6%	9%	16%	10%	6%
COGS	(1,392)	(1,590)	(1,767)	(2,104)	(2,291)	(2,422)
Gross Profit	1,313	1,289	1,382	1,552	1,719	1,832
Gross Profit margin	49%	45%	44%	42%	43%	43%
G&A expenses	(337)	(376)	(425)	(494)	(540)	(572)
Selling & marketing expenses	(110)	(118)	(139)	(160)	(171)	(177)
Operating profit	757	724	839	889	1,000	1,074
Operating margin	28%	25%	27%	24%	25%	25%
Finance costs	(46)	(30)	(24)	(36)	(42)	(49)
Other income	17	12	22	18	12	10
PBT	727	706	837	871	970	1,036
Zakat/tax	(39)	(36)	(35)	(38)	(42)	(45)
Non-controlling interest	31	24	32	33	37	40
Net income	658	646	770	800	891	951
Net margin	25%	23%	25%	23%	23%	23%
y/y	10%	-2%	19%	4%	11%	7%
EPS	3.3	3.2	3.9	4.0	4.5	4.8
DPS	1.8	2.0	2.1	2.2	2.4	2.6
Payout	53%	62%	55%	55%	55%	55%
EBITDA	978	965	1,098	1,190	1,333	1,449
EBITDA margin	36%	34%	35%	33%	33%	34%

Balance Sheet	2023a	2024a	2025e	2026e	2027e	2028e
Inventories	197	232	258	307	334	353
Trade receivables	1,153	925	954	1,081	1,166	1,214
Other current assets	219	173	220	236	246	253
Cash and cash equivalents	49	427	371	266	248	286
Total Current Assets	1,618	1,756	1,803	1,890	1,995	2,106
Property and equipment	3,046	3,510	3,903	4,717	5,357	6,014
Goodwill	16	16	16	16	16	16
Advances	244	80	90	100	110	120
Total Non-Current Assets	3,347	3,646	4,049	4,874	5,524	6,191
Total Assets	4,965	5,403	5,852	6,764	7,519	8,297
Current Liabilities	831	881	923	1,018	1,075	1,115
Non-current Liabilities	707	808	837	1,260	1,520	1,791
Equity	3,427	3,714	4,092	4,486	4,923	5,391
Total Equity and Liabilities	4,965	5,403	5,852	6,764	7,519	8,297
BVPS	17	19	20	22	25	27

Cashflow	2023a	2024a	2025e	2026e	2027e	2028e
Cashflow from Operations	814	1,256	1,028	1,044	1,212	1,350
Cashflow from Investing	(475)	(468)	(645)	(1,090)	(969)	(1,019)
Cashflow from Financing	(434)	(411)	(439)	(59)	(261)	(293)
Total Cashflows	(95)	378	(56)	(105)	(18)	38

Source: Company, GIB Capital.

Figure 83: Key ratios

Key ratios	2023a	2024a	2025e	2026e	2027e	2028e
Profitability ratios						
RoA	14%	12%	14%	13%	12%	12%
RoE	20%	18%	20%	19%	19%	18%
Sales/Assets	54%	53%	54%	54%	53%	51%
Net margin						
Liquidity ratios						
Current ratio	1.9x	2.0x	2.0x	1.9x	1.9x	1.9x
Quick ratio	1.7x	1.7x	1.7x	1.6x	1.5x	1.6x
Inventory days	52	53	53	53	53	53
Receivable days	156	117	111	108	106	104
Payable days	61	64	62	62	62	62
Cash conversion cycle	146	107	102	99	97	95
Debt ratios						
Net Debt/EBITDA (w/o IFRS liab.)	0.8x	0.8x	0.7x	0.9x	1.0x	1.1x
Net Debt/EBITDA (w/ IFRS liab.)	0.8x	0.8x	0.7x	1.0x	1.0x	1.1x
Debt/Assets (w/o IFRS liab.)	0.2x	0.1x	0.12x	0.16x	0.18x	0.19x
Net Debt/Equity (w/o IFRS liab.)	0.21x	0.08x	0.09x	0.19x	0.22x	0.24x
Net Debt/Equity (w/ IFRS liab.)	0.2x	0.1x	0.1x	0.2x	0.2x	0.3x
Valuation ratios						
P/E	21x	21x	18x	17x	15x	14x
P/B	4.0x	3.7x	3.4x	3.1x	2.8x	2.5x
EV/EBITDA	14x	15x	13x	12x	10x	10x
FCF Yield	1.7%	4.8%	3.0%	-0.6%	1.6%	2.4%
Dividend Yield	2.6%	2.9%	3.1%	3.2%	3.6%	3.8%

Source: Company, GIB Capital.

Target Price: SAR38.0/share
Current Price: SAR26.62/share
Upside: 42.8% (+Div. Yield: 4.3%)
Rating: Overweight

Al Hammadi Holding (ALHAMMADI)

Doubling footprint in the strong market of Riyadh

- Capacity to double by 2030e amid re-opening Olaya hospital and the launch of two other hospitals, all in the strong market of Riyadh City.
- Revenue to grow at a CAGR of 13% in 2025-30e, driven by expansion & price adjustment; Earnings to grow 15%, with a small volatility in margins due to ramp-up.
- Initiate with a TP of SAR38.0/share using equal weights of DCF and P/E valuations with an “Overweight” rating.

Riyadh likely to absorb capacity expansions supported by favorable market dynamics: Riyadh’s healthcare market offers substantial room for private sector expansion, supported by both structural undersupply and deep insurance coverage. The city remains the Kingdom’s medical hub, holding 27% of national beds in 2024, yet private capacity (now 7,428 beds after a 4.4% CAGR since 2018) continues to trail fast-growing demand. Even with major expansions, including Al Hammadi’s plan to double capacity by 2030e, the bed gap is projected to widen from 575 in 2024 to 1,333 by 2030e, reducing the risk of market cannibalization and reinforcing the case for further private investment. Insurance penetration adds another layer of support: Riyadh hosts ~2.82 million insured VIP/A classes beneficiaries, which we believe, given the current private premium bed capacities in the market, still represents unsatisfied demand, indicating ample depth to absorb new capacity and supports the case for capacity additions in the city.

Multi-phase strategy to tap the market potential: Al Hammadi introduced a new multiphase growth strategy in 2024, which targets utilizing the changing regulatory environment and the demand dynamics for sustainable long-term growth. The first Phase covers 2024-26e, with a focus on price adjustments to deliver on its premiumization strategy and ensure that it is well-positioned to benefit from the introduction of Diagnostic-Related Groups (DRGs) by 2027e. The second phase starts after the implementation of DRGs, in which the Company will move to a long-term growth strategy, with a pivot towards sustained growth in patient volumes by capitalizing on its three new facilities scheduled for launch over the next few years.

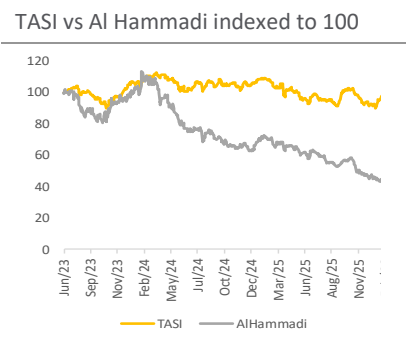
Figure 84: Key financial metrics

SARmn	2024a	2025e	2026e	2027e
Revenue	1,154	1,241	1,316	1,524
Revenue growth	-2%	8%	6%	16%
Gross profit	382	386	419	477
Gross margin	33%	31%	32%	31%
Operating profit	366	275	318	361
Operating margin	32%	22%	24%	24%
Net profit	339	263	304	344
Net profit growth	12%	-22%	16%	13%
Net profit margin	29%	21%	23%	23%
EPS (SAR)	2.1	1.6	1.9	2.2
DPS (SAR)	1.4	1.2	1.1	1.3
P/E	13x	16x	14.0x	12.4x
EV/EBITDA	9.3x	11.6x	10.1x	9.0x

Source: Company data, GIB Capital

Stock data	
TASI ticker	4007
Mcap (SARmn)	4,285
Avg. Trd. Val (3m) (SARmn)	8.9
Free float	69.9%
QFI holding	7.5%
TASI FF weight	0.15%

Source: Bloomberg



Source: Bloomberg

Expansion strategy aims to double capacity by 2030e with a sole focus on Riyadh: Al Hammadi's current capacity of 600 beds across Nuzha and Suwaidi hospitals is expected to double by 2030e, reflecting its continued commitment to Riyadh. This will be achieved through the re-opening of Olaya hospital in 2027e and the construction of two new hospitals in Narjis (2028e) and Mansiyah (2030e), bringing total capacity to 1,200 inpatient beds and 580 outpatient clinics. We believe the company's strong brand recognition in Riyadh, combined with expected population growth, underpins the feasibility of this focused expansion. The new hospitals in Narjis and Mansiyah are strategically located in vibrant, fast-growing neighborhoods, while Olaya remains a key area at the heart of the city. Accordingly, we view Al Hammadi's expansion strategy positively, as it leverages brand strength and favorable market dynamics to capture growth opportunities in Riyadh.

Service premiumization and price adjustments to optimize revenue mix: Post recording a flattish revenue performance in 2024 amid MoH 25% price cuts in its referrals, Al Hammadi's top line grew ~7.7% in 9M25 from the weak base in the comparison period. However, this growth was mainly driven by a 23% growth in the pharma segment, thanks to the robust growth in Al Hammadi's subsidiary, Pharma Serve. As for the hospitals, the segment grew modestly by 4.4% during the period following the group's 20% price hike for insurance clients during 1H25 and a ~9% increase in inpatient volume. Going forward, we take the following factors into account in our top-line forecasts: i) planned expansions beginning with the Olaya branch in 2027e, Narjis in 2028e, and ending with Mansiyah hospital in 2030e, ii) continued premiumization process and expanding service portfolio, evidenced by focusing on sports medicine, oncology, rehabilitation and plastic surgery in the new planned facilities, iii) further adjustments of insurance pricing by 5% in 2026-27e, consequently. Accordingly, we believe Al Hammadi is poised to maximize revenue streams, solidify its market position, and increase its patient volumes.

On the other hand, while the group's preparation indicates that it is likely to score a high multiplier for the DRG, we lack information about the pricing policy of the system; thus, DRG implementation could provide a downside/upside risk to pricing by 2027e (likely period of implementation). Overall, we forecast a mid-single-digit top-line growth in 2025–26e, supported by price adjustments for insurance clients (a 20% increase in 2025 and 5% in 2026) and pharma segment performance. From 2027e through 2030e, we forecast mid-double-digit growth rates, driven by increased volumes amid capacity expansions, beginning with the Olaya branch in 2027e, Narjis in 2028e, and ending with Mansiyah hospital in 2030e. This is expected to reflect a revenue CAGR of ~13% over 2025-30e, with revenues rising from ~SAR1.2bn in 2025e to ~SAR2.3bn by 2030e.

Margins likely to normalize at lower levels amid persistent anticipated ramp-up pressure: In its effort to service premiumization and preparations for DRG implementation, Al Hammadi has hired top-tier doctors in the field and is increasing its portfolio of premium services and sub-specialties, with more focus on complex cases and other high-demand offerings. In line with this strategy, the group extended clinic operating hours from 8 to 12 hours in 2024 and added Friday to the working week. While these measures have driven up employee costs and increased OPEX overall, several initiatives remain highly expensive with limited immediate returns. Nonetheless, some provide indirect value (beyond DRG preparations), such as generating revenue through follow-up services (e.g., burn units and oncology) and delivering long-term recruitment benefits through educational programs.

The latter, costing ~SAR24mn annually, is expected to supply the group with well-trained staff in the future, reducing reliance on external hires. Finally, it is important to underscore the impact of the 25% price reduction implemented in 2024 within the group's most profitable segment, MoH referrals. All those factors led to a contraction in gross margins, declining from ~37% in 2022–23 to 33% in 2024, and further to 30.4% in 9M25. Our forecasts incorporate both the lasting effect of these MoH price cuts and the anticipated ramp-up pressure during 2027–30e. Meanwhile, we stay conservative about the impact of DRG implementation and the impact of premium pricing (compared to the current level), given the lack of information on the subject. Hence, we conservatively forecast an average gross margin of ~31.5% over 2025–30e, versus a historical average of 35.8% in 2022–24. In parallel, operating expenses are projected to rise with the opening of three new hospitals. Thus, we anticipate an average operating margin of 23.6% during 2025–30e, compared to ~29% in 2022–24, translating into operating profits of SAR275mn in 2025e and SAR562mn by 2030e, a CAGR of 15.4% over 2025–30e.

Robust balance sheet facilitates expansion with limited impact on leverage levels:

AlHammadi's net debt-to-equity ratio stood at 0.1x as of 3Q25, ranking among the lowest among peers. This reflects standing borrowings of SAR272mn during the period. Looking ahead, ~50% of expansion CAPEX is expected to be financed externally, as per management guidance. Accordingly, each new hospital is expected to add SAR350–400mn in incremental debt. Consequently, borrowings are forecast to rise steadily to ~SAR920bn by 2030e, ahead of a gradual decline thereafter. However, the leverage level is expected to remain contained, supported by a strong balance sheet, with a peak net D/E ratio of 0.3x by 2030e. On the other hand, following hospital opening and the ending of capitalizing related interest costs to each hospital, finance charges are expected to rise in the income statement. Therefore, we project a steady rise in finance expenses from SAR25mn in 2025e to SAR44mn by 2030, in line with the construction timeline.

Investments in associates provide support for the bottom line: Al Hammadi's income from associates rose to ~SAR19mn in 9M25 (~SAR4mn in 9M24), contributing ~10% of the group's total bottom-line during the period. This growth was driven by the operational expansion of Sudair Pharma Company (SPC), in which Al Hammadi holds a 35% stake. SPC launched the first phase of insulin production in early 2025, followed by the second phase in February 2025, which is expected to be completed over the next 3–4 years. In December 2025, SPC applied for an IPO on TASI.

In line with its strategy to expand its integrated healthcare ecosystem both within and beyond hospital operations, Al Hammadi acquired a 40% stake in Wareed Medical LLC in December 2025, for SAR113mn, paid in installments. Despite the relatively small size of Wareed, the latest available data show a strong revenue performance in 2024 (more than doubled), which we believe, combined with Al Hammadi's proven track record with Sudair, underpins our expectation of steady growth in associate income over the coming years. We forecast contributions from associates to account for an average of ~8.5% of total earnings during 2025–30e. This incremental income should provide support for the bottom line against the expected increase in finance expenses, thereby enhancing earnings visibility for the group.

In conclusion, we forecast Al Hammadi's adjusted earnings to decline by 7% y/y in 2025e to SAR263mn, driven by margin contraction, before rebounding with 16% growth in 2026e as margins improve from the weak base in 2025. The bottom-line growth in 2027-28e is expected follow top-line growth amid expansions, yet at a slightly lower pace due to ramp-up pressure on margins. However, by the years 2029-30e, earnings should accelerate, posting 24-14% y/y growth, supported by rising utilization at the Olaya (2027e) and Narjis (2028e) hospitals, as well as the anticipated opening of the Mansiyah hospital (2030e). Thus, earnings are projected to reach ~SAR528mn in 2030e, reflecting a CAGR of 15% over 2025-30e.

Attractive dividend yield compared to peers: Al Hammadi's board has approved a four-year dividend policy, effective from 3Q25 through 3Q29, under which the company commits to distributing no less than 60% of quarterly earnings. For context, the group paid out an average of ~73% of earnings during 2022–24. The lower payout ratio reflects the company's strategy to preserve liquidity in support of its planned capacity expansions over the coming years, while channeling funds toward strategic investments. Accordingly, we conservatively forecast a 60% payout ratio in the mid-term, which translates into an expected dividend yield of 4.3–4.8% for 2026–27e, based on current market prices. This positions Al Hammadi among the leading healthcare providers in the Kingdom in terms of payout yield.

Valuation

We use an equal mix of P/E multiple and DCF methods for valuing the company. For relative valuations, we use a 20x multiple on 2026e EPS and arrive at a P/E-based target price (1-year forward) of SAR38.0/share. As for DCF, based on a WACC of 8.6% and a 4.5% terminal growth rate, we derive SAR38.0/share as the DCF-based 1-year forward target price. We arrive at an equal-weight average target price of **SAR38.0/share**, implying an upside of 42.8% of the current price. We initiate on the stock with an “**Overweight**” rating.

Figure 85: DCF Valuation

DCF model (In SARmn)	2026e	2027e	2028e	2029e	2030e
EBIT	318	361	403	494	562
Zakat	(18)	(20)	(23)	(27)	(31)
EBIT minus taxes	300	341	381	467	531
(+) Depreciation & amortization	106	116	133	143	152
(+/-) Change in working capital	(25)	(58)	(63)	(100)	(77)
(-) Capex	(368)	(274)	(481)	(265)	(261)
(-) Lease payment	(14)	(15)	(15)	(15)	(15)
FCF	(2)	110	(44)	230	330
Terminal Value					7,949
Enterprise value of the explicit period	437				
PV of Terminal Value	5,206				
Total Enterprise Value	5,643				
(-) Debt, incl. lease liabilities	(506)				
(+) Cash	332				
(-) Pension/other liabilities	(99)				
(+) Investments	185				
Equity value	5,554				
Number of shares	160				
Equity value per share	34.7				
Adjusted DCF-based equity value per share*	38.0				
Cost of Equity	9.5%				
Cost of debt	6.3%				
Target D/A	20.0%				
WACC	8.8%				

Source: GIB Capital

DCF sensitivity analysis

Figure 86: Sensitivity of WACC and terminal growth

		Terminal growth				
		3.5%	4.0%	4.5%	5.0%	5.5%
W A C C	7.8%	39	45	51	61	74
	8.3%	35	39	44	50	59
	8.8%	31	34	38	43	49
	9.3%	28	30	33	37	42
	9.8%	25	27	30	33	37

Source: GIB Capital

Peer multiples

The KSA healthcare universe is currently trading at a 1Y Fwd P/E of ~21x for 2026e, on average. Meanwhile, Al Hammadi's stock currently trades at a 1Y Fwd P/E of 12x, compared to a historical average of ~26x over the last 5 years for the stock, and a sector average of ~29x over the period. As Al Hammadi's valuation multiples are likely to normalize at lower levels compared to historical performance, we apply a 20x P/E valuation multiple, at a 23% discount from the stock's historical average, to account for the relatively lower valuation framework for the sector as a whole currently, uncertainty about DRG system implementation impact on the company, and the company's risk profile, especially the relative sensitivity of current expansions (higher for the company compared to peers).

Figure 17: Peer valuations

	Country	Mkt Cap (SARmn)	P/E (TTM)	P/E FY25	P/E FY26	P/B (TTM)	P/B FY26	DY FY26
Al Hammadi	KSA	1,142	16x	14x	12x	2x	2x	4.3%
HMG	KSA	24,245	38x	30x	26x	12x	10x	2.3%
Mouwasat	KSA	3,656	18x	17x	15x	4x	3x	3.2%
Dallah	KSA	3,128	21x	22x	19x	3x	3x	1.9%
Saudi German	KSA	885	9x	10x	11x	2x	2x	1.7%
SMC	KSA	1,363	N.A.	21x	15x	5x	5x	3.1%
Care	KSA	1,901	21x	21x	18x	4x	4x	1.5%
Almoosa	KSA	1,791	30x	N.A.	N.A.	3x	N.A.	N.A.
Fakeeh	KSA	2,153	27x	26x	22x	3x	2x	0.8%
Average			21x	21x	17x	3x	3x	2.1%
Median			23x	20x	17x	4x	4x	2.3%

Source: Bloomberg, GIB Capital. As of 12th Feb 2026.

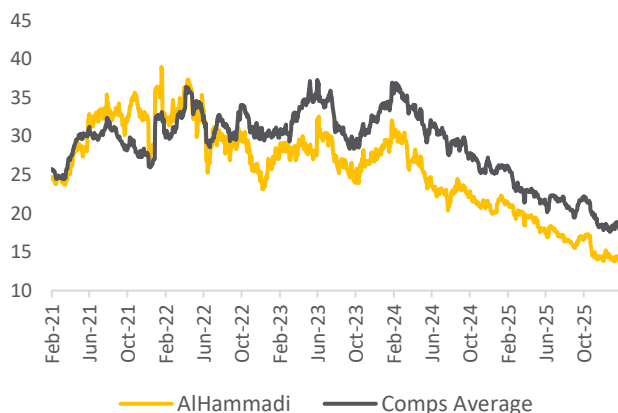
P/E sensitivity analysis

Figure 88: Sensitivity of P/E multiple and 2026 EPS

		P/E multiple				
		18x	19x	20x	21x	22x
EPS	1.7	31	32	34	36	38
	1.8	32	34	36	38	40
	1.9	34	36	38	40	42
	2.0	36	38	40	42	44
	2.1	38	40	42	44	46

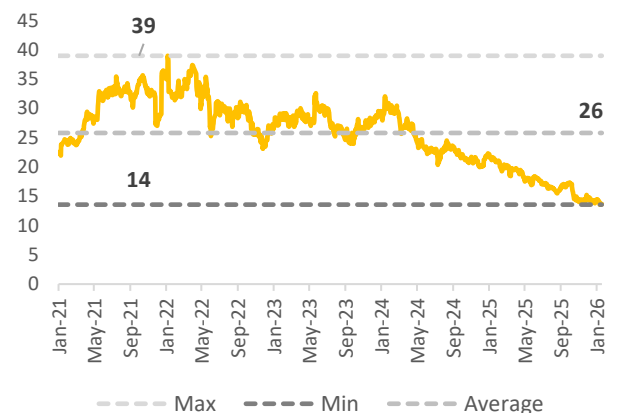
Source: GIB Capital

Figure 89: Al Hammadi 1Y Fwd P/E vs. comps trend – 5Y



Source: Bloomberg, GIB Capital

Figure 90: Al Hammadi 1Y Fwd P/E trend – 5Y



Source: Bloomberg, GIB Capital

Figure 91: Blended valuation

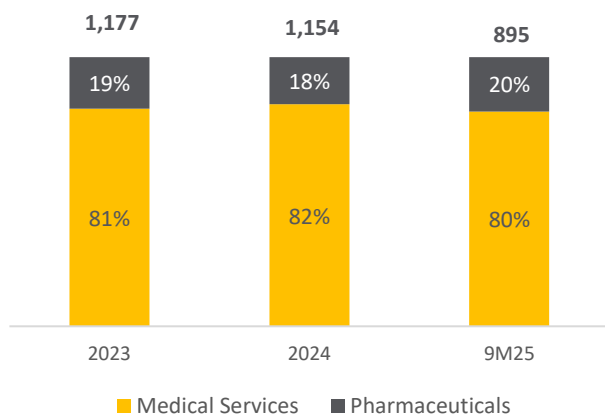
Valuation Method	Weight (%)	TP (SAR/sh)
DCF	50%	38.0
P/E	50%	38.0
Average 1Y forward target price (SAR)		38.0

Source: GIB Capital

Company Profile

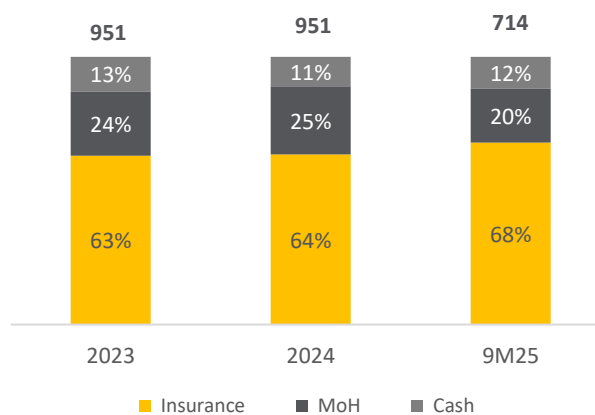
Al Hammadi Holding is a leading Riyadh-based healthcare provider operating two hospitals, Al Nuzha and Al Suwaidi, with 600 beds and 220 clinics. Strategically located in underserved neighborhoods, the hospitals serve a diverse patient base with a focus on premium class A/A+/VIP care, while maintaining strong ties with the Ministry of Health. Al Hammadi plans to more than double its capacity by 2030e with three new hospitals, adding 600 beds, 360 clinics, and four Centers of Excellence. This growth strategy aligns with Saudi Arabia’s healthcare transformation goals and rising demand for premium services. The company generates revenue from two streams: hospital operations and pharma. As of 9M25, the hospitals operations represented 80% of revenue, and the remaining 20% came from pharma retail and manufacturing.

Figure 92: Revenue by business segment (SARmn)



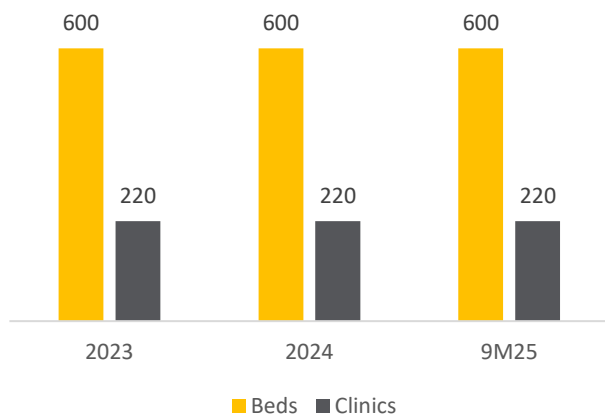
Source: Company data, GIB Capital

Figure 93: Medical services revenue by customer type (SARmn)



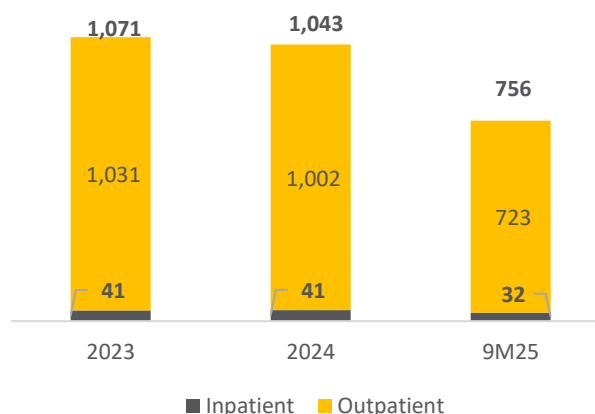
Source: Company data, GIB Capital

Figure 94: Total no. of beds and clinics



Source: Company data, GIB Capital

Figure 95: Total no. of patients catered (000')



Source: Company data, GIB Capital

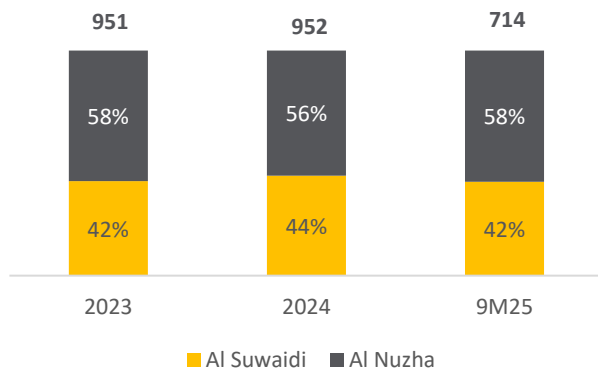
Current facilities (operational hospitals)

Currently, Al Hammadi operates two hospitals in Riyadh, with a combined bed capacity of 600 and 220 clinics. Both facilities are located in prime areas of the city, Nuzha and Suwaidi, serving primarily premium-class patients. In 2024, at a group level, Al Hammadi handled around 1mn outpatient cases, while inpatient admissions reached 41.5k.

Suwaidi Hospital: Launched in 2015 in southwest Riyadh, the hospital has 300 inpatient beds (180 active), 100 outpatient clinics, and 13 operating rooms, supported by advanced facilities such as cardiac catheterization, endoscopy, lithotripsy, and a Group-run pharmacy. The hospital achieved 90% inpatient (of the 180 operated beds) and 90% outpatient utilization in 9M25, generating ~SAR298mn in revenue, -4% y/y, due to moderate MoH referrals. By leveraging unutilized capacity, Al Suwaidi aims to attract higher-margin, VIP patients, aligning with Al Hammadi’s premiumization strategy focused on complex procedures and strategic pricing.

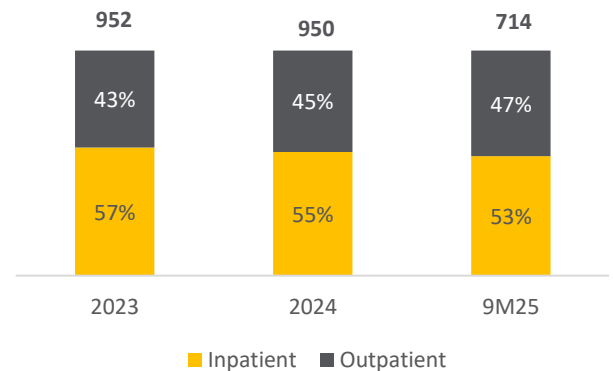
Al Nuzha Hospital, inaugurated in 2018 in northeast Riyadh, operates 300 beds, 120 outpatient clinics, and 13 operating rooms, catering primarily to class A/A+/VIP patients. Its strategic location, coupled with strong brand equity and premium services, has allowed it to expand market share and benefit from limited competition in the catchment area. In 9M25, the hospital generated SAR416mn in revenue, up 11% y/y, likely due to adjusting insurance pricing with utilization rates of 85% inpatient and 90% outpatient. Al Nuzha continues to align with Al Hammadi’s premiumization strategy, targeting high-income patients, expanding capacity, and enhancing offerings, including plastic surgery and other high-demand specialties.

Figure 96: Medical services revenue by hospital (SARmn)



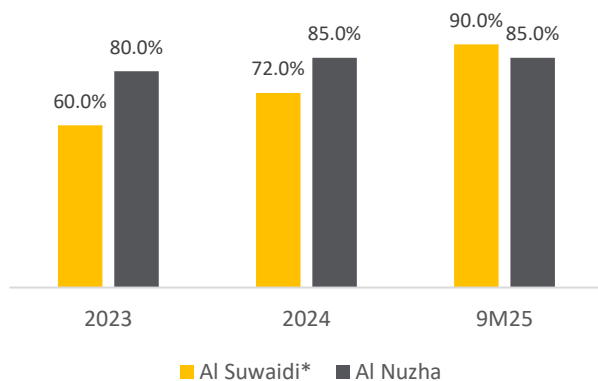
Source: Company data, GIB Capital

Figure 97: Medical revenue – inpatient vs outpatient (SARmn)



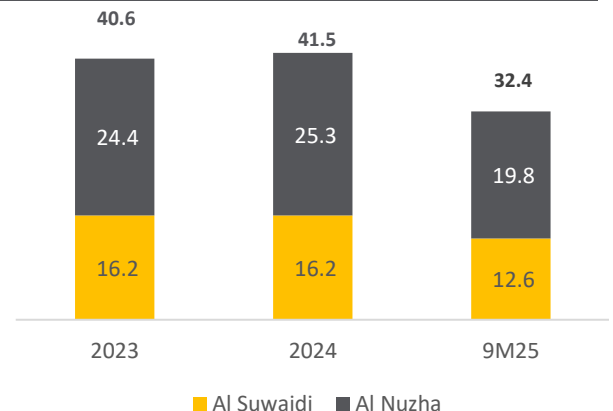
Source: Company data, GIB Capital

Figure 98: Bed utilization by hospital



Source: Company data, GIB Capital. *For the currently operating 180 beds

Figure 99: No. of inpatients by hospital (in thousands)



Source: Company data, GIB Capital

Expansion plans

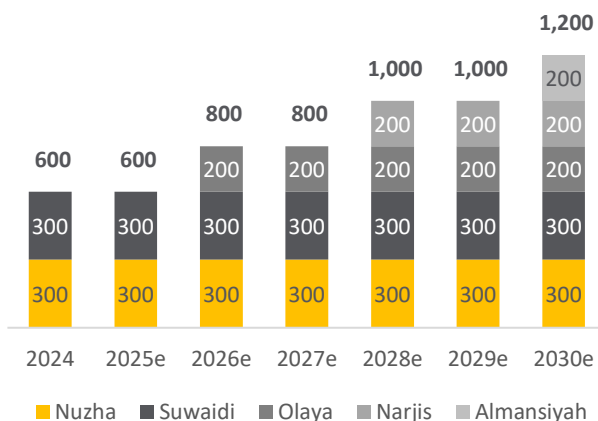
Al Hammadi has an ambitious growth plan to launch three new hospitals in Riyadh by 2030e, adding 600 beds and 360 outpatient clinics, more than doubling its current capacity. The expansion, focused on high-demand northern areas, supports Saudi Arabia’s healthcare transformation by enhancing capacity and accessibility. The new facilities will host four Centers of Excellence in advanced specialties like cardiology, oncology, and orthopedics, targeting premium patients and strengthening Al Hammadi’s leadership in Riyadh’s specialist healthcare market.

Olaya Hospital (re-launch): Al Hammadi’s first facility, launched in 1985, was closed in 2021 for large-scale renovations. Renovation work began in 2024, and the hospital is expected to reopen in 2027e with 200 beds, 120 clinics, and two Centers of Excellence in sports medicine and oncology. Strategically located in Riyadh’s emerging central business district, the facility is well-positioned to attract both local and expatriate patients, reinforcing Al Hammadi’s premium healthcare focus.

Al Narjis Hospital: Al Hammadi plans to launch its fourth hospital in 2028e in Riyadh’s Al Narjis neighborhood to address rising healthcare demand in the rapidly growing area. The facility will include 200 beds, 120 clinics, and two Centers of Excellence in rehabilitation and plastic surgery. Depending on demand trends, Al Hammadi may accelerate the launch to better serve the hospital’s catchment area.

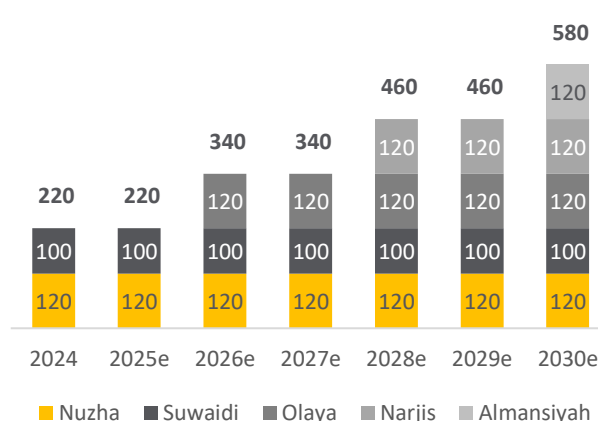
Al Mansiyah Hospital: Al Hammadi’s fifth hospital, set to open in 2030e, will be located in Riyadh’s northeastern Al Mansiyah district. The company has already concluded the purchase of a land plot in November 2024 for the same. The facility will feature 200 beds and 120 clinics, providing comprehensive healthcare services to its catchment area, with a particular emphasis on family medicine.

Figure 100: No. of beds – current and upcoming



Source: Company data, GIB Capital

Figure 102: No. of clinics – current and upcoming



Source: Company data, GIB Capital

Pharmaceutical business

The Group's revenue from hospital operations is complemented by its in-house pharmacies across two hospitals, with plans to expand into retail and online outlets to broaden its pharmacy footprint. Additionally, the Group has established a strong foothold in vaccine procurement and distribution through its wholly owned subsidiary, Pharma Serve. The subsidiary posted a strong growth in sales in 9M25, reaching SAR47mn (more than fourfold y/y) following the Group's decision to diversify its customer base and expand into the private sector. This, in turn, was the main driver for the 23% growth in the group's pharma revenues in 9M25.

Associate and JV

Hammadi Holding holds a 35% stake in Sudair Pharmaceutical Company (SPC), established in 2014 with the primary goal of securing the supply of high-technology pharmaceutical products in KSA and the MENA region, thereby reducing dependence on imports of such critical medicines. The company has been producing oncology-focused drugs since 2021. In 1Q25, Sudair Pharma, in partnership with Sanofi and Novo Nordisk, began constructing an insulin plant with an annual capacity of 15mn pens, sufficient to meet the needs of over 500,000 patients in the first year, covering 70% of those requiring this essential medicine in Saudi Arabia. This was reflected in Al Hammadi's performance in 9M25, whereas its income from associates reached ~SAR19mn in the period (~SAR4mn in 9M24), contributing ~10% of the group's total net income.

The second phase, which commenced in February 2025, is expected to be completed within 3-4 years and is set to include full insulin refilling capabilities. In parallel, SPC is expanding its therapeutic offering with new respiratory-focused medicines, further supporting its long-term ambition of becoming a key player in KSA's pharmaceutical manufacturing sector. These initiatives align with Saudi Arabia's multi-phase pharmaceutical and health security strategy.

Recent development

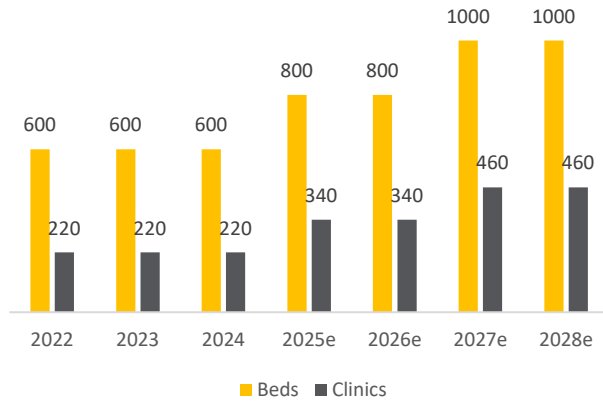
On 28 January 2026, Al Hammadi signed a SAR54.5mn strategic cooperation agreement with AC Milan, aiming to build MilanLab's sports medicine and rehabilitation centers inside Al Hammadi's hospitals. This agreement is largely related to Olaya hospital; thus we expect the company to realize benefits post the opening of the hospital.

On 22 January 2026, the company acquired a 40% stake in Wareed Medical Company, a healthcare operator managing 29 laboratory testing and home healthcare branches across Riyadh. This investment reflects Al Hammadi's strategy to diversify its service offerings beyond hospital operations, with expected financial impact starting in 2026e.

In December 2025, SPC submitted an application to the CMA for an IPO on the Main Market. As we await further updates on the offering and monitor Al Hammadi's decision to either divest or retain its stake, we continue to incorporate Sudair's performance into our group forecasts.

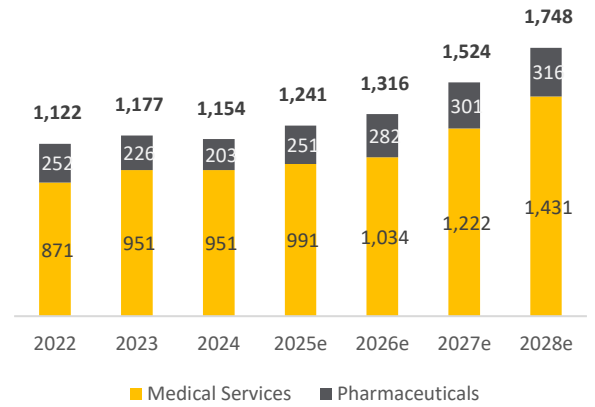
Financial analysis in charts

Figure 103: Capacity development



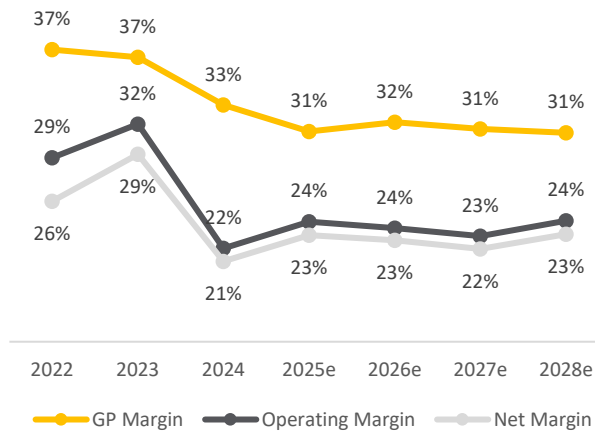
Source: Company data, GIB Capital.

Figure 104: Revenue trend (SARmn)



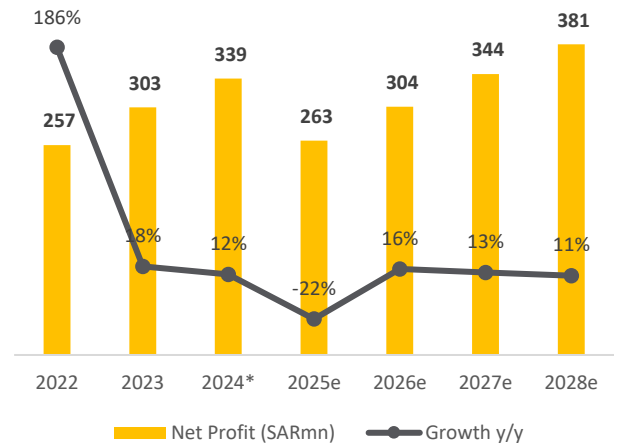
Source: Company data, GIB Capital

Figure 105: Margins trend



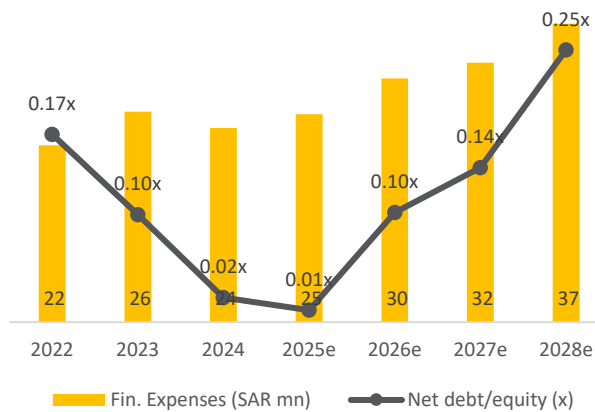
Source: Company data, GIB Capital

Figure 106: Earnings trend (SARmn)



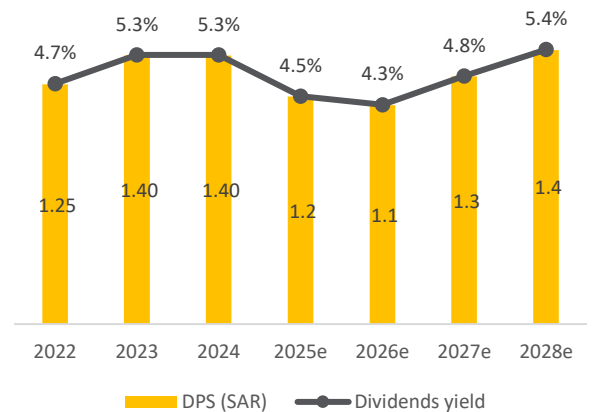
Source: Company data, GIB Capital. * Includes ~SAR55mn on-off.

Figure 107: Leverage trend



Source: Company data, GIB Capital

Figure 108: Dividends trends



Source: Company data, GIB Capital

Financials

Figure 109: Summarized basic financial statements (SARmn)

Income statement	2023a	2024a	2025e	2026e	2027e	2028e
Revenue	1,177	1,154	1,241	1,316	1,524	1,748
revenue y/y	5%	-2%	8%	6%	16%	15%
COGS	(744)	(771)	(855)	(897)	(1,047)	(1,206)
Gross Profit	433	382	386	419	477	542
Gross Profit margin	37%	33%	31%	32%	31%	31%
G&A expenses	(89)	(89)	(96)	(98)	(114)	(133)
Selling & marketing expenses	(9)	(4)	(9)	(10)	(9)	(10)
Operating profit	343	366	275	318	361	403
Operating margin	29%	32%	22%	24%	24%	23%
Finance costs	(26)	(24)	(25)	(30)	(32)	(37)
Profit from associate	4	13	28	34	35	37
PBT	321	355	278	322	365	403
Zakat/tax	(18)	(16)	(15)	(18)	(20)	(23)
Net income	303	339	263	304	344	381
Net margin	26%	29%	21%	23%	23%	22%
y/y	18%	12%	-22%	16%	13%	11%
EPS	1.9	2.1	1.6	1.9	2.2	2.4
DPS	1.4	1.4	1.2	1.1	1.3	1.4
Payout	74%	66%	72%	60%	60%	60%
EBITDA	440	468	374	429	481	540
EBITDA margin	37%	41%	30%	33%	32%	31%

Balance Sheet	2023a	2024a	2025e	2026e	2027e	2028e
Inventories	57	61	68	71	83	96
Trade receivables	561	434	443	455	518	575
Other current assets	41	38	41	44	51	58
Cash and cash equivalents	125	245	332	276	227	80
Total Current Assets	784	779	884	846	878	808
Property and equipment	1,659	1,710	1,747	2,009	2,167	2,514
Other investments	128	135	158	207	258	310
Intangible assets	24	27	27	28	28	28
Total Non-Current Assets	1,811	1,872	1,932	2,244	2,453	2,852
Total Assets	2,594	2,651	2,816	3,090	3,330	3,661
Current Liabilities	274	225	253	262	302	337
Non-current Liabilities	475	465	529	672	735	877
Equity	1,845	1,961	2,034	2,156	2,294	2,446
Total Equity and Liabilities	2,594	2,651	2,816	3,090	3,330	3,661
BVPS	12	12	13	13	14	15

Cashflow	2023a	2024a	2025e	2026e	2027e	2028e
Cashflow from Operations	351	464	360	399	417	473
Cashflow from Investing	(55)	(83)	(131)	(389)	(293)	(499)
Cashflow from Financing	(232)	(261)	(143)	(66)	(173)	(120)
Total Cashflows	65	120	86	(56)	(49)	(147)

Source: Company, GIB Capital.

Figure 110: Key ratios

Key ratios	2023a	2024a	2025e	2026e	2027e	2028e
Profitability ratios						
RoA	12%	13%	10%	10%	11%	11%
RoE	17%	18%	13%	15%	15%	16%
Sales/Assets	45%	44%	44%	43%	46%	48%
Net margin						
Liquidity ratios						
Current ratio	2.9x	3.5x	3.5x	3.2x	2.9x	2.4x
Quick ratio	2.7x	3.2x	3.2x	3.0x	2.6x	2.1x
Inventory days	28	29	29	29	29	29
Receivable days	174	137	130	126	124	120
Payable days	37	31	32	32	35	35
Cash conversion cycle	165	135	127	123	118	114
Debt ratios						
Net Debt/EBITDA (w/o IFRS liab.)	0.7x	0.6x	0.9x	1.1x	1.1x	1.3x
Net Debt/EBITDA (w/ IFRS liab.)	1.1x	0.9x	1.4x	1.5x	1.5x	1.6x
Debt/Assets (w/o IFRS liab.)	0.1x	0.1x	0.1x	0.2x	0.2x	0.2x
Net Debt/Equity (w/o IFRS liab.)	0.1x	0.0x	0.0x	0.1x	0.1x	0.3x
Net Debt/Equity (w/ IFRS liab.)	0.2x	0.1x	0.1x	0.2x	0.2x	0.3x
Valuation ratios						
P/E	14.0x	12.6x	16.2x	14.0x	12.4x	11.2x
P/B	2.3x	2.2x	2.1x	2.0x	1.9x	1.7x
EV/EBITDA	9.9x	9.3x	11.6x	10.1x	9.0x	8.1x
FCF Yield	5.3%	5.8%	4.3%	0.0%	2.6%	-1.0%
Dividend Yield	5.3%	5.3%	4.5%	4.3%	4.8%	5.4%

Source: Company, GIB Capital.

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Contact us for queries:

Sell Side Research Department,
GIB Capital,
B1, Granada Business & Residential Park,
Eastern Ring Road, PO Box 89589, Riyadh 11692
www.gibcapital.com