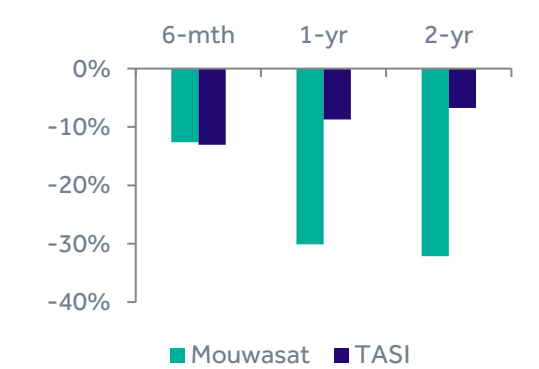


Market Data	
52-week high/low	SAR 111.6/65.6
Market Cap	SAR 14,960 mln
Shares Outstanding	200 mln
Free-float	45.8%
12-month ADTV	455,427
Bloomberg Code	MOUWASAT AB



Margins Improve in 2Q, 2H2025 looks Tough

August 13, 2025

Upside to Target Price	12.3%	Rating	Neutral
Expected Dividend Yield	2.6%	Last Price	SAR 74.80
Expected Total Return	14.9%	12-mth target	SAR 84.00

MOUWASAT	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Sales	796	690	15%	764	4%	749
Gross Profit	356	307	16%	347	3%	318
Gross Margins	45%	45%		45%		43%
Operating Profit	203	176	15%	213	(5%)	185
Net Profit	187	153	22%	197	(5%)	171

(All figures are in SAR mln)

- Mouwasat posted record quarterly revenues of almost SAR 800 mln in 2Q and beat market consensus net profit estimates on better-than-expected margins. Revenues inclined by +15% Y/Y and +4% Q/Q likely on better inpatient and outpatient volumes and price increases. Y/Y growth also benefitted from lack of Ramadan days in 2Q2025.
- We are pleased to see a 30bps Y/Y expansion in gross margins to 44.8% as compared to our expectations of a compression (as we expected the yearly margin decline trend to continue). Margins had sequentially declined in 2024 due to rising costs of new facilities. Gross profit increased by +16% Y/Y to SAR 356 mln.
- Net income beat both our expectations of SAR 171 mln and market consensus of SAR 182 mln, coming in at SAR 187 mln (+22% Y/Y, -5% Q/Q). Bottomline was driven by revenue growth, margins expansion, decrease in impairment loss provision, higher other income, lower financing costs as loan amount declined and a decrease in Zakat expenses.
- The upcoming 2 expansions in 2H2025 will likely result in cost and margin pressure in the short-term. Competition is rising both in its Eastern Province market and its new market in the Western Region. We reduce our target price to SAR 84.00 and change our recommendation to Neutral.

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■ Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors

For any feedback on our reports, please contact research@riyadcapital.com

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