Mouwasat Medical Services Co.

2Q2026 First Look

Utilization & One-off Gain Support Performance

August 04, 2026

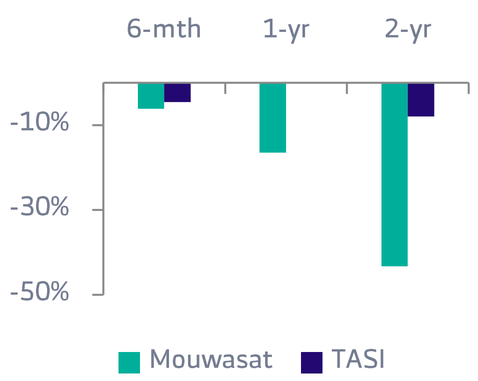
Upside to Target Price	32.3%	Rating	Buy
Expected Dividend Yield	3.2%	Last Price	SAR 63.50
Expected Total Return	35.5%	12-mth target	SAR 84.00

Market Data	
52-week high/low	SAR 79.7/58.6
Market Cap	SAR 12,700 mln
Shares Outstanding	200 mln
Free-float	63.2%
12-month ADTV	422,196
Bloomberg Code	MOUWASAT AB

Mouwasat	2Q2026	2Q2025	Y/Y	1Q2026	Q/Q	RC Estimate
Sales	876	796	10%	834	5%	868
Gross Profit	356	342	4%	343	4%	354
Gross Margins	41%	43%		41%		41%
Operating Profit	229	203	13%	207	11%	208
Net Profit	211	187	13%	201	5%	198

(All figures are in SAR mln)

- Mouwasat's revenue grew +10% Y/Y and +5% Q/Q to SAR 876 mln, broadly in line with our SAR 868 mln forecast. The growth was driven by the higher contribution from Yanbu Hospital, which started operations in early February 2026, along with a recovery in outpatient visits after being affected by Ramadan seasonality in the previous quarter.
- Gross profit reached SAR 356 mln, up +4% on both a Y/Y and Q/Q basis, broadly in line with our SAR 354 mln forecast. Cost of sales increased +14% Y/Y and +6% Q/Q to SAR 520 mln, broadly in line with our SAR 516 mln estimate, mainly due to the continued ramp-up of Yanbu Hospital. As a result, the gross margin declined by 224 bps Y/Y and 47 bps Q/Q to 40.7%, in line with our 40.8% forecast.
- Operating profit increased +13% Y/Y and +11% Q/Q to SAR 229 mln, above our SAR 208 mln forecast. The quarter included a SAR 20.4 mln gain from the sale of land. Excluding this gain, operating profit would have been SAR 209 mln, broadly in line with our expectations. As a result, the operating margin expanded to 26.2%, compared to 25.5% in 2Q25 and 24.8% in the previous quarter. We estimate 2Q26 operating expenses at SAR 147 mln, up +7% Y/Y and +8% Q/Q, in line with our SAR 146 mln forecast.
- Net profit came in at SAR 211 mln, slightly above our SAR 198 mln forecast, rising +13% Y/Y and +5% Q/Q. The increase was supported by higher revenue, the one-off gain from the land sale, and lower zakat expense following the release of provisions after the final 2024 zakat assessment.
- As we expected in our previous report, 2Q26 results came in more positive, supported by improving utilization rates. However, we expect margin pressure to continue due to higher operating costs before the company starts benefiting from stable utilization at Yanbu Hospital and the expected opening of Jeddah Hospital later in 2026. We maintain our recommendation and target price.



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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

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