Mouwasat Medical Services Co.

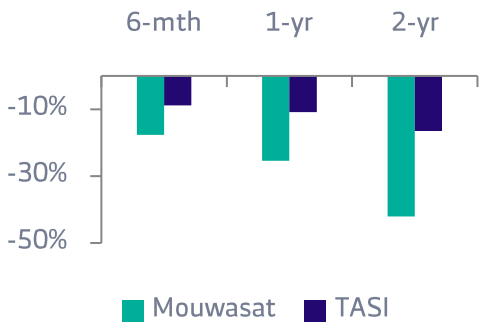
3Q2026 First Look

Earnings Down Y/Y and Q/Q

November 05, 2026

Upside to Target Price	53.8%	Rating	Buy
Expected Dividend Yield	3.0%	Last Price	SAR 54.60
Expected Total Return	56.8%	12-mth target	SAR 84.00

Market Data	
52-week high/low	SAR 74.2/52.4
Market Cap	SAR 10,920 mln
Shares Outstanding	200 mln
Free-float	65.9%
12-month ADTV	378,334
Bloomberg Code	MOUWASAT AB



Mouwasat	3Q2026	3Q2025	Y/Y	2Q2026	Q/Q	RC Estimate
Sales	856	777	10%	876	(2%)	890
Gross Profit	344	309	11%	356	(4%)	356
Gross Margins	40%	40%		41%		40%
Operating Profit	203	212	(4%)	229	(12%)	221
Net Profit	188	200	(6%)	211	(11%)	205

(All figures are in SAR mln)

- Mouwasat's revenues grew by +10% Y/Y, supported by a higher contribution from Yanbu Industrial Hospital, which commenced operations in early February 2026, in addition to higher occupancy rates in inpatient departments. Meanwhile, revenues declined by -2% Q/Q, mainly due to the third quarter coinciding with the seasonal holiday period. Revenues reached SAR 856 mln, slightly below our estimate of SAR 890 mln.
- Gross profit reached SAR 344 mln, increasing by +11% Y/Y and declining by -4% Q/Q, broadly in line with our estimate of SAR 356 mln. Cost of sales increased by +9% Y/Y, while declining by -1% Q/Q to SAR 513 mln, below our estimate of SAR 534 mln. Gross margin improved slightly from 39.7% in 3Q25 but contracted from 40.7% in 2Q26 to 40.1%, in line with our estimate of 40.0%.
- Operating profit declined by -4% Y/Y and -12% Q/Q to SAR 203 mln, below our estimate of SAR 221 mln. Operating expenses increased by +46% Y/Y and +11% Q/Q to SAR 141 mln, above our estimate of SAR 135 mln. The Y/Y comparison was affected by the recovery of doubtful receivables in 3Q25, while the Q/Q comparison was affected by a non-recurring gain of SAR 20.5 mln from the sale of land recorded in 2Q26, meaning that the reported change does not fully reflect the operating performance. Operating margin reached 23.7%, down from 27.3% in 3Q25 and 26.2% in 2Q26, below our estimate of 24.8%.
- Al Mouwasat's net profit reached SAR 188 mln, slightly 8% below our estimate of SAR 205 mln, declining by -6% Y/Y and -11% Q/Q. The Y/Y decline was mainly attributable to the recovery of doubtful receivables recorded in 3Q25; excluding its impact, net profit would have increased by +4.3% Y/Y. The Q/Q decline was due to lower revenues amid seasonality and the absence of the non-recurring gain recorded in 2Q26.
- We maintain our target price and Buy recommendation. However, expansion costs will continue to pressure margins before the Company benefits from stabilizing occupancy at Yanbu Industrial Hospital and the opening of Jeddah Hospital.

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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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