National Medical Care Co.

August 02, 2026

Profitability exceeded our estimate on higher revenue growth

Last Price: SAR 113.0 | YoY Performance: -30.4%

2Q26 FIRST TAKE

KEY TAKEAWAYS

- National Medical Care Co. (CARE) reported revenue of SAR 456 mn, up 14.7% YoY, coming in 11.0% above our estimated revenue of SAR 411 mn. The increase in revenue was driven by a 20.0% YoY increase in total patient volumes to 280k (up 11% QoQ), with inpatient admissions rising 17.0% YoY and outpatient visits increasing 20.0% YoY to 271k, on the back of stronger rebound in GOSI referrals, insurance revenue growth, and improved payer mix.
- Gross profit for the 2Q26 arrived at SAR 169.1 mn, increasing 14.6% YoY and 37.9% QoQ, and exceeded our estimate by 20.8%. Gross margin expanded to 37.1%, compared with our forecast of 34.1%, reflecting better case mix and strong revenue growth. Gross margin expanded by 550 bps sequentially, benefiting from the normalization of seasonal factors that had weighed on profitability in 1Q26.
- Operating profit rose to SAR 106.8 mn, up 25.6% YoY, supported by elevated operational efficency. Operating expenses declined marginally by 0.3% YoY to SAR 62.3 mn, while the operating margin improved to 23.4% in 2Q26 compared with 21.4% in same period last year.
- Care reported net profit of SAR 94.0 mn, up 17.6% YoY and 28.5% above our estimate. Net margin arrived at 20.6%, compared with our forecast of 17.8%. The increase in net profit was mainly driven by higher patient volumes and improved activity levels, supported by stronger operating leverage and better cost absorption.
- Based on our last update, we have an 'Overweight' rating on the stock with a target price of SAR 155.6/share.

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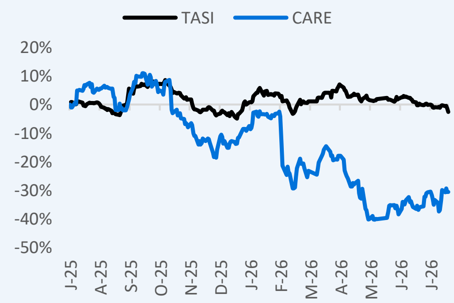
Issuer Information

Bloomberg Code	**CARE AB**
Last Price (SAR)	**113.0**
No. of Shares (mn)	**45.0**
Market Cap bn (SAR/USD)	**5.1 / 1.5**
52-week High / Low (SAR)	**183.5 / 94.9**
12-month ADTV (mn) (SAR/USD)	**17.6 / 4.7**
Free Float (%)	**50.6**
Foreign Holdings (%)	**7.2**

Relative Price Performance



Source: Bloomberg, anbc research
Last price as of July 30th, 2026

Financials (SAR mn)	2Q26A	2Q26E*	Var (%)	2Q25A	YoY (%)	1Q26A	QoQ (%)
Revenue	456	411	11.0	398	14.7	388	17.6
Cost of Revenues (COGS)	287	271	6.0	250	14.7	265	8.3
Gross Profit	169	140	20.8	147	14.6	123	37.9
Gross Margin (%)	***37.1***	***34.1***		***37.1***		***31.6***	
Operating Expenses	62	59	6.2	63	-0.3	60	4.5
Operating Profit	107	81	31.3	85	25.6	63	69.5
Operating Margin (%)	***23.4***	***19.8***		***21.4***		***16.2***	
Net Profit	94	73	28.5	80	17.6	52	79.1
Net Margin (%)	***20.6***	***17.8***		***20.1***		***13.5***	
EPS (SAR)	2.1	1.6	28.5	1.8	17.6	1.2	79.1

**anbc estimate*
Source: Company Financials, anbc research

Disclaimer

Ratings Guidelines

anb capital's investment research is based on the analysis of economic, sector and company fundamentals with the objective of providing a long term (12 month) fair value target for a company.

OVERWEIGHT	NEUTRAL	UNDERWEIGHT
Expected return is more than +15%	Expected return is between +15% & -10%	Expected return is lower than -10%

Analyst Certification:

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