Company
Mouwasat Medical Services Company
2Q26 Result Review

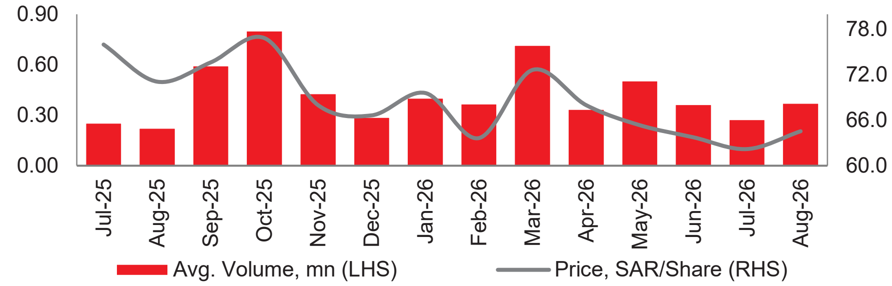
Rating
Buy

Bloomberg Ticker
MOUWASAT AB

Date
6 August 2026

Results

Target Price SAR	75.1
Total Return	20.5%



Current Market Price (SAR)	64.6
52-week High | Low	79.7 | 58.6
Price Perf. (1m | 3m)	2.5% | -4.7%
Mkt. Cap. (USD/SAR mn)	3,486 | 12,910
Free Float	63.2%
3m ADTO (000 shares)	342.0
6m ADTO (000 shares)	391.0
3m ADTV (SAR 000)	22,173.7
6m ADTV (SAR 000)	25,929.2
P/E 27e	14.2x
P/B 27e	2.9x
DY 27e	4.2%

U Capital Research
Email: ubharresearch@ucapital.net
Tel: +968 2494 9036

Revenue up 10% YoY, in line with our estimates

The company posted 2Q26 revenue of SAR 876.4mn, up 10% YoY, in line with our estimates. Revenue expansion was primarily supported by the commencement of operations at Yanbu Hospital, improved inpatient occupancy across the network, and favorable revisions to contractual terms with existing clients that took effect in 2026.

Profitability improved 13% YoY, ahead of our estimates

Net profit for 2Q26 clocked at SAR 211.4mn, rising 13% YoY. The increase was supported by a SAR 20.4mn capital gain from a land sale, while the company's flexible operating model helped offset margin pressure from ongoing expansion, including the launch of Yanbu Industrial Hospital in 1Q26.

U-Capital view

We maintain our Buy rating with a target price of SAR 75.5/share. Our positive outlook is supported by the company's well-defined multi-year expansion pipeline, robust margins underpinned by a disciplined operating model, growing geographic diversification beyond the Eastern Province, and a strong balance sheet. We also expect earnings growth to remain robust over the medium term, driven by capacity additions and sustained growth in insurance-driven healthcare demand.

Financial Statements

SAR mn	2Q25	3Q25	4Q25	1Q26	2Q26	2Q26e	YoY	QoQ	Var.	1H25	1H26	YoY
P&L												
Revenue	796.4	777.3	884.6	833.8	876.4	859.3	10%	5%	2%	1,560.7	1,710.3	10%
Gross profit	341.7	323.6	384.4	343.0	356.4	351.1	4%	4%	2%	674.8	699.4	4%
Operating profit	203.4	212.2	251.4	207.0	229.4	208.7	13%	11%	10%	416.7	436.4	5%
Net Profit	187.0	199.7	238.4	201.0	211.4	198.2	13%	5%	7%	384.0	412.4	7%
BS												
Shareholders' Equity	3,778.0	3,752.0	3,778.0	3,979.0	3,965.4		5%	0%		3,778.0	3,965.4	5%
Ratios												
Gross margin	42.9%	41.6%	43.5%	41.1%	40.7%	40.9%				43.2%	40.9%	
Operating margin	25.5%	27.3%	28.4%	24.8%	26.2%	24.3%				26.7%	25.5%	
Net profit margin	23.5%	25.7%	26.9%	24.1%	24.1%	23.1%				24.6%	24.1%	
TTM RoE (%)					21.4%							
TTM P/E (x)					14.9							
Current P/Bv					3.2							

Source: Financials, Tadawul, Bloomberg, U Capital Research

Investment Research

Ubhar-Research@u-capital.net

Head of Research

Tahir Abbas
+968 2494 9036 | tahir@u-capital.net

Research Team

Rao Aamir Ali
+968 2494 9066 | rao@u-capital.net

Sandesh Shetty
+968 2494 9059 | sandesh@u-capital.net

Amira Al Alawi
+968 2494 9012 | amira.alalawi@u-capital.net

Head of Brokerage

Talal Al Balushi
+968 2494 9051 | talal@u-capital.net

Visit us at **www.u-capital.net**

Important Disclosure & Disclaimer:

This research report ("Report") has been prepared and issued by Ubhar Capital SAOC ("U Capital"), through its Research Department, solely for informational purposes only and does not constitute investment advice, recommendation, or personal financial advice of any kind.

The information, opinions, estimates, forecasts, and recommendations contained herein are based on sources believed to be reliable and are provided in good faith. However, U Capital, its affiliates, subsidiaries, directors, officers, employees, agents, and representatives make no express or implied representation or warranty regarding the accuracy, completeness, reliability, adequacy, or timeliness of the information contained in this Report or its suitability for any particular purpose or investor objective.

This Report has been prepared solely for informational purposes and should not be construed as an offer, invitation, or solicitation to buy or sell any securities or financial instruments. The views and recommendations expressed herein reflect the independent opinion of the U Capital Research Department and do not constitute personalized investment advice. Investors should undertake their own independent analysis and seek professional advice before making any investment decisions. This Report is intended for investors who are capable of making their own investment decisions and assessing the risks associated with investing in securities and financial instruments or its suitability for any particular purpose or investor objective.

The views, opinions, estimates, forecasts, target prices, and recommendations expressed in this Report represent the judgment of the U Capital Research Department as of the date of publication and are subject to change without prior notice. U Capital undertakes no obligation to update, revise, or amend this Report to reflect subsequent events, changes in market conditions, or new information that may become available after its publication and disclaims any obligation to notify recipients of any such changes.

Investments in securities and financial instruments involve risks, including the possible loss of principal up to and including total loss of invested capital. Past performance is not necessarily indicative of future results, and future returns are not guaranteed. Market values, investment returns, exchange rates, and income from investments may fluctuate significantly and may rise or fall depending on market conditions and other factors. Investors may not recover the full amount originally invested and may receive less than the amount invested.

Although reasonable care has been exercised in the preparation of this Report, U Capital does not warrant that the information contained herein is free from errors, omissions, inaccuracies, or typographical mistakes. Any projections, forecasts, assumptions, or forward-looking statements included in this Report are based on current expectations and assumptions and are inherently subject to significant business, economic, market, regulatory, and geopolitical uncertainties. Actual outcomes may differ materially from those expressed or implied and such deviations may be material and adverse.

U Capital, its affiliates, directors, officers, employees, and representatives shall not be liable for any direct, indirect, incidental, consequential, special, punitive, or other loss or damage, including, without limitation, any loss of profits, revenue, business opportunities, data, or goodwill, arising out of or in connection with the use of, or reliance upon, this Report or the information contained herein, except to the extent that such liability cannot be excluded under applicable law.

U Capital, its affiliates, directors, officers, employees, and clients may, from time to time, have long or short positions in, buy or sell, or otherwise deal in securities or financial instruments referred to in this Report. U Capital may also provide or seek to provide investment banking, advisory, underwriting, brokerage, market making, liquidity providing or other financial services to companies or issuers mentioned herein, subject to applicable laws, regulations, and internal policies governing conflicts of interest which may result in actual or potential conflicts of interest.

Recipients acknowledge that they are solely responsible for evaluating the merits and risks of any investment decision and should conduct their own independent due diligence before investing. U Capital accepts no fiduciary duty or responsibility toward any recipient of this Report and no advisory, agency, or trust relationship is created by receipt or use of this Report.

This Report is intended solely for the recipient to whom it has been made available. It may not be copied, reproduced, modified, transmitted, distributed, published, quoted, disclosed, or redistributed, in whole or in part, by any means or in any form, without the prior written consent of U Capital. Unauthorized use, reproduction, or distribution of this report is strictly prohibited and may constitute a violation of applicable intellectual property, copyright, and securities laws.

This Report has been prepared in accordance with the professional standards and internal policies of U Capital; however, it should not be relied upon as the sole basis for any investment decision. By accepting or accessing this Report, the recipient acknowledges that they have read, understood, and agreed to be bound by the terms and limitations set forth in this Disclaimer.

Ubhar Capital SAOC is licensed and regulated by the Financial Services Authority (FSA) of the Sultanate of Oman.

Stock Ratings

BUY	HOLD	SELL
Greater than 10%	Between 0% and +10%	Lower than 0%

Ubhar Capital SAOC (U Capital)
Website: www.u-capital.net
PO Box 1137, PC 111, Sultanate of Oman
Tel: +968 2494 9036 | **Fax:** +968 2494 9099 | **Email:** research@u-capital.net