

Saudi Healthcare Update

Sector: Healthcare

Saudi healthcare companies under our coverage continued to deliver strong topline growth, averaging 15% YoY in 2025. This performance was driven by capacity expansion, improved utilization of existing facilities, stronger contributions from newly acquired or recently launched facilities, and sustained demand. We expect this trend to continue over the medium term, supported by ongoing expansion plans across covered companies, which should drive topline growth at a CAGR exceeding 10% between 2025 and 2030e.

Despite robust revenue growth, companies across the sector experienced margin pressure, limiting bottom-line expansion. This was primarily due to growth-related challenges, including high initial costs associated with new hospitals relative to utilization levels, increasingly competitive landscape, rising operating costs, and higher provisions for expected credit losses (ECL).

Looking ahead, we expect margins to improve in 2026e compared to 2025 levels, although they are likely to remain below historical averages. A strong pipeline of new capacity will continue to weigh on profitability in the near term. The pace at which companies ramp up operations at new facilities will be a key determinant of margin recovery. Additionally, several companies booked ECL provisions in 2024 and 2025, creating potential for recoveries or write-backs in 2026e, which could provide upside to our estimates.

Capacity expansion is currently led by Dr. Sulaiman Al Habib, which has six new hospitals in the pipeline, including two under management contracts, expected to come online over the next two to three years. These additions follow recent expansions that more than doubled its capacity in 2025 compared to 2023. However, this aggressive expansion is likely to keep margins below historical levels in the near term. Nonetheless, we remain positive on the company's execution capabilities and its ability to achieve faster breakeven relative to peers. We slightly reduce our target price to SAR 285 per share and reiterate our Buy rating.

Mouwasat reported strong 2025 results, supported by solid topline growth and the reversal of ECL provisions from prior years. Excluding these reversals, the company also faced margin pressure, in line with peers, due to increased hiring ahead of upcoming facility launches. With a robust project pipeline expected to expand capacity by over 65% in the coming few years, and gradual commissioning starting in 2026, we anticipate steady revenue growth, albeit with continued margin pressure. We slightly reduce our target price to SAR 80 per share and maintain our Buy rating.

Al Hammadi delivered a disappointing performance in 2025, as its transition towards becoming a premium healthcare provider continued to weigh on both revenue and profitability. While we expect gradual improvement from 2026, supported by pricing revisions and increased contributions from the Ministry of Health (MoH), the recovery is likely to be slow. The company has a strong project pipeline, with the potential to increase operational bed capacity by 2.5x by 2030. However, uncertainty surrounding its transition strategy warrants caution. We revise our target price downward to SAR 28.5 per share and maintain our Hold rating.

Care reported a very strong 2025, with both revenue and profitability benefiting from improved utilization of recent expansions and acquisitions. We expect utilization gains to continue, supported by c.200 beds of spare capacity and its upcoming 400 beds facility in Narjis, which provides room for sustained topline growth. Additionally, the company may pursue selective acquisitions, offering further upside potential. However, we moderate our medium-term margin expectations and reduce our target price to SAR 145 per share, which implies a Strong Buy rating.

Middle East Healthcare Company (MEHC) delivered a weak performance in 2025, with both revenue and net income remaining subdued. While capacity expansion in Jeddah is expected to support topline growth, margins are likely to remain under pressure in 2026 due to elevated costs and ongoing expansion efforts. We lower our target price to SAR 45 per share; however, at current levels, we believe downside risks are largely priced in and upgrade our rating to Buy.

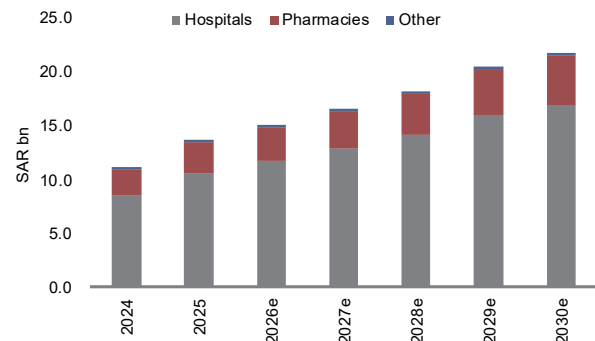
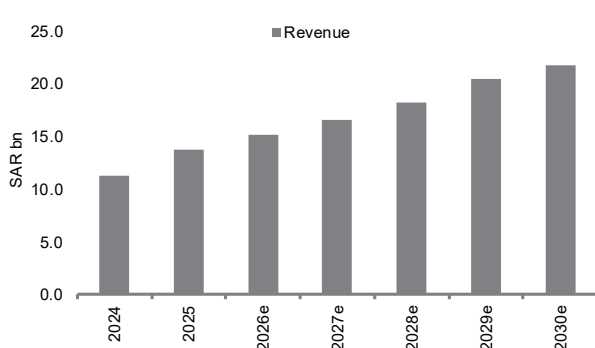
Valuation Summary

Companies	M.Cap	TP	CMP	Upside	Rating	P/E		EV/EBITDA	
						2026e	2027e	2026e	2027e
Al Habib	86,415	285.0	247	15.4%	Buy	31.5x	27.6x	31.5x	27.6x
Mouwasat	13,840	80.0	69	15.6%	Buy	16.9x	14.5x	12.2x	10.5x
Care	5,247	145.0	117	23.9%	Strong Buy	15.5x	15.2x	11.1x	10.0x
Hammadi	4,176	28.5	26	9.2%	Hold	14.5x	13.2x	12.3x	11.5x
MEHC	3,510	45.0	38	18.0%	Buy	16.8x	13.3x	9.2x	8.3x

Revenue growth remains strong across most companies under coverage

In 2025, healthcare companies under our coverage reported average revenue growth of 15% YoY, driven primarily by the consolidation and improved utilization of hospitals following recent capacity expansions, which strengthened their market positions. This growth was led by Care (+24% YoY revenue growth), Al Habib (+22% YoY), and Mouwasat (+12% YoY), while Al Hammadi (+7% YoY) and MEHC (+8% YoY) delivered comparatively weaker performance.

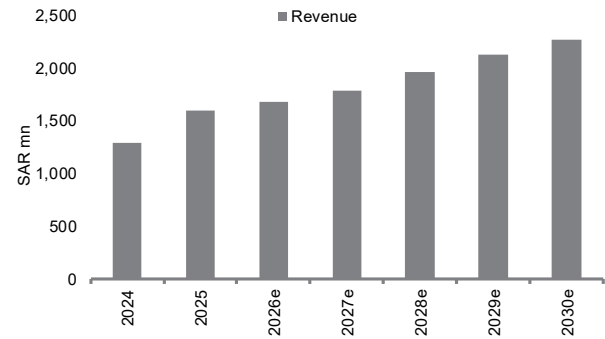
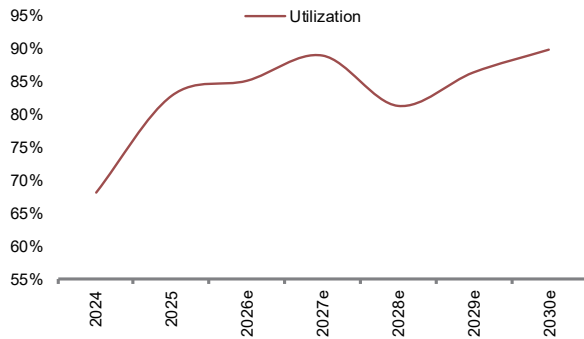
Capacity expansion to sustain strong revenue growth from Al Habib



Source: Company filings and US Research

Over 2024 and 2025, Al Habib added six new hospitals, significantly expanding its capacity. Total bed capacity increased from 1,900+ in 2023 to 4,000+ in 2025, effectively more than doubling over the period. This expansion drove a +27.5% YoY increase in patient volumes in 2025, supporting strong topline growth. It also contributed to a modest improvement in utilization, which rose to 60% in 2025 from 58% in 2024. However, current utilization remains below historical levels of approximately 80%, primarily due to the ramp-up phase of newly commissioned hospitals. This gap provides strong medium-term growth visibility, as utilization is expected to improve gradually as these facilities mature.

Improved utilization to keep revenue growth of Care strong

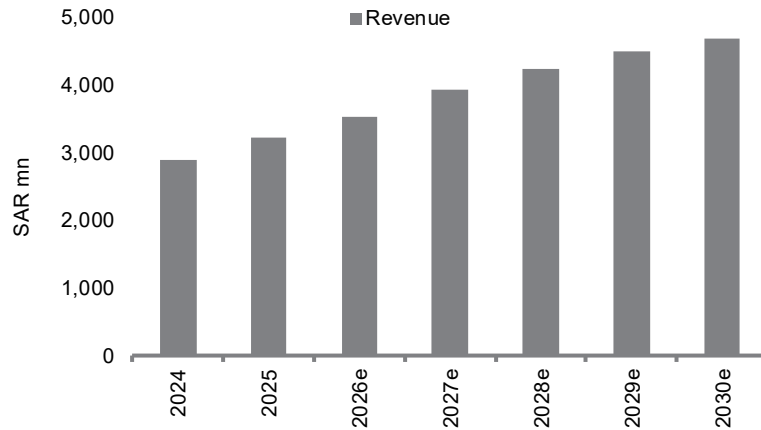


Source: Company filings and US Research

Care’s operational bed capacity increased by approximately 80% between 2023 and 2025, rising from 655 to 1,178 beds. This expansion was driven by capacity additions at its legacy facilities in Rawabi and Malaz, along with strategic acquisitions. The increased capacity, coupled with improved utilization across facilities, enabled the company to deliver strong patient volume growth of 33% YoY in 2025, supporting topline performance. Average utilization rose to 83% in 2025, up from 68% in 2024.



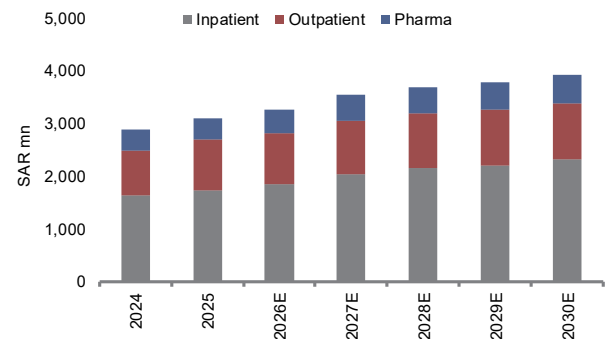
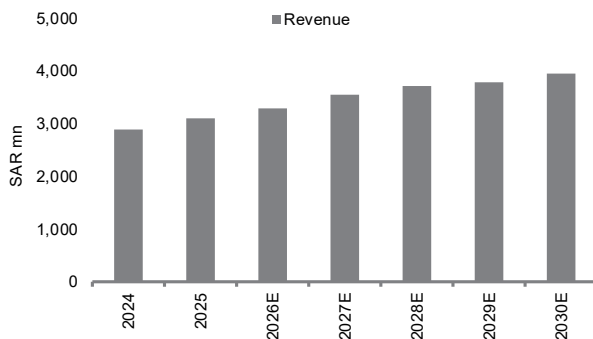
Mouwasat revenue to remain robust on capacity increase



Source: Company filings and US Research

Mouwasat's topline growth, in contrast, was driven by improved utilization across both its inpatient and outpatient operations. Inpatient volumes increased 23% YoY, while outpatient admissions increased by a more moderate 3% YoY.

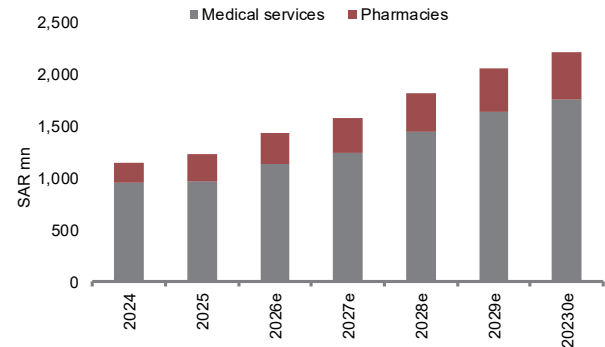
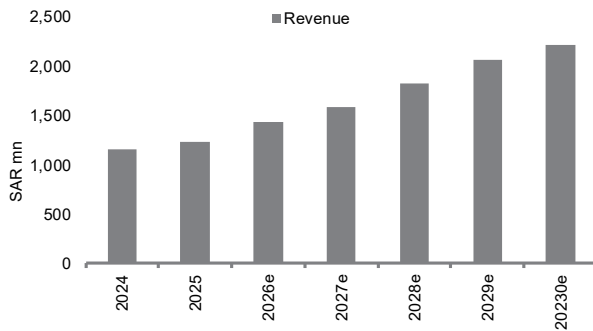
MEHC revenue growth to recover on expansion in Jeddah



Source: Company filings and US Research

MEHC's revenue growth, in contrast, remained modest, driven by mid-single-digit growth in inpatient revenue (5.8% YoY), despite stronger outpatient growth (13.6% YoY). This muted performance was primarily due to largely flat inpatient utilization.

Al Hammadi revenue disappoints in 2025, though likely to recover on strong pipeline of expansion



Source: Company filings and US Research

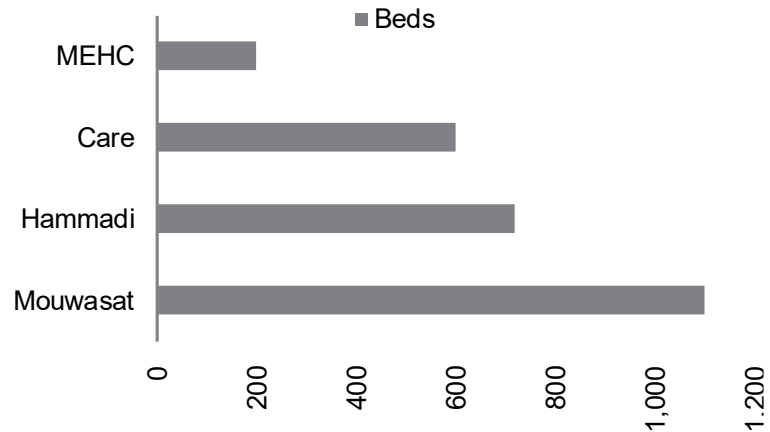
Al Hammadi’s revenue performance continued to be weighed down by management’s premiumization strategy, as outpatient volumes declined by 1.3% YoY, while inpatient volumes increased modestly by 4.8% YoY. Utilization levels remained largely stagnant, with no new beds added during the year and 120 beds at Al Suwaidi still non-operational.

Capacity expansions main driver for revenue growth, strong pipeline provides medium-term growth visibility

Healthcare companies across our coverage has laid out strong investment plans to increase their capacities. This trend continues to be led by Dr. Sulaiman Al Habib, which, following a major expansion that more than doubled its capacity, has entered a second phase of growth. In this phase, the company has six new hospitals in the pipeline, including two under operation and management contracts. Facilities in Tabuk, Jubail, Munsiyah, and Dammam are expected to become operational between 2027 and 2028. In the near term, revenue growth is likely to be supported by improved utilization of recently added capacity.



Capex across hospitals



Source: Company filings and US Research

Mouwasat, in contrast, has seven hospitals under construction/expansion with a total capacity of approximately 1,100 beds, representing growth of over 65% from its current capacity. Its facility in Yanbu (200 beds) became operational in 1Q26, while its Jeddah (200 beds) operations are expected to commence in 1H26 and 3Q26, respectively. Its Qatif facility (100 beds) is scheduled for completion by 4Q28, followed by a 100-bed expansion in Riyadh by 2Q29 and a 200-bed facility in Al Ahsa by 4Q29. Additionally, two new projects in Al Qadisiyah (120 beds) and Abha (180 beds) are currently in the design phase.

Al Hammadi is also pursuing a significant expansion pipeline, with plans to increase its capacity from 480 operational beds to approximately 1,200 beds by 2030. its renovated Olaya facility is expected to become operational in 2026, followed by Narjis in 2028 and Mansiyah in 2030, each adding around 200 beds. In addition, the Suwaidi facility has spare capacity of 120 beds, providing further flexibility for capacity increase.

MEHC is currently renovating its Jeddah facility, which will add over 200 beds and is expected to be completed in 2H26. The company is also developing an outpatient clinic complex in Riyadh, scheduled to become operational in 1H26. Beyond providing clinical services, this facility is expected to act as a feeder for inpatient admissions, thereby supporting improved bed utilization in its Riyadh hospital.

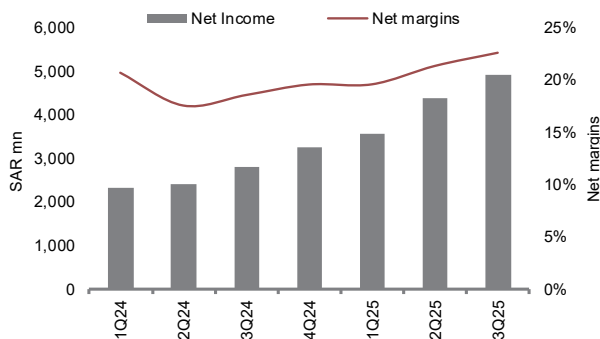
Care has outlined plans to add five to eight new facilities by 2032, with a focus on Riyadh and the western region. In addition, the company has spare capacity of approximately 200 beds, which supports organic growth given its already high utilization rate of over 80% in 2025. We also expect Care to pursue inorganic growth opportunities, supported by its recent success in acquisitions. However, in the near term, impetus will come in the form of its ongoing construction of Al Narjis hospital with a capacity of c.400 beds, which is expected to be operational by 2028.

Looking ahead, we expect revenue growth across companies under our coverage to remain strong, primarily driven by ongoing capacity expansions. Overall, we expect healthcare companies under our coverage to deliver revenue growth of over 10% CAGR over the 2025-2030e period.

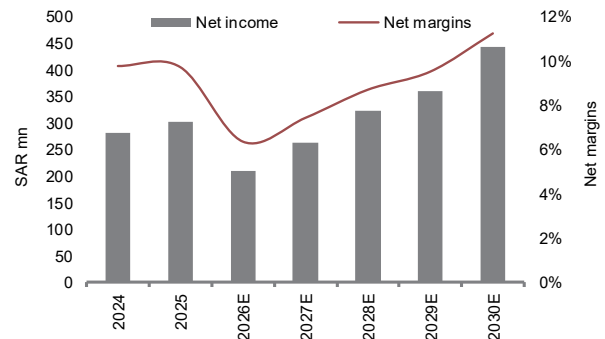
Increased competition and new capacities put pressure on margins; recovery to be gradual

Despite solid topline growth across most healthcare companies under our coverage, profitability lagged, with margins coming under pressure across the board. Excluding Care, companies reported an average decline of over 200 bps in gross margins. This margin compression was driven by a combination of factors, including the ramp-up of new capacities and increased competitive intensity, both of which weighed on overall profitability.

Al Habib margins to recover, but gradually



Margins pressure for MEHC to persist

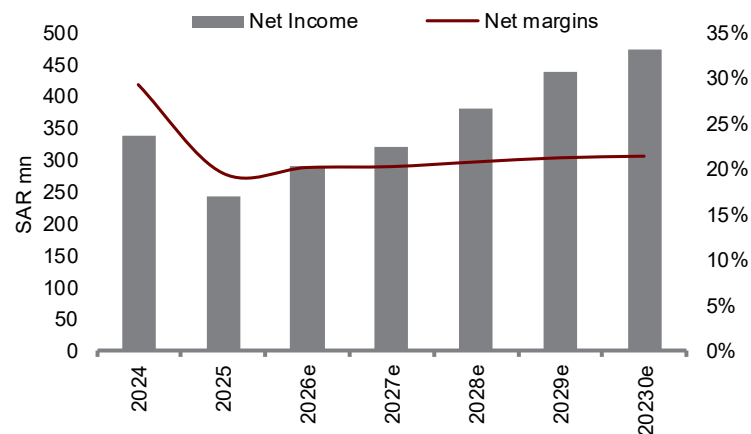


Source: Company filings and US Research

Al Habib experienced margin compression due to the integration of new hospitals into its operations, a trend we expect to persist in the medium term. However, this is partially mitigated by the company's strong track record of achieving relatively faster breakeven on new projects. MEHC also reported margin compression in 2025, primarily driven by higher hiring costs associated with expansion and the introduction of new specialties. We expect this pressure to continue into 2026, particularly as its new facility in Jeddah is scheduled to become operational in 2H26.

Al Hammadi's margins, on the other hand, were impacted by higher salary costs, increased impairments, and an unfavorable revenue mix. We expect a gradual recovery from 2026, supported by improved pricing dynamics and a more favorable revenue composition, particularly with a higher contribution from the MoH.

Net income growth of Hammadi to recover gradually

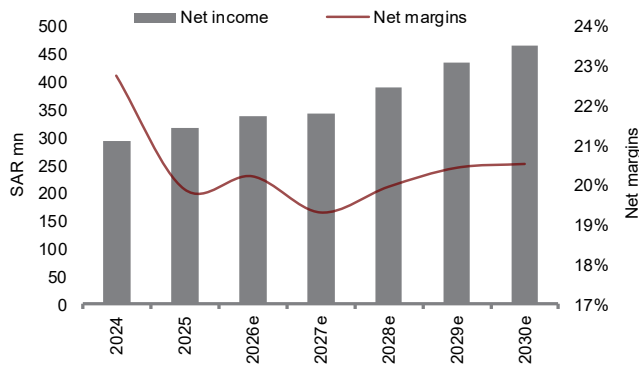


Source: Company filings and US Research

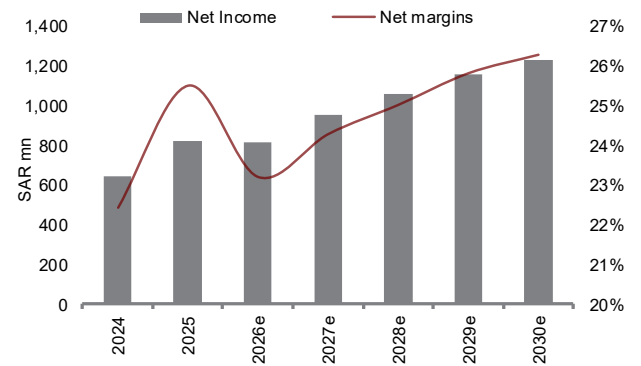
Care and Mouwasat bucked the broader trend, reporting improvements in operating margins. Care's performance was driven by improved utilization of its newly added facilities. We expect these levels to continue till 2027-28, until the capacity additions in Al Narjis comes into effect. In contrast, Mouwasat's profitability was supported by the reversal of credit provisions, which more than offset pressure on its core operating performance arising from higher costs for upcoming facilities. We do not expect these margin levels of Mouwasat to be sustainable into 2026, unless further credit provision write-backs materialize. With new facilities scheduled to come online in 2026, margins of the company are likely to remain under pressure in the near term before gradually improving.

Looking ahead we forecast for the topline of the companies under our coverage in the sector to broadly continue with their consistent growth. Profitability on the other hand will remain under pressure, as competition persists, while the new capacity buildup is likely to keep the initial operating cost high. However, we expect the same to improve gradually, as the utilization of these facilities ramps-up. Overall, we forecast net income growth at a CAGR of 10-11% over the 2025-2030e period.

Strong improvement in utilization expected to aid Care's profits



Mouwasat profits to come under pressure on new capacities and recover gradually



Source: Company filings and US Research

Dr. Sulaiman Al Habib Medical Services Group	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Key Financials (SAR mn)								
Revenue	9,508	11,200	13,707	15,125	16,594	18,199	20,518	21,764
Gross profit	3,270	3,744	4,207	4,718	5,259	5,677	6,605	7,224
Operating profit	2,096	2,356	2,619	3,036	3,492	3,820	4,671	5,234
Net income	2,046	2,315	2,401	2,747	3,128	3,459	4,289	4,845
Total assets	15,798	20,558	23,205	26,183	29,396	30,733	32,462	33,978
Debt	5,238	8,215	9,348	10,959	12,669	12,268	11,885	11,466
Cash	2,620	2,891	2,282	2,278	2,195	2,921	3,787	4,675
M-Cap	91,025	91,700	86,415	86,415	86,415	86,415	86,415	86,415
EV	93,923	97,462	94,009	95,726	97,637	96,640	95,552	94,426
Key Ratios								
Per Share (SAR)								
EPS	5.8	6.6	6.9	7.8	8.9	9.9	12.3	13.8
BVPS	18.5	20.5	22.6	24.9	27.5	30.5	34.1	38.2
DPS	4.3	4.8	4.8	5.5	6.3	7.0	8.6	9.7
Valuations								
P/E	44.5	39.6	36.0	31.5	27.6	25.0	20.1	17.8
EV/EBITDA	39.0	35.1	28.6	25.7	23.3	21.2	17.6	15.7
Div. yield	1.7%	1.8%	2.0%	2.2%	2.5%	2.8%	3.5%	3.9%
Liquidity								
Cash Ratio	0.8	0.7	0.5	0.4	0.4	0.5	0.6	0.7
Current ratio	1.3	1.3	1.2	1.1	1.1	1.1	1.2	1.3
Quick ratio	1.1	1.1	0.9	0.9	0.8	0.9	1.0	1.1
Return ratio								
ROA	13.3%	11.5%	10.7%	10.9%	11.0%	11.7%	13.7%	14.8%
ROE	31.5%	32.3%	30.4%	31.5%	32.4%	32.4%	35.9%	36.2%
ROCE	17.5%	14.9%	14.7%	14.9%	15.1%	16.0%	18.8%	20.1%
Profitability ratio								
EBITDA margins	25.3%	24.8%	24.0%	24.6%	25.3%	25.0%	26.4%	27.6%
Operating margins	22.0%	21.0%	19.1%	20.1%	21.0%	21.0%	22.8%	24.1%
Net margins	21.5%	20.7%	17.5%	18.2%	18.9%	19.0%	20.9%	22.3%
Leverage								
Debt/Capital	43.6%	51.9%	52.6%	54.0%	54.9%	51.5%	47.8%	44.0%
Debt/Total assets	33.2%	40.0%	40.3%	41.9%	43.1%	39.9%	36.6%	33.7%
Debt/Equity	77.4%	107.9%	110.9%	117.3%	122.0%	106.3%	91.6%	78.6%

Middle East Healthcare Co.	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Key Financials (SAR mn)								
Revenue	2,653	2,883	3,103	3,279	3,544	3,708	3,790	3,938
Gross profit	1,014	1,114	1,160	1,216	1,316	1,388	1,430	1,519
Operating profit	324	441	387	404	460	512	536	605
Net income	17	282	302	209	264	316	352	432
Total assets	5,135	5,125	5,466	5,620	5,838	6,072	6,186	6,353
Debt	2,485	2,466	2,544	2,493	2,436	2,364	2,152	1,904
Cash	44	52	26	32	21	34	40	37
M-Cap	5,023	7,849	3,510	3,510	3,510	3,510	3,510	3,510
EV	7,510	10,310	6,083	6,032	5,993	5,915	5,706	5,472
Key Ratios								
Per Share (SAR)								
EPS	0.2	3.1	3.3	2.3	2.9	3.4	3.8	4.7
BVPS	14.3	17.7	20.3	22.1	24.5	27.4	30.7	34.9
DPS	-	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Valuations								
P/E	294.8	27.8	11.6	16.8	13.3	11.1	10.0	8.1
EV/EBITDA	14.6	15.7	9.6	9.2	8.3	7.6	7.1	6.3
Div. yield	0.0%	0.6%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Liquidity								
Cash Ratio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current ratio	1.2	1.7	1.5	1.9	2.0	2.1	2.4	2.9
Quick ratio	1.2	1.7	1.5	1.8	1.9	2.1	2.3	2.8
Return ratio								
ROA	0.3%	5.5%	5.5%	3.7%	4.5%	5.2%	5.7%	6.8%
ROE	1.3%	17.3%	16.1%	10.3%	11.7%	12.5%	12.4%	13.4%
ROCE	8.4%	10.7%	8.7%	8.8%	9.7%	10.3%	10.6%	11.6%
Profitability ratio								
EBITDA margins	19.4%	22.8%	20.4%	20.1%	20.3%	20.9%	21.1%	22.0%
Operating margins	12.2%	15.3%	12.5%	12.3%	13.0%	13.8%	14.1%	15.4%
Net margins	7.2%	10.8%	10.5%	7.0%	8.2%	9.4%	10.2%	12.0%
Leverage								
Debt/Capital	64.5%	59.6%	56.9%	54.3%	51.2%	47.6%	42.5%	36.5%
Debt/Total assets	48.4%	48.1%	46.5%	44.4%	41.7%	38.9%	34.8%	30.0%
Debt/Equity	182.0%	147.3%	131.9%	119.0%	105.0%	91.0%	73.8%	57.5%

National Medical Care Co.	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Key Financials (SAR mn)								
Revenue	1,082	1,294	1,600	1,678	1,784	1,957	2,132	2,273
Gross profit	370	451	589	642	665	736	808	865
Operating profit	243	245	353	386	389	437	483	514
Net income	241	295	318	339	345	391	436	467
Total assets	2,214	2,499	2,771	2,904	3,048	3,242	3,479	3,614
Debt	330	488	516	439	362	285	208	13
Cash	309	264	480	432	533	639	780	833
M-Cap	5,064	6,414	5,247	5,247	5,247	5,247	5,247	5,247
EV	4,701	6,335	5,233	5,204	5,026	4,843	4,625	4,377
Key Ratios								
Per Share (SAR)								
EPS	5.4	6.6	7.1	7.6	7.7	8.7	9.7	10.4
BVPS	32.4	36.3	41.2	45.8	50.3	55.8	62.3	69.2
DPS	2.0	2.0	3.0	3.0	3.2	3.2	3.3	3.5
Valuations								
P/E	21.0	21.8	16.5	15.5	15.2	13.4	12.0	11.2
EV/EBITDA	15.8	19.3	11.3	11.1	10.0	8.8	7.7	6.9
Div. yield	1.8%	1.4%	2.6%	2.6%	2.7%	2.7%	2.8%	3.0%
Liquidity								
Cash Ratio	0.9	0.8	1.4	1.3	1.5	1.7	1.5	2.3
Current ratio	3.7	3.5	4.3	4.4	4.6	4.9	4.1	6.1
Quick ratio	3.5	3.4	4.1	4.2	4.4	4.7	3.9	5.9
Return ratio								
ROA	10.9%	11.8%	11.5%	11.7%	11.3%	12.0%	12.5%	12.9%
ROE	16.6%	18.1%	17.2%	16.5%	15.3%	15.6%	15.6%	15.0%
ROCE	13.6%	11.6%	14.9%	15.5%	14.9%	15.7%	16.1%	16.5%
Profitability ratio								
EBITDA margins	27.5%	25.4%	29.0%	27.8%	28.0%	28.1%	28.0%	27.7%
Operating margins	22.4%	18.9%	22.1%	23.0%	21.8%	22.3%	22.7%	22.6%
Net margins	22.3%	22.8%	19.9%	20.2%	19.3%	20.0%	20.4%	20.5%
Leverage								
Debt/Capital	18.5%	23.1%	21.8%	17.6%	13.8%	10.2%	6.9%	0.4%
Debt/Total assets	14.9%	19.5%	18.6%	15.1%	11.9%	8.8%	6.0%	0.4%
Debt/Equity	22.7%	30.0%	27.9%	21.4%	16.1%	11.4%	7.5%	0.4%

Al Hammadi Holding	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Key Financials (SAR mn)								
Revenue	1,177	1,154	1,235	1,440	1,580	1,824	2,062	2,212
Gross profit	433	382	363	424	466	538	608	653
Operating profit	316	280	229	282	315	377	437	473
Net income	303	339	242	289	315	373	429	462
Total assets	2,594	2,651	2,735	3,000	3,224	3,405	3,602	3,783
Debt	429	410	384	523	626	648	669	683
Cash	125	245	128	134	136	126	125	160
M-Cap	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176
EV	4,480	4,341	4,433	4,565	4,665	4,698	4,721	4,698
Key Ratios								
Per Share (SAR)								
EPS	1.9	2.1	1.5	1.8	2.0	2.3	2.7	2.9
BVPS	11.5	12.3	12.5	13.1	13.7	14.4	15.2	16.0
DPS	1.4	1.4	1.1	1.3	1.4	1.6	1.9	2.0
Valuations								
P/E	13.8	12.3	17.3	14.5	13.2	11.2	9.7	9.0
EV/EBITDA	10.8	11.5	13.9	12.3	11.5	9.8	8.7	8.1
Div. yield	5.4%	5.4%	4.2%	4.8%	5.3%	6.3%	7.2%	7.7%
Liquidity								
Cash Ratio	0.5	1.1	0.5	0.4	0.4	0.3	0.3	0.3
Current ratio	2.9	3.5	3.0	3.0	3.0	3.0	3.0	3.0
Quick ratio	2.7	3.2	2.7	2.7	2.7	2.6	2.6	2.7
Return ratio								
ROA	11.7%	12.8%	8.8%	9.6%	9.8%	10.9%	11.9%	12.2%
ROE	16.4%	17.3%	12.1%	13.8%	14.4%	16.2%	17.7%	18.0%
ROCE	13.9%	11.8%	9.6%	10.8%	11.2%	12.8%	14.1%	14.6%
Profitability ratio								
EBITDA margins	35.4%	32.7%	25.8%	25.8%	25.7%	26.3%	26.3%	26.2%
Operating margins	26.9%	24.3%	18.6%	19.6%	19.9%	20.7%	21.2%	21.4%
Net margins	25.8%	29.4%	19.6%	20.0%	20.0%	20.4%	20.8%	20.9%
Leverage								
Debt/Capital	18.9%	17.3%	16.1%	20.0%	22.3%	22.0%	21.6%	21.0%
Debt/Total assets	16.5%	15.5%	14.1%	17.4%	19.4%	19.0%	18.6%	18.1%
Debt/Equity	23.3%	20.9%	19.2%	25.0%	28.6%	28.2%	27.6%	26.6%



Mouwasat Medical Services Co.	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Key Financials (SAR mn)								
Revenue	2,706	2,879	3,223	3,531	3,933	4,233	4,491	4,685
Gross profit	1,313	1,237	1,361	1,487	1,690	1,855	2,006	2,132
Operating profit	748	716	869	903	1,048	1,152	1,236	1,290
Net income	658	646	822	819	955	1,059	1,160	1,232
Total assets	4,965	5,403	5,986	6,479	7,067	7,557	7,809	8,082
Debt	788	762	989	980	970	833	417	-
Cash	49	427	497	454	348	609	796	1,016
M-Cap	22,408	18,000	13,840	13,840	13,840	13,840	13,840	13,840
EV	23,197	18,395	14,475	14,363	14,044	13,685	13,124	12,532
Key Ratios								
Per Share (SAR)								
EPS	3.3	3.2	4.1	4.1	4.8	5.3	5.8	6.2
BVPS	16.4	17.8	18.9	20.9	23.2	25.9	28.8	31.9
DPS	1.8	2.0	2.1	2.1	2.4	2.6	2.9	3.1
Valuations								
P/E	34.1	27.9	16.8	16.9	14.5	13.1	11.9	11.2
EV/EBITDA	23.9	19.3	13.0	12.2	10.5	9.5	8.6	7.9
Div. yield	1.6%	2.2%	3.1%	3.1%	3.5%	3.8%	4.2%	4.4%
Liquidity								
Cash Ratio	0.1	0.5	0.5	0.5	0.3	0.4	0.5	0.9
Current ratio	1.9	2.0	1.7	2.0	2.3	2.0	2.1	3.1
Quick ratio	1.7	1.7	1.5	1.7	2.0	1.7	1.9	2.8
Return ratio								
ROA	13.2%	12.0%	13.7%	12.6%	13.5%	14.0%	14.8%	15.2%
ROE	20.1%	18.1%	21.8%	19.6%	20.5%	20.5%	20.1%	19.3%
ROCE	17.7%	16.0%	17.7%	17.0%	18.0%	18.4%	19.1%	19.2%
Profitability ratio								
EBITDA margins	35.9%	33.1%	34.6%	33.5%	33.9%	34.2%	34.0%	33.8%
Operating margins	27.7%	24.9%	27.0%	25.6%	26.6%	27.2%	27.5%	27.5%
Net margins	24.3%	22.4%	25.5%	23.2%	24.3%	25.0%	25.8%	26.3%
Leverage								
Debt/Capital	18.7%	17.0%	20.2%	18.4%	16.6%	13.3%	6.4%	0.0%
Debt/Total assets	15.9%	14.1%	16.5%	15.1%	13.7%	11.0%	5.3%	0.0%
Debt/Equity	23.0%	20.5%	25.2%	22.6%	20.0%	15.4%	6.9%	0.0%

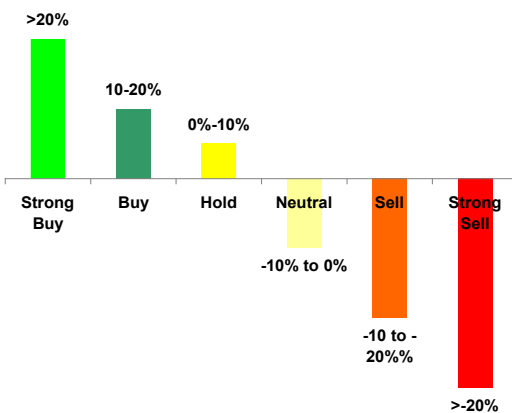
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Rating Criteria and Definitions

Rating



Rating Definitions

Strong Buy	This recommendation is used for stocks whose current market price offers a deep discount to our 12-Month target price and has an upside potential in excess of 20%
Buy	This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 10% to 20%
Hold	This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 0% to 10%
Neutral	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between 0% to -10%
Sell	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between -10% to -20%
Strong Sell	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential in excess of 20%
Not rated	This recommendation used for stocks which does not form part of Coverage Universe

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