Bupa Arabia for Cooperative Insurance Company

August 02, 2026

Business growth lifted net profit up 7% YoY, result in line with estimates.

Last Price: SAR 157.0 | YoY Performance: -2.2%

KEY TAKEAWAYS

- Bupa Arabia for Cooperative Insurance (BUPA) reported net profit of SAR 306.8 mn in 2Q26, up 7.2% YoY, coming inline with our estimated net profit of SAR 304.2 mn. The principal business growth lifted the profitability for the period. On a sequential basis, net profit declined 20.8% from SAR 387.3 mn in 1Q26, which management attributed to seasonal trends in claims utilization.
- Insurance revenue for the quarter increased to SAR 5,299.9 mn, up 12.4% YoY, driven by business growth across the insurance book. Total GWP rose 5.6% YoY to SAR 5,909.2 mn, coming broadly inline with our estimates of SAR 6,218.6 mn. Bupa Arabia's GWP fell 21.6% QoQ against a renewal-heavy 1Q26 (SAR 7,541.7 mn).
- Insurance service expenses rose to SAR 5,035.5 mn (+12.3% YoY), tracking the topline closely, and coming inline with our estimates of SAR 4,985.5 mn.
- Insurance service result before reinsurance increased to SAR 264.4 mn, up 14.4% YoY, lifting the pre-reinsurance margin to 5.0% for the quarter from 4.9% recorded in 2Q25. Net reinsurance expense, however, increased to SAR 20.2 mn from SAR 2.0 mn in 2Q25, leaving the net insurance service result at SAR 244.2 mn, up 6.6% YoY, and inline with our estimates of SAR 247.8 mn.
- Combined ratio for 2Q26 increased to 95.4% from 95.1% recorded in 2Q25, coming inline with our 95.3% forecast. The increase was likely driven by the medical inflation.
- Net investment income was a bright spot, coming in 16.9% higher YoY at SAR 215.8 mn.
- Net profit attributable to the shareholders for the quarter came in at SAR 306.8 mn, up 7.2%, inline with our estimated profit of SAR 304.2 mn, up 0.9%.
- Based on our last review, we maintain a "Neutral" rating on Bupa Arabia's stock, with a target price of SAR 177/sh. The stock currently trades at a 2026e P/E and P/B of 18.5x and 3.5x, respectively.

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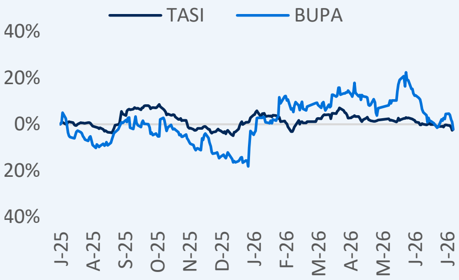
Issuer Information

Bloomberg Code	**BUPA AB**
Last Price (SAR)	**157.0**
No of Shares (mn)	**150.0**
Market Cap bn (SAR/USD)	**23.6 / 6.3**
52-week High / Low (SAR)	**200.0 / 131.4**
12-month ADTV (mn) (SAR/USD)	**28.2 / 7.5**
Free Float (%)	**51.7**
Foreign Holdings (%)	**43.3**

Last price as of July 30th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	**2Q26A**	**2Q26E***	**Var (%)**	**2Q25A**	**YoY (%)**	**1Q26A**	**QoQ (%)**
Insurance service revenue	5,300	5,242	*1.1*	4,716	*12.4*	5,240	*1.1*
Insurance service expense	(5,035)	(4,986)	*1.0*	(4,485)	*12.3*	(4,877)	*3.2*
Ins. service result pre reinsurance	264	257	*2.9*	231	*14.4*	363	*-27.2*
Ins. service margin pre reinsurance	***5.0%***	***4.9%***	*-*	***4.9%***	*-*	***6.9%***	*-*
Net reinsurance expense	(20)	(9)	*120.8*	(2)	*892.5*	(2)	*856.8*
Insurance service result	244	248	*-1.4*	229	*6.6*	361	*-32.3*
Insurance service margin	***4.6%***	***4.7%***	*-*	***4.9%***	*-*	***6.9%***	*-*
Net investment income	216	195	*10.5*	185	*16.9*	196	*9.9*
Net income	307	304	*0.9*	286	*7.2*	387	*-20.8*
Net margin	***5.8%***	***5.8%***	*-*	***6.1%***	*-*	***7.4%***	*-*
EPS	2.05	2.03	-	1.91	-	2.58	-

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

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