

Company

Dallah Healthcare

2Q25 Result Review

Rating

Buy

Bloomberg Ticker

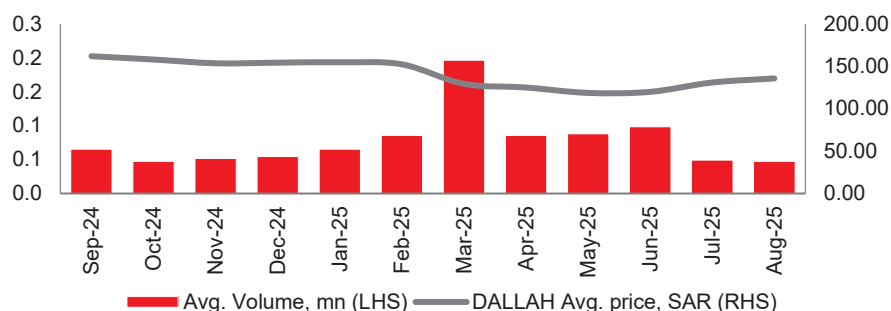
DALLAH AB

Date

5 August 2025

Results

Target Price SAR	183.0
Upside/ Downside	35%



Revenue surges 39% YoY in 2Q25 driven by recent acquisitions

Dallah Healthcare's revenue surged 39% YoY in 2Q25, driven by increased operational capacity and strategic expansion through an inorganic route. The recent acquisition of Al Khobar and Al Ahsa hospitals contributed 59% of total revenue growth with a combined revenue of approx. SAR 176mn (+72% YoY). Dallah's revenue from existing medical facilities, meanwhile, rose nearly 16% YoY.

Net profit rose 11% YoY on strong revenue growth

Net profit in 2Q25 grew 11% YoY, supported by strong revenue growth. However, net losses of Dallah Hospital Al-Khobar (SAR 18mn) partially offset the positive impact, limiting full translation of revenue gains into net profit growth. These losses have been reduced by 61% YoY, driven by higher patient visits and improved efficiency.

U-Capital view

Considering the strong and better than expected earnings performance in 2Q25, we maintain our SAR 183 target price on Dallah. The BoD has proposed SAR 0.5 dividend per share for 2Q25 (in line), indicating a payout ratio of 41%. Currently, the stock trades at 25.6x FY25e EPS, below its 3-year daily average forward P/E of 34.7x.

Current Market Price (SAR)	136.00
52wk High / Low (SAR)	169.4/109.0
12m Average Vol. (000)	80.3
Mkt. Cap. (USD/SAR mn)	3,682/13,814
Shares Outstanding (mn)	101.6
Free Float (%)	43%
3m ADTV (SAR mn)	9.3
6m ADTV (SAR mn)	12.7
P/E'25e (x)	25.6
EV/EBITDA'25e (x)	21.5
Dividend Yield '25e (%)	1.5%
Price Perf. (1m/3m) (%)	4.9/13.5

Research Department

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For our
last report



Financial Summary

SAR mn	2Q24	3Q24	4Q24	1Q25	2Q25	2Q25e	YoY	QoQ	Var.	1H24	1H25	YoY
P&L												
Revenue	765	848	809	833	1,062	862	39%	28%	23%	1,549	1,895	22%
Gross profit	298	323	293	298	376	310	26%	26%	21%	591	673	14%
Operating profit	141	161	115	178	155	131	10%	-13%	18%	290	333	15%
Net profit	112	126	114	156	124	106	11%	-20%	18%	231	280	21%
BS												
Sh. Equity	3,371	3,415	3,469	4,061	4,135		23%	2%		3,371	4,135	23%
Ratios												
Gross margin	38.9%	38.1%	36.2%	35.7%	35.4%	36.0%				38.2%	35.5%	
Operating margin	18.4%	19.0%	14.3%	21.4%	14.6%	15.2%				18.7%	17.6%	
Net profit margin	14.6%	14.9%	14.1%	18.7%	11.7%	12.3%				14.9%	14.8%	
EPS, SAR	1.15	1.29	1.17	1.59	1.22	1.08				2.37	2.81	
RoE (TTM)					13.8%							
TTM P/E (x)					26.6							

Source: Financials, Tadawul, Bloomberg, U Capital Research



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Disclaimer

Recommendation

BUY	ACCUMULATE	HOLD	REDUCE	SELL
Greater than 20%	Between +10% and +20%	Between +10% and -10%	Between -10% and -20%	Lower than -20%

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