JULY 2026

NATIONAL MEDICAL CARE

SNB Capital

Established platform, expanding horizon

We initiate coverage on National Medical Care (CARE) with an Overweight rating and PT of SAR134.7. Care is a well-established Class B/C private healthcare operator with a 59-year track record. It operates a six-facility network across Riyadh, Jeddah and Makkah with 1,178 beds. Our investment rationale is anchored in three pillars: 1) a sticky GOSI referral relationship that provides an institutional revenue base, 2) a credible capacity expansion roadmap anchored by the 400 beds Class A/VIP Al Narjis Hospital and a Jeddah greenfield hospital and 3) a proven M&A playbook validated by the Al Salam acquisition ramp-up. We forecast a 2025-2030f net income CAGR of 7.5% to SAR457mn with margins temporarily diluted through 2028f as new capacity comes online, implying an average ROE of 15.9%. The stock is trading at a 2027f P/E and EV/EBITDA of 16.0x and 13.4x. vs the peer group average of 16.9x and 13.4x, respectively.

- **A well-established Class B/C healthcare provider**
  Established in Riyadh in 1966, Care has evolved from a single Riyadh hospital in 1966 into a diversified six facility across three cities (Riyadh, Jeddah and Makkah) with a bed capacity of 1,178. In 2025, the company treated a total of 985,088 patients, comprising 954,318 outpatient visits and 30,770 inpatients. Care's average bed occupancy improved to 82.8% (from 79.2% in 2022) and surgical activity increased to 24,740 procedures (from 18,588 in 2022). The company is anchored by two legacy hospitals, Al Rawabi and Al Malaz, contributing 44.6% and 39.4% of revenue in 2025, respectively This is complemented by niche platforms in long term care (Al Balad), emergency & critical care (Al Haram), primary care (Al-Salam) and mental health (Relib). Moreover, GOSI is Care's single largest payor and representing 36.5% of the revenue in 2025. This is a relationship sustained by administrative convenience and supported by a development on the Mega project and higher populations.

- **Capacity expansion with differentiated positioning**
  The company's growth story centres around two major expansions: AlNarjis and Jeddah Greenfield. Al Narjis is a 400-bed Class A/VIP facility (Phase 1 opening in Q1 28f), and its Care's first Class A hospital (vs its legacy Class B/C positioning). In Jeddah, Care's planned greenfield Class B hospital (150 beds initially, expandable to 250) and its first major regional diversification expansion. These expansions will increase the total bed capacity to 1,409 (+20%) by 2028f. Moreover, it can potentially change the payor mix away from GOSI (c36.5%) and MoH (31.1%). Although the shift might impact margin, it is expected to improve the overall cash conversion. We highlight that M&A also provides upside optionality to our valuation.

- **Net income to reach SAR457mn by 2030f**
  Care significantly improved its financial profile over the last few years, by effectively leveraging its relationship with GOSI, improving current facilities utilization and disciplined expansion strategy. The company ended 2025 on a strong position, with revenues rising 24% yoy to SAR1.60bn. Going forward, we expect revenues to record a 2025-2030f CAGR of 7.7% to SAR2.32bn, on phased addition of the 400-bed Al Narjis facility. We expect margins to dilute as capacity comes online with net margins declining to 17.5% in 2026f and to remain at 16-18% range throughout Al Narjis ramp-up phase. Accordingly, net profit is expected to dip to SAR296mn in 2026f before recovering to SAR457mn by 2030f (CAGR of 7.7%). Capex intensity is expected to remain elevated, limiting near term FCFF and increasing leverage (however remaining well below the industry average). Therefore, we remain conservative in our pay-out assumption and expect FY 25 payout to be maintained in absolute terms.

- **Initiate coverage on Care with an Overweight rating and PT of SAR134.7**
  We initiate coverage on Care with an Overweight rating and a PT of SAR134.7. The stock is trading at a 2027f P/E and EV/EBITDA of 16.0x and 13.4x.vs the peer group average of 16.9x and 13.4x, respectively. In our view, the current price does not fully capture Care's current sticky business from GOSI, expansion pipeline and M&A track record.

Summary Financials

SAR mn	2024	2025	2026f	2027f	2028f	2029f	2030f	2030f
Revenues	1,294	1,600	1,693	1,801	2,034	2,177	2,320	7.7%
Gross income	451	589	562	606	647	716	772	5.6%
Gross margin (%)	*34.9%*	*36.8%*	*33.2%*	*33.7%*	*31.8%*	*32.9%*	*33.3%*	
EBIT	293	355	327	367	390	456	508	7.5%
EBIT Margin (%)	22.7%	22.2%	19.3%	20.4%	19.2%	21.0%	21.9%	
Net income att	295	318	296	318	332	402	457	7.5%
Net margin (%)	22.8%	19.9%	17.5%	17.7%	16.3%	18.5%	19.7%	
EPS (SAR)	6.6	7.1	6.6	7.1	7.4	9.0	10.2	7.4%

Source: Company reports, SNB Capital Research estimates

OVERWEIGHT

Price target (SAR)	**134.7**
Current price (SAR)	113.7
Upside/Downside (%)	18.4%

VALUATION MULTIPLES

	25	26f	27f
P/E (x)	15.9	17.2	16.0
P/B (x)	2.8	2.5	2.3
EV/EBITDA (x)	13.2	14.0	13.4
Div Yield (%)	2.6	2.6	2.6

Source: SNB Capital Research estimates

MAJOR SHAREHOLDERS

Investor	% Ownership
Saudi Medical Care Group	49.2%
Foreign Investors	7.6%

Source: Saudi Exchange, SNB Capital Research. As of 23th July 2026.

STOCK DETAILS

M52-week range H/L (SAR)	183.5/94.9
Market cap (USD mn)	1,364
Shares outstanding (mn)	45
Listed on exchanges	Tadawul

Price perform (%)	1M	3M	12M
Absolute	6.0	(5.4)	(32.7)
Rel. to market	8.1	(2.7)	(31.0)

Avg daily turnover (mn)	SAR	USD
3m	21.2	5.7
12m	17.5	4.7

Reuters code	4005.SE
Bloomberg code	CARE AB
	www.care.med.sa

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