

**Company**

# Al Hammadi Holding

## 2Q25 Result Review

**Rating**

Buy

**Bloomberg Ticker**

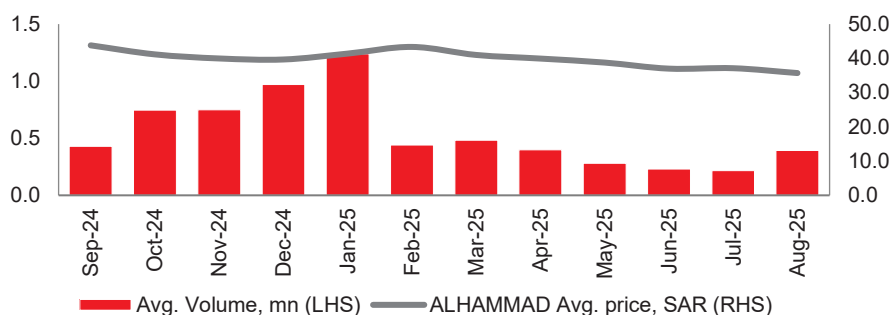
ALHAMMAD AB

**Date**

12 August 2025

**Results**

|                  |       |
|------------------|-------|
| Target Price SAR | 46.0  |
| Upside/ Downside | 31.6% |

**Revenue jumps 13% YoY in 2Q25**

Al Hammadi Holding's revenue climbed 13.0% YoY in 2Q25, coming in line with our estimate. Both the pharma products and medical services segments registered an increase in revenue, wherein the medical services segment benefited from more favorable terms of some recently signed contracts.

**Credit loss provision and absence of one-off gains hit net profit**

Despite registering healthy revenue growth, operating and net profit declined significantly in 2Q25. This is due to the company recording ~SAR 11mn provision for credit losses (vs. ~SAR 2mn provision reversal in 2Q24) and registering ~SAR 55mn exceptional gain in 2Q24 on the sale of land.

**U-Capital view**

We expect Al Hammadi's hospital count to double from two to four over the next 3 - 4 years, enhancing its capacity and earnings potential. Thus, we maintain our SAR 46.0 target price on the stock but change the rating to Buy (from Hold, previously), based on the current upside. Additionally, the company proposed a SAR 0.35/share dividend for 2Q25 (same as in 2Q24), reflecting a payout ratio of 90%.

|                            |             |
|----------------------------|-------------|
| Current Market Price (SAR) | 35.0        |
| 52wk High / Low (SAR)      | 47.2/34.2   |
| 12m Average Vol. (mn)      | 0.6         |
| Mkt. Cap. (USD/SAR mn)     | 1,490/5,594 |
| Shares Outstanding (mn)    | 160.0       |
| Free Float (%)             | 70.2%       |
| 3M ADTV (SAR mn)           | 9.4         |
| 6M ADTV (SAR mn)           | 13.2        |
| P/E'25e (x)                | 18.4        |
| EV/EBITDA'25e (x)          | 13.2        |
| Dividend Yield '25e (%)    | 4.0%        |
| Price Perf. (1m/3m) (%)    | -8.0/-9.7   |

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last report**Financial Summary**

| SAR mn            | 2Q24  | 3Q24  | 4Q24  | 1Q25  | 2Q25  | 2Q25e | YoY  | QoQ  | Var. | 1H24  | 1H25  | YoY  |
|-------------------|-------|-------|-------|-------|-------|-------|------|------|------|-------|-------|------|
| <b>P&amp;L</b>    |       |       |       |       |       |       |      |      |      |       |       |      |
| Revenue           | 263   | 291   | 323   | 302   | 298   | 285   | 13%  | -1%  | 5%   | 541   | 600   | 11%  |
| Gross profit      | 86    | 96    | 110   | 97    | 93    | 91    | 8%   | -4%  | 2%   | 177   | 190   | 7%   |
| Operating profit  | 130   | 82    | 78    | 77    | 64    | 77    | -51% | -17% | -17% | 205   | 141   | -31% |
| Net profit        | 118   | 79    | 78    | 74    | 62    | 72    | -47% | -16% | -13% | 182   | 136   | -25% |
| <b>BS</b>         |       |       |       |       |       |       |      |      |      |       |       |      |
| Sh. Equity        | 1,915 | 1,938 | 1,961 | 1,980 | 1,987 |       | 4%   | 0%   |      | 1,915 | 1,987 | 4%   |
| <b>Ratios</b>     |       |       |       |       |       |       |      |      |      |       |       |      |
| Gross margin      | 32.5% | 33.1% | 34.0% | 32.0% | 31.2% | 32.0% |      |      |      | 32.7% | 31.6% |      |
| Operating margin  | 49.4% | 28.2% | 24.3% | 25.4% | 21.4% | 27.1% |      |      |      | 37.9% | 23.4% |      |
| Net profit margin | 44.7% | 27.2% | 24.1% | 24.5% | 20.8% | 25.1% |      |      |      | 33.7% | 22.6% |      |
| EPS, SAR          | 0.7   | 0.5   | 0.5   | 0.5   | 0.4   | 0.4   |      |      |      | 1.1   | 0.9   |      |
| RoE (TTM)         |       |       |       |       | 14.9% |       |      |      |      |       |       |      |
| TTM P/E (x)       |       |       |       |       | 19.1  |       |      |      |      |       |       |      |

Source: Financials, Tadawul, Bloomberg, U Capital Research



# Investment Research

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## Disclaimer

### Recommendation

| BUY              | ACCUMULATE               | HOLD                     | REDUCE                   | SELL            |
|------------------|--------------------------|--------------------------|--------------------------|-----------------|
| Greater than 20% | Between<br>+10% and +20% | Between<br>+10% and -10% | Between<br>-10% and -20% | Lower than -20% |

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