U Capital

Research

Company

Dr. Sulaiman Al Habib Medical Services Group

3Q25 Result Review

Rating

Accumulate

Bloomberg Ticker

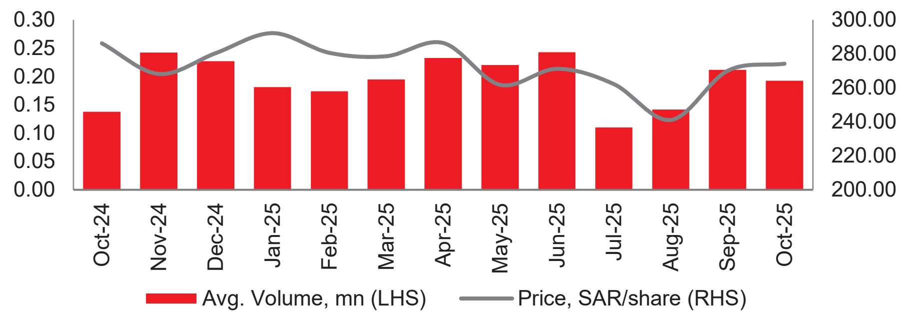
SULAIMAN AB

Date

27 October 2025

Results

Target Price SAR	321.0
Upside/ Downside	17.1%



Current Market Price (SAR)	274.2
52wk High / Low (SAR)	308.0/227.7
12m Average Vol. (mn)	0.2
Mkt. Cap. (USD/SAR mn)	25,591/95,970
Shares Outstanding (mn)	350.0
Free Float (%)	29.1%
3m ADTV (SAR mn)	46.3
6m ADTV (SAR mn)	48.2
P/E'26e (x)	31.6
EV/EBITDA'26e (x)	25.5
Dividend Yield '26e (%)	2.2%
Price Perf. (1m/3m) (%)	5.1/9.1

Revenue growth in 3Q25 comes largely in line with our estimate

Dr. Sulaiman Al Habib's revenue in 3Q25 jumped 16% YoY, broadly matching our expectations. Both the hospitals and pharmacies segments contributed to revenue growth. The hospital segment benefited from improved occupancy and increased patient volume, as the group added 4 new hospitals since 3Q24.

Increased fixed operating costs constrain net profit growth

Despite strong revenue growth, net profit rose only 1% YoY in 3Q25, in line with our estimate. An increase in fixed operating costs from the opening of new hospitals currently in ramp-up curbed net profit growth.

U Capital View

We expect Dr. Sulaiman's profitability to start improving next year onwards as the newly added hospitals move towards their optimum utilization levels. Hence, we maintain our Accumulate rating on the stock. The company's BoD has proposed a DPS of SAR 1.21 for 3Q25 (3Q24: SAR 1.20), indicating a payout ratio of ~70%, in line with its historical trend.

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Financial Summary

SAR mn	3Q24	4Q24	1Q25	2Q25	3Q25	3Q25e	YoY	QoQ	Var.	9M24	9M25	YoY
P&L												
Revenue	2,977	3,129	3,158	3,384	3,463	3,638	16%	2%	-5%	8,072	10,005	24%
Gross profit	992	997	1,028	1,066	1,050	1,163	6%	-2%	-10%	2,747	3,144	14%
Operating profit	624	624	626	645	666	693	7%	3%	-4%	1,732	1,937	12%
Net profit	596	614	557	591	602	620	1%	2%	-3%	1,702	1,750	3%
BS												
Sh. Equity	6,991	7,175	7,291	7,495	7,684		10%	3%		6,991	7,684	10%
Ratios												
GPM	33.3%	31.9%	32.6%	31.5%	30.3%	32.0%				34.0%	31.4%	
OPM	21.0%	19.9%	19.8%	19.1%	19.2%	19.1%				21.5%	19.4%	
NPM	20.0%	19.6%	17.6%	17.5%	17.4%	17.0%				21.1%	17.5%	
EPS, SAR	1.70	1.75	1.59	1.69	1.72	1.77				4.86	5.00	
RoE (TTM)					31.9%							
TTM P/E (x)					40.6							
Current P/B (x)					12.5							

Source: Financials, Tadawul, Bloomberg, U Capital Research

Investment Research

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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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