

Company

Mouwasat Medical Services

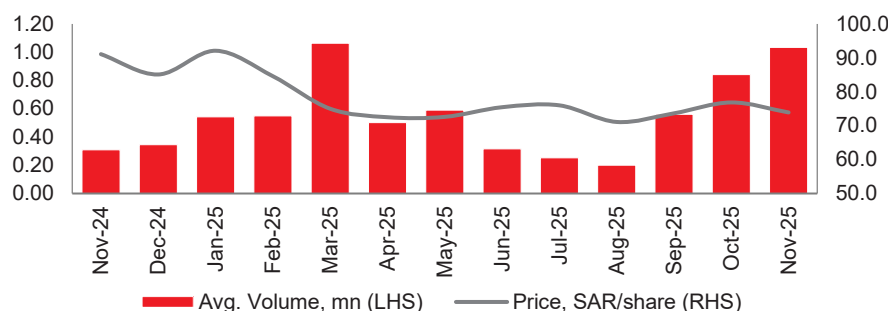
3Q25 Result Review

Rating**Buy****Bloomberg Ticker****MOUWASAT AB****Date**

4 November 2025

Results

Target Price SAR	90.0
Upside/ Downside	21.8%

**Revenue rises 9% YoY in 3Q25, broadly meeting our estimates**

Mouwasat Medical's revenue rose 9% YoY in 3Q25, broadly meeting our estimates. Improved occupancy in inpatient departments, an increase in outpatient visits, and continued positive impact from favorable revisions to contractual terms of some earlier contracts drove the revenue higher.

Net profit outshines revenue growth, ahead of our estimate

Net profit increased at a significantly higher pace (+33% YoY) vs. revenue, coming in better than our expectations. Apart from the revenue growth, lower impairment loss on receivables resulting from the collection of a considerable sum of outstanding receivables, and a decrease in zakat expense, boosted the net profit in 3Q25.

U Capital View

We reiterate our SAR 90.0/share target price on Mouwasat. We believe that, with its prudent financial management, the company is well-positioned to maintain its profitable growth as it is set to add more capacity over our forecast period. Mouwasat's stock is currently trading at a P/E ratio of 18.5x, based on our FY26 estimates, which is below its 3-year daily average forward P/E of 26.3x.

Financial Summary

SAR mn	3Q24	4Q24	1Q25	2Q25	3Q25	3Q25e	YoY	QoQ	Var.	9M24	9M25	YoY
P&L												
Revenue	711	756	764	796	777	817	9%	-2%	-5%	2,124	2,338	10%
Gross profit	318	318	347	356	324	362	2%	-9%	-11%	971	1,027	6%
Operating profit	168	184	210	203	212	191	26%	4%	11%	539	629	17%
Net profit	150	172	197	187	200	175	33%	7%	14%	474	584	23%
BS												
Sh. Equity	3,401	3,568	3,765	3,552	3,752		10%	6%		3,401	3,752	10%
Ratios												
GPM	44.7%	42.1%	45.4%	44.8%	41.6%	44.2%				45.7%	43.9%	
OPM	23.6%	24.3%	27.5%	25.5%	27.3%	23.3%				25.4%	26.9%	
NPM	21.1%	22.7%	25.8%	23.5%	25.7%	21.4%				22.3%	25.0%	
EPS, SAR	0.75	0.86	0.99	0.93	1.00	0.87				2.37	2.92	
RoE (TTM)					20.6%							
TTM P/E (x)					19.6							
Current P/B (x)					3.9							

Source: Financials, Tadawul, Bloomberg, U Capital Research

Current Market Price (SAR)	73.9
52wk High / Low (SAR)	96.6/65.6
12m Average Vol. (mn)	0.5
Mkt. Cap. (USD/SAR mn)	3,941/14,780
Shares Outstanding (mn)	200.0
Free Float (%)	45.4%
3m ADTV (SAR mn)	40.9
6m ADTV (SAR mn)	35.2
P/E'26e (x)	18.5
EV/EBITDA'26e (x)	13.6
Dividend Yield '26e (%)	3.2%
Price Perf. (1m/3m) (%)	-1.5/-3.5

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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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