U Capital
Ubhar Capital أوبار كابيتال

Research

Company

Bupa Arabia for Cooperative Insurance Co.

2Q26 Result Review

Rating

Hold

Bloomberg Ticker

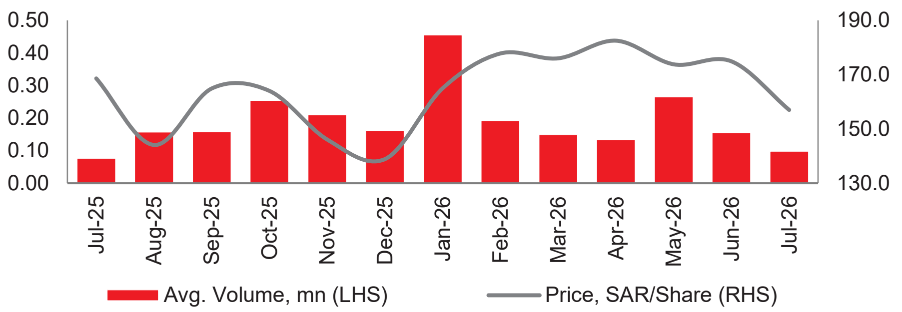
BUPA AB

Date

4 August 2026

Results

Target Price SAR	179.7
Total Return	6.9%



Current Market Price (SAR)	172.8
52-week High | Low	200.0 | 131.4
Price Perf. (1m | 3m)	2.3% | -4.5%
Mkt. Cap. (USD/SAR bn)	6.9 | 25.9
Free Float	51.7%
3m ADTO (000 shares)	136.5
6m ADTO (000 shares)	142.5
3m ADTV (SAR 000)	24,410.4
6m ADTV (SAR 000)	24,954.7
P/E 27e	17.5x
P/B 27e	3.7x
DY 27e	2.9%

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Revenue increased 12% YoY, in line with our estimates

Bupa Arabia reported 2Q26 revenue of SAR 5.3bn (12% YoY and 1% QoQ), in line with our estimates. The topline growth was driven by continued business growth.

Profitability increased by 7% YoY in 2Q26

Bupa reported 2Q26 net profit of SAR 307mn (7% YoY and -21% QoQ). The yearly growth was driven by a 14% YoY growth in insurance service results, and a 17% YoY increase in net investment results.

U-Capital view

We expect Bupa Arabia to sustain its growth momentum through 2H26e, supported by the continued rollout of mandatory health insurance, expansion of its corporate customer base, and resilient investment income. Coupled with disciplined claims management, these factors are expected to drive healthy earnings growth in FY26e. The stock is currently trading at FY27e P/E of 17.5x and offers a dividend yield of 2.9%. We maintain our Hold rating on the stock with a target price of SAR 179.7/share.

Financial Statements

SAR mn	2Q25	3Q25	4Q25	1Q26	2Q26	2Q26e	YoY	QoQ	Var.	1H25	1H26	YoY
P&L												
Insurance revenue	4,716	5,044	5,133	5,240	5,300	5,446	12%	1%	-3%	9,125	10,540	16%
Ins Services Result	231	295	6	363	264	377	14%	-27%	-30%	621	627	1%
Net Ins Service Results	229	309	-12	361	244	375	7%	-32%	-35%	580	605	4%
Net Investment Results	185	187	173	196	216	172	17%	10%	25%	371	412	11%
Net Profit	286	364	49	387	307	382	7%	-21%	-20%	666	694	4%
BS												
Sh. Equity	5,244	5,662	5,628	5,892	5,636		7%	-4%		5,244	5,636	7%
Ratios												
Insurance Result Margin	4.9%	6.1%	-0.2%	6.9%	4.6%	6.9%				6.4%	5.7%	
Net Profit Margin	6.1%	7.2%	0.9%	7.4%	5.8%	7.0%				7.3%	6.6%	
RoE (TTM)					20.3%							
P/E (TTM)					23.4							
P/Bv					4.6							

Source: Financials, Tadawul, Bloomberg, U Capital Research.

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BUY	HOLD	SELL
Greater than 10%	Between 0% and +10%	Lower than 0%

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