2Q26 FIRST TAKE

Dallah Healthcare Co.

August 4, 2026

Profitability declined on cost pressure, below our estimates

Last Price: SAR 111.4 | YoY Performance: -17.8%

KEY TAKEAWAYS

- Dallah Healthcare Co. (DALLAH) delivered revenue of SAR 1,107.9 mn in 2Q26, up 4.3% YoY. The revenue came broadly in line with our estimates of SAR 1,162.3, down 4.7%. Revenue growth was mainly driven by an 8.9% increase in patient visits to 1.0 mn, supported by higher volumes across all regions, an improved mix of medical and specialized services. Dallah Al Khobar and Al Ahsa Hospital reported 22.5% YoY revenue growth in 2Q26.
- Gross profit for 2Q26 arrived at SAR 387.4 mn, increasing 3.1% YoY and 15.9% QoQ. Gross margin expanded to 35.0%, compared with our forecast of 34.5%, reflecting better mix of medical services and strong specialized services. On sequential basis, gross margin expanded by 200 bps, supported by the normalisation of seasonal factor from previous quarter, along with better cost absorption from higher activity levels.
- Operating profit arrived at SAR 149.3 mn, down 3.7% YoY, mainly due SAR 15.3 mn in operating costs related to the Mina Emergency Hospital during the Hajj season. Operating expenses increased by 7.8% YoY to SAR 238.1 mn, while the operating margin declined to 13.5% in 2Q26 compared with 14.6% in same period last year.
- Dallah reported the net profit of SAR 100.0 mn, down 19.5% YoY. The result came below our estimate of SAR 118.5 mn, down 15.6%. The decrease in net profit was mainly attributed to higher operating cost related to Mina emergency hospital and higher finance cost which increased by SAR 6.9 mn compared to 2Q25. While net margin reported at 9.0%, compared with our forecast of 10.2%.
- Based on our last update, we have a 'Neutral' rating on the stock with a target price of SAR 115.0/share. Additionally, The company announced a cash dividend of SAR 0.5 per share for 2Q26.

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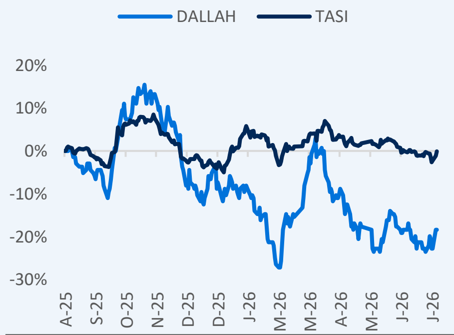
Issuer Information

Bloomberg Code	**DALLAH AB**
Last Price (SAR)	**111.4**
No. of Shares (mn)	**101.0**
Market Cap bn (SAR/USD)	**11.2 / 2.9**
52-week High / Low (SAR)	**157.3 / 90.0**
12-month ADTV (mn) (SAR/USD)	**11.8 / 3.1**
Free Float (%)	**48.0**
Foreign Holdings (%)	**5.3**

Relative Price Performance



Source: Bloomberg, anbc research
Last price as of August 3rd, 2026

Financials (SAR mn)	2Q26A	2Q26E*	Var (%)	2Q25A	YoY (%)	1Q26A	QoQ (%)
Revenue	1,108	1,162	-4.7	1,062	4.3	1,013	9.3
Cost of Revenues (COGS)	721	761	-5.3	687	4.9	679	6.1
Gross Profit	387	401	-3.3	376	3.1	334	15.9
Gross Margin (%)	***35.0***	***34.5***		***35.4***		***33.0***	
Operating Expenses	238	236	0.9	221	7.8	214	11.4
Operating Profit	149	165	-9.4	155	-3.7	120	24.0
Operating Margin (%)	***13.5***	***14.2***		***14.6***		***11.9***	
Net Profit	100	118.5	-15.6	124	-19.5	124	-19.5
Net Margin (%)	***9.0***	***10.2***		***11.7***		***13.5***	
EPS (SAR)	1.0	1.2		1.2		1.2	

**anbc estimate*
Source: Company Financials, anbc research

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