Mouwasat Medical Services Co.

November 2, 2026

Net profit below estimates on lower-than-expected gross margin and higher operating expenses

Last Price: SAR 54.7 | YoY Performance: -28.9%

3Q26 FIRST TAKE

KEY TAKEAWAYS

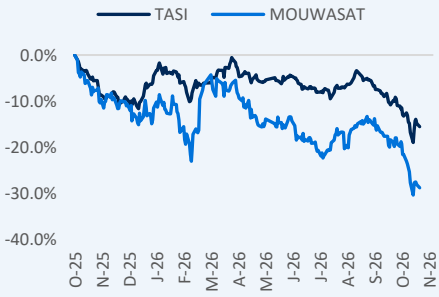
- Mouwasat reported revenue of SAR 856.4 mn in 3Q26, up 10.2% YoY and 1.4% below our estimate of SAR 868.8 mn. Growth was mainly driven by the contribution of Yanbu hospital, which commenced operations in 1Q26, and higher inpatient occupancy. QoQ revenue declined 2.3%, which management attributed to the third quarter coinciding with the seasonal holiday period.
- Gross profit came in at SAR 343.7 mn, up 11.4% YoY but down 3.6% QoQ, and 3.9% below our estimate of SAR 357.8 mn. Gross margin was 40.1%, compared with 39.7% in 3Q25 and 40.7% in 2Q26, and below our forecast of 41.2%.
- Operating profit reached SAR 202.9 mn, down 4.4% YoY and 11.6% QoQ, and 8.9% below our estimate of SAR 222.8 mn, reflecting lower-than-expected gross margin (40.1% vs. our 41.2%) and higher-than-expected operating expenses. Operating expenses were SAR 140.8 mn, 4.3% above our estimate of SAR 135.0 mn. Operating margin was 23.7%, compared with 27.3% in 3Q25, 26.2% in 2Q26 and our forecast of 25.6%.
- Net profit was SAR 188.0 mn, down 5.8% YoY and 11.1% QoQ, and 5.5% below our estimate of SAR 199.0 mn. Net margin was 22.0%, compared with our forecast of 22.9%. Management attributed the YoY decline to a high base: 3Q25 included a one off recovery of doubtful receivables. Excluding this, net profit would have grown 4.3%. The QoQ decline reflects lower revenue during the holiday period and the non-recurrence of the SAR 20.5 mn capital gain from land sales recognized in 2Q26.
- Based on our last update, we have an 'Overweight' rating on the stock with a target price of SAR 83.6/share.

Analyst Contact:
Ali H. Alshaia
Senior Analyst - Sell-Side Research
Ali.Alshaia@anbcapital.com.sa
+966 11 4062500 Ext. 7065

Issuer Information

Bloomberg Code	**MOUWASAT AB**
Last Price (SAR)	**54.7**
No. of Shares (mn)	**200**
Market Cap bn (SAR/USD)	**10.9 / 2.9**
52-week High / Low (SAR)	**78.0/ 53.1**
12-month ADTV (mn) (SAR/USD)	**25.7 / 6.9**
Free Float (%)	**65.9**
Foreign Holdings (%)	**8.8**

Relative Price Performance



Source: Bloomberg, anbc research
Last price as of November 1st, 2026

Financials (SAR mn)	3Q26A	3Q26E*	Var (%)	3Q25A	YoY (%)	2Q26A	QoQ (%)
Revenue	856	869	(1.4)	777	10.2	876	(2.3)
Cost of Revenues (COGS)	513	511	0.3	469	9.4	520	(1.4)
Gross Profit	344	358	(3.9)	309	11.4	356	(3.6)
Gross Margin (%)	***40.1***	***41.2***		***39.7***		***40.7***	
Operating Expenses	141	135	4.3	96	46.1	127	10.9
Operating Profit	203	223	(8.9)	212	(4.4)	229	(11.6)
Operating Margin (%)	***23.7***	***25.6***		***27.3***		***26.2***	
Net Profit	188	199	(5.5)	200	(5.8)	211	(11.1)
Net Margin (%)	***22.0***	***22.9***		***25.7***		***24.1***	
EPS (SAR)	0.9	1.0	(5.5)	1.0	(5.8)	1.1	(11.1)

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

Disclaimer

anb capital is a Saudi Closed Joint Stock Company with paid up capital of SAR 1,000 million and is licensed by the Capital Market Authority of Saudi Arabia under license number 07072-37 and Unified Number 7001548267, with its head office at 3581 Al Mouyyad Al Jadid, Al Murabba, PO Box 220009, Riyadh 11311, Saudi Arabia, telephone number 800 124 0055.

This report is prepared by anb capital, a full-fledged investment bank providing investment banking, asset management, securities brokerage and research services. anb capital and its affiliates, may have or seek investment banking or other business relationships for which it will receive compensation from the companies that are the subject of this report. Also, anb capital (or its officers, directors or employees) may have a position in the securities that are the subject of this report.

This report has been prepared on the basis of information believed to be reliable, but anb capital makes no guarantee, representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information, nor do they accept any responsibility for loss or damage arising in any way (including by negligence) from errors in, or omissions from the information.

This report is intended only for the recipient to whom the same is delivered by anb capital and should not be reproduced, redistributed, forwarded or relied on by any other person. The distribution of this report in some jurisdictions may be restricted by law, and persons into whose possession this report comes should inform themselves about, and observe, any such restriction.
This report has been prepared by anb capital for information purposes only and is not and does not form part of nor should be considered advice, recommendation, offer for sale or solicitation of any offer to subscribe for, purchase or sell any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever, and any views or opinions expressed herein are subject to change without notice.

This report and information contained herein, are provided for informational purpose only and does not take into consideration any investment objective, financial situation or particular needs of any recipient and are not designed with the objective of providing information to any particular recipient and only provides general information. anb capital assumes that each recipient would make its own assessment and seek professional advice, including but not limited to, professional legal, financial and accounting advice, before taking any decision in relation to the information provided in the report. Recipients should consider their own investment objectives and financial situation and seek professional advice before making any investment decisions.

Under no circumstance will anb capital nor any of its respective directors, officers or employees be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with the use of or reliance on the information contained in this report.

All opinions, estimates, valuations or projections contained in this report constitute anb capital's current opinions, assumptions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no guarantee that future results or events will be consistent with any such opinions, estimates, valuations or projections. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions and future actual outcomes and returns could differ materially from what is forecasted.

Past performance is not necessarily indicative of future performance and the value of an investment may fluctuate. Accordingly, any investment made pursuant to this report in any security is neither capital protected nor guaranteed. The value of the investment and the income from it can fall as well as rise as the investment products are subject to several investment risks, including the possible loss of the principal amount invested. No part of the research analysts' compensation is related to the specific recommendations or views in the research report.

By accepting this report, the recipient agrees to be bound by the foregoing limitations.

Ratings Guidelines

anb capital's investment research is based on the analysis of economic, sector and company fundamentals with the objective of providing a long term (12 month) fair value target for a company.

OVERWEIGHT	NEUTRAL	UNDERWEIGHT
Expected return is more than +15%	Expected return is between +15% & -10%	Expected return is lower than -10%

Analyst Certification:

All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) named herein is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report.

Contact

ANB Capital Head Office

3581 Al Mouyyad Al Jadid, Al Murabba, Riyadh 11311,

PO Box 22009, Kingdom of Saudi Arabia

Tel: +966 11 406 2500, 800 124 0055

Email: research@anbcapital.com.sa

Web: www.anbcapital.com.sa