

Daily Bulletin

January 19, 2026

SMC opens outpatient clinic center in Riyadh

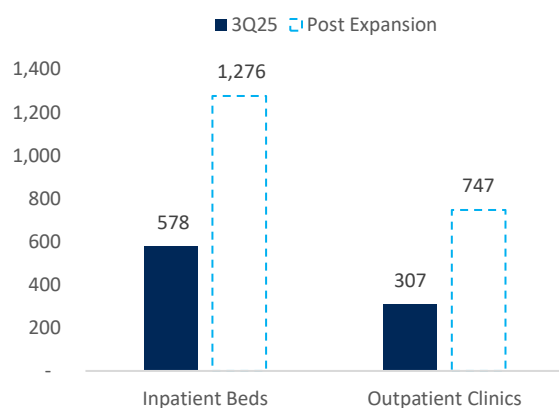
Last Price: SAR 18.9 | Consensus Target Price: SAR 30.0 | YTD Performance: 4.5%

Specialized Medical Co. (SMC Healthcare) announced the opening of its new outpatient clinic center, SMC clinics, in Al Malqa, north-western part of Riyadh. The clinics started receiving patients on Jan. 19, following completion of all trial phases and the recruitment of medical, nursing, technical, and administrative staff. The center comprises 35 outpatient clinics across specialties including dentistry, endocrinology, pediatrics, orthopedics, ENT, general surgery, ophthalmology, obstetrics and gynecology, dermatology, and physiotherapy. It also features an urgent care unit with full emergency services, an external pharmacy, and parking for around 100 vehicles. Operations will be rolled out gradually to match patient demand, with the financial impact expected in the company's 1H26 statements.

SMC currently operates two hospitals with 307 (+14.1% YoY) clinics and is pursuing an aggressive expansion strategy in northern Riyadh. The company plans to launch three new hospitals with a combined capex of around SAR 3 bn, to be financed through a mix of debt and internal cash flows, which will bring the total to five hospitals. SMC 3, located on the northern ring road, will include 296 beds and 200 clinics and is scheduled for completion in 2027, while SMC 4 in Al Khuzam Suburb and SMC 5 in Al Malqa district will each comprise 201 beds and 120 clinics, targeted for completion in 2028 and 2029, respectively.

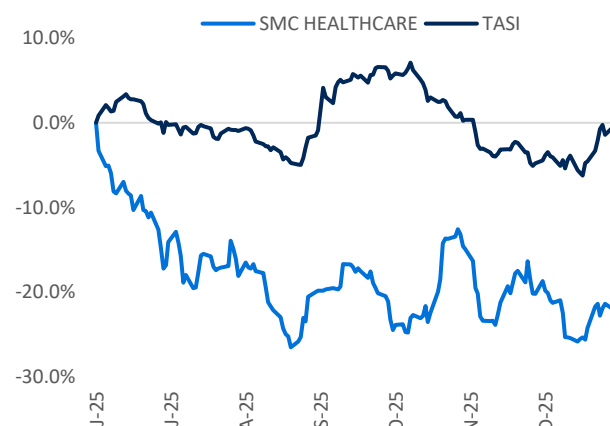
Post its IPO in 2Q25, SMC's stock has declined 25%, underperforming TASI, which fell 0.6% during the same period. The stock is currently trading at a 2026f P/E of 14.3x with a consensus target price of SAR 30.0/sh, implying a potential upside of 59.2%.

SMC's capacity details



Source: Earnings Presentation, anbc research

Relative price chart



Source: Bloomberg, anbc research

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