Daily Bulletin

March 9, 2026

SMC 4Q25 net profit rises 180% YoY (excluding one-off gain)

Last Price: SAR 19.4 | Consensus Target Price: SAR 33.5 | YoY Performance: -19.9%

Specialized Medical Company (SMC) reported a 4Q25 net profit of SAR 134.0 mn, compared with SAR 26.2 mn in 4Q24, exceeding consensus expectations by 64.0%. The strong increase was primarily driven by strong operational performance across inpatient and outpatient services, along with a SAR 60.6 mn one-off gain from the sale of land contributed to the Al Wadi Real Estate Fund. Excluding this non-recurring gain, 4Q25 net profit increased 180.4% YoY to SAR 73.4 mn, which would imply a 10.0% miss versus consensus expected net profit. EBITDA increased 166.8% YoY to SAR 172.0 mn, with EBITDA margin expanding to 42.3% from 19.7%. Excluding the one-off gain, EBITDA rose 72.8% YoY to SAR 111.4 mn, supported by strong revenue growth, improved operating leverage from clinic ramp-up, and stronger acute inpatient utilization.

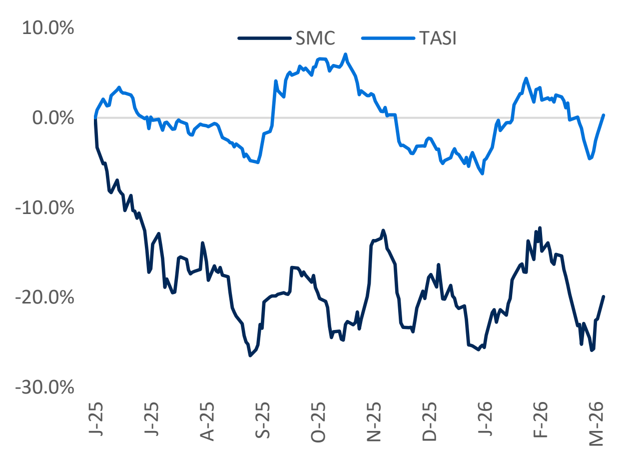
Revenue in 4Q25 increased 24.4% YoY to SAR 406.9 mn, supported by broad-based growth across operating segments. Medical services revenue increased 25.3% YoY to SAR 326.7 mn, pharmacy revenue rose 7.4% YoY to SAR 69.2 mn, while food and catering revenue increased to SAR 11.1 mn, compared to SAR 2.0 mn in 4Q24. Inpatient revenue increased by 8.0% YoY to SAR 210.9 mn, supported by higher acute admissions and improved utilization. Total inpatient visits increased 5.0% YoY to 42,409, driven by an improvement in the acute inpatient utilization. This shift in the service mix contributed to an 8% YoY increase in inpatient revenue in 4Q25. Outpatient performance also remained strong, with outpatient visits increasing 12.4% YoY to 386,678, driven by the continued ramp-up of 41 clinics opened earlier in the year and the addition of 16 new clinics during the quarter, resulting in outpatient revenue growth of 10.7% YoY to SAR 174.8 mn.

For 2025, net profit increased 43.7% YoY to SAR 266.2 mn from SAR 185.2 mn in 2024, supported by the company's accelerated shift away from LTC towards acute inpatient services, the opening of new outpatient clinics and the SAR 60.6 mn one-off gain recorded in 4Q25. Excluding this one-off gain, net income increased 11.0% YoY to SAR 205.6 mn. EBITDA increased 25.0% YoY to SAR 416.5 mn, while EBITDA margin improved to 27.1% from 23.2%. Excluding the one-off gain, EBITDA increased 6.8% YoY to SAR 355.9 mn.

Revenue in 2025 increased 7.0% YoY to SAR 1,538.5 mn, driven by continued strategic repositioning away from LTC toward acute inpatient and outpatient services. Medical services revenue increased 6.3% YoY to SAR 1,254.7 mn, pharmacy revenue rose 9.3% YoY to SAR 258.0 mn, and food and catering revenue increased 18.8% YoY to SAR 25.7 mn. During the year, 53 LTC beds were transitioned into acute services, resulting in an 11.9% YoY decline in inpatient visits to 159,537; however, inpatient revenue still increased 5.1% YoY as higher-margin acute admissions offset lower volumes. Outpatient visits increased 11.8% YoY to 1.4 mn, supported by the rollout and ramp-up of 57 clinics during the year, driving 13.4% YoY outpatient revenue growth.

SMC has declined 23.0% from its offer price since its IPO in June 2025, underperforming TASI, which remained broadly flat over the same period. The stock is currently trading at a 2026e P/E of 14.6x, with a consensus target price of SAR 33.5/sh, implying a potential upside of 73.0%.

Relative price chart



Source: Tadawul, anbc research

SMC's financials (SAR mn)

	2025	2024	YoY (%)	Consensus	Var. (%)
Revenue	1,536	1,438	7	1,620	-5
COGS	-1,153	-1,076	7	-1,160	-1
Gross profit	**383**	**362**	**6**	**460**	**-17**
Gross margin (%)	25	25		28	
Operating exp.	-140	-125	**12**	-173	-19
Operating profit	**243**	**237**	3	**287**	**-15**
Opt. margin (%)	16	17		18	
Net income	**266**	**185**	**44**	**277**	**-4**
Net margin (%)	17	13		17	
EPS	***1.06***	***0.74***	**44**	***1.11***	**-4**

Source: Company financials, anbc research

Disclaimer:

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 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.