# Dallah Healthcare Co.

Rating: Neutral | Target Price: SAR 115.0

***July 29, 2026***

*Dallah Healthcare remains a Neutral pick as solid earnings growth and deleveraging are balanced by a fair valuation.*

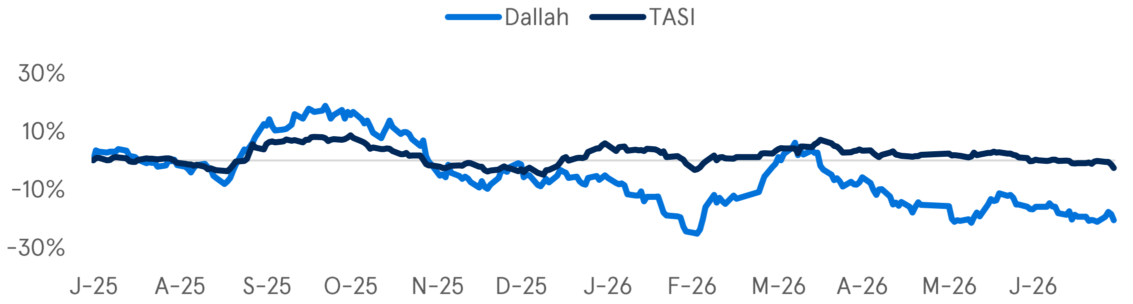
| Market Data | |
|---|---|
| Last Price (SAR)* | 104.9 |
| Target Price (SAR) | 115.0 |
| Upside / Downside (%) | 9.6 |
| Market Cap (bn) (SAR/USD) | 10.7/2.8 |
| 52 week High / Low (SAR) | 157.3/90.0 |
| 12-month ADTV (mn) (SAR/USD) | 11.3/3.0 |
| YTD Return (%) | -16.4 |
| Bloomberg Code | DALLAH AB |

**last price as of 29th July 2026*

| Valuations | 2025a | 2026e | 2027f | 2028f | 2029f |
|---|---|---|---|---|---|
| Net Income (SAR mn) | 538 | 965 | 687 | 734 | 827 |
| EPS (SAR) | 5.3 | 9.5 | 6.8 | 7.2 | 8.2 |
| PER (x) | 19.7 | 11.0 | 15.4 | 14.5 | 12.8 |
| P/BV (x) | 2.6 | 2.3 | 2.1 | 1.9 | 1.8 |
| DPS (SAR) | 2.1 | 3.8 | 2.8 | 3.0 | 3.3 |
| Div. Yield (%) | 2.0 | 3.6 | 2.6 | 2.9 | 3.1 |
| RoAE (%) | 13.7 | 21.9 | 14.0 | 13.8 | 14.3 |
| RoAA (%) | 6.8 | 10.4 | 7.1 | 7.4 | 8.2 |

| Financials (SAR mn) | 2025a | 2026e | 2027f | 2028f | 2029f |
|---|---|---|---|---|---|
| **Revenue** | 4,067 | 4,500 | 5,249 | 5,559 | 5,904 |
| COGS | 2,615 | 2,881 | 3,386 | 3,601 | 3,795 |
| **Gross profit** | 1,452 | 1,619 | 1,862 | 1,959 | 2,109 |
| *Gross margin (%)* | 35.7 | 36.0 | 35.5 | 35.2 | 35.7 |
| Operating expense | 847 | 879 | 1,042 | 1,094 | 1,150 |
| **Operating profit** | 645 | 741 | 821 | 865 | 960 |
| *Operating margin (%)* | 15.9 | 16.5 | 15.6 | 15.6 | 16.3 |
| **Net profit** | 538 | 965 | 687 | 734 | 827 |
| *Net margin (%)* | 13.2 | 21.5 | 13.1 | 13.2 | 14.0 |
| ***EPS*** | 5.3 | 9.5 | 6.8 | 7.2 | 8.2 |
| DPS | 2.1 | 3.8 | 2.8 | 3.0 | 3.3 |

## Price Performance




*Source: Tadawul, Bloomberg and anbc research*

**We update our view on Dallah Healthcare Co. (DALLAH). We forecast net profit of SAR 965.4 mn in 2026e, up 79.4% YoY, on a one-off gain from divestment. Our view is backed by (i) a strong position as the second-largest private operator by capacity in our coverage; (ii) revenue growth from recent acquisitions and the expansion pipeline; and (iii) continued deleveraging. We maintain a Neutral stance, with a target price of SAR 115.0/share, implying 9.6% potential upside from the last close of SAR 104.9/share and a 13.2% total return including a 3.6% dividend yield**

- We forecast revenue to increase 10.7% YoY to SAR 4.5 bn in 2026e. We expect net profit to surge 79.4% YoY to SAR 965.4 mn, driven primarily by the one-off gain on the disposal of the company's 31.2% stake in Dr. Mohammed Al-Fagih, which generated gross proceeds of SAR 498.0 mn. Excluding this gain, we forecast 2026e net profit of SAR 588.3 mn. Revenue expected to grow at a CAGR of 9.8% between 2025–2029, reaching SAR 5.9 bn by 2029f, supported by the continued ramp-up of recently acquired hospitals and capacity expansion. Net profit falls 28.8% in 2027f as the gain drops out, before recovering to SAR 826.9 mn by 2029f, a CAGR of 11.3% over 2025–2029.
- Dallah Healthcare is the second-largest private hospital operator in our coverage on an attributable basis, with 2,210 beds including its equity-accounted stakes in IMC (27.2%) and Makkah Medical Center (92%). On a consolidated basis, and excluding IMC, we estimate the company operates 1,728 beds in 2026e. In 2025, the company acquired stakes in Dallah Hospitals Al-Khobar and Al-Ahsa, driving revenue growth of 26.9% YoY. Dallah Al-Khobar has already achieved EBITDA breakeven, while Al-Ahsa is expected to reach breakeven next year. Going forward, the 250 beds Al Arid hospital is scheduled to commence operations in 2027, with planned capex of SAR 850–870 mn including equipment and related costs.
- Management intends to utilize the proceeds from the Al-Fagih stake disposal primarily for deleveraging, which should support balance sheet flexibility ahead of its planned expansions. We expect the transaction to be reflected in the company's 3Q26 financials. Under the Health Sector Transformation Program (HSTP), the company continues to advance its digitalization initiatives and is expected to commence DRG shadow billing in 3Q26.
- *Dallah Healthcare should continue to deliver solid margins, expand its footprint and deleverage. We believe these positives are largely priced in and therefore maintain "Neutral". The stock trades at 2026e P/E of 11.0x and P/B of 2.3x, though the P/E is flattered by the one-off gain; ex-gain it trades at 18.0x.*

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

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