Mouwasat Medical Services Co.

Rating: Overweight | Target Price: SAR 83.6

July 27, 2026

Upgrade to Overweight stance on industry-leading margins and the highest dividend yield in our healthcare coverage universe

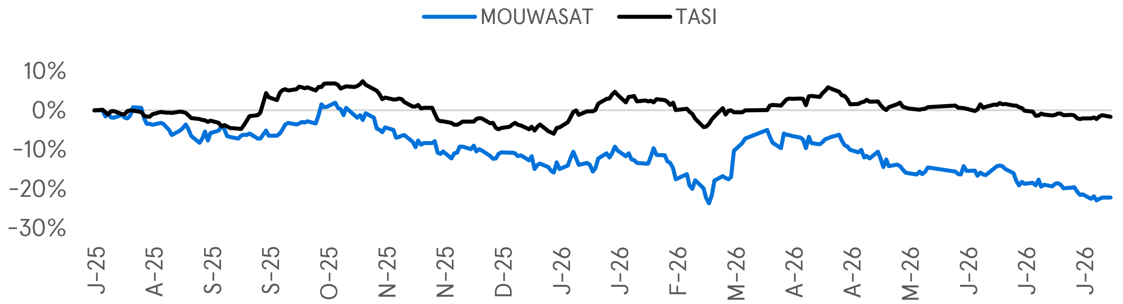
Market Data	
Last Price (SAR)*	61.0
Target Price (SAR)	83.6
Upside / Downside (%)	37.0
Market Cap (bn) (SAR/USD)	12.1/3.2
52 week High / Low (SAR)	79.7/58.6
12-month ADTV (mn) (SAR/USD)	29.5/7.8
YTD Return (%)	-8.5%
Bloomberg Code	MOUWASAT AB

**last price as of 26th July 2026*

Valuations	2025a	2026e	2027f	2028f	2029f
Net Profit (SAR mn)	822	832	936	988	1,017
EPS (SAR)	4.1	4.2	4.7	4.9	5.1
PER (x)	14.8	14.7	13.0	12.3	12.0
P/BV (x)	3.1	2.9	2.6	2.4	2.2
DPS (SAR)	2.1	2.5	2.8	3.0	3.1
Div. Yield (%)	3.5	4.1	4.6	4.8	5.0
RoAE (%)	21.5	20.3	21.0	20.3	19.3
RoAA (%)	14.4	13.3	13.8	13.7	13.2

Financials (SAR mn)	2025a	2026e	2027f	2028f	2029f
Revenue	**3,223**	**3,647**	**4,215**	**4,455**	**4,969**
COGS	1,861	2,145	2,510	2,658	3,063
Gross profit	**1,361**	**1,501**	**1,705**	**1,797**	**1,906**
Gross margin (%)	42.2	41.2	40.4	40.3	38.4
Operating expense	502	562	653	688	765
Operating profit	**869**	**920**	**1,029**	**1,085**	**1,115**
Operating margin (%)	*27.0*	*25.2*	*24.4*	*24.3*	*22.4*
Net profit	**822**	**832**	**936**	**988**	**1,017**
Net margin (%)	*25.5*	*22.8*	*22.2*	*22.2*	*20.5*
EPS	***4.1***	***4.2***	***4.7***	***4.9***	***5.1***
DPS	*2.1*	*2.5*	*2.8*	*3.0*	*3.1*

Price Performance



Source: Tadawul, Bloomberg and anbc research

We reiterate our investment thesis on Mouwasat Medical Services Co. (MOUWASAT), where we expect the company to deliver a net profit of SAR 832.0 mn in 2026e, up 1.2% YoY. Our outlook is backed by (i) industry-leading gross margins; (ii) expansion into the Central Region and other high-density areas; (iii) capacity expansion initiatives that drive growth; and (iv) the highest dividend yield in our universe. We upgrade our rating to "Overweight" from "Neutral" and revise our target price to SAR 83.6/share, implying a potential upside of 37.0% from the last closing price of SAR 61.0/share. Adding a dividend yield of 4.1%, the stock offers a potential total return of 41.1%.

- We expect Mouwasat to report revenue of SAR 3.6 bn in 2026e and to deliver a revenue CAGR of 11.4% between 2025–2029, reaching SAR 5.0 bn by 2029f, driven by ongoing capacity expansion and increasing penetration in Central Province, Jeddah and Madinah regions. Net profit is projected to reach SAR 832.0 mn in 2026e and expected to grow at a CAGR of 5.5% between 2025–2029 to SAR 1.0 bn by 2029f, supported by contributions from new facilities and rising bed capacity.
- Mouwasat's concentration in the Eastern Province, has supported gross margins which average ~45.5% between 2021–2025, the highest in the sector. We expect gross margins to moderate from 42.2% in 2025a to 38.4% in 2029f due to Yanbu and Jeddah hospitals ramp-up, along with openings of three-facilities from mid-2029. Operating margins are also expected to moderate from 27.0% in 2025a to 22.4% in 2029f as higher employee costs and lower ramp-up occupancy will impact the operating profitability. Despite this, we expect Mouwasat to retain the highest gross margin in our healthcare coverage universe throughout the forecasted period, on back of the established Eastern Province base and efficient operating model.
- On the expansion front, the greenfield Yanbu hospital commenced operations in 1H26 and is expected to reach EBITDA breakeven within 15–17 months. The 200 bed Jeddah hospital is scheduled to become operational in 3Q26 and expected to ramp-up fully by 2028. Beyond that, Riyadh, Al-Hofuf and Abha hospitals are expected to commence operations from mid-2029, collectively adding 600 beds and taking total capacity to 2,600 beds by 2029. Total expansion capex is estimated at SAR 2.4 bn through 2029.
- *Mouwasat offers a 4.1% dividend yield despite ongoing capex. We upgrade our rating to "Overweight" from "Neutral" stance on the stock with a 2026e P/E of 14.7x and P/B of 2.9x. The stock has declined 22% YoY, underperforming TASI, which fell 2% over the same period.*

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Disclaimer

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:

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