

# National Medical Care Co.

Softer topline and margin pressure drive 4Q25 earnings miss

Rating: Overweight | Target Price: SAR 155.6

March 9, 2026

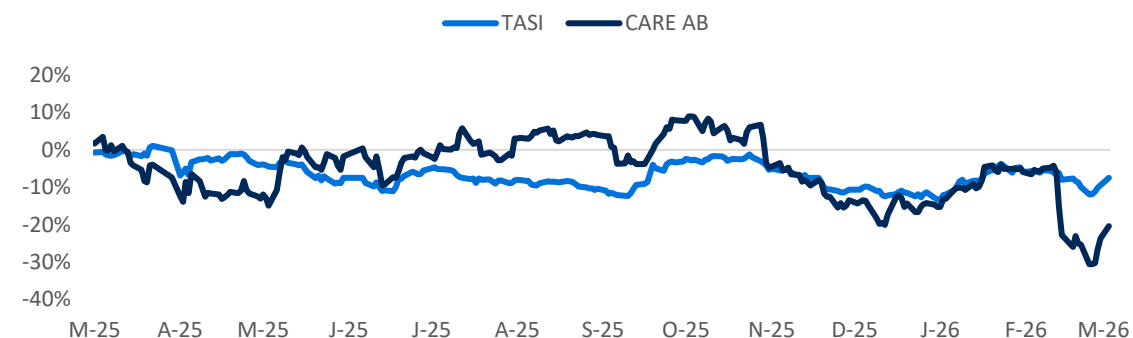
Market Data		Valuations				
		2025A	2026E	2027E	2028E	
Last Price (SAR)*	132.9	Net Income (SAR mn)	318	348	375	427
Target Price (SAR)	155.6	EPS (SAR)	7.1	7.8	8.4	9.5
Upside / Downside (%)	17.1%	PER (x)	18.7	17.1	15.9	13.9
Market Cap (bn) (SAR/USD)	6.0/1.6	P/BV (x)	3.2	2.9	2.6	2.3
52 week High / Low (SAR)	184/111	DPS (SAR)	3.0	3.0	3.3	3.8
12-month ADTV (mn) (SAR/USD)	16.6/4.4	Div. Yield (%)	2.3%	2.3%	2.4%	2.8%
YTD Return (%)	-6.9%	RoAE (%)	18%	18%	17%	18%
Bloomberg Code	CARE AB	RoAA (%)	12%	12%	13%	13%

\*last price as of 8<sup>th</sup> March 2026

Financials (SAR mn)	4Q25A	4Q25E*	Var (%)	4Q24A	YoY (%)	3Q25A	QoQ (%)
Revenue	405	434	-6.7	373	8.6	412	-1.9
COGS	(258)	(274)	-6.0	(251)	2.6	(261)	-1.2
<b>Gross profit</b>	<b>147</b>	<b>160</b>	<b>-7.9</b>	<b>121</b>	<b>21.1</b>	<b>151</b>	<b>-3.0</b>
Gross margin (%)	36.3%	36.8%		32.6%		36.7%	
OPEX	(65)	(64)	2.2	(36)	79.3	(61)	6.5
<b>Operating profit</b>	<b>82</b>	<b>96</b>	<b>-14.6</b>	<b>85</b>	<b>-3.7</b>	<b>90</b>	<b>-9.3</b>
Operating margin (%)	20.2%	22.1%		22.8%		21.9%	
<b>Net income</b>	<b>71</b>	<b>89</b>	<b>-20.6</b>	<b>84</b>	<b>-15.2</b>	<b>82</b>	<b>-13.7</b>
Net margin (%)	17.5%	20.6%		22.5%		19.9%	
<b>EPS</b>	<b>1.58</b>	<b>1.99</b>	-20.6	<b>1.87</b>	-15.2	<b>1.83</b>	-12.1
DPS	3.00	2.25	33.3	2.0	50.0	-	-

\*anbc estimates

## Price Performance



Source: Tadawul, Bloomberg and anbc research

CARE's 4Q25 results came in weaker than expected, with net profit 21% below our estimate due to lower-than-expected revenue and margins. While topline increased 9% YoY, it declined 2% QoQ, which we believe likely contributed to the stock's 23% decline over the three trading sessions following the results. Management attributed the weaker topline to lower GOSI revenue, driven by a lower mix of complex cases, while margins were pressured by higher operating costs due to the group's expanded operations and elevated SG&A expenses. For the full year 2025, reported earnings growth was largely masked by one-off reversals in 2024, with underlying profitability remaining strong on an adjusted basis (+43% YoY). We believe current stock price levels offer an attractive entry point, supported by expected single-digit growth in the near term, before accelerating to double-digit growth post-2028 as the new hospital in Narjis (Riyadh) comes online.

- CARE reported a net profit of SAR 71 mn in 4Q25, down 15% YoY, largely reflecting a high base in 4Q24 that benefited from one-off reversals, while underlying operational performance remained resilient. Net profit, however, came in 21% below our expectations, driven by lower-than-expected revenues and gross margins during the quarter. Revenues increased 9% YoY to SAR 405 mn in 4Q25, supported by sustained patient volume growth across legacy hospitals and the continued ramp-up of Al Salam Hospital. That said, the topline was 7% below our expectations and declined 2% QoQ. The management attributes this decline to lower GOSI revenue during the quarter driven by a lower mix of complex cases, further supported by lower revenue per outpatient due to the addition of Al Salam hospital which is serving the Class C segment.
- Gross profit rose 21% YoY to SAR 147 mn in 4Q25, with gross margin expanding by 370 bps YoY to 36.3%, supported by improved utilization levels and higher patient flow. However, gross margins were around 50 bps below our expectations and declined approximately 40 bps QoQ, driven by the lower topline.
- EBITDA stood at SAR 115 mn, down 1% YoY, with EBITDA margin contracting to 28.5% compared to 31.4% in 4Q24, reflecting higher SG&A expenses and the absence of one-off reversals recorded in the prior year. Notably, selling and marketing expenses increased 65% YoY and were 3.2x higher than 3Q25 levels, which the management has attributed to increased marketing activities. Total patient count increased 15% YoY in 4Q25, driven by a 24% YoY rise in inpatient admissions and a 15% YoY increase in outpatient visits. Bed occupancy improved to 86% in 4Q25 from 79% in 4Q24.
- For the full year 2025, CARE's net profit increased 8% YoY to SAR 318 mn, supported by 13% and 19% YoY revenue growth at the Rawabi and Malaz branches, respectively, while Al Salam Hospital contributed SAR 121 mn to topline. In addition, the Al Haram branch more than doubled its revenue YoY, further supporting growth. It is worth noting that 2024 profitability benefited from one-off reversals. The 2.9 percentage-point net margin contraction in 2025 mainly reflects higher depreciation following the purchase price allocation related to Al Salam Hospital and the absence of non-recurring reversals recorded in the prior year. Adjusting for these one-off items, net profit increased 43% YoY.
- Given current price levels, following a 22% decline in the stock over the last 12 months, we maintain our Overweight stance. We note that existing hospitals are already operating at a high occupancy rate of 86%, while the company's next major expansion phase is expected from 2028 onwards with the Al Narjis hospital coming online. We expect topline growth to remain in the single digits until new capacity is added in Narjis (Riyadh), after which growth should accelerate to double digits post-2028. In addition, management indicated plans to add 5 to 8 new facilities by 2032. While we await further clarity before incorporating these into our estimates, they present upside risk to our forecasts.

Ali H. Alshaia

Ali.Ashaia@anbcapital.com.sa  
+966 11 4062500 Ext. 7065

anbcapital

## 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%

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.

### 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](mailto:research@anbcapital.com.sa)

Web: [www.anbcapital.com.sa](http://www.anbcapital.com.sa)