Earnings Review
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Christine Kalindjian, CFA
christine.kalindjian@arqaamcapital.com

Mariam Hakim
mariam.hakim@arqaamcapital.com

PureHealth Holding

HHG and Circle offset temporary UAE headwinds; maintain BUY at reduced TP of AED 3.8/share.

- **International business led by HHG and Circle Health cover for weakness at UAE Care (UPP implementation, regulatory tightening, March disruptions), driving 11% y/y Care revenue growth to AED 5.2bn. Daman remains resilient with stable margins, underwriting discipline and early P&C traction.**
- **Key Q1 call takeaways- UAE Care softness due to accounting and seasonality rather than structural demand weakness. Improved outlook for Q2 26e supported by April-May volume rebound with continued investment in capacity. Enhanced specialized offering at HHG following addition of Evangelismos Hospital in Cyprus (c.70 beds). Group continues to target margin-accretive (EBITDA >20%) international expansion, complementing UAE network, with c.16% room for further scale-up (toward c.50% revenue share), supported by prudent leverage (2.9x Net debt/EBITDA).**
- **Maintain Buy at AED 3.8 TP (+81% vs. CMP), -19% vs. previous target on 64% y/y higher debt (mainly HHG's) and reduced hospital peer trading multiples.**

International operations drive growth at Care (72% of Group top line), with total segment revenues up 11% y/y in Q1 26A including HHG consolidation. EBITDA rises c.5% y/y to AED 966m, as solid profitability at international operations is partially diluted by regulatory and geopolitical pressures weighing on UAE Care. **UAE Care revenues decline 7% y/y to AED 2.7bn,** impacted by UPP implementation, internal revenue eliminations and tighter eligibility regulations, alongside geopolitical disruption in March. EBITDA falls 30% y/y to AED 396m, with margins contracting 3.5pps y/y to 14.5% due to pressure on a largely fixed cost base. **On the other hand, revenues from International Care surge 60% y/y** to AED 2.5bn driving 60% y/y EBITDA growth, supported by 73% higher patient volumes, solid performance at Circle Health performance along with continued scaling at HHG.

Diversification into P&C gains traction, with the business line now active and generating AED 21m in early-stage GWP. Daman delivers another solid quarter, with revenues increasing c.9% y/y to AED 2bn and GWP rising c.6% y/y to AED 3.8bn, supported by strong renewals, disciplined pricing and steady new business growth. EBITDA rises 5% y/y to AED 221m with margins stable at 10.9%, while net profit grows 5.8% y/y to AED 185m.

We value PureHealth Group through two valuation exercises, assigning a 50% weight to each of the (i) group DCF approach and (ii) SotP of each of the five verticals using relative valuation based on a combination of forward EV/EBITDA and P/B, and arrive at a weighted EV of AED 57.9bn for the group. We discount net debt of AED 16bn (c.AED 21bn in borrowings/lease liabs, vs. c.AED 5bn in cash as of Q1 26A), add AED 1bn from Ardent (market value of 21.2% stake). Our calculations result in a total equity value of c.AED 42bn or AED 3.8/share; c.19% cut on 64% y/y higher debt in Q1 26A (+15% vs. previous valuation) mainly due to the absorption of Hellenic's debt in addition to 38% lower cash and a derating in hospital peer valuation multiples.

BUY	AED 3.8

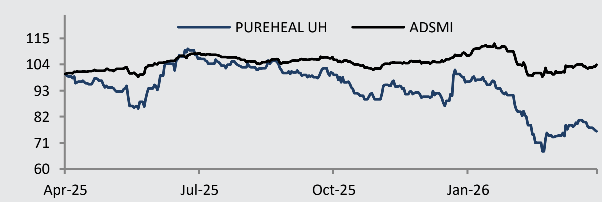
Healthcare and Pharmaceuticals / UAE

Bloomberg code	PUREHEAL UH
Market index	ADSMI
Target Price	3.8
Upside (%)	81.0

Market data	**5/25/2026**
Last closing price	2.1
52 Week range	1.9-3.1
Market cap (AED m)	24,333
Market cap (USD m)	6,625
Average Daily Traded Value (AED m)	7.0
Average Daily Traded Value (USD m)	1.9
Free float (%)	53%

Year-end (local m)	**2025**	**2026e**	**2027e**	**2028e**
Revenues	27,312	32,059	34,692	36,879
EBITDA	4,781	5,636	6,364	6,974
Net income	1,959	2,212	2,604	3,196
EPS	0.18	0.20	0.23	0.29
P/E (current price)	12.0	10.6	9.0	7.3
BVPS	1.6	1.8	2.0	2.2
P/B (current price)	1.28	1.17	1.06	0.96
EV/EBITDA (x)	7.2	6.1	5.4	5.0
Div. yield (%)	1.5	2.6	3.2	4.0
FCF margin (%)	14.0	9.2	9.3	9.7
Net Debt/EBITDA (x)	2.2	1.8	1.5	1.2
Net Debt/Capital (%)	0.3	0.3	0.2	0.2
Interest cover (x)	3.8	3.6	4.0	4.7
RoAA (%)	3.7	3.7	4.2	4.9
RoAE (%)	10.3	11.5	12.4	13.7
RoIC (%)	5.5	5.8	6.5	7.5

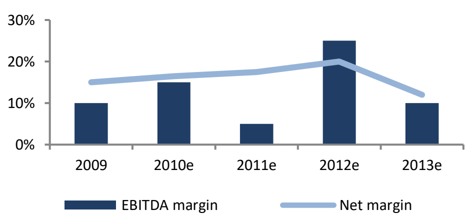
Price Performance



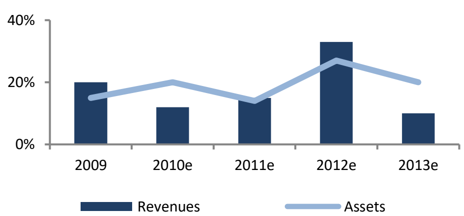
Abacus

Arqaam Capital Fundamental Data

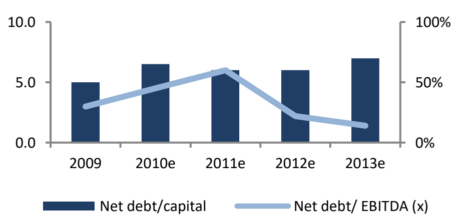
Profitability



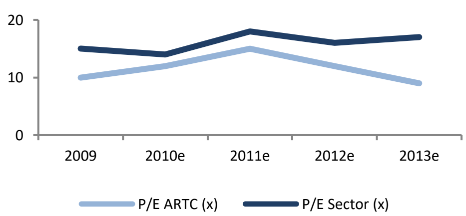
Growth



Gearing



Valuation



PureHealth Holding

Year-end	2024	2025	2026e	2027e	2028e	2029e
Financial summary						
Reported EPS	0.15	0.18	0.20	0.23	0.29	0.41
Diluted EPS	0.15	0.18	0.20	0.23	0.29	0.41
DPS	-	0.03	0.05	0.07	0.08	0.13
BVPS	1.78	1.65	1.80	1.98	2.20	2.75
Weighted average shares	11,111	11,111	11,111	11,111	11,111	11,111
Average market cap	-	-	-	-	-	-

Year-end	2024	2025	2026e	2027e	2028e	2029e
Valuation metrics						
P/E (x) (current price)	13.7	12.0	10.6	9.0	7.3	5.2
P/E (x) (target price)	24.7	21.6	19.1	16.2	13.2	9.3
EV/EBITDA (x) (current price)	8.4	7.2	6.1	5.4	5.0	4.1
EV/EBITDA (x) (target price)	14.1	12.1	10.3	9.1	8.3	6.8
EV/FCF (x)	10.7	9.0	11.7	10.7	9.7	7.6
Free cash flow yield (%)	13.7	16.3	12.6	13.7	15.2	19.5
Dividend yield (%)	-	1.5	2.6	3.2	4.0	6.2

Year-end	2024	2025	2026e	2027e	2028e	2029e
Growth (%)						
Revenues	57.6	5.7	17.4	8.2	6.3	6.3
EBITDA	69.2	16.1	17.9	12.9	9.6	10.7
EBIT	69.7	19.2	28.6	12.7	16.2	13.1
Net income	77.4	14.4	12.9	17.7	22.7	17.0

Year-end	2024	2025	2026e	2027e	2028e	2029e
Margins (%)						
EBITDA	15.9	17.5	17.6	18.3	18.9	20.4
EBIT	9.6	10.9	11.9	12.4	13.6	15.7
Net	6.6	7.2	6.9	7.5	8.7	10.9

Year-end	2024	2025	2026e	2027e	2028e	2029e
Returns (%)						
RoAA	4.5	3.7	3.7	4.2	4.9	6.4
RoAE	9.6	10.3	11.5	12.4	13.7	15.7
RoIC	5.1	5.5	5.8	6.5	7.5	9.5
FCF margin	12.4	14.0	9.2	9.3	9.7	10.9

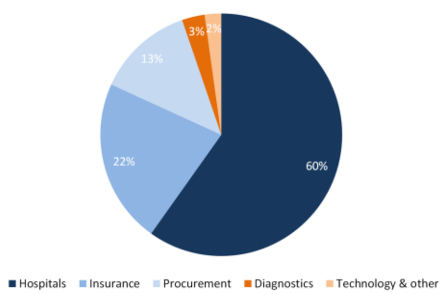
Year-end	2024	2025	2026e	2027e	2028e	2029e
Gearing (%)						
Net debt/Capital	7.1	28.8	26.3	23.5	20.0	10.7
Net debt/Equity	12.3	57.4	51.1	43.8	35.3	17.0
Interest cover (x)	2.9	3.8	3.6	4.0	4.7	6.5
Net debt/EBITDA (x)	0.6	2.2	1.8	1.5	1.2	0.6

Abacus *Arqaam Capital Fundamental Data*

Company Overview

PureHealth is the largest vertically integrated healthcare group in the UAE with a cross-category platform covering hospitals, clinics, diagnostics, insurance, pharmacies, research, health tech, procurement along with more recently, an international footprint in the US with a significant minority in Ardent (30 hospital network, and 4th largest private acute care hospital operator across the US), Circle Health, the largest private hospital network across the UK with a network of 50 hospitals, and the most recent Hellenic Healthcare Group, the largest in Greece and Cyprus with a network of 11 hospitals.

Revenue mix pre-eliminations (Q1 26A)



Ownership & Management

Major Shareholders	%
Q Health (ADQ)	40.5
Alpha Dhabi Holding	24.9
International Holding Company	6.5
AH Capital	5.6

Management	
Chairman	Hamad Abdulla Mohamed Alshorafa Alhammadi
Founder & MD	Farhan Malik
CEO	Shaista Asif
CFO	Manzoor Ahmad

PureHealth Holding

Year-end	2024	2025	2026e	2027e	2028e	2029e
Income statement (AEDm)						
Sales revenue	25,848	27,312	32,059	34,692	36,879	41,686
Cost of sales	-	-	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**	**-**	**-**
SG&A	(21,730)	(22,531)	(26,423)	(28,329)	(29,905)	(33,190)
EBIT	**2,492**	**2,972**	**3,821**	**4,305**	**5,004**	**6,559**
Net interest income(expense)	(848)	(773)	(1,076)	(1,080)	(1,068)	(1,010)
Associates/affiliates	82	-	-	-	-	-
Exceptionals/extraordinaries	-	-	-	-	-	-
Other pre-tax income/(expense)	51	-	-	-	-	-
Profit before tax	**1,778**	**2,199**	**2,746**	**3,226**	**3,936**	**5,549**
Taxes	(62)	(222)	(412)	(484)	(590)	(832)
Other post-tax income/(expense)	-	-	-	-	-	-
Net profit (group)	**1,716**	**1,977**	**2,334**	**2,742**	**3,345**	**4,717**
Minorities	(4)	(18)	(122)	(138)	(150)	(175)
Net profit (parent)	**1,712**	**1,959**	**2,212**	**2,604**	**3,196**	**4,541**
Arqaam adjustments (including dilution)	-	-	-	-	-	-
Arqaam Net profit	**1,712**	**1,959**	**2,212**	**2,604**	**3,196**	**4,541**

Year-end	2024	2025	2026e	2027e	2028e	2029e
Balance sheet (AEDm)						
Cash and equivalents	11,952	7,706	8,637	9,359	10,115	12,707
Receivables	4,870	5,923	7,040	7,713	8,300	9,611
Inventories	1,184	1,416	1,788	2,053	2,310	2,882
Tangible fixed assets	14,296	20,068	21,694	22,967	24,133	26,077
Other assets including goodwill	16,274	22,048	21,876	21,695	21,537	21,286
Total assets	**48,575**	**57,162**	**61,035**	**63,787**	**66,395**	**72,564**
Payables	7,576	9,374	10,848	11,475	11,950	12,899
Interest bearing debt	14,372	18,225	18,889	19,023	18,748	17,890
Other liabilities	6,890	11,242	11,242	11,242	11,242	11,242
Total liabilities	**28,839**	**38,840**	**40,979**	**41,740**	**41,940**	**42,030**
Shareholders equity	19,736	18,321	20,055	22,047	24,455	30,533
Minorities	-	-	-	-	-	-
Total liabilities & shareholders equity	**48,575**	**57,162**	**61,035**	**63,787**	**66,395**	**72,564**

Year-end	2024	2025	2026e	2027e	2028e	2029e
Cash flow (AEDm)						
Cashflow from operations	**4,163**	**4,929**	**4,217**	**4,552**	**4,988**	**6,168**
Net capex	(951)	(1,097)	(1,268)	(1,337)	(1,422)	(1,607)
Free cash flow	**3,213**	**3,833**	**2,949**	**3,215**	**3,567**	**4,561**
Equity raised/(bought back)	-	-	-	-	-	-
Dividends paid	-	(350)	(600)	(750)	(937)	(1,462)
Net inc/(dec) in borrowings	237	(2,660)	(163)	(474)	(606)	(259)
Other investing/financing cash flows	-	-	-	-	-	-
Net cash flow	**810**	**(4,427)**	**931**	**722**	**756**	**1,595**
Change in working capital	31	490	(14)	(311)	(370)	(505)

Christine Kalindjian, CFA
christine.kalindjian@arqaamcapital.com

Mariam Hakim
mariam.hakim@arqaamcapital.com

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Deep value evident across DCF & SotP frameworks

- **We identify consistent deep value across both valuation approaches: a 50/50 blend of (i) a group-level DCF and (ii) a SotP valuation of the five verticals using forward EV/EBITDA and P/B multiples, arriving at a weighted group EV of AED 57.9bn.**
- **We discount net debt of c.AED 16bn (c.AED 21bn in borrowings and lease liabilities including the absorption of HHG's debt vs. c.5bn in cash as of Q1 26A), add c.AED 1bn from Ardent (market value of 21.2% stake). Our calculations result in a total equity value of c.AED 42.2bn or AED 3.8/share.**
- **PureHealth's current market price of c.AED 2.2/share implies 9.8x FY26-27e P/E and 5.8x EV/EBITDA. The group plans to distribute a cash dividend of AED 600m for FY 25A (AED 0.05/share, 2% DY), subject to regulatory and shareholder approvals. This payout represents c. 30% of the bottom line, in line with the medium-term payout guidance (2026-2029).**

Exhibit 1: PUREHEAL UH- Valuation Summary

Pure Health Valuation	Enterprise Value (AEDm)	Weight (%)	EV contribution (AEDm)
DCF (consolidated)	66,235	50.0%	33,118
RV (SotP)	49,749	50.0%	24,874
Group Enterprise value		**100.0%**	**57,992**
Borrowings (holding)			(20,990)
Cash (holding)			4,745
Minority- HHG			(680)
Associates- Ardent			1,023
Associates- Other			181
Equity Value			**42,271**
NOSH			11,111
Equity value per share (AED)			**3.80**
CMP			2.11
Upside/downside %			80%

Implied multiples	FY 26e	FY 27e	FY 28e	FY 29e	FY 30e	FY 31e
EV/EBITDA	10.3	9.1	8.3	7.6	6.8	6.1
P/E	19.1	16.2	13.2	10.9	9.3	7.9
P/B	2.1	1.9	1.7	1.5	1.4	1.2

Current multiples	FY 26e	FY 27e	FY 28e	FY 29e	FY 30e	FY 31e
EV/EBITDA	6.1	5.4	5.0	4.5	4.1	3.7
P/E	10.6	9.0	7.3	6.0	5.2	4.4
P/B	1.2	1.1	1.0	0.9	0.8	0.7

Source: Arqaam Capital Research

Discounted Cash Flow

- **Our DCF model uses an explicit forecast period of FY 26-31e, discounting at a WACC of 10.5% (Rf 5.3%, EMRP 7.3%, Re 12.6%, Rd 5.6%), and assigning a perpetual growth rate of 3%, taking into account the demographics of the markets PH operates in (UAE, UK, Greece and US).**
- **We forecast maintenance CapEx at c.3% of revenues, assuming expansions at SEHA are funded by the public sector.**
- **We arrive at an enterprise value of c.AED 66.2bn, implying 5.8x FY 26-27e EV/EBITDA for the group (6.1x FY 26e, 5.4x FY 27e).**

Exhibit 2: PUREHEAL UH- DCF Summary

Year-end	FY 26e	FY 27e	FY 28e	FY 29e	FY 30e	FY 31e
EBIT (1-τ)	**3,248**	**3,659**	**4,253**	**4,929**	**5,575**	**6,344**
Depreciation & Amortization	1,815	2,058	1,970	1,873	1,937	1,995
EBITDA	**5,063**	**5,718**	**6,223**	**6,803**	**7,512**	**8,339**
Working Capital Changes	(14)	(311)	(370)	(428)	(505)	(588)
Operating Cash Flow	5,049	5,407	5,853	6,374	7,007	7,751
Purchase of PPE	**(1,268)**	**(1,337)**	**(1,422)**	**(1,512)**	**(1,607)**	**(1,707)**
Free Cash Flow to Firm	**3,781**	**4,070**	**4,431**	**4,862**	**5,400**	**6,044**
Discount Factor using WACC at 10.4%	0.94	0.85	0.77	0.70	0.63	0.57
PV of Visible FCFF	2,146	3,467	3,416	3,391	3,408	3,452
Terminal Value						46,956
Equity Valuation				**WACC parameters**		
PV of Visible FCFF	19,279			Rf		5.3%
PV of Terminal Value	46,956			EMRP		7.3%
Enterprise Value	**66,235**			Adjusted Beta		1.0
				Cost of Equity		**12.6%**
				Marginal tax rate		19.0%
				Cost of Debt		5.6%
				D/C (market)		30.0%
				WACC		**10.5%**
				Perpetual growth		3.0%
Implied multiples						
EV/EBITDA	11.8	10.4	9.5	8.6	7.8	7.0
P/E	22.8	19.4	15.8	13.0	11.1	9.5
P/B	2.5	2.3	2.1	1.9	1.7	1.5
Current multiples						
EV/EBITDA	6.1	5.4	5.0	4.5	4.1	3.7
P/E	10.6	9.0	7.3	6.0	5.2	4.4
P/B	1.2	1.1	1.0	0.9	0.8	0.7

Source: Arqaam Capital Research

Relative Valuation

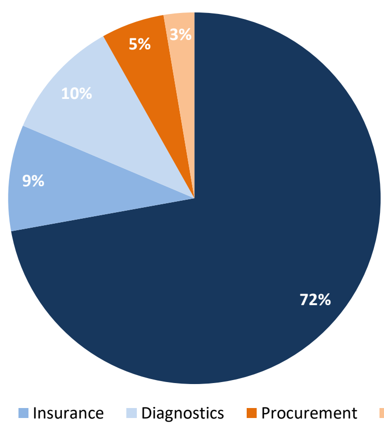
- **We use a combination of forward EV/EBITDA and P/B multiples of select regional and global peers in respective segments.**
- **We arrive at a consolidated enterprise value of AED 49.7bn after applying a 10% group discount to the SotP valuation. This implies 8.3x FY 26-27e EV/EBITDA for the group (8.8x FY 26e, 7.8x FY 27e).**

Exhibit 3: PUREHEAL UH- Relative Valuation Summary

SotP on RV	Enterprise Value (AEDm)	% of total	EBITDA 26-27e (AEDm)	BV Q1 26A (AEDm)	P/B 26e	EV/EBITDA 26-27e
Hospitals	39,884	72.2%	3,798	20,130		10.5x
Insurance	5,102	9.2%	1,343	3,767	2.0x	
Diagnostics	5,790	10.5%	651	1,832		8.9x
Procurement	3,032	5.5%	333	336		9.1x
Technology	1,468	2.7%	133	158		11.0x
Adjustments & Eliminations			(259)	(7,706)		
Group Enterprise value	**55,276**	**100.0%**	**6,000**	**18,518**		
Group discount	(10%)					
Group Enterprise value (post discount)	**49,749**					

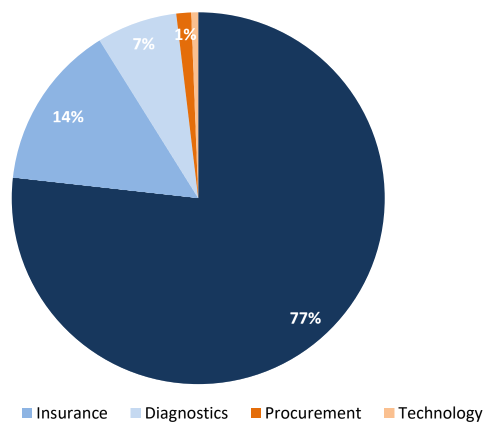
Source: Arqaam Capital Research

Exhibit 4: EV Contribution



Source: Arqaam Capital Research
excl. Ardent

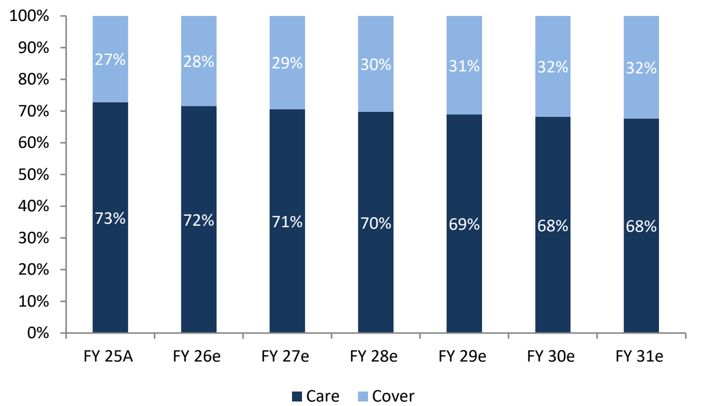
Exhibit 5: BV Contribution (Q1 26A)



Source: Arqaam Capital Research

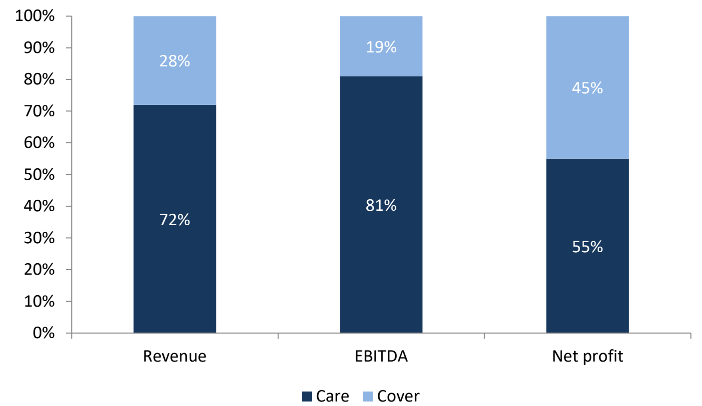
Consolidated forecasts

Exhibit 6: Care & Cover revenue contribution



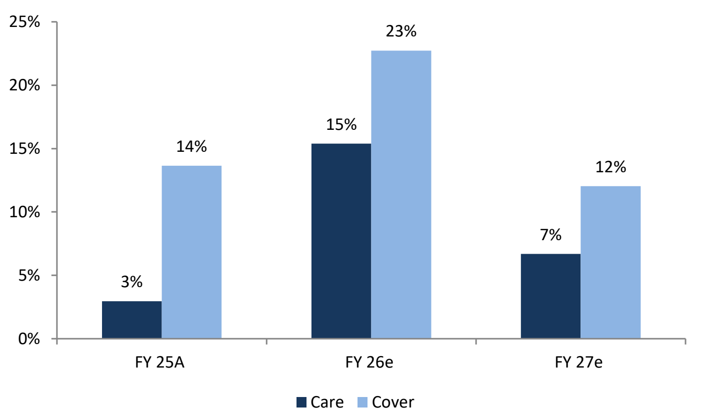
Source: Company Data, Arqaam Capital Research

Exhibit 7: Care & Cover P&L (Q1 26A)



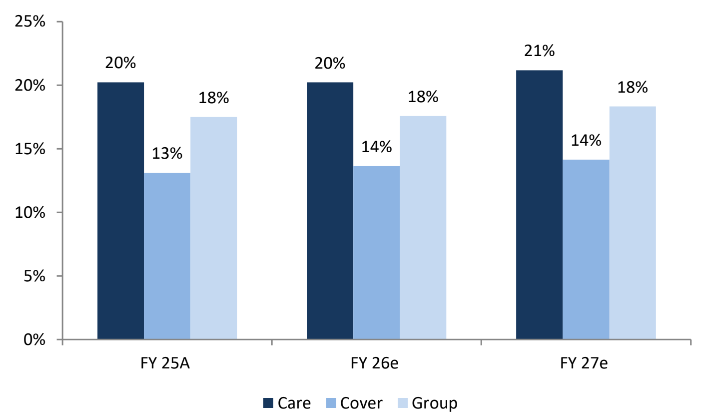
Source: Company Data, Arqaam Capital Research

Exhibit 8: Care & Cover y/y revenue growth



Source: Company Data, Arqaam Capital Research

Exhibit 9: Care, Cover & Group EBITDAm



Source: Company Data, Arqaam Capital Research

Exhibit 10: Gross revenue forecasts (2026e-2031e)

Gross revenues (AEDm)	2022	2023	2024	2025	2026e	2027e	2028e	2029e	2030e	2031e
Hospitals	6,729	10,528	19,653	20,524	22,712	23,923	24,824	25,731	26,559	27,364
Health Insurance	1,344	5,853	6,838	7,758	9,521	10,667	11,665	12,727	13,856	14,977
Laboratory Management Services	3,950	1,043	1,056	1,139	1,315	1,936	2,437	3,134	4,106	5,480
Procurement	2,846	4,099	5,204	5,360	5,742	6,586	7,506	8,611	9,882	11,302
Technology & other	--	76	469	654	687	721	757	795	835	877
Adjustments & Eliminations	*(2,383)*	*(5,201)*	*(7,372)*	*(8,124)*	*(7,917)*	*(9,140)*	*(10,310)*	*(11,772)*	*(13,552)*	*(15,728)*
Group revenues	**12,486**	**16,399**	**25,848**	**27,312**	**32,059**	**34,692**	**36,879**	**39,227**	**41,686**	**44,271**

Source: Company Data, Arqaam Capital Research

Exhibit 11: EBITDA forecasts (2026e-2031e)

EBITDA (AEDm)	2022	2023	2024	2025	2026e	2027e	2028e	2029e	2030e	2031e
Hospitals	2,099	1,690	2,956	3,174	3,682	3,915	4,099	4,288	4,466	4,628
Health Insurance	86	398	645	973	1,242	1,444	1,609	1,768	1,939	2,103
Laboratory Management Services	1,914	399	327	451	524	777	984	1,273	1,676	2,243
Procurement	197	218	379	277	306	361	422	493	576	658
Technology & other	--	8	54	124	130	137	144	151	158	166
Adjustments & Eliminations	*(61)*	*(280)*	*(242)*	*(218)*	*(248)*	*(270)*	*(284)*	*(300)*	*(319)*	*(340)*
Group EBITDA	**4,235**	**2,434**	**4,119**	**4,781**	**5,636**	**6,364**	**6,974**	**7,672**	**8,496**	**9,459**

Source: Company Data, Arqaam Capital Research

Exhibit 12: EBITDA margin forecasts (2026e-2031e)

EBITDAm	2022	2023	2024	2025	2026e	2027e	2028e	2029e	2030e	2031e
Hospitals	31.2%	16.1%	15.0%	15.5%	16.2%	16.4%	16.5%	16.7%	16.8%	16.9%
Health Insurance	6.4%	6.8%	9.4%	12.5%	13.0%	13.5%	13.8%	13.9%	14.0%	14.0%
Laboratory Management Services	48.5%	38.2%	31.0%	39.6%	39.9%	40.1%	40.4%	40.6%	40.8%	40.9%
Procurement	6.9%	5.3%	7.3%	5.2%	5.3%	5.5%	5.6%	5.7%	5.8%	5.8%
Technology & other		10.3%	11.4%	18.9%	18.9%	18.9%	18.9%	18.9%	18.9%	18.9%
Group EBITDAm	**33.9%**	**14.8%**	**15.9%**	**17.5%**	**17.6%**	**18.3%**	**18.9%**	**19.6%**	**20.4%**	**21.4%**

Source: Company Data, Arqaam Capital Research

Summary of Changes

Exhibit 13: Summary of Changes to Estimates

Income statement (AEDm)	FY 26e			FY 27e			FY 28e		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Revenues	32,059	32,978	*(2.8%)*	34,692	36,148	*(4.0%)*	36,879	38,519	*(4.3%)*
EBITDA	5,636	5,833	*(3.4%)*	6,364	6,692	*(4.9%)*	6,974	7,408	*(5.9%)*
Net income	2,212	2,416	*(8.4%)*	2,604	2,918	*(10.8%)*	3,196	3,598	*(11.2%)*
Margins (%)									
EBITDA margin	17.6%	17.7%	*(11 bps)*	18.3%	18.5%	*(17 bps)*	18.9%	19.2%	*(32 bps)*
Net margin	6.9%	7.3%	*(43 bps)*	7.5%	8.1%	*(57 bps)*	8.7%	9.3%	*(68 bps)*

Balance sheet (AEDm)	FY 26e			FY 27e			FY 28e		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Receivables	7,040	7,242	*(2.8%)*	7,713	8,037	*(4.0%)*	8,300	8,670	*(4.3%)*
Payables	10,848	11,145	*(2.7%)*	11,475	11,932	*(3.8%)*	11,950	12,432	*(3.9%)*
Debt	18,889	19,030	*(0.7%)*	19,023	19,251	*(1.2%)*	18,748	19,012	*(1.4%)*
Equity	20,055	20,262	*(1.0%)*	22,047	22,571	*(2.3%)*	24,455	25,386	*(3.7%)*

Valuation (AEDm)	New	Old	Δ
Enterprise value	57,992	62,446	*(7.1%)*
Equity value	42,271	52,397	*(19.3%)*
Fair value per share	3.80	4.70	*(19.1%)*

Source: Arqaam Capital Research

Exhibit 14: Care Estimates

Care (AEDm)	FY 26e			FY 27e			FY 28e		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Revenues	22,954	24,098	*(4.7%)*	24,491	26,194	*(6.5%)*	25,723	27,627	*(6.9%)*
EBITDA	4,643	4,851	*(4.3%)*	5,189	5,535	*(6.2%)*	5,649	6,077	*(7.0%)*
Margins (%)									
EBITDA margin	20.2%	20.1%	*9 bps*	21.2%	21.1%	*6 bps*	22.0%	22.0%	*(3 bps)*

Source: Company Data, Arqaam Capital Research

Exhibit 15: Cover Estimates

Cover (AEDm)	FY 26e			FY 27e			FY 28e		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Revenues	9,105	8,880	*2.5%*	10,201	9,954	*2.5%*	11,156	10,892	*2.4%*
EBITDA	1,242	1,239	*0.2%*	1,444	1,441	*0.3%*	1,609	1,633	*(1.5%)*
Margins (%)									
EBITDA margin	13.6%	14.0%	*(31 bps)*	14.2%	14.5%	*(31 bps)*	14.4%	15.0%	*(58 bps)*

Source: Company Data, Arqaam Capital Research

Q1 26A Results Recap

- **Net profit (parent) declines 23% y/y to AED 387m (-15% q/q, -15% vs. ACe, -35% vs BBG), primarily impacted by cost growth outpacing revenue expansion and regulatory developments under the UPP despite limited short-term impacts from the evolving regional environment during the quarter. Net margin contracts 233bps y/y (99bps q/q) to 5.3% in Q1 26A.**
- **Revenues come in at AED 7.26bn (+10% y/y, +0.7% q/q, 3% below BBG), broadly in line with our estimates. Growth was driven by strong momentum in International Care, where revenue increased 60% y/y to AED 2.5bn supported by HHG consolidation (AED 785m contribution) and continued growth at Circle Health (+9.5% y/y revenue), alongside resilient performance in Cover, with revenue up 8.5% y/y to AED 2bn supported by c.6% y/y GWP growth to AED 3.8bn and insured members rising 5% y/y to 3.4m. This was partially offset by UAE Care revenue declining 13% y/y to AED 2.7bn due mainly to UPP-related regulatory changes, despite healthy underlying operational trends including outpatient/inpatient growth of 3%/10% y/y and occupancy improving 4pps to 76%.**
- **EBITDA stands at c.AED 1.2bn, improving c.5% y/y and declining 9.5% q/q with margin compressing 87bps y/y (184bps q/q) to 16.3% in Q1 26A.**

Exhibit 16: PUREHEAL UH- Q1 26A

AEDm	Q1 26A	ACe	Δ	Q1 25A	y/y	Q4 25A	q/q
Revenues	7,262	7,260	0.0%	6,581	10.4%	7,211	0.7%
EBITDA	1,187	1,264	-6.1%	1,133	4.8%	1,311	(9.5%)
Net income (Parent)	387	455	-15.1%	504	(23.3%)	455	(15.1%)
EBITDA margin	16.3%	17.4%	(106 bps)	17.2%	(87 bps)	18.2%	(184 bps)
Net margin	5.3%	6.3%	(95 bps)	7.7%	(233 bps)	6.3%	(99 bps)

Source: Company Data, Arqaam Capital Research

Exhibit 17: Care segment

AEDm	Q1 26A	Q1 25A	y/y	Q4 25A	q/q
Revenues	5,240	4,717	11.1%	5,173	1.3%
EBITDA	966	923	4.6%	1,116	(13.5%)
Net Income	230	331	(30.4%)	295	(21.8%)
EBITDA margin	18.4%	19.6%	(113 bps)	21.6%	(315 bps)
Net margin	4.4%	7.0%	(262 bps)	5.7%	(130 bps)

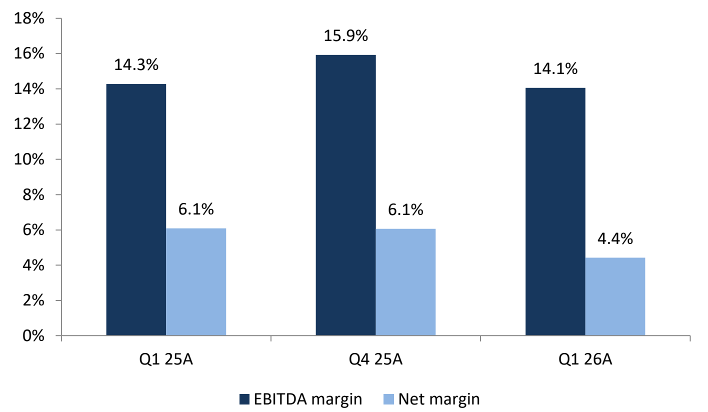
Source: Company Data, Arqaam Capital Research

Exhibit 18: Cover Segment

AEDm	Q1 26A	Q1 25A	y/y	Q4 25A	q/q
Revenues	2,022	1,864	8.5%	2,038	(0.8%)
EBITDA	221	210	5.2%	195	13.4%
Net Income	185	174	5.8%	161	15.0%
EBITDA margin	10.9%	11.3%	(34 bps)	9.6%	136 bps
Net margin	9.1%	9.4%	(23 bps)	7.9%	125 bps

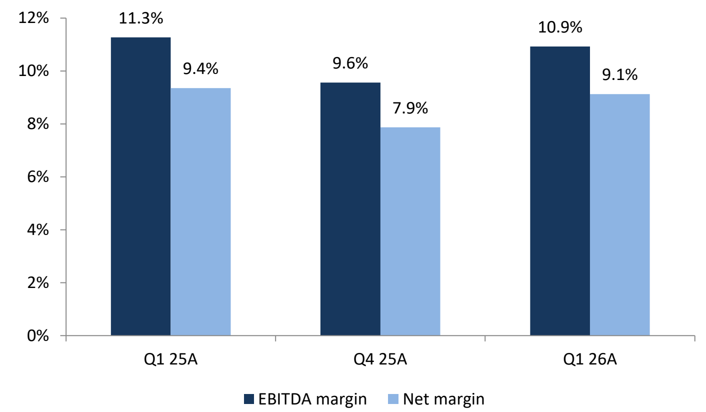
Source: Company Data, Arqaam Capital Research

Exhibit 19: Care margins progression



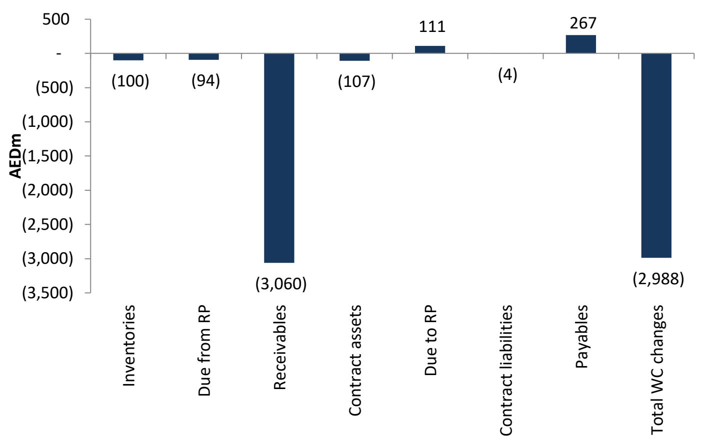
Source: Company Data, Arqaam Capital Research

Exhibit 20: Cover margins progression



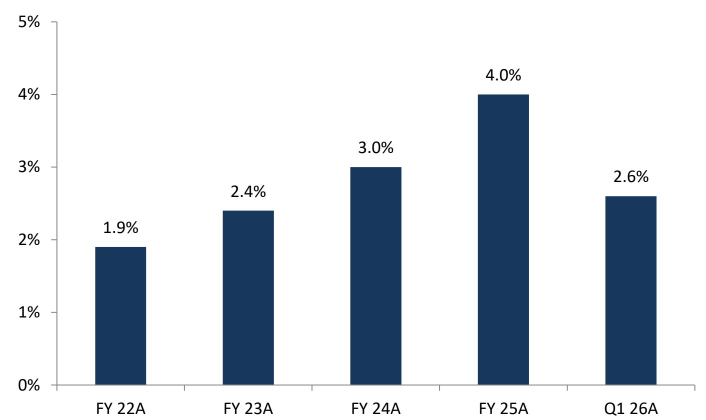
Source: Company Data, Arqaam Capital Research

Exhibit 21: Working capital changes



Source: Company Data, Arqaam Capital Research

Exhibit 22: CapEx/Sales

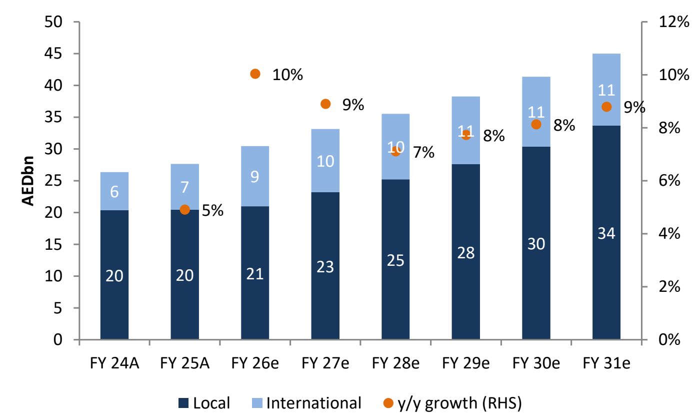


Source: Company Data, Arqaam Capital Research

Care vertical (Hospitals, Diagnostics, Procurement & Technology)

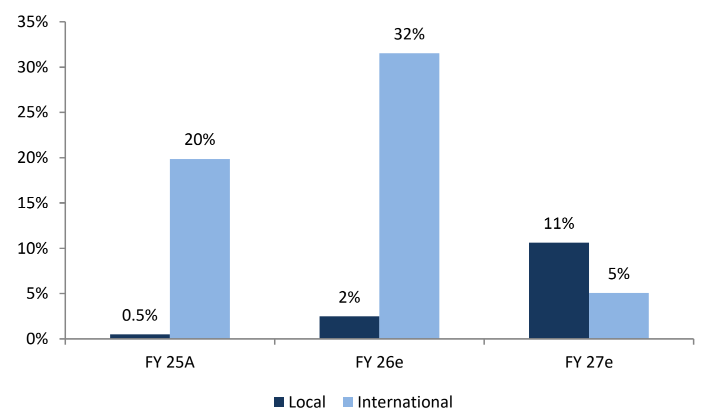
- **Revenue from Care vertical (72% of Group) grows 11% y/y to c.AED 5.2bn in Q1 26A, driven mainly by strong international performance (Circle + HHG) while UAE Care is impacted by regulatory changes and geopolitical disruption. EBITDA rises c.5% y/y to AED 966m, supported by international consolidation, with overall profitability weighed by UAE headwinds and one-offs, declining 30% y/y to AED 230m.**
- **UAE Care revenues reach AED 2.7bn (-7% y/y excl. elimination adjustments) in Q1 26A, impacted by UPP implementation (pharmacy revenue moved to net basis), internal revenue eliminations initiated in Q4 25A, tighter eligibility rules and March geopolitical disruption, reducing reported revenue and margins despite ongoing capacity additions, physician growth and efficiency gains.**
- **Strong growth continues from international care (Circle+HHG), with revenue up 60% y/y to AED 2.5bn and EBITDA up 60% y/y to AED 570m (margin 22.8%). Growth is driven by higher patient interactions (+73%), mix shift to higher-acuity care at Circle (+9.5% revenue), and HHG volume growth (+9%), plus Cyprus expansion via EVANGELISMOS (+69 beds, +12k cases).**

Exhibit 23: Care FY 24-31e revenue progression



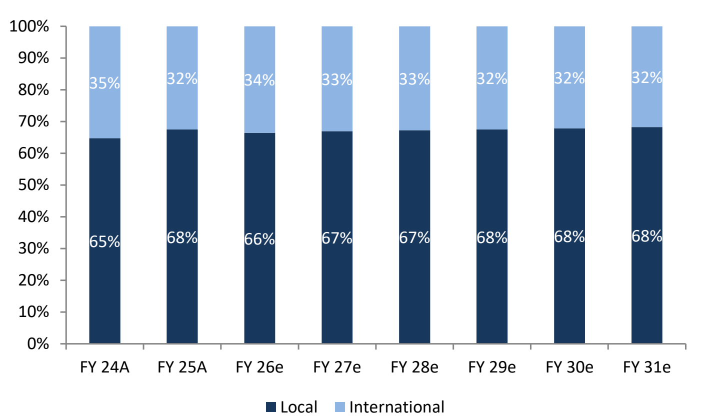
Source: Company Data, Arqaam Capital Research

Exhibit 24: Care: local vs. international operations y/y growth



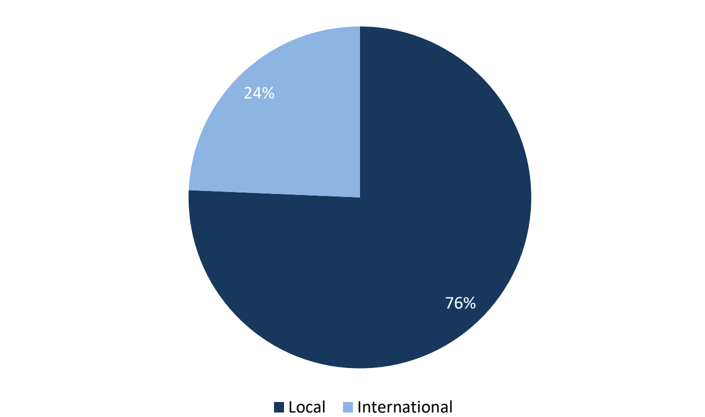
Source: Company Data, Arqaam Capital Research

Exhibit 25: Patient evolution: Local vs. International (FY 24-31e)



Source: Company Data, Arqaam Capital Research

Exhibit 26: Local vs. international* patients (FY 25A)

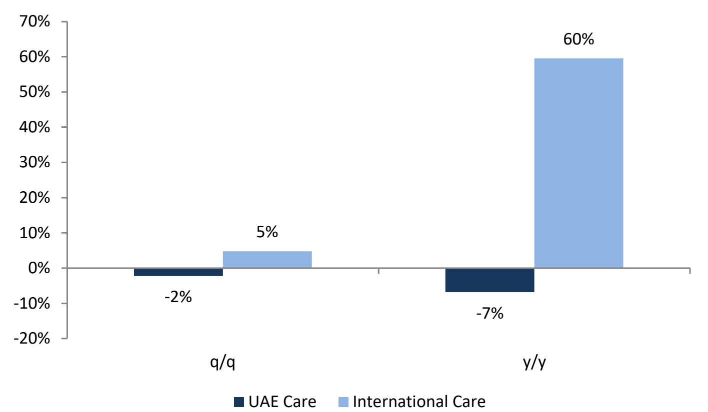


Source: Company Data, Arqaam Capital Research

**HHG Q1 26A patients*

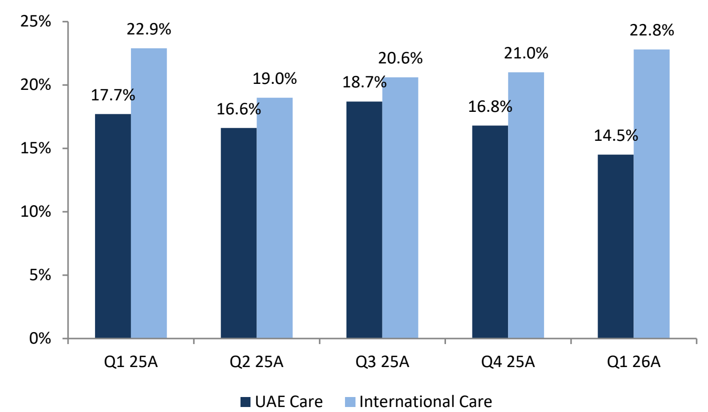
Care segment delivers 11% y/y top line growth in Q1 26A, primarily driven by international operations, supported by continued momentum at Circle Health Group and the consolidation of Hellenic Healthcare Group (HHG), while UAE Care remained impacted by regulatory changes, including the Unified Purchasing Program (UPP), and regional geopolitical disruption toward the latter part of the quarter. Care revenues rise 11% y/y to c.AED 5.2bn in Q1 26A, supported by higher patient activity across both UAE and international operations (+19% OP and +52% IP), reflecting ongoing service expansion, capacity additions and broader clinical activity across the platform. EBITDA advances 4.6% y/y to AED 966m in Q1 26A, supported by incremental contributions from newly consolidated international assets, partially offset by pressures within UAE Care. EBITDA margin reaches 18.4% (-113bps y/y) in Q1 26A. Care bottom line declines 30% y/y to AED 230m in Q1 26A, with NPm at 4.4% (-262bps y/y), primarily reflecting the impact on UAE Care from regional geopolitical disruptions, regulatory changes and lease revisions based upon the updated scope.

Exhibit 27: UAE vs. international Care revenue growth (Q1 26A)



Source: Company Data, Arqaam Capital Research

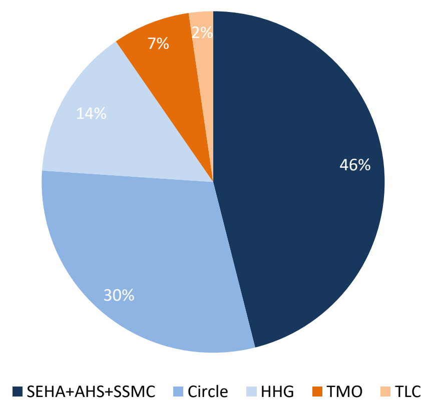
Exhibit 28: UAE vs. international Care EBITDAm evolution



Source: Company Data, Arqaam Capital Research

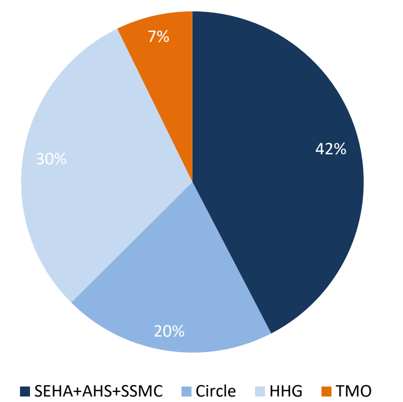
The segment continues to strengthen its advanced specialized and complex care capabilities through strategic partnerships, service expansion and digital transformation initiatives. Key initiatives included SEHA expanding advanced cardiac care through its partnership with Columbia HeartSource at STMC, where 49 cardiac surgeries have been completed since launch, alongside ongoing capacity additions in critical care, surgical and long-term beds, new physicians, and additional clinics, supported by improved operational efficiency through better OR utilization, OPD flow and day-case conversion. SSMC enhanced its advanced care offering with the GCC-first EndoFLIP 300 system, completing 40 cases during the quarter, while PureLab improved diagnostic logistics and turnaround times via the AI-powered FarEye platform. PureCS also advanced digital transformation across Circle and HHG, launching the “Raptor” AI security operations center to strengthen cybersecurity and automate threat detection.

Exhibit 29: Care gross revenue mix by entity (Q1 26A)



*Source: Company Data, Arqaam Capital Research *HHG consolidated in Q4 25A*

Exhibit 30: Total Care inpatient mix by entity (Q1 26A)



Source: Company Data, Arqaam Capital Research

UAE Care performance impacted by regulatory and temporary volume headwinds in Q1 26A. Country revenues decline 7% y/y to AED 2.7bn (-7% y/y), due to the introduction of the Unified Purchasing Program (UPP) effective May 1st 2025, which shifts pharmacy revenue recognition for government-mandated programs to a net margin basis. In addition, Q1 26A revenue continue to reflect internal revenue elimination adjustments initiated in Q4 25A. We note additional regulatory changes affecting patient eligibility, while regional geopolitical disruptions in March weigh on volumes; OP and IP volumes still grow 3% and 10% y/y, respectively. EBITDA declines to AED 396m (-30% y/y) with margins at 14.5% (-3.5pps y/y), as softer revenues and a largely fixed cost base drive near-term margin pressure despite ongoing efficiency initiatives. Nevertheless, patient activity is supported by continued expansion, including additional physicians, new bed capacity and broader specialty services. The Group remains the UAE’s largest healthcare platform, operating more than 20 hospitals, c.5k licensed beds, c.3.4k operational beds, and achieving 76% occupancy in Q1 26A.

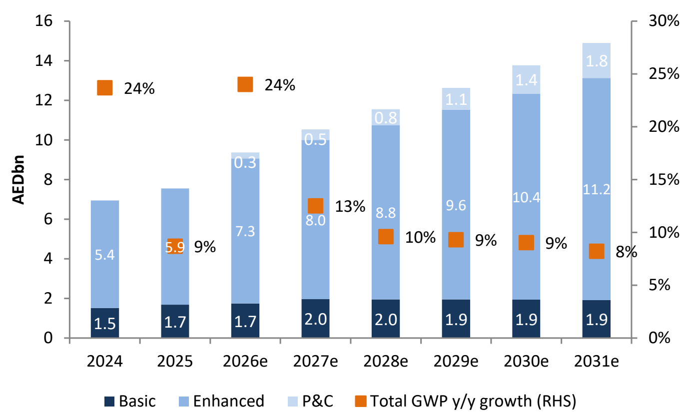
International Care, represented by Circle Health Group in the UK and Hellenic Healthcare Group in Greece and Cyprus, support overall growth at CARE through resilient demand, higher patient interactions and stable margins, reinforcing the Group’s diversification strategy. Patient interactions increase 73% y/y to 949k, while revenue grow 60% y/y to AED 2.5bn. EBITDA rises 60% y/y to AED 570m, implying stable EBITDA margin of 22.8%. Circle Health delivers c.10% revenue growth during the quarter, supported by a shift toward higher-acuity and more complex inpatient cases, while maintaining stable EBITDA margins despite an c.AED 15m headwind from National Insurance Contribution changes. Capacity and specialist services continue to expand through the addition of new consulting rooms at The Park Hospital, supporting increased elective throughput, alongside the introduction of the Da Vinci 5 robotic surgical system, making Circle the first UK private hospital group to adopt Intuitive’s latest robotic surgery platform.

HHG continues to contribute positively to International Care performance, with patient volumes increasing 9% y/y, primarily driven by outpatient growth. The Group further expands its footprint in Cyprus following the bolt-on acquisition of EVANGELISMOS Hospital completed at the end of Q4 25A. The integration adds c.70 beds, enabling treatment of more than 12k additional cases during Q1 26A, supporting operational scale, network expansion and long-term growth across the region.

Cover vertical (Daman)

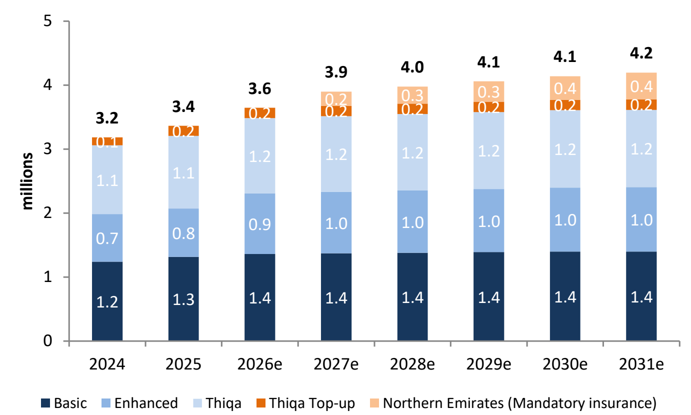
- **Daman delivers 8.5% y/y revenue growth to AED 2bn in Q1 26A, supported by higher renewals, disciplined pricing and new business traction, with GWP up 5.6% y/y to AED 3.8bn and active membership rising 5% y/y to 3.4m.**
- **Profitability improves steadily, supported by underwriting discipline and tight cost control, as net profit increases 5.8% y/y to AED 185m.**
- **Diversification into P&C gains early traction, with all business lines now active and AED 21m in early GWP contribution.**

Exhibit 31: Cover GWPs grow 12% (FY 24-31e CAGR) and 24% y/y growth in FY 26e



Source: Company Data, Arqaam Capital Research

Exhibit 32: Insured members* grow 4% CAGR (FY 24-31e) and 8% y/y in FY 26e



Source: Company Data, Arqaam Capital Research
** excl. P&C contribution*

The Insurance segment delivers steady growth in Q1 26A, supported by disciplined underwriting and early momentum in P&C. Daman records revenue growth of 8.5% y/y to AED 2bn in Q1 26A, supported by gross written premium of AED 3.8bn (+5.6% y/y), driven by higher renewals, disciplined pricing and new business growth. Active membership increases to 3.4m (+5% y/y), with claims processed at c.14k (+1% y/y), indicating continued utilization and portfolio expansion. The Property & Casualty (P&C) rollout progresses well throughout the quarter, with all lines now active and gaining traction, supported by positive market response, generating AED 21m in early-stage GWP. EBITDA increases 5% y/y to AED 221m, with margins broadly stable at 10.9% (-34bps y/y), reflecting continued underwriting discipline and cost control. Net profit increases 5.8% y/y to AED 185m, supported by consistent operating performance. Net profit margin stands at 9.1% (-23bps y/y), while solvency remains strong at 185% (Q1 25A: 151%), reflecting solid capitalization and balance sheet strength.

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