

## PureHealth Holding

Broadening insurance offering with P&C rollout.

- PureHealth expands into P&C insurance, transitioning into a multi-line insurer beyond health. We factor in P&C starting FY 26e, conservatively estimating 4% uplift in gross GWPs, with 48% CAGR over FY 26-30e, driven by high-margin cross-sell opportunities in a rapidly expanding market (11% CAGR).
- Group Q2 25A net profits grow 2% y/y to AED 524m (in line with ACe), despite cost pressures and higher tax, with net margin contracting 55bps y/y to 7.5%; on a normalized basis, NP margin improves to 8.3% in H1 25A. Revenues grow c.9% y/y to AED 7bn (+3% vs. ACe), driven by strong organic growth in Hospitals & Insurance segments (79% of Group revenues).
- Reiterate BUY at AED 4.9 (+c.70% vs. CMP) reflecting the group's diverse growth prospects including active M&A (incl. HHG consolidation), mandatory insurance in the Northern Emirates, and P&C insurance rollout.

**PureHealth taps into P&C insurance market, marking its transition into a multi-line insurer under the newly rebranded National Insurance Company-Daman.** Insurance contributes 22% to gross group revenues, generating 39% of net profits in Q2 25A (highest among all segments). The introduction of P&C coverage captures opportunities in a high-growth market with wider underwriting margins and limited incremental costs thanks to operational scale. The group leverages its core strengths in underwriting, claims efficiency, and service excellence, while unlocking cross-selling synergies by capitalizing on its incumbent customer base. We conservatively calculate 1% upside to our base case estimates in FY 26e (4% upside to FY 26e insurance revenues), assuming Daman initially captures 1% of the growing P&C market (11% historical CAGR) going up to 4% by 2030e, adding AED 4.2bn in cumulative GWPs by 2030e (c.8% of the total for the same period).

**Group top line expands by c.9% y/y (+6.3% q/q) to AED c.7bn, underpinned by core segments, hospitals and insurance (70% and 27% of Q2 revenues respectively).** EBITDA rises 10% y/y to AED 1.19bn, with margin easing 13bps y/y to 17% due to front-loaded costs tied to UAE and UK expansion, including new clinics, extended hours, and onboarding of 250+ specialist physicians. Net earnings advance c.2% y/y (+3.6% q/q) to AED 524m, despite pressure from non-operational items such as Ardent reclassification, amortization, new rental charges, and Pillar Two tax, driving 55bps compression in NPm to 7.5%. Hospital revenues grow 1.6% y/y (-2.3% q/q), supported by higher volumes across UAE and UK, with patient interactions up 13% y/y to 5m (operational bed capacity +4% to 5.5k). Nevertheless, hospital EBITDA declines 6.6% y/y, driving 32% y/y fall in net profits on ramp-up costs at Sheikh Khalifa Hospital (TMO). Insurance revenues increase c.9% y/y, driving segment EBITDA and net profits up c.49% and c.47% y/y respectively, supported by stronger GWP, member growth, cost control and investment returns.

**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 62.7bn for the group. We discount net debt of c.AED 9bn (AED 16.7bn in borrowings/lease liabs including implied addition from HHG, and accounting for the recently approved early repayment of AED 1.85bn in banking facilities from FAB, vs. c.AED 7.7bn in cash as of H1 25A), add AED 1.4bn from Ardent (market value of 21.2% stake). Our calculations result in a total equity value of AED 54.4bn or AED 4.90/share, with upside potential from future M&A.

BUY

AED 4.9

### Healthcare and Pharmaceuticals / UAE

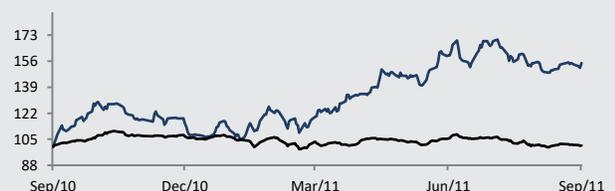
Bloomberg code	PUREHEAL UH
Market index	ADSMI
Target Price	4.9
Upside (%)	68.8

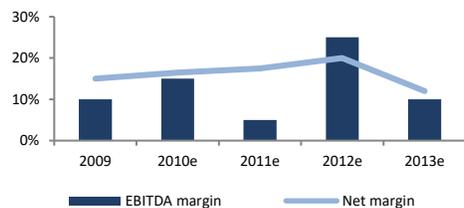
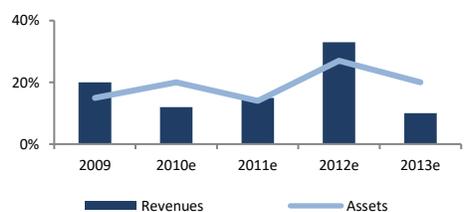
### Market data 8/28/2025

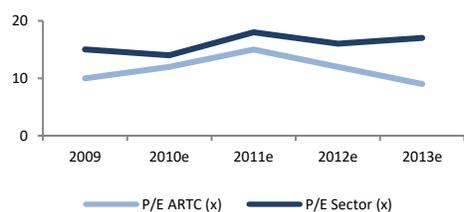
Last closing price	2.9
52 Week range	2.4-3.8
Market cap (AED m)	32,222
Market cap (USD m)	8,773
Average Daily Traded Value (AED m)	18.0
Average Daily Traded Value (USD m)	4.8
Free float (%)	53%

Year-end (local m)	2024	2025e	2026e	2027e
Revenues	25,848	28,910	33,240	36,599
EBITDA	4,119	4,868	6,003	7,061
Net income	1,712	2,198	2,759	3,418
EPS	0.15	0.20	0.25	0.31
P/E (current price)	18.8	14.7	11.7	9.4
BVPS	1.8	2.0	2.2	2.5
P/B (current price)	1.63	1.48	1.32	1.17
EV/EBITDA (x)	9.1	7.7	6.3	5.3
Div. yield (%)	-	1.1	1.2	1.8
FCF margin (%)	12.4	8.8	0.6	11.5
Net Debt/EBITDA (x)	0.6	0.5	0.4	(0.1)
Net Debt/Capital (%)	0.1	0.1	0.1	-
Interest cover (x)	2.9	4.5	4.6	5.6
RoAA (%)	4.5	4.4	5.3	6.2
RoAE (%)	9.6	10.6	12.0	13.2
RoIC (%)	5.1	6.4	7.6	8.8

### Price Performance



**Abacus**
*Arqaam Capital Fundamental Data*
**Profitability**

**Growth**

**Gearing**

**Valuation**

**PureHealth Holding**

Year-end	2023	2024	2025e	2026e	2027e	2028e
<b>Financial summary</b>						
Reported EPS	0.09	0.15	0.20	0.25	0.31	0.42
Diluted EPS	0.09	0.15	0.20	0.25	0.31	0.42
DPS	0.03	-	0.03	0.03	0.05	0.06
BVPS	1.45	1.78	1.95	2.19	2.48	2.88
Weighted average shares	11,111	11,111	11,111	11,111	11,111	11,111
Average market cap	-	-	-	-	-	-

Year-end	2023	2024	2025e	2026e	2027e	2028e
<b>Valuation metrics</b>						
P/E (x) (current price)	33.7	19.0	14.8	11.8	9.5	7.0
P/E (x) (target price)	56.4	31.8	24.8	19.7	15.9	11.7
EV/EBITDA (x) (current price)	15.5	9.1	7.7	6.3	5.3	4.6
EV/EBITDA (x) (target price)	25.7	15.2	12.9	10.4	8.9	7.7
EV/FCF (x)	15.4	10.0	12.6	162.9	7.7	6.6
Free cash flow yield (%)	6.4	9.9	7.8	0.6	12.9	15.1
Dividend yield (%)	0.9	-	1.1	1.2	1.7	1.9

Year-end	2023	2024	2025e	2026e	2027e	2028e
<b>Growth (%)</b>						
Revenues	31.3	57.6	11.8	15.0	10.1	9.1
EBITDA	(42.5)	69.2	18.2	23.3	17.6	14.9
EBIT	(61.9)	69.7	29.9	37.2	17.0	27.4
Net income	(74.1)	77.4	28.4	25.5	23.9	35.7

Year-end	2023	2024	2025e	2026e	2027e	2028e
<b>Margins (%)</b>						
EBITDA	14.8	15.9	16.8	18.1	19.3	20.3
EBIT	9.0	9.6	11.2	13.4	14.2	16.6
Net	5.9	6.6	7.6	8.3	9.3	11.6

Year-end	2023	2024	2025e	2026e	2027e	2028e
<b>Returns (%)</b>						
RoAA	3.7	4.5	4.4	5.3	6.2	7.9
RoAE	7.0	9.6	10.6	12.0	13.2	15.6
RoIC	5.4	5.1	6.4	7.6	8.8	10.9
FCF margin	12.7	12.4	8.8	0.6	11.5	12.3

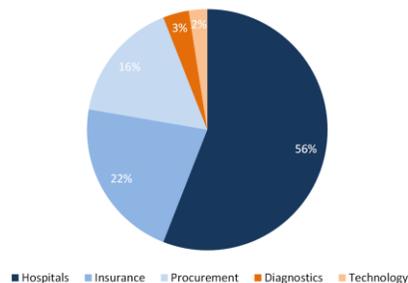
Year-end	2023	2024	2025e	2026e	2027e	2028e
<b>Gearing (%)</b>						
Net debt/Capital	(47.8)	7.1	6.4	7.2	(1.8)	(11.1)
Net debt/Equity	(53.6)	12.3	10.2	10.8	(2.6)	(14.8)
Interest cover (x)	12.5	2.9	4.5	4.6	5.6	7.5
Net debt/EBITDA (x)	(3.5)	0.6	0.5	0.4	(0.1)	(0.6)

**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 4<sup>th</sup> 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 10 hospitals.

## Revenue mix pre-eliminations (Q2 25A)



## 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	2023	2024	2025e	2026e	2027e	2028e
<b>Income statement (AEDm)</b>						
Revenue	16,399	25,848	28,910	33,240	36,599	39,913
Segment OpEx	(13,965)	(21,730)	(24,042)	(27,237)	(29,538)	(31,803)
<b>EBITDA</b>	<b>2,434</b>	<b>4,119</b>	<b>4,868</b>	<b>6,003</b>	<b>7,061</b>	<b>8,110</b>
Depreciation & Amortization	(965)	(1,626)	(1,630)	(1,560)	(1,861)	(1,487)
Interest income	-	-	117	105	134	171
Finance income (expense)	(117)	(848)	(724)	(966)	(920)	(882)
Associate income	25	82	-	-	-	-
Other income (expense)	7	51	-	-	-	-
<b>Income before tax</b>	<b>1,384</b>	<b>1,778</b>	<b>2,631</b>	<b>3,583</b>	<b>4,413</b>	<b>5,912</b>
Tax	(419)	(62)	(316)	(537)	(662)	(887)
Minorities	(0)	(4)	-	(182)	(199)	(217)
<b>Net income (Parent)</b>	<b>965</b>	<b>1,712</b>	<b>2,315</b>	<b>2,864</b>	<b>3,552</b>	<b>4,808</b>
Arqaam adjustments	-	-	-	-	-	-
<b>Arqaam Net profit</b>	<b>965</b>	<b>1,712</b>	<b>2,315</b>	<b>2,864</b>	<b>3,552</b>	<b>4,808</b>

Year-end	2023	2024	2025e	2026e	2027e	2028e
<b>Balance sheet (AEDm)</b>						
Cash and equivalents	10,560	11,952	10,506	9,455	12,037	15,360
Receivables	4,681	4,870	5,585	6,581	7,421	8,285
Inventories	741	1,184	1,425	1,745	2,034	2,342
Tangible fixed assets	3,070	14,296	14,477	17,352	16,749	16,596
Other assets including goodwill	9,123	16,274	18,244	18,163	18,123	18,131
<b>Total assets</b>	<b>28,175</b>	<b>48,575</b>	<b>50,237</b>	<b>53,296</b>	<b>56,364</b>	<b>60,713</b>
Payables	4,964	7,576	8,712	9,721	10,380	11,002
Interest bearing debt	1,956	14,372	12,712	12,095	11,318	10,644
Other liabilities	5,198	6,890	7,104	7,104	7,104	7,104
<b>Total liabilities</b>	<b>12,118</b>	<b>28,839</b>	<b>28,529</b>	<b>28,920</b>	<b>28,802</b>	<b>28,749</b>
Shareholders equity	16,057	19,736	21,708	24,376	27,561	31,964
Minorities	-	-	-	-	-	-
<b>Total liabilities &amp; shareholders equity</b>	<b>28,175</b>	<b>48,575</b>	<b>50,237</b>	<b>53,296</b>	<b>56,364</b>	<b>60,713</b>

Year-end	2023	2024	2025e	2026e	2027e	2028e
<b>Cash flow (AEDm)</b>						
<b>Cashflow from operations</b>	<b>2,532</b>	<b>4,163</b>	<b>3,595</b>	<b>4,281</b>	<b>5,107</b>	<b>5,903</b>
Net capex	(449)	(951)	(1,042)	(4,084)	(915)	(998)
<b>Free cash flow</b>	<b>2,084</b>	<b>3,213</b>	<b>2,554</b>	<b>197</b>	<b>4,192</b>	<b>4,905</b>
Equity raised/(bought back)	3,619	-	-	-	-	-
Dividends paid	(300)	-	(343)	(377)	(566)	(623)
Net inc/(dec) in borrowings	(239)	237	(1,825)	168	(49)	(2)
Other investing/financing cash flows	-	-	-	-	-	-
<b>Net cash flow</b>	<b>3,188</b>	<b>810</b>	<b>(1,445)</b>	<b>(1,051)</b>	<b>2,582</b>	<b>3,323</b>
Change in working capital	205	31	(69)	(307)	(470)	(550)

**Christine Kalindjian, CFA**

christine.kalindjian@arqaamcapital.com

**Mariam Hakim**

mariam.hakim@arqaamcapital.com

## Table of Contents

<b>We continue to see deep value in the aggregate holding.....</b>	<b>6</b>
<b>Discounted Cash Flow.....</b>	<b>7</b>
<b>Relative Valuation.....</b>	<b>8</b>
<b>PureHealth marks its entry into P&amp;C insurance.....</b>	<b>9</b>
<b>UAE P&amp;C Insurance in Charts.....</b>	<b>10</b>
<b>Q2/H1 25A results recap.....</b>	<b>12</b>

**Exhibit 1: Gross Revenues Forecasts (2025e-2030e)**

Gross revenues (AEDm)	2022	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e
Hospitals	6,729	10,528	19,653	20,854	24,186	25,923	27,700	29,542	31,469
Health Insurance	1,344	5,853	6,838	7,845	8,432	9,556	10,602	11,776	13,115
Laboratory Management Services	3,950	1,043	1,056	1,140	1,323	2,208	2,878	3,843	5,235
Procurement	2,846	4,099	5,204	5,285	6,420	7,490	8,697	10,158	11,862
Technology & other	--	76	469	760	798	838	880	924	970
<i>Adjustments &amp; Eliminations</i>	<i>(2,383)</i>	<i>(5,201)</i>	<i>(7,372)</i>	<i>(6,973)</i>	<i>(7,918)</i>	<i>(9,416)</i>	<i>(10,844)</i>	<i>(12,662)</i>	<i>(14,948)</i>
<b>Group revenues</b>	<b>12,486</b>	<b>16,399</b>	<b>25,848</b>	<b>28,910</b>	<b>33,240</b>	<b>36,599</b>	<b>39,913</b>	<b>43,581</b>	<b>47,704</b>

Source: Arqaam Capital Research

**Exhibit 2: EBITDA Forecasts (2025e-2030e)**

EBITDA (AEDm)	2022	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e
Hospitals	2,099	1,690	2,956	3,209	4,085	4,573	5,094	5,580	6,102
Health Insurance	86	398	645	1,067	1,214	1,424	1,633	1,825	2,046
Laboratory Management Services	1,914	399	327	365	426	728	971	1,325	1,845
Procurement	197	218	379	277	353	431	522	635	771
Technology & other	--	8	54	128	135	142	150	158	166
<i>Adjustments &amp; Eliminations</i>	<i>(61)</i>	<i>(280)</i>	<i>(242)</i>	<i>(179)</i>	<i>(211)</i>	<i>(237)</i>	<i>(259)</i>	<i>(280)</i>	<i>(305)</i>
<b>Group EBITDA</b>	<b>4,235</b>	<b>2,434</b>	<b>4,119</b>	<b>4,868</b>	<b>6,003</b>	<b>7,061</b>	<b>8,110</b>	<b>9,243</b>	<b>10,624</b>

Source: Arqaam Capital Research

**Exhibit 3: EBITDA Margin Forecasts (2025e-2030e)**

EBITDAm	2022	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e
Hospitals	31.2%	16.1%	15.0%	15.4%	16.9%	17.6%	18.4%	18.9%	19.4%
Health Insurance	6.4%	6.8%	9.4%	13.6%	14.4%	14.9%	15.4%	15.5%	15.6%
Laboratory Management Services	48.5%	38.2%	31.0%	32.0%	32.2%	33.0%	33.7%	34.5%	35.2%
Procurement	6.9%	5.3%	7.3%	5.3%	5.5%	5.8%	6.0%	6.3%	6.5%
Technology & other		10.3%	11.4%	16.9%	17.0%	17.0%	17.1%	17.1%	17.2%
<b>Group EBITDAm</b>	<b>33.9%</b>	<b>14.8%</b>	<b>15.9%</b>	<b>16.8%</b>	<b>18.1%</b>	<b>19.3%</b>	<b>20.3%</b>	<b>21.2%</b>	<b>22.3%</b>

Source: Arqaam Capital Research

### We continue to see deep value in the aggregate holding

- We assign a 50% weight to each of the two valuation exercises we run for the health conglomerate including a (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 62.6bn for the group.
- We discount net debt of c.AED 9bn (AED 16.7bn in borrowings and lease liabilities including implied addition from HHG and the early repayment of AED 1.85bn in banking facilities from FAB, vs. AED 7.7bn in cash as of H1 25A), add AED 1.4bn from Ardent (market value of 21.2% stake). Our calculations result in a total equity value of AED 54.4bn or AED 4.90/share.
- PureHealth's current market price of AED 2.90/share implies 12.6x FY 25-26e P/E and 6.0x EV/EBITDA. The group distributes 20% of FY 24A profit as dividend, amounting to AED 343m (AED 0.03/share, 1% DY).

#### Exhibit 4: PureHealth Valuation (AEDm)

Pure Health Valuation	Enterprise Value (AEDm)	Weight (%)	EV contribution (AEDm)
DCF (consolidated)	74,530	50.0%	37,265
RV (SotP)	50,808	50.0%	25,404
<b>Group Enterprise value</b>		<b>100.0%</b>	<b>62,669</b>
Borrowings (holding)			(16,716)
Cash (holding)			7,742
Minority- HHG			(771)
Associates- Ardent			1,442
Associates- Other			40
<b>Equity Value</b>			<b>54,406</b>
NOSH			11,111
<b>Equity value per share (AED)</b>			<b>4.90</b>
CMP			2.90
Upside/downside %			69%

Implied multiples	FY 25e	FY 26e	FY 27e	FY 28e	FY 29e
EV/EBITDA	12.9	10.4	8.9	7.7	6.8
P/E	23.5	19.0	15.3	11.3	9.2
P/B	2.5	2.2	2.0	1.7	1.5
Current multiples	FY 25e	FY 26e	FY 27e	FY 28e	FY 29e
EV/EBITDA	6.6	5.4	4.6	4.0	3.5
P/E	13.9	11.3	9.1	6.7	5.4
P/B	1.5	1.3	1.2	1.0	0.9

Source: Arqaam Capital Research

### Discounted Cash Flow

- Our DCF model uses an explicit forecast period of FY 25-30e, discounting at a WACC of 10.7% (Rf 5.3%, EMRP 7.3%, Re 12.6%, Rd 6.2%), 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.2% of revenues, assuming expansions at SEHA are funded by the public sector.
- We arrive at an enterprise value of AED 74.5bn, implying 6.0x FY 25-26e EV/EBITDA for the group (6.6x FY 25e, 5.4x FY 26e).

#### Exhibit 5: PureHealth DCF Valuation (AEDm)

Year-end	FY 25e	FY 26e	FY 27e	FY 28e	FY 29e	FY 30e
<b>EBIT (1-τ)</b>	<b>2,849</b>	<b>3,777</b>	<b>4,420</b>	<b>5,630</b>	<b>6,706</b>	<b>7,871</b>
Depreciation & Amortization	1,630	1,560	1,861	1,487	1,354	1,364
<b>EBITDA</b>	<b>4,479</b>	<b>5,336</b>	<b>6,281</b>	<b>7,117</b>	<b>8,060</b>	<b>9,235</b>
Working Capital Changes	179	(307)	(470)	(550)	(633)	(767)
<b>Operating Cash Flow</b>	<b>4,658</b>	<b>5,029</b>	<b>5,811</b>	<b>6,567</b>	<b>7,427</b>	<b>8,468</b>
Purchase of PPE	<b>(1,042)</b>	<b>(4,084)</b>	<b>(915)</b>	<b>(998)</b>	<b>(1,090)</b>	<b>(1,193)</b>
<b>Free Cash Flow to Firm</b>	<b>3,617</b>	<b>945</b>	<b>4,896</b>	<b>5,569</b>	<b>6,337</b>	<b>7,276</b>
Discount Factor using WACC at 10.4%	0.97	0.87	0.79	0.71	0.64	0.58
<b>PV of Visible FCFF</b>	<b>1,114</b>	<b>825</b>	<b>3,858</b>	<b>3,964</b>	<b>4,075</b>	<b>4,225</b>
Terminal Value						56,470
<b>Equity Valuation</b>						
PV of Visible FCFF	18,060			Rf		5.3%
PV of Terminal Value	56,470			EMRP		7.3%
<b>Enterprise Value</b>	<b>74,530</b>			Adjusted Beta		1.0
				<b>Cost of Equity</b>		<b>12.6%</b>
				Marginal tax rate		9.8%
				<b>Cost of Debt</b>		<b>6.2%</b>
				D/C (market)		30.0%
				<b>WACC</b>		<b>10.7%</b>
				Perpetual growth		3.0%

Source: Arqaam Capital Research

### Relative Valuation

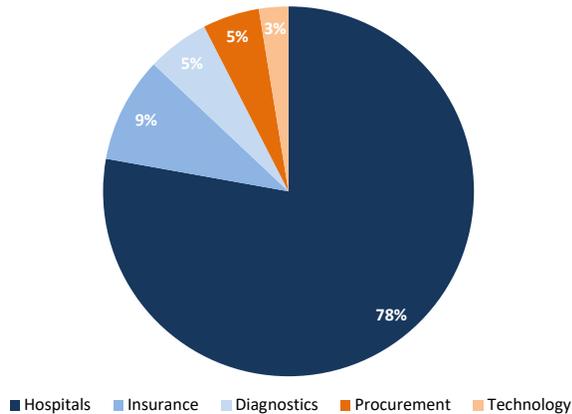
- We use a combination of forward EV/EBITDA and P/B multiples of select regional and global peers in respective segments.
- We arrive at a consolidated enterprise value of AED 50.8bn after applying a 10% group discount to the SotP valuation. This implies 9.5x FY 25-26e EV/EBITDA for the group (10.4x FY 25e, 8.5x FY 26e).

#### Exhibit 6: PureHealth Relative Multiples Valuation (AEDm)

SotP on RV	Enterprise Value (AEDm)	% of total EBITDA 25-26e (AEDm)	BV H1 25A (AEDm)	P/B 25e EV/EBITDA 25-26e
Hospitals	43,937	77.8%	3,647	10,493
Insurance	5,208	9.2%	1,141	2.4x
Diagnostics	3,067	5.4%	395	1,783
Procurement	2,792	4.9%	315	480
Technology	1,450	2.6%	132	113
<i>Adjustments &amp; Eliminations</i>			(195)	4,368
<b>Group Enterprise value</b>	<b>56,454</b>	<b>100.0%</b>	<b>5,435</b>	<b>20,477</b>
Group discount	(10%)			
<b>Group Enterprise value (post discount)</b>	<b>50,808</b>			

Source: Arqaam Capital Research

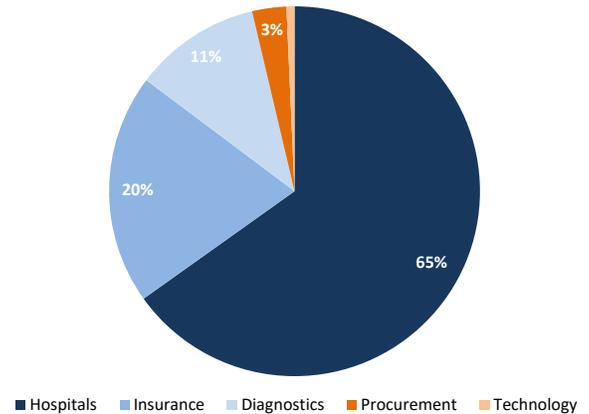
#### Exhibit 7: EV Contribution



Source: Arqaam Capital Research

\*\*excl. Ardent\*\*

#### Exhibit 8: BV Contribution (H1 25A)



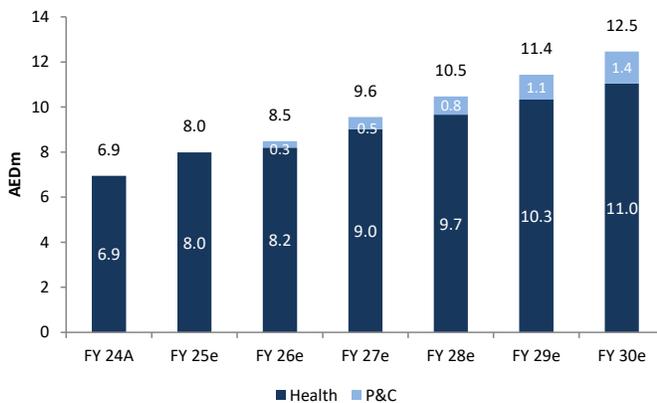
Source: Arqaam Capital Research

## PureHealth marks its entry into P&C insurance

- PureHealth expands into P&C insurance through its rebranded National Insurance Company, Daman, marking its transition into a multi-line insurer, leveraging its existing strengths in underwriting, claims, and service to enhance risk diversification and unlock high-margin cross-sell synergies.
- We factor in the P&C segment starting FY 26e, conservatively estimating a 4% uplift in insurance revenues (1% to Group top line), with P&C GWPs expected to grow at a 48% CAGR over FY26-30e, contributing AED 4.2bn in cumulative GWPs over the period.
- Backed by its position within Abu Dhabi's largest holding groups (IHC, ADQ, Alpha Dhabi), Daman is well positioned to capture initial 1% of the P&C market by FY 26e, rising to 4% by FY 30e, supported by strong cross-sell potential across affiliated companies and a rapidly growing local P&C market (+11% 2019-24 CAGR).

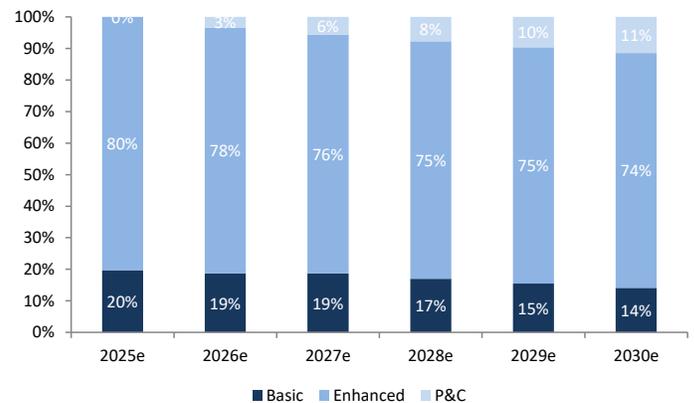
**We conservatively calculate 4% upside to insurance revenues (1% to consolidated group top line) from adding the P&C insurance license in FY 26e.** Expansion into P&C insurance unlocks opportunities in a lucrative and growing local market (+11% 2019-2024 CAGR vs. +10% for Health; *source*: UAE Central Bank). As a subsidiary of the largest holding Cos in Abu Dhabi, Daman is strategically positioned as the preferred insurance provider capturing c.70% of the health insurance business from associated companies within the portfolios of IHC (Aldar, Multiply Group), Alpha Dhabi Holding (FAB Properties, ADNOC Drilling JV), ADQ (TAQA, EWEC, ENEC, Etihad Airways, ADX) and PureHealth. We expect Daman to initially capture c.1% of the P&C market share in 2026e, and eventually grow to c.4% by 2030e, leveraging off cross selling opportunities by the extension from a monoliner health insurance player to include P&C insurance in its portfolio. The P&C arm adds c.AED 4.2bn in GWPs (c.8% of total) in 2026-2030e.

**Exhibit 9: Purehealth's growing P&C contribution to GWPs...**



Source: Company Data, Arqaam Capital Research

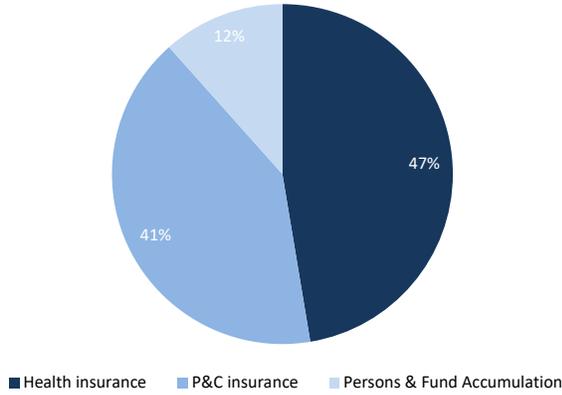
**Exhibit 10: Contributing 11% of total gross GWPs by 2030e**



Source: Company Data, Arqaam Capital Research

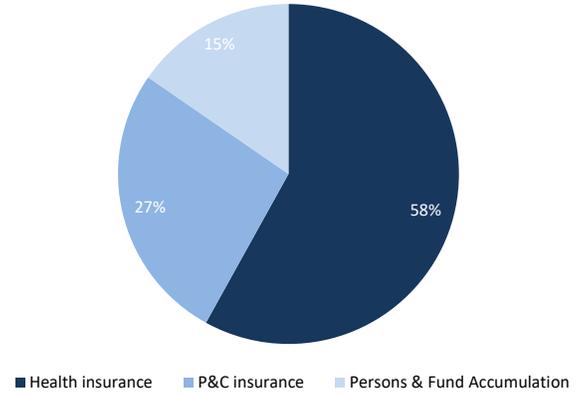
### UAE P&C Insurance in Charts

**Exhibit 11: P&C ranks 2<sup>nd</sup> in GWP (41%)...**



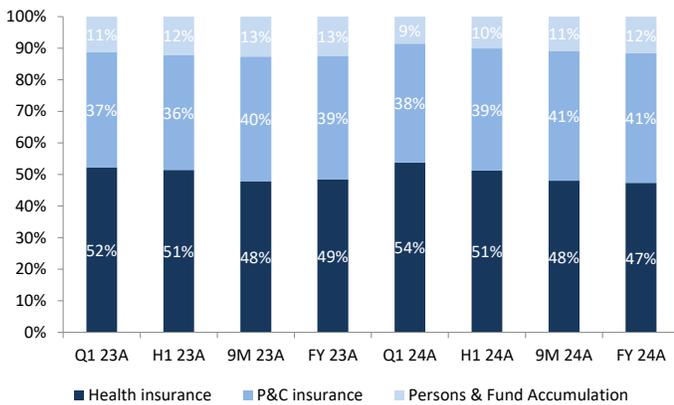
Source: March 2025 Economic Review (UAE)-CBUAE prelim data, Arqaam Capital Research

**Exhibit 12: ...and claims paid contribution (27%) in 2024**



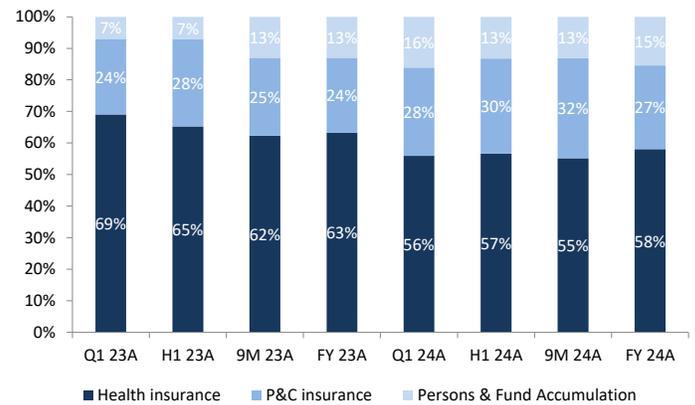
Source: March 2025 Economic Review (UAE)-CBUAE prelim data, Arqaam Capital Research

**Exhibit 13: Quarterly progression of GWP...**



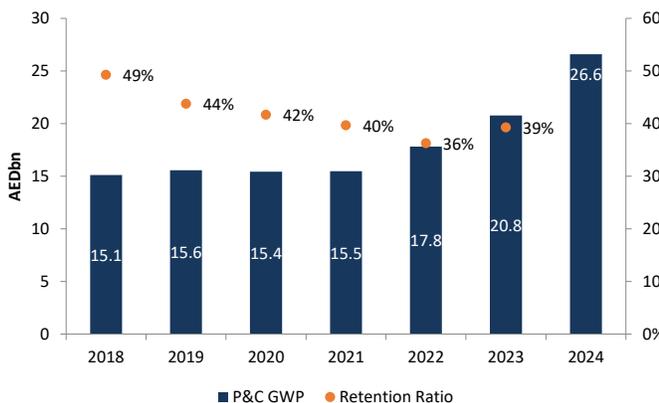
Source: March 2025 Economic Review (UAE)-CBUAE prelim data, Arqaam Capital Research

**Exhibit 14: ...and Claims paid by insurance line (2024)**



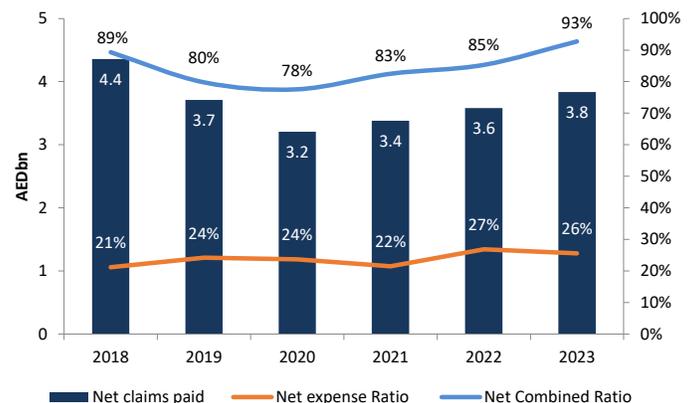
Source: March 2025 Economic Review (UAE)-CBUAE prelim data, Arqaam Capital Research

**Exhibit 15: P&C GWPs grew at 11% CAGR (2019-2024)**



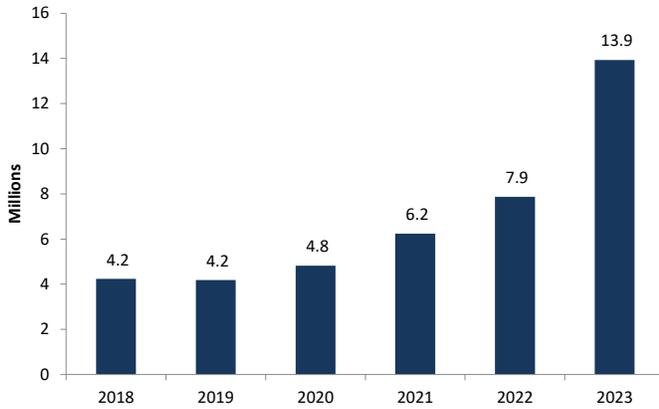
Source: CBUAE, Arqaam Capital Research

**Exhibit 16: Net P&C claims paid, expense and combined ratios**



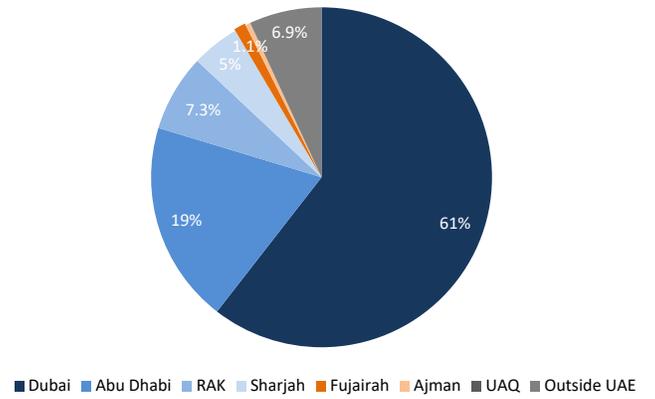
Source: CBUAE, Arqaam Capital Research

**Exhibit 17: Number of P&C policies grew at 27% CAGR (2018-2023)**



Source: CBUAE, Arqaam Capital Research

**Exhibit 18: Dubai and Abu Dhabi captured the lion's share of P&C policies at 80% combined in 2023**



Source: CBUAE, Arqaam Capital Research

## Q2/H1 25A results recap

- Bottom line grows c.2% y/y to AED 524m in Q2 25A, beating our estimates by 0.3%. This growth comes despite cost pressures from ongoing expansion in the hospitalization segment and is affected by non-operational items and higher tax, resulting in a net margin of 7.5%, down 55bps y/y. On a normalized basis, NPM improves by 1% to 8.3% in H1 25A.
- Consolidated Q2 25A revenues increase 9.5% y/y (+3% vs. ACe) to AED c.7bn, underpinned by continued organic momentum in the Hospitals and Insurance divisions, contributing 79% of the Group's revenue, as the Group witnesses higher patient volume across hospitals and clinics (IP +7% y/y, OP +13% y/y) and solid growth in insurance renewals (GWPs up 8% y/y to AED 4.9bn) leading c.9% growth in H1 revenues to AED 13.6bn.
- The Group's EBITDA climbs 10% y/y to AED 1.19bn in Q2 25A (+5.4% vs. ACe), with margin easing 13bps y/y to 17%. In H1 25A, EBITDAm declines 16bps to 17.1%, reflecting upfront investments tied to capacity growth in the UAE and UK.

The Group's Q2 25A revenues grow by 9.5% y/y (+6.3% q/q, +3.2% vs. ACe) to AED c.7bn, underpinned by continued organic momentum in the hospital and insurance divisions, contributing 57% and 22% of the Group's revenue respectively in H1. EBITDA increases 10% y/y to AED 1.19bn in Q2 25A (+4.7% q/q, +5.4% vs. ACe), resulting in margin easing 13bps y/y to 17%. While EBITDA improves 7.6% y/y in H1 25A to AED 2.3bn, EBITDAm contracts 16bps y/y to 17.1% weighed by front-loaded costs in the UAE and UK tied to capacity expansion, new clinics, extended hours, and onboarding of specialist physicians and is further impacted by the early-stage ramp-up of Sheikh Khalifa Hospital in Fujairah (TMO). Bottom line witnesses c.2% y/y growth (+3.6% q/q, +0.3% vs. ACe, -10% vs. BBG) to AED 524m in Q2 25A, despite cost pressures from the ongoing expansion in the hospitalization segment, impacted mainly by non-operational items including: change of Ardent's accounting treatment, recognition of intangible assets, amortization related to early debt repayment and a new rental charge at SSMC, and additional tax due to Pillar Two tax applicability, with a reported net margin of 7.5%, narrowing by 55bps y/y. While net profit climbs 2.5% y/y to AED 1bn in H1 25A and margin contracts 45bps y/y to 7.6%, on a normalized basis, performance remains stable with NPM improving by 1% to 8.3% in H1 25A.

### Exhibit 19: Group performance-Q2/H1 25A

AEDm	Q2 25A	ACe	Δ	Q2 24A	y/y	Q1 25A	q/q	H1 25A	H1 24A	y/y
<b>Revenues</b>	6,993	6,778	3.2%	6,388	9.5%	6,581	6.3%	13,574	12,504	8.6%
<b>Gross profit</b>	1,560	na	na	1,577	(1.1%)	1,748	(10.7%)	3,308	3,207	3.2%
<b>EBITDA</b>	1,186	1,125	5.4%	1,076	10.3%	1,133	4.7%	2,319	2,156	7.6%
<b>Net income</b>	524	522	0.3%	514	1.9%	505	3.6%	1,029	1,004	2.4%
<b>GPM</b>	22.3%	na	na	24.7%	(238 bps)	26.6%	(425 bps)	24.4%	25.6%	(128 bps)
<b>EBITDA margin</b>	17.0%	16.6%	37 bps	16.8%	13 bps	17.2%	(26 bps)	17.1%	17.2%	(16 bps)
<b>Net margin</b>	7.5%	7.7%	(21 bps)	8.0%	(55 bps)	7.7%	(19 bps)	7.6%	8.0%	(45 bps)

Source: Company Data, Arqaam Capital Research

**Hospitals' segment revenues grow 1.6% y/y in Q2 25A (-2.3% q/q) to AED 4.87bn, supported by volume growth across UAE and UK operations, driven by capacity upgrades and service line expansion.** In the UAE, revenue growth was largely fueled by higher patient throughput, supported by the Group's ongoing capacity and service expansion efforts, particularly at Sheikh Khalifa Medical City (SKMC) and Tawam Hospitals in Al Ain. The introduction of new specialty clinics across both UAE and UK operations, along with initiatives like sunset and weekend clinics, led to a notable increase in patient visits. In H1 25A, the outpatient and inpatient volumes rise 6.6% and 13.4% y/y, respectively, with total patient interactions up 13% y/y to 5m. Operational beds grow 4% y/y to 5.5k. To meet this demand, over 250 specialist physicians were added during the period. In the UK, performance remained strong, driven by higher volumes in both insured and self-paying patient segments, with growth concentrated in key specialties such as orthopedics, oncology, and general surgery. Major and Complex cases rose 1.4% y/y, aligning with the Group's strategy to pivot toward higher-acuity care. Other key developments include acquiring Fairfield Independent Hospital in Merseyside and launching the Circle Cheshire Clinic in the UK. **EBITDA declines 6.6% y/y in Q2 25A (-5% q/q) to AED 729m and EBITDA margin by 131bps y/y (-41bps q/q) to 15%** driven by higher operating costs from expansions, alongside ramp-up expenses at Sheikh Khalifa Hospital in Fujairah (TMO). **Bottom line declines c.32% y/y (-13.4% q/q) to AED 227m in Q2 25A, while the net margin declines 229bps y/y (-60bps q/q) to 4.7%** affected by non-core items and additional tax liabilities related to Pillar Two. Adjustments in the prior period included the divestiture of Yas Clinic Group / ADSCC and the reclassification of Ardent following its IPO, while the current period included the temporary non-recognition of SSMC-related intangibles and property rentals, as well as accelerated amortization linked to debt repayment. On a normalized basis, net income margin rises to 5.9% in H1 25A from 5.7% a year earlier, indicating stable underlying performance.

**Exhibit 20: Hospitals segment performance**

AEDm	Q2 25A	Q2 24A	y/y	Q1 25A	q/q	H1 25A	H1 24A	Δ
<b>Revenues</b>	4,868	4,794	1.6%	4,984	(2.3%)	9,852	9,612	2.5%
<b>EBITDA</b>	729	780	(6.6%)	767	(5.0%)	1,495	1,580	(5.3%)
<b>Net Income</b>	227	333	(31.9%)	262	(13.4%)	489	635	(23.0%)
<b>EBITDA margin</b>	15.0%	16.3%	(131 bps)	15.4%	(42 bps)	15.2%	16.4%	(126 bps)
<b>Net margin</b>	4.7%	6.9%	(229 bps)	5.3%	(60 bps)	5.0%	6.6%	(165 bps)

Source: Company Data, Arqaam Capital Research

**Insurance revenue advances c.9% y/y in Q2 25A (+1.5% q/q) to AED 1.89bn, benefiting from an 8% y/y increase in GWP on the back of strong renewal activity with active member base expanding by 6% y/y to 3.3m and a 6% growth in processed claims to 27m in H1.** Key developments include the Group's entry into the high-growth P&C insurance market, transitioning into a multi-line provider to deepen ecosystem integration and diversify risk. Leveraging Daman's strong brand and digital platforms, the move aims to unlock cross-sell synergies, margin expansion, and long-term profitability. The Group strengthens the combined ratio by 6ppt to 88% with better cost control and claims management efficiency. **EBITDA climbs strongly by c.49% y/y to AED 298m in Q2 25A (+c.42% q/q)** while EBITDA margin advances by a robust 423bps y/y (+450bps q/q) to 15.8%. **Concurrently, net profits record strong growth at c.47% y/y (+42% q/q) to AED 247m in Q2 25A** with net margin improving 337bps y/y (+371bps

q/q) to 13.1% driven by disciplined operational execution, enhanced cost controls, and robust investment returns although offset by the impact of Pillar Two tax.

**Exhibit 21: Insurance segment performance**

AEDm	Q2 25A	Q2 24A	y/y	Q1 25A	q/q	H1 25A	H1 24A	Δ
<b>Revenues</b>	1,892	1,738	8.9%	1,864	1.5%	3,756	3,305	13.6%
<b>EBITDA</b>	298	201	48.7%	210	42.1%	509	330	54.1%
<b>Net Income</b>	247	169	46.7%	174	41.7%	422	270	56.3%
<b>EBITDA margin</b>	15.8%	11.6%	423 bps	11.3%	450 bps	13.5%	10.0%	356 bps
<b>Net margin</b>	13.1%	9.7%	337 bps	9.4%	371 bps	11.2%	8.2%	307 bps

Source: Company Data, Arqaam Capital Research

**Procurement revenue (Rafed & One Health) declines 14.5% y/y in Q2 25A (+20.7% q/q) to AED 1.4bn.** The decline reflects a change in revenue recognition, from gross to net, following the rollout of the Unified Purchasing Program (UPP) by the Department of Health. This program aims to centralize and optimize the procurement and distribution of pharmaceuticals across healthcare providers benefiting from government funding. Rafed was appointed as the exclusive distributor under the UPP, reinforcing its role as a key player in the national healthcare supply chain. **EBITDA declines c.17% y/y (+14% q/q) to AED 71m in Q2** with margin contracting 12bps y/y (-29bps q/q) to 5% as a result of the higher procurement activities undertaken in Q2 24A and partially in Q3 24A in preparation for the enterprise resource planning (ERP) system upgrade which has been fully implemented now. **Bottom line follows the momentum and records a decline of 8.1% y/y (+13.4% q/q) to AED 62m** while net margin remains resilient at 4.4% (+30bps y/y, -28bps q/q).

**Exhibit 22: Procurement segment performance**

AEDm	Q2 25A	Q2 24A	y/y	Q1 25A	q/q	H1 25A	H1 24A	Δ
<b>Revenues</b>	1,421	1,662	(14.5%)	1,177	20.7%	2,599	2,727	(4.7%)
<b>EBITDA</b>	71	86	(16.5%)	63	14.2%	134	149	(10.2%)
<b>Net Income</b>	62	68	(8.1%)	55	13.4%	117	123	(4.9%)
<b>EBITDA margin</b>	5.0%	5.1%	(12 bps)	5.3%	(29 bps)	5.2%	5.5%	(32 bps)
<b>Net margin</b>	4.4%	4.1%	30 bps	4.7%	(28 bps)	4.5%	4.5%	(1 bps)

Source: Company Data, Arqaam Capital Research

**Diagnostics, PureLab, revenue increases c.17% y/y in Q2 25A (+16% q/q) to AED 303m,** led by a 19% y/y increase in testing volumes to 16.9m in H1 25A, supported by higher flow from SEHA and the onboarding of SSMC tests onto the PureLab platform. It is noteworthy that the Group has secured new referral agreements across the region (Oman, Bahrain, Iraq and KSA) and is improving cost efficiency, supporting sustainable growth, driven by the newly-launched Reference Lab. **EBITDA grows 20.4% y/y (+8.8% q/q) to AED 94m in Q2 25A** scoring a 31% margin (+82bps y/y, -207bps q/q) and **bottom line follows with c.20% y/y growth (+8.3% q/q) to AED 73m** and margin of 24.2% (+47bps y/y, -175bps q/q).

**Exhibit 23: Diagnostic services segment performance**

AEDm	Q2 25A	Q2 24A	y/y	Q1 25A	q/q	H1 25A	H1 24A	Δ
Revenues	303	258	17.2%	261	16.1%	563	488	15.5%
EBITDA	94	78	20.4%	86	8.8%	180	166	8.5%
Net Income	73	61	19.6%	68	8.3%	141	133	5.8%
EBITDA margin	31.0%	30.2%	82 bps	33.1%	(207 bps)	31.9%	34.0%	(206 bps)
Net margin	24.2%	23.7%	47 bps	26.0%	(175 bps)	25.0%	27.3%	(229 bps)

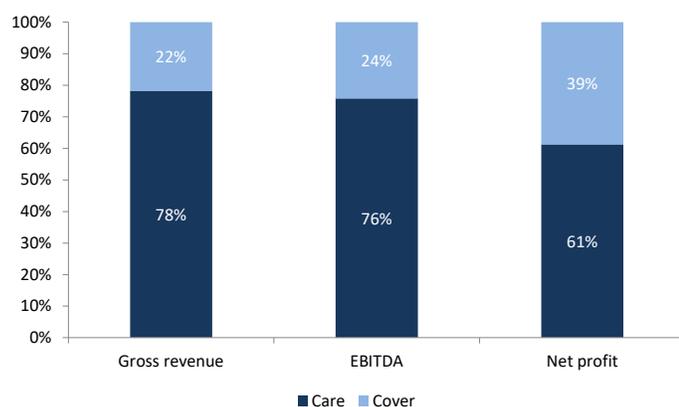
Source: Company Data, Arqaam Capital Research

The technology segment (Pure CS) posts AED 215m in Q2 25A revenues, up 206% y/y (+41% q/q), driven by the continued expansion of PureCS, which scaled managed services across the Group, launched enterprise IT and cybersecurity solutions, and implemented advanced data and analytics tools to enhance efficiency and compliance. On this front, the company also launched several data and analytics projects focused on driving innovation and operational improvement, including tools for healthcare value enhancement, resource efficiency, cost management, and improved digital patient engagement. EBITDA surges significantly by c.290% y/y (+c.71% q/q) to AED 39m, scoring an 18.3% EBITDAm (+391bps y/y, +319bps q/q). Net profit witnesses a similar growth momentum, increasing by c.354% y/y to AED 29m (+c.89% q/q) and margin improving by 445bps y/y (+346bps q/q) to 13.7%.

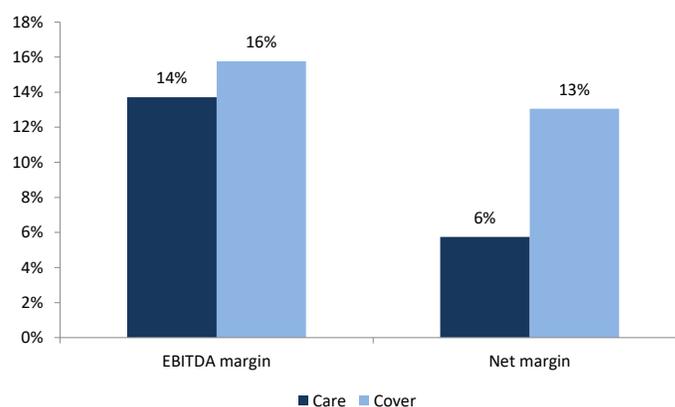
**Exhibit 24: Technology & other services segment performance**

AEDm	Q2 25A	Q2 24A	y/y	Q1 25A	q/q	H1 25A	H1 24A	Δ
Revenues	215	70	206.3%	152	41.1%	367	136	170.4%
EBITDA	39	10	289.8%	23	70.9%	62	25	153.6%
Net Income	29	6	353.6%	16	88.6%	45	17	161.7%
EBITDA margin	18.3%	14.4%	391 bps	15.1%	319 bps	17.0%	18.1%	(112 bps)
Net margin	13.7%	9.3%	445 bps	10.3%	346 bps	12.3%	12.7%	(41 bps)

Source: Company Data, Arqaam Capital Research

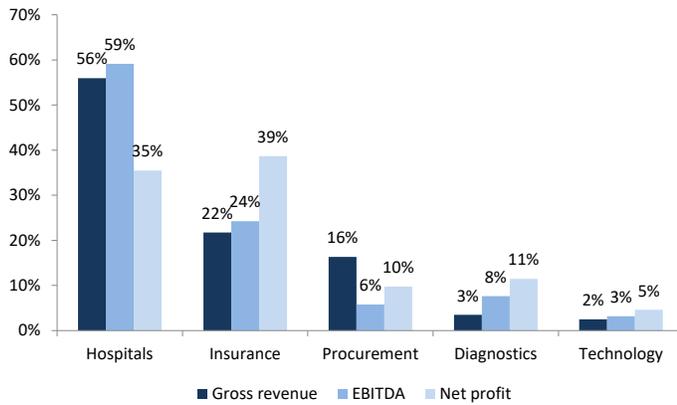
**Exhibit 25: Care & Cover: P&L metric composition (Q2 25A)**


Source: Company Data, Arqaam Capital Research

**Exhibit 26: Care & Cover: EBITDA & Net margins (Q2 25A)**


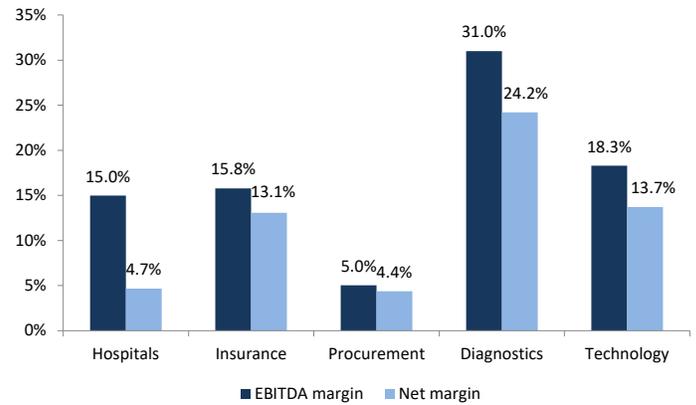
Source: Company Data, Arqaam Capital Research

**Exhibit 27: P&L metric composition by segment (Q2 25A)**



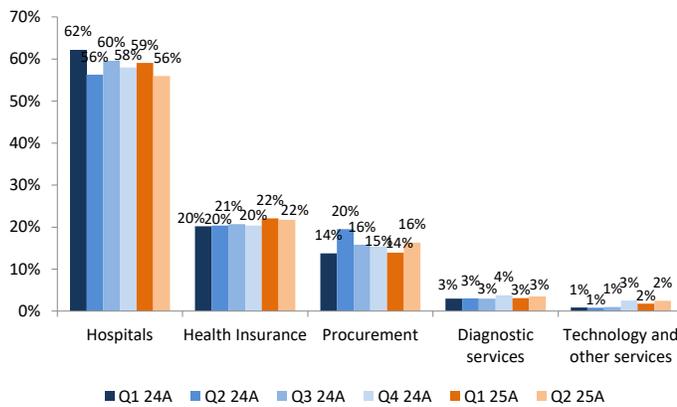
Source: Company Data, Arqaam Capital Research

**Exhibit 28: Margins by segment (Q2 25A)**



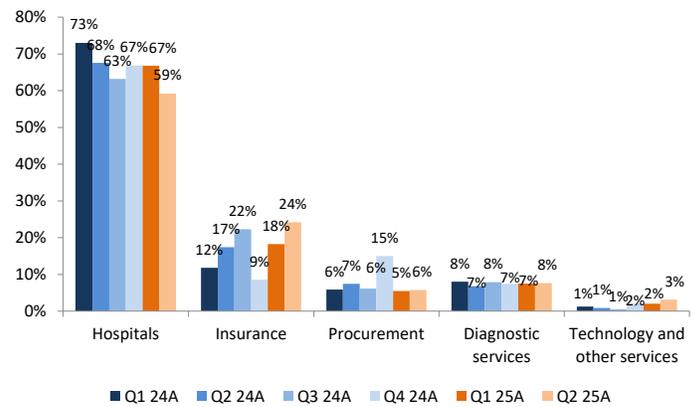
Source: Company Data, Arqaam Capital Research

**Exhibit 29: % Gross revenue by segment**



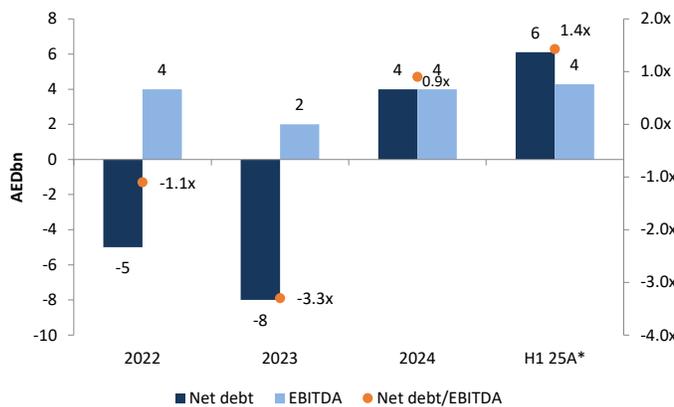
Source: Company Data, Arqaam Capital Research

**Exhibit 30: % EBITDA by segment**



Source: Company Data, Arqaam Capital Research

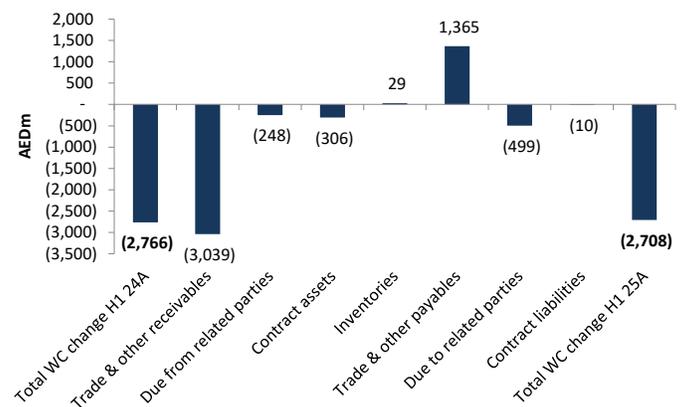
**Exhibit 31: Net debt/EBITDA**



Source: Company Data, Arqaam Capital Research

\*LTM EBITDA, Net debt includes lease liabilities & is adjusted for restricted cash items

**Exhibit 32: Working capital management improved y/y**



Source: Company Data, Arqaam Capital Research

## Important Notice

### 1. Author, regulator and responsibility

Arqaam Capital Limited ("Arqaam") is incorporated in the Dubai International Financial Centre ("DIFC") and is authorised and regulated by the Dubai Financial Services Authority ("DFSA") to carry on financial services in and from the DIFC. Arqaam publishes and distributes (i.e. issues) all research.

Arqaam Capital Research Offshore s.a.l. is a specialist research centre in Beirut, Lebanon, which assists in the production of research issued by Arqaam.

### 2. Purpose

This document is provided for informational purposes only. Nothing contained in this document constitutes investment, legal, tax or other advice or guidance and should be disregarded when considering or making investment decisions. In preparing this document, Arqaam did not take into account the investment objectives, financial situation and particular needs of any particular person. Accordingly, before acting on this document, investors should independently evaluate the investments and strategies referred to herein and make their own determination of whether it is appropriate in light of their own financial circumstances and objectives.

### 3. Rating system

Arqaam investment research is based on the analysis of regional and country economics, industries and company fundamentals. Arqaam company research reflects a long-term (12-month) fair value target for a company or stock. The ratings bands are:

<b>Buy</b>	Total return >15%
<b>Hold</b>	0-15%
<b>Sell</b>	Total return <0%

In certain circumstances, ratings may differ from those implied by a fair value target using the criteria above. Arqaam policy is to maintain up-to-date fair value targets on the companies under its coverage, reflecting any material changes to the analyst's outlook on a company. Share price volatility may cause a stock to move outside the rating range implied by Arqaam's fair value target. Analysts may not necessarily change their ratings if this happens, but are expected to disclose the rationale behind their view to Arqaam clients.

### 4. Accuracy of information

The information contained in this document is based on current trade, statistical and other public information we consider reliable. We do not represent or warrant that such information is accurate or complete and it should not be relied upon as such. Any mention of market rumours has been derived from the markets and is not purporting to be fact or reflect our opinions. Arqaam has no obligation to update, modify or amend this document or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. In accordance with Regulation AC of the 1934 Exchange Act, the views expressed in this research report accurately reflect the research analysts' personal views about the subject securities or issuers and are subject to change without notice. No part of the research analysts' compensation is related to the specific recommendations or views in the research report.

### 5. Recipients and sales and marketing restrictions

5.1 Nothing in this document should be construed as a solicitation or offer, or recommendation, to acquire or dispose of any investment or to engage in any other transaction, or to provide any investment advice or service.

5.2 This document is directed at Professional Clients and not Retail Clients within the meaning of DFSA rules. Any investments or financial products referred to herein will only be made available to clients who Arqaam is satisfied qualifies as Professional Clients. Any other persons in receipt of this document must not rely upon or otherwise act upon it.

5.3 This document is only being distributed to investors who meet certain qualifications and to whom an investment or service may be offered or promoted in accordance with relevant country restrictions. This excludes the US except for SEC registered broker-dealers (or banks in permissible "broker" or "dealer" capacity) acting on a principal or agency capacity, and major US institutional investors in accordance with SEC Rules 15a-6(a)(2). Details of other relevant country restrictions are set out on our website at <http://www.arqaamcapital.com/english/system/footer/terms-of-use.aspx>. Persons into whose possession this document comes are required to inform themselves about, and observe, such restrictions and should not rely upon or otherwise act upon this document where it is unlawful to make to such person such an offer or invitation or recommendation without compliance with any authorisation, registration or other legal requirements.

### 6. Risk warnings

6.1 Any prices, valuations or forecasts are indicative and are not intended to predict actual results, which may differ substantially from those reflected.

6.2 The value of an investment may go up as well as down. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including, without limitation, foreseeable or unforeseeable changes in interest rates, foreign exchange rates, default rates, prepayment rates, political or financial conditions, etc.).

6.3 Past performance is not indicative of future results. Any opinions, estimates, valuations or projections (target prices and ratings in particular) are inherently imprecise and a matter of judgement. They are statements of opinion and not of fact, based on current expectations, estimates and projections, and rely on beliefs and assumptions. Actual outcomes and returns may differ materially from what is expressed or forecasted. There are no guarantees of future performance.

6.4 Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors.

6.5 This document does not propose to identify or to suggest all of the risks (direct or indirect) which may be associated with the investments and strategies referred to herein.

### 7. Conflict

7.1 Arqaam and its affiliates provide full investment banking services, and they and their directors, officers and employees, may take positions which conflict with the views expressed in this document. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and our proprietary trading desks that reflect opinions that are contrary to the opinions expressed in this document. Our asset management area, our proprietary trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this document.

7.2 Arqaam 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 document.

7.3 Facts and views presented in this document have not been reviewed by, and may not reflect information known to, professionals in other Arqaam business areas, including investment banking personnel.

7.4 Emirates NBD PJSC owns 8.32% of Arqaam.

### 8. No warranty

Arqaam makes no representations or warranties and, to the fullest extent permitted by applicable law, we hereby expressly disclaim any and all express, implied and statutory representations and warranties of any kind, including, without limitation, any warranty as to accuracy, timeliness, completeness, merchantability, fitness for a particular purpose and/or non-infringement.

### 9. No liability

Arqaam will accept no liability in any event including (without limitation) negligence for any damages or loss of any kind, including (without limitation) direct, indirect, incidental, special or consequential damages, expenses or losses arising out of, or in connection with your use or inability to use this document, or in connection with any error, omission, defect, computer virus or system failure, or loss of any profit, goodwill or reputation, even if expressly advised of the possibility of such loss or damages, arising out of or in connection with your use of this document. We do not exclude our duties or liabilities under binding applicable law.

### 10. Copyright and Confidentiality

The entire content of this document is subject to copyright with all rights reserved and the information is private and confidential for your own personal use only. This document and the information contained herein may not be reproduced, distributed or transmitted to any other person or incorporated in any way into another document or other material without our prior written consent.

### 11. Governing law

English law governs this document and these disclaimers and any dispute in relation thereto shall be exclusively referred to the English Courts.