Earnings Review

August 28 2025

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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 Northen 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

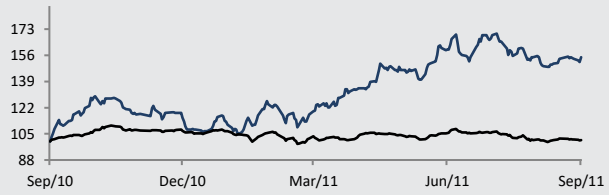
Bloomberg code	PUREHEAL UH
Market index	ADSMI
Target Price	4.9
Upside (%)	68.8

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



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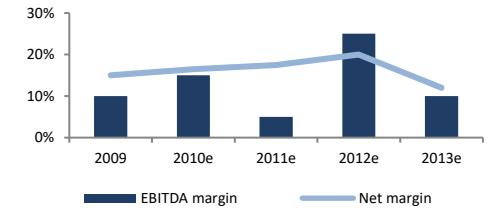
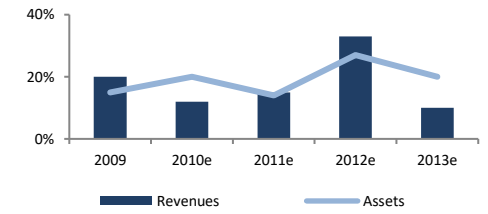
Abacus

Arqaam Capital Fundamental Data

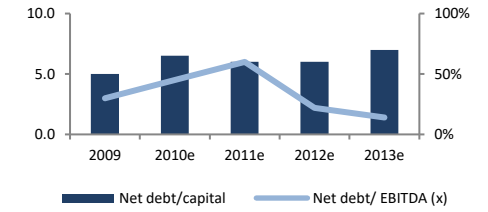
Profitability



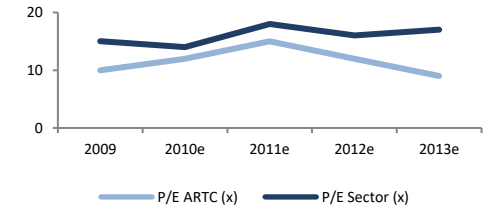
Growth



Gearing



Valuation



PureHealth Holding

Year-end	2023	2024	2025e	2026e	2027e	2028e
Financial summary						
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
Valuation metrics						
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
Growth (%)						
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
Margins (%)						
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
Returns (%)						
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
Gearing (%)						
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)

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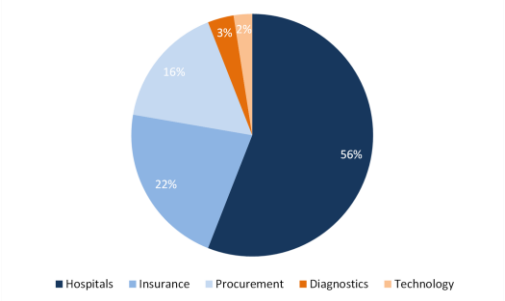
Abacus *Arqaam Capital Fundamental Data*

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 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
Income statement (AEDm)						
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)
EBITDA	**2,434**	**4,119**	**4,868**	**6,003**	**7,061**	**8,110**
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	-	-	-	-
Income before tax	**1,384**	**1,778**	**2,631**	**3,583**	**4,413**	**5,912**
Tax	(419)	(62)	(316)	(537)	(662)	(887)
Minorities	(0)	(4)	-	(182)	(199)	(217)
Net income (Parent)	**965**	**1,712**	**2,315**	**2,864**	**3,552**	**4,808**
Arqaam adjustments	-	-	-	-	-	-
Arqaam Net profit	**965**	**1,712**	**2,315**	**2,864**	**3,552**	**4,808**

Year-end	2023	2024	2025e	2026e	2027e	2028e
Balance sheet (AEDm)						
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
Total assets	**28,175**	**48,575**	**50,237**	**53,296**	**56,364**	**60,713**
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
Total liabilities	**12,118**	**28,839**	**28,529**	**28,920**	**28,802**	**28,749**
Shareholders equity	16,057	19,736	21,708	24,376	27,561	31,964
Minorities	-	-	-	-	-	-
Total liabilities & shareholders equity	**28,175**	**48,575**	**50,237**	**53,296**	**56,364**	**60,713**

Year-end	2023	2024	2025e	2026e	2027e	2028e
Cash flow (AEDm)						
Cashflow from operations	**2,532**	**4,163**	**3,595**	**4,281**	**5,107**	**5,903**
Net capex	(449)	(951)	(1,042)	(4,084)	(915)	(998)
Free cash flow	**2,084**	**3,213**	**2,554**	**197**	**4,192**	**4,905**
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	-	-	-	-	-	-
Net cash flow	**3,188**	**810**	**(1,445)**	**(1,051)**	**2,582**	**3,323**
Change in working capital	205	31	(69)	(307)	(470)	(550)

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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
Adjustments & Eliminations	*(2,383)*	*(5,201)*	*(7,372)*	*(6,973)*	*(7,918)*	*(9,416)*	*(10,844)*	*(12,662)*	*(14,948)*
Group revenues	**12,486**	**16,399**	**25,848**	**28,910**	**33,240**	**36,599**	**39,913**	**43,581**	**47,704**

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
Adjustments & Eliminations	*(61)*	*(280)*	*(242)*	*(179)*	*(211)*	*(237)*	*(259)*	*(280)*	*(305)*
Group EBITDA	**4,235**	**2,434**	**4,119**	**4,868**	**6,003**	**7,061**	**8,110**	**9,243**	**10,624**

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%
Group EBITDAm	**33.9%**	**14.8%**	**15.9%**	**16.8%**	**18.1%**	**19.3%**	**20.3%**	**21.2%**	**22.3%**

Source: Arqaam Capital Research

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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
Group Enterprise value		**100.0%**	**62,669**
Borrowings (holding)			(16,716)
Cash (holding)			7,742
Minority- HHG			(771)
Associates- Ardent			1,442
Associates- Other			40
Equity Value			**54,406**
NOSH			11,111
Equity value per share (AED)			**4.90**
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

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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
EBIT (1-τ)	**2,849**	**3,777**	**4,420**	**5,630**	**6,706**	**7,871**
Depreciation & Amortization	1,630	1,560	1,861	1,487	1,354	1,364
EBITDA	**4,479**	**5,336**	**6,281**	**7,117**	**8,060**	**9,235**
Working Capital Changes	179	(307)	(470)	(550)	(633)	(767)
Operating Cash Flow	4,658	5,029	5,811	6,567	7,427	8,468
Purchase of PPE	**(1,042)**	**(4,084)**	**(915)**	**(998)**	**(1,090)**	**(1,193)**
Free Cash Flow to Firm	**3,617**	**945**	**4,896**	**5,569**	**6,337**	**7,276**
Discount Factor using WACC at 10.4%	0.97	0.87	0.79	0.71	0.64	0.58
PV of Visible FCFF	1,114	825	3,858	3,964	4,075	4,225
Terminal Value						56,470

Equity Valuation		**WACC parameters**	
PV of Visible FCFF	18,060	Rf	5.3%
PV of Terminal Value	56,470	EMRP	7.3%
Enterprise Value	**74,530**	Adjusted Beta	1.0
		Cost of Equity	**12.6%**
		Marginal tax rate	9.8%
		Cost of Debt	6.2%
		D/C (market)	30.0%
		WACC	**10.7%**
		Perpetual growth	3.0%

Source: Arqaam Capital Research

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Relative Valuation

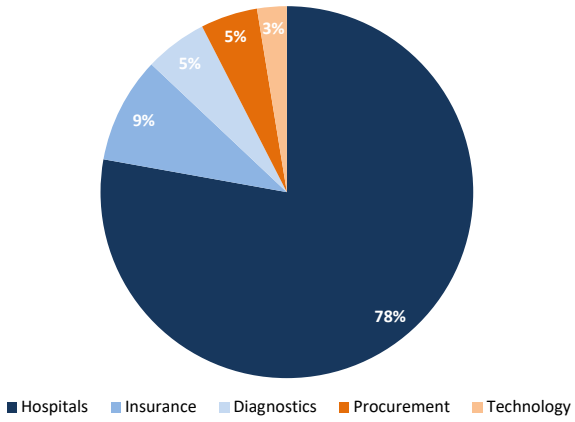
- **We use a combination of forward EV/EBITDA and P/B multiples of select regional and global peers in respective segments.**
- **We arrive at a consolidated enterprise value of AED 50.8bn after applying a 10% group discount to the SotP valuation. This implies 9.5x FY 25-26e EV/EBITDA for the group (10.4x 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		12.0x
Insurance	5,208	9.2%	1,141	3,241	2.4x	
Diagnostics	3,067	5.4%	395	1,783		7.8x
Procurement	2,792	4.9%	315	480		8.9x
Technology	1,450	2.6%	132	113		11.0x
Adjustments & Eliminations			(195)	4,368		
Group Enterprise value	**56,454**	**100.0%**	**5,435**	**20,477**		
Group discount	(10%)					
Group Enterprise value (post discount)	**50,808**					

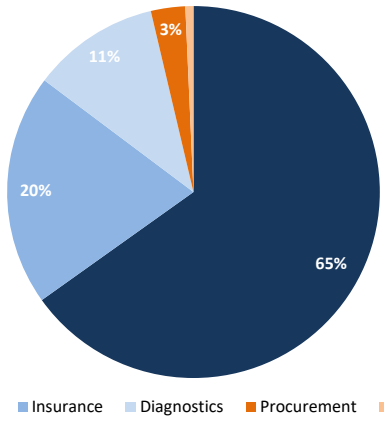
Source: Arqaam Capital Research

Exhibit 7: EV Contribution



Source: Arqaam Capital Research
excl. Ardent

Exhibit 8: BV Contribution (H1 25A)



Source: Arqaam Capital Research

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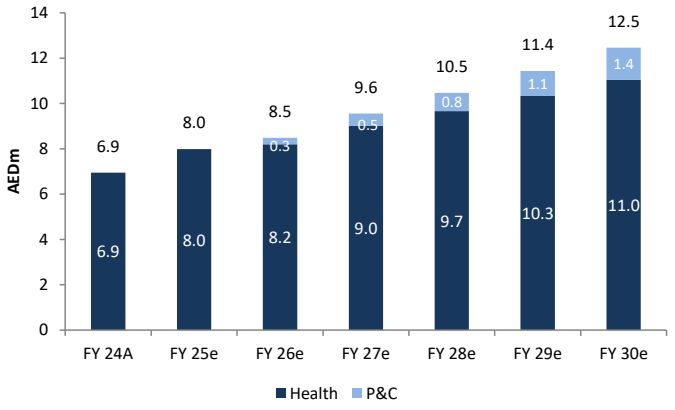
PureHealth marks its entry into P&C insurance

- **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).**

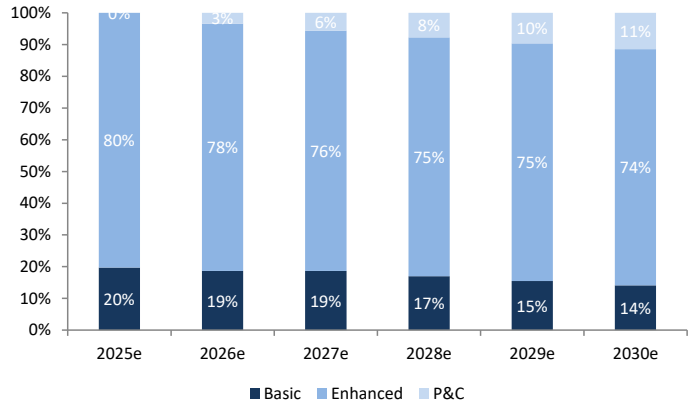
We conservatively calculate 4% upside to insurance revenues (1% to consolidated group top line) from adding the P&C insurance license in FY 26e. Expansion into P&C insurance unlocks opportunities in a lucrative and growing local market (+11% 2019-2024 CAGR vs. +10% for Health; *source:* UAE Central Bank). 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

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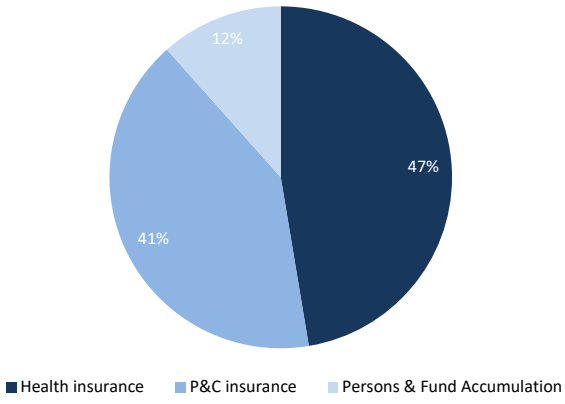
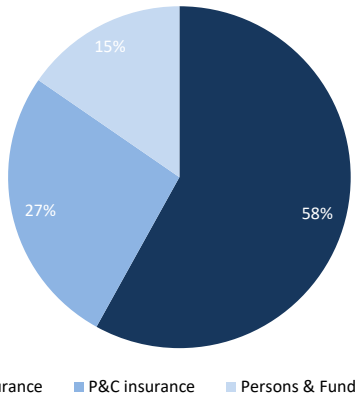
UAE P&C Insurance in Charts

Exhibit 11: P&C ranks 2nd in GWP (41%)…



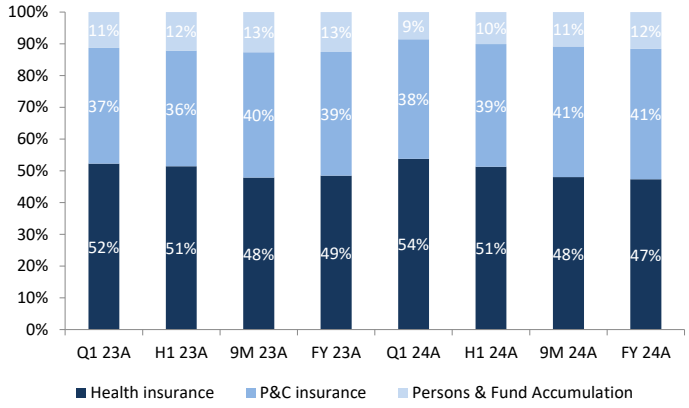
Source: March 2025 Economic Review (UAE)-CBUAE prelim data, Arqaam Capital Research

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



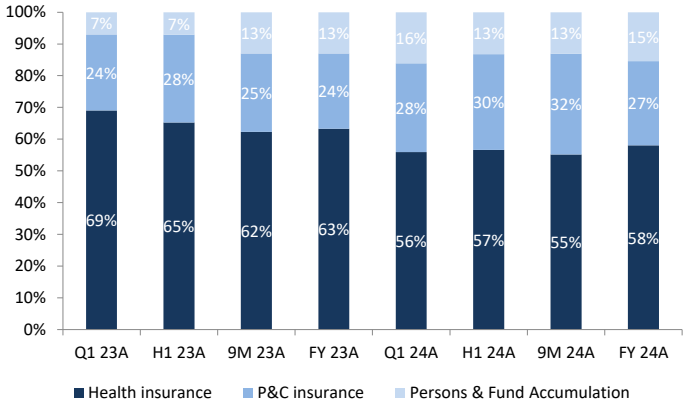
Source: March 2025 Economic Review (UAE)-CBUAE prelim data, Arqaam Capital Research

Exhibit 13: Quarterly progression of GWP…



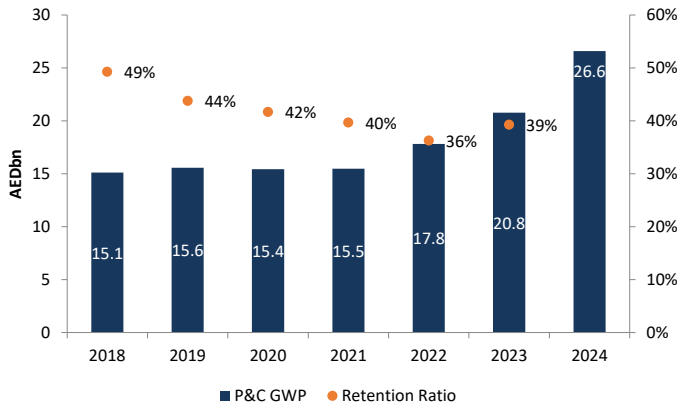
Source: March 2025 Economic Review (UAE)-CBUAE prelim data, Arqaam Capital Research

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



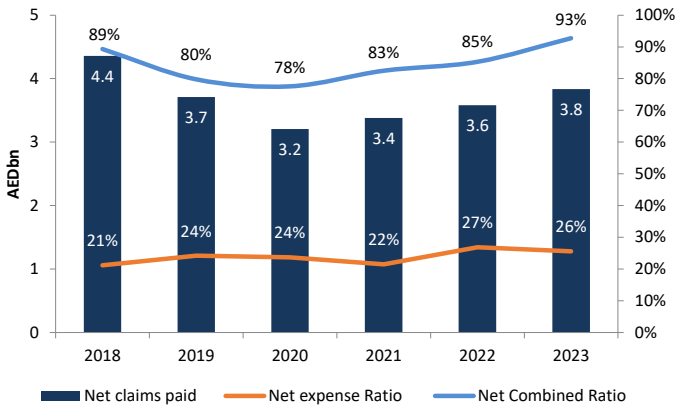
Source: March 2025 Economic Review (UAE)-CBUAE prelim data, Arqaam Capital Research

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

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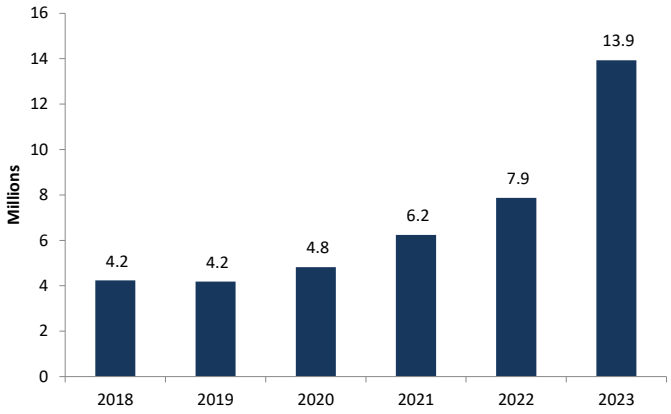
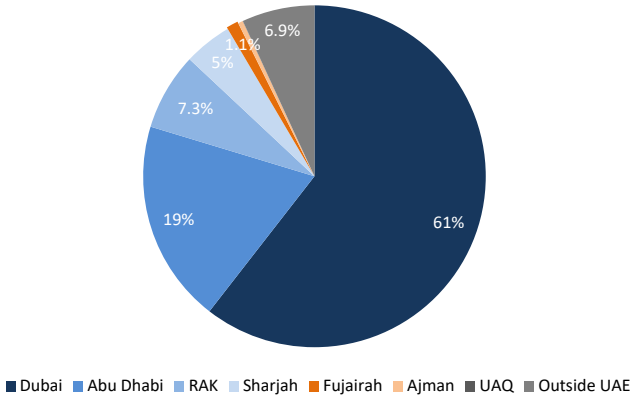
Exhibit 17: Number of P&C policies grew at 27% CAGR (2018-2023)



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

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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
Revenues	6,993	6,778	3.2%	6,388	9.5%	6,581	6.3%	13,574	12,504	8.6%
Gross profit	1,560	na	na	1,577	(1.1%)	1,748	(10.7%)	3,308	3,207	3.2%
EBITDA	1,186	1,125	5.4%	1,076	10.3%	1,133	4.7%	2,319	2,156	7.6%
Net income	524	522	0.3%	514	1.9%	505	3.6%	1,029	1,004	2.4%
GPM	22.3%	na	na	24.7%	(238 bps)	26.6%	(425 bps)	24.4%	25.6%	(128 bps)
EBITDA margin	17.0%	16.6%	37 bps	16.8%	13 bps	17.2%	(26 bps)	17.1%	17.2%	(16 bps)
Net margin	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

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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
Revenues	4,868	4,794	1.6%	4,984	(2.3%)	9,852	9,612	2.5%
EBITDA	729	780	(6.6%)	767	(5.0%)	1,495	1,580	(5.3%)
Net Income	227	333	(31.9%)	262	(13.4%)	489	635	(23.0%)
EBITDA margin	15.0%	16.3%	(131 bps)	15.4%	(42 bps)	15.2%	16.4%	(126 bps)
Net margin	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

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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
Revenues	1,892	1,738	8.9%	1,864	1.5%	3,756	3,305	13.6%
EBITDA	298	201	48.7%	210	42.1%	509	330	54.1%
Net Income	247	169	46.7%	174	41.7%	422	270	56.3%
EBITDA margin	15.8%	11.6%	423 bps	11.3%	450 bps	13.5%	10.0%	356 bps
Net margin	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
Revenues	1,421	1,662	(14.5%)	1,177	20.7%	2,599	2,727	(4.7%)
EBITDA	71	86	(16.5%)	63	14.2%	134	149	(10.2%)
Net Income	62	68	(8.1%)	55	13.4%	117	123	(4.9%)
EBITDA margin	5.0%	5.1%	(12 bps)	5.3%	(29 bps)	5.2%	5.5%	(32 bps)
Net margin	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).

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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

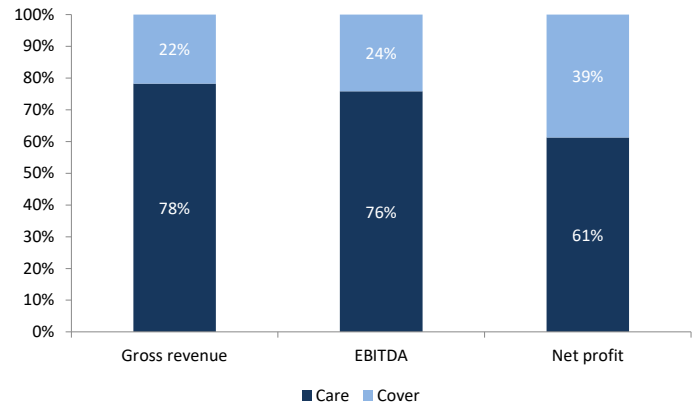
The technology segment (Pure CS) posts AED 215m in Q2 25A revenues, up 206% y/y (+41% q/q), driven by the continued expansion of PureCS, which scaled managed services across the Group, launched enterprise IT and cybersecurity solutions, and implemented advanced data and analytics tools to enhance efficiency 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)

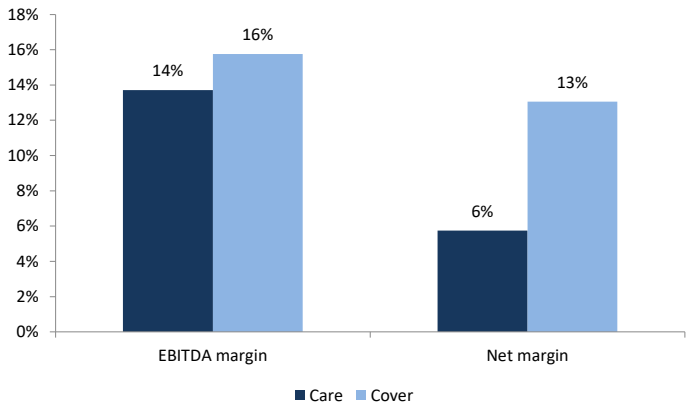
Source: Company Data, Arqaam Capital Research

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

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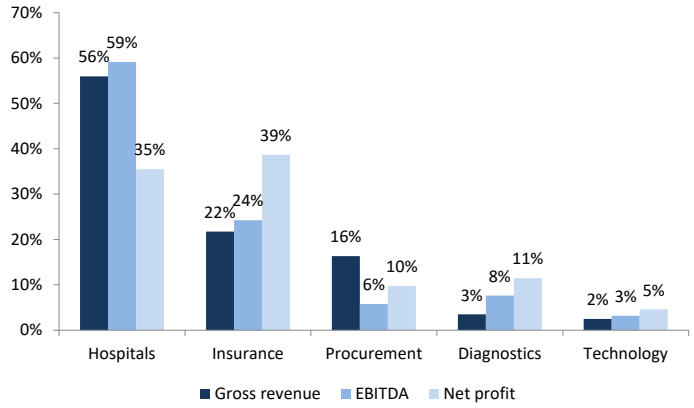
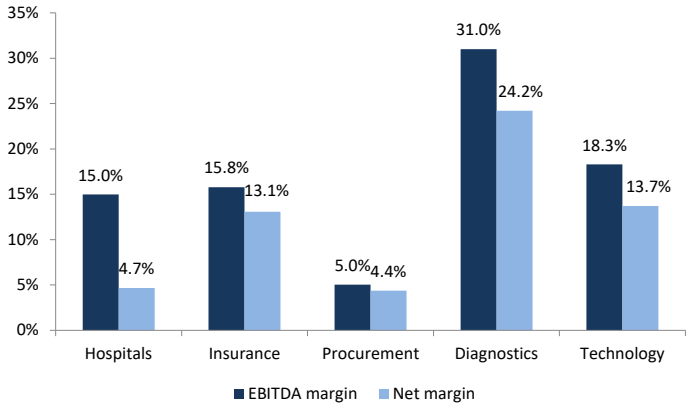
Exhibit 27: P&L metric composition by segment (Q2 25A)



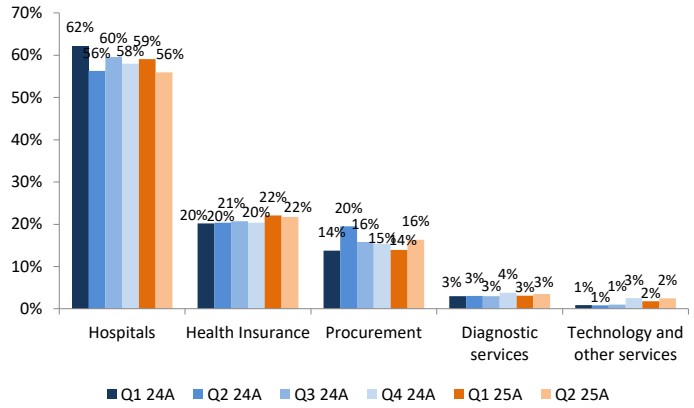
Source: Company Data, Arqaam Capital Research

Exhibit 28: Margins by segment (Q2 25A)



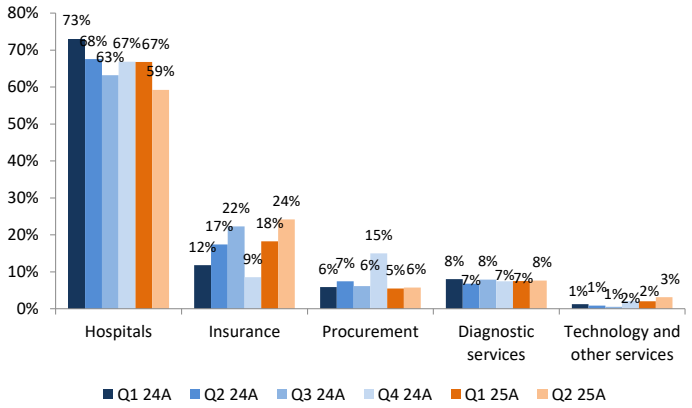
Source: Company Data, Arqaam Capital Research

Exhibit 29: % Gross revenue by segment



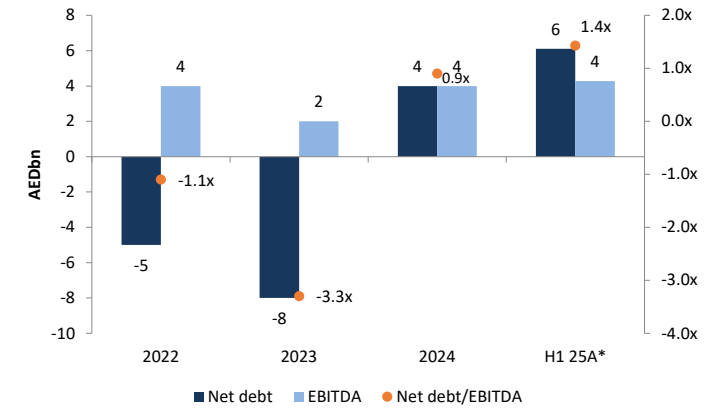
Source: Company Data, Arqaam Capital Research

Exhibit 30: % EBITDA by segment



Source: Company Data, Arqaam Capital Research

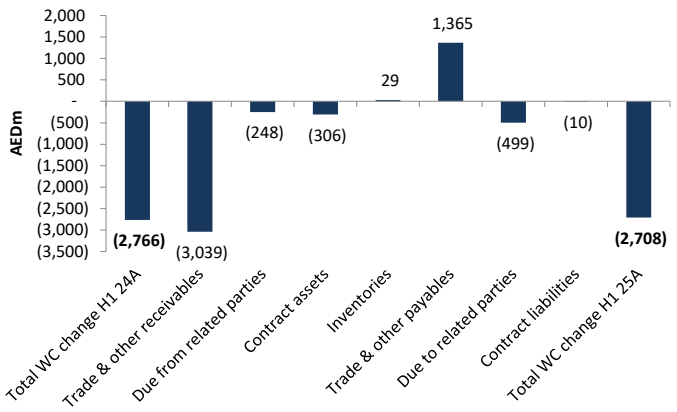
Exhibit 31: Net debt/EBITDA



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

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