



Q1 2026 Earnings Release



SMC HEALTHCARE REPORTS RESILIENT FINANCIAL AND OPERATIONAL PERFORMANCE IN Q1 2026 WITH 9.8% YOY NET PROFIT GROWTH

Riyadh, Saudi Arabia - 5 May 2026: SMC Healthcare (the "Company" or "SMC", 4019 on the Saudi Exchange), one of the leading healthcare providers in the Kingdom of Saudi Arabia, today announced its financial results for the three-month period ended 31 March 2026 ("Q1 2026").

Summary of Financial Results – Resilient Q1 2026 Performance

Revenue

₹380.7 mn



+3.3%

EBITDA

₹69.3 mn



+5.6%

Net Profit

₹32.5 mn



+9.8%

Net Debt/ EBITDA¹

1.7x



-0.9x

Operational Launch of SMC Clinics

Launch of SMC Clinics in Al Malqa, with 14 clinics commencing operations in Q1 2026 and the remaining clinics gradually coming online during over the course of the year.



January 2026
Opening



14
Clinics operational as
of March 31, 2026



¹: Annualized using TTM

Key Highlights



Resilient performance with continued growth

SMC reported net revenue of ₪380.7 million in Q1 2026, up 3.3% YoY, driven by growth in inpatient and outpatient revenues as a result of improved utilization across the network and the successful transition to higher-margin acute services. This was achieved despite the current operating environment, which included the seasonal impact of the extended school break and Eid al-Fitr holidays. EBITDA increased by 5.6% YoY to ₪69.3 million, while net profit rose by 9.8% YoY to ₪32.5 million.



Operational efficiency improved across the platform

Inpatient and outpatient utilization improved during the quarter, reflecting a continued ramp-up of newly added outpatient service capacity and an increase in higher-margin acute inpatient services.



Outpatient expansion supporting future growth

Gross revenue from outpatient services grew by 5.2% YoY to ₪156.3 million, as outpatient visits increased by 5.7% YoY to 341,614.



Strategic shift toward high-performing acute inpatient services continues to deliver results

Inpatient volumes remained stable, however, gross revenue from inpatient services increased by 3.0% YoY to ₪195.9 million as growth in acute inpatient activity more than offset the reduction in long-term care in FY2025, with LTC inpatient visits declining by 23.3% YoY in Q1 2026.



Disciplined capital management and deleveraging

Net debt to EBITDA improved to 1.7x from 2.6x, supported by ongoing debt repayment and strong management of the Company's financial position.

Bassam Chahine

Chief Executive Officer 

"2025 was a landmark year for SMC Healthcare, marked by strong operational progress, the successful execution of our strategic priorities, and the continued expansion of our integrated healthcare platform. We entered 2026 with solid momentum and a clear focus on building on these achievements.

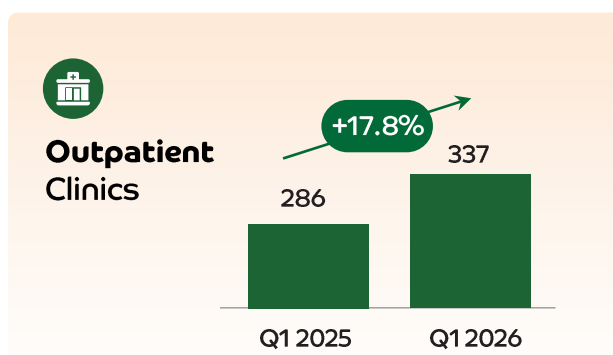
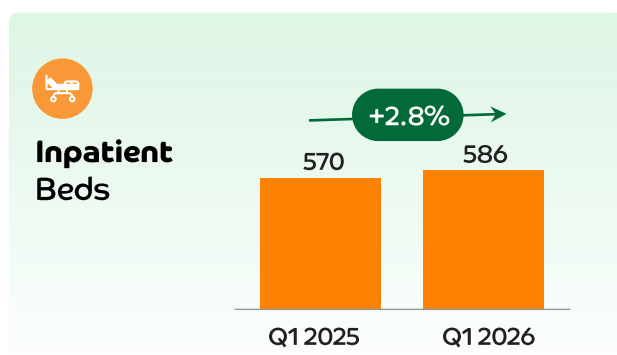
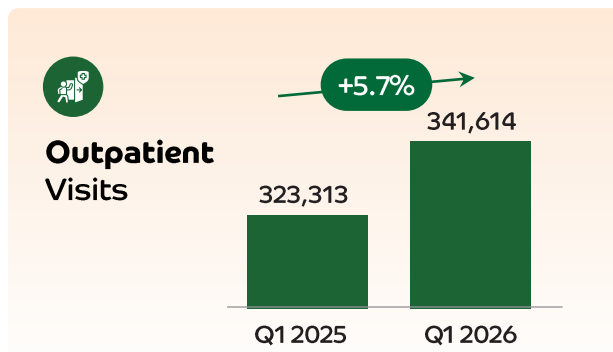
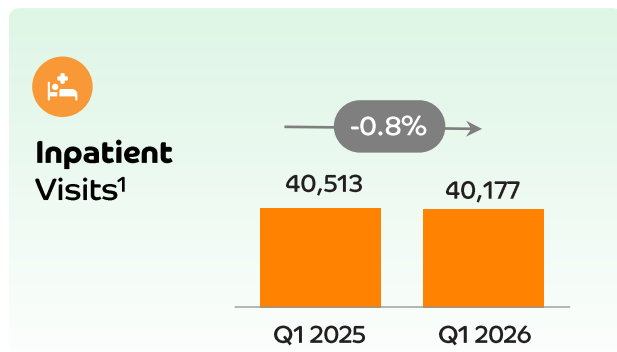
During the first quarter, we continued to make progress in scaling our outpatient network, including the operational launch of SMC Clinics in Al Malqa, while increasing inpatient and outpatient utilization across the platform. The current operating environment included the seasonal impact of the extended school break and Eid al-Fitr holidays, although underlying demand across our core services remained robust.

We also delivered growth in profitability, supported by higher utilization and operating leverage, alongside disciplined financial management. As we look ahead, we remain focused on scaling our outpatient platform and further optimizing our service mix toward higher-margin acute inpatient services, while continuing to enhance operational efficiency across the network.

As we begin the year, we remain focused on executing the Company's strategic priorities, including the expansion of our outpatient platform and the development of our hospital pipeline, while maintaining a disciplined approach to capital allocation and balance sheet management.

We remain committed to our successful strategy and in our ability to deliver sustainable growth and create long-term value for our shareholders."

Operational Summary



1: Inpatient visits include LTC visits. Excluding LTC beds, inpatient activity increased by 2.6% YoY

SMC continued to execute its strategic transition during Q1 2026, with sustained progress in scaling its outpatient platform while benefiting from the successful shift toward higher-margin acute inpatient services executed in 2025.

Operational efficiency strengthened across the platform, with inpatient and outpatient utilization improving during the quarter, reflecting strong absorption of newly added capacity and improved network performance.

Outpatient performance remained solid, with total visits increasing by 5.7% YoY to 341,614, supported by the continued expansion and ramp-up of the 37 new clinics added to SMC 1 and 20 new clinics added to SMC 2 in 2025.

Inpatient activity remained stable during the quarter, with admissions reaching 40,177. Total inpatient visits declined marginally by 0.8% YoY, reflecting the planned reduction in long-term care activity, with LTC inpatient visits declining by 23.3% YoY. This was offset by a 2.6% increase in inpatient visits excluding LTC beds, reinforcing the Company's shift toward high-performing acute care services.

During the quarter, SMC expanded its outpatient footprint to 337 clinics, driven by the launch of SMC Clinics in Al Malqa, with 14 clinics operational during the period and the remaining clinics to be rolled out during the year. This expansion enhances access across key specialties and supports the Company's outpatient-led growth strategy.

Overall, the Company continued to optimize its capacity mix in line with its strategic priorities, with acute beds increasing to 502 beds while LTC beds were maintained at 84 beds following the previous transition period. Total inpatient capacity increased to 586 beds, while the expanded outpatient network continued to support volume growth and improved operational efficiency across the platform.

¥ million	Q1 2026	Q1 2025	Variance (YoY)
Revenue	380.7	368.4	+3.3%
Medical Services	310.1	298.6	+3.9%
Pharmacy	64.0	65.0	-1.7%
Food and Catering	6.6	4.7	+38.9%
EBITDA	69.3	65.6	+5.6%
EBITDA margin	18.2%	17.8%	+0.4pp
Net Profit	32.5	29.6	+9.8%
Net Profit margin	8.6%	8.0%	+0.5pp
Operating Cash Flow	83.4	118.4	-29.5%
Capital Expenditures	13.8	20.2	-32.1%
Free Cash Flow	69.7	98.1	-29.0%
Net Debt / EBITDA¹	1.7x	2.6x	-0.9x

1: Annualized using TTM | Numbers presented may not add up precisely to totals provided due to rounding

First Quarter 2026

SMC generated net revenue of ¥380.7 million in Q1 2026, representing a 3.3% YoY increase, mainly driven by growth in medical services and improved utilization.

Medical services revenue increased by 3.9% YoY to ¥310.1 million, reflecting higher outpatient volumes and an improved inpatient service mix. Pharmacy revenue marginally declined by 1.7% YoY to ¥64.0 million, while food and catering revenue increased to ¥6.6 million, reflecting continued growth in ancillary services.

Q1 2026 EBITDA increased by 5.6% YoY to ¥69.3 million, with margin improving to 18.2% from 17.8%, supported by improved utilization and operating leverage from recently added capacity, partially offset by higher operating costs, including costs associated with network expansion. The Company retained all staff, including personnel associated with the recent expansion.

Net profit increased by 9.8% YoY to ¥32.5 million in Q1 2026, with margin improving to 8.6% from 8.0%, reflecting SMC's resilient operating performance and lower finance costs, as well as reduced selling and marketing expense.

Net Debt/EBITDA* improved materially YoY, decreasing to 1.7x in Q1 2026 from 2.6x in Q1 2025, supported by robust cash generation and ongoing debt reduction during the period. Concurrently, management adopted a prudent approach to inventory, increasing safety stock levels to mitigate potential supply chain disruptions.

*LTM EBITDA

Strategic Developments

During Q1 2026, SMC continued to advance its strategic priorities, with a focus on expanding its outpatient platform and progressing its development pipeline.

The Company launched SMC Clinics in Al Malqa, with 14 operational clinics during the quarter, marking an important step in expanding access to integrated outpatient care in northern Riyadh. The center is expected to scale further over the course of the year as additional clinics become operational.

SMC progressed the development of its key hospital projects during the quarter. Construction of SMC 3 on the Northern Ring Road continued to advance. In parallel, the Company continues to execute its broader hospital development pipeline, encompassing SMC 4 (Prince Faisal Bin Bandar Road – Khuzam Suburb) and SMC 5 (Al Malqa District) in line with its long-term growth strategy.

Outlook

SMC remains committed to executing its multi-year growth strategy, focused on expanding its integrated healthcare platform and capturing rising demand for high-quality, value-based care across Riyadh. Building on the progress achieved in 2025, the Company will continue to optimize its service mix toward higher-margin acute inpatient and outpatient services.

The Company continues to advance its outpatient expansion strategy, including the rollout of SMC Clinics in Al Malqa, which became operational in early 2026, with the opening of 14 clinics, and features a capacity of 35 multidisciplinary clinics alongside emergency and pharmacy services. The remaining clinics are expected to come online over the course of the year. The center is expected to support the expansion of accessible, multidisciplinary care in northern Riyadh as it continues to ramp-up.

In parallel, SMC continues to progress its development pipeline, including the mental health hospital under the Ministry of Health's Public-Private Partnership program, with operations expected to commence in Q1 of 2027.

Over the longer term, SMC's expansion in northern Riyadh remains a key strategic priority, supported by the development of new hospital assets that are expected to nearly triple the Company's capacity and enhance its integrated care offering.

Through disciplined execution, continued network expansion, and a focus on operational efficiency, SMC remains well positioned to deliver sustainable growth and long-term value for patients, partners, and shareholders.



Status of Upcoming Projects

Project	Location	Capacity	Status	Estimated Completion
SMC 3	Northern Ring Road	Clinics: 200 Beds: 296	Under construction	2028
SMC 4	Khuzam Suburb	Clinics: 120 Beds: 201	Design in final stages and hoarding complete	2028
SMC 5	Al Malqa District	Clinics: 120 Beds: 201	Land acquisition expected in 2026	2029

About SMC Healthcare

Founded in 1999, SMC Healthcare is a Riyadh-based healthcare group renowned for delivering high-quality inpatient and outpatient care. SMC currently operates two major hospitals in Riyadh (SMC King Fahad Road and SMC King Abdullah Road) providing comprehensive and advanced healthcare services across the entire value chain. The company operates centers of excellence in nephrology, cardiology, IVF and fertility medicine, oncology, ophthalmology, general and specialized surgery, laboratory services, and urology. In addition, SMC Healthcare operates SMC Clinics, a multi-specialty outpatient clinic center located in the Al Malqa district in North Riyadh, expanding the Group's outpatient care offering. SMC manages 586 inpatient beds and 337 outpatient clinics, supported by a strong medical workforce of 516 doctors and 1,075 nurses. With its expanding footprint, focus on clinical outcomes, and dedication to patient satisfaction, SMC Healthcare continues to be a key contributor to the Kingdom of Saudi Arabia's healthcare transformation under Vision 2030.



Additional Information

The Q1 2026 financial statements and other disclosure materials will be available on the Investor Relations website.



For more information, please contact us:

SMC Healthcare HQ
King Fahad Road, Riyadh 12311, Kingdom of Saudi Arabia
ir@smc.com.sa



Investor Relations contact:

Faisal Altimyat – Director of Investor Relations
faisal.altimyat@smc.com.sa
+966 11 4343913

Term	Definition
Outpatients	Individuals who receive medical care, diagnosis, or treatment at the Outpatient Clinics without being admitted.
Outpatient visits	The number of distinct chargeable visits for outpatient related services including consultations, diagnostics, treatment, or other services. Each appearance by a patient to the outpatient clinics is counted individually as an outpatient visit, regardless of the number of diagnostic and/or therapeutic treatments received. The number of outpatient visits excludes follow up or return visits.
Clinics	Designated outpatient consultation rooms located within the hospital, where medical assessments, follow-ups, and diagnostic reviews are provided for patients not requiring admission. This definition excludes vital signs stations and procedure rooms, which are considered support services rather than standalone clinic visits.
Inpatients	Patients who are admitted to a hospital and utilize an inpatient bed to receive medical care, monitoring, or treatment.
Inpatient beds	The total number of beds available in the hospital for admitting inpatients, typically excluding emergency, observation, and outpatient beds. This reflects the hospital's capacity for overnight stays.
Long Term Care	Long-term care (LTC) patients are individuals with chronic illnesses, disabilities, or cognitive impairments (like dementia) who require extended assistance with daily activities, such as bathing, dressing, and eating, or ongoing nursing care. They often experience reduced functional capacity, requiring support.
Acute Patient care	A level of health care in which a patient is treated for a brief but severe episode of illness, for conditions that are the result of disease or trauma, and during recovery from surgery. Acute care often requires immediate attention and a high level of medical expertise and is generally provided in a hospital by a variety of clinical personnel using technical equipment, pharmaceuticals, and medical supplies.
Other in-patient services	Medical services provided to admitted patients beyond standard room and board, core medical treatments, or specialized care already itemized. This might include rehabilitation services, palliative care, or specific diagnostic procedures performed during an inpatient stay that are not classified under primary specialty revenue.
SMC 1 Hospital	The first operational facility in the SMC network, was strategically located and established in the heart of Riyadh on King Fahad Road. It consists of three interconnected towers and 3 outpatient clinics buildings. Renowned for its commitment to clinical excellence, patient-centered care and innovation, SMC 1 provides a comprehensive range of advanced specialized medical services. The center brings together top tier medical professionals, advanced technologies, modern Infrastructure and a holistic approach to healthcare to ensure exceptional outcomes.
SMC 2 Hospital	The second hospital in the SMC network, located on King Abdullah Branch Road, designed to complement and extend the services provided by SMC 1. SMC 2 features specialized units and differentiated capabilities, focusing on advanced diagnostics, select acute specialties, and integrated support services to meet growing demand and enhance system-wide capacity.
EBITDA	Calculated by adding back depreciation of property and equipment, depreciation of right of use assets and amortization of intangible assets as shown in the Statement of Cash Flows, and other income as shown in the Statement of Profit or Loss to the sum of operating profit as shown in the Statement of Profit or Loss. Includes Interest on lease liabilities.
Net Debt	The sum of current and non-current loans and lease liabilities less cash and cash equivalents, as shown in the Statement of Financial Position.



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