Earnings Release

Care Medical records 32% revenue growth in 1H 2025 to SAR 783 million and a net profit of SAR 165 million with an associated margin of 21.1%

- Revenue in 1H 2025 surged 32% year-on-year reaching SAR 783 million, supported by a record-breaking performance in the second quarter of the year. Top-line growth was primarily driven by a 40% year-on-year rise in total patients served on the back of strong key client referrals and the successful integration of newly acquired branches.
- EBITDA for 1H 2025 grew by 36% year-on-year to SAR 233 million with an associated margin of 29.8%, up 0.9 percentage points from 1H 2024.
- Net profit for 1H 2025 rose by 10% year-on-year to SAR 165 million, yielding a margin of 21.1%. The growth in Care Medical's bottom-line is particularly notable given the SAR 29 million Zakat provision reversal recognized during the comparable six-month period of 2024.
- Total patient count increased by 40% year-on-year to 460.3 thousand on the back of a 14% year-on-year rise in patient volumes at Care Medical's more established facilities coupled with strong contributions from newly integrated branches.
- Bed capacity expanded by 16% year-on-year to 1,174 beds largely due to the addition of Al Salam Hospital's 100 beds capacity and growth in legacy hospitals. Concurrently, occupancy rates remained well ahead of last year's figures, reaching 80.9% in 1H 2025.

Riyadh, 3 August 2025 – Care Medical, a leading healthcare provider in Saudi Arabia, continued to build on a strong start to the year to deliver notable financial and operational results in 1H 2025. During the six-month period, Care Medical reported a 32% year-on-year revenue increase to SAR 783 million driven by robust contributions from GOSI referrals, the Prince Sultan Military Medical City contract, as well as the recently integrated Al Salam Hospital and ReLib platform. Revenue growth coupled with a continued focus on boosting operational efficiencies translated into improved profitability with margins in 1H 2025 improving at both the gross and EBITDA levels. Further down the income statement, Care Medical recorded a net profit of SAR 165 million, up a solid 10% year-on-year despite last year's figure having included the reversal of a one-off SAR 29 million Zakat provision.

Strategy

In the first half of the year, Care Medical reinforced its strategic commitment to expanding access to quality healthcare while driving sustained improvements across all facets of its operations. Since launching its multi-phased transformation strategy back in 2021, the company has strategically acquired assets that have significantly boosted its capacity and extended its reach, enabling it to serve a wider and more diverse patient population throughout the Kingdom. Alongside this geographical and capacity expansion, Care Medical has diligently focused on enhancing operational efficiency and profitability. This includes continuous efforts to improve margins, streamline processes, and innovate its service offerings. These strategic imperatives reflect the company's core belief in sustainable growth and long-term value creation, aligning directly with its mission to uplift communities by ensuring access to high-quality care and treatments.

Dr. Abdulaziz bin Saleh Alobaid, Chief Executive Officer of Care Medical, said: "We are very pleased with Care Medical's first half results which saw the company build on the positive momentum established in the first quarter to deliver a remarkable second quarter performance. These results validate our growth strategies, which are keenly focused on driving sustainable growth across our established facilities while effectively integrating new facilities to generate value from the outset.

Our strong first-half performance is underpinned by several key highlights. We are seeing our diversification strategy pay off, with our growth for the period being broad-based across our various service segments and facilities. Furthermore, our unwavering focus on efficiency continues to drive sustained improvements at all levels of profitability, once accounting for one-off items. This disciplined approach ensures that our expansion efforts translate directly into enhanced financial strength for the company and better, more accessible care for our patients."

Jahanzeb Ahmed Khan, Chief Financial Officer of Care Medical, added: "Our financial performance in the first half of 2025 was supported by both robust organic growth and the successful integration of our recent acquisitions and launches. At our more established facilities, we delivered double-digit year-on-year top-line growth supported by increased revenue from GOSI referrals coupled with notable contributions from the Prince Sultan Military Medical City contract. Since the start of the year, we have continued to strengthen and diversify our revenue streams, ensuring we are well placed to drive long-term growth across our portfolio. Throughout the first half of the year, we also remained diligently focused on driving profitable growth with our efforts leading to improved margins across the board.

These positive results for the first half of the year set a solid foundation for our ambitions in 2025 and beyond. We remain fully committed to the careful execution of our multi-pronged growth and value creation strategies, confident in our ability to deliver sustainable financial performance and long-term value."

Operational and Financial Review

Operating Indicator Highlights

	2Q2025	2Q2024	YoY, %	2Q2025 LfL	YoY, %
Inpatient Admissions	7,386	4,826	+53%	5,914	+24%
Outpatient Visits	225,676	156,986	+44%	179,489	+18%
Total Patients	**233,062**	**161,812**	**+44%**	**185,403**	**+18%**
Inpatient Days	86,533	55,991	+55%	62,694	+56%
Bed Capacity	1,174	1,008	+16%	825	6%
Bed Occupancy Rate (%)	80.7%	60.3%	+20.4 ppts	83.4%	+26.9 ppts
ALOS, Total (days)	11.7	11.6	+1%	10.6	+26%
Number of surgeries	6,075	4,243	+43%	4,996	18%

	1H2025	1H2024	YoY, %	1H2025 LfL	YoY, %
Inpatient Admissions	14,168	9,636	+47%	11,322	+19%
Outpatient Visits	446,116	318,101	+40%	353,195	+14%
Total Patients	**460,284**	**327,737**	**+40%**	**364,517**	**+14%**
Inpatient Days	171,823	112,023	+53%	124,403	+54%
Bed Capacity	1,174	1,008	+16%	825	6%
Bed Occupancy Rate (%)	80.9%	60.7%	+20.2 ppts	83.4%	+26.5 ppts
ALOS, Total (days)	12.1	11.6	+4%	11.0	+30%
Number of surgeries	12,000	8,338	+44%	9,838	18%

Notes:
1. The 2Q 2025 and 1H 2025 indicators include the results of the Rawabi branch, Malaz branch, Haram branch (Jiwar), launched in December 2023, Al Balad branch (formerly Chronic Care), acquired in 4Q 2023, Al Salam branch, acquired in October 2024, and ReLib (Mental Health Platform), launched in 4Q 2024. The 2Q 2025 LfL (like-for-like) and 1H 2025 LfL indicators include only the results of the Rawabi and Malaz branches.
2. "ALOS, Total" represents the total average length of stay for inpatients at the company's facilities.

In 1H 2025, Care Medical saw a 40% year-on-year increase in total patient count, serving 460,284 patients. This growth was supported by a 40% rise in outpatient visits coupled with a 47% increase in inpatient admissions.

Year-on-year growth in outpatient volumes is primarily attributable to the seamless integration of Al Salam Hospital, which added a substantial 82,576 visits during the period. This was complemented by consistent growth at legacy facilities, with Rawabi and Malaz each recording a 14% year-on-year increase in outpatient visits. Rising outpatient volumes at Haram branch also contributed to the overall positive trajectory in 1H 2025.

Similarly, in the first half of 2025, inpatient admissions at Care Medical saw a strong 47% year-on-year increase, reaching 14,168 admissions. During the period, Al Salam Hospital added 2,691 admissions to the consolidated figure. Meanwhile, inpatient volumes at the Rawabi and Malaz facilities also saw considerable increases, supported by the Prince Sultan Military Medical City contract. Secured in 2Q 2024, this three-year long-term care agreement has boosted inpatient volumes throughout the latter half of last year and into the first half of 2025. Additionally, the sustained rise in inpatient admissions at Care Medical's legacy facilities comes as a direct result of the company's proactive strategy to diversify its patient base.

In line with increasing admissions, surgical procedures also saw a significant increase in the first half of 2025. The total number of surgeries across Care Medical's facilities grew 44% year-on-year in 1H 2025, reaching 12,000 procedures. Al Salam Hospital was a key contributor to this growth, with 18% of total surgeries performed in the first half of the year attributed to the newly integrated facility. This addition was complemented by an 18% increase in surgeries performed at Rawabi and Malaz branches.

In the first half of 2025, inpatient days rose by 53% year-on-year, primarily supported by notable increases at the Malaz and Rawabi branches. This substantial increase was a direct result of growing demand for long-term care services, particularly from patients under the Prince Sultan Military Medical City contract, alongside an increase in complex case referrals from GOSI. Consequently, the average length of stay (ALOS) at Rawabi and Malaz rose to 11.0 days in 1H 2025, up from 8.5 days in 1H 2024. Similarly, the company-wide ALOS reached 12.1 days in 1H 2025 from 11.6 days this time last year.

Over the last year, Care Medical has strategically expanded its bed capacity by 16% year-on-year in 1H 2025, reaching a total of 1,174 beds. This expansion was achieved through the acquisition of the new Al Salam branch, the successful launch of the ReLib mental health platform, and recent renovations at Rawabi, where our efforts have focused on making more effective use of existing space.

Despite the expanded bed capacity, bed occupancy rates recorded robust improvements. Company-wide occupancy climbed from 60.7% in 1H 2024 to an impressive 80.9% in 1H 2025. This turnaround is particularly notable for the Rawabi and Malaz facilities, which faced occupancy challenges in 1H 2024 due to the simultaneous conclusion of the National Guard contract and the rollout of new capacity in anticipation of the new Prince Sultan Military Medical City contract. Proactive management efforts to diversify the patient mix, coupled with increasing contributions from the new three-year Prince Sultan contract, have since driven occupancy rates at these two facilities to 83.4% in 1H 2025, a significant leap from 56.9% in the same period last year.

Income Statement Highlights

SAR million	2Q2025	2Q2024	YoY, %	1H2025	1H2024	YoY, %
Revenue	398	297	+34%	783	595	+32%
Cost of revenue	(250)	(189)	+33%	(493)	(377)	+31%
Gross profit	**147**	**108**	**+36%**	**290**	**218**	**+33%**
Selling & marketing	(5)	(2)	+103%	(8)	(4)	+113%
General & administrative	(47)	(38)	+24%	(94)	(69)	+36%
Provisions & other	(11)	(3)	286%	(7)	(8)	-18%
Total operating expenses	**(63)**	**(43)**	**+45%**	**(108)**	**(81)**	**+34%**
Operating profit (EBIT)	**85**	**65**	**+31%**	**182**	**137**	**+33%**
EBITDA	**111**	**83**	**+33%**	**233**	**172**	**+36%**
Net profit	**80**	**69**	**+15%**	**165**	**151**	**+10%**
Gross profit Margin	37.1%	36.4%	+0.6 ppts	37.1%	36.7%	+0.4 ppts
EBIT Margin	21.4%	21.9%	-0.6 ppts	23.3%	23.1%	+0.2 ppts
EBITDA Margin	27.8%	27.9%	-0.1 ppts	29.8%	28.9%	+0.9 ppts
Net profit Margin	20.1%	23.4%	-3.3 ppts	21.1%	25.3%	-4.2 ppts
ROAE	18.7%	18.3%	+0.4 ppts	19.8%	20.4%	-0.5 ppts
ROAA	12.5%	12.6%	-0.1 ppts	13.1%	13.7%	-0.6 ppts

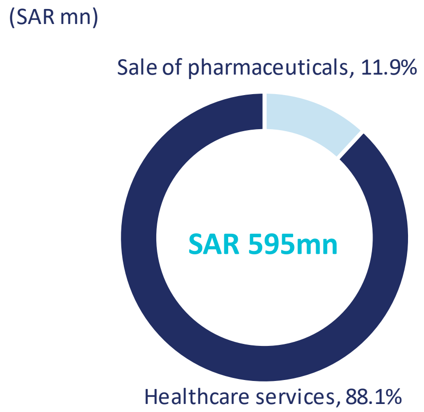
Care Medical’s revenue expanded by a strong 32% year-on-year in 1H 2025, reaching SAR 783 million. This remarkable performance stemmed from a combination of factors, including increased revenue from GOSI referrals, the successful integration and contribution of Al Salam Hospital, and growth in revenue from the Prince Sultan Military Medical City contract.

Care Medical's total cost of revenue increased 31% year-on-year to SAR 493 million in 1H 2025. However, thanks to ongoing company-wide efficiency improvements, as a share of revenue, total cost of revenue decreased to 62.9% in 1H 2025 from 63.3% in 1H 2024. This resulted in a 33% year-on-year rise in gross profit for the first half of the year to SAR 290 million, with Care Medical's gross profit margin reaching 37.1% in 1H 2025 from 36.7% in the prior year.

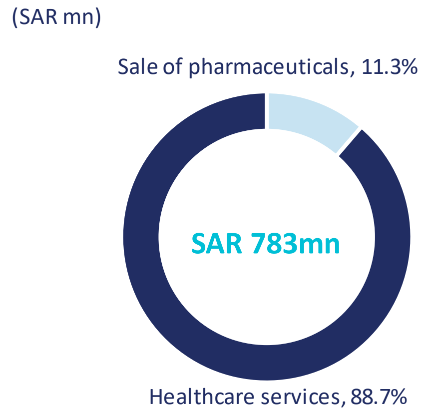
Operating expenses increased by 34% year-on-year in the first half of 2025. This rise was predominantly driven by a significant 40% year-on-year increase in selling, general, and administrative (SG&A) expenses, reflecting the integration of newly acquired assets and ongoing efforts to strengthen the head office team through several key hires over the last year. Operating expenses for the period also included ECL provisions of SAR 8 million. Despite the rise in operating expenses, improved gross profitability filtered through to both the operating profit and EBITDA lines, supported by Care Medical's efforts to boost operational efficiencies. More specifically, EBITDA grew 36% year-on-year to SAR 233 million in 1H 2025, with its margin inching up by 0.9 percentage points to 29.8% from 28.9% in 1H 2024.

Care Medical's net profit climbed 10% year-on-year to SAR 165 million in 1H 2025, yielding a net profit margin of 21.1%, down 4.2 percentage points compared to 1H 2024. It is important to note that last year's figure included a one-off SAR 29 million Zakat provision reversal following the finalization of prior years’ assessment by ZATCA.

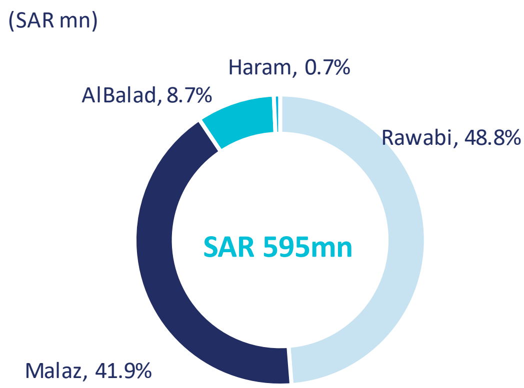
Total Revenue by Segment, 1H 2024



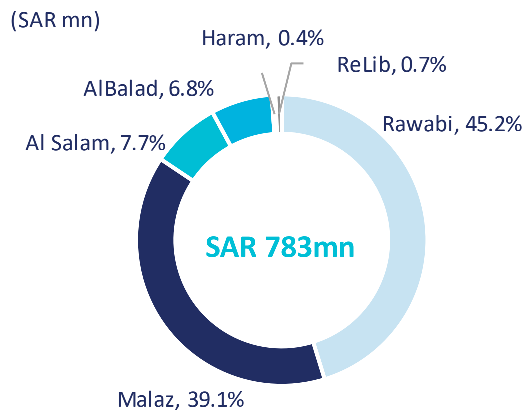
Total Revenue by Segment, 1H 2025



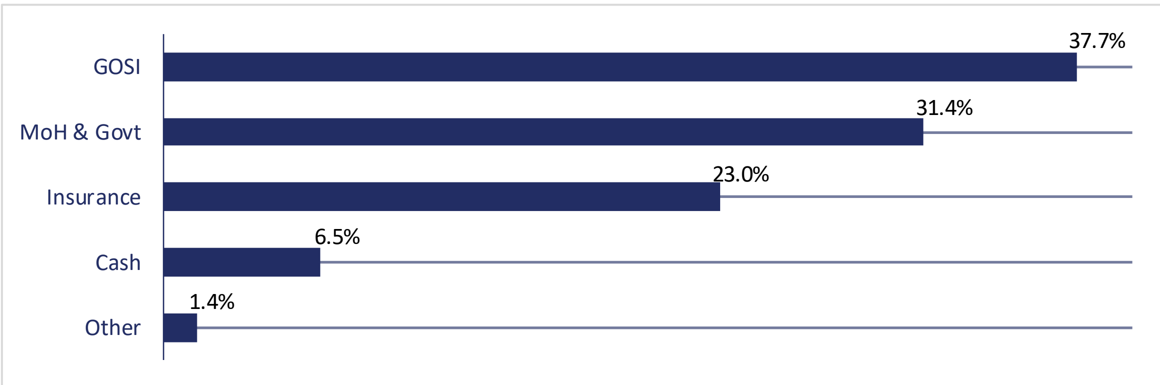
Total Revenue by Hospital, 1H 2024



Total Revenue by Hospital, 1H 2025



Total Revenue by Payer, 1H 2025



Healthcare services remained the core revenue growth engine in 1H 2025, expanding by 33% year-on-year to make up 89% of total revenue. The Rawabi facility maintained its position as the primary revenue contributor, accounting for 45% of total revenue, followed by Malaz at 39%, and the recently acquired Al Salam facility, which contributed 8%.

During the first six months of the year, revenue streams from government contracts demonstrated robust performance. Revenue linked to the General Organization for Social Insurance (GOSI) surged by 39% year-on-year, primarily due to an increase in occupational hazard referrals. Contracts with the Ministry of Health (MoH) and other government bodies also achieved 29% year-on-year growth, underscoring the trust placed in Care Medical by public bodies in the Kingdom. The insurance segment also contributed positively, recording double-digit growth, fueled by higher patient visits and improved insurance policy uptake.

Cost Trends

SAR million	2Q2025	2Q2024	YoY, %	1H2025	1H2024	YoY, %
Salaries and benefits	155	125	+25%	305	252	+21%
Medicines and consumables	67	46	+47%	135	89	+52%
D&A	18	13	+43%	35	25	+42%
Repairs and maintenance	5	3	+73%	9	6	+57%
Rent, utilities and other	5	3	+72%	9	6	+44%
Total Cost of revenues	**250**	**189**	**+33%**	**493**	**377**	**+31%**
Selling & marketing	5	2	+103%	8	4	+113%
General & administrative	47	38	+24%	94	69	+36%
Provisions for ECL	11	5	+134%	8	11	-33%
Other	(0)	(2)	-85%	(1)	(3)	-71%
Total Operating Expenses	**63**	**43**	**+45%**	**108**	**81**	**+34%**
Total Expenses	**313**	**232**	**+35%**	**601**	**458**	**+31%**

In the first half of 2025, Care Medical's total expenses increased by 31% year-on-year, a rise largely driven by a 31% increase in the cost of revenue. This escalation in costs for the period was primarily attributable to increased salaries and benefits, particularly those associated with the newly acquired facilities. Higher compensation paid out as part of the company's revenue-sharing model with part-time doctors also contributed significantly to this trend. Meanwhile, greater outlays for medicine and consumables primarily reflected the rising volume of surgical procedures performed throughout the six-month period.

Operating expenses rose by 34% year-on-year, primarily due to higher general and administrative expenses linked with the recent addition of Al Salam Hospital. Furthermore, the company booked SAR 8 million in ECL provisions during the period. Rising ECL provisions in the second quarter of the year reflect rising revenues versus last year.

EBITDA and Net Profit

SAR million	2Q2025	2Q2024	YoY, %	1H2025	1H2024	YoY, %
EBITDA	**111**	**83**	**+33%**	**233**	**172**	**+36%**
Depreciation & amortization	(26)	(18)	+44%	(51)	(34)	+48%
Finance income / (cost)	(2)	(0)	N/A	(4)	2	N/A
Zakat expense	(3)	4	N/A	(13)	11	N/A
Net Profit	**80**	**69**	**+15%**	**165**	**151**	**+10%**

Care Medical's EBITDA for 1H 2025 increased by 36% year-on-year to SAR 233 million, supported by revenue growth and cost efficiencies.

Net finance costs for 1H 2025 totaled SAR 4 million reflecting elevated finance expenses. Despite this, Care Medical's reported net profit reached SAR 165 million, up 10% year-on-year increase. The associated net profit margin for the period was 21.1% versus 25.3% in 1H 2024. The contraction in Care Medical's bottom-line margin is fully attributable to a high base effect stemming from the one-off SAR 29 million Zakat provision reversal booked in the comparable period of last year which had significantly boosted net profitability in 1H 2024.

Cash Flow Highlights

SAR million	2Q2025	2Q2024	YoY, %	1H2025	1H2024	YoY, %
Net Profit before zakat	**83**	**65**	**+28%**	**178**	**139**	**+28%**
Non-cash adjustments	44	26	+65%	75	55	+37%
Working capital changes	(179)	(128)	+40%	(145)	(144)	+1%
Zakat, finance income, and end-of-service benefits	(25)	(27)	-7%	(27)	(67)	-60%
Net cash, operations	**(77)**	**(64)**	**+21%**	**80**	**(17)**	**N/A**
Capex	(25)	(25)	+3%	(48)	(193)	-75%
Net cash, investing activities	**50**	**360**	**-86%**	**255**	**192**	**+33%**
Net cash, financing activities	**(98)**	**(98)**	**-1%**	**(122)**	**(104)**	**+17%**
Net changes in cash	**(125)**	**198**	**N/A**	**213**	**71**	**+201%**

In 1H 2025, Care Medical's net cash flow from operations improved significantly, reaching SAR 80 million, a notable increase compared to a SAR 17 million outflow one year prior. This improvement was primarily driven by higher non-cash adjustments and a significant reduction in Zakat, finance income, and end-of-service benefits, which decreased 60% year-on-year to SAR 27 million. While working capital changes remained largely stable at SAR 145 million, the company's improved operational performance contributed positively to its liquidity.

Net cash from investing activities in 1H 2025 was SAR 255 million, largely influenced by capital expenditures and time deposits. Capital expenditure during the period amounted to SAR 48 million, related to ongoing building and leasehold improvements as well as investments in medical equipment. These investments were significantly offset by SAR 303 million in returned time deposits in 1H 2025. Net cash from financing activities was an outflow of SAR 122 million related to payments on loans and lease liabilities.

As a result of these factors, Care Medical saw a net increase in cash and cash equivalents of SAR 213 million in 1H 2025. As of June 30, 2025, the company's cash reserves stood at SAR 477 million, positioning Care Medical well for continued operational and strategic expansion initiatives.

Balance Sheet Highlights

SAR million	2Q2025	4Q2024	YtD, %
Total Non-Current Assets	1,269	1,273	-0%
Total Current Assets	1,268	1,229	+3%
Total Assets	**2,537**	**2,502**	**+1%**
Total Equity	**1,705**	**1,630**	**+5%**
Total Non-Current Liabilities	496	524	-5%
Total Current Liabilities	335	348	-4%
Total Liabilities	**832**	**873**	**-5%**
Cash, equiv. & time deposits	477	567	-16%
Net Debt[1]	(23)	(79)	-70%
Days Sales Outstanding[2]	145	152	-5%
Days Payable Outstanding[2]	96	112	-14%
Days Inventory Outstanding[2]	75	84	-11%
Cash Conversion Cycle[2]	124	124	-0%

As of June 30, 2025, Care Medical's total assets increased by 1% year-to-date, reaching SAR 2,537 million. This growth was driven by an increase in current assets, as higher cash and cash equivalents outweighed the decline in trade receivables and term deposits.

Total liabilities declined by 5% year-to-date to SAR 832 million. This was mainly due to a 5% decrease in non-current liabilities, driven by lower lease liabilities and long-term loans. Current liabilities also decreased by 4% year-to-date largely due to lower Zakat provision balances.

As of June 30, 2025, Care Medical’s net debt stood at SAR 23 million, down 70% from Care Medical's net debt as at year-end 2024. This change was primarily driven by a reduction in total debt relative to cash and time deposits.

Operational efficiency metrics also showed positive trends. Days sales outstanding (DSO) improved by 5% year-to-date, standing at 145 days in 2Q 2025 (YTD) compared to 152 days in 4Q 2024 (YTD). This was balanced by a reduction in days payable outstanding (DPO) to 96 days. Meanwhile, the inventory turnover period shortened to 75 days. Overall, the cash conversion cycle remained stable at 124 days.

[1] Including time deposits

[2] Based on YTD indicators. DPO, DSO, and DIO are calculated based on Care methodology.

Earnings Call

The company is holding an earnings call to discuss 2Q 2025 financial results with analysts and investors on Tuesday, 5 August 2025, at 3:30 pm Riyadh time (1:30 pm London, 4:30 pm Dubai, 8:30 am New York).

Webcast link: Care Medical 2Q 2025 webcast

Institutional Investor Contact

Alia Balbaa
Investor Relations Director
abalbaa@care.med.sa
+966-11-418-4488 ext. 322

For more details, please visit the Investor Relations Website

https://ir.care.med.sa/

Corporate Headquarters Address

Care Medical
P.O. Box 29393,
Riyadh, 11457,
Kingdom of Saudi Arabia

About Care

Care Medical (Care, Tadawul: 4005) is a leading healthcare provider based in Riyadh, Kingdom of Saudi Arabia. The company operates multiple facilities, including two full-service hospitals in Riyadh – Rawabi and Malaz – as well as Haram branch, an emergency department in Mecca's Grand Mosque area. Its network also includes Al Balad branch in Jeddah, specializing in long-term nursing, hospice, and palliative care, and the recently acquired Al Salam general hospital in Riyadh. In 2024, Care Medical expanded its service offerings with the launch of the ReLib mental health platform.

With a team of more than 4,100 healthcare practitioners, administrators, and support staff, Care Medical treated 742.5 thousand patients and performed over 21 thousand surgeries in 2024. The company reported revenue of SAR 1,294 million (+20% year-on-year), an EBITDA of SAR 377 million (29.2% margin), and a net profit of SAR 298 million (23.0% margin).