

## SMC HEALTHCARE REPORTS STRONG 12% INCREASE IN NET PROFIT FOR THE THIRD QUARTER OF 2025

- **Strategy gaining momentum:** SMC's strategy is well underway, with the shift from long-term care (LTC) to acute inpatient services and the ramp-up of new outpatient clinics delivering tangible results. During Q3 2025, 31 LTC beds were converted into acute services, lifting acute inpatient nights by 8.9% year-on-year (YoY). Outpatient visits rose 12.1% to 353 thousand as newly opened outpatient clinics scaled up. This shift is also driving a more favorable payor mix toward insured and cash-based patients, away from government contracts.
- **Earnings growth and guidance reaffirmed:** Net profit increased 12.4% YoY to ₪66.2 million in Q3 2025, supported by higher inpatient and outpatient revenues and a 54.0% reduction in G&A expenses through cost optimization and improved collections. The Company remains on track to meet its 2025 guidance.
- **Expanding outpatient footprint and value-based care:** Post-period, SMC signed a lease for its first standalone outpatient clinic center in Al Malqa District, northwestern Riyadh. The 35-clinic facility, requiring limited capital investment (~₪19.5 million), is scheduled to begin operations in Q1 2026, reinforcing SMC's focus on outpatient growth.
- **Progress on SMC 3:** SMC obtained final approval from the Royal Commission for Riyadh City (RCRC) for the construction of "SMC 3 – Northern Ring Road" and foundation works are underway.
- **Special dividend approved:** The Board of Directors approved a special one-time cash dividend of ₪200 million (₪0.8 per share), reflecting SMC's strong financial position and commitment to sustainable shareholder returns.

**Riyadh, Saudi Arabia – 04 November 2025:** 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 third quarter of 2025 (Q3 2025).

Bassam Chahine, Chief Executive Officer of SMC Healthcare, commented:

*"Building on the strong foundation established in our inaugural reporting period, SMC continues to deliver on its growth ambitions with steady, measurable progress in expanding our footprint across Riyadh's most promising and fast-developing areas."*

*"Our third quarter results reflect our success in executing SMC's strategy to optimize its service mix and enhance patient experience, reinforcing our alignment with the global transition toward a value-based healthcare model. Our shift from LTC toward high-performing acute services yielded solid growth in inpatient revenue. Our newly opened clinics have also begun ramping up, positioning SMC for a strong fourth quarter as they realize their full operating potential."*

*"In a landmark move, we finalized an agreement to establish a new outpatient clinic center in Al Malqa District, a development that underscores how SMC's strategy lies at the heart of its ethos and its commitment to opportunistically pursue value-accretive growth opportunities as they arise. The center will consist of 35 multidisciplinary clinics, an ER department, and an outpatient pharmacy, providing access to integrated and specialized care for patients in northern Riyadh. In parallel, we achieved another important milestone in the development of our Wadi Fund hotel next to SMC 3 Hospital, having secured legal approval from the Royal"*

*Commission for Riyadh City (RCRC) and commenced foundation construction works for SMC 3 Hospital at the project site. As part of our three-hospital expansion plan, we have also secured and signed the financing of SMC 4 post period end.*

*These advancements reinforce our commitment to disciplined execution, sustainable growth, and our vision to deliver world-class healthcare and generate long-term value for our patients, partners, and shareholders, in alignment with Saudi Vision 2030.”*

## Operational Summary

Operational Highlights	Q3 2025	Q3 2024	Variance (YoY)
Inpatient visits	39,927	39,778	+0.4%
Outpatient visits	353,018	314,832	+12.1%
Inpatient beds	578	578	0.0%
Outpatient clinics	307	269	+14.1%

SMC’s strategy to shift from long-term care to high-performing acute and outpatient services is now firmly materializing, delivering tangible operational and financial impact. In Q3 2025, the Company completed the conversion of one hospital floor at SMC 1 from LTC to acute services, resulting in a 31-bed increase in acute capacity. With this conversion, the total number of LTC beds transitioned to acute services since Q3 2024 reached 90. This shift translated into a 6.3% year-on-year rise in inpatient revenue, supported by higher acute volumes, stronger pricing, and improved utilization, offsetting the expected decline in LTC-related revenue.

Outpatient performance also strengthened, with visits up 12.1% YoY to 353 thousand and gross revenue from outpatient clinics rising 13.4% as more than 40 new outpatient clinics ramped up operations. The expansion also lifted emergency room revenues by 3.1%. With these facilities now fully operational, SMC expects continued momentum into Q4 as outpatient clinics reach sustained utilization levels and benefit from post-summer seasonality. As per guidance communicated during the IPO, a further 19 outpatient clinics are on track to open by year-end 2025, which will further support financial performance during the period.

## Summary of Financial Results

₪ million	Q3 2025	Q3 2024	Variance (YoY)	9M 2025	9M 2024	Variance (YoY)
Revenue	382.7	391.4	-2.2%	1,131.6	1,110.8	+1.9%
Medical Services	317.1	325.9	-2.7%	928.1	919.5	+0.9%
Pharmacy	60.3	57.0	+5.7%	188.9	171.6	+10.0%
Food and Catering	5.3	8.5	-37.8%	14.6	19.6	-25.5%
EBITDA	104.6	96.5	+8.4%	244.5	268.8	-9.1%
EBITDA margin	27.3%	24.6%	+2.7pp	21.6%	24.2%	-2.6pp
Net Profit <sup>1</sup>	66.2	58.9	+12.4%	132.2	159.1	-16.9%
Net Profit margin	17.3%	15.1%	+2.3pp	11.7%	14.3%	-2.6pp
Operating Cash Flow	107.9	68.0	+58.8%	182.8	147.8	+23.7%
Capital Expenditures	23.0	23.9	-4.1%	71.1	76.1	-6.5%
Free Cash Flow	85.0	44.0	+93.0%	111.7	71.8	+55.6%
Net Debt / EBITDA <sup>2</sup>	2.0x	2.4x	-0.4x	2.0x	2.4x	-0.4x

1: Attributable to equity holders of SMC | 2: Annualized using TTM | Numbers presented may not add up precisely to the totals provided due to rounding

SMC generated revenues of ₪382.7 million in Q3 2025, down 2.2% YoY. Before contractual obligations, gross revenue grew by 9.5%, reflecting consistent strength across all segments — inpatient (+6.3%), outpatient clinics (+13.4%), and pharmacy (+5.8%). The reported decline in net revenues for the period was primarily due to a 144.7% year-on-year increase in contractual obligations, which was primarily driven by the shift from government-related LTC volumes to insurance-dependent acute services. This evolution in the payor mix not only affected reported revenue but also improved collection efficiency and earnings visibility, setting the foundation for sustained margin enhancement.

Cost of revenue rose 9.1% YoY, reflecting higher staff and medical supply costs as patient volumes expanded. However, SMC's operating leverage is expected to strengthen as utilization levels rise. General and administrative (G&A) expenses declined 54.0% YoY, reflecting structural and recurring cost efficiencies of ₪14.3 million from streamlined corporate functions. This decline was further supported by enhanced collections and the shift toward insurance and cash-based payors which resulted in a further ₪16.6 million drop in expected credit loss (ECL) expenses.

Other income also rose from ₪1.6 million in Q3 2024 to ₪7.0 million in Q3 2025, driven by higher interest income, rental income, and marketing support revenue. Combined, these operational and financial efficiencies supported an 8.4% increase in EBITDA to ₪104.6 million, with margins expanding to 27.3%. Net profit grew 12.4% year-on-year to ₪66.2 million, with net margin improving from 15.1% to 17.3%. Margin strength is expected to continue, supported by sustainable cost optimization, improved payor mix, and the continued ramp-up of outpatient clinics.

SMC reported a 58.8% YoY increase in net operating cash flow, reaching ₪107.9 million in Q3 2025. This was primarily driven by improved collections, reflected in a 12.8% reduction in receivables days outstanding in 9M 2025, and a corresponding decline in government-related receivables. The Company also collected ₪35.7 million in dues from related parties during the quarter. The combined impact of bottom-line growth coupled with enhanced working capital efficiency resulted in ₪85.0 million of free cash flow, a 93.0% increase YoY from ₪44.0 million in Q3 2024. Capital expenditures for Q3 2025 totaled ₪23.0 million, supporting the continued rollout of new outpatient clinics, replacement of PPE, renovation of inpatient facilities, and progress on the SMC 3 and SMC 4 projects.

The Company's leverage further improved from both the previous quarter as well as the same quarter last year, as the Net Debt / EBITDA\* ratio decreased to 2.0x as of end-Q3 2025 from 2.4x in Q3 of 2024 (2.3x in Q2 2025).

\* LTM EBITDA

## Strategic Developments

As part of its strategic shift toward expanding outpatient services and shift to a value-based healthcare model, SMC signed a lease agreement post-period to operate its first outpatient clinic center on Prince Mohammad Bin Saad Bin Abdulaziz Road in Al Malqa District, located in the northwestern region of Riyadh. This initiative was not part of the previously communicated guidance and represents an additional growth opportunity that aligns with the Company's strategy to expand its outpatient footprint and strengthen its presence in a high-growth area. The new outpatient clinic center has been designed to deliver comprehensive, high-quality, and patient-centered care through 35 outpatient clinics offering a broad spectrum of specialties including dentistry, endocrinology, pediatrics, orthopedics, ENT, general surgery, ophthalmology, obstetrics and gynecology, dermatology, and physiotherapy, among others. The facility will also feature an ER department and an outpatient pharmacy. Operations are set to commence in first quarter of 2026.

The Company secured legal approval from the Royal Commission for Riyadh City (RCRC) for the development of SMC 3 Hospital and the Wadi Fund hotel in northern Riyadh. This milestone is the first of its kind as the permit was jointly granted to a new hospital and associated hotel project on the same land plot. Debt funding was secured pre-IPO, and the foundation works for the hospital have commenced, marking a key milestone in the project's development phase. In addition, SMC signed a new long-term credit facility agreement amounting to SAR 800 million with Saudi Awwal Bank ("SAB"), compliant with Islamic Sharia and at competitive terms and conditions, for the construction of SMC 4 (Prince Faisal Bin Bandar Road – Khuzam Suburb). The Company is set to complete the acquisition of the land for its third upcoming hospital SMC 5 in 2026.

## Outlook

SMC is committed to execute its multi-year growth strategy, aimed at expanding operations to meet the rising demand for high-quality, patient-centered healthcare in Riyadh and across the Kingdom. The Company continues to advance its northern Riyadh expansion plan, which includes the addition of three state-of-the-art hospitals by the end of 2029, supporting the city's growth trajectory amid the Kingdom's new northern urban core developments plans. In Q3 2025, SMC achieved key construction milestones for SMC 3 with foundation works ongoing. Progress across SMC's northern Riyadh cluster remains on track, as the Company secured financing for SMC 4 post-period in October 2025 and is set to complete the acquisition of the land for SMC 5 in 2026. This expansion is projected to nearly triple SMC's total inpatient and outpatient capacity, substantially strengthening the Company's geographical presence in alignment with national healthcare transformation objectives under Vision 2030. In parallel, SMC is preparing to launch its first outpatient clinic center in Al Malqa District in the first quarter of 2026, marking a key milestone in broadening access to specialized care in one of Riyadh's fastest-growing areas. The facility will feature 35 multidisciplinary outpatient clinics designed to deliver integrated, patient-focused services and complement SMC's existing hospital network. Furthermore, the Company is on schedule to bring 19 additional outpatient clinics online by the end of 2025, supporting sustainable growth in the short to medium term. SMC is also progressing steadily on its 150-bed mental health facility under the Ministry of Health's Public-Private Partnership (PPP) program, with operations scheduled to commence by the end of H1 2026.

## Status of Upcoming Projects

Project	Location	Capacity	Status	Completion
SMC 3	Northern Ring Road	Clinics: 200 Beds: 296	Under construction	2027
SMC 4	Khuzam Suburb	Clinics: 120 Beds: 201	Location secured and under design	2028
SMC 5	Al Malqa District	Clinics: 120 Beds: 201	Location identified / 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 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. SMC manages 578 inpatient beds and 307 outpatient clinics, supported by a strong medical workforce of 491 doctors and 1,069 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's healthcare transformation under Vision 2030.

### **Contact**

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## Glossary of Terms

Term	Definition
<b>Outpatients</b>	Individuals who receive medical care, diagnosis, or treatment at the Outpatient Clinics without being admitted.
<b>Outpatient visits</b>	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.
<b>Clinics</b>	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.
<b>Inpatients</b>	Patients who are admitted to a hospital and utilize an inpatient bed to receive medical care, monitoring, or treatment.
<b>Inpatient beds</b>	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.
<b>Long Term Care</b>	Long Term Care (LTC) patients are disabled patients and/or helpless patients who require hospitalization but with minimal medical & nursing & supportive & dietary care. Those patients should not be suffering from any acute medical condition that requires tertiary care, or from any communicable disease.
<b>Acute Patient care</b>	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.
<b>Other in-patient services</b>	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.
<b>SMC 1 Hospital</b>	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-centred care and innovation, SMC 1 provides comprehensive range of specialized medical services. The centre brings together top tier medical professionals, advanced technologies, modern Infrastructure and a holistic approach to healthcare to ensure exceptional outcomes.
<b>SMC 2 Hospital</b>	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.
<b>EBITDA</b>	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.
<b>Net Debt</b>	The sum of current and non-current loans and lease liabilities less cash and cash equivalents, as shown in the Statement of Financial Position.