



# Specialized Medical Company (SMC Healthcare)

Q1 2026 | Results Presentation

May 12, 2026



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# Today's Presenters



## **Bassam Chahine**

Chief Executive Officer

- 30 Years of Experience
- 25 Years at SMC



## **Mr. Hani Charani**

Chief Financial Officer

- 34 Years of Experience
- 21 Years at SMC



## **Mr. Faisal Altimyat**

Director of Investor Relations

- 11 Years of Experience
- 1 Year at SMC

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# Company Overview & Strategic Updates



# SMC Healthcare is a Leading Integrated Healthcare Provider with Comprehensive Services Covering the Entire Healthcare Value Chain

SMC Healthcare operates two hospitals and one polyclinic, with more than 330 clinics, a range of ancillary services, including home healthcare, diagnostics and patient support, all of which are supported by a comprehensive pharmacy network.

## Strong Roots in Riyadh Driving Unmatched Accessibility with a Team of Top-Tier Healthcare Professionals

### 2 core hospitals



### With 330+ clinics



Doctors  
**516**



Nurses  
**1,075**



IP | OP Visits  
**40K | 342K**

## Comprehensive Services Covering the Entire Healthcare Value Chain with Centers of Excellence in...



General & Specialized Surgery



Laboratory Services



Urology Services



Oncology



IVF and Fertility Center



Cardiology



Nephrology



Ophthalmology

## In-house Developed Applications Streamlining the Patient Journey...



Online Booking



Online Check In



Online Payment



Additional Services

### ...supported by advanced tech capabilities



AI Radiology Images



Automated Replies to Insurance Companies



AI Clinical Recommendations



AI Interpretation of Medical Results

# Medical Services Overview



## Strategic shift in revenue mix completed

SMC continues to prioritize outpatient and higher-margin acute services, with the transition completed following the repositioning of capacity previously allocated to LTC in 2024 and 2025. In Q1 2026, the Company continued to scale its outpatient platform, including the launch of SMC Clinics in Al Malqa, while further optimizing its service mix toward high-performing acute specialties. These initiatives supported improved utilization and margin expansion.



## Inpatient Services

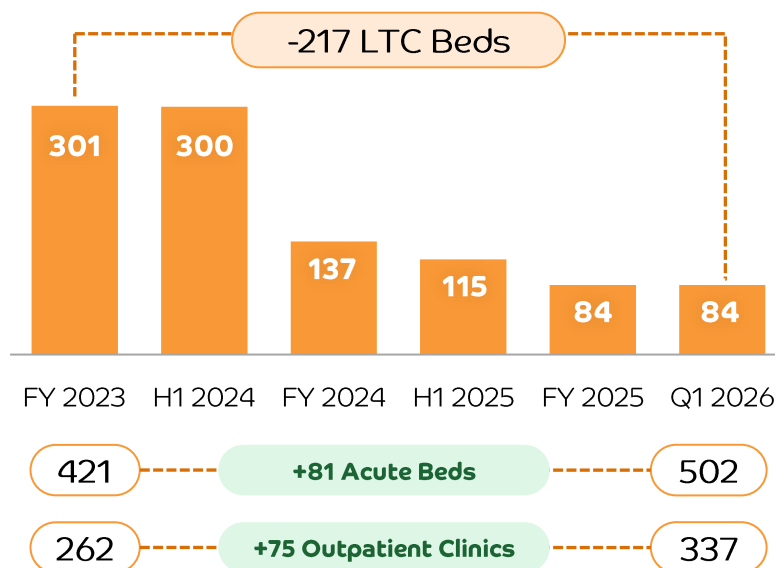
Medical services that require patient hospitalization and usually related to surgeries, intensive care and other ancillary services



## Outpatient Services<sup>1</sup>

Medical treatments, consultations, and procedures that do not require hospitalization, such as routine check-ups, diagnostic tests and minor procedures

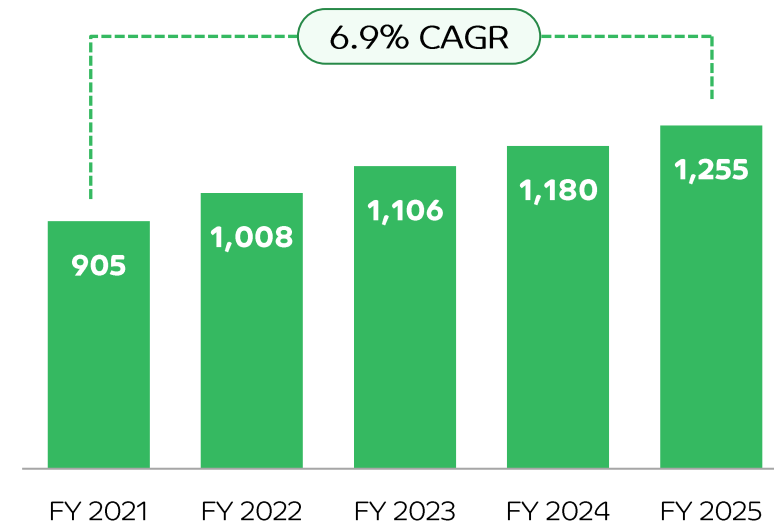
### Long-Term Care (LTC) Beds



### Medical Services<sup>2</sup>

Net Revenue (AED million)

Q1 2026:  
AED 310.1 million



1: Outpatient services exclude the pharmacy business segment | 2: Net revenues exclude the pharmacy and food and catering business segments

# Key Highlights – Q1 2026



## Net Revenue Growth Sustained

Driven by continued outpatient capacity ramp-up and realized mix shift<sup>1</sup> to higher-margin acute services, despite seasonality<sup>2</sup>

**₪380.7 million**  
 (+3.3% YoY)



## Strong Profitability Expansion

Supported by improved utilization and operating leverage

EBITDA:  
**₪69.3 million**  
 (+5.6% YoY)

Net profit:  
**₪32.5 million**  
 (+9.8% YoY)



## Launch of SMC Clinics in Al Malqa

14 clinics operational and remaining clinics gradually coming online over the course of the year



## Improved Utilization

Inpatient and outpatient volumes increased during the quarter driving improved operational efficiency



## Balance Sheet Strengthening

Net Debt/EBITDA<sup>3</sup> reduced to 1.7x

1: SMC successfully executed and completed its strategic shift from LTC to acute inpatient services in 2025

2: The Company recorded YoY net revenue growth despite the current operating environment, which included the seasonal impact of the extended school break and Eid al-Fitr holidays

3: Annualized using TTM

# Advancing Current Operations and Upcoming Expansions

## Launch of SMC Clinics



### Location

**Al Malqa District,**  
northwestern region of Riyadh



### Clinic Capacity

**35 clinics** offering high-quality care across specialties and ER



### Number of operational clinics

**14 clinics**  
(as of March 31st, 2026)



### Timeline

The remaining clinics will gradually come online over the course of the year



## SABIC PPP Update



### Operation of a 150-bed MOH mental hospital under PPP (SABIC Behavioral Care Specialist Hospital)

- Hospital negotiation Completed: **February 2026**
- Pre Execution version of the project agreement Finalized : **May 2026**
- Project agreement tentative closing date & contract signing date : **June 2026**
- MOH SABIC BCSH Service Availability Date : **January 2027**



# Upcoming Expansions

## SMC 3 & SMC 4 Progress

### SMC 3 and SMC 4 Progress



#### SMC 3 (Northern Ring Road)

**Foundation and early construction activities progressed during Q1 2026**, supporting continued development of the project. The Company is expecting to receive the necessary approvals in the near term to commence structural works, with completion targeted for 2028.



#### SMC 4 (Al Khuzam Suburb)

**During Q1 2026**, approximately 80% of the design phase was completed, and site hoarding was finalized, marking key milestones ahead of construction. The Company continues to advance preparatory activities in anticipation of commencing construction works.



# Core Growth Strategy Centered around the Expanding Northern Riyadh Region with Three New Hospitals and One Polyclinic



## Long Term Strategy

New Healthcare Facilities (est. \$3+ bn in CAPEX) to be Financed through a Combination of Debt and Internal Cash Flows



2026



2028



2028



2029

SMC Clinics (Launched)

SMC 3

SMC 4

SMC 5

**Al Malqa District**

**Northern Ring Road**

**Al Khuzam Suburb**

**Al Malqa District**



12+  
Specialties

296  
IP Beds

201  
IP Beds

201  
IP Beds



35 OP Clinics  
(14 operational as of March 2026)

200  
OP Clinics

120  
OP Clinics

120  
OP Clinics



Opened and commenced operations

Under construction  
Financing secured

Design in final stages and hoarding complete  
Financing secured

Land acquisition expected in 2026



Not part of IPO guidance



Part of IPO guidance



New updates

# Clinical and Academic Achievements



Successfully renewed the institutional accreditation for the National Excellence In Health Training for the 3<sup>rd</sup> time in a row



Organ donation with the Saudi Center for Organ Transplantation (SCOT) which saved 4 human lives



Legacy relationship with Alfaisal University spanning 10 years with SMC hosting 2,757 interns since 2016

Hosted 74 interns rotating across 7 departments during Q1 2026

# Awards and Achievements



**January 24<sup>th</sup>, 2026:** Hosted "Leading with Vision in Healthcare in the AI Era" conference, aligned with Saudi Arabia's 2026 "Year of AI"



Achieved 2026 World's Best Hospitals Listing  
 (by statista)

Achieved 2026 Best Specialized Hospitals Middle East Listing  
 (by statista)



Received 2 awards from UK-based Global Brands Magazine 2026:

1. "Best Healthcare Branding Transformation"
2. "Most Innovative Patient-Centric Healthcare Provider"

Awarded "Most Innovative AI-Powered Patient Engagement in Healthcare" (by UK-based International Finance Magazine – 2026)



# Q1 2026 Performance



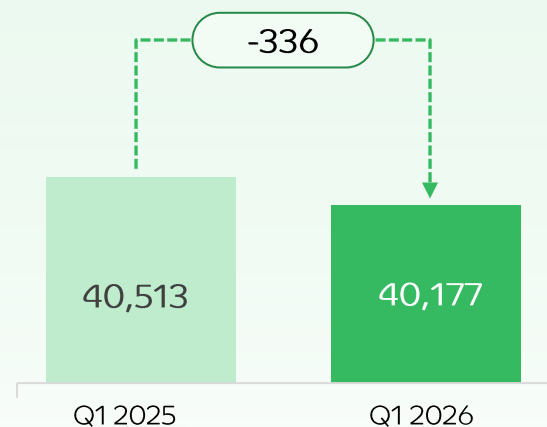
# Outpatient and Acute Care Growth Driving Q1 2026 Performance

Completed Shift Toward High-Performing Acute Specialties and Continued Outpatient Expansion Gaining Strong Momentum

## Inpatient Revenue Growth

### Number of Inpatient Visits

Growth in high-performing acute specialties more than offset the planned reduction in LTC activity



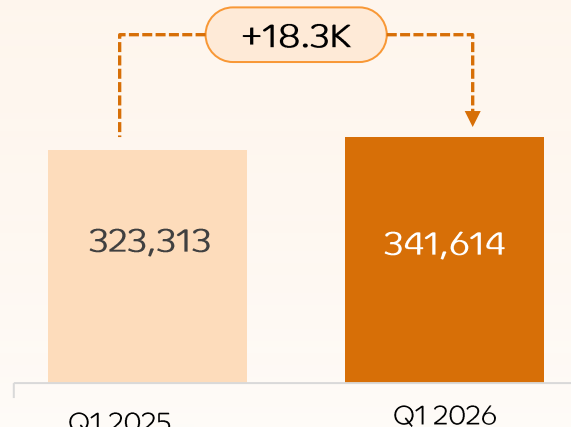
Gross Revenue (AED)

**AED 190.1 mn** **+3.0%** **AED 195.9 mn**

## New Clinics Delivering Solid Results

### Number of Outpatient Clinic Visits

5.7% YoY increase in outpatient visits



Gross Revenue (AED)

**AED 148.5 mn** **+5.2%** **AED 156.3 mn**



### Successful transition

Toward higher-margin acute services



### Continued ramp-up of the 57 clinics added in 2025 supporting outpatient growth

In addition to the launch of SMC Clinics in Al Malqa in Q1 2026, with 14 clinics operational during the quarter

## Key Takeaways

- Outpatient gross revenue increased by 5.2% YoY as clinic visits increased by 5.7% YoY, supported by the continued ramp-up of new outpatient clinics rolled out in 2025
- Inpatient gross revenue grew by 3.0% YoY, driven by improved acute care mix despite reduction in LTC volumes
- Improved utilization

# Realized Operational Shift and Continued Outpatient Ramp-Up Driving Q1 2026 Performance



## Net revenue growth

- +3.3% YoY net revenue growth
- Driven by utilization improvement and shift to higher-margin acute services
- Growth achieved despite seasonal headwinds (extended school break and Eid Al-Fitr holidays)



## Strong margin expansion

- EBITDA +5.6% YoY (margin 18.2%), despite an ECL provision
- Supported by lower selling & marketing costs, higher utilization, operating leverage, and improved inpatient services mix
- Partially offset by higher operating costs associated with expansion
- Net profit margin expansion supported by lower financing costs



## Stronger cash generation enhanced financial flexibility

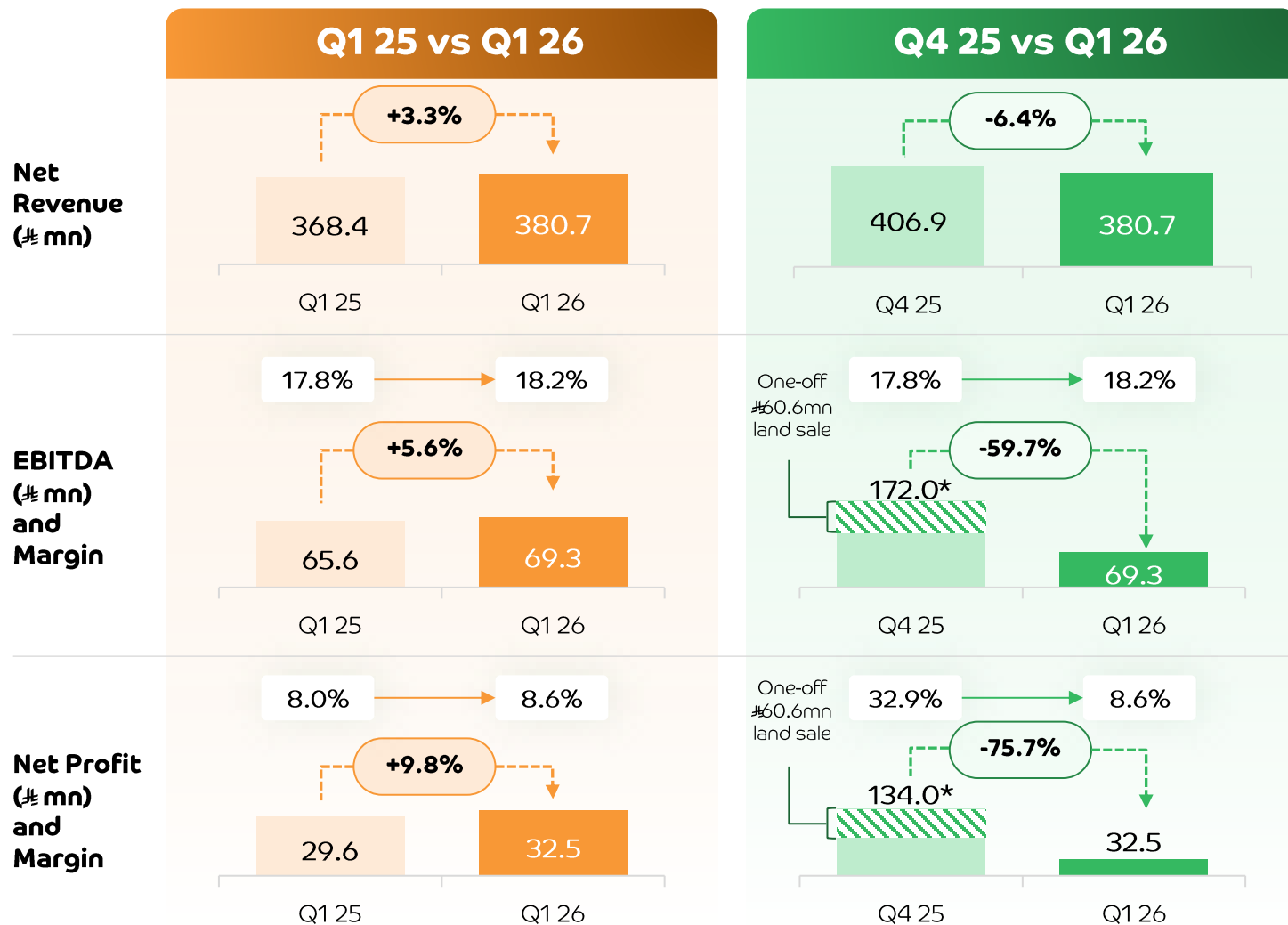
- Net Debt / EBITDA improved to 1.7x
- Prudent approach to inventory management, increasing stock levels to mitigate potential supply chain disruptions
- Disciplined approach to capital allocation to support future growth

¥ million  
(unless stated otherwise)

	Q1 2026	Q1 2025	Variance (YoY)
Net Revenue	380.7	368.4	+3.3%
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
EPS (¥)	0.13	0.12	+9.8%
Net 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*	719.9	805.9	-10.9%
Net Debt / EBITDA <sup>1</sup>	1.7x	2.6x	-0.9x

<sup>1</sup>: Annualized using TTM | Numbers may not add up due to rounding  
\* Net Debt calculated as Debt + Lease Liabilities – Cash & Cash Equivalents

# Resilient Q1 2026 Performance despite Seasonal Impact



## Revenue moderation due to seasonality

- Net revenue decline -6.4% QoQ
- Reflects current operating environment
- Seasonal factors (Ramadan, extended Eid Al-Fitr holidays)



## EBITDA impacted by one-offs & seasonality

- EBITDA -59.7% QoQ; margin at 18.2% (-24.1pp)
- AED 60.6 million one-off gain on sale of land contribution to the Al Wadi Real Estate Fund in Q4 2025
- Seasonality
- ECL provision recorded in Q1 2026

\* Includes a AED 60.6 million one-off gain on sale of land contribution to the Al Wadi Real Estate Fund

# Strengthened Balance Sheet and Improved Liquidity

**1.7x**

Net Debt / EBITDA

▼ 0.9x YoY



**53%**

Debt / Equity

20.9pp YoY ▼



**107**

Receivables Days

vs 95.4 days in Q1 2025



**102.1\***

Payables Days

vs 93.2\* days in Q1 2025



## Q1 2026 Highlights



- Leverage decreased YoY to **1.7x from 2.6x**



- Outstanding debt **-17.4% YoY**
- Debt to equity reduced YoY to **53% from 74%**
- Cash and cash equivalents **+66.6% YoY**



- Receivables days increased to **107 days**
- Reconciliation delay with some insurance company providers



- Payables days increased to **102.1 days**
- Disciplined working capital management



- Capital expenditures totaled **₹13.8 million**
- Continued investment in network expansion

\*: Days Payables Outstanding (DPO) formula has been adjusted to = average trade payables / (cost of medicines + operating room supplies + food) \* number of days in the period

# Outlook



# FY 2026 Guidance

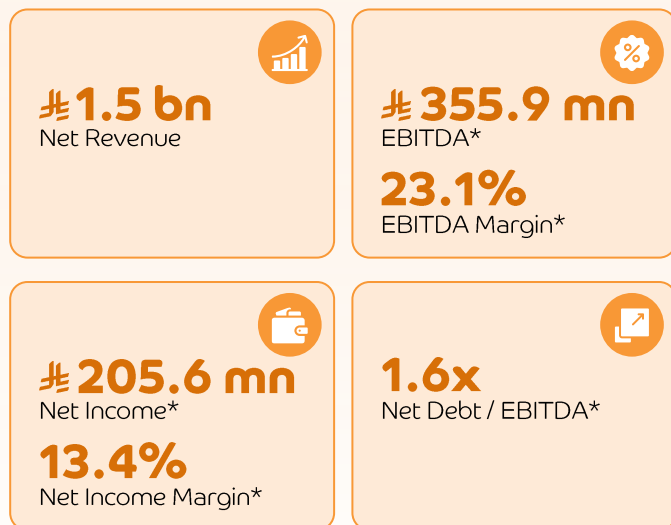


**SMC's 2026 outlook (pre-March) following strong financial results and sustained strategic execution in a transitional year.**

## FY 2025 Actual

### Results

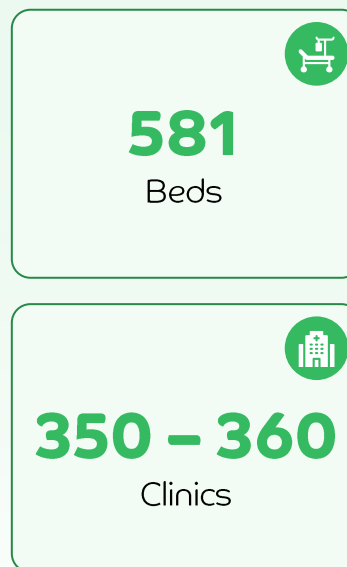
(excluding ₪60.6 million one-off gain)



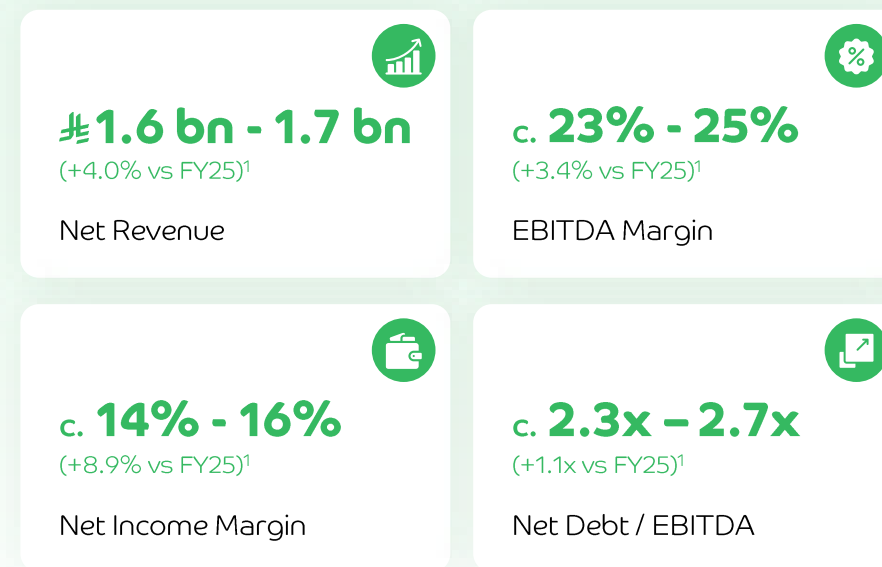
\* EBITDA and net profit figures for FY 2025 exclude a ₪60.6 million one-off gain from the sale of land related to the Al Wadi Real Estate Fund.

## FY 2026 Guidance (Pre-March 2026)

### Operations



### Financials



1: Change is calculated based on the lower end of FY 2026 guidance and FY 2025 figures excluding the ₪60.6 million one-off gain recorded in Q4 2025



Thank You



# Q&A

# Appendix



# Creating Value for Shareholders



**₪80M**

Cash dividend



**₪0.32**

Dividend per share

## Shareholder Returns and Dividend Distribution



SMC Board of Directors recommended the distribution of an **₪80 million ordinary cash dividend for the financial year 2025**, representing the first ordinary dividend since the Company's listing



A **₪200 million special one-time cash** dividend was approved and distributed to shareholders on January 15th, 2026



Leverage expected to remain below long-term guidance of 3x  
**Net Debt / LTM EBITDA: 1.7x**

# SMC at a Glance – As of Q1 2026



**2**  
Hospitals

**1**  
Polyclinic



**586**  
Inpatient Beds



**337**  
Outpatient Clinics



**₹ 380.7 mn**  
Net Revenue<sup>1</sup>



**₹ 69.3 mn**  
EBITDA



**₹ 32.5 mn**  
Net Profit



## Accreditations



nphies



المركز السعودي لزراعة الأعضاء  
Saudi Center for Organ Transplantation



American Heart Association



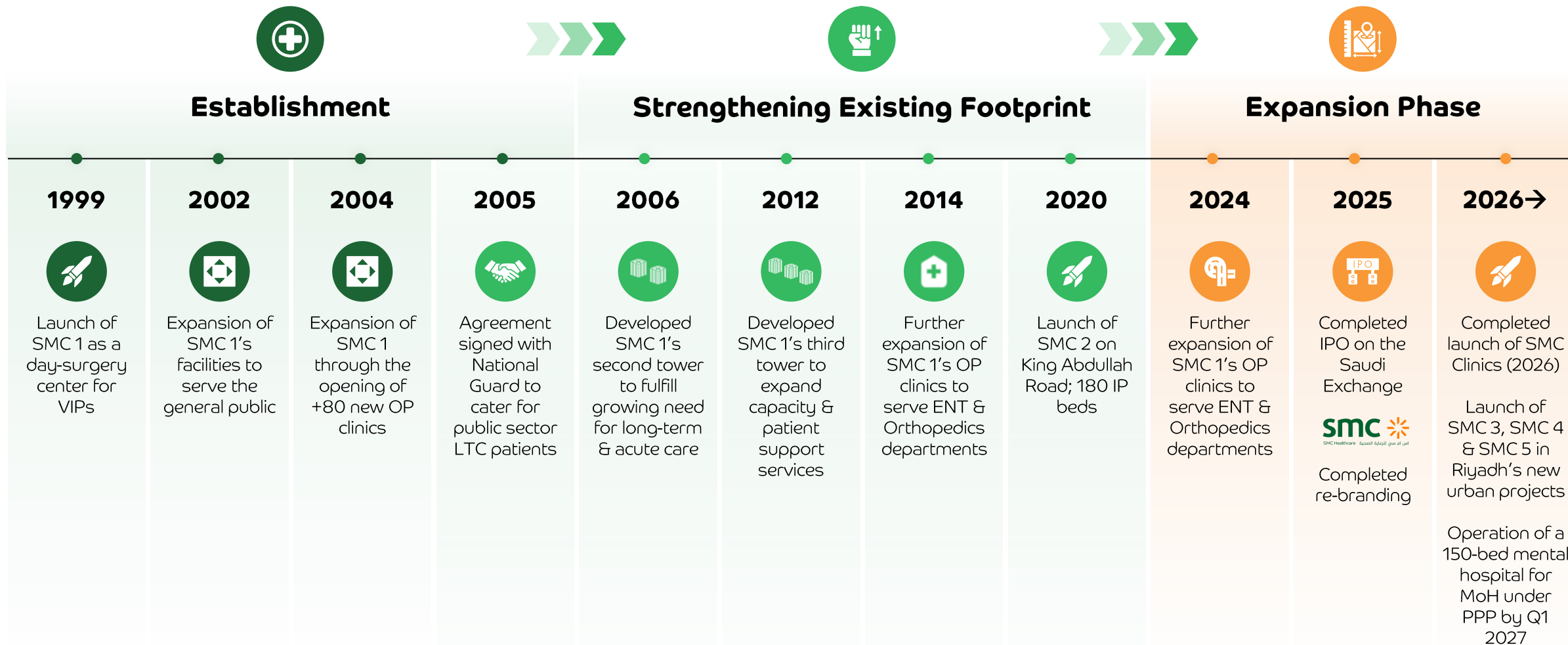
الهيئة السعودية للتخصصات الصحية  
Saudi Commission for Health Specialties



Association for the Advancement of Blood & Biotherapies

1: Calculated as gross revenue minus contractual obligations & NPHIES

# Through Two Decades of Growth, SMC Has Emerged as a Regional Healthcare Powerhouse



# SMC 1 is Our Inaugural Hospital, Centrally Located In Riyadh, and Serving as Our Hub since 1999

+26 Years



## King Fahad Road



### Established

1999



### Facilities




72,788 sqm on  
9,579 sqm of land



### Capacity

- 191 Beds
- 116 Clinics
- 7 Operating rooms
- 9 Delivery rooms

## Key Highlights








-  Serves as **the hub** for SMC
-  Centrally located in Riyadh
-  Positioned at the crossroads of South, West, and Central Riyadh

## Key Services

-  Women's Health
-  Cosmetic Surgeries
-  Intensive Care Units
-  Advanced Radiology
-  Day Surgeries
-  24/7 Emergency Units
-  Molecular & Virology Labs

## Key Stats

Q1 2026

-  **206.2K**  
Clinic patients
-  **24.8K**  
Emergency cases
-  **52.2K**  
Radiology procedures
-  **30.6K**  
Inpatients
-  **3.9K**  
Surgeries
-  **575**  
Deliveries
-  **292.6K**  
Lab tests

# SMC Expanded Capacity with the Launch of Our Second Hospital in 2020, Delivering Enhanced Efficiency and Patient Experience

+5 Years



## King Fahad Road



**Established**  
2020







**Facilities**  
72,788 sqm on  
9,579 sqm of land



**Capacity**

- 191 Beds
- 116 Clinics
- 7 Operating rooms
- 9 Delivery rooms

### Key Highlights








-  **Outpatient-oriented** and a relatively newer facility, higher efficiency
-  **The only facility in KSA launched during COVID-19, demonstrating ARTAR's capabilities** to deliver on time and at no additional cost
-  Prime location at **East of Central Riyadh**
-  **Enhanced patient experience** with over four floors of parking spaces

### Key Services

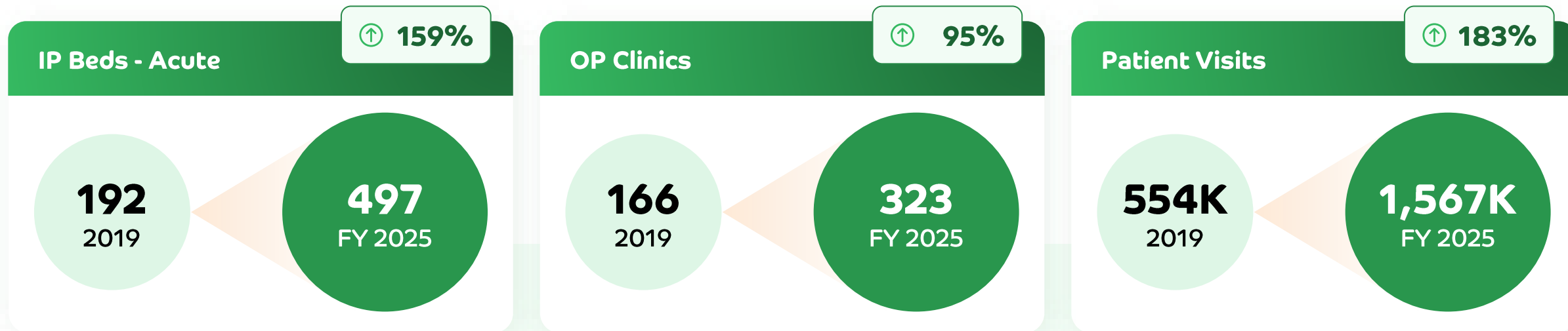
-  Women's Health
-  Cosmetic Surgeries
-  Intensive Care Units
-  Advanced Radiology
-  Day Surgeries
-  24/7 Emergency Units
-  Molecular & Virology Labs

### Key Stats

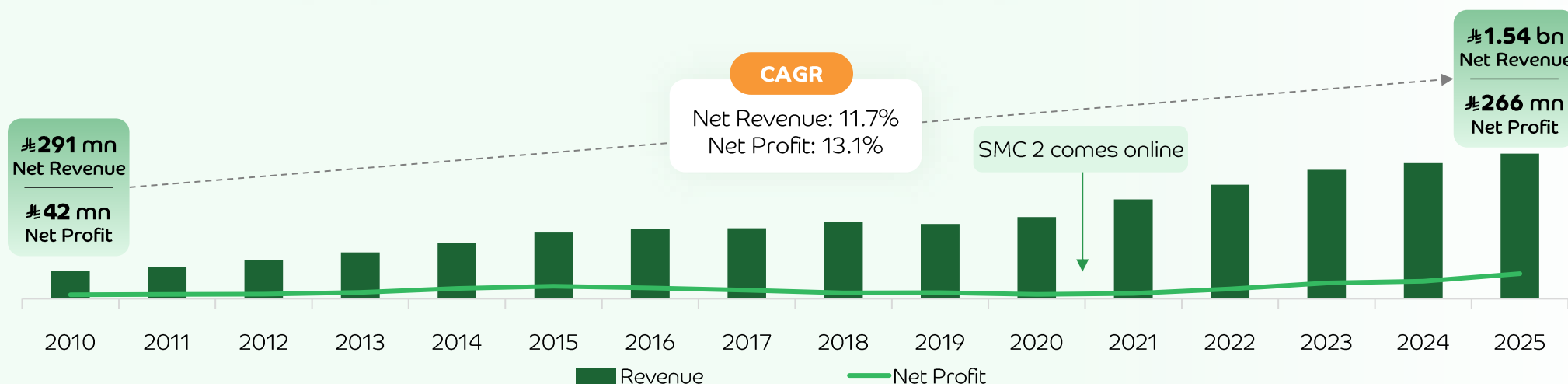
Q1 2026

-  **134.8K**  
Clinic patients
-  **33.6K**  
Emergency cases
-  **34.9K**  
Radiology procedures
-  **13.7K**  
Inpatients
-  **2.4K**  
Surgeries
-  **799**  
Deliveries
-  **185.1K**  
Lab tests

# SMC Has a Proven Track Record of Delivering Exceptional Healthcare with Consistent Growth and Profitability



## Stable Net Revenue and Profitability Growth



# Key Investment Highlights



**Robust Macro Environment and Favorable Demographics**  
 Supported by KSA's Vision 2030



**Strong Roots in Riyadh**  
 Driving Unmatched Accessibility and Cementing Market Position



**Comprehensive Services** Covering the Entire Healthcare Value Chain



**Team of Top-Tier Healthcare Professionals and a Seamless Patient Experience**  
 Enabled by Advanced Tech Capabilities



**Long-Serving and Distinguished Team**  
 Supported by a Reputed Board of Directors



**Consistently Improving Financial Performance;**  
 Growing Revenues, Expanding Margins and a Healthy Balance Sheet



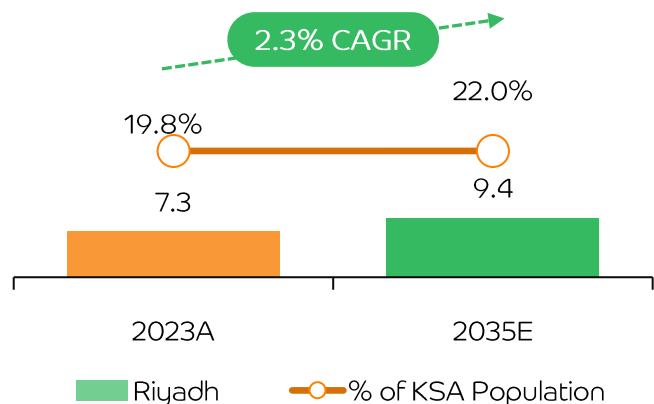
**Clearly Defined & Actionable Growth Plans**  
 Set to Solidify Market Presence

# Scaling a Resilient Healthcare Platform by Digitizing the Core, Lifting Margins, Adding Capacity and Monetizing Adjacencies

STRATEGIC PILLAR	Operational excellence & digital reach	Outpatient clinics growth & margin optimization via service-mix	Expand Riyadh hospital cluster	Diversified growth adjacencies
OBJECTIVE	<ul style="list-style-type: none"> <li>Embed best-in-class Revenue-Cycle Management (RCM) spanning the full claim life-cycle</li> <li>Embed DRG-based pricing, mapped to ACHI codes</li> <li>SMC platform app &amp; AI triage roll-out optimization</li> <li>Broader insurance-network accreditation to capture additional tiers and network payers</li> </ul>	<ul style="list-style-type: none"> <li>Convert under-utilized LTC floors in SMC 1 and SMC 2 into 57 new clinics</li> <li>Shift inpatient mix towards high-margin acute specialties</li> <li>Maximize clinic productivity through optimized working hours &amp; technology integration</li> </ul>	<ul style="list-style-type: none"> <li>Build three new hospitals in Northern Riyadh (SMC 3, 4, 5)</li> <li>Capture +25% share of beds in fast-growing districts near giga projects</li> </ul>	<ul style="list-style-type: none"> <li>Add capex-light, high-return opportunities that deepen payer mix and generate stable fee income</li> <li>Develop value-add offerings complimenting the core</li> </ul>
ACTION	<ul style="list-style-type: none"> <li><b>1.6 million</b> patient visits in FY 2025</li> <li><b>AI-powered</b> radiology image marking, clinical recommendations, interpretation of lab results, and automated replies to insurance companies</li> </ul>	<ul style="list-style-type: none"> <li><b>57 new clinics</b> operational by FY25. OP visit per clinic ramping up</li> <li>Total number of clinics operational <b>by December 2025 reaching 323</b></li> <li>Acute specialties' share of IP revenue <b>rising</b></li> </ul>	<ul style="list-style-type: none"> <li><b>SMC 3 under construction</b> (296 beds / 200 clinics)</li> <li><b>Launched Al Malqa Polyclinic</b> (35 clinics)</li> <li><b>SMC 4 site secured; design in final stages</b> (201 beds / 120 clinics)</li> <li><b>SMC 5 land acquisition</b> expected in 2026</li> </ul>	<ul style="list-style-type: none"> <li>Operate <b>150-bed mental health Facility</b> for MoH under PPP</li> <li><b>Operations start 2027</b></li> <li><b>Wadi Fund 5-star hotel &amp; Serviced apartments</b> beside SMC 3</li> <li><b>Opening 2028</b></li> </ul>
ENABLERS	<ul style="list-style-type: none"> <li><b>Disciplined Funding</b> <ul style="list-style-type: none"> <li>₹3.6 bn facilities, ~80% undrawn</li> <li>Net Debt / EBITDA &lt;3x</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li><b>Proven Delivery Partner</b> <ul style="list-style-type: none"> <li>ARTAR built SMC 2 ahead of schedule</li> <li>Breakeven in 30 months</li> </ul> </li> </ul>	

# Riyadh Is the Backbone of KSA's Healthcare Infrastructure

## Largest Share of the Population in KSA



Source: JLL Market Study; Public Sources.

## Private Sector Outpatient<sup>1</sup> and Inpatient Activity Outpacing Public Sector Growth

### # of Outpatient<sup>1</sup> Visits (mn)

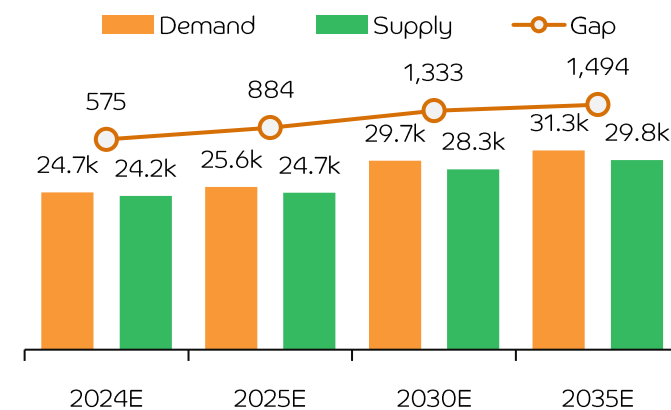


### # of Inpatient Admissions (000's)



Source: Management Information; JLL Market Study; Public Sources.

## Despite Ongoing Expansion, Riyadh's Hospital Bed Shortage Is Projected to Widen as Demand Outpaces Supply<sup>(1)</sup>



Source: Company Information; JLL Market Study; Public Sources | Notes: (1) The demand and supply figures presented refer to the Riyadh Province as a whole, not just the city of Riyadh alone.



North Riyadh Master Plan

## Riyadh's urban core is shifting northward

- Riyadh's urban core is steadily shifting northward, driven by major developments reshaping the city's landscape
- These transformative projects are redefining the city center and positioning the northern districts as key hubs for economic and cultural growth

+1.25 mn  
Expected Residents

7.2 mn  
Sqm of Entertainment Space

\$2.1 bn  
Investment in Major Road

+15  
Government and Service Entities Coming Online

1: Only refers to outpatient clinic patient visits