



## Middle East Healthcare Company “MEAHCO”

### Earnings Release

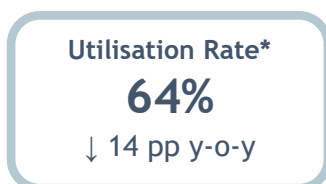
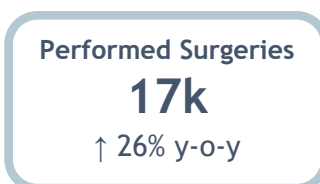
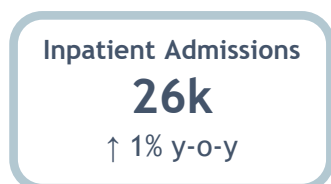
#### 3Q 2025 Financial Highlights



#### 9M 2025 Financial Highlights



#### 3Q 2025 Operational Highlights



Jeddah, Saudi Arabia, 2 November 2025

Middle East Healthcare Company (MEAHCO), Saudi Arabia’s most geographically diversified healthcare player, reported today its consolidated financial results for 3Q 2025, ending 30 September 2025.

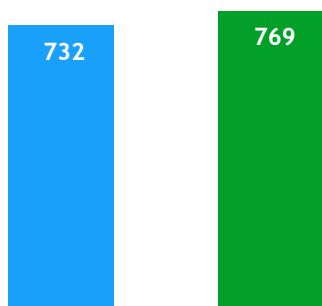
### Key highlights

- **Consolidated revenue** grew by 5% y-o-y to SAR 769 million in 3Q 2025
- **Total number of served patients** reached 682k patients across the Group’s network of hospitals in 3Q 2025, with an increase of 12% vs. the comparable quarter last year
- **Insurance contribution to total revenue** stood at 52%, followed by Ministry of Health at 31%, cash at 14% and others at 3%
- **SGH Jeddah** joined its fellow SGH Riyadh and SGH Asser branches as **Magnet accredited** by ANCC. Magnet status is the most prestigious international designation for nursing excellence
- **EBITDA** declined by 12% y-o-y to SAR 150 million in 3Q 2025, implying an **EBITDA margin** of 19.5%. **Net profit after zakat and minority interest** amounted to SAR 40 million in 3Q 2025
- **SAJB Medical Hospital**, a 22.4%-owned subsidiary by SGH, obtained the final license from MoH and commenced trial operations on 15 September 2025

\* Inpatient utilisation rate based on number of operational beds



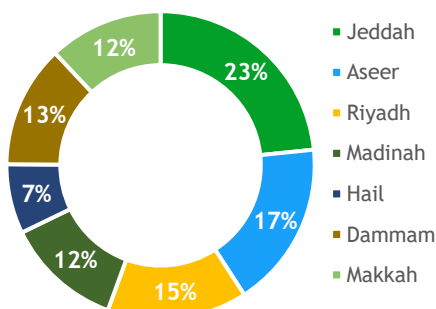
Consolidated Revenue  
SAR mn



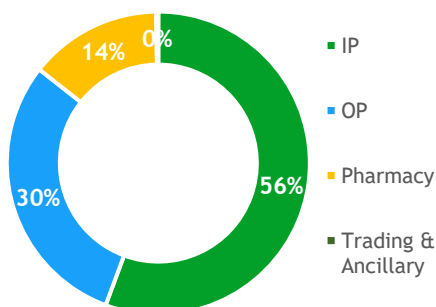
3Q 2024

3Q 2025

Revenue by Region\*  
3Q 2025



Revenue by Segment  
3Q 2025



\* Jeddah includes Management Fees

## Financial Performance

(In SAR mn)	3Q25	3Q24 - Restated	Y-o-Y	9M25	9M24 - Restated	Y-o-Y
Revenue	769	732	5%	2,294	2,134	7%
CoGS	(485)	(439)		(1,418)	(1,302)	
Gross Profit	284	293	(3%)	876	832	5%
GP Margin	36.9%	40.0%		38.2%	39.0%	
Oper. Profit	87	116	(25%)	300	339	(11%)
Oper. Margin	11.4%	15.8%		13.1%	15.9%	
Net Profit	40	64	(37%)	264	171	55%
NPM	5.2%	8.7%		11.5%	8.0%	

Middle East Healthcare Company (MEAHCO) reported total revenues of SAR 769 million for the third quarter of 2025, representing a solid 5% year-on-year (Y-o-Y) increase. This performance reflects MEAHCO's resilient operating model and its ability to leverage its diversified footprint to mitigate challenges across select markets.

Revenue growth during the quarter was primarily driven by higher patient volumes and an improved average revenue per stay, supported by the Group's strategic focus on expanding subspecialty services. All regions delivered Y-o-Y revenue growth except Jeddah, which recorded a modest single-digit decline. Makkah, Dammam, and Hail remained the key growth drivers for the third consecutive quarter, benefiting from recently commissioned capacity and continued organic expansion across core service lines.

The Group's inpatient census increased by 1% Y-o-Y to 26k patients, while outpatient visits rose by a notable 13% Y-o-Y to 655k patients. Inpatient revenue grew 4% Y-o-Y to SAR 428 million, supported by stable volumes and an improvement in average revenue per stay. Conversely, outpatient revenue increased 5% Y-o-Y to SAR 230 million, reflecting a slight decline in the average charge per visit.

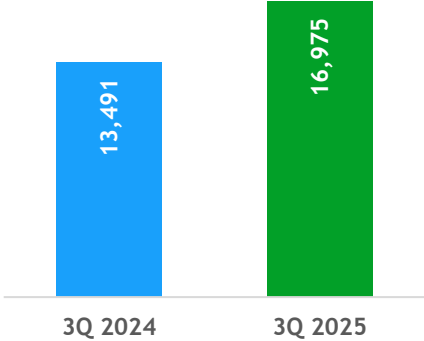
MEAHCO's payer mix remained stable, with the insurance segment accounting for 52% of total revenue, followed by the Ministry of Health (MoH) at 31%, and cash patients at 14%. Insurance revenue grew 3% Y-o-Y, maintaining its position as the Group's primary revenue stream.

Collections from the MoH and select insurance companies improved significantly, strengthening liquidity and enhancing overall cash generation. As a result, the Group achieved a notable improvement in its cash conversion cycle, reducing it to 181 days in 9M 2025 from 194 days in FY 2024.

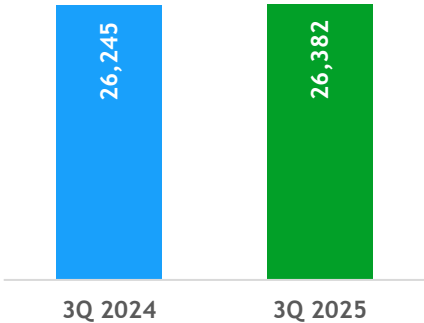


### Operational Performance

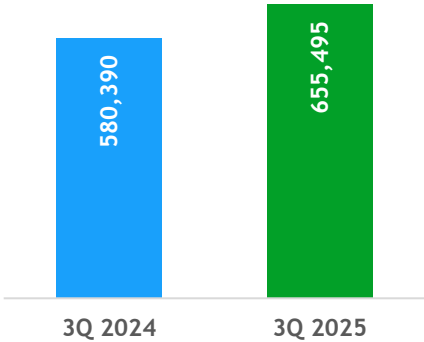
Performed Surgeries



Number of Inpatients



Number of Outpatients



The Group delivered another quarter of solid operational results in 3Q 2025, underpinned by the strength and resilience of its diversified geographic footprint. Despite intensifying competition across key markets, MEAHCO achieved positive patient volume growth at the consolidated level, with strong performances in core regions offsetting softer trends in select locations.

During the quarter, MEAHCO served a total of 682k patients across its hospital network, representing a 12% Y-o-Y increase. The number of surgeries performed surged by 26% Y-o-Y to 17k procedures, reflecting continued demand momentum across key service lines.

Group-wide utilization levels declined marginally due to the addition of new bed capacity following recent expansions. The total number of operational beds reached 1.6k, up from 1.4k in the comparable quarter, supported by approximately 600 clinics across the portfolio. Inpatient and outpatient occupancy rates stood at 64% and 80%, respectively, with a blended average length of stay (ALOS) of approximately 3.4 nights.

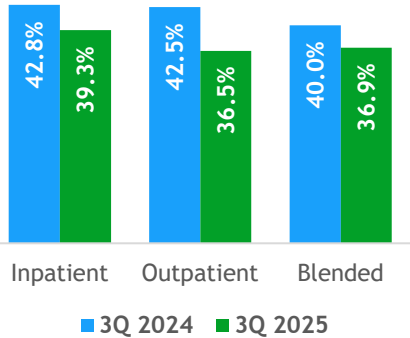
Building on robust underlying demand in the Eastern Province, SGH Dammam launched 21 new clinics specializing in advanced medical services in July 2025, in line with the Group’s strategy to strengthen its subspecialty offering. Earlier in the year, SGH Dammam received final regulatory approval from the MoH to expand its licensed bed capacity from 150 to 300 beds, marking an important milestone in the Group’s capacity enhancement initiatives.

Inpatient volumes increased 1% Y-o-Y to 26k patients, supported by strong growth in the insurance segment, which offset a marginal decline in cash patients at the Group level. Makkah, Aseer, and Dammam were the main contributors to inpatient growth, aided by the ramp-up of newly added capacity and strong regional demand.

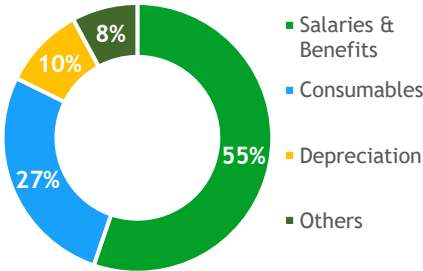
Outpatient visits rose 13% Y-o-Y to 655k, driven by robust performance in the cash segment. The average charge per outpatient visit declined 7% Y-o-Y, primarily due to case mix variations and promotional activities. Makkah led outpatient revenue growth, followed by Riyadh and Aseer, both of which delivered meaningful contributions to overall outpatient performance



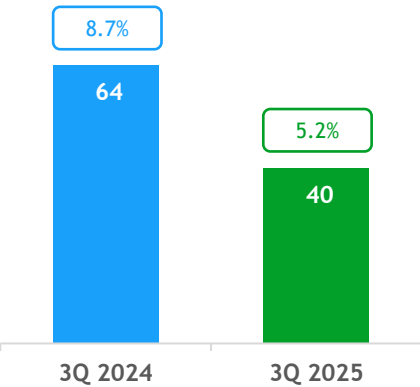
### Gross Profit Margin



### CoGS Breakdown 3Q 2025



### Net Profit (SAR mn, % margin)



## Profitability

The Group reported a consolidated gross profit of SAR 284 million for Q3 2025, representing a 3% Y-o-Y decline. The gross profit margin stood at 36.9%, reflecting a modest contraction of approximately three percentage points compared to the same period last year.

The increase in operating expenses was in line with management’s strategy to strengthen the Group’s focus on subspecialty services, which necessitated the recruitment of highly qualified physicians across multiple departments. Additionally, overheads associated with recently commissioned capacity in Dammam contributed to the higher cost base. These strategic investments are expected to support margin improvement and higher average revenue per patient over the medium to long term as operations scale.

By segment, inpatient (IP) gross margin stood at 39.3%, compared to 42.8% in Q3 2024, while outpatient (OP) gross margin contracted to 36.5%, down from 42.5% in the prior-year period. The margin compression primarily reflects the impact of new physician hires, temporary service mix fluctuations, and higher depreciation expenses associated with capacity expansion.

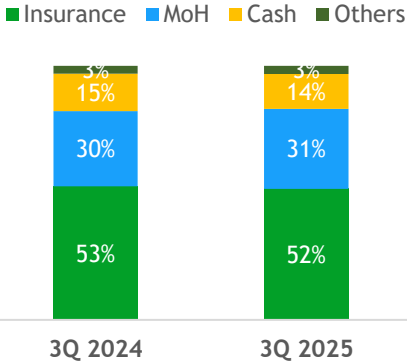
The cost structure remained broadly consistent with historical trends, with salaries and benefits representing 55%, while growing 11% Y-o-Y, and medical consumables accounting for 27% of total costs. The Group recorded an EBITDA of SAR 150 million in 3Q 2025, down 12% Y-o-Y, partially pressured by the implementation of NPHIES on MoH invoices effective April 2025, resulting in an EBITDA margin of 19.5%.

Net finance costs, including prior years’ zakat-related and hedging payments, were broadly flat Y-o-Y at SAR 48 million. In 2024, MEAHCO reached a long-term settlement agreement with the Zakat, Tax and Customs Authority (ZATCA) to resolve historical zakat and withholding tax differences for the years 2015-2020. Under the agreement, payments are to be made over 12 years in 48 equal installments. A SAR 45 million gain arising from the fair value remeasurement of this liability was recognized in Q4 2024 and is being amortized over the payment period as part of finance costs.

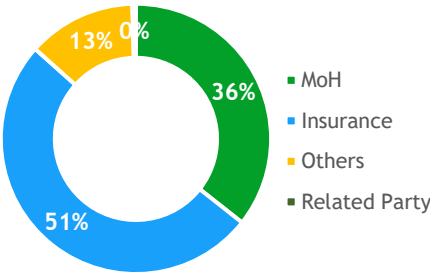
The Group also recorded a share of loss from associate amounting to SAR 2 million, related to its 22.4% investment in SAJB Medical Hospital, which commenced operations in mid-September 2025. As a result, net profit after zakat and minority interest amounted to SAR 40 million in 3Q 2025, compared to SAR 64 million in the corresponding period last year, translating to a net profit margin of 5.2%.



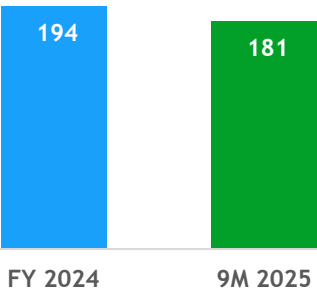
### Revenue by Clientele



### Receivables by Clientele 9M 2025



### Cash Conversion Cycle Days on Hand (DoH)



## Cash Management

As of September 2025, MEAHCO’s outstanding receivables stood at SAR 1.9 billion, reflecting a notable 4% reduction compared to December 2024, despite continued business growth. This improvement was driven by sustained progress in collection efforts, particularly from the MoH and select insurance clients.

The Group’s cash conversion cycle improved meaningfully to 181 days in 9M 2025, compared to 194 days for FY 2024, primarily supported by improved receivables turnover. The composition of receivables also shifted favorably, with the insurance segment decreasing to 51% of total receivables (from 63% at year-end 2024), while the MoH segment increased to approximately 36%.

This strengthened receivables position highlights management’s ongoing commitment to enhancing balance sheet quality through an optimized payer mix and continued refinement of revenue cycle management processes.

On the revenue side, the insurance segment remained the largest contributor, accounting for 52% of total revenues in Q3 2025, representing a 3% Y-o-Y increase. MoH-related revenues delivered robust 12% Y-o-Y growth, increasing their share to 31% of total revenues, while the cash segment declined slightly, contributing approximately 14%.

Net debt, including Sukuk, declined by 4% to SAR 2.3 billion as of September 2025, reflecting stronger cash collections and improved operational efficiency. Consequently, the net debt-to-equity ratio improved to 1.2x, compared to 1.4x at year-end 2024, underscoring enhanced financial flexibility and balance sheet strength.

Capital expenditures (CapEx) for the first nine months of 2025 totaled SAR 361 million, primarily directed toward the development of a new medical tower in Jeddah and renovation works across MEAHCO’s hospital network. A major SAR 400 million brownfield expansion is currently underway at Saudi German Hospital Jeddah, the Group’s flagship facility established in 1988. The project includes the construction of a new medical tower, which will add 194 beds and 22 outpatient clinics, effectively doubling the hospital’s capacity upon completion.



### Latest Developments



MEAHCO continued to demonstrate best-in-class strategic and operational progress across its core pillars, further enhancing service quality, strengthening brand equity under the Saudi German Health (SGH) umbrella, and supporting long-term patient retention.



A major milestone during the period was the expansion of MEAHCO's collaboration with the prestigious Mayo Clinic healthcare network, extending the partnership to include Dammam and Jeddah, in addition to Riyadh. Through this expanded agreement, SGH becomes the exclusive Mayo Clinic partner in these key markets, positioning it as the largest member of the Mayo Clinic Care Network in the GCC region. This collaboration will enable the Group to provide world-class medical expertise within the Kingdom, allowing patients to access advanced medical consultations without the need to travel abroad. It will also facilitate knowledge sharing between SGH and Mayo Clinic specialists for complex medical cases and support joint clinical programs, research, and trials, reinforcing SGH's leadership in advanced healthcare delivery.



The Group also achieved a pioneering milestone in nursing excellence, as Saudi German Hospital Aseer, Riyadh, and Jeddah—the latter with distinction—earned the prestigious Magnet designation, the world's highest international recognition for nursing excellence. This distinction places SGH among the top 10% of hospitals globally and marks SGH Jeddah as the first and only hospital outside the United States to receive this honor, underscoring the Group's unwavering commitment to clinical excellence and patient-centered care.



Sobhi Abdul Jalil Batterjee Medical Hospital (SAJB Medical Hospital)—a 22.4%-owned subsidiary—received its final operating license from the MoH and commenced trial operations on 15 September 2025. Located in the Al-Rehab district of Jeddah, the hospital features 70 outpatient clinics and an initial licensed capacity of 200 beds, enhancing MEAHCO's footprint and service capabilities in the Western Region.



On 23 July 2025, the company distributed a cash dividend of SAR 46 million for the fiscal year ended 31 December 2024, equating to a dividend of SAR 0.50 per share and represents a payout ratio of approximately 16%, entitled to shareholders as of 8 July 2025.





### Financial Statements

#### Income Statement

(In SAR mn)	3Q 2025	3Q 2024 Restated	Y-o-Y	9M 2025	9M 2024 Restated	Y-o-Y
Revenue	769	732	5%	2,294	2,134	7%
Cost of Revenue	(485)	(439)		(1,418)	(1,302)	
Gross Profit	284	293	(3%)	876	832	5%
<i>Gross Profit Margin</i>	<i>36.9%</i>	<i>40.0%</i>		<i>38.2%</i>	<i>39.0%</i>	
Selling & marketing Expenses	(25)	(18)		(68)	(53)	
General & Admin Expenses	(172)	(159)		(508)	(440)	
Operating Profit	87	116	(25%)	300	339	(11%)
<i>Operating Profit Margin</i>	<i>11.4%</i>	<i>15.8%</i>		<i>13.1%</i>	<i>15.9%</i>	
Share of Loss from Associate	(2)	0		(3)	0	
Other Income	15	8		144	33	
Finance Cost	(48)	(47)		(151)	(175)	
Profit before Zakat	52	77	(33%)	291	197	48%
Zakat	(9)	(11)		(19)	(25)	
Net Profit	43	66	(35%)	272	172	58%
<i>Net Profit Margin</i>	<i>5.6%</i>	<i>9.0%</i>		<i>11.9%</i>	<i>8.1%</i>	
<i>Distributed as:</i>						
Parent Company	40	64	(37%)	264	171	55%
Non-Controlling Interest	3	2		8	1	



### Financial Statements

#### Balance Sheet

<i>(In SAR mn)</i>	Sep 2025	Dec 2024
Property and Equipment	2,945	2,767
Right of Use Assets	89	80
Intangible Assets	48	44
Investment in Subsidiary / Associated Company	67	60
<b>Total Non-Current Assets</b>	<b>3,149</b>	<b>2,952</b>
Inventories	71	66
Account Receivable	1,867	1,946
Prepayments and Others	118	108
Cash and Bank Balances	70	52
<b>Total Current Assets</b>	<b>2,126</b>	<b>2,173</b>
<b>Total Assets</b>	<b>5,275</b>	<b>5,125</b>
Share Capital	920	920
Statutory & FX Reserves	226	228
Retained Earnings	696	478
<b>Equity Attributable to Shareholders</b>	<b>1,843</b>	<b>1,626</b>
Non-Controlling Interests	56	48
<b>Total Equity</b>	<b>1,899</b>	<b>1,674</b>
Term Loans	552	753
Lease Obligations	76	71
Sukuk	991	989
Other Financial Liability	93	98
Derivative Financial Instruments	17	26
Deferred Income	7	8
Employees' End of Service Benefits	257	244
<b>Total Non-Current Liabilities</b>	<b>1,992</b>	<b>2,189</b>
Short-Term Borrowings	762	640
Other Non-Current Liabilities	6	6
Lease Obligations	12	12
Accounts Payable	292	322
Accrued Expenses and Others	288	256
Zakat Payable	24	26
<b>Total Current Liabilities</b>	<b>1,384</b>	<b>1,262</b>
<b>Total Liabilities</b>	<b>3,376</b>	<b>3,451</b>
<b>Total Liabilities and Equity</b>	<b>5,275</b>	<b>5,125</b>



### Financial Statements

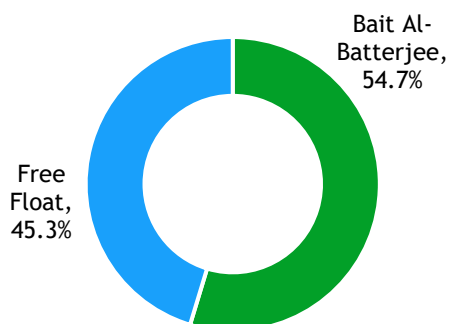
#### Cash Flow

(In SAR mn)

	9M 2025	9M 2024
<b>Cash Flows From Operating Activities</b>		
<b>Profit before Zakat</b>	<b>291</b>	<b>197</b>
Depreciation	157	137
Amortization of Intangible Assets	9	8
Depreciation of Right of Use Assets	15	14
Allowance for Expected Credit Losses	0	(33)
Unwinding Impact of Other Financial Liabilities	5	0
Provisions for Slow Moving and Obsolete Inventories	(1)	3
Amortization of Deferred Income	(1)	(1)
Finance Charges Related to Lease Obligations	5	6
Finance Charges Related to Borrowings	141	169
(Gain)/Loss On Derivative Financial Instruments	(9)	4
(Gain)/Loss on Investment in Subsidiary/Associates	3	0
(Gain)/Loss on Disposal of Property & Equipment	(115)	(19)
Provisions for Employees' End of Service Benefits	37	37
<b>Operating Cash before Changes in Working Capital</b>	<b>538</b>	<b>521</b>
Accounts Receivable	79	403
Inventories	(3)	1
Prepayments & Other Current Assets	(8)	(9)
Accounts Payable	(35)	(192)
Accrued Expenses & Other Current Liabilities	21	(42)
Other Financial Liabilities	(10)	(6)
<b>Cash Flow from Operating Activities</b>	<b>583</b>	<b>676</b>
Employees' End of Service Paid	(24)	(20)
Zakat Paid	(21)	(18)
<b>Net Cash Flow from Operating Activities</b>	<b>537</b>	<b>638</b>
<b>Cash Flow from Investing Activities</b>		
Additions to Property & Equipment & Intangible Assets, Net	(361)	(405)
Proceeds from Disposal of Property & Equipment	139	21
Investment in An Associate	(9)	(51)
<b>Net Cash Flow from Investing Activities</b>	<b>(230)</b>	<b>(435)</b>
<b>Cash Flow from Financing Activities</b>		
Lease Obligations, Net	(35)	(24)
Loans and Borrowings, Net	(83)	(20)
Dividend Paid	(46)	0
Financial Charges Paid	(125)	(154)
<b>Net Cash Flow from Financing Activities</b>	<b>(289)</b>	<b>(198)</b>
<b>Net Change in Cash and Cash Equivalent</b>	<b>18</b>	<b>5</b>
Cash and Cash Equivalent at the Beginning of the Period	52	44
<b>Cash and Cash Equivalent at the End of the Period</b>	<b>70</b>	<b>50</b>



### Shareholder Structure



### Share Information

Reuters / Bloomberg
2009.SE / MEH AB

Shares Outstanding
92,040,000

Free Float
45.3%

### About Middle East Healthcare Company

Middle East Healthcare Company, publicly known as Saudi German Health, is a leading healthcare provider in Saudi Arabia with operations spanning across seven cities in the Kingdom. Building on a long family legacy as medical pioneers in the Kingdom, Saudi German Health was founded by the Batterjee family c.35 years ago to relieve people's suffering and have a positive impact on their health.

In 1988, Eng. Sobhi Batterjee, Chairman of Saudi German Health, and Dr. Khalid Batterjee, Vice President of Saudi German Health, established the first hospital in Jeddah and collaborated with German University Hospitals to bring advanced German healthcare standards and expertise to the local community for the first time in the Kingdom of Saudi Arabia. These associations inspired the 'German' in our name.

Since then, MEAHCO has been expanding and growing its presence organically on firm footing. MEHACO is the most geographically diverse healthcare player in Saudi Arabia with a comprehensive network of 8 full-fledged hospitals in Jeddah, Aseer, Riyadh, Madinah, Hail, Dammam, and Makkah, enabling it to access ~90% of the Kingdom's population.

The Group has a total licensed capacity of c.1.8k beds and operational capacity of c.1.6k beds.

Learn more at: [www.saudigermanhealth.com](http://www.saudigermanhealth.com)

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### Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as “according to estimates”, “aims”, “anticipates”, “assumes”, “believes”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “should”, “to the knowledge of”, “will”, “would” or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Company.

Forward-looking statements reflect the current views of the Company’s management (“Management”) on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Company’s actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Company’s business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this prospectus. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.