

## Pure Health Holding PJSC

**Current Price**  
AED 2.79

**Price Change**  
▲ 0.72%

**52 Week High (AED)**  
4.47

**52 Week Low (AED)**  
2.43

### 1Q25 Net profit lower than our estimate

- Pure Health's revenue grew 7.6% YOY to AED 6,581 Mn in 1Q25, fueled by rising patient volumes across the Hospital segment and higher renewals in the Insurance segment.
- Revenue from hospital and other related services increased 3.3% YOY to AED 4,571 Mn in 1Q25, driven by an increase in volume across the UAE and UK.
- Revenue from health insurance services increased 20.5% YOY to AED 1,782 Mn YOY in 1Q25, supported by a rise in renewal rate and expansion across under-penetrated areas and the launch of new products in the Northern Emirates.
- Revenue from procurement and supply of medical-related products increased 24.9% YOY to AED 123 Mn in 1Q25, supported by higher orders across group entities, effective category management, strengthening of the supplier network, and focus on delivering premier patient care delivery.
- Revenue from diagnostic services increased marginally 1.4% YOY to AED 70 Mn in 1Q25, owing to increased testing volumes and growth in external business revenue. However, revenue from Technology services and others fell 18.3% YOY to AED 35 Mn in 1Q25.
- Gross profit increased 7.3% YOY to AED 1,748 Mn in 1Q25, reflecting 9 bps YOY decline in gross margin to 26.6%.
- General & administrative expenses grew 7.4% YOY to AED 1,122 Mn in 1Q25, while selling and distribution expenses rose 74.3% YOY to AED 35 Mn.
- The Company reported 4.9% YOY growth in EBITDA to AED 1,133 Mn in 1Q25 with 45 bps YOY decline in EBITDA margin to 17.2%.
- Net finance costs grew from 8.7% to AED 214 Mn in 1Q25.
- The Company recorded a 2.9% YOY rise in net profit to AED 504 Mn in 1Q25 with a 35 bps YOY decline in net profit margin to 7.7%.

### Earnings Call Summary

- Pure Health has started integrating its recent acquisition and witnessed early gains in clinical quality, efficiency, and platform alignment.
- The group's outpatient visits increased 9% to 2.2 Mn while inpatient volumes grew 4% to more than 53,000.
- Approved dividend for the first time, amounting to 3.09 fils, equivalent to 20% of the group's net profit for the year 2024.
- Pure Health is exploring opportunities to expand across different regions, from its current operations in the UAE and UK.
- Expected to establish its presence in Europe by acquiring the Hellenic healthcare group. Pure Health has secured the initial clearances to proceed with additional regulatory reviews, which are currently underway.
- The growth across the healthcare segment is mainly driven by increased patient volumes across the UAE and UK in 1Q25. On the other hand, strong renewal rate and expansion into under-penetrated segments drove the performance across the Insurance segment.
- UAE outpatient volumes rose 11% YOY in 1Q25, while emergency visits increased 6% YOY. Moreover, inpatient volumes in the UAE rose 7% YOY in 1Q25, whereas bed occupancy stood strong at 72% in 1Q25, up from 69% in 1Q25.

- Ageing population and long NHS waiting list is led to a strong growth in Pure Health's patient volumes in the UK.
- Pure Health doubled the number of Mental Health hubs in 1Q25 opened two new outpatient clinics in UAE, with eight additional units scheduled to open in 2025.
- Insurance segment processed 14 Mn claims in 1Q25 and witnessed a 15% YOY increase in Gross Written Premium. Combined ratio improved to 90% in 1Q25 while solvency ratio stood at 151%.
- Insurance segment launched a new product in Northern Emirates and introduced international health coverage through a partnership with AXA.
- Aims a mid to high teens growth in revenue from 2025-29 with EBITDA Margin expected to stay in low 20s. Pure Health aims to generate c. 50% of their total revenue (excluding eliminations) from the international segment.

**Pure Health Holding PJSC**

(AED Mn)	1Q24	4Q24	1Q25	1Q25F	Var.	YOY Ch	QOQ Ch
Revenue	6,115	6,892	6,581	7,162	-8.1%	7.6%	-4.5%
Cost of sales	-4,486	-5,664	-4,833	-5,467	-11.6%	7.7%	-14.7%
<b>Gross Profit</b>	<b>1,629</b>	<b>1,228</b>	<b>1,748</b>	<b>1,695</b>	<b>3.1%</b>	<b>7.3%</b>	<b>42.3%</b>
G&A exp, including S&D exp	-1,065	-1,140	-1,156	-1,477	-21.7%	8.6%	1.5%
<b>EBITDA</b>	<b>1,081</b>	<b>993</b>	<b>1,133</b>	<b>1,372</b>	<b>-17.4%</b>	<b>4.9%</b>	<b>14.2%</b>
Net finance income	-197	-243	-214	-181	18.1%	8.7%	-11.9%
<b>Profit before tax</b>	<b>519</b>	<b>250</b>	<b>561</b>	<b>771</b>	<b>-27.2%</b>	<b>8.1%</b>	<b>NM</b>
Income tax expense	-28	30	-56	-69	-19.8%	96.5%	NM
<b>Net profit attributable to equity</b>	<b>490</b>	<b>279</b>	<b>504</b>	<b>700</b>	<b>-28.0%</b>	<b>2.9%</b>	<b>80.9%</b>

FABS estimate & Co Data

## Research Rating Methodology:

Rating	Upside/Downside potential
BUY	Higher than +15%
ACCUMULATE	Between +10% to +15%
HOLD	Lower than +10% to -5%
REDUCE	Between -5% to -15%
SELL	Lower than -15%

## FAB Securities Contacts:

### Research Analyst

Ahmad Banihani                      +971-2-6161629                      [ahmad.banihani@Bankfab.com](mailto:ahmad.banihani@Bankfab.com)

### Sales & Execution

Abu Dhabi Head Office

Trading Desk                      +971-2-6161700/1                      Online Trading Link  
    +971-2-6161777

Institutional Desk                      +971-4-4245765

## DISCLAIMER

This report has been prepared by FAB Securities (FABS), which is authorised by the UAE Securities and Commodities Authority, licensing registration number 604002, and is a member of the Abu Dhabi Securities Exchange and Dubai Financial Market. The information, opinions and materials contained in this report are provided for information purposes only and are not to be used, construed, or considered as an offer or the solicitation of an offer or recommendation to sell or to buy or to subscribe for any investment security or other financial instrument. The information, opinions and material in this report have been obtained and derived from publicly available information and other sources considered reliable without being independently verified for their accuracy or completeness. FABS gives no representation or warranty, express or implied, as to the accuracy and completeness of information and opinions expressed in this report. Opinions expressed are current as of the original publication date appearing on the report only and the information, including the opinions contained herein, are subject to change without notice. FABS is under no obligation to update this report. The investments referred to in this report might not be suitable for all recipients. Recipients should not base their investment decisions on this report and should make their own investigations, and obtain independent advice, as appropriate. Any loss or other consequences arising from the uses of material contained in this report shall be the sole and exclusive responsibility of the recipient and FABS accepts no liability for any such loss or consequence. The value of any investment could fall as well as rise and the investor may receive less than the original amount invested. Some investments mentioned in this report might not be liquid investments, which could be difficult to realise in cash. Some investments discussed in this report could be characterised by high level of volatility, which might result in loss. FABS owns the intellectual property rights and any other material contained in this report. No part of this report may be reproduced, utilised or modified in any form either in whole or in part or by any electronic, mechanical or other means, now known or hereafter invented, including photocopying and recording, or stored in any retrieval system without the prior consent of FABS in writing. While utmost care has been taken to ensure that the information provided is accurate and correct, neither FABS, nor its employees shall, in any way, be responsible for the contents. By accepting this document, the recipient agrees he/she has read the above disclaimer and to be bound by the foregoing limitations/restrictions.