

Amanat Holdings PJSC

Current Price	Target Price	Upside/Downside (%)	Rating
AED 1.19	AED 1.30	+9.24%	HOLD

2Q25 Net Profit in line with our estimate

- Revenue rose 13.5% YOY to AED 225 Mn in 2Q25, owing to the strong growth in the Education segment revenue, and further subdued growth in the Healthcare segment revenue.
- The total beneficiaries and student base grew 17% YoY to c. 23.9k in 1H25, driven by a strong growth in the international students coupled with HDC expansion. Students count at Middlesex University rose 18% YOY to 6.2k students, attributed to 40% YOY growth in international students, which now constitutes 45% of the student body. Number of beneficiaries at HDC rose 25% YOY to 6.4k with day centers students of 5.2k and school students of 1.2k in 1H25. The number of students at Abu Dhabi and Liwa University rose 13% YOY to 11.3k students in 1H25.
- Direct cost rose 18.1% YOY to AED 132 Mn in 2Q25.
- The Company's EBITDA increased 19.7% YOY to AED 89 Mn in 2Q25. Whereas, EBITDA margin grew from 37.3% in 2Q24 to 39.3% in 2Q25. The growth is driven by an increase in profit of the Education segment, partially offset by ramp-up costs in healthcare
- The Company's share of results in associate increased significantly from AED 12 Mn in 2Q24 to AED 18 Mn in 2Q25, driven by a rise in enrollment at NEMA.
- Finance income fell 39.3% YOY to AED 3 Mn in 2Q25, reflecting a lower cash balance and reduced market rates on fixed deposits.
- Amanat Holdings' net profit from continuing operations rose 17.6% YOY to AED 54 Mn in 2Q25, owing to strong growth in the Education Segment and higher contribution from associates, partially offset by a ramp-up in healthcare costs.
- The Company's cash balance declined from AED 521 Mn in 1Q25 to AED 371 Mn in 2Q25, primarily due to the repayment of the Al Malaki debt facility, capex related to the expansion project in KSA, dividend payment, partially offset by cash generated from operations and dividend receipt from associate.

Earnings Call Summary

- Healthcare segment strengthened its capacity through refurbishment and expansion, with Jeddah now operating 170 beds and receiving post-period approval for an additional 30 beds.
- Furthermore, Dharan received approval for 10 new beds, while 30 beds at Khobar are currently under licensing, positioning the company to meet growing patient demand.
- Education segment recorded strong growth, with international student enrollment at Middlesex growing 40% YoY and beneficiaries at HDC rose 25% YoY in 1H25
- Approved an expansion plan of more than SAR 100 Mn, and seven additional SEN facilities are under development.
- It signed an SPA to sell the North London Collegiate School real estate assets for AED 453 Mn, in line with its portfolio optimization strategy. Furthermore, the Company expects to complete the NLCS transaction by 3Q25.
- Healthcare business aims to achieve 700 operational beds by the end of 2025, to address a significant supply gap in the market.
- The company's healthcare strategy in the UAE focuses on expanding outpatient and home care services, diversifying into orthopedics and mental health, and exploring growth opportunities in Dubai and the Northern Emirates.
- Under PPP agreements, the company operates an additional 80 beds in the UAE through management contracts and continues to explore further agreements aligned with its strategic objectives.

- The company is actively evaluating bolt-on acquisitions in the UAE and Saudi Arabia for strategic alignment and better valuation.
- The company's strategic priorities in its education business focus on expansion in Saudi Arabia, with seven special education facilities under development, including two with the potential to provide residential capabilities.
- Additionally, it is also prioritizing higher education growth by increasing enrollments, particularly among international students, while expanding into the domestic UAE market
- Furthermore, the company is pursuing new growth initiatives, including 24/7 residential special needs services and geographic expansion across the GCC.
- The company's Middlesex University Dubai operations include launching the London Sports Institute, obtaining a UAE Ministry license, expanding the Dubai Knowledge Fund campus, and introducing a daytime MBA program.
- NEMA segment launched a new Al Ain campus for Liwa University and, post-period, acquired BizGroup, a leading provider of corporate training, digital learning, and team-building solutions.
- The company plans to expand its healthcare capacity with 30 additional beds in Jeddah, 10 in Dharan, and aims to license 100 of 150 beds at Khobar by the end of 2025.
- Additionally, Amanat's targets profit margins of 20–25% in Saudi Arabia at steady state, while UAE margins are higher, ranging between 30–75%.
- The company completed CAPEX for Jeddah, Khobar, and Dharan reconfigurations, with no further investment planned for the current bed capacity.
- The company has seven special needs facilities under development, including two with residential services, each budgeted at c. SAR 5 Mn, serving 150–200 students and generating c. SAR 40k per student annually.
- Additionally, eight daycare centers were launched in 2024 and one in 2025 YTD, contributing to future revenue growth.
- Jeddah beds to increase from 170 to 200 post-period, with full capacity ramp-up impacting results in 2025–2026. The Company expects additional AED 30-40 Mn revenue from the complete ramp-up of the Jeddah facility.
- Khobar targeting 100 by year-end and 150 by 2026, transitioning from EBITDA loss to profitability in 2026 and achieving net income profitability by 2027. It expects to earn AED 30 Mn in revenue from the Khobar facility in 2025.

Amanat Holdings – P&L

AED mn	2Q24	1Q25	2Q25	2Q25F	var.	YOY Ch	QOQ Ch
Revenue	201	241	228	229	-0.4%	13.5%	-5.4%
Direct costs	-112	-135	-132	-127	4.4%	18.1%	-1.8%
Gross profit	88	106	95	102	-6.3%	7.7%	-10.0%
Operating expenditure	-45	-51	-49	-51	-3.4%	8.9%	-3.1%
Operating Profit	55	61	64	64	0.2%	17.0%	6.0%
EBITDA	75	84	89	88	2.1%	19.7%	6.4%
Profit Before Tax	52	57	60	60	0.4%	14.4%	5.8%
Tax	6	6	6	6	2.8%	-8.6%	-6.4%
Profit from continuing operations	46	51	54	54	0.2%	17.6%	7.3%
Net profit attr. to equityholders	44	42	51	44	14.6%	16.0%	22.2%

FABS estimate & Co Data

