

Pure Health Holding PJSC

Strong inpatient and outpatient growth, alongside solid customer acquisitions drove profitability

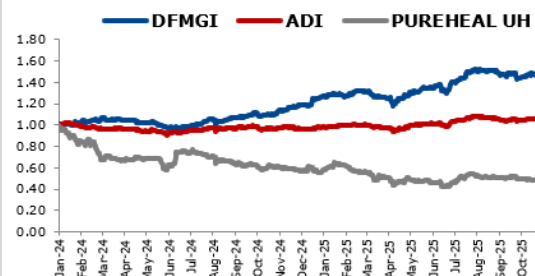
Current Price
AED 2.74

Target Price
AED 5.45

Upside/Downside (%)
+99%

Rating
BUY

- Outpatient and inpatient volumes in the UAE increased 12% and 17% YOY, respectively, in 3Q25.
- Bed occupancy rate increased to 73% in 9M25 from 70% in 9M24 in the UAE.
- Pure Health completed the acquisition of a Hellenic Healthcare Group (HHG), the largest private healthcare provider in Greece and Cyprus, for a 60% stake at EUR 800 Mn in 3Q25.
- Total capex increased from AED 174 Mn in 2Q25 to AED 199 Mn, accounting for 3.1% of total revenue in 3Q25.
- Pure Health maintained a strong balance sheet with a liquidity position of AED 8.3 Bn during 3Q25.



Stock Information

Market Cap (AED, mn)	30,444.44
Shares Outstanding(mm)	11,111.11
52 Week High	3.84
52 Week Low	2.39
3M Avg. daily value (AED)	3,088,082

3Q25 Result Review (AED, Mn)

Total Assets	49,468
Total Liabilities	28,588
Total Equity	20,880
EBITDA	1,150
Net Profit	521

Financial Ratios

Dividend Yield (last 12M)	1.13
Dividend Pay-out (%)	0.00
Price-Earnings Ratio(x)	16.37
Price-to-Book Ratio (x)	1.46
Book Value (AED)	1.88
Return-on Equity (%)	9.09

Stock Performance

5 Days	-3.18%
1 Months	-4.20%
3 Months	-6.80%
6 Months	-1.79%
1 Year	-18.93%
Month to Date (MTD%)	-2.49%
Quarter to Date (QTD%)	-3.86%
Year to Date (YTD%)	-17.72%

3Q25 Net Profit in line with our estimate

Pure Health Holding (Pure Health/the Company) recorded 21.0% YOY growth in net profit attributable to shareholders to AED 521 Mn in 3Q25, in line with our estimate of AED 508 Mn. The growth in net profit is primarily driven by higher revenue, substantial growth in other income, and a decline in finance costs, partially offset by an increase in costs of sales, G&A and S&D expenses, lower share from JV and rise in income tax expenses.

P&L Highlights

Pure Health restructured its segment into two verticals, Care (Healthcare) and Cover (Insurance). The Care vertical comprises Hospitals, Diagnostics, Procurement, and Technology segments, while the Cover vertical represents the Insurance arm of the Company. Pure Health's revenue grew 1.2% YOY to AED 6,527 Mn in 3Q25. The revenue growth was supported by the Cover segment, driven by policy renewals and new customer acquisitions, reflecting sustained market momentum. However, it was partly offset by a decline in the Care segment, driven by regulatory changes such as the UPP implementation, which shifted pharmacy revenues from government programs to a net margin basis. Excluding the impact of UPP (Unified Purchasing Program), the Care segment's revenue would have recorded a high single-digit YOY growth in 3Q25. Revenue from Hospital and other related services declined 3.5% YOY to AED 4,784 Mn in 3Q25. Revenue from Procurement and supply of medical-related products grew 14.2% YOY to AED 1,291 Mn in 3Q25. Revenue from Diagnostic services increased 19.6% YOY to AED 284 Mn in 3Q25, owing to increased testing volumes and laboratory volumes. Moreover, revenue from Technology services and others segment rose significantly from AED 110 Mn in 3Q24 to AED 344 Mn in 3Q25.

Additionally, the revenue from Health Insurance Services increased 12.4% YOY to AED 1,964 Mn in 3Q25 driven by renewals and new customer acquisitions, underscoring continued market momentum. The Company's cost of sales rose 3.8% YOY to AED 4,714 Mn in 3Q25. Thus, gross profit fell 5.2% YOY to AED 1,814 Mn in 3Q25. Gross margins declined 186 bps YOY but grew 547 bps QOQ to 27.8% in 3Q25. Moreover, G&A expenses rose 8.1% YOY to AED 1,340 Mn in 3Q25. S&D expenses expanded 5.4% YOY to AED 15 Mn in 3Q25. The Company's finance cost fell 15.3% YOY to AED 185 Mn in 3Q25. Profit share from JVs fell significantly from AED 27 Mn in 3Q24 to AED 6 Mn in 3Q25. Other operating income rose significantly from AED 5 Mn in 3Q24 to AED 290 Mn in 3Q25, supporting profitability. Furthermore, the Company's EBITDA rose 18.6% YOY to AED 1,150 Mn in 3Q25. The Hospital and other healthcare-related services segment EBITDA grew substantially 24.0% YOY to AED 767 Mn in 3Q25. The Health Insurance segment EBITDA grew 23.7% YOY to AED 269 Mn in 3Q25. However, the Diagnostic services segment EBITDA declined 20.9% YOY to AED 61 Mn in 3Q25, whereas the Procurement services EBITDA expanded substantially 40.5% YOY to AED 86 Mn in 3Q25. The Company's Technology segment recorded positive EBITDA of AED 32 Mn in 3Q25, compared to negative EBITDA of AED 24 Mn in 3Q24. The Company's income tax expenses increased 18.6% YOY to AED 48 Mn in 3Q25, primarily due to the increase in the corporate tax rate to 15%, up from 9% previously, following the implementation of the Pillar Two tax framework. The profit share to the non-controlling interest holders declined from AED 1.5 Mn in 3Q24 to AED 0.8 Mn in 3Q25.

Balance Sheet Highlights

Pure Health's total debt remained unchanged at AED 9 Mn in 3Q25 compared to the previous two quarters. Net cash generated from operating activities declined from AED 1,502 Mn in 2Q25 to AED 1,031 Mn in 3Q25. Pure Health's cash and cash equivalents stood healthy at AED 8.3 Bn in 3Q25, compared to AED 7.7 Bn in 2Q25. Total capex increased from AED 174 Mn in 2Q25 to AED 199 Mn, accounting for 3.1% of total revenue in 3Q25.

Target Price and Rating

We maintain our BUY rating on Pure Health with a target price of AED 5.45. Pure Health recorded stronger profitability in 3Q25, supported by increased patient engagement, higher diagnostic volumes, service enhancement, strong insurance renewals, and sustained momentum in new customer acquisitions. The Company's outpatient and inpatient volumes across the UAE increased 12% YOY to 1,836k and 17% YOY to 41k, respectively in 3Q25. Pure Health's strategic investments in capacity expansion, service diversification, and physician recruitment drove higher patient volumes across its UAE and UK facilities. The Company's surgery volumes also expanded by 20% YOY to 19,497 in 3Q25. This indicates strong operational momentum driven by increased diagnostic activity, improved service accessibility, and continued expansion of clinical capacities across the network. Pure Health reported a bed occupancy rate of 73% in 9M25, up from 70% in 9M24, reflecting improved utilization levels. The Company's network of approximately 5,000 licensed beds across the UAE offers significant capacity to support future expansion. Recently, Pure Health completed the acquisition of a 60% stake in Hellenic Healthcare Group (HHG), the leading private healthcare provider in Greece and Cyprus, for EUR 800 Mn in 3Q25, to build a globally connected, innovation-driven healthcare platform anchored in Abu Dhabi, further strengthening its healthcare platform. HHG's financial results will be consolidated starting 4Q25, which is expected to enhance the Company's overall financial performance. Furthermore, to reinforce its leadership in the UAE healthcare sector and advance its goal of delivering world-class medical services, the Company continues to expand specialty clinics, adopt advanced technologies such as HistoSonics Histotripsy at SEHA's Tawam Hospital, and strengthen network integration to enhance patient outcomes and innovation-led growth. Additionally, SSMC's Operating Room (OR) utilization increased from 75% in 3Q24 to 87% in 3Q25, indicating strong operational efficiency. The Company's subsidiary Circle Health also expanded its cardiology services, achieved Group-wide AFPP accreditation, and enhanced robotic surgery capabilities with 831 robotic-assisted procedures in 3Q25, indicating continued advancement in clinical excellence and technological innovation. The Company's subsidiary, Rafed partnered with the Abu Dhabi Government to establish a Regional Vaccine Distribution Hub, enhancing its role as a key healthcare logistics partner and supporting world-class pharmaceutical distribution across the Middle East, Africa, and South Asia. Through its Cover segment, Daman

strengthened its operations by introducing an AI-powered Document Intelligence Platform that automates document processing and enhances efficiency, reinforcing its leadership in digital innovation within the regional insurance sector. Furthermore, the Company is expanding into non-health insurance segments, broadening its portfolio and solidifying its position as a leading insurance provider in the UAE. Pure Health also maintained a strong balance sheet with a liquidity position of AED 8.3 Bn during 3Q25, which is expected to support its organic and inorganic growth. Meanwhile, the company remains on track towards medium term target guidance (2025-2029) with Revenue growth of Mid-to-high teens, EBITDA margin of low 20s, Capex as % of revenue of <5% and Net Debt/ EBITDA of 3.0x. (Thus, based on the above-mentioned factors, we maintain our BUY rating for the stock.

PURE HEALTH - Relative valuation

(at CMP)	2024	2025F
PE	17.66	16.33
PB	1.53	1.43
EV/EBITDA	5.70	4.80
BVPS	1.774	1.901
EPS	0.154	0.167
DPS	0.031	0.040
Dividend Yield	1.1%	1.5%

FABS Estimates & Co Data

* PURE HEALTH got listed on December 2023 on the ADX as a result previous financial won't be comparable

PURE HEALTH – P&L

AED Mn	3Q24	2Q25	3Q25	3Q25F	Var.	YOY Ch	QOQ Ch	2024	2025F	YOY Ch
Revenue	6,452	6,993	6,527	7,166	-8.9%	1.2%	-6.7%	25,848	28,712	11.1%
Cost of sales	-4,539	-5,433	-4,714	-5,459	-13.7%	3.8%	-13.2%	-19,212	-21,599	12.4%
Gross Profit	1,913	1,560	1,814	1,707	6.3%	-5.2%	16.2%	6,636	7,113	7.2%
G&A & marketing exp	-1,240	-956	-1,340	-1,105	21.3%	8.1%	40.2%	-4,666	-4,937	5.8%
S&D expenses	-14	-25	-15	-28	-46.6%	5.4%	-38.7%	-59	-101	70.0%
Finance costs	-218	-179	-185	-214	-13.7%	-15.3%	3.6%	-848	-819	-3.4%
Share from JV	27	6	6	39	-84.7%	-77.7%	2.2%	82	89	8.8%
Other Income	5	207	290	171	69.9%	NM	40.2%	608	876	44.1%
EBITDA	970	1,186	1,150	1,205	-4.6%	18.6%	-3.1%	4,119	4,730	14.8%
Profit before tax	472	614	569	569	0.0%	20.6%	-7.3%	1,778	2,222	25.0%
Income tax expense	-40	-90	-48	-57	-16.2%	18.6%	-47.1%	-62	-333	NM
Profit before NCI	432	524	522	512	1.8%	20.7%	-0.4%	1,716	1,889	10.1%
Non-controlling interest	1.45	1.31	0.76	4	NM	-48.0%	-42.3%	4	6	NM
Net profit attributable	431	522	521	508	2.5%	21.0%	-0.3%	1,712	1,883	10.0%

FABS estimate & Co Data

PURE HEALTH - Margins

	3Q24	2Q25	3Q25F	YOY Ch	QOQ Ch	2024	2025F	YOY Ch
Gross profit	29.6%	22.3%	27.8%	-186	547	25.7%	24.8%	-90
EBITDA	15.0%	17.0%	17.6%	259	66	15.9%	16.5%	54
Net profit	6.7%	7.5%	8.0%	131	51	6.6%	6.6%	-6

FABS estimate & Co Data

Key Developments:

- **27th January 2025:** Pure Health signed a definitive agreement to acquire a 60% stake in Hellenic Healthcare, valued at EUR 2.2 Bn (AED 8.53 Bn), marking a key step in its global expansion. Following completion, Pure Health will consolidate Hellenic Healthcare's financials, while the sellers retain 40% ownership.
- **17th February 2025:** Pure Health rebrands Ambulatory Healthcare Services to SEHA CLINICS. The rebranding includes 34 SEHA CLINICS across Abu Dhabi, with plans to open 10 new clinics in 2025 to address the evolving healthcare needs of the emirate's growing communities.
- **2nd June 2025:** Pure Health drives insurance business growth with Daman's entry into Property and Casualty insurance market. The transition reflects Daman's broader mission to meet the evolving protection needs of individuals and businesses across the emirates by offering them a broader suite of insurance services.
- **7th October 2025:** Pure Health Holding PJSC completed its acquisition of a 60% stake in Hellenic Healthcare after receiving all required regulatory approvals, including EU Foreign Subsidies Regulation clearance.
- **11th October 2025:** Pure Health launched nationwide AI-powered mental health services via its Pura app in partnership with SAKINA, enabling UAE residents to access licensed psychologists online. The initiative supports the UAE's digital health goals, promoting accessible, preventive, and personalized mental well-being.
- **27th October 2025:** PureHealth has honoured emergency room (ER) heroes across its SEHA hospital network, for their vital contributions to healthcare in Abu Dhabi.

Valuation:

We have used a blend of Discounted Cash Flow (DCF) and Sum-of-the-parts (SOTP) valuation methods to arrive at Pure Health's fair value. We have assigned 70% weight to DCF and 30% to SOTP. In SOTP valuation, we have used the Comparable Company Method (CCM) (EV/EBITDA and PB) to value the firm. Since the Company operates in multiple segments, each segment is valued separately using the peers of the segment.

Valuation Method	Target	Weight	Weighted Value
DCF Method	5.24	70.0%	3.67
Relative Valuation (RV)	5.92	30.0%	1.78
Weighted Average Valuation (AED)			5.45
Current market price (AED)			2.74
Upside/Downside (%)			+99%

1) DCF Method:

PURE HEALTH is valued using free cash flow to the firm. We have discounted the cash flow using the weighted average cost of capital of 9.9%. To arrive at the cost of equity, we have used the 10-year government bond yield of 4.2%, the Country risk premium of 4.3%, and the Beta of 1.18. After applying all these, we arrived at the cost of equity of 9.9%. We have used a 10-year US Government Yield and added an average 10-year CDS Spread of the Abu Dhabi Government to arrive at an appropriate risk-free rate. We assumed the cost of debt of 5.3% and adjusted it for the tax rate to arrive at the tax-adjusted cost of debt of 5.1%. Also, assumed a terminal growth rate of 3.0%.

Sum of PV (AED, Mn)	15,889
Terminal value (AED, Mn)	50,382
FV to Common shareholders (AED, Mn)	58,270
No. of share (Mn)	11,111
Current Market Price (AED)	2.74
Fair Value per share (AED)	5.24

DCF Method

(All Figures in AED Mn)	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
NOPAT	2,187	3,279	3,840	4,382	5,007	5,616
(+/-) Depreciation & amortization	1,779	2,114	2,084	2,074	2,082	2,108
(+/-) CAPEX	-3,506	-1,114	-1,237	-1,373	-1,513	-1,667
(+/-) Working Capital	-206	-1,165	-846	-369	-1,094	-603
Free Cash Flow to Firm (FCFF)	253	3,115	3,841	4,714	4,483	5,453
Discounting Factor	0.99	0.90	0.82	0.74	0.68	0.62
Discounted FCFF	62¹	2,795	3,137	3,504	3,033	3,358

Source: FAB Securities, ¹Adjusted for partial year

2) Relative Valuation:

In the SOTP valuation, we have used the P/B multiple to value the Health Insurance Services segment and EV/EBITDA to value other segments of the Company. The EV/EBITDA multiple allows us to compare companies of various sizes with different capital structures. Since the Company operates in multiple segments, each segment is valued separately using the peers of the segment. The value of all segments is summed up to arrive at the total enterprise value of the firm, and after that, it includes the value of net debt, the valuation of JVs, and the value of non-controlling interest to arrive at the value of equity. All segments are valued based on FY2026 financials in line with the median market multiple.

(All Figures in Million AED)	Method	Peer Multiple
Hospital and other healthcare-related services	EV/EBITDA	58,155
Diagnostic Services	EV/EBITDA	3,966
Health insurance services	PB	9,288
Procurement and supply of medical-related products	EV/EBITDA	5,153
Technology services and others	EV/EBITDA	1,779
Adjustments & eliminations		-4,509
Enterprise Value		73,833
Net (Debt)/Cash		-9,599
Valuation of JVs		1,597
Minority Interest		0
Equity Value		65,832

Source: FAB Securities

Hospital and other healthcare related services

Company	Market (USD Mn)	EV/EBITDA (x)		P/E (x)	
		2025F	2026F	2025F	2026F
IHH Healthcare Berhad	17,397	15.5x	14.0x	36.8x	32.6x
Al Hammadi Holding Company	1,485	14.0x	12.3x	18.7x	16.9x
Burjeel Holdings PLC	1,984	9.7x	8.7x	14.1x	13.7x
Ramsay Health	4,750	9.4x	NA	30.6x	24.0x
Mouwasat Medical Services Company	4,053	14.7x	13.5x	19.9x	18.6x
Middle East Healthcare Company	1,246	10.4x	9.7x	15.0x	15.4x
Dr Sulaiman Al Habib Medical	25,011	30.3x	25.1x	39.1x	30.1x
Nahdi Medical Co	4,024	9.5x	8.9x	19.2x	16.7x
Average		14.2x	13.2x	24.2x	21.0x
Median		12.2x	12.3x	19.6x	17.7x
Max		14.9x	13.7x	32.1x	25.5x
Min		9.6x	9.3x	17.8x	16.4x

Source: FAB Securities

Diagnostic Services

Company	Market (USD Mn)	EV/EBITDA (x)		P/E (x)	
		2025F	2026F	2025F	2026F
Labcorp Holdings Inc	21,053	11.3x	10.6x	15.6x	14.5x
Quest Diagnostics Inc	19,573	11.7x	11.2x	17.9x	17.0x
Guangzhou Kingmed Diagnost-A	1,982	14.7x	11.4x	159.3x	26.0x
Sonic Healthcare Ltd	6,763	10.6x	7.6x	26.6x	17.3x
Hangzhou Tigermed Consulti-A	6,949	31.8x	27.8x	40.3x	38.3x
Radnet Inc	5,845	24.4x	21.0x	172.7x	85.2x
Synlab AG	NA	7.3x	7.1x	42.4x	42.4x
Meinian Onehealth Healthca-A	3,111	9.1x	10.2x	36.7x	26.8x
Metropolis Healthcare Ltd	1,150	26.9x	25.9x	53.8x	49.6x
Average		16.4x	14.8x	62.8x	35.2x
Median		11.7x	11.2x	40.3x	26.8x
Max		24.4x	21.0x	53.8x	42.4x
Min		10.6x	10.2x	26.6x	17.3x

Source: FAB Securities

Health insurance services

Company	Market (USD Mn)	P/B (x)		P/E (x)	
		Current	2025F	2025F	2026F
Bupa Arabia for Cooperative Insurance Co	6,571	4.7x	4.3x	19.4x	17.4x
The Company for Cooperative Insurance	5,382	4.0x	3.7x	17.6x	15.3x
Abu Dhabi National Insurance Company PJSC	1,136	1.3x	1.1x	9.0x	NA
Islamic Arab Insurance Co. (Salama) PJSC	97	1.2x	NA	NA	NA
Average		2.8x	3.0x	15.3x	16.4x
Median		2.7x	3.7x	17.6x	16.4x
Max		4.2x	4.0x	18.5x	16.9x
Min		1.3x	2.4x	13.3x	15.8x

Source: FAB Securities

Procurement and supply of medical related products

Company	Market (USD Mn)	EV/EBITDA (x)		P/E (x)	
		2025F	2026F	2025F	2026F
Mckesson Corp	100,918	17.1x	16.4x	22.0x	21.2x
Cencora Inc	65,494	15.7x	14.5x	21.2x	19.3x
Cardinal Health Inc	45,326	13.6x	13.2x	19.2x	19.4x
Henry Schein Inc	7,664	11.3x	10.7x	13.1x	12.1x
Amplifon SPA	3,804	9.4x	8.7x	20.9x	17.6x
Galenica AG	5,372	15.4x	14.3x	23.2x	21.5x
Shanghai Pharmaceuticals-A	8,405	7.0x	7.3x	11.8x	12.1x
Owens & Minor Inc	307	6.6x	6.8x	3.9x	4.1x
Average		12.0x	11.5x	16.9x	15.9x
Median		12.4x	12.0x	20.1x	18.4x
Max		15.5x	14.4x	21.4x	19.8x
Min		8.8x	8.3x	12.8x	12.1x

Source: FAB Securities

Technology services and others

Company	Market (USD Mn)	EV/EBITDA (x)		P/E (x)	
		2025F	2026F	2025F	2026F
Al Moammar Information Systems Company	1,184	NA	NA	NA	47.4x
Arabian Internet and Communication Services	7,948	14.6x	12.8x	18.6x	16.6x
Accenture	987	NA	NA	NA	NA
Wipro limited	28,385	12.0x	12.1x	19.9x	18.9x
Infosys Limited	69,210	14.3x	13.8x	22.1x	21.2x
IBM	287,347	18.0x	17.1x	27.1x	25.4x
Average		14.7x	13.9x	21.9x	25.9x
Median		14.4x	13.3x	21.0x	21.2x
Max		15.4x	14.6x	23.4x	25.4x
Min		13.7x	12.6x	19.6x	18.9x

Source: FAB Securities

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%

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