# First Look Note | 3Q26

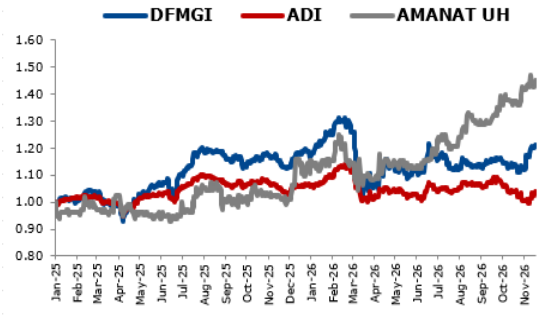
UAE Equity Research | Sector: Financials | Market: DFM

## Amanat Holdings PJSC

Top line growth sustained but seasonal weakness weighed on bottom line

| Current Price | Target Price | Upside/Downside (%) | Rating |
|---|---|---|---|
| AED 1.59 | AED 1.65 | +4% | HOLD |

- Post-period, Cambridge Health Group (CHG) completed the acquisition of Cornerstone Healthcare Holdings, a UK-based specialist care provider with 283 beds, taking CHG's total capacity to over 1,000 beds.
- CHG's licensed bed capacity increased 14% YOY to 715 beds in 9M26, supported by the addition of 49 licensed beds at Khobar, while Jeddah's 68-bed expansion is scheduled for completion in 1Q28.
- Amanat has deployed or committed c. AED 0.9 Bn, representing 60% of the Company's AED 1.5 Bn three-year capital deployment target across organic growth, greenfield developments and selective acquisitions.
- In line with the three-year dividend policy targeting minimum annual distributions of 7 fils per share, Amanat paid an interim cash dividend of AED 75 Mn (3 fils per share) in September 2026.




| Stock Information | |
|---|---|
| Market Cap (AED, mm) | 3,962.50 |
| Paid Up Capital (mm) | 2,500.00 |
| 52 Week High | 1.65 |
| 52 Week Low | 1.10 |
| 3M Avg. daily value (AED) | 2,671,864 |

| 3Q26 Result Review (AED, mm) | |
|---|---|
| Total Assets | 4,338 |
| Total Liabilities | 1,220 |
| Total Equity | 3,118 |
| EBITDA | 30 |
| Net Profit/Loss | 2 |

| Financial Ratios | |
|---|---|
| Dividend Yield (12m) | 3.80 |
| Dividend Pay-out (%) | 18.44 |
| Price-Earnings Ratio(x) | 22.95 |
| Price-to-Book Ratio (x) | 1.47 |
| Book Value (AED) | 1.08 |
| Return-on Equity (%) | 6.21 |

| Stock Performance | |
|---|---|
| 5 Days | |
| 1 Months | -0.94% |
| 3 Months | 3.26% |
| 6 Months | 8.56% |
| 1 Year | 24.80% |
| Month to Date (MTD%) | 40.27% |
| Quarter to Date (QTD%) | 0.00% |
| Year to Date (YTD%) | 2.59% |

### 3Q26 net profit lower than our estimate

Amanat Holdings PJSC (Amanat/The Company) reported a net profit attributable to equity shareholders of AED 2 Mn in 3Q26 compared to AED 29 Mn in 3Q25. This is lower than our estimate of AED 8 Mn. The decline in net profit is mainly attributable to the absence of the one-off AED 68 Mn gain on disposal of NLCS property and finance lease income recorded in 3Q25, coupled with higher direct costs, G&A, D&A and zakat expenses. This was partially offset by growth in revenue, a higher share of profit from associates and finance income, a lower loss from discontinued operations and a loss attributable to non-controlling interest holders.

### P&L Highlights

Amanat's revenue grew 20.0% YOY to AED 185 Mn in 3Q26, primarily attributable to growth in the Healthcare and Education segments. Healthcare segment revenue increased 23.1% YOY to AED 131 Mn in 3Q26, driven by higher patient volumes and improved utilization following capacity additions, with closing inpatient census rising 34% YOY to 570 patients in 3Q26. Education segment revenue rose 12.8% YOY to AED 53 Mn in 3Q26, supported by enrolment growth across MDX and HDC, although 3Q remains seasonally the weakest quarter for MDX. HDC revenue rose 5.3% YOY to AED 40 Mn in 3Q26, while the number of beneficiaries and students increased 11.7% YOY to 8.6k. The Company's direct costs increased 13.4% YOY to AED 124 Mn in 3Q26. Thus, gross profit rose 36.2% YOY to AED 61 Mn in 3Q26, while gross profit margin expanded 391 bps YOY to 32.9%. G&A expenses grew 14.8% YOY to AED 79 Mn in 3Q26, partly due to transaction-related costs of AED 4.5 Mn in the Education segment. Other operating income declined 8.6% YOY to AED 9 Mn in 3Q26. Meanwhile, the share of results from associates increased from AED 2

Mn in 3Q25 to AED 8 Mn in 3Q26, owing to higher enrolments at NEMA. Thus, total operating expenses rose 28.5% YOY to AED 70 Mn in 3Q26. In addition, the Company did not record any finance lease income or gain on disposal in 3Q26 compared to AED 4 Mn and AED 68 Mn, respectively, in 3Q25, following the sale of the NLCS property. As a result, the Company recorded an operating loss of AED 2 Mn in 3Q26 compared to an operating profit of AED 61 Mn in 3Q25. D&A expenses rose 17.5% YOY to AED 31 Mn in 3Q26. Amanat's EBITDA declined from AED 87 Mn in 3Q25 to AED 30 Mn in 3Q26. Finance income increased from AED 5 Mn in 3Q25 to AED 9 Mn in 3Q26, while finance costs rose 7.0% YOY to AED 8 Mn in 3Q26. The Company recorded a zakat and tax expense of AED 3 Mn in 3Q26 compared to a credit of AED 2 Mn in 3Q25. Loss from discontinued operations narrowed from AED 28 Mn in 3Q25 to AED 3 Mn in 3Q26. Moreover, non-controlling interest holders absorbed a loss of AED 8 Mn in 3Q26 compared to a profit share of AED 3 Mn in 3Q25.

## Balance Sheet Highlights

Amanat's cash and bank balances decreased from AED 1,094 Mn in 2Q26 to AED 1,025 Mn in 3Q26, primarily due to the interim dividend payout of AED 75 Mn in September 2026 and continued capital expenditure. Total debt decreased from AED 331 Mn in 2Q26 to AED 326 Mn in 3Q26. Capex amounted to AED 31 Mn in 3Q26 compared to AED 22 Mn in 2Q26. Total equity declined from AED 3,247 Mn in 2Q26 to AED 3,118 Mn in 3Q26, reflecting the interim dividend distribution and an increase in treasury shares, while Amanat maintained a strong liquidity position to fund future growth initiatives.

## Target Price and Rating

We maintain our HOLD rating on Amanat with a revised target price of AED 1.65. Amanat's 3Q26 bottom line was weighed down by the absence of one-off gains recorded in 3Q25 and a seasonally softer quarter for the Education platform. However, underlying performance remained strong in 9M26, with revenue and adjusted EBITDA from continuing operations increasing 23% and 54% YOY, respectively, while adjusted profit from continuing operations rose from AED 73 Mn in 9M25 to AED 154 Mn in 9M26. In Healthcare, Cambridge Health Group continued the transition from expansion to delivery, with 9M26 revenue rising 26% YOY to AED 366 Mn and EBITDA increasing 50% YOY to AED 103 Mn, reflecting improved execution, utilization and operating leverage. Licensed bed capacity increased 14% YOY to 715 beds, while average inpatient census rose 28% YOY to 549 in 9M26. Jeddah continued to operate at near-full utilization, with the 68-bed expansion scheduled for completion in 1Q28, while an 8-bed expansion at Dhahran is under licensing and a 155-bed specialist integrated care hospital in Riyadh has been approved. Post-period, CHG completed the acquisition of Cornerstone, a UK-based provider of specialist high-acuity care with 283 beds, at an enterprise value of GBP 76 Mn (AED 380 Mn), which is expected to generate revenue of GBP 36 Mn and EBITDA of GBP 7 Mn in 2027. The acquisition takes CHG's total capacity to over 1,000 beds, with a medium-term target of more than 1,500 beds. In Education, Almasar's 9M26 revenue grew 21% YOY to AED 401 Mn, while EBITDA and net profit increased 36% and 28% YOY to AED 174 Mn and AED 106 Mn, respectively. Total students and beneficiaries increased 14% YOY to c. 31.8k, supported by enrolment growth across MDX, HDC and NEMA. The SEN network expanded to 65 facilities, with a further 15 facilities under development, while 11 new SEN centres were launched or acquired in 2026, including seven post-period. Alongside operational growth, Amanat has deployed or committed c. AED 0.9 Bn of the AED 1.5 Bn capital deployment target, including AED 555 Mn deployed towards the CHG minority acquisition, CHG expansion funding and the Cornerstone acquisition, and AED 325 Mn committed towards the Riyadh greenfield hospital, the Jeddah expansion and other CHG projects. The Company maintained cash of AED 1.0 Bn and a net cash position of AED 399 Mn at the end of 9M26. Reflecting the focus on sustainable shareholder returns, Amanat paid a record dividend of AED 175 Mn (7 fils per share) for 2025 in 1H26 and an interim dividend of AED 75 Mn (3 fils per share) in September 2026, in line with the three-year dividend policy. Amanat remains well positioned to sustain growth across the Healthcare and Education platforms, supported by rising student and beneficiary numbers, increasing healthcare capacity and improving operating leverage. The strong balance sheet and targeted capital deployment provide flexibility to pursue selective, value-accretive growth opportunities while maintaining sustainable shareholder returns. Thus, based on these factors, we maintain our HOLD rating on the stock with a revised Target price.

**Amanat Holdings - Relative valuation**

| (at CMP) | 2021 | 2022 | 2023 | 2024 | 2025 | 2026F |
|---|---|---|---|---|---|---|
| PE | 14.24 | 34.91 | 80.94 | 27.69 | 18.69 | 22.51 |
| PB | 1.44 | 1.47 | 1.52 | 1.51 | 1.40 | 1.38 |
| EV/EBITDA | 23.47 | 20.22 | 14.31 | 13.63 | 9.12 | 9.43 |
| BVPS | 1.108 | 1.088 | 1.051 | 1.060 | 1.146 | 1.155 |
| EPS | 0.112 | 0.046 | 0.020 | 0.058 | 0.086 | 0.071 |
| DPS (AED) | 0.060 | 0.040 | 0.020 | 0.046 | 0.070 | 0.070 |
| Dividend yield | 3.8% | 2.5% | 1.3% | 2.9% | 4.4% | 4.4% |

*FABS Estimates & Co Data*

**Amanat Holdings – P&L**

| AED Mn | 3Q25 | 2Q26 | 3Q26 | 3Q26F | var. | YOY Ch | QOQ Ch | 2025 | 2026F | Change |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | 154 | 284 | 185 | 187 | -1.2% | 20.0% | -35.0% | 932 | 1,115 | 19.6% |
| Direct costs | -109 | -150 | -124 | -131 | -5.4% | 13.4% | -17.6% | -530 | -616 | 16.3% |
| **Gross profit** | **45** | **134** | **61** | **56** | 8.5% | **36.2%** | **-54.5%** | **402** | **498** | **24.0%** |
| G&A expenses | -69 | -82 | -79 | -60 | 32.4% | 14.8% | -3.1% | -305 | -354 | 16.1% |
| Income from finance lease | 4 | 0 | 0 | 0 | NM | NM | NM | 20 | 0 | NM |
| Gain on disposal of property under finance lease | 68 | 0 | 0 | 0 | NM | NM | NM | 68 | 0 | NM |
| Other Operating income | 10 | 9 | 9 | 13 | -30.6% | -8.6% | -4.1% | 39 | 39 | 0.7% |
| Share of result of Associates | 2 | 29 | 8 | 3 | NM | NM | -73.1% | 52 | 85 | 64.8% |
| **Operating Expenses** | **-55** | **-72** | **-70** | **-47** | **50.1%** | **28.5%** | **-3.0%** | **-246** | **-315** | **28.1%** |
| **Total Operating Profit** | **61** | **90** | **-2** | **13** | **NM** | **NM** | **NM** | **275** | **268** | **-2.8%** |
| D&A expenses | 26 | 29 | 31 | 25 | 22.4% | 17.5% | 5.8% | 104 | 119 | 13.8% |
| **EBITDA** | **87** | **120** | **30** | **38** | **-20.7%** | **NM** | **NM** | **380** | **386** | **1.7%** |
| Finance Income | 5 | 10 | 9 | 12 | -24.5% | NM | -10.2% | 22 | 41 | NM |
| Finance Cost | -8 | -9 | -8 | -8 | 7.5% | 7.0% | -6.7% | -30 | -36 | 19.6% |
| **Profit/Loss of the Company** | **58** | **91** | **-1** | **17** | **NM** | **NM** | **NM** | **267** | **272** | **1.9%** |
| Zakat | 2 | -11 | -3 | -2 | 11.7% | NM | NM | -19 | -28 | 44.6% |
| **Profit/Loss from cont. opt** | **60** | **80** | **-3** | **14** | **NM** | **NM** | **NM** | **248** | **244** | **-1.5%** |
| Loss from discontinued opt. | -28 | -1 | -3 | 0 | NM | NM | NM | -40 | -4 | NM |
| Non-Controlling Interest | 3 | 24 | -8 | 6 | NM | NM | NM | 31 | 68 | NM |
| **Net Profit attributable to equity shareholders** | **29** | **55** | **2** | **8** | **NM** | **NM** | **-NM** | **177** | **172** | **-2.8%** |

*FABS estimate & Co Data*

**Amanat Holdings - Margins**

| | 3Q25 | 2Q26 | 3Q26 | YOY Ch | QOQ Ch | 2025 | 2026F | Change |
|---|---|---|---|---|---|---|---|---|
| Gross Profit | 29.0% | 47.1% | 32.9% | 391 | NM | 43.1% | 44.7% | 157 |
| EBITDA | 56.8% | 42.2% | 16.1% | NM | NM | 40.8% | 34.7% | -610 |
| Operating Profit | 39.4% | 31.8% | -0.9% | NM | NM | 29.6% | 24.0% | -555 |
| Net Profit | 19.0% | 19.5% | 1.0% | NM | NM | 19.0% | 15.4% | -356 |

*FABS estimate & Co Data*

## Key Developments:

- **16 March 2026:** Cambridge Health Group completed the acquisition of Sukoon's outstanding minority interest, increasing its ownership to 100%. The transaction strengthens its post-acute care platform, with Sukoon's Jeddah facility operating near full capacity following its expansion to 200 licensed beds in 2025.

- **5 June 2026:** Amanat acquired an additional c.3% stake in Cambridge Health Group, increasing its ownership to 90%, reflecting its confidence in the business and commitment to further expansion. CHG operates 715 beds across six facilities and targets capacity of over 1,000 beds, supported by ongoing expansions and new service offerings across the GCC.

- **19 June 2026:** Amanat completed the acquisition of the remaining 10.03% stake in Cambridge Health Group for AED105mn, increasing its ownership to 100%. Full ownership is expected to provide greater flexibility to accelerate CHG's expansion, with capacity targeting over 1,000 beds and the transaction expected to generate c. AED9 Mn in incremental annual net profit attributable to shareholders.

- **28 October 2026:** Amanat's subsidiary, Cambridge Health Group, completed the 100% acquisition of UK-based Cornerstone Healthcare, adding 283 beds and expanding CHG's capacity beyond 1,000 beds. The acquisition broadens its specialist care capabilities and supports a medium-term target of over 1,500 beds, with Cornerstone expected to generate GBP36mn revenue and GBP7mn EBITDA in 2027.

# Valuation:

We use the Sum of the Total Parts (SOTP) and the Dividend Discount model (DDM) to value Amanat Holdings. We assign 50% weight each to SOTP and DDM to arrive at the total valuation.

| Valuation Method | Target | Weight | Weighted Value |
|---|---|---|---|
| SOTP | 2.00 | 50.0% | 1.00 |
| DDM | 1.29 | 50.0% | 0.64 |
| **Weighted Average Valuation (AED)** | | | **1.65** |
| Current market price (AED) | | | 1.59 |
| Upside/Downside (%) | | | +4% |

### 1) DDM Method:

Amanat Holdings' dividend grew in line with profit and pays regular dividends to its shareholders. It expects to pay at least 70% of the dividend of the full-year profit in the forecasted period. Thus, we have valued Amanat using the DDM valuation method. The dividend is discounted at the cost of equity of 9.4%.

| | |
|---|---|
| Sum of PV (AED, Mn) | 961 |
| Terminal value (AED, Mn) | 2,249 |
| **FV to Common shareholders (AED, Mn)** | **3,210** |
| No. of share (Mn) | 2,496 |
| Current Market Price (AED) | 1.59 |
| **Fair Value per share (AED)** | **1.29** |

**DDM Method**

| (All Figures in AED Mn) | FY 2026E | FY 2027E | FY 2028E | FY 2029E | FY 2030E | FY2031E |
|---|---|---|---|---|---|---|
| Dividend Paid | 175 | 191 | 181 | 198 | 223 | 257 |
| **Total Dividend** | **175** | **191** | **181** | **198** | **223** | **257** |
| Discounting Factor | *0.99* | *0.90* | *0.83* | *0.76* | *0.69* | *0.63* |
| **Present Value of Dividend** | **173** | **172** | **150** | **150** | **154** | **162** |

*Source: FAB Securities*

## 2) SOTP Valuation:

Amanat owns interests in multiple entities across the Healthcare and Education sectors. We have used regional and global peers to value Amanat, which is valued using the EV/EBITDA and PE multiple in line with peers.

| Name of Entity | % Owned | Type of Financials (AED, Mn) | Financial (AED, Mn) | Type of Valuation | Valuation Multiple | Valuation (AED, Mn) | % Of Value Attributable |
|---|---|---|---|---|---|---|---|
| **Healthcare** | | | | | | | |
| HC1 | 100.0% | EBITDA | 175.8 | EV/EBITDA | 10.4x | 1,827.9 | 33.6% |
| **Education** | | | | | | | |
| NEMA Holding | 24.5% | PE | 89.4 | P/E | 20.5x | 1,837.2 | 33.8% |
| Middlesex University Dubai | 70.0% | EBITDA | 129.5 | EV/EBITDA | 11.7x | 1,058.5 | 19.5% |
| Human Development Co. | 42.0% | EBITDA | 146.1 | EV/EBITDA | 11.7x | 716.3 | 13.2% |
| **Enterprise value** | | | | | | **5,439.9** | |
| Add/(less): Present value of Headquarter expense | | | | | | -446.4 | |
| Add/(less): Net Cash[1] | | | | | | 9.8 | |
| **Equity Value** | | | | | | **5,003.4** | |
| **Equity Value per share (AED)** | | | | | | **2.00** | |

*Source: FAB Securities*

[1]Cash, finance assets at fair value through OCI, lease liabilities and debt

**Peers Multiples**

| Company | Market (USD Mn) | EV/EBITDA (x) | | P/E (x) | |
|---|---|---|---|---|---|
| | | 2026F | 2027F | 2026F | 2027F |
| **Education** | | | | | |
| Taaleem Holdings PSC | 879 | 13.9 | 13.3 | 25.2 | 24.5 |
| Humansoft Holding Co KSCP | 963 | - | - | - | - |
| Lincoln Educational Services Corporation | 712 | 11.9 | 10.0 | 29.1 | 22.0 |
| New Oriental Education & Technology Group Inc | 9,139 | 4.4 | 3.7 | 12.9 | 11.0 |
| Graham holding | 4,130 | 12.4 | 14.0 | 17.4 | 19.1 |
| **Average** | | **10.6x** | **10.3x** | **21.2x** | **19.2x** |
| **Median** | | **12.2x** | **11.7x** | **21.3x** | **20.5x** |
| **Max** | | **12.8x** | **13.5x** | **26.1x** | **22.6x** |
| **Min** | | **10.0x** | **8.5x** | **16.3x** | **17.1x** |

*Source: FAB Securities*

| Company | Market (USD Mn) | EV/EBITDA (x) | | P/E (x) | |
|---|---|---|---|---|---|
| | | 2026F | 2027F | 2026F | 2027F |
| **Healthcare** | | | | | |
| Al Hammadi Holding Company, | 933 | 11.4 | 10.6 | 14.4 | 13.2 |
| Cleopatra Hospital Company | 385 | 10.0 | 7.9 | 22.4 | 20.6 |
| Middle East Healthcare Co | 642 | - | - | 19.9 | - |
| HCA Healthcare, Inc | 106,907 | 10.4 | 10.4 | 17.0 | 16.3 |
| Mouwasat Medical Services Co | 3,075 | 11.1 | 10.4 | 13.9 | 13.2 |
| Burjeel Holdings | 933 | 11.4 | 10.6 | 14.4 | 13.2 |
| **Average** | | **10.8x** | **9.8x** | **17.5x** | **15.8x** |
| **Median** | | **10.8x** | **10.4x** | **17.0x** | **14.8x** |
| **Max** | | **11.2x** | **10.4x** | **19.9x** | **17.4x** |
| **Min** | | **10.3x** | **9.8x** | **14.4x** | **13.2x** |

*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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