

Amanat Holdings PJSC

Current Price

AED 1.12

Target Price

AED 1.30

Upside/Downside (%)

+16%

Rating

BUY

4Q24 Net Profit higher than our estimate

- Revenue rose 24.4% YOY to AED 230 Mn in 4Q24 owing to the strong growth in the Education segment revenue partially offset by decline in Healthcare segment revenue.
- The total student base rose 18% YOY to c. 23,000 driven by growth in Middlesex university enrolments. NEMA Holding and HDC enrolments rose 14% & 29% respectively on a YOY basis.
- Direct cost rose 39.9% YOY to AED 109 Mn in 4Q24.
- The Company's EBITDA increased 7.3% YOY to AED 124 Mn in 4Q24. However, EBITDA margin declined from 62.6% in 4Q23 to 53.9% in 4Q24.
- Amanat Holdings reported a net profit of AED 73 Mn in 4Q24 compared to a net loss of AED 32 Mn in 4Q23 owing to a significant decline in the zakat expense partially offset by higher operating expense.
- The Board of Directors recommended a cash dividend of 1.6 fils per share, amounting to AED 40 Mn for 2H24. This brings the total dividend payout for FY2024 to AED 115 Mn, amounting to 4.6 fils per share.

Earnings Call Summary

- Growth in the healthcare sector was driven by the expansion of long-term care (LTC) beds, including the successful opening of the Hobart facility with 30 beds in November and the continued expansion in Jeddah with plans for 200 beds by 2H25.
- A new mobile healthcare facility with 150 beds commenced operations in Saudi Arabia in November 2024, contributing to the overall growth of healthcare services.
- Ongoing development projects include additional beds in Jeddah and other cities in Saudi Arabia. The company is also exploring expansion opportunities in the UAE, particularly in outpatient revenues and complementary services such as orthopedics and mental health.
- The cessation of COVID-related treatment programs in the UAE partially impacted healthcare revenue and EBITDA for FY2024.
- The company launched eight new daycare centers under HDC, with an additional eight centers under development for completion in 2025.
- Amanat is considering the monetization of its education business, with plans for a potential IPO that would unlock significant value for shareholders.
- Amanat is focusing on expanding its tech-based offerings through the Knowledge Group, catering to the growing demand for digital learning solutions.
- The company has AED 2.9 Bn in assets under management (AUMs), with 53% of assets in education and 47% in healthcare. The UAE holds 73% of assets, while 26% is in Saudi Arabia.
- The company's gearing ratio remains low at 11%, ensuring there's ample liquidity to deploy on value-accretive opportunities.

Amanat Holdings – P&L

AED mn	4Q23	3Q24	4Q24	4Q24F	Var.	YOY Ch	QOQ Ch
Revenue	185	133	230	241	-4.4%	24.4%	73.0%
Direct costs	-78	-95	-109	-114	-4.4%	39.9%	14.5%
Gross profit	107	38	121	127	-4.5%	13.1%	NM
Operating expenditure	-22	-39	-34	-45	-23.1%	58.9%	-13.0%
Operating Profit	97	-3	103	82	25.7%	6.7%	NM
EBITDA	116	18	124	120	3.2%	7.3%	NM
Profit Before Tax	101	-8	104	70	48.3%	3.0%	NM
Tax	112	2	8	3	NM	-92.8%	NM
Profit for the period	-32	-11	73	52	41.7%	NM	NM

FABS estimate & Co Data

