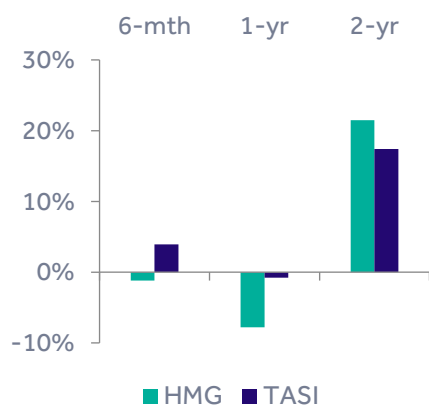


Market Data	
52-week high/low	SAR 346.8/258.0
Market Cap	SAR 103,250 mln
Shares Outstanding	350 mln
Free-float	29.15%
12-month ADTV	190,499
Bloomberg Code	SULAIMAN AB



Steady Growth Despite Margin Pressure

February 17, 2025

Upside to Target Price	5.1%	Rating	Neutral
Expected Dividend Yield	1.7%	Last Price	SAR 295.00
Expected Total Return	6.8%	12-mth target	SAR 310.00

HMG	4Q2024	4Q2023	Y/Y	3Q2024	Q/Q	RC Estimate
Sales	3,129	2,486	26%	2,977	5%	3,058
Gross Profit	997	868	15%	992	1%	1,031
Gross Margins	32%	35%		33%		34%
Operating Profit	624	534	17%	624	0%	634
Net Profit	614	525	17%	596	3%	603

(All figures are in SAR mln)

- HMG recorded 4Q revenues of SAR 3.13 bln, up+5% Q/Q and 26% Y/Y, in line with our SAR 3.06 bln forecast. Full year revenues were up +18% to SAR 11.2 bln led by the growth in hospital and pharmacy segment. Topline was driven by 2 big hospital openings in the year, Al Sahafa in Riyadh (largest private sector hospital in the Kingdom) and Al Fayhaa hospital in Jeddah.
- Similar to 3Q, gross margins have further contracted to 31.9% in 4Q2024 versus 33.3% in 3Q2024 and 34.9% in 4Q2023. New hospital openings are likely contributors as they take time to ramp up. Operating expenses have come in at SAR 373 mln, better than our expectations.
- Net income was recorded at SAR 614mln (+17% Y/Y, +3% Q/Q), close to our SAR 603 mln forecast but beat market consensus of SAR 583 mln. Net margins are almost flat Q/Q at 19.6% in 4Q. 4Q DPS of SAR 1.23 takes full payout to SAR 4.77.
- In 2024, HMG was able to complete 6 medical facilities across KSA. Besides the Al Sahafa and Al Fayhaa hospitals, the Women’s Health Hospital (expansion of Al Takhasussi), expanded OPD in Qassim and 2 medical centers in Buraydah and KAEC, were the other facilities that came online. As we highlighted in our last report as well, margins may face some pressures in the short term as new hospitals ramp up. Stock remains rangebound. We maintain our SAR 310.00 target price and Neutral recommendation.

Muhammad Faisal Potrik
 muhammed.faisal@riyadcapital.com
 +966-11-203-6807

■ Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors
For any feedback on our reports, please contact research@riyadcapital.com

Riyad Capital is a Saudi Closed Joint Stock Company with Paid up capital of SR 500 million, licensed by the Saudi Arabian Capital Market Authority NO.07070-37. Commercial Registration No: 1010239234. Head Office: Granada Business Park 2414 Al-Shohda Dist. – Unit No 69, Riyadh 13241 - 7279 Saudi Arabia. Ph: 920012299.

The information in this report was compiled in good faith from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated in this report are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable. Riyad Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Riyad Capital does not represent that the information in this report is complete or free from any error. This report is not, and is not to be construed as, an offer to sell or solicitation of an offer to buy any financial securities. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this report. Riyad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Riyad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Riyad Capital or its employees or any of its affiliates or clients may have a financial interest in securities or other assets referred to in this report. Opinions, forecasts or projections contained in this report represent Riyad Capital's current opinions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections which represent only one possible outcome. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified and future actual results or events could differ materially. The value of, or income from, any investments referred to in this report may fluctuate and/or be affected by changes. Past performance is not necessarily an indicative of future performance. Accordingly, investors may receive back less than originally invested amount. This report provides information of a general nature and does not address the circumstances, objectives, and risk tolerance of any particular investor. Therefore, it is not intended to provide personal investment advice and does not take into account the reader's financial situation or any specific investment objectives or particular needs which the reader may have. Before making an investment decision the reader should seek advice from an independent financial, legal, tax and/or other required advisers due to the investment in such kind of securities may not be suitable for all recipients. This research report might not be reproduced, nor distributed in whole or in part, and all information, opinions, forecasts and projections contained in it are protected by the copyright rules and regulations.