Earnings Flash Note

Medicare Group

2Q 2026/6M 2026

Medicare Group (MCGS)

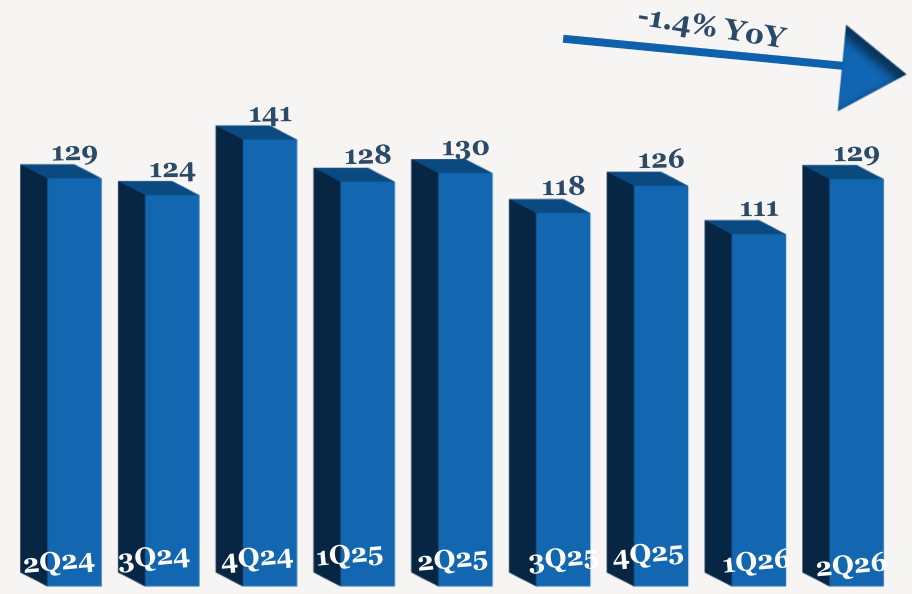
- **For 2Q2026 net profit came to QR41mn as against the profit of QR20mn in 2Q2025** (+310.8% QoQ), due to provision reversal for expected credit losses (ECL) on trade receivables. For 6M2026, net profit rose 23.9% to QR51mn.
- **Revenue decreased by 1.4% YoY to QR129mn (+15.6% QoQ) in 2Q2026**. For 6M2026, revenue fell 7.1% to QR240mn.
- **Gross profit decreased by 17.0% YoY to QR39mn (+18.8% QoQ) in 2Q2026,** while the corresponding margin came at 30.2% (-5.7ppts YoY; +0.8 QoQ) in 2Q2026. For 6M2026, gross profit was down 22.5% to QR71mn.
- **Operating profit increased by 131.6% YoY to QR40mn (+632.5% QoQ) in 2Q2026**, while the corresponding margin came at 31.4% (+18.0ppts YoY; +26.4 QoQ) in 2Q2026. For 6M2026, operating profit rose 34.9% to QR46mn.
- **For 2Q2026, EPS came at QR0.146 vs QR0.070 in 2Q2025**. For 6M2026, EPS came at QR0.18 vs. QR0.15 in 6M2025.
- **As of 21st July 2026, the stock decreased 10.7% YTD,** underperforming the QSE Index, which was down by 6.1% YTD.
- **The stock is currently trading at a TTM P/E multiple of 19.4x,** higher than its 3Y historical average of 17.8x. For now, we maintain our PT of QR6.40/share and our Accumulate rating.

2Q/6M 2026 Earnings Performance

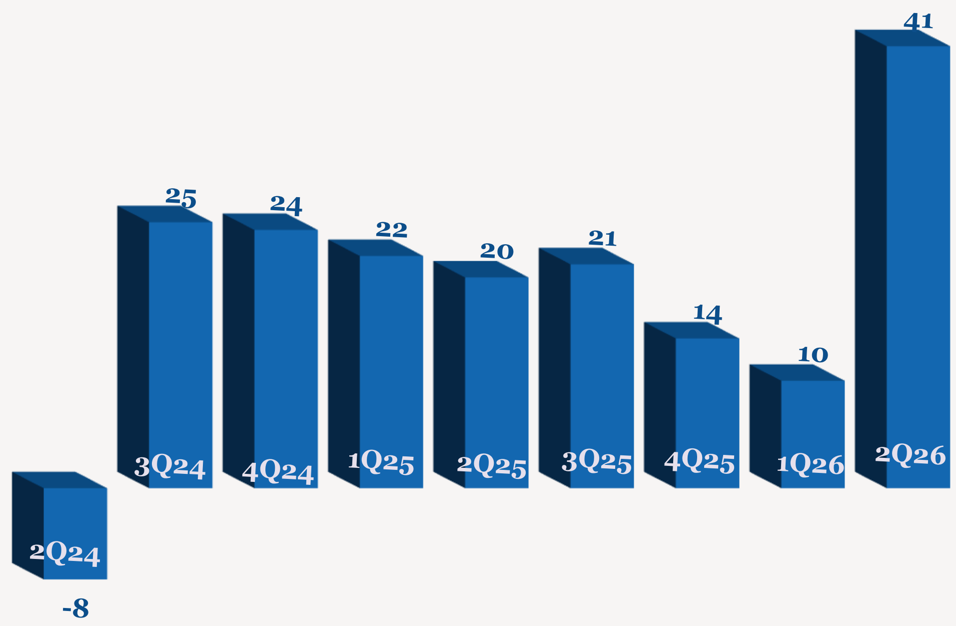
	2Q2026	2Q2025	YoY	1Q2026	QoQ	6M2026	6M2025	YoY
Revenue	129	130	-1.4%	111	15.6%	240	258	-7.1%
Gross Profit	39	47	-17.0%	33	18.8%	71	92	-22.5%
Gross Margin %	30.2%	35.8%		29.4%		29.8%	35.7%	
Operating Profit	40	17	131.6%	6	632.5%	46	34	34.9%
Operating Margin %	31.4%	13.4%		5.0%		19.1%	13.2%	
Net Profit to Equity	41	20	109.5%	10	310.8%	51	41	23.9%
Net Margin %	32.0%	15.0%		9.0%		21.3%	16.0%	
EPS (QR)	0.146	0.070	109.5%	0.036	310.8%	0.18	0.15	23.9%

Note: Values are expressed in QR'mn unless explicitly stated

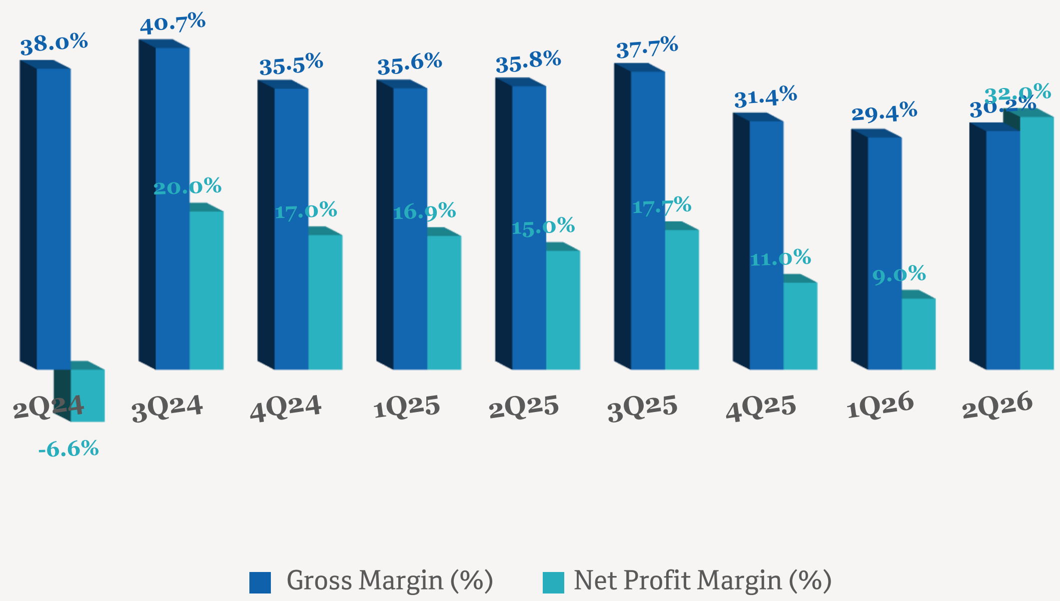
Quarterly Sales Trend (QRmn)



Quarterly Earnings Trend (QRmn)



Quarterly Margin Trend



EPS (QR) Trend

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