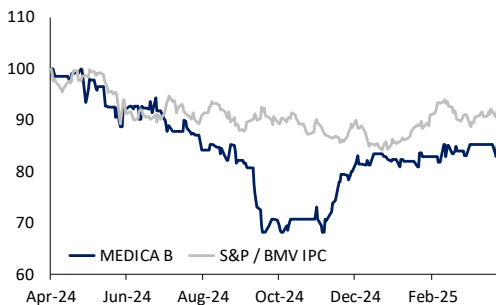


# MÉDICA: 1Q25 Results

Positive results that exceeded our forecasts due to stronger activity in Hospital Services and Clinical Services and Diagnose

MEDICA B	BUY
Target Price (MXN\$) [1]	\$ 74.00
Current Price (MXN\$)	\$ 35.00
Min / Max (L12M)	\$27.30 - 41.00
Expected Dividend (MXN\$)	\$ 1.50
Expected Return	115.7%
Market Cap (MXN\$ Mn)	3,778
Enterprise Value (MXN\$ Mn)	3,463
Outstanding Shares (Mn)	107.9
Float	37.5%
ADTV (MXN\$ Mn)	\$ 1.51

[1] P\$92.13 including land



## Opinion and recommendation

MEDICA reported positive 1Q25 results that were above our projections in terms of revenues, EBITDA, and net profits. We expect a positive short-term reaction in the stock price. We reiterate our BUY recommendation and are raising our target price to MXN\$74.00/share (MXN\$92.13/share including land), from MXN\$71.00/share. We continue to believe that the valuation of MEDICA shares is very attractive, with a forward EV/EBITDA of 3.6x (1.6x including land) and estimated P/E of 7.0x.

At the Annual Meeting, shareholders approved the payment of a MXN\$1.50/share cash dividend with a 4.3% yield, which exceeded our MXN\$1.30/share estimate. The company also maintained a MXN\$500 million share buyback reserve, and appointed three new Board Directors, including Laura Renée Diez Barroso Azcárraga, Carlos Alejandro Creel Carrera, and Dr. Germán Enrique Fajardo Dolci.

## 1Q25 Results

MEDICA reported quarterly revenues of MXN\$1.2 billion, representing an 11.6% YoY increase, fueled by stronger activity at the Hospital (+15.3%) and in Clinical Services and Diagnostic Units (+10.9%), which offset a decrease in “Others” (-20.3%).

EBITDA reached MXN\$252.9 million, with a 13.2% growth and an EBITDA margin of 21.0%, slightly higher than the 20.7% of the previous year, driven by rising sales and disciplined cost and expense management.

The comprehensive financing cost was positive by MXN\$5.9 million, compared to a MXN\$3.7 million cost in 1Q24, primarily due to increased interest gains. Consolidated net profits rose 16.8% YoY to MXN\$142.3 million, supported by favorable operating results and higher financial income.

April 28<sup>th</sup>, 2025

**Martin Lara**  
+5255-6413-8563  
martin.lara@miranda-gr.com

The net debt-to-EBITDA ratio decreased to -0.39x, compared to -0.12x in 1Q24, a result of higher EBITDA, cash accumulation, and stable debt.

**Others**

For the fifth consecutive year, MEDICA was recognized as the “Best Hospital in Mexico” by *Newsweek* magazine in collaboration with *Statista*; in January 2025, it obtained ISO 9001:2015 certification in the Nutrition area; it was recognized by the National Retail Chamber (“Canaco”) for pioneering the implementation of a medical tourism department in a highly specialized hospital; and joined the International Hospital Federation, the Geneva Centre for Sustainability, and the Global Network of Green and Healthy Hospitals.

(Figures in Millions of MXN\$)	1Q25	1Q25E	Diff.	1Q24	Chg.
Revenues	1,205	1,129	6.7%	1,080	11.6%
EBITDA	253	234	7.9%	223	13.2%
<i>EBITDA Margin</i>	21.0%	20.8%		20.7%	
Financial Gains	26	27	-7.1%	16	58.1%
Financial Cost	-20	-19	3.5%	-20	-1.2%
Net Profit	142	138	3.4%	122	16.8%

---

## Discounted Cash Flow Model

(Figures in Millions of MXN\$)	2026E	2027E	2028E	2029E	2030E	Perp.
OPERATING PROFIT	833	914	990	1,071	1,145	1,145
Tax Rate	32%	32%	32%	32%	32%	30%
Tax Shield	-265	-290	-314	-340	-364	-344
NOPLAT	569	624	675	731	781	802
Depreciation	208	225	238	238	253	253
Working Capital Changes	-7	23	24	26	27	27
CAPEX	-266	-282	-299	-318	-337	-337
FCFF	504	590	638	677	725	894
Perpetuity Growth Rate						2.6%
PV of Explicit Period (2026 - 2030E)						2,241
Perpetuity Value						9,948
PV of Perpetuity Value						5,158
Enterprise Value						7,399
Net Debt						-292
Treasury Shares						296
Market Value						7,987
Land Properties						1,957
Adjusted Market Value w/ Land Properties						9,944
Outstanding Shares						108
Target Price						P\$ 74.00
Adjusted Target Price with Land Properties						P\$ 92.13
Current Market Price						P\$ 35.00
Potential Return Incl. Dividends						115.7%
Forward EV/EBITDA						7.3x
Forward P/E						14.1x
Average Cost of Debt						7.0%
LT Tax Rate						30.0%
After-Tax Cost of Debt						4.9%
Cost of Equity						14.2%
Market Risk Premium						6.0%
Risk-Free Rate						9.6%
Beta						0.77
% Total Debt						28.6%
% Capital						71.4%
WACC						11.6%

**Sensitivity Analysis of the Target Price, EV/EBITDA vs. EBITDA**

	-10%	-5%	<i>Original</i>	+5%	+10%
<b>Projected EBITDA</b>	<b>940</b>	<b>989</b>	<b>1,042</b>	<b>1,094</b>	<b>1,148</b>
<b>Target EV/EBITDA</b>					
5.8x	54.06	56.72	59.52	62.33	65.27
6.3x	58.41	61.30	64.35	67.39	70.59
6.8x	62.76	65.89	69.17	72.46	75.91
<b>7.3x</b>	<b>67.12</b>	<b>70.47</b>	<b>74.00</b>	<b>77.52</b>	<b>81.23</b>
7.8x	71.47	75.05	78.82	82.59	86.55
8.3x	75.83	79.64	83.65	87.66	91.87

**Sensitivity Analysis Table of the Target Price, P/E vs. Net Profit**

	-10%	-5%	<i>Original</i>	+5%	+10%
<b>Projected Net Profit</b>	<b>512</b>	<b>538</b>	<b>567</b>	<b>595</b>	<b>625</b>
<b>Target P/E</b>					
11.1x	52.56	55.33	58.24	61.16	64.21
12.1x	57.30	60.32	63.49	66.67	70.00
13.1x	62.04	65.31	68.75	72.18	75.79
<b>14.1x</b>	<b>66.78</b>	<b>70.30</b>	<b>74.00</b>	<b>77.70</b>	<b>81.58</b>
15.1x	71.52	75.29	79.25	83.21	87.37
16.1x	76.26	80.28	84.50	88.73	93.16

(Figures in Millions of MXN\$)

<b>INCOME STATEMENT</b>	<b>2024</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
Revenues	4,403	4,729	5,017	5,323	5,648	5,993	6,360
Cost of Sales	-2,911	-3,065	-3,256	-3,449	-3,654	-3,871	-4,102
Gross Profit	1,492	1,664	1,761	1,874	1,994	2,122	2,258
General Expenses	-857	-897	-948	-985	-1,034	-1,085	-1,151
Operating Profit	568	770	833	914	990	1,071	1,145
Depreciation and Amortization	-194	-201	-208	-225	-238	-238	-253
EBITDA	807	971	1,042	1,139	1,227	1,308	1,398
Financial Gains	102	106	113	120	135	158	168
Financial Cost	-76	-86	-115	-114	-114	-115	-117
Pre-Tax Profit	594	789	831	920	1,010	1,114	1,196
Tax & Profit Sharing	-172	-250	-264	-292	-321	-354	-380
Net Profit	462	538	567	628	689	760	816
<b>BALANCE SHEET</b>	<b>2024</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
TOTAL ASSETS	4,411	4,680	4,874	5,045	5,399	5,769	5,912
Current Assets	1,558	1,757	1,893	2,007	2,299	2,589	2,649
LT Assets	2,853	2,923	2,981	3,038	3,100	3,180	3,263
TOTAL LIABILITIES	2,067	2,190	2,239	2,295	2,351	2,410	2,466
ST Liabilities	2,002	1,123	1,172	1,228	1,284	1,344	1,400
LT Liabilities	65	1,067	1,067	1,067	1,067	1,067	1,067
TOTAL DEBT	1,018	1,004	1,002	1,004	1,002	1,001	992
NET DEBT	-104	-292	-372	-452	-713	-970	-1,001
TOTAL CAPITAL	2,344	2,505	2,650	2,764	3,063	3,373	3,461
Stockholder's Equity	2,343	2,504	2,649	2,763	3,061	3,372	3,459
<b>CASH FLOW STATEMENT</b>	<b>2024</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
NET PROFIT	462	538	567	628	689	760	816
Inv. Related Activities	253	310	321	336	348	345	360
Pre-Tax Cash Flow	691	767	635	701	756	800	862
Working Capital Changes	-96	-30	-7	23	24	26	27
Operating Cash Flow	595	737	628	724	781	825	889
Investment Cash Flow	1	-185	-125	-131	-129	-120	-129
Financing Cash Flow	-179	-379	-425	-511	-393	-451	-737
Net Incr. (Decr.) in Cash & Temp. Inv.	417	174	78	83	259	255	23
Beg. of Period Cash and Temp. Inv.	705	1,122	1,296	1,374	1,456	1,715	1,971
End of Period Cash and Temp. Inv.	1,122	1,296	1,374	1,456	1,715	1,971	1,993

## **DISCLAIMER**

The current report was prepared by Miranda Global Research ("Miranda GR") for Vector Casa de Bolsa, S.A. de C.V. The information is presented in summarized form and is not meant to be complete. There are no declarations or guarantees, expressed or implicit, in respect to the accuracy, impartiality or integrity of the information.

Miranda GR, in accordance to applicable legislation, has made sure that the presented personalized recommendation is reasonable to the client, as it has verified congruency between the client's profile and the profile of the financial product. Under no circumstance should it be understood that the fulfillment of the previously mentioned recommendation, guarantees the result or the success of the proposed strategies in the presented document.

The information included in this report was obtained from public sources. Projections or previsions included in this report are a generalized recommendation and are based on subjective assumptions and estimations about events and circumstances that have not yet happened and are subjected to significant variations. Therefore, it is not possible to guarantee that any of the results included in the current report will happen in the future, in other words, it does not guarantee the result or the success of the posed strategies.

This report has been prepared solely with informational purposes. No declarations are made in respects to precision, sufficiency, veracity or accuracy of the information and opinions hereby included. Miranda GR will not answer (either because of negligence or for any other reason) for any damage or detriment derived or related to the use of this report or its content, or any connection to the report. Miranda GR is not responsible for the use or association with this report, including but not limited to, any declaration, expressed or implicit or guarantees or omissions included in this information.

This report is based on facts and/or events that have happened up to this date, consequently any future facts and/or events can impair the conclusions hereby expressed. Miranda GR does not assume any responsibility to update, review, rectify or invalidate this report based on any future occurrence.

The opinions related to this report eventually expressed by Miranda GR, should be considered only as suggestions/recommendations to better operate various topics related to the report.

This report and its contents are property of Miranda GR and cannot be reproduced or broadcast in part or in its entirety without the previous written consent of Miranda GR.

Miranda Global Research receives fees from Médica Sur, S.A.B. de C.V. for independent analyst services. Companies or Fibras under coverage will have no right or opportunity to exert any influence on opinions, projections, recommendations, and/or target prices expressed hereby by Miranda GR.

---