

# MÉDICA: 2Q25 Results

Solid quarterly results with higher-than-expected revenue, EBITDA and net profits due to stronger demand; issues MXN\$1.0 billion in sustainable bonds

MEDICA B	BUY
Target Price (MXN\$) [1]	\$ 76.00
Current Price (MXN\$)	\$ 46.00
Min / Max (L12M)	\$27.30 - 46.00
Expected Dividend (MXN\$)	\$ 1.50
Expected Return	68.5%
Market Cap (MXN\$ Mn)	4,965
Enterprise Value (MXN\$ Mn)	4,599
Oustanding Shares (Mn)	107.9
Float	37.5%
ADTV (MXN\$ Mn)	\$ 0.57

[1] P\$94.13 including land

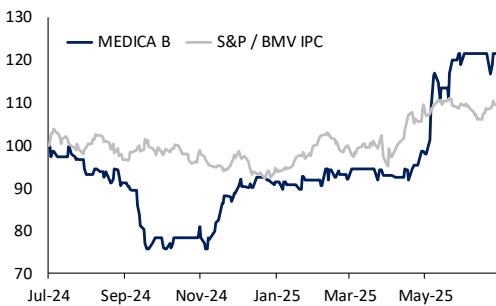
## Opinion and recommendation

MÉDICA reported positive quarterly results, with significant revenue, EBITDA, and net profit growth driven by stronger activity in the three business segments and operating leverage, ahead of our expectations. Additionally, the company carried out a new long-term bond issuance, which will extend its maturity profile.

We reiterate our BUY recommendation and are raising our target price to MXN\$76.00/share (MXN\$94.13/share including land), from MXN\$74.00/share, after including this quarterly report in our model. We believe MÉDICA's fundamentals are very solid. Furthermore, its shares are currently trading at a 2025E EV/EBITDA of 4.5x (2.6x including land) and a P/E ratio of 8.9x.

## 2Q25 Results

Total revenues advanced 10.0% to MXN\$1.18 billion (slightly above our MXN\$1.14 billion expectation) as a result of stronger demand across the three business segments. Normalized EBITDA (excluding the prior year's extraordinary items) grew 33.8% YoY to MXN\$255 million (exceeding our MXN\$234 million projection), with a significant 390 bps expansion in the EBITDA margin to 21.6%, due to financial discipline and cost and expense control. Normalized net profits were up 26.2% YoY to MXN\$136 million (vs. MXN\$129 million E) as a result of the strong operating performance, which offset FX losses. Net margin improved 150 bps to 11.5%. MÉDICA maintained its solid financial structure with a net debt-to-EBITDA ratio of -0.39x at the end of 2Q25, from -0.13x in 2Q24.



On July 3<sup>rd</sup>, MÉDICA issued the first two sustainable hospital bonds in Latin America, including: i) MÉDICA 25X with a floating interest rate of TIIE + 74 bps and a 3-year maturity for MXN\$200 million; and ii) MÉDICA 25-2X with a fixed rate of 10.05% and a 5-year maturity for MXN\$800 million. This issuance was rated “HR AAA” by HR Ratings and “AA(mex)” by Fitch Ratings. MÉDICA plans to use proceeds to pay down the MÉDICA 20 domestic bonds (“Cebures”) maturing in September this year.

**2Q25 Results**

<b>(Figures in Millions of MXN\$)</b>	<b>2Q25</b>	<b>2Q25E</b>	<b>Diff.</b>	<b>2Q24</b>	<b>Chg.</b>
Revenues	1,181	1,139	3.7%	1,074	10.0%
EBITDA	255	234	9.0%	190	33.8%
<i>EBITDA Margin</i>	<i>21.6%</i>	<i>20.5%</i>		<i>17.7%</i>	
Net Profit	136	129	5.5%	108	26.2%

## Discounted Cash Flow Model

(Figures in Millions of MXN\$)	2026E	2027E	2028E	2029E	2030E	Perp.
OPERATING PROFIT	861	922	993	1,074	1,162	1,162
Tax Rate	31%	31%	31%	31%	31%	30%
Tax Shield	-269	-288	-310	-335	-362	-348
NOPLAT	592	634	683	739	799	813
Depreciation	208	225	238	238	253	253
Working Capital Changes	-53	22	24	25	27	27
CAPEX	-253	-269	-285	-302	-321	-321
FCFF	494	613	659	699	758	926
Perpetuity Growth Rate						2.8%
PV of Explicit Period (2026 - 2030E)						2,276
Perpetuity Value						10,070
PV of Perpetuity Value						5,111
Enterprise Value						7,386
Net Debt						-428
Treasury Shares						389
Market Value						8,203
Land Properties						1,957
Adjusted Market Value w/ Land Properties						10,160
<i>Outstanding Shares</i>						108
Target Price						P\$ 76.00
Adjusted Target Price with Land Properties						P\$ 94.13
Current Market Price						P\$ 46.00
Potential Return Incl. Dividends						68.1%
Forward EV/EBITDA						7.2x
Forward P/E						13.5x
Average Cost of Debt						9.8%
LT Tax Rate						30.0%
After-Tax Cost of Debt						6.9%
Cost of Equity						14.0%
Market Risk Premium						6.0%
Risk-Free Rate						9.4%
Beta						0.76
% Total Debt						28.4%
% Capital						71.6%
WACC						12.0%

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

	-10%	-5%	<i>Original</i>	+5%	+10%
<b>Projected EBITDA</b>	965	1,016	<b>1,069</b>	<b>1,123</b>	<b>1,179</b>
<b>Target EV/EBITDA</b>					
5.7x	55.65	58.33	<b>61.14</b>	63.96	66.91
6.2x	60.12	63.03	<b>66.09</b>	69.16	72.37
6.7x	64.59	67.73	<b>71.05</b>	74.36	77.83
<b>7.2x</b>	<b>69.06</b>	<b>72.44</b>	<b>76.00</b>	<b>79.56</b>	<b>83.29</b>
7.7x	73.53	77.14	<b>80.95</b>	84.76	88.75
8.2x	78.00	81.85	<b>85.90</b>	89.96	94.21

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

	-10%	-5%	<i>Original</i>	+5%	+10%
<b>Projected Net Profit</b>	547	576	<b>607</b>	<b>637</b>	<b>669</b>
<b>Target P/E</b>					
10.5x	53.37	56.18	<b>59.14</b>	62.10	65.20
11.5x	58.45	61.52	<b>64.76</b>	68.00	71.40
12.5x	63.52	66.86	<b>70.38</b>	73.90	77.59
<b>13.5x</b>	<b>68.59</b>	<b>72.20</b>	<b>76.00</b>	<b>79.80</b>	<b>83.79</b>
14.5x	73.66	77.54	<b>81.62</b>	85.70	89.98
15.5x	78.73	82.88	<b>87.24</b>	91.60	96.18

(Figures in Millions of MXN\$)

INCOME STATEMENT	2024	2025E	2026E	2027E	2028E	2029E	2030E
Revenues	4,403	4,772	5,062	5,371	5,699	6,047	6,418
Cost of Sales	-2,911	-3,060	-3,235	-3,427	-3,630	-3,846	-4,075
Gross Profit	1,492	1,712	1,827	1,944	2,069	2,201	2,342
General Expenses	-857	-929	-987	-1,047	-1,106	-1,161	-1,219
Operating Profit	568	804	861	922	993	1,074	1,162
Depreciation and Amortization	-194	-203	-208	-225	-238	-238	-253
EBITDA	807	1,007	1,069	1,147	1,230	1,312	1,415
Financial Gains	102	107	116	127	145	161	171
Financial Cost	-76	-100	-95	-94	-93	-96	-98
Pre-Tax Profit	594	811	882	955	1,044	1,139	1,235
Tax & Profit Sharing	-172	-254	-275	-298	-326	-355	-385
Net Profit	462	557	607	657	718	784	849
BALANCE SHEET	2024	2025E	2026E	2027E	2028E	2029E	2030E
TOTAL ASSETS	4,411	4,712	4,950	5,149	5,552	5,746	5,937
Current Assets	1,558	1,850	2,043	2,198	2,554	2,683	2,807
LT Assets	2,853	2,862	2,907	2,951	2,998	3,063	3,130
TOTAL LIABILITIES	2,067	2,204	2,251	2,299	2,368	2,420	2,483
ST Liabilities	2,002	1,132	1,179	1,227	1,295	1,348	1,411
LT Liabilities	65	1,072	1,072	1,072	1,072	1,072	1,072
TOTAL DEBT	1,018	1,002	1,006	1,001	1,013	1,005	1,005
NET DEBT	-104	-428	-520	-650	-960	-1,062	-1,150
TOTAL CAPITAL	2,344	2,522	2,713	2,864	3,198	3,340	3,468
Stockholder's Equity	2,343	2,521	2,712	2,862	3,197	3,338	3,467
CASH FLOW STATEMENT	2024	2025E	2026E	2027E	2028E	2029E	2030E
NET PROFIT	462	557	607	657	718	784	849
Inv. Related Activities	320	450	511	526	537	536	550
Pre-Tax Cash Flow	758	870	812	864	917	962	1,033
Working Capital Changes	-96	-9	-53	22	24	25	27
Operating Cash Flow	662	861	759	887	940	987	1,059
Investment Cash Flow	4	-48	-109	-110	-104	-101	-109
Financing Cash Flow	-249	-505	-554	-653	-514	-791	-863
Net Incr. (Decr.) in Cash & Temp. Inv.	417	308	96	124	322	95	86
Beg. of Period Cash and Temp. Inv.	705	1,122	1,430	1,526	1,650	1,973	2,068
End of Period Cash and Temp. Inv.	1,122	1,430	1,526	1,650	1,973	2,068	2,154

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