

# MÉDICA (BUY, T.P. MXN\$55.0)

## HR Ratings raises credit rating

HR Ratings upgraded the credit rating from HR AA+ to HR AAA, and maintained the Stable Outlook for Médica Sur and for the MEDICA 20 issue. Likewise, it upgraded the rating from HR1 to HR+1 for Médica Sur. In its statement, the rating agency mentioned that: "Medica Sur's rating upgrade is based on the reported and expected DSCR (Debt Service Coverage) levels and DSCR with Cash metrics, which during the last twelve months (LTM) to 2Q22 were in the most solid levels of the curve for each metric. For the projected period, we expect constant FCF generation driven by stronger operating results and efficient working capital management. This, coupled with a long-term debt structure and solid liquidity levels, would be reflected in negative net debt levels for 2022-2025. Finally, the rating incorporates a positive qualitative adjustment in relation to the environmental approach with which the company carries out its daily operations, as well as its commitment to the environment, embodied in its growth plan towards 2025." We believe that this credit rating upgrade reflects MÉDICA's solid fundamentals, as well as its focus on ESG factors. Our recommendation is BUY with a MXN\$55.0/share target price.

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