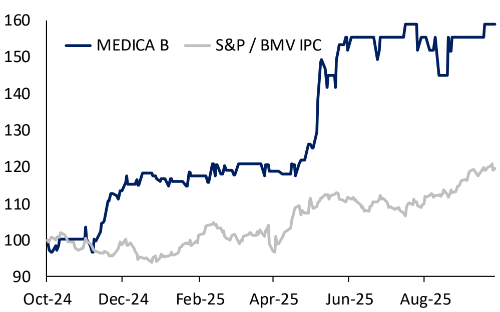
MÉDICA: 3Q25 Results

Positive quarter with higher hospital services revenues and rising profitability; we raised our target price to MXN$80.00/share

MEDICA B	BUY
Target Price (MXN$) [1]	$ 80.00
Current Price (MXN$)	$ 50.00
Min / Max (L12M)	$27.90 - 50.00
Expected Dividend (MXN$)	$ 1.50
Expected Return	63.0%
Market Cap (MXN$ Mn)	5,397
Enterprise Value (MXN$ Mn)	4,811
Oustanding Shares (Mn)	107.9
Float	37.5%
ADTV (MXN$ Mn)	$ 0.58

[1] P$98.13 including land



Opinion and recommendation

MÉDICA reported favorable quarterly results that were practically in line with our projections. We maintain our BUY recommendation following this report and are raising our target price to MXN$80.00/share (MXN$98.13/share including land), from MXN$76.00/share.

We continue to consider that the valuation of MÉDICA shares is very attractive, with forward EV/EBITDA of 4.6x (2.8x including land) and estimated P/E of 9.0x for 2026. In our opinion, these multiples do not adequately reflect the company's favorable growth prospects, its attractive business model, and its leading position in the Mexican hospital market.

3Q25 Results

Total revenues were up 5.6% YoY in the quarter, reaching MXN$1.18 billion, driven by higher revenues in the hospital services business. Profitability improved significantly due to operating efficiencies, which boosted normalized EBITDA (excluding last year's one-time items) by 10.7% YoY to MXN$230.5 million. The EBITDA margin reached 19.5%, 0.8 percentage points higher than the prior year. Meanwhile, net income advanced 1.1% YoY to MXN$123.5 million, as strong operating performance was partially offset by FX losses.

As a result of high free cash flow generation, cash rose 41.3% YoY to MXN$1.59 billion, while debt remained stable at MXN$1.0 billion.

October 27th, 2025

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

The net debt-to-EBITDA ratio continued to improve, reaching -0.60x at the end of 3Q25, up from -0.15x in 3Q24. Worth mentioning that, in July, the company issued MXN$1 billion in long-term sustainable bonds with ticker symbols MÉDICA 25X and MÉDICA 25-2X. This was the first sustainable issuance by a hospital group in Latin America.

Furthermore, MÉDICA implemented the EDEN RIS/PACS platform in the Imaging, Magnetic Resonance, Nuclear Medicine, and PET-CT areas. This platform integrates artificial intelligence algorithms, automated processing, and predictive analytics. The company maintained high standards in its clinical indicators with a nosocomial infection rate of 0.49 cases/100 discharges and surgical site infections of 0.35 cases/100 surgeries, in both cases below international standards.

3Q25 Results

(Figures in Millions of MXN$)	3Q25	3Q25E	Diff.	3Q24	Chg.
Revenues	1,180	1,186	-0.5%	1,117	5.6%
EBITDA	231	237	-2.6%	209	10.4%
EBITDA Margin	*19.5%*	*20.0%*		*18.7%*	
Financial Gains	43	27	57.3%	31	37.0%
Financial Cost	-44	-28	57.7%	-19	132.5%
Net Profit	124	127	-3.1%	122	1.1%

Discounted Cash Flow Model

(Figures in Millions of MXN$)	2026E	2027E	2028E	2029E	2030E	Perp.
OPERATING PROFIT	849	910	979	1,059	1,145	1,145
Tax Rate	32%	32%	32%	32%	32%	30%
Tax Shield	-268	-287	-308	-334	-361	-344
NOPLAT	582	623	671	726	785	802
Depreciation	208	225	238	238	253	253
Working Capital Changes	-36	22	23	24	26	26
CAPEX	-200	-212	-225	-238	-253	-253
FCFF	555	658	707	749	811	828
Perpetuity Growth Rate						2.2%
PV of Explicit Period (2026 - 2030E)						2,513
Perpetuity Value						9,171
PV of Perpetuity Value						4,856
Enterprise Value						7,369
Net Debt						-596
Treasury Shares						670
Market Value						8,635
Land Properties						1,957
Adjusted Market Value w/ Land Properties						10,592
Oustanding Shares						*108*
Target Price						P$ 80.00
Adjusted Target Price with Land Properties						P$ 98.13
Current Market Price						P$ 50.00
Potential Return Incl. Dividends						62.7%
Forward EV/EBITDA						7.7x
Forward P/E						14.4x
Average Cost of Debt						9.8%
LT Tax Rate						30.0%
After-Tax Cost of Debt						6.9%
Cost of Equity						12.8%
Market Risk Premium						6.0%
Risk-Free Rate						8.5%
Beta						0.71
% Total Debt						27.4%
% Capital						72.6%
WACC						11.2%

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

	-10%	-5%	*Original*	+5%	+10%
Projected EBITDA	**955**	**1,005**	***1,058***	**1,111**	**1,166**
Target EV/EBITDA					
6.2x	59.37	62.26	*65.30*	68.34	71.54
6.7x	63.79	66.92	*70.20*	73.49	76.94
7.2x	68.22	71.57	*75.10*	78.63	82.34
7.7x	**72.64**	**76.23**	***80.00***	**83.78**	**87.74**
8.2x	77.06	80.88	*84.90*	88.92	93.14
8.7x	81.48	85.53	*89.80*	94.07	98.55

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

	-10%	-5%	*Original*	+5%	+10%
Projected Net Profit	**540**	**568**	***598***	**628**	**659**
Target P/E					
11.4x	57.20	60.21	*63.38*	66.54	69.87
12.4x	62.20	65.47	*68.92*	72.36	75.98
13.4x	67.20	70.74	*74.46*	78.18	82.09
14.4x	**72.20**	**76.00**	***80.00***	**84.00**	**88.20**
15.4x	77.20	81.27	*85.54*	89.82	94.31
16.4x	82.20	86.53	*91.09*	95.64	100.42

(Figures in Millions of MXN$)

INCOME STATEMENT	2024	2025E	2026E	2027E	2028E	2029E	2030E
Revenues	4,403	4,752	4,994	5,297	5,620	5,962	6,326
Cost of Sales	-2,911	-3,055	-3,191	-3,380	-3,580	-3,792	-4,017
Gross Profit	1,492	1,697	1,803	1,918	2,040	2,170	2,309
General Expenses	-857	-927	-974	-1,033	-1,090	-1,145	-1,202
Operating Profit	568	780	849	910	979	1,059	1,145
Depreciation and Amortization	-194	-197	-208	-225	-238	-238	-253
EBITDA	807	977	1,058	1,135	1,217	1,297	1,399
Financial Gains	102	127	121	127	144	160	171
Financial Cost	-76	-121	-97	-97	-96	-96	-95
Pre-Tax Profit	594	786	873	940	1,027	1,124	1,221
Tax & Profit Sharing	-172	-249	-275	-296	-324	-354	-384
Net Profit	462	537	598	644	704	770	836
BALANCE SHEET	**2024**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
TOTAL ASSETS	4,411	4,969	4,914	5,052	5,387	5,515	5,635
Current Assets	1,558	2,048	2,002	2,154	2,501	2,628	2,748
LT Assets	2,853	2,920	2,912	2,899	2,886	2,887	2,887
TOTAL LIABILITIES	2,067	2,282	2,313	2,365	2,419	2,477	2,540
ST Liabilities	2,002	1,218	1,249	1,301	1,355	1,413	1,476
LT Liabilities	65	1,064	1,064	1,064	1,064	1,064	1,064
TOTAL DEBT	1,018	1,016	1,011	1,011	1,011	1,010	1,011
NET DEBT	-104	-596	-484	-606	-922	-1,014	-1,098
TOTAL CAPITAL	2,344	2,698	2,613	2,699	2,980	3,049	3,106
Stockholder's Equity	2,343	2,697	2,612	2,698	2,979	3,048	3,105
CASH FLOW STATEMENT	**2024**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
NET PROFIT	462	537	598	644	704	770	836
Inv. Related Activities	320	418	457	473	484	482	497
Pre-Tax Cash Flow	758	910	815	867	919	965	1,036
Working Capital Changes	-96	-79	-36	22	23	24	26
Operating Cash Flow	662	831	779	889	942	989	1,062
Investment Cash Flow	4	-32	-51	-53	-45	-38	-42
Financing Cash Flow	-249	-308	-846	-715	-582	-858	-935
Net Incr. (Decr.) in Cash & Temp. Inv.	417	491	-117	121	316	92	84
Beg. of Period Cash and Temp. Inv.	705	1,122	1,613	1,496	1,617	1,932	2,025
End of Period Cash and Temp. Inv.	1,122	1,613	1,496	1,617	1,932	2,025	2,109

DISCLAIMER

The current report was prepared by Miranda Global Research ("Miranda GR") for Corporación Actinver, S.A.B. 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, with respect to the accuracy, impartiality, or integrity of the information.

Miranda GR, in accordance with 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 for informational purposes. No declarations are made regarding 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 the 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.