

## Médica Sur reports increases of 23% in revenues and 44% EBITDA from core operations (excluding COVID) for 1Q23 compared to 1Q22.

**Mexico City, April 14, 2023** - MEDICA, S.A.B. de C.V. ("Medica Sur", "MEDICA", "MS", the "Company") (BMV ticker symbol: MEDICAB and CEBURES MEDICA 20) reports its unaudited results for the first quarter of 2023 (1Q23). This information is presented in accordance with International Financial Reporting Standards (*IFRS*).

### Financial Summary

The Company reported favorable results in the first quarter of 2023. The most relevant figures are mentioned below.

- **Revenues (excluding COVID)** for the first quarter increased 22.6% compared to the same period of the previous year. **Total revenues** for 1Q23 grew 10.8% compared to 1Q22 to Ps.1,072.7 million. This effect is derived from a higher number of patients treated in the hospital, in clinical services and in the Company's diagnostic units. The increase in core services fully offset the reduction in COVID services revenues.
- **Operating income** for 1Q23 was Ps.180.3 million, a 9.3% increase compared to the figure for the same quarter of the previous year, reflecting the reported growth in revenues for the quarter. Operating margin was 16.8%.
- **Core EBITDA** for the first quarter of 2023 registered a 44% increase compared to 1Q22, to Ps.153.6 million. This expansion derives from higher revenues and from the Company's outstanding cost and expense control. *Core* EBITDA margin was 20.8%.

The Company's **total EBITDA** was Ps.223.1 million in the first quarter of the year, Ps.33.9 million less than in the same period of the previous year. Difference is mainly explained by discontinued operations related to COVID royalties that did not repeat in 1Q23. The margin Total EBITDA for 1Q23 was 20.8%.

- **Net Income** for 1Q23 was Ps.141.8 million, a decrease of 12.7% compared to the figure recorded in the first quarter of the previous year. Net margin for the quarter was 13.2%.
- At the end of the first quarter the **cash position** was Ps.1,284.4 million, which resulted in a negative net debt of Ps.284.4 million.

### Médica Sur, S.A.B. de C.V. and Subsidiaries Unaudited results

|                                 | 1Q23           | 1Q22         | Var \$        | Var %          |
|---------------------------------|----------------|--------------|---------------|----------------|
| <b>Revenues</b>                 | <b>1,072.7</b> | <b>968.3</b> | <b>104.4</b>  | <b>10.8%</b>   |
| <b>Operating income</b>         | <b>180.3</b>   | <b>165.0</b> | <b>15.3</b>   | <b>9.3%</b>    |
| <i>Operating margin</i>         | <i>16.8%</i>   | <i>17.0%</i> |               | <i>-0.2 pp</i> |
| <b>EBITDA*</b>                  | <b>223.1</b>   | <b>256.9</b> | <b>(33.9)</b> | <b>-13.2%</b>  |
| <i>EBITDA* margin</i>           | <i>20.8%</i>   | <i>26.5%</i> |               | <i>-5.7 pp</i> |
| <b>Consolidated net income*</b> | <b>141.8</b>   | <b>162.4</b> | <b>(20.5)</b> | <b>-12.7%</b>  |
| <i>Net margin*</i>              | <i>13.2%</i>   | <i>16.8%</i> |               | <i>-3.5 pp</i> |

*Figures expressed in millions of pesos*

*\* Discontinued operations effect*

## Significant events 1Q23

### • For the third consecutive year we were rated the Best Hospital in Mexico

We were ranked the Best Hospital in Mexico by *Newsweek* magazine, in conjunction with the global data platform *Statista*. The Company has received this distinction in 2021, 2022 and 2023.

This qualification is in addition to the one received in 2022 in the ranking of the magazine *Expansión* and by Funsalud, in which we were also qualified as the Best Hospital, winning first place in nine of the specialties evaluated.

We owe our thanks for these awards to all those who are part of the Institution, demonstrating that we have the best skills, knowledge, good medical practices and protocols, technological equipment and a great team of collaborators.

For the complete ranking, see: [World's Best Hospitals 2023 - Mexico \(newsweek.com\)](https://www.newsweek.com/worlds-best-hospitals-2023-mexico).

### • New hemodynamics unit

Médica Sur has always been at the forefront of technology, which allows it to continue offering the best medical alternatives to its patients.

We acquired the new hemodynamics equipment, which has the latest technology for diagnosis, timely treatment and scheduled or emergency procedures in cardiology, peripheral vascular, neurology, orthopedics and neurosurgery (procedures for the treatment of low back pain).

In this way, we achieve greater benefits for our patients, such as more accurate and safe diagnoses, treatment planning and projection, and effective and timely interventions.

The total investment made was Ps.58.5 million.

### • We continue with our technological transformation

The first phase of the "*Núcleo*" project, which is related to the implementation of the SAP platform, began operations last February. The second phase is expected to begin in the second quarter of the year. The total investment of the project exceeds Ps.150.0 million.

This technological renovation will make it possible to achieve greater scalability, improve operational efficiency and make patient flow management more efficient.

In addition, since last March, the Clinical Pathology laboratory has become part of our digital culture. With the operation of the new "*Labsis*" computer system, it benefits from a variety of advantages, including electronic traceability of information flow and samples, along with continuous availability of the database and *paperless* technology, among many other benefits.



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## **Main results 1Q23**

### • **Relevant infection prevention and control indicators**

- ✓ Nosocomial infection rate: the cases/100 surgeries rate was 0.85, well below the international standard that establishes that the rate should be less than 5 cases per 100 surgeries.
- ✓ Surgical site infection rate: the cases/100 surgeries rate was 0.65, well below the international standard which recommends that the percentage should be less than 2.7 cases per 100 surgeries.

### • **Revenues**

**Net revenues (excluding COVID)** for the first quarter increased 22.6% compared to the same period of the previous year.

The Company's **total revenues** in 1Q23 grew 10.8% compared to 1Q22, to Ps.1,072.7 million. This positive effect is the result of a higher number of patients treated at the hospital, and an increase in the volume of clinical services and diagnostic units.

The main variations in revenues for 1Q23, by Business Unit, compared to 1Q22, are explained below:

#### **i) The Hospital contributed an additional Ps.124.2 million.**

- First quarter occupancy rate was 72.8%, 7.2 percentage points above 1Q22.
- We treated 3,511 patients discharged to home, 7.3% more than in 1Q22.
- The volume of patients treated in critical units increased significantly by 52.2%.
- The volume of surgeries grew 6.5%.
- The volume of patients attended in the emergency room increased by 11.7%.

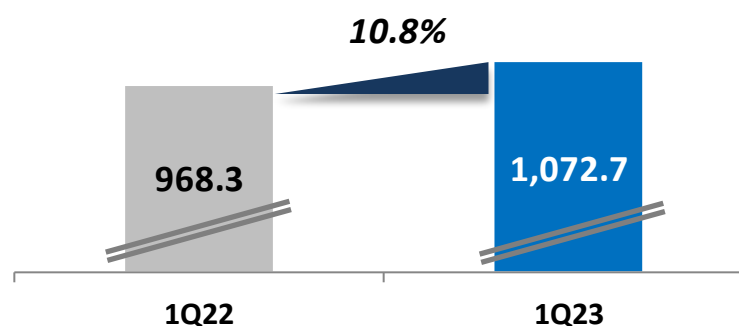
#### **ii) Clinical Services and Diagnostic Units contributed an additional Ps.66.4 million related to higher demand for services:**

- In PET-CT 16.1% more studies were performed.
- Nuclear Medicine grew 12.4%.
- Angiography expanded 11.8%.

#### **iii) The Other Income segment contributed an additional Ps.6.5 million driven by:**

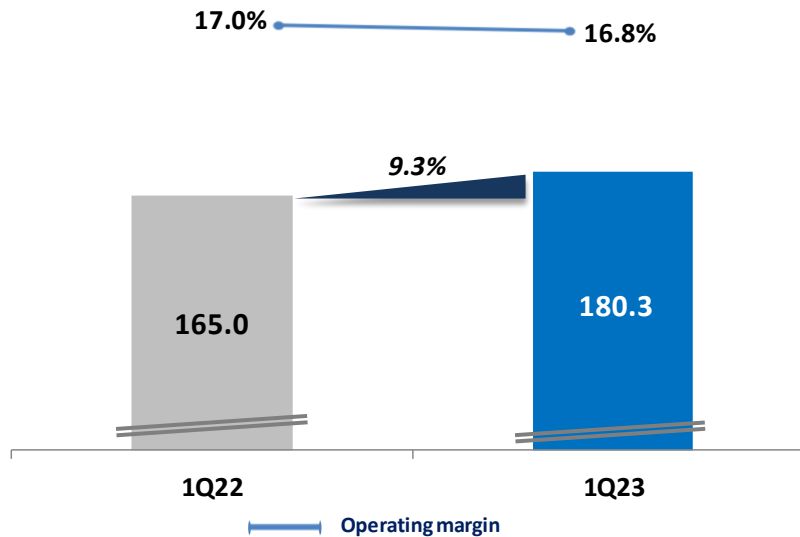
- A greater influx of visitors to the concession businesses of cafeterias and restaurants.
- Higher occupancy rate of the Holiday Inn hotel.

In particular, the increase in *core* revenues fully offset the Ps.92.7 million decrease in COVID services.



### • **Operating Income**

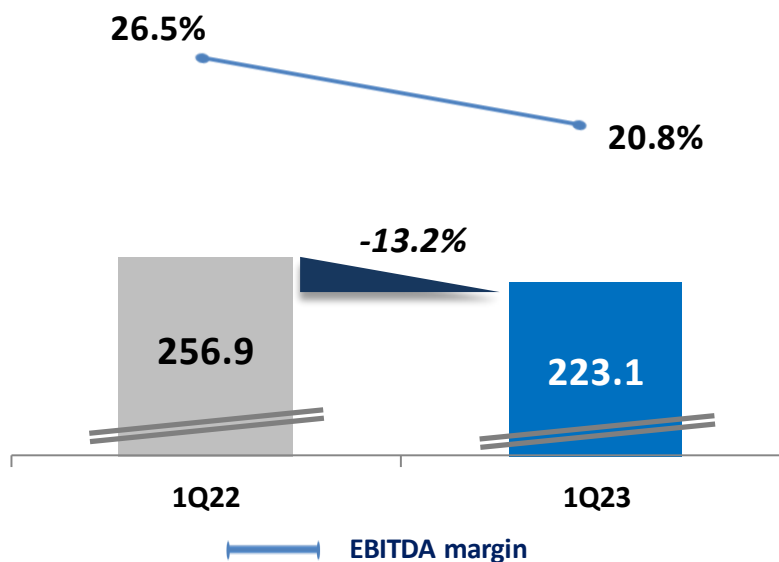
Operating income for 1Q23 increased 9.3% compared to 1Q22, to Ps.180.3 million, reflecting the increase in revenues for the period. Operating margin for the quarter was 16.8%.



## • EBITDA

Core EBITDA for the first quarter of 2023 registered a 44% increase compared to 1Q22, to Ps.153.6 million. This expansion derives from higher revenues and from the Company's outstanding cost and expense control. Core EBITDA margin was 20.8%.

The Company's total EBITDA was Ps.223.1 million in the first quarter of the year, Ps.33.9 million less than in the same period of the previous year. Difference is mainly explained by discontinued operations related to COVID royalties that did not repeat in 1Q23. The margin Total EBITDA for 1Q23 was 20.8%.



## • Taxes

In 1Q23, taxes were 3.3% higher compared to the same period of the previous year. This is the result of higher pre-tax income for the period.

### • Comprehensive Cost of Financing (CCF)

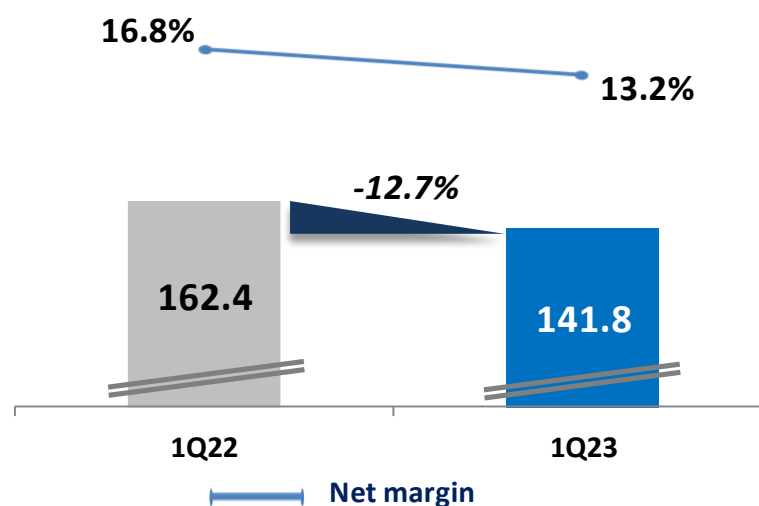
First quarter CCF had a favorable result, reaching Ps.23.6 million. This is mainly due to higher interest earned (as compared to interest paid) and higher interest rates.

|                                              | 1Q23        | 1Q22        | Var \$       | Var %       |
|----------------------------------------------|-------------|-------------|--------------|-------------|
| Foreign exchange gain (loss)                 | (4.6)       | (2.7)       | (1.9)        | 71%         |
| Interest earned                              | (18.6)      | (18.9)      | 0.3          | -1%         |
| Interest paid                                | 46.7        | 49.1        | (2.4)        | -5%         |
| <b>Comprehensive Cost of Financing (CCF)</b> | <b>23.6</b> | <b>27.6</b> | <b>(4.0)</b> | <b>-15%</b> |

*Figures expressed in millions of pesos*

### • Net income

Net Income for 1Q23 was Ps.141.8 million, 12.7% below the figure of the same quarter of the previous year, due to the decrease in discontinued operations as previously explained. Net margin for the quarter was 13.2%.



### • Negative Net Debt

The Group's total debt is Ps.1,000.0 million, which comprises the MEDICA 20 notes issued in 2020. These debt securities, which mature in September 2025, pay an annual rate of 6.99% per annum. To date, the Company has satisfactorily met all of its debt service obligations.

As of March 31, 2023, the cash position was Ps.1,284.4 million, resulting in a favorable negative cash position of Ps.284.4 million.

| <i>Figures expressed in millions of pesos</i> | 1Q23         | 1Q22           | Var \$      | Var %       |
|-----------------------------------------------|--------------|----------------|-------------|-------------|
| Cash                                          | 1,284        | 3,427          | (2,143)     | -63%        |
| Cost-bearing debt                             | 1,000        | 1,000          | -           | -           |
| <b>Net debt</b>                               | <b>(284)</b> | <b>(2,427)</b> | <b>N.A.</b> | <b>N.A.</b> |
| <b>Leverage</b>                               | <b>-0.2x</b> | <b>-1.6x</b>   | <b>N.A.</b> | <b>N.A.</b> |

*(Net debt / EBITDA LTM)*

- **Stock repurchase Fund**

In the first quarter of the year, the Company operated its repurchase fund for Ps.45.1 million for the acquisition of 1.17 million of its shares. As a result, as of March 31, 2023, the Company's ownership of its own shares is 2.35%.

### **Other events of 1Q23**

- **Resignation of Mrs. Diez Barroso as member of the Board of Directors**

On March 10, the Company informed the public that Mrs. Laura Renee Diez Barroso Azcárraga resigned from her position as a member of the Board of Directors of Médica Sur.

We wish to acknowledge the continuous and exemplary dedication she demonstrated in the performance of her duties as a proprietary member of our Board of Directors.

For further information, please refer to the relevant event published by the Issuer: <https://inversionistas.medicasur.com.mx/comunicados>



## Financial Statements (unaudited)

Médica Sur, S.A.B. de C.V.

Balance Sheet as of March 31, 2023 and December 31, 2022

(Figures expressed in Mexican pesos)

|                                                             | <u>2022</u>          | <u>2021</u>          | <u>Var %</u> | <u>Var \$</u>        |
|-------------------------------------------------------------|----------------------|----------------------|--------------|----------------------|
| <b>Assets</b>                                               | <b>4,765,917,527</b> | <b>4,576,386,258</b> | <b>4.1%</b>  | <b>189,531,269</b>   |
| <b>Current assests</b>                                      | <b>1,955,983,544</b> | <b>1,685,045,088</b> | <b>16.1%</b> | <b>270,938,456</b>   |
| Cash and Cash Equivalents                                   | 1,284,374,222        | 1,221,395,930        | 5.2%         | 62,978,292           |
| Accounts Receivable                                         | 434,184,987          | 305,025,652          | 42.3%        | 129,159,335          |
| Others Net Account Receivable                               | 17,247,444           | 23,183,264           | -25.6%       | (5,935,820)          |
| Inventories                                                 | 114,733,609          | 135,440,242          | -15.3%       | (20,706,633)         |
| Assets held for sale                                        | 105,443,282          | -                    | -            | 105,443,282          |
| <b>Property, Plant and Equipment (Net)</b>                  | <b>2,370,904,883</b> | <b>2,488,652,276</b> | <b>-4.7%</b> | <b>(117,747,393)</b> |
| Property                                                    | 2,601,410,146        | 2,770,608,108        | -6.1%        | (169,197,962)        |
| Industrial Machinery and Equipment                          | 29,494,777           | 29,452,940           | 0.1%         | 41,837               |
| Other Equipment                                             | 711,755,193          | 678,947,388          | 4.8%         | 32,807,805           |
| Right-of-use asset                                          | 65,244,794           | 66,634,494           | -2.1%        | (1,389,700)          |
| Accumulated Depreciation                                    | (1,180,778,452)      | (1,227,207,814)      | -3.8%        | 46,429,362           |
| Accumulated Depreciation Right-of-use asset                 | (29,227,233)         | (26,847,201)         | 8.9%         | (2,380,033)          |
| Constructions in Progress                                   | 173,005,659          | 197,064,360          | -12.2%       | (24,058,702)         |
| <b>Investment properties</b>                                | <b>198,568,244</b>   | <b>201,380,404</b>   | <b>-1.4%</b> | <b>(2,812,160)</b>   |
| Land                                                        | 52,165,613           | 52,165,613           | N.A.         | -                    |
| Buildings                                                   | 146,402,631          | 149,214,791          | -1.9%        | (2,812,160)          |
| <b>Intangible Assets</b>                                    | <b>240,460,855</b>   | <b>201,308,490</b>   | <b>19.4%</b> | <b>39,152,365</b>    |
| <b>Total Liabilities</b>                                    | <b>2,146,930,012</b> | <b>2,054,115,061</b> | <b>4.5%</b>  | <b>92,814,951</b>    |
| <b>Current Liabilities</b>                                  | <b>1,092,776,741</b> | <b>997,323,527</b>   | <b>9.6%</b>  | <b>95,453,213</b>    |
| Suppliers                                                   | 305,125,678          | 280,770,713          | 8.7%         | 24,354,964           |
| Short-term securities Loans                                 | 1,941,667            | 19,805,000           | -90.2%       | (17,863,333)         |
| Income tax payable                                          | 123,334,519          | 123,355,630          | N.A.         | (21,111)             |
| Other Current Liabilities                                   | 651,144,035          | 561,578,568          | 15.9%        | 89,565,467           |
| Short-term lease liability                                  | 11,230,841           | 11,813,616           | -4.9%        | (582,774)            |
| <b>Long-term Liabilities</b>                                | <b>1,054,153,271</b> | <b>1,056,791,534</b> | <b>-0.2%</b> | <b>(2,638,263)</b>   |
| Accrued Interest                                            | 994,648,635          | 994,110,551          | 0.1%         | 538,083              |
| Other Credits                                               | 33,697,705           | 33,635,247           | 0.2%         | 62,458               |
| Long-term lease liability                                   | 25,806,931           | 29,045,735           | -11.2%       | (3,238,804)          |
| <b>Stockholders Equity</b>                                  | <b>2,618,987,515</b> | <b>2,522,271,197</b> | <b>3.8%</b>  | <b>96,716,318</b>    |
| <b>Non-Controlling Interest</b>                             | <b>955,639</b>       | <b>956,046</b>       | <b>0.0%</b>  | <b>(407)</b>         |
| <b>Equity attributable to Equity Holders of the Company</b> | <b>2,618,031,876</b> | <b>2,521,315,151</b> | <b>3.8%</b>  | <b>96,716,725</b>    |
| Paid-in Capital Stock                                       | 453,422,677          | 453,422,677          | N.A.         | -                    |
| Premium in Share Placement                                  | 121,280,931          | 121,280,931          | N.A.         | -                    |
| Contributions for Future Capital Increases                  | 124,628              | 124,628              | N.A.         | -                    |
| Retained earnings                                           | 1,579,432,827        | 629,629,888          | 150.9%       | 949,802,939          |
| Reserve for Share Buyback Program                           | 331,698,041          | 376,798,274          | -12.0%       | (45,100,233)         |
| Income of the year                                          | 141,816,550          | 949,802,530          | -85.1%       | (807,985,980)        |
| Other Comprehensive Income                                  | (9,743,779)          | (9,743,779)          | N.A.         | -                    |
| <b>Total Liabilities and Shareholders Equity</b>            | <b>4,765,917,527</b> | <b>4,576,386,258</b> | <b>4.1%</b>  | <b>189,531,269</b>   |

Amounts in accordance with IFRS

**Financial Statements (unaudited)**

Médica Sur, S.A.B. de C.V.

Income Statement for the first quarter of 2023 and 2022

(Figures expressed in Mexican pesos)

|                                            | <u>1Q23</u>          | <u>1Q22</u>        | <u>Var %</u>  | <u>Var \$</u>       |
|--------------------------------------------|----------------------|--------------------|---------------|---------------------|
| <b>Revenues</b>                            | <b>1,072,742,488</b> | <b>968,348,489</b> | <b>10.8%</b>  | <b>104,393,999</b>  |
| Cost of Sales                              | (660,408,547)        | (611,372,806)      | 8.0%          | (49,035,741)        |
| <b>Gross Profit</b>                        | <b>412,333,941</b>   | <b>356,975,683</b> | <b>15.5%</b>  | <b>55,358,258</b>   |
| Selling and Administrative Expenses        | (238,239,855)        | (200,625,785)      | 18.7%         | (37,614,071)        |
| Other Operating Expenses                   | 6,184,232            | 8,606,190          | -28.1%        | (2,421,959)         |
| <b>Operating Income</b>                    | <b>180,278,318</b>   | <b>164,956,089</b> | <b>9.3%</b>   | <b>15,322,229</b>   |
| Foreign Exchange Gain (loss)               | (4,550,031)          | (2,665,257)        | 70.7%         | (1,884,774)         |
| Interest Expense                           | (18,605,202)         | (18,876,349)       | -1.4%         | 271,148             |
| Interest Income                            | 46,705,491           | 49,140,422         | -5.0%         | (2,434,931)         |
| <b>Income before Taxes</b>                 | <b>203,828,576</b>   | <b>192,554,904</b> | <b>5.9%</b>   | <b>11,273,672</b>   |
| Income Tax Expense                         | (61,932,502)         | (59,957,519)       | 3.3%          | (1,974,983)         |
| <b>Continuous Operations Profit (loss)</b> | <b>141,896,075</b>   | <b>132,597,386</b> | <b>7.0%</b>   | <b>9,298,689</b>    |
| Discontinued Operations Loss               | (79,525)             | 29,763,902         | N.A.          | (29,843,427)        |
| <b>Net Income</b>                          | <b>141,816,550</b>   | <b>162,361,288</b> | <b>-12.7%</b> | <b>(20,544,738)</b> |
| Non-Controlling Income                     | -                    | -                  | N.A.          | N.A.                |
| <b>Controlling Income</b>                  | <b>141,816,550</b>   | <b>162,361,288</b> | <b>-12.7%</b> | <b>(20,544,738)</b> |

Amounts in accordance with IFRS



## Analyst Coverage

In accordance with article 4.033.01 section VIII of the BMV's internal regulations regarding maintenance requirements, we inform you that the brokerage firm that provides analysis coverage for our securities is Grupo Bursátil Mexicano S.A. de C.V., Casa de Bolsa and *Miranda Global Research* as an independent analyst.

## About MEDICA

MEDICA, S.A.B. de C.V. (NYSE: MEDICAB) is a hospital operator and an integrated provider of health care and related services. It provides these services through hospitals and laboratories. MEDICA brings together a group of physicians, medical professionals, nurses, hospital administration and operations, and aims to offer a service of medical excellence with human warmth guided by a strict code of ethics and supported by state-of-the-art medical equipment and infrastructure.

## EBITDA

EBITDA is an indicator used in the Company's financial analysis that is not recognized in *IFRS* but is calculated from figures derived from the Company's financial statements. EBITDA is the acronym of *Earnings Before Interest, Taxes, Depreciation and Amortization*.

For 2021 and 2022 figures; EBITDA includes the effects of the *IFRS16* lease accounting standard.

EBITDA is not a financial indicator under *IFRS*, nor is it an indicator of liquidity or performance. We believe, however, that EBITDA can be useful to facilitate comparisons of operating performance between periods on a combined basis, but other issuers may calculate these metrics differently.

EBITDA should not be construed as an alternative to (i) net income as an indicator of the Company's operating performance or (ii) cash flow from operating activities as a measure of the Company's liquidity.

## Forward-Looking Statements

This report contains forward-looking statements. Such statements include but are not limited to: (i) statements regarding our financial condition and results of operations; (ii) statements regarding our plans, objectives or goals, including statements regarding our activities; and (iii) statements regarding the underlying assumptions upon which such statements are based. Forward-looking statements contain words such as "intends," "anticipates," "believes," "estimates," "expects," "forecasts," "plans," "predicts," "seeks," "could," "should," "possible," "guidance" and other similar words, whether in the first or fourth person, but these are not the only terms used to identify such statements.

By their very nature, forward-looking statements involve risks and uncertainties of both a general and specific nature and there is a risk that predictions, forecasts, projections and other forward-looking statements may not be realized. Investors are cautioned that many important factors could cause actual results to differ materially from those expressed in the express and implied plans, objectives, expectations, estimates and assertions contained in the forward-looking statements.

The information related to future performance contained in this press release should be read in conjunction with the risks included in the section "Risk Factors" filed with the National Banking and Securities Commission (CNBV).



## CONTACTO

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