Medicover

Fast comment

Commissioned research

Not rated

Healthcare

Margins expand, despite slower growth

- +5%/+3% adj. EBITDA vs ABGSCe/Infront cons in Q3
- Cons estimates likely up 1-2% on adj. EBITDA '25e
- Somewhat lower sales but profitability continues to improve

Q3 results

Medicover reported a solid Q3 with a miss on sales but a beat on adj. EBITDA (+5%/+3% vs. ABGSCe/Infront cons), with both segments showing improved profitability. Q3 sales came in at EUR 592m (-2% vs ABGSCe, -2% vs cons). Total organic sales growth in the quarter was +12% (ABGSCe +15%). Adj. EBITDA in Q3 was 102m (+5% vs. ABGSCe, +3% vs. cons), for a margin of 17.2% (ABGSCe 16.2%, cons 16.4%). Total NRI in Q3 was EUR -4m (ABGSCe -3m, cons -4m). The Q3 adj. EBITDA beat was driven by continued profitability improvements as utilisation rates in Healthcare Services combined with efficiency programmes, volume growth, and price increases in Diagnostic Services continues to support margin expansion. Cash flow from operating activities look strong in quarter, up 37% y-o-y.

Outlook and estimate changes

Management does not provide a specific outlook for 2025. Going forward, the company do however highlight that it expects a somewhat more moderate momentum in terms of margin expansion as it is seeing some early signs of a more cautious consumer and the launch of two new hospitals in India. Based on the Q3 deviation, FY'25 estimates are likely to be revised up by 1-2% on adj. EBITDA.

Share view

The stock has been weak going into the report (-7%, -5d) and given the earnings beat in today's report but slightly more cautious guidance on the coming quarters, we expect the share to trade up slightly, by a similar magnitude as today's expected estimate revisions. Conference call at 09.30 CET today. Link for audiocast: https://medicover.events.inderes.com/q3-report-2025/register

MCOV.B-SE/MCOVB SS

Share price (SEK)	4/11/2025	243.50
MCap (SEKm)		36,763
MCap (EURm)		3,348
No. of shares (m)		74.4
Free float (%)		87.7
Av. daily volume (k)		37

Next event Q3 Report 5 November 2025

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Q3 deviation table

EURm	Q3'24	Actual Q3'25	Expectations ABGSCe	Expectations Cons	Deviations ABGSCe	Deviations Cons
Net sales	**528**	**592**	**603**	**605**	**-2%**	**-2%**
Growth y-o-y	*20%*	*12%*	*14%*	*17%*	*-2.1pp.*	*-5.2pp.*
Organic growth	*17%*	*12%*	*15%*		*-2.5pp.*	
EBITDA	74	98	94	95	4%	3%
EBITDA margin	*14.0%*	*16.6%*	*15.7%*	*15.8%*	*0.9pp.*	*0.8pp.*
EBITDAaL	45	65	63		3%	
EBITDAaL margin	*8.5%*	*11.0%*	*10.5%*		*0.6pp.*	
NRI	-3	-4	-3	-4		
Adj. EBITDA	**77**	**102**	**97**	**99**	**5%**	**3%**
Adj. EBITDA margin	*14.6%*	*17.2%*	*16.2%*	*16.4%*	*1.1pp.*	*0.9pp.*
Adj. EBITDAaL	49	69	66		4%	
Adj. EBITDAaL margin	*9.2%*	*11.7%*	*11.0%*		*0.7pp.*	
Net profit to shareholders	-4	20	17	18	18%	11%
EPS	-0.030	0.129	0.110	0.117	18%	11%
Healthcare Services						
Sales	**371**	**407**	**414**		**-2%**	
Organic growth	*18%*	*12%*	*15%*		*-2.6pp.*	
EBITDA	**58**	**75**	**74**		2%	
EBITDA margin	*15.5%*	*18.5%*	*17.8%*		*0.6pp.*	
EBITDAaL	36	51	50		0%	
EBITDAaL margin	*9.7%*	*12.4%*	*12.2%*		*0.2pp.*	
Diagnostic Services						
Sales	**163**	**192**	**196**		**-2%**	
Organic growth	*15%*	*12%*	*14%*		*-1.6pp.*	
EBITDA	**27**	**36**	**34**		6%	
EBITDA margin	*16.5%*	*18.7%*	*17.2%*		*1.5pp.*	
EBITDAaL	20	28	26		6%	
EBITDAaL margin	*12.0%*	*14.3%*	*13.2%*		*1.1pp.*	

Source: ABG Sundal Collier, Company data, Infront consensus

EURm	2023	2024	2025e	2026e	2027e
Sales	1,746	2,092	2,413	2,769	3,180
Sales growth (%)	*15.6*	*19.8*	*15.4*	*14.8*	*14.8*
EBITDA	244	285	371	439	510
EBITDA margin (%)	*14.0*	*13.6*	*15.4*	*15.8*	*16.0*
EBIT adj.	61	70	155	201	247
EBIT adj. margin (%)	*3.5*	*3.4*	*6.4*	*7.2*	*7.8*
Pretax profit	24	20	95	139	185
EPS	0.12	0.11	0.47	0.68	0.90
EPS growth (%)	*44.8*	*-5.4*	*nm*	*43.6*	*33.4*
EPS adj.	0.12	0.11	0.47	0.68	0.90
DPS	0.12	0.15	0.18	0.23	0.28
EV/EBITDA (x)	17.7	15.9	12.7	10.6	9.0
EV/EBIT adj. (x)	70.2	64.4	30.3	23.2	18.7
P/E (x)	nm	nm	47.4	33.0	24.7
P/E adj. (x)	nm	nm	47.4	33.0	24.7
EV/sales (x)	2.47	2.17	1.95	1.68	1.45
FCF yield (%)	2.7	3.7	-0.0	5.2	6.2
Le. adj. FCF yld. (%)	0.7	1.5	-2.5	2.7	3.6
Dividend yield (%)	0.5	0.7	0.8	1.0	1.2
Net IB debt/EBITDA (x)	3.8	4.0	3.5	2.9	2.4
Le. adj. ND/EBITDA (x)	3.0	3.2	2.8	2.0	1.5

Source: ABG Sundal Collier, Company Data

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