Medicover

Fast comment

Commissioned research

Not rated

Healthcare

MCOV.B-SE/MCOVB SS

Share price (SEK)	23/7/2025	257.50
MCap (SEKm)		38,879
MCap (EURm)		1,714
No. of shares (m)		74.4
Free float (%)		87.7
Av. daily volume (k)		37

Next event Q2 Report 24 July 2025

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Still shining bright

- +7%/+7% adj. EBITDA vs ABGSCe/cons in Q2
- Cons estimates likely up low- to mid-single digit on adj. EBITDA '25e
- Overall another strong report from Medicover

Q2 results

Medicover reported an adj. EBITDA beat in Q2 (+7%/+7% vs. ABGSCe/cons), with better than expected margins in both segments. Q2 sales was EUR 597m (0% vs ABGSCe, 0% vs cons). Total organic sales growth in Q2 was +14% (ABGSCe +16%).Adj. EBITDA in Q2 was 101m (+7% vs. ABGSCe, +7% vs. cons), with a margin of 16.9% (ABGSCe 15.7%, cons 15.8%). Total NRI in Q2 was EUR -5m (ABGSCe -3m, cons -4m). The Q2 adj. EBITDA beat was driven by strength in the Healthcare Services segment, with a beat on both sales and EBITDA, as India returned to double-digit sales growth and the Polish business continued to perform well. As we highlighted in our preview, the price reform in Germany could introduce some short-term uncertainty, and in this quarter, Germany is growing at a slower pace than before.

Outlook and estimate changes

Management does not provide a specific outlook for 2025. Going forward, the company continues to expect a strong and robust performance. Management also highlights that there are opportunities to grow as the businesses mature, by further utilising capacity in India and Romania. Based on the Q2 deviation, FY'25 estimates are likely to be revised up by a low- to mid-single-digit percentage on adj. EBITDA.

Share view

The stock has been somewhat soft going into the report (-2%, -5d) and given the earnings beat in today's report, we expect the share to trade up by at least a similar magnitude as today's expected estimate revisions. Conference call at 09.30 CET today. Link for audiocast: https://medicover.events.inderes.com/q2-report-2025/register

Disclosures and analyst certifications are located on pages 4-5 of this report.

Q2 deviation table

EURm	Q2'24	Actual Q2'25	Expectations ABGSCe	Expectations Cons	Deviations ABGSCe	Deviations Cons
Net sales	**509**	**597**	**597**	**597**	**0%**	**0%**
Growth y-o-y	*20%*	*17%*	*17%*	*17%*	*-0.1pp.*	*-0.1pp.*
Organic growth	*17%*	*14%*	*16%*		*-2.1pp.*	
EBITDA	71	96	91	90	6%	7%
EBITDA margin	*13.9%*	*16.1%*	*15.2%*	*15.1%*	*0.9pp.*	*1.0pp.*
EBITDAaL	43	65	60		7%	
EBITDAaL margin	*8.5%*	*10.8%*	*10.1%*		*0.8pp.*	
NRI	-4	-5	-3	-4		
Adj. EBITDA	**74**	**101**	**94**	**94**	**7%**	**7%**
Adj. EBITDA margin	*14.6%*	*16.9%*	*15.7%*	*15.8%*	*117.5%*	*112.8%*
Adj. EBITDAaL	47	69	63		10%	
Adj. EBITDAaL margin	*9.2%*	*11.6%*	*10.6%*		*1.0pp.*	
Net profit to shareholders	6	19	16	17	18%	12%
EPS	0.042	0.127	0.108	0.113	18%	12%
Healthcare Services						
Sales	**353**	**414**	**405**		**2%**	
Organic growth	*16%*	*16%*	*16%*		*-0.4pp.*	
EBITDA	**55**	**77**	**69**		12%	
EBITDA margin	*15.5%*	*18.6%*	*17.1%*		*1.6pp.*	
EBITDAaL	34	54	46		16%	
EBITDAaL margin	*9.7%*	*12.9%*	*11.4%*		*1.5pp.*	
Diagnostic Services						
Sales	**163**	**189**	**198**		**-5%**	
Organic growth	*16%*	*10%*	*16%*		*-5.6pp.*	
EBITDA	**26**	**34**	**34**		-1%	
EBITDA margin	*16.2%*	*17.7%*	*17.0%*		*0.7pp.*	
EBITDAaL	20	26	26		-1%	
EBITDAaL margin	*12.0%*	*13.5%*	*13.1%*		*0.4pp.*	

Source: ABG Sundal Collier, Company data, Infront consensus

EURm	2023	2024	2025e	2026e	2027e
Sales	1,746	2,092	2,430	2,799	3,214
Sales growth (%)	*15.6*	*19.8*	*16.2*	*15.2*	*14.8*
EBITDA	244	285	370	429	498
EBITDA margin (%)	*14.0*	*13.6*	*15.2*	*15.3*	*15.5*
EBIT adj.	61	70	148	196	240
EBIT adj. margin (%)	*3.5*	*3.4*	*6.1*	*7.0*	*7.5*
Pretax profit	24	20	87	134	178
EPS	0.12	0.11	0.43	0.65	0.87
EPS growth (%)	*44.8*	*-5.4*	*nm*	*52.6*	*33.2*
EPS adj.	0.12	0.11	0.43	0.65	0.87
DPS	0.12	0.15	0.17	0.20	0.23
EV/EBITDA (x)	18.2	16.3	13.1	11.3	9.6
EV/EBIT adj. (x)	72.1	66.1	32.9	24.7	19.9
P/E (x)	nm	nm	54.0	35.4	26.6
P/E adj. (x)	nm	nm	54.0	35.4	26.6
EV/sales (x)	2.53	2.22	2.00	1.73	1.49
FCF yield (%)	2.6	3.6	-1.6	4.7	5.6
Le. adj. FCF yld. (%)	0.7	1.4	-3.9	2.3	3.1
Dividend yield (%)	0.5	0.7	0.7	0.9	1.0
Net IB debt/EBITDA (x)	3.8	4.0	3.6	3.1	2.5
Le. adj. ND/EBITDA (x)	3.0	3.2	2.9	2.2	1.7

Source: ABG Sundal Collier, Company Data

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