

Medicover

Expect to see new targets

- Q4'25 numbers due on 10 February at 07:45 CET
- Expect new targets on the reporting day, more info on 11 Feb
- Fair value range down to SEK 200-280 (220-300)

Q4'25 expectations

The end of 2025 should be characterised by a similar trend to Q3 for Medicover, with continued growth and further margin improvement, albeit at a more moderate pace. In HS, we forecast organic growth of 11% and an EBITDAaL margin of 11.4% in Q4, supported by continued strong performance in the Polish ambulatory and sport/wellness businesses, while improving utilisation across the network should remain supportive. Within DS, we pencil in organic growth of 11% and an EBITDAaL margin of 12.7%, as we believe Medicover should continue to navigate the German pricing reform effectively. Overall, this translates into total sales of EUR 616m, driven by 11% organic growth, and adj. EBITDA of EUR 95m, corresponding to a margin of 15.4%.

Minor estimate changes and new targets

Ahead of the Q4 results, we take a slightly more cautious stance on the sales outlook for the end of '25e and for '26e-'27e, but we believe continued margin expansions will protect earnings, and we take down adj. EBITDA by 1% for '26e-'27e. As Q4 marks the end of the current medium-term targets (2023-25), we expect Medicover to present new ones in conjunction with the report, with more information expected at the investor update on 11 February. On p.3-4, we take a look at previous targets and expect Medicover to guide for sales above EUR 3.3bn and adj. EBITDA above EUR 550m by the end of the new period 2026-28, while reiterating its leverage and dividend target.

Fair value range down to SEK 200-280 (220-300)

On the back of our estimate revisions and relative valuation, we lower our fair value range to SEK 200-280 (220-300). We derive our range from the trading multiples of two peer groups, one with healthcare providers in developing countries and one in developed countries, alongside a DCF. The range corresponds to a '26e EV/EBITDA of 10x-12x.

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EURm	2023	2024	2025e	2026e	2027e
Sales	1,746	2,092	2,383	2,688	3,051
EBITDA	244	285	373	432	500
EBITDA margin (%)	14.0	13.6	15.6	16.1	16.4
EBIT adj.	61	70	157	197	239
EBIT adj. margin (%)	3.5	3.4	6.6	7.3	7.9
Pretax profit	24	20	96	135	177
EPS	0.12	0.11	0.48	0.66	0.86
EPS adj.	0.12	0.11	0.48	0.66	0.86
Sales growth (%)	15.6	19.8	13.9	12.8	13.5
EPS growth (%)	44.8	-5.4	nm	36.2	31.7

Source: ABG Sundal Collier, Company Data

Reason: Preview of results

Commissioned research

Not rated

Healthcare

Estimate changes (%)

	2025e	2026e	2027e
Sales	-0.4	-1.8	-2.7
EBIT	0.1	-1.7	-3.2
EPS	0.1	-2.5	-4.3

Source: ABG Sundal Collier

MCOV.B-SE/MCOVB SS

Share price (SEK)	16/1/2026	211.50
Fair value range		200.0-280.0

MCap (SEKm)	31,948
MCap (EURm)	2,984
No. of shares (m)	74.4
Free float (%)	87.5
Av. daily volume (k)	37

Next event Q4 Report 10 February 2026

Performance



Disclosures and analyst certifications are located on pages 13-14 of this report.

This research product is commissioned and paid for by the company covered in this report. As such, this report is deemed to constitute an acceptable minor non-monetary benefit (i.e. not investment research) as defined in MiFID II.

Company description

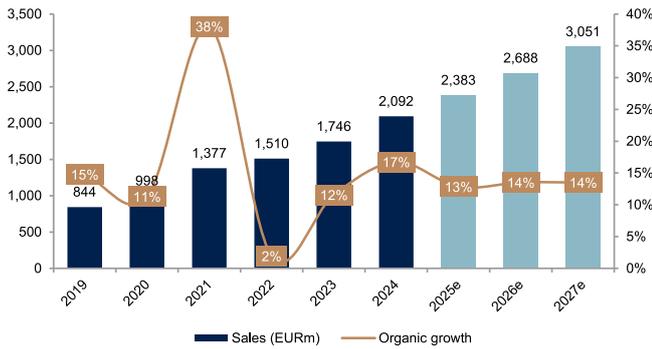
Medicover is an international provider of healthcare and diagnostic services. Medicover's business is divided into two segments: Healthcare Services (68% of 2023 sales) and Diagnostic Services (32%). The company focuses on providing a wide range of high-quality healthcare solutions, from hospital care and specialist services to diagnostic testing and fitness centres. Key markets include Poland (48% of sales), Germany (18%), Romania (12%) and India (11%).

[Sustainability information](#)

Risks

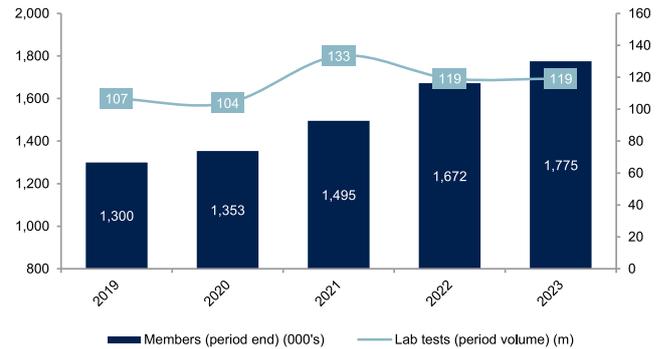
Key risks include competition from local players, executing M&A transactions and integrating acquired businesses. Regulatory changes, particularly in healthcare reimbursement policies, pose additional challenges. Other risks include the operational scale-up of certain tests and dependence on skilled healthcare professionals in competitive labour markets.

Sales and organic growth (EURm)



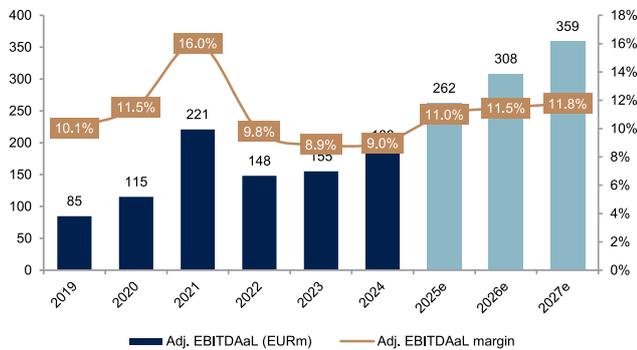
Source: ABG Sundal Collier, Company data

Annual number of members and lab tests



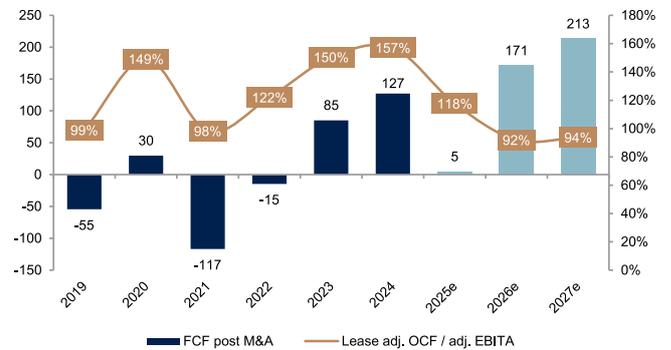
Source: ABG Sundal Collier, Company data

Adj. EBITDAaL and adj. EBITDAaL margin (EURm)



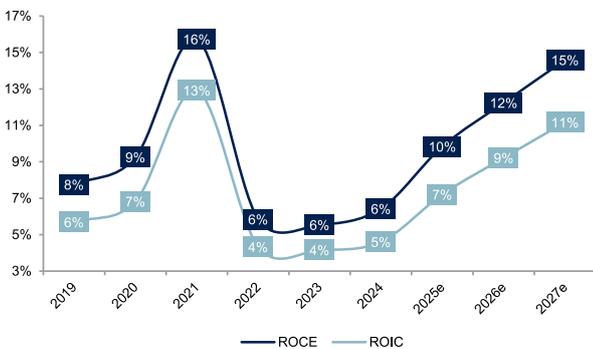
Source: ABG Sundal Collier, Company data

FCF (post M&A) and cash conversion EURm



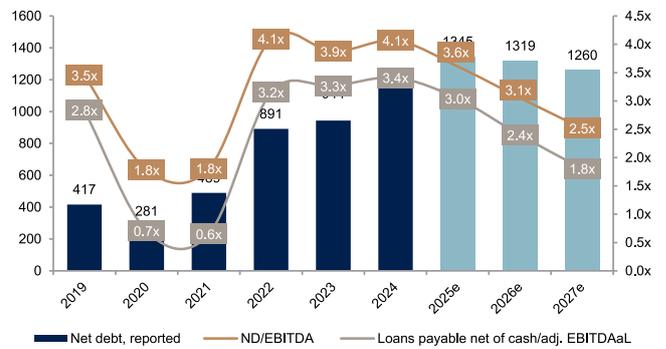
Source: ABG Sundal Collier, Company data

ROCE and ROIC



Source: ABG Sundal Collier, Company data

Net debt and leverage (EURm)



Source: ABG Sundal Collier, Company data

Potential new targets

Having exceeded its 2023-2025 financial targets ahead of schedule, we expect Medicover to introduce new goals that again appear somewhat conservative. On sales, we expect to see a target above EUR 3.3bn, alongside and adj. EBITDA above EUR 550m on earnings, with its leverage and dividend target being reiterated. We see room for upside to both sales and earnings relative to guidance, consistent with the company's history of beating its own ambitions.

Historical targets

Historically, Medicover has set clear multi-year financial targets covering growth, profitability and balance sheet strength, and has consistently delivered outcomes at or above these ambitions across successive target periods.

For the 2017–2019 period, Medicover targeted organic growth of 9-12% and adj. organic EBITDA growth of 18-20%, while maintaining leverage below 3.5x. Over the period, the company achieved an average organic growth rate of 13%, i.e. above the top end of the target range, while seeing EBITDA growth at the upper end of its guidance each year. Leverage was reduced to 2.8x by the end of 2019.

The second set of targets, for 2020-2022, maintained a similar growth ambition, with organic growth again set at 9-12% and an adj. EBITDA margin target of 15.5-16.5% by 2022, alongside leverage below 3.5x and a dividend policy of less than 50% of net profits. Medicover once more exceeded its growth ambition, delivering an average organic growth rate of 17% over the period. EBITDA margins were within or above the target range each year, and leverage stood at 3.2x at the end of 2022. Dividend exceeded the target, with a payout of 148% for 2022.

Under the current 2023–2025 targets, Medicover aims to reach sales of EUR 2.2bn and EBITDA of EUR 350m, with leverage and dividend reiterated. Based on R12 in Q3'25, sales already amount to EUR 2.3bn and EBITDA to EUR 371m, indicating that both financial targets have been surpassed ahead of schedule. Leverage stood at 3.2x at the end of Q3'25, and dividend payouts continue to exceed the target, with a payout of 134% for 2024.

Overall, the historical evidence shows that Medicover has consistently set ambitious but achievable targets, and across the last three target periods has in practice delivered growth, margins and financial outcomes that exceed its communicated goals. This track record supports confidence in management execution and the credibility of the company's long-term financial ambitions.

Historical targets and outcome

Targets for 2017-2019		
	Goal	Outcome
Organic growth	9-12%	Average organic growth rate of 14%
Adj. organic EBITDAaL growth	18-20%	Top-end of target range each year
Leverage	Below 3.5x	2.8x end of '19
Targets for 2020-2022		
	Goal	Outcome
Organic growth	9-12%	Average organic growth rate of 17%
Adj. EBITDA margin by '22	15.5-16.5%	15.5% in '22 (20.4% in '21)
Leverage	Below 3.5x	3.2x end of '22
Dividend	<50% of net profits	For '22 it was 148%
Targets for 2023-2025		
	Goal	Outcome (based on R12 numbers in Q3'25 report)
Organic sales	> EUR 2.2bn	EUR 2.3bn
Organic adj. EBITDA	> EUR 350m	EUR 371m
Leverage	Below 3.5x	3.2x end of Q3'25
Dividend	<50% of net profits	For '24 it was 134%

Source: ABG Sundal Collier, Company data

Potential new targets

Looking at Medicover’s historical guidance framework, we again expect the company to present targets covering sales, earnings, leverage and dividend policy. On sales, we have 13.5% organic growth in our estimates for ’26–’27e and, consistent with prior years, we expect Medicover to under-promise and over-deliver. As such, we expect a sales target above EUR 3.3bn, which would implicitly correspond to an organic CAGR of >11%, using ABGSCe ’25e as the base.

Turning to earnings, we expect the company to guide for adj. EBITDA above EUR 550m. This would imply an organic earnings CAGR of >12%, again using ABGSCe ’25e as the base, and an adj. EBITDA margin approaching 17%, which we view as reasonable given ongoing scale benefits, improving utilisation and mix. We expect leverage and dividend policies to be reiterated, in line with previous guidance, with leverage below 3.5x and a dividend payout of less than 50% of net profits.

Overall, our expected guidance is somewhat below our own forecasts, but in line with Medicover’s historical pattern of setting conservative targets. As such, we err on the side of caution in our guidance expectations while remaining confident in the company’s ability to outperform over time.

Potential new targets

Targets for 2026-2028 (expectations)		
	Expected goal	Comment
Organic sales	> EUR 3.3bn	Would implicitly translate to an organic CAGR of > 11% using ABGSCe for ’25e as base
Organic adj. EBITDA	> EUR 550m	Would implicitly translate to an organic CAGR of > 12% using ABGSCe for ’25e as base and for the margin to approach 17%
Leverage	Below 3.5x	Reiterated
Dividend	<50% of net profits	Reiterated

Source: ABG Sundal Collier, Company data

Estimate changes

EURm	2025e			2026e			2027e		
	Old	New	% change	Old	New	% change	Old	New	% change
Net sales	2,392.2	2,382.5	-0.4%	2,737.9	2,687.5	-1.8%	3,135.3	3,050.5	-2.7%
<i>Growth y-o-y</i>	14.4%	13.9%	-0.5pp.	14.5%	12.8%	-1.6pp.	14.5%	13.5%	-1.0pp.
<i>Organic growth</i>	13.4%	12.8%	-0.5pp.	14.5%	13.5%	-1.0pp.	14.5%	13.5%	-1.0pp.
EBITDA	372.7	372.8	0.0%	438.3	431.7	-1.5%	510.5	500.5	-2.0%
<i>EBITDA margin</i>	15.6%	15.6%	0.1pp.	16.0%	16.1%	0.1pp.	16.3%	16.4%	0.1pp.
EBITDAaL	246.4	246.5	0.0%	299.9	293.3	-2.2%	354.1	344.1	-2.8%
<i>EBITDAaL margin</i>	10.3%	10.3%	0.0pp.	11.0%	10.9%	0.0pp.	11.3%	11.3%	0.0pp.
NRI	-15.6	-15.6	0.0%	-12.0	-15.0	25.0%	-12.0	-15.0	25.0%
Adj. EBITDA	388.3	388.4	0.0%	450.3	446.7	-0.8%	522.5	515.5	-1.3%
<i>Adj. EBITDA margin</i>	16.2%	16.3%	0.1pp.	16.4%	16.6%	0.2pp.	16.7%	16.9%	0.2pp.
Adj. EBITDAaL	262.0	262.1	0.0%	311.9	308.3	-1.2%	366.1	359.1	-1.9%
<i>Adj. EBITDAaL margin</i>	11.0%	11.0%	0.0pp.	11.4%	11.5%	0.1pp.	11.7%	11.8%	0.1pp.
EBIT	156.6	156.7	0.1%	200.3	196.8	-1.7%	247.5	239.5	-3.2%
<i>EBIT margin</i>	6.5%	6.6%	0.0pp.	7.3%	7.3%	0.0pp.	7.9%	7.9%	0.0pp.
Pre tax profit	96.0	96.1	0.1%	138.3	134.8	-2.5%	185.5	177.5	-4.3%
Net profit to shareholders	72.7	72.7	0.1%	101.6	99.1	-2.5%	136.4	130.5	-4.3%
EPS	0.5	0.5	0.1%	0.7	0.7	-2.5%	0.9	0.9	-4.3%
Healthcare Services									
Sales	1,654.4	1,648.2	-0.4%	1,890.6	1,857.5	-1.8%	2,174.2	2,117.5	-2.6%
<i>Organic growth</i>	14.0%	13.5%	-0.5pp.	15.0%	14.0%	-1.0pp.	15.0%	14.0%	-1.0pp.
EBITDA	287.0	287.1	0.1%	328.0	321.8	-1.9%	376.6	367.6	-2.4%
<i>EBITDA margin</i>	17.3%	17.4%	0.1pp.	17.3%	17.3%	0.0pp.	17.3%	17.4%	0.0pp.
EBITDAaL	192.3	192.4	0.1%	225.0	219.5	-2.4%	263.1	254.1	-3.4%
<i>EBITDAaL margin</i>	11.6%	11.7%	0.1pp.	11.9%	11.8%	-0.1pp.	12.1%	12.0%	-0.1pp.
Diagnostic Services									
Sales	764.0	760.5	-0.5%	875.3	858.1	-2.0%	989.1	961.0	-2.8%
<i>Organic growth</i>	11.8%	11.3%	-0.5pp.	13.0%	12.0%	-1.0pp.	13.0%	12.0%	-1.0pp.
EBITDA	138.1	138.1	0.0%	159.3	157.9	-0.9%	183.9	180.9	-1.7%
<i>EBITDA margin</i>	18.1%	18.2%	0.1pp.	18.2%	18.4%	0.2pp.	18.6%	18.8%	0.2pp.
EBITDAaL	106.9	106.9	0.0%	124.3	122.2	-1.7%	141.4	138.4	-2.2%
<i>EBITDAaL margin</i>	14.0%	14.1%	0.1pp.	14.2%	14.2%	0.0pp.	14.3%	14.4%	0.1pp.

Source: ABG Sundal Collier, Company data

Quarterly P&L forecast

(EURm)	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25e	2024	2025e
Sales	498.8	509.4	527.8	555.8	578.1	596.7	591.6	616.1	2,091.8	2,382.5
<i>Growth</i>	19.0%	19.9%	19.8%	20.3%	15.9%	17.1%	12.1%	10.9%	19.8%	13.9%
<i>Organic growth</i>	14.2%	16.5%	17.4%	18.6%	14.1%	13.9%	12.4%	11.1%	16.7%	12.8%
Medical provision costs	-394.2	-399.5	-414.7	-435.1	-445.4	-454.6	-452.8	-492.0	-1,643.5	-1,844.8
Gross profit	104.6	109.9	113.1	120.7	132.7	142.1	138.8	124.1	448.3	537.7
<i>Gross margin</i>	21.0%	21.6%	21.4%	21.7%	23.0%	23.8%	23.5%	20.1%	21.4%	22.6%
Distribution, selling and marketing costs	-23.2	-23.3	-24.8	-26.5	-27.0	-27.2	-26.2	-28.0	-97.8	-108.4
Administrative costs	-62.4	-65.3	-81.6	-70.9	-69.7	-73.2	-69.8	-59.9	-280.2	-272.6
Other income and costs	0.2	-0.1	0.2	0.1	0.2	1.6	-0.7	0.0	0.4	1.1
EBITDA	67.2	70.6	73.9	73.2	86.5	96.2	98.2	91.9	284.9	372.8
<i>EBITDA margin</i>	13.5%	13.9%	14.0%	13.2%	15.0%	16.1%	16.6%	14.9%	13.6%	15.6%
Items affecting comparability	-2.9	-3.8	-3.4	-5.0	-4.1	-4.7	-3.8	-3.0	-15.1	-15.6
Adj. EBITDA	70.1	74.4	77.3	78.2	90.6	100.9	102.0	94.9	300.0	388.4
<i>Adj. EBITDA margin</i>	14.1%	14.6%	14.6%	14.1%	15.7%	16.9%	17.2%	15.4%	14.3%	16.3%
Depreciation	-48.2	-49.3	-67.2	-49.9	-50.5	-54.5	-55.4	-55.7	-214.6	-216.1
<i>Whereof IFRS 16 leasing depreciation</i>	-20.2	-20.7	-21.6	-21.6	-22.5	-23.9	-24.8	-22.5	-84.1	-93.7
<i>Whereof interest on lease</i>	-6.1	-6.0	-6.2	-6.3	-6.4	-6.6	-7.2	-7.6	-7.2	-7.6
EBITDAaL	40.6	43.3	45.1	44.0	56.3	64.5	65.3	60.4	173.0	246.5
<i>EBITDAaL margin</i>	8.1%	8.5%	8.5%	7.9%	9.7%	10.8%	11.0%	9.8%	8.3%	10.3%
Adj. EBITDAaL	43.5	47.1	48.5	49.0	60.4	69.2	69.1	63.4	188.1	262.1
<i>Adj. EBITDAaL margin</i>	8.7%	9.2%	9.2%	8.8%	10.4%	11.6%	11.7%	10.3%	9.0%	11.0%
EBITA	23.8	26.2	27.6	27.1	39.2	45.7	47.2	49.3	104.7	181.4
<i>EBITA margin</i>	4.8%	5.1%	5.2%	4.9%	6.8%	7.7%	8.0%	8.0%	5.0%	7.6%
Amortisation	-4.8	-4.9	-20.9	-3.8	-3.2	-4.0	-4.4	-5.0	-34.4	-16.6
EBIT	19.0	21.3	6.7	23.3	36.0	41.7	42.8	36.2	70.3	156.7
<i>EBIT margin</i>	3.8%	4.2%	1.3%	4.2%	6.2%	7.0%	7.2%	5.9%	3.4%	6.6%
Net financials	-10.5	-13.1	-14.0	-13.0	-10.1	-18.5	-16.3	-17.0	-50.6	-61.9
Pretax profit	8.7	8.1	-7.1	10.4	26.1	25.0	25.8	19.2	20.1	96.1
Tax	-2.2	-2.2	1.9	-3.0	-7.3	-7.0	-7.2	-5.2	-5.5	-26.7
Net profit	6.5	5.9	-5.2	7.4	18.8	18.0	18.6	14.0	14.6	69.4
Minority	0.3	-0.4	-0.8	-1.2	-1.3	-1.1	-0.9	0.0	-2.1	-3.3
Net profit to shareholders	6.2	6.3	-4.4	8.6	20.1	19.1	19.5	14.0	16.7	72.7
EPS	0.041	0.042	-0.030	0.058	0.133	0.127	0.129	0.093	0.111	0.482

Segment breakdown	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25e	2024	2025e
Healthcare Services	341.8	352.6	370.9	393.4	402.6	414.3	406.5	424.8	1,458.7	1,648.2
<i>Total growth</i>	24%	21%	22%	21%	18%	17%	10%	8%	22%	13%
<i>Organic growth</i>	17%	16%	18%	19%	15%	16%	12%	11%	18%	13%
EBITDA	46	55	58	59	63	77	75	72	217	287
<i>EBITDA margin</i>	13.5%	15.5%	15.5%	15.0%	15.6%	18.6%	18.5%	17.0%	14.9%	17.4%
EBITDAaL	26.1	34.2	36.1	37.1	40.0	53.5	50.5	48.4	133.5	192.4
<i>EBITDAaL margin</i>	7.6%	9.7%	9.7%	9.4%	9.9%	12.9%	12.4%	11.4%	9.2%	11.7%
Intersegment elimination to sales	-0.3	-0.4	-0.4	-1.1	-0.5	-0.5	-0.5	-0.5	-2.2	-2.0
Diagnostic Services	163.1	162.9	162.8	169.2	182.2	189.0	191.7	197.6	658.0	760.5
<i>Total growth</i>	8%	18%	16%	18%	12%	16%	18%	17%	15%	16%
<i>Organic growth</i>	8%	16%	15%	17%	12%	10%	12%	11%	14%	11%
EBITDA	30.2	26.4	26.9	27.2	35.9	33.5	35.8	32.9	110.7	138.1
<i>EBITDA margin</i>	18.5%	16.2%	16.5%	16.1%	19.7%	17.7%	18.7%	16.6%	16.8%	18.2%
EBITDAaL	23.6	19.6	19.5	20.0	28.7	25.6	27.5	25.1	82.7	106.9
<i>EBITDAaL margin</i>	14.5%	12.0%	12.0%	11.8%	15.8%	13.5%	14.3%	12.7%	12.6%	14.1%
Intersegment elimination to sales	-5.9	-5.7	-5.6	-5.8	-6.3	-6.2	-6.1	-5.9	-23.0	-24.5
Group sales elimination	0.1	0.0	0.1	0.1	0.1	-0.1	-0.3	0.1	0.3	-0.2
Eliminations to EBITDA	-9.0	-10.4	-10.5	-13.0	-12.3	-14.5	-12.6	-13.0	-42.9	-52.4
Eliminations to EBITDAaL	-9.1	-10.5	-10.5	-13.1	-12.4	-14.6	-12.7	-13.1	-43.2	-52.8

Source: ABG Sundal Collier, Company data

Annual P&L forecast

(EURm)	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	844.4	997.8	1,377.4	1,510.2	1,746.4	2,091.8	2,382.5	2,687.5	3,050.5
<i>Growth</i>	25.7%	18.2%	38.0%	9.6%	15.6%	19.8%	13.9%	12.8%	13.5%
<i>Organic growth</i>	14.8%	11.3%	38.1%	1.9%	11.6%	16.7%	12.8%	13.5%	13.5%
Medical provision costs	-637.6	-734.3	-982.4	-1,174.6	-1,387.0	-1,643.5	-1,844.8	-2,110.0	-2,420.0
Gross profit	206.8	263.5	395.0	335.6	359.4	448.3	537.7	577.5	630.5
<i>Gross margin</i>	24.5%	26.4%	28.7%	22.2%	20.6%	21.4%	22.6%	21.5%	20.7%
Distribution, selling and marketing costs	-45.0	-43.3	-58.1	-66.5	-77.9	-97.8	-108.4	-117.0	-130.0
Administrative costs	-115.3	-158.9	-177.5	-213.6	-220.1	-280.2	-272.6	-263.7	-261.1
Other income and costs	1.0	1.5	0.7	-3.2	8.0	0.4	1.1	0.0	0.0
EBITDA	120.7	157.5	270.4	217.4	243.8	284.9	372.8	431.7	500.5
<i>EBITDA margin</i>	14.3%	15.8%	19.6%	14.4%	14.0%	13.6%	15.6%	16.1%	16.4%
Items affecting comparability	-4.3	-6.6	-10.1	-16.8	-10.1	-15.1	-15.6	-15.0	-15.0
Adj. EBITDA	125.0	164.1	280.5	234.2	253.9	300.0	388.4	446.7	515.5
<i>Adj. EBITDA margin</i>	14.8%	16.4%	20.4%	15.5%	14.5%	14.3%	16.3%	16.6%	16.9%
Depreciation	-74.2	-96.2	-111.0	-161.9	-182.4	-214.6	-216.1	-234.9	-261.0
<i>Whereof IFRS 16 leasing depreciation</i>	-32.9	-38.8	-45.6	-64.1	-74.3	-84.1	-93.7	-98.0	-94.0
<i>Whereof interest on lease</i>	-5.4	-5.8	-6.1	-6.1	-6.0	-6.2	-6.3	-6.4	-6.6
EBITDAaL	80.6	108.5	210.8	131.2	144.9	173.0	246.5	293.3	344.1
<i>EBITDAaL margin</i>	9.5%	10.9%	15.3%	8.7%	8.3%	8.3%	10.3%	10.9%	11.3%
Adj. EBITDAaL	84.9	115.1	220.9	148.0	155.0	188.1	262.1	308.3	359.1
<i>Adj. EBITDAaL margin</i>	10.1%	11.5%	16.0%	9.8%	8.9%	9.0%	11.0%	11.5%	11.8%
EBITA	53.7	76.9	171.2	81.2	82.6	104.7	181.4	243.8	301.5
<i>EBITA margin</i>	6.4%	7.7%	12.4%	5.4%	4.7%	5.0%	7.6%	9.1%	9.9%
Amortisation	-7.2	-15.6	-11.8	-25.7	-21.2	-34.4	-16.6	-16.0	-30.0
EBIT	46.5	61.3	159.4	55.5	61.4	70.3	156.7	196.8	239.5
<i>EBIT margin</i>	5.5%	6.1%	11.6%	3.7%	3.5%	3.4%	6.6%	7.3%	7.9%
Net financials	-12.3	-25.6	-17.3	-32.7	-45.9	-50.6	-61.9	-62.0	-62.0
Pretax profit	33.3	37.3	143.8	19.8	23.6	20.1	96.1	134.8	177.5
Tax	-8.6	-10.0	-37.2	-5.8	-5.2	-5.5	-26.7	-35.7	-47.0
Net profit	24.7	27.3	106.6	14.0	18.4	14.6	69.4	99.1	130.5
Minority	2.2	1.5	4.8	1.9	0.8	-2.1	-3.3	0.0	0.0
Net profit to shareholders	22.5	25.8	101.8	12.1	17.6	16.7	72.7	99.1	130.5
EPS	0.168	0.182	0.686	0.079	0.118	0.111	0.482	0.656	0.864

Segment breakdown	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Healthcare Services	449.3	539.7	711.6	917.1	1,197.7	1,458.7	1,648.2	1,857.5	2,117.5
<i>Total growth</i>	30%	20%	32%	29%	31%	22%	13%	13%	14%
<i>Organic growth</i>	16%	5%	31%	16%	21%	18%	13%	14%	14%
EBITDA	61	84	111	126	172	217	287	322	368
<i>EBITDA margin</i>	13.6%	15.6%	15.6%	13.7%	14.3%	14.9%	17.4%	17.3%	17.4%
EBITDAaL	41.0	57.5	74.0	65.5	98.6	133.5	192.4	219.5	254.1
<i>EBITDAaL margin</i>	9.1%	10.7%	10.4%	7.1%	8.2%	9.2%	11.7%	11.8%	12.0%
Intersegment elimination to sales	-0.7	-1.6	-1.1	-1.1	-1.4	-2.2	-2.0	-3.0	-3.0
Diagnostic Services	408.7	473.4	686.8	612.5	571.2	658.0	760.5	858.1	961.0
<i>Total growth</i>	21%	16%	45%	-11%	-7%	15%	16%	13%	12%
<i>Organic growth</i>	14%	18%	46%	-13%	-2%	14%	11%	12%	12%
EBITDA	75.7	89.8	179.7	118.7	88.1	110.7	138.1	157.9	180.9
<i>EBITDA margin</i>	18.5%	19.0%	26.2%	19.4%	15.4%	16.8%	18.2%	18.4%	18.8%
EBITDAaL	56.0	67.8	157.1	92.9	62.7	82.7	106.9	122.2	138.4
<i>EBITDAaL margin</i>	13.7%	14.3%	22.9%	15.2%	11.0%	12.6%	14.1%	14.2%	14.4%
Intersegment elimination to sales	-13.2	-14.1	-20.2	-18.5	-21.3	-23.0	-24.5	-25.0	-25.0
Group sales elimination	0.3	0.4	0.3	0.2	0.2	0.3	-0.2	0.0	0.0
Eliminations to EBITDA	-16.0	-16.4	-20.0	-27.2	-16.1	-42.9	-52.4	-48.0	-48.0
Eliminations to EBITDAaL	-16.4	-16.8	-20.3	-27.5	-16.4	-43.2	-52.8	-48.4	-48.4

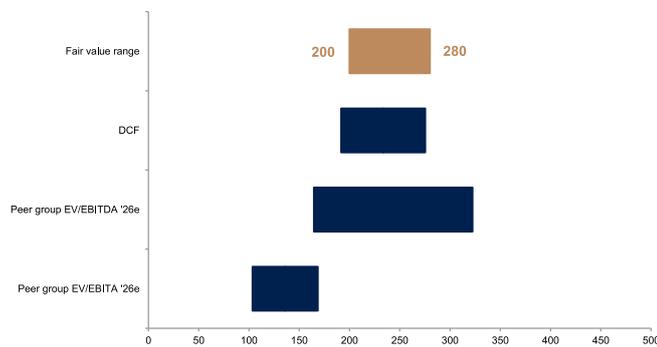
Source: ABG Sundal Collier, Company data

Valuation

We reiterate our fair value range of SEK 220-300, which corresponds to a '26e EV/EBITDA of 10x-12x. It is constructed through modelling based on two peer groups that we consider comparable with Medicover, as well as a DCF.

To value Medicover, we have compiled two peer groups that we consider comparable with Medicover: one with healthcare providers in developed countries and one with healthcare providers in developing countries. To account for differences in terms of expected sales growth, earnings growth, margin profile, size and risk, we apply a premium to the developed country multiples and a discount to the developing country multiples. We believe this range is the best way to capture the profile of the company, as it reflects a mix of both worlds, similar to Medicover. We also include a three-stage DCF model in the valuation. Using this approach, we find a fair value range of SEK 200-280 per share, which corresponds to a '26e EV/EBITDA of 10x-12x.

Valuation summary



Source: ABG Sundal Collier, Company data, FactSet

Peer group overview

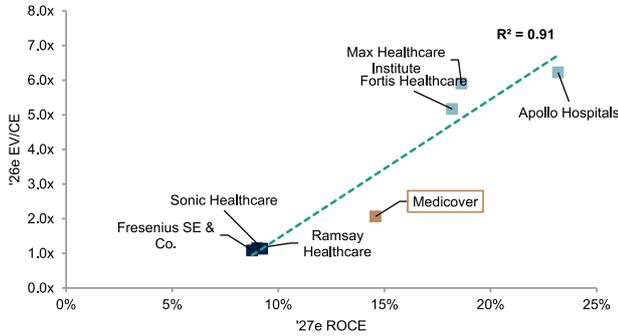
Peers - operating and valuation metrics											
	Market Cap (SEK)	Sales CAGR '25e-'27e	EBITDA CAGR '25e-'27e	Avg. EBITDA margin '25e-'27e	Avg. ROCE '25e-'27e	EV/EBITDA 2026e	EV/EBITDA 2027e	EV/EBITA 2026e	EV/EBITA 2027e	P/E 2026e	P/E 2027e
Healthcare, developed countries											
Ramsay Healthcare	52,305	5%	6%	12%	9%	6.6x	6.6x	13.3x	12.1x	24.8x	20.7x
Fresenius SE & Co.	296,697	5%	7%	17%	8%	9.2x	8.5x	12.6x	11.6x	12.9x	11.8x
Sonic Healthcare	70,477	6%	8%	18%	9%	7.3x	6.8x	12.2x	11.4x	17.8x	16.2x
Median	139,826	5%	7%	16%	8%	7.7x	7.2x	12.7x	11.7x	18.5x	16.3x
Healthcare, developing countries											
Apollo Hospitals	104,038	18%	22%	15%	21%	24.3x	19.9x	29.0x	24.7x	45.8x	35.9x
Max Healthcare Institute	100,036	22%	24%	26%	17%	30.7x	24.8x	37.0x	29.5x	49.0x	39.2x
Fortis Healthcare	68,323	16%	21%	24%	16%	27.3x	22.7x	32.8x	27.0x	49.1x	39.0x
Median	90,799	18%	22%	22%	18%	27.4x	22.5x	32.9x	27.1x	47.9x	38.0x
Medicover	30,664	13%	-5%	16%	9%	11.3x	9.7x	23.2x	17.2x	39.4x	28.9x
<i>Difference vs. developed</i>		<i>7pp</i>	<i>-12pp</i>	<i>0pp</i>	<i>1pp</i>	<i>47%</i>	<i>35%</i>	<i>83%</i>	<i>47%</i>	<i>113%</i>	<i>78%</i>
<i>Difference vs. developing</i>		<i>-6pp</i>	<i>-27pp</i>	<i>-6pp</i>	<i>-9pp</i>	<i>-59%</i>	<i>-57%</i>	<i>-30%</i>	<i>-37%</i>	<i>-18%</i>	<i>-24%</i>

Source: ABG Sundal Collier, Company data, Factset

Regression analysis

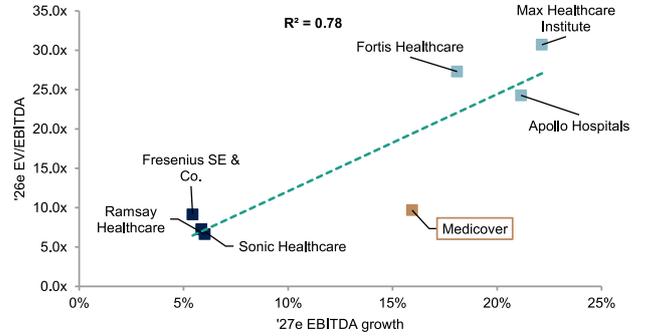
Our regression on '26e EV/CE multiples (enterprise value divided by capital employed, a proxy for price/book) against the return on capital employed for '27e, and '26e EV/EBITDA multiples against the expected growth in EBITDA for '27e suggests that Medicover is trading ~33-50% below what the regression would otherwise suggest.

'26e EV/CE vs. '27e ROCE



Source: ABG Sundal Collier, Company data, Factset

'26e EV/EBITDA vs. '27e EBITDA growth

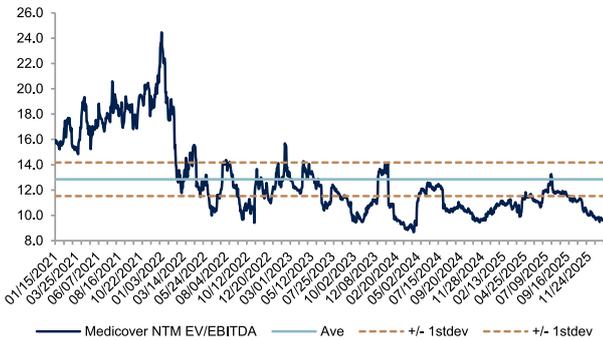


Source: ABG Sundal Collier, Company data

Historical valuation multiples

For reference, we also look at historical valuation multiples based on FactSet consensus. Historical data on NTM multiples for Medicover show that it is currently trading ~22-25% below its historical average on NTM EV/EBITDA and EV/EBITA.

Medicover NTM EV/EBITDA



Source: ABG Sundal Collier, FactSet

Medicover NTM EV/EBITA



Source: ABG Sundal Collier, FactSet

Income Statement (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	672	844	998	1,377	1,510	1,746	2,092	2,383	2,688	3,051
COGS	-511	-638	-734	-982	-1,175	-1,387	-1,644	-1,845	-2,110	-2,420
Gross profit	161	207	264	395	336	359	448	538	578	631
Other operating items	-70	-86	-106	-125	-118	-116	-163	-165	-146	-130
EBITDA	91	121	158	270	217	244	285	373	432	500
Depreciation and amortisation	-80	-100	-119	-145	-200	-236	-264	-285	-286	-293
of which leasing depreciation	-27	-33	-39	-46	-64	-74	-84	-94	-98	-94
EBITA	37	54	77	171	81	83	105	173	213	269
EO Items	0	0	0	0	0	0	0	0	0	0
Impairment and PPA amortisation	-3	-7	-16	-12	-26	-21	-34	-17	-16	-30
EBIT	34	47	61	159	56	61	70	157	197	239
Net financial items	-9	-12	-26	-17	-33	-46	-51	-62	-62	-62
Pretax profit	32	33	37	144	20	24	20	96	135	177
Tax	-8	-9	-10	-37	-6	-5	-6	-27	-36	-47
Net profit	24	25	27	107	14	18	15	69	99	130
Minority interest	-2	-2	-2	-5	-2	-1	2	3	0	0
Net profit discontinued	0	0	0	0	0	0	0	0	0	0
Net profit to shareholders	22	23	26	102	12	18	17	73	99	130
EPS	0.17	0.17	0.18	0.69	0.08	0.12	0.11	0.48	0.66	0.86
EPS adj.	0.17	0.17	0.18	0.69	0.08	0.12	0.11	0.48	0.66	0.86
Total extraordinary items after tax	7	1	1	1	-2	6	0	1	0	0
Leasing payments	-27	-33	-39	-46	-64	-74	-84	-94	-98	-94
Tax rate (%)	23.7	25.8	26.8	25.9	29.3	22.0	27.4	27.8	26.5	26.5
Gross margin (%)	23.9	24.5	26.4	28.7	22.2	20.6	21.4	22.6	21.5	20.7
EBITDA margin (%)	13.5	14.3	15.8	19.6	14.4	14.0	13.6	15.6	16.1	16.4
EBITA margin (%)	5.5	6.4	7.7	12.4	5.4	4.7	5.0	7.3	7.9	8.8
EBIT margin (%)	5.0	5.5	6.1	11.6	3.7	3.5	3.4	6.6	7.3	7.9
Pre-tax margin (%)	4.7	3.9	3.7	10.4	1.3	1.4	1.0	4.0	5.0	5.8
Net margin (%)	3.6	2.9	2.7	7.7	0.9	1.1	0.7	2.9	3.7	4.3
Growth Rates y-o-y	-	-	-	-	-	-	-	-	-	-
Sales growth (%)	15.8	25.7	18.2	38.0	9.6	15.6	19.8	13.9	12.8	13.5
EBITDA growth (%)	11.3	33.1	30.5	71.7	-19.6	12.1	16.9	30.9	15.8	15.9
EBITA growth (%)	7.9	45.1	43.2	122.6	-52.6	1.7	26.8	65.5	22.8	26.6
EBIT growth (%)	6.3	38.0	31.8	nm	-65.2	10.6	14.5	nm	25.6	21.7
Net profit growth (%)	23.5	2.1	10.5	290.5	-86.9	31.4	-20.7	375.6	42.7	31.7
EPS growth (%)	1.7	0.9	7.9	nm	-88.2	44.8	-5.4	nm	36.2	31.7
Profitability	-	-	-	-	-	-	-	-	-	-
ROE (%)	7.3	7.1	6.7	21.1	2.4	3.6	3.5	14.7	17.8	20.3
ROE adj. (%)	6.2	9.2	10.5	23.4	8.1	6.7	10.6	17.9	20.6	25.0
ROCE (%)	8.7	6.6	7.6	14.8	3.8	4.7	4.3	8.6	9.9	11.6
ROCE adj. (%)	7.5	7.5	9.3	15.8	5.9	5.5	6.4	9.4	10.7	13.0
ROIC (%)	7.3	6.4	7.4	14.3	4.8	4.5	4.9	7.2	8.3	10.3
ROIC adj. (%)	7.3	6.4	7.4	14.3	4.8	4.5	4.9	7.2	8.3	10.3
Adj. earnings numbers	-	-	-	-	-	-	-	-	-	-
EBITDA adj.	91	121	158	270	217	244	285	373	432	500
EBITDA adj. margin (%)	13.5	14.3	15.8	19.6	14.4	14.0	13.6	15.6	16.1	16.4
EBITDA lease adj.	64	88	119	225	153	170	201	279	334	406
EBITDA lease adj. margin (%)	9.5	10.4	11.9	16.3	10.2	9.7	9.6	11.7	12.4	13.3
EBITA adj.	37	54	77	171	81	83	105	173	213	269
EBITA adj. margin (%)	5.5	6.4	7.7	12.4	5.4	4.7	5.0	7.3	7.9	8.8
EBIT adj.	34	47	61	159	56	61	70	157	197	239
EBIT adj. margin (%)	5.0	5.5	6.1	11.6	3.7	3.5	3.4	6.6	7.3	7.9
Pretax profit Adj.	26	40	51	155	49	37	54	112	151	207
Net profit Adj.	21	31	42	118	42	33	49	85	115	160
Net profit to shareholders adj.	19	29	40	113	40	33	51	89	115	160
Net adj. margin (%)	3.1	3.7	4.2	8.6	2.8	1.9	2.3	3.6	4.3	5.3

Source: ABG Sundal Collier, Company Data

Cash Flow (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	91	121	158	270	217	244	285	373	432	500
Net financial items	-9	-12	-26	-17	-33	-46	-51	-62	-62	-62
Paid tax	-8	-9	-10	-37	-6	-5	-6	-27	-36	-47
Non-cash items	30	-22	13	18	-15	28	42	48	0	0
Cash flow before change in WC	105	78	135	234	164	221	271	332	334	391
Change in working capital	-30	9	21	-17	6	-16	-8	-15	-10	-8

Cash Flow (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Operating cash flow	74	87	156	217	170	205	262	317	324	384
Capex tangible fixed assets	-20	-31	-36	-50	-69	-55	-60	-73	-77	-85
Capex intangible fixed assets	-20	-31	-36	-50	-69	-55	-60	-73	-77	-85
Acquisitions and Disposals	-74	-83	-14	-88	-229	-6	-18	-172	0	0
Free cash flow	-41	-58	71	29	-197	90	124	-1	171	213
Dividend paid	-2	-2	-1	-15	-23	-22	-21	-23	-27	-35
Share issues and buybacks	0	-3	141	-2	-8	-5	-83	-8	0	0
Leasing liability amortisation	-25	-30	-31	-39	-51	-66	-74	-86	-86	-87
Other non-cash items	-120	-165	-42	-214	-140	-61	-124	-47	-31	-32
Balance Sheet (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Goodwill	150	293	289	372	496	517	524	651	651	651
Other intangible assets	51	75	65	75	126	122	133	170	231	286
Tangible fixed assets	164	253	258	319	445	464	492	496	483	463
Right-of-use asset	117	166	180	327	396	412	484	501	489	482
Total other fixed assets	57	17	30	39	34	45	58	68	68	68
Fixed assets	540	804	822	1,133	1,497	1,560	1,692	1,886	1,922	1,951
Inventories	30	37	53	72	58	59	69	76	87	95
Receivables	92	142	149	202	228	258	295	320	364	397
Other current assets	28	2	0	3	0	5	2	5	6	6
Cash and liquid assets	38	35	87	275	49	60	81	80	97	148
Total assets	728	1,020	1,111	1,684	1,832	1,941	2,138	2,368	2,475	2,596
Shareholders equity	313	317	448	518	475	497	465	522	594	689
Minority	4	42	36	45	36	32	25	13	13	13
Total equity	318	360	484	562	511	528	489	535	607	703
Long-term debt	126	164	153	375	473	406	543	668	628	588
Pension debt	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0
Leasing liability	125	176	200	346	424	439	517	548	579	611
Total other long-term liabilities	58	72	81	122	129	138	102	79	79	79
Short-term debt	5	112	15	43	42	159	179	209	209	209
Accounts payable	78	115	149	182	183	205	249	271	308	336
Other current liabilities	18	21	29	54	69	67	59	57	65	71
Total liabilities and equity	728	1,020	1,111	1,684	1,832	1,941	2,138	2,368	2,475	2,596
Net IB debt	165	409	263	462	873	927	1,141	1,328	1,301	1,242
Net IB debt excl. pension debt	165	409	263	462	873	927	1,141	1,328	1,301	1,242
Net IB debt excl. leasing	40	232	64	116	448	488	624	780	722	631
Capital employed	574	811	851	1,326	1,451	1,532	1,728	1,960	2,023	2,111
Capital invested	483	768	747	1,024	1,383	1,455	1,630	1,863	1,908	1,945
Working capital	54	45	24	41	34	50	58	73	83	91
EV breakdown	-									
Market cap. diluted (m)	2,634	2,634	2,800	2,930	2,942	2,956	2,966	2,982	2,982	2,982
Net IB debt adj.	218	417	281	489	891	944	1,158	1,345	1,319	1,260
Market value of minority	4	42	36	45	36	32	25	13	13	13
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	-	-	-	-	-	-	-	-	-	-
EV	2,856	3,093	3,116	3,464	3,869	3,932	4,148	4,341	4,314	4,255
Total assets turnover (%)	109.0	96.6	93.7	98.6	85.9	92.6	102.6	105.8	111.0	120.3
Working capital/sales (%)	5.9	5.9	3.4	2.3	2.5	2.4	2.6	2.8	2.9	2.8
Financial risk and debt service	-									
Net debt/equity (%)	52.0	113.6	54.4	82.2	170.8	175.4	233.2	248.2	214.3	176.8
Net debt / market cap (%)	6.3	15.5	9.4	15.8	29.7	31.4	38.5	44.5	43.6	41.7
Equity ratio (%)	43.6	35.3	43.5	33.4	27.9	27.2	22.9	22.6	24.5	27.1
Net IB debt adj. / equity (%)	68.8	115.8	58.0	87.0	174.4	178.7	236.7	251.4	217.1	179.2
Current ratio	1.87	0.87	1.49	1.98	1.14	0.89	0.92	0.90	0.95	1.05
EBITDA/net interest	10.3	9.8	6.2	15.6	6.6	5.3	5.6	6.0	7.0	8.1
Net IB debt/EBITDA (x)	1.8	3.4	1.7	1.7	4.0	3.8	4.0	3.6	3.0	2.5
Net IB debt/EBITDA lease adj. (x)	1.4	2.7	0.7	0.6	3.0	3.0	3.2	2.9	2.2	1.6
Interest coverage	4.2	4.4	3.0	9.9	2.5	1.8	2.1	2.8	3.4	4.3

Source: ABG Sundal Collier, Company Data

Share Data (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Actual shares outstanding	133	133	142	148	149	150	150	151	151	151
Actual shares outstanding (avg)	133	133	142	148	149	150	150	151	151	151

Share Data (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
All additional shares	0	0	0	0	0	0	0	0	0	0
Issue month	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assumed dil. of shares from conv.	0	0	0	0	0	0	0	0	0	0
As. dil. of shares from conv. (avg)	0	0	0	0	0	0	0	0	0	0
Conv. debt not assumed as equity	0	0	0	0	0	0	0	0	0	0
No. of warrants	0	0	0	0	0	0	0	0	0	0
Market value per warrant	0	0	0	0	0	0	0	0	0	0
Dilution from warrants	0	0	0	0	0	0	0	0	0	0
Issue factor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual dividend per share	0.00	0.00	0.07	0.12	0.12	0.12	0.15	0.18	0.23	0.28
Reported earnings per share	0.17	0.17	0.18	0.69	0.08	0.12	0.11	0.48	0.66	0.86

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Shares outstanding adj.	133	133	142	148	149	150	150	151	151	151
Diluted shares adj.	133	133	142	148	149	150	150	151	151	151
EPS	0.17	0.17	0.18	0.69	0.08	0.12	0.11	0.48	0.66	0.86
Dividend per share	0.00	0.00	0.07	0.12	0.12	0.12	0.15	0.18	0.23	0.28
EPS adj.	0.17	0.17	0.18	0.69	0.08	0.12	0.11	0.48	0.66	0.86
BVPS	2.35	2.38	3.16	3.49	3.19	3.32	3.10	3.46	3.93	4.57
BVPS adj.	0.84	-0.38	0.66	0.48	-0.99	-0.95	-1.28	-1.98	-1.91	-1.64
Net IB debt/share	1.64	3.13	1.98	3.30	5.98	6.31	7.72	8.91	8.73	8.34
Share price	211.50	211.50	211.50	211.50	211.50	211.50	211.50	211.50	211.50	211.50
Market cap. (m)	2,634	2,634	2,800	2,930	2,942	2,956	2,966	2,982	2,982	2,982
Valuation	-	-	-	-	-	-	-	-	-	-
P/E (x)	nm	nm	nm	28.8	nm	nm	nm	41.0	30.1	22.9
EV/sales (x)	4.3	3.7	3.1	2.5	2.6	2.3	2.0	1.8	1.6	1.4
EV/EBITDA (x)	31.5	25.6	19.8	12.8	17.8	16.1	14.6	11.6	10.0	8.5
EV/EBITA (x)	77.2	57.6	40.5	20.2	47.6	47.6	39.6	25.0	20.3	15.8
EV/EBIT (x)	84.8	66.5	50.8	21.7	69.7	64.0	59.0	27.7	21.9	17.8
Dividend yield (%)	0.0	0.0	0.4	0.6	0.6	0.6	0.8	0.9	1.2	1.4
FCF yield (%)	-1.5	-2.2	2.5	1.0	-6.7	3.1	4.2	-0.0	5.7	7.1
Le. adj. FCF yld. (%)	-2.5	-3.3	1.4	-0.3	-8.4	0.8	1.7	-2.9	2.8	4.2
P/BVPS (x)	8.41	8.30	6.25	5.66	6.20	5.95	6.38	5.72	5.02	4.33
P/BVPS adj. (x)	16.16	108.38	17.63	20.08	-138.78	-144.19	-50.01	-23.09	-52.24	77.72
P/E adj. (x)	nm	nm	nm	28.8	nm	nm	nm	41.0	30.1	22.9
EV/EBITDA adj. (x)	31.5	25.6	19.8	12.8	17.8	16.1	14.6	11.6	10.0	8.5
EV/EBITA adj. (x)	77.2	57.6	40.5	20.2	47.6	47.6	39.6	25.0	20.3	15.8
EV/EBIT adj. (x)	84.8	66.5	50.8	21.7	69.7	64.0	59.0	27.7	21.9	17.8
EV/CE (x)	5.0	3.8	3.7	2.6	2.7	2.6	2.4	2.2	2.1	2.0
Investment ratios	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	6.1	7.4	7.2	7.3	9.1	6.2	5.7	6.2	5.7	5.6
Capex/depreciation	0.8	0.9	0.9	1.0	1.0	0.7	0.7	0.8	0.8	0.9
Capex tangibles / tangible fixed assets	12.4	12.4	13.9	15.7	15.5	11.8	12.2	14.8	15.9	18.4
Capex intangibles / definite intangibles	--	--	--	--	--	--	--	--	--	--
Depreciation on intang / def. intang	--	--	--	--	--	--	--	--	--	--
Depreciation on tangibles / tangibles	32.7	26.5	31.3	31.1	30.6	34.7	36.6	38.6	38.9	43.0

Source: ABG Sundal Collier, Company Data

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