

Corpovael, S.A.B. de C.V. (BMV: CADU A)

Obtains Capital Payment Extension for the CADU 18 Issue



RECOMMENDATION	BUY
2020E Target Price (MXN\$)	\$ 6.00
Current Price (MXN\$)	\$ 4.50
Expected Dividend (MXN\$)	\$ 0.00
Potential Return	33.3%
Market Cap (MXN\$ Mn)	2,801
EV/ EBITDA 2019E	6.0x
P/E 2019E	3.4x
P/BV (current)	0.3x

CADU announced that the holders' meetings of the CADU 18 and CADU 19 debt issues took place last May 14th.

With respect to the CADU 18 issue, the following points were approved:

- Granting of an extension until February 21, 2023 in the capital payment corresponding to the May 2020 to December 2020 period which amounts to MXN\$114 million;
- The company provided a 25 basis points premium on the outstanding balance of these instruments, equivalent to MXN\$1,250,000, which will be paid on January 21, 2021;
- The Indenture will include a new covenant so that the company establishes a trust guarantee of payment for the deferred amount no later than September 30, 2020;
- Covenant compliance waiver during 2020;
- Covenant compliance waiver during 2021, provided no dividends are paid; otherwise, these covenants will apply from January 1, 2021.

With respect to the CADU 19 issue, the company also obtained a covenant compliance waiver for 2020, while the covenant compliance waiver for 2021 will also depend on the dividends not being paid.

We believe that these measures will help to preserve CADU's liquidity during the health contingency period. In addition, we note that construction activities will resume in the near term as they were considered as "essential activities" by the Federal Government.

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