

TRAXIÓN (BUY, T.P. MXN\$45.0)

Fitch Ratings Revises Outlook to Positive

Fitch Ratings affirmed TRAXIÓN's long and short-term national scale credit ratings of A (mex) and F1 (mex), respectively. It also affirmed the Cebures TRAXION 20 and TRAXION 20-2 ratings of A (mex) and the rating of the short-term portion of the Cebures short- and long-term revolving program at F1 (mex).

At the same time, Fitch Ratings raised the long-term rating outlook to positive, from neutral, reflecting the company's strong performance in 2020 and expectations that this trend will continue this year.

Fitch estimates a revenue growth of around 16% in 2021 with an EBITDA margin (calculated by Fitch) of between 18-21% in the projection horizon. This is in line with our expectations as we expect a 14% revenue growth with an EBITDA margin of 20.7% for this year. We reiterate BUY with a MXN\$45.00/share target price.

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