

FEXI21: 4Q22 Results

Positive performance driven by historically high traffic levels, in line with our expectations

FEXI 21	BUY
Target Price (MXN\$)	\$ 24.50
Expected Dividend	\$ 0.78
Current Price (MXN\$)	\$ 19.58
Min / Max (L12M - MXN\$)	\$ 19.00 - 19.60
Total Return	29.1%
Mkt Cap (Mn of MXN)	22,835
CBFI's Outstanding (Mn)	1,166.3
Float	100.0%
ADTV (6M - MXN\$ Mn)	3.1

Opinion and recommendation

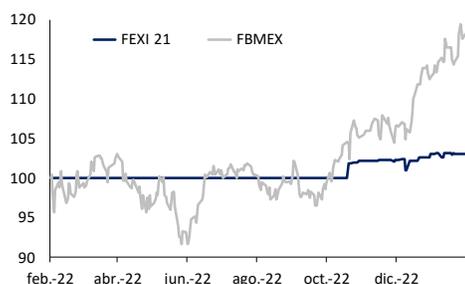
FEXI reported positive results that were in line with our revenue and EBITDA projections but below in terms of net income; the latter due to the valuation of financial instruments. The Fibra benefited from the rate adjustments in line with inflation and higher traffic in all its concessions.

We reiterate our BUY recommendation with a MXN\$24.50/CBFE target price after these results. We still find the valuation of FEXI's certificates attractive as they currently trade at a 23% discount to net asset value.

Revenues

Revenues from FEXI's concessions amounted to MXN\$3,848 million in 2022 (vs. MXN\$3,945 million E) up 12.5%, compared to 2021 annualized revenues of P\$3,420 million. By concessions, the ones with the highest contribution to revenue were MAYAB with MXN\$1,383 million and AQSA with MXN\$1,221 million, which represented 34% and 30% of total revenue, respectively. **Worth mentioning that in December 2022, AQSA, MAYAB, ICASAL and LIPSA's assets registered historically high revenues since the beginning of their operation.**

Annual average daily traffic improved on the highways during 2022. TUCA was the best performer, with an increase of 14.8%, followed by MAYAB 11.9%, AQSA with 8.6%, ICASAL with 5.3% and LIPSA with 5.0%.



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Profitability

Profitability of all concessions also improved as a result of rate adjustments in line with inflation and economies of scale related to Operadora Quantum. As a result, the concessions' EBITDA amounted to MXN\$2,966 million (vs. MXN\$3,005 million E) and the EBITDA margin was 82.6%, expanding from 78.7% in 2021. At a consolidated level, the EBITDA margin (excluding construction revenues and costs) was 79.9% in 2022, from 74.4% in 2021.

Financial structure

Total debt at the concession level remained practically unchanged at MXN\$18,282 million. AQSA's and LIPSA/ICASAL's total debt rose 6.4% and 4.0%, respectively, deriving from the appreciation of the "Unidad de Inversión" (UDI), which was partially offset by the slight reductions in MAYAB's and TUCA's debt.

Additionally, the Fibra showed a 45% LTV at the end of 2022, which fully complied with the 55% limit established in the applicable regulations.

On the other hand, FEXI reported total cash at a consolidated level of MXN\$3,247 million. We continue to believe that the Fibra has sufficient resources to carry out an acquisition of a new highway asset. In addition, it is structuring a MXN\$30 billion Certificate Issuance Program, which includes MXN\$25 billion of equity and MXN\$5 billion of debt.

FEXI21 - Main Operating Indicators

	FEXI 21 Consolidated	AQSA	MAYAB	ICASAL	LIPSA	TUCA
2022 Traffic	Not available	12,761	3,751	3,479	7,084	6,605
2021 Traffic	Not available	11,751	3,351	3,305	6,747	5,752
Change	Not available	8.6%	11.9%	5.3%	5.0%	14.8%
2022 Rate	Not available	306.55	1,593.97	352.76	103.28	278.16
2021 Rate	Not available	201.03	1,398.10	316.72	95.86	245.40
Change	Not available	52.5%	14.0%	11.4%	7.7%	13.3%
2022 Revenues	4,085	1,221	1,383	777	249	218
2021 Revenues (from July 22nd to December 31st)	1,425	459	484	308	99	75
Change	187%	166%	186%	152%	151%	192%
2022 EBITDA	3,057	796	1,168	643	197	162
2021 EBITDA (from July 22nd to December 31st)	983	266	395	251	77	50
Change	211%	199%	196%	156%	156%	222%
2022 EBITDA Margin	79.9%	83%	84%	83%	79%	74%
2021 EBITDA Margin (from July 22nd to December 31st)	74.4%	75%	82%	82%	78%	67%
2022 Total Debt	20,782 *	8,497	3,315	4,099	1,707	664
2021 Total Debt	20,995 *	7,987	3,703	4,105	1,640	741
Change	-1.0%	6.4%	-10.5%	-0.1%	4.1%	-10.4%

Source: FEXI21; * Includes Fair Value

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