

TRAXIÓN (BUY, T.P. MXN\$51.00)

Announces acquisition of BBA Logistics

TRAXIÓN announced it has completed the acquisition of BBA Logistics, a cargo brokerage company with door-to-door and cross-border services in the United States with a 100% asset-light model. The price was US\$10 million, of which 40% was paid at the closing of the transaction and the remaining 60% will be settled in the next two years subject to compliance with certain metrics and results. TRAXIÓN expects BBA Logistics to generate revenues of US\$22 million with an EBITDA margin of 10% in 2023 (which we estimate will represent around 1.5% of TRAXIÓN's revenues and 0.8% of EBITDA). The valuation seems attractive with a 2023E EV/EBITDA of 4.5x (since BBA has no debt), below TRAXIÓN's 6.7x. In addition, it offers broad strategic value for the company as it will likely generate synergies with TRAXPORTA, its domestic freight brokerage app. For this reason, we reiterate our BUY recommendation with a MXN\$51.00/share target price.

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