

## CADU (BUY, T.P. MXN\$5.20)

HR Ratings affirmed CADU, CADU 19 and CADU 20V credit ratings; raised the Outlook to Positive

HR Ratings affirmed the following credit ratings:

- HR BBB of CADU and its CADU 19 issuance, modifying the Outlook from Stable to Positive;
- HR A+ of the CADU 20V issuance, raising the Outlook from Stable to Positive;
- HR 3 rating.

According to HR Ratings, the ratification of CADU's rating and the change of Outlook from Stable to Positive is based on the deleveraging strategy that the company showed during the last twelve months (UDM), which resulted in a MXN\$905 million reduction in total debt compared to its prior year estimates. The above was achieved through a MXN\$1,521 million Free Cash Flow (FLE) generation which was above its projections, deriving from the sale of land that required high investments in urbanization and the acquisition of land with better conditions.

We reiterate our BUY recommendation with a MXN\$5.20/share target price.

## **DISCLAIMER**

The current report was prepared by Miranda Global Research ("Miranda GR") for CI Casa de Bolsa, S.A. de C.V. The information is presented in summarized form and is not meant to be complete. There are no declarations or guarantees, expressed or implicit, in respect to the accuracy, impartiality or integrity of the information.

Miranda GR, in accordance to applicable legislation, has made sure that the presented personalized recommendation is reasonable to the client, as it has verified congruency between the client's profile and the profile of the financial product. Under no circumstance should it be understood that the fulfillment of the previously mentioned recommendation, guarantees the result or the success of the proposed strategies in the presented document.

The information included in this report was obtained from public sources. Projections or previsions included in this report, are a generalized recommendation and are based on subjective assumptions and estimations about events and circumstances that have not yet happened and are subjected to significant variations. Therefore, it is not possible to guarantee that any of the results included in the current report will happen in the future, in other words, it does not guarantee the result or the success of the posed strategies.

This report has been prepared solely with informational purposes. No declarations are made in respects to precision, sufficiency, veracity or accuracy of the information and opinions hereby included. Miranda GR will not answer (either because of negligence or for any other reason) for any damage or detriment derived or related to the use of this report or its content, or any connection to the report. Miranda GR is not responsible for the use or association with this report, including but not limited to, any declaration, expressed or implicit or guarantees or omissions included in this information.

This report is based on facts and/or events that have happened up to this date, consequently any future facts and/or events can impair the conclusions hereby expressed. Miranda GR does not assume any responsibility to update, review, rectify or invalidate this report based on any future occurrence.

The opinions related to this report eventually expressed by Miranda GR, should be considered only as suggestions/recommendations to better operate various topics related to the report.

This report and its contents are property of Miranda GR and cannot be reproduced or broadcast in part or in its entirety without the previous written consent of Miranda GR.

Miranda Global Research receives fees from Corpovael, S.A.B. de C.V for independent analyst services. Companies or Fibras under coverage cannot influence the opinions, projections, recommendations, or target prices that Miranda GR establishes in its reports.

