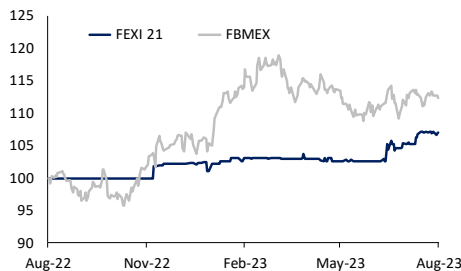


FEXI 21: 3Q23 Results

Historically high traffic levels once again; significant improvement in profitability

FEXI 21	BUY
Target Price (MXN\$)	\$ 24.50
Expected Dividend	\$ 0.78
Current Price (MXN\$)	\$ 19.90
Min / Max (L12M - MXN\$)	\$ 16.57 - 20.50
Total Return	27.0%
Mkt Cap (Mn of MXN)	23,209
CBFI's Outstanding (Mn)	1,166.3
Float	100.0%
ADTV (6M - MXN\$ Mn)	0.8



Opinion and recommendation

FEXI21 reported positive 3Q23 results that exceeded our expectations with traffic at record levels, translating into high revenue growth and rising profitability.

We reiterate our BUY recommendation with a MXN\$24.50/CBFE target price after having updated our model with these stronger-than-expected quarterly results, as well as the temporary impact of Hurricane Otis on TUCA. The valuation of FEXI21's CBFE's is attractive as they currently trade at a 27% discount against NAV.

3Q23 Results

FEXI21's toll revenues advanced 24.2% YoY to MXN\$1.0 billion in 3Q23 (against our MXN\$964 million projection), supported by higher traffic in all concessions, in conjunction with the authorized rate adjustments. The concessions with the best results were AQSA (+28.2%) and MAYAB (+27.4%).

The average daily traffic maintained an excellent performance in all concessions, once again reaching historically high levels. Total traffic stood at 37,882 vehicles (vs. our 36,339 estimate), up 13.5% YoY, driven mainly by increases of 20.9% in AQSA, which continued to benefit from traffic restrictions and works on the Mexico-Querétaro Federal Highway; 14.9% in LIPSA, supported by the truck restriction in La Piedad, Michoacán; and 12.4% in MAYAB due to the increase in cargo truck crossings given the construction of section 5 of the "Tren Maya".

Martin Lara

+5255-6413-8563

martin.lara@miranda-gr.com

November 1st, 2023

FEXI21's 3Q23 consolidated EBITDA rose 23.7% to MXN\$901 million (vs. our MXN\$828 million estimate). The consolidated EBITDA margin improved to 81.5%, from 79.8%. MAYAB, ICASAL and TUCA recorded the highest EBITDA growth, which offset the slight reduction in LIPSA's margin.

FEXI21 distributed MXN\$190 million (MXN\$0.1631/CBFE) last August and expects to carry out the next distribution in February next year.

In relation to road assets, there was a delay in the opening of the Coroneo connection in Querétaro's "Macrolibramiento Sur". However, FEXI21 has carried out negotiations with the Ministry of Infrastructure, Communications and Transportation and estimates that such a connection will begin operations in 4Q23, which we believe will boost AQSA's traffic.

With respect to the passage of Hurricane Otis through the Municipality of Acapulco and based on available information, FEXI21 does not identify any structural damage to TUCA's infrastructure. This concession has insurance against natural disasters and a one-year reserve for debt service.

Regarding the situation of TUCA, the operation has already presented a "force majeure" document to the Ministry of Finance of the State of Guerrero, which is pending an answer from the State Government to identify the date on which toll collection will resume.

Financial structure

FEXI21's total debt closed at MXN\$20.48 billion in 3Q23, equivalent to a 45% LTV, marginally higher than the 44% level in 3Q22, since the revolving credit line that the Fibra obtained in February 2022 was replaced with Tranche B of the credit it raised in June 2023. This indicator remained below the maximum allowed level of 55%.

Acquisitions

The Fibra is carrying out all the necessary legal and judicial actions to defend its assets and be able to exercise its option to buy a 24.99% equity stake in OVT assets (MAYAB, ICASAL, LIPSA and TUCA).

FEXI21 - Main Operating Indicators

(Figures in Millions of Pesos)	FEXI 21					
	Consolidated	AQSA	MAYAB	ICASAL	LIPSA	TUCA
3Q23 Traffic	Not available	15,101	4,388	3,696	8,060	6,637
3Q22 Traffic	Not available	12,493	3,903	3,615	7,013	6,357
Change	Not available	20.9%	12.4%	2.2%	14.9%	4.4%
3Q23 Rate	Not available	306.55	1,593.97	387.93	129.48	283.91
3Q22 Rate	Not available	288.45	1,501.21	352.76	103.28	245.40
Change	Not available	6.3%	6.2%	10.0%	25.4%	15.7%
3Q23 Revenues	1,002	297	455	120	73	57
3Q22 Revenues	807	232	357	104	61	53
Change	24.2%	28.2%	27.4%	15.4%	19.5%	7.2%
3Q23 EBITDA **	901	259	404	186	58	43
3Q22 EBITDA **	729	201	304	165	49	38
Change	23.7%	28.7%	32.9%	12.8%	18.9%	14.3%
3Q23 EBITDA Margin	81.5%	84.9%	88.0%	88.0%	79.1%	75.7%
3Q22 EBITDA Margin	79.8%	84.5%	84.2%	82.3%	79.7%	72.7%
3Q23 Total Debt *	20,482*	8,651	3,029	3,866	1,682	626
3Q22 Total Debt *	20,513*	8,395	3,622	4,034	1,679	690
Change	-0.2%	3.0%	-16.4%	-4.2%	0.2%	-9.3%

Source: FEXI21; * Includes Fair Value; ** Does not include construction revenues or costs

Discounted Cash Flow Model

(Figures in Millions of Pesos)	2024E	2025E	2026E	2027E	2028E	Perp.
NOPLAT	1,786	2,266	2,717	3,183	3,719	3,889
Working Capital Changes	321	-13	-6	-20	-14	-14
Depreciation and Amortization	1,741	1,741	1,741	1,741	1,741	1,821
FCFF	3,848	3,994	4,453	4,904	5,447	5,695
Perpetuity Growth Rate (Nominal)						4.6%
PV of Explicit Period (2024 - 2028E)						15,907
Perpetuity Value						74,455
PV of Perpetuity Value						37,293
Enterprise Value						53,200
Net Debt						16,982
Minorities						7,641
Market Value						28,577
CBFE's Outstanding						1,166
Target Price						P\$ 24.50
Current Price						P\$ 19.90
Return Incl./ Dividends						27.0%
After Tax Cost of Debt						9.9%
Cost of Equity						13.9%
Market Risk Premium						6.0%
Risk Free Rate						10.3%
Beta						0.60
% Total Debt						41.1%
% Capital						58.9%
WACC						12.2%

Operating Indicators

Revenues	2022	2023E	2024E	2025E	2026E	2027E	2028E
AQSA	1,221	1,210	1,418	1,578	1,773	1,974	2,197
MAYAB	1,383	1,649	1,879	2,072	2,240	2,399	2,570
ICASAL	777	731	539	571	618	668	723
LIPSA	249	329	428	469	517	570	617
TUCA	218	177	235	339	363	389	416
Consolidated	3,832	4,098	4,499	5,030	5,512	6,001	6,523
Concessions	3,848	4,096	4,499	5,030	5,512	6,001	6,523
Average Daily Toll Rate	2022	2023E	2024E	2025E	2026E	2027E	2028E
AQSA	\$ 306.55	\$ 306.55	\$ 324.94	\$ 341.19	\$ 358.25	\$ 376.16	\$ 394.97
MAYAB	\$ 1,593.97	\$ 1,593.97	\$ 1,689.61	\$ 1,774.09	\$ 1,862.79	\$ 1,955.93	\$ 2,053.73
ICASAL	\$ 352.76	\$ 387.93	\$ 411.21	\$ 431.77	\$ 453.35	\$ 476.02	\$ 499.82
LIPSA	\$ 103.28	\$ 129.48	\$ 137.25	\$ 144.11	\$ 151.32	\$ 158.88	\$ 166.83
TUCA	\$ 114.94	\$ 117.82	\$ 124.89	\$ 131.13	\$ 137.69	\$ 144.57	\$ 151.80
Average Annual Daily Traffic	2022	2023E	2024E	2025E	2026E	2027E	2028E
AQSA	12,382	14,695	16,164	17,134	18,333	19,433	20,599
MAYAB	3,744	4,012	4,413	4,634	4,773	4,868	4,965
ICASAL	3,490	3,569	3,640	3,676	3,787	3,900	4,017
LIPSA	6,888	8,016	8,657	9,047	9,499	9,974	10,273
TUCA	6,522	5,133	5,238	7,179	7,323	7,469	7,618
Consolidated	33,024	35,423	38,112	41,670	43,714	45,645	47,474
EBITDA	2022	2023E	2024E	2025E	2026E	2027E	2028E
AQSA	796	991	1,176	1,324	1,505	1,695	1,920
MAYAB	1,168	1,423	1,641	1,829	2,001	2,167	2,359
ICASAL	643	626	468	502	549	600	660
LIPSA	197	261	343	381	426	475	523
TUCA	162	130	175	258	280	304	332
Consolidated	2,797	3,169	3,527	4,007	4,459	4,924	5,460
Concessions	2,966	3,431	3,802	4,295	4,761	5,242	5,794
EBITDA Margin	2022	2023E	2024E	2025E	2026E	2027E	2028E
AQSA	65.2%	81.9%	82.9%	83.9%	84.9%	85.9%	87.4%
MAYAB	84.4%	86.3%	87.3%	88.3%	89.3%	90.3%	91.8%
ICASAL	82.8%	85.7%	86.8%	87.8%	88.8%	89.8%	91.3%
LIPSA	79.3%	79.3%	80.3%	81.3%	82.3%	83.3%	84.8%
TUCA	74.1%	73.4%	74.1%	76.3%	77.3%	78.3%	79.8%
Consolidated	73.0%	77.3%	78.4%	79.7%	80.9%	82.1%	83.7%
Concessions	77.1%	83.8%	84.5%	85.4%	86.4%	87.3%	88.8%

(Figures in Millions of MXN\$)

INCOME STATEMENT	2022	2023E	2024E	2025E	2026E	2027E	2028E
Revenues	4,085	4,098	4,499	5,030	5,512	6,001	6,523
Maint. & Admin. Expenses (Incl. Depreciation)	-2,674	-2,668	-2,713	-2,764	-2,795	-2,818	-2,803
EBITDA	2,797	3,169	3,527	4,007	4,459	4,924	5,460
<i>EBITDA Margin</i>	<i>68.5%</i>	<i>77.3%</i>	<i>78.4%</i>	<i>79.7%</i>	<i>80.9%</i>	<i>82.1%</i>	<i>83.7%</i>
Financial Gains	523	412	383	434	475	518	563
Financial Cost	-2,505	-2,013	-2,087	-1,989	-1,895	-1,806	-1,722
Net Profit	-570	-171	82	711	1,298	1,895	2,561
BALANCE SHEET	2022	2023E	2024E	2025E	2026E	2027E	2028E
TOTAL ASSETS	53,406	51,144	50,031	48,643	48,279	46,921	45,588
Current Assets	4,110	3,829	4,456	4,809	5,187	5,569	5,978
LT Assets	49,297	47,316	45,575	43,834	43,092	41,351	39,610
TOTAL LIABILITIES	23,832	22,652	22,422	21,567	21,483	20,677	20,317
ST Liabilities	1,335	1,445	1,600	1,353	1,811	1,500	1,575
ST Debt	986	1,059	1,059	1,059	1,059	1,059	1,059
LT Liabilities	22,497	21,207	20,822	20,215	19,673	19,177	18,742
LT Debt	19,796	18,841	17,899	17,004	16,153	15,346	14,578
Other LT Accts Payable	2,701	2,366	2,923	3,211	3,519	3,831	4,164
TOTAL DEBT	20,782	19,899	18,957	18,062	17,212	16,405	15,637
NET DEBT	17,535	16,982	15,421	14,178	12,955	11,771	10,600
Stockholder's Equity	22,125	20,852	20,205	19,814	19,610	19,206	18,494
Minority Interest	7,449	7,641	7,404	7,261	7,186	7,038	6,777
CASH FLOW STATEMENT	2022	2023E	2024E	2025E	2026E	2027E	2028E
Net Profit	-570	-171	82	711	1,298	1,895	2,561
Total Adjustments	3,612	3,216	4,193	3,426	3,058	2,704	2,426
Cash Flow from Operations	2,806	3,045	4,275	4,136	4,355	4,599	4,986
Net Cash Flow from Investment Activities	-217	414	357	357	357	357	357
Net Cash Flow from Financing Activities	-3,226	-3,822	-4,013	-4,145	-4,339	-4,578	-4,940
Incr. (Decr.) in Cash and Equivalents	-637	-363	619	348	373	377	403
Cash and T.I. At the Beginning of Period	3,313	3,391	3,606	3,961	4,339	4,722	5,131
Cash and T.I. At The End of Period	3,247	2,918	3,536	3,884	4,257	4,634	5,037

DISCLAIMER

The current report was prepared by Miranda Global Research ("Miranda GR") for Vector 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 presentation was obtained from public and/or private sources. Projections or previsions included in this presentation, 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 presentation.

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 Fibra Exi (FEXI21) for independent analyst services. Companies or Fibras under coverage will have no right or opportunity to exert any influence on opinions, projections, recommendations, and/or target prices expressed hereby by Miranda GR.
