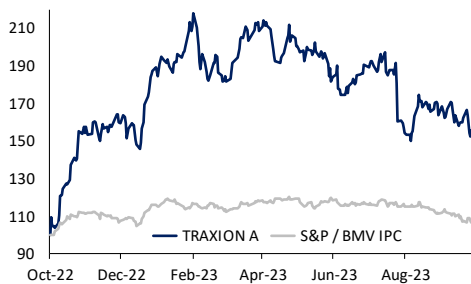


TRAXIÓN: 3Q23 Preview

We anticipate favorable results supported by the “nearshoring trend”

TRAXION A	BUY
Target Price (MXN\$)	\$ 51.00
Current Price (MXN\$)	\$ 27.06
Min / Max (L12M - MXN\$)	18.27 - 40.00
Expected Dividend (MXN\$)	\$ 0.00
Total Return	88.5%
Mkt Cap (Mn of MXN)	17,343
Enterprise Value (Mn of MXN\$)	27,141
Shares Outstanding (Mn)	640.9
Float	63.0%
ADTV (MXN\$ Mn)	\$ 41.09



Opinion and recommendation

We expect TRAXIÓN to report an excellent operating performance in 3Q23 with significant increases in revenues, EBITDA and net profit supported by the “nearshoring” trend that will benefit the Logistics and Technology and Mobility of Personnel businesses.

We recommend taking advantage of the current share price. Our recommendation is BUY with a MXN\$51.0/share target price.

3Q23 Preview

We estimate that TRAXIÓN's revenues will increase 15.6% to MXN\$6.2 billion. The main driver will be Logistics and Technology, which will experience a 32% revenue growth mainly in 3PL logistics services and the pharmaceutical business, and will benefit from the BBA Logistics acquisition. In addition, Mobility of Personnel revenues will likely be up 20%, we believe, due to greater demand from existing and new customers in the industrial sector. This will offset the stability in Mobility of Cargo.

The EBITDA margin will expand to 18.2%, from 17.5%, due to higher profitability in both the Mobility of Cargo and Mobility of Personnel businesses fueled by lower fuel costs. Consolidated EBITDA will thus grow 21.0% to MXN\$1.13 billion. Net profits will likely be up 22.2% to MXN\$186 million due to the solid operating performance in combination with FX gains.

With respect to the global share offering of last August, TRAXIÓN raised around MXN\$2.7 billion with the primary portion, and has already used a significant part of such funds in the expansion of the Mobility of Personnel fleet, which we believe will accelerate the company's future growth.

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