

FEXI 21: 4Q23 Results

Historically high revenue and traffic levels despite TUCA’s temporary closure; we reiterate BUY with MXN\$24.50/CBFE target price

FEXI 21	BUY
Target Price (MXN\$)	\$ 24.50
Expected Dividend	\$ 0.78
Current Price (MXN\$)	\$ 19.70
Min / Max (L12M - MXN\$)	\$ 17.05 - 20.50
Total Return	28.3%
Mkt Cap (Mn of MXN)	22,975
CBFI's Outstanding (Mn)	1,166.3
Float	100.0%
ADTV (6M - MXN\$ Mn)	0.5

Opinion and recommendation

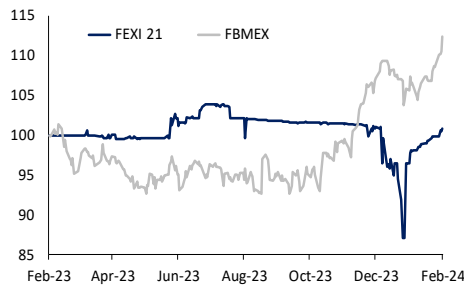
FEXI21 reported a positive quarter, although practically in line with our projections, with historically high revenue and traffic levels in its concessions in operation, which offset the temporary closure of TUCA.

After including these results in our model, we are reiterating our BUY recommendation with a MXN\$24.50/CBFE target price.

The 4Q23 and 4Q22 traffic figures and reported revenues do not include TUCA data due to the Acapulco contingency. Worth mentioning that TUCA generated MXN\$14 million in revenues during the October 1st to October 22nd period.

4Q23 Results

Total daily average annual traffic increased 7.9% to 31,629 vehicles in the concessions in operation (excluding TUCA). MAYAB’s performance (+24.7%) stood out, as it benefited from a greater passage of trucks due to the construction of section 5 of the Maya Train, while AQSA (+10.9%) was favored by the vehicle restriction. However, LIPSA recorded a 3.4% reduction due to the completion of works in downtown La Piedad.



March 5th, 2024

Martin Lara
 +5255-6413-8563
 martin.lara@miranda-gr.com

As a result of greater traffic of Class C vehicles, which pay a higher toll, and the authorized rate adjustments, toll revenues from the concessions in operation increased 22.9% to MXN\$966 million (against our MXN\$954 million expectation). In this case, MAYAB was once again the best performer with a 31.3% rise, followed by RIO VERDE with 21.6%.

Consolidated EBITDA stood at MXN\$746 million (practically in line with our MXN\$782 million estimate) in the quarter, up 7.2% YoY. The margin contracted to 73.7% in 2023, from 78.3% in 2022. This was mainly due to the costs associated with the line of credit that the Fibra raised for the acquisition of a 24.99% equity stake in the OVT Assets.

Financial structure/distributions

FEXI21 recorded MXN\$23.4 billion in total debt at the end of 4Q23, higher than MXN\$20.48 billion in 3Q23 due to the financing for the acquisition of the 24.99% equity stake in OVT Assets. This translated into a 46% LTV at the end of the quarter, slightly higher than 45% in 3Q23. On the other hand, AQSA, MAYAB and ICASAL obtained letters of credit amounting to around MXN\$900 million.

FEXI21 distributed MXN\$772 million (P\$0.662/CBFE) in 2023, with a 3.49% yield, in line with what was established in the IPO. We expect the yield to be slightly higher during the current year.

Discounted Cash Flow Model

(Figures in Millions of Pesos)	2025E	2026E	2027E	2028E	2029E	Perp.
OPERATING PROFIT (NOPLAT)	2,181	2,553	2,957	3,390	3,853	4,021
Working Capital Changes	-185	-196	-208	-211	-203	-212
Depreciation and Amortization	1,635	1,611	1,550	1,491	1,435	1,497
FCFF	3,631	3,967	4,299	4,670	5,085	5,307
Perpetuity Growth Rate (Nominal)						4.4%
PV of Explicit Period (2025 - 2029E)						15,535
Perpetuity Value						74,749
PV of Perpetuity						38,969
Enterprise Value						54,503
Net Debt						18,619
Minority Interest						7,317
Market Value						28,568
Outstanding CBFE's						1,166
Target Price						P\$ 24.50
Current Market Price						P\$ 19.70
Potential Return incl/ Dividends						28.3%
After-Tax Cost of Debt						9.9%
Cost of Equity						12.9%
Market Risk Premium						6.0%
Risk-Free Rate						9.3%
Beta						0.60
% Total Debt						46.5%
% Capital						53.5%
WACC						11.5%

Operating Indicators

Revenues	2023	2024E	2025E	2026E	2027E	2028E	2029E
AQSA	1,236	1,412	1,549	1,707	1,863	2,034	2,221
MAYAB	1,709	1,996	2,169	2,301	2,417	2,540	2,668
ICASAL	811	530	554	587	623	661	701
LIPSA	302	383	414	448	484	514	545
TUCA	179	284	329	346	363	382	401
Consolidated	4,238	4,595	5,006	5,381	5,743	6,123	6,529
Concessions	4,238	4,603	5,014	5,389	5,751	6,131	6,537
Average Daily Toll Rate	2023	2024E	2025E	2026E	2027E	2028E	2029E
AQSA	\$ 306.55	\$ 320.04	\$ 331.24	\$ 341.18	\$ 351.41	\$ 361.95	\$ 372.81
MAYAB	\$ 1,593.97	\$ 1,664.10	\$ 1,722.35	\$ 1,774.02	\$ 1,827.24	\$ 1,882.06	\$ 1,938.52
ICASAL	\$ 387.93	\$ 405.00	\$ 419.17	\$ 431.75	\$ 444.70	\$ 458.04	\$ 471.78
LIPSA	\$ 129.48	\$ 135.18	\$ 139.91	\$ 144.11	\$ 148.43	\$ 152.88	\$ 157.47
TUCA	\$ 117.82	\$ 123.00	\$ 127.31	\$ 131.13	\$ 135.06	\$ 139.11	\$ 143.29
Average Annual Daily Traffic	2023	2024E	2025E	2026E	2027E	2028E	2029E
AQSA	14,856	16,335	17,315	18,527	19,639	20,817	22,067
MAYAB	4,141	4,759	4,997	5,147	5,250	5,355	5,462
ICASAL	3,563	3,633	3,669	3,779	3,893	4,010	4,130
LIPSA	7,895	7,867	8,221	8,632	9,064	9,336	9,616
TUCA	6,842	6,404	7,179	7,323	7,469	7,618	7,771
Consolidated	37,297	38,998	41,382	43,408	45,314	47,136	49,045
EBITDA*	2023	2024E	2025E	2026E	2027E	2028E	2029E
AQSA	998	1,148	1,275	1,422	1,571	1,746	1,939
MAYAB	1,436	1,686	1,854	1,990	2,115	2,248	2,388
ICASAL	653	432	457	491	527	565	607
LIPSA	246	317	347	380	416	446	479
TUCA	135	213	251	267	284	303	322
Consolidated	3,133	3,445	3,816	4,164	4,507	4,882	5,288
Concessions	3,467	3,796	4,184	4,550	4,913	5,308	5,735

* Does not include construction revenues and expenses

(Figures in Millions of MXN\$)

INCOME STATEMENT	2023	2024E	2025E	2026E	2027E	2028E	2029E
Revenues	4,251	4,595	5,006	5,381	5,743	6,123	6,529
Maint. & Admin. Expenses (Incl. Depreciation)	-2,792	-2,850	-2,825	-2,828	-2,786	-2,732	-2,676
EBITDA	3,133	3,445	3,816	4,164	4,507	4,882	5,288
<i>EBITDA Margin</i>	<i>73.7%</i>	<i>75.0%</i>	<i>76.2%</i>	<i>77.4%</i>	<i>78.5%</i>	<i>79.7%</i>	<i>81.0%</i>
Financial Gains	364	367	451	508	539	508	403
Financial Cost	-2,121	-2,594	-2,594	-2,594	-2,594	-2,594	-2,594
Net Profit	-291	-481	39	466	902	1,305	1,662
BALANCE SHEET	2023	2024E	2025E	2026E	2027E	2028E	2029E
TOTAL ASSETS	52,619	51,416	50,035	49,699	48,395	46,489	43,927
Current Assets	5,335	5,831	6,085	6,361	6,607	6,192	5,065
LT Assets	47,284	45,584	43,949	43,338	41,788	40,297	38,862
TOTAL LIABILITIES	24,251	24,496	24,320	25,094	25,335	25,658	25,576
ST Liabilities	1,998	2,211	2,011	2,763	2,982	3,282	3,176
ST Debt	1,362	1,362	1,362	1,362	1,362	1,362	1,362
LT Liabilities	22,253	22,285	22,308	22,331	22,353	22,376	22,400
LT Debt	22,004	22,004	22,004	22,004	22,004	22,004	22,004
Other LT Accts Payable	249	281	304	327	349	372	396
TOTAL DEBT	23,367	23,367	23,367	23,367	23,367	23,367	23,367
NET DEBT	19,102	18,619	18,386	18,131	17,904	18,339	19,488
Stockholder's Equity	20,658	19,604	18,726	17,917	16,792	15,169	13,363
Minority Interest	7,710	7,317	6,989	6,687	6,268	5,662	4,988
CASH FLOW STATEMENT	2023	2024E	2025E	2026E	2027E	2028E	2029E
Net Profit	-291	-481	39	466	902	1,305	1,662
Total Adjustments	1,267	3,963	3,470	3,397	3,303	2,725	2,262
Cash Flow from Operations	977	3,481	3,509	3,863	4,205	4,030	3,925
Net Cash Flow from Investment Activities	471	585	585	585	585	585	585
Net Cash Flow from Financing Activities	-465	-3,582	-3,860	-4,193	-4,563	-5,050	-5,658
Incr. (Decr.) in Cash and Equivalents	983	484	233	255	227	-435	-1,149
Cash and T.I. At the Beginning of Period	3,391	4,538	4,758	5,002	5,219	4,804	3,706
Cash and T.I. At The End of Period	4,264	4,748	4,981	5,236	5,463	5,028	3,879

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