

VINTE (BUY, T.P. MXN\$43.0)

Reached agreement to acquire up to 100% of JAVER’s shares

VINTE announced it has reached an agreement with 63.97% of JAVER’s shareholders and with JAVER through which it agreed to launch a tender offer through the BMV for up to 100% of the shares of this company at a price of MXN\$14.9355/share, which represents a 21.5% premium with respect to the current market price. Selling shareholders agreed to accept the bid, and to transfer and sell 100% of their shares to VINTE.

VINTE will call a General Shareholders Meeting to submit for approval the takeover bid, the share issuance and the long-term financing with institutions it has worked for more than 15 years.

The agreements are subject to approvals from COFECE, the CNBV and VINTE’s General Shareholder Meeting, among other customary conditions for this type of transaction.

Our preliminary opinion is that this transaction is positive for VINTE as it will strengthen its position within the housing industry, particularly in Nuevo León, Querétaro, State of Mexico, Quintana Roo and Puebla. In addition, its size will grow significantly (+317% in units sold, +185% in total revenues and +169% in EBITDA based on the last twelve months’ results) and we believe there could be substantial synergies between the two companies. The valuation of the acquisition also seems attractive to us with a forward EV/EBITDA of 3.3x and projected P/E of 5.0x. Our recommendation on VINTE is BUY with a MXN\$43.0/share target price.

(L12M figures in millions of MXN\$)

	VINTE	JAVER	Change
Market Cap.	7,250	4,290	59%
Units Sold	3,735	11,851	317%
Total Revenues	4,831	8,955	185%
EBITDA	908	1,533	169%
Net Profit	437	597	137%
Net Debt	2,895	1,511	52%
2024E EV/EBITDA	10.8	3.3	
2024E P/E	11.8	5.0	

Source: Companies, Miranda Global Research

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