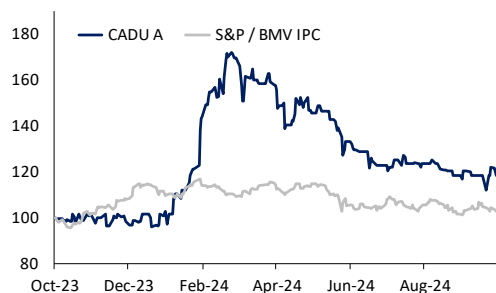


# CADU: 3Q24 Preview

We anticipate a solid quarter with double digit revenue and EBITDA growth supported by higher housing revenues

CADU A	BUY
Target Price (MXN\$)	\$ 7.50
Current Price (MXN\$)	\$ 3.54
Min / Max (L12M)	\$ 2.75 - 5.17
Expected Dividend (MXN\$)	\$ 0.00
Expected Return	111.9%
Market Cap (MXN\$ Mn)	1,100
Enterprise Value (MXN\$ Mn)	2,808
Outstanding Shares (Mn)	310.9
Float	29.2%
ADTV (MXN\$ Mn)	\$ 0.16



## Opinion and recommendation

We expect CADU to post a positive quarter supported by increased demand in the social interest segment. We reiterate our fundamental BUY recommendation due to CADU's solid outlook, the low valuation of its shares with an EV/EBITDA of 3.8x and a P/E of 2.7x, and our MXN\$7.50/share target price.

## 3Q24 Preview

We expect CADU to post 3Q24 revenues of MXN\$1.1 billion, which will translate into a 10.0% YoY increase. The main driver behind this solid performance will be the housing business, which we believe experienced high demand mainly in the affordable segment, and also faced a favorable comparison base. This will offset the absence of land sales.

On the other hand, we estimate that profitability will remain practically in line with the previous year's levels despite the change in the revenue mix, resulting in a 10.2% YoY growth in the company's EBITDA, which we project to reach MXN\$152 million. However, net profits will likely fall 43.4% YoY to MXN\$62 million due to the tax payments in the current quarter, as opposed to last year's positive fiscal reserve.

## **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, with respect to the accuracy, impartiality, or integrity of the information.

Miranda GR, in accordance with 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 with respect 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 the 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. ("CADU") for independent analyst services. Companies or Fibras under coverage cannot influence the opinions, recommendations, projections, and/or target prices that Miranda GR establishes in its research reports.

