

# TRAXIÓN: 3Q24 Preview

We anticipate a high growth in the three business units in the quarter; the company will register a non-recurring charge

TRAXION A	BUY
Target Price (MXN\$)	\$ 53.00
Current Price (MXN\$)	\$ 21.38
Min / Max (L12M - MXN\$)	18.01 - 35.01
Expected Dividend (MXN\$)	\$ 0.00
Total Return	147.9%
Mkt Cap (Mn of MXN)	12,121
Enterprise Value (Mn of MXN\$)	22,560
Shares Outstanding (Mn)	566.9
Float	63.0%
ADTV (MXN\$ Mn)	\$ 32.32



## 3Q24 Preview

We estimate that TRAXIÓN's revenues will increase 16.6% YoY to MXN\$7.45 billion again driven by solid growth in its three businesses. Logistics and Technology sales will rise 22% supported by 3PL services and Traxporta. Mobility of Cargo revenues will accelerate with a 14% increase due to price adjustments and a favorable FX effect. Mobility of personnel revenues will be up 14% due to high demand from the industrial sector, which required a significant fleet expansion, in addition to price adjustments.

We expect the company's EBITDA to grow 17.2% YoY to MXN\$1.38 billion with a slightly higher margin of 18.5%. However, the company will record a MXN\$140 million non-recurring charge due to the reduction of last-mile B2C operations. Adjusted EBITDA will thus grow 6.9% and net income will decline 59.1%.

## Investment recommendation

We consider that the valuation of TRAXIÓN shares is attractive as they currently trade at a projected 2025 EV/EBITDA of 4.2x and an estimated P/E of 12.3x, which are below the historical averages of 5.4x and 16.5x, respectively. In our opinion, these multiples do not adequately reflect the company's solid prospects and its acquisitive potential.

**Martin Lara**

+5255-6413-8563

[martin.lara@miranda-gr.com](mailto:martin.lara@miranda-gr.com)

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