

# VINTE: 3Q24 Results

Results affected by a temporary volume slowdown; expects to launch tender offer for JAVER's shares in the near term

VINTE *	BUY
Target Price (MXN\$)	\$ 44.00
Current Price (MXN\$)	\$ 32.30
Min / Max (L12M)	\$ 28.72 - 33.18
Expected Dividend (MXN\$)	\$ 0.00
Expected Return	36.2%
Market Cap (MXN\$ Mn)	6,991
Enterprise Value (MXN\$ Mn)	10,620
Oustanding Shares (Mn)	216.4
Float	23.5%
ADTV (MXN\$ Mn)	\$ 0.52

## Opinion and recommendation

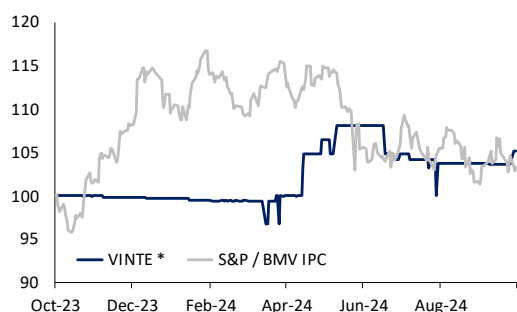
VINTE's results were affected by a temporary volume slowdown that was partially offset by a higher average price. We believe that such volume decrease was temporary due to the investments that the company made in new projects and phases, whose inventory will be ready in 4Q24. In fact, the company had 2,793 equivalent homes available at the end of the quarter, the highest level since 2Q22.

VINTE obtained COFECCE approval to carry out the JAVER acquisition. It expects to launch the tender offer during the next few weeks. We estimate that this transaction will increase VINTE's revenues by 189%, EBITDA by 177%, net profits by 133% and volume by 343%, while leverage will improve to around 2.5x (based on the L12M results of both companies). This would more than offset the expected dilution from the share subscription taking into account an acquisition multiple of approximately 3.5x EV/EBITDA.

## 3Q24 Results

VINTE's continued focus on higher-end housing resulted in a 15.1% increase in the average price per unit to MXN\$1.36 million, a record level for the company. However, total volume contracted 25.3% due to the lack of housing inventory in the MXN\$700 thousand to MXN\$1 million segment. This generated a 4.2% YoY reduction in total revenues.

EBITDA decreased 10.7% YoY to MXN\$172 million as a result of lower revenues. The margin contracted 1.3 percentage points to 16.8%. Meanwhile, net profits fell 22.8% YoY to MXN\$78 million due to lower operating results and higher financial costs.



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The net debt to EBITDA ratio was 3.83x at the end of 3Q24, above the 3.0x target, given the investments in inventory that the company carried out during the quarter. In addition, it raised MXN900 million in long-term debt to acquire JAVER.

### JAVER acquisition

VINTE will become the country's largest housing developer with the JAVER acquisition, with a volume of more than 16 thousand houses and a land reserve for the development of more than 100 thousand houses, which has an 84% exposure to nearshoring and 16% to the tourism sector. It expects to maintain JAVER as an independent company after the acquisition, benefiting from its growth potential, operational efficiency, focus on lower market segments, synergies in material purchases and accelerating the growth of its digital platforms.

Regarding the ongoing MXN\$2.5 billion subscription offer, VINTE has raised MXN\$321 million as part of the preemptive rights of existing shareholders. The Board of Directors authorized 5 investors (4 existing and 1 new) to acquire shares for an equivalent amount in pesos of US\$77 million. As previously announced, the original agreement was with 64% of JAVER shareholders. In its conference call, VINTE mentioned that it also expects to acquire the shares of the remaining 36% through an exchange of shares or cash payment.

*(L12M figures as of 3Q24 in Millions of Pesos)*

	VINTE	JAVER	VINTE + JAVER [1]	Change
Units Sold	3,413	11,715	15,128	343%
Revenues	4,910	9,257	14,166	189%
EBITDA	948	1,674	2,622	177%
Net Profits	433	736	1,008	133%
Shares	216	287	293	36%
Net Debt	3,629	937	6,356	75%
Net debt / EBITDA	3.83	0.56	2.49	

Source: Companies, Miranda Global Research

[1] includes MXN\$2.5 billion capital subscription and MXN\$1.79 billion in additional debt

<b>Proforma Results Vinte + Javier</b>			
<b>(Millions of Pesos)</b>	<b>9M23</b>	<b>9M24</b>	<b>Change</b>
Units Sold	12,031	11,166	-7.2%
Revenues	9,733	10,175	4.5%
Cost of Sales	6,793	6,846	0.8%
Gross Profit	2,940	3,329	13.2%
GAV + Other Expenses	1,324	1,445	9.1%
EBITDA	1,616	1,885	16.6%
Depreciation and Amortization	113	118	4.1%
ICF & Particip. in JV	410	481	17.1%
Pre-Tax Profit	1,091	1,284	17.7%
Taxes	433	452	4.5%
Net Profits	659	832	26.4%

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