

# INVEX: 4Q24 Preview

We expect a favorable quarter with record net profits

INVEX A	BUY
Target Price (MXN\$)	\$ 122.00
Current Price (MXN\$)	\$ 83.00
Min / Max (L12M)	\$78.00 - 83.00
Expected Dividend (MXN\$)	\$ 0.52
Expected Return	47.6%
Market Cap (MXN\$ Mn)	13,538
Outstanding Shares (Mn)	163.1
Float	66.7%
6-month ADTV (MXN\$ Mn)	\$ 0.7

## Opinion and recommendation

We expect INVEX to report favorable quarterly results with significant net profit growth due to a solid performance in the Financial Business, Energy Transition and Investment Promotion.

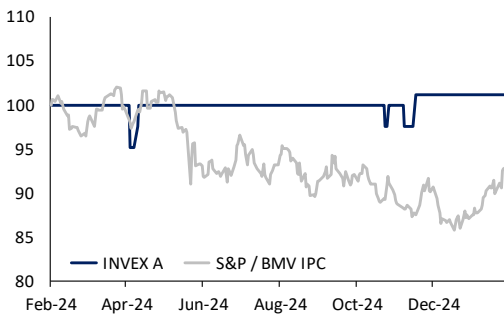
The valuation of INVEX shares is very attractive, as they currently trade at a P/BV of 1.0x, a 2025E P/E of 7.9x and a 33.1% discount to the sum-of-the-parts.

## 4Q24 Preview

We project that INVEX's quarterly net profits will be up 107.5% YoY to MXN\$633 million, with an ROE of 18.6%.

In the Financial Business, we anticipate that operating revenues will grow 35% YoY, mainly supported by a 19% increase in the total portfolio that will include a 40% rise in the consumer portfolio, in addition to higher net fees and solid trading profits. This will be partially offset by higher provisions resulting from strong growth in the consumer portfolio and higher operating expenses due to the company's digitalization, the expansion of the Now digital bank and the launch of new products. The pre-tax profit margin will remain at 21.3%.

In the Energy Transition Business, we project a 53% YoY increase in revenues due to higher demand, price regularization and FX benefits. The pre-tax profit margin will improve to 6.3% for the same reason.



In the Investment Promotion Business, INVEX merged its infrastructure and capital businesses to generate synergies. It also completed the sale of the hospital to ISSSTE, although it remained as the operator for a certain time. GANA benefited from the temporary closure of the Puebla-Orizaba highway. We expect the FX rate to benefit Itzoil's results.

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