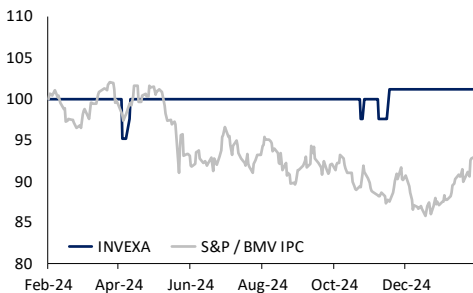


INVEX: 4Q24 Results

Positive results with record quarterly net profits once again; raising target price to MXN\$126.0/share

INVEX A	BUY
Target Price (MXN\$)	\$ 126.00
Current Price (MXN\$)	\$ 80.99
Min / Max (L12M)	\$78.00 - 83.00
Expected Dividend (MXN\$)	\$ 0.52
Expected Return	56.2%
Market Cap (MXN\$ Mn)	13,210
Outstanding Shares (Mn)	163.1
Float	66.7%
6-month ADTV (MXN\$ Mn)	\$ 0.7



Opinion and recommendation

INVEX Controladora reported positive results with a record quarterly net profit that was above our projections due to a stronger-than-expected performance in Financial Services and Energy Transition. We reiterate our BUY recommendation and we raised our target price to MXN\$126.0/share, from MXN\$122.0/share.

We continue to consider that the valuation of INVEX shares is very attractive as they currently trade at a P/BV of 0.9x and an estimated P/E of only 6.3x based on our updated model. In addition, the discount to the sum of the parts is 35.7%.

4Q24 Results

INVEX Controladora posted a record MXN\$745 million net profit in the quarter, up 63% YoY, and a significant improvement in ROE, which reached 22%, compared to 10% in 4Q23. This figure far exceeded our MXN\$633 million projection. The main driver of the quarter was the Financial Services Division (operating revenues +49% YoY and pre-tax result +46%), which benefited from a 21% increase in the total portfolio, driven by a 37% growth in the consumer portfolio. Asset quality remained solid with a NPL ratio of only 2.3%, below the sector average. This division registered a record trading result and high fees largely due to the performance of the consumer portfolio, which offset the high level of provisions.

However, assets under custody decreased 2% to MXN\$554 billion, while fiduciary assets increased 5%, exceeding MXN\$1.1 billion. The Division's ROE improved 6 PP to 22%.

The Energy Transition Division (+10% in revenues and +117% in pre-tax results) recorded a 28% growth in energy supply in Mexico and Texas, with a 3 PP improvement in gross margin due to lower electricity costs. ROE reached 54% in 4Q24, significantly better than the 20% in 4Q23.

The Investment Promotion Division distributed MXN\$388 million, the highest amount of the year, due to capital repayments and payments of the hospital PPP and the start of Itzoil distributions.

The Holding Company maintained its deleveraging strategy with a 1.18x leverage ratio at the end of 4Q24, slightly lower than the 1.20x of 4Q23. In addition, it recorded a lower average cost of debt, which reduced its total financial cost by 12%.

(Figures in MXN\$ Mn)	4Q24	4Q24E	Diff.	4Q23	Change
Financial Margin	327	1,371	-76.2%	1,282	-74.5%
Provisions	-1,020	-817	24.8%	-467	118.4%
Adjusted Financial Margin After Provisions	-693	554	-225.0%	815	-185.0%
Commissions Collected	1,680	1,543	8.9%	1,187	41.5%
Commissions Paid	-288	-267	8.0%	-202	42.6%
Trading Results	1,688	453	272.6%	-78	-2264.1%
Other Operating Gains (Expenses)	263	102	157.8%	206	27.7%
Administration and Promotion Expenses	-1,821	-1,709	6.6%	-1,430	27.3%
Operating Result	829	677	22.5%	498	66.5%
Participation in Associates' Results	217	305	-28.9%	6	3516.7%
Pre-Tax Profit	1,046	982	6.5%	504	107.5%
Taxes	-271	-324	-16.4%	-217	24.9%
Tax Rate	25.9%	33.0%		43.1%	
Results Before Minority Interest	775	658	17.8%	287	170.0%
Minority Interest	-30	-25	20.1%	18	-266.7%
Net Profit	745	633	17.7%	305	144.3%

Sum-of-the-Parts Valuation

	2025E Equity	P/BV Multiple (x)		% of Invex	Estimated Market Value
Financial Services	13,139	1.2		100%	15,765
	2025E EBITDA	EV/EBITDA Multiple (x)	Total Debt	% of Invex*	Estimated Market Value
Energy	760	11.7	-	100%	8,893
Gana	1,300	15.0	1,300	15%	1,963
Itzoil	930	11.7	3,065	26%	2,064
FMX23 CBFE's					1,950
Other	195	5.9	700	30%	135
Sum-of-the-Parts					30,770
Corporate Debt					4,241
Estimated Market Value					26,529
Outstanding Shares					163
Estimated Price Per Share					\$ 162.65
Liquidity Discount					23%
Adjusted Price Per Share					\$ 126.00
Current Price Per Share					\$ 80.99
Premium (Discount)					-35.7%

RESULTS BY BUSINESS UNIT							
(Figures in MXN\$ Mn)	2024	2025E	2026E	2027E	2028E	2029E	2030E
Operating Revenues	21,971	24,553	27,060	29,544	32,734	35,705	38,944
Financial Services	11,321	12,504	13,805	14,964	16,696	18,063	19,538
Energy	10,650	12,050	13,255	14,580	16,038	17,642	19,406
Pre-Tax Profit	3,436	4,156	4,651	5,133	5,786	6,377	7,028
Financial Services	2,696	3,140	3,467	3,758	4,193	4,536	4,907
Energy	531	760	902	1,066	1,252	1,466	1,709
Investments: Infrastructure and Equity	209	256	282	310	341	375	412
INCOME STATEMENT							
(Figures in MXN\$ Mn)	2024	2025E	2026E	2027E	2028E	2029E	2030E
Interest Gains	21,567	26,163	28,133	30,094	32,389	35,668	39,267
Interest Expenses	- 17,334 -	- 19,612 -	- 20,751 -	- 22,106 -	- 23,284 -	- 25,867 -	- 28,723
Financial Margin	4,233	6,552	7,383	7,988	9,105	9,801	10,544
Provisions	- 3,330 -	- 4,061 -	- 4,385 -	- 4,736 -	- 5,115 -	- 5,524 -	- 5,966
Adjusted Financial Margin After Provisions	903	2,491	2,998	3,252	3,990	4,277	4,578
Commissions Collected	5,686	6,552	7,208	7,928	8,721	9,593	10,553
Commissions Paid	- 1,074 -	- 1,343 -	- 1,557 -	- 1,756 -	- 1,966 -	- 2,202 -	- 2,466
Trading Results	2,190	542	572	603	636	671	708
Other Operating Gains (Expenses)	686	1,542	1,286	1,430	1,574	1,718	1,862
Administration and Promotion Expenses	- 6,292 -	- 7,413 -	- 8,154 -	- 8,969 -	- 9,866 -	- 10,853 -	- 11,938
Operating Result	2,099	2,373	2,352	2,489	3,089	3,204	3,296
Participation in Associates' Results	755	758	796	836	878	922	968
Pre-Tax Profit	2,854	3,131	3,148	3,325	3,967	4,126	4,264
Taxes	- 858 -	- 939 -	- 944 -	- 997 -	- 1,190 -	- 1,238 -	- 1,279
Results Before Minority Interest	1,996	2,192	2,204	2,327	2,777	2,888	2,985
Minority Interest	- 73 -	- 85 -	- 85 -	- 90 -	- 107 -	- 112 -	- 116
Net Profit	1,923	2,107	2,118	2,237	2,669	2,776	2,869
BALANCE SHEET							
(Figures in MXN\$ Mn)	2024	2025E	2026E	2027E	2028E	2029E	2030E
TOTAL ASSETS	192,334	218,749	242,642	268,995	298,079	330,195	365,680
Loan Portfolio	45,040	56,063	62,791	70,327	78,768	88,221	98,809
Stage 1 Loan Portfolio	42,651	53,314	59,711	66,877	74,902	83,890	93,957
Stage 2 Loan Portfolio	1,395	1,604	1,797	2,012	2,254	2,524	2,827
Stage 3 Loan Portfolio	1,032	1,187	1,329	1,489	1,667	1,867	2,092
Deferred Items	- 38 -	- 42 -	- 46 -	- 51 -	- 56 -	- 61 -	- 67
Provisions	- 2,505 -	- 3,118 -	- 3,492 -	- 3,911 -	- 4,381 -	- 4,907 -	- 5,495
Loan Portfolio (Net)	42,535	52,945	59,299	66,416	74,387	83,314	93,313
TOTAL LIABILITIES	176,999	202,555	224,330	249,846	277,660	308,400	342,415
Traditional Deposits	53,526	60,612	66,484	72,942	80,046	87,862	96,463
ST Deposits	7,091	7,526	7,988	8,478	8,998	9,551	10,137
LT Deposits	42,892	49,326	54,505	60,228	66,552	73,540	81,262
Credit Instruments Issued	3,543	3,760	3,991	4,236	4,496	4,772	5,065
Bank Loans and Other Organisms	7,154	7,593	8,059	8,553	9,078	9,635	10,227
Repo Creditors	100,582	108,873	117,848	127,562	138,078	149,460	161,780
Other Accounts Payable	9,913	19,315	25,412	33,866	43,110	53,634	65,639
Taxes Payable	602	602	602	602	602	602	602
Employee Benefits	496	496	496	496	496	496	496
Deferred Credits and Deposits	150	150	150	150	150	150	150
TOTAL CAPITAL	15,335	17,442	19,560	20,397	21,666	23,043	24,512
Minority Interest	1,230	1,399	1,569	1,636	1,738	1,848	1,966
Shareholder's Equity	14,105	16,043	17,991	18,761	19,929	21,195	22,546

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