

TRAXIÓN: 2Q25 Results

Higher-than-expected EBITDA and net profits; guidance indicates a strong performance during the rest of the year

TRAXIÓN A	BUY
Target Price (MXN\$)	\$ 47.00
Current Price (MXN\$)	\$ 17.25
Min / Max (L12M - MXN\$)	14.29 - 23.00
Expected Dividend (MXN\$)	\$ 0.00
Total Return	172.5%
Mkt Cap (Mn of MXN)	9,780
Enterprise Value (Mn of MXN\$)	21,656
Shares Outstanding (Mn)	566.9
Float	63.0%
ADTV (MXN\$ Mn)	\$ 29.78



Opinion and recommendation

TRAXIÓN reported neutral 2Q25 results with declines in revenue and EBITDA due to temporarily lower demand in Logistics & Technology and Mobility of Cargo. Revenues were in line with our projections, while EBITDA and net profits exceeded our expectations. The company indicated that volumes in Logistics & Technology and Mobility of Cargo began to normalize in 3Q25.

TRAXIÓN provided its 2025 guidance, with expected revenue growth between 14-16%, an EBITDA margin between 16-17%, Capex of MXN\$2.4 billion, and leverage of approximately 2.2x at year-end. This guidance implies a very favorable performance during the second half of the year.

We reiterate our BUY recommendation and are raising our target price to MXN\$47.0/share, from MXN\$45.0/share, after including these quarterly results in our model. In our opinion, TRAXIÓN stock valuation (2025E EV/EBITDA of 4.5x and P/E of 15.0x) does not adequately reflect the company's solid fundamentals.

2Q25 Results

TRAXIÓN recorded total revenues of MXN\$6.86 billion in the quarter (in line), down a 6.9% YoY mainly explained by a 24.0% decline in Logistics and Technology due to lower volumes generated by tariff uncertainty and the adjustment in B2C last-mile operations last year.

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Mobility of Cargo revenues increased 1.3% as a result of higher rates, which offset the 9.5% drop in kilometers traveled, while Mobility of Personnel revenues grew 4.5% because of higher prices. Total costs and expenses decreased 8.0% due to the reduction in revenues and the efficiency plan initiated in 2024.

EBITDA fell 4.4% YoY to MXN\$1.2 billion (vs. MXN\$1.0 billion estimated), although the margin expanded 40 bps to 17.5%. This improvement was primarily reflected in Logistics and Technology (+181 bps) and Mobility of Personnel (+128 bps), which offset the lower profitability in Mobility of Cargo. Consolidated net income decreased 73.4% YoY to MXN\$59 million due to FX losses.

TRAXIÓN has completed the Solistica acquisition, which will add more than 50% to its 3PL warehouse business and strengthen the Traxporta platform, with operational and commercial synergies that will begin to be reflected in the second half of the year.

2Q25 Results

(Figures in Millions of MXN\$)	2Q25	2Q25E	Diff.	2Q24	YoY Chg.
Revenues	6,863	6,880	-0.2%	7,369	-6.9%
Operating Profit	547	375	45.9%	600	-8.8%
<i>Operating Margin</i>	<i>8.0%</i>	<i>5.5%</i>		<i>8.1%</i>	
EBITDA	1,204	1,034	16.4%	1,259	-4.4%
<i>EBITDA Margin</i>	<i>17.5%</i>	<i>15.0%</i>		<i>17.1%</i>	
Net Profit	59	-97	-160.6%	222	-73.7%

Discounted Cash Flow Model

(Figures in Millions of MXN\$)	2026E	2027E	2028E	2029E	2030E	Perp.
OPERATING PROFIT	3,472	3,982	4,748	5,479	6,375	6,567
Tax Rate	31%	30%	30%	30%	30%	30%
Tax Shield	-1,066	-1,195	-1,424	-1,644	-1,912	-1,970
NOPLAT	2,406	2,787	3,324	3,835	4,462	4,597
Depreciation	3,144	3,304	3,424	3,556	3,556	3,663
Working Capital Changes	-679	-663	-744	-818	-879	-905
CAPEX	-2,605	-2,821	-3,056	-3,313	-3,594	-3,333
FCFF	2,266	2,607	2,947	3,260	3,545	4,023
Perpetuity Growth Rate						3.0%
PV of Explicit Period (2026 - 2030E)						10,757
Perpetuity Value						54,997
PV of Perpetuity Value						30,483
Enterprise Value						41,240
Net Debt						14,861
Market Value						26,379
<i>Outstanding Shares</i>						561
Target Price						P\$ 47.00
Current Market Price						P\$ 17.25
Potential Return Incl. Dividends						172.5%
Forward EV/EBITDA						6.1x
Forward P/E						23.2x
Average Cost of Debt						10.8%
LT Tax Rate						30.0%
After-Tax Cost of Debt						7.6%
Cost of Equity						14.0%
Market Risk Premium						6.0%
Risk-Free Rate						9.4%
Beta						0.76
% Total Debt						52.1%
% Capital						47.9%
ESG Adjusted WACC						10.3%

Sensitivity Analysis of the T.P., EV/EBITDA vs. EBITDA

	-10%	-5%	<i>Original</i>	+5%	+10%
Projected EBITDA	5,954	6,285	6,616	6,947	7,277
Target EV/EBITDA					
4.6x	23.93	26.62	29.32	32.01	34.71
5.1x	29.23	32.22	35.21	38.20	41.19
5.6x	34.54	37.82	41.11	44.39	47.67
6.1x	39.84	43.42	47.00	50.58	54.16
6.6x	45.15	49.02	52.89	56.77	60.64
7.1x	50.45	54.62	58.79	62.96	67.12

Sensitivity Analysis of the T.P., P/E vs. Net Profit

	-10%	-5%	<i>Original</i>	+5%	+10%
Projected Net Profit	1,025	1,082	1,139	1,196	1,253
Target P/E					
20.2x	36.82	38.87	40.91	42.96	45.00
21.2x	38.65	40.79	42.94	45.09	47.24
22.2x	40.47	42.72	44.97	47.22	49.47
23.2x	42.30	44.65	47.00	49.35	51.70
24.2x	44.13	46.58	49.03	51.48	53.93
25.2x	45.95	48.51	51.06	53.61	56.16

(Figures in Millions of MXN\$)

INCOME STATEMENT	2024	2025E	2026E	2027E	2028E	2029E	2030E
Revenues	29,142	33,209	40,085	43,404	47,018	50,971	55,298
Cost of Sales	-22,624	-26,485	-32,298	-34,721	-37,176	-39,967	-42,929
Gross Profit	6,518	6,725	7,786	8,683	9,842	11,003	12,370
General Expenses	-4,098	-4,083	-4,315	-4,701	-5,094	-5,525	-5,995
Operating Profit	2,457	2,681	3,472	3,982	4,748	5,479	6,375
Depreciation and Amortization	-2,512	-2,824	-3,144	-3,304	-3,424	-3,556	-3,556
EBITDA	5,196	5,505	6,616	7,286	8,172	9,035	9,931
Financial Gains	276	109	108	120	129	136	143
Financial Cost	-1,786	-1,965	-1,936	-1,801	-1,714	-1,701	-1,696
Pre-Tax Profit	942	825	1,644	2,300	3,163	3,914	4,821
Income Tax & Profit Sharing	-292	-179	-505	-690	-949	-1,174	-1,446
Net Profit	650	646	1,139	1,610	2,214	2,740	3,375
BALANCE SHEET	2024	2025E	2026E	2027E	2028E	2029E	2030E
TOTAL ASSETS	34,597	37,265	38,224	38,819	41,340	44,413	47,953
Current Assets	8,863	12,084	13,557	14,611	15,773	17,060	18,430
LT Assets	25,734	25,181	24,667	24,208	25,567	27,353	29,523
TOTAL LIABILITIES	20,419	23,058	22,813	21,751	22,031	22,357	22,536
ST Liabilities	7,300	8,712	8,467	7,404	7,685	8,010	8,190
LT Liabilities	13,119	14,347	14,347	14,347	14,347	14,347	14,347
TOTAL DEBT	12,512	16,024	15,516	14,201	14,217	14,244	14,113
NET DEBT	11,056	14,861	13,822	12,368	12,230	12,087	11,775
TOTAL CAPITAL	14,177	14,753	15,957	17,614	19,855	22,602	25,963
CASH FLOW STATEMENT	2024	2025E	2026E	2027E	2028E	2029E	2030E
Net Profit	650	631	1,099	1,553	2,136	2,643	3,256
Inv. Related Activities	4,327	4,200	4,411	4,722	4,961	5,223	5,366
Pre-Tax Cash Flow	5,081	5,310	6,493	6,954	5,854	6,171	6,671
Working Capital Changes	-814	-2,903	-679	-663	-744	-818	-879
Operating Cash Flow	4,268	2,406	5,814	6,292	5,110	5,353	5,792
Investment Cash Flow	-3,637	-2,547	-2,610	-2,818	-3,047	-3,297	-3,571
Financing Cash Flow	-633	-12	-2,493	-3,154	-1,729	-1,705	-1,859
Net Incr. (Decr.) in Cash & Temp. Inv.	76	-201	712	320	335	351	362
Beg. of Period Cash and Temp. Inv.	1,380	1,456	1,164	1,694	1,833	1,987	2,156
End of Period Cash and Temp. Inv.	1,456	1,164	1,694	1,833	1,987	2,156	2,337

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