Mexico Equity Research: 4Q24 Preview

MX Equity Research

February 5, 2025 | Earnings Preview

We are updating our estimates ahead of 4Q24 results

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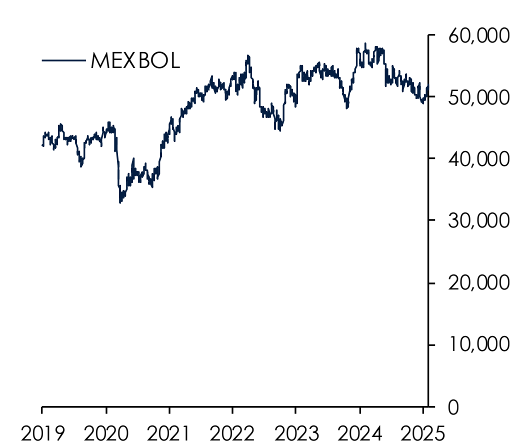
We are updating our models ahead of 4Q24 Results; we downgrade Gruma to Underperform (from Market Perform), while slightly raising our PT to P$380 (from P$377). While FX remains a relevant factor for the company (reporting in USD, with most of the sales originated in the U.S., where margins are higher FY25), we see limited upside at current levels.

We are keeping our other ratings unchanged, with some adjustments to PTs, mostly to the upside, as FX benefits a relevant proportion of our covered Consumer companies that have exposure in the U.S. **Within our Supermarkets coverage,** we continue to prefer Chedraui, and **Beverage companies** AC, KOF, FEMSA and Becle within Food & Bev. In **Health & Personal Care**, we see more upside on Genomma Lab. While the deceleration in top-line for 2H24 remained, we see most of our covered companies posting solid sales growth, while holding profitability.

The Mexican Air Transport sector is expected to post positive quarterly results, where the company's efforts to contain costs and a better tariff environment compared to 4Q23 will result in margin expansions. VOLAR is expected to post the most robust operating results, with EBITDAR growing double-digit. On the other hand, ASUR is expected to report an attractive 15% YoY gain at the EBITDA level, followed by GAP (+14% YoY) and OMA (+7% YoY).

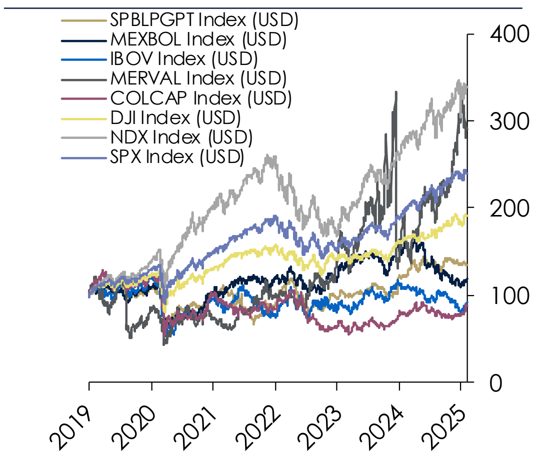
In the Cement sector, we anticipate a weak quarter ahead because of bad weather conditions and a high comp base. In CEMEX, the margin expansion will continue reflecting the company's operating leverage and efforts to optimize its assets portfolio. We are anticipating a 3% YoY contraction in total revenues, while EBITDA may decrease 2% YoY to US$692 million. On the other hand, GCC posted positive results on January 28, above our estimates at the EBITDA level, driving a 1.8 pp EBITDA margin expansion, reaching a 36.3% level. Lastly, in **housing**, we are anticipating a gradual recovery in results, mainly supported by better housing performance sales in ARA and VINTE, while in CADU, we are anticipating weak results due to delays in housing titling processes.

Figure 1: Mexbol performance
(1/31/25)



Source: Bloomberg, Actinver Research.

Figure 2: Relative indexes performance
(Jan 19=100, 1/31/25)



Source: Bloomberg, Actinver Researcj

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Actinver Institutional Research

Actinver Research Coverage

	Rating	Analyst	Mkt. Cap. (US$m)	Price (Mxn) Actual	PT 12M	Upside (%)	Div yld	Total (%)	EV/EBITDA (x) Actual	2024e	2025e	P/E (x) Actual	2024e	2025e
				51,890					5.3			15.0		
Transport Sector														
ASUR	Outperform	RO	8,446	560	660	18%	5%	23%	9.3	8.6	7.6	13.6	12.8	12.3
GAP	Market Perform	RO	9,462	383	415	8%	5%	13%	12.9	12.7	9.7	22.1	18.9	14.0
OMA	Market Perform	RO	3,852	198	218	10%	3%	13%	10.1	9.9	8.8	15.6	15.2	14.2
Average									**10.8**	**10.4**	**8.7**	**17.1**	**15.6**	**13.5**
Airlines														
VOLAR	Speculative Buy	RO	1,006	17	25	45%	0%	45%	4.0	3.3	2.5	5.1	10.6	11.0
Land Transportation - Logistics														
TRAXION	Restricted	RO	466	17	40	130%	0%	130%	4.3	4.0	3.4	14.9	9.5	6.5
Cement														
CEMEX	Outperform	RO	8,490	12	15	16%	1%	17%	5.4	4.8	4.6	30.8	8.2	6.9
GCC	Outperform	RO	3,009	202	210	4%	1%	5%	5.5	6.0	6.1	8.9	9.7	12.7
Average									**5.4**	**5.4**	**5.4**	**19.9**	**8.9**	**9.8**
Housing														
ARA	Outperform	RO	188	3.2	3.9	23%	0%	23%	5.2	3.0	2.4	6.0	5.6	4.5
CADU	Speculative Buy	RO	50	3.0	4.5	48%	0%	48%	5.2	3.9	3.5	5.3	4.0	3.8
VINTE	Outperform	RO	442	33	42	29%	2%	32%	17.7	10.5	9.5	16.6	15.6	14.1
Average									**9.4**	**5.8**	**5.1**	**9.3**	**8.4**	**7.5**
Food & Bev														
AC	Outperform	AH	16,165	193	222	15%	3%	18%	8.2	7.8	7.0	17.6	16.8	12.2
KOF	Outperform	AH	16,454	159	197	24%	3%	27%	7.4	7.3	7.0	15.4	14.4	13.0
FEMSA	Outperform	AH	28,414	176	222	26%	3%	29%	7.9	7.6	7.0	18.0	18.8	12.7
CUERVO	Outperform	AH	3,224	19	27	40%	1%	42%	9.9	9.4	8.0	15.1	16.1	13.4
BIMBO	Market Perform	AH	11,497	54	62	14%	1%	16%	6.9	6.1	5.7	18.8	17.9	16.8
GRUMA	Underperform	AH	6,132	353	380	8%	0%	8%	6.8	6.4	6.3	12.6	12.4	11.6
Average									**7.9**	**7.4**	**6.8**	**16.3**	**16.1**	**13.3**
Health & Personal Care														
LAB	Outperform	AH	1,345	28	34	21%	2%	23%	8.2	7.9	7.1	17.8	13.9	14.0
KIMBER	Market Perform	AH	4,439	31	33	6%	7%	13%	6.8	6.9	6.9	12.1	12.2	12.0
Average									**7.5**	**7.4**	**7.0**	**14.9**	**13.0**	**13.0**
Supermarkets														
CHDRAUI	Outperform	AH	5,795	122	165	35%	1%	35%	7.3	4.9	4.3	15.2	16.9	12.9
LACOMER	Market Perform	AH	1,377	35	38	10%	1%	11%	6.2	6.1	5.5	15.6	15.8	14.8
WALMEX	Market Perform	AH	47,906	55	63	14%	3%	18%	10.2	9.2	8.6	18.2	18.0	17.2
Average									**7.9**	**6.7**	**6.1**	**16.3**	**16.9**	**14.9**
Consumer Discretionary														
ALSEA	Outperform	AH	1,760	46	60	31%	0%	31%	5.1	5.3	4.9	17.6	27.8	25.8
LIVEPOL	Market Perform	AH	6,877	104	116	11%	2%	14%	4.5	4.7	4.6	6.2	6.2	6.5
Average									**4.8**	**5.0**	**4.7**	**11.9**	**17.0**	**16.2**

4Q24 Preview: (Barely) double-digit sales and EBITDA growth

We forecast on average a 10% YoY sales growth in our covered companies (12% on a median basis), and a 11% YoY EBITDA growth (10% on a median basis). We highlight Genomma Lab and housing companies Vinte and Ara on the higher side. In our view, only a few companies are expected to post contracting figures.

Figure 3: Reporting Calendar
(4Q24)

4Q24 Preview			
	Sales YoY growth		EBITDA YoY growth
Lab	36%	Lab	55%
VINTE	24%	VINTE	25%
ARA	17%	ARA	20%
AC	16%	VOLAR	17%
GAP	15%	Becle	17%
ASUR	15%	AC	17%
Chedraui	14%	FEMSA	15%
Bimbo	12%	ASUR	15%
Alsea	12%	GAP	14%
FEMSA	12%	Alsea	10%
OMA	12%	Bimbo	10%
KOF	11%	KOF	9%
Walmex	9%	OMA	7%
Liverpool	9%	La Comer	5%
La Comer	6%	Liverpool	5%
Becle	5%	Walmex	4%
CADU	(1%)	Gruma	2%
CEMEX	(3%)	Chedraui	(1%)
Gruma	(5%)	CEMEX	(2%)
VOLAR	(6%)	CADU	(15%)

Source: Bloomberg, Actinver Research.

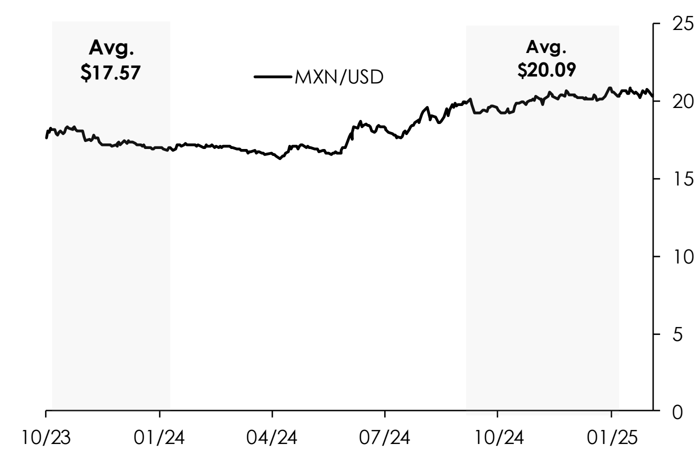
With Kimberly-Clark de Mexico and GCC having already reported 4Q24 results, Cemex, AC and Walmex are the upcoming results within our coverage. Additionally, we highlight industry trends for Becle, Bimbo and Gruma.

Figure 4: Reporting Calendar
(4Q24)

feb-03	feb-04	feb-05	feb-06	feb-07
			CEMEX	
feb-10	**feb-11**	**feb-12**	**feb-13**	**feb-14**
		AC	**WALMEX**	
feb-17	**feb-18**	**feb-19**	**feb-20**	**feb-21**
	CHDRAUI (E)		**GRUMA**	**KOF (E)**
	ARA			**LACOMER (E)**
				OMA (E)
feb-24	**feb-25**	**feb-26**	**feb-27**	**feb-28**
FEMSA (E)		**ALSEA (E)**	**BIMBO**	
GAP (E)		**ASUR (E)**	**LIVEPOL**	
VOLAR		**CADU (E)**	**VINTE (E)**	
TRAXION (E)		**LAB (E)**		
		CUERVO (E)		

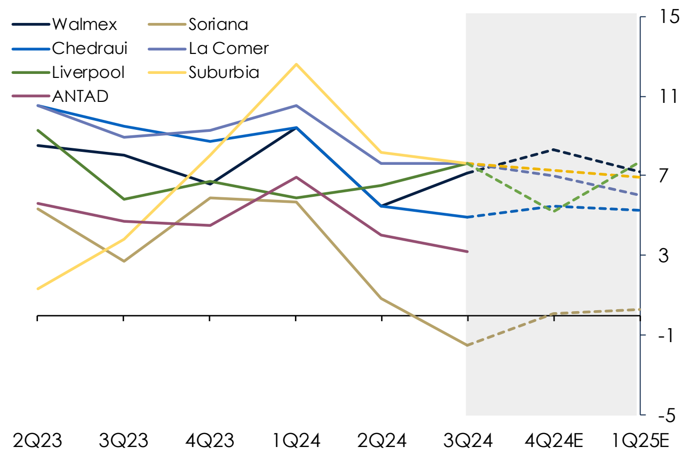
Source: Bloomberg, Actinver Research.

Figure 5: FX performance, 11% weaker YoY
(31/01/25)



Source: Bloomberg, Actinver Research.

Figure 6: SSS
(%, 3Q24)



Source: Bloomberg, Actinver Research.

Becle and industry conditions

Over the past decade, alcohol consumption has notably declined, particularly among younger generations such as Generation Z and millennials. According to the 2023 Drinkaware Report, the proportion of young adults that do not drink increased to 21% in 2023 from 14% in 2017, while remaining relatively stable among the rest of the population. During the pandemic, nonetheless, the beverage alcohol market experienced significant growth, primarily driven by the Ready-to-Drink (RTD) and spirits categories, according to IWSR. From 2019 to 2021, RTDs achieved a solid volume CAGR of 37%, while spirits grew at 4%, compared to 13% and 3%, respectively, between 2014 and 2019. However, this growth has since moderated, with **consumption beginning to decelerate due to factors such as ongoing**

economic uncertainty, persistent inflation, and reduced disposable income.

The pandemic also ushered in a wave of healthy lifestyle trends that have reshaped consumption habits, including reduced social outings and a shift toward at-home consumption. Heightened awareness of alcohol's health risks—including its association with diseases such as cancer, as recently highlighted by the National Cancer Institute (NCI)— has led many young adults to perceive alcohol consumption as a potential hazard, even in moderation. **While the national average of alcohol consumption has remained steady at around 60% for over 40 years, age-specific trends reveal significant shifts.** Among younger adults aged 18 to 34, the percentage of drinkers has dropped by 10 percentage points over the past two decades, to 62% from 72%. In contrast, the percentage of drinkers among older adults (55 and older) has risen by 10 points, to 59% from 49%, according to Gallup.

Meanwhile, premiumization has gained momentum, particularly in the U.S., as consumers increasingly prioritize higher-end alcohol brands. **The "drink less but better" trend continues to shape preferences, with a growing focus on quality over quantity and occasional indulgence.** Additionally, the rise of alternatives —such as non-alcoholic beverages like 0.0% beer— and the legalization of marijuana in more U.S. states have been significant factors driving the decline in alcohol consumption. Marijuana use among adults aged 18 to 34 has nearly doubled since 2013 —also according to Gallup—, rising 11 percentage points to 25% in the 2021–2023 period. **Market data reflects a growing shift toward non-alcoholic beverages, particularly 0.0% alcohol beers.** According to FACT MR, the global non-alcoholic beer market, valued at c.US$20bn, is on track of substantial expansion. With a projected CAGR of 7.2%, it is expected to double in size, reaching US$40bn by 2033. This surge is driven by increasing consumer demand for healthier alternatives and a broader selection of high-quality non-alcoholic options.

To further add to these headwinds, President Trump has threatened to impose 25% tariffs on Mexican exports. Although no measures have been implemented yet, higher tariffs could significantly impact the industry along with Becle; c.60% of Becle's revenues are derived from the U.S., which have higher margins vs consolidated and imports all of its products from abroad.

Bimbo, Gruma and industry conditions

CPG companies have been facing a challenging environment over the last 12 months, particularly in recent quarters. Although there are recent signs of improvement, conditions have not yet fully returned to normal. Throughout this period, consumers have increasingly traded down to lower-priced options, prompting necessary price adjustments to achieve expected volume levels; **nonetheless, conditions for fully price passthrough have changed.** The rising health and wellness trend, additionally, has led to consumption shifts, as some consumers prefer healthier, low-calorie, or organic alternatives vs traditional products, impacting categories such as bakery products—especially in markets like North America and Europe—. Moreover, the increasing popularity of drugs like Ozempic, which lead to reduced caloric intake and lower overall food consumption, including snacks and bakery items, may further suppress demand for Bimbo's products.

Furthermore, the company has historically been vulnerable to fluctuations in raw material prices. Wheat, Bimbo's primary raw material, is heavily influenced by global geopolitical and climate factors. Since 2021, wheat prices have experienced some of their greatest volatility in years, according to the Institute for Agriculture and Trade Policy (IATP). While 2024 saw greater stability in grain markets, weather challenges in certain regions continued to create uncertainties. Looking ahead, the potential for tariffs that former U.S. President Trump may impose could lead to higher prices and increased commodity volatility. **According to the USDA's 2024-25 projections, tightening supplies for key grains, combined with geopolitical tensions, volatile energy markets, and adverse weather conditions, may further pressure agricultural markets.** Global wheat production is forecasted at 793.2 million metric tons (mmt), with ending stocks declining 3.2% YoY, and exports dropping 5.3% YoY. Corn production is expected to decline by 1.3%, with ending stocks falling sharply by 6.8%. **While these external headwinds potentially linger, Bimbo's strategy to improve performance in the U.S. could improve performance, yet we remain on the sideline until further light is provided by the company.**

According to USDA projections, global corn production for the 2024/25 season is expected to decrease by 1.3% compared to the previous season. Ending stocks are projected to decline more sharply, falling by 6.8% from 2023/24 levels. Given that Gruma is a leading global producer of corn flour and tortillas, the company is highly sensitive to fluctuations in corn prices. **Although Gruma employs hedging strategies—such as futures contracts, options, and swaps—to mitigate exposure to corn price volatility, a major price surge, similar to what has been observed in wheat, could lead to increased costs and a contraction in profit margins.**

Consumer— Consumer Discretionary

Alsea 4Q24 Preview

After recently initiated on Alsea (link to full report), we are leaving our estimates mostly unchanged. We expect FX tailwinds from Europe, along with a recovery in upcoming months, yet FX headwinds from USD-denominated COGS, which are expected to be tougher to pass through to consumers amid the consumption slowdown. For **4Q24, we estimate sales of P$22.5bn, representing an 11.7% YoY increase.** This growth is expected to be driven by solid performance in Mexico, a gradual recovery in Europe as regional challenges ease, and cautious optimism in South America.

In Mexico, we expect the company to post healthy SSS growth across its different formats, with Starbucks and Domino's performing well despite a competitive environment. In Europe we expect a slight improvement in SSS yet remaining in negative territory.

On a consolidated basis, we forecast an EBITDA margin of 22% for 4Q24, reflecting a 40bps YoY contraction amid SG&A pressure.

Figure 7: Alsea 4Q24 and 2024 Preview

Income Statement (P$mn)	4Q24E	4Q23A	YoY	3Q24A	QoQ	2024E
Revenues	$ 22,505	$ 20,147	11.7%	$ 20,742	8.5%	$ 80,703
Gross Profit	$ 15,339	$ 13,653	12.3%	$ 14,112	8.7%	$ 54,970
Gross Margin	68.2%	67.8%	39 bps	68.0%	12 bps	68.1%
Operating Profit	$ 2,787	$ 2,715	2.7%	$ 1,904	46.4%	$ 8,415
Operating Margin	12.4%	13.5%	(109 bps)	9.2%	321 bps	10.4%
EBITDA	$ 4,953	$ 4,506	9.9%	$ 4,171	18.7%	$ 16,851
EBITDA Margin	22.0%	22.4%	(36 bps)	20.1%	190 bps	20.9%
Majority Net Profit	$ 790	$ 1,507	(47.6%)	$ 7	10,436.8%	$ 1,342
Majority Net margin	3.5%	7.5%	(397 bps)	0.04%	347 bps	1.7%
EPS (maj.)	$ 0.97	$ 1.86	(47.8%)	$ 0.01	10,436.8%	$ 1.65
Segment Sales						
Total MX Sales	$ 11,295	$ 10,674	5.8%	$ 10,679	5.8%	$ 42,790
MX SSS YoY	4.2%	13.5%	(68.9%)	4.9%	(14.3%)	6.5%
Total Europe Sales	$ 7,193	$ 6,094	18.0%	$ 6,373	12.9%	$ 24,510
Europe SSS YoY	(1.9%)	3.8%	(150.0%)	(2.1%)	(9.5%)	(1.3%)
Total South AM Sales	$ 4,016	$ 3,378	18.9%	$ 3,690	8.8%	$ 13,402
South AM SSS YoY	30.0%	28.1%	6.8%	43.7%	(31.4%)	39.1%

Source: Company reports, Actinver Research.

Looking ahead, we maintain our FY25 estimates, forecasting a flattish EBITDA margin of 20.9%, with minor contractions ahead amid labor cost headwinds. By region, we expect stable growth in Mexico, gradual improvement in Europe as the region stabilizes, and ongoing recovery in South America.

Catalysts for Alsea include further expansion of its Starbucks drive-thru formats, solid Domino's Pizza positioning, continued investment in digital platforms, and potential upside from operational improvements in Europe and South America. **We reiterate our Outperform rating and P$60 PT, as we believe Alsea is well-positioned to navigate the current challenges while capturing growth opportunities.**

Liverpool 4Q24 Preview; PT up to P$116 (from P$112), remain Market Perform

After recently initiated on Liverpool (link to full report), we are leaving our FY24-25 estimates fairly unchanged. For 4Q24, we estimate sales of P$75bn, representing 8.5% YoY growth, driven by stable performance across the different operating segments. On January 13, 2025, Liverpool announced its preliminary 4Q24 and 2024 results: 8.4-8.8% YoY sales growth in 4Q24, and 9.2-9.6% in 2024, supported by seasonal sales and SSS of c.7.3% for the Liverpool format and c.5.2% for Suburbia. The Financial and Real Estate businesses are expected to post solid growth.

We forecast an EBITDA margin of 19.7%, reflecting a 30bps YoY contraction amid labor cost headwinds and intense competition. The company guided: margins are expected to be lower YoY in 4Q24 and 2024, mostly impacted by a gross margin contraction at the commercial business, higher Opex, and a higher NPL reserve. NPLs are expected to close at c.3.1-3.3%, higher than the 2.7% figure a year earlier yet still at healthy levels. Inventory levels closed c.24% higher YoY amid late arrivals. Our sales estimates are in line with consensus, while we are slightly higher on margin estimates.

Figure 8: Liverpool 4Q24 and 2024 Preview

Income Statement (P$mn)	4Q24E	4Q23A	Δ YoY	3Q24A	Δ QoQ	2024E
Revenues	$ 75,032	$ 69,133	8.5%	$ 46,055	62.9%	$ 214,545
Gross Profit	$ 29,932	$ 27,717	8.0%	$ 19,241	55.6%	$ 87,714
Gross Margin	39.9%	40.1%	(20 bps)	41.8%	(189 bps)	40.9%
Operating Profit	$ 13,253	$ 12,695	4.4%	$ 6,045	119.2%	$ 31,726
Operating Margin	17.7%	18.4%	(70 bps)	13.1%	454 bps	14.8%
EBITDA	$ 14,793	$ 14,114	4.8%	$ 7,493	97.4%	$ 37,484
EBITDA Margin	19.7%	20.4%	(70 bps)	16.3%	345 bps	17.5%
Majority Net Profit	$ 9,186	$ 8,675	5.9%	$ 4,415	108.0%	$ 22,679
Majority Net Margin	12.2%	12.5%	(31 bps)	9.6%	266 bps	10.6%
EPS (maj.)	$ 6.84	$ 6.46	5.9%	$ 3.29	108.0%	$ 16.90
Segment Sales						
Liverpool Boutiques & Others	$59,743	$55,036	8.6%	$35,196	69.7%	$167,255
Liverpool SSS YoY	7.3%	6.7%	9.0%	7.6%	(3.9%)	6.9%
Suburbia	$8,770	$8,319	5.4%	$4,949	77.2%	$23,406
Suburbia SSS YoY	5.2%	8.0%	(35.0%)	7.6%	(31.6%)	7.7%
Financial Business income	$5,281	$4,653	13.5%	$4,687	12.7%	$19,079
Real Estate income	$1,238	$1,126	10.0%	$1,224	1.2%	$4,806

Source: Company reports, Actinver Research.

We maintain our sales estimates for 2024 and 2025, while slightly lowering our margin estimates for FY25. We forecast a long-term EBITDA margin I the 16-17% range, supported by consistent contributions from the real estate and financial services segments, which help offset pressures in the retail business. Going forward, we forecast mid-single-digit SSS, amid the aforementioned consumption deceleration, with the financial services providing upside given the currently low NPL levels.

While Liverpool faces significant challenges in a more constrained consumer environment, its diversified approach, strong execution of omnichannel **We reiterate our Market Perform rating, while slightly raising our PT to P$116 (from P$112).**

Consumer— Food & Bev

AC 4Q24 Preview; PT up to P$222 (from P$205), remain Outperform

In Mexico, we are slightly raising our sales estimates to reflect a solid 7.7% YoY revenue growth, better than 3Q24 performance. In the U.S., we expect FX tailwinds and healthy volume performance to offset the underperformance in the water business, amid a tough comp base. In South America, we similarly expect FX tailwinds and improving market conditions to weigh positively on results. **We now forecast total sales growth of 16% YoY, with an EBITDA margin of 20.1%, slightly better YoY.** Our sales estimate is below consensus, while our EBITDA margin consensus is more upbeat.

Figure 9: AC 4Q24 and 2024 Preview

Income Statement (P$mn)	4Q24E	4Q23A	Δ YoY	3Q24A	Δ QoQ	2024E
Revenues	$ 58,046	$ 49,986	16.1%	$ 62,613	(7.3%)	$ 230,106
Gross Profit	$ 28,292	$ 23,964	18.1%	$ 29,166	(3.0%)	$ 108,719
Gross Margin	48.7%	47.9%	80 bps	46.6%	216 bps	47.2%
Operating Profit	$ 9,803	$ 8,695	12.7%	$ 10,266	(4.5%)	$ 37,517
Operating Margin	16.9%	17.4%	(51 bps)	16.4%	49 bps	16.3%
EBITDA	$ 11,671	$ 10,008	16.6%	$ 12,684	(8.0%)	$ 46,185
EBITDA Margin	20.1%	20.0%	9 bps	20.3%	(15 bps)	20.1%
Majority Net Profit	$ 5,213	$ 4,544	14.7%	$ 5,132	1.6%	$ 19,513
Majority Net Margin	9.0%	9.1%	(11 bps)	8.2%	78 bps	8.5%
EPS (maj.)	$ 3.07	$ 2.64	16.3%	$ 3.02	1.6%	$ 11.49
Operating Metrics						
Total MX sales	$ 26,023	$ 24,156	7.7%	$ 29,355	(11.4%)	$ 108,201
MX EBITDA margin	21.7%	21.8%	(10 bps)	25.3%	(362 bps)	23.8%
Total US sales	$ 22,846	$ 19,177	19.1%	$ 22,621	1.0%	$ 83,448
US EBITDA margin	16.5%	16.0%	48 bps	15.9%	66 bps	16.1%
Total South Am sales	$ 11,615	$ 6,652	74.6%	$ 10,636	9.2%	$ 40,892
South Am EBITDA margin	10.9%	25.2%	(1,425 bps)	15.7%	(484 bps)	15.6%

Source: Company reports, Actinver Research.

For FY25, we expect positive volume growth across most of AC's operating countries which, coupled with FX tailwinds, should lead to solid top-line growth. At the margin level, we are also slightly raising our estimates, as we reflect better operating leverage and hedging positively contributing to offset potential raw material headwinds. **After accounting for these changes, we reiterate our Outperform rating while raising our PT to P$222 (from P$205).**

Becle 4Q24 Preview; PT down to P$27 (from P$33), remain Outperform

Given the aforementioned market conditions and ongoing consumer challenges, we are taking a more cautious outlook on sales across all segments, lowering our previous estimates for Mexico and the U.S.; this is also reflected in our terminal growth rate estimate. In Europe and the Rest of the World, similar to the U.S., we expect volume contraction to be offset by FX tailwinds. **Besides a softer view on volumes, we are also more cautious on pricing power going forward across all the operating regions.**

From a gross margin perspective, we expect FX tailwinds and raw materials supporting a YoY expansion, albeit at a lower scale vs YTD. We expect AMP to close at a similar level (as a % of sales) compared to last year, amid the slowdown in sales, and thus forecast it to reach 21.1% in FY24. This is expected to lead to EBIT and EBITDA margin expansion YoY. Overall, our sales are above consensus, while our margin estimate is below.

The company is planned to report its 4Q24 results on Wednesday, February 26th. AMC.

Figure 10: Becle 4Q24 and 2024 Preview

Income Statement (P$mn)	4Q24E	4Q23A	Δ YoY	3Q24A	Δ QoQ	2024E
Revenues	$ 13,639	$ 13,164	5.2%	$ 10,949	26.4%	$ 44,905
Gross Profit	$ 7,282	$ 6,930	6.7%	$ 5,811	27.2%	$ 23,922
Gross Margin	53.4%	52.6%	75 bps	53.1%	31 bps	53.3%
Operating Profit	$ 2,514	$ 2,158	18.2%	$ 1,824	39.9%	$ 7,919
Operating Margin	18.4%	16.4%	204 bps	16.7%	177 bps	17.6%
EBITDA	$ 2,802	$ 2,436	16.7%	$ 2,118	34.3%	$ 9,041
EBITDA Margin	20.5%	18.5%	204 bps	19.3%	120 bps	20.1%
Majority Net Profit	$ 1,869	$ 1,962	(3.2%)	$ 896	112.1%	$ 4,299
Majority Net Margin	13.7%	14.9%	(118 bps)	8.2%	554 bps	9.6%
EPS (maj.)	$ 0.52	$ 0.55	(3.2%)	$ 0.25	112.1%	$ 1.20

Operating Metrics						
U.S. & Canada sales	$ 7,963	$ 7,444	9.6%	$ 6,852	19.0%	$ 26,818
Mexico sales	$ 3,430	$ 3,742	(8.3%)	$ 2,209	55.3%	$ 10,654
RoW sales	$ 2,246	$ 1,979	14.0%	$ 1,888	19.5%	$ 7,433

Source: Company reports, Actinver Research.

With these changes, we expect FY24 U.S. & CA volumes to close flat YoY, while contracting in Mexico and RoW amid the weak performance throughout the year. At a sales level, we expect U.S. & CA to be benefitted by FX tailwinds, while MX sales close at 10% lower YoY. In RoW, we expect sales contraction YoY at both levels, mostly given the weak results in 1H24. For FY25, we expect a recovery across the different regions, benefitted by FX tailwinds in 1H25 and an easy comp base. We also expect gross margin tailwinds from agave prices and FX, although potentially receding in 2H25. **While competition in the ultra premium categories remains, potentially improving sales mix could alleviate the slowdown in other categories. After these changes and the more cautious outlook on the industry, we lower our PT to P$27 (from P$33), while reiterating our Outperform rating.**

Bimbo 4Q24 Preview; PT down to P$62 (from P$71), remain Market Perform

Over the past year, as part of its strategy to optimize operations, Bimbo announced the closure of several bakeries in the U.S., Spain, and Canada. While these actions were aimed at enhancing efficiency, they led to significant one-time costs and operational disruptions; nonetheless, we don't expect top-line impact. **We are slightly increasing our sales expectations for the next quarter in North America, driven mostly by FX tailwinds and an improving consumer environment** —which has been very challenging over the past 12 months—, **slightly offset by the company's decision to leave the private label category.** While uncertainty regarding the company's transformation strategy —timeline and expected impact— remains, and thus we remain cautious on profitability in the region. Additionally, there is no expected material impact if President Trump decides to impose tariffs, as almost all products consumed in the U.S. are produced domestically —some snacks are the exception—. For Mexico, we take a more cautious stance vs our previous high-single-digit sales growth estimate.

However, the uncertain future of commodity prices—particularly the high volatility of wheat—could negatively impact the company's margins. As a result, we are adopting a more cautious stance regarding EBITDA margins in the U.S. and slightly lowering our estimates. In Mexico, we are more optimistic, raising our sales and EBITDA margin projections slightly. In the 3Q24 CC, the company reiterated its **FY24 guidance** of top-line growth of flat-to-low single digit in FY24, with adj. EBITDA expected to grow low single digit. Our sales estimate is above consensus, while our EBITDA margin estimate is below.

The company is planned to report its 4Q24 results on Thursday, February 27th. AMC.

Figure 11: Bimbo 4Q24 and 2024 Preview

Income Statement (P$mn)	4Q24E	4Q23A	Δ YoY	3Q24A	Δ QoQ	2024E
Revenues	**$ 113,870**	**$ 101,883**	*11.8%*	**$ 106,046**	*7.4%*	**$ 411,224**
Gross Profit	**$ 59,216**	**$ 52,725**	*12.3%*	**$ 56,291**	*5.2%*	**$ 215,305**
Gross Margin	*52.0%*	*51.8%*	*25 bps*	*53.1%*	*(108 bps)*	*52.4%*
Operating Profit	**$ 8,347**	**$ 8,153**	*2.4%*	**$ 9,359**	*(10.8%)*	**$ 33,237**
Operating Margin	*7.3%*	*8.0%*	*(67 bps)*	*8.8%*	*(149 bps)*	*8.1%*
Adj. EBITDA	**$ 15,029**	**$ 13,678**	*9.9%*	**$ 15,640**	*(3.9%)*	**$ 56,467**
EBITDA Margin	*13.2%*	*13.4%*	*(23 bps)*	*14.7%*	*(155 bps)*	*13.7%*
Majority Net Profit	**$ 3,966**	**$ 3,260**	*21.7%*	**$ 3,695**	*7.3%*	**$ 13,339**
Majority Net Margin	*3.5%*	*3.2%*	*28 bps*	*3.5%*	*(0 bps)*	*3.2%*
EPS (maj.)	**$ 0.90**	**$ 0.74**	*22.9%*	**$ 0.84**	*7.3%*	**$ 3.04**
Operating Metrics						
Net Sales North America	**$ 55,989**	**$ 49,497**	*13.1%*	**$ 49,930**	*12.1%*	**$ 192,306**
Adj. EBITDA margin NA	*9.8%*	*9.8%*	*5 bps*	*9.5%*	*31 bps*	*9.5%*
Net Sales Mexico	**$ 38,723**	**$ 36,985**	*4.7%*	**$ 38,793**	*(0.2%)*	**$ 152,271**
Adj. EBITDA margin MX	*20.0%*	*19.8%*	*20 bps*	*21.9%*	*(187 bps)*	*19.9%*
Net Sales EAA	**$ 12,621**	**$ 10,130**	*24.6%*	**$ 11,913**	*5.9%*	**$ 45,012**
Adj. EBITDA margin EAA	*7.8%*	*6.9%*	*90 bps*	*10.0%*	*(225 bps)*	*8.9%*
Net Sales LatAm	**$ 10,059**	**$ 9,170**	*9.7%*	**$ 10,151**	*(0.9%)*	**$ 38,240**
Adj. EBITDA margin Lat	*8.0%*	*7.0%*	*100 bps*	*9.7%*	*(169 bps)*	*8.7%*

Source: Company reports, Actinver Research.

For FY25, we are slightly raising our top-line estimates amid FX tailwinds, while lowering our margin estimates amid the higher weight of U.S. sales in consolidated results, where the company is facing the aforementioned headwinds and has lower margins. We are also adjusting downwards our long run sales and working capital assumptions, and valuation methodology. **Following these adjustments, we are lowering our PT to P$62 (from P$71), while reiterating our Market Perform rating.**

Gruma 4Q24 Preview; PT up to P$380 (from P$377), downgrade to Underperform

In the 3Q24 CC, the company reiterated its FY24 guidance of flat sales and volumes and a 120bps margin expansion. **We are slightly more cautious on sales —especially amid FX headwinds from MX operations vs the company's reporting in USD—, while more upbeat on margins,** partially driven by better sales mix amid the strong acceptance of better-for-you products. We do not anticipate any material impact from the recent fires in California, aside from temporary logistical disruptions.

We expect EBITDA margins to improve across all segments. We thus forecast a 4Q24 EBITDA margin of 17.8%, 110bps better YoY. Compared to consensus, our sales estimate is lower, while our profitability estimate is higher.

The company is planned to report its 4Q24 results on Wednesday, February 19th. AMC.

Figure 12: Gruma 4Q24 and 2024 Preview

Income Statement (US$mn)	4Q24E	4Q23A	Δ YoY	3Q24A	Δ QoQ	2024E
Revenues	**$ 1,566**	**$ 1,640.10**	*(4.5%)*	**$ 1,623**	*(3.6%)*	**$ 6,500**
Gross Profit	**$ 609**	**$ 594**	*2.4%*	**$ 640**	*(4.9%)*	**$ 2,496**
Gross Margin	*38.9%*	*36.2%*	*265 bps*	*39.4%*	*(55 bps)*	*38.4%*
Operating Profit	**$ 224**	**$ 215**	*4.0%*	**$ 228**	*(1.9%)*	**$ 884**
Operating Margin	*14.3%*	*13.1%*	*117 bps*	*14.0%*	*24 bps*	*13.6%*
EBITDA	**$ 278**	**$ 273**	*1.9%*	**$ 288**	*(3.4%)*	**$ 1,117**
EBITDA Margin	*17.8%*	*16.7%*	*111 bps*	*17.7%*	*3 bps*	*17.2%*
Majority Net Profit	**$ 124**	**$ 121**	*2.6%*	**$ 129**	*(3.6%)*	**$ 500**
Majority Net Margin	*7.9%*	*7.4%*	*55 bps*	*7.9%*	*(1 bps)*	*7.7%*
EPS (maj.)	**$ 0.34**	**$ 0.33**	*4.2%*	**$ 0.35**	*(3.6%)*	**$ 1.38**
Operating Metrics						
Net Sales Gruma USA	**$ 871**	**$ 890**	*(2.2%)*	**$ 917**	*(5.1%)*	**$ 3,613**
USA EBITDA margin	*22.5%*	*21.5%*	*100 bps*	*20.9%*	*166 bps*	*21.0%*
Net Sales GIMSA	**$ 417**	**$ 517.3**	*(19.4%)*	**$ 428**	*(2.5%)*	**$ 1,781**
GIMSA EBITDA margin	*11.2%*	*9.2%*	*200 bps*	*11.9%*	*(69 bps)*	*11.1%*
Net Sales Gruma Europe	**$ 104**	**$ 102**	*2.2%*	**$ 118**	*(11.7%)*	**$ 446**
Net Sales A&O	**$ 75**	**$ 67**	*11.9%*	**$ 68**	*10.2%*	**$ 274**
Net Sales CAM	**$ 107**	**$ 97**	*9.5%*	**$ 99**	*7.3%*	**$ 402**

Source: Company reports, Actinver Research.

For FY25, we are lowering our sales estimates amid expected FX headwinds (yet partially offsetting at the price-target level), mostly from the Mexico operations, while slightly raising our margin estimates. We are also updating our valuation methodology, accounting for lower debt vs our previous estimates. **After accounting for these changes and given current stock levels, we see limited upside and are downgrading Gruma to Underperform (from Market Perform), while slightly raising our PT to P$380 (from P$377).**

KOF 4Q24 Preview

We forecast a slight uptick in volume performance in Mexico, leading to a –0.9% performance YoY, coupled with solid performance in Central America from volume performance and FX tailwinds. In South America, we expect volume growth to be lower vs YTD performance, amid the pending impact from recent flooding. All in, **we forecast total sales growth of 10.8% YoY.** We expect Mexico and CAM to post improving margins, while South America remains slightly impacted; **we forecast consolidated EBITDA margin of 19.4%, contracting YoY.** Our sales and margin estimates are below consensus.

Figure 13: KOF 4Q24 and 2024 Preview

Income Statement (P$mn)	4Q24E	4Q23A	Δ YoY	3Q24A	Δ QoQ	2024E
Revenues	$ 70,273	$ 63,449	10.8%	$ 69,601	1.0%	$ 273,133
Gross Profit	$ 31,385	$ 29,210	7.4%	$ 32,094	(2.2%)	$ 123,868
Gross Margin	44.7%	46.0%	(138 bps)	46.1%	(145 bps)	45.4%
Operating Profit	$ 10,184	$ 9,435	7.9%	$ 9,638	5.7%	$ 38,185
Operating Margin	14.5%	14.9%	(38 bps)	13.8%	64 bps	14.0%
Adj. EBITDA	$ 13,728	$ 12,628	8.7%	$ 14,001	(2.0%)	$ 53,594
EBITDA Margin	19.5%	19.9%	(37 bps)	20.1%	(58 bps)	19.6%
Majority Net Profit	$ 6,722	$ 5,237	28.3%	$ 5,858	14.7%	$ 23,240
Majority Net Margin	9.6%	8.3%	131 bps	8.4%	115 bps	8.5%
EPS (maj.)	$ 0.40	$ 0.31	28.3%	$ 0.35	14.7%	$ 1.38
Operating Metrics						
MX & CAM Revenues	$ 39,697	$ 37,622	5.5%	$ 42,546	(6.7%)	$ 165,154
MX & CAM EBITDA Margin	21.0%	20.5%	57 bps	22.1%	(107 bps)	21.4%
South Am Revenues	$ 30,576	$ 27,799	10.0%	$ 27,056	13.0%	$ 107,979
South Am EBITDA Margin	17.6%	17.7%	(14 bps)	17.0%	60 bps	16.9%

Source: Company reports, Actinver Research.

For FY25, we are slightly raising our volume estimates for Mexico vs our previously more cautious estimates, yet continue to reflect volume growth in the mid-single-digit range. In Central America and Brazil, we expect more normalized volume growth levels. Going forward, we expect hedging to partially offset external raw material headwinds, and operating leverage to improve in Mexico and Brazil. **After accounting for these changes, we leave our Outperform rating and P$197 PT unchanged.**

FEMSA 4Q24 Preview

We are lowering our top-line estimates for Proximity Americas, amid an expected low-single -digit performance in SSS. Nonetheless, this represents a rebound after the flattish SSS posted in 3Q24, and we also continue to expect commercial revenues to contribute to margin expansion starting at the gross profit level. Financial services and retail media are expected to contribute to profitability. Additionally, FEMSA will start consolidating its recent Delek acquisition in 4Q24. Within the Health business, we expect a gradual improvement in Mexico, while operations in Chile remain resilient. All in, **we forecast sales growth of 11.6% YoY and an EBITDA margin of 15.1%, a 40bps YoY expansion**, which are ahead and below consensus, respectively.

Figure 14: FEMSA 4Q24 and 2024 Preview

Income Statement (P$mn)	4Q24E	4Q23A	Δ YoY	3Q24A	Δ QoQ	2024E
Revenues	$ 204,988	$ 183,734	11.6%	$ 196,771	4.2%	$ 778,708
Gross Profit	$ 85,064	$ 76,173	11.7%	$ 79,368	7.2%	$ 317,096
Gross Margin	41.5%	41.5%	4 bps	40.3%	116 bps	40.7%
Operating Profit	$ 20,270	$ 16,520	22.7%	$ 17,374	16.7%	$ 70,037
Operating Margin	9.9%	9.0%	90 bps	8.8%	106 bps	9.0%
Adj. EBITDA	$ 30,979	$ 26,933	15.0%	$ 28,909	7.2%	$ 113,551
EBITDA Margin	15.1%	14.7%	45 bps	14.7%	42 bps	14.6%
Majority Net Profit	$ 11,126	$ 1,706	552.1%	$ 5,898	88.6%	$ 32,546
Majority Net Margin	5.4%	0.9%	450 bps	3.0%	243 bps	4.2%
EPS (maj.)	$ 0.64	$ 0.10	571.3%	$ 0.34	88.6%	$ 1.87
Operating Metrics						
Proximity Americas sales	$ 84,325	$ 71,530	17.9%	$ 77,594	8.7%	$ 310,530
Proximity Americas SSS	2.9%	8.5%	(565 bps)	0.0%	285 bps	3.9%
Prox Am Unit Growth YoY	6.3%	6.6%	(26 bps)	7.4%	(110 bps)	6.3%
Proximity Europe sales	$ 13,279	$ 11,415	16.3%	$ 13,480	(1.5%)	$ 49,164
Health sales	$ 20,175	$ 19,254	4.8%	$ 20,883	(3.4%)	$ 78,106
Fuel sales	$ 16,936	$ 15,121	12.0%	$ 17,076	(0.8%)	$ 65,770
Coca-Cola FEMSA sales	$ 70,273	$ 63,449	10.8%	$ 69,601	1.0%	$ 273,133

Source: Company reports, Actinver Research.

For FY25, we are slightly raising our estimates, partially amid FX tailwinds, while expecting further improvement at the margin level from KOF and Proximity Americas. **Given the mostly unchanged estimates, we are leaving our Outperform unchanged, with PT of P$222.**

Consumer— Health & Personal Care

Genomma Lab 4Q24 Preview; PT up to P$34 (from P$33), remain Outperform

We maintain our MX sales estimates of 8% YoY growth, reaching P$2.3 billion in 4Q24, driven by healthy performance in both OTC and Personal Care, while for LatAm and the U.S., we are increasing our estimates partially due to FX tailwinds. In the former, we expect the company to continue gaining market share amid recent acquisitions in Argentina and growing sales exposure in other countries, along with facing an easy comp base amid the 4Q23 negative sales adjustment due to accounting adjustments from the Argentina subsidiary.

We are thus increasing our consolidated top-line and margin estimates, the latter at a lower scale. For 4Q24, we forecast consolidated sales growth of 35.8% YoY and an EBITDA margin expansion of 300bps YoY, reaching 23.8%. This aligns with the company's guidance of closing the year with a 23-24% EBITDA margin, closer to the higher end. Our sales estimate is slightly above consensus, and our EBITDA margin is lower than consensus.

Figure 15: LAB 4Q24 and 2024 Preview

Income Statement (P$mn)	4Q24E	4Q23A	Δ YoY	3Q24A	Δ QoQ	2024E
Revenues	**$ 4,788**	**$ 3,525**	*35.8%*	**$ 5,093**	***(6.0%)***	**$ 18,729**
Gross Profit	**$ 2,991**	**$ 2,112**	*41.6%*	**$ 3,272**	***(8.6%)***	**$ 11,981**
Gross Margin	*62.5%*	*59.9%*	*255 bps*	*64.3%*	*(177 bps)*	*64.0%*
Operating Profit	**$ 999**	**$ 664**	*50.6%*	**$ 1,129**	***(11.5%)***	**$ 3,969**
Operating Margin	*20.9%*	*18.8%*	*205 bps*	*22.2%*	*(129 bps)*	*21.2%*
EBITDA	**$ 1,138**	**$ 732**	*55.4%*	**$ 1,207**	***(5.7%)***	**$ 4,347**
EBITDA Margin	*23.8%*	*20.8%*	*300 bps*	*23.7%*	*7 bps*	*23.2%*
Majority Net Profit	**$ 402**	**($ 115)**	***(442.5%)***	**$ 660**	***(40.1%)***	**$ 2,059**
Majority Net Margin	*8.4%*	*(3.3%)*	*1,154 bps*	*13.0%*	*(470 bps)*	*11.0%*
EPS (maj.)	**$ 0.39**	**($ 0.11)**	***(442.5%)***	**$ 0.65**	***(40.1%)***	**$ 2.02**
Operating Metrics						
Mexico Sales	$ 2,296	$ 2,126	*8.0%*	$ 2,387	*(3.8%)*	$ 8,878
LatAm Sales	$ 2,031	$ 1,034	*96.4%*	$ 2,194	*(7.4%)*	$ 8,037
U.S. Sales	$ 461	$ 365	*26.3%*	$ 512	*(10.0%)*	$ 1,815

Source: Company reports, Actinver Research.

For 2025, we forecast the company to post a 23.8% EBITDA margin, and reaching 24% in 2026. We expect further color on the upcoming conference call regarding the P$1.8bn productivity plan, expected to be finished in 2027. **After updating our estimates, we reiterate our Outperform rating while slightly raising our PT to P$34 (from P$33).**

Consumer— Supermarkets

Chedraui 4Q24 Preview

After the aforementioned slowdown as reflected in ANTAD figures, **we decrease our MX SSS estimates 4% SSS for the quarter; for the full year, we expect the company to fall slightly short of its 6-7% SSS guidance. In the U.S., we anticipate strong performance**, supported by FX tailwinds and an easy comp base. For the full year, our 0.7% SSS estimate for the U.S. is below the 2-3% guidance. Consolidated sales are thus expected to grow 13.8% YoY in 4Q24.

At the profitability level, we continue to expect the consolidation process of distribution centers to weigh on results, and thus slightly lower our estimates; we expect gradual improvement throughout 2025. This leads to an expected 4Q24 EBITDA margin of 7.9%, a 120bps margin contraction YoY, amid the aforementioned headwinds and expected pressure from Smart & Final. Our sales estimates are in line with consensus, yet our margin estimate is below.

Figure 16: Chedraui 4Q24 and 2024 Preview

Income Statement (P$mn)	4Q24E	4Q23A	YoY	3Q24A	QoQ	2024E
Revenues	**$ 79,369**	**$ 69,760**	*13.8%*	**$ 71,886**	*10.4%*	**$ 283,549**
Gross Profit	**$ 17,447**	**$ 15,858**	*10.0%*	**$ 16,844**	*3.6%*	**$ 65,604**
Gross Margin	*22.0%*	*22.7%*	*(75 bps)*	*23.4%*	*(145 bps)*	*23.1%*
Operating Profit	**$ 4,147**	**$ 4,482**	***(7.5%)***	**$ 3,607**	*15.0%*	**$ 15,734**
Operating Margin	*5.2%*	*6.4%*	*(120 bps)*	*5.0%*	*21 bps*	*5.5%*
EBITDA	**$ 6,306**	**$ 6,380**	***(1.2%)***	**$ 5,914**	*6.6%*	**$ 24,128**
EBITDA Margin	*7.9%*	*9.1%*	*(120 bps)*	*8.2%*	*(28 bps)*	*8.5%*
Majority Net Profit	**$ 1,639**	**$ 2,412**	***(32.0%)***	**$ 1,457**	*12.5%*	**$ 6,974**
Majority Net margin	*2.1%*	*3.5%*	*(139 bps)*	*2.0%*	*4 bps*	*2.5%*
EPS (maj.)	**$ 1.70**	**$ 2.50**	***(32.0%)***	**$ 1.51**	*12.5%*	**$ 7.23**

Operating Metrics						
Total MX Sales	**$ 36,524**	**$ 34,428**	*6.1%*	**$ 32,083**	*13.8%*	**$ 132,341**
MX SSS YoY	**4.0%**	**8.7%**	***(470 bps)***	**4.9%**	***(90 bps)***	**5.8%**
Total Stores Mexico	520	460	13.0%	484	7.4%	520
Total U.S. Sales	**$ 42,465**	**$ 34,989**	*21.4%*	**$ 39,422**	*7.7%*	**$ 149,740**
U.S. SSS YoY	**1.8%**	**(1.0%)**	*280 bps*	**0.5%**	*130 bps*	**0.7%**
Total Stores United States	384	379	1.3%	382	0.5%	384

Source: Company reports, Actinver Research.

For FY25, we are lowering our MX SSS estimates to 3.8%, within recently published guidance of 3.5-4.5%. Amid unit expansion, we are forecasting total sales growth of 8.5% YoY in the country, in line with the 7.5-8.5% guidance. For the U.S., the company expects SSS in the U.S. of 2-3%, in line with our estimates, and sales growth of 3-4%. The company guided salesfloor expansion of 4.3% and 1.3% for the two countries, respectively, and 3.2% on a consolidated level. **While lowering our FY25 sales estimates, we are raising our profitability forecasts amid the expected expansion of 10-20bps on a consolidated level; we are slightly below guidance.** From a format standpoint, the company expects flattish-to-slightly (10bps) expanding margins in Mexico's commercial business, a 20-30bps margin expansion in Chedraui USA, and flattish margins in Real Estate. While we expect the consolidation of distribution centers to weigh on results in 1H25, the company is likely more upbeat on improved margins after the consolidation. At a Capex level, the company expects a 3.4% proportion of sales. **After updating our estimates, we reiterate our Outperform rating and P$165 PT.**

La Comer 4Q24 Preview; PT down to P$38 (from P$40), remain Market Perform

La Comer closed 2024 with five new locations and is expected to open at least 6 stores this year, focusing mainly on cities where it already operates. **We are lowering our SSS estimates for the quarter to reflect the consumer deceleration, yet we continue to see La Comer outperforming peers**. For the quarter, we forecast SSS of 5.5%, the lowest in over 3 years, yet reflecting market share gains. **We now estimate total sales to reach P$10.97bn, and an EBITDA margin of 8.1%.** Our sales and margin estimates are below consensus.

Additionally, we are lowering our **long-term** sales estimates, anticipating a slight margin

Figure 17: La Comer 4Q24 and 2024 Preview

Income Statement (P$mn)	4Q24E	4Q23A	Δ YoY	3Q24A	Δ QoQ	2024E
Revenues	**$ 10,973**	**$ 10,396**	*5.5%*	**$ 10,623**	*3.3%*	**$ 42,828**
Gross Profit	**$ 3,291**	**$ 3,045**	*8.1%*	**$ 3,090**	*6.5%*	**$ 12,540**
Gross Margin	*30.0%*	*29.3%*	*70 bps*	*29.1%*	*90 bps*	*29.3%*
Operating Profit	**$ 528**	**$ 500**	*5.5%*	**$ 744**	***(29.1%)***	**$ 2,961**
Operating Margin	*4.8%*	*4.8%*	*0 bps*	*7.0%*	*(219 bps)*	*6.9%*
EBITDA	**$ 886**	**$ 845**	*4.9%*	**$ 1,126**	***(21.3%)***	**$ 4,447**
EBITDA Margin	*8.1%*	*8.1%*	*(5 bps)*	*10.6%*	*(252 bps)*	*10.4%*
Majority Net Profit	**$ 433**	**$ 403**	*7.4%*	**$ 584**	***(26.0%)***	**$ 2,382**
Majority Net Margin	*3.9%*	*3.9%*	*7 bps*	*5.5%*	*(156 bps)*	*5.6%*
EPS (maj.)	**$ 0.40**	**$ 0.37**	*7.4%*	**$ 0.54**	***(26.0%)***	**$ 2.19**
Operating Metrics						
SSS YoY	**5.5%**	**9.3%**	***(380 bps)***	**7.6%**	***(210 bps)***	**7.7%**
Total Stores	89	84	*6.0%*	$ 84	*6.0%*	89

Source: Company reports, Actinver Research.

contraction and lower expected growth. While we continue to expect La Comer to gain market share ahead, we forecast lower growth rates. **After our updated estimates, we reiterate our Market Perform rating and slightly lower our PT to P$38 (from P$40).**

Walmex 4Q24 Preview

We are taking a more cautious approach, lowering our MX SSS estimates for the quarter to 3.9%, still ahead of the industry. For Central America, we continue to expect solid results at the top-line level. On a consolidated level, we forecast total sales of P$276.6bn, a 9.1% YoY growth, further benefitted by the company's solid store expansion.

While expecting SG&A and operating leverage headwinds, we forecast an EBITDA margin of 10%, a 50bps YoY contraction. We consider that margin contribution from new ventures, such as retail media (Walmart Connect) remains volatile and could be offset by SG&A and COGS headwinds. Our sales estimate is slightly (1%) above consensus, while our margin estimate is below consensus.

The company is planned to report its 4Q24 results on Tuesday, February 13th, AMC.

Figure 18: Walmex 4Q24 and 2024 Preview

Income Statement (P$mn)	4Q24E	4Q23A	Δ YoY	3Q24A	Δ QoQ	2024E
Revenues	**$ 276,617**	**$ 253,658**	*9.1%*	**$ 230,194**	*20.2%*	**$ 960,420**
Gross Profit	**$ 65,664**	**$ 60,101**	*9.3%*	**$ 57,408**	*14.4%*	**$ 232,155**
Gross Margin	*23.7%*	*23.7%*	*4 bps*	*24.9%*	*(120 bps)*	*24.2%*
Operating Profit	**$ 21,841**	**$ 21,356**	*2.3%*	**$ 18,723**	*16.7%*	**$ 77,717**
Operating Margin	*7.9%*	*8.4%*	*(52 bps)*	*8.1%*	*(24 bps)*	*8.1%*
EBITDA	**$ 27,700**	**$ 26,706**	*3.7%*	**$ 24,455**	*13.3%*	**$ 100,316**
EBITDA Margin	*10.0%*	*10.5%*	*(51 bps)*	*10.6%*	*(61 bps)*	*10.4%*
Majority Net Profit	**$ 14,656**	**$ 14,996**	***(2.3%)***	**$ 12,934**	*13.3%*	**$ 53,284**
Majority Net Margin	*5.3%*	*5.9%*	*(61 bps)*	*5.6%*	*(32 bps)*	*5.5%*
EPS (maj.)	**$ 0.84**	**$ 0.86**	***(2.3%)***	**$ 0.74**	*13.3%*	**$ 3.05**
Operating Metrics						
Total MX Sales	**$ 225,508**	**$ 213,914**	*5.4%*	**$ 190,018**	*18.7%*	**$ 796,935**
MX SSS YoY	**4.0%**	**6.6%**	***(260 bps)***	**4.5%**	***(50 bps)***	**5.7%**
Total Stores Mexico	3,153	3,007	*4.9%*	3,065	*2.9%*	3,153
Total CAM Sales	**$ 51,110**	**$ 39,744**	*28.6%*	**$ 40,176**	*27.2%*	**$ 163,486**
CAM SSS YoY	6.0%	4.6%	*140 bps*	3.7%	*230 bps*	5.1%
Total Stores CAM	916	896	*2.2%*	912	*0.4%*	916

Source: Company reports, Actinver Research.

Going forward, we forecast lower sales growth in Mexico in the long run, and thus lower top-line estimates for FY25 onwards. At the profitability level, we slightly lower our numbers amid the operating leverage impact, yet continue to expect Walmex to grow ahead of the market and improve profitability in the long run. **After our updated estimates, we reiterate our Market Perform rating and PT of P$63.**

Cement

Cemex 4Q24 Preview

CEMEX (CX) is planning to report its 4Q24 results on Thursday, February 6th, BMO. We project total revenues to decrease by 3%, while EBITDA is expected to drop by 2%, reaching US$692M (above vs. the street estimate of US$673 million).

Please note that our numbers have already incorporated recent sales of the Philippines, Guatemala, and the Dominican Republic. In addition to a high comparison base, the FX also negatively impacted the Mexican operations, resulting in a 1% EBITDA contraction.

In EE.UU., total sales will decrease by 4% YoY, while EBITDA will also decrease by 4% YoY, mainly explained by a high comparison base (better weather conditions) and still a high interest rate level, which hurts cement volumes (-3% YoY). The total EBITDA margin in the quarter is expected to increase to 17.6% vs 17.5% in 4Q23.

Figure 19: CEMEX 4Q24 and 2024 Preview (US$ M)

Consolidated Estimates	4Q24E	4Q23A	3Q24A	YoY	QoQ	2024E
Total Revenues (US$ M)	3,924	4,027	4,090	-2.5%	-4.0%	16,321
Mexico	1,215	1,305	1,136	-6.9%	7.0%	5,047
EE.UU.	1,219	1,269	1,335	-4.0%	-8.7%	5,185
Europe	1,104	1,097	1,243	0.6%	-11.2%	4,582
SCAC	327	308	311	6.1%	5.0%	1,266
EBITDA (US$ M)	692	705	747	-1.9%	-7.4%	3,091
EBITDA Margin	17.6%	17.5%	18.3%	0.1%	-0.6%	18.9%
Operating Income (US$ M)	380	293	398	29.4%	-4.7%	1,872
Majority Net Income (US$ M)	233	-441	406	-152.8%	-42.6%	1,124
EPS	0.02	-0.03	0.03	-152.8%	-42.6%	0.08

Our estimates consider a 5% annual growth from 2020-2025, with Mexico and the U.S. contributing the most to this performance.

At the EBITDA level, we anticipate flattish margins with an implicit 19.0% margin by the end of 2025. Total EBITDA will reach US$3.2 Bn by the end of 2025, reflecting still a challenging 2025 with a gradual recovery during the 2H of that year.

Please note that our current estimates are fairly conservative given the company's goal to achieve a 20% EBITDA margin again in the medium-long term. **We reiterate our Outperform rating and 12M P$14.50 PT**

GCC 4Q24 Results

GCC reported its 4Q24 figures on January 28. The company posted positive results, above our estimates at the EBITDA level. Although revenues decreased by 1% YoY, higher prices in cement and ready-mix and cost contention were the main drivers behind a 1.8 pp EBITDA margin expansion, reaching a 36.3% level.

Revenues of US$335 M (-1% YoY) were driven by a 14% contraction in Mexico and a 4% YoY gain in revenues in EE.UU. In Mexico (26% of total sales), the volume of cement was down by 10% YoY, while local currency's cement prices gained 7% YoY. Please note that excluding the peso depreciation against the US dollar, Mexico's total sales would decrease 2% YoY. On the other hand, in the EE.UU. (74% of total sales), cement volumes dropped by 1%, while cement prices advanced 6% YoY, being the most dynamic segment the agricultural and renewable energy sectors. Please note that concrete volumes in the EE.UU. increased by 5% YoY.

Margins maintain a positive trend with an EBITDA margin reaching 36.3% at around P$122 M, 4% above our US$117 M estimate and 5% above the consensus projection. The better-than-expected EBITDA performance was mainly explained by lower fuel and production costs, decreased freight costs, and favorable selling prices.

The controlling net profit reached US$78 M, 4% higher than the US$75 M net profit reported in 4Q24, due to higher interest income and lower financial expenses. The company's cash position at the end of 4Q24 was US$830 M, with a negative net debt to EBITDA ratio of 0.6x.

Lastly, GCC announced its 2025 guidance, which considers mid-single-digit growth at the EBITDA level, which compares positively vs. our conservative +2% YoY gain estimate. The FCF conversion rate will be above 60%, with a total CapEx of US$470 M. Cement prices will increase mid-single digits in Mexico and EE.UU., while cement volume will remain flat in Mexico and have low-single-digit growth in the EE.UU.

Figure 20: GCC 4Q24 and 2024 Results (US$ M)

Consolidated Estimates	4Q24A	4Q23A	3Q24A	YoY	QoQ	2024A
Total Revenues (US$ M)	335	340	398	-1.4%	-15.8%	1,367
EE.UU.	247	237	302	4.1%	-18.2%	975
Mexico	88	103	97	-13.9%	-8.4%	392
Cost of Sales	215	210	232	2.1%	-7.7%	849
Operating Expenses	26	31	28	-15.9%	-6.8%	118
EBITDA (US$ M)	122	117	162	3.7%	-25.0%	501
EBITDA Margin	36.3%	34.5%	40.7%	1.8%	-4.4%	36.6%
Operating Income (US$ M)	91	96	134	-5.7%	-32.3%	388
Majority Net Income (US$ M)	78	75	107	4.1%	-27.3%	324
EPS	0.24	0.23	0.33	3.8%	-27.3%	0.99

Our current estimates consider an 8% CAGR in total sales from 2020 to 2025, anticipating total sales for close to US$1.4 Bn by the end of 2025, implying a 2% gain versus our 2024 year -end estimate. On the other hand, GCC's EBITDA margin is expected to expand by 1.9 pp from 2023 to 2025. We expect margins to expand gradually due to the company's operating leverage. In 2024, total EBITDA is expected to reach US$496 M and US$507 M in 2025 with a 36.6% EBITDA margin (flat vs. our 2024 margin estimate).

Potential M&A's will continue. GCC continues discussions with potential targets within the cement sector, looking for aggregates-led companies and options located within GCC's footprint, which will remain a positive catalyst for the company. GCC has started this process by acquiring three pure-play aggregates operations in Texas, which, in our view, is positive news. In that context, top management had highlighted that asset acquisitions may continue during 2025. **We reiterate our Outperform Rating and P$210 PT.**

Air Transport Sector

ASUR 4Q24 Preview

ASUR plans to report its 4Q24 results on Wednesday, February 26 AMC. We estimate that total operating sales will grow 15% YoY, driven by a solid 21% YoY gain in aeronautical revenues, mainly explained by higher average tariffs (+21% YoY), partially offsetting the 0.3% drop in total PAX.

The non-aeronautical revenues (34% of the total) will gain 5% YoY, supported by an implicit gain of 6% YoY in the non-aeronautical revenue per PAX. On the other hand, total EBITDA will reach P$4.8 Bn, a 15% YoY gain, with an implicit 67.7% EBITDA margin (flat vs. 4Q23 level). The main challenges on the cost front are the increase observed during the last quarters in the employees, maintenance expenses, security, and concession fees. At the bottom line, we are projecting a 15% YoY gain, with an implicit 41.2% net margin.

Figure 21: ASUR 4Q24 and 2024 Preview (P$ M)

Consolidated Estimates	4Q24E	4Q23A	3Q24A	YoY	QoQ	2024E
Passengers ('000)	17,738	17,792	17,256	-0.3%	2.8%	71,319
Aero. Weighted Av erage Rate (P$)	262	216	262	21.1%	-0.2%	258
Operating Rev enues (P$ M)	7,085	6,161	6,883	15.0%	2.9%	28,240
Aeronautical	4,643	3,844	4,527	20.8%	2.6%	18,428
Non-Aeronautical	2,442	2,317	2,355	5.4%	3.7%	9,812
EBITDA (P$ M)	4,797	4,171	4,699	15.0%	2.1%	19,529
EBITDA Margin (%)	67.7%	67.7%	68.3%	0.0%	-0.6%	69.2%
Majority Net Income (P$ M)	2,919	2,537	3,382	15.1%	-13.7%	13,057
Net Margin	41.2%	41.2%	49.1%	0.0%	-7.9%	46.2%

We reiterate our positive outlook in the company. ASUR's total passenger (PAX) traffic has proven resilient during the last downturn episodes, which has historically recovered faster than its local competitors. We estimate that total PAX traffic will advance by 6% in 2025, mainly supported by a recovery in the domestic front.

We forecast ASUR's total operating revenues will perform strongly, having a 29% annual rise in the 2020-2025 period, mainly supported by the implementation of its new 2024-2028 Master Development Program, which includes double-digit growth in its maximum tariffs. As a result, total operating revenues will reach P$32.1 Bn in 2025, while at the operating level, total EBITDA will reach P$22.3 Bn by 2025, having an implicit EBITDA margin of 69.2%.

We reiterate our Outperform rating, supported by ASUR's attractive valuation, having a 17% discount against its local peers compared to its estimated 2025E EV/EBITDA multiple of 7.9x and a 33% discount vs. global companies.

GAP 4Q24 Preview

The company may report on Monday, February 24, AMC. During the 4Q24, GAP's total passenger traffic (PAX) increased 1% YoY to 16 million users, reflecting an inflection point that may suggest that the gradual recovery in PAX will continue during the coming quarters. As a result, total PAX in 2024 decreased by 2%, better than our 3% PAX contraction estimate.

We project that total operating revenue will increase 15% YoY during 4Q24, to P$7.0 Bn, mainly explained by a 7% YoY gain in the aeronautical front (68% of total) and a solid 39% YoY rise in the non-aeronautical revenues (reflecting the consolidation of the GWTC since 3Q24).

At the EBITDA level, we are anticipating a 14% YoY gain to reach P$4.7 Bn, with an implicit 67.0% EBITDA margin. The projection for an EBITDA margin contraction reflects still higher employee costs and security and maintenance expenses (in line with previous quarters). Lastly, the Net profit of P$2.8 Bn will imply an 8% YoY gain during the quarter.

Figure 22: GAP 4Q24 and 2024 Preview (P$ M)

Consolidated Estimates	4Q24E	4Q23A	3Q24A	YoY	QoQ	2024E
Passengers ('000)	16,020	15,799	15,272	1.4%	4.9%	62,155
Aero. Weighted Average Rate (P$)	286	272	289	5.1%	-1.1%	292
Total Revenues (P$ M)	7,032	6,108	6,731	15.1%	4.5%	26,704
Aeronautical	4,779	4,487	4,628	6.5%	3.3%	18,930
Non-Aeronautical	2,253	1,624	2,104	38.7%	7.1%	7,774
EBITDA (P$ M)	4,709	4,142	4,508	13.7%	4.5%	18,064
EBITDA Margin	67.0%	67.8%	67.0%	-0.8%	0.0%	67.6%
Majority Net Income (P$ M)	2,826	1,948	2,480	45.0%	14.0%	9,801
Net Margin	40.2%	31.9%	36.8%	8.3%	3.3%	36.7%

In our current estimates total operating revenues and EBITDA will have 29% and 32% CAGRs in 2020-2025, respectively. Total operating revenues in 2025 increased by 5% vs. our previous estimates, mainly explained by a better performance in PAX traffic during 2024 and a +5% YoY estimated by 2025 (vs. our previous estimate of +3%). At the EBITDA level, our new estimate is 2% higher compared to our previous figures in 2025.

We reiterate our Market Perform rating. GAP trades at a 17% premium compared to its local peers. However, the estimated 2025E EV/EBITDA multiple of 9.9x has a 16% discount compared to global companies, but still the less attractive discount against ASUR.

OMA 4Q24 Preview

OMA may announce its 4Q24 figures on Friday, February 21 AMC. **Total operating revenues may increase 12% YoY as a result of a 16% gain in the non-aeronautical front**, with a similar growth rate compared to 3Q24 levels, where the opening of new commercial spaces in restaurants and better environment in commercial tariffs will continue supporting the results.

On the aeronautical side, total PAX in the quarter increased 5% YoY to 7.1 million, improving versus the last quarters (please note that Hurricane Otis hit Acapulco in October 2023). As a result, we are projecting that aeronautical revenues will rise 10% YoY to P$2.4 Bn, supported by PAX recovery and a 5% gain in the aero-weighted average rate.

In contrast, the total EBITDA will increase 7% YoY in 4Q24 to P$2.4Bn, implying a 3.1 pp contraction in the adjusted EBITDA margin, reflecting higher costs, mainly in personnel, maintenance, and security. At the bottom line, our estimates consider a 5% YoY gain with a net margin of 40.7%.

Figure 23: OMA 4Q24 and 2024 Preview (P$ M)

Consolidated Estimates	4Q24E	3Q23A	2Q24A	YoY	QoQ	2024E
Passengers ('000)	7,113	6,802	7,034	4.6%	1.1%	26,506
Aero. Weighted Average Rate (P$)	343	326	343	5.2%	-0.1%	344
Operating Revenues (P$ M)	3,239	2,905	3,230	11.5%	0.3%	12,153
Aeronautical	2,440	2,217	2,416	10.0%	1.0%	9,114
Non-Aeronautical	799	687	815	16.3%	-1.9%	3,039
EBITDA (P$ M)	2,417	2,256	2,435	7.1%	-0.7%	9,053
EBITDA Margin (%)	74.6%	77.7%	75.4%	-3.1%	-0.7%	74.5%
Majority Net Income (P$ M)	1,317	1,252	1,377	5.2%	-4.4%	5,059
Net Margin	40.7%	43.1%	42.6%	-2.4%	-2.0%	41.6%

In our estimates, total PAX will increase 5% in 2025, better than our previous 3% PAX gain. On the other hand, **total operating revenues and EBITDA will have 27% and 32% CAGRs in 2020-2025**, respectively. Total operating revenues in 2025 increased by 5% vs. our previous estimates. Please note that our main changes were in the aeronautical front, revised upwards by 5% in 2025, reflecting a better tariff environment and higher PAX. At the EBITDA level, our new estimates are 5% higher compared to our previous figures in 2025.

OMA is the airport group with the highest exposure to the contraction of seat offers due to the P&W engine recall through its high participation in total PAX by VOLAR and Viva Aerobus, representing 20% and 49% of revenues. **Our Market Perform rating is reiterated.**

VOLAR 4Q24 Preview

VOLAR will report its 4Q24 earnings on Monday, February 24, BMO. Our estimates consider that total revenues will decrease 6% YoY to US$849 million. These results will be negatively impacted by a 5% YoY contraction in the ASMs (due to mandatory engine inspections, which resulted in the landing on average of 32 airplanes) and a 6% YoY drop in RPMs. It is worth noting that these contractions came in below those levels reported in 3Q24 (-14% YoY and –13% YoY, respectively), suggesting an inflection point in the company's operations.

Yields in the quarter will end at US$55.3, implying a 3% YoY gain. The load factor in 4Q24 was 87.3%, with a –0.9 pp YoY contraction. Please note that total revenue per capacity (TRASM) may decrease 1% YoY to US$9.5 cents, reflecting more normalized loads.

Although the P&W engine inspection will negatively impact the top line, total EBITDAR may increase 17% YoY to US$ 329M. The implicit EBITDAR margin in 4Q24 will be 38.7%, in line with the company's 39% guidance for the quarter. Our estimates consider a 13% YoY contraction in fuel costs, supporting a more moderate growth in total expenses (+4% YoY). At the bottom line, Volaris will post a US$14 million gain, which compares negatively vs. the US$112 million net gain reported in 4Q23, mainly explained by higher interest expenses.

Figure 24: VOLAR 4Q24 and 2024 Preview (US$M)

Consolidated Estimates	4Q24E	4Q23A	3Q24A	YoY	QoQ	2024E
RPMs (m)	7,795	8,288	7,574	-5.9%	2.9%	29,501
ASMs (m)	8,930	9,401	8,669	-5.0%	3.0%	33,988
Total Revenues	849	899	813	-5.6%	4.4%	3,156
Passenger	816	865	782	-5.6%	4.4%	3,023
Others	33	34	31	-3.4%	6.0%	133
EBITDAR	329	281	315	16.9%	4.3%	1,140
EBITDAR Margin	38.7%	31.3%	38.7%	7.4%	-0.1%	36.1%
Operating Income	82	164	126	-50.1%	-35.1%	378
Majority Net Income	14	112	37	-87.3%	-61.5%	94
EPS	0.01	0.10	0.03	-87.3%	-61.5%	0.08

For 2025, the company expects capacity to rise 15% YoY, while no more details in TRASM estimates have been announced yet.

According to our estimates, Total revenues may increase close to 14% following the capacity recovery, while EBITDAR may gain close to 12% to US$1.2 Bn, with an implicit 35.3% EBITDA margin, considering a gradual normalization in load factors (close to 86%, resulting in a 1% contraction in TRASM).

We reiterate our positive outlook on the company. Volaris is one of our top-pick names for gaining exposure to air transport in Mexico. The 2025E EV/EBITDAR multiple of 2.5x represents a 58% discount vs. global peers and is well below its historical level of 7.0x. Our Speculative Buy Rating is reiterated.

Housing

ARA 4Q24 Preview

ARA will report its 4Q24 results on Tuesday, February 18, after the market close. **We estimate that housing volume will advance by 12%YoY, reaching 1.4 thousand units**, having a positive recovery on a YoY basis, but still below on a QoQ basis.

The average housing selling price is expected to advance by 7% YoY to P$1.2 M, flat on a QoQ basis, maintaining a sales mix towards the middle and affordable level. It is worth noting that some residential projects are close to being concluded. As a result, **housing revenues (95% of total sales) would rise by a solid 20% YoY to P$1.7 Bn**.

We anticipate a 16% contraction in the other revenue row (land sales), mainly explained by a high comparison base. At the EBITDA level, we anticipate a 20% YoY rise, maintaining a margin close to 13.8%, implying a 0.3 pp expansion, which is explained by a gradual improvement in costs oriented by a gradual recovery in titling homes in the residential sector and better price conditions. At the same time, the net income will advance 31% YoY to P$189 million due to higher interest gains.

Figure 25: ARA 4Q24 and 2024 Preview (P$M)

Consolidated Estimates	4Q24E	4Q23A	3Q24A	YoY	QoQ	2024E
Total Volume	1,398	1,248	1,475	12.0%	-5.2%	5,731
Avg Selling Price	1,206	1,128	1,209	7.0%	-0.3%	1,187
Total Revenues (P$ M)	1,772	1,509	1,855	17.4%	-4.5%	7,107
Housing Revenues	1,686	1,408	1,784	19.8%	-5.5%	6,803
Others	85	102	71	-16.3%	20.0%	304
EBITDA	244	204	273	19.8%	-10.7%	1,041
EBITDA Margin	13.8%	13.5%	14.7%	0.3%	-1.0%	14.6%
Operating Income (P$ M)	185	144	192	28.6%	-3.6%	749
Majority Net Income (P$ M)	189	144	173	31.3%	8.7%	691
EPS	0.15	0.12	0.14	31.4%	8.7%	0.57

In 2025, we anticipate a 5% YoY gain in total revenues, very close to the level reported in 2024. The housing volume will maintain a trend recovery with a conservative 2% YoY rise while the average selling price will increase 3% YoY to P$1.2 million.

ARA is starting new projects in Puebla, Veracruz, and Nayarit, which will support the continuity of results. Related to Acapulco projects, they will continue with a gradual recovery from the hit of Hurricane Otis (demand), highlighting that middle-income projects are close to 80% of the pre-hurricane levels.

A potential future catalyst may be the development of a new division related to the industrial sector, utilizing the company's land reserves in strategic locations that could attract nearshoring investments, mainly in the state of Mexico and the country's South region. We reiterate our Outperform rating for the time being.

CADU 4Q24 Preview

CADU may report its 4Q24 figures on February 25. **Total revenues will drop 1% YoY to P$1.2bn.** The housing sales (65% of total) will decrease 36% YoY to P$740 million, mainly explained by a deep contraction (49%) in total volume sales, partially offset by a 26% YoY gain in the average selling price. Please note that during the company's 3Q24 results, top management announced that CADU would miss its +10% YoY growth in results due to delays in its work in progress and inventories and permits. In contrast, the company will partially offset the housing segment sales contraction by a positive performance in the other revenue row, supported by the sale of land reserves with a level close to P$425 million.

Total EBITDA will decrease close to 15% YoY to P$195 million, mainly explained by the weak top-line performance and higher operating expenses. As a result, EBITDA margin will decrease 2.8 p.p. to 16.7%, with a gradual improvement vs. the 13.5% EBITDA margin level of 3Q24. The controlling net profit is expected to reach P$75 M, which compares positively vs. the P$4 M level reported in 4Q24.

Figure 26: CADU 4Q24 and 2024 Preview (P$M)

Consolidated Estimates	4Q24E	4Q23A	3Q24A	YoY	QoQ	2024E
Total Volume	560	1,097	1,125	-49.0%	-50.3%	3,503
Avg Selling Price	1,322	1,053	1,024	25.6%	29.1%	1,062
Total Revenues (P$ M)	1,165	1,171	1,177	-0.5%	-1.1%	4,455
Housing Revenues	740	1,155	1,152	-35.9%	-35.8%	3,719
Others	425	16	25	N.A.	N.A.	737
EBITDA	195	229	153	-15.0%	27.3%	713
EBITDA Margin	16.7%	19.6%	13.0%	-2.8%	3.7%	16.0%
Operating Income (P$ M)	123	141	73	-13.0%	68.7%	426
Majority Net Income (P$ M)	75	4	33	1816.9%	127.4%	237
EPS	0.24	0.01	0.11	1868.1%	127.4%	0.76

In 2025, we are anticipating a gradual recovery, assuming that some of the housing products that were delayed to sale will be titling during the 1H25. As a result, total revenues will increase 5% YoY in 2025 to P$4.7 Bn. The housing volume will rise 8% to 3,500 units to be sold during the year. On the other hand, the average selling price may increase close to 11%, driving positive results in the housing segment. In contrast, for the other revenue row, we anticipate a more moderate performance, representing 10% of total sales (below the 15% of 2024).

Our estimates consider a gradual demand recovery in the company's middle and residential segments supported by the opening of new projects. At the EBITDA level, we estimate a 4% annual growth in 2025, with a margin expansion close to 16%, flat on a YoY basis. **We reiterate our Speculative Buy rating.**

VINTE 4Q24 Preview

VINTE may report its 4Q24 financial figures on Thursday, February 27, AMC. The quarter's main topic will be the consolidation of JAVER's business (transaction closed on December 2024). It is expected that VINTE will consolidate close to 17 days of JAVER's results.

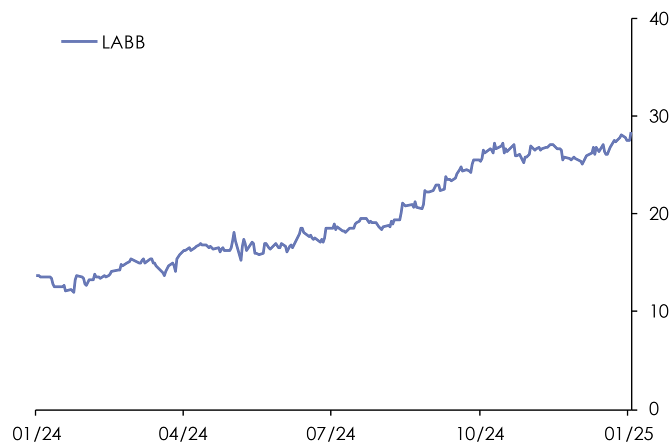
Our current estimates consider that VINTE's operations may have a positive result in the housing segment, improving during the quarter to close to P$1.3 Bn in housing revenues. Although proforma figures are still pending to be released, we expect that JAVER's revenues will continue with their positive trend as well as in EBITDA generation, resulting in a solid quarterly result.

The main catalyst for 2025 will be the company's consolidation and potential synergies, considering the new VINTE company will develop more than 15 thousand homes per year and generate more than P$2.6 Bn in EBITDA. VINTE's top management had mentioned that the company's net debt leverage ratio after the transaction would be below 3.0x, maintaining a solid financial position. We reiterate our Outperform rating for the time being.

Valuation: Methodologies, Key Assumptions

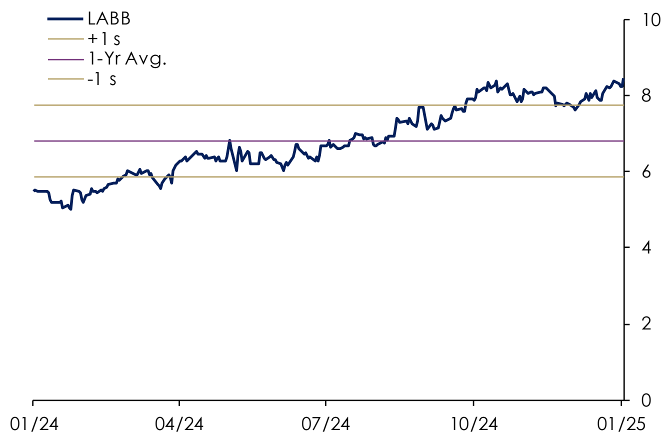
Our **Genomma Lab** PT (P$34) is derived from a DCF calculation, using a 14.3% WACC —-we use a 12% cost of debt, an effective tax rate of 31.7%, a cost of equity of 17%, and a D/E ratio of 0.4—, accounting for the company's operations geographic breakdown.

Figure 27: Genomma Lab Stock Price
($P, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

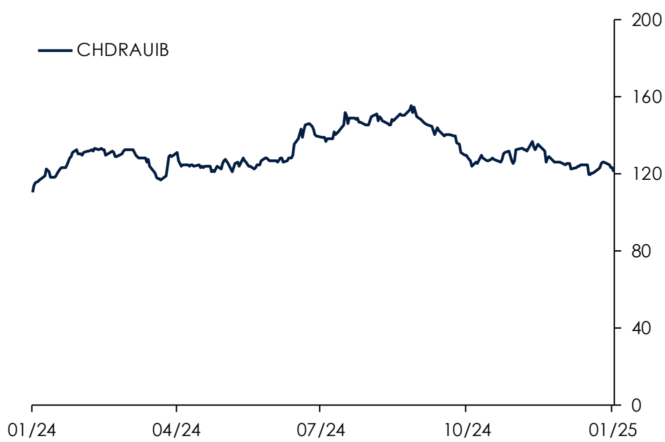
Figure 28: Genomma Lab EV/EBITDA
(x, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

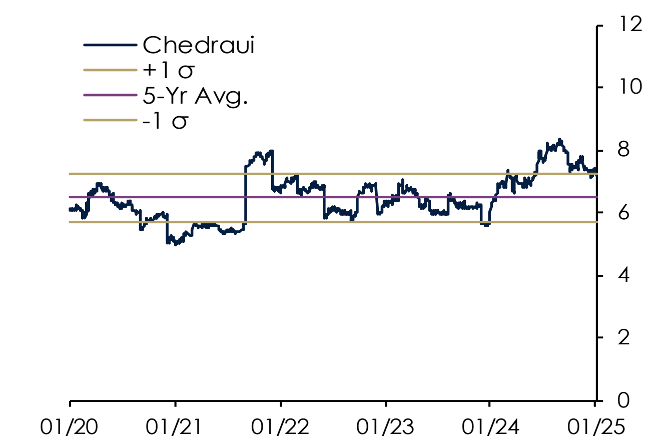
Our **Chedraui** PT (P$165) is derived from a DCF calculation, using an 11.1% WACC (previously 11.8%) —-we use a 12% cost of debt, an effective tax rate of 30.6%, a cost of equity of 11.5%, and a D/E ratio of 0.1—, accounting for the company's operations geographic breakdown. Our change in valuation methodology reflects a higher proportion of U.S. sales.

Figure 29: Chedraui Stock Price
($P, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

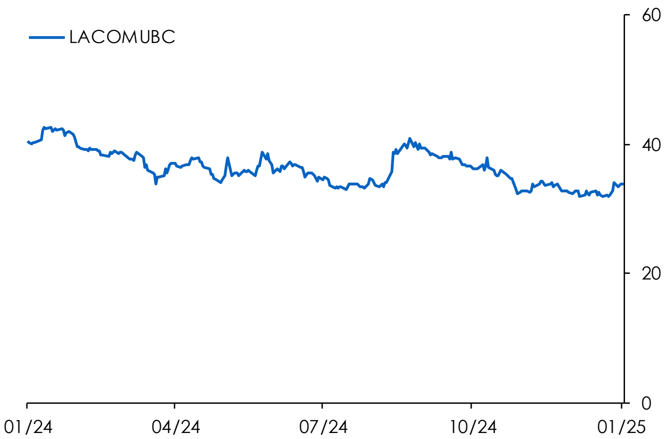
Figure 30: Chedraui EV/EBITDA
(x, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

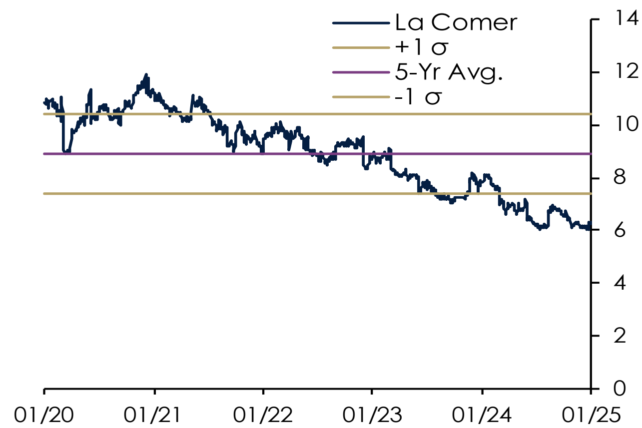
Our **La Comer** PT (P$38) is derived from a DCF calculation, using a 14.3% WACC (previously 13.5%)—we use a cost of equity of 14.3%, and no debt in the company's structure—. Our valuation methodology reflects a higher cost of equity.

Figure 31: La Comer Stock Price
($P, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

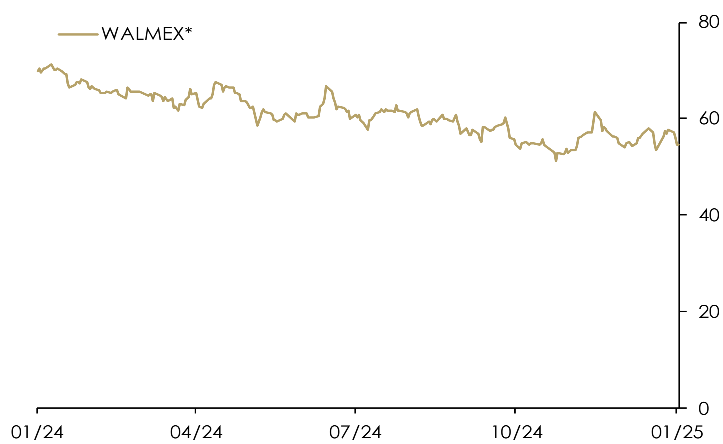
Figure 32: La Comer EV/EBITDA
(x, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

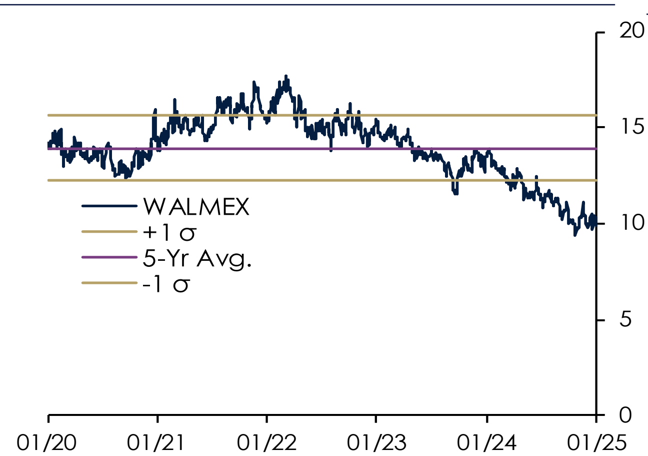
Our **Walmex** PT (P$63) is derived from a DCF calculation, using a 14.7% WACC (previously 14.2%)—we use a cost of equity of 14.7%, and no debt in the company's structure—, accounting for the company's operations geographic breakdown. Our valuation methodology reflects a higher cost of equity.

Figure 33: Walmex Stock Price
($P, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

Figure 34: Walmex EV/EBITDA
(x, L12M as of 31/01/25)



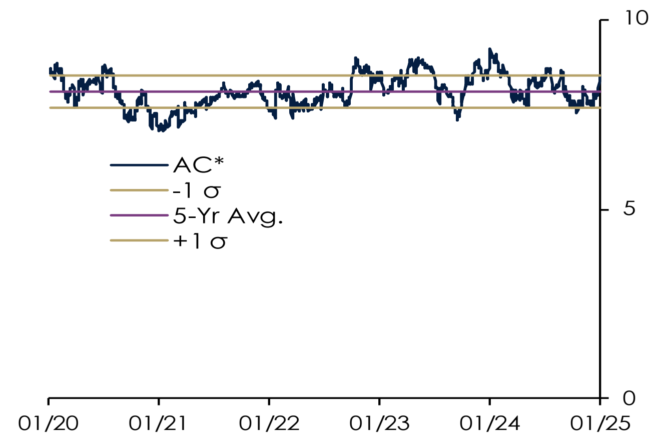
Source: Bloomberg, Actinver Research.

Our **Arca Continental** PT (P$222) is derived from a DCF calculation, using a 12.4% WACC —- we use a 7.5% cost of debt, an effective tax rate of 32.2%, a cost of equity of 14%, and a D/E ratio of 0.2—

Figure 35: Arca Continental Stock Price
($P, L12M as of 31/01/25)

Source: Bloomberg, Actinver Research.

Figure 36: Arca Continental EV/EBITDA
(x, L12M as of 31/01/25)



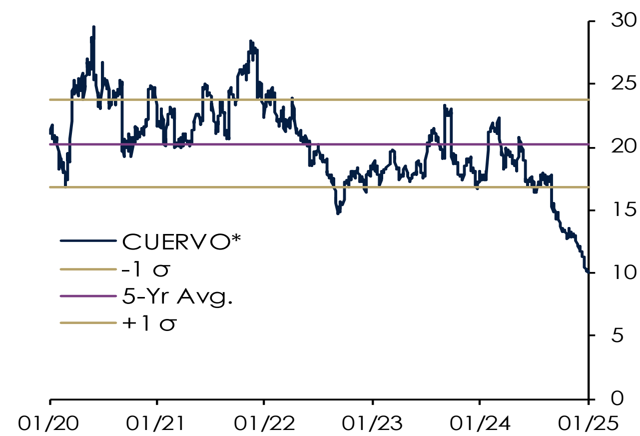
Source: Bloomberg, Actinver Research.

Our **Cuervo** PT (P$27) is derived from a DCF calculation, using a 8.1% WACC —-we use a 9.0% cost of debt, an effective tax rate of 28.0%, a cost of equity of 8.6%, and a D/E ratio of 0.4—

Figure 37: Cuervo Stock Price
($P, L12M as of 31/01/25)

Source: Bloomberg, Actinver Research.

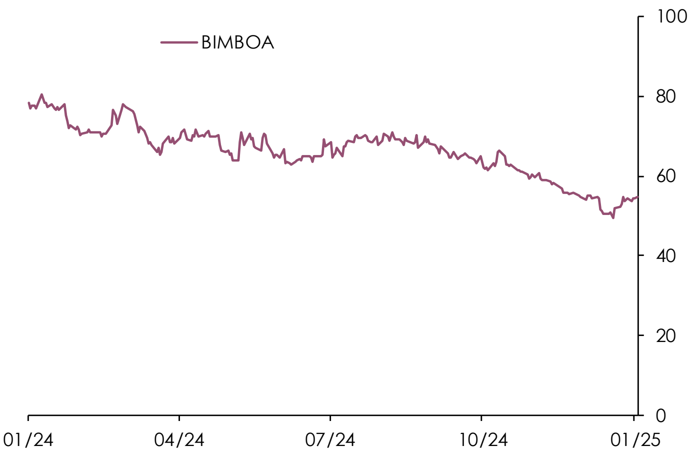
Figure 38: Cuervo EV/EBITDA
(x, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

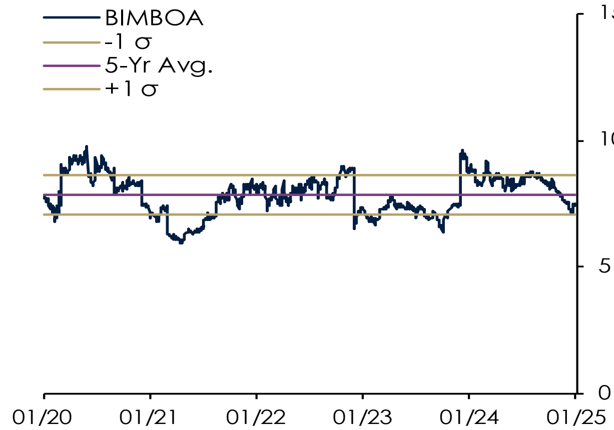
Our **Bimbo** PT (P$64) is derived from a DCF calculation, using a 9.1% WACC —-we use a 8.8% cost of debt, an effective tax rate of 34.1%, a cost of equity of 12.0%, and a D/E ratio .of 0.9—

Figure 39: BIMBO Stock Price
($P, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

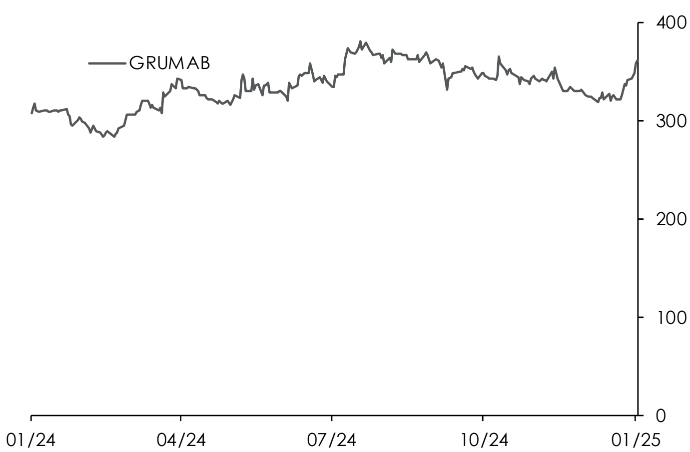
Figure 40: BIMBO EV/EBITDA
(x, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

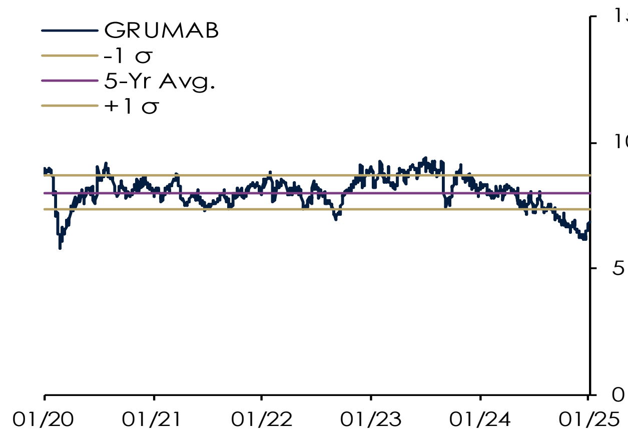
Our **Gruma** PT (P$380) is derived from a DCF calculation, using a 9.3% WACC —-we use a 9.0% cost of debt, an effective tax rate of 35.6%, a cost of equity of 10.7%, and a D/E ratio of 0.4—

Figure 41: GRUMA Stock Price
($P, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

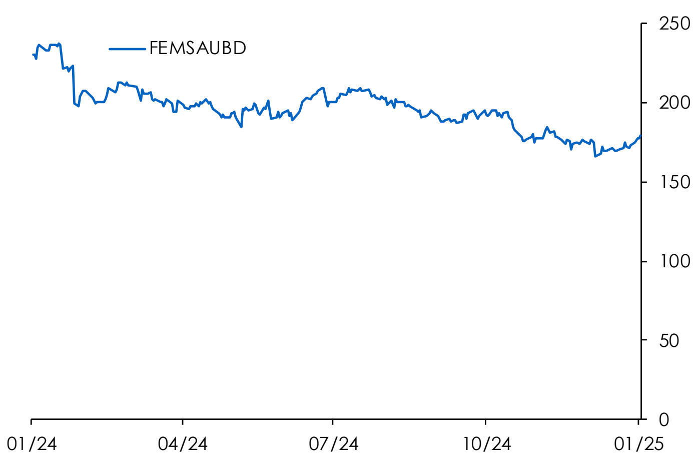
Figure 42: GRUMA EV/EBITDA
(x, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

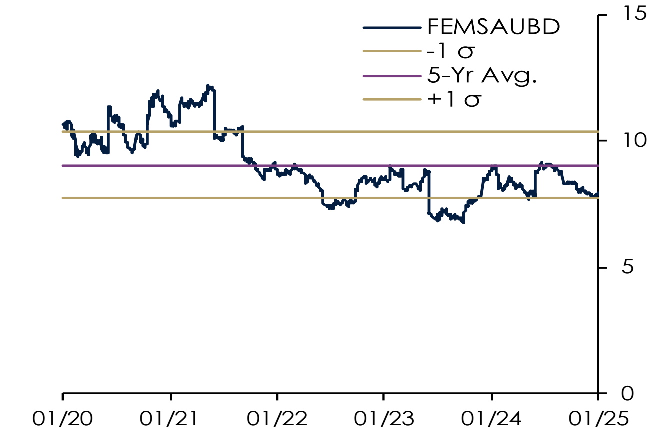
Our **FEMSA** PT (P$250) is derived from a DCF calculation, using a 12.4% WACC —-we use a 8.5% cost of debt, an effective tax rate of 36.4%, a cost of equity of 14.2%, and a D/E ratio of 0.3—

Figure 43: FEMSA Stock Price
($P, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

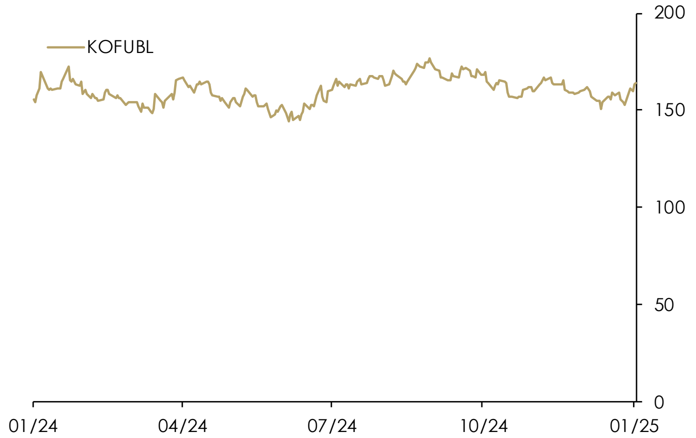
Figure 44: FEMSA EV/EBITDA
(x, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

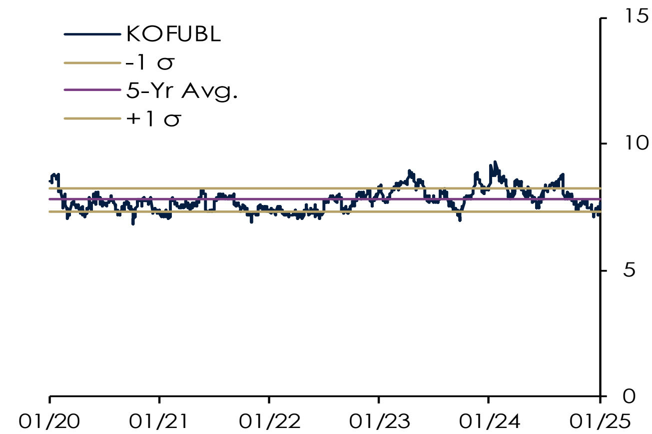
Our **KOF** PT (P$197) is derived from a DCF calculation, using a 13.6% WACC —-we use a 8.5% cost of debt, an effective tax rate of 29.8%, a cost of equity of 16.8%, and a D/E ratio of 0.4—

Figure 45: KOF Stock Price
($P, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

Figure 46: KOF EV/EBITDA
(x, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

Our **Alsea** PT (P$60) is derived from a DCF calculation, using a 11.5% WACC —-we use a 11.0% cost of debt, an effective tax rate of 32.0%, a cost of equity of 17.6%, and a D/E ratio .of 1.5—

Figure 47: ALSEA Stock Price
($P, L12M as of 31/01/25)

Source: Bloomberg, Actinver Research.

Figure 48: ALSEA EV/EBITDA
(x, L12M as of 31/01/25)

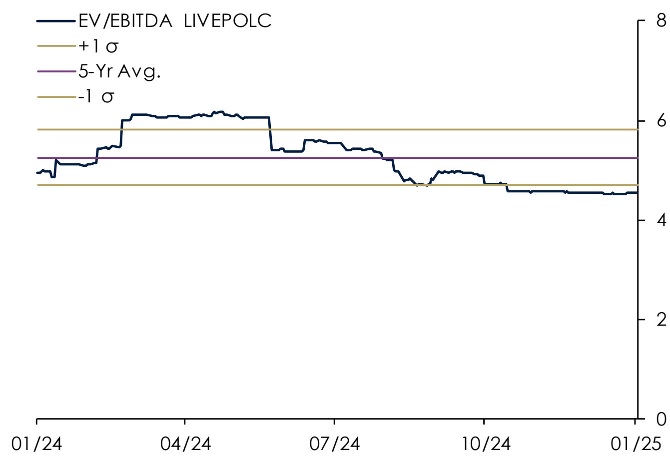
Source: Bloomberg, Actinver Research.

Our **Liverpool** PT (P$116) is derived from a DCF calculation, using a 16.7% WACC —-we use a 12.0% cost of debt, an effective tax rate of 28.0%, a cost of equity of 18.8%, and a D/E ratio of 0.3—

Figure 49: Liverpool Stock Price
($P, L12M as of 31/01/25)

Source: Bloomberg, Actinver Research.

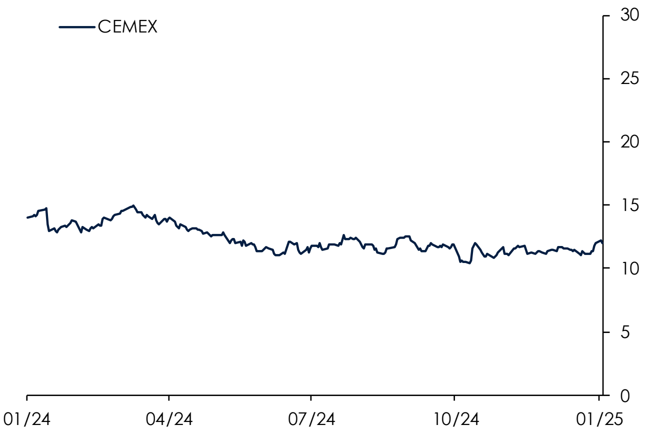
Figure 50: Liverpool EV/EBITDA
(x, L12M as of 31/01/25)



Source: Bloomberg, Actinver Research.

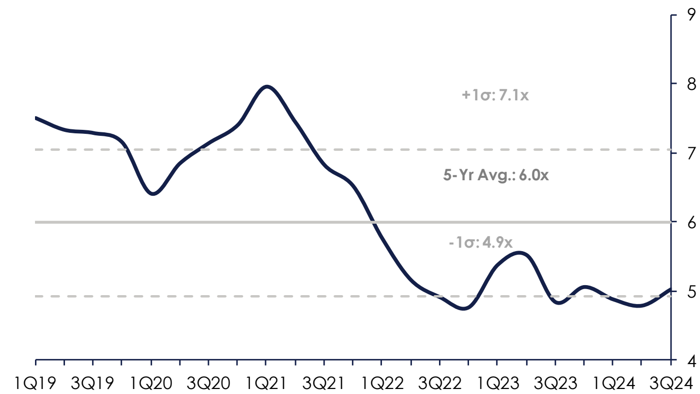
Our **Cemex** PT (P$14.5) was determined through a blended valuation methodology consisting of: i) discounted cash flows (DCF) and ii) target multiple. For each method, an 80% and 20% weight, respectively, was applied. We are using a 15.3% cost of equity (Ke) based on Damodaran's model; 1.3 adjusted Beta; and a 6.5x target EV/EBITDA multiple

Figure 51: Cemex Stock Price



Source: Bloomberg, Actinver Research.

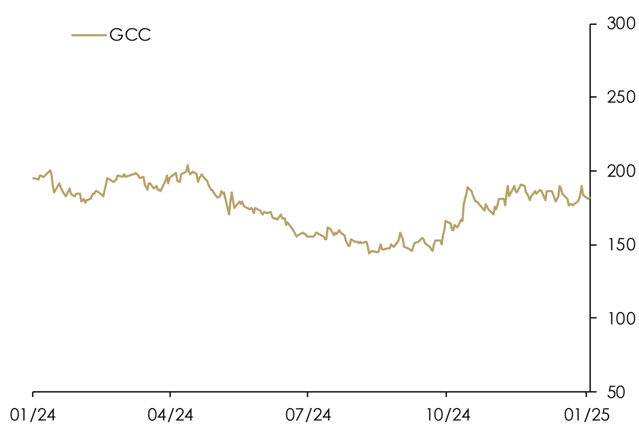
Figure 52: Cemex EV/EBITDA



Source: Bloomberg, Actinver Research.

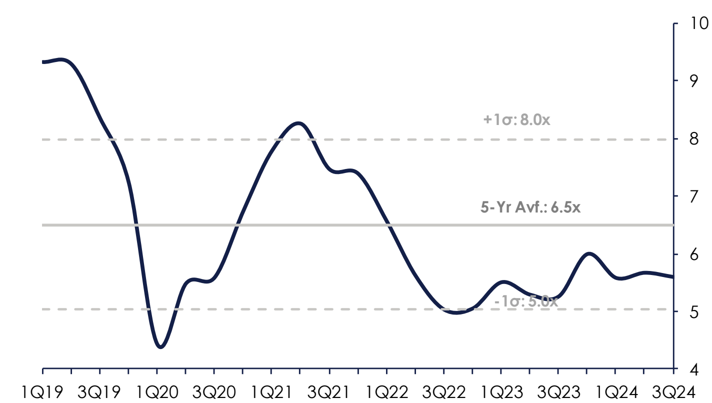
Our **GCC** PT (P$210.0) was determined through a blended valuation methodology consisting of: i) discounted cash flows (DCF) and ii) target multiple. For each method, an 80% and 20% weight, respectively, was applied. We are using a 13.3% cost of equity (Ke) based on Damodaran's model; 1.3 adjusted Beta; and a 7.0x target EV/EBITDA multiple.

Figure 53: GCC Stock Price



Source: Bloomberg, Actinver Research.

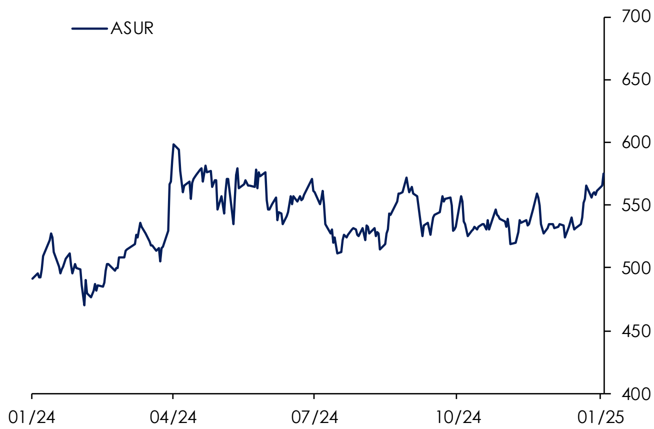
Figure 54: GCC EV/EBITDA



Source: Bloomberg, Actinver Research.

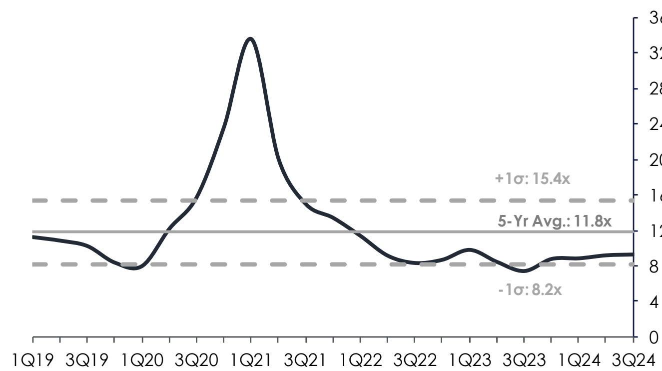
Our **ASUR** PT (P$660.0) was determined through a blended valuation methodology consisting of: i) discounted cash flows (DCF) and ii) target multiple. For each method, an 70% and 30% weight, respectively, was applied. We are using a 13.4% cost of equity (Ke) based on Damodaran's model; a 1.0 adjusted Beta; and a 11.5x target EV/EBITDA multiple.

Figure 52: ASUR Stock Price



Source: Bloomberg, Actinver Research.

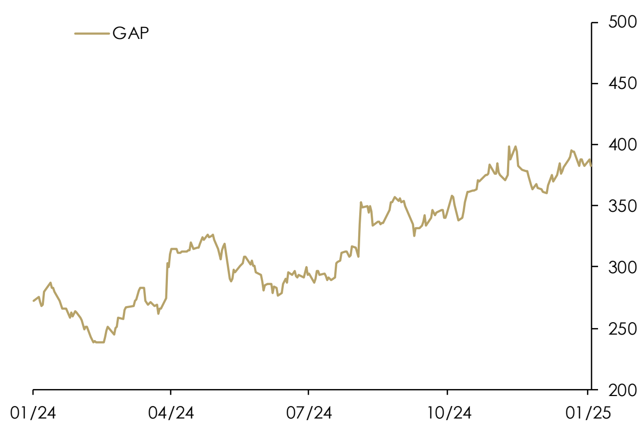
Figure 53: ASUR EV/EBITDA



Source: Bloomberg, Actinver Research.

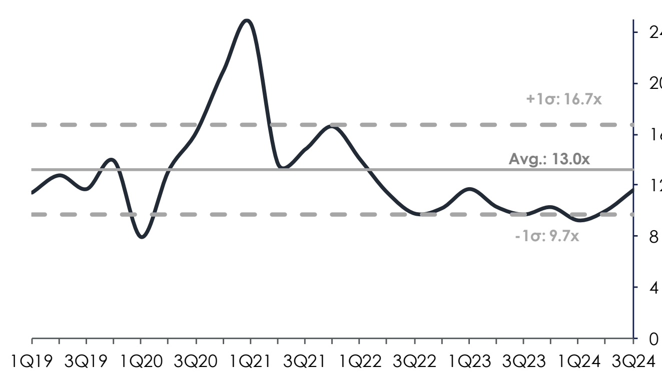
Our **GAP** PT (P$415.0) was determined through a blended valuation methodology consisting of: i) discounted cash flows (DCF) and ii) target multiple. For each method, an 70% and 30% weight, respectively, was applied. We are using a 16.2% cost of equity (Ke) based on Damodaran's model; a 1.0 adjusted Beta; and a 13.5x target EV/EBITDA multiple.

Figure 54: GAP Stock Price



Source: Bloomberg, Actinver Research.

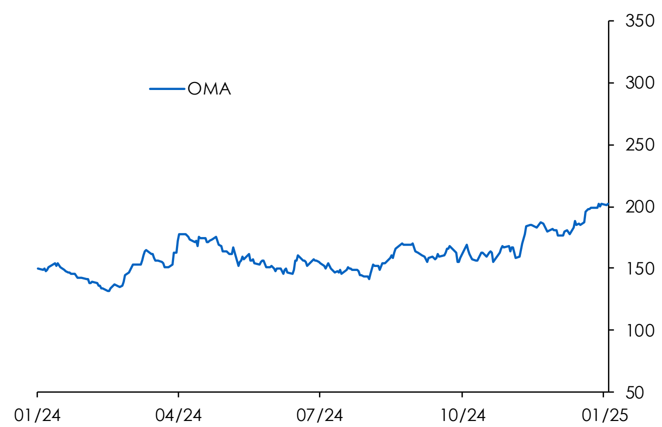
Figure 55: GAP EV/EBITDA



Source: Bloomberg, Actinver Research.

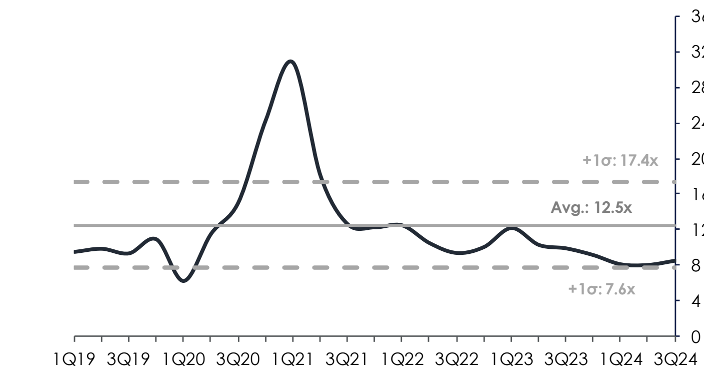
Our **OMA** PT (P$218.0) was determined through a blended valuation methodology consisting of: i) discounted cash flows (DCF) and ii) target multiple. For each method, an 70% and 30% weight, respectively, was applied. We are using a 15.3% cost of equity (Ke) based on Damodaran's model; a 1.0 adjusted Beta; and a 13.0x target EV/EBITDA multiple.

Figure 56: OMA Stock Price



Source: Bloomberg, Actinver Research.

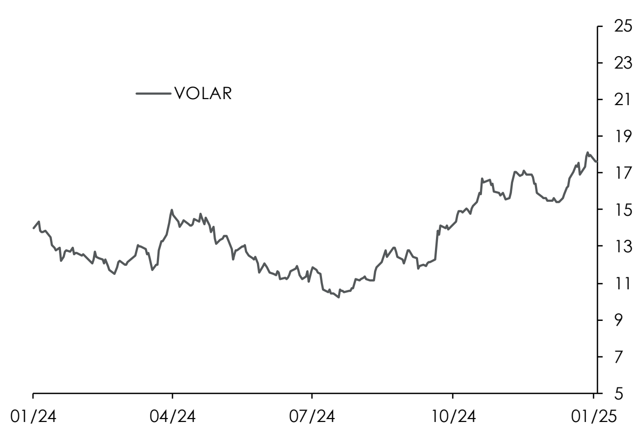
Figure 57: OMA EV/EBITDA



Source: Bloomberg, Actinver Research.

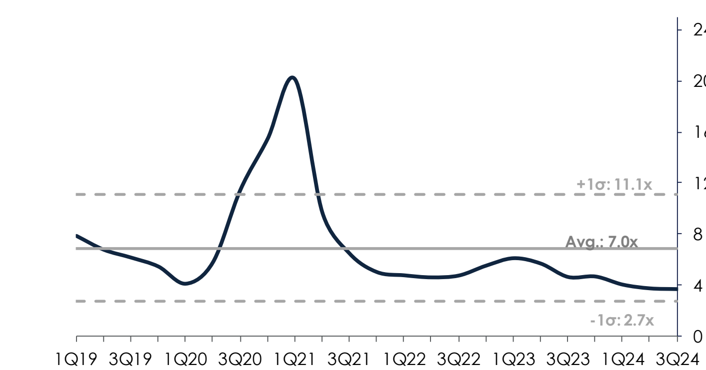
Our **VOLAR** PT (P$25.0) was determined through a target EV/EBITDAR multiple analysis. We are using a target EV/EBITDAR multiple of 4.0x, based on the average multiples for the Latin American and traditional/modern LCC carriers, and applying a 20% discount. As a result, we obtained a 12M price target of P$25.0 per share (or US$13.0 per ADS), considering our FY2025 EBITDAR estimate.

Figure 58: VOLAR Stock Price



Source: Bloomberg, Actinver Research.

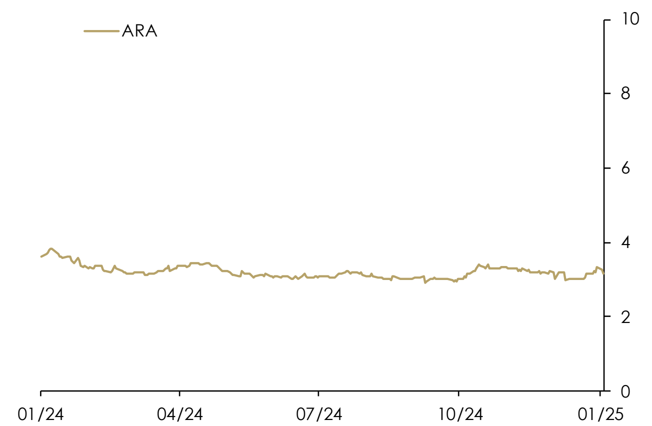
Figure 59: VOLAR EV/EBITDAR



Source: Bloomberg, Actinver Research.

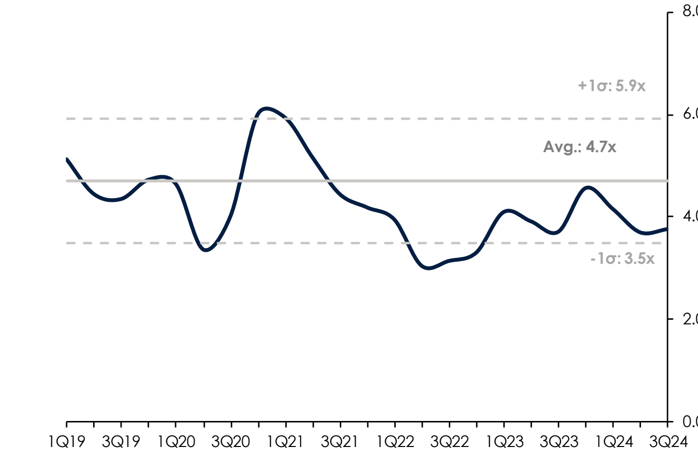
Our **ARA** PT (P$3.9) was determined through a blended valuation methodology consisting of: i) discounted cash flows (DCF) and ii) target multiple. For each method, a 70% and 30% weight, respectively, was applied. We are using a 15.3% cost of equity (Ke) based on Damodaran's model; a 1.0 adjusted Beta; and a 5.0x target EV/EBITDA multiple.

Figure 60: ARA Stock Price



Source: Bloomberg, Actinver Research.

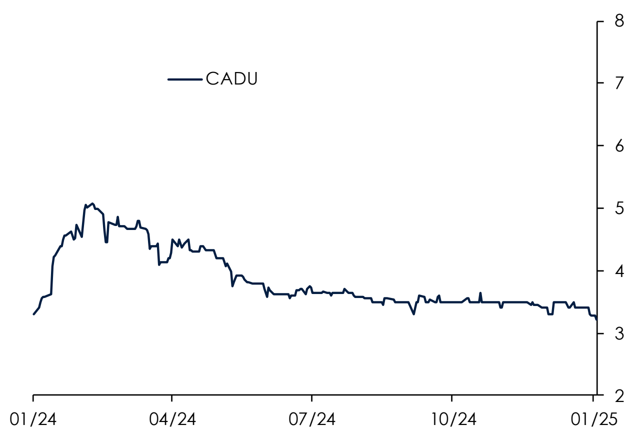
Figure 61: ARA EV/EBITDA



Source: Bloomberg, Actinver Research.

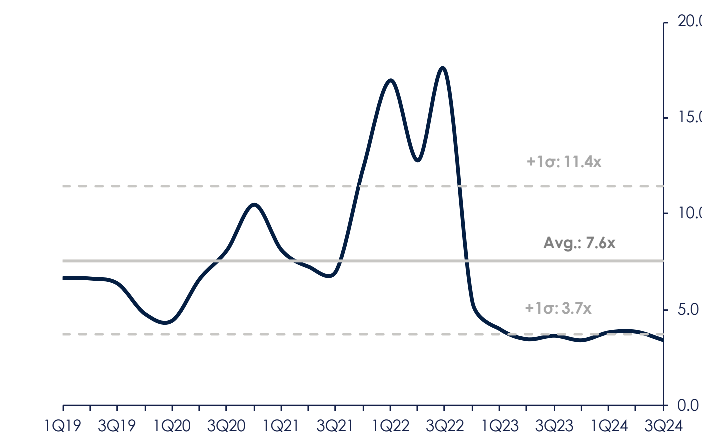
Our **CADU** PT (P$4.5) was determined through a blended valuation methodology consisting of: i) discounted cash flows (DCF) and ii) target multiple. For each method, an 80% and 20% weight, respectively, was applied. We are using a 15.3% cost of equity (Ke) based on Damodaran's model; a 1.0 adjusted Beta; and a we applied a 5.0x target EV/EBITDA.

Figure 62: CADU Stock Price



Source: Bloomberg, Actinver Research.

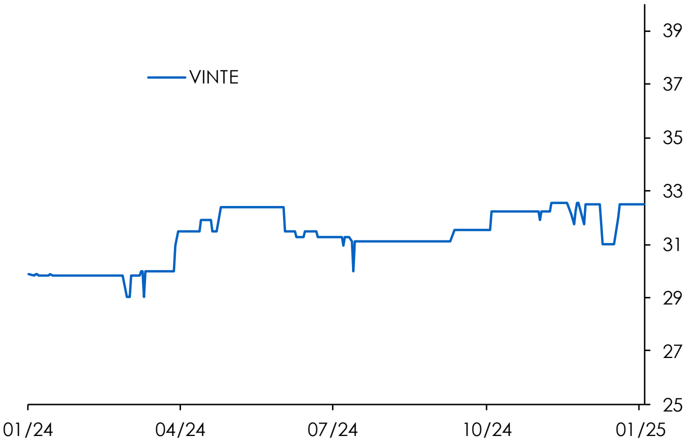
Figure 63: CADU EV/EBITDA



Source: Bloomberg, Actinver Research.

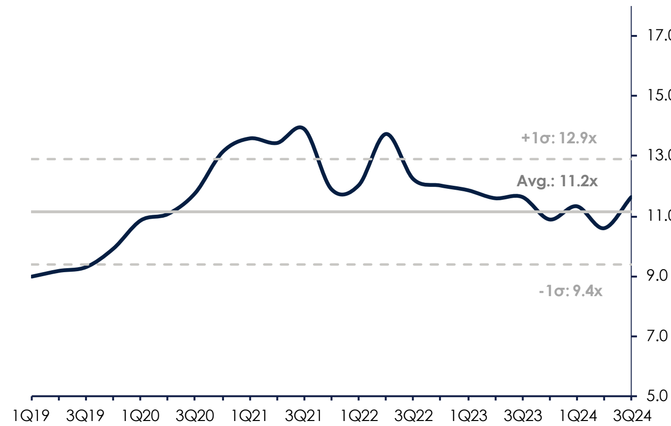
Our **VINTE** PT (P$42.0) was determined through a blended valuation methodology consisting of: i) discounted cash flows (DCF) and ii) target multiple. For each method, a 70% and 30% weight, respectively, was applied. We are using a 14.0% cost of equity (Ke) based on Damodaran's model; a 0.8 adjusted Beta; and a 11.5x target EV/EBITDA multiple.

Figure 64: VINTE Stock Price



Source: Bloomberg, Actinver Research.

Figure 65: VINTE EV/EBITDA



Source: Bloomberg, Actinver Research.

Disclaimer

December 31, 2024 │ Update

Guide for recommendations on investment in the companies under coverage included or not, in the Mexican Stock Exchange main Price Index (S&P/BMV IPC)

Our recommendations are set based on an expected projected return which, as any estimate, cannot be guaranteed. Readers should be aware that a number of subjective elements have also been taken into consideration in order to determine each analyst's final decision on the recommendation. These include the specific risk profile, financial stance, pending corporate actions, and the degree of certainty of the financial projections, among others.

OUTPERFORM: Total return [TR] (including dividends) for year-end 2024 higher than the TR of IPC Index.

MARKET PERFORM: Total Return [TR] (including dividends) equal to (+/- 3.5%) the TR of IPC Index.

UNDERPERFORM: Total Return [TR] (including dividends) lower than the TR of IPC Index.

Important Statements

a) Of the Analysts:

"The analysts in charge of producing the Research Reports: Enrique Covarrubias Jaramillo, José Ramón De la Rosa Flores, Angel Gabriel Delfin Alvarado, Ander Dunand Soto Campa, Axel Giesecke Valdes, Javier Hano Garrido, Antonio Hernández Vélez Leija, Enrique López Navarro, Samuel Martinez Aranda, Ramón Ortiz Reyes, Héctor Javier Reyes Argote, Maria Ruiz Roldan, declare":

1) "All points of view about the issuers under coverage correspond exclusively to the responsible analyst and authentically reflect his vision. All recommendations made by analysts are prepared independently of any institution, including the institution where the services are provided or companies belonging to the same financial or business group. The compensation scheme is not based or related, directly or indirectly, with any specific recommendation and the remunerations only received from the entity which the analysts provide their services".

2) "None of the analysts with coverage of the issuers mentioned in this report holds any office, position or commission at issuer's under his coverage, or any of the people who are part of the Business Group or consortium to which they belong. They have neither held any position during the twelve months prior to the preparation of this report".

3) "Recommendations on issuers, made by the analyst who covers them, are based on public information and there is no guarantee of their assertiveness regarding the performance that is actually observed in the values object of the recommendation"

4) "Analysts maintain investments subject to their analysis reports on the following issuers: ACTINVR B, ALTERNA B, AZTECA CPO y LALA B.

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