

PINFRA (BUY, PT \$208.80)

Flash: Obtains highway concession in Hidalgo

Pinfra announced it has been granted the concession for the Real del Monte highway – Entronque Huasca in the State of Hidalgo, for a period of 30 years–. The company will be responsible for the construction, operation, exploitation, conservation and maintenance of the highway, which will have a length of 10.31 km.

The total investment amount is MXN2.6 billion and the construction time is expected to be 16 months, with operations expected to begin in September 2022.

Positive Implication: As we have previously mentioned, Pinfra actively searches for new projects/assets that add value to its portfolio and we highlight that one of its main strengths is its solid financial balance (-1.7x ND/EBITDA in 4Q20), which allows it to take advantage of this type of opportunities. It should be recalled that the company targets a 10% to 12% real, unleveraged investment return on the projects in which it invests. Subject to further details, we believe that on a preliminary basis the concession could contribute around 4% more to the company's annual EBITDA when it begins operations. In our view, Pinfra remains well positioned and has a favorable outlook due to the expected improved performance in the segments it operates, mainly due to the recovery of vehicle traffic on the concessioned highways, which would support higher cash flow generation.

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Certification of Analyst.

We, Gabriel Casillas Olvera, Alejandro Padilla Santana, Delia María Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Valentín III Mendoza Balderas, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalia Orozco Vélez, Gerardo Daniel Valle Trujillo, Eridani Ruibal Ortega and Juan Barbier Arizmendi, certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V for the provision of our services.

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BUY	<i>When the share expected performance is greater than the MEXBOL estimated performance.</i>
HOLD	<i>When the share expected performance is similar to the MEXBOL estimated performance.</i>
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History of PT and Ratings

Stock	Date	Rating	PT
PINFRA*	28/10/2019	Buy	\$208.80
PINFRA*	29/07/2019	Hold	\$201.00
PINFRA*	25/02/2019	Buy	\$215.30

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