

## FCFE (BUY, PT \$32.50)

### Flash: 3Q21 distribution with attractive yield of 3.3%

FCFE announced the cash distribution for 3Q21 (June, July, and August 2021), which is MXN 0.9427 per CBFE (70.8% from fiscal result and the rest corresponds to capital reimbursement), representing a 3.3% yield over current prices. It is worth noting that the REIT mentioned that collection rights for the period increased 9.0% y/y, in line with our expectations.

**Positive implication:** We believe 3Q21 distribution should be well received by the market, as it is slightly above our estimate (MXN 0.9039), reflecting an attractive yield for investors. In our view, this underpins the outlook for a solid performance of electricity demand going forward, which could show greater dynamism as the solid recovery of economic activities continues, thereby enhancing the REIT's cash flow generation.

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Document for distribution among public

## Certification of Analyst.

We, 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, Alik Daniel García Álvarez, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía Orozco Vélez, Gerardo Daniel Valle Trujillo 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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## Activities of the business areas during the next three months.

Casa de Bolsa Banorte, Grupo Financiero Banorte or its subsidiaries expect to receive or intend to obtain revenue from the services provided by investment banking or any other of its business areas, by issuers or their subsidiaries, some of which could be analyzed in this report.

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The Analysts of Grupo Financiero Banorte S.A.B. of C.V. do not maintain direct investments or through an intermediary person, in the securities or derivative instruments object of this analysis report.

## Guide for investment recommendations.

|             | Reference   |
|-------------|---|
| <b>BUY</b>  | When the share expected performance is greater than the MEXBOL estimated performance. |
| <b>HOLD</b> | When the share expected performance is similar to the MEXBOL estimated performance.   |
| <b>SELL</b> | When the share expected performance is lower than the MEXBOL estimated performance.   |

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

## Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

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## History of PT and Ratings

| Stock  | Date       | Rating | PT      |
|--------|------------|--------|---------|
| FCFE18 | 03/01/2021 | Buy    | \$32.50 |
| FCFE18 | 07/28/2020 | Buy    | \$26.50 |
| FCFE18 | 05/21/2020 | Buy    | \$22.50 |

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