

## AMX (Buy, PT \$18.00)

### Flash: Receives unfavorable arbitration resolution in Colombia; would pay US\$2.2 million fine

On Friday after market close, America Movil reported that it received an unfavorable ruling from the International Centre for Settlement of Investment Disputes (ICSID), in relation to the arbitration process initiated in August 2016 against the Republic of Colombia for the measures adopted in 2013 by the South American country on the concessions granted to its subsidiary in that nation, COMCEL. In this regard, the court held that such measures did not represent an expropriation of AMX's investment in COMCEL, in violation of the free trade agreement between Mexico and Colombia, and ordered America Movil to pay ~US\$2.2 million corresponding to costs of the arbitration process. Finally, the company informed that it is analyzing the available legal options to challenge this ruling, including the request for its possible annulment.

**Neutral implication:** The US\$2.2 million payment requested by the court represents only 0.1% of the company's 2021E EBITDA in Colombia (a country that contributes around 9.8% of total EBITDA), so the effect on the consolidated indicator would be virtually null. Consequently, this announcement should not have a major impact on the share price, in our opinion.

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Document for distribution among the general public

## Certification of Analysts.

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 Thalía 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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<b>HOLD</b>	<i>When the share expected performance is similar to the MEXBOL estimated performance.</i>
<b>SELL</b>	<i>When the share expected performance is lower than the MEXBOL estimated performance.</i>

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## History of PT and ratings

Stock	Date	Rating	PT
Amx L	21/12/2020	Buy	\$18.00
Amx L	4/12/2019	Buy	\$16.60
Amx L	8/01/2019	Buy	\$17.00

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