

PINFRA (BUY, PT2020 \$208.80)

Flash: Obtains highway concession in Aguascalientes

Pinfra announced that it won the concession of “Libramiento Carretero Oriente” in Aguascalientes, for a period of 30 years, through a public bidding process made by the state government for \$2.1 billion.

Pinfra will be responsible within the next 18 months for the completion of the rehabilitation of a stretch of a 21-kilometer highway that is already built in the southwestern part, as well as to the consolidation of 24 km on the northwestern side. The project also includes the construction of a road shed and two auxiliary ones, as well as upper and lower bridges.

The constructions are expected to be finished by 2022 and would reduce time travel for the inhabitants by 50%.

Positive implication: As we have previously mentioned Pinfra actively seeks for new projects/assets that add value to its portfolio and we point out that one of its main strengths is its financial solidity (-2.0x ND/EBITDA), which allows it to leverage from these types of opportunities. Remember that the company aims at investing in projects with a 10% to 12% real return. Subject to further details, we believe that the concession could preliminarily account for 5% more to the company's annual EBITDA when it starts operations. Amid this challenging environment, in our point of view, the company remains defensive due to the continuous cash flow generation, its long-term concessioned highway portfolio, resilient to periods of lower economic growth and most of it (around 70%) with a guaranteed profitability scheme; and again for its financial strength.

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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, Tania Abdul Massih Jacobo, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Valentin 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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HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
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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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