

## FCFE (BUY, PT \$32.50)

### Flash: 2Q21 distribution exceeds expectations, 2.7% yield

FCFE announced that the 2Q21 cash distribution (March, April and May 2021), was \$0.7725 per CBFEE (64.9% fiscal result and the rest corresponds to capital reimbursement), which is equivalent to a 2.7% yield over current prices. It is worth noting that the REIT mentioned that collection rights for the period increased 7.65% annually, and when compared to 2Q19 these even grew 4.46% (pre-pandemic levels). The above is the result of the energy transmission volume recovery -exceeding CENACE's estimate of being at similar levels to 2019- due to the higher economic activity, as well as higher transmission service tariffs that went into effect on January 1, 2021 (+2.04%).

**Positive implication:** We believe that the 2Q21 distribution announcement should be welcomed by the market, as it confirms a greater than expected dynamism in the demand for transported electricity. Even though the distribution was slightly above our expectation of \$0.719 per CBFEE, we highlight the attractive yield it represents for investors. This reaffirms the better performance expected in the energy sector as economic activities continue to resume in full, which will benefit the REIT's 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, 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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## 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.

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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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