

AMX (Buy, PT \$18.00)

Flash: Doubles share buyback fund resources

America Movil announced that at the ordinary general meeting held yesterday, it was approved to increase the resources for the company's share buyback fund for the period April 2020-April 2021 by MXN 6 billion. With this, America Movil has doubled the amount available for shareholder remuneration in the next three months, at a time when the funds previously available for this purpose had practically been exhausted, after having significantly increased its activity on this front during the last few months.

Positive implication: Although the authorized resources are only equivalent to 0.6% of the company's capitalization, this increase in shareholders' return is undoubtedly positive and adds to the 2.9% dividend yield we estimate for 2021 (3.5% total), which should be well received by the market. In this regard, it is also worth remembering that this retribution mechanism is not subject to taxation, and [as we have mentioned before](#), with Tracfone's eventual sale and the potential capital structure strengthening with the resources obtained from this transaction, the door is open to continue increasing share repurchases. Without leaving aside, of course, what the potential monetization of its more than 60,000 towers could entail, since that option is still on the table. That said, we do not rule out that the company could increase the share buyback fund again at the next shareholder assembly in April (where dividend distributions would also be decreed), so the return for shareholders could become even more interesting. The above is coupled with the 32% upside potential against our PT of MXN 18.00, which in our view is very attractive, so we reiterate our BUY rating, while AMX remains in [our stock picks for 2021](#).

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We, Gabriel Casillas Olivera, 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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	Reference
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>
SELL	<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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