

Mexico TMT

4Q23 Preview: Bullish on AMX, but
broadband market remains challenging

Earnings Preview

AMX: Declining capex should boost FCF generation

We are bullish on AMX, as we expect a strong FCF generation for the coming years. We see positive dynamics in MX and BZ mobile, which are expected to post real MSR growth in 2024. For fixed, despite a still fierce competitive scenario in both regions, we expect another sequential improvement in 2024. This, combined with a declining capex from ~USD8.7bn in 2023 to ~USD7.3bn in 2024, should lead to a strong FCF yield 24YE of 9%. We reiterate our Buy rating and preference in MX TMT for AMX and raise our PO to MXN21/USD24 from MXN20/USD23 as we incorporate our 4Q preview and lower capex.

AMX: More appealing valuation at current levels

Looking at valuation, we believe current levels do not reflect the company's solid operational momentum. AMX is currently trading at 4.6x EV/EBITDA 24, a 10% discount to its L5Y average, and at 10.6x P/E, a 11% discount to its L5Y average. In addition, we see It trading at only a slight premium to its LatAm peers Vivo and TIM, at 4.3x and 4.1x EV/EBITDA 24, despite historically trading at a ~20% premium. We highlight that we also believe Vivo and TIM are discounted at current levels. Finally, comparing it to its US peers, we see a greater gap at ~40%.

AMX: Solid 4Q, with similar trends to 3Q

Top line should be down 2% YoY, but up 3.5% QoQ. In Mexico, MSR should sustain a solid momentum, up 4.5% YoY, while fixed should remain flattish YoY despite positive broadband net adds. In Brazil, the mobile market remains highly rational post sector consolidation, which should lead to a MSR expansion of 8% YoY. On a consolidated basis EBITDA margin should remain flattish both QoQ and YoY at ~39%. Net income should amount to MXN23bn.

TV: Turnaround still underway should hamper 4Q results

TV should report soft 4Q results, as its undergoing turnaround in Cable should hamper results and Sky continues with a similar net disconnections pace. Revenue should be down 5% YoY, with Sky -16% YoY and cable -3%. Cable net adds should be slightly positive after the userbase clean up in 3Q. EBITDA margin should amount to 31.4%, up 250bps YoY and 170bps QoQ, mainly due to one-off impact impacts from the previous quarters. Net income should amount to MXN80mn.

05 February 2024

Equity

Mexico

Telecommunications, Media and
Technology**Fred Mendes, CFA >>**Research Analyst
Merrill Lynch (Brazil)
+55 11 2188 4119
fred.mendes@bofa.com**Lucca R Brendim >>**Research Analyst
Merrill Lynch (Brazil)
lucca.brendim@bofa.com**Mirela Oliveira >>**Research Analyst
Merrill Lynch (Brazil)
mirela.oliveira@bofa.com**Gustavo Tiseo >>**Research Analyst
Merrill Lynch (Brazil)
gustavo.tiseo@bofa.com

MSR = Mobile service Revenue

>> Employed by a non-US affiliate of BofAS and is not registered/qualified as a research analyst under the FINRA rules.

Refer to "Other Important Disclosures" for information on certain BofA Securities entities that take responsibility for the information herein in particular jurisdictions.

BofA Securities does and seeks to do business with issuers covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

Refer to important disclosures on page 7 to 11. Analyst Certification on page 6. Price Objective Basis/Risk on page 5.

12655264

Timestamp: 05 February 2024 05:22AM EST

Exhibit 1: AMX is trading at a slight premium to LatAm peers and at a discount to US peers

Telcos Comp table

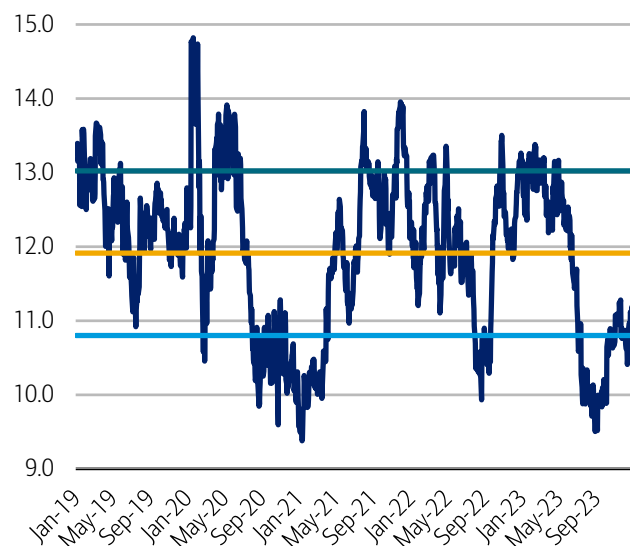
Name	Market cap USD mn	EV/EBITDA		P/E		ADTV 3 months USD (000's)
		24Y	25Y	24Y	25Y	
Latin America						
Unifique	271	3.3x	3.1x	9.4x	7.6x	205
Desktop	283	4.3x	3.8x	7.4x	5.6x	635
Brisanet	272	3.7x	3.2x	8.5x	7.8x	295
TIM Brasil	8,402	4.1x	3.9x	12.1x	9.5x	26,444
Telefonica Brasil (Vivo)	16,932	4.3x	4.1x	14.7x	11.6x	23,206
America Movil	56,509	4.6x	4.2x	10.6x	9.2x	69,298
Televisa	1,752	3.6x	3.5x	16.0x	9.6x	8,082
Megacable	2,223	4.6x	4.3x	13.5x	11.1x	2,629
Millicom	2,965	4.3x	4.1x	11.5x	7.2x	4,355
North America						
Verizon Comm	178,271	6.8x	6.6x	9.3x	9.0x	831,340
AT&T	125,197	6.1x	6.0x	7.8x	7.6x	615,489
BCE Inc.	37,183	8.2x	8.0x	17.1x	16.2x	147,727
Rogers Comm	25,161	8.3x	8.0x	13.0x	11.4x	17,589
Telus Corporation	26,523	8.4x	7.9x	22.6x	19.3x	102,012
T-Mobile	193,523	8.5x	8.0x	17.2x	14.0x	689,565
Europe						
Deutsche Telekom	123,635	6.3x	6.1x	12.3x	11.0x	125,279
Vodafone Group	23,608	5.7x	5.7x	9.9x	9.5x	2,858,034
Telefonica SA	23,492	5.0x	4.9x	11.0x	10.4x	64,532
Orange	31,716	5.3x	5.1x	9.1x	8.4x	45,690
BT	14,223	4.0x	3.9x	6.0x	6.0x	1,605,423
KPN	13,396	7.4x	7.2x	15.1x	14.2x	32,808
Telefonica Deutschland	7,586	4.3x	4.6x	23.8x	31.4x	24,220
Telekom Austria	5,740	4.0x	3.9x	7.7x	7.3x	817
Africa and Middle East						
Saudi Telecom	55,665	8.0x	7.6x	15.5x	14.3x	36,073
Vodacom Group	10,441	4.4x	4.2x	10.2x	9.2x	717,614
MTN Group	9,665	3.2x	2.9x	8.9x	7.2x	2,812,474
Asia						
China Mobile	188,996	3.0x	2.9x	9.1x	8.6x	122,473
Nippon Telegraph & Telephone	113,395	7.7x	7.4x	12.3x	11.8x	188,154
KDDI	76,025	7.2x	6.9x	14.6x	13.6x	117,667
SoftBank	64,793	14.9x	14.2x	-	44.3x	331,841
Telstra	30,619	7.7x	7.4x	22.0x	20.5x	172,864
China Telecom	69,740	3.4x	3.3x	10.0x	9.0x	345,728
China Unicom	21,449	1.2x	1.1x	7.5x	6.7x	17,944
Global Average		5.4x	5.3x	12.1x	11.8x	
Televisa	1,752	3.6x	3.5x	16.0x	9.6x	8,082
Warner	24,764	6.4x	6.2x	-	50.5x	248,212
Paramount	9,138	8.5x	8.1x	11.9x	10.0x	233,281
Comcast	187,669	7.2x	7.0x	10.9x	10.1x	780,082
FOX	15,021	6.9x	6.2x	9.6x	8.0x	45,235
Netflix	243,250	25.2x	20.9x	32.7x	26.5x	2,320,707

Source: Bloomberg; BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 2: AMX is trading at a discount to its L5Y average

AMX' L5Y P/E

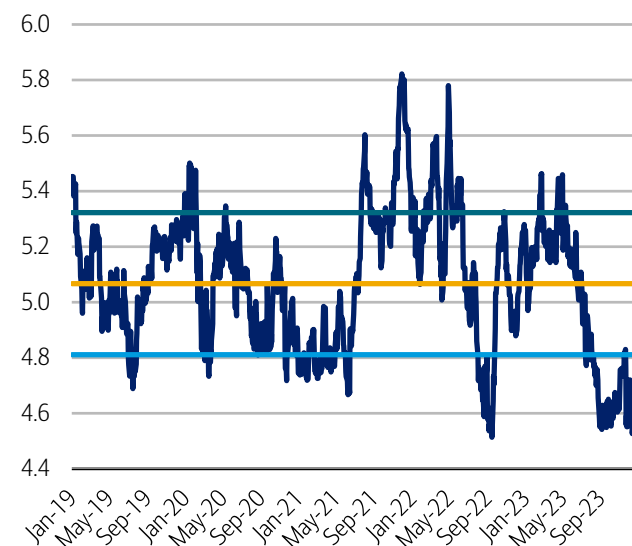


Source: Bloomberg

BofA GLOBAL RESEARCH

Exhibit 3: AMX is trading at a discount to its L5Y average

AMX' L5Y EV/EBITDA



Source: Bloomberg

BofA GLOBAL RESEARCH

Updating our estimates - BUY PO of MXN21/USD24

We reiterate our Buy rating and raise our PO for AMX to MXN21/USD24 from MXN20/USD23, as we incorporate (i) our 4Q preview numbers, (ii) slight changes to our top line estimates in some regions (iii) new macro estimates and (iv) most of the impact coming from a reduction in capex.

Exhibit 4: The main change to our estimates was a reduction in capex for the coming years

AMX's old vs new estimates

	New			Old			% chg.			Consensus			New vs Consensus		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Revenue	825	845	901	828	853	909	-0.3%	-0.9%	-0.9%	827	860	901	-0.3%	-1.7%	0.1%
EBITDA	324	334	359	325	337	361	-0.3%	-0.8%	-0.8%	321	334	349	1.0%	0.1%	2.8%
EBITDA margin	39.3%	39.5%	39.8%	39.3%	39.5%	39.7%	0bps	6bps	4bps	38.8%	38.8%	38.7%	51bps	71bps	105bps
Net profit (reported)	80	91	105	79	89	100	1.0%	2.6%	5.5%	77	89	99	4.4%	2.1%	6.7%
EPS	1.3	1.4	1.7	1.3	1.4	1.6	1.0%	2.6%	5.5%	1.2	1.4	1.6	4.4%	2.1%	6.7%

Source: Bloomberg; Company data; BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 5: AMX's results should be solid, mostly in line with 3Q

AMX 4Q23 Review

In MXNm, except stated otherwise	4Q23e	Consensus	A/C	4Q22	YoY	3Q23	QoQ
Revenue	209,865	209,990	(0.1%)	215,962	(2.8%)	203,842	3.0%
Cash opex	(127,229)		NA	(131,207)	(3.0%)	(123,946)	2.6%
EBITDA	82,636	80,875	2.2%	84,755	(2.5%)	79,896	3.4%
EBITDA margin	39.4%	38.5%	2.2%	39.2%	13	39.2%	18
Depreciation and amortization	(38,640)	(40,214)	(3.9%)	(40,069)	(3.6%)	(38,353)	0.7%
EBIT	43,995	40,661	8.2%	44,686	(1.5%)	41,543	5.9%
EBIT margin	21.0%	19.4%	160bps	20.7%	27	20.4%	58
Net interest	(8,752)		NA	(8,607)	1.7%	(8,811)	(0.7%)
Other pre-tax non-op. expenses	-		NA	4,585	(100.0%)	(8,674)	(100.0%)
FX gain/loss	-		NA	(4,279)	(100.0%)	(12,255)	(100.0%)
Pre-tax profit	35,244		NA	34,526	2.1%	9,684	263.9%
Taxes	(11,983)		NA	(10,387)	15.4%	(6,350)	88.7%
Minority interest	(1,031)		NA	(1,038)	(0.6%)	(1,306)	(21.0%)
Net profit	22,229	21,603	2.9%	23,101	(3.8%)	2,028	996.1%
Segment results							
	4Q23e	Consensus	A/C	4Q22	YoY	3Q23	QoQ
Mexico (MXNm)							
Mexico mobile service revenue	44,049			42,142	4.5%	42,931	2.6%
Mexico fixed/other service revenue	21,769			23,444	(7.1%)	22,278	(2.3%)
Mexico handset revenue	18,200			18,200	-	16,695	9.0%
Mexico revenue	84,018			83,786	0.3%	81,904	2.6%
Mexico cash opex	(50,244)			(51,139)	(1.8%)	(48,577)	3.4%
Mexico EBITDA	33,774			32,647	3.5%	33,327	1.3%
Mexico EBITDA margin	40.2%			39.0%	120	40.7%	(50)
Brazil (BRLm)							
Brazil mobile service revenue	6,201			5,699	8.8%	6,030	2.8%
Brazil fixed/other service revenue	4,949			4,947	0.0%	4,963	(0.3%)
Brazil handset revenue	636			509	25.0%	496	28.3%
Brazil revenue	11,786			11,155	5.7%	11,489	2.6%
Brazil cash opex	(6,839)			(6,576)	4.0%	(6,705)	2.0%
Brazil EBITDA	4,947			4,579	8.0%	4,784	3.4%
Brazil EBITDA margin	42.0%			41.0%	100	41.6%	40
Colombia (COPbn)							
Colombia mobile service revenue	1,768			1,781	(0.7%)	1,719	2.9%
Colombia fixed service revenue	1,211			1,168	3.7%	1,248	(2.9%)
Colombia handset revenue	793			793	-	772	2.7%
Colombia revenue	3,773			3,742	0.8%	3,739	0.9%
Colombia cash opex	(2,214)			(2,119)	4.5%	(2,158)	2.6%
Colombia EBITDA	1,558			1,623	(4.0%)	1,581	(1.4%)
Colombia EBITDA margin	41.3%			43.4%	(210)	42.3%	(100)

Source: Bloomberg; Company data; BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 7: TV should report another soft quarter as it continues with its turnaround

Televisa's 4Q23 Review

In MXNm, except stated otherwise	4Q23e	Consensus	Vs Consensus	4Q22	YoY	3Q23	QoQ
Revenue	18,177	18,135	0.2%	19,132	(5.0%)	18,316	(0.8%)
Operating segments expenses	(12,080)		NA	(12,541)	(3.7%)	(11,942)	1.2%
Corporate expenses	(199)		NA	(706)	(71.8%)	(190)	4.7%
Other operating income/(expense)	(182)		NA	(346)	(47.5%)	(717)	(74.7%)
EBITDA	5,716	6,050	(5.5%)	5,539	3.2%	5,467	4.6%
EBITDA margin	31.4%	33.4%	(191)	29.0%	250	29.8%	160
Depreciation and amortization	(5,477)	(6,050)	(9.5%)	(5,703)	(4.0%)	(5,544)	(1.2%)
EBIT	239		NA	(164)	NM	(77)	NM
EBIT margin	1.3%	-	132	(0.9%)	217	(0.4%)	174
Net financial results	(870)		NA	(2,214)	(60.7%)	(588)	48.0%
Other pre-tax non-op. results	490		NA	(13,713)	NM	589	(16.8%)
Pre-tax profit	(141)		NA	(16,091)	(99.1%)	(76)	85.2%
Income tax expense	233		NA	1,952	(88.0%)	(975)	NM
Minority interest	(14)		NA	(70)	(80.2%)	133	NM
Net profit (reported)	78	160	(51.0%)	(14,209)	NM	(918)	NM
Segments							
	4Q23e	Consensus	Vs Consensus	4Q22	YoY	3Q23	QoQ
Sky							
Sky RGUs	6,098		NA	6,913	(11.8%)	6,276	(2.8%)
Sky ARPU	224		NA	231	(3.0%)	224	0.1%
Sky revenue	4,162		NA	4,937	(15.7%)	4,297	(3.1%)
Sky opex	(3,059)		NA	(3,785)	(19.2%)	(2,763)	10.7%
Sky EBITDA	1,103		NA	1,152	(4.2%)	1,533	(28.1%)
Sky EBITDA margin	26.5%		NA	23.3%	317	35.7%	(918)
Cable							
Video RGUs	4,079		NA	4,458	(8.5%)	4,059	0.5%
Broadband RGUs	5,685		NA	5,984	(5.0%)	5,678	0.1%
Voice RGUs	5,351		NA	5,234	2.3%	5,351	0.0%
Cable RGUs	15,440		NA	15,916	(3.0%)	15,387	0.3%
Cable ARPU	262		NA	261	0.5%	263	(0.3%)
Cable revenue	12,130		NA	12,463	(2.7%)	12,148	(0.1%)
Cable opex	(7,581)		NA	(7,404)	2.4%	(7,827)	(3.1%)
Cable EBITDA	4,549		NA	5,059	(10.1%)	4,321	5.3%
Cable EBITDA margin	37.5%		NA	40.6%	(309)	35.6%	193
Publishing & Other							
Publishing & Other revenue	2,022		NA	2,002	1.0%	1,975	2.4%
Publishing & Other opex	(1,577)		NA	(1,503)	4.9%	(1,414)	11.6%
Publishing & Other EBITDA	445		NA	499	(10.9%)	561	(20.7%)
Publishing & Other EBITDA margin	22.0%		NA	24.9%	(293)	28.4%	(641)

Source: Bloomberg; Company data; BofA Global Research

BofA GLOBAL RESEARCH

Stocks mentioned

Prices and ratings for stocks mentioned in this report

BofA Ticker	Bloomberg ticker	Company name	Price	Rating
AMX	AMX US	America Movil	US\$ 18.06	B-1-7
AMXVF	AMXB MM	America Movil	MXN 15.51	A-1-7
GRPFF	TLEVICPO MM	Televisa	MXN 10.68	B-1-7
TV	TV US	Televisa	US\$ 3.13	C-1-7

Source: BofA Global Research

Price objective basis & risk**America Movil (AMXVF / AMX)**

Our price objective of MXN21/US\$24 per share is based on a 10-year DCF-to-Firm, discounted at a weighted average cost of capital (WACC) of 9.5%, assuming a capital structure of 75% equity / 25% debt in the long term. Our cost of equity (Ke) is



composed of a Beta of 0.95, a risk-free rate of 3%, a market risk premium of 6% and a country risk in Mexico of 150bps. We use cost of debt of 4.2% and terminal growth rate of 3%.

Downside risks: (i) macro scenario in its key markets, (ii) regulation in MX, (iii) stronger-than-expected competition for Telcel.

Upside risks: (i) faster-than-expected growth for Telcel due to low competition, (ii) higher synergies from the acquisition of Oi's assets in Brazil and (iii) higher demand in Brazil for both fixed and mobile due to the ICMS reduction

Televisa (GRPFF / TV)

Our price objective of MXN15/US\$4.4 per share is based on a 10-year DCF-to-Firm, discounted at a WACC of 10.5%, assuming a capital structure of 80% equity / 20% debt in the long term. Our cost of equity (Ke) is composed of a Beta of 1.1, a risk-free rate of 3%, a market risk premium of 6% and a country risk in Mexico of 150bps. We use cost of debt of 4.2% and terminal growth rate of 3%. We also add to our DCF an additional MXN15 regarding Univision deal at a 9.5x EV/EBITDA multiple.

Downside risks: (i) execution risks, (ii) lower-than-expected demand for the streaming service, given strong competition from other international players, (iii) higher competition in broadband segment as MX competitors accelerate on its FTTH strategy.

Upside risks: (i) better performance on streaming, (ii) higher net adds on fiber, (iii) potential M&A activity, (iv) potential spin-off of other businesses.

Analyst Certification

We, Fred Mendes, CFA, Gustavo Tiseo, Lucca R Brendim and Mirela Oliveira, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Latin America - Telecom Services and Information Technology Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	America Movil	AMX	AMX US	Fred Mendes, CFA
	America Movil	AMXVF	AMXB MM	Fred Mendes, CFA
	Desktop S.A	XNUKF	DESK3 BZ	Fred Mendes, CFA
	Eletromidia	XSUHF	ELMD3 BZ	Fred Mendes, CFA
	Locaweb	XZVMF	LWSA3 BZ	Fred Mendes, CFA
	Telefonica Brasil	XCPTF	VVT3 BZ	Fred Mendes, CFA
	Telefonica Brasil	VIV	VIV US	Fred Mendes, CFA
	Televisa	TV	TV US	Fred Mendes, CFA
	Televisa	GRPFF	TLEVICPO MM	Fred Mendes, CFA
	TIM Brasil	TIMB	TIMB US	Fred Mendes, CFA
	TIM Brasil	XZUAF	TIMS3 BZ	Fred Mendes, CFA
	TOTVS	XBEGF	TOTS3 BZ	Fred Mendes, CFA
	VTEX	VTEX	VTEX US	Fred Mendes, CFA
NEUTRAL				
	Intelbras S.A.	XLTXF	INTB3 BZ	Fred Mendes, CFA
UNDERPERFORM				
	Brisanet	XNHKF	BRIT3 BZ	Fred Mendes, CFA
	Megacable Holdings SAB	MHSDF	MEGACPO MM	Fred Mendes, CFA
	Unifque S.A	XYDF	FIQE3 BZ	Fred Mendes, CFA

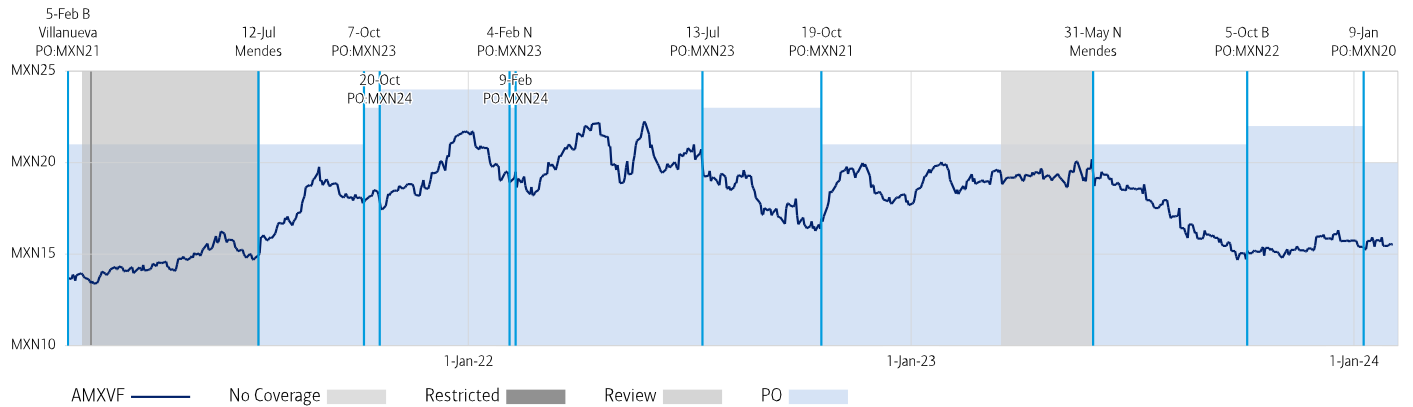
Disclosures

Important Disclosures

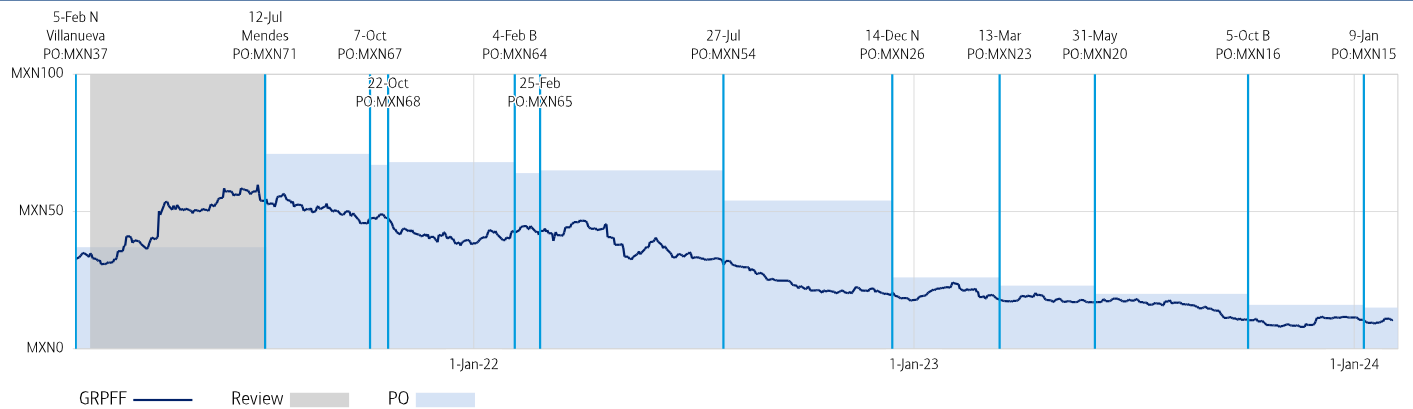
America Movil (AMX) Price Chart



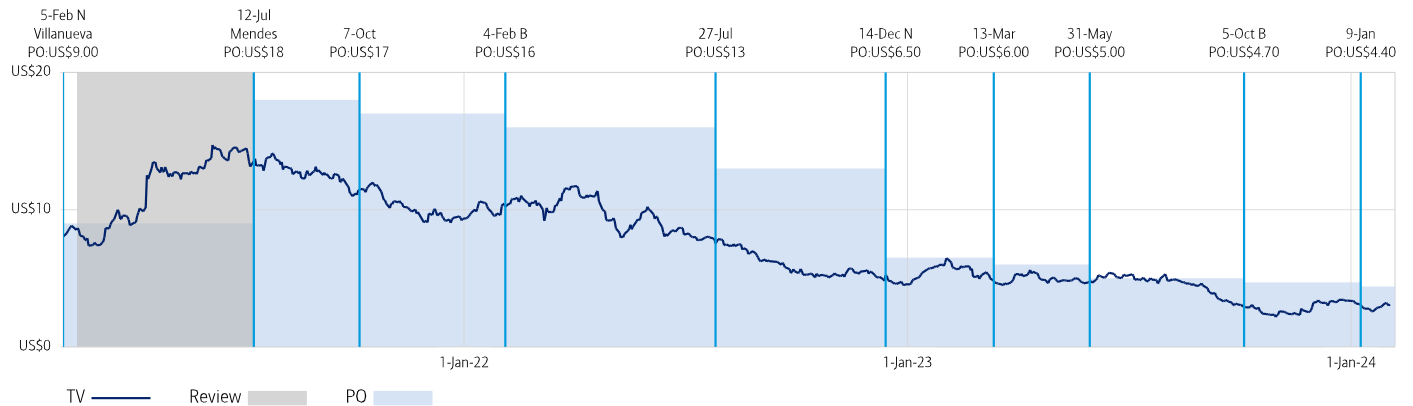
The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

America Movil (AMXVF) Price Chart

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Televisa (GRPFF) Price Chart

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Televisa (TV) Price Chart

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Equity Investment Rating Distribution: Media & Entertainment Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	35	53.85%	Buy	15	42.86%
Hold	15	23.08%	Hold	8	53.33%
Sell	15	23.08%	Sell	7	46.67%

Equity Investment Rating Distribution: Technology Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	215	53.09%	Buy	111	51.63%
Hold	97	23.95%	Hold	45	46.39%
Sell	93	22.96%	Sell	24	25.81%

Equity Investment Rating Distribution: Telecommunications Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	57	51.82%	Buy	43	75.44%
Hold	27	24.55%	Hold	17	62.96%
Sell	26	23.64%	Sell	12	46.15%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. **INVESTMENT RATINGS** reflect the analyst's assessment of both a stock's absolute total return potential as well as its attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). Our investment ratings are: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. An investment rating of 6 (No Rating) indicates that a stock is no longer trading on the basis of fundamentals. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R2} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

INCOME RATINGS, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure), 8 - same/lower (dividend not considered to be secure) and 9 - pays no cash dividend. **Coverage Cluster** is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent BofA Global Research report referencing the stock.

Price Charts for the securities referenced in this research report are available on the [Price Charts website](#), or call 1-800-MERRILL to have them mailed.

BofAS or one of its affiliates acts as a market maker for the equity securities recommended in the report: America Movil, Televisa.

The issuer is or was, within the last 12 months, an investment banking client of BofAS and/or one or more of its affiliates: America Movil.

BofAS or an affiliate has received compensation from the issuer for non-investment banking services or products within the past 12 months: America Movil, Grupo Televisa.

The issuer is or was, within the last 12 months, a non-securities business client of BofAS and/or one or more of its affiliates: America Movil, Grupo Televisa.

BofAS or an affiliate has received compensation for investment banking services from this issuer within the past 12 months: America Movil.

BofAS or an affiliate expects to receive or intends to seek compensation for investment banking services from this issuer or an affiliate of the issuer within the next three months: America Movil.

BofAS or one of its affiliates is willing to sell to, or buy from, clients the common equity of the issuer on a principal basis: America Movil, Televisa.

The issuer is or was, within the last 12 months, a securities business client (non-investment banking) of BofAS and/or one or more of its affiliates: America Movil, Grupo Televisa.

BofA Global Research personnel (including the analyst(s) responsible for this report) receive compensation based upon, among other factors, the overall profitability of Bank of America Corporation, including profits derived from investment banking. The analyst(s) responsible for this report may also receive compensation based upon, among other factors, the overall profitability of the Bank's sales and trading businesses relating to the class of securities or financial instruments for which such analyst is responsible.

Other Important Disclosures

From time to time research analysts conduct site visits of covered issuers. BofA Global Research policies prohibit research analysts from accepting payment or reimbursement for travel expenses from the issuer for such visits.

Prices are indicative and for information purposes only. Except as otherwise stated in the report, for any recommendation in relation to an equity security, the price referenced is the publicly traded price of the security as of close of business on the day prior to the date of the report or, if the report is published during intraday trading, the price referenced is indicative of the traded price as of the date and time of the report and in relation to a debt security (including equity preferred and CDS), prices are indicative as of the date and time of the report and are from various sources including BofA Securities trading desks.

The date and time of completion of the production of any recommendation in this report shall be the date and time of dissemination of this report as recorded in the report timestamp.

Recipients who are not institutional investors or market professionals should seek the advice of their independent financial advisor before considering information in this report in connection with any investment decision, or for a necessary explanation of its contents.

Officers of BofAS or one or more of its affiliates (other than research analysts) may have a financial interest in securities of the issuer(s) or in related investments.

Refer to [BofA Global Research policies relating to conflicts of interest](#).

"BofA Securities" includes BofA Securities, Inc. ("BofAS") and its affiliates. Investors should contact their BofA Securities representative or Merrill Global Wealth Management financial advisor if they have questions concerning this report or concerning the appropriateness of any investment idea described herein for such investor. **"BofA Securities"** is a global brand for BofA Global Research.



Information relating to Non-US affiliates of BofA Securities and Distribution of Affiliate Research Reports:

BofAS and/or Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") may in the future distribute, information of the following non-US affiliates in the US (short name: legal name, regulator): Merrill Lynch (South Africa): Merrill Lynch South Africa (Pty) Ltd., regulated by The Financial Service Board; MLI (UK): Merrill Lynch International, regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA); BofASE (France): BofA Securities Europe SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers (AMF). BofA Securities Europe SA ("BofASE") with registered address at 51, rue La Boétie, 75008 Paris is registered under no 842 602 690 RCS Paris. In accordance with the provisions of French Code Monétaire et Financier (Monetary and Financial Code), BofASE is an établissement de crédit et d'investissement (credit and investment institution) that is authorised and supervised by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers. BofASE's share capital can be found at www.bofam.com/BofASEdisclaimer; BofA Europe (Milan): Bank of America Europe Designated Activity Company, Milan Branch, regulated by the Bank of Italy, the European Central Bank (ECB) and the Central Bank of Ireland (CBI); BofA Europe (Frankfurt): Bank of America Europe Designated Activity Company, Frankfurt Branch regulated by BaFin, the ECB and the CBI; BofA Europe (Madrid): Bank of America Europe Designated Activity Company, Sucursal en España, regulated by the Bank of Spain, the ECB and the CBI; Merrill Lynch (Australia): Merrill Lynch Equities (Australia) Limited, regulated by the Australian Securities and Investments Commission; Merrill Lynch (Hong Kong): Merrill Lynch (Asia Pacific) Limited, regulated by the Hong Kong Securities and Futures Commission (HKSF); Merrill Lynch (Singapore): Merrill Lynch (Singapore) Pte Ltd, regulated by the Monetary Authority of Singapore (MAS); Merrill Lynch (Canada): Merrill Lynch Canada Inc, regulated by the Canadian Investment Regulatory Organization; Merrill Lynch (Mexico): Merrill Lynch Mexico, SA de CV, Casa de Bolsa, regulated by the Comisión Nacional Bancaria y de Valores; Merrill Lynch (Argentina): Merrill Lynch Argentina SA, regulated by Comisión Nacional de Valores; BofAS Japan: BofA Securities Japan Co., Ltd., regulated by the Financial Services Agency; Merrill Lynch (Seoul): Merrill Lynch International, LLC Seoul Branch, regulated by the Financial Supervisory Service; Merrill Lynch (Taiwan): Merrill Lynch Securities (Taiwan) Ltd., regulated by the Securities and Futures Bureau; BofAS India: BofA Securities India Limited, regulated by the Securities and Exchange Board of India (SEBI); Merrill Lynch (Israel): Merrill Lynch Israel Limited, regulated by Israel Securities Authority; Merrill Lynch (DIFC): Merrill Lynch International (DIFC Branch), regulated by the Dubai Financial Services Authority (DFSA); Merrill Lynch (Brazil): Merrill Lynch S.A. Corretora de Títulos e Valores Mobiliários, regulated by Comissão de Valores Mobiliários; Merrill Lynch KSA Company: Merrill Lynch Kingdom of Saudi Arabia Company, regulated by the Capital Market Authority.

This information has been approved for publication and is distributed in the United Kingdom (UK) to professional clients and eligible counterparties (as each is defined in the rules of the FCA and the PRA) by MLI (UK), which is authorized by the PRA and regulated by the FCA and the PRA - details about the extent of our regulation by the FCA and PRA are available from us on request; has been approved for publication and is distributed in the European Economic Area (EEA) by BofASE (France), which is authorized by the ACPR and regulated by the ACPR and the AMF; has been considered and distributed in Japan by BofAS Japan, a registered securities dealer under the Financial Instruments and Exchange Act in Japan, or its permitted affiliates; is issued and distributed in Hong Kong by Merrill Lynch (Hong Kong) which is regulated by HKSF; is issued and distributed in Taiwan by Merrill Lynch (Taiwan); is issued and distributed in India by BofAS India; and is issued and distributed in Singapore to institutional investors and/or accredited investors (each as defined under the Financial Advisers Regulations) by Merrill Lynch (Singapore) (Company Registration No 198602883D). Merrill Lynch (Singapore) is regulated by MAS. Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795), AFS License 235132 (MLEA) distributes this information in Australia only to 'Wholesale' clients as defined by s.761G of the Corporations Act 2001. With the exception of Bank of America N.A., Australia Branch, neither MLEA nor any of its affiliates involved in preparing this information is an Authorised Deposit-Taking Institution under the Banking Act 1959 nor regulated by the Australian Prudential Regulation Authority. No approval is required for publication or distribution of this information in Brazil and its local distribution is by Merrill Lynch (Brazil) in accordance with applicable regulations. Merrill Lynch (DIFC) is authorized and regulated by the DFSA. Information prepared and issued by Merrill Lynch (DIFC) is done so in accordance with the requirements of the DFSA conduct of business rules. BofA Europe (Frankfurt) distributes this information in Germany and is regulated by BaFin, the ECB and the CBI. BofA Securities entities, including BofA Europe and BofASE (France), may outsource/delegate the marketing and/or provision of certain research services or aspects of research services to other branches or members of the BofA Securities group. You may be contacted by a different BofA Securities entity acting for and on behalf of your service provider where permitted by applicable law. This does not change your service provider. Please refer to the [Electronic Communications Disclaimers](#) for further information.

This information has been prepared and issued by BofAS and/or one or more of its non-US affiliates. The author(s) of this information may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so. BofAS and/or MLPF&S is the distributor of this information in the US and accepts full responsibility for information distributed to BofAS and/or MLPF&S clients in the US by its non-US affiliates. Any US person receiving this information and wishing to effect any transaction in any security discussed herein should do so through BofAS and/or MLPF&S and not such foreign affiliates. Hong Kong recipients of this information should contact Merrill Lynch (Asia Pacific) Limited in respect of any matters relating to dealing in securities or provision of specific advice on securities or any other matters arising from, or in connection with, this information. Singapore recipients of this information should contact Merrill Lynch (Singapore) Pte Ltd in respect of any matters arising from, or in connection with, this information. For clients that are not accredited investors, expert investors or institutional investors Merrill Lynch (Singapore) Pte Ltd accepts full responsibility for the contents of this information distributed to such clients in Singapore.

General Investment Related Disclosures:

Taiwan Readers: Neither the information nor any opinion expressed herein constitutes an offer or a solicitation of an offer to transact in any securities or other financial instrument. No part of this report may be used or reproduced or quoted in any manner whatsoever in Taiwan by the press or any other person without the express written consent of BofA Securities.

This document provides general information only, and has been prepared for, and is intended for general distribution to, BofA Securities clients. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other financial instrument or any derivative related to such securities or instruments (e.g., options, futures, warrants, and contracts for differences). This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of, and is not directed to, any specific person(s). This document and its content do not constitute, and should not be considered to constitute, investment advice for purposes of ERISA, the US tax code, the Investment Advisers Act or otherwise. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this document.

Securities and other financial instruments referred to herein, or recommended, offered or sold by BofA Securities, are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of any insured depository institution (including, Bank of America, N.A.). Investments in general and, derivatives, in particular, involve numerous risks, including, among others, market risk, counterparty default risk and liquidity risk. No security, financial instrument or derivative is suitable for all investors. Digital assets are extremely speculative, volatile and are largely unregulated. In some cases, securities and other financial instruments may be difficult to value or sell and reliable information about the value or risks related to the security or financial instrument may be difficult to obtain. Investors should note that income from such securities and other financial instruments, if any, may fluctuate and that price or value of such securities and instruments may rise or fall and, in some cases, investors may lose their entire principal investment. Past performance is not necessarily a guide to future performance. Levels and basis for taxation may change.

This report may contain a short-term trading idea or recommendation, which highlights a specific near-term catalyst or event impacting the issuer or the market that is anticipated to have a short-term price impact on the equity securities of the issuer. Short-term trading ideas and recommendations are different from and do not affect a stock's fundamental equity rating, which reflects both a longer term total return expectation and attractiveness for investment relative to other stocks within its Coverage Cluster. Short-term trading ideas and recommendations may be more or less positive than a stock's fundamental equity rating.

BofA Securities is aware that the implementation of the ideas expressed in this report may depend upon an investor's ability to "short" securities or other financial instruments and that such action may be limited by regulations prohibiting or restricting "shortselling" in many jurisdictions. Investors are urged to seek advice regarding the applicability of such regulations prior to executing any short idea contained in this report.

Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned herein. Investors in such securities and instruments, including ADRs, effectively assume currency risk.

BofAS or one of its affiliates is a regular issuer of traded financial instruments linked to securities that may have been recommended in this report. BofAS or one of its affiliates may, at any time, hold a trading position (long or short) in the securities and financial instruments discussed in this report.

BofA Securities, through business units other than BofA Global Research, may have issued and may in the future issue trading ideas or recommendations that are inconsistent with, and reach different conclusions from, the information presented herein. Such ideas or recommendations may reflect different time frames, assumptions, views and analytical methods of the persons who prepared them, and BofA Securities is under no obligation to ensure that such other trading ideas or recommendations are brought to the attention of any recipient of this information.

In the event that the recipient received this information pursuant to a contract between the recipient and BofAS for the provision of research services for a separate fee, and in connection therewith BofAS may be deemed to be acting as an investment adviser, such status relates, if at all, solely to the person with whom BofAS has contracted directly and does not extend beyond the delivery of this report (unless otherwise agreed specifically in writing by BofAS). If such recipient uses the services of BofAS in connection with the sale or purchase of a security referred to

herein, BofAS may act as principal for its own account or as agent for another person. BofAS is and continues to act solely as a broker-dealer in connection with the execution of any transactions, including transactions in any securities referred to herein.

Copyright and General Information:

Copyright 2024 Bank of America Corporation. All rights reserved. IQdatabase® is a registered service mark of Bank of America Corporation. This information is prepared for the use of BofA Securities clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of BofA Securities. BofA Global Research information is distributed simultaneously to internal and client websites and other portals by BofA Securities and is not publicly-available material. Any unauthorized use or disclosure is prohibited. Receipt and review of this information constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained herein (including any investment recommendations, estimates or price targets) without first obtaining express permission from an authorized officer of BofA Securities.

Materials prepared by BofA Global Research personnel are based on public information. Facts and views presented in this material have not been reviewed by, and may not reflect information known to, professionals in other business areas of BofA Securities, including investment banking personnel. BofA Securities has established information barriers between BofA Global Research and certain business groups. As a result, BofA Securities does not disclose certain client relationships with, or compensation received from, such issuers. To the extent this material discusses any legal proceeding or issues, it has not been prepared as nor is it intended to express any legal conclusion, opinion or advice. Investors should consult their own legal advisers as to issues of law relating to the subject matter of this material. BofA Global Research personnel's knowledge of legal proceedings in which any BofA Securities entity and/or its directors, officers and employees may be plaintiffs, defendants, co-defendants or co-plaintiffs with or involving issuers mentioned in this material is based on public information. Facts and views presented in this material that relate to any such proceedings have not been reviewed by, discussed with, and may not reflect information known to, professionals in other business areas of BofA Securities in connection with the legal proceedings or matters relevant to such proceedings.

This information has been prepared independently of any issuer of securities mentioned herein and not in connection with any proposed offering of securities or as agent of any issuer of any securities. None of BofAS any of its affiliates or their research analysts has any authority whatsoever to make any representation or warranty on behalf of the issuer(s). BofA Global Research policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer prior to the publication of a research report containing such rating, recommendation or investment thesis.

Any information relating to the tax status of financial instruments discussed herein is not intended to provide tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.

The information herein (other than disclosure information relating to BofA Securities and its affiliates) was obtained from various sources and we do not guarantee its accuracy. This information may contain links to third-party websites. BofA Securities is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this information and is not incorporated by reference. The inclusion of a link does not imply any endorsement by or any affiliation with BofA Securities. Access to any third-party website is at your own risk, and you should always review the terms and privacy policies at third-party websites before submitting any personal information to them. BofA Securities is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

All opinions, projections and estimates constitute the judgment of the author as of the date of publication and are subject to change without notice. Prices also are subject to change without notice. BofA Securities is under no obligation to update this information and BofA Securities ability to publish information on the subject issuer(s) in the future is subject to applicable quiet periods. You should therefore assume that BofA Securities will not update any fact, circumstance or opinion contained herein.

Subject to the quiet period applicable under laws of the various jurisdictions in which we distribute research reports and other legal and BofA Securities policy-related restrictions on the publication of research reports, fundamental equity reports are produced on a regular basis as necessary to keep the investment recommendation current.

Certain outstanding reports or investment opinions relating to securities, financial instruments and/or issuers may no longer be current. Always refer to the most recent research report relating to an issuer prior to making an investment decision.

In some cases, an issuer may be classified as Restricted or may be Under Review or Extended Review. In each case, investors should consider any investment opinion relating to such issuer (or its security and/or financial instruments) to be suspended or withdrawn and should not rely on the analyses and investment opinion(s) pertaining to such issuer (or its securities and/or financial instruments) nor should the analyses or opinion(s) be considered a solicitation of any kind. Sales persons and financial advisors affiliated with BofAS or any of its affiliates may not solicit purchases of securities or financial instruments that are Restricted or Under Review and may only solicit securities under Extended Review in accordance with firm policies.

Neither BofA Securities nor any officer or employee of BofA Securities accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this information.