

## America Movil

## 4Q23 Review: Trends shifting in Brazil and MX

Maintain Rating: BUY | PO: 21.00 MXN | Price: 14.58 MXN

## Mobile stabilizing/decelerating; Solid on MX fixed

America Movil (AMX) reported soft 4Q results. For BZ, MSR sustained a solid growth rate, up 7.1% YoY (vs ~4% inflation) but decelerated from +10% in 3Q. In MX, MSR maintained a similar pace up 4.5% YoY, while FSR accelerated to 5.7% from 3.5% in 3Q, with broadband net adds reaching +165k. Austria was soft, as despite top line 2% above BofAe, EBITDA was 6% below, hampering consolidated numbers. We maintain our Buy rating and PO of MXN21, as we expect a solid cash generation with 10% FCFE yield FY24, at an appealing valuation of 4.4x EV/EBITDA 24YE a 15% discount to its L5Y avg.

## Top line down 5% YoY, 2.6% below BofAe

Top line was down 5% YoY, 2.6% below BofAe, mainly due to FX impacts. EBITDA margin was soft, down 100bps YoY and 120 bps below BofAe mainly due to a soft performance in Austria (~10% of the consolidated EBITDA) and FX changes. EBITDA amounted to MXN78bn, 8% down YoY and 5.5% below BofAe. Net income came in at MXN26bn, vs BofAe at MXN22bn, positively impacted by FX gains.

## BZ: Mobile remains solid, but is decelerating

Despite a still solid performance, results in Brazil started to decelerate. On mobile, MSR decelerated to 7.1% YoY (vs ~4% inflation), vs +10% in 3Q, and below TIM's reported numbers at +7.6% YoY (Vivo will report next week). We highlight that AMX had the strongest MSR expansion in Brazil in 3Q. On fixed, AMX maintained a similar growth pace, with its FSR flattish YoY. For net adds on broadband, it remained at a solid pace, with +64k from +65k in 3Q.

## MX: Fixed picking up, mobile maintain similar pace

MX numbers were mostly in line with BofAe. The positive highlight came on fixed, that accelerated after a soft 3Q, with net adds reaching to +165k from +20k in 3Q and +140k in 2Q. This led to an FSR acceleration to +5.7% from 3.5% in 3Q, but in line with 2Q. On mobile, MSR maintained a similar pace up 4.5% YoY from +4.6% in 3Q but still a significant deceleration from 6.4% YoY in 2Q.

Estimates(Dec) (MXN)	2021A	2022A	2023E	2024E	2025E
EPS	1.26	1.29	1.27	1.45	1.67
EPS Change (YoY)	100.0%	2.4%	-1.6%	14.2%	15.2%
Consensus EPS (Bloomberg)			1.23	1.43	1.68
DPS	0.94	0.79	0.50	1.08	1.32
ADR EPS (US\$)	1.24	1.28	1.48	1.69	1.94
ADR DPS (US\$)	0.93	0.78	0.58	1.26	1.53
<b>Valuation (Dec)</b>					
P/E	11.6x	11.3x	11.5x	10.1x	8.7x
Dividend Yield	6.4%	5.4%	3.4%	7.4%	9.0%
EV / EBITDA*	4.6x	4.8x	4.9x	4.7x	4.4x
Free Cash Flow Yield*	18.3%	13.3%	13.9%	15.8%	16.3%

\* For full definitions of *IQmethod*<sup>SM</sup> measures, see page 8.

14 February 2024

## Equity

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## Stock Data

Price (Common / ADR)	14.58 MXN / 16.86 USD
Price Objective	21.00 MXN / 24.00 USD
Date Established	5-Feb-2024 / 5-Feb-2024
Investment Opinion	A-1-7 / B-1-7
52-Week Range	14.50 MXN - 20.55 MXN
Market Value (mn)	909 MXN
Free Float	46.5%
Average Daily Value	60.98 USD
Shares Outstanding (mn)	62.3 / 3.1
BofA Ticker / Exchange	AMXVF / MEX
BofA Ticker / Exchange	AMX / NYS
Bloomberg / Reuters	AMXB MM / AMXB.MX
ROE (2023E)	18.4%
Net Dbt to Eqty (Dec-2022A)	119.4%

MSR = Mobile service revenue

FSR = Fixed service revenue

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Timestamp: 14 February 2024 12:41AM EST

# iQprofile<sup>SM</sup> America Movil

## iQmethod<sup>SM</sup> – Bus Performance\*

(MXN Millions)	2021A	2022A	2023E	2024E	2025E
Return on Capital Employed	10.7%	8.7%	9.1%	9.2%	9.7%
Return on Equity	24.0%	18.3%	18.4%	20.3%	22.1%
Operating Margin	18.4%	19.7%	20.6%	20.6%	21.3%
Free Cash Flow	166	121	127	144	149

## iQmethod<sup>SM</sup> – Quality of Earnings\*

(MXN Millions)	2021A	2022A	2023E	2024E	2025E
Cash Realization Ratio	4.0x	3.4x	3.5x	3.0x	2.8x
Asset Replacement Ratio	1.0x	1.0x	1.0x	0.8x	0.8x
Tax Rate	25.8%	33.6%	32.6%	33.0%	33.0%
Net Debt-to-Equity Ratio	110.6%	119.4%	114.7%	103.8%	95.8%
Interest Cover	5.6x	4.6x	4.9x	5.3x	6.4x

## Income Statement Data (Dec)

(MXN Millions)	2021A	2022A	2023E	2024E	2025E
Sales	981	859	825	845	901
% Change	-3.1%	-12.5%	-3.9%	2.5%	6.6%
Gross Profit	382	358	353	360	390
% Change	1.1%	-6.2%	-1.5%	2.1%	8.3%
EBITDA	344	332	324	334	359
% Change	5.8%	-3.6%	-2.4%	3.1%	7.3%
Net Interest & Other Income	(63)	(37)	(44)	(33)	(30)
<b>Net Income (Adjusted)</b>	<b>83</b>	<b>82</b>	<b>80</b>	<b>91</b>	<b>105</b>
<b>% Change</b>	<b>98.5%</b>	<b>-1.4%</b>	<b>-2.3%</b>	<b>13.7%</b>	<b>15.3%</b>

## Free Cash Flow Data (Dec)

(MXN Millions)	2021A	2022A	2023E	2024E	2025E
Net Income from Cont Operations (GAAP)	83	82	80	91	105
Depreciation & Amortization	163	163	154	160	166
Change in Working Capital	44	7	21	(2)	(5)
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	46	29	24	25	24
Capital Expenditure	(170)	(160)	(153)	(131)	(141)
<b>Free Cash Flow</b>	<b>166</b>	<b>121</b>	<b>127</b>	<b>144</b>	<b>149</b>
<b>% Change</b>	<b>NM</b>	<b>-27.1%</b>	<b>4.5%</b>	<b>13.5%</b>	<b>3.3%</b>
Share / Issue Repurchase	NA	NA	NA	NA	NA
Cost of Dividends Paid	(62)	(50)	(31)	(68)	(83)
Change in Debt	(75)	20	(59)	34	21

## Balance Sheet Data (Dec)

(MXN Millions)	2021A	2022A	2023E	2024E	2025E
Cash & Equivalents	156	122	129	185	220
Trade Receivables	212	202	205	208	222
Other Current Assets	35	37	32	32	34
Property, Plant & Equipment	1,011	927	921	923	930
Other Non-Current Assets	273	330	327	328	330
<b>Total Assets</b>	<b>1,687</b>	<b>1,618</b>	<b>1,615</b>	<b>1,677</b>	<b>1,735</b>
Short-Term Debt	173	135	177	187	194
Other Current Liabilities	355	354	374	374	385
Long-Term Debt	490	510	453	478	493
Other Non-Current Liabilities	212	182	175	175	175
<b>Total Liabilities</b>	<b>1,230</b>	<b>1,180</b>	<b>1,179</b>	<b>1,214</b>	<b>1,247</b>
<b>Total Equity</b>	<b>458</b>	<b>438</b>	<b>437</b>	<b>463</b>	<b>488</b>
<b>Total Equity &amp; Liabilities</b>	<b>1,687</b>	<b>1,618</b>	<b>1,615</b>	<b>1,677</b>	<b>1,735</b>

\* For full definitions of iQmethod<sup>SM</sup> measures, see page 8.

## Company Sector

Telecom Services-Wireless/Cellular

## Company Description

America Movil (AMX) is the largest full service telecom operator in Latin America, offering mobile and fixed line services, wireless and fixed data transmission, as well as Pay-TV. The company is based in Mexico with operations across 25 countries being Mexico and Brazil the main operating market. The company provides wireless services to 294mn subscribers, while its fixed services customer base adds up to 80.7mn.

## Investment Rationale

We believe the solid trends in the mobile segment in its key markets, Mexico and Brazil should boost consolidated growth leading to a margin expansion. On the fixed front, we have seen improving trends in Brazil and Mexico (despite the highly competitive market), boosted by its FTTH expansion strategy. We also see a solid outlook for dividend payout and FCF generation.

## Stock Data

Average Daily Volume	73,927,150
Shares / ADR	20.00

## Quarterly Earnings Estimates

	2022	2023
Q1	0.35A	NA
Q2	0.35A	NA
Q3	0.35A	NA
Q4	0.35A	NA

## Austria (Europe): Limited growth and pressured margins

Austria and Other European countries had a soft performance in 4Q. After several quarters of +7% YoY top line growth, the segment decelerated to +2.6% in 3Q and maintained a similar pace in 4Q. In addition, margin dropped 450bps QoQ, 290bps below BofA, impacted by seasonality and a soft performance in other European countries.

## Conference Call to be hosted Today at 10am EST

The Company will host its 4Q23 conference call on Wednesday October 14<sup>th</sup> at 10am EST. To access it you can dial-in using the numbers below or sign in in the link available in its website.

USA: +1 (833) 470 1428

Other: +1 (929) 526 1599

Conference ID: 277687

### Exhibit 1: AMX reported soft results, with some regions underperforming and negatively impacted by FX on top line and EBITDA

AMX's 4Q23 Review

In MXNm, except stated otherwise	4Q23a	4Q23e	Consensus	A/E	A/C	4Q22	YoY	3Q23	QoQ
Revenue	204,416	209,865	209,559	-2.6%	-2.5%	215,962	(5.3%)	203,842	0.3%
Cash opex	(126,347)	(127,229)		-0.7%		(131,207)	(3.7%)	(123,946)	1.9%
EBITDA	78,069	82,636	80,875	-5.5%	-3.5%	84,755	(7.9%)	79,896	(2.3%)
EBITDA margin	38.2%	39.4%	38.6%	-118bps	-40bps	39.2%	-105bps	39.2%	-100bps
Depreciation and amortization	(35,766)	(38,640)	(43,840)	-7.4%		(40,069)	(10.7%)	(38,353)	(6.7%)
EBIT	42,303	43,995	37,035	-3.8%		44,686	(5.3%)	41,543	1.8%
EBIT margin	20.7%	21.0%	17.7%	-27bps		20.7%	0bps	20.4%	31bps
Net interest	(9,360)	(8,752)		7.0%		(8,607)	8.7%	(8,811)	6.2%
Other pre-tax non-op. expenses	(3,221)	-		NA		4,585	NM	(8,674)	(62.9%)
FX gain/loss	7,270	-		NA		(4,279)	NM	(12,255)	NM
Pre-tax profit	36,992	35,244	25,573	5.0%		34,526	7.1%	9,684	282.0%
Taxes	(7,868)	(11,983)		-34.3%		(10,387)	(24.3%)	(6,350)	23.9%
Minority interest	(2,702)	(1,031)		162.0%		(1,038)	160.3%	(1,306)	106.9%
Net profit	26,422	22,229	13,468	18.9%	96.2%	23,101	14.4%	2,028	NM
EPS	0.42	0.35	0.21	18.9%	96.2%	0.36	15.1%	0.03	NM

#### Segment results

	4Q23a	4Q23e	Consensus	A/E	A/C	4Q22	YoY	3Q23	QoQ
<b>Mexico (MXNm)</b>									
Mexico mobile service revenue	44,039	44,049		(0.0%)		42,142	4.5%	42,931	2.6%
Mexico fixed/other service revenue	21,774	21,769		0.0%		23,444	(7.1%)	22,278	(2.3%)
Mexico handset revenue	18,634	18,200		2.4%		18,200	2.4%	16,695	11.6%
Mexico revenue	84,447	84,018		0.5%		83,786	0.8%	81,904	3.1%
Mexico cash opex	(50,187)	(50,244)		(0.1%)		(51,139)	(1.9%)	(48,577)	3.3%
Mexico EBITDA	34,260	33,774		1.4%		32,647	4.9%	33,327	2.8%
Mexico EBITDA margin	40.6%	40.2%		37bps		39.0%	161bps	40.7%	-12bps
Mexico mobile subs, EOP (# k)	83,834	83,680		0.2%		82,851	1.2%	83,417	0.5%
MX mobile net adds	417	263		58.9%		1,043	(60.0%)	174	139.7%
Mexico fixed RGUs, EOP (# k)	21,171	21,040		0.6%		20,824	1.7%	20,999	0.8%
MX fixed net adds	172	41		320.7%		(297)	NM	(75)	NM
<b>Brazil (BRLm)</b>									
Brazil mobile service revenue	6,105	6,201		(1.5%)		5,699	7.1%	6,030	1.2%
Brazil fixed/other service revenue	4,931	4,949		(0.4%)		4,947	(0.3%)	4,963	(0.6%)
Brazil handset revenue	682	636		7.2%		509	34.0%	496	37.5%
Brazil revenue	11,718	11,786		(0.6%)		11,155	5.0%	11,489	2.0%
Brazil cash opex	6,805	(6,839)		NM		(6,576)	NM	(6,705)	NM
Brazil EBITDA	4,913	4,947		(0.7%)		4,579	7.3%	4,784	2.7%
Brazil EBITDA margin	41.9%	42.0%		-5bps		41.0%	88bps	41.6%	29bps
Brazil mobile subs, EOP (# k)	86,951	85,342		1.9%		83,260	4.4%	85,032	2.3%
BR mobile net adds	1,919	309		520.0%		(3,369)	NM	1,361	41.0%



**Exhibit 1: AMX reported soft results, with some regions underperforming and negatively impacted by FX on top line and EBITDA**

AMX's 4Q23 Review

In MXNm, except stated otherwise	4Q23a	4Q23e	Consensus	A/E	A/C	4Q22	YoY	3Q23	QoQ
<b>Brazil fixed RGUs, EOP (# k)</b>	<b>23,089</b>	<b>23,167</b>		<b>(0.3%)</b>		<b>24,136</b>	<b>(4.3%)</b>	<b>23,262</b>	<b>(0.7%)</b>
BR fixed net adds	(173)	(95)		82.0%		(166)	4.2%	(190)	(8.9%)
<b>Colombia (COPbn)</b>									
Colombia mobile service revenue	1,740	1,768		(1.6%)		1,781	(2.3%)	1,719	1.2%
Colombia fixed service revenue	1,270	1,211		4.8%		1,168	8.7%	1,248	1.8%
Colombia handset revenue	875	793		10.3%		793	10.3%	772	13.3%
<b>Colombia revenue</b>	<b>3,885</b>	<b>3,773</b>		<b>3.0%</b>		<b>3,742</b>	<b>3.8%</b>	<b>3,739</b>	<b>3.9%</b>
Colombia cash opex	(2,260)	(2,214)		2.1%		(2,119)	6.7%	(2,158)	4.7%
<b>Colombia EBITDA</b>	<b>1,625</b>	<b>1,558</b>		<b>4.3%</b>		<b>1,623</b>	<b>0.1%</b>	<b>1,581</b>	<b>2.8%</b>
<b>Colombia EBITDA margin</b>	<b>41.8%</b>	<b>41.3%</b>		<b>52bps</b>		<b>43.4%</b>	<b>-154bps</b>	<b>42.3%</b>	<b>-46bps</b>
<b>Colombia mobile subs, EOP (# k)</b>	<b>39,240</b>	<b>39,052</b>		<b>0.5%</b>		<b>37,550</b>	<b>4.5%</b>	<b>38,701</b>	<b>1.4%</b>
CO mobile net adds	539	351		53.6%		706	(23.7%)	277	94.6%
<b>Colombia fixed RGUs, EOP (# k)</b>	<b>9,440</b>	<b>9,502</b>		<b>(0.7%)</b>		<b>9,248</b>	<b>2.1%</b>	<b>9,413</b>	<b>0.3%</b>
CO fixed net adds	27	89		(69.8%)		64	(57.8%)	79	(65.8%)

Source: Company data; Bloomberg; BofA Global Research estimates

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**Exhibit 2: In local currency, for top line most regions had a performance in line or slightly better than BofAe. For margin some regions came in below BofAe**

Revenue and EBITDA per region

	Actual	Estimates	Actual VS Estimates
<b>Revenue</b>			
Mexico (MXNmn)	84,447	84,018	1%
Brasil (R\$mn)	11,718	11,786	-1%
APU (ARSmn)	210,592	240,183	-12%
Ecuador (USDmn)	266	267	-1%
Colombia (COPmn)	3,885	3,773	3%
America Central (USDmn)	635	635	0%
Peru (PENmn)	1,604	1,616	-1%
Caribbean (USDmn)	503	489	3%
Europe (EURmn)	1,375	1,349	2%
<b>EBITDA</b>			
Mexico	34,260	33,774	1%
Brasil	4,913	4,947	-1%
APU	81,085	93,599	-13%
Ecuador	129	129	0%
Colombia	1,625	1,558	4%
Central America	271	266	2%
Peru	599	581	3%
Caribbean	176	180	-2%
Europe	487	517	-6%
<b>EBITDA Mg</b>			
Mexico	40.6%	40.2%	0.4%
Brasil	41.9%	42.0%	0.0%
APU	38.5%	39.0%	-0.5%
Ecuador	48.5%	48.2%	0.3%
Colombia	41.8%	41.3%	0.5%
America Central	42.7%	42.0%	0.7%
Peru	37.3%	35.9%	1.4%
Caribbean	35.0%	36.9%	-1.9%
Europe	35.4%	38.3%	-2.9%

Source: Company data; BofA Global research estimates

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**Exhibit 3: In December Claro reported 352k net adds, Vivo 214k and TIM 123k**

Mobile postpaid net adds per month ('000's subs)

Post-paid Net Adds (MoM)	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Vivo	119	97	10	(272)	137	134	194	150	274	133	672	213	214

**Exhibit 3: In December Claro reported 352k net adds, Vivo 214k and TIM 123k**

Mobile postpaid net adds per month (000's subs)

Post-paid Net Adds (MoM)	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Claro	(1,970)	216	216	214	168	212	94	232	200	495	293	436	352
Tim	(437)	(117)	(185)	(1,056)	87	119	73	121	134	102	81	178	123
Oi	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	4	6	7	(2)	6	2	8	8	5	5	5	1	0

Source: Anatel; BofA Global Research

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**Exhibit 4: In December Claro reported 175k net adds, Vivo 85k and TIM -38k**

Mobile prepaid net adds per month (000's subs)

Pre-paid Net Adds (MoM)	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Vivo	(143)	118	(193)	64	(386)	(367)	(472)	(305)	(451)	(151)	39	(20)	85
Claro	(134)	(469)	(869)	(23)	53	54	88	85	92	17	49	(96)	175
Tim	187	(367)	(233)	833	(539)	(212)	(264)	(106)	(224)	(232)	(174)	(232)	(38)
Oi	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	(222)	181	(3)	9	(4)	10	5	2	3	(1)	14	15	(22)

Source: Anatel; BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 5: Slight net adds deceleration in December**

Broadband net adds per month (000's subs)

Broadband Net Adds (MoM)	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Vivo	11	9	16	9	13	26	28	25	20	40	30	29
Claro	25	1	23	10	16	17	19	24	22	16	27	21
Tim	6	6	4	7	12	9	12	10	7	10	3	(1)
Desktop	9	7	129	7	7	8	9	9	6	7	7	5
Unifiquie	38	2	8	8	1	28	22	3	1	1	1	2
Brisanet	20	16	23	19	13	18	16	17	14	10	12	13
Oi	(1)	(44)	(2)	2	0	(36)	(53)	(25)	(23)	(52)	8	(37)

Source: Anatel; BofA Global Research

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**Exhibit 6: Fiber net adds decelerated in December, negatively impacted by seasonality**

Fiber net adds per month (000's subs)

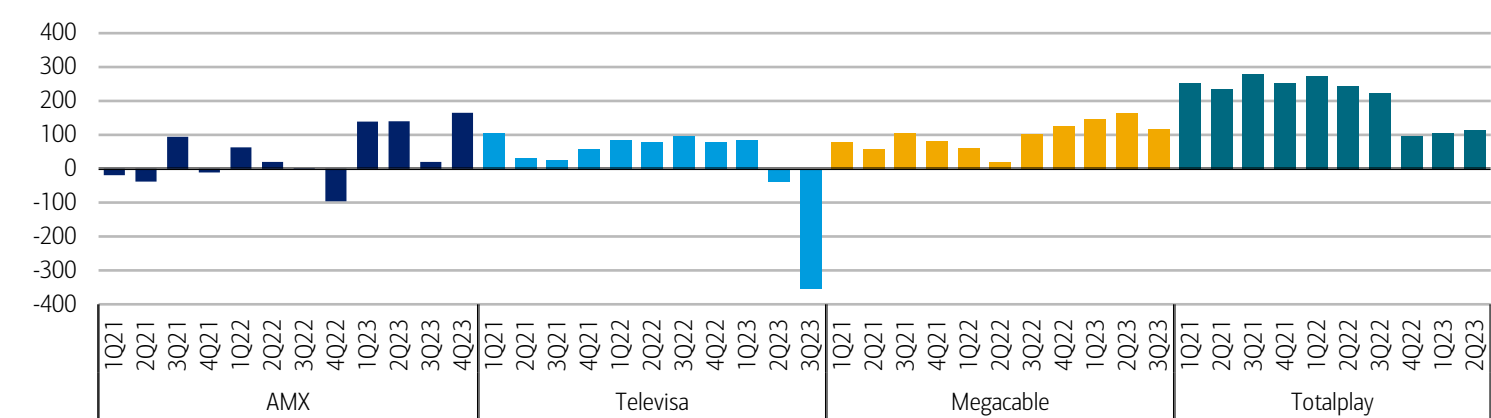
Fiber Net Adds (MoM)	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Vivo	63	62	48	60	46	52	59	63	63	57	69	59	55
Claro	36	34	22	27	25	32	33	35	39	39	42	44	42
Tim	12	15	14	15	14	20	16	19	17	13	16	8	3
Desktop	43	9	7	129	7	7	8	9	9	6	7	7	5
Unifiquie	2	38	2	8	8	1	28	22	3	1	1	1	2
Brisanet	21	20	16	23	19	13	18	16	17	14	10	12	13
Oi	19	45	(4)	39	34	32	(7)	(28)	0	0	2	(1)	(9)

Source: Anatel; BofA Global Research

BofA GLOBAL RESEARCH

**Exhibit 7: AMX had a solid performance with +160k broadband net adds in 4Q23, picking up the pace of the 1Q and 2Q**

MX broadband net adds evolution per company (000's users)



Source: Company data; BofA Global Research

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

## 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
<b>BUY</b>				
	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	VIVT3 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
<b>NEUTRAL</b>				
	Intelbras S.A.	XLTXF	INTB3 BZ	Fred Mendes, CFA
<b>UNDERPERFORM</b>				
	Brisanet	XNHKF	BRIT3 BZ	Fred Mendes, CFA
	Megacable Holdings SAB	MHSDF	MEGACPO MM	Fred Mendes, CFA
	Unifine S.A	XFYDF	FIQE3 BZ	Fred Mendes, CFA

## iQmethod<sup>SM</sup> Measures Definitions

### Business Performance

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

### Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

### Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

EV / EBITDA

### Numerator

$\text{NOPAT} = (\text{EBIT} + \text{Interest Income}) \times (1 - \text{Tax Rate}) + \text{Goodwill Amortization}$

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

### Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash & Equivalents

EBIT

### Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

$\text{EV} = \text{Current Share Price} \times \text{Current Shares} + \text{Minority Equity} + \text{Net Debt} +$

Other LT Liabilities

Enterprise Value

### Denominator

$\text{Total Assets} - \text{Current Liabilities} + \text{ST Debt} + \text{Accumulated Goodwill}$

Amortization

Shareholders' Equity

Sales

N/A

N/A

### Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

### Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

$\text{Market Cap} = \text{Current Share Price} \times \text{Current Basic Shares}$

Sales

Basic EBIT + Depreciation + Amortization

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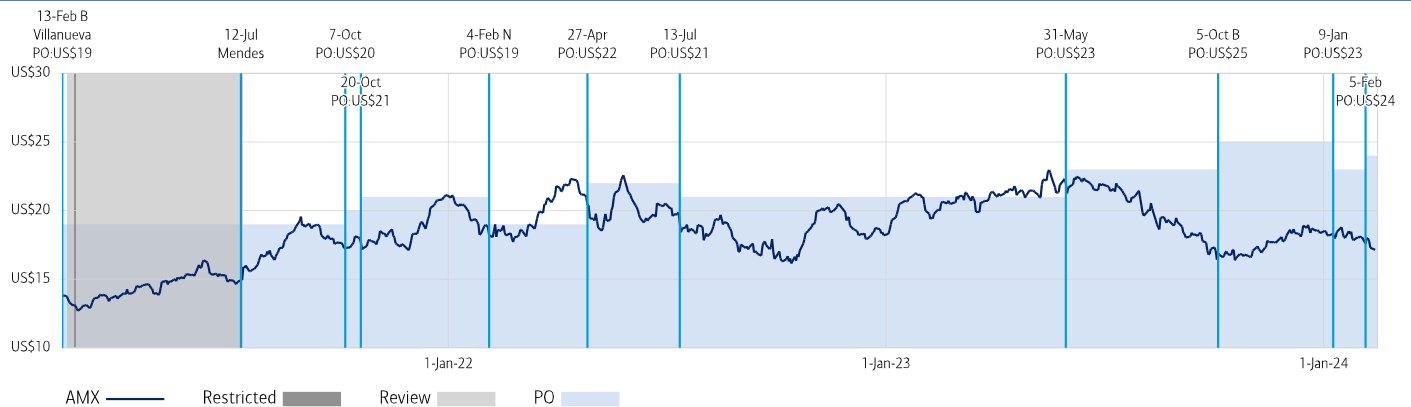
### America Movil (AMXVF) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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 (AMX) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	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 <sup>R1</sup>	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%

<sup>R1</sup> 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.

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

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