Grupo México

MX$217.70
As of Sun 8 Nov 2026, 12:00 UTC

BMV:GMEXICO-B	Materials	Country	Mexico	PE (Fwd)	12.41	TSR 10Y CAGR	22.42%	Div yield	2.68%	ROE	29.34%
Other Industrial Metals & Mining		Beta (5Y)	1.02	PE TTM	12.47	TSR TTM	40.90%	Mkt cap	MX$1.704T	ROIC	25.91%

SE Grade™	★☆☆
Value	★★☆
Quality	★★★
Moat	★★☆

Consensus	Reference
$247	$231
13.53%	5.95%

Buy 4|1|9|0|0



4Q25	1Q26	2Q26	3Q26
Earnings per share			$
0.16	0.22	0.28	**0.26**
69.49%	57.14%	75.00%	53.76%
Revenue			$B
5.153	5.565	5.718	**6.333**
33.94%	32.65%	34.96%	37.91%

Next earnings 5 Feb

TTM	FYE 31 Dec	USD	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026E	Trend	5Y	10Y	Peers
22.77	Revenue	$B	8.173	9.786	10.49	10.68	10.91	14.78	13.87	14.37	16.17	18.18	**23.11**		10.75%	9.29%	80
34.96	*Revenue growth*	*%*	–	*19.73*	*7.24*	*1.77*	*2.14*	*35.45*	*(6.13)*	*3.58*	*12.55*	*12.41*	***27.14***		*12.41*	*7.24*	57
61.16	*Gross margin*	*%*	*45.09*	*49.80*	*48.92*	*49.42*	*51.61*	*62.37*	*53.18*	*52.40*	*54.04*	*57.37*	***61.90***		*54.04*	*52.01*	83
53.44	*Operating margin*	*%*	*29.22*	*36.48*	*36.24*	*36.70*	*39.42*	*53.00*	*42.98*	*40.90*	*42.61*	*47.62*	***53.08***		*42.98*	*40.16*	97
31.78	*Net margin*	*%*	*12.91*	*16.02*	*12.39*	*20.73*	*20.90*	*26.76*	*22.69*	*23.49*	*22.36*	*27.08*	***31.47***		*23.49*	*21.63*	93
12.47	P/E ratio (avg)	x	17.85	15.07	16.95	8.947	8.935	9.094	10.90	11.00	11.56	10.36	***13.09***		10.90	10.95	54
8.129	EV/EBIT	x	10.49	8.595	7.870	7.127	6.238	5.218	6.629	7.215	6.593	6.253	***7.671***		6.593	6.878	76
7.67	*FCF yield (avg)*	*%*	*3.86*	*8.29*	*8.31*	*10.90*	*15.95*	*13.94*	*9.20*	*11.19*	*10.14*	*7.48*	***6.68***		*10.14*	*9.67*	80
30.40	*FCF margin*	*%*	*8.89*	*20.00*	*17.45*	*20.23*	*29.80*	*33.92*	*22.75*	*28.92*	*26.20*	*20.99*	***27.26***		*26.20*	*21.87*	93
0.957	FCF / Net income	x	0.688	1.249	1.408	0.975	1.425	1.268	1.003	1.231	1.172	0.775	***0.866***		1.172	1.201	75
25.91	*ROIC*	*%*	*8.18*	*10.66*	*12.41*	*13.28*	*13.18*	*24.37*	*18.49*	*17.74*	*18.17*	*23.10*	***26.55***		*18.49*	*15.51*	80
29.34	*Return on equity*	*%*	*10.09*	*14.06*	*10.86*	*17.64*	*16.76*	*26.21*	*18.95*	*18.67*	*18.34*	*22.53*	***26.87***		*18.95*	*17.99*	77
14.28	*Return on assets*	*%*	*4.66*	*5.86*	*4.84*	*7.62*	*7.49*	*12.19*	*9.63*	*9.58*	*9.78*	*11.69*	***14.09***		*9.78*	*8.60*	93
0.94	EPS	$	0.13	0.20	0.17	0.28	0.29	0.51	0.40	0.43	0.46	0.63	***0.89***		16.64%	18.67%	–
63.93	*EPS growth*	*%*	–	*48.59*	*(17.04)*	*70.28*	*2.97*	*73.37*	*(20.40)*	*7.23*	*7.13*	*36.16*	***38.25***		*7.23*	*7.23*	36
3.45	Bookvalue per sh	$	1.34	1.51	1.55	1.66	1.81	2.04	2.20	2.42	2.62	2.96	***3.41***		10.29%	9.24%	–
0.90	FCF per share	$	0.09	0.25	0.23	0.28	0.42	0.64	0.40	0.53	0.54	0.49	***0.78***		3.26%	20.24%	–
0.31	Dividend per sh	$	0.03	0.08	0.15	0.17	0.17	0.33	0.22	0.21	0.22	0.30	***0.45***		11.99%	27.43%	–
2.68	*Div yield (avg)*	*%*	*1.43*	*2.52*	*5.39*	*6.67*	*6.63*	*7.13*	*4.95*	*4.47*	*4.11*	*4.66*	***3.81***		*4.66*	*4.80*	69
34.03	*Payout ratio*	*%*	*25.44*	*37.93*	*91.40*	*59.64*	*59.19*	*64.84*	*53.91*	*49.14*	*47.53*	*48.31*	***49.41***		*49.14*	*51.52*	68
7.825	Shares (diluted)	B	7.825	7.825	7.825	7.825	7.825	7.825	7.825	7.825	7.825	7.825	***8.061***		–	–	97
(1.39)	*Buyback yield*	*%*	–	–	–	–	–	–	–	–	–	–	***(3.01)***		–	–	97
0.459	D/E ratio	x	0.609	0.618	0.588	0.639	0.563	0.494	0.440	0.428	0.393	0.397	***0.445***		0.428	0.528	43
98.91	Enterprise value	$B	25.06	30.68	29.93	27.93	26.83	40.87	39.52	42.40	45.42	54.13	***94.08***		15.07%	8.93%	90
13.39	LT debt	$B	7.203	7.852	8.276	9.072	8.855	8.471	8.470	8.850	8.217	10.12	***13.39***		2.71%	3.85%	83

Peers (US$91.60B)	Cap (US$)	PE
Industrias Peñoles…	17.36B	8.179x
Rio Tinto Group	144.6B	11.29x
Glencore plc	78.20B	14.59x
Saudi Arabian Mining…	63.03B	29.82x

Capital	TTM	5Y	10Y
Leverage x	0.355	0.286	0.592
EBIT/Int x	17.53	11.97	9.174
Own earn %	–	–	–
Sh yield %	1.29	4.66	4.95

Owners		
Insiders/Inst %	19.37	33.90
Short interest %		–
SBC / revenue %		–

Record	10Y
Profitable years	10/10
Revenue growth years	8/9
EPS growth years	7/9
Dividend streak yrs	2
Op margin range %	29–53
$1 test x	2.7
Incr. ROIC %	46

Grupo México's third quarter was a price story. Higher copper, molybdenum, zinc and silver prices drove record mining sales and EBITDA, more than offsetting lower ore grades in Peru that cut copper output against 2025. Revenue rose 37.9% from a year earlier and diluted EPS rose 53.8%, both far ahead of five-year compounding, while consolidating Saavi from 8 September lifted the Energy division. The stock looks fairly priced: SE fair value of MXN 231 is 5.9% above the price.

Management's 2027 guidance centred on the non-mining divisions. Transportation is guided to 5%-8% volume growth, led by intermodal and agricultural traffic, and 8%-10% revenue growth in dollars, backed by a $619 million capital budget. Saavi should bring roughly $640 million of EBITDA with a full year consolidated, and the infrastructure chief called the group "the largest privately owned power generation company in the country". Analysts asked about the stock dividend and Rumo. Management said the focus was growth and flexibility, and it declined to comment on Rumo. Tía María is due to start operating in the first half of 2028.

Consensus has FY2026 revenue up 27.1% and EPS up 38.2%. Growth then nearly stalls, with EPS up just 5.5% in FY2027. That flat second year sits uneasily with accelerating revenue and with management's growth guidance for Transportation and Saavi. The price implies revenue growth of only 4.6% a year, 22.6pp below the FY2026 consensus. The market is therefore not paying for metal prices to stay this high, and a few strong years can still leave the valuation near fair value rather than well below it.

Profitability has improved steadily. Operating margin rose from 43.0% in FY2022 to 47.6% in FY2025 and now stands at 53.4%, above its five-year median and at the 97th percentile of similarly sized miners. ROIC climbed from 18.5% to 23.1% over the same three years. Net margin rose from 22.7% to 27.1%. Nothing in these levels holds Quality back. The constraint is that the current margins sit well above the company's own history, so part of today's profitability depends on metal prices.

SE fair value of MXN 231 is 5.9% above the price, with high confidence. The median analyst target of MXN 247 sits 13.5% above the price. The P/E of 12.5x is above its ten-year median of 11.0x, so the stock is not cheap against its own record. For the price to hold, the margin gains have to survive as FY2027 earnings growth slows. Fuel costs pushing up mining cash costs and disruption in the Chemical segment are the risks management flagged. An operating margin falling back toward its five-year median would show the price was too generous.

The SE Score is 1 of 3. Quality earns three stars because ROIC runs well above the cost of capital, earnings convert fully into free cash flow and debt is light against EBITDA. Moat earns two stars because returns have exceeded 15% in only half of the last ten years, though each dollar retained has created $2.70 of market value. Value earns two stars with the price near SE fair value, which left the business tier unchanged. The score was then lowered because the company's five-year return over the hurdle does not rank in the top tenth of companies.

Q3 2026

Grupo México, S.A.B. de C.V. produces copper worldwide through Mining, Transportation and Infrastructure divisions, offering copper, silver, molybdenum, zinc, sulfuric acid, gold and selenium from mines, smelters and refineries. It also provides rail freight, intermodal and passenger services, warehousing, engineering, construction, drilling, highway operation, real estate, energy generation and oil transportation.

Revenue by segment	Revenue	Trend	10Y CAGR	Rel growth	Revenue by region	Top 3 74%	Trend	Reinvestment returns	10Y median	Trend
Mining Division…	44.74%		10.66%	1.03×	Mexico	35.25%		Reinvestment rate	28.75%	
Mining Division…	28.82%		9.99%	1.31×	Europe	19.85%		Return on capital	15.51%	
Transportation Division	18.23%		5.97%	0.87×	United States	19.12%		Spread over hurdle	4.64%	

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