genial | Equity Research

BRF

3Q24 Preview: Little strokes fell great oaks

LatAm Meatpackers

Analysts

Igor Guedes
+55 (11) 3206-8286
igor.guedes@genial.com.vc

Luca Vello
+55 (11) 3206-1457
luca.vello@genial.com.vc

Isabelle Casaca
+55 (11) 3206-8244
isabelle.casaca@genial.com.vc

Company

BRFS3 BZ Equity
Buy

Price: R$ 24.21 (11-Nov-2024)
Target Price 12M: R$ 28.00

Main takeaways:

Even with the significant rise in shares (+80% YTD), **we are confident that there are further margin gains to be extracted**, even if at a less aggressive pace. This gradual margin improvement, which could reach **19%** by **25E** (vs. 17-18% currently), will be underpinned by **(i)** gains in operational efficiency with grain prices still depressed in the 24/25 harvest, **(ii)** the **increasingly intense trade down** of proteins in the consumer basket, given the sharp rise in beef prices in Brazil. Prices for beef cuts rose by +5.8% in October, as indicated by the IBGE. We expect the pressure to continue to +16% y/y in 25E, well above general inflation. Soon, **consumers will increasingly migrate their demand for chicken and pork**. In addition, we highlight the **(iii)** favorable USD/BRL exchange rate for exports. Despite occasional pressures, such as the impact of Newcastle disease and competition in the domestic market, **BRF's resilient structure** and its focus on **processed and Halal products** should sustain the company's growth. Under the above, coupled with trading at an **EV/EBITDA 25E** of **6.2x**, (vs. historical average of 6.7x), we reiterate our **BUY rating**, raising our **12M Target Price** to **R$28.00** (vs. R$27.50 previously) with an **upside of +15.65%.**

BRF will report its **3Q24** results on **November 13**, after the market closes, and in this report, we present our expectations for the company's figures. With a **solid growth** projection, we estimate that net revenue will reach **R$15.3bn Genial Est. (+10.9% y/y)** and **adjusted EBITDA** will reach **R$2.7bn Genial Est. (+126% y/y)**, sustained by **gains in operational efficiency** and a **growing demand for more affordable proteins** (trade down from beef to chicken and pork). Even with the significant rise in the shares (+80% YTD), **we are confident that there are further margin gains to be extracted**, even if at a less aggressive pace.

Table 1. Income Statement BRF (3Q24 Genial Est.)

	3Q24E	2Q24A		3Q23A	
(R$ millions)	**Genial Est.**	**Reported**	**% q/q**	**Reported**	**% y/y**
Net Revenue	**15.316**	**14.930**	**2,6%**	**13.806**	**10,9%**
COGS	(11.316)	(11.000)	2,9%	(11.324)	-0,1%
Adjusted EBITDA	**2.725**	**2.621**	**4,0%**	**1.205**	**126,1%**
EBITDA Margin (%)	17,8%	17,6%	0,24p.p	8,7%	9,06p.p
EBIT	**1.810**	**1.703**	**6,3%**	**452**	**300,4%**
EBIT Margin (%)	11,8%	11,4%	0,41p.p	3,3%	8,54p.p
D&A	(888)	(866)	2,6%	(791)	12,3%
Financial Result	(591)	(390)	51,6%	(674)	12,3%
Net Income	**1.072**	**1.094**	**-2,0%**	**(262)**	**509,3%**
Net Margin (%)	7,0%	7,3%	-0,33p.p	-1,9%	8,9p.p

Source: BRF, Genial Investimentos

3Q24 Preview

3Q24 main figures projections. In 3Q24, we projected total **Net revenue** of **R$15.3bn Genial Est.** (+2.6% q/q; +10.9% y/y). We estimate an **Adjusted EBITDA** of **R$2.7bn Genial Est**. (+4.0% q/q; +126.1% y/y), representing an expansion of +0.24 p.p. q/q and +9.06 p.p. y/y in margin, which should thus reach 17.8%. We also project a **Net income** of **R$1.1bn**, reversing the loss of R$262mn seen in 3Q23 and with a slight decrease of -2.0% q/q.

Spreads between beef and chicken are increasing rapidly. In addition, we observed that the narrowing spread between chicken and red meat indicates a growing tendency among consumers to opt for more affordable proteins, especially in the context of **(i)** high food inflation and **(ii)** an increase in the cost of living in general, reducing the availability of average income. This spread reinforces the role of chicken as the main protein in domestic consumption. As for costs, we see soybean and corn prices remaining depressed, with expectations of oversupply also for the 24/25 harvest. We therefore see the possibility of preserving margins close to 18-17%, with a possible increase in +1p.p y/y 25E (further explored down in the report).

EBITDA should continue to expand, albeit at a slower pace. We project a consolidated EBITDA of R$2.7bn Genial Est. (+4.0% q/q; +126.1% y/y), sustained by **(i)** continued advances in operational efficiency, linked to highlights such as **(ii)** logistics optimizations and **(iii)** product mix improvements. Despite a challenging macroeconomic environment, with high interest rates and inflationary pressure in Brazil, demand for affordable and processed proteins remains stable, driven by the low unemployment rate and stable disposable income. The maintenance of high prices in processed products, together with a favorable USD/BRL exchange rate for exports, should contribute to the expectation of a sequentially similar EBITDA margin (+0.24p.p. q/q), in line with the increase in adjusted EBITDA (+4% t/t), thus demonstrating the company's improved ability to transform revenue into operating cash generation capacity.

Still low grain costs and commercial partnerships. In our view, grain and oil costs should remain under control, reflecting the company's ability to reduce COGS/t in both the Brazil (-1.5% q/q) and International (-1% q/q) segments, despite the nominal increase of +2.9% q/q in total COGS. In addition, the **(i)** relocation of points of sale and **(ii)** commercial partnerships with brands such as Sadia and Bassi increase capillarity and strengthen BRF's portfolio, expanding penetration in both segments. This strategy, together with the strong performance of the international segment, should ensure a positive and solid quarter for the company.

Our Take on BRF

Newcastle disease and its effects. Although the export scenario is positive, we expect that, due to Newcastle disease, there will be mitigations to the ideal conditions for shipments to **premium markets such as China** and **Saudi Arabia.** These markets are essential for the company, as they demand specific cuts, such as chicken wings and feet, and offer higher prices compared to other regions. The temporary suspension of exports to these destinations should represent a significant loss, especially as these markets usually pay a **premium for specific products**, contributing to a higher profitability margin.

However, in recent conversations with the company, we understand that BRRF has been implementing a **reallocation strategy**, redirecting part of the production that was destined for premium markets to other regions, including Brazil. Although we believe that this readjustment has helped to **partially reduce the revenue loss**, it should not be enough to completely replace the volume and profitability that would have been obtained in the higher value-added markets**.**

7 Trends that are positive and not entirely priced in. We believe that investors are more averse today to forming new long positions due to the aggressive rise in BRF shares, which **are up +80% YTD**. On the other hand, we are confident that **there is more to come**, albeit at a more gradual pace going forward. We project that BRF is well positioned to capture new expansion opportunities, both domestically and internationally. The **(i) strategic partnership with Marfrig**, focused on marketing the Bassi and Montana brands, should expand BRF's capillarity in Brazil, especially in **(ii) self-service channels and points of sale**.

In addition to these factors, we see other events that are only partially priced. These include **(iv)** the depreciated values of grains, reducing costs, and **(v)** the balance between supply and demand in the global chicken market, which should keep sales prices stable. On an ongoing basis, the company should also capture gradual margin gains with the **(vi)** implementation of the **BRF+2.0** program and the **(vii) trade down** movement **in proteins**, with consumers migrating to more affordable options.

And what could go wrong? Given the multiple factors listed above, our bias remains optimistic for BRF. However, some challenges deserve attention in our analysis. We believe that **(i) pressure on sales prices in international markets** could limit margin expansion, even if the USD/BRL exchange rate remains favorable for longer (which is our base scenario, due to the fiscal situation in Brazil). In addition, there is **(ii) intense competition in the domestic market**, where players such as Seara (owned by JBS) are acting aggressively. However, we must recognize that the market also, in general, seems to be behaving more rationally in the dispute between price and market share than in past bullish cycles.

Strategic expansion in the Middle East. For us, the acquisition of **26% of the Addoha Poultry Company in Saudi Arabia at** the end of October represents a strategic move with potentially significant impacts for BRF. Firstly, this stake strengthens the company's position in the Middle East, particularly in a key market such as Halal, in line with the country's food safety agenda, a priority for the Saudi government. With the initial contribution of SAR216.2mn (~US$57.6mn) in Addoha, BRF not only expands its presence, but also gains influence in the company's management, which can generate synergies by applying its know-how in the sector.

We believe that this investment can provide BRF with a significant **competitive advantage**, strengthening its access to a market that demands Halal products and has high growth potential. In the medium and long term, we expect these synergies to contribute positively to the margin, as sales premiums are incurred even if soy and corn costs eventually rise, benefiting BRF's operations in a global scenario of growing demand for proteins.

Duality implicit in the US elections in our view, the election of Donald Trump in the US and the possible increase in **protectionist policies against China** could open strategic opportunities for BRF. If US exports to China decrease, **Chinese demand for Brazilian proteins** such as chicken and pork could grow, boosting BRF's sales and margins in the Asian market. This scenario of **trade tensions** could also put pressure on **global protein prices**, benefiting exporters like BRF, while an appreciated USD/BRL exchange rate favors its international revenues. On the other hand, the risk that is also implicit for us is that, with the US looking for alternative markets after breaking off trade relations with China, BRF may face **greater competition** in regions such as the Middle East, Gulf and Latin America, through chicken and pork exporting companies migrating volume to these markets, requiring a more strategic approach to strengthen the Sadia and Banvit brands.

Little strokes fell great oaks. Even with the significant rise in shares (+80% YTD), **we are confident that there are further margin gains to be extracted**, even if at a less aggressive pace. This gradual margin improvement, which could reach **19%** by **25E** (vs. 17-18% currently), will be underpinned by **(i)** gains in operational efficiency with grain prices still depressed in the 24/25 harvest, **(ii)** the **increasingly intense trade down** of proteins in the consumer basket, given the sharp rise in beef prices in Brazil. Prices for beef cuts rose by +5.8% in October, as indicated by the IBGE. We expect the pressure to continue to +16% y/y in 25E, well above general inflation. Soon, consumers will increasingly migrate their demand for chicken and pork. In addition, we highlight the **(iii)** favorable USD/BRL exchange rate for exports.

In addition, we believe that the **strategic expansion in the Middle East**, with the acquisition of **Addoha Poultry**, strengthens the company's position in premium markets and complements its partnership with Marfrig in Brazil, expanding capillarity and added value to the portfolio. Although challenges such as **Newcastle disease** and **domestic competition** lead to potentially lower profitability, **BRF's resilient structure** and focus on **processed and Halal products** should sustain growth. We reiterate our **BUY rating**, raising our **12M Target Price** to **R$28.00** (vs. R$27.50 previously) with an **upside of +15,65%.**

Appendix: BRF

Figure 1. BRF – Income Statement in R$ Millions (Genial Est. 2024-2027)

Income Statement	2024E	2025E	2026E	2027E
Net Revenue	**59.175**	**61.802**	**64.294**	**68.151**
(-) COGS	(43.546)	(45.479)	(47.313)	(50.152)
Gross Profit	**15.629**	**16.323**	**16.981**	**17.999**
(-) Expenses	(8.768)	(8.906)	(9.265)	(9.821)
Adjusted EBITDA	**10.393**	**11.742**	**11.573**	**12.267**
(-) D&A	(3.532)	(4.326)	(3.858)	(4.089)
EBIT	**6.861**	**7.416**	**7.715**	**8.178**
(+/-) Financial Result	(1.933)	(3.560)	(4.331)	(4.467)
(-) Taxes	(786)	(1.088)	(1.567)	(1.741)
Net Income	**4.142**	**4.944**	**4.951**	**5.452**
Profitability				
Net margin (%)	7,00%	8,00%	7,70%	8,00%

Figure 2. BRF – Cash Flow in R$ Millions (Genial Est. 2024-2027)

Cash Flow (FCFF)	2024E	2025E	2026E	2027E
Net Revenue	**59.175**	**61.802**	**64.294**	**68.151**
(-) COGS	(43.546)	(45.479)	(47.313)	(50.152)
Adjusted EBITDA	**10.393**	**11.742**	**11.573**	**12.267**
EBIT	**6.861**	**7.416**	**7.715**	**8.178**
(-) Taxes	(786)	(1.088)	(1.567)	(1.741)
(+) D&A	3.532	4.326	3.858	4.089
(+/-) Δ WK	2.050	956	(34)	1.765
(-) Capex	(3.000)	(3.400)	(3.400)	(3.400)
FCFF	**8.657**	**8.210**	**6.572**	**8.891**

Disclosure Section

1. GENERAL DISCLAIMER

This report has been produced by the research department ("Genial Institutional Research") of Genial Institutional Corretora de Câmbio, Títulos e Valores Mobiliários S.A. ("GENIAL INSTITUTIONAL CCTVM"). Genial Institutional is a brand name of Genial Investimentos CCTVM.

Genial Rating

	Definition	Coverage
Buy	Expected return above +10% in relation to the Company's sector average	**49%**
Neutral	Expected return between +10% and -10% relative to the Company's industry average	**41%**
Sell	Expected return below -10% in relation to the Company's sector average	**5%**
under Review	Under review	**5%**

This report may not be reproduced or redistributed to any other person, in whole or in part, for any purpose, without the prior written consent of GENIAL INSTITUTIONAL CCTVM. GENIAL INSTITUTIONAL CCTVM accepts no liability whatsoever for the actions of third parties in this respect.

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither GENIAL INSTITUTIONAL CCTVM nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report

GENIAL INSTITUTIONAL CCTVM may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of GENIAL INSTITUTIONAL CCTVM.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by GENIAL INSTITUTIONAL CCTVM with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

The locally listed shares of Brazilian companies may only be purchased by investors outside of Brazil who are "eligible investors" within the meaning of applicable laws and regulations.

2. ANALYST(S) DISCLOSURES AND CERTIFICATION

The principal analyst, IGOR GUEDES, is responsible for the content of this report and for meeting the requirements of Securities and Exchange Commission of Brazil (CVM) Instruction 598/2018.

The analysts hereby certify that the views expressed in this research report accurately reflect their personal views about the subject securities or issuers and it was prepared in an independent manner, including with respect to the person and to GENIAL INSTITUTIONAL.

The analyst hereby certifies that he (she) has no connection with any individual who works for the issuer(s) discussed in this report.

The analyst hereby certifies that he (she), or his (her) spouse or companion, either directly or indirectly, in his or her own name or on behalf of a third party, does not hold any of the securities covered in this report.

The analyst hereby certifies that he (she), or his (her) spouse or companion, is not directly or indirectly involved in the purchase, disposal or brokering of the securities covered in this report.

The analyst hereby certifies that he (she), or the his (her) spouse or companion, has no direct or indirect financial interest in the issuer covered in this report (other than trading shares in investment funds, in which the analyst cannot control, directly or indirectly, the administration or management of the fund, or which do not concentrate investments in sectors or companies that are covered by reports produced by the analyst).

The analyst's compensation is, directly or indirectly, determined by income from GENIAL INSTITUTIONAL´s business and financial operations.

In addition, the analysts certify that no part of their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

The compensation of the analyst who prepared this report is determined by research management and senior management (not including investment banking). Analyst compensation is not based on investment banking revenues, however, compensation may relate to the revenues of GENIAL INSTITUTIONAL CCTVM, its affiliates and/or subsidiaries as a whole, of which investment banking, sales and trading are a part. Compensation paid to analysts is the sole responsibility of GENIAL INSTITUTIONAL CCTVM.

The analyst hereby certifies that he (she), or his (her) spouse or companion, does not serve as an officer, director, or advisory board member of the subject company.

The principal analyst is responsible for the content of this report and for meeting the requirements of Securities and Exchange Commission of Brazil (CVM) Instruction 598/2018.

Unless otherwise stated, the individuals listed on the cover page of this report are research analysts.

3. ADDITIONAL DISCLOSURE

(i) This document was prepared by GENIAL INSTITUTIONAL Research and is hereby supplied for the sole purpose of providing information about companies and their securities.

(ii) The information contained herein is provided for informational purposes only and does not constitute an offer to buy or sell, and should not be construed as a solicitation to acquire, any securities in any jurisdiction. The opinions expressed herein regarding the purchase, sale or holding of securities, or with respect to the weighting of such securities in a real or hypothetical portfolio, are based on careful analysis by the analysts who prepared this report and should not be construed by current or future investors as recommendations for any particular investment decision or action. The investor's final decision should be made considering all of the risks and fees involved. This report is based on information obtained from primary or secondary public sources, or directly from companies, and is combined with estimates and calculations prepared by GENIAL INSTITUTIONAL CCTVM. This report does not purport to be a complete statement of all material facts related to any company, industry, security or market strategy mentioned. The information has been obtained from sources believed to be reliable, but GENIAL INSTITUTIONAL CCTVM does not make any express or implied representation or warranty as to the completeness, reliability or accuracy of such information. The information, opinions, estimates and projections contained in this document are based on current data and are subject to change. Prices and availability of financial instruments are indicative only and subject to change without notice. GENIAL INSTITUTIONAL CCTVM is under no obligation to update or revise this document or to advise of any changes in such data.

(iii) The securities discussed in this report, as well as the opinions and recommendations contained herein, may not be appropriate for every type of investor. This report does not take into account the investments objectives, financial situation or particular needs of any particular investor. Investors who wish to buy, sell or invest in securities that are covered in this report should seek independent financial advice that takes individual characteristics and needs into consideration, before making any investment decision with respect to the securities in question. Each investor should make independent investment decisions after carefully analyzing the risks, fees and commissions involved. If a financial instrument is denominated in a currency other than an investor's currency, changes in exchange rates may adversely affect the price or value of, or the income derived from the financial instrument, and the reader of this report assumes all foreign exchange risks. Income from financial instruments may vary, and therefore their price or value may rise or fall, either directly or indirectly. The information, opinions and recommendations contained in this report do not constitute and should not be interpreted as a promise or guarantee of a particular return on any investment. Past performance does not necessarily indicate future results, and no representation or warranty, express or implied, is made herein regarding future performance. Therefore, GENIAL INSTITUTIONAL CCTVM, its affiliated companies, and the analysts involved in this report take no responsibility for any direct, indirect or consequential loss resulting from the use of the information contained in this report, and anyone using this report undertakes to irrevocably indemnify GENIAL INSTITUTIONAL CCTVM and its affiliates from any claims and demands.

(iv) Prices in this report are believed to be reliable as of the date on which this report was issued and are derived from one or more of the following: (i) sources as expressly specified alongside the relevant data; (ii) the quoted price on the main regulated market for the security in question; (iii) other public sources believed to be reliable; or (iv) GENIAL INSTITUTIONAL CCTVM's proprietary data or data available to GENIAL INSTITUTIONAL CCTVM.

(v) No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, except with respect to information concerning GENIAL INSTITUTIONAL CCTVM, its subsidiaries and affiliates. In all cases, investors should conduct their own investigation and analysis of such information before taking or omitting to take any action in relation to securities or markets that are analyzed in this report.

(vi) GENIAL INSTITUTIONAL CCTVM makes no representations herein that investors will obtain profits. GENIAL INSTITUTIONAL CCTVM will not share with investors any investment profits nor accept any liability for any investment losses. Investments involve risks and investors should exercise prudence in making their investment decisions. GENIAL INSTITUTIONAL CCTVM accepts no fiduciary duties on behalf of recipients of this report and in communicating this report is not acting in a fiduciary capacity. This report is not to be relied upon in substitution for the exercise of recipient's independent judgment. Opinions, estimates, and projections expressed herein constitute the current judgment of the analyst responsible for the substance of this report as of the date on which the report was issued and are therefore subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of GENIAL INSTITUTIONAL CCTVM as a result of using different assumptions and criteria. The information, opinions and recommendations contained in this report do not constitute and should not be interpreted as a promise or guarantee of a particular return on any investment.

(vii) Because the personal views of analysts may differ from one another, GENIAL INSTITUTIONAL CCTVM, its subsidiaries and affiliates may have issued or may issue reports that are inconsistent with, and/or reach different conclusions from, the information presented herein. Any such opinions, estimates, and projections must not be construed as a representation that the matters referred to therein will occur. Prices and availability of financial instruments are indicative only and subject to change without notice. Income from financial instruments may vary, and therefore their price or value may rise or fall, either directly or indirectly.

(viii) This document may not be: (a) photocopied or duplicated in any manner, in whole or in part, and/or (b) distributed without GENIAL INSTITUTIONAL CCTVM's prior written consent. GENIAL INSTITUTIONAL CCTVM accepts no liability whatsoever for the actions of third parties in this respect.

(ix) Neither GENIAL INSTITUTIONAL CCTVM nor any of its affiliates, nor any of their respective directors, employees or agents, accepts any liability for any loss or damage arising out of the use of all or any part of this report.

(x) GENIAL INSTITUTIONAL CCTVM (or its affiliates, officers, directors or employees) may, to the extent permitted by law, have acted upon or used the information herein contained before the publication of this report and may have a position in securities issued by the companies mentioned herein and may make a market or act as a principal in any transactions in any such securities. Genial Institutional may from time to time perform investment banking or other services to, or solicit investment banking or other business from, the companies mentioned herein.

4. IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by Genial Institutional CCTVM, a company authorized to engage in securities activities in Brazil. Genial Institutional CCTVM is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to “major U.S. institutional investors” in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”) and is not being provided pursuant to a soft-dollar arrangement.

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Brasil Plural Securities LLC, a registered broker dealer in the United States with an office at 545 Madison Ave., New York, NY 10022, (212) 897-3737. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Genial Institutional CCTVM.

Brasil Plural Securities LLC accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority (“FINRA”) and may not be an associated person of Brasil Plural Securities LLC and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

The disclosures contained in research reports produced by GENIAL INSTITUTIONAL CCTVM and distributed by Brasil Plural Securities LLC in the U.S. shall be governed by and construed in accordance with U.S. law. This report may not be reproduced or redistributed to any other person, in whole or in part, for any purpose, without the prior written consent of GENIAL INSTITUTIONAL CCTVM. Additional information relative to the financial instruments discussed in this report is available upon request.

UK Disclaimer:

(i) This document is STRICTLY CONFIDENTIAL to the recipient, may not be distributed to the press or other media and may not be reproduced in any form. this document is directed only at persons who are “INVESTMENT PROFESSIONALS” falling within article 19(5) of the FSMA 2000 (FINANCIAL PROMOTION) ORDER 2005, or HIGH NET WORTH BODIES falling within ARTICLE 49(2) of that order (together THE “RELEVANT PERSONS”). This document must not be acted on or relied on by persons who are not RELEVANT PERSONS.

(ii) The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of any such other jurisdiction.

Copyright 2023 GENIAL GENIAL INSTITUTIONAL CCTVM