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Financial analysis Axtel

Análisis financiero Axtel

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Abstract

Currently, telecommunications are some of the most important sectors for any country, they contribute to economic and social development, and g the quality of life of the population, also in a commercial context, they offers a greater range of opportunities for businesses. Telecommunications became an important factor, the volume of people connecting to the Internet is increasing. Businesses are more dynamic every day, companies are changing the way we do business using the latest advances in technology, smartphones, tablets, together with the internet service have enabled communication with customers in the worldwide. The accelerated growth of telecommunications has helped to attract investment in this sector; for this reason, the goal of this paper is explaining an analysis of the financial and investment situation of the company Axtel (mexican company), as purpose to know the situation on the market. This analysis was done under risk model and performance model.

Axtel, Telecommunications, Internet, Risk model, Performance model

Resumen

Actualmente, las telecomunicaciones son uno de los sectores más importantes para cualquier país, contribuyen al desarrollo económico y social, y g la calidad de vida de la población, también en un contexto comercial, ofrecen un mayor abanico de oportunidades para las empresas. Las telecomunicaciones se han convertido en un factor importante, el volumen de personas que se conectan a Internet es cada vez mayor. Los negocios son cada día más dinámicos, las empresas están cambiando la forma de hacer negocios utilizando los últimos avances en tecnología, los teléfonos inteligentes, las tabletas, junto con el servicio de Internet han permitido la comunicación con los clientes en el mundo. El crecimiento acelerado de las telecomunicaciones ha ayudado a atraer inversiones en este sector; por esta razón, el objetivo de este trabajo es explicar un análisis de la situación financiera y de inversión de la empresa Axtel (empresa mexicana), como propósito de conocer la situación en el mercado. Este análisis se realizó bajo el modelo de riesgo y el modelo de desempeño.

Axtel, Telecomunicaciones, Internet, Modelo de riesgo, Modelo de rendimiento

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Introduction

BMV maintenance requirements

Axtel complies with the requirements for maintaining securities registration. A minimum of 100 shareholders, 12% of capital, Bursátil.

Figure 1 BMV maintenance requirements

BMV trading data

Trading data obtained from the Mexican Stock Exchange corresponds to October 9, 2015.

Cotizaciones	
Volumen de Venta	1966
Postura de Venta	7.57
Volumen de Compra	100000
Postura de Compra	7.56
Precio último hecho	7.57
PPP	7.58
Precio anterior	7.53
Variación	0.664011
Volumen Operado	1443213
Máximo	7.64
Mínimo	7.52
Último Año Ant	N/A
Max Año Anterior	5.43
Min Año Anterior	3.18

Table 1 BMV Listing Data

Indicadores	
Segundo Trimestre del año	2/2015
Precio/Utilidad	-5.44817
Precio/Valor Libro	1.849734
Utilidad p/Acción	-1.391293
Valor Libro p/Acción	4.097887
Acciones de Circulación	1,303,223,345

Table 2 Indicators on the BMV

Variables adicionales	
Inflación	1.18
Tipo de cambio	30.86

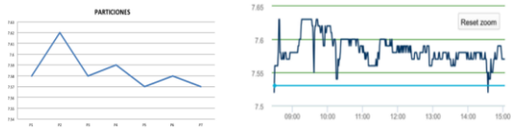
Table 3 Calculation of Inflation and CT

Bursatility

AXTEL's performance on the BMV was constant, based on the values reached in the seven daily splits.

Particiones	Valores	Log
P1	7.58	0.88
P2	7.62	0.88
P3	7.58	0.88
P4	7.59	0.88
P5	7.57	0.88
P6	7.58	0.88
P7	7.57	0.88

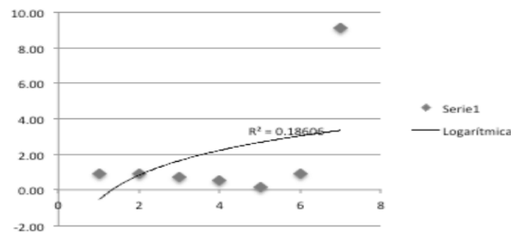
Table 4 BMV shares on October 9.



Graphic 1 Paritions' behavior on October 9

Variables	Valores	Log
Máximo	7.64	0.88
Mínimo	7.52	0.88
Max. Año Anterior	5.43	0.73
Min. Año Anterior	3.18	0.50
Variación	0.66	0.18
PPP	7.58	0.88
Acciones en Circulación	1,303,223,345	9.12

Table 5 Quotation variables



Graphic 2 Reliability of the company

Risk and return variables

Modeling under S. Turnovsky

Integral:

$$\int_{\lim -1}^{\lim 1} = \int \frac{\lim 1}{\lim -1} = \left[\frac{1(-1)}{lim}\right]^2 = \frac{0^2}{lim} = \sqrt{lim} = 0 = 0 \rightarrow = \propto$$

$$\int_{\lim -1}^{\lim 1} = 1$$

Differential:

$$\frac{d}{dx}.\frac{d}{dy}.\frac{d}{dz} = \frac{\mathrm{d}(x.y.z)}{\mathrm{dxyz2}a} \therefore \frac{dx+dy+dz}{dx} + \frac{dx+dy+dz}{dy} + \frac{dx+dy+dz}{dz} \therefore \frac{d}{x.y.z}$$

$$\frac{d}{dx}.\frac{d}{dy}.\frac{d}{dz} = -1$$

Partial:

$$\partial \to \frac{\partial y}{z} = \frac{\partial_y^*}{dz} = \frac{\partial'}{dy} \cdot \frac{\partial^*}{dz} = \left[\frac{\partial}{y.z}\right]^2 = \frac{\sqrt{\partial}}{y.z} = 0.5 \therefore \frac{1}{2}$$

$$\partial \to \frac{\partial y}{z} = \frac{1}{2}$$

Modeling

Put

$$P = \frac{[V_V - P_V]^{1/2}}{V_O - P^{Uh}} + \frac{3}{4}\left[\frac{(P^{VL})}{(P_u)}\right] \to \int_V^{U_a} La$$

$$P = \frac{[1966 - 7.57]^{1/2}}{1443213 - 7.57} + \frac{3}{4}\left[\frac{(1.84)}{(-5.44)}\right] \to \int_{4.09}^{1.39}$$

$$P = \frac{[1958.43]^{1/2}}{[1443205.43]} + \frac{3}{4}[-0.34] \to \int_{4.09}^{1.39}$$

$$P = \frac{44.25}{1443205.43} + \frac{3}{4}[-0.34](1.63)$$

$$P = -0.42 = (-0.42)(-1) = 0.42$$

$$P = 0.42\ \%$$

The issuer has a trading bias in favor by 0.42, therefore the transaction is acceptable in stock market terms for the capital market.

Call

$$C = \left[\frac{V_c - P_c}{\left|\frac{V_O}{P^{Uh}}\right|^{\frac{1}{2}}}\right]^{\frac{3}{4}} + \int^{P^{VL}} - \left[\int^{P_u} + \int\right]_{\propto \ldots}^{U^a + V^{La}}$$

$$C = \left[\frac{100000 - 7.56}{\left|\frac{1443213}{7.57}\right|^{\frac{1}{2}}}\right]^{\frac{3}{4}} + \int^{1.84} - \left[\int^{-5.44} + \int\right]_{\propto \ldots}^{-1.39 + 4.09}$$

Applying Turnovsky's assumption

$$C = [229.01]^{\frac{3}{4}} + 1$$

$$C = 57.49$$

Market shares

$$AM = \left[\frac{P_a^M + P_i^M}{\left[\frac{PPP}{V}\right]^{1/2}}\right]^{3/4} + \left[\frac{MP_a^a + M_a^i}{A_c}\right] + \xi^2$$

$$AM = \left[\frac{7.64 + 7.52}{\left[\frac{7.58}{.66}\right]^{1/2}}\right]^{3/4} + \left[\frac{5.43 + 3.18}{1303223345}\right] + .75^2$$

$$AM = \left[\frac{15.16}{[11.42]^{1/2}}\right]^{3/4} + \left[\frac{8.61}{1302223345}\right] + .75^2$$

$$AM = -0.38 + 0 + .056$$

$$AM = .18$$

Market shares are below the standard, which corresponds to 0.3 cents.

Market price

$$PM = \frac{\partial\left[\frac{Pu + \partial P^{VL}}{P^{Uh}}\right] + \left(\frac{\partial P_V}{\partial P_C}\right)^{3/4} - \left(\frac{\partial V_V - 1}{\partial V_C + 1}\right)^{1/2}}{\int_{P_u}^{V_O}}$$

$$PM = \frac{-1\left[\frac{-5.44 + (-1)(1.84)}{7.57}\right] + \left(\frac{(-1)(7.57)}{(-1)(7.56)}\right)^{3/4} - \left(\frac{(-1) - (1966) - 1}{(-1)(1000) + 1}\right)^{1/2}}{\int_{5.44}^{1443213}}$$

$$PM = \frac{0.96 + 1 - (0.14)}{14.18}$$

$$PM = 0.13$$

The market price is bankable, since it is less than 0.5, according to Gaussian modeling, an acceptable price for the consumer.

Exchange rate

$$TC = \frac{D_P - D_I}{1/2} = \frac{16.42 - 1}{1/2} = 30.86$$

$$TC = \log(30.86)$$

$$TC = 1.48$$

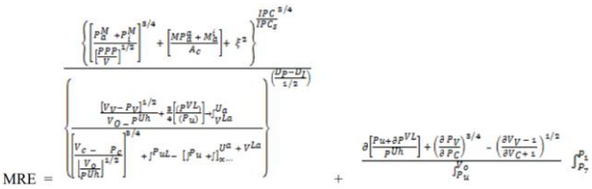
The exchange rate is acceptable, as it is below the Bank of Mexico's inflation rate; therefore, Axtel's operations are profitable in Mexican pesos.

Inflation

$$\pi = \frac{IPC}{IPC_s}^{3/4} = \left[\frac{2.96}{2.38}\right]^{3/4} = [1.24]^{3/4} = 1.18$$

The inflationary policy complies with the target of 4.6%, thus reaffirming the no increase in price changes.

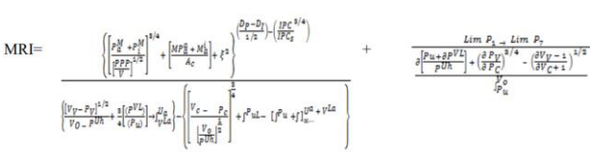
Performance model



MRE = 0.75%

The company's yield is .75%, so it is not advisable to invest in this company, since its yield is less than 1.

Risk model



MRI = .53 = ((.053)(100)/(100)

MRI = 0.53 %

The risk of investing in Axtel is moderately high, since according to confidence levels it has a risk of .53%.

Income level

Based on the sales volume of 1966 and the purchase volume of 100,000, it is determined that the company's net income is at risk with a negative income at -2.28% of its outstanding shares representing - $ 2,971,349,226.60 mxp.

Net Income = Outstanding Shares * Revenue

Net Income = 1303223345 * -2.28 = - $ 2,971,349,226.60

Purchase Volume	Sales Volume	Outstanding Shares	Net Incomes
100000	1966	2289801700	-2.289703666E9
			click to calculate
	Price Value in Book		
65.75	54.00	3.71	32.2776280323
			click to calculate

Figure 2

Days with stock market start-up

Axtel has 271 days with a stock market entry, so its holding period is 94 days, equivalent to 3.05 months. If this limit is exceeded, Axtel must pay a fine of 156,386,801.40 pesos, which corresponds to 12% of its capital.

Net Present Value

Activity	Operativity	Time inicial	Time limit	Val-Book *Asset	Market-SIM
INICIO	0	8	8	.5	4
Proc A	7.64	16	23.64	1	16
Proc B	7.52	24	31.52	1.5	36
M 1*	1.3	32		2	64
Proc C	.66	40	40.66	2.5	100
M 2*	2.6	48		3	144
Proc D	5.43	56	61.43	3.5	196
Proc E	3.18	64	67.18	4	256
Final	0	0	0	4.5	0
					208
					163.2

Figure 3

Datos de entrada	
Acciones en circulación	1,303,223,345.00
Log (Ac)	9.12
Días de teneduría	94
IPC no subyacente	2.52

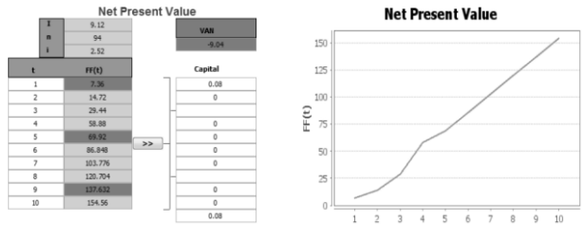


Figure 4

Rate of Return

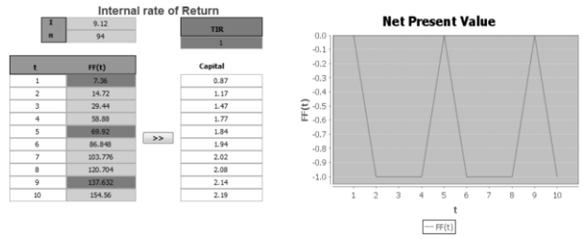


Figure 5

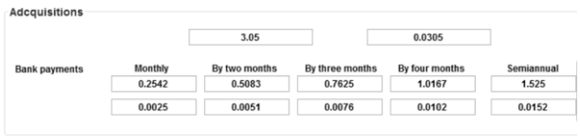
The Internal Rate of Return (IRR) is 1, the graph shows 2 cosines (losses) and 1 sine (gain), its absolute value is 1.

Grants and acquisitions

Datos de entrada	
Periodo de gracias	3.05
CETES	3

Table 6

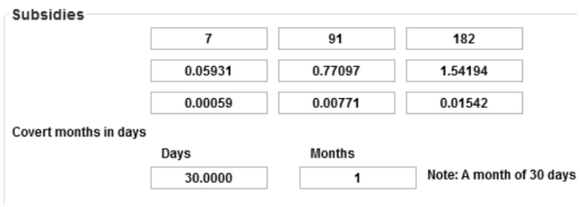
Acquisition payment rate



Plazo	Tasa
Mensual	0.25%
Bimestral	0.50%
Trimestral	0.76%
Cuatrimestral	1.01%
Semestral	1.50%

Figure 6

Government subsidy rate



Plazo	Tasa
28 días	0.05%
91 días	0.77%
182 días	1.50%

Figure 7

Financing Frontier

Figure 8

Appendix

Axtel has invested more than 43 billion pesos in the creation of basic infrastructure services and solutions for its customers and society.

It is the second largest fixed telephony operator in Mexico, with its own network in 39 of the main cities in Mexico, as well as connectivity in 200 cities throughout the country.

Its fiber network extends over 14,784 kilometers, including more than 2,000 kilometers of metropolitan rings and more than 4,500 kilometers of FTTX network, also known as fiber to the home or business, the best technological alternative for providing high-speed broadband access. It operates the world's largest wireless network.

It generates more than 26,000 jobs, including 6,500 direct jobs and 20,000 indirect jobs for contractors, direct suppliers, small and medium-sized companies.

During 2014, it was characterized by strongly boosting its growth in all market segments, by improving its relationship capacity with the main stakeholders it serves, as well as by undertaking actions that would allow it to have a more solid financial condition.

The living of our Values was evident in our activities and achievements: Commitment, Honesty, Service, Communication and Innovation. (Information obtained from the portal www.axtel.mx)

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