Personal Investment Analysis Report

Industry: Banking
Sector: Financial
NYSE

Banco Macro, SA

Date: 07/08/2025
Ticker: BMA
Risk: 4/7

Current price: 70,95 USD
Headquarters: Buenos Aires, Argentina
Forecast: 1-8 months

Market cap: USD 4,45B
Price target: 110,61 USD
Upside: +56%

Investment Overview

BMA vs SP500

Banco Banco Macro S.A. (BMA), listed on NYSE and BYMA, is one of Argentina's largest and most important private banks, headquartered in Buenos Aires. It offers retail and corporate banking services, including deposits, loans, credit cards, and transaction services. Founded in 1988, it employs around 8,700 people and serves over 4 million clients through approximately 500 branches. The bank stands out for its solid capitalization, high credit coverage, and consistent growth in lending and deposits.

Management has maintained a strategic position to benefit from falling interest rates, credit expansion, and banking service digitalization, driving growth and profitability prospects.

Investment in Banco Macro (BMA) is based on its leading position in an Argentine banking sector on the verge of potential economic restructuring. Under President Javier Milei, Argentina is undergoing deregulation and fiscal austerity that, if successful, could open a new era of credit sector growth. BMA, with its prudent balance sheet, strong national presence, and investments in digital transformation, is ideally positioned to capitalize on future growth in credit penetration, which remains historically low.

Financial and Market Analysis

MARKET PROFILE	
Close price	$70,95
52 Week Low/High	$42,23 - $118,42
Avg. Vol. (6 m)	330k
Shares Outst.	639.410.000
Market cap	4.450.000.000
Dividend Yield	**0,52%**
Beta	**0,69**

The acquisition of BMA shares focuses on Argentina's expected economic recovery in 2025, driving growth in profitable lending.

The Argentine banking sector, valued at USD 50 billion, is set for a 10% CAGR through 2027, fueled by rising credit demand and inflation stabilization.

BMA reported net income of USD 42.5 M in Q1 2025, despite a 90% YoY drop due to valuation adjustments. The projected EPS growth of 63% in 2025 reflects optimism. Trading at USD 70.95 (July 8, 2025), BMA is undervalued, with a fair value derived from DCF of USD 110, offering 56% upside potential.

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VALUATION	
P/E (Price-to-Earnings)	4,5x
P/S (Price-to-Sales)	0,89x
P/B (Price-to-Book Value)	0,8x
EV/EBITDA	3x
PEG Ratio (Price/Earnings to Growth)	0,5x

A beta of 0.69 provides relative stability, making it a potentially attractive choice for growth-oriented portfolios.

Banco Macro shares are trading at an appealing valuation relative to earnings, suggesting the market may be undervaluing the company's profit-generating capacity. A P/S ratio below 1x indicates the stock price is low compared to the revenue generated. The market is valuing Banco Macro shares below their book value. This represents an attractive valuation relative to operational cash flow generation. The current share price does not reflect the bank's future growth potential.

KEY FINANCIAL INDICATORS	
Revenue	6.920 m USD
Net profit	354 m USD
EPS (USD)	5,54
ROA (%)	2,40%
Net margin	5,11%
Cash & Equivalents (estimate)	1.500 m USD
Debt-to-Equity (%)	15,60%
ROE (Retur non Equity)	10,97%
Total Assets	14.100 m USD
Total Debt	505 m USD

Robust revenue (USD 6.92 billion): The strong revenue reflects Banco Macro's solid ability to generate cash flow in a challenging market like Argentina. This volume supports its leadership in the local financial sector and signals operational resilience.

Net income (USD 354 million): The net profit shows consistency in earnings generation, even in a volatile economic environment. Combined with an EPS of USD 5.54, the bank demonstrates its ability to deliver value to shareholders.

Net margin (5.11%): Although moderate, the net margin is competitive for the banking sector in emerging markets, reflecting cost management efficiency and effective revenue-to-profit conversion.

ROA (2.40%) and ROE (10.97%): The Return on Assets (ROA) of 2.40% indicates efficient use of total assets (USD 14.1 billion) to generate profit. The ROE of 10.97% shows solid returns on shareholder equity, highlighting the bank's ability to reward invested capital.

Low financial leverage: With a debt-to-equity ratio of just 15.60% and total debt of USD 505 million, Banco Macro maintains a conservative capital structure, reducing financial risk and boosting investor confidence in its stability.

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Risks

The main risks for Banco Macro stem from Argentina’s political, currency, and macroeconomic volatility.

If economic stabilization fails, the bank remains exposed to high inflation and capital controls.

Although BMA is known for its prudent management, there is a risk of rising default rates that could affect the quality of its loan portfolio and overall performance. Persistent inflation may also contribute to weaker results.

RISK				4			

Technical Analysis

July 2025

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The asset is currently in a consolidation phase after a prolonged downward trend. A potential support zone is forming around the USD 70 level, with the RSI approaching oversold territory, suggesting weakening selling pressure. Short-term moving averages (EMA 5 and SMA 10) are showing signs of convergence, which may signal a recovery move if the price breaks nearby resistance levels and volume confirms the shift.

Conclusion:

Despite macroeconomic risks, the bank is well capitalized and profitable, making it a strategic bet for exposure to the Latin American financial sector.

The growing dominance of banking, structural reforms, monetary stabilization, reduced country risk, and the return of foreign investors are positive factors for investment.

Investing in Banco Macro is a strategic play on Argentina's structural recovery and economic "normalization." The company is a market leader with a solid balance sheet, known for its prudent management, and has invested aggressively in digital transformation to position itself for the future.

The country's economic normalization will act as a catalyst for credit expansion—an opportunity that BMA, with its positioning and strategy, is well prepared to seize. This acquisition requires understanding the context of high risk and high return, as well as exposure to a standout player in its sector.

Additional information:

https://finance.yahoo.com/quote/BMA/

https://www.cnbc.com/quotes/BMA