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FINANCIAL AND ECONOMIC INDICATORS

EVA (Company and Shareholder Value Indicator)

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Economic Value Added (EVA) originates as a value-based measure of performance, comparing the profitability obtained by a company with the opportunity cost of capital used to support its tangible and intangible resources. EVA measures the actual creation of shareholder value by a company. In other words, it is not enough for a company to be profitable; it must also cover the opportunity cost of investing in its tangible and intangible resources.

Traditional performance measures based on conventional accounting information such as return on capital (ROE), return on investment (ROI), earnings per share (EPS or EPS), net operating profit after tax (NOPAT), etc., have been criticized due to their inability to incorporate the total cost of capital, as accounting assets and income are not a predictor of the value of the company and cannot be used to measure corporate performance, (Sharma & Kumar, 2010).

EVA has gained popularity around the world as an internal and external performance measure, as it measures organizational performance and aligns with the overall goal of creating or destroying value for investors through management actions.

Theoretical origin. The (EVA) is found in classic concepts of economics and finance, especially in the principle that a company only creates value when its profitability exceeds the opportunity cost of the resources used by the company and expected by investors.

a) Economic Value Added (EVA): Based on the Theory of Economic Surplus (Marx, 1959; Santarcángelo & Borroni, 2012). It measures the value generated by the company after covering the cost of capital.
b) Market Value Added (MVA): Assesses the company's ability to increase market value above the capital invested by shareholders.

Classic financial perspective. The first notion of EVA is based on the economic principle of "economic benefit". This concept was formulated by classical economists such as Alfred Marshall (1890) in The Principles of Economics, where he proposed the idea of residual income, stating that: "The true profit of a firm is what remains after deducting the opportunity cost of capital."

Modern financial perspective. In the 1960s, Fisher (1930), Modigliani, and Miller (1950) discussed the meaning of EVA defined between the net present value (NPV) and the firm's expected cash flow, discounted (Sri, 2019). VAS is related to the following theories:

1) Net Present Value (NPV) Theory: EVA can be viewed as a method for calculating net present value on an annual basis.
2) Weighted Average Cost of Capital (WACC): A cornerstone of EVA is recognizing WACC as the minimum rate a company must exceed to generate value.
3) Value-based management: EVA aligns with this trend that seeks to maximize value for shareholders, beyond traditional indicators such as net income or earnings per share.

In 1989, Joel Stern and G. Bennett Stewart III, (Stewart, 1991) of the U.S. consulting firm Stern Stewart & Co., based in New York, developed a methodology on value creation as a measure of the performance of companies and patented that product, calling it EVA (Economic Value Added) as a registered trademark, (Stewart, 1994). However, let us not forget that its foundations go back to ideas developed many years earlier.

Advantages of EVA:

- It considers the risk of the resources used; traditional indicators do not.
- Knowledge of the strategic business units that generate or destroy value.
- It is a better aid in assessing the actual financial performance of the company and for shareholders.
- It facilitates the evaluation of management by business unit, area, or center, regardless of its activity or size.
- It helps make strategic decisions and allocate capital, aimed at generating future value in the organization.
- It promotes a culture of responsibility and efficiency in management, facilitating the establishment of monetary incentives for managers and workers.
- It facilitates the redesign of methods, techniques, and procedures to align them with value creation.

Disadvantages of EVA:

- It is static; the information used corresponds to a specific date.
- It has a quantitative approach.
- It requires accounting adjustments.

EVA Calculation:

EVE = NOPAT - (Invested Capital x Cost of Capital)
= NOPAT - (Total Assets x Cost of Capital)

Where:

- NOPAT (Net Operating Profit After Taxes) = Net operating profit after taxes.
- Invested Capital = All the financial resources used by the company (debt + equity).
- Cost of Capital = Minimum Rate of Return Demanded by Investors (WACC: Weighted Average Cost of Capital).

Interpretation of the EVA result

1) EVA > 0: The company is creating economic value. It generates profits exceeding the cost of capital.
2) EVA = 0: The company is in equilibrium. You are covering exactly the cost of capital.
3) EVA < 0: Value is being destroyed. The company does not generate enough profits to offset the cost of capital invested.

Residual Income (IR)

It is a measure of economic profit; it is the surplus after compensating the company's shareholders and all other providers of capital (Sternet et al., 1995). General formula for calculating residual income:

RI = NOPAT – (WACC x CI)

Where:

NOPAT Net Operating Income After Tax

WACC = Weighted Average Cost of Capital

CI = Capital Invested

Economic and financial indicators are valuable tools that enable organizations to make informed, timely decisions about their corporate and financial strategies. Next, the evolution of key economic and financial indicators in the Mexican environment is described to facilitate informed decision-making related to personal and business strategies in an integrated manner.

1. National Consumer Price Index (INPC, Spanish)
2. The Price and Quotation Index of the Mexican Stock Exchange (IPC, Spanish)
3. Exchange rate
4. Equilibrium interbank interest rate (TIIE, Spanish)
5. CETES' rate of return
6. Investment units (UDIS, Spanish)

1. NATIONAL CONSUMER PRICE INDEX (INPC)

Born in 1995, it reflects changes in consumer prices, measuring the general increase in prices across the country. It is calculated on a fortnightly basis by the Bank of Mexico and INEGI (2021). INPC is published in the Official Gazette of the Federation on the 10th and 25th of each month. The reference period is the second half of July 2018.

Table 1
Accumulated inflation in the year (Base: 2nd. half of July 2018=100 with data provided by *Banco de México*)

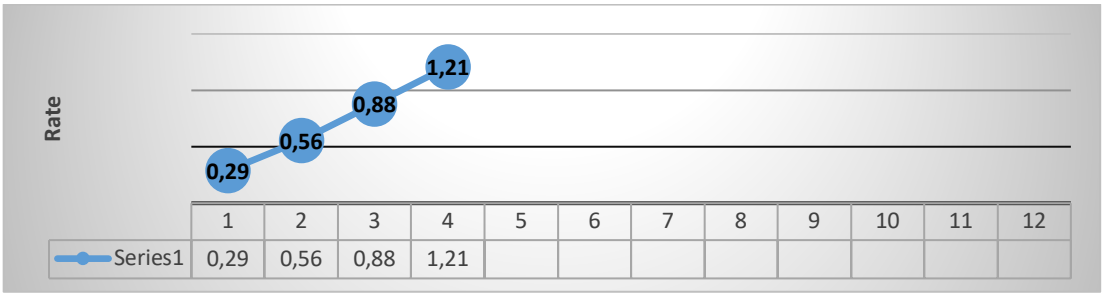
Period	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
January	0.90	-0.09	0.38	1.70	0.53	0.09	0.48	0.86	0.59	0.76	0.89	0.29
February	1.15	0.09	0.82	2.29	0.91	0.06	0.90	1.50	1.43	1.24	0.99	0.56
March	1.43	0.51	0.97	2.92	1.24	0.44	0.85	2.34	2.43	1.51	1.28	0.88
April	1.24	0.25	0.65	3.04	0.90	0.50	-0.17	2.67	2.98	1.49	1.48	1.21
May	0.91	-0.26	0.20	2.92	0.73	0.21	0.22	2.88	3.17	1.27	1.29	
June	1.09	-0.09	0.31	3.18	1.12	0.27	0.76	3.43	4.04	1.37	1.68	
July	1.42	0.06	0.57	3.57	1.66	0.65	1.43	4.04	4.81	1.86	2.74	
August	1.73	0.27	0.86	4.08	2.26	0.63	1.82	4.24	5.54	2.42	2.75	
September	2.18	0.27	1.47	4.41	2.69	0.89	2.06	4.88	6.19	2.88	2.80	
October	2.74	1.16	2.09	5.06	3.22	1.44	2.68	5.76	6.79	3.27	3.37	
November	3.57	1.71	2.89	6.15	4.10	2.26	2.76	6.97	7.41	3.93	3.06	
December	4.08	2.13	3.36	6.77	4.83	2.83	3.15	7.35	7.82	4.66	4.21	

Source: Own elaboration (INEGI, 2025). Route: Indicadores económicos de coyuntura > Índices de precios > Índice nacional de precios al consumidor. Base segunda quincena de julio de 2018=100 > Mensual > Índice > Índice general

Graph 1
Inflation in Mexico (2014-2024 accumulated at the end of the year)

Source: Own elaboration (INEGI, 2025). Route: Indicadores económicos de coyuntura > Índices de precios > Índice nacional de precios al consumidor. Base segunda quincena de julio de 2018=100 > Mensual > Índice > Índice general

Graph 2
Inflation in Mexico (accumulated January-April 2025)



Source: Own elaboration (INEGI, 2025). Route: Indicadores económicos de coyuntura > Índices de precios > Índice nacional de precios al consumidor. Base segunda quincena de julio de 2018=100 > Mensual > Índice > Índice general

2. THE PRICE AND QUOTATION INDEX OF THE MEXICAN STOCK EXCHANGE (IPC)

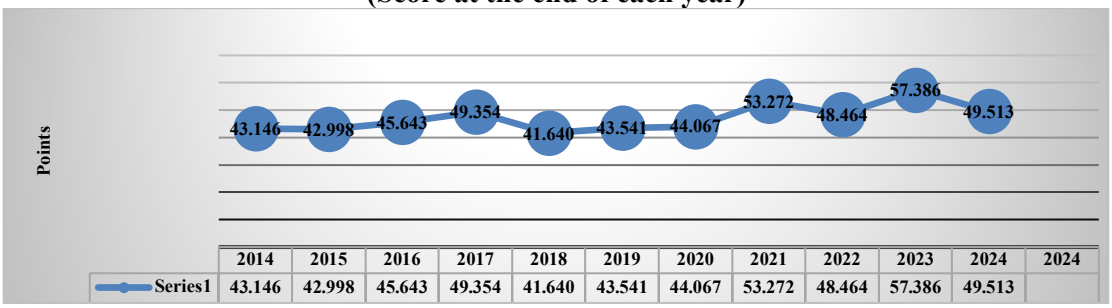
Represents the change in the values traded on the Mexican Stock Exchange concerning the previous day to determine the percentage of rise or fall of the most representative shares of the companies listed therein.

Table 2
The Price and Quotation Index of the Mexican Stock Exchange
(Base: October 1978, 0.78=100)

Period	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
January	40,879	40,951	43,631	47,001	50,456	43,988	44,862	42,986	51,331	54,564	57,373	51,210
February	**38,783**	**44,190**	**43,715**	**46,857**	**47,438**	**42,824**	**41,324**	**44,593**	**53,401**	**52,758**	**55,414**	**52,326**
March	40,462	43,725	45,881	48,542	46,125	43,281	34,554	47,246	56,537	53,904	57,369	52,484
April	**40,712**	**44,582**	**45,785**	**49,261**	**48,354**	**44,597**	**36,470**	**48,010**	**51,418**	**55,121**	**56,728**	**56,259**
May	41,363	44,704	45,459	48,788	44,663	42,749	36,122	50,886	51,753	52,736	55,179	
June	**42,737**	**45,054**	**45,966**	**49,857**	**47,663**	**43,161**	**37,716**	**50,290**	**47,524**	**53,526**	**52,440**	
July	43,818	44,753	46,661	51,012	49,698	40,863	37,020	50,868	48,144	54,819	53,094	
August	**45,628**	**43,722**	**47,541**	**51,210**	**49,548**	**42,623**	**36,841**	**53,305**	**44,919**	**53,021**	**51,986**	
September	44,986	42,633	47,246	50,346	49,504	43,011	37,459	51,386	44,627	50,875	52,477	
October	**45,028**	**44,543**	**48,009**	**48,626**	**43,943**	**43,337**	**36,988**	**51,310**	**49,922**	**49,062**	**50,661**	
November	44,190	43,419	45,286	47,092	41,733	42,820	41,779	49,699	51,685	54,060	49,813	
December	**43,146**	**42,998**	**45,643**	**49,354**	**41,640**	**43,541**	**44,067**	**53,272**	**48,464**	**57,386**	**49513**	

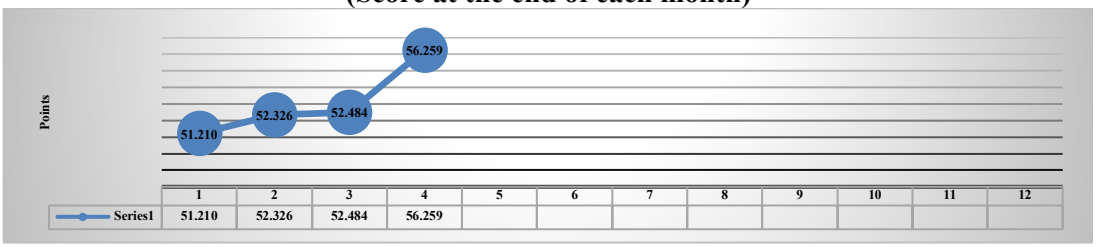
Source: Own elaboration (BANXICO, 2025).
https://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?sector=7&accion=consultarCuadro&idCuadro=CF57&locale=es

Graph 3
The Price and Quotation Index of the Mexican Stock Exchange, 2014 - 2024
(Score at the end of each year)



Source: Own elaboration (BANXICO, 2025).
https://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?sector=7&accion=consultarCuadro&idCuadro=CF57&locale=es

Graph 4
The Price and Quotation Index of the Mexican Stock Exchange, January-April 2025
(Score at the end of each month)



Source: Own elaboration (BANXICO, 2025).
https://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?sector=7&accion=consultarCuadro&idCuadro=CF57&locale=es

3. EXCHANGE RATE

The value of the Mexican peso against the dollar is calculated using the daily average of the five most important banks in the country, which reflects the spot price (cash) negotiated between banks. It is highly related to Inflation, the interest rate, and the Mexican Stock Exchange.

Table 3
Exchange rate (National currency per US dollar, parity at the end of each period)

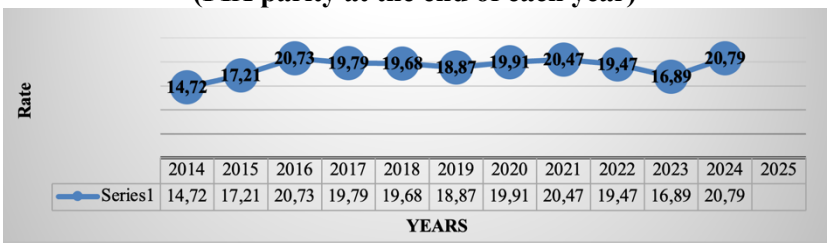
Period	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
January	13.37	14.69	18.45	21.02	18.62	19.04	18.91	20.22	20.74	18.79	17.16	20.61
February	13.30	14.92	18.17	19.83	18.65	19.26	19.78	20.94	20.65	18.40	17.06	20.51
March	13.08	15.15	17.40	18.81	18.33	19.38	23.48	20.44	19.99	18.11	16.53	20.44
April	13.14	15.22	19.40	19.11	18.86	19.01	23.93	20.18	20.57	18.07	17.09	19.61
May	12.87	15.36	18.45	18.51	19.75	19.64	22.18	19.92	19.69	17.56	17.01	
June	13.03	15.57	18.91	17.90	20.06	19.21	23.09	19.91	20.13	17.07	18.24	
July	13.06	16.21	18.86	17.69	18.55	19.99	22.20	19.85	20.34	16.73	18.59	

August	13.08	16.89	18.58	17.88	19.07	20.07	21.89	20.06	20.09	16.84	19.60	
September	13.45	17.01	19.50	18.13	18.90	19.68	22.14	20.56	20.09	17.62	19.64	
October	13.42	16.45	18.84	19.15	19.80	19.16	21.25	20.53	19.82	18.08	20.04	
November	13.72	16.55	20.55	18.58	20.41	19.61	20.14	21.45	19.40	17.14	20.32	
December	14.72	17.21	20.73	19.79	19.68	18.87	19.91	20.47	19.47	16.89	20.79	

NOTE: Exchange rate fixed by the Banco de México, used for settling obligations denominated in foreign currency. Quote at the end

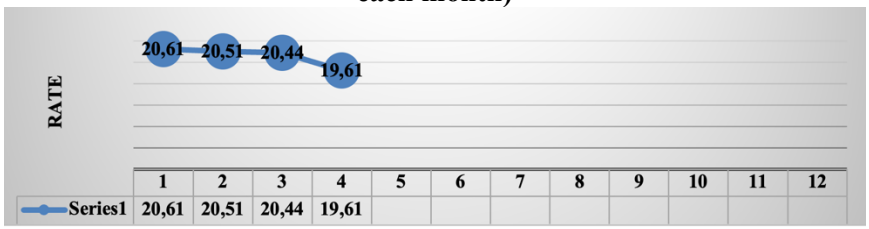
Source: Own elaboration (BANXICO, 2025).
https://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?sector=6&accion=consultarCuadro&idCuadro=CF102&locale=es

Graph 5
Exchange rate (National currency per US dollar, 2014-2024, (FIX parity at the end of each year)



Source: Own elaboration (BANXICO, 2025).
https://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?sector=6&accion=consultarCuadro&idCuadro=CF102&locale=es

Graph 6
Exchange rate (National currency per US dollar, January-April 2025, FIX parity at the end of each month)



Source: Own elaboration (BANXICO, 2025).
https://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?sector=6&accion=consultarCuadro&idCuadro=CF102&locale=es

4. EQUILIBRIUM INTERBANK INTEREST RATE (TIIE)

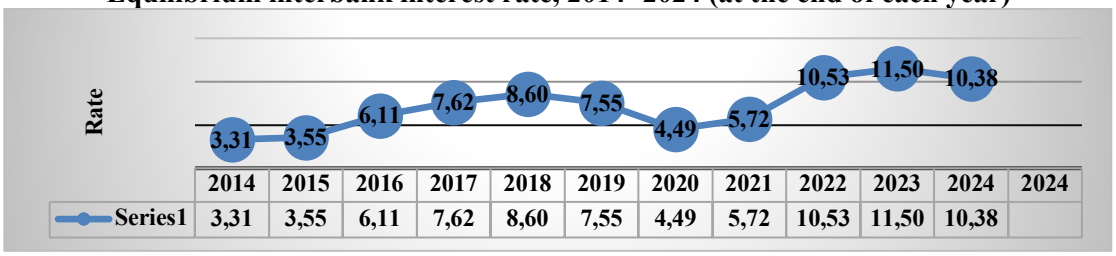
On March 23, 1995, the Bank of Mexico, to establish an interbank interest rate that better reflects market conditions, released the Interbank Equilibrium Interest Rate through the Official Gazette of the Federation.

Table 4
Equilibrium interbank interest rate (28-day quote)

Period	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
January	3.78	3.29	3.56	6.15	7.66	8.59	7.50	4.47	5.72	10.82	11.50	10.28
February	3.79	3.29	4.05	6.61	7.83	8.54	7.29	4.36	6.02	11.27	11.50	9.88
March	3.81	3.30	4.07	6.68	7.85	8.51	6.74	4.28	6.33	11.43	11.44	9.74
April	3.80	3.30	4.07	6.89	7.85	8.50	6.25	4.28	6.73	11.54	11.25	9.28
May	3.79	3.30	4.10	7.15	7.86	8.51	5.74	4.29	7.01	11.51	11.24	
June	3.31	3.30	4.11	7.36	8.10	8.49	5.28	4.32	7.42	11.49	11.24	
July	3.31	3.31	4.59	7.38	8.11	8.47	5.19	4.52	8.04	11.51	11.25	
August	3.30	3.33	4.60	7.38	8.10	8.26	4.76	4.65	8.50	11.51	11.08	
September	3.29	3.33	4.67	7.38	8.12	8.04	4.55	4.75	8.89	11.50	11.08	
October	3.28	3.30	5.11	7.38	8.15	7.97	4.51	4.98	9.56	11.50	10.95	
November	3.31	3.32	5.57	7.39	8.34	7.78	4.48	5.13	10.00	11.50	10.74	
December	3.31	3.55	6.11	7.62	8.60	7.55	4.49	5.72	10.53	11.50	10.38	

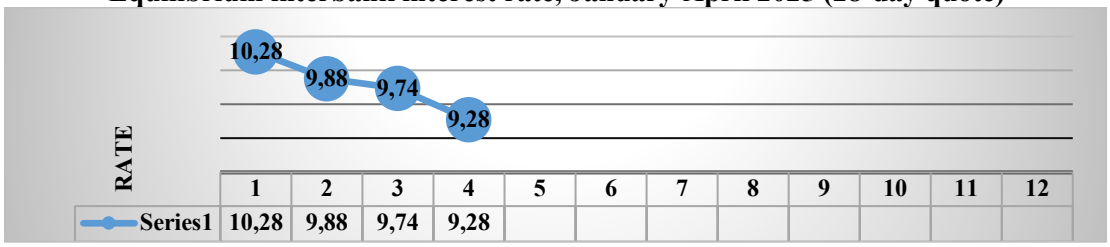
Source: Own elaboration (BANXICO, 2025).
https://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?sector=18&accion=consultarCuadro&idCuadro=CF101&locale=es

Graph 7
Equilibrium interbank interest rate, 2014- 2024 (at the end of each year)



Source: Own elaboration (BANXICO, 2025).
https://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?sector=18&accion=consultarCuadro&idCuadro=CF101&locale=es

Graph 8
Equilibrium interbank interest rate, January-April 2025 (28-day quote)



Source: Own elaboration (BANXICO, 2025).
https://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?sector=18&accion=consultarCuadro&idCuadro=CF101&locale=es

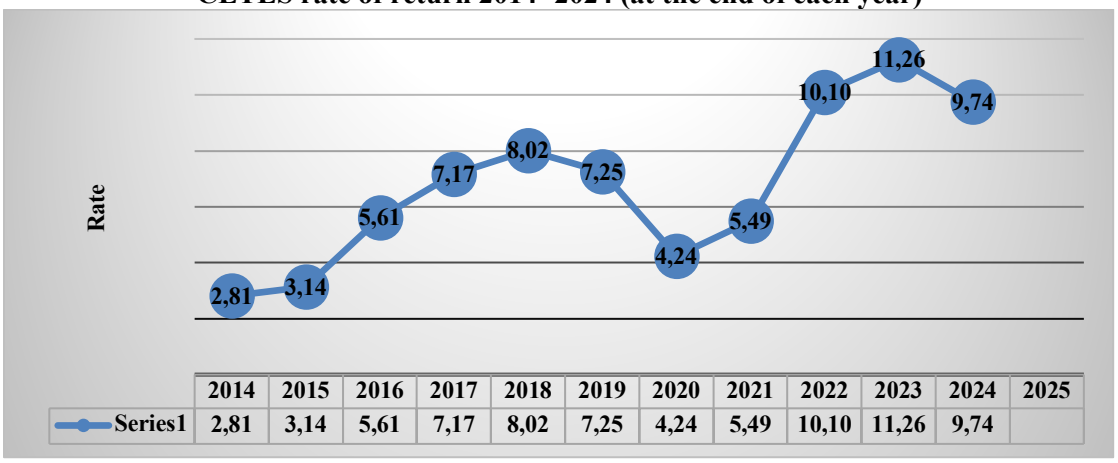
5. CETES RATE OF RETURN

Table 5
CETES rate of return (28-day)

Period	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024
January	3.14	2.67	3.08	5.83	7.25	7.95	7.04	4.22	5.50	10.80	11.28	9.87
February	3.16	2.81	3.36	6.06	7.40	7.93	6.91	4.02	5.94	11.04	11.00	9.44
March	3.17	3.04	3.80	6.32	7.47	8.02	6.59	4.08	6.52	11.34	10.90	9.02
April	3.23	2.97	3.74	6.50	7.46	7.78	5.84	4.06	6.68	11.27	11.04	8.65
May	3.28	2.98	3.81	6.56	7.51	8.07	5.38	4.07	6.90	11.25	11.03	
June	3.02	2.96	3.81	6.82	7.64	8.18	4.85	4.03	7.56	11.02	10.88	
July	2.83	2.99	4.21	6.99	7.73	8.15	4.63	4.35	8.05	11.09	10.87	
August	2.77	3.04	4.24	6.94	7.73	7.87	4.50	4.49	8.35	11.07	10.65	
September	2.83	3.10	4.28	6.99	7.69	7.61	4.25	4.69	9.25	11.05	10.35	
October	2.90	3.02	4.69	7.03	7.69	7.62	4.22	4.93	9.00	11.26	10.20	
November	2.85	3.02	5.15	7.02	7.83	7.46	4.28	5.05	9.70	11.78	9.95	
December	2.81	3.14	5.61	7.17	8.02	7.25	4.24	5.49	10.10	11.26	9.74	

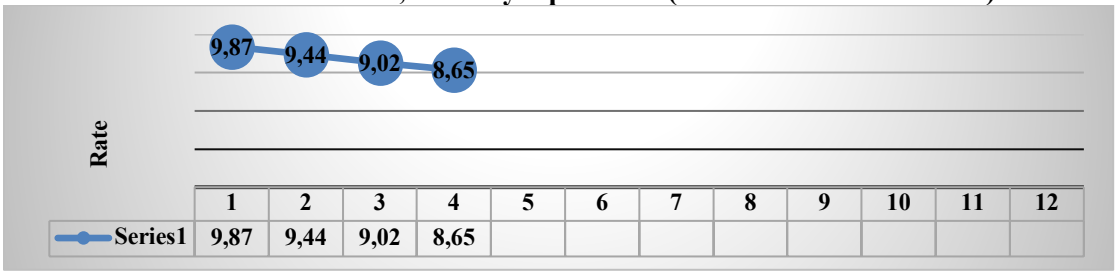
Source: Own elaboration (BANXICO, 2025).
https://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?sector=22&accion=consultarCuadro&idCuadro=CF107&locale=es

Graph 9
CETES rate of return 2014- 2024 (at the end of each year)



Source: Own elaboration (BANXICO, 2025).
https://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?sector=22&accion=consultarCuadro&idCuadro=CF107&locale=es

Graph 10
CETES rate of return, January-April 2025 (at the end of each month)



Source: Own elaboration (BANXICO, 2025).
https://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?sector=22&accion=consultarCuadro&idCuadro=CF107&locale=es

6. INVESTMENT UNITS (UDIS)

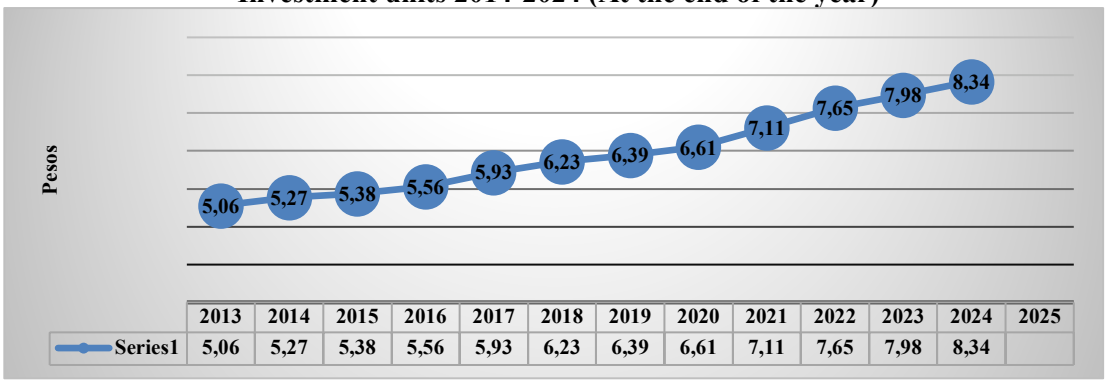
The UDI is a unit of account of constant real value to denominate credit titles. It does not apply to checks, commercial contracts, or other commercial transactions.

Table 6
Investment units (value in pesos)

Period	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
January	5.10	5.29	5.41	5.62	5.97	6.25	6.44	6.64	7.12	7.69	8.06	8.37
February	5.13	5.29	5.43	5.69	6.00	6.25	6.46	6.70	7.18	7.74	8.11	8.40
March	5.15	5.30	5.44	5.71	6.02	6.26	6.49	6.75	7.24	7.77	8.11	8.42
April	5.15	5.32	5.45	5.75	6.03	6.28	6.43	6.79	7.31	7.78	8.13	8.45
May	5.13	5.29	5.42	5.75	6.01	6.27	6.42	6.81	7.33	7.78	8.15	
June	5.13	5.28	5.42	5.75	6.01	6.26	6.44	6.83	7.36	7.77	8.13	
July	5.14	5.28	5.42	5.76	6.04	6.27	6.49	6.87	7.43	7.79	8.20	
August	5.16	5.29	5.44	5.79	6.07	6.29	6.52	6.90	7.47	7.83	8.25	
Sep.	5.18	5.31	5.45	5.82	6.11	6.29	6.55	6.92	7.53	7.87	8.25	
Oct.	5.20	5.33	5.49	5.84	6.13	6.31	6.57	6.97	7.57	7.90	8.26	
Nov.	5.23	5.36	5.53	5.89	6.17	6.35	6.60	7.04	7.62	7.94	8.32	
Dec.	5.27	5.38	5.56	5.93	6.23	6.39	6.61	7.11	7.65	7.98	8.34	

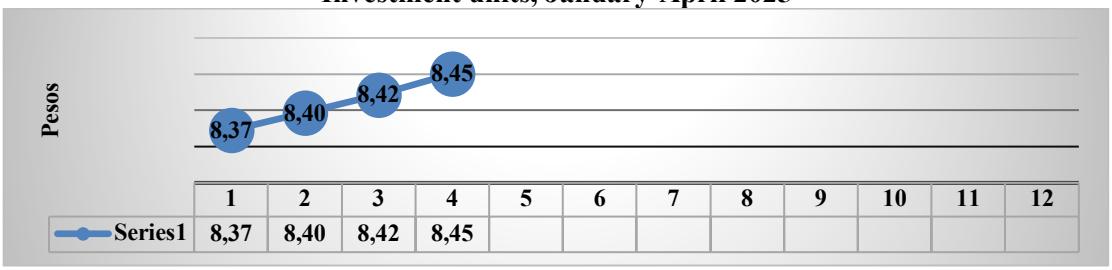
Source: Own elaboration (BANXICO, 2025).
https://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?accion=consultarCuadro&idCuadro=CP150&locale=es

Graph 11
Investment units 2014-2024 (At the end of the year)



Source: Own elaboration (BANXICO, 2025).
https://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?accion=consultarCuadro&idCuadro=CP150&locale=es

Graph 12
Investment units, January-April 2025



Source: Own elaboration (BANXICO, 2025).
https://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?accion=consultarCuadro&idCuadro=CP150&locale=es

In conclusion, the system focuses on a measure that enables and facilitates various business decisions with a long-term perspective: current planning, investment evaluation, performance evaluation, executive compensation, and communication with investors.

The EVA combines classical economic theory and modern financial tools to offer an indicator that shows whether a company is truly creating value. Its strength lies in the fact that it forces organizations to consider the opportunity cost of all the capital they use, promoting more efficient and sustainable decisions.

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