MIRANDA INTELLIGENCE

Mexico Energy Chatter

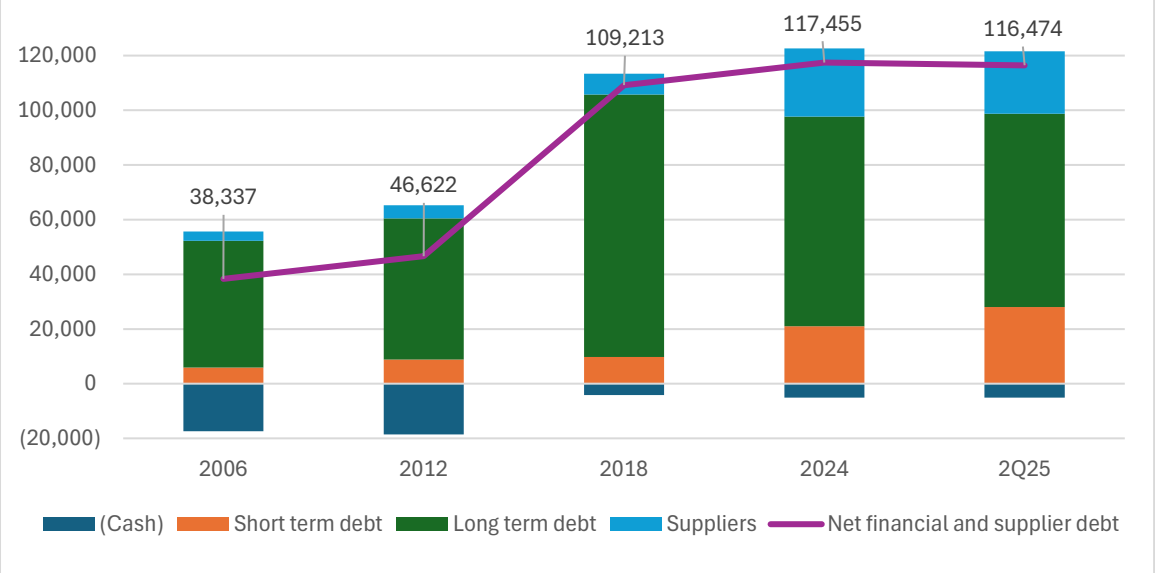
September 17, 2025

Whose debt is it, anyway? At least (and at last), it's coming down

President Claudia Sheinbaum lashed out at what she called Pemex's "damned, corrupt debt", inherited from the Calderón and Peña Nieto administrations, warning that the company would face MXN 250bn in maturities and interest next year if left on its own, more than triple the cost of the Felipe Ángeles airport. Presenting the 2026 budget, she argued that federal support is unavoidable since the debt is owed to banks and funds, and Pemex's standalone financing costs would be prohibitive. Finance Minister Édgar Amador admitted the rescue is straining public accounts, with 46% of Pemex's debt maturing during Sheinbaum's term, including 26% concentrated in 2025–26. He noted Pemex's debt ballooned from MXN 43 bn to MXN 105 bn over the past decade without improvements in output.

A look at historical figures makes it clear that Pemex's debt did, in fact, see a major spike, particularly during the Peña Nieto administration: after ending 2006 at US$38.3 bn, the financial and supplier net debt (short and long term financial debt, plus liabilities with suppliers, minus cash and equivalents) surged to US$117.4 bn in 2024, for a 79.1 bn increase, of which US$62.6 bn occurred during the 2012-2018 period.

Pemex's liabilities have surged over the past decades



Source: Pemex, Miranda Partners. Figures in US$ mn.

However, looking at balance sheet figures alone only tells part of the story. What they fail to capture is that, during the 2018-2024 period, during the AMLO administration, the federal government provided massive support to Pemex, in the form of outright cash injections and other tax benefits, which Bloomberg estimates at US$71 bn, a figure greater than the increase in net debt registered under Peña Nieto. Moreover, while gross financial debt decreased by 8% during AMLO, this was more than offset by the increase in supplier liabilities, which more than tripled. Most obviously, the AMLO administration spent around US$20 bn on the Dos Bocas refinery. This has yet to meet production targets, and while data is lacking to draw firm

conclusions, according to many outside analysts it will likely never earn an acceptable return on capital (and some fear it may not even become profitable).

Leaving aside the question of who's to blame, a clear positive is the Sheinbaum's administration explicit intention to address the issue. The president has pledged the government's continued support through at least 2026; whether Pemex will be able to go forward on its own remains an open question. As part of those plans, the Finance Ministry launched a three-tranche €5bn bond sale on Monday to help finance Pemex's US$9.9 bn debt buyback closing at the end of September. The issuance included €2.25 bn in four-year notes, €1.5 bn in eight-year notes, and €1.25 bn in 12-year notes.

Bypassing the ideology

President Sheinbaum campaigned on sticking to the nationalist energy playbook of her predecessor and mentor, Andrés Manuel López Obrador. But as her first anniversary in office approaches, she has quietly imprinted her own version of that strategy. On paper, the reform approved by Congress for the most part closed the energy market to private players while strengthening both Pemex and CFE, following AMLO's sovereignty doctrine. In practice, however, Sheinbaum is choosing financial engineering rather than direct confrontation.

As this newsletter has previously discussed, the government has leaned on debt markets via structured schemes that soften the impact on Pemex's balance sheet. Pre-capitalization notes, a Banobras-led SPV, and this week's €5bn eurobond to fund a $9.9bn Pemex buyback stand out as more disciplined tools than those of the prior administration — moves that rating agencies have generally welcomed. That said, debt is debt, whether on balance sheet or off balance, and will eventually have to be paid back.

The strategy now extends to CFE. CFE Fibra E returned with a US$725 mn, 5.875% amortizing bond due 2040 (WAL 7.2yrs), upsized on nearly 10x oversubscription, with Bank of America acting as global coordinator. Proceeds will finance transmission tariff rights acquisitions, giving CFE an alternative funding channel. López Obrador had shelved Fibra E expansion, arguing against private exposure to transmission revenues, leaving the grid chronically underfunded. Sheinbaum reversed course, budgeting MXN 163 bn (~US$8.8 bn) over five years for transmission and distribution.

Issuing bonds through FCFE instead of capital calls sidesteps ideological pushback while avoiding direct leverage on CFE. With yields falling after a prolonged high-rate cycle, FCFE's CEO Cajeme Villarreal opted for issuance, while CFE's CEO Emilia Calleja, alongside the Energy and Finance ministries, position FCFE as a vehicle to channel private capital without ceding control. A follow-up deal remains under consideration.

Sheinbaum is effectively bypassing AMLO's aversion to debt markets and rating agencies by deploying new financing structures that allow billions to flow into Pemex and CFE while keeping ideology intact and on balance sheet under control. Going forward, the government will have to push both companies to improve their operating results, lest these schemes risk more bail outs, and thus becoming a fiscal drag.

In other energy news…

— The federal government will see negative net oil income from Pemex, according to think tank México Evalúa. Budget data show Pemex is expected to contribute MXN 234 bn to public finances in 2025, but the government will transfer MXN 263 bn back to the company to cover debt obligations, for a net outflow of MXN 31bn. Only 19% of total oil revenues will flow to the treasury. Analysts warn the result makes Pemex the clear beneficiary, while public spending on health, education, and security loses out. Transfers authorized for Pemex have doubled under López Obrador compared with Peña Nieto, reaching MXN 1.24 tn, and will add another MXN 404 bn in 2025–26 under President Claudia Sheinbaum. Overall, between 2013 and 2026, Congress will have authorized MXN 2.17 tn in transfers to Pemex, while the company's net contributions to the federal budget total MXN 6.64 tn.

— Gasoline and diesel sales in Mexico continued to decline in the first eight months of the year despite government actions to curb fuel theft, according to consultancy PetroIntelligence. From January to August, sales of regular gasoline fell 5.5% YoY, while diesel dropped 8.8%. Pemex's own wholesale sales to service stations also contracted, down 4.7% for gasoline and 7.7% for diesel through July, the latest available data. Authorities have stepped up enforcement against fiscal fuel theft, including high profile arrests of former top officers in the Mexican navy (that control customs), tighter regulation, tax audits, and data-tracing technology, after losses to public finances reached MXN 177.2 bn last year. Analysts warn that while these measures may eventually reduce illegal trade, official statistics point to a sustained negative trend in compliant fuel demand so far this year.

— According to a July internal report cited by Reforma, the volume of LPG stolen from Pemex in the first quarter of 2025 more than doubled compared to the same period in 2024, rising from about 61,000 tons to 123,000 tons. These figures indicate a surge in the theft of LPG specifically, alongside well documented losses from fuel theft overall.

— Pemex's commercial arm is set for new leadership after CEO Margarita Pérez resigned. Pérez, who had taken the post following Claudia Sheinbaum's inauguration last October, announced her departure in an email to staff and introduced Adán Enrique Ramos, a Finance Ministry official, as her successor.

— A tanker truck owned by Gas Silza overturned and exploded under the La Concordia Bridge in Mexico City, sparking a massive fire that has left 14 dead so far. The unit, carrying nearly 49,500 liters of fuel, released a white gas cloud before multiple blasts ignited, engulfing 32 vehicles. Gas Silza is owned by Grupo Tomza, the largest LPG distributor in Mexico, with operations in more than 16 states and six Central American countries. Founded in 1961, the company boasts extensive infrastructure including maritime and land terminals, a large transport fleet, and thousands of employees. President Sheinbaum declared that the Ministries of Energy and Transport will strengthen national regulations concerning LP gas transportation, with new guidelines anticipated within days to improve oversight of vehicles and operating companies.