ASUR

Quarterly Report

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Reaffirms itself as the most attractive in the sector

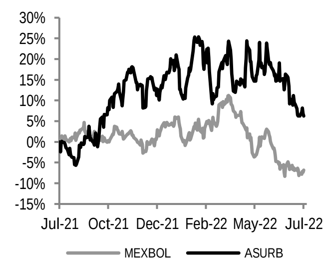
- **Asur confirmed the greatest sector advances, in line with our estimates, which we believe should be well received by the market and supports it in our top-picks**
- **Even with current challenges, strong demand and strategy focused on efficiencies will continue to benefit results. The group stands out with the most attractive valuation in the sector (9.2x vs 11.0x average)**

Strong demand, higher tariffs and costs control continue. In 2Q22, Asur's showed significant annual increases (although more moderate vs. previous quarters attributable to a more normalized base), due to positive traffic dynamism and higher maximum tariffs. In this way, total passengers grew 39.3% y/y, while operating revenues (sum of aeronautical and non-aeronautical) increased 48.3% y/y to MXN 5.7 billion. Operating leverage and efficiencies (mainly in Mexico and Colombia), as well as a recovery expenses in Puerto Rico (MXN 175 million), leading to an EBITDA rise of 61.4% y/y to MXN 4.0 billion, reflecting a margin expansion (excluding construction services) of 5.8pp to 70.5%, in line with our estimate (70.3%). At the net level, the company recorded majority net income increase of 116.1%, due to fair value loan repayments originated by the Colombia business acquisition (by MXN 224 million) and a favorable exchange rate effect.

Our favorite in the sector. Although we must track the demand evolution in the face of the complex environment, the group's advance in figures, which stands out in the sector, confirms the favorable growth perspectives, highlighting the healthy financial situation (ND/EBITDA of 0.4x). Incorporating the results, FV/EBITDA multiple was lowered from 10.2x to 9.2x, being a very attractive valuation vs. 11.0x national sector average, which makes us reiterate our Buy recommendation.

BUY	
Current Price	$382.74
PT	$483.50
Upside Potential	26.3%
ADS Price	US$187.12
PT ADS	US$228.00
Shares per ADS	10
Max – Min LTM ($)	462.6 – 329.4
Market Cap (US$m)	5,606.5
Shares Outstanding (m)	300
Float	63%
Daily Turnover ($m)	274.3
Valuation metrics LTM	
FV/EBITDA	9.2x
P/E	13.3x
MSCI ESG Rating*	A

Relative Performance to Mexbol
LTM



Financial Statements

MXN, million	2020	2021	2022E	2023E
Revenues	12,625	18,785	23,187	24,053
Operating Income	3,276	8,658	12,834	13,895
EBITDA	4,881	10,294	14,461	15,906
EBITDA Margin	38.7%	54.8%	62.4%	66.1%
Net Income	1,972	5,984	8,462	8,855
Net Margin	15.6%	31.9%	36.5%	36.8%
Total Assets	60,411	65,831	65,860	69,116
Cash	5,193	8,770	8,097	11,644
Total Liabilities	18,718	20,061	17,971	16,976
Debt	13,900	13,780	12,378	12,534
Common Equity	41,693	45,770	47,890	52,140

Source: Banorte with data from MSE

Valuation and financial metrics

	2020	2021	2022E	2023E
FV/EBITDA	27.0x	12.5x	8.9x	7.9x
P/E	58.2x	19.2x	13.6x	13.0x
P/BV	2.8x	2.5x	2.4x	2.2x
ROE	5.9%	16.1%	21.9%	21.0%
ROA	3.3%	9.1%	12.8%	12.8%
EBITDA/ Interest exp.	5.3x	12.2x	19.6x	21.5x
Net Debt/EBITDA	1.8x	0.5x	0.3x	0.1x
Debt/Equity	0.3x	0.3x	0.3x	0.2x

Asur - Results 2Q22

MXN, million

Concept	2Q21	2Q22	Var %	2Q22e	Diff% vs Estim.
Revenue	4,229	6,320	49.4%	6,213	1.7%
Operating Income	2,010	3,710	84.6%	3,573	3.8%
Ebitda	2,503	4,041	61.4%	4,077	-0.9%
Net Income	1,232	2,662	116.1%	2,283	16.6%
Margins					
Operating Margin	47.5%	58.7%	11.2pp	57.5%	1.2pp
Ebitda Margin	59.2%	63.9%	4.8pp	65.6%	-1.7pp
Net Margin	29.1%	42.1%	13.0pp	36.7%	5.4pp
EPS	$4.11	$8.87	116.1%	$7.61	16.6%

Income Statement (Million pesos)					
Year	2021	2021	2022	Change	Change
Quarter	2	1	2	% y/y	% q/q
Net Revenue	4,229.3	5,425.8	6,319.7	49.4%	16.5%
Cost of goods sold	88.9	116.2	125.7	41.4%	8.2%
Gross profit	2,857.7	3,757.2	4,432.2	55.1%	18.0%
General expenses	1,263.3	383.4	722.3	-42.8%	88.4%
Operating Income	2,009.9	3,373.8	3,709.9	84.6%	10.0%
Operating Margin	47.5%	62.2%	58.7%	11.2pp	(3.5pp)
Depreciation	492.9	302.5	330.8	-32.9%	9.4%
EBITDA	2,502.8	3,676.3	4,040.6	61.4%	9.9%
EBITDA Margin	59.2%	67.8%	63.9%	4.8pp	(3.8pp)
Interes income (expense) net	(181.5)	(241.6)	108.3	N.A.	N.A.
Interest expense	189.3	226.1	20.8	-89.0%	-90.8%
Interest income	51.9	80.4	74.1	42.7%	-7.8%
Other income (expenses)	0.0	0.0	0.0	N.A.	N.A.
Exchange Income (loss)	(44.1)	(95.9)	0.0	N.A.	N.A.
Unconsolidated subsidiaries	0.0	0.0	0.0	N.A.	N.A.
Income before taxes	1,828.4	3,132.2	3,818.2	108.8%	21.9%
Income taxes	498.7	782.4	973.7	95.3%	24.5%
Discontinued operations	0.0	0.0	0.0	N.A.	N.A.
Consolidated Net Income	1,329.8	2,349.8	2,844.5	113.9%	21.1%
Minorities	98.1	156.1	182.9	86.4%	17.2%
Net Income	1,231.7	2,193.7	2,661.5	116.1%	21.3%
Net margin	29.1%	40.4%	42.1%	13.0pp	1.7pp
EPS	4.106	7.312	8.872	116.1%	21.3%

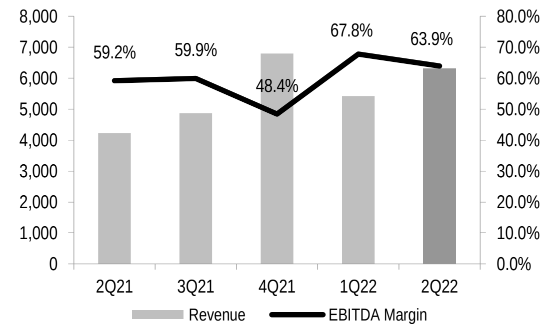
Balance Sheet (Million pesos)					
Total Current Assets	10,556.2	13,787.9	11,484.7	8.8%	-16.7%
Cash & Short Term Investments	7,837.8	9,962.2	7,331.1	-6.5%	-26.4%
Long Term Assets	51,606.9	53,552.4	53,243.5	3.2%	-0.6%
Property, Plant & Equipment (Net)	174.6	155.7	156.2	-10.5%	0.3%
Intangible Assets (Net)	51,411.8	53,217.1	53,061.8	3.2%	-0.3%
Total Assets	62,163.1	67,340.3	64,728.1	4.1%	-3.9%
Current Liabilities	5,651.9	4,150.5	4,130.0	-26.9%	-0.5%
Short Term Debt	1,454.4	1,101.5	1,052.2	-27.7%	-4.5%
Accounts Payable	238.8	309.9	295.9	23.9%	-4.5%
Long Term Liabilities	15,098.1	15,432.1	14,515.1	-3.9%	-5.9%
Long Term Debt	5,442.7	12,279.2	11,325.9	108.1%	-7.8%
Total Liabilities	20,750.0	19,582.6	18,645.1	-10.1%	-4.8%
Common Stock	41,413.1	47,757.7	46,083.0	11.3%	-3.5%
Preferred Stock	8,215.8	8,588.6	8,836.9	7.6%	2.9%
Total Equity	33,197.3	39,169.1	37,246.1	12.2%	-4.9%
Liabilities & Equity	62,163.1	67,340.3	64,728.1	4.1%	-3.9%
Net Debt	5,594.3	3,418.4	5,047.0	-9.8%	47.6%

Cash Flow (Million pesos)			
Cash Flow from Operating Activities	2,439.6	3,110.2	3,402.8
Cash Flow from Investing Activities	(114.2)	(1,358.3)	(498.4)
Cash Flow from Financing Activities	(190.1)	(497.4)	(5,531.7)
FX effect on cash	(37.4)	(62.3)	(3.9)
Change in Cash Balance	2,098.0	1,192.2	(2,631.1)

Source: Banorte, MSE.

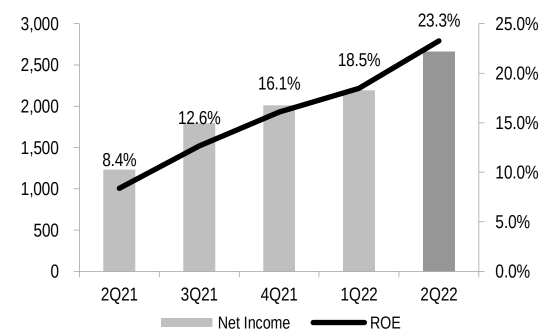
Revenue & EBITDA Margin

MXN, million



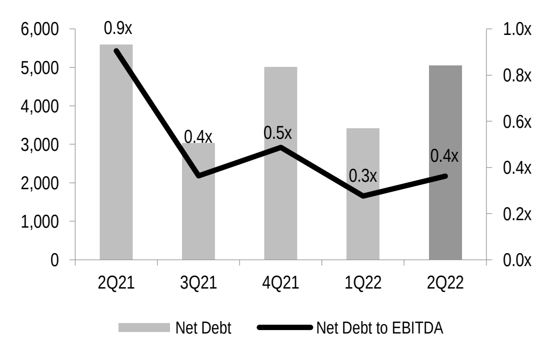
Net Income & ROE

MXN, million



Net Debt & Net debt to EBITDA ratio

MXN, million



ASUR 2Q22 – Passenger, Revenue, EBITDA and EBITDA Margin per region

Million - passengers and MXN

Region	Passengers	Var y/y	Revenue*	Var y/y	EBITDA	Var y/y	EBITDA Margin**	Var y/y
Mexico	9,817	34.4%	4,047	54.0%	3,058	70.2%	75.6%	7.2pp
San Juan Puerto Rico	2,783	4.2%	985	9.2%	580	5.6%	58.8%	-2.0pp
Colombia	4,107	103.4%	696	108.6%	403	156.9%	57.9%	10.9pp
Total	16,707	39.3%	5,728	48.3%	4,041	61.4%	70.5%	5.7pp

Source: Asur.

*Sum of aeronautics and non-aeronautics

** Mg EBITDA with no accounting changes

Analyst Certification

We, Alejandro Padilla Santana, Juan Carlos Alderete Macal, Alejandro Cervantes Llamas, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Katia Celina Goya Ostos, Francisco José Flores Serrano, José Luis García Casales, Víctor Hugo Cortes Castro, José Itzamna Espitia Hernández, Carlos Hernández García, Leslie Thalía Orozco Vélez, Hugo Armando Gómez Solís, Yazmín Selene Pérez Enríquez, Miguel Alejandro Calvo Domínguez, Daniela Olea Suárez, José De Jesús Ramírez Martínez, Gerardo Daniel Valle Trujillo, Luis Leopoldo López Salinas, Isaías Rodríguez Sobrino, Paola Soto Leal, Oscar Rodolfo Olivos Ortiz, Daniel Sebastián Sosa Aguilar and Salvador Austria Valencia certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V for the provision of our services.

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Guide for investment recommendations.

	Reference
BUY	*When the share expected performance is greater than the MEXBOL estimated performance.*
HOLD	*When the share expected performance is similar to the MEXBOL estimated performance.*
SELL	*When the share expected performance is lower than the MEXBOL estimated performance.*

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History of PT and Ratings

Stock	Date	Rating	PT
ASURB	25/10/2021	Buy	$483.50
ASURB	21/04/2021	Buy	$414.00
ASURB	24/02/2021	Hold	$403.00
ASURB	22/10/2020	Buy	$295.00

MSCI ESG Rating scale

CCC	B	BB	BBB	A	AA	AAA
LAGGARD		AVERAGE			LEADER	

*The MSCI ESG Rating is an indicator that evaluates companies in Environment, Society and Governance (ESG) metrics.

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