

AIRPORTS

Sectorial Note

November 30, 2018

November passenger traffic preview

- We expect passengers from airports that operate in Mexico to post a lower increase yoy in November relative to the previous month, placing our estimate at 9.2% vs. October's 10.6%
- We forecast a 14.6% yoy increase in total passenger traffic for Asur. We expect a 7.6% expansion in Mexico, and sharp double-digit growth in Puerto Rico and Colombia
- For Gap's 13 airports, we project an 8.7% passenger traffic increase (+9.3% of airports that operate in Mexico). Finally, we expect an 11.6% climb for Oma

Total passenger yoy growth of airport groups would be lower during November in comparison to the previous month (for the airports that operate in Mexico). During the next few days, the 3 private airport groups- Asur, Gap and Oma- will release their November passenger traffic reports. In the consolidated balance sheet, we forecast a 9.2%e growth rate increase (of airports that operate in Mexico), lower than that reported during October (10.6%), but nevertheless will continue to represent a solid high single-digit expansion.

We estimate a passenger traffic increase of 14.6% for Asur, 8.7% for Gap and 11.6% for Oma. Asur will post passenger traffic increase in airports that operate in Mexico, considering the high hotel occupancy level of the destination where the group's most important airport is located, Cancun. The latter, coupled with a solid improvement of operations in Colombia and a strong passenger traffic increase expected in the Luis Muñoz Marín Airport in San Juan de Puerto Rico ("LMM"), which was hit by Hurricane Maria in September of 2017, will lead Asur's total passenger traffic to report an estimated 14.6% yoy growth, consisting of a 21.3% expansion in domestic and a 4.1% increase in international traffic. For the 9 airports that operate in Mexico, we expect the group to post a 7.6% improvement.

As for Gap, we expect the group to report an 8.7% yoy total passenger increase during November, 12.4% in domestic and 3.6% in international traffic. Considering only the 12 airports that operate in Mexico, that is, excluding the Montego Bay Airport in Jamaica (MBJ), we project a 9.3% passenger expansion.

Finally, we estimate Oma to report an 11.6% total passenger increase due to a low comparative basis, up 12.4% in domestic and 5.6% in international passengers.

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Airport Sector

Stock	Recom.	PT 19E	P. Return 19E
Asur	Buy	\$420	51.1%
Gap	Buy	\$225	59.1%
Oma	Buy	\$140	52.4%

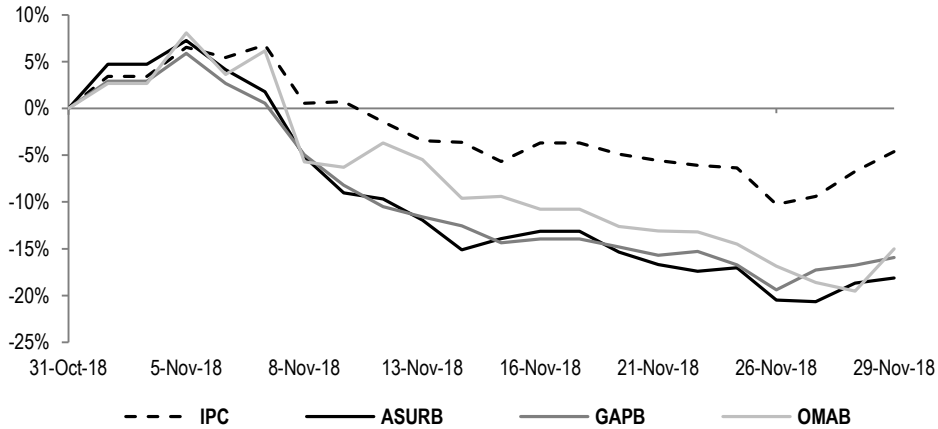
Stock	EV/Ebitda 12m	EV/Ebitda 19E
Asur	11.0x	9.4x
Gap	10.2x	8.8x
Oma	9.1x	7.6x

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Volatility in airport groups’ stock due to the sector’s uncertain climate.

Although the airport sector will continue to report improvement resulting from a positive tourism performance and higher seating capacity from the different Airlines, we do not exclude volatility in the different airport groups’ shares due to the sector’s uncertain setting. Meanwhile, we will have to continue monitoring the performance of passengers and the evolution of oil prices.

Airport Groups – Return Comparison in November



Source: Banorte

Certification of Analysts.

We, Gabriel Casillas Olvera, Delia Maria Paredes Mier, Alejandro Padilla Santana, Manuel Jiménez Zaldivar, Tania Abdul Massih Jacobo, Katia Celina Goya Ostos, Juan Carlos Alderete Macal, Víctor Hugo Cortes Castro, Marissa Garza Ostos, Miguel Alejandro Calvo Domínguez, Hugo Armando Gómez Solís, Gerardo Daniel Valle Trujillo, José Itzamna Espitia Hernández, Valentín III Mendoza Balderas, Santiago Leal Singer, Francisco José Flores Serrano, Francisco Duarte Alcocer, Jorge Antonio Izquierdo Lobato and Leslie Thalía Orozco Vélez, 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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