

AIRPORTS

Sectorial Note

January 6, 2023

Asur achieves the largest passenger rise in 2022

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- In December, passengers at the airports operated by Asur, Gap, and Oma, reflected a good demand performance, although with a more moderate growth, in line with expectations
- In relation to total operations (including those outside of Mexico), Asur reported a 16.8% surge in passengers, Gap a rise of 18.8%, and Oma an increase of 20.6%
- The figures reaffirm our expectation of continued passenger growth this year, which stands out in the complex environment, therefore we reiterate our positive outlook for the sector

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Airport Sector

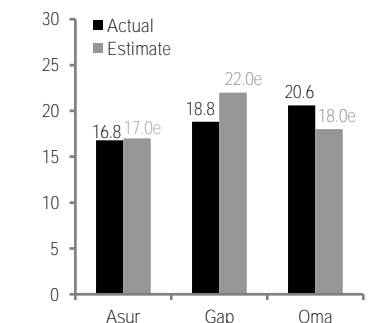
Stock	Rating	PT	P. Return
Asur	Buy	\$483.50	0.0%
Gap	Hold	\$300.00	-2.1%
Oma	Buy	\$158.00	-1.0%

In December, total passenger traffic of the 3 airport groups increased 18.3% y/y (airports operated in Mexico). Demand continued to show strength, although there was a slower pace of passenger growth y/y, in line with expectations. Thus, total passenger traffic at airports operated in Mexico rose 18.3% y/y (vs. a 19.4% increase in November), similar to our estimate of ~19%. Domestic (62.1% of the total) recorded an 18.9% y/y increase, and international passengers rose 17.2% y/y.

Stock	FV/EBITDA LTM	FV/EBITDA 23e
Asur	10.4x	9.2x
Gap	11.5x	10.5x
Oma	11.3x	9.5x

Individually, Asur showed a 16.8% y/y growth, including an 18.1% y/y hike in passengers from Mexico. In San Juan Puerto Rico, traffic increased 8.2% y/y, while Colombia continued to perform well, rising 19.7% y/y. In turn, Gap noted total December passenger advance of 18.8% y/y. Passenger traffic at the airports it operates in Mexico, that is, excluding Montego Bay Airport in Jamaica (+28.2% y/y) and Kingston Airport (+47.1% y/y), increased 17.4% y/y. Finally, Oma recorded a 20.6% y/y surge in passengers.

Passenger traffic in Mexico – December 2022
% y/y



Source: Banorte.

Asur, Gap, and Oma's L12M total passenger variations stood at 34.4%, 32.0%, and 28.8% (January 2022 - December 2022), compared to L12M as of November of 39.4%, 34.5%, and 31.7% (December 2021 - November 2022), respectively.

Corporate news

- Gap mentioned that during the month, 2 new routes began operating and 5 were reopened. Meanwhile, the volume of seats offered rose 18.1% y/y and the annual increase in the occupancy factor was 10.5pp to 78.0%.
- Oma noted that six new routes began operating during the month.

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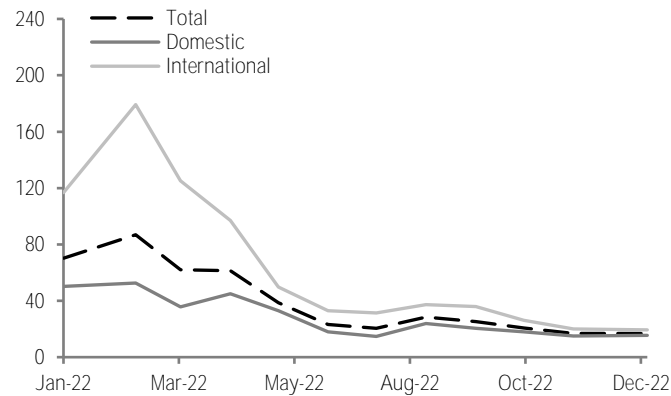
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Conclusion... Passengers at Mexico's private airport groups continued to show strong demand, albeit at a slower growth rate. Thus, we believe that by the beginning of 2023, traffic will maintain a solid dynamism. It should be noted that Asur stood out for presenting the highest passenger increase during 2022. Meanwhile, considering only Mexico's operations, Oma recorded the highest y/y advance in December, with a good performance in domestic segment, but mainly surprisingly in international segment; followed by Gap, which has the best diversified portfolio by passenger mix and destination type; and finally, Asur, where foreign tourists continue to drive traffic. Taking into account also the airports operated outside of Mexico, Gap once again ranked as the highest in terms of growth. Thus, we reaffirm our positive view for the sector, which includes sustained growth and high profitability. It is worth mentioning that the average share price performance of the sector's companies over the last 12 months is ~10%, which compares very favorably vs. the Mexbol's 4% decline, reflecting solid results that have exceeded our expectations. In that sense, we will review our estimates and 2023 PT's of the groups, noting that they continue to be defensive and value alternatives, attractive in the current complex environment. In our institutional portfolio we have exposure to Asur with a PT of MXN 483.50 per share and Oma with a PT of MXN 158.00 per share, both with a Buy recommendation. On the other hand, for Gap our PT is MXN 300.00 and our recommendation is to Hold

December passenger traffic

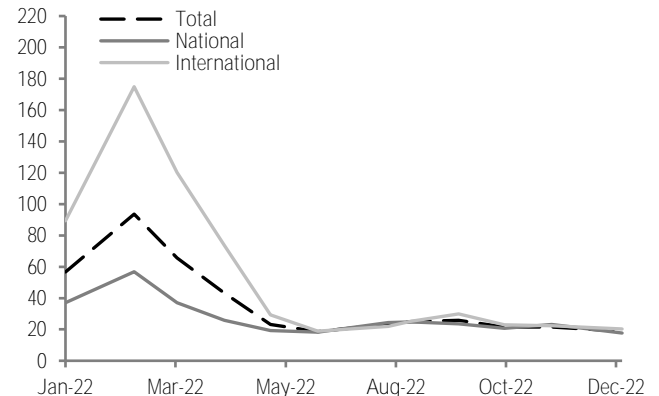
The following graphs show the evolution of the airport groups' total passengers over the last 12 months (percentage variation y/y) and the performance shares vs. S&P/BMV IPC.

Asur – Passenger traffic – Last 12 Months
% y/y



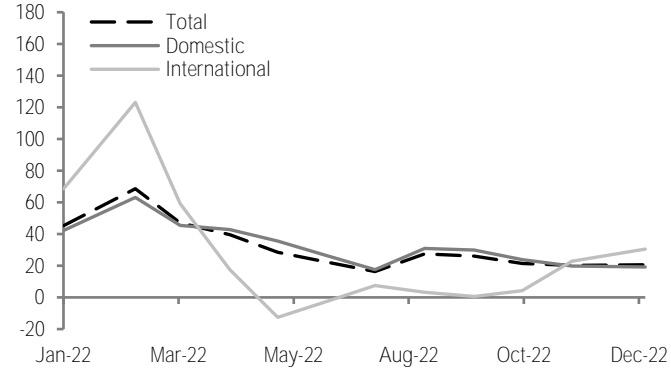
Source: Asur, Banorte / Variations include the LMM Airport and the airports in Colombia (Airplan)

Gap – Passenger traffic – Last 12 Months
% y/y



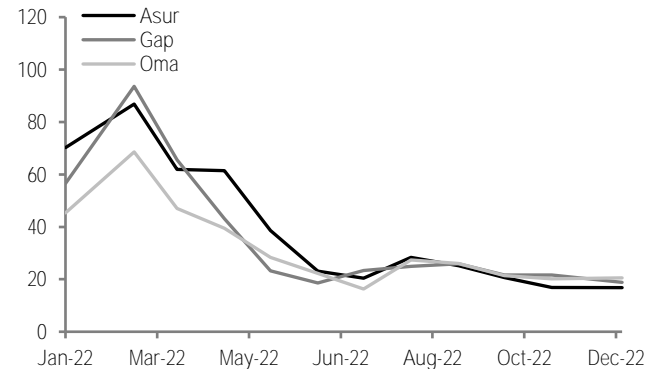
Source: Gap, Banorte / Variations include MBJ and Kingston airports

Oma – Passenger traffic – Last 12 Months
% y/y



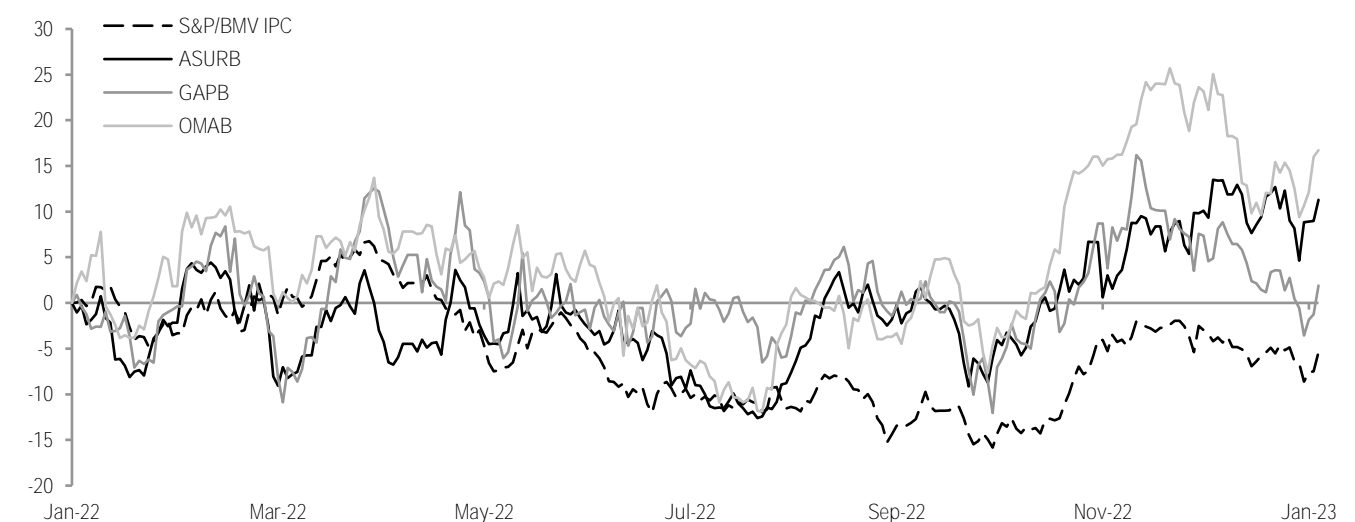
Source: Oma, Banorte

Total traffic passengers– Asur, Gap y Oma– Last 12 Months
%



Source: Banorte / Asur variations include the LMM airport and the airports in Colombia (Airplan). Gap variations include MBJ and Kingston airports

MEXBOL and airports return
Last 12 months, %



Source: Banorte

Sector comparison – Figures at December 2022

MXN, Millions	Asur	Gap	Oma
Passengers LTM.	66.3	56.7	23.2
% y/y	34.4%	32.0%	28.8%
Sales LTM. (Ex IFRS 17)	\$21,504	\$21,092	\$8,757
% y/y	61.5%	54.3%	43.0%
Operating Income LTM.	\$13,569	\$12,895	\$5,591
% y/y	94.6%	74.7%	66.0%
EBITDA LTM.	\$15,069	\$15,130	\$6,122
% y/y	80.7%	60.6%	59.5%
Net Income LTM.	\$9,415	\$8,940	\$3,784
% y/y	110.4%	104.6%	81.6%
Operating Margin LTM.	63.1%	61.1%	63.8%
% y/y	10.7%	7.1%	8.9%
EBITDA Margin LTM.	70.1%	71.7%	69.9%
% y/y	7.4%	2.8%	7.2%
Net Margin LTM.	43.8%	42.4%	43.2%
% y/y	10.2%	10.4%	9.2%
Metrics per passenger			
Sales/Pax	\$324.1	\$372.0	\$377.1
Operating Income/Pax	\$204.5	\$227.4	\$240.8
EBITDA/Pax	\$227.1	\$266.9	\$263.6
Net Income/Pax	\$141.9	\$157.7	\$163.0
Valuation			
FV/EBITDA LTM.	10.4x	11.5x	11.3x
FV/EBITDA 22e	9.2x	10.5x	9.5x
FV/EBITDA Av. 1y.	13.4x	15.1x	12.6x
FV/EBITDA Av. 3y.	15.8x	16.4x	15.0x
FV/EBITDA LTM Av. Sector (Domestic)	11.0x	11.0x	11.0x
FV/EBITDA 22e Av Sector (Domestic)	9.7x	9.7x	9.7x
Estimate vs. Sector (Domestic)	-5.7%	8.2%	-2.5%
LTM. vs. Sector (Domestic)	-6.1%	4.1%	2.1%
22e vs. Av. 3y.	-42.0%	-35.8%	-36.8%
FV/EBITDA LTM Av. (International peers ¹)		14.8x	
FV/EBITDA 22e Av. (International peers ¹)		10.9x	
P/BV	3.0x	9.1x	8.5x
P/E	15.4x	9.0x	16.3x
Market			
Current Price	\$483	\$306	\$160
Return LTM.	11.3%	1.9%	16.7%
Return 2021	7.5%	-1.1%	9.1%
Return 2022	6.3%	9.7%	6.4%
Market Cap. (US\$ million)	\$7,504	\$8,010	\$3,190
Shares Outstanding	300	509	386
Float %	63%	85%	70%
Floating Market Cap. (US\$ million)	\$4,715	\$6,808	\$2,233

Source: Banorte / Bloomberg (01/05/23). *The operating results are gathered from the consolidated Financial Statements. It should be mentioned that Asur has a 60% share of the operations of Puerto Rico and Gap has 74.5% of MBJ.

¹ Aena SME, Aeroports de Paris, Flughafen Wien AG, Fraport AG, Hainan Meilan International.

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