

AIRPORTS

Sectorial Note

March 1, 2019

February passenger traffic preview

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- In February, we expect passenger traffic from airports that operate in Mexico to post an increase yoy below that reported during the previous month, down to 2.3% vs. 3.8% in January
- We estimate a 5.8% yoy increase in total passenger traffic for Asur. In Mexico, we expect a 1.0% drop and a solid double-digit growth in Puerto Rico and Colombia
- For Gap's 13 airports, we project a 4.0% passenger traffic increase (+3.8% from the airports that operate in Mexico). Finally, we estimate a 5.0% increment for Oma

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In February, total passenger yoy growth of the airport groups would result in a lower rate than that presented during the previous month (for the airports that operate in Mexico). Within the next few days, the 3 private airports groups-Asur, Gap and Oma- will release their passenger traffic reports for the month of February. In the consolidated, we forecast a 2.3%e growth rate (for the airports that operate in Mexico), below that reported in January (3.8%).

Airport Sector

Stock	Recom.	PT 19E	P. Return 19E
Asur	Buy	\$380.1	16.6%
Gap	Buy	\$206.7	15.8%
Oma	Buy	\$118.8	8.0%

We estimate a 5.8%, 4.0% and 5.0% increase for Asur, Gap and Oma, respectively. Asur would present a passenger traffic decline in the airports operating in Mexico, considering a lower passenger traffic dynamism in Cancun, location of the group's most important airport. The latter would be more than compensated by a solid increase of operations in Colombia and the sharp passenger traffic increase expected in the Luis Muñoz Marín Airport in San Juan de Puerto Rico ("LMM"), which was unfortunately hit by Hurricane Maria in September of 2017 and would lead Asur to report an estimated 5.8% yoy increase in total passenger traffic, consisting of an 11.6% surge in domestic and a 1.6% fall in international. For the 9 airports that operate in Mexico, we expect the group to post a 1.0% reduction.

Stock	FV/Ebitda LTM	FV/Ebitda 19E
Asur	12.1x	10.9x
Gap	12.3x	9.9x
Oma	10.0x	8.9x

As for Gap, we project a 4.0% yoy passenger traffic increase in February, broken down by an increment of 3.2% domestic and 4.9% international traffic. Considering only the 12 airports that operate in Mexico, that is, excluding the Montego Bay Airport in Jamaica (MBJ), we expect passengers to grow by 3.8%.

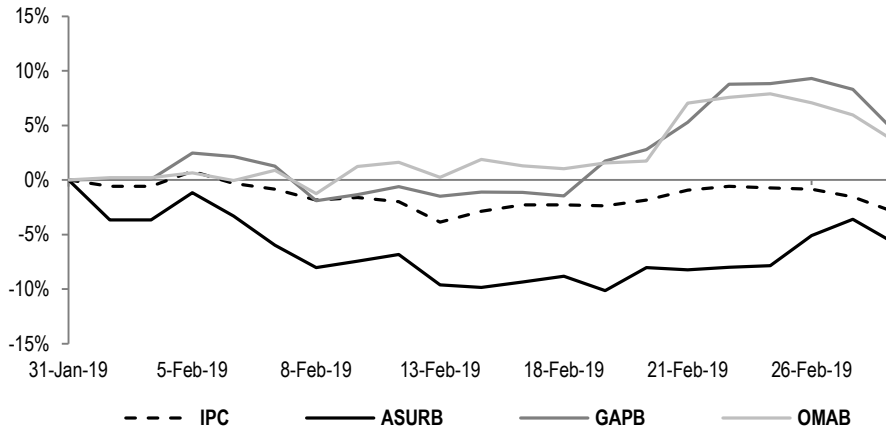
Finally, we estimate Oma to report a 5.0% total passenger growth, with a 4.9% domestic and 5.3% international passenger increase.

Passenger growth rates decelerate in airport groups that operate in Mexico. Although the airport sector will continue to report upturns in passenger traffic, during the first months of the year, growth rates have

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slowed down. In addition, we do not dismiss a volatile climate for the groups' stock prices due to the sector's current uncertain environment. Meanwhile, we will continue to monitor the performance of passengers and of oil prices as well. In our institutional portfolio, we include exposure to Gap with a 2019E PT of MXN\$ 206.7 per share with a Buy recommendation. Also, for Asur, our 2019E PT is of MXN \$380.1 per share, and for Oma, our 2019E PT stands at MXN\$ 118.8 per share, both with a Buy recommendation.

Airport groups – Comparative of returns during February



Source: Banorte

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