

# GAP (Under Review)

October 6, 2020

## Flash: Continued in September with better than expected recovery

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Gap posted a 38.3% annual decrease in passenger traffic in September, corresponding to the 14 airports it operates, where passenger demand continued to be affected by the effects of COVID-19, although with less impact vs. August. The most relevant reduction came in the international part with a 47.1% year-on-year decline (the main one, which is Guadalajara, showed a 43.7% drop). On the other hand, national passengers fell by 33.7% y/y (Guadalajara's fell by 41.5%).

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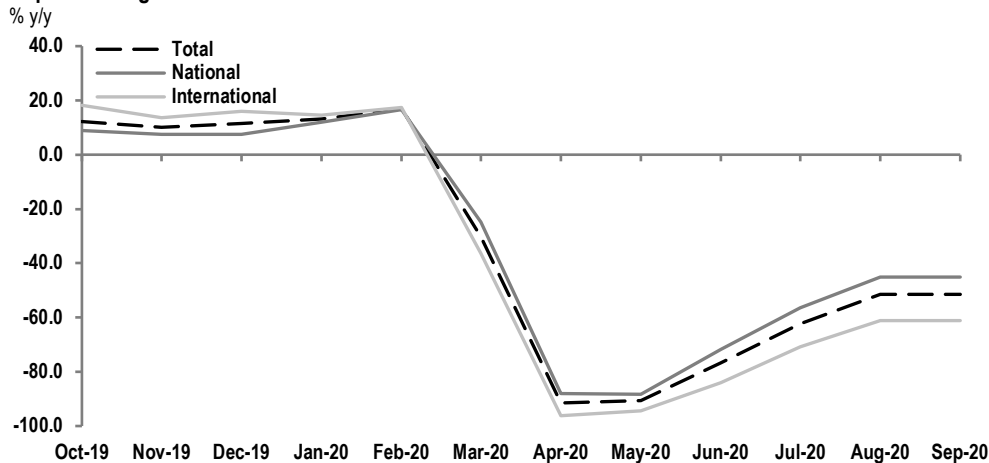
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September passenger traffic corresponding to the 12 airports operated in Mexico registered a 35.8% y/y drop, being better than expected (-46.0%e), while Montego Bay Airport in Jamaica (MBJ) significantly reduced its passengers by 81.3% y/y. On the other hand, the group pointed out that Kingston airport suffered a 75.7% y/y drop in its passenger traffic.

The group announced that the volume of seats offered in September decreased by 20.7% y/y and that the load factor during the month decreased by 21.9pp from 82.4% in September 2019 to 60.5%.

**Positive implication:** Gap passengers showed a better than expected recovery in September. The group is financially sound and focused on maintaining its liquidity and has been remarkable for recording the smallest drops in the sector due to a better mix of domestic/international passengers and for its diversification in terms of the type of airport. It should be considered to participate in the stock with a longer investment horizon, if the traffic continues to recover at a higher rate than expected. Clearly this will depend on the evolution of the health contingency.

Gap – Passenger traffic – Last 12 months



Source: Gap, Banorte.

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Document for distribution among public

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## History of PT and Ratings

Stock	Date	Rating	PT
GAP	04/29/2020	Under Review	Under Review
GAP	12/13/2019	Buy	\$246.00
GAP	10/24/2019	Buy	\$221.00

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