

AIRPORTS

Sectorial Note

November 5, 2021

Passengers almost at pre-pandemic levels

- Passengers at the airports operated in Mexico by Asur, Gap and Oma, showed significant year-over-year growth in October that were slightly above our expectations
- Regarding total operations (including those outside Mexico), Asur showed passenger traffic growth of 115.6%, Gap an increase of 54.2% and Oma a rise of 63.2%
- The solid recovery persists (vs. 2019) due to a greater dynamism in demand that we expect to continue in the coming months. As a result, we remain positive about the sector

Total passenger traffic of the 3 airport groups in October presented an annual growth of 64.1% (airports operated in Mexico). The increase was driven by improved demand performance, which we believe continues to benefit from the reduction in the COVID-19 daily contagion rate, while growth rates were lower compared to previous months on a slightly more normalized base. With this, total passengers at Mexico's operated airports posted a 64.1% y/y increase, representing 99.8% for the month of October 2019 (vs. 96.0% in September), placing slightly above our estimate of ~98.0%, and practically reaching pre-pandemic levels. Domestic passengers (66.9% of the total) showed an increase of 47.5% y/y, while international passengers had a higher growth of 112.2% y/y.

Individually, Asur presented a 115.6% y/y increase, exceeding pre-pandemic figures, including a 90.7% y/y growth in passengers from Mexico. In San Juan Puerto Rico, traffic was 114.4% of 2019, while in Colombia it represented 109.7% of the same month of 2019. On the other hand, Gap recorded an advance in total passengers in October of 54.2% y/y, placing it above pre-pandemic levels. Passenger traffic at the airports it operates in Mexico, i.e. excluding Montego Bay Airport in Jamaica (with traffic equivalent to 72.5% of the 2019 figure) and Kingston Airport (up 4.3% m/m), had an annual increase of 49.5%. Finally, Oma showed a 63.2% y/y growth in total passengers.

Asur, Gap and Oma's LTM total passenger variations stood at 49.6%, 30.3% and 30.1% (November 2020 – October 2021), compared to LTM to September 2021 of 32.2%, 20.5% and 16.5% (October 2020 - September 2021), respectively.

Corporate news

- Gap mentioned that a new route opened during the month and the volume of seats offered grew 30.8% y/y, while the load factor stood at 78.1% vs. 66.2% in October 2020.

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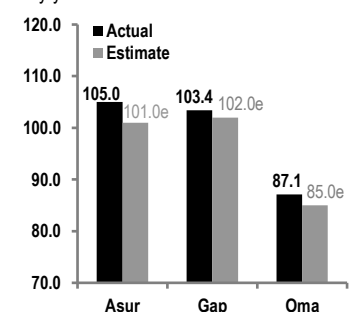
Airport Sector

Stock	Rating	PT	P. Return 22e*
Asur	Buy	\$483.50	16.5%
Gap	Buy	\$300.00	11.0%
Oma	Buy	\$158.00	30.2%

* Includes estimated dividend and/or capital reduction

Stock	FV/Ebitda LTM	FV/Ebitda 22e
Asur	16.6x	11.6x
Gap	17.2x	12.7x
Oma	12.8x	8.8x

Mexico passenger traffic – October 2021 % y/y



Source: Banorte.

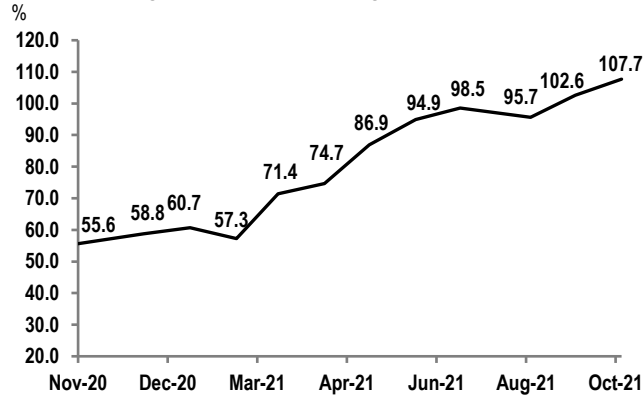
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Document for distribution among public

Conclusion... October passenger traffic at airports operated by private groups in Mexico continued to show a solid performance, slightly better than expected, reaching almost pre-pandemic levels. Considering all operations, including those outside Mexico, Asur stood out for presenting the highest y/y increase, as well as for registering the highest positive variation vs. pre-pandemic contingency figures, as did Gap. Thus, we expect the good performance of demand to continue in the coming months as the vaccination process progresses. This, together with the positive outlook for 2022, means that we remain positive on the sector. In our institutional portfolio we have exposure to Asur with a PT of MXN 483.50 per share and Gap with a PT of MXN 300.00, both with a Buy rating. On the other hand, for Oma our PT is MXN 158.00 per share, also with a Buy rating.

October passenger traffic

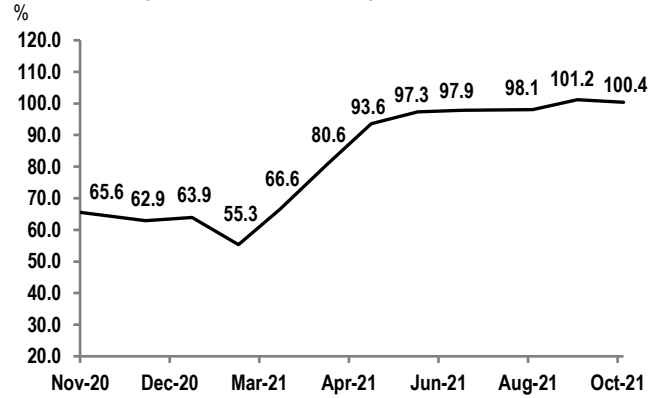
In the following graphs below, we can observe the evolution of the total passengers of the airport groups as a percentage of the 2019 figures in the last 12 months, and the performance of their shares vs. S&P/BMV IPC.

Asur – Passenger traffic as a percentage of 2019 – LTM



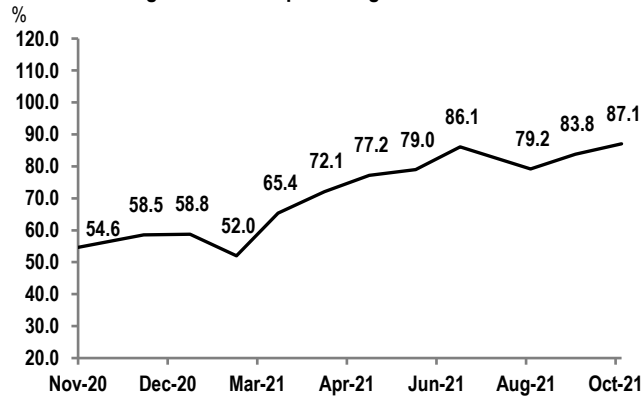
Source: Asur, Banorte / Variations include the LMM Airport and the airports in Colombia (Airplan)

Gap – Passenger traffic as a percentage of 2019 – LTM



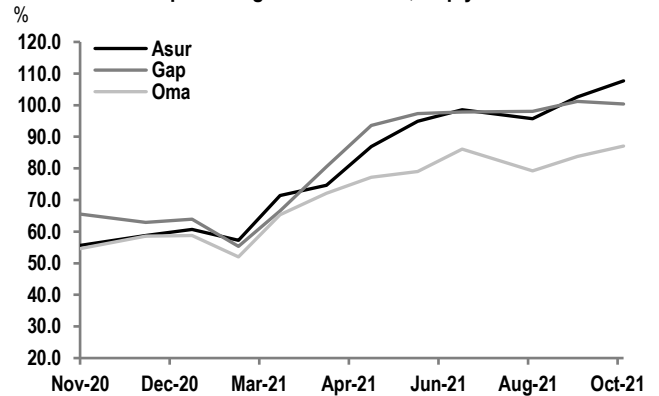
Source: Gap, Banorte / Variations include MBJ and Kingston airports

Oma – Passenger traffic as a percentage of 2019 – LTM



Source: Oma, Banorte

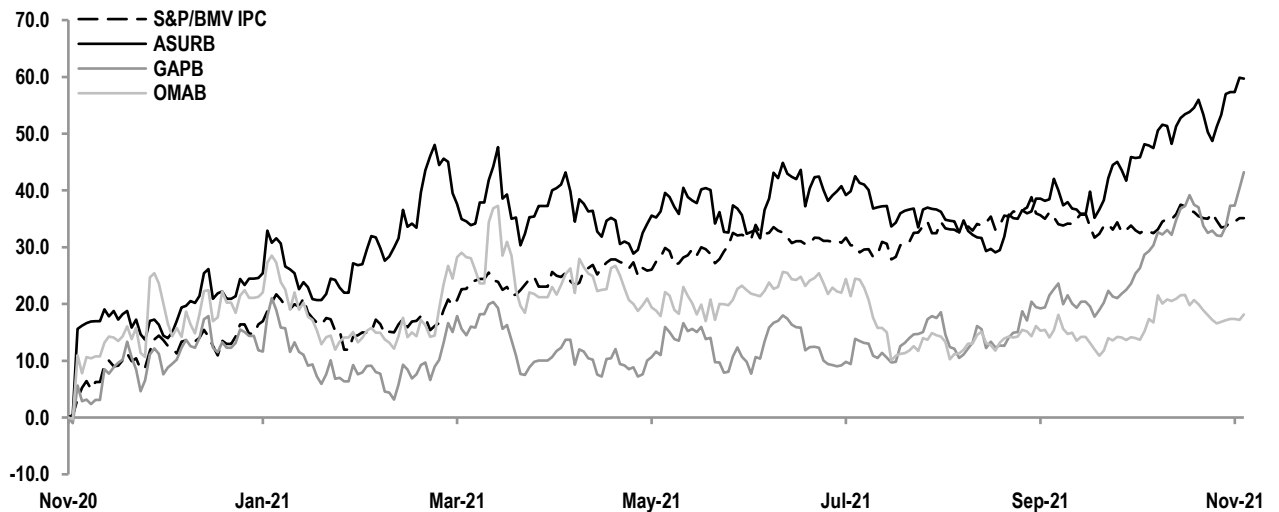
Total traffic as a percentage of 2019 –Asur, Gap y Oma– LTM



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 October 2021

MXN, Millions	Asur	Gap	Oma
Passengers LTM.	44.6	39.8	16.6
% y/y	49.6%	30.3%	30.1%
Sales LTM. (Ex IFRS 17)	\$13,314	\$13,671	\$6,126
% y/y	28.6%	27.4%	27.6%
Operating Income LTM.	\$6,973	\$7,382	\$3,367
% y/y	67.6%	64.3%	43.0%
EBITDA LTM.	\$8,339	\$9,419	\$3,839
% y/y	39.3%	45.4%	38.1%
Net Income LTM.	\$4,474	\$4,370	\$2,083
% y/y	64.2%	27.8%	29.1%
Operating Margin LTM.	52.4%	54.0%	55.0%
% y/y	12.2%	12.1%	6.0%
EBITDA Margin LTM.	62.6%	68.9%	62.7%
% y/y	4.8%	8.6%	4.8%
Net Margin LTM.	33.6%	32.0%	34.0%
% y/y	7.3%	0.1%	0.4%
Metrics per Passenger			
Sales/Pax	\$298.8	\$343.8	\$368.3
Operating Income/Pax	\$156.5	\$185.7	\$202.4
EBITDA/Pax	\$187.2	\$236.9	\$230.8
Net Income/Pax	\$100.4	\$109.9	\$125.2
Valuation			
FV/EBITDA LTM.	16.6x	17.2x	12.8x
FV/EBITDA 21e	11.6x	12.7x	8.8x
FV/EBITDA Av. 1y.	22.0x	20.9x	21.7x
FV/EBITDA Av. 3y.	14.7x	15.1x	13.7x
FV/EBITDA LTM Av. Sector (Domestic)	15.5x	15.5x	15.5x
FV/EBITDA 21e Av Sector (Domestic)	11.0x	11.0x	11.0x
Estimate vs. Sector (Domestic)	5.1%	14.9%	-20.0%
LTM. vs. Sector (Domestic)	6.8%	10.8%	-17.6%
21e vs. Av. 3y.	-20.9%	-15.8%	-35.7%
FV/EBITDA LTM Av. (International peers ¹)		125.4x	
FV/EBITDA 21e Av. (International peers ¹)		13.0x	
P/BV	2.9x	8.1x	4.0x
P/E	28.3x	33.4x	23.2x
Market			
Current Price	\$422	\$278	\$125
Return LTM.	59.7%	43.2%	18.2%
Return 2020	-7.0%	-1.1%	-9.5%
Return 2021	28.3%	25.2%	-2.4%
Market Cap. (US\$ million)	\$6,161	\$7,108	\$2,354
Shares Outstanding	300	561	399
Float %	59%	85%	70%
Floating Market Cap. (US\$ million)	\$3,665	\$6,042	\$1,647

Source: Banorte / Bloomberg (11/04/21). *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.

Analyst Certification

We, Alejandro Padilla Santana, Juan Carlos Alderete Macal, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Alik Daniel García Alvarez, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía Orozco Vélez, Gerardo Daniel Valle Trujillo and Juan Barbier Arizmendi, 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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