Equity Research
Mexico

OMA

Quarterly Report

August 1, 2022

Surprising higher profitability

- **Oma recorded significant 2Q22 increases, boosted by better passenger demand and efficiencies that reflected a larger-than-expected margin expansion**
- **The results should be well received by the market, as they reaffirm the positive outlook, with better profitability, which is remarkable in current's challenging environment**

Passengers very close to pre-pandemic levels, highlights the margins expansion. Oma's results continued with important advances due to better passenger performance and a still low comparative base. As a result, total traffic showed an annual growth of 29.6% y/y (-1.3% vs 2Q19), which together with higher tariffs approved in the Master Development Program and solid diversification activities performance (+43.4% y/y), led to an increase in the sum of aeronautical and non-aeronautical revenues of 34.8% y/y to MXN 2.4 billion, in line with estimates. On the other hand, higher operating leverage and costs and expenses control, resulted in a greater increase in Adjusted EBITDA of 40.1% to MXN $1.8 billion, placing the margin at 77.7% (+2.9pp), exceeding our 74.7% expectation. Finally, majority net income grew 49.1% y/y to MXN 925 million, supported by operating performance, higher interest income and a favorable foreign exchange effect, partially offset by higher interest costs (additional debt) and taxes. We highlight the financial strength with an Adjusted ND/EBITDA of 1.2x. **Favorable outlook is confirmed with the solid report.** We reaffirm our group expectations that aim to continuous growth, despite the environment challenges, and highlight the continued cheapening in valuation, as with the quarter's figures the FV/EBITDA multiple dropped from 10.2x to 9.7x vs. 10.0x national sector average. We reiterate our Buy recommendation.

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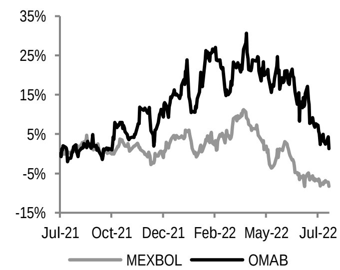
BUY

Current Price	$120.96
PT	$158.00
Upside Potential	30.6%
ADS Price	US$47.09
PT ADS	US$59.60
Shares per ADS	8
Max – Min LTM ($)	157.2 – 107.6
Market Cap (US$m)	2,281.9
Shares Outstanding (m)	386.17
Float	69.9%
Daily Turnover ($m)	87.5
Valuation metrics LTM	
FV/EBITDA	9.7x
FV/Adjusted EBITDA	8.7x
P/E	13.4x
MSCI ESG Rating*	N.A.

Relative Performance to Mexbol
LTM



Financial Statements

MXN, million	2020	2021	2022E	2023E
Revenues	5,367	8,720	11,326	13,011
Operating Income	1,721	4,110	5,586	6,579
Adjusted EBITDA	2,549	5,110	6,798	7,813
Ad. EBITDA Mg	62.0%	73.7%	75.5%	75.5%
Net Income	1,094	2,857	3,644	4,294
Net Margin	20.4%	32.8%	32.2%	33.0%
Total Assets	18,192	22,889	22,499	25,552
Cash	2,959	5,987	3,372	3,621
Total Liabilities	7,365	11,651	14,236	15,269
Debt	4,706	7,921	9,202	9,202
Common Equity	10,826	11,238	8,262	10,283

Source: Banorte / Adjusted EBITDA = EBITDA less construction revenue plus constructionexpense and maintenance provision.
Adjusted EBITDA margin = Adjusted EBITDA divided by the sum ofaeronautical revenue and non-aeronautical revenue.

Valuation and financial metrics

	2020	2021	2022E	2023E
FV/Adjusted EBITDA	19.3x	9.6x	7.8x	6.7x
P/E	43.1x	16.3x	12.8x	10.9x
P/BV	4.4x	4.2x	5.7x	4.5x
ROE	10.3%	25.8%	45.0%	42.6%
ROA	6.0%	12.5%	16.2%	16.8%
Ad. EBITDA/ Int. exp	6.1x	9.9x	9.9x	10.0x
Net Debt/Ad. EBITDA	0.7x	0.4x	0.9x	0.7x
Debt/Equity	0.4x	0.7x	1.1x	0.9x

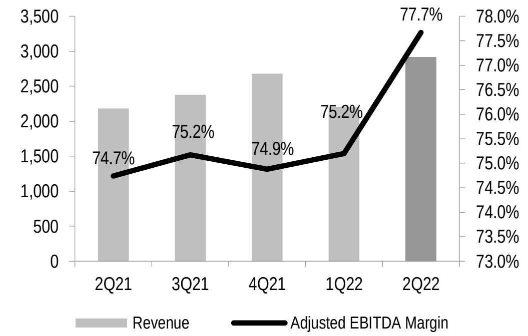
Oma - Results 2Q22
MXN, million

Concept	2Q21	2Q22	Var %	2Q22e	Diff% vs Estim.
Revenue	2,181	2,918	33.8%	2,774	5.2%
Operating Income	1,037	1,402	35.2%	1,453	-3.5%
Adjusted Ebitda	1,308	1,832	40.1%	1,745	5.0%
Net Income	620	925	49.1%	924	0.1%
Margins					
Operating Margin	47.5%	48.1%	0.5pp	52.4%	-4.3pp
Adjusted Ebitda Margin	74.7%	77.7%	2.9pp	75.0%	2.7pp
Net Margin	28.4%	31.7%	3.3pp	33.3%	-1.6pp
EPS	$1.59	$2.394	50.7%	$2.39	0.1%

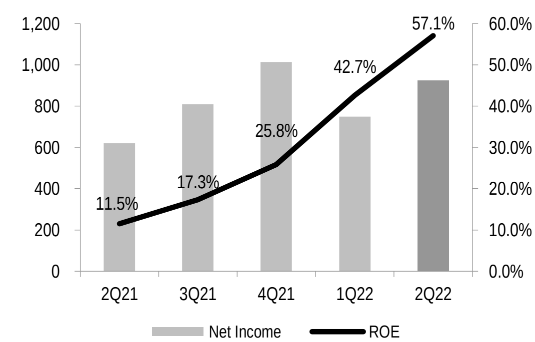
Income Statement (Million pesos)					
Year	2021	2022	2022	Change	Change
Quarter	2	1	2	% y/y	% q/q
Net Revenue	2,180.8	2,206.2	2,917.5	33.8%	32.2%
Cost of goods sold	996.5	851.9	1,364.4	36.9%	60.2%
Gross profit	1,184.3	1,354.3	1,553.1	31.1%	14.7%
General expenses	147.4	157.8	151.2	2.5%	-4.2%
Operating Income	1,036.9	1,196.5	1,402.0	35.2%	17.2%
Operating Margin	47.5%	54.2%	48.1%	0.5pp	(6.2pp)
Depreciation	120.0	130.6	132.8	10.7%	1.7%
EBITDA	1,156.9	1,327.1	1,534.8	32.7%	15.7%
EBITDA Margin	53.0%	60.2%	52.6%	(0.4pp)	(7.5pp)
Adjusted EBITDA	1,308.2	1,409.2	1,832.5	40.1%	30.0%
Adjusted EBITDA Margin	74.7%	75.2%	77.7%	2.9pp	2.5pp
Interes income (expense) net	(169.3)	(164.8)	(183.5)	8.4%	11.4%
Interest expense	133.8	208.1	234.4	75.2%	12.6%
Interest income	27.3	37.1	40.9	49.5%	10.2%
Other income (expenses)	0.0	0.0	0.0	N.A.	N.A.
Exchange Income (loss)	(62.8)	(12.6)	10.1	N.A.	N.A.
Unconsolidated subsidiaries	0.0	0.0	0.0	N.A.	N.A.
Income before taxes	867.6	1,031.7	1,218.5	40.5%	18.1%
Income taxes	247.7	279.1	290.2	17.2%	4.0%
Discontinued operations	0.0	0.0	0.0		
Consolidated Net Income	619.9	752.6	928.3	49.8%	23.3%
Minorities	(0.1)	4.5	3.8	N.A.	-15.5%
Net Income	619.9	748.1	924.5	49.1%	23.6%
Net margin	28.4%	33.9%	31.7%	3.3pp	(2.2pp)
EPS	1.589	1.937	2.394	50.7%	23.6%
Balance Sheet (Million pesos)					
Total Current Assets	6,027.2	4,983.7	3,826.1	-36.5%	-23.2%
Cash & Short Term Investments	4,190.6	3,260.1	1,756.6	-58.1%	-46.1%
Long Term Assets	14,068.0	15,445.2	16,051.6	14.1%	3.9%
Property, Plant & Equipment (Net)	2,723.9	2,744.0	2,764.8	1.5%	0.8%
Intangible Assets (Net)	10,788.8	11,921.7	12,386.6	14.8%	3.9%
Total Assets	20,095.1	20,428.8	19,877.7	-1.1%	-2.7%
Current Liabilities	1,518.8	3,487.5	4,250.1	179.8%	21.9%
Short Term Debt	23.5	1,527.9	1,527.5	>500%	0.0%
Accounts Payable	388.8	530.4	1,121.0	188.3%	111.3%
Long Term Liabilities	6,713.9	9,276.3	9,324.4	38.9%	0.5%
Long Term Debt	5,169.5	7,677.9	7,674.7	48.5%	0.0%
Total Liabilities	8,232.6	12,763.8	13,574.4	64.9%	6.4%
Common Stock	11,862.5	7,665.0	6,303.3	-46.9%	-17.8%
Preferred Stock	177.3	186.7	177.3	0.0%	-5.1%
Total Equity	11,685.3	7,478.3	6,126.0	-47.6%	-18.1%
Liabilities & Equity	20,095.1	20,428.8	19,877.7	-1.1%	-2.7%
Net Debt	1,002.4	5,945.7	7,445.6	>500%	25.2%
Cash Flow (Million pesos)					
Cash Flow from Operating Activities	1,117.9	717.4	1,076.1		
Cash Flow from Investing Activities	(385.6)	(249.5)	(595.1)		
Cash Flow from Financing Activities	361.4	(3,183.5)	(1,992.6)		
FX effect on cash	(61.7)	(11.5)	8.2		
Change in Cash Balance	1,032.1	(2,727.1)	(1,503.5)		

Source: Banorte, MSE. / Adjusted EBITDA does not take into consideration construction revenue and construction expenses, as well as maintenance provision because there are not effects on operating cash flow.
Adjusted EBITDA Margin = Adjusted EBITDA / Sum of aeronautical & non-aeronautical revenue.

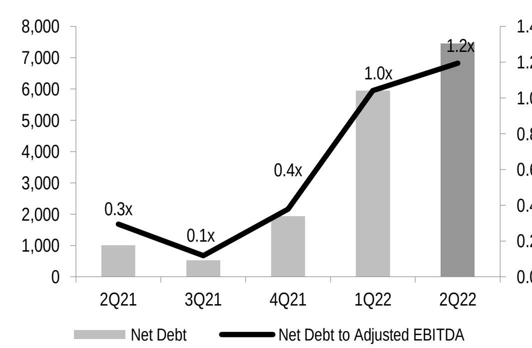
Revenue & Adjusted EBITDA Margin
MXN, million



Net Income & ROE
MXN, million



Net Debt & Net debt to Adjusted EBITDA ratio
MXN, million



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	Reference
BUY	*When the share expected performance is greater than the MEXBOL estimated performance.*
HOLD	*When the share expected performance is similar to the MEXBOL estimated performance.*
SELL	*When the share expected performance is lower than the MEXBOL estimated performance.*

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History of PT and Ratings

Stock	Date	Rating	PT
OMAB	26/04/2022	Buy	$158.00
OMAB	22/02/2022	Hold	$158.00
OMAB	26/10/2021	Buy	$158.00
OMAB	28/04/2021	Buy	$146.00

MSCI ESG Rating scale

CCC	B	BB	BBB	A	AA	AAA
LAGGARD		AVERAGE			LEADER	

*The MSCI ESG Rating is an indicator that evaluates companies in Environment, Society and Governance (ESG) metrics.

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