

# AIRPORTS

Sectorial Note

January 16, 2019

## Landing new airport sector price targets

- Given the current uncertainty and the new economic context, we have downgraded our 2019 PT of the three airport groups, but reiterate our Buy recommendation
- We consider the airport sector to be defensive in view of an economic slowdown and we do not dismiss share volatility in the airport groups due to the sector's current unpredictability
- The new 2019 PT are: Asur at MXN\$ 380.1, Gap at MXN\$ 206.7 and Oma at MXN\$ 118.8. Given the attractive potential yield vs. its current price, we recommend Buy for the 3 airport groups

Despite local uncertainty, we consider the airport sector's outlook continues to be positive. The 2019 economic context implies an expected economic slowdown, higher interest rates and a strong exchange rate depreciation. Nevertheless, the airport sector holds a favorable outlook and we believe passenger traffic will continue to benefit from the solid performance of tourism, as well as from higher demand of available seats in different airlines. In particular, we should stress that the FX conversion effect favors international passenger traffic, where Asur has greater exposure, followed by Gap and finally, Oma. In addition, we highlight elevated margins from the sector's groups and cash flow generation that results in attractive dividend distribution and/or repayment of capital to investors. Although the sector's share prices have been hit by local uncertainty, fundamentals remain strong, which should reflect on their valuations, sooner or later, without disregarding that any change in the industry may produce volatility in the share price of the groups belonging to the sector.

**Estimate update and 2019 PT.** We have upgraded our estimates for Gap (having read the airport group's 2019E guidance) and for Asur. On the other hand, we slightly downgraded our Oma estimations. Our price targets were obtained by using a DCF valuation method and, in general terms, we are including a higher WACC, mainly due to a greater expected risk-free rate (9.2%e for 2019 from the 10-year M bono), as well as to a lower multiple for the perpetuity value. Considering the latter, we have set a 2019 PT for Asur at MXN\$ 380.1 (from MXN\$ 420) with a Buy recommendation. For Gap, the new 2019 PT stands at MXN\$ 206.7 with a Buy recommendation (from P\$225), and for Oma at MXN\$ 118.8 with a Buy recommendation (from MXN\$ 140).

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### Airport Sector

Stock	Recom.	PT 19E	P. Return 19E
Asur	Buy	\$380.1	18.3%
Gap	Buy	\$206.7	22.9%
Oma	Buy	\$118.8	17.5%

Stock	EV/Ebitda LTM	EV/Ebitda 19E
Asur	12.6x	10.8x
Gap	12.3x	10.3x
Oma	10.3x	8.7x

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## ASUR (BUY, 2019 PT MXN\$ 380.1)

**Asur could figure as one of the most defensive airport groups in view of the expected economic scenario.** Given that Asur is the airport group with the highest exposure to international traffic (52.3% of total in 2018), we believe it is the group that will benefit the most from a strong MXN/USD exchange rate depreciation. Its main airport, located in Cancun (75.8% of total passengers in Mexico and 48.2% in the consolidated report), is relatively close to important cities in the U.S., where most of its international tourists come from. Thus, we estimate a 6.0% increase of total passenger traffic in its airports located in Mexico. Furthermore, we foresee passenger growth in Puerto Rico (+5.6%), following traffic recovery that underwent significant impact from Hurricane Maria which hit the island in September of 2017. Finally, we expect passengers to climb 3.2% in Colombia. Accordingly, Asur's total passenger traffic could display a +5.4% increment in the 2019 consolidated report.

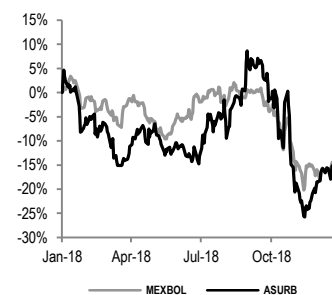
**Slight upward variations for our 2019 estimates.** In 2019, we expect a 19.1% increase in total revenue, an 11.8% expansion in operating income (vs. a previous 9.3%e) and an 11.0% rise in EBITDA (vs. the previous 9.4%e), as well as an EBITDA margin of 58.1%. Without considering revenue and costs from construction services, such margin would stand at 65.9% (vs. a previous 66.4%e). We estimate slight margin improvement from operations in Mexico and Puerto Rico but foresee a setback in Colombia.

**We have set our PT at MXN\$ 380.1 with a Buy recommendation.** Such PT was obtained using a DCF method, in which we reflected a higher WACC (13.3% vs. a previous 12.6%) and a more conservative terminal EV/EBITDA multiple of 13.2x (vs. a previous 14.8x), which sits below the one-year multiple average (16.4x), and that of the last 5 years (17.8x) for the perpetuity value. The PT represents a 12.3x 2019E EV/EBITDA multiple, slightly below the current multiple, and a 16.2% yield, which combined with the 2.1% estimated dividend yield, awards a total potential yield of 18.3%.

### BUY

Current Price	\$327.2
<b>PT 2019</b>	<b>\$380.1</b>
Dividend 2019E	P\$7.0
Dividend Yield (%e)	2.1%
Upside Potential	18.3%
ADS Price	US\$173.4
PT2019 ADS	US\$178.4
Shares per ADS	10
Max – Min LTM (MXN\$)	400.4– 263.4
Market Cap (US\$m)	5,168.6
Shares Outstanding (m)	300
Float	56.5%
Daily Turnover (MXN\$m)	165.5
<b>Valuation metrics TTM</b>	
EV/EBITDA	12.6x
P/E	16.9x

### Relative Performance to Mexbol LTM



### Financial Statements

MXN, million	2016	2017	2018E	2019E
Revenues	9,753	12,869	15,467	18,423
Operating Income	4,933	1,532	7,519	8,884
EBITDA	5,462	7,595	9,652	10,710
EBITDA Margin	56.0%	59.0%	62.4%	58.1%
Net Income	3,629	5,834	4,618	5,311
Net Margin	37.2%	45.3%	29.9%	28.8%
Total Assets	29,216	55,566	57,066	60,630
Cash	3,498	4,461	4,278	6,406
Total Liabilities	6,462	22,031	21,279	21,912
Debt	4,461	17,371	15,621	15,657
Common Equity	22,754	33,535	35,787	38,719

Source: Banorte with data from MSE

### Valuation and financial metrics

	2016	2017	2018E	2019E
EV/EBITDA	18.1x	16.0x	12.1x	10.8x
P/E	27.0x	16.8x	21.3x	18.5x
P/BV	4.3x	2.9x	2.7x	2.5x
ROE	16.0%	21.6%	16.3%	17.4%
ROA	12.4%	10.5%	8.1%	8.8%
EBITDA/ Interest exp.	-93.7x	19.7x	10.2x	11.1x
Net Debt/EBITDA	0.2x	1.9x	1.2x	0.9x
Debt/Equity	0.2x	0.5x	0.4x	0.4x

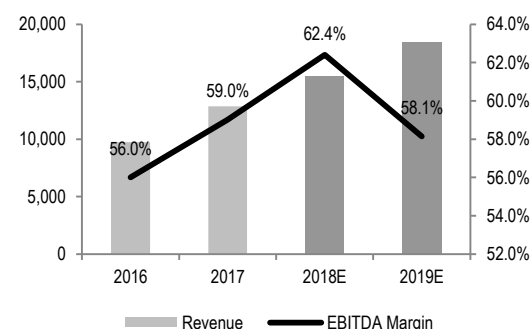
## ASUR –Financial Statements

MXN, million

Income Statement					
Year	2016	2017	2018E	2019E	CAGR
<b>Net Revenue</b>	<b>9,753</b>	<b>12,869</b>	<b>15,467</b>	<b>18,423</b>	<b>23.6%</b>
Cost of goods sold	181	253	295	326	21.8%
Gross profit	9,573	12,261	15,173	18,096	23.6%
General expenses	4,640	10,729	7,654	9,212	25.7%
<b>Operating Income</b>	<b>4,933</b>	<b>1,532</b>	<b>7,519</b>	<b>8,884</b>	<b>21.7%</b>
<b>Operating Margin</b>	<b>50.6%</b>	<b>11.9%</b>	<b>48.6%</b>	<b>48.2%</b>	<b>-1.6%</b>
Depreciation	530	6,063	2,134	1,826	51.1%
<b>EBITDA</b>	<b>5,462</b>	<b>7,595</b>	<b>9,652</b>	<b>10,710</b>	<b>25.2%</b>
<b>EBITDA Margin</b>	<b>56.0%</b>	<b>59.0%</b>	<b>62.4%</b>	<b>58.1%</b>	<b>1.3%</b>
<b>Interest income (expense) net</b>	<b>(45)</b>	<b>(232)</b>	<b>(957)</b>	<b>(1,177)</b>	<b>195.8%</b>
Interest expense	126	619	1,214	1,244	114.4%
Interest income	185	246	267	283	15.3%
Other income (expenses)					
Exchange Income (loss)	(104)	141	(11)	(216)	27.7%
Unconsolidated subsidiaries	144	7,142			NA
<b>Net Income before taxes</b>	<b>5,031</b>	<b>8,442</b>	<b>6,561</b>	<b>7,707</b>	<b>15.3%</b>
Provision for Income taxes	1,402	1,636	1,881	2,312	18.1%
Discontinued operations					
<b>Consolidated Net Income</b>	<b>3,629</b>	<b>6,750</b>	<b>4,680</b>	<b>5,395</b>	<b>14.1%</b>
Minorities	916	62	62	84	NA
<b>Net Income</b>	<b>3,629</b>	<b>5,834</b>	<b>4,618</b>	<b>5,311</b>	<b>13.5%</b>
<b>Net Margin</b>	<b>37.2%</b>	<b>45.3%</b>	<b>29.9%</b>	<b>28.8%</b>	<b>-8.2%</b>
<b>EPS</b>	<b>12.098</b>	<b>19.448</b>	<b>15.394</b>	<b>17.704</b>	<b>13.5%</b>
Balance Sheet (MXN, Million)					
<b>Total Current Assets</b>	<b>4,233</b>	<b>5,567</b>	<b>5,701</b>	<b>8,084</b>	<b>24.1%</b>
Cash & Short Term Investments	3,498	4,461	4,278	6,406	22.3%
<b>Long Term Assets</b>	<b>24,983</b>	<b>49,999</b>	<b>51,365</b>	<b>52,547</b>	<b>28.1%</b>
Property, Plant & Equipment (Net)	323	473	534	552	19.6%
Intangible Assets (Net)	20,284	46,519	50,377	51,492	36.4%
<b>Total Assets</b>	<b>29,216</b>	<b>55,566</b>	<b>57,066</b>	<b>60,630</b>	<b>27.6%</b>
<b>Current Liabilities</b>	<b>593</b>	<b>2,068</b>	<b>2,328</b>	<b>2,573</b>	<b>63.1%</b>
Short Term Debt	58	173	340	376	86.1%
Accounts Payable	11	429	350	387	223.8%
<b>Long Term Liabilities</b>	<b>5,869</b>	<b>19,963</b>	<b>18,951</b>	<b>19,339</b>	<b>48.8%</b>
Long Term Debt	4,402	17,198	15,281	15,281	51.4%
<b>Total Liabilities</b>	<b>6,462</b>	<b>22,031</b>	<b>21,279</b>	<b>21,912</b>	<b>50.2%</b>
Common Stock	22,754	33,535	35,787	38,719	19.4%
Preferred Stock		6,579	7,513	8,129	NA
<b>Total Equity</b>	<b>22,754</b>	<b>26,956</b>	<b>28,274</b>	<b>30,590</b>	<b>10.4%</b>
<b>Liabilities &amp; Equity</b>	<b>29,216</b>	<b>55,566</b>	<b>57,066</b>	<b>60,630</b>	<b>27.6%</b>
<b>Net Debt</b>	<b>963</b>	<b>12,910</b>	<b>11,343</b>	<b>9,251</b>	<b>112.6%</b>

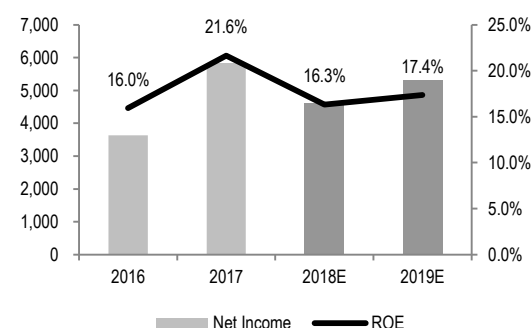
## Revenue & EBITDA Margin

MXN, million



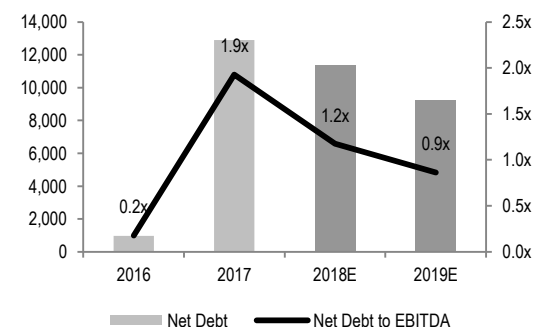
## Net Income & ROE

MXN, million



## Net Debt & Net debt to EBITDA ratio

MXN, million



Source: Banorte, MSE.

## GAP (BUY, 2019 PT MXN\$ 206.7)

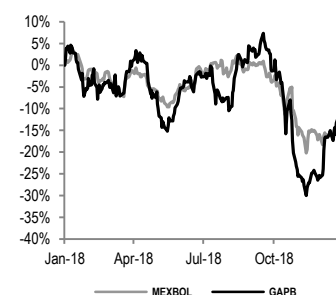
**The airport group with the best diversified portfolio which supports the solid performance we expect in passenger traffic.** We consider Gap has the best diversified airport portfolio in terms of passenger numbers and type of destination (regional, metropolis and tourism). Its main airports, Guadalajara (32% of total passengers in 2018), Tijuana (17%), Los Cabos (12%), Puerto Vallarta (11%) and Montego Bay (10%); posted a solid expansion in 2018 and their prospects, looking forward, are favorable. Gap also has good exposure to international passenger traffic which would benefit from the MXN/USD conversion effect. From passengers in airports that operate in Mexico (12), 36% were international.

**2019 estimate update.** Considering the expected economic context and the company's 2019 guidance, we have updated our forecast for the airport group. In 2019, we expect a 7.7% increase in total passenger traffic (including the Kingston airport) vs. a previous 5.6%. We estimate a 10.2% rise in total revenue and a 15.5% increase in operating income (the sum of aeronautical and non-aeronautic income) vs. a previous 8.6%. On the other hand, we project a 14.5% increment in EBITDA vs. a previous 9.0%, and an EBITDA margin of 69.1% without considering revenue from add-ons to outsourced assets (vs. 69.7% 2018E). This results from the fact that higher profitability from operations in Mexico will be more than offset by lower margins from operations in Jamaica.

**We reduced our 2019E PT to MXN\$ 206.7 from MXN\$ 225.0,** as we consider a greater WACC in our DCF valuation (13.4% vs. a previous 12.2%) and a conservative terminal EV/EBITDA multiple of 13.1x, which sits below last year's multiple average (14.0x), for perpetuity value. Such price represents a 12.1x 2019E EV/EBITDA multiple, similar to the current multiple and below that of the one-year average, and awards a 22.9% yield, including the 4.0%e dividend yield. Therefore, we reiterate our **Buy** recommendation.

<b>BUY</b>	
Current Price	\$173.8
<b>PT 2019</b>	<b>\$206.7</b>
Dividend 2019E	P\$7.7
Dividend Yield (%e)	4.0%
Upside Potential	22.9%
ADS Price	US\$91.3
PT2019 ADS	<b>US\$97.0</b>
Shares per ADS	10
Max – Min LTM (MXN\$)	208.3 – 132.7
Market Cap (US\$m)	5,134.4
Shares Outstanding (m)	561
Float	85%
Daily Turnover (MXN\$m)	161.5
<b>Valuation metrics TTM</b>	
EV/EBITDA	12.3x
P/E	20.3x

### Relative Performance to Mexbol LTM



#### Financial Statements

MXN, million	2016	2017	2018E	2019E
Revenues	11,108	12,366	14,253	15,707
Operating Income	5,235	6,282	7,290	8,364
EBITDA	6,583	7,725	8,869	10,158
EBITDA Margin	59.3%	62.5%	62.2%	64.7%
Net Income	3,948	4,452	4,775	5,302
Net Margin	35.5%	36.0%	33.5%	33.8%
Total Assets	36,051	39,518	38,886	40,745
Cash	5,188	7,730	6,087	7,487
Total Liabilities	13,647	17,441	18,904	19,666
Debt	9,814	13,252	13,252	13,374
Common Equity	22,405	22,077	19,982	21,079

#### Valuation and financial metrics

	2016	2017	2018E	2019E
EV/EBITDA	15.7x	13.5x	11.9x	10.3x
P/E	24.7x	21.9x	20.4x	18.4x
P/BV	4.6x	4.6x	5.1x	4.9x
ROE	19.0%	21.7%	23.9%	28.3%
ROA	11.4%	11.9%	12.0%	13.7%
EBITDA/ Interest exp	64.5x	33.1x	19.7x	22.3x
Net Debt/EBITDA	0.7x	0.7x	0.9x	0.6x
Debt/Equity	0.4x	0.6x	0.7x	0.6x

Source: Banorte with data from MSE

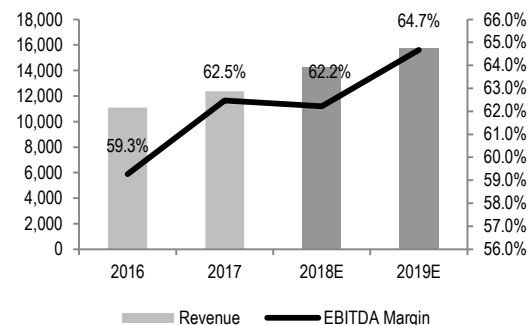
## GAP –Financial Statements

MXN, million

Income Statement					
Year	2016	2017	2018E	2019E	CAGR
<b>Net Revenue</b>	<b>11,108</b>	<b>12,366</b>	<b>14,253</b>	<b>15,707</b>	<b>12.2%</b>
Cost of goods sold					
Gross profit	11,108	12,366	14,253	15,707	12.2%
General expenses	5,873	6,084	6,963	7,343	7.7%
<b>Operating Income</b>	<b>5,235</b>	<b>6,282</b>	<b>7,290</b>	<b>8,364</b>	<b>16.9%</b>
<b>Operating Margin</b>	<b>47.1%</b>	<b>50.8%</b>	<b>51.1%</b>	<b>53.2%</b>	<b>4.2%</b>
Depreciation	1,348	1,444	1,579	1,795	10.0%
<b>EBITDA</b>	<b>6,583</b>	<b>7,725</b>	<b>8,869</b>	<b>10,158</b>	<b>15.6%</b>
<b>EBITDA Margin</b>	<b>59.3%</b>	<b>62.5%</b>	<b>62.2%</b>	<b>64.7%</b>	<b>3.0%</b>
<b>Interest income (expense) net</b>	<b>(603)</b>	<b>(99)</b>	<b>(343)</b>	<b>(975)</b>	<b>17.4%</b>
Interest expense	382	620	896	883	32.2%
Interest income	280	388	233	236	-5.5%
Other income (expenses)		34			
Exchange Income (loss)	(501)	99	321	(329)	-13.1%
Unconsolidated subsidiaries					
<b>Net Income before taxes</b>	<b>4,620</b>	<b>6,172</b>	<b>6,947</b>	<b>7,388</b>	<b>16.9%</b>
Provision for Income taxes	1,267	1,441	1,825	2,186	20.0%
Discontinued operations					
<b>Consolidated Net Income</b>	<b>3,354</b>	<b>4,731</b>	<b>5,121</b>	<b>5,202</b>	<b>15.8%</b>
Minorities	595	(279)	(346)	100	-44.8%
<b>Net Income</b>	<b>3,948</b>	<b>4,452</b>	<b>4,775</b>	<b>5,302</b>	<b>10.3%</b>
<b>Net Margin</b>	<b>35.5%</b>	<b>36.0%</b>	<b>33.5%</b>	<b>33.8%</b>	<b>-1.7%</b>
<b>EPS</b>	<b>7.038</b>	<b>7.936</b>	<b>8.511</b>	<b>9.451</b>	<b>10.3%</b>
<b>Balance Sheet (MXN, Million)</b>					
<b>Total Current Assets</b>	<b>5,999</b>	<b>8,980</b>	<b>7,851</b>	<b>9,545</b>	<b>16.7%</b>
Cash & Short Term Investments	5,188	7,730	6,087	7,487	13.0%
<b>Long Term Assets</b>	<b>30,053</b>	<b>30,537</b>	<b>31,036</b>	<b>31,201</b>	<b>1.3%</b>
Property, Plant & Equipment (Net)	1,630	1,656	12,661	13,089	100.2%
Intangible Assets (Net)	22,873	23,201	23,417	23,429	0.8%
<b>Total Assets</b>	<b>36,051</b>	<b>39,518</b>	<b>38,886</b>	<b>40,745</b>	<b>4.2%</b>
<b>Current Liabilities</b>	<b>1,941</b>	<b>2,295</b>	<b>3,268</b>	<b>3,643</b>	<b>23.3%</b>
Short Term Debt	85	141	141	141	18.6%
Accounts Payable	892	1,037	1,311	1,566	20.7%
<b>Long Term Liabilities</b>	<b>10,676</b>	<b>13,950</b>	<b>13,950</b>	<b>14,072</b>	<b>9.6%</b>
Long Term Debt	9,730	13,111	13,111	13,232	10.8%
<b>Total Liabilities</b>	<b>13,647</b>	<b>17,441</b>	<b>18,904</b>	<b>19,666</b>	<b>13.0%</b>
Common Stock	22,405	22,077	19,982	21,079	-2.0%
Preferred Stock	1,072	1,049	1,049	1,049	-0.7%
<b>Total Equity</b>	<b>21,333</b>	<b>21,028</b>	<b>18,934</b>	<b>20,031</b>	<b>-2.1%</b>
<b>Liabilities &amp; Equity</b>	<b>36,051</b>	<b>39,518</b>	<b>38,886</b>	<b>40,745</b>	<b>4.2%</b>
<b>Net Debt</b>	<b>4,626</b>	<b>5,522</b>	<b>7,165</b>	<b>5,886</b>	<b>8.4%</b>

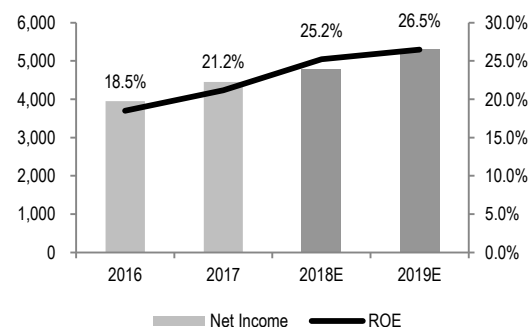
## Revenue & EBITDA Margin

MXN, million



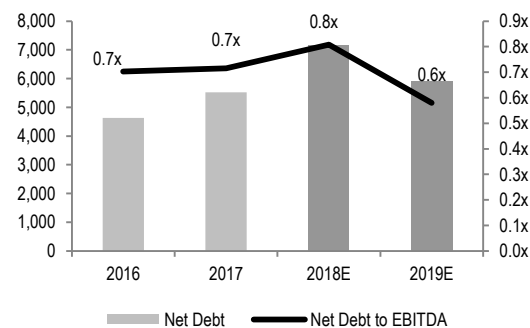
## Net Income & ROE

MXN, million



## Net Debt & Net debt to EBITDA ratio

MXN, million



Source: Banorte, MSE.

## OMA (BUY, 2019 PT MXN\$ 118.8)

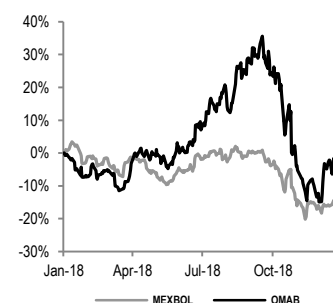
The airport group will continue to focus on the development of passenger traffic and revenue diversification. We consider that despite local uncertainty, Oma will continue to aim its efforts towards the development of airport traffic and air connectivity in its airports, as well as towards the successful implementation of commercial and diversification strategies. It should be noted that the group will continue to exhibit discipline in costs and operating efficiencies, although at a lower rhythm, as we expect 2018 to close with a considerable Adjusted EBITDA margin increase (+3.7pp) vs. 2017. Furthermore, we should point out Oma's financial soundness, placing the Adjusted Net Debt/EBITDA LTM indicator at 0.5x by 3Q18.

Oma will continue to post solid growth rates and an elevated 2019 Adjusted EBITDA margin. We have updated our projections incorporating the new economic context. In 2019 we expect a 5.5% increase in traffic in the group's 13 airports (vs. a previous 5.8%e). We forecast a slight 1.6% climb in total revenue, from lower revenue from construction services, and a 10.0% growth rate (vs. a previous 10.3%e) in operating income (the sum of aeronautical and non-aeronautical income). On the other hand, we estimate Adjusted EBITDA to report a 10.1% increment (vs. a previous 10.9%e) and an Adjusted EBITDA margin of 69.8% (vs. 69.7% 2018E). We project the Adjusted Net Debt/EBITDA indicator at 0.2x by year-end.

We have set our 2019E PT at MXN\$ 118.8 from MXN\$ 140.0 with a Buy recommendation. Such PT was obtained using a DCF method, in which we updated the WACC value to 13.8% (vs. a previous 12.8%) and a more conservative terminal EV/EBITDA multiple of 9.2x (vs. a previous 10.0x), which sits below the last year's multiple average (10.0x), for the perpetuity value. The PT represents a 9.2x 2019E EV/EBITDA multiple, below the current multiple and that of the 1-year average (10.0x) and a 13.6% yield, which combined with the 3.9% estimated dividend yield, awards a total potential yield of 17.5%. Therefore, we reiterate our **Buy** recommendation.

<b>BUY</b>	
Current Price	\$104.6
<b>PT 2019</b>	<b>\$118.8</b>
Dividend 2019E	P\$4.2
Dividend Yield (%e)	3.9%
Upside Potential	17.5%
ADS Price	US\$44.1
PT2019 ADS	<b>US\$44.6</b>
Shares per ADS	8
Max – Min LTM (MXN\$)	136.0 – 84.9
Market Cap (US\$m)	2,167.0
Shares Outstanding (m)	393.4
Float	85.5%
Daily Turnover (MXN\$m)	160.2
<b>Valuation metrics TTM</b>	
EV/EBITDA	9.7x
P/E	15.5x

Relative Performance to Mexbol LTM



Financial Statements				
MXN, million	2016	2017	2018E	2019E
Revenues	5,550	7,130	7,789	7,909
Operating Income	2,784	3,239	4,113	4,516
Adjusted EBITDA	3,323	3,829	4,720	5,198
Ad. EBITDA Mg.	63.8%	66.0%	69.7%	69.8%
Net Income	1,870	2,128	2,721	2,981
Net Margin	33.7%	29.8%	34.9%	37.7%
Total Assets	13,545	14,201	15,600	17,154
Cash	3,006	2,333	2,542	3,466
Total Liabilities	6,858	6,971	7,243	7,426
Debt	4,694	4,633	4,592	4,592
Common Equity	6,687	7,229	8,357	9,728

Valuation and financial metrics				
	2016	2017	2018E	2019E
EV/Adjusted EBITDA	13.1x	11.4x	9.2x	8.2x
P/E	22.4x	19.4x	15.1x	13.8x
P/BV	6.4x	5.8x	4.9x	4.2x
ROE	31.0%	32.2%	36.1%	33.1%
ROA	14.5%	15.6%	18.3%	18.0%
Ad. EBITDA/ Int. exp.	16.8x	17.0x	14.9x	26.8x
Net Debt/Ad. EBITDA	0.5x	0.6x	0.4x	0.2x
Debt/Equity	0.7x	0.6x	0.5x	0.5x

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

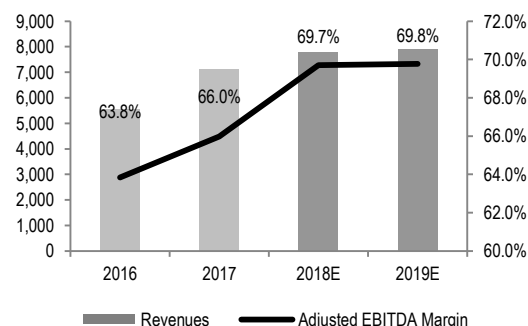
## OMA –Financial Statements

MXN, million

Income Statement					
Year	2016	2017	2018E	2019E	CAGR
<b>Net Revenue</b>	<b>5,550</b>	<b>7,130</b>	<b>7,789</b>	<b>7,909</b>	<b>12.5%</b>
Cost of goods sold	2,128	3,304	3,118	2,797	9.5%
Gross profit	3,422	3,826	4,671	5,112	14.3%
General expenses	639	587	558	596	-2.3%
<b>Operating Income</b>	<b>2,784</b>	<b>3,239</b>	<b>4,113</b>	<b>4,516</b>	<b>17.5%</b>
<b>Operating Margin</b>	<b>50.2%</b>	<b>45.4%</b>	<b>52.8%</b>	<b>57.1%</b>	<b>4.4%</b>
Depreciation	277	299	348	383	11.5%
<b>EBITDA</b>	<b>3,060</b>	<b>3,538</b>	<b>4,462</b>	<b>4,899</b>	<b>17.0%</b>
<b>EBITDA Margin</b>	<b>55.1%</b>	<b>49.6%</b>	<b>57.3%</b>	<b>61.9%</b>	<b>4.0%</b>
<b>Adjusted EBITDA</b>	<b>3,323</b>	<b>3,829</b>	<b>4,720</b>	<b>5,198</b>	<b>16.1%</b>
<b>Adjusted EBITDA Margin</b>	<b>63.8%</b>	<b>66.0%</b>	<b>69.7%</b>	<b>69.8%</b>	<b>3.0%</b>
<b>Interest income (expense) net</b>	<b>(160)</b>	<b>(289)</b>	<b>(224)</b>	<b>(241)</b>	<b>14.6%</b>
Interest expense	368	353	319	300	-6.6%
Interest income	237	127	126	106	-23.5%
Other income (expenses)					
Exchange Income (loss)	(29)	(63)	(31)	(47)	17.1%
Unconsolidated subsidiaries					
<b>Net Income before taxes</b>	<b>2,623</b>	<b>2,951</b>	<b>3,889</b>	<b>4,275</b>	<b>17.7%</b>
Provision for Income taxes	747	813	1,157	1,282	19.8%
Discontinued operations					
<b>Consolidated Net Income</b>	<b>1,879</b>	<b>2,135</b>	<b>2,733</b>	<b>2,992</b>	<b>16.8%</b>
Minorities	9	7	11	11	7.6%
<b>Net Income</b>	<b>1,870</b>	<b>2,128</b>	<b>2,721</b>	<b>2,981</b>	<b>16.8%</b>
<b>Net Margin</b>	<b>33.7%</b>	<b>29.8%</b>	<b>34.9%</b>	<b>37.7%</b>	<b>3.8%</b>
<b>EPS</b>	<b>4.675</b>	<b>5.403</b>	<b>6.917</b>	<b>7.578</b>	<b>17.5%</b>
Balance Sheet (MXN, Million)					
<b>Total Current Assets</b>	<b>4,098</b>	<b>3,499</b>	<b>3,919</b>	<b>4,910</b>	<b>6.2%</b>
Cash & Short Term Investments	3,006	2,333	2,542	3,466	4.9%
<b>Long Term Assets</b>	<b>9,447</b>	<b>10,702</b>	<b>11,682</b>	<b>12,245</b>	<b>9.0%</b>
Property, Plant & Equipment (Net)	2,444	2,601	2,737	2,936	6.3%
Intangible Assets (Net)	6,514	7,648	8,504	8,866	10.8%
<b>Total Assets</b>	<b>13,545</b>	<b>14,201</b>	<b>15,600</b>	<b>17,154</b>	<b>8.2%</b>
<b>Current Liabilities</b>	<b>1,108</b>	<b>1,104</b>	<b>1,290</b>	<b>1,394</b>	<b>7.9%</b>
Short Term Debt	56	51	43	43	-8.8%
Accounts Payable	402	386	440	477	5.8%
<b>Long Term Liabilities</b>	<b>5,750</b>	<b>5,867</b>	<b>5,953</b>	<b>6,032</b>	<b>1.6%</b>
Long Term Debt	4,638	4,582	4,549	4,549	-0.6%
<b>Total Liabilities</b>	<b>6,858</b>	<b>6,971</b>	<b>7,243</b>	<b>7,426</b>	<b>2.7%</b>
Common Stock	6,687	7,229	8,357	9,728	13.3%
Preferred Stock	132	159	162	189	12.6%
<b>Total Equity</b>	<b>6,555</b>	<b>7,070</b>	<b>8,195</b>	<b>9,539</b>	<b>13.3%</b>
<b>Liabilities &amp; Equity</b>	<b>13,545</b>	<b>14,201</b>	<b>15,600</b>	<b>17,154</b>	<b>8.2%</b>
<b>Net Debt</b>	<b>1,688</b>	<b>2,300</b>	<b>2,050</b>	<b>1,125</b>	<b>-12.6%</b>

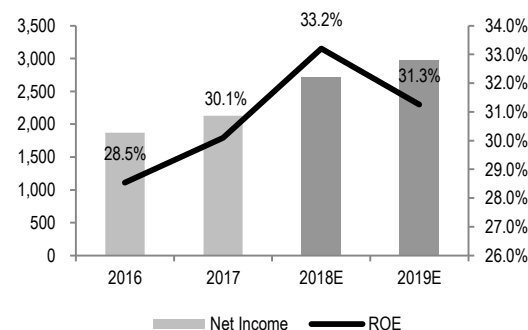
## Revenue & Adjusted EBITDA Margin

MXN, million



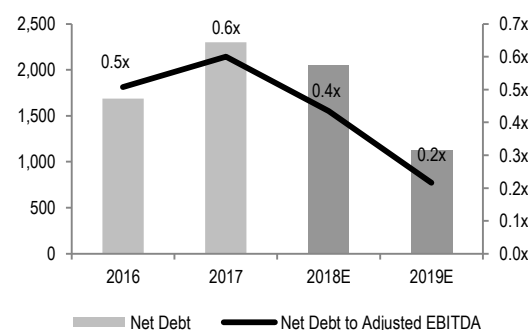
## Net Income & ROE

MXN, million



## Net Debt & Net Debt to Adjusted EBITDA ratio

MXN, million



Source: Banorte, MSE. / Adjusted EBITDA = EBITDA less construction revenue plus construction expense and maintenance provision.

## Annex

### ASUR-DCF

MXN, million

Concept	2020e	2021e	2022e	2023e	2024e	Perpetuity (2024e)
EBITDA	11,114	11,953	12,917	13,881	14,973	
Change in working capital (-)	242	207	215	227	227	
Capex (-)	5,377	3,380	2,197	1,187	2,160	
Taxes (-)	2,558	2,777	3,025	3,275	3,562	
Free Cash Flow	2,937	5,588	7,480	9,191	9,023	197,628
				Stocks (million)		300
						MXN\$
				PT DCF		380.1
<b>DCF Value</b>	114,028			Current Price		327.2
<b>Market Cap.</b>	98,151			Potential Return		16.2%

Source: Banorte /The numbers presented take into account the proportional part of Asur's participation in the LMM Airport.

### GAP-DCF

MXN, million

Concept	2020e	2021e	2022e	2023e	2024e	Perpetuity (2024e)
EBITDA	10,369	11,141	11,962	12,821	13,747	
Change in working capital (-)	225	247	347	330	324	
Capex (-)	1,926	1,799	1,836	1,906	1,978	
Taxes (-)	2,269	2,348	2,572	2,813	3,057	
Free Cash Flow	5,949	6,746	7,208	7,773	8,387	181,707
				Stocks (million)		561
						MXN\$
				PT DCF		206.7
<b>DCF Value</b>	115,939			Current Price		173.8
<b>Market Cap.</b>	97,502			Potential Return		18.9%

Source: Banorte.

### OMA-DCF

MXN, million

Concept	2020e	2021e	2022e	2023e	2024e	Perpetuity (2024e)
Adjusted EBITDA	5,571	6,030	6,522	7,051	7,636	
Change in working capital (-)	336	275	277	339	282	
Capex (-)	607	1,476	1,426	1,376	1,376	
Taxes (-)	1,403	1,520	1,648	1,790	1,944	
Free Cash Flow	3,225	2,759	3,171	3,546	4,033	70,041
				Stocks (million)		393
						MXN\$
				PT DCF		118.8
<b>DCF Value</b>	46,733			Current Price		104.6
<b>Market Cap.</b>	41,151			Potential Return		13.6%

Source: Banorte.

## Certification of Analysts.

We, Gabriel Casillas Olvera, Delia Maria Paredes Mier, Alejandro Padilla Santana, Manuel Jiménez Zaldivar, Tania Abdul Massih Jacobo, Katia Celina Goya Ostos, Juan Carlos Alderete Macal, Víctor Hugo Cortes Castro, Marissa Garza Ostos, Miguel Alejandro Calvo Domínguez, Hugo Armando Gómez Solís, Gerardo Daniel Valle Trujillo, José Itzamna Espitia Hernández, Valentín III Mendoza Balderas, Santiago Leal Singer, Francisco José Flores Serrano, Francisco Duarte Alcocer, Jorge Antonio Izquierdo Lobato and Leslie Thalía Orozco Vélez, 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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## Guide for investment recommendations.

	<b>Reference</b>
<b>BUY</b>	<i>When the share expected performance is greater than the MEXBOL estimated performance.</i>
<b>HOLD</b>	<i>When the share expected performance is similar to the MEXBOL estimated performance.</i>
<b>SELL</b>	<i>When the share expected performance is lower than the MEXBOL estimated performance.</i>

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