

# GAP (Hold)

**Current price: \$313.35, PT \$300.00**

## Flash: Passenger dynamism continues, but valuation looks extended

Gap announced that October total passengers registered a 21.6% y/y increase vs. 24.0%e, integrated by domestic passengers' growth of 20.8% and international passengers' rise of 22.9%, due to a demand that continues to show strength. It should be noted that total traffic advance of the 12 airports operating in Mexico was 18.6% y/y, slightly below our 21.0% estimate.

Additionally, the group mentioned that 2 new routes were opened during the month and the volume of seats offered rose 18.9% y/y, while the annual increase in the load factor was 7.4pp to 81.3%.

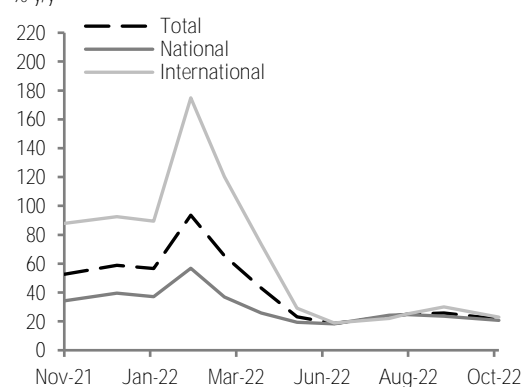
**Neutral implication:** Favorable demand performance in Mexico, as well as a Jamaica's continues recovery, reaffirms our expectation of solid passenger gains going forward. However, the group still appears to us to be the least attractive in the sector due to valuation levels at 11.7x FV/EBITDA (vs. 10.9x national peers average), already incorporate, in our view, much of the favorable outlook.

Passenger traffic summary – October  
Figures in thousands

Airport	2021	2022	% Var
Guadalajara	1,160.8	1,427.0	22.9
Tijuana	847.0	1,018.2	20.2
Los Cabos	510.5	553.4	8.4
Puerto Vallarta	362.6	437.0	20.5
Montego Bay	208.7	317.1	51.9
Guanajuato	187.4	229.3	22.4
Hermosillo	154.6	177.2	14.6
Kingston	77.9	140.9	80.9
Mexicali	103.2	120.3	16.6
Morelia	78.7	100.1	27.3
La Paz	86.5	87.6	1.3
Aguascalientes	70.4	75.9	7.8
Los Mochis	32.2	36.8	14.6
Manzanillo	9.9	10.2	3.9
<b>Total</b>	<b>3,890.2</b>	<b>4,731.1</b>	<b>21.6</b>

Source: Banorte, Bloomberg, Gap.

Gap – Passenger traffic – LTM  
% y/y



November 7, 2022

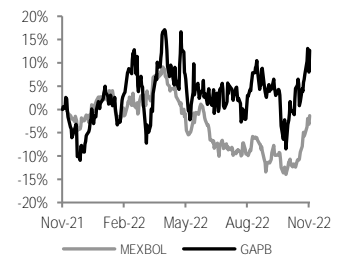
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HOLD	
Current Price	\$313.35
PT	\$300.00
Dividend	\$7.20
Dividend (%e)	2.3%
Upside Potential	-2.0%
ADS Price	US\$160.56
PT ADS	US\$141.50
Shares per ADS	10
Max – Min LTM (\$)	332.5 – 242.7
Market Cap (US\$m)	8,109.6
Shares Outstanding (m)	505
Float	85%
Daily Turnover (\$m)	396.1
Valuation metrics LTM	
FV/EBITDA	11.7x
P/E	17.7x
MSCI ESG Rating*	BB

Relative Performance to Mexbol  
LTM



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Document for distribution among public

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We, Alejandro Padilla Santana, Juan Carlos Alderete Macal, Alejandro Cervantes Llamas, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Katia Celina Goya Ostos, Francisco José Flores Serrano, José Luis García Casales, Víctor Hugo Cortes Castro, José Itzamna Espitia Hernández, Carlos Hernández García, Leslie Thalía Orozco Vélez, Hugo Armando Gómez Solís, Yazmín Selene Pérez Enríquez, Cintia Gisela Nava Roa, Miguel Alejandro Calvo Domínguez, Daniela Olea Suárez, José De Jesús Ramírez Martínez, Gerardo Daniel Valle Trujillo, Luis Leopoldo López Salinas, Isaías Rodríguez Sobrino, Paola Soto Leal, Daniel Sebastián Sosa Aguilar and Salvador Austria Valencia 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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	<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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## History of PT and Ratings

Stock	Date	Rating	PT
GAP	02/22/2022	Hold	\$300.00
GAP	10/27/2021	Buy	\$300.00
GAP	04/28/2021	Buy	\$245.00
GAP	02/24/2021	Mantener	\$233.00

## 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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