

ASUR (BUY, PT2021 \$295.00)

Flash: Pandemic surge hits passengers in January

Asur released its total January passenger traffic with a 43.7% annual drop, including the 9 airports it operates in Mexico, the Luis Muñoz Marín International Airport in San Juan, Puerto Rico (LMM) and the 6 airports in Colombia (Airplan). The group pointed out that severe downturns in business and leisure travel due to the pandemic impacted the month's figures. International traffic showed the largest reduction, being 56.2% y/y, followed by a 35.9% decrease in domestic traffic. Total passengers at the 9 airports it operates in Mexico declined 44.1% annually, greater than our estimate of a contraction of more than 35.0%. In total, Cancun airport-75.3% of total passengers of the 9 airports it operates in Mexico-posted a 43.4% fall. On the other hand, Asur registered a 40.1% year-over-year decrement in total passengers at LMM Airport, and finally, passengers in Colombia (Airplan) showed a 45.4% y/y decrease.

The company mentioned that the COVID-19 negative tests requirement was extended to all air passengers entering the US as of January 26, 2021. Likewise, the situation was similar as of January 7, 2021 for air passengers traveling to Canada, and subsequently, the government suspended flights between Canada, Mexico and the Caribbean until April 30, 2021.

Negative implication: Unlike previous months, Asur's passenger traffic in January no longer exhibited a sequential improvement. In that sense, Mexico's traffic came in below expectations. The extent to which the recovery will continue will be relevant to monitor, in the face of new restrictive measures due to the rebound of the pandemic. In the meantime, we believe that the company will continue to focus on cost reduction and liquidity preservation, and we point out that one of its strengths is its healthy financial balance. While we expect the company to record a significant recovery in its results this year, in light of a better performance in estimated passenger demand, however, we will be attentive to Asur's comments when 4Q20 results are released on February 24 after the market close.

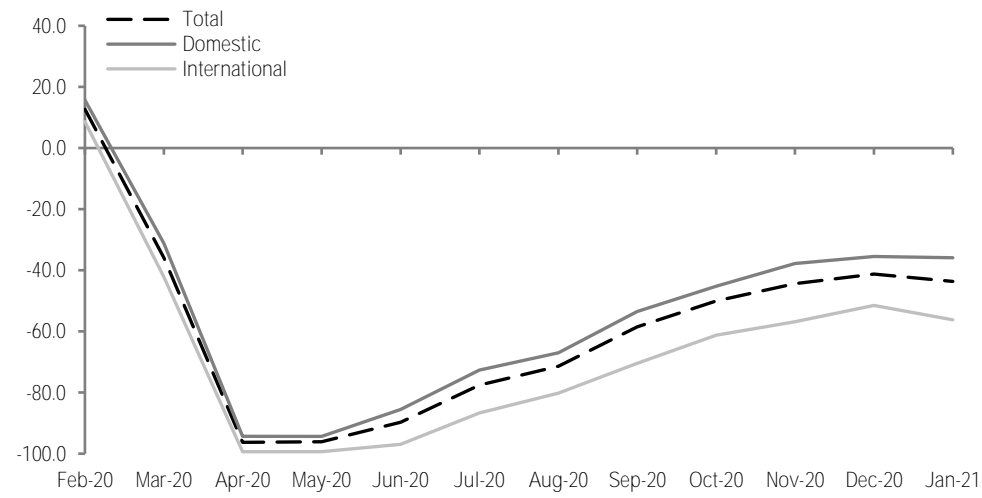
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Asur – Passenger traffic – Last 12 months
% y/y



Certification of Analyst.

We, Gabriel Casillas Olvera, Alejandro Padilla Santana, Delia María Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Tania Abdul Massih Jacobo, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Valentín III Mendoza Balderas, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía Orozco Vélez, Gerardo Daniel Valle Trujillo, Eridani Ruibal Ortega 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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History of PT and Ratings

Stock	Date	Rating	PT
ASUR	10/22/2020	Buy	\$295.00
ASUR	04/23/2020	Under Review	Under Review
ASUR	10/23/2019	Hold	\$341.00

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