

# ASUR

Quarterly Report

May 4, 2023

## Solid report reaffirms positive outlook

- **Asur reported significant growth and higher profitability, in line with expectations, confirming the strength of its operations, although the impact on the stock price should be neutral**
- **While the company maintains the most attractive valuation in the sector (9.3x vs. 10.6x average), we continue to believe that for the time being there are greater catalysts in other stocks in the industry**

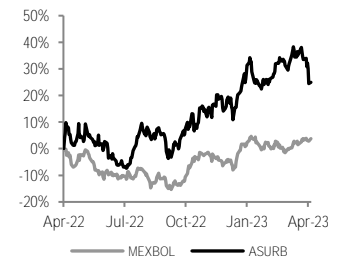
**Solid increase in passenger traffic and efficiencies boost growth.** Asur presented relevant increases derived from the positive performance of traffic, also supported by higher maximum tariffs. Thus, total passengers increased 19.2% y/y, while operating revenues (sum of aeronautical and non-aeronautical) rose 21.8% y/y to MXN 6.3 billion, in line with our estimate. Despite the MXN 196.4 million non-recurring income in Puerto Rico in 1Q22, expense control led to an EBITDA advance of 23.2% y/y to MXN 4.5 billion, with an expansion in the respective margin (excluding construction services) of 0.9pp to 71.9%, slightly better than our expectation (71.3%e). **Continues with the most attractive valuation in the sector.** Although we will be monitoring the demand evolution in Colombia after the drop in passengers in March, in the aggregate we believe that Asur's traffic performance will continue to show strength. The results confirm the favorable growth outlook, while highlighting the healthy balance sheet (ND/EBITDA of -0.1x) and the [payment of dividends](#) (ordinary and extraordinary) in cash to be proposed at the Shareholder's meeting of MXN 19.93 per share (yield of ~3.9%). Incorporating the figures, the FV/EBITDA multiple decreased from 10.1x to 9.3x, reflecting an attractive valuation vs. 10.9x national sector average. While we reiterate our BUY recommendation due to the strong fundamentals, in our opinion there are other alternatives in the industry whose demand should get a further boost from nearshoring.

www.banorte.com  
@analisis\_fundam

José Itzamna Espitia Hernández  
Senior Strategist, Equity  
jose.espitia@banorte.com

BUY	
Current Price	\$512.14
PT	\$625.00
Estimated dividend	\$19.93
Dividend (%)e	3.9%
Upside Potential	25.9%
ADS Price	US\$284.21
PT ADS	US\$334.00
Shares per ADS	10
Max – Min LTM (\$)	576.9 – 374.1
Market Cap (US\$m)	8,544.3
Shares Outstanding (m)	300
Float	63%
Daily Turnover (\$m)	349.2
Valuation metrics LTM	
FV/EBITDA	9.3x
P/E	14.9x
MSCI ESG Rating*	A

Relative Performance to Mexbol  
LTM



### Financial Statements

MXN, million	2021	2022	2023E	2024E
Revenues	18,785	25,314	27,115	31,705
Operating Income	8,658	14,675	16,275	18,092
EBITDA	10,294	16,211	18,350	20,182
EBITDA Margin	54.8%	64.0%	67.7%	63.7%
Net Income	5,984	9,963	10,557	11,789
Net Margin	31.9%	39.4%	38.9%	37.2%
Total Assets	65,831	70,920	71,104	75,505
Cash	8,770	13,175	14,744	16,924
Total Liabilities	20,061	21,904	18,503	17,093
Debt	13,780	15,205	13,881	14,101
Common Equity	45,770	49,016	54,768	60,839

Source: Banorte with data from MSE

### Valuation and financial metrics

	2021	2022	2023E	2024E
FV/EBITDA	16.2x	10.1x	8.7x	7.9x
P/E	25.7x	15.4x	14.6x	13.0x
P/BV	3.4x	3.1x	2.9x	2.6x
ROE	16.1%	23.9%	23.4%	23.5%
ROA	9.1%	14.0%	14.8%	15.6%
EBITDA/ Interest exp.	12.2x	18.9x	22.0x	23.9x
Net Deb/EBITDA	0.5x	0.1x	0.0x	-0.1x
Deb/Equity	0.3x	0.3x	0.3x	0.2x

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## Asur - Results 1Q23

MXN, million

Concept	1Q22	1Q23	Var %	1Q23e	Diff% vs Estim.
Revenue	5,426	6,449	18.9%	6,423	0.4%
Operating Income	3,374	4,014	19.0%	3,939	1.9%
Ebitda	3,676	4,530	23.2%	4,464	1.5%
Net Income	2,194	2,512	14.5%	2,532	-0.8%
<b>Margins</b>					
Operating Margin	62.2%	62.2%	0.1pp	61.3%	0.9pp
Ebitda Margin	67.8%	70.2%	2.5pp	69.5%	0.7pp
Net Margin	40.4%	39.0%	-1.5pp	39.4%	-0.5pp
EPS	\$7.31	\$8.37	14.5%	\$8.44	-0.8%

### Income Statement (Million pesos)

Year	2022	2022	2023	Change	Change
Quarter	1	4	1	% y/y	% q/q
Net Revenue	5,425.8	7,273.6	6,449.4	18.9%	-11.3%
Cost of goods sold	116.2	124.0	153.1	31.7%	23.5%
Gross profit	3,757.2	5,379.7	4,622.0	23.0%	-14.1%
General expenses	1,171.0	1,485.0	608.4	-48.0%	-59.0%
Operating Income	3,373.8	3,894.8	4,013.7	19.0%	3.1%
Operating Margin	62.2%	53.5%	62.2%	0.1pp	8.7pp
Depreciation	302.5	532.3	516.8	70.8%	-2.9%
EBITDA	3,676.3	4,427.1	4,530.4	23.2%	2.3%
EBITDA Margin	67.8%	60.9%	70.2%	2.5pp	9.4pp
Interest income (expense) net	(241.6)	(294.9)	(527.8)	118.5%	79.0%
Interest expense	226.1	311.2	306.0	35.3%	-1.7%
Interest income	80.4	187.1	265.1	229.8%	41.7%
Other income (expenses)	0.0	0.0	0.0	N.A.	N.A.
Exchange Income (loss)	(95.9)	(170.8)	(486.9)	407.7%	185.0%
Unconsolidated subsidiaries	0.0	0.0	0.0	N.A.	N.A.
Income before taxes	3,132.2	3,599.9	3,485.8	11.3%	-3.2%
Income taxes	782.4	850.1	883.6	12.9%	3.9%
Discontinued operations	0.0	0.0	0.0	N.A.	N.A.
Consolidated Net Income	2,349.8	2,749.8	2,602.2	10.7%	-5.4%
Minorities	156.1	188.5	89.9	-42.4%	-52.3%
Net Income	2,193.7	2,561.2	2,512.4	14.5%	-1.9%
Net margin	40.4%	35.2%	39.0%	(1.5pp)	3.7pp
EPS	7.312	8.537	8.375	14.5%	-1.9%

### Balance Sheet (Million pesos)

Total Current Assets	13,787.9	18,080.2	20,033.8	45.3%	10.8%
Cash & Short Term Investments	9,962.2	13,175.0	15,108.2	51.7%	14.7%
Long Term Assets	53,552.4	52,839.4	50,764.4	-5.2%	-3.9%
Property, Plant & Equipment (Net)	155.7	156.7	150.7	-3.2%	-3.8%
Intangible Assets (Net)	53,217.1	52,658.1	50,590.5	-4.9%	-3.9%
Total Assets	67,340.3	70,919.5	70,798.2	5.1%	-0.2%
Current Liabilities	4,150.5	5,564.0	5,602.0	35.0%	0.7%
Short Term Debt	1,101.5	1,870.0	1,770.0	60.7%	-5.3%
Accounts Payable	309.9	307.1	245.8	-20.7%	-20.0%
Long Term Liabilities	15,432.1	16,339.9	14,660.4	-5.0%	-10.3%
Long Term Debt	5,983.2	13,334.8	11,744.3	96.3%	-11.9%
Total Liabilities	19,582.6	21,903.9	20,262.4	3.5%	-7.5%
Common Stock	47,757.7	49,015.6	50,535.8	5.8%	3.1%
Preferred Stock	8,588.6	7,394.8	7,147.3	-16.8%	-3.3%
Total Equity	39,169.1	41,620.8	43,388.5	10.8%	4.2%
Liabilities & Equity	67,340.3	70,919.5	70,798.2	5.1%	-0.2%
Net Debt	3,418.4	2,029.8	(1,593.9)	N.A.	N.A.

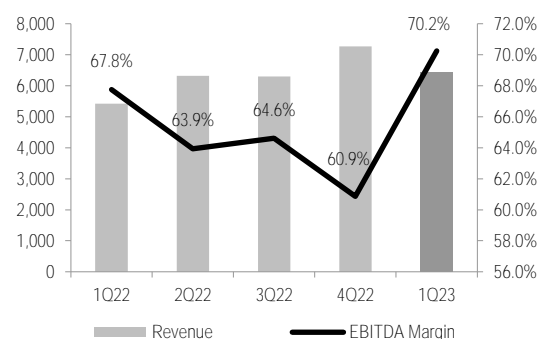
### Cash Flow (Million pesos)

Cash Flow from Operating Activities	3,110.2	3,163.1	3,805.6		
Cash Flow from Investing Activities	(1,358.3)	(1,238.1)	26.2		
Cash Flow from Financing Activities	(497.4)	(2,378.7)	(1,172.4)		
FX effect on cash	(62.3)	(288.8)	(726.1)		
Change in Cash Balance	1,192.2	(742.4)	1,933.2		

Source: Banorte, MSE.

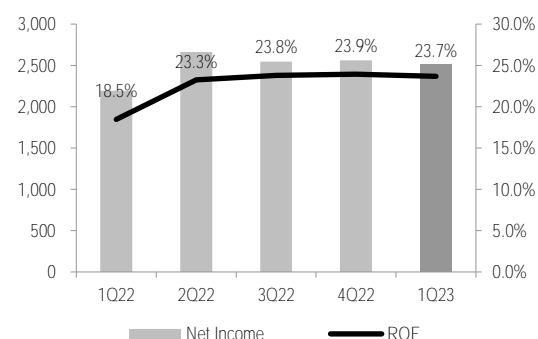
## Revenue & EBITDA Margin

MXN, million



## Net Income & ROE

MXN, million



## Net Debt & Net debt to EBITDA ratio

MXN, million



ASUR 1Q23 – Passenger, Revenue, EBITDA and EBITDA Margin per region  
 Million - passengers and MXN

Region	Passengers	Var y/y	Revenue*	Var y/y	EBITDA	Var y/y	EBITDA Margin**	Var y/y
Mexico	11,073	22.8%	4,692	26.9%	3,594	28.2%	76.6%	0.8pp
San Juan Puerto Rico	2,907	21.6%	951	8.7%	520	3.7%	54.7%	-2.6pp
Colombia	3,885	8.8%	657	9.0%	416	11.8%	63.3%	1.6pp
Total	17,865	19.2%	6,300	21.8%	4,530	23.2%	71.9%	0.9pp

Source: Asur.

\*Sum of aeronautical and non-aeronautical

\*\* EBITDA Margin with no accounting changes

## Analyst Certification

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 Thalia Orozco Vélez, Hugo Armando Gómez Solís, Yazmín Selene Pérez Enríquez, Cintia Gisela Nava Roa, Miguel Alejandro Calvo Domínguez, José De Jesús Ramírez Martínez, Gerardo Daniel Valle Trujillo, Luis Leopoldo López Salinas, Isaías Rodríguez Sobrino, Paola Soto Leal, Daniel Sebastián Sosa Aguilar and Andrea Muñoz Sánchez, 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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	Reference
<b>BUY</b>	When the share expected performance is greater than the MEXBOL estimated performance.
<b>HOLD</b>	When the share expected performance is similar to the MEXBOL estimated performance.
<b>SELL</b>	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
ASURB	02/23/2023	BUY	\$625.00
ASURB	10/25/2021	BUY	\$483.50
ASURB	04/21/2021	BUY	\$414.00
ASURB	02/24/2021	HOLD	\$403.00

### 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.

Research and Strategy			
Alejandro Padilla Santana	Chief Economist and Head of Research	alejandro.padilla@banorte.com	(55) 1103 - 4043
Raquel Vázquez Godínez	Assistant	raquel.vazquez@banorte.com	(55) 1670 - 2967
Itzel Martínez Rojas	Analyst	itzel.martinez.rojas@banorte.com	(55) 1670 - 2251
Lourdes Calvo Fernández	Analyst (Edition)	lourdes.calvo@banorte.com	(55) 1103 - 4000 x 2611
María Fernanda Vargas Santoyo	Analyst	maria.vargas.santoyo@banorte.com	(55) 1103 - 4000
Economic Research			
Juan Carlos Alderete Macal, CFA	Executive Director of Economic Research and Financial Markets Strategy	juan.alderete.macal@banorte.com	(55) 1103 - 4046
Francisco José Flores Serrano	Director of Economic Research, Mexico	francisco.flores.serrano@banorte.com	(55) 1670 - 2957
Katia Celina Goya Ostos	Director of Economic Research, Global	katia.goya@banorte.com	(55) 1670 - 1821
Yazmin Selene Pérez Enríquez	Senior Economist, Mexico	yazmin.perez.enriquez@banorte.com	(55) 5268 - 1694
Cintia Gisela Nava Roa	Senior Economist, Mexico	cintia.nava.roa@banorte.com	(55) 1103 - 4000
Luis Leopoldo López Salinas	Manager Global Economist	luis.lopez.salinas@banorte.com	(55) 1103 - 4000 x 2707
Market Strategy			
Manuel Jiménez Zaldivar	Director of Market Strategy	manuel.jimenez@banorte.com	(55) 5268 - 1671
Fixed Income and FX Strategy			
Leslie Thalia Orozco Vélez	Senior Strategist, Fixed Income and FX	leslie.orozco.velez@banorte.com	(55) 5268 - 1698
Isaías Rodríguez Sobrino	Strategist, Fixed Income, FX and Commodities	isaias.rodriguez.sobrino@banorte.com	(55) 1670 - 2144
Equity Strategy			
Marissa Garza Ostos	Director of Equity Strategy	marissa.garza@banorte.com	(55) 1670 - 1719
José Itzamna Espitia Hernández	Senior Strategist, Equity	jose.espitia@banorte.com	(55) 1670 - 2249
Carlos Hernández García	Senior Strategist, Equity	carlos.hernandez.garcia@banorte.com	(55) 1670 - 2250
Víctor Hugo Cortes Castro	Senior Strategist, Technical	victorh.cortes@banorte.com	(55) 1670 - 1800
Paola Soto Leal	Strategist, Equity	paola.soto.leal@banorte.com	(55) 1103 - 4000 x 1746
Corporate Debt			
Hugo Armando Gómez Solís	Senior Analyst, Corporate Debt	hugo.gomez@banorte.com	(55) 1670 - 2247
Gerardo Daniel Valle Trujillo	Analyst, Corporate Debt	gerardo.valle.trujillo@banorte.com	(55) 1670 - 2248
Quantitative Analysis			
Alejandro Cervantes Llamas	Executive Director of Quantitative Analysis	alejandro.cervantes@banorte.com	(55) 1670 - 2972
José Luis García Casales	Director of Quantitative Analysis	jose.garcia.casales@banorte.com	(55) 8510 - 4608
Miguel Alejandro Calvo Domínguez	Senior Analyst, Quantitative Analysis	miguel.calvo@banorte.com	(55) 1670 - 2220
José De Jesús Ramírez Martínez	Senior Analyst, Quantitative Analysis	jose.ramirez.martinez@banorte.com	(55) 1103 - 4000
Daniel Sebastián Sosa Aguilar	Senior Analyst, Quantitative Analysis	daniel.sosa@banorte.com	(55) 1103 - 4000
Andrea Muñoz Sánchez	Analyst, Quantitative Analysis	andrea.munoz.sanchez@banorte.com	(55) 1103 - 4000
Wholesale Banking			
Armando Rodal Espinosa	Head of Wholesale Banking	armando.rodal@banorte.com	(55) 1670 - 1889
Alejandro Aguilar Ceballos	Head of Asset Management	alejandro.aguilar.cebillos@banorte.com	(55) 5004 - 1282
Alejandro Eric Faesi Puente	Head of Global Markets and Institutional Sales	alejandro.faes@banorte.com	(55) 5268 - 1640
Alejandro Frigolet Vázquez Vela	Head of Sólida Banorte	alejandro.frigolet.vazquezvela@banorte.com	(55) 5268 - 1656
Arturo Monroy Ballesteros	Head of Investment Banking and Structured Finance	arturo.monroy.ballesteros@banorte.com	(55) 5004 - 5140
Carlos Alberto Arciniega Navarro	Head of Treasury Services	carlos.arciniega@banorte.com	(81) 1103 - 4091
Gerardo Zamora Nanez	Head of Transactional Banking, Leasing and Factoring	gerardo.zamora@banorte.com	(81) 8173 - 9127
Jorge de la Vega Grajales	Head of Government Banking	jorge.delavega@banorte.com	(55) 5004 - 5121
Luis Pietrini Sheridan	Head of Private Banking	luis.pietrini@banorte.com	(55) 5249 - 6423
Lizza Velarde Torres	Executive Director of Wholesale Banking	lizza.velarde@banorte.com	(55) 4433 - 4676
Oswaldo Brondo Menchaca	Head of Specialized Banking Services	osvaldo.brondo@banorte.com	(55) 5004 - 1423
Raúl Alejandro Arauzo Romero	Head of Transactional Banking	alejandro.arauzo@banorte.com	(55) 5261 - 4910
René Gerardo Pimentel Ibarrola	Head of Corporate Banking	pimentelr@banorte.com	(55) 5004 - 1051
Ricardo Velázquez Rodríguez	Head of International Banking	rvelazquez@banorte.com	(55) 5004 - 5279
Víctor Antonio Roldan Ferrer	Head of Commercial Banking	victor.rolan.ferrer@banorte.com	(55) 1670 - 1899