

ASUR

3Q26 Earnings Call Transcript October 23, 2026

P R E S E N T A T I O N

Operator:

Good day, ladies, and gentlemen, and welcome to ASUR's Third Quarter 2026 Results Conference Call. My name is Melissa, and I'll be your operator. At this time, all participants are in listen-only mode. We will conduct a question-and-answer session toward the end of today's conference. If you would like to ask a question, please press star one. If you want to withdraw your question at any time, please press star 2. If you are using a speaker phone, please lift the handset before making a selection. As a reminder, today's call is being recorded. Now, I'd like to turn this call over to Mr. David Barlow, Corporate Governance, Strategic Planning Manager & IRO at ASUR. Please go ahead, sir.

David Barlow, Corporate Governance, Strategic Planning Manager & IRO

Thank you, Melissa. And thank you everyone for joining us today to discuss ASUR's results for the third quarter 2026.

With me on today's call is Adolfo Castro, Chief Executive Officer.

Additional details about our results can be found in our press release, which was issued yesterday after market close, and is available on our website. As usual, all comparisons discussed on this call will be year-on-year, and all figures are expressed in Mexican pesos, unless specified otherwise.

As a reminder, certain statements made during the call today may constitute forward-looking statements which are based on current Management expectations and beliefs, and are subject to several risks and uncertainties that could cause actual results to differ materially, including factors that may be beyond our Company's control. Please refer to the forward-looking statements disclosure included in this earnings presentation for additional information.

With that, I'll now turn the call to Adolfo. Please go ahead, Adolfo.

Adolfo Castro, CEO

Thank you, David, and good morning, everyone.

The third quarter marked an important milestone for ASUR. On September 1st, we completed the acquisition of CPC Aeroportos from Motiva which added 20 airports to our portfolio, the majority of which are located in Brazil. Coupled with our December 2025 acquisition of U.S. commercial operations we have taken significant actions in diversifying

ASUR's operations. In turn, ASUR has evolved into the leading international airport operator across the Americas.

Today, our portfolio spans 36 airports across seven countries, complemented by commercial operations at three major U.S. airports. To put this scale in perspective, the combined airport portfolio served approximately 120 million passengers in 2025 on a pro forma basis up from 70 million we reported last year. We now have much broader business than the Mexican airport group that was established nearly three decades ago.

CPC Aeroportos adds 17 airports in Brazil and one each in Ecuador, Costa Rica and Curazao. This gives us an established presence in Brazil, Latin America's largest aviation market, and expands our operations into three additional markets. The final purchase price was 5.5 billion reais, or approximately 992 million U.S. dollars, after customary closing adjustments. Our results for the third quarter include operations solely for the month of September which we are consolidated under one region called "Brazil & Others".

A larger, more diverse company our operations are now spread across more markets with different passenger profiles reducing our dependence on one market. It also provides more opportunities to apply the operating and commercial experience we have built over many years. While we do not expect to capture significant operating synergies, our focus now is on implementing seamless integration while maintaining our disciplined approach to investment.

We are making changes to our organizational structure to better support the large growing business. To that end, on August 20th, shareholders approved bringing in-house the technical assistance and technology transfer services provided by ITA. Once completed, the merger will bring these capabilities and personnel directly into ASUR, simplifying our structure and keeping the expertise within the Company. As a reminder, we will assume the costs of providing these services and eliminate the recurring external technical assistance fee, which amounted to approximately 401 million pesos in 2025.

Our U.S. commercial business gives us another avenue for growth. At JFK, LAX and Chicago O'Hare, we are building a platform in non-regulated, dollar-denominated commercial revenues. The next major project is the New Terminal One, expected to be open toward the end of the first quarter of next year. We also continue developing commercial expenses at LAX to be ready for the Olympic Games in 2028. The business today is only a small contribution of what we expect the longer term potential of this new business to be.

While we are very excited about these new opportunities, at the same time, Mexico remains central to our business and our investment program. Within Mexico, Cancún, is an important market for us with significant investments underway to improve operational efficiencies and support future growth. We are taking a long-term view of Cancún's development while managing the current operating environment.

First, the expected remodeled and expanded Terminal 1 construction will be completed during this fourth quarter and then we will proceed with the Operational Readiness and Airport

Transfer to start operations in the first quarter. Terminal 1 will allow us to redistribute passenger flows and relieve pressure on Terminal 2. It will also create additional commercial capacity capabilities and improve the passenger experience.

We are also investing in Terminal 4 with the project expected to be operational at year end 2028. This investment will provide 12 additional boarding gates, on top of the four added during 2027 and three more due to the expansion of T1, a connecting taxiway and related infrastructure.

Our capital allocation continues to balance investment in the business to support growth and improve efficiencies with returns to shareholders, there are two extraordinary dividends of 15 pesos each, payable on November 30th and December 23rd.

Turning to our energy strategy, during the third quarter we began procuring clean energy from a third-party supplier in Mexico. We purchased 13.1 million kilowatt-hours, representing more than 40% of electricity consumption at our Mexican airports during the quarter. We also began the executive design of additional solar panels in our parking facilities. There are expected to become operational in 2027 and could generate an additional 8 million kilowatt-hours of renewable energy annually.

Our efforts to advance renewable energy also earned recognition during the quarter, with Airports Council International awarding the U.S. Green Airport Recognition for our “Digital Renewable Energy Management System” project.

Moving on to passenger traffic, total traffic decreased 1.2% to 20.9 million passengers and includes one month contribution from Brazil & Others, considering September 2025 data for comparison purposes. Lower traffic in Mexico and Puerto Rico was partially offset by growth in Colombia and the acquired portfolio.

- Mexico, traffic declined nearly 5%, primarily due to weaker international traffic at Cancún. Growth in domestic traffic across our other eight Mexican airports partially offset this weakness. Airline capacity constraints including Spirit Airlines bankruptcy and higher jet fuel prices continue to weigh on demand, particularly for international travel. Passenger volumes by region to and from: the United States, Europe, South America decreased by 14.9%, 14.4%, 7.9% respectively, while Canada increased 5.7%.
- In Puerto Rico, traffic declined slightly over 3% due to continued impact from the bankruptcy of Spirit airlines, early May and softness in both domestic and international demand. On a positive note, September showed an improvement, with total traffic increasing just over 3% following declines in July and August.
- Colombia continued to outperform the rest of the portfolio with traffic up just over 5% reflecting strength in both domestic and international traffic benefiting from better connectivity and healthy demand.

- Total traffic figures for the quarter also included one month contribution from the operations in Brazil & Others, which as a whole increased just over 1% and added nearly 4 million passengers in September. This mainly driven by low single digits growth Brazil and Ecuador, more than offsetting mid-to-low single digit declines in Costa Rica and Curacao.

On a bigger picture macro front, we don't see any near term improvement as conditions remain challenging, particularly for international traffic in Mexico although airline schedules for the winter season indicate only more seat capacity for December than a year ago, which is not encouraging for the whole winter season. The September improvement in Puerto Rico is encouraging, while Colombia continues to grow. We remain cautious on the pace of recovery while at the same are focused on supporting the long-term demand fundamentals across our broader portfolio and with CPC we diminish the dependence in Mexico and basically in one Airport.

Turning next to the financial performance. As a reminder, the figures I will discuss exclude construction revenue and construction costs, unless otherwise noted.

Revenues increased nearly 13% to 7.8 billion pesos. Non-aeronautical revenues grew just under 27%, including 456 million pesos from our U.S. operations, 362 million pesos from the first month of consolidation of Brazil & Others and 16% growth in Colombia, offsetting the softer performance in Mexico and Puerto Rico.

Aeronautical revenues were up 5% to 4.8 billion pesos, including a 315 million peso contribution from Brazil & Others. Higher passenger traffic supported higher aeronautical revenues in Colombia, while Puerto Rico's aeronautical revenues increased primarily due to the exchange rate difference. These gains were partly offset by softer traffic in Mexico.

Commercial revenue per passenger increased 3.5% to 130.5 pesos, mainly reflecting the contribution of our U.S. commercial operations. Puerto Rico posted the highest commercial revenues per passenger at 163.3 pesos, up 2%, followed by Mexico with 129 pesos although this was 10% lower year on year mainly reflecting lower traffic and passenger mix. Colombia delivered double-digit growth reaching 65.2 pesos while Brazil & Others added 64.7 pesos in commercial revenues per passenger.

We continue expanding our commercial footprint. Over the past twelve months, we opened 39 new commercial spaces across Mexico, Puerto Rico and Colombia: 31 in Colombia, seven in Puerto Rico and one in Mexico.

Moving on to profitability, consolidated EBITDA increased 1.7% to 4.7 billion pesos. Brazil & Others contributed 313 million pesos in September and our U.S. commercial operations added 49 million pesos in the quarter. This, together with increases of 7% in Puerto Rico driven by lower operating costs and nearly 2% in Colombia, more than offset a 10% decline in Mexico.

Adjusted EBITDA margin declined 7.4 percentage points year-on-year to 60.3%. This reflects the pressure of Mexico's revenues together with the consolidation of Brazil and Others and the U.S., both of lower margins. Brazil & Other reported an Adjusted EBITDA margin of 46.3% for September 2026, while the U.S. reported an EBITDA margin of close to 11%. Recall this business has a different cost structure from our airport operations, including lease obligations to airport authorities, and the margin is not directly comparable. We are also incurring expenses for projects that are not yet generating revenues, including commercial spaces at our U.S. operations which are expected to open until 2027 and 2028.

On the balance sheet, we closed the quarter with cash and cash equivalents of 20 billion pesos and total debt of nearly 70 billion pesos. Of this, 26.5% was denominated in Mexican pesos, 46.4% in U.S. dollars corresponding mainly to Puerto Rico, and 27.1% in Brazilian reais.

Net debt to last-twelve-month EBITDA was 2.6 times, up from 0.2 times, reflecting the acquisition financing and the addition of debt from the commercial operation in U.S. and Brazil & Others. After quarter-end, Cancún Airport placed US\$1.8 billion in senior notes in two tranches: US\$900 million due in 2031 and US\$900 million in 2036. These notes carried an investment grade rating by S&P and Fitch. We used the net proceeds to repay the bridge facilities for the U.S. and CPC acquisitions, repaying the remaining Santander loan and partially prepay the BBVA loan. This refinancing extends our debt maturities by 7 years on average.

Lastly, **capital expenditures** totaled 2.7 billion pesos during the quarter, with the majority expended in Mexico as we advance our Master Development Program.

At yesterday's exchange rate converted to Mexican pesos for each region, next year we expect to invest close to 6 billion pesos in Mexico, 1.8 billion in Costa Rica, 1.7 billion in Puerto Rico, 1.5 in Brazil, 414 million in our U.S. commercial operation, 230 million in Colombia and 213 in Curacao. We expect to fund all of these with resources generated by the operation of the region, except for Puerto Rico. This is a total of 11.8 billion pesos

Main projects include the start of the second phase of the expansion of Terminal 4 at Cancún Airport, the beginning of the construction of a second runway at Curitiba Airport to be completed in 2029, runway refurbishment at Belo Horizonte, Goiania, Teresina and San Luis airports in Brazil which expected to complete in 2027. Also to be completed in 2027 is the first phase of the terminal expansion at San José Airport in Costa Rica, also a hangar relocation that will allow for the second phase expansion of this terminal in 2028..

Wrapping up, ASUR is making consistent progress in executing its strategic priorities, optimizing its structure and further diversifying its geographic operations. We are accomplishing this in a challenging operating environment particularly in Mexico, and we remain cautious on the pace of recovery. At the same time, we completed an important acquisition, obtained approval for a more efficient corporate structure and refinanced our acquisition bridge loans with long-term debt. Our broader airport portfolio, U.S. commercial platform and continued investment in capacity provide ASUR additional opportunities for long-

term growth. We remain focused on operating performance, driving further efficiencies, disciplined capital allocation and delivering value for our shareholders, including through dividend payments.

This ends our prepared remarks. We are ready to take your questions. Please Melissa, open the floor for questions.

Q&A SESSION

Operator: Thank you. We will now begin the question and answer session. To ask a question, dial in by phone and press star one on your telephone keypad. Make sure your mute function is turned off and if you are using a speakerphone, please pick up your handset before pressing the keys. To withdraw your question, press star then two. Please limit yourself to one question and one follow up. Join the queue again if you have additional questions at this time, we will pause momentarily to assemble our roster.

Our first question comes from the line of Rodolfo Ramos with Bradesco BB. Please proceed with your question.

Rodolfo Ramos:

Thank you, Adolfo and David for taking my question. My first one is on traffic, if I may. You sound, you know, realistic but still very cautious regarding the recovery into the winter season. Cancun did a little bit better than Cabo, for example, during the quarter. But can you tell us a little bit more detail as to, how would you break down the decline, perhaps airline capacity decisions, maybe Tulum, what has been driving that how would you break down the decline, perhaps airline capacity, decisions made to loom, what has been driving that decline and just a little bit more color, if you may, into, the first quarter of next year and next year in terms of how you see traffic evolving. And the second, if I may, as a follow up, you know, Mexico EBITDA was down almost double digit, you know, consolidated administrative expenses roughly doubled. Can you quantify during the quarter what costs were non-recurring, e.g. CPC on the internalization as well and you have some expenses there. And when you look at now having this multi country platform, what would be the run rate for you going forward? Thank you.

Adolfo Castro:

Thank you, Rodolfo. Well, the traffic, as I said in my initial remarks, if we see the schedule of the airlines for the winter season, the only month that's up against last year is the case of December. It is not the case for the others. And that is why I'm saying it's not encouraging. The principal problem we see is the case of the United States in terms of the decline. Of course, today we have a cocktail of things that are affecting all of these, as you have mentioned, reduced capacity from the airlines one side. On the other side also jumping into better markets for them in terms of yield and still affected by the bankruptcy of Spirit. That was important for the case of Mexico, Puerto Rico and Colombia. There are some other negatives in terms of some other regions.

That's the case of Europe and the case of South America. The only one that is positive is the case of Canada with 5.7% during the quarter. That remains strong. But the others are not

looking well for the winter season. Of course, this is not definitive. The airlines normally adjust their program as time goes by. But for the moment, what I can say to you is that we're not so happy of what we are seeing. We don't know when all of this conflict in the Middle East will end and will bring a better outcome for the airlines. In terms of expenses during the quarter, yes, we had some one-time events.

That is the case of expenses related to the acquisitions of CPC, related to the internalization of the project of the technical assistance, and also the case of the bonds that will not be there in the future. Nevertheless, it's important to say that next year in the case of Mexico, we have or we will be affected by the reduction in the working hours that was established by the government from 40 hours during the week to 38. That will give us additional cost during the quarter and also the new operation of Terminal 1. We are taking all what we can in order to try to control cost. But of course, we will see the effects on the first quarter next year.

Rodolfo Ramos:

Thank you, Adolfo.

Operator:

Our next question comes from the line of Guilherme Mendes with JP Morgan. Please proceed with your question.

Guillherme Mendes:

Hello, Adolfo. David, good morning. Thanks for taking my question. I have a follow up on the capital allocation discussion. So going forward there has been news about ASUR potentially interested on the Brasilia airport and some regional airports in Brazil. Just wanted to confirm if that's really the case and if there's anything else that ASUR would be willing to consider at this point in terms of expanding its portfolio. Thank you.

Adolfo Castro:

Thank you for your question. For the moment we are focused on consolidating what we just recently acquired. That is of the U.S. and 20 additional airports from CPC.

Guillherme Mendes:

Thank you. Adolfo. If I may have a follow up on also on capital allocations is how to think about leverage going forward. What pace of deleverage should be expected as you consolidate the operations.

Adolfo Castro:

Well, as I mentioned, in terms of the most important thing that we have in front, which is the capex, the 11.8 billion pesos for next year. All of these should be funded by the cash flow generation in each one of the regions. So we do not expect any more leverage next year.

Guillherme Mendes:

Got it. Thank you.

Adolfo Castro:

You're welcome.

Operator:

Thank you. Our next question comes from the line of Fernanda Recchia with BTG Pactual. Please proceed with your question.

Fernanda Recchia:

Hi Adolfo. Hi David. Thank you for taking my question, Two here from my side as well. The first regarding Motiva profitability. The airport during the month of September posted a 47% of EBITDA margin and we know, looking for historical level, that these airports usually report around 50%. So, just wanted to understand if it was something specific for the month of September and margins for these airports should improve, or this is like the recurring level we should see going forward?

And second, still on capital allocation, a follow up. We know that you are focused on just consolidating what you acquired. But we also know that Infraero and Zurich are discussing the tag along within Confins airport, and Zurich specific in Curaçao. But we also know that Infraero and Zurich are discussing the tag along within Confins airport and do it specific in Curacao. So maybe could you elaborate how you see the timing and if you think this tag along will indeed be exercising? Thank you.

Adolfo Castro:

Yes, Fernanda. Well, we just started the operation in September with this 47% EBITDA margin I believe that we can do something better in the future. For the moment I cannot be sure about the 50 you are talking about, but clear for us that there are some opportunities there in terms of tag-alongs, yes, those were included the whole scheme of the operation with CPC. We are in the process of that, waiting for some approvals and waiting for final answers in the case of Infraero. So yes, those have been included in the transaction is to go from the case of Infraero it's a 49% Confins and the case of Zurich a 12.5% Confins and 10.2% in the case of Curacao to reach 90% there.

Fernanda Recchia:

Thank you.

Adolfo Castro:

You're welcome.

Operator:

Thank you. Our next question comes from the line of Alberto Valerio with UBS. Please proceed with your question.

Alberto Valerio:

Adolfo, David, thank you so much for the opportunity to make my question. Welcome to Brazil Officially now with the airports in Brazil. My question go towards the Brazilian airports

and Central America airports, the new airports, it's any regulatory commitment of Capex for those airports?

Adolfo Castro:

Yes, Alberto, as I mentioned, what we're expecting for next year in the case of Brazil, most of these is regulatory. There are some additional projects, but of course those are lower in comparison with the regulatory regime that is the case of the Brazilian airports.

Alberto Valerio:

And beyond next year, it's a large amount of Capex or a small amount of Capex should be deployed?

Adolfo Castro:

Well, next year it's almost the same as, well, 2028 is good. It's going to be almost the same as 2027, then it reduces.

Alberto Valerio:

Okay, thank you so much.

Adolfo Castro:

You're welcome.

Operator:

Thank you. Our next question comes in line of Pablo Recalde with Itau BBA, please proceed with your question. Our next question comes from the line of Pablo Ricalde with Itaú BBI, please proceed with your question.

Pablo Recalde:

Hi, good morning, Adolfo and team. On the different topic, I don't know if you can provide an update on the internalization process. If it's fair to assume that will happen as of January 1, 2027? and if you have quantified synergy, so it's going to be 100% impact on margins or there will be like some expenses associated with reducing the technical support.

Adolfo Castro:

Thank you, Pablo. Well, the process has started and it will take some time. We need some approvals from the Mexican tax authorities, some other approvals. In terms of the cost, we see an opportunity there. As I mentioned, 401 million pesos in 2025. Of course, we will not spend that amount of money in the future. So we see some increase in EBITDA because of this.

Pablo Recalde:

Perfect, thank you.

Operator:

Our next question comes from the line of Anton Mortenkotter with GBM. Please proceed with your question.

Anton Mortenkotter:

Hi, Adolfo, thank you for taking my question. I understand ASUR appointed a new director for the Brazil region, right? Jose Formoso. I was thinking, what capabilities are you looking to bring into the group through this leadership choice? And also as you integrate the acquired airports, how are you planning to measure success? I mean, which metrics will matter the most? Is it commercial revenue, per passenger, operating efficiencies, return on invested capital? Just looking to better understand your approach there. Thank you.

Adolfo Castro:

Yes, of course. Remember that the first objective in the case of the CPC acquisition was to use the balance sheet to correct the too healthy equity structure we have in the company. Now you can see that we have increased our leverage from 0.2 to 2.6 times last 12 months net EBITDA. So that was the first objective.

Of course, in terms of things that we're going to be focused on is the case of the commercial revenues. We believe that there are some opportunities there and also some operational efficiencies in some of the other airports are not in Brazil.

In the case of the new CEO from Brazil, Jose Formoso, he has a lot of experience in managing concessions in the first place. On the second one, he has been in Brazil for more than 20 years with a success story. He was making a lot of changes with a lot of success in the companies there. So that's what were focused on. Also, he knows about how Mexicans think. So that was why we decided to select him as a CEO. And I can say to you that we are extremely happy for the selection we have made.

Anton Mortenkotter:

Super clear. Thank you, Adolfo

Adolfo Castro:

You're welcome.

Operator:

Thank you. Our next question comes from the line of Jens Spiess with Morgan Stanley. Please proceed with your question.

Jens Spiess

Yes, hello, Adolfo. One follow up on the technical assistance and the reduction in cost. When you're facing the regulator in your next MDP cycle and looking at the reference value model, how you will be treating that reduction in cost, will there be an impact from the reference value calculation or not?

Adolfo Castro:

Well, and then you know that the regulated regime that has been published on October 19, 2023 recognizes all the expenses that the company has. So of course, if we reduce expenses, that would be impacted our future tariff or our future results from the update of the new MDP.

Jens Spiess

Okay, so it will result in a lower cost in that calculation also.

Adolfo Castro:

Yes.

Jens Spiess

Perfect, very clear. Thank you, Adolfo.

Adolfo Castro:

You're welcome.

Operator:

Thank you. Our next question comes from the line of Alan Macias with Bank of America. Please proceed with your question.

Alan Macias:

Hi, good morning and thank you for the call. Just a question on margins on the U.S. operations. If you can provide guidance what you expect margins to be in the long term? Thank you.

Adolfo Castro:

Alan. Thanks for your question. Well, the margin that we reported was 11%. That will increase, of course, as I said during the initial remarks, one of the key elements of this is still pending to start operations which is the case of the New Terminal One, it has been delayed since June last year up to the end of the first quarter next year. So that will improve the margin. Today we're still spending some money there without receiving any revenue. And also it's the case for a new space, a very important new space that we are constructing at Chicago O'Hare.

Alan Macias:

Thank you.

Adolfo Castro:

You're welcome.

Operator:

Thank you. Ladies and gentlemen, as a reminder, if you'd like to join the queue, please press star1 on your telephone keypad. Our next question is a follow up from the line of Fernanda Recchia with BTG Pactual. Please proceed with your question.

Fernanda Recchia:

Thank you for the follow up. Just one quick question here. We saw local news today saying that incentives for airlines to operate in Tulum might be postponed. Just wondering if you

have any thoughts on this and if this is something that you believe it will happen? Thank you.

Adolfo Castro:

While the case of Tulum, Fernanda, if you remember, they started operation in December 2023 with 40,000 passengers. In 2024 they reached 1.2 million. And in 2025, using the last 12 months, by June-July, they have reached 1.5 million. My expectation for this year is that they will reach 700,000. On one side, they have been affected, the same as we have been affected in case of Cancún by the capacity reduction from the airlines. And on the other side, it's clear for me that there are some other decisions that have been taken in regards to these airports, which is the case of the domestic market reductions from Aeroméxico and also the case of Volaris. So, my expectation for next year is that this airport will be around 700,000, 800,000 passengers.

Operator:

Thank you. Our next question is a follow up from the line of Anton Mortenkotter with GBM. Please proceed with your question.

Anton Mortenkotter:

Hi, Adolfo, thank you for the follow up. Just a quick one. I was wondering how does the U.S. debt issuance affect the capital structure considered on the Mexican regulatory WACC calculation?

Adolfo Castro:

Mexican regulatory is just for Mexico. That does not include any other operation or any other cost in the equation. Nor the leverage in the U.S.

Anton Mortenkotter:

Thank you.

Adolfo Castro:

You're welcome.

Operator:

Thank you once again. If you'd like to ask a question, please press star one on your telephone keypad. We'll pause a moment to allow for any others.

Mr. Barlow, it seems that there are no other questions at this time. I'll turn the floor back to you for final comments.

David Barlow:

Thank you, Melissa. And we would like to thank you all again for joining us on today's call. And we look forward to speaking to you again in the next quarter. And please do not hesitate to contact us if you have any further questions. Have a nice day and thank you very much.

Operator:

Thank you. This concludes ASUR's third quarter 2026 results call. We would like to thank you for your participation. You may now disconnect your lines.