



FUND LAUNCHED

**2005**

FUNDS UNDER MANAGEMENT

**£517.2**  
MILLION

NET ASSET VALUE PER SHARE

**358.7%**  
SINCE INCEPTION\*



# Portfolio Insight: Grupo Aeroportuario del Centro Norte

February 2023

Grupo Aeroportuario del Centro Norte ("OMA") is one of the three listed airport operators in Mexico that has a concession to operate, manage and develop thirteen international airports in central and northern Mexico. In 2022, OMA handled 23.2 million passengers, marginally up from its pre-covid-19 levels illustrating how strong passenger recovery has been.

## OMA Airport Locations



Source: OMA website, 21 January, 2023

OMA's 50 year concession which ends in 2048 includes Monterrey International Airport ("MIA"), located in Mexico's second largest business and industrial centre<sup>(1)</sup>, and contributes to around 47% of total traffic<sup>(1)</sup>. Monterrey is home to several large manufacturing companies within Mexico, so is well placed to benefit from the nearshoring trend that is currently being witnessed globally as a result of the trade disruptions caused by Covid-19, as well as the geopolitical conflicts happening between the US and China as well as in

# Portfolio Insight: OMA

February 2023

Europe. Mexico's close proximity / geographical location to the US, its relatively cheap manufacturing costs, as well as being the US's second largest trading partner also ensures that it is well placed to capitalise on this nearshoring trend. The announcement of Tesla in December 2022, looking to potentially build a new "Gigafactory" with Mexico is an example of this nearshoring trend and could, along with the growth of other industrial companies in Mexico, help drive OMA's passenger numbers higher in the medium term.

Of the 23.3 million passengers handled by OMA in 2022, 88% are domestic and 12% are international with around 62% of passengers travelling for corporate purposes rather than visiting family and friends or for leisure. As corporate activity within Mexico increases due to the on-going recovery from Covid-19, as well as the impact of nearshoring, OMA again should be well placed to benefit given the profile of OMA's passengers.

Furthermore, the ongoing congestion being witnessed at the oversaturated Mexico City International Airport (AICM), which is 100% owned by the Mexican government, coupled with the government's poor efforts to de-bottleneck it by adding capacity to Mexico City's second recently constructed Felipe Angeles International Airport (AIFA), has benefitted OMA's main asset MIA. OMA has been able to attract direct flights as well as act as a hub for the northern region in Mexico. The additional capacity being offered by AIFA as well as at neighbouring Toluca airport could be perceived as a threat in the future, however for the time being the incremental capacity is helping ease connectivity.

OMA continues to report strong financial results. OMA's double digit top line revenue growth, and ability to generate a 70% plus EBITDA margin (ex during Covid-19), has resulted in very strong cash generation, ample to meet OMA's capital requirements. OMA is therefore able to offer not only reasonable growth but also an attractive dividend yield.

OMA currently has a market capitalisation of US\$3.7bn (at the end of January and is trading on EV/EBITDA of 9.8x, with a 5.0% yield. OMA is currently within UEM's top 20 and falls within a key investment sector (Airports) for UEM.

## Jacqueline Broers

3 February, 2023

Source Data: ICM Limited.

[1] As per OMA's website <https://ir.oma.aero/en>, as at 31 December 2022

\*Total return is calculated based on undiluted Net Asset Value, plus dividends reinvested and adjusted for the exercise of warrants and subscription shares

### Risk Warning

The information presented on this document is solely for information purposes and is not intended to be, and should not be construed as, an offer or recommendation to deal in Utilico Emerging Markets Trust plc ("UEM"). Investments in UEM are subject to investment risks, and the value of investments and the income derived from them may fall as well as rise and investors may not get back the principal amount invested. Past performance is not indicative of future performance. Investors should read the prospectus along with the supplement(s) and seek relevant professional advice before making any investment decision. The information presented has been obtained from sources believed to be reliable, but no representation or warranty is given or may be implied that they are accurate or complete. UEM is managed by ICM Limited and ICM Investment Management Limited. The Investment Managers reserve the right to make any amendments to the information at any time, without notice. Issued by ICM Investment Management Limited (registered in England: 08421482), which is authorised and regulated by the Financial Conduct Authority (FRN: 630094). The information in the title banner is as at 31 December, 2022 and approved by ICM Limited.

### Utilico Emerging Markets Trust plc | Registered Office

The Cottage, Ridge Court, The Ridge, Epsom Surrey, KT18 7EP, United Kingdom

Company registration number: 11102129

[www.uemtrust.co.uk](http://www.uemtrust.co.uk)

**[Subscribe to our newsletter on uemtrust.co.uk](#)**

