

ASUR

Q2 2025 Earnings Call Transcript

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

Operator

Good day, ladies and gentlemen, and welcome to ASUR's Second Quarter 2025 Results Conference Call.

My name is Christina and I will be your operator.

At this time, all participants are in a 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, then one. If you want to withdraw your question at any time, please press star, then two. If you're using a speakerphone, please lift a 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. Adolfo Castro, Chief Executive Officer. Please go ahead, sir.

Adolfo Castro

Thank you, Christina, and good morning, everyone.

Before I begin discussing our results, let me remind you that 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 active results to differ materially, including factors that may be beyond our Company's control. Additional details about our second quarter 2025 results can be found in our press release, which was issued yesterday after market close, and is available on our website in the Investor Relations section.

Following my presentation, I will be available for Q&A.

As usual, all comparisons discussed on this call will be year-on-year, and figures are expressed in Mexican pesos unless specified otherwise.

During the second quarter, we served 17.7 million passengers across all airports we operate, with traffic remaining largely flat year-on-year. Once again, better performance in Colombia and Puerto Rico offset softness in Mexico.

Puerto Rico was the best performing market this quarter, posting 3% growth in passenger traffic, supported by domestic traffic and sustained strength in international traffic.

In Colombia, traffic was up 1%, with international travel up 12% and domestic contracting in the low single digits.

Lastly, Mexico reported a decline of nearly 2% in total traffic, with an increase of 1.2% in domestic offset by a decrease of 4.5% in international travel.

International travel in Mexico continued to experience year-on-year declines from all regions during the quarter. Passenger volumes from Europe were down 4.7%, from the U.S. 5.3%, South America 2.7%, and Canada 1.6%.

A meaningful portion of this decline, approximately 38%, is attributable to the ramp-up of the new airport in Tulum, which continues to draw some passenger growth previously concentrated in Cancun airport. Beyond this shift, we believe the broader softness in international traffic reflects broader market dynamics, including a more cautious demand environment across several source markets. While the underlying drivers vary, some of these pressures are also evident in other international markets as well.

Looking ahead, we expect traffic in Mexico to gradually stabilize over the course of next year, as the effects of the engine-related aircraft groundings appear to have bottomed out and Tulum Airport reaches a more normalized level of operations.

With respect to the potential U.S. Department of Transportation restrictions on Mexican carriers, ASUR does not expect a material impact on our operations from these measures as our exposure to the affected airlines is minimal. To put this in context, Aeroméxico accounted for just 0.3% of total passengers traveling between our airports and the U.S., while Viva Aerobus and Volaris together represented approximately 1.3%.

As I've noted in prior calls, we see long-term growth potential for both Cancún and Tulum, each driven by the specific demand dynamics of their respective catchment areas. While the broader macro environment remains uncertain, history has shown that travel-related disruptions—particularly those tied to U.S.-Mexico demand—tend to be temporary in nature.

Now, turning to a review of our financial performance. Recall that all references to revenue and cost figures exclude construction.

Total revenues increased 5% year-on-year to 7.4 billion pesos, reflecting top line growth across operations, particularly in Puerto Rico and Colombia.

Mexico, which accounted for 72% of total revenues, posted a low single-digit increase of 0.7% with relatively similar growth rates for aeronautical and non-aeronautical revenues.

Puerto Rico contributed 17.7% of the total revenues with top-line growth in the high-teens. This compares to growth in the high 20s in the prior quarter that was supported by the foreign exchange rate benefit resulting from a weaker peso.

Colombia, which accounted for 12% of total revenues, posted 15.4% top line growth decelerating from growth in the low 30s achieved in prior quarters. This was driven by both aeronautical and non-aeronautical revenues, which benefited from the continued recovery in domestic and international traffic, and the opening of 35 new commercial spaces over the past 12 months, partially offset by a strong Mexican peso.

As part of our ongoing strategy to enhance our commercial offerings, we opened 47 new commercial spaces over the last 12 months, as I said 35 in Colombia, 7 in Mexico, and 5 in Puerto Rico. This expansion supported high single-digit growth in total commercial revenues, driven by strong performance in Colombia and Puerto Rico, and a modest increase in Mexico.

On a per passenger basis, commercial revenues reached nearly 140 pesos in the quarter, representing mid-single digit year-on-year growth with contributions from all three regions. Colombia led with a 22% increase, followed by a 12% gain in Puerto Rico – both achieved despite less favorable exchange rates. In Mexico, commercial revenue per passenger rose nearly 3% to 159 pesos, even as passenger traffic softened.

Moving on to costs, total expenses increased nearly 10% year-on-year, decelerating from the 18% growth we saw in the prior quarter. In Mexico, costs rose 7%, primarily reflecting the 12% increase in minimum wages, effective at the start of the year. In both Puerto Rico and Colombia, costs increased in the low teens, benefitting from the appreciation of the Mexican peso against both the U.S. dollar and the Colombian peso.

As a result, consolidated EBITDA rose slightly over 2% year-on-year reaching 5 billion pesos in the quarter. Notably, Puerto Rico and Colombia posted double-digit EBITDA growth of 20% and 15%, respectively, while Mexico saw a 1.6% decrease in EBITDA in line with the decline in passenger traffic, the negative impact of the strong peso and the higher costs I just explained.

The Adjusted EBITDA margin, which excludes construction revenue, stood at nearly 68% compared with 69% in the same quarter last year. The slight margin contraction was mainly attributed to a 170 basis point decline in Mexico, while Colombia posted a modest 20 basis point decrease. Puerto Rico, on the other hand, delivered a 120 bp margin improvement in Adjusted EBITDA margin.

Our bottom line this quarter was negatively impacted by a foreign exchange loss of Ps.1.2 million, driven by the appreciation of the Mexican peso against the U.S. dollar. This compares to a foreign exchange gain of Ps.942 million in the same quarter last year, which reflected the opposite effect – driven by the depreciation of the peso during that period.

Moving on to our balance sheet. We maintained a strong cash position, closing the quarter with nearly 20 billion pesos in cash and cash equivalents, up 32% year-on-year. Net debt to EBITDA ratio increased slightly to 0.1 times, reflecting the drawdown of a loan facility in Mexico for 9.5 billion pesos in the quarter.

Turning to capital allocation, reflecting our solid financial position, in May we paid a 50-peso per share cash dividend, funded from accumulated retained earnings. In addition, we will be paying two extraordinary dividends of 15 pesos per share each, one in September and another in November.

Capital expenditures during the quarter totaled \$1.4 billion pesos, with most of this investment directed towards modernization and expansion projects at our Mexican airports. This includes ongoing work on the reconstruction and expansion of Terminal 1 at Cancún Airport and the terminal expansion in Oaxaca. In Puerto Rico, we're currently advancing construction on Taxiway Hotel. All construction activities continue to take place outside operational areas to ensure no disruption to airport operations.

Lastly, on the governance front, during the quarter Ms. Isabel Prieto was appointed to our Board of Directors as an independent member, following the resignation of Mr. Ricardo Guajardo Touché. With this, 57% of our Board is now comprised of independent directors, and female representation has increased to 36%. We thank Mr. Guajardo Touché for his valuable contributions and years of service on the Board. Ms. Prieto brings a wealth of experience in both the public and private sector, beginning her career in the financial services.

To close, our second quarter performance underscores the resilience of our diversified portfolio and our sustained focus on efficiency improvements. We continue investing in infrastructure, elevating the passenger experience and delivering sustainable long-term growth. We also remain attentive to evolving global macroeconomic conditions and believe our healthy financial position will help to mitigate potential risks.

This concludes my prepared remarks. Christina, please open the floor for questions.

Operator

Thank you. We will now begin the question-and-answer session. To ask a question, dial in by phone and press star then one on your telephone keypad. Please be sure your mute function is turned off and if you are using a speakerphone, please pick up your headset before pressing the keys. To withdraw your question, press star then two. At this time we will pause momentarily to assemble our roster. Thank you. Our first question comes from the line of Jens fees with Morgan Stanley. Please proceed with your question.

Jens Spiess – Morgan Stanley

Yes, hello Adolfo. Thank you for taking my questions. I have basically two. One is regarding non-aeronautical revenues. So just was wondering what drove the sequential decline in non-air revenues? Was it the mix of passengers or is anything else explaining it? And secondly, you already mentioned the DOT situation with the US not impacting you. But I was thinking that maybe one outcome might be that capacity restrictions in Mexico City might be lifted which would end up benefiting potentially passenger traffic in the system as a whole. In case that materializes, how much of a positive impact would you expect? Thank you.

Adolfo Castro - CEO ASUR

Thank you Jens. And good morning. Well, in the case of non-aeronautical revenues, of course the exchange rate played an important role during the quarter. I would say of course a slight difference in the passenger mix, international versus domestic. Also, in the case of domestic, the situation that we have in Terminal 2. In terms of your second question, I don't know if you saw 30 days ago that the Mexican government decided to increase or to ease the restrictions they have in Mexico City Airport from 43 to 44. This announcement explained that they have made an analysis of the airspace in Mexico City and also an analysis on the terminal buildings and that's why they decided to increase that from 42 to 43. So, one operation more in Mexico City airport reflects more or less 1 million in passenger traffic in that airport.

I was expecting this restriction to be lifted towards the end of the year. I have serious doubts that this will happen after what we saw in this announcement. Of course, the situation of the DOT came later, and I believe the Mexican government will have to review the situation and see what they're going to say after what the DOT has expressed. As I said, the situation between the traffic to and from the US from our airports is basically managed by US airlines. As I said, Aeromexico is 0.3%, in the case of Biva and Volaris together, 1.3%. So, it's 1.6% of the total traffic between these two countries. So I do not expect any major implication of this in our case, of course, if as a result of this the government decided to increase the operations in Mexico City, that will be beneficial to us.

Jens Spiess- Morgan Stanley

Okay, perfect. Thank you. Very clear. Thank you, Adolfo.

Adolfo Castro - CEO ASUR

You're welcome.

Operator

Our next question comes from the line of Stephen Trent with Citi. Please proceed with your question.

Steven Trent - Citi

Good morning, Adolfo, and thanks very much for taking my question. First, just quickly on Tulum, is it still the case that charter traffic is still sort of the primary piece of the pie that leaving Cancun and shifting to Tulum or, are you seeing a little bit more of a tilt in commercial. Thank you.

Adolfo Castro - CEO ASUR

Well, it's, of course you can find some charter flights there, but I would say it's mostly commercial flights basically coming from the US. A piece is coming from Mexico, but the most important region in that sense is the US.

Steven Trent - Citi

Got it. I appreciate that. And just a very quick question. On the balance sheet, I saw there was a 1.5-billion-peso investment in financial instruments in 1Q that is no longer there in 2Q and just was curious what was sort of the rationale behind this shift. Thank you.

Adolfo Castro - CEO ASUR

Well, the rationale is the huge amount of money that we have in the bank in investments. So, we decided to invest a piece of that in a fund instead of the usual instruments we have been in just to try to get some more return for that amount of money.

Steven Trent - Citi

Okay, let me leave it there. Very helpful. Thanks Adolfo.

Operator

Our next question comes from the line of Guillermo Mendez with JP Morgan. Please proceed with your question.

Guilherme Mendes - J.P. Morgan

Hi Adolfo. Good morning. Thanks for taking the time. The first question is a follow up on the traffic outlook. You mentioned at the beginning that you do expect some kind of normalization on Mexican traffic into next year. Just trying to understand what it means for the second half of this year. I understand the base of comparison is relatively easier. So, is it fair to assume that we could expect some kind of traffic growth, let's say mid-single digits on Mexican traffic into the second half of 25 when compared to second half of 24? And the second question, it's on the FX impact. So, you mentioned the negative impact on aeronautical revenues. Can you clarify what the actual impact on commercial revenues during the quarter is? Thank you.

Adolfo Castro - CEO ASUR

Yes. Well, domestic traffic, as you have seen in the numbers during the quarter, is no longer decreasing. It was a small increase and basically this is because the engine problem of Pratt and Whitney is basically bottoming out. So Volaris said yesterday that they have 36 aircrafts in the shop grounded. And that was exactly the same figure we saw during the first quarter. So, this is the lowest part of the curve. I would say as we can see with the numbers, from now on we should see an increase in domestic traffic because of this. That is in my opinion the most important situation. Of course, the situation in Mexico City helps. but as we said, there was a small increase in the restriction from 42 to 43.

So from now on everything should be better than how it was before. In the case of the effects on commercial revenues, this has to do with the exchange rate activities there, on one side. On the other side, it has to do with duty free. And of course, what I have mentioned before, the situation we have in the case of Terminal 2. So that's why you are seeing a very soft, I would say (inaudible) retail revenues in the second quarter compared with the first quarter.

Guilherme Mendes - J.P. Morgan

Maybe put in a different way do you have high level numbers on what is the USD exposure you have on your commercial activity?

Adolfo Castro - CEO ASUR

It's not that easy because of course the only one that is related to US dollars is the other thing is the way the people expense. Food and beverage prices are in pesos. But that doesn't mean that people will spend more if the Mexican peso depreciates, which is not the case in the stores. In the stores, again, prices are in pesos, but people tend to spend more if the Mexican peso depreciates.

Guilherme Mendes – J.P. Morgan

Got it. Thank you, Adolfo. Have a nice day.

Adolfo Castro - CEO ASUR

You're welcome.

Operator

Our next question comes from the line of Pablo Monsivais with Barclays. Please proceed with your question.

Pablo Monsivais - Barclays

Hi, good morning, Adolfo. A follow-up on the commercial revenues question. What should we expect for the next two quarters? With the situation you're naming for Terminal 2, should we expect again a couple of quarters of still soft commercial revenue activity? And my second question is maybe to put different the question of Guilherme, what percentage of the rents that you have in your tenants at Cancun are in US dollars?

Adolfo Castro - CEO ASUR

Thank you, Pablo. In the case of Terminal 2, we should expect that for the next four quarters, it will be up to the third quarter next year when we will be able to open the new reconstruction and expanded Terminal 1, which should alleviate in a significant way the situation in Terminal 2. My prices or the way that we charge commercial revenues is basically a minimum guaranteed payment per passenger and a percentage of the sales. Normally, what they pay us is a percentage of their sales. And as I said before, if their sales are in pesos, in between brackets, this is pesos. But it's not the currency that explains the spending behavior, it has to do with the passenger weakness. In the past, I used to say one Russian is two US guys in the duty free. And this has to do with the passenger, not with what is there.

Pablo Monsivais - Barclays

Okay, thank you very much.

Adolfo Castro - CEO ASUR

You're welcome.

Operator

Our next question comes from the line of Pablo Ricalde with ITAU. Please proceed with your question.

Pablo Ricalde - ITAU

Hi, good morning, Adolfo. I have two questions. The first one is on the Mexico profitability or EBITDA margin. I don't know if you can explain a little bit further what happened on the cost line you mentioned. We saw an increase in labor costs and utilities. So just wondering if maybe you register a provision or something and that's why expenses increased, and profitability declined that much. And how should we think of profitability in Mexico going forward? And my second question is on your balance sheet and your cash imbalance. If I'm mistaken, 60% of your cash is in USD. I would want to double check that number.

Adolfo Castro - CEO ASUR

Well, in the case of the margin, normally I don't like to talk about margins because

revenues and expenses are basically independent. The expense side grew 7% basically because of the minimum wage increase of 12%, at the beginning of the year, it was less than what we had in the first quarter. We had to take some action there due to the situation of the weak traffic we had during the quarter. The combination of both is what you are saying, a decrease in the margin, that is something that you need to see on an independent basis.

Pablo Ricalde - ITAU

Okay.

Adolfo Castro - CEO ASUR

In the case of what you're saying in the balance sheet, what was your question?

Pablo Ricalde - ITAU

Which percentage of your cash is in USD? Trying to understand the FX loss in your P&L. If I'm not mistaken, around 60% of your FX is in US and all of your cash is in USD.

Adolfo Castro - CEO ASUR

In the case of Mexico, at the end of the quarter we had \$700 million in dollars.

Operator

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

Fernanda Recchia – BTG Pactual

Hello, good morning. Thank you for taking my question. Two here from our side as well. So, the first on the dividend policy going forward. We saw that despite the payment of the first tranche your leverage is at a pretty comfortable level. So just wondering what we can think about next year onwards if we could expect such a good dividend payment like we saw in 2025. And second, a follow up on Tulum. If you could elaborate a little bit further. When do you expect this airport to reach full capacity and when do you expect it to stop hurting Cancun figures. Thank you.

Adolfo Castro - CEO ASUR

Thank you, Fernanda. Well, in the case of dividends for next year, let's try to conclude this year. First, we have another payment in September and one in November. Then we will have to evaluate the situation for the year and the results of operations. And then next year we will propose something to the board and then to the shareholder's assembly. In the case of Tulum airport, if we see the last 12 months, Tulum Airport reached around 1.5 million passengers. If we see the last 12 months at the end of December last year it was 1.2. So there was an increase of 300,000 passengers during the first half of the year. I was expecting a better ramp up. If you go back to my first conference call of the year, I was expecting 2.9 million for this airport. But recent news is basically showing the cancellation of some routes, from Bogota, Detroit, Minneapolis, and some others are basically saying to me that this airport will not reach what I was expecting at the beginning of the year. This airport should have, roughly speaking, 2.9 million in accordance with its location. So going back to your question, Cancun will not be hurting from this once this airport reaches 2.9 million passengers. In the meantime, we will have to continue talking about the ramp up of Tulum airport.

Fernanda Recchia – BTG Pactual

Okay, thank you very much.

Adolfo Castro - CEO ASUR

You're welcome.

Operator

Our next question comes from the line of Andres Aguirre with GBM. Please proceed with your question.

Andres Aguirre - GBM

Good morning, Adolfo, thanks for the call. Wondering if you could share the rationale behind the new debt and given your current high cash balance, how are you thinking about deployment going forward and possibilities for further leverage for CAPEX? Thank you.

Adolfo Castro - CEO ASUR

Hi, Andres. Well, the new tech has to do with taxes and expenses in Cancun Airport. We thought that it was something important for us to maintain some cash on hand for the future, given the fact that the proposed authorized dividend for this year is a total of 24 billion. So it was important to be sure that we were able to fund that situation.

Andres Aguirre - GBM

Thank you.

Adolfo Castro - CEO ASUR

You're welcome.

Operator

Our next question comes from the line of Abraham Fuentes with Banco Santander. Please proceed with your question.

Abraham Fuentes - Santander

Hello, good morning. We have seen a drop in the number of tourists that are visiting the U.S. do you think that Mexico could capture any of those passengers? And if that will be the case, when do you think we can begin to see the effect in terms of traffic?

Adolfo Castro - CEO ASUR

Well, this is true. There are diminishing from all the regions to the US in terms of tourism. We have approached some Canadian airlines and I'll talk about the situation. Basically, what they're saying is that they will evaluate this situation towards the end of the year. If this continues, of course, they will jump into our region. For the moment, what they have expressed is that they do not want to lose their slots in their most important airports in the U.S. I do believe that next year we will see some positive effect of this, basically from Canada and from Europe.

Abraham Fuentes - Santander

Okay, thank you.

Operator

Our next question comes from the line of Enrique Soho with Fundamenta Capital. Please proceed with your question.

Enrique Sojo - Fundamenta Capital

Hi, Adolfo, thank you for taking my question. I wanted to quickly dive into international traffic dynamics in Mexico. More specifically, during this first half of the year, we have seen traffic internationally fall 7.5% in the first quarter and 4% in the second quarter. All of this has been happening basically with Tulum not ramping up. How do you expect international traffic to kind of continue in the second half of this year? And should we expect Tulum to basically ramp up in 2026, hence hindering growth next year? Thank you.

Adolfo Castro - CEO ASUR

Well, as I said during the initial remarks, 38% of the decline of this quarter's international traffic is related to Tulum Airport. The difference is related to a weaker market from all regions. All are negative. Canada, U.S. Europe and South America. What to expect for the future. Let's see microeconomics on one side, and macroeconomics on the other side. The situation with the US migration policies and the case of South America, with the situation of the visa for the Brazilians, the visa for the Peruvians, the mistreatment to Colombians. All of this has been analyzed by the Mexican government today. And also considering that the next year we will have some games of the World cup in Mexico, they would have to do something about it.

Enrique Sojo – Fundamenta Capital

And just a quick follow up, if I may. In terms of domestic passengers, we should not continue to see it falling. But do you expect a strong rebound? Do you see that when talking to Volaris and Viva Aerobus. Or do you think it will be a more gradual change? Thanks.

Adolfo Castro - CEO ASUR

Well, what I do expect is a better behavior. So, no more decreases from the domestic and a slight decrease in the. Great.

Enrique Sojo – Fundamenta Capital

Thank you.

Adolfo Castro - CEO ASUR

You're welcome.

Operator

Our next question comes from the line of Alberto Velez with UBS. Please proceed with your question.

Alberto Velez - UBS

Thank you for taking my questions. One from our side here, it's about CAPEX. How should you expect the pace of capital deployment for the next quarter? This quarter it came a little bit below what Consensus and we were expecting. So how should we see the deployment of CAPEX in the following quarters? Thank you very much.

Adolfo Castro - CEO ASUR

You're welcome. Well, I have to say that in the case of the Capex, we are above our internal budget for the first half of the year. Slightly above. What do we expect for the end of the year? To comply with what we have written in our MDP, roughly speaking, 7 billion pesos. Remember that most of this is extended towards the fourth quarter.

Alberto Velez - UBS

Okay, thank you.

Adolfo Castro - CEO ASUR

You're welcome.

Operator

Again, if you have a question, please press star, then one. Our next question comes from the line of Alan Macias with Bank of America. Please proceed with your question. Alan Macias, your line is live. Our next question comes from the line of Anton Morton Cotter with GBM. Please proceed with your question.

Anton Mortenkotter - GBM

Hi Adolfo, thank you very much for the call. Just a quick one. I mean, aside from Cancun, in the smaller airports in Mexico, maybe like Merida or Oaxaca, we've seen some steady

performance. Was just wondering what kind of dynamics are you seeing in those smaller airports? And what would you expect going forward? I mean, is there anything interesting there?

Adolfo Castro - CEO ASUR

Well, every single airport, of course, has its own situation. I would say, let me go in the case of Oaxaca, public demonstrations in Oaxaca have affected it of course. In the case of Merida, it's growing less than before but it's still growing. In the case of Villahermosa, I would say security is a threat for traffic. So, each one has its own particularities. We cannot generalize all of them.

Anton Mortenkotter - GBM

Okay, thank you.

Adolfo Castro - CEO ASUR

You're welcome.

Operator

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

Guilherme Mendes – J.P. Morgan

Hi Adolfo, thanks for the follow up. A quick one on traffic. There has been a lot of news on increasing Sargassum in the Caribbean region. Is this kind of concerning in your view? Could it imply downside risk to your traffic assumptions for the second half of the year?

Adolfo Castro - CEO ASUR

Well, in the case of Sargassum, I have to say do not have. If we go back in history, we cannot say every three years, every five years, every seven years, you will have Sargassum in the region. The worst ever has been in 2018. But what we have seen for this year, this may be the worst ever. A situation that is very difficult. Of course, in terms of the seasonality of the year, summer is the most important. So, I would say after or during the third quarter and fourth quarter, you will see less sargassum for what you will see for the summer. But yes, it's true that this year has been a very tough situation.

Guilherme Mendes – J.P. Morgan

Got it. Thank you.

Adolfo Castro - CEO ASUR

You're welcome.

Operator

Our next question comes from line of Fernanda Recchio with BTG Pactual. Please proceed with your question.

Fernanda Recchia – BTG Pactual

Just a quick follow up. Could you comment a little bit on your inorganic growth opportunities that you're currently probating? I don't know if I have any update on Bavaro Airport. And apart from that, is there any other opportunity that you are looking at?

Adolfo Castro - CEO ASUR

The case of Bavaro Airport is still the same. We're still in the legal process of that. For the moment, the project is on hold. And yes, we are seeing some other opportunities.

Fernanda Recchia – BTG Pactual

Okay, and just a follow up here. We know that CCR is under a divestment process. Does this process make sense for you? Are you looking at it?

Adolfo Castro - CEO ASUR

I cannot comment on the other opportunities we are analyzing for the moment.

Fernanda Recchia – BTG Pactual

Great, thank you.

Adolfo Castro - CEO ASUR

You're welcome.

Operator

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

Alan Macias – Bank of America

Hi Adolfo. Thank you for the call. Just if you can give us some color on what's happening or what are the drivers for international traffic in Puerto Rico and Colombia? They're growing at double digit levels and if this is sustainable for the second half of this year. Thank you.

Adolfo Castro - CEO ASUR

You're welcome. Well, in the case of Puerto Rico, I would say this has to do with what's happening there with concerts and everything related to music. So Puerto Rico is really hot on that one and some international traffic is taking opportunity to go there because of that. In the case of Colombia, basically is the US.

Operator

Thank you. As a reminder, if you would like to ask a question, please press star then one on your telephone. Our next question comes from the line of Federico Galassi with The Rohatyn Group.

Federico Galassi - The Rohatyn Group

Hi, Adolfo. Thank you for taking my question. Quick question. In figure operations, I can see a jump in cost of services in terms of revenues and or year over year. The question is if there's any one off or this is the level that we have to think for Mexican operation in the near future.

Adolfo Castro - CEO ASUR

This is what you should expect for the. For the coming quarters.

Federico Galassi - The Rohatyn Group

Yes. Okay. But it's not one office. 100% for the operations. Equal operations.

Adolfo Castro - CEO ASUR

Yes.

Federico Galassi - The Rohatyn Group

Okay. Thank you.

Adolfo Castro - CEO ASUR

You're welcome.

Operator

That concludes the question and answer portion of today's conference call. I would like to turn it back over to Mr. Castro for closing remarks.

Adolfo Castro - CEO ASUR

Thank you, Christina. And thank you all again for joining us today for our second quarter 2025 conference call. We wish you a good day and goodbye.

Operator

Ladies and Gentlemen, that concludes ASUR's second quarter 2025 results conference call. We would like to thank you again for your participation. You may now disconnect.