

## VOLAR (Buy)

**Current price: \$16.95, PT \$27.00**

### Flash: Closes 2022 with positive trend in traffic and lower sequential fuel costs

Volaris registered an annual increase of 13.9% in total passenger traffic during December, transporting 2.9 million, with an increase of 11.9% y/y in the domestic market and, to a greater extent, 22.5% y/y in the international market. Capacity showed an upsurge, measured in terms of Available Seats Miles (ASMs), of 18.5% y/y, while demand measured in Revenues Passengers Miles (RPMs), registered a smaller growth of 16.9% y/y. Thus, the load factor decreased by 1.2pp to 84.7%. On the other hand, the 29.9% year-on-year increase in the cost of fuel per gallon to \$3.26 stood out, but was below that recorded in November (-16.4%).

**Neutral implication:** Volaris' figures reflected a solid performance, highlighting the load factor, which remains at high levels. In 2022, passengers increased by 27.2%. However, the high cost of fuel remains the variable to watch, since, although it decreased m/m, we do not rule out additional pressures in the face of the difficult global environment. Thus, although we expect a sequential improvement in margins, they will continue to face a difficult y/y comparison, at least for 4Q22. While the outlook for Volaris maintains favorable in the long term, we believe that until there is a clearer picture of recovery, volatility in the stock price will continue.

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BUY	
Current Price	\$16.95
PT	\$27.00
Upside Potential	59.3%
ADS Price	US\$8.77
PT ADS	US\$13.00
Shares per ADS	10
Max – Min LTM (\$)	43.15 – 13.90
Market Cap (US\$m)	1,022.6
Shares Outstanding (m)	1,166.0
Float	68%
Daily Turnover (\$m)	39.9
Valuation metrics LTM	
FV/EBITDAR	6.3x
P/E	-15.0x
MSCI ESG Rating*	N.A.

Relative performance to Mexbol  
LTM



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Document for distribution among public

## Certification of Analyst.

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 Thalía Orozco Vélez, Hugo Armando Gómez Solís, Yazmín Selene Pérez Enríquez, Cintia Gisela Nava Roa, Miguel Alejandro Calvo Domínguez, Daniela Olea Suárez, José De Jesús Ramírez Martínez, Gerardo Daniel Valle Trujillo, Luis Leopoldo López Salinas, Isaías Rodríguez Sobrino, Paola Soto Leal and Daniel Sebastián Sosa Aguilar, 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
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<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
VOLAR	07/21/2022	Buy	\$27.00
VOLAR	07/14/2021	Buy	\$56.00
VOLAR	01/14/2021	Buy	\$31.00

## 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.

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