

VOLAR (Buy, PT \$56.00)

Flash: Continues to exceed pre-pandemic levels in August

In August, Volaris recorded a 87.6% y/y growth in total passenger traffic (+21.7% vs 2019), carrying 2.3 million passengers, driven by a 136.0% y/y increase in international traffic, followed by domestic traffic with 78.7%. The figures continued to reflect significant capacity growth, measured in terms of Available Seat Miles (ASMs), of 56.2% y/y (compared to 2019 the increase was of 22.7%). Meanwhile, demand measured in Revenue Passenger Miles (RPMs) grew 82.5% y/y, which represents +24.8% vs 2019. As a result, the load factor increased by 12.3pp to 84.8%.

Positive implication: Volaris' indicators for August continued to show a good dynamism, moving further away, in a positive direction, from pre-pandemic levels. This despite the rebound in contagions over the month, and even maintained its guidance for capacity growth between 20% and 22% for the third quarter vs. 2019. The aforementioned supports a favorable outlook for the airline in 2H21, which is why we reiterate Volaris within our selection of companies that stand out in the [recovery](#) environment.

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Document for distribution among public

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We, Gabriel Casillas Olvera, Alejandro Padilla Santana, Delia María Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Alik Daniel García Alvarez, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía Orozco Vélez, Gerardo Daniel Valle Trujillo and Juan Barbier Arizmendi, 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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History of PT and ratings

Stock	Date	Rating	PT
VOLAR	14/07/2021	Buy	\$56.00
VOLAR	14/01/2021	Buy	\$31.00
VOLAR	25/08/2020	Buy	\$20.00

MSCI ESG Rating scale

CCC	B	BB	BBB	A	AA	AAA
LAGGARD	AVERAGE			LEADER		

*MSCI ESG Rating is an indicator that evaluates companies in Environment, Social and Governance (ESG) metrics.

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