

VOLAR (BUY, PT \$31.00)

Flash: Passengers in May continue to exceed pre-Covid levels

Volaris announced that passengers in May grew 910.4% y/y (+12.0% vs. 2019) –carrying a total of 2.2 million–. This was comprised of a 2,333.3% y/y rise in international traffic (+24.6% vs. May 2019) and a 780.6% y/y hike in domestic traffic (+9.1% vs. 2019). In this regard, capacity measured in terms of Available Seat Miles (ASMs) posted an 883.2% y/y increase and a 17.3% growth when compared to 2019. Meanwhile, demand measured in Revenue Passengers Miles (RPMs) rose 887.2% y/y, a 17.1% jump vs. 2019. As a result, the load factor stood at 87.8% –a 0.4pp increase annually–.

Positive implication: We believe that May's passenger traffic report should be well perceived by the market. The airline has been able to capitalize on the opportunities in the Mexican airline sector that have arisen in the wake of the pandemic, as well as the growing demand trend we have observed. Volaris has a solid positioning that will allow it to continue to take advantage of the new industry dynamics. Consequently, we believe that the more favorable outlook will drive the company's results going forward.

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HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
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History of PT and Ratings

Stock	Date	Rating	PT
VOLAR	01/14/2021	Buy	\$31.00
VOLAR	08/25/2020	Buy	\$20.00
VOLAR	10/25/2019	Buy	\$26.90

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