

VOLAR (Buy, PT \$56.00)

Flash: Continues to move away from pre-pandemic levels with solid October performance

In October, Volaris' total traffic increased 58.7% y/y (+22.0% vs 2019), carrying 2.3 million passengers, comprised of year-over-year rises in international passengers of 103.7%, followed by domestic users with 50.8%. The figures reflected growth in capacity, measured in terms of Available Seat Miles (ASMs), of 48.0% y/y (compared to 2019 the increase was 24.8%). Meanwhile, demand measured in Revenue Passenger Miles (RPMs) rose 55.4% y/y, equivalent to a 25.5% increase vs. 2019. Based on the above, the load factor showed an advance of 4.1pp to 86.3%.

The company inaugurated routes in its subsidiary Volaris El Salvador with destination to Mexico City and San Pedro Sula, Honduras. On the other hand, it announced that as of March 2022 it will begin operating two new routes from Felipe Angeles International Airport to Cancun and Tijuana, noting that this will not affect its operations and growth strategy at Mexico City International Airport.

Positive implication: Volaris' October data continued to show good demand dynamism, which we believe should continue for year-end. This confirms favorable expectations for the airline, although it is worth mentioning that the rise in oil prices could continue to generate volatility in the stock, remembering that jet fuel is the company's main expense (31.3% of total LTM expenses).

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Document for distribution among public

Certification of Analyst.

We, Alejandro Padilla Santana, 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 Álvarez, 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

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