

Copa Airlines – Short term distractions over CPA US’ robust positioning

Rating: BUY **Share Price: USD 112**

Target Price: USD140 **Upside: +25%**

Copa Holdings is a Panama-based Latin American flag carrier airline that serves as a gateway between North & South America. Recent negative catalysts has led to 3-mth price plunge of 36.8% in Jul 2014 from \$158 to new lows of \$100 in mid Oct 2014. Price has quickly recovered by 12% within one week to \$112.

We believe CPA US is undervalued by at least 25% given that it enjoys (1) flag carrier advantage with Panama’s airport and (2) fast growing Panama international airport and (3) low degree of competition within the Central and Latin America. The current 9.8x PE ratio presents a good bargain given Panama strategic transit hub location, expansion plans and consistent operating profits since 2001.

Jul-Oct 2014 3 negative catalysts. The 3 negative catalyst were (1) Ebola, (2) Emerging market economies & (3) Venezuela cash repatriation issues. Firstly during that period, there were great uncertainties over Ebola. Experts warned Ebola might reached SARS or Swine Flu severity. Secondly, the market was watching South America countries closely with Venezuela facing the oil price squeeze and Argentina on its debt defaults. The last straw came when there was confirmed news that \$500M of the company’s \$1B cash and cash equivalent assets were held up in Venezuela. The negative catalysts soon led to a price plunge by 36.8% over Jul-Oct. However we have seen prices recovered quickly by 12% from \$100 to \$112 in mid Oct (*see larger table at page 3*).

Tiding over short term distractions. While negative catalyst were severe, the perception of these events has toned down significantly. Researchers found Ebola was highly curable in developed nations. Cash repatriations remained uncertain but the government has released 8-9% of cash back to CPA US at the original FX rate in Jun 2014. If we look back further, passenger growth did rebound strongly post-crisis within 2 years. We believe that long-term strategic advantages of CPA US will tide over short term distractions.

Type: Airlines
Region: Central America
Name: Copa Holdings SA
Ticker: CPA NYSE
Share Price: USD 112
Target Price: USD 140 (25% upside)
Rating: Buy (1 Year Horizon)
Market Cap: USD 5,060M
Average Vol: USD 48M-81M
Shares Out: 33M
Free Float: 100%

Information as of 30/Nov/14

Top 3 Shareholders

Massachusetts Financial Services 6.4%
Alliance Bernstein LP 6.1%
Blackrock 4.3%

Source: Bloomberg

Investment Horizon: 1 Year
Valuation Method: P/E
EV/EBITDAR
Current PE: 9.8x
Target FY15 PE: 13x
Current EV/EBITDAR: 7.6x
Target FY15 EV/EBITDAR: 8.0x

Share History

(*See page 3 for larger table*)



Source: Google Finance

| Key Financial Information | Unit | Multipli | FY2012 | FY2013 | FY2014E | FY2015E | FY2016E |
|--|------|----------|--------|--------|---------|---------|---------|
| Revenue | USD | Mln | 2,249 | 2,608 | 2,738 | 2,944 | 3,209 |
| Net Profit | USD | Mln | 326 | 427 | 362 | 364 | 432 |
| Earning Per Share | USD | Dollar | 9.8 | 10.7 | 10.8 | 10.9 | 12.9 |
| Revenue - YoY | % | | 23% | 16% | 5% | 8% | 9% |
| Gross Profit - YoY | % | | 13% | 23% | 1% | 8% | 9% |
| EPS - YoY | % | | 5% | 9% | 1% | 0% | 19% |
| Profit After Tax and Minority Interest - YoY | % | | 5% | 31% | 15% | 0% | 19% |
| EBIT Margins | % | | 18% | 20% | 16% | 15% | 16% |
| Net Margin | % | | 15% | 16% | 13% | 12% | 13% |
| Net gearing | Unit | | 0.7 | 0.5 | 0.5 | 0.4 | 0.3 |
| Current ratio | Unit | | 1.2 | 1.3 | 1.6 | 1.7 | 1.9 |
| P/E | x | | 11.4 | 17.3 | 10.0 | 13.0 | 14.0 |
| EV/EBITDAR | x | | 8.7 | 9.4 | 7.6 | 8.0 | - |
| EV | USD | Mln | 4,934 | 6,998 | 5,106 | - | - |
| Return on Equity | % | | 21% | 22% | 17% | 15% | 15% |

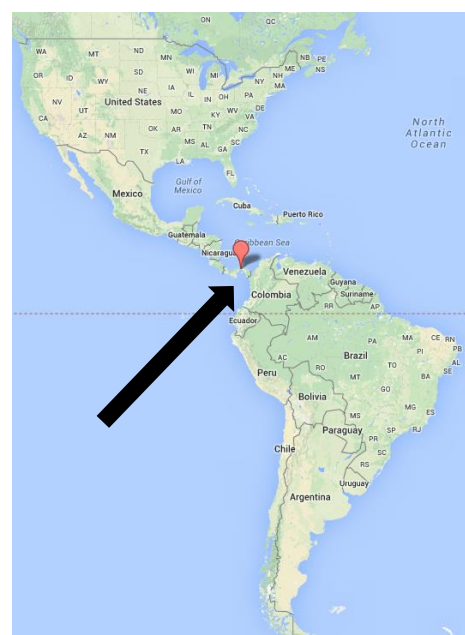
Company Overview

Copa Holdings (CPA US) is a Panama-based airline and serves as the country flag carrier listed in NYSE. Their main base of operations is Tocumen International Airport in Panama where it is strategically located between the 2 continents. CPA US owns both CPA Airlines and 99% of Copa Airlines Colombia (also known as AeroRepública)

CPA US derive nearly all their revenues from international flights as they do not fly domestically (Panama is too small). The company has 97 aircraft consisting of 71 Boeing 737 for international flights and 26 Embraer 190 for regional flights.

Expansion – both Airport & Carrier

CPA US and the Panama Airport (**Tocumen International Airport**) are rapidly expanding. CPA US will see an addition of 36 Boeing 737-800 from the current 97 to 133 aircrafts (+37%) with delivery expected till FY15-18 which leads to a rise in total seat capacity by 47%.



A: Panama's prime location as aviation hub

Tocumen International Airport for the past 4 years has experienced a robust CAGR of 16% in passenger traffic from 5.0M in 2010 to 7.8M in 2013. We see Tocumen having a strong foothold as the de-facto transit hub in Central America as the closest competitor (Costa Rica International Airport) has registered only 0.5% CAGR growth over the same period with 3.8m passenger traffic in 2013.

Industry Overview

- CPA US carries 80% of Tocumen's 7.8M passenger traffic in 2013 with closest competitor United Airlines at 4%
- 9 out of 20 busiest flights in Tocumen's were flown exclusively by CPA US in 2012 – representing 36% of passenger traffic that year
- Top 5 outbound flight destinations in Tocumen airport for 2012 were Miami, Colombia, Costa Rica, Venezuela and Mexico (representing 27% of total Tocumen's 2012 passenger traffic).

Why Copa Holdings?

- Leading airlines with robust operational margins stemming from its "moat"
- Flag carrier and dominant position in Central America's most busiest airport
- Most profitable aircraft in the world with 22% margin (12M ending June 14)
- Government's transit hub objective (similar to Singapore) will serve as a safety net for CPA US

Operational metrics comparison for FY2013

| | Net Profit | EBITDAR Margins | | | EPS (USD/share) | | Operating Profit per Available Seat Mile (ASM) (USD) | Fuel Cost per ASM (USD) | Passenger Load Factor Spread (%) |
|----------------------|-------------|-----------------|------------|-------------|-----------------|-------------|--|-------------------------|----------------------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2013 | 2013 | 2013 | |
| COPA HOLDINGS SA | 427.47 | 22% | 29% | 7.57 | 10.54 | 2.30 | 4.13 | 17% | |
| AVIANCA HOLDINGS | 257.49 | 16% | 18% | 1.74 | 2.21 | (0.94) | 3.42 | -8% | |
| GOL LINHAS AEREAS | (370.49) | 3% | 17% | (2.61) | (1.34) | (1.15) | 3.02 | 2% | |
| LATAM AIRLINES GROUP | (281.11) | 10% | 16% | 0.03 | (0.58) | 2.20 | 3.35 | 7% | |
| Average | 8.34 | 13% | 20% | 1.68 | 2.71 | 0.60 | 3.48 | 5% | |

Source: Bloomberg

Valuation

CPA has a solid fundamental compared with its peers given its superior business model, cost efficiency and world-class margins. The Dec 2015 PT is based on an equal weightage of EV/EBITDAR and P/E multiples. Going forward, we forecast CPA US' EPS growth for FY14-15E at 0-2% compared to previous years 5-10% EPS growth due to tepid market sentiments. Our EPS range for FY14-15E is \$10.

We target a 8.0x EV/EBITDAR and 13.0x P/E for CPA US. These values are within CPA historical average of EV/EBITDAR range of 7-10x and P/E range of 10-14x respectively. R is for rentals.

| | EV/EBITDAR | | P/E | |
|---------|------------|---------|---------|---------|
| | FY2014E | FY2015E | FY2014E | FY2015E |
| CPA US | 7.4x | 8.0x | 10.0x | 13.0x |
| AVH US | 8.6x | 7.5x | 16.1x | 7.6x |
| GOLL4 | 6.3x | 6.5x | - | - |
| LFL US | 8.6x | 7.7x | - | 23.3x |
| Average | 7.7x | 7.4x | 13.1x | 14.6x |

Source: Bloomberg and analyst estimates

Price Performance



| Time Frame | 1W | 1M | 3M | 6M | 1Y | 3Y |
|-------------|-------|--------|--------|--------|--------|--------|
| Performance | -1.5% | +11.9% | -10.0% | -19.6% | -25.3% | +90.9% |

Source: Bloomberg

Key Risks to our Price Target

Competition and entry – Given Panama's diversified economy and lower degree of competition in Central America, we see CPA US less risky than most Latin America carriers. However entry of a new carrier may depress margins. That mentioned, CPA US' moat (Tocumen airport) is a significant deterrence.

Venezuela exposure – Relationship between Panama and Venezuela may worsen if cash remains on hold (due to capital outflow restrictions) in Venezuela. However \$40M out of \$500M cash has been returned in June 2014 honoured at original FX rate.

Jet fuel hedging – Volatility in Jet fuel prices may present deviating financial performance. In light of falling oil prices, CPA US has lowered jet fuel hedge percentage from 29% in 2Q14 to 20% for 4Q14 going forward. For FY15, CPA has hedged only 15% of forecasted fuel consumption. Goldman Sachs has indicated that oil prices will remain around \$80-\$90/barrel for 2-3 years. On the flip side, we see an upside in margins as cost of goods (fuel cost) fall but it is subjected to competitors' response.

Peer Comparison Table

| Company Comparison - Airlines | | Price | Market Cap | Average 3M Volume | Free Float | Revenue | Profit | Net Income Margin | EBITDA Margin | P/E (x) | | | EV / EBITDAR (x) | | |
|-------------------------------|--------|--------|---------------|-------------------|-------------|---------------|--------------|-------------------|---------------|-------------|-------------|-------------|------------------|------------|------------|
| Company Name | Ticker | USD | US\$m | US\$m | % | 2013 (USDm) | 2013 (USDm) | 2013 | 2013 | 2013 | 2014 | 2015E | 2013 | 2014E | 2015E |
| Latin America | | | | | | | | | | | | | | | |
| COPA HOLDINGS SA | CPA US | 112.71 | 5,001 | 77.9 | 100% | 2,608 | 427 | 16% | 25% | 16.3 | 10.0 | 13.0 | 9.5 | 7.6 | 8.5 |
| AVIANCA HOLDINGS | AVH US | 14.03 | 1,756 | 2.5 | 99% | 4,610 | 257 | 5% | 12% | 10.2 | 14.1 | 7.1 | 9.0 | 8.6 | 7.5 |
| GOL LINHAS AEREAS | GOL US | 5.15 | 1,458 | 5.2 | 92% | 4,166 | (370) | -8% | 9% | - | - | 53.8 | 6.4 | 6.3 | 6.5 |
| LATAM AIRLINES GROUP | LFL US | 12.10 | 6,601 | 6.9 | 60% | 12,925 | (281) | -2% | 13% | - | - | 15.5 | 8.8 | 8.6 | 7.7 |
| Average | | | 3,704 | 23.1 | 88% | 6,077 | 8 | 3% | 15% | | 12.1 | 22.4 | 8.4 | 7.8 | 7.6 |
| North America | | | | | | | | | | | | | | | |
| COPA HOLDINGS SA | CPA US | 112.71 | 5,001 | 77.9 | 100% | 2,608 | 427 | 16% | 25% | 16.3 | 10.0 | 13.0 | 9.5 | 7.6 | 8.5 |
| DELTA AIR LINES INC | DAL US | 43.40 | 36,323 | 533.6 | 100% | 37,773 | 10,540 | 28% | 13% | 10.6 | 3.8 | 10.7 | 7.1 | 7.8 | 6.2 |
| UNITED CONTINENTAL HOLDINGS | UAL US | 54.60 | 20,151 | 299.1 | 100% | 38,279 | 569 | 1% | 8% | 13.9 | 17.7 | 8.1 | 7.2 | 7.5 | 5.1 |
| AMERICAN AIRLINES GROUP INC | AAL US | 43.43 | 31,151 | 482.2 | 99% | 26,743 | (1,834) | -7% | 9% | 13.4 | 7.9 | 6.1 | 8.3 | 6.5 | 5.3 |
| Average | | | 23,157 | 348 | 100% | 26,351 | 2,426 | 10% | 14% | 13.5 | 9.8 | 9.5 | 8.0 | 7.4 | 6.3 |

Source: Bloomberg, Analyst Estimates

| 2013 Panama Airport Passenger Data | | | |
|------------------------------------|--------------------------------|-------------|--|
| Airlines | Passenger (Embark & Disembark) | Weightage | |
| Copa | 5,198,221 | 68% | |
| Aero Republica | 838,427 | 11% | |
| United | 314,696 | 4% | |
| American | 262,537 | 3% | |
| Avianca | 250,500 | 3% | |
| KLM | 170,964 | 2% | |
| Santa Barbara | 126,123 | 2% | |
| Delta | 98,203 | 1% | |
| Iberia | 96,990 | 1% | |
| Lasca | 79,352 | 1% | |
| Taca | 73,544 | 1% | |
| Venezolana | 53,736 | 1% | |
| Spirit | 40,485 | 1% | |
| Charter | 80,473 | 1% | |
| Tame | 34,223 | 0% | |
| Avior | 29,015 | 0% | |
| Condor | 15,354 | 0% | |
| Air Aruba | 12,002 | 0% | |
| Air France | 6,691 | 0% | |
| Conviasa | 2,791 | 0% | |
| Total | 7,784,327 | 100% | |

| 2012 20 Busiest Outbound Flights In Panama Airport | | | |
|--|-----------------------------------|------------------|------------------------------|
| Rank | City | Passengers | Airlines |
| 1 | Miami, Florida | 427,220 | American, Copa |
| 2 | Bogotá, Colombia | 368,862 | Avianca, Copa, Copa Colombia |
| 3 | San José de Costa Rica | 334,419 | Avianca, Copa, Copa Colombia |
| 4 | Caracas, Venezuela | 265,749 | Copa, SBA |
| 5 | Mexico City, Mexico | 192,602 | Copa |
| 6 | Havana, Cuba | 189,450 | Copa |
| 7 | Houston, Texas | 186,098 | United |
| 8 | Lima, Peru | 168,983 | Copa |
| 9 | Santo Domingo, Dominican Republic | 160,004 | Condor, Copa |
| 10 | Medellín, Colombia | 136,227 | Copa, Copa Colombia |
| 11 | Buenos Aires, Argentina | 135,344 | Copa |
| 12 | Guatemala City, Guatemala | 127,490 | Copa, Copa Colombia |
| 13 | São Paulo, Brazil | 126,568 | Copa |
| 14 | Orlando, Florida | 118,968 | Copa |
| 15 | Newark, New Jersey | 111,731 | United |
| 16 | Guayaquil, Ecuador | 107,841 | Copa, TAME |
| 17 | San Salvador, El Salvador | 106,104 | Avianca, Copa |
| 18 | Santiago de Chile | 103,014 | Copa |
| 19 | Quito, Ecuador | 98,651 | Copa, TAME |
| 20 | Amsterdam, Netherlands | 96,199 | KLM |
| - | - | 3,561,524 | |
| | | 60.94% | |

Financials

| Income Sheet | | | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014E | FY2015E | FY2016E |
|--------------------------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|
| Revenue | USD | Mln | 1,256 | 1,415 | 1,831 | 2,249 | 2,608 | 2,738 | 2,944 | 3,209 |
| COGS | USD | Mln | 642 | 708 | 956 | 1,259 | 1,389 | (1,506) | (1,619) | (1,765) |
| Gross Profit | USD | Mln | 614 | 707 | 875 | 991 | 1,219 | 1,232 | 1,325 | 1,444 |
| SG&A | USD | Mln | 323 | 355 | 415 | 499 | 564 | (657) | (736) | (770) |
| EBITDA | USD | Mln | 291 | 353 | 460 | 492 | 655 | 575 | 589 | 674 |
| D&A | USD | Mln | 51 | 63 | 75 | 89 | 137 | (141) | (149) | (157) |
| EBIT | USD | Mln | 240 | 290 | 385 | 403 | 517 | 434 | 440 | 517 |
| Interest Income | USD | Mln | 9 | 5 | 7 | 12 | 13 | 4 | 1 | 1 |
| Interest Expense | USD | Mln | (32) | (30) | (33) | (33) | (30) | (27) | (27) | (27) |
| Net Interest Income/(Expense) | USD | Mln | (23) | (25) | (26) | (21) | (18) | (23) | (26) | (26) |
| Other Non-Op Income/(Expense) | USD | Mln | 59 | (4) | (13) | (15) | (11) | 0 | 0 | 0 |
| Profit Before Tax (PBT) | USD | Mln | 276 | 260 | 346 | 366 | 488 | 412 | 414 | 491 |
| Tax Expense | USD | Mln | 27 | 19 | 36 | 40 | 61 | (49) | (50) | (59) |
| Profit After Tax (PAT) | USD | Mln | 249 | 241 | 310 | 326 | 427 | 362 | 364 | 432 |

| Balance Sheet | | | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014E | FY2015E | FY2016E |
|-----------------------------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Assets | | | | | | | | | | |
| Cash, Bank deposit | USD | Mln | 263 | 208 | 244 | 76 | 139 | 85 | 106 | 246 |
| S/T investment | USD | Mln | 89 | 195 | 262 | 575 | 993 | 1,068 | 1,236 | 1,412 |
| Account Receivable | USD | Mln | 81 | 89 | 143 | 136 | 135 | 137 | 147 | 160 |
| Inventory | USD | Mln | 27 | 46 | 42 | 51 | 57 | 60 | 64 | 70 |
| Other current asset | USD | Mln | 43 | 56 | 63 | 79 | 78 | 91 | 96 | 102 |
| Current Asset | USD | Mln | 503 | 594 | 754 | 917 | 1,401 | 1,440 | 1,650 | 1,990 |
| Net Property, Plant and Equipment | USD | Mln | 1,480 | 1,773 | 2,000 | 2,285 | 2,349 | 2,488 | 2,618 | 2,711 |
| Intangible/Goodwill/Deferred Tax | USD | Mln | 66 | 69 | 72 | 87 | 54 | 54 | 54 | 54 |
| Other Non-Operating Asset | USD | Mln | 112 | 120 | 239 | 190 | 150 | 150 | 150 | 150 |
| Total Non-Current Asset | USD | Mln | 1,658 | 1,962 | 2,312 | 2,562 | 2,552 | 2,691 | 2,821 | 2,914 |
| Total Asset | USD | Mln | 2,161 | 2,556 | 3,066 | 3,480 | 3,953 | 4,131 | 4,472 | 4,905 |
| Liability | | | | | | | | | | |
| S/T loan | USD | Mln | 95 | 101 | 131 | 136 | 156 | 121 | 121 | 121 |
| Account Payable | USD | Mln | 295 | 299 | 443 | 556 | 764 | 657 | 707 | 770 |
| Other current liability | USD | Mln | 54 | 61 | 85 | 96 | 122 | 123 | 127 | 138 |
| Current Liability | USD | Mln | 444 | 461 | 659 | 789 | 1,042 | 901 | 954 | 1,029 |
| L/T loan | USD | Mln | 751 | 889 | 937 | 1,070 | 914 | 949 | 949 | 949 |
| Other non-current liability | USD | Mln | 55 | 62 | 81 | 84 | 95 | 100 | 108 | 117 |
| Non-Current liability | USD | Mln | 806 | 951 | 1,018 | 1,154 | 1,009 | 1,049 | 1,057 | 1,066 |
| Total Liability | USD | Mln | 1,250 | 1,411 | 1,676 | 1,943 | 2,051 | 1,950 | 2,011 | 2,095 |
| Equity | | | | | | | | | | |
| Shareholder Equity | USD | Mln | 882 | 1,115 | 1,360 | 1,506 | 1,872 | 2,181 | 2,461 | 2,809 |
| Non-controlling interest | USD | Mln | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Equity | USD | Mln | 911 | 1,145 | 1,390 | 1,537 | 1,902 | 2,181 | 2,461 | 2,809 |

| Cash Flow | | | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014E | FY2015E | FY2016E |
|--|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| CF - Operations | | | | | | | | | | |
| Profit before Tax | USD | Mln | 249 | 241 | 310 | 326 | 427 | 412 | 414 | 491 |
| Depreciation/Amortization | USD | Mln | 51 | 63 | 75 | 89 | 137 | 141 | 149 | 157 |
| Non Cash item | USD | Mln | 23 | (43) | (17) | 8 | 49 | 0 | 0 | 0 |
| Interest adjustment | USD | Mln | (0) | 2 | 1 | (3) | (1) | 0 | 0 | 0 |
| Net Working Capital | USD | Mln | (44.3) | 24 | 119 | 117 | 202 | (123) | 32 | 50 |
| Income tax payment | USD | Mln | 13 | 6 | 10 | 0 | 16 | (49) | (50) | (59) |
| Cash flows from operation | USD | Mln | 291 | 293 | 498 | 538 | 830 | 380 | 545 | 639 |
| CF- Investments | | | | | | | | | | |
| CAPEX | USD | Mln | (212) | (349) | (306) | (372) | (183) | (280) | (280) | (250) |
| Other Investment Item | USD | Mln | 50 | (106) | (166) | (282) | (387) | (40) | (168) | (175) |
| Cash flow from Investment | USD | Mln | (160) | (445) | (468) | (655) | (569) | (320) | (448) | (425) |
| CF - Financing | | | | | | | | | | |
| Changes in Borrowings | USD | Mln | (72) | 143 | 78 | 138 | (137) | 0 | 0 | 0 |
| Dividend payment to shareholders | USD | Mln | (16) | (48) | (72) | (193) | (65) | (84) | (84) | (84) |
| Equity raising | USD | Mln | 0 | 0 | 0 | 0 | 0 | (30) | 0 | 0 |
| Other financing activities | USD | Mln | 0 | 0 | 0 | 0 | 4 | 5 | 8 | 10 |
| Cash flow from Financing | USD | Mln | (88) | 96 | 6 | (54) | (198) | (109) | (76) | (74) |
| Net increase/(decrease) in cash and c | USD | Mln | 43 | (57) | 36 | (171) | 63 | (49) | 21 | 140 |
| Cash and cash equivalents at beginning | USD | Mln | 221 | 263 | 208 | 244 | 76 | 139 | 85 | 106 |
| Effect of exchange rate changes on ba | USD | Mln | (1) | 2 | 0 | 3 | (0) | (5) | 0 | 0 |
| Ending Cash | USD | Mln | 263 | 208 | 244 | 76 | 139 | 85 | 106 | 246 |

| Key Ratios | | | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014E | FY2015E | FY2016E |
|--|------|---------|--------|--------|--------|--------|--------|---------|---------|---------|
| Ratio - Growth | | | | | | | | | | |
| Revenue - YoY | % | | | 13% | 29% | 23% | 16% | 5% | 8% | 9% |
| Gross Profit - YoY | % | | | 15% | 24% | 13% | 23% | 1% | 8% | 9% |
| Profit Before Tax - YoY | % | | | -6% | 33% | 6% | 33% | -16% | 0% | 19% |
| Profit After Tax and Minority Interest | % | | | -3% | 29% | 5% | 31% | -15% | 0% | 19% |
| Ratio - Margin | | | | | | | | | | |
| Gross Margin | % | | 49% | 50% | 48% | 44% | 47% | 45% | 45% | 45% |
| EBITDA Margin | % | | 23% | 25% | 25% | 22% | 25% | 21% | 20% | 21% |
| EBIT Margin | % | | 19% | 20% | 21% | 18% | 20% | 16% | 15% | 16% |
| Net Margin | % | | 20% | 17% | 17% | 15% | 16% | 13% | 12% | 13% |
| Tax rate | % | | 10% | 7% | 10% | 11% | 13% | 12% | 12% | 12% |
| Ratio - Liquidity | | | | | | | | | | |
| Net gearing | % | | 64% | 68% | 59% | 74% | 49% | 45% | 39% | 29% |
| Current ratio | Unit | | 1.13 | 1.29 | 1.15 | 1.16 | 1.34 | 1.60 | 1.73 | 1.93 |
| Ratio - Investment returns | | | | | | | | | | |
| Return on Equity | % | | 27% | 21% | 22% | 21% | 22% | 17% | 15% | 15% |
| Return on Invested Capital | % | | 17% | 17% | 20% | 19% | 26% | 19% | 18% | 21% |
| Earning Per Share | USD | Dollars | 745.78 | 7.22 | 9.29 | 9.77 | 10.68 | 10.83 | 10.89 | 12.93 |

Investor Relations – Sent an email on 30th Oct no news. Called 5 times over 2 weeks. 1 was a Spanish speaking operator and 4 times were voiced messages during office hours.

You mention you have received about 10% cash back from Venezuela. Any further guidances?

The company is currently in a net cash position, any plans to borrow more?

What is your company relationship like with Tocumen International airport? Is there a preferred flag carrier priority?

Are you able to get peak slots? (Fri-Sat, after work hours)

Who are your closest competitors? Are they a threat to Copa?

Any healthcare precautions for Panama airports over Ebola?

Going forward, do you intend to diversify your strategy besides relying on your transit hub?

Ebola – The past month of Ebola news has been sensationalized by news outlet (especially in USA) primarily due to political agenda as mid-terms elections were ongoing. Uncertainty in Ebola severity has made investors paranoid about the airlines industry. We believe that the world has recognized Ebola's threat and effectively contained outbreak within Western Africa. The evidence includes (1) 8/9 US patients who caught Ebola survived – 89% survival rate & (2) the only US casualty was a Liberian men travelling to USA by plane yet none of the passengers in the plane were infected till today. In short, Ebola is a highly treatable disease if the patient has immediate access to adequate healthcare facilities. The fears over Ebola and airlines pessimism were overblown.