



ANALYST QUICK NOTES

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Hawaiian Holdings (NASDAQ: HA: BUY)

Target Price: \$64

John Eade

6/19/2017

- The HA shares of Hawaiian Holdings have fallen more than 20% in the past two weeks, as United Continental (UAL: A6 Rating SELL) has announced that it plans to increase flights to Hawaii.
 - We feel the decline in the HA share price is overdone and that current levels offer an attractive entry point for investors.
 - HA has been one of the best performing airlines in the sector over the past five years and we feel it will weather this new challenge.
 - The company reported solid 1Q17 EPS, as strong demand for flights to Hawaii helped to offset rising fuel costs.
 - Looking ahead, we expect the company to benefit from limited capacity growth on Hawaii-to-West Coast flights, which should help it to maintain ticket prices, as well as from expanded service to Japan and the purchase of new fuel-efficient aircraft. In addition, it continues to pay down debt and buy back stock.
 - Our target price is \$64.
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