

COVID-19

**Financial relief needed
throughout recovery**

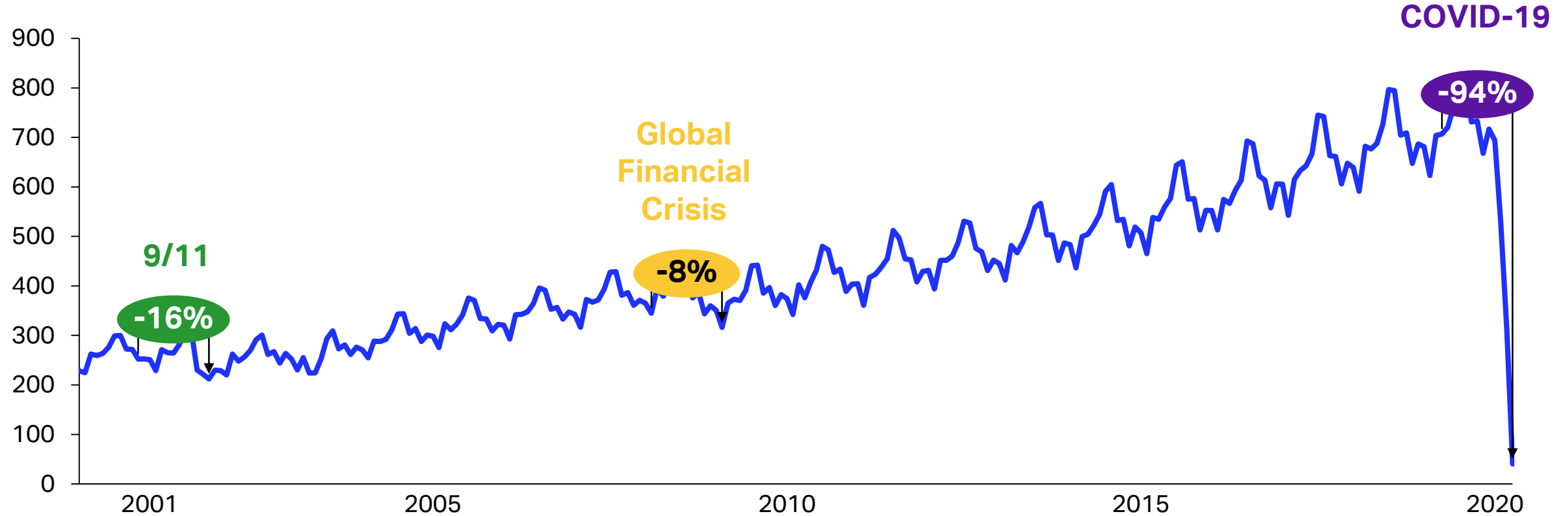
IATA Economics



This crisis is deeper than any previous one that the industry has seen

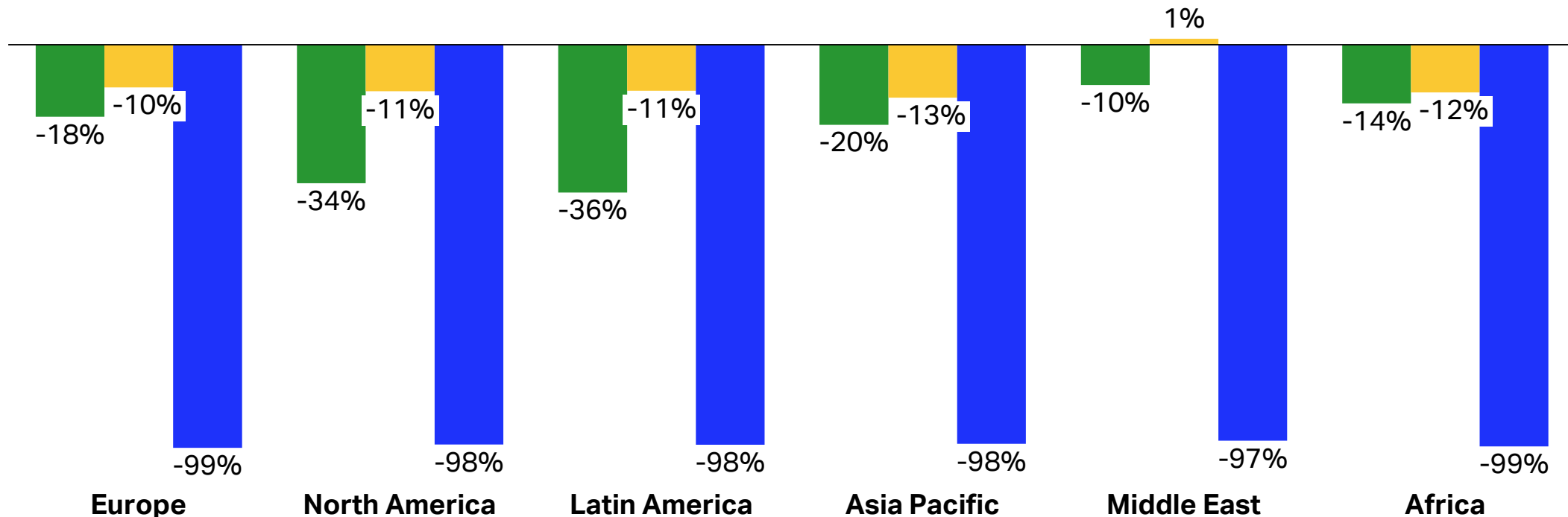
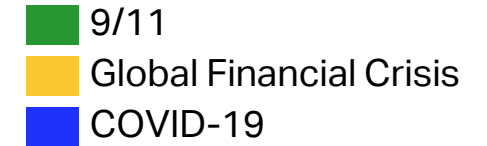
Industry-wide RPKs, 2000-2020

RPKs (million)

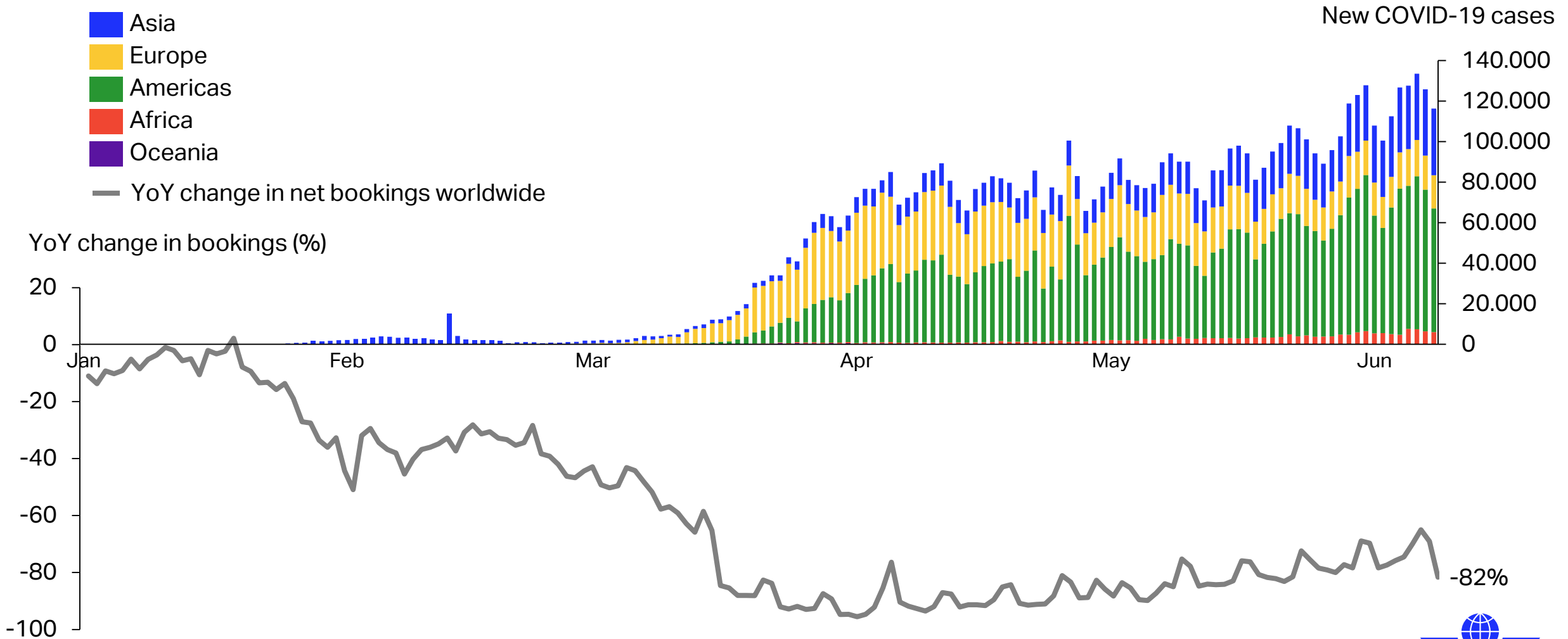


While 9/11 and GFC mostly affected Europe and the Americas, COVID-19 is impacting airlines worldwide

Largest monthly YoY drop in international RPKs in the aftermath of 9/11, during the Global Financial Crisis and after the outbreak of COVID-19



The first wave of COVID-19 is far from over and bookings are persistently low globally

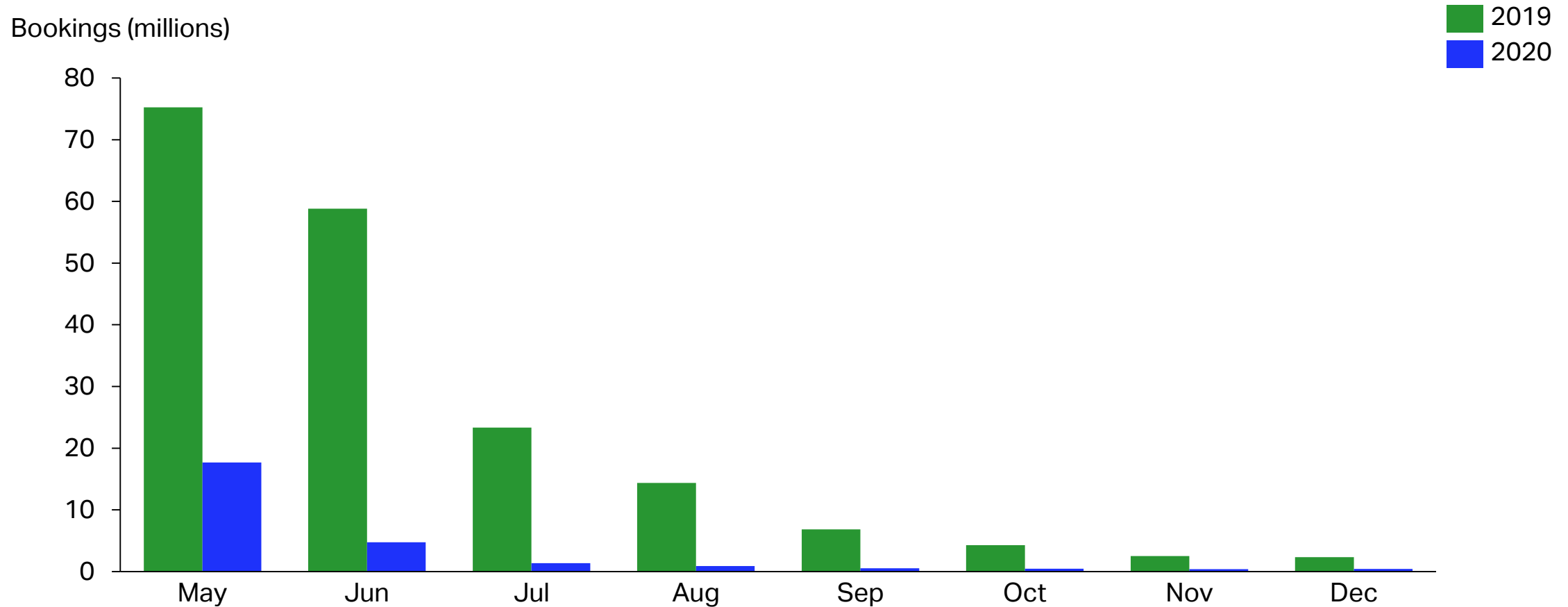


Source: IATA Economics using DDS, ECDC data



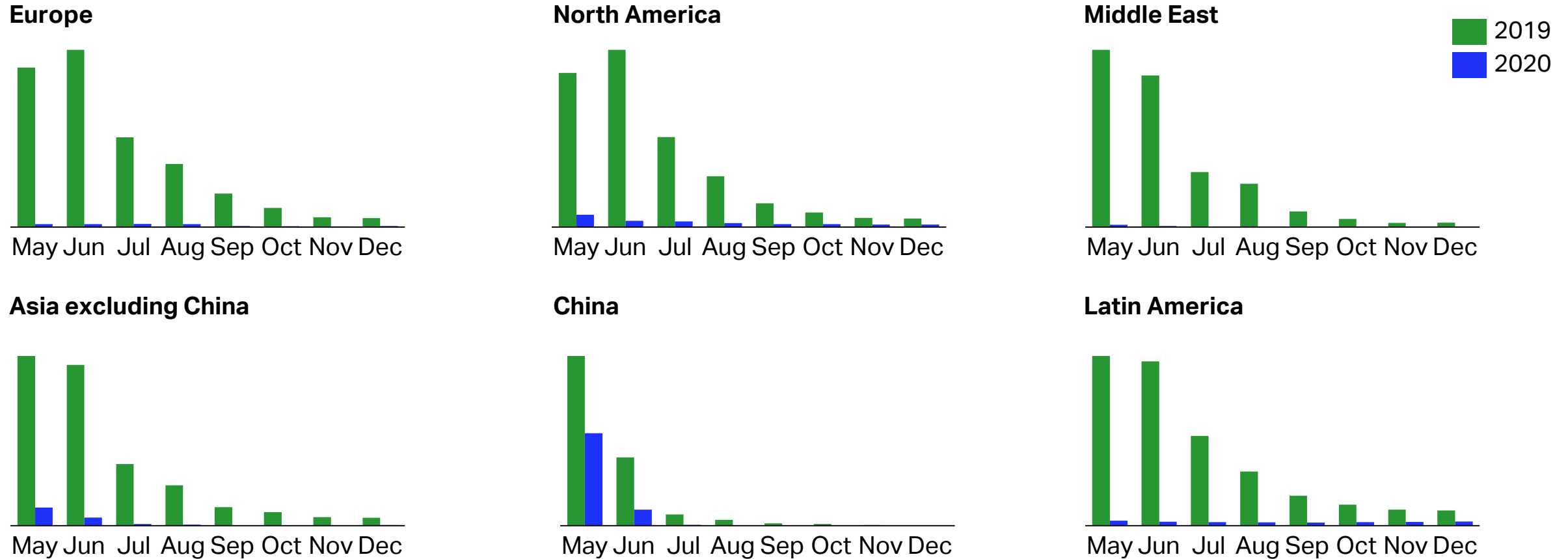
With current level of bookings, airlines will continue to need relief in the fall and winter

Net bookings (sales minus refunds) made in May 2019 vs. 2020, by month of travel



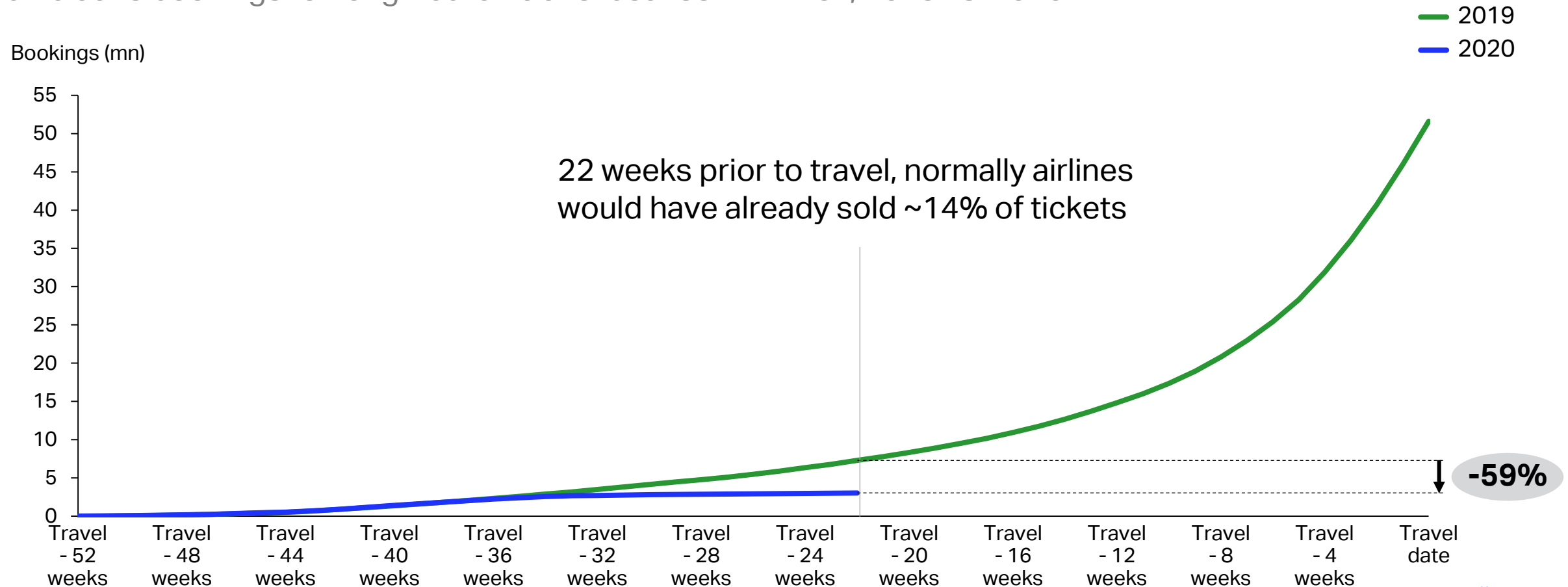
Relief will be needed across all regions

Net bookings (sales net of refunds) in May 2019 vs. May 2020 for travel in subsequent months, by region



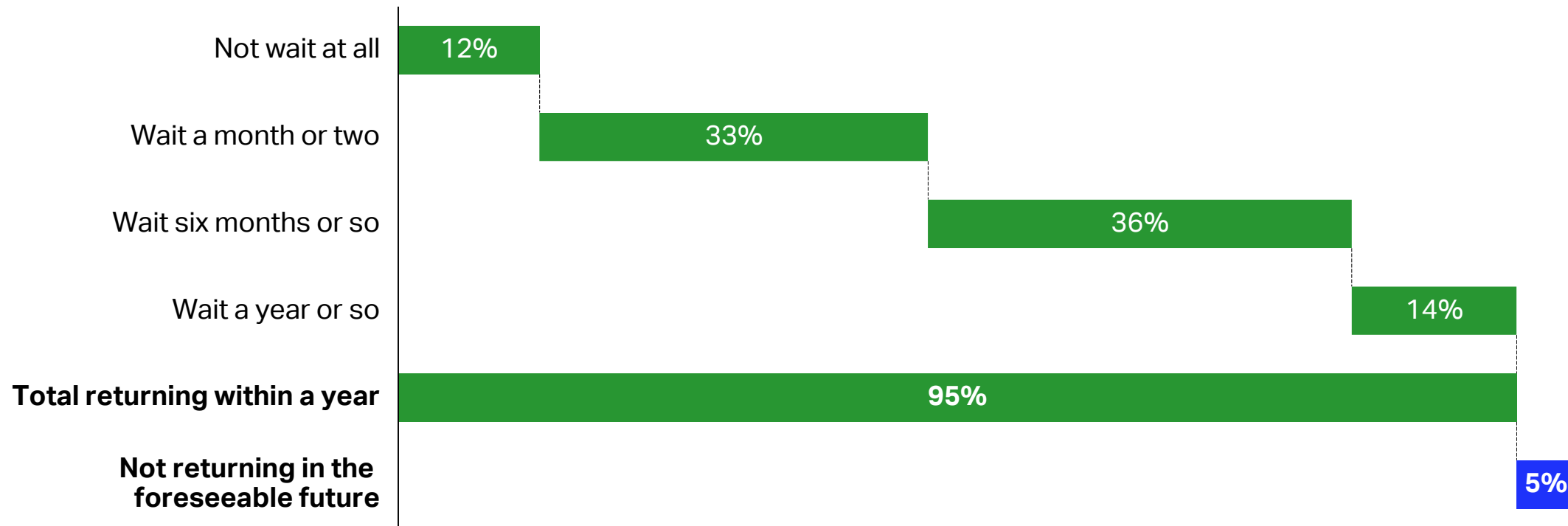
With booking curve virtually flat over past months, unclear if airlines can recover demand

Cumulative bookings for long-haul air travel between 1-7 Nov, 2019 vs. 2020



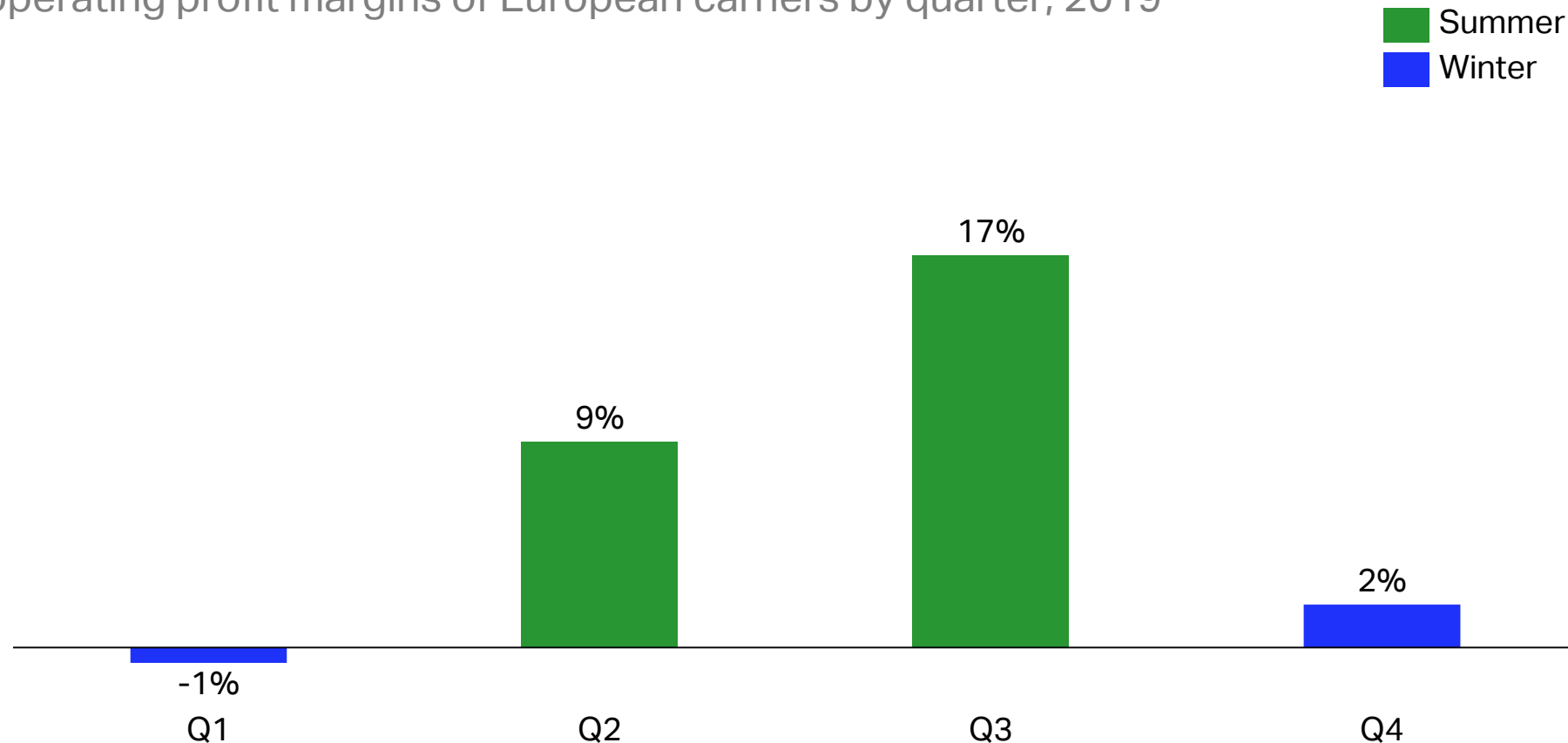
Passengers will return to flying gradually

Once the pandemic has subsided, how long would you wait, if at all, to return to your usual travel plans?



Aviation is a seasonal business – summer profits sustain weaker winter operations

Estimated operating profit margins of European carriers by quarter, 2019



Aviation is a seasonal business – airline bankruptcies typically more prevalent following summer and Christmas

Airline bookings revenues on flights to/from/within the US, 2019 vs. number of Chapter 7 and Chapter 11 filings by month, 1979-2020

- US airline bankruptcy filings
- US revenues
- Peak in bankruptcies

