

COVID-19

Challenging outlook for airlines, despite vaccine progress

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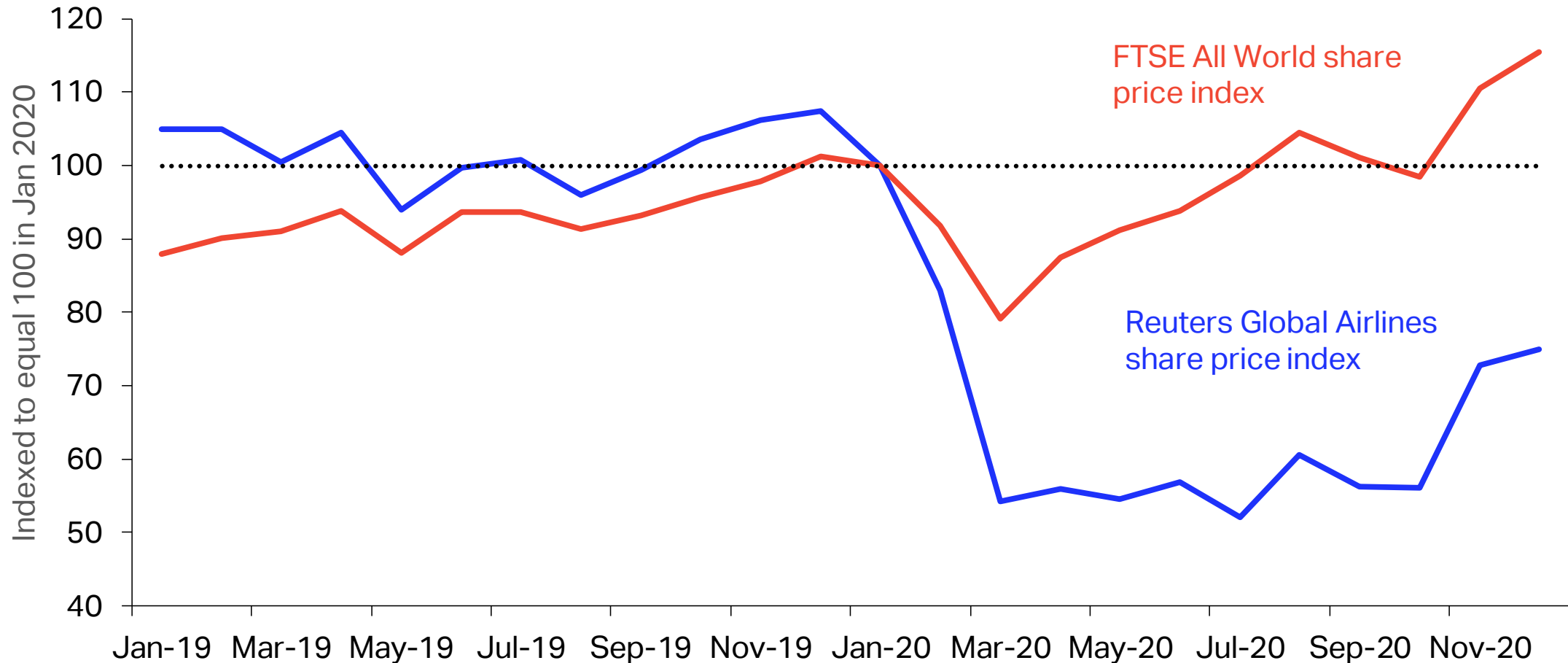
12th January 2021



According to financial markets pandemic is over

Challenges for air travel recognized in sub-par airlines share prices

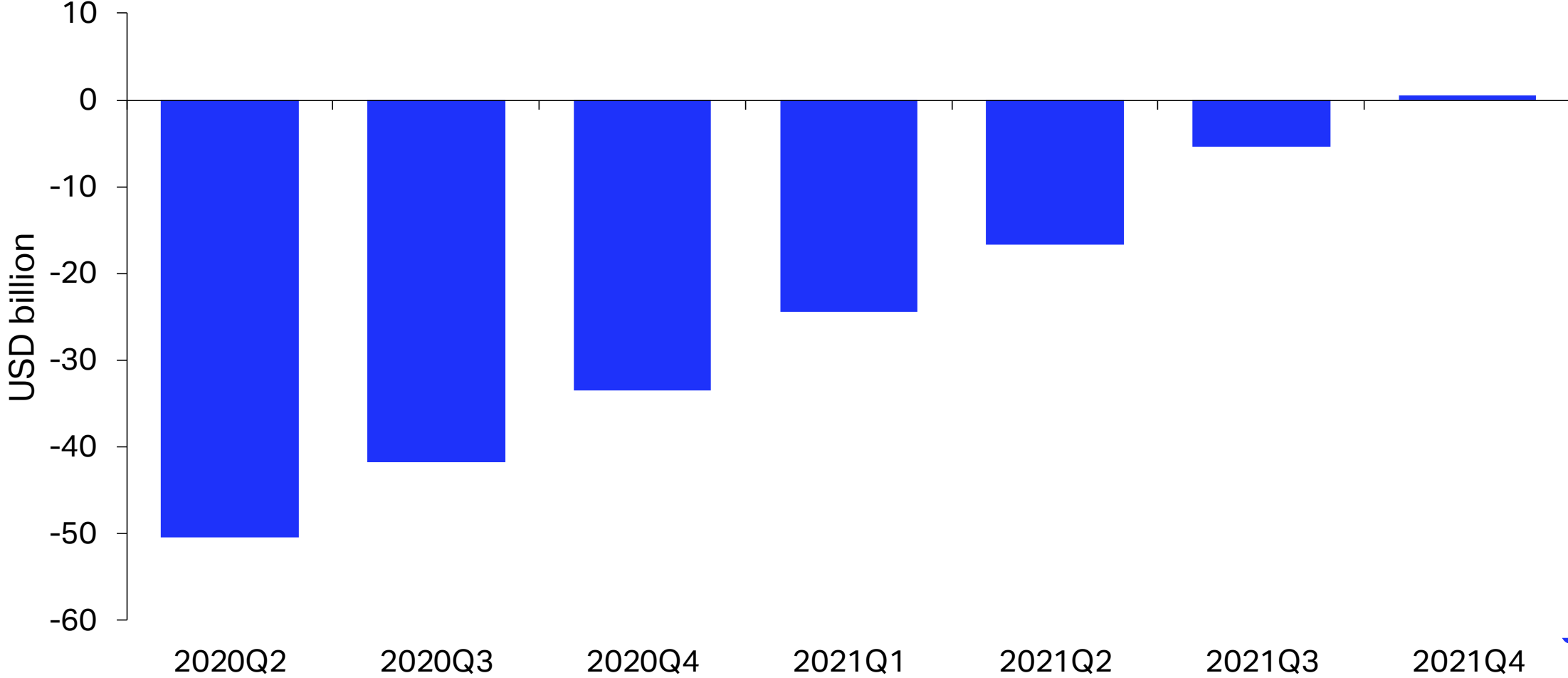
Equity price indices, January 2020 = 100



Transition from cash burn to cash generation in sight

But difficult next 6 months for airlines as cash burn continues

Airline industry quarterly cash burn forecast



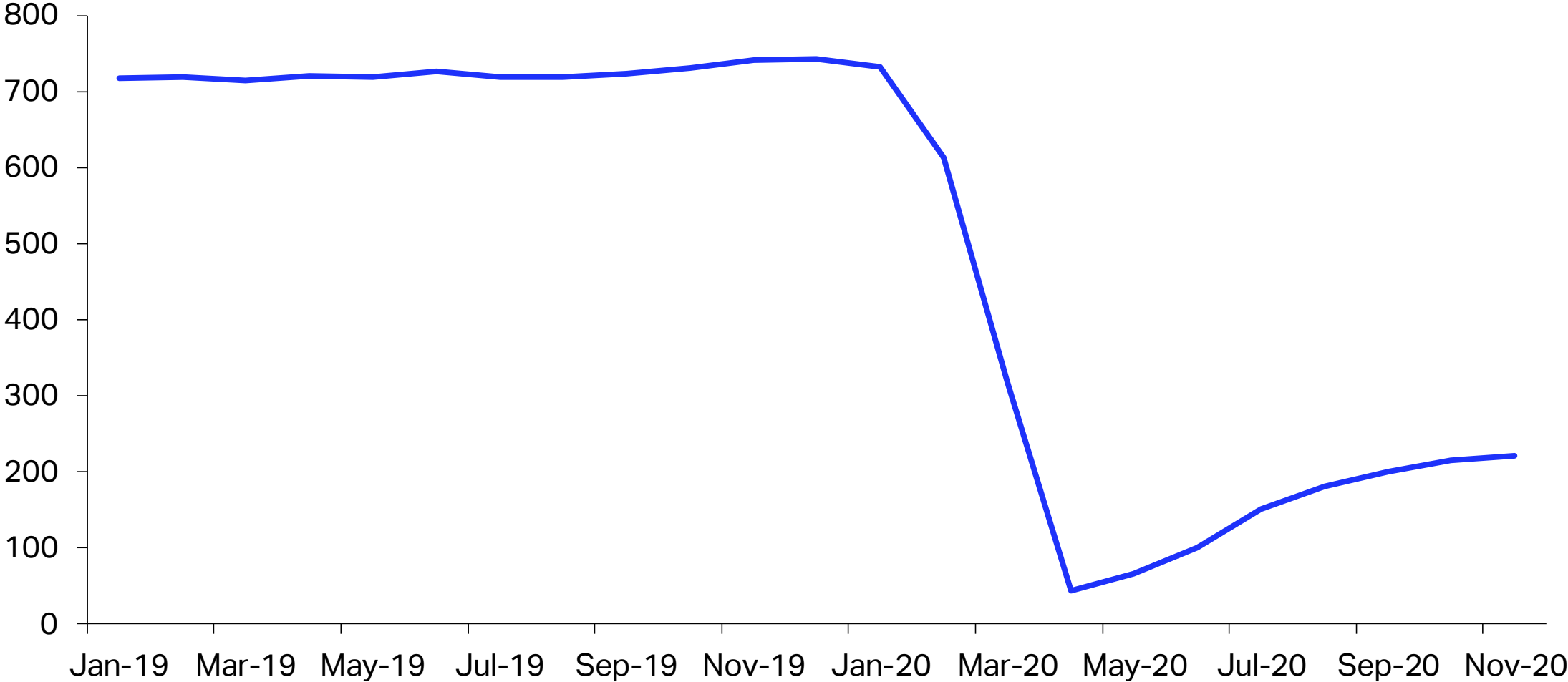
Source: IATA Economics



November data shows stalling of global air travel

Global RPKs slowed after summer rise almost to a complete stop

Global RPKs, billion, seasonally adjusted



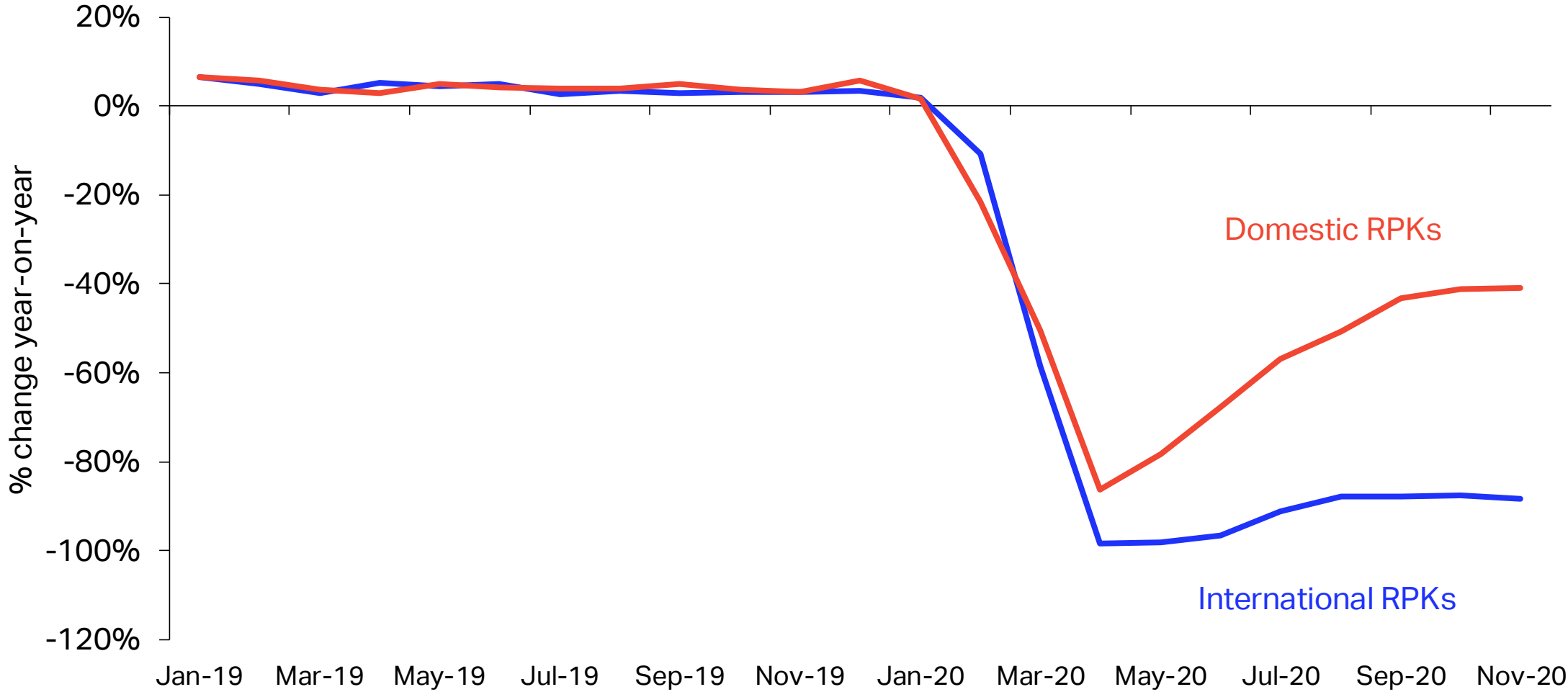
Source: IATA Economics using data from IATA Statistics



Domestic recovery stopped in November

International down 88%, while domestic recovery halted at -41% y-o-y

Growth in international and domestic RPKs

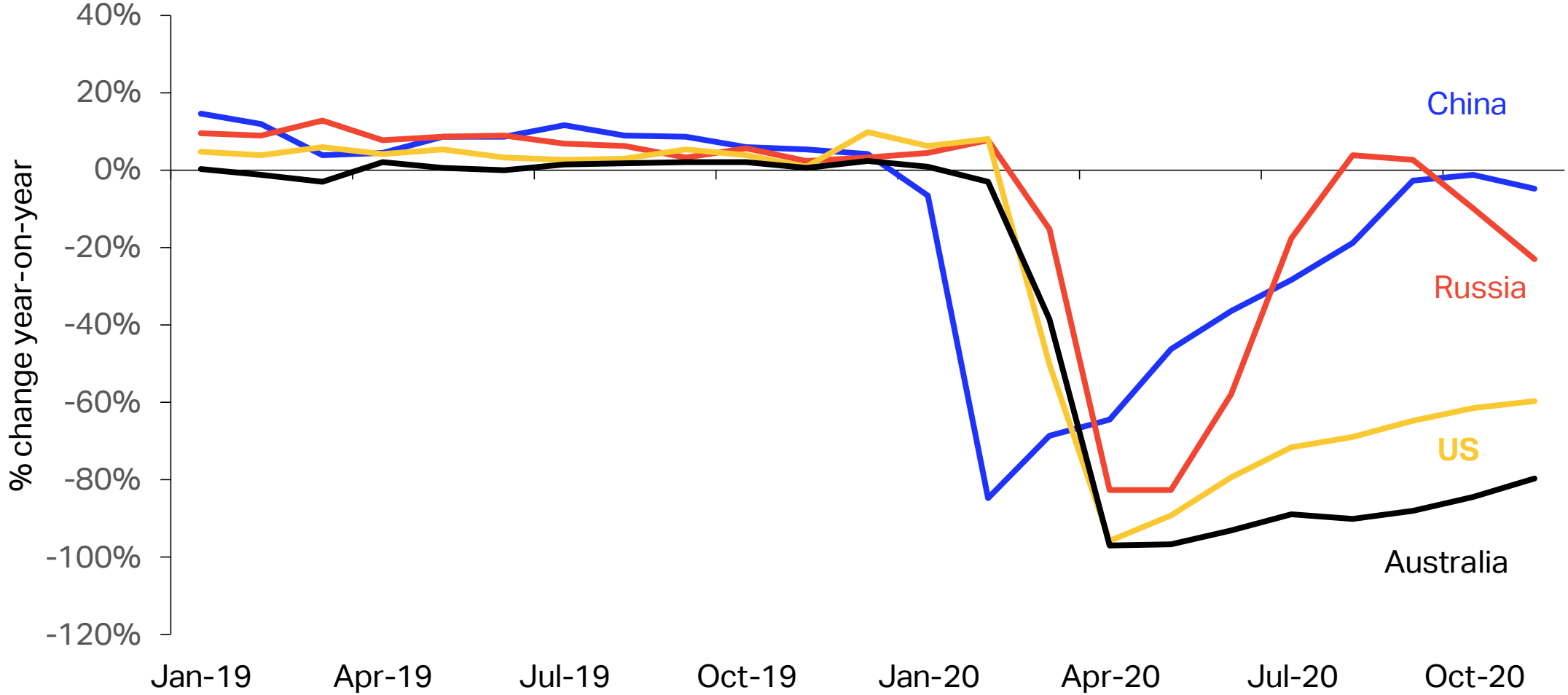


Source: IATA Economics using data from IATA Statistics

Setbacks in Russia and China due to virus challenges

Even domestic air travel markets vulnerable to virus control problems

Growth in domestic market RPKs

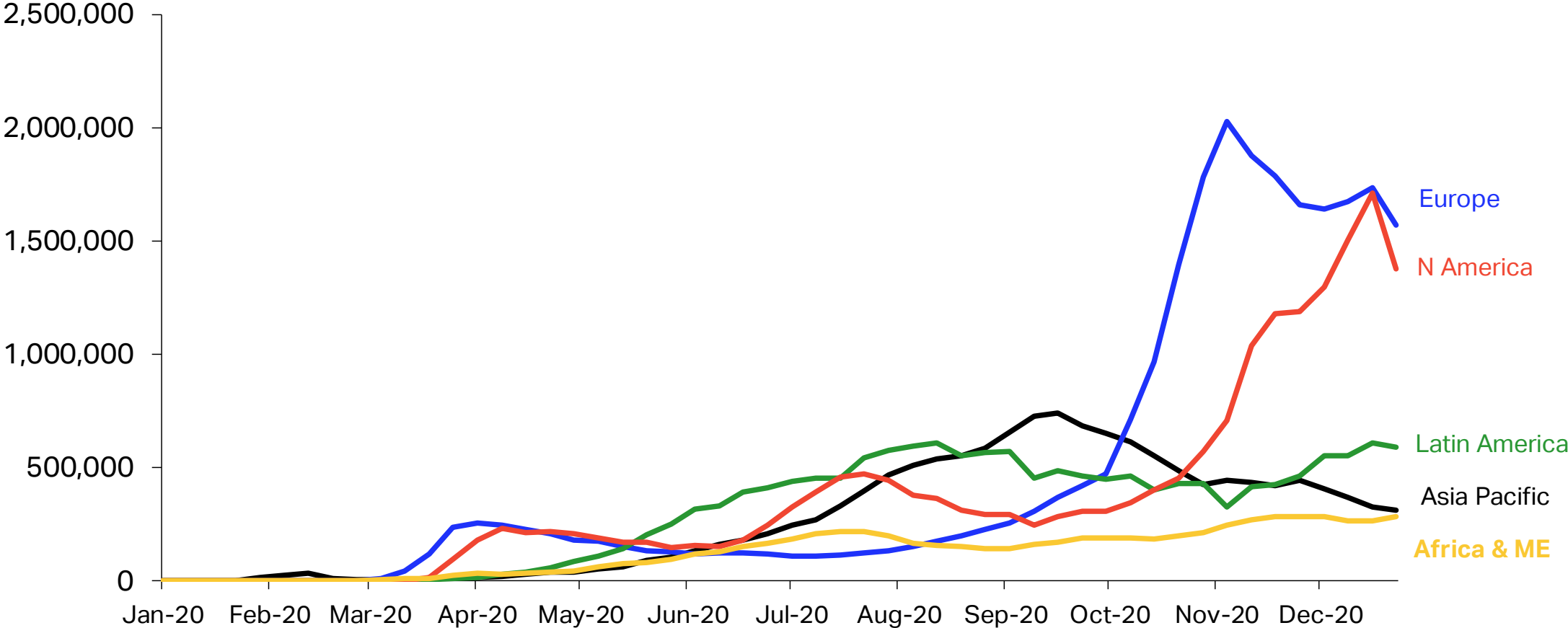


Source: IATA Economics using data from IATA Statistics

2nd and 3rd waves of COVID19 hit Europe and N America

Summer travel recovery halted as travel restrictions reimposed

New COVID-19 cases per week



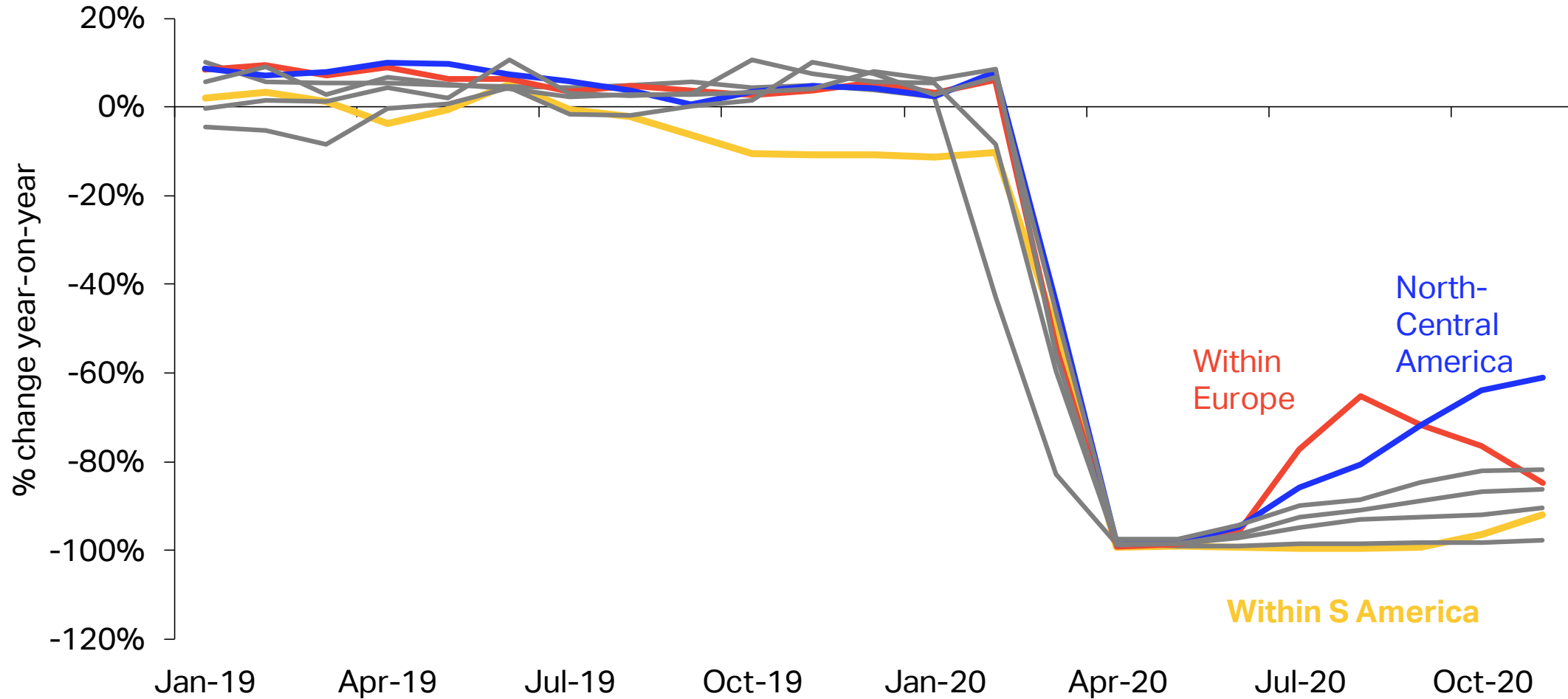
Source: IATA Economics using data from WHO, ECDC



International air travel recovery mostly absent

2nd wave stopped Europe, but testing policies helping Americas revival

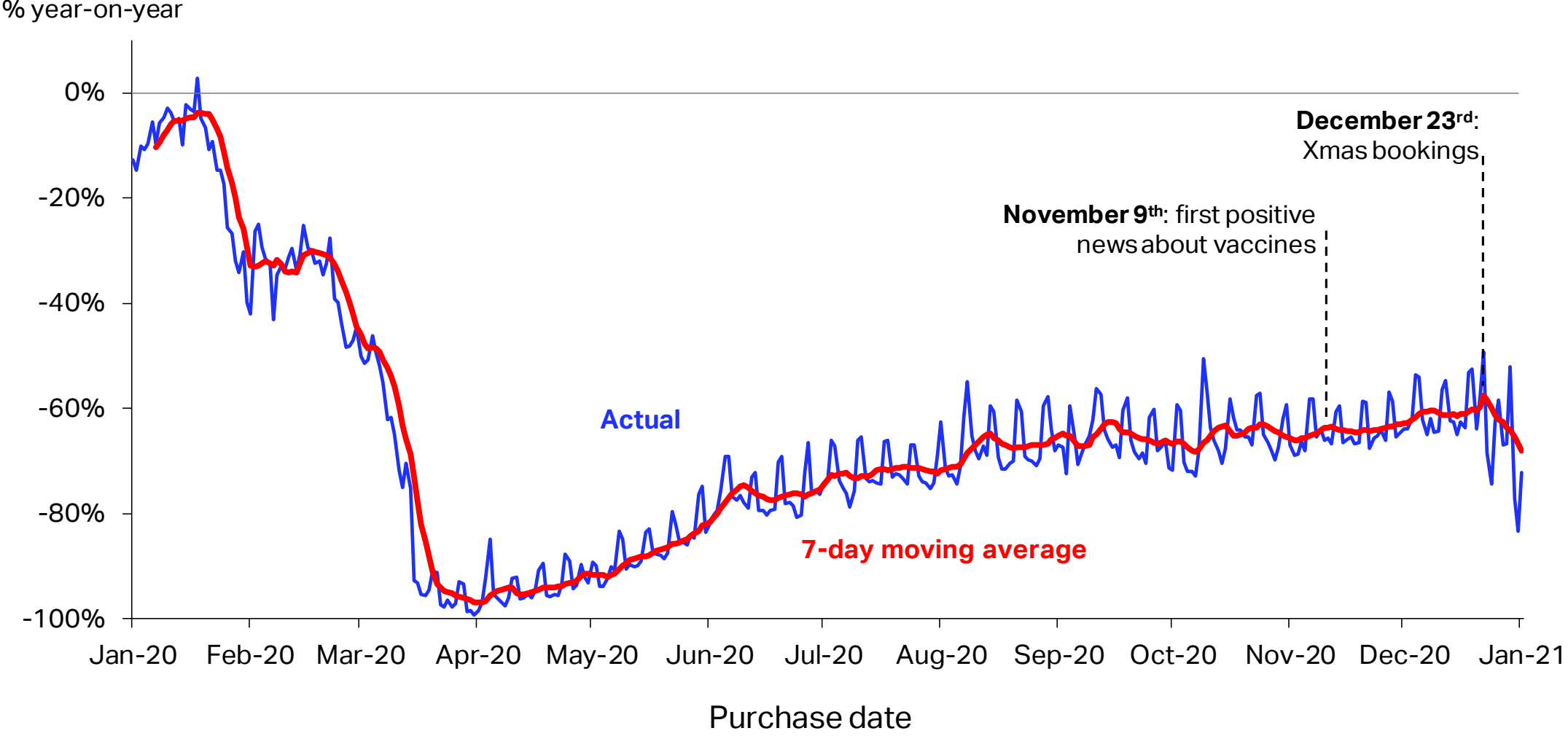
Growth in international RPKs by market segment



Bookings weakening despite vaccine news

Forward bookings rise on vaccine news reversed at year end

YoY change in net passenger bookings, worldwide

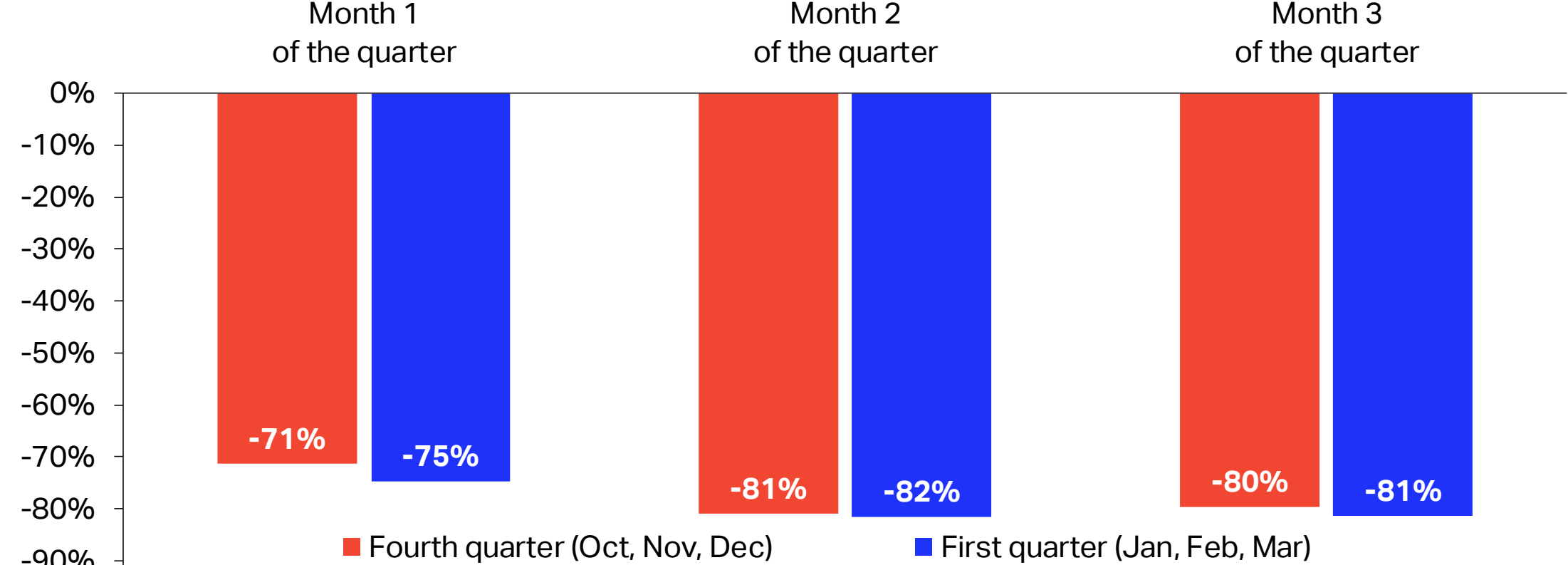


Source: IATA Economics using data from DDS

Bookings indicate a weak Q1, before any vaccine boost

Forward bookings down more than 80% year-on-year in February/March

Forward Bookings for the Quarter Ahead
(% change vs the same period a year ago)



Source: IATA Economics using data from DDS

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