COVID-19

Downgrade for global air travel outlook

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Pace of air travel recovery slowed in August
Continued weakness on international markets holding back recovery

Source: IATA Economics analysis based on data from IATA Statistics
Huge variations on domestic air travel markets
Russia recovered pre-crisis levels, while Australia remains grounded

Source: IATA Economics analysis based on data from IATA Statistics
Load factors remain well below breakeven
Airlines need to boost load factors to stop burning through cash

Global passenger load factors

- Estimated average breakeven load factor
- Domestic load factor
- International load factor

Source: IATA Economics analysis based on data from IATA Statistics
Air travel growth stalled in mid-August and September. Rising COVID-19 cases stopped further progress.

Source: IATA Economics analysis based on data provided under license by FlightRadar 24.
Even domestic markets sensitive to COVID-19 profile. 2nd waves COVID-19 cause travel restrictions and damage confidence.

Source: IATA Economics analysis based on data provided under license by FlightRadar 24, WHO.
There is a willingness to fly, but only 50% in 2020
Consumer sentiment towards air travel did not improve in September

Source: IATA Passenger Surveys
Consumers also concerned about economic future
Business confidence recovered but job losses impacting consumers

Source: IATA Economics using data from Markit and Refinitiv Datastream
Bookings data point to a weak fourth quarter for 2020

Comparison of bookings as of 10 days before start of the quarter ahead

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

<table>
<thead>
<tr>
<th>Month 1 of the quarter</th>
<th>Month 2 of the quarter</th>
<th>Month 3 of the quarter</th>
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<tbody>
<tr>
<td>Third quarter (July, Aug, Sept)</td>
<td>Fourth quarter (Oct, Nov, Dec)</td>
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<tr>
<td>-73%</td>
<td>-76%</td>
<td>-70%</td>
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<tr>
<td>-70%</td>
<td>-81%</td>
<td>-66%</td>
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<tr>
<td>-66%</td>
<td>-81%</td>
<td>-78%</td>
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</tbody>
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Source: IATA Economics using data from DDS
Air travel forecast downgraded for rest of this year
Slower growth to year end means 2020 avg. growth of -66% (was -63%)

Source: IATA Economics
Contacts

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