COVID-19 & restrictions closed many markets to air travel. Markets with >10 cases now cover 94% of global passenger revenues.

Source: IATA Economics using data from DDS

China: Pax: 18% of Global Pax
Pax Revenues: US$98 bn

US: Pax: 21.9%
Pax Rev: US$200 bn

EU+UK: Pax: 25% of Global Pax
Pax Revenues: US$169 bn

Share in World Passenger Revenues*
- 82%
- 12%
- 4%

*Domestic & international travel, overlaps removed
Source: IATA Economics, WHO

*Countries with confirmed cases greater than 100 on 15th March
*Countries with confirmed between 10 and 100 on 15th March
*Countries with confirmed cases less than 10 on 15th March
The situation has moved beyond our ‘Extensive Spread’ scenario implying $113 bn loss of passenger revenues (19%) worldwide in 2020

<table>
<thead>
<tr>
<th>Market</th>
<th>Impact on passenger numbers</th>
<th>Impact on passenger revenue (Billion US$)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia, China, Japan, Malaysia, Singapore, South Korea, Thailand, Vietnam</td>
<td>-23%</td>
<td>-49.7</td>
</tr>
<tr>
<td>APAC excluding the above</td>
<td>-9%</td>
<td>-7.6</td>
</tr>
<tr>
<td>Austria, France, Italy, Germany, Netherlands, Norway, Spain, Switzerland, Sweden, the United Kingdom</td>
<td>-24%</td>
<td>-37.3</td>
</tr>
<tr>
<td>Europe excluding the above</td>
<td>-9%</td>
<td>-6.6</td>
</tr>
<tr>
<td>Bahrain, Iraq, Iran, Kuwait, Lebanon, the United Arab Emirates</td>
<td>-23%</td>
<td>-4.9</td>
</tr>
<tr>
<td>Middle East excluding the above</td>
<td>-9%</td>
<td>-2.3</td>
</tr>
<tr>
<td>Canada, United States</td>
<td>-10%</td>
<td>-21.1</td>
</tr>
</tbody>
</table>

* Note: Revenue numbers do not add up to the $113 bn global total because of route overlaps e.g. China and Japan include revenues on the China-Japan market. We adjust for overlaps in calculating the worldwide total. Revenues are base fare revenues for all airlines serving routes to, from and within each country.

Source: IATA Economics
Even before COVID-19 much of the industry was fragile. Only around 30 airlines drove improvement. Long tail of weaker airlines.

Source: IATA Economics using data from a McKinsey study for IATA.
Outside the top-30 balance sheets debt levels are high. So many airlines will have fixed obligations of debt to service and repay.

Net debt adjusted for operating leases / EBITDAR

Rest of the industry

Top-30 airlines

Investment grade

Source: IATA Economics using data from the Airline Analyst, own estimates
Cash covered less than 3 months of expenses for most
Cash and equivalents at the start of 2020 as a ratio of non-avoidable costs

75% of airlines in the sample <3 months cash to cover costs

*Latest available 12 months cumulative data

Source: IATA Economics using the Airline Analyst
There are also short-term liabilities to service and repay. Cash and equivalents as a ratio of loans and bonds with less than 1 year maturity.

Quick Ratio
(Cash and Receivables) / Current Liabilities

- Middle East: 0.8x
- North America: 0.8x
- Europe: 0.7x
- Asia Pacific: 0.6x
- Africa: 0.5x
- Latin America: 0.5x

Source: IATA Economics using the Airline Analyst
Now airlines are fast running out of cash. The typical airline had 2 months of cash at the start of this year.

Balance Sheet Liquidity
(Cash and Equivalents Coverage of Revenues*)

<table>
<thead>
<tr>
<th>Region</th>
<th>Min</th>
<th>Max</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>1</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Europe</td>
<td>1</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Latin America</td>
<td>1</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Middle East</td>
<td>1</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>North America</td>
<td>1</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

*Latest available 12 months cumulative revenues Africa, Latin America and the Middle East might not be representative due to small sample size.

Source: IATA Economics using the Airline Analyst
Contacts

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www.iata.org/economics