Tracking the Impacts of COVID-19
The Number of Worldwide Commercial Flights* Has Fallen Precipitously

Source: Flightradar24

* Commercial passenger flights + cargo flights + charter flights + some business jet flights
In Every Region, U.S. Airlines Have Seen Passenger Volumes* Decimated
After Growing ~5 Percent in January-February, Air Travel Fell 94 Percent in the Most Recent Week

Source: A4A member passenger airlines as reported to A4A on a consolidated company basis (including branded code share partners)

* Onboard ("segment") passengers

Source: A4A member passenger airlines as reported to A4A on a consolidated company basis (including branded code share partners)
U.S. Airlines Have Reduced International Operations More Sharply Than Domestic Operations

Source: A4A member passenger airlines as reported to A4A on a consolidated company basis (including branded code share partners)
Domestic U.S. Flights Are Carrying 23 Passengers, on Average
In the First Two Months of 2020, the Domestic Flights Averaged About 85 to 100 Passengers

7-Day Moving Average Onboard Passengers per Flight

- Domestic
- International

Source: A4A member passenger airlines as reported to A4A on a consolidated company basis (including branded code share partners)

* Onboard ("segment") passengers
For U.S. Airlines, Passenger Traffic Is Falling Much Faster Than They Can Cut Capacity*
Airlines Are Struggling to Keep Pace With the Severe Drop in Demand for Air Travel

7-Day Rolling Year-Over-Year Change (%) in Traffic and Capacity

Traffic (RPMs)
Capacity (ASMs)

Source: A4A member passenger airlines as reported to A4A on a consolidated company basis (including branded code share partners)

* RPM = revenue passenger mile; ASM = available seat mile
U.S. Airline Load Factor* Plummeting as Traffic Declines Sharply Outpace Capacity Cuts

Load Factor (%)*

<table>
<thead>
<tr>
<th>Domest</th>
<th>Internat</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>April 27-May 3</td>
<td></td>
</tr>
<tr>
<td>79.6</td>
<td>81.5</td>
<td>80.2</td>
</tr>
<tr>
<td>22.2</td>
<td>22.5</td>
<td>22.2</td>
</tr>
</tbody>
</table>

Source: A4A member passenger airlines as reported to A4A on a consolidated company basis (including branded code share partners)

* Flown traffic (RPMs) as a percent of operated capacity (ASMs)
TSA Checkpoint Traveler Throughput* Down 92 Percent Year Over Year
March Came In Like a Lion, Out Like a Lamb; April Showers Ensued

TSA Traveler Throughput: 7-Day Moving Average (in Thousands)

Source: Transportation Security Administration

January 5.5%
February 2.1%
March (50%)
April (95%)

* U.S. and foreign carrier customers traversing TSA checkpoints; 2019 is year-ago same weekday
The Evaporation of Air-Travel Demand Has Left Airports Nearly Empty
Travel to the State of Hawaii* is almost nonexistent – Down 98 percent year over year

Source: Hawaii Department of Business, Economic Development & Tourism

On March 26, the State of Hawaii initiated a mandatory 14-day self-quarantine for all passengers arriving from out of state. (On April 1, it was expanded to include interisland travel.)

Source: Hawaii Department of Business, Economic Development & Tourism

* Daily passenger counts include returning residents, intended residents and visitors but exclude interisland and Canada passengers
Demand* for Future U.S.-Related Air Travel Down 94 Percent in Week Ending May 3
Net Booked Revenue* Down 100 Percent

Year-Over-Year Change (%) in 7-Day Rolling Net Bookings*

Source: Airlines Reporting Corporation (ARC) for most U.S. and foreign carriers for any flight to/from/within the United States

* Sales transactions minus refunds, for all future travel up to 330 days out.
Airlines Are Taking a Wide Variety of Self-Help Actions to Reduce Cash Burn
Selected Examples of Actions to Improve Cash Flow From Operations, Investing and Financing

» Making historic capacity cuts, parking and/or retiring older aircraft (and, in some cases, entire fleet types)
» Utilizing passenger planes on cargo-only missions, either belly-only or belly and main cabin
» Cutting executive compensation and implementing voluntary leave and early retirement programs
» Freezing hiring and non-essential spending (e.g., employee travel, consultants, events, marketing, training)
» Consolidating footprint at airport facilities (e.g., concourses); shuttering lounges; halting real estate projects
» Simplifying onboard product (e.g., food and beverage)
» Negotiating with vendors: cobranded credit cards, airports (i.e., zero-interest rent deferrals), regional airline partners (i.e., reduced block hours), fuelers, caterers, etc. to achieve relief on payment terms/timing
» Deferring aircraft deliveries and reducing non-aircraft (e.g., ground equipment, IT) capital expenditures
» Raising funds via capital markets: borrowing funds via unsecured or secured loans and/or selling stock
» Selling/mortgaging aircraft/engines/other assets
» Suspending capital return programs, including share repurchases and the payment of future dividends

Source: A4A and member companies
COVID-19 Has Forced U.S. Passenger Airlines to Idle More Than Half the Fleet

U.S. Passenger Airlines: Idled Aircraft*

<table>
<thead>
<tr>
<th>Date</th>
<th># of Aircraft</th>
<th>% of Active Fleet</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-Dec</td>
<td>315</td>
<td>5</td>
</tr>
<tr>
<td>31-Jan</td>
<td>368</td>
<td>6</td>
</tr>
<tr>
<td>29-Feb</td>
<td>331</td>
<td>5</td>
</tr>
<tr>
<td>31-Mar</td>
<td>1,186</td>
<td>19</td>
</tr>
<tr>
<td>30-Apr</td>
<td>3,017</td>
<td>49</td>
</tr>
<tr>
<td>10-May</td>
<td>3,162</td>
<td>51</td>
</tr>
</tbody>
</table>

* Idle defined as inactive for the previous seven days

Source: masFlight
Thousands of Planes Have Been Parked Worldwide
Lower Jet-Fuel Prices Have Provided One Modest Source of Airline Cost Relief
Down More Than a Dollar per Gallon Versus 2019 Since Mid-March

Price of Jet Fuel (U.S. Gulf Coast, $ per Gallon)

Sources: Energy Information Administration (EIA) Weekly Petroleum Status Report
U.S.-Based Jet Fuel Demand\(^1\) Has Fallen Sharply, Running ~67% Below Year-Ago Levels

---

**Kerosene-Type Jet Fuel\(^2\)** (Four-Week Moving Average, Thousand Barrels per Day)

---

1 Jet fuel supplied within the United States to all users (i.e., U.S. and foreign airlines, recreational and business aviation, civilian government, military)
2 Approximates consumption by measuring the disappearance of these products from primary sources (i.e., refineries, natural gas processing plants, blending plants, pipelines, bulk terminals). Generally computed as: field production + renewable fuels and oxygenate plant net production + refinery and blender net production + imports + net receipts + adjustments - stock change - refinery and blender net inputs - exports.

Source: U.S. Energy Information Administration (EIA)
Airlines Have Played an Integral Role in Transporting Essential Supplies
Beset by COVID-19, U.S. Airlines Have Actively Tapped Outside Sources of Cash
Carriers Are Utilizing All Available Resources to Bolster Liquidity

Funds Raised* (in Millions) in Capital Markets Since Feb. 26, 2020

- **Southwest**: $12,592
- **Delta**: $8,600
- **United**: $3,790
- **American**: $3,233
- **JetBlue**: $1,000
- **Alaska**: $813
- **Hawaiian**: $235
- **Spirit**: $285
- **FedEx**: $4,500
- **UPS**: $3,500

Source: Company SEC filings and announcements, as tallied by A4A

* Completed or underway; includes debt and stock issuances plus sale-leaseback transactions.
In Less Than Two Weeks, S&P Lowered Its Credit Ratings on Every U.S. Passenger Airline*

Ratings Actions Taken to Reflect Weakened Financial Condition and Heightened Risk

Source: Standard & Poor's

<table>
<thead>
<tr>
<th>Company</th>
<th>15-Mar</th>
<th>27-Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska</td>
<td>BBB+</td>
<td>B</td>
</tr>
<tr>
<td>Allegiant</td>
<td>BBB+</td>
<td>B+</td>
</tr>
<tr>
<td>American</td>
<td>BBB-</td>
<td>B-</td>
</tr>
<tr>
<td>Delta</td>
<td>BB+</td>
<td>B</td>
</tr>
<tr>
<td>Hawaiian</td>
<td>BB+</td>
<td>B-</td>
</tr>
<tr>
<td>JetBlue</td>
<td>BB-</td>
<td>C</td>
</tr>
<tr>
<td>Southwest</td>
<td>A-</td>
<td>C</td>
</tr>
<tr>
<td>Spirit</td>
<td>BB-</td>
<td>C</td>
</tr>
<tr>
<td>United</td>
<td>BBB-</td>
<td>C</td>
</tr>
</tbody>
</table>

* Publicly traded U.S. carriers in S&P Global coverage universe
By April 10, Fitch Had Lowered Its Credit Ratings on Every U.S. Passenger Airline*

Ratings Actions Taken to Reflect Weakened Financial Condition and Heightened Risk

* Publicly traded U.S. carriers in Fitch Ratings coverage universe
We’re Likely to Face a Long Road to Recovery

“The longest U.S. economic expansion on record burned out at an astonishing pace, with the sharpest contraction in economic activity since World War II… The sudden-stop recession has likely lopped off a massive 11.8% from economic activity – roughly three times the decline of the 2008-2009 crisis and in one-third the time.

And while we expect the economy will reopen, albeit only gradually, starting as we near the third quarter, the recovery will continue to face headwinds as lingering fears of another wave of COVID-19 will likely keep Americans maintaining some form of social distancing, opting for at-home dinners and movie nights on the couch rather than restaurant visits and going to the theater. Businesses that survive the two to three months of lost revenue may also be reluctant to quickly rehire all their workers as they clean up their books.”

Beth Ann Bovino, Standard & Poor’s Chief U.S. Economist (April 16, 2020)

With the U.S. Economy Contracting, Unemployment Is Rising

- Real GDP
- Unemployment Rate

After 9/11 and the Global Financial Crisis, it took years for air-travel demand to recover. Passenger volumes took more than seven years to recover from the Financial Crisis/Oil Spike.

[Graph showing quarterly passenger volume and operating revenues from 2000 to 2020, highlighting the Post-9/11 and Global Financial Crisis + Oil Spike periods.]

Source: A4A Passenger Airline Cost Index and Bureau of Transportation Statistics (Form 41 Schedule T1)
After 9/11 and the Global Financial Crisis, it took years for air-cargo demand to recover. Cargo volumes took 10 years to recover from the financial crisis/oil spike.

Source: Bureau of Transportation Statistics (Form 41 Schedule T1)

* Cargo revenue ton miles (RTMs) flown on U.S. passenger and cargo-only airlines in scheduled and nonscheduled services.
Airlines for America®
We Connect the World