Emerging From the Pandemic

Updated January 6, 2022

“To suggest that the airlines should have better prepared for this environment seems akin to suggesting Pompeii should have invested more heavily in firefighting technology.” (JPMorgan, Mar. 22, 2020)
New ticket sales are rising but demand for corporate and long-haul international air travel continues to lag, leaving revenues depressed.

Average fares remain well below 2019 levels.

Air cargo demand, which reached a record high in 2020, has risen further in 2021.

As with numerous other industries, airlines are facing inflationary pressures.

Debt (and interest expense) will remain elevated through at least 2024.
A Multiyear, Multistage Recovery Is Underway

1. Contain the Virus → Stabilize the Economy → Increase Efficiency
2. Aviation-Government Collaboration on Health/Facilitation/Safety/Technology
5. Reduce Cash Burn → Restore Profitability & Rebuild Margins → Repair Balance Sheets
In 2020, Travel-Sector Profitability Took a Massive Hit; Overall Corporate Profitability Was Flat

Pre-Tax Profit Margin (% of Operating Revenues)

<table>
<thead>
<tr>
<th>Company</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chipotle</td>
<td>6.3</td>
<td>4.9</td>
</tr>
<tr>
<td>Airlines</td>
<td>9.8</td>
<td>(58.8)</td>
</tr>
<tr>
<td>Disney</td>
<td>13.8</td>
<td>(7.1)</td>
</tr>
<tr>
<td>Starbucks</td>
<td>13.8</td>
<td>3.6</td>
</tr>
<tr>
<td>All USA</td>
<td>14.5</td>
<td>14.5</td>
</tr>
<tr>
<td>Apple</td>
<td>21.5</td>
<td>25.4</td>
</tr>
<tr>
<td>Hotels</td>
<td>27.8</td>
<td>(34.3)</td>
</tr>
<tr>
<td>McDonald’s</td>
<td>28.6</td>
<td>32.0</td>
</tr>
<tr>
<td>Railroads</td>
<td>34.6</td>
<td>32.9</td>
</tr>
</tbody>
</table>

Note: Airlines = Alaska/Allegiant/American/Delta/Hawaiian/JetBlue/Southwest/Spirit/United; Hotels = Choice/Hilton/Hyatt/Marriott/Wyndham; Railroads = CSX/Norfolk Southern/Union Pacific

Source: Company SEC filings

airlines.org
The Largest U.S. Passenger Airlines Incurred $841 Million in Pre-Tax Losses in YTD 3Q 2021
Results Boosted Materially by $16B in Federal Payroll Support Program (PSP) Grants

<table>
<thead>
<tr>
<th>Financial Results (Jan-Sep 2021)</th>
<th>$ Billions</th>
<th>% vs. 2019</th>
<th>% of Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger (RPMs down 42%, yield down 8%)</td>
<td>67.8</td>
<td>(47)</td>
<td>83.6</td>
</tr>
<tr>
<td>Cargo</td>
<td>3.6</td>
<td>53</td>
<td>4.5</td>
</tr>
<tr>
<td>Other¹</td>
<td>9.7</td>
<td>(9)</td>
<td>12.0</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td><strong>81.1</strong></td>
<td><strong>(41)</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td>Salaries, wages and benefits*</td>
<td>33.3</td>
<td>(6)</td>
<td>42.7</td>
</tr>
<tr>
<td>Aircraft fuel and related taxes</td>
<td>17.7</td>
<td>(10)</td>
<td>22.7</td>
</tr>
<tr>
<td>Maintenance materials and repairs</td>
<td>5.0</td>
<td>(1.5)</td>
<td>6.4</td>
</tr>
<tr>
<td>Landing fees and airport rentals</td>
<td>7.6</td>
<td>0.6</td>
<td>9.8</td>
</tr>
<tr>
<td>Depreciation and amortization²</td>
<td>7.1</td>
<td>0</td>
<td>9.2</td>
</tr>
<tr>
<td>Other³</td>
<td>7.2</td>
<td>(10)</td>
<td>9.2</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>77.9</strong></td>
<td><strong>(45)</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td>Interest and other non-op expenses, net</td>
<td>4.0</td>
<td>2</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Pre-tax income/(loss)</strong></td>
<td><strong>(0.8)</strong></td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

1. Sale of frequent flyer award miles to airline business partners, transportation of pets, in-sourced aircraft and engine repair, flight simulator rentals, inflight sales, etc.
2. Related primarily to ownership of aircraft, ground support equipment, information technology, etc.
3. Aircraft rents, professional fees, food/beverage, insurance, commissions, GDS fees, communications, advertising, utilities, office supplies, crew hotels, payments to regional carriers, etc.

Source: Alaska, Allegiant, American, Delta, Hawaiian, JetBlue, Southwest, Spirit and United

* PSP loan portion does not flow through income statements; only the grant portion does.

Includes ~$16B in PSP grants.*
Per Wells Fargo, the Global Economy Will Grow 4.3% in 2022
The U.S. Economy Is Projected to Grow 4.4%

“The global economy continues to be whipsawed by the ups and downs of the pandemic…. We project that U.S. real GDP will grow 5.7% in 2021 before downshifting to about 4.4% next year… Many foreign economies likely will post solid rates of economic growth, but with relatively high rates of inflation in 2022 as well.” (Wells Fargo, Dec. 9, 2021)

### Projected 2022 Real GDP Growth (%)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021F</th>
<th>2022F</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>4.4</td>
<td>4.4</td>
<td>3.9</td>
<td>4.3</td>
<td>4.4</td>
</tr>
<tr>
<td>USA</td>
<td>4.4</td>
<td>4.4</td>
<td>3.9</td>
<td>4.3</td>
<td>4.4</td>
</tr>
<tr>
<td>Eurozone</td>
<td>3.9</td>
<td>4.3</td>
<td>2.3</td>
<td>4.7</td>
<td>3.1</td>
</tr>
<tr>
<td>Japan</td>
<td>2.3</td>
<td>4.7</td>
<td>3.1</td>
<td>5.5</td>
<td>9.2</td>
</tr>
<tr>
<td>Australia</td>
<td>3.1</td>
<td>4.7</td>
<td>3.1</td>
<td>5.5</td>
<td>9.2</td>
</tr>
<tr>
<td>China</td>
<td>5.5</td>
<td>9.2</td>
<td>3.0</td>
<td>5.5</td>
<td>9.2</td>
</tr>
<tr>
<td>India</td>
<td>9.2</td>
<td>9.2</td>
<td>3.0</td>
<td>9.2</td>
<td>9.2</td>
</tr>
<tr>
<td>Mexico</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Brazil</td>
<td>1.3</td>
<td>1.3</td>
<td>1.3</td>
<td>1.3</td>
<td>1.3</td>
</tr>
</tbody>
</table>

### U.S. Real GDP (Trillions, $2012)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021F</th>
<th>2022F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$18.6</td>
<td>$19.0</td>
<td>$18.4</td>
<td>$19.4</td>
<td>$20.3</td>
</tr>
</tbody>
</table>

Source: Wells Fargo Securities (Dec. 9, 2021)
COVID-19 Fatality Rates Have Generally Fallen But Remain Elevated in Some Key Markets

New Confirmed COVID-19 Deaths (7-Day Moving Average) per Million People

Source: Johns Hopkins University Center for Systems Science and Engineering via Our World in Data (a project at the University of Oxford)

Source: Airlines for America
In 15 of the Top U.S.-International Markets, at Least 70% of the Population Is **Fully Vaccinated**
In 20, at Least 70% of the Population Has Received at Least One Dose of an Approved Vaccine

% of Entire Population Vaccinated* in Selected U.S.-International O&D Markets
Sorted left to right by U.S.-carrier O&D passenger volume in 2019

Source: Our World in Data (a project at the University of Oxford using governmental sources) via *The New York Times* and DOT Data Bank 1B

* Partially = received at least one dose of a vaccine as of Jan. 6, 2022
Argentina Has Overtaken Canada With Respect to Percentage of Population Vaccinated
UAE/Argentina/Canada/Japan/UK Are Among Those Exceeding the USA

% of Entire Population Receiving at Least One Dose of a COVID-19 Vaccine

Source: Our World in Data (a project at the University of Oxford using governmental sources)
In Most Recent Week, A4A Member Passenger Volumes Were 20% Below Pre-Pandemic Levels
Dec. 25-31: Domestic Air Travel Down 17%, International Air Travel Down 34%

7-Day Rolling Change (%) vs. Pre-Pandemic in Onboard Passengers*

Nov. 8: New USG policy on inbound international travel

Source: A4A member passenger airlines (Alaska/American/Delta/Hawaiian/JetBlue/Southwest/United) and branded code share partners

* Onboard ("segment") passengers; "pre-pandemic" precedes March 1, 2020
In Most Recent Week, A4A Member Departures Were 21% Below Pre-Pandemic Levels
Dec. 25-31: Domestic Flights Operated Down 21%, International Flights Operated Down 22%

7-Day Rolling Change (%) vs. Pre-Pandemic* in Aircraft Departures

Source: A4A member passenger airlines (Alaska/American/Delta/Hawaiian/ JetBlue/Southwest/United) and branded code share partners

* "Pre-pandemic" precedes March 1, 2020.
In Week Ending Jan. 2, A4A Member Domestic U.S. Load Factor Trailed Pre-Pandemic Levels

Weekly Average Domestic U.S. Load Factor* (%)

Source: A4A member passenger airlines (Alaska/American/Delta/Hawaiian/JetBlue/Southwest/United) and branded code share partners

* Revenue passenger miles divided by available seat miles
Post Re-Opening, A4A Member Transatlantic Onboard Volumes Notably Improved

7-Day Moving Average Onboard Passengers* per Flight

Source: A4A member passenger airlines (Alaska/American/Delta/Hawaiian/JetBlue/Southwest/United) and branded code share partners

* Onboard (“segment”) passengers

Nov. 8: New USG policy on inbound international travel
The Pandemic Led to Deep and Prolonged Declines in Total Operating Revenues vs. 2019

U.S. Airline Operating Revenues: Change (%) vs. 2019

Sources: SEC filings of Alaska/Allegiant/American/Delta/Hawaiian/JetBlue/Southwest/Spirit/United and forecasts from various equity analysts
In Week Ending Jan. 5, TSA Checkpoint Volumes Fell 15% Below 2019 Levels

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

Source: Transportation Security Administration

* U.S. and foreign carrier customers (excluding Known Crewmember® personnel) traversing TSA checkpoints.
In November, demand was notably strong in Montana, Wyoming, and the Caribbean.

Change (%) in TSA traveler throughput by U.S. State/Territory — Nov-2021 vs. Nov-2019

Source: Transportation Security Administration
U.S. Airports Are Showing a 12% Decline in January 2022 Flights vs. Pre-Pandemic Levels

Pennsylvania Seeing Largest Cuts

Change (%) in U.S. Outbound Scheduled Passenger Flights: Jan-2022 vs. Jan-2019

Source: Diio by Cirium published schedules (Dec. 17, 2021) for all U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations
Four U.S. Airlines Are Deploying More Capacity in 1Q 2022 Than in 1Q 2019
Allegiant/Frontier/Spirit Growing the Fastest; Delta Down the Most

Change (%) in Systemwide Scheduled Available Seat Miles: 1Q 2022 vs. 1Q 2019

<table>
<thead>
<tr>
<th>Airline</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allegiant</td>
<td>33.9</td>
</tr>
<tr>
<td>Frontier</td>
<td>28.6</td>
</tr>
<tr>
<td>Spirit</td>
<td>25.1</td>
</tr>
<tr>
<td>JetBlue</td>
<td>6.1</td>
</tr>
<tr>
<td>Hawaiian</td>
<td>(4.6)</td>
</tr>
<tr>
<td>Alaska</td>
<td>(4.9)</td>
</tr>
<tr>
<td>American</td>
<td>(6.3)</td>
</tr>
<tr>
<td>Southwest</td>
<td>(7.1)</td>
</tr>
<tr>
<td>United</td>
<td>(11.7)</td>
</tr>
<tr>
<td>Delta</td>
<td>(15.2)</td>
</tr>
</tbody>
</table>

Source: Diio by Cirium published schedules (Dec. 31, 2021)
In July 2021, Domestic Air Travel to Hawaii Reached an All-Time High
International Air Arrivals (Especially From Japan) Remain Far Below Pre-Pandemic Levels

In July 2021, Domestic Air Travel to Hawaii Reached an All-Time High
International Air Arrivals (Especially From Japan) Remain Far Below Pre-Pandemic Levels

On 3/26/2020, Hawai‘i mandated a 14-day self-quarantine for out-of-state arrivals. Beginning 10/15/2020, passengers with negative test results for COVID-19 could avoid quarantining. Effective 7/8/2021, the State dropped testing and quarantine rules for fully vaccinated domestic travelers and all restrictions on inter-island 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.
In November 2021, U.S.-International Air Travel* Fell 41% Below 2019 Levels
Non-U.S. Citizen Arrivals Trailed U.S. Citizen Departures by ~20 Percentage Points

Change (%) vs. 2019 in Total* U.S.-International Air Passengers

Source: U.S. Department of Commerce National Travel and Tourism Office using DHS I-92 / APIS data
* Gateway-to-gateway passengers on U.S. and foreign scheduled and charter airlines and general aviation
Of the 20 Largest U.S. Country Pairs in Nov-2019, Five Fell More Than 90% in Nov-2021
U.S.-Mexico/Dominican Republic/Colombia Saw Volumes Rise

Sorted left to right by highest volume in November 2019

Canada: 15 (62)
Mexico: 15 (63)
UK: 22 (54)
Japan: 22 (48)
Germany: 22 (91)
France: 22 (98)
China: 22 (78)
S. Korea: 22 (49)
Dominican Rep.: 22 (65)
Netherlands: 18 (17)
Brazil: 18 (54)
Jamaica: 18 (38)
Colombia: 18 (24)
Spain: 18 (95)
UAE: 18 (94)
Panama: 18 (96)
Taiwan: 18 (67)
Australia: 18 (96)
Hong Kong: 18 (96)
Ireland: 18 (67)

* Gateway-to-gateway passengers on U.S. and foreign scheduled and charter airlines and general aviation

Source: DHS I-92 / APIS data compiled by U.S. Department of Commerce National Travel and Tourism Office
In November, Mexico Was the Clear Leader for U.S.-International Air Travel
Top U.S. Country Pairs Propelled by Beach Seekers and Those Visiting Friends/Relatives (VFR)

November 2021: Top-30 U.S. Country Pairs by Total Nonstop Air Passengers* (000)

Source: DHS I-92 / APIS data compiled by U.S. Department of Commerce National Travel and Tourism Office
* Gateway-to-gateway passengers on U.S. and foreign scheduled and charter airlines and general aviation

Source: airlines.org
In November, Cancun and Mexico City Were the Busiest Foreign Gateways to/from USA

November 2021: Top-30 Foreign Gateways to/from USA by Total Nonstop Air Passengers* (000)

Source: DHS I-92 / APIS data compiled by U.S. Department of Commerce National Travel and Tourism Office

* Gateway-to-gateway passengers on U.S. and foreign scheduled and charter airlines and general aviation
IATA: Europe-U.S. Bookings Surged on U.S. Reopening

Bookings US-Europe, 7-day MA in % change vs 2019

- Bookings made in the US
- Bookings made in Europe

15th October: Concrete US reopening date announced
20th September: US travel ban will be lifted in Nov

In Most Recent Week, Airlines Ticketed 18% Fewer Passengers Than They Did Two Years Prior
Fares Were Down 9% Due Primarily to Scarcity of Corporate and Long-Haul International Travel

Change (%) vs. 2019 in Weekly Ticket Sales*

Source: A4A analysis of data from Airlines Reporting Corporation (ARC)

* Net tickets and fares (gross sales minus refunds) sold in the United States for future travel to/from U.S. airports
Corporate Sales Remain Well Below 2019 Levels

Change (%) vs. 2019 in Corporate-Segment Weekly Tickets Sold* by U.S. Travel Agencies

* Results do not include sales of tickets purchased directly from airlines and are not net of refunds or exchanges.

Source: Airlines Reporting Corporation (ARC)
Government Data Shows Average Airfares Remain Lower Than Pre-Pandemic Levels
As a Component of U.S. CPI, Airfares in November 2021 Were 24% Below November 2019 Levels

Source: Bureau of Labor Statistics (CPI series CUSR0000SETG01) and DOT Data Bank 1B (all carriers/cabins/fare basis codes)
The U.S. Travel Association Projects U.S. Business Travel to Return to 2019 Levels in 2024
Latest Forecast, Which Includes Non-Air Travel, Published Nov. 15, 2021

Sources: Tourism Economics and U.S. Travel Association (Nov. 15, 2021)

U.S. Business Travel Spending* (Billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$270</td>
<td>$36</td>
</tr>
<tr>
<td>2020</td>
<td>$85</td>
<td>$95</td>
</tr>
<tr>
<td>2021F</td>
<td>$136</td>
<td>$144</td>
</tr>
<tr>
<td>2022F</td>
<td>$206</td>
<td>$230</td>
</tr>
<tr>
<td>2023F</td>
<td>$252</td>
<td>$282</td>
</tr>
<tr>
<td>2024F</td>
<td>$277</td>
<td>$312</td>
</tr>
<tr>
<td>2025F</td>
<td>$284</td>
<td>$320</td>
</tr>
</tbody>
</table>

U.S. Domestic Business Trips* (Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>464</td>
</tr>
<tr>
<td>2020</td>
<td>181</td>
</tr>
<tr>
<td>2021F</td>
<td>250</td>
</tr>
<tr>
<td>2022F</td>
<td>371</td>
</tr>
<tr>
<td>2023F</td>
<td>446</td>
</tr>
<tr>
<td>2024F</td>
<td>484</td>
</tr>
<tr>
<td>2025F</td>
<td>492</td>
</tr>
</tbody>
</table>

* Includes air and non-air travel.
Airlines Have Coped in Part by Taking on Billions in Debt, With Heavy Cash Outlays for Interest

Net Interest Expense Doubled From 2019 to 2020 and Will Exceed $20 Billion in 2021-2024

“For 2021 and beyond, we anticipate a major deleveraging cycle as the industry will have no choice but to address its significant debt load.” (Deutsche Bank, “Airline Industry Update,” July 1, 2020)

Year-End Total Debt ($ Billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021F</th>
<th>2022F</th>
<th>2023F</th>
<th>2024F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>108</td>
<td>105</td>
<td>163</td>
<td>168</td>
<td>160</td>
<td>156</td>
<td>153</td>
</tr>
</tbody>
</table>

Interest Expense, Net ($ Billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021F</th>
<th>2022F</th>
<th>2023F</th>
<th>2024F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.0</td>
<td>1.9</td>
<td>3.8</td>
<td>5.6</td>
<td>5.2</td>
<td>4.9</td>
<td>4.7</td>
</tr>
</tbody>
</table>

Source: A4A, equity analysts and filings of Alaska, Allegiant, American, Delta, Hawaiian, JetBlue, Southwest, Spirit and United
Since the Recovery Began, S&P Has Raised Its Ratings on Just Two U.S. Airlines*
Ratings Actions Reflect Assessment of Financial Condition and Risk

* Publicly traded U.S. and Canadian carriers in S&P Global coverage universe
Ridership on Amtrak Remains Far Below Pre-Pandemic Levels
Through the First 10 Months of 2021, Amtrak Passenger Volume Fell 55% Below July 2019

Sources: Federal Railroad Administration Office of Safety Analysis
For U.S. Airlines, Growth in Air Cargo Continues to Outpace Air Travel by a Large Margin

YTD September 2021: Cargo Traffic Up 21%, Passenger Traffic Down 40%

Sources: Bureau of Transportation Statistics T1 for all U.S. airlines providing scheduled and nonscheduled services

* RTMs = freight, mail and express revenue ton miles; RPMs = revenue passenger miles
The Pandemic Has Taken a Material Toll on U.S. Airline Employment
Voluntary Reductions, Retirements, Job Changes, Employer Shutdowns and Other Factors at Play

<table>
<thead>
<tr>
<th>Carrier Universe</th>
<th>Scheduled U.S. Passenger Airlines</th>
<th>All U.S. Passenger and Cargo Airlines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measure</td>
<td>FTEs* (000)</td>
<td>Headcount (000)</td>
</tr>
<tr>
<td>All-Time High</td>
<td>Jun-2001: 545.9</td>
<td>May-2001: 760.8</td>
</tr>
<tr>
<td>Post-2000 Low Point</td>
<td>Apr-2010: 376.7</td>
<td>Apr-2010: 562.3</td>
</tr>
<tr>
<td>Pre-COVID Peak</td>
<td>Feb-2020: 458.2</td>
<td>Feb-2020: 753.4</td>
</tr>
<tr>
<td>Latest Available Data Point</td>
<td>Oct-2021: 408.7</td>
<td>Oct-2021: 718.2</td>
</tr>
</tbody>
</table>

Source: Bureau of Transportation Statistics based on payroll near the 15th of the month

* Full-time equivalents (FTE) = full-time workers plus 0.5 * part-time workers
From Nov. 2020 to Sept. 2021, U.S. Passenger Airline Employment Rose 13% (47,500 FTEs)
As of September, Airline FTEs Were Just 47,400 (10%) Below Pre-COVID Levels

Source: Bureau of Transportation Statistics for scheduled U.S. passenger airlines (i.e., all that report scheduled passenger revenue)
U.S. Passenger Airlines Have Grown the Active Fleet by 756 Units Since the End of 2020
Net Reduction of 1,109 (19%) From YE19 to YE20 and 353 (6%) From YE19 to YE21

Number of Active Aircraft*

<table>
<thead>
<tr>
<th></th>
<th>12/31/2019</th>
<th>12/31/2020</th>
<th>12/31/2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional</td>
<td>1,810</td>
<td>1,517</td>
<td>1,605</td>
</tr>
<tr>
<td>Single-Aisle</td>
<td>3,475</td>
<td>2,847</td>
<td>3,428</td>
</tr>
<tr>
<td>Twin-Aisle</td>
<td>495</td>
<td>307</td>
<td>394</td>
</tr>
</tbody>
</table>

Source: Anuvu (formerly Global Eagle masFlight) * Operated by or on behalf of Alaska/Allegiant/American/Delta/Frontier/Hawaiian/JetBlue/Southwest/Spirit/Sun Country/United in any of the previous seven days
The Timing of a Return to 2019 Passenger Volumes Depends in Large Part on Business Travel
Another Open Question Is the Degree to Which Leisure and VFR Traffic Remain Robust in 2022-2023

U.S. Airline Passenger Traffic Change (%) vs. 2019

Source: A4A and various airline equity analysts

Note: A = actual; F = forecast
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

Source: A4A Passenger Airline Cost Index, BTS (Form 41 Schedule T1) and Bernstein Research

Four-Quarter Rolling Passenger Volume (Millions) and Operating Revenues (Billions)

Passengers Enplaned (Mils)  Operating Revenues ($ Bils)

Source: A4A Passenger Airline Cost Index, BTS (Form 41 Schedule T1) and Bernstein Research

* Passengers enplaned systemwide on U.S. airlines in scheduled and nonscheduled services
Air-Cargo Demand Reached an All-Time High in 2020 and Has Continued to Grow in 2021
Air Cargo Had Taken 10 Years to Recover From the Global Financial Crisis and Subsequent Oil Spike

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

Four-Quarter Rolling Air Cargo Revenue Ton Miles* (Billions)

- Cargo revenue ton miles (RTMs) flown on U.S. passenger and cargo-only airlines in scheduled and nonscheduled services

Source: Bureau of Transportation Statistics (Form 41 Schedule T1)
“COVID-19 has brought about an acceleration of digital competency across demographic cohorts. We have a lot of different people who fly through the airport. We are constantly thinking about the experience we present to them. And if people have become more technology savvy, more digitally competent, that means we can accelerate and roll out the contactless passenger journey across many platforms—and there will be an acceptance of and a desire for them.”

“Airports and airplanes are cleaner than they’ve ever been and will continue to be that way because it’s important for restoring confidence in air travel. We expect the new hygiene and enhanced-cleaning protocols we’ve implemented to continue. Passengers can expect that from airports and airlines going forward.”

Source: McKinsey & Company interview with Massachusetts Port Authority CEO Lisa Wieland (Nov. 20, 2020)