Emerging From the Pandemic

Updated July 5, 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 trail pre-pandemic levels.

Air cargo demand, which surged in 2020, reached an all-time high in 2021 and is poised to do so again in 2022.

As with numerous other industries, U.S. airlines are facing inflationary pressures across several cost categories (e.g., labor, fuel, maintenance, rents, landing fees).

U.S. airlines are projected to post modest profits in 2022, which will be put to work to retire the massive debt accumulated in 2020-2021 to weather the pandemic.

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

- Contain the Virus
- Stabilize the Economy
- Increase Efficiency

Aviation-Government Collaboration on Health/Facilitation/Safety/Technology

- Traffic Recovery
- Revenue Recovery
- Financial Recovery

Cost-Reduction Initiatives + Business Model Adaptation + Debt Reduction

- Reduce Cash Burn
- Restore Profitability & Rebuild Margins
- Repair Balance Sheets
For Many Non-Travel U.S. Industries, 2021 Profitability Exceeded Pre-Pandemic Profitability

Pre-Tax Profit Margin (% of Operating Revenues)

Pre-Pandemic Pre-Tax Profit Margin (%)

<table>
<thead>
<tr>
<th>Company</th>
<th>2017-2019</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>McDonald’s</td>
<td>34.5</td>
<td>39.3</td>
</tr>
<tr>
<td>Rails*</td>
<td>33.4</td>
<td>38.1</td>
</tr>
<tr>
<td>Apple</td>
<td>25.5</td>
<td>30.9</td>
</tr>
<tr>
<td>Disney</td>
<td>20.5</td>
<td>5.8</td>
</tr>
<tr>
<td>Hotels*</td>
<td>31.5</td>
<td>25.2</td>
</tr>
<tr>
<td>Starbucks</td>
<td>18.7</td>
<td>18.5</td>
</tr>
<tr>
<td>All USA</td>
<td>15.0</td>
<td>17.1</td>
</tr>
<tr>
<td>Airlines</td>
<td>6.0</td>
<td>10.8</td>
</tr>
<tr>
<td>Chipotle</td>
<td>9.6</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Bureau of Economic Analysis, A4A Passenger Airline Cost Index and company SEC filings

* Hotels = Choice/Hilton/Hyatt/Marriott/Wyndham; Rails = CSX/Norfolk Southern/Union Pacific
**U.S. Passenger Airlines Incurred ~$6.6 Billion in Pre-Tax Losses in 1Q 2022**

Operating Revenues 13% *Below* 1Q 2019, Operating Expenses 6% *Above* 1Q 2019

<table>
<thead>
<tr>
<th>Financial Results: 1Q 2022</th>
<th>$ Billions</th>
<th>% vs. 2019</th>
<th>% of Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger (RPMs down 19%, yield down 0.6%)</td>
<td>30.7</td>
<td>(20)</td>
<td>84.2</td>
</tr>
<tr>
<td>Cargo</td>
<td>1.4</td>
<td>82</td>
<td>3.9</td>
</tr>
<tr>
<td>Other¹</td>
<td>4.3</td>
<td>45</td>
<td>11.8</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td><strong>36.5</strong></td>
<td><strong>(13)</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td>Salaries, wages and benefits*</td>
<td>13.1</td>
<td>5</td>
<td>31.6</td>
</tr>
<tr>
<td>Aircraft fuel and related taxes</td>
<td>9.6</td>
<td>12</td>
<td>21.2</td>
</tr>
<tr>
<td>Maintenance materials and repairs</td>
<td>2.1</td>
<td>0</td>
<td>5.2</td>
</tr>
<tr>
<td>Landing fees and airport rentals</td>
<td>2.7</td>
<td>18</td>
<td>6.5</td>
</tr>
<tr>
<td>Depreciation and amortization²</td>
<td>2.4</td>
<td>5</td>
<td>5.8</td>
</tr>
<tr>
<td>Other³</td>
<td>11.5</td>
<td>105</td>
<td>27.7</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>41.6</strong></td>
<td><strong>6</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td>Interest and other non-op expenses, net</td>
<td>1.5</td>
<td>252</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Pre-tax income/(loss)</strong></td>
<td><strong>(6.6)</strong></td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

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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, Frontier, Hawaiian, JetBlue, Southwest, Spirit and United

Source: Airlines for America®

[Link](airlines.org)
In 2022, Airlines’ Unit Operating Costs Are Expected to Average 24% More Than in 2019. Additionally, Interest Expense per Seat-Mile Is Projected to Rise 185%.

U.S. Passenger Airlines: Cost (in Cents) per Available Seat Mile

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>2019A</th>
<th>2022F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>4.41</td>
<td>5.00</td>
</tr>
<tr>
<td>Fuel</td>
<td>3.05</td>
<td>5.01</td>
</tr>
<tr>
<td>Aircraft Ownership</td>
<td>1.02</td>
<td>1.10</td>
</tr>
<tr>
<td>Maintenance</td>
<td>0.72</td>
<td>0.79</td>
</tr>
<tr>
<td>Airport Rents &amp; Landing Fees</td>
<td>0.85</td>
<td>0.97</td>
</tr>
<tr>
<td>Other Operating</td>
<td>3.41</td>
<td>3.84</td>
</tr>
<tr>
<td>Interest</td>
<td>0.16</td>
<td>0.45</td>
</tr>
</tbody>
</table>

All Else Equal, Higher Fuel Prices Will Boost U.S. Airlines’ 2022 Fuel Expense by $19-29B
Average Price per Gallon Likely to Exceed 2019 by $1.00-1.50


- 2019A: $2.01
- 2022F @ $2.01
- 2022F @ $3.01: $19B higher
- 2022F @ $3.26: $24 higher
- 2022F @ $3.51: $29B higher

Source: A4A and Bureau of Transportation Statistics (all U.S. carriers, systemwide scheduled and nonscheduled services)
Per Wells Fargo, the *Global* Economy Will Grow 2.7% in 2022
The U.S. Economy Is Projected to Grow Just 2.8%

“We still expect the economy to expand, albeit slowly, over the next two years. While a recession is not in our baseline forecast, the odds of a sustained economic downturn by the end of next year have climbed to roughly 40% in our estimation.” (Wells Fargo, June 8, 2022)

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**Projected 2022 Real GDP Growth (%)**

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>2.7</td>
</tr>
<tr>
<td>USA</td>
<td>2.8</td>
</tr>
<tr>
<td>Eurozone</td>
<td>2.6</td>
</tr>
<tr>
<td>UK</td>
<td>4.1</td>
</tr>
<tr>
<td>Japan</td>
<td>2.0</td>
</tr>
<tr>
<td>Canada</td>
<td>4.0</td>
</tr>
<tr>
<td>Australia</td>
<td>4.4</td>
</tr>
<tr>
<td>China</td>
<td>4.2</td>
</tr>
<tr>
<td>India</td>
<td>7.3</td>
</tr>
<tr>
<td>Mexico</td>
<td>2.1</td>
</tr>
<tr>
<td>Brazil</td>
<td>0.7</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP (Trillions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$18.6</td>
</tr>
<tr>
<td>2019</td>
<td>$19.0</td>
</tr>
<tr>
<td>2020</td>
<td>$18.4</td>
</tr>
<tr>
<td>2021</td>
<td>$19.4</td>
</tr>
<tr>
<td>2022F</td>
<td>$20.0</td>
</tr>
<tr>
<td>2023F</td>
<td>$20.4</td>
</tr>
</tbody>
</table>

Source: Wells Fargo Securities (June 8, 2022) and U.S. Bureau of Economic Analysis
Jun 13-19: A4A Member Airline Passenger Volumes Were 11% Below 2019 Levels
Domestic Air Travel Down 11%, International Air Travel Down 13%

7-Day Change (%) vs. 2019 in Onboard Passengers*

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

* Onboard ("segment") passengers

8-Nov-2021: USG eases inbound international travel restrictions
12-Jun-2022: USG eliminates pre-departure COVID testing requirement
Jun 13-19: A4A Member Airline Departures Were 17% Below 2019 Levels
Domestic Flights Operated Down 17%, International Flights Operated Down 16%

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

7-Day Change (%) vs. 2019 in Aircraft Departures

- Domestic USA
- Canada
- Mexico
- Atlantic
- Latin (excl. Mexico)
- Pacific

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

8-Nov-2021: USG eases inbound international travel restrictions
12-Jun-2022: USG eliminates pre-departure COVID testing requirement
A4A Member Domestic U.S. Load Factor Is Now in Line With 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
Transpacific Flights Continue to See Sharp Uptick in Load Factors

7-Day Moving Average Load Factor*

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

* Traffic (RPMs) divided by capacity (ASMs)

8-Nov-2021: USG eases inbound international travel restrictions
12-Jun-2022: USG eliminates pre-departure COVID testing requirement
In Week Ending July 4, TSA Checkpoint Volumes Fell 8% 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 May, Demand Exceeded 2019 Levels in Nine U.S. States and Territories
Change (%) in TSA Traveler Throughput — May 2022 vs. May 2019

Source: Transportation Security Administration
Seven Large/Medium U.S. Airports Are Seeing Double-Digit Seat Growth This Summer vs. 2019
Austin (TX) Leading the Pack in Growth; Portland (OR) Seeing the Largest Decline

Change (%) in Systemwide Scheduled Seats: Summer* 2022 vs. 2019

AUS 27.6
RSW 20.1
MIA 17.2
OAK 16.5
LAS 13.3
MTL 9.6
DEN 8.8
PHX 8.5
SFB 8.2
DEN 6.5
LAX 6.3
BOS 5.3
DEN 4.4
BWI 3.7
SFO 2.0
LGA 1.7
CLT 1.4
MDW 1.2
DCA 1.0
ORT 0.3

Source: Diio by Cirium published schedules (July 1, 2022) for all U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations

* June 1-August 31
Allegiant, Spirit and Frontier Continue to Lead U.S. Airlines in Capacity Growth
Corporate Travel-Dependent Carriers Slower to Restore Pandemic-Induced Capacity Cuts

Change (%) in Systemwide Scheduled Available Seat Miles: Summer* 2022 vs. 2019

<table>
<thead>
<tr>
<th>Airlines</th>
<th>2022 vs. 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allegiant</td>
<td>14.2%</td>
</tr>
<tr>
<td>Spirit</td>
<td>6.7%</td>
</tr>
<tr>
<td>Frontier</td>
<td>5.5%</td>
</tr>
<tr>
<td>JetBlue</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Southwest</td>
<td>2.1%</td>
</tr>
<tr>
<td>Hawaiian</td>
<td>-6.8%</td>
</tr>
<tr>
<td>Alaska</td>
<td>8.5%</td>
</tr>
<tr>
<td>American</td>
<td>8.7%</td>
</tr>
<tr>
<td>United</td>
<td>-10.0%</td>
</tr>
<tr>
<td>Delta</td>
<td>-18.1%</td>
</tr>
</tbody>
</table>

Source: Diio by Cirium published schedules (July 1, 2022) for selected marketing airlines (i.e., on a consolidated basis)

* June 1-August 31
In July 2021, Domestic Air Travel to Hawaii Reached an All-Time High
But 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 May 2022, U.S.-International Air Travel* Fell 24% Below 2019 Levels
Non-U.S. Citizen Arrivals Trailed U.S. Citizen Departures by ~22 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
In May, U.S.-Asia/Australia Air Travel Trailed Pre-Pandemic Levels by More Than 50%
U.S.-Mexico/Dominican Republic/Colombia/Costa Rica Saw Volumes Rise

Top-25 U.S. Country Pairs: Change (%) in Passengers* in May-2022 vs. May-2019
Sorted left to right by highest volume in 2019

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

Airlines for America
We Connect the World

airlines.org
IATA: Europe-U.S. Bookings Surged on U.S. Reopening, Rising Again After Initial Ukraine Dip

Change in Seven-Day Moving Average Bookings for U.S.-Europe Air Travel vs. 2019


- 15th Oct: Concrete US reopening date announced
- 20th Sept: US travel ban to be lifted in Nov
- 26th Nov: Omicron declared variant of concern
- 24th Feb: Escalation of war in Ukraine
- 17th April: Easter break

Source: Airlines for America (https://www.airlines.org/en/publications/economics/#) as of June 17, 2022
Growth in “Corporate” Ticket Sales Has Plateaued Over the Past Few Months
Levels Remain Approximately Substantially Below 2019

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

Source: Airlines Reporting Corporation (ARC)

* Results reflect more than 10,000 agency sales outlets and do not include sales of tickets purchased directly from airlines and are not net of refunds or exchanges.
Jet Fuel Prices Have Proven a Fierce Cost Headwind Thus Far in 2022
Nationwide Spot Price Averaged $4.21 in June 2022 – Up 122% From $1.90 in June 2021

Monthly Jet Fuel Price per Gallon (U.S. Gulf Coast)

Argus US Jet Fuel Index™ (USD per Gallon)*

Sources: U.S. Energy Information Administration (left chart) and Argus Media (right chart)

* Argus daily simple-average jet-fuel price for Chicago, Houston, Los Angeles, and New York
In the 12 Months Ending May 2022, CPI for Airline Fares *Fell* 10% Below CY2019

In Contrast, Overall U.S. Consumer Prices for That Period *Rose* 10% From CY2019

Source: Bureau of Labor Statistics (CPI series CUSR0000SETG01 and CUUR0000SA0); for information on the BLS methodology for “airline fares,” see https://www.bls.gov/cpi/factsheets/airline-fares.htm
In the Week Ending June 25, Airlines Ticketed 4% More Passengers Than They Did in 2019
Fares Sold for Domestic and International Trips Averaged 22% More Than in 2019

**Change (%) vs. 2019 in Ticket Sales** (Passengers Ticketed)

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

* Net tickets (gross sales minus refunds) sold in the United States for travel to/from U.S. airports.
The Estimated Breakeven Load Factor Requirement for the Second Half of 2022 Is 80%

Sources: SEC filings of Alaska/Allegiant/American/Delta/Hawaiian/JetBlue/Southwest/Spirit/United and forecasts from various equity analysts
Airlines Have Coped in Part by Taking on Enormous Debt, With Heavy Cash Outlays for Interest

Net Interest Expense Tripled From 2019 to 2021 and Expected to Total $15.3 Billion in 2022-2024

“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)

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 Alaska/Allegiant/Hawaiian

Ratings Actions Reflect Assessment of Financial Condition and Risk

Source: Standard & Poor's issuer ratings for publicly traded U.S. and Canadian carriers in its coverage universe

INVESTMENT GRADE

A-
BBB+
BBB
BBB-
BB+
BB
BB-
B+
B
B-
CCC+
CCC
CCC-
CC
C
D

Alaska  Allegiant  American  Delta  Hawaiian  JetBlue  Southwest  Spirit  United  Air Canada

Pre-Pandemic (3/15/2020)  Heart of Pandemic (8/24/2020)  As of 4/7/2022

Source: Standard & Poor’s issuer ratings for publicly traded U.S. and Canadian carriers in its coverage universe
For U.S. Airlines, Growth in Air Cargo Continues to Outpace Air Travel by a Large Margin

1Q22 vs. 1Q19: Cargo Traffic Rose 23%, Passenger Traffic Down 19%

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

Change (%) vs. 2019 in Traffic* – U.S. Passenger and Cargo Airlines

Cargo Traffic (RTMs)  Passenger Traffic (RPMs)

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
After a Material Hit From the Pandemic, U.S. Airline Employment Is Bouncing Back
Voluntary Reductions, Retirements, Job Changes, Employer Shutdowns Had Taken a Toll

<table>
<thead>
<tr>
<th>Carrier Universe</th>
<th>Scheduled U.S. Passenger Airlines Only FTEs* (000)</th>
<th>All U.S. Passenger and Cargo Airlines Headcount (000)</th>
</tr>
</thead>
<tbody>
<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>Pandemic Low Point</td>
<td>Nov-2020: 364.5</td>
<td>Oct-2020: 669.2</td>
</tr>
<tr>
<td>Latest Available Data Point</td>
<td>Apr-2022: 445.6</td>
<td>Apr-2022: 751.2</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
As of April, U.S. Passenger Airline Employment (FTEs) Fell Just 3% Below Pre-COVID Levels
From November 2020 to April 2022, FTEs Rose 22%

Source: Bureau of Transportation Statistics for scheduled U.S. passenger airlines (i.e., all that report scheduled passenger revenue)

U.S. Scheduled Passenger Airline Full-Time Equivalent Employees (000s)

- All-Time High: Jun-2001, 545.9
- Pre-COVID Peak: Apr-2022, 445.6
- Lowest Since 1Q87: Apr-2010, 376.7
- Lowest Since 2Q86: Nov-2020, 364.5

Source: Bureau of Transportation Statistics for scheduled U.S. passenger airlines (i.e., all that report scheduled passenger revenue)
U.S. Passenger Airlines Grew Active Fleet by 899 Units From End of 2020 to End of June
Net Reduction of 1,109 (19%) From YE19 to YE20 and 210 (4%) From YE19 to End of June

Number of Active Aircraft*

<table>
<thead>
<tr>
<th></th>
<th>12/31/2019</th>
<th>12/31/2020</th>
<th>12/31/2021</th>
<th>6/30/2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional</td>
<td>1,810</td>
<td>1,517</td>
<td>1,605</td>
<td>1,555</td>
</tr>
<tr>
<td>Single-Aisle</td>
<td>3,475</td>
<td>2,847</td>
<td>3,428</td>
<td>3,568</td>
</tr>
<tr>
<td>Twin-Aisle</td>
<td>495</td>
<td>307</td>
<td>394</td>
<td>447</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 Scheduled-Service Passenger Traffic Change (%) vs. 2019

Source: A4A and various airline equity analysts

Note: A = actual; F = forecast
The U.S. Travel Association Projects Domestic Air Trips to Recover by 2023
Recovery of International Arrivals Delayed Until 2025

U.S. Domestic Person-Trips* (Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022F</th>
<th>2023F</th>
<th>2024F</th>
<th>2025F</th>
<th>2026F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,130</td>
<td>1,500</td>
<td>1,890</td>
<td>2,090</td>
<td>2,200</td>
<td>2,270</td>
<td>2,300</td>
<td>2,330</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022F</th>
<th>2023F</th>
<th>2024F</th>
<th>2025F</th>
<th>2026F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>189</td>
<td>79</td>
<td>131</td>
<td>170</td>
<td>189</td>
<td>204</td>
<td>212</td>
<td>214</td>
</tr>
</tbody>
</table>

Sources: Tourism Economics and U.S. Travel Association (June 16, 2022) * Includes air and non-air travel

International Arrivals* (Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022F</th>
<th>2023F</th>
<th>2024F</th>
<th>2025F</th>
<th>2026F</th>
</tr>
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<tr>
<td></td>
<td>79.4</td>
<td>19.2</td>
<td>22.1</td>
<td>53.3</td>
<td>65.1</td>
<td>76.5</td>
<td>84.6</td>
<td>89.8</td>
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</table>

* Includes air and non-air travel.
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)
Air-Cargo Demand Reached an All-Time High in 2021
Air Cargo Had Taken 10 Years to Recover From the Global Financial Crisis and Subsequent Oil Spike

“A week ago, United Airlines carried 6 tons of black soap in the belly of a passenger plane, a product it has never seen before… Last summer, the carrier flew five dedicated cargo charters of dog food from Frankfurt…to Denver. United… said… that its passenger freighters also operated a charter flight full of mayonnaise and recently received a request to move 800 tons of Bacardi rum.” (FreightWaves, Jan. 19, 2022)

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
Pandemic-Driven Technology Acceptance, Digital Competence and Enhanced Cleaning Protocols Will Endure, and Airlines and Airports Will Continue to Invest Accordingly

“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)