



Tracking the Impacts of COVID-19

Updated January 22, 2021

Airlines Are Making an Unprecedented Level of Investment in the Safety and Wellbeing of Their Customers and Workers, Instituting Multiple Layers of Protection Throughout the Experience



Requiring face coverings



Offering touchless check-in

Partnering With Premier



Medical Institutions



Sanitizing counters, kiosks & gate areas



Adjusting security screening



Using HEPA filtration systems



Sterilizing w/electrostatic sprayers & foggers



Disinfecting surfaces (e.g., tables, buckles)

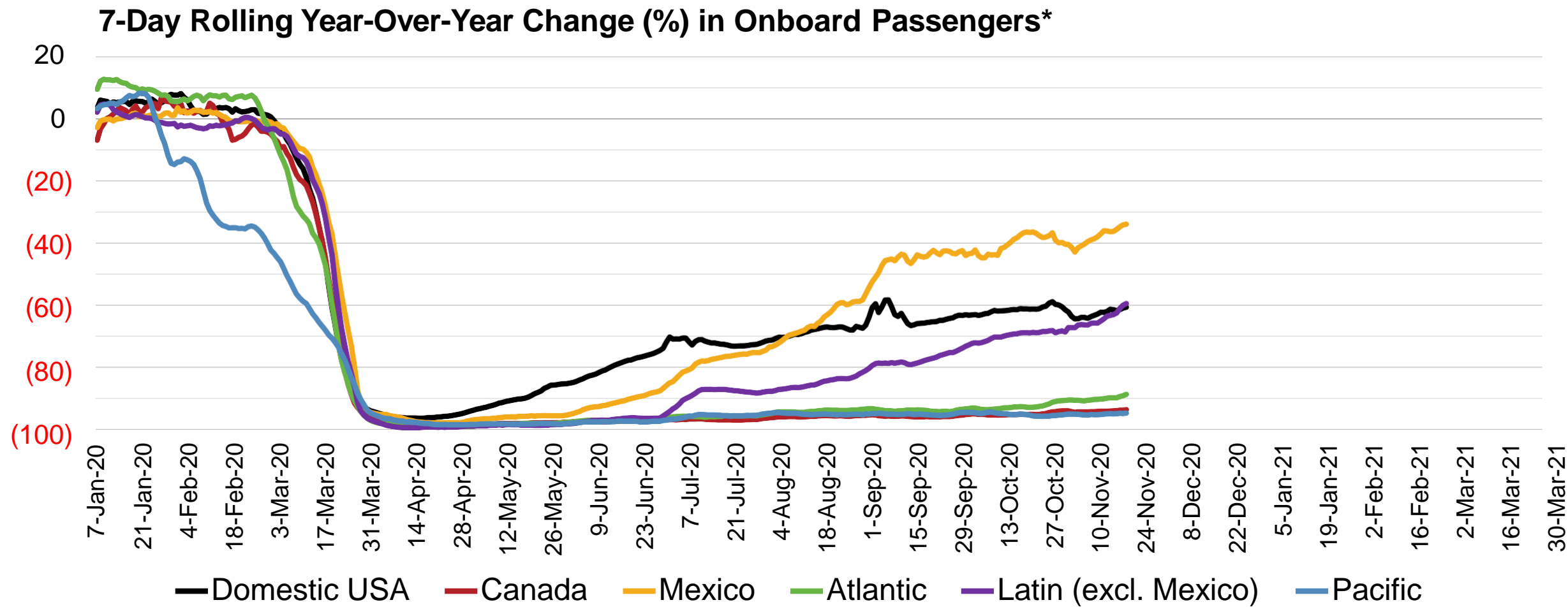


Reducing touchpoints (e.g., beverage service)

Source: [AirlinesTakeAction.com](https://airlinestakeaction.com)

In Most Recent Week, U.S. Airline Passenger Volumes Were 62% Below Year-Ago Levels

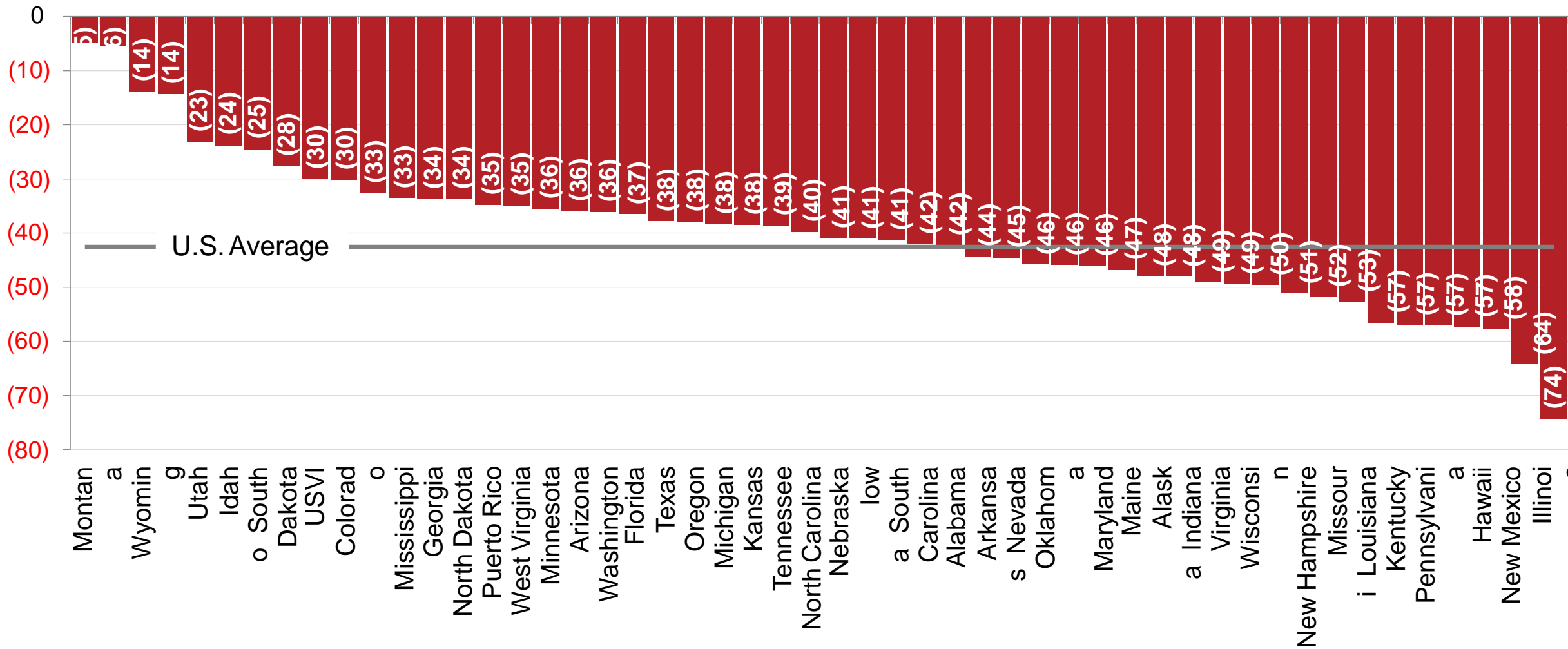
Domestic Air Travel Down 61%, International Air Travel Down 69%



Source: A4A member passenger airlines as reported to A4A on a consolidated company basis (including branded code sharepartners) * Onboard ("segment") passengers

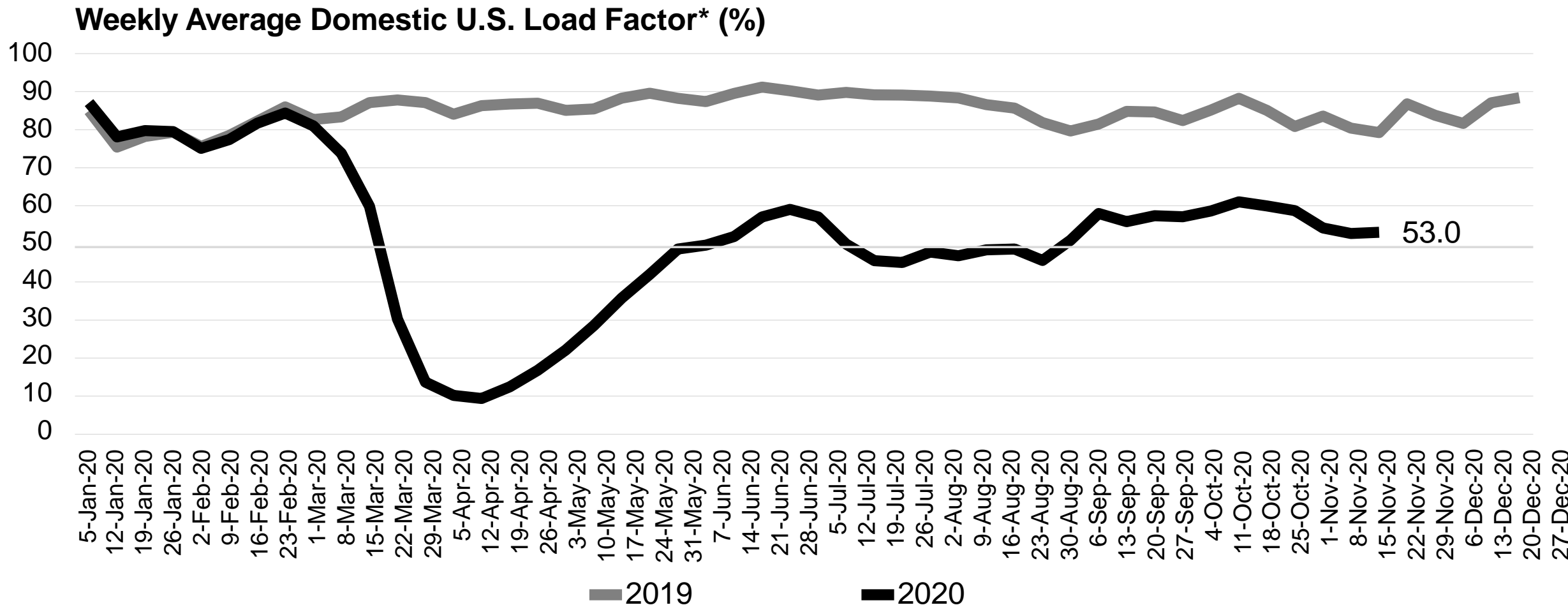
In December, Northeast (DC/NY/VT/MA/CT/NJ/RI) Seeing Largest Air Service Reductions

% Change in Scheduled Passenger Flights: December 2020 vs. December 2019



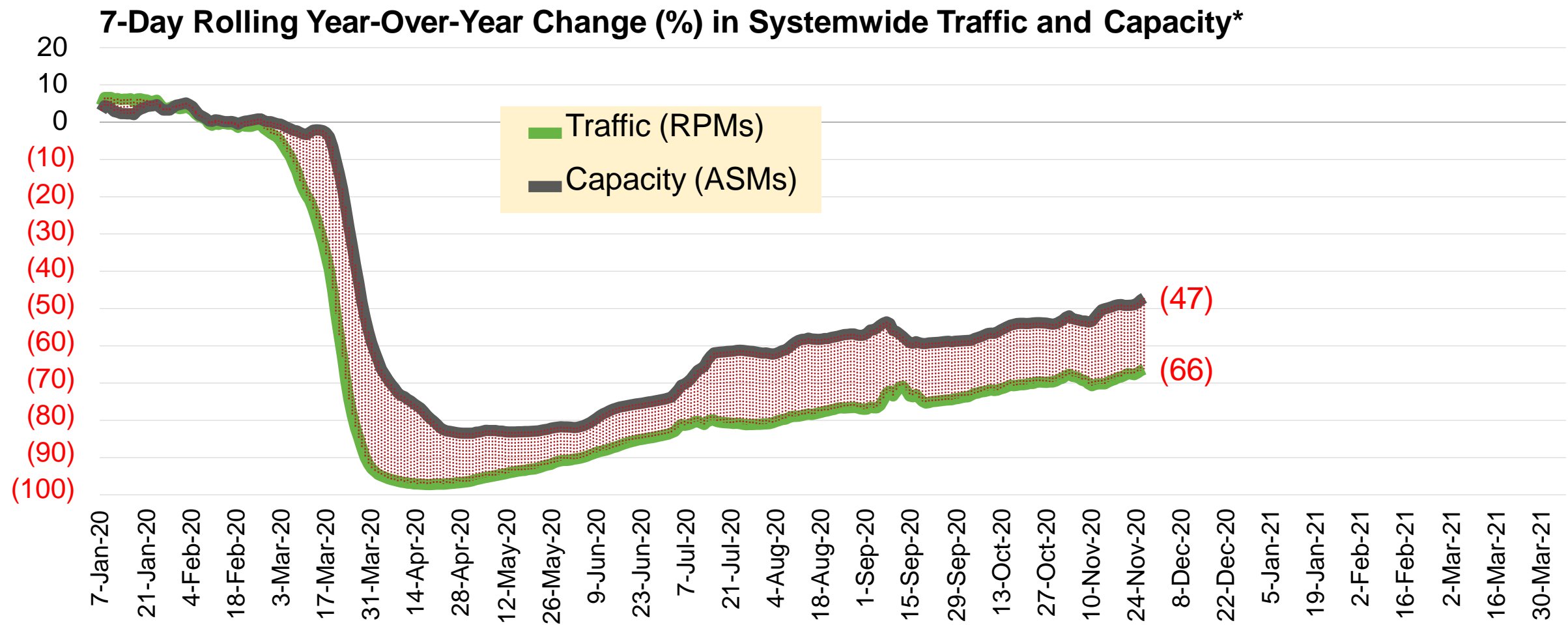
Source: Diio by Cirium published schedules (Nov. 27, 2020) for all U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations

Domestic U.S. Load Factor Averaged 53% in Most Recent Week, Versus 79% a Year Earlier



Source: A4A member passenger airlines as reported to A4A on a consolidated company basis (including branded code share partners) * Revenue passenger miles divided by available seat miles

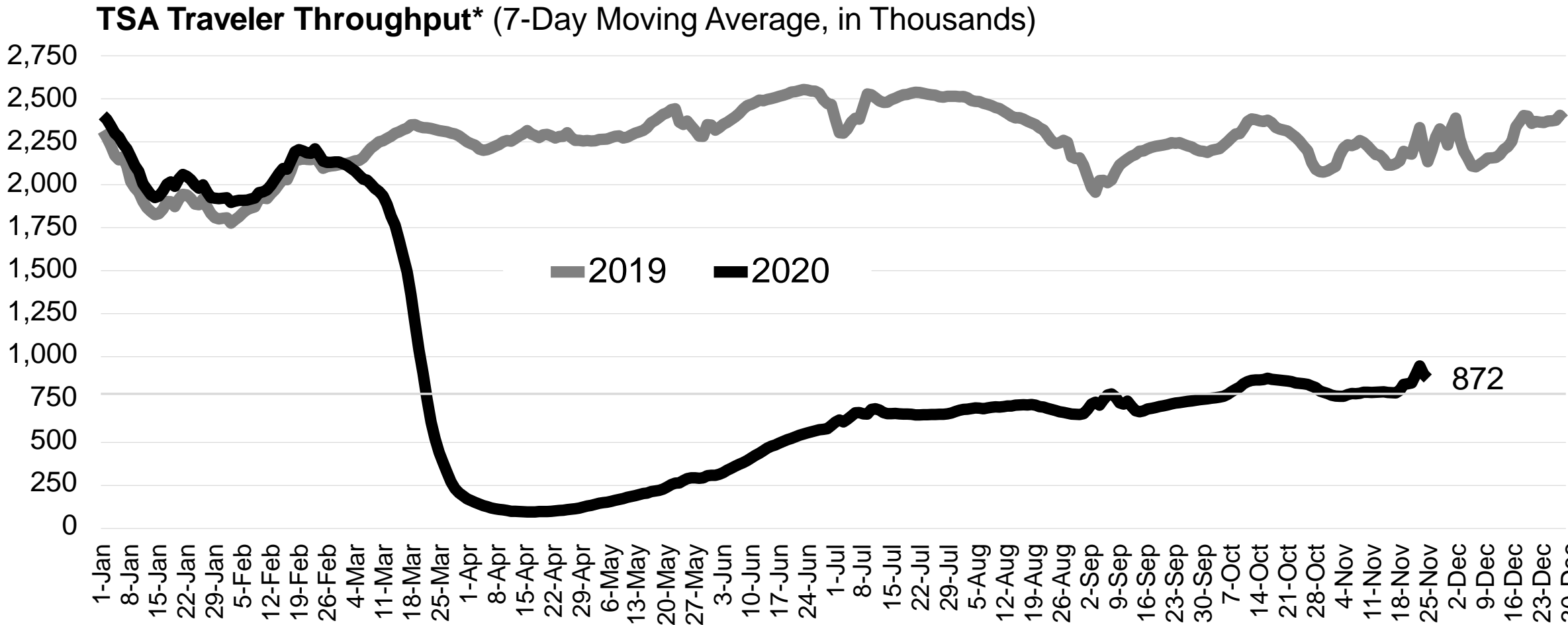
U.S. Airline Capacity Cuts Have Not Caught Up With the Severe Drop in Demand



Source: A4A member passenger airlines as reported to A4A on a consolidated company basis (including branded code sharepartners) * RPM = revenue passenger mile; ASM = available seat mile

TSA Checkpoint Traveler Throughput Is Running 59% Below Year-Ago Levels

Daily Average Bottomed Out at 95K in April 11-17

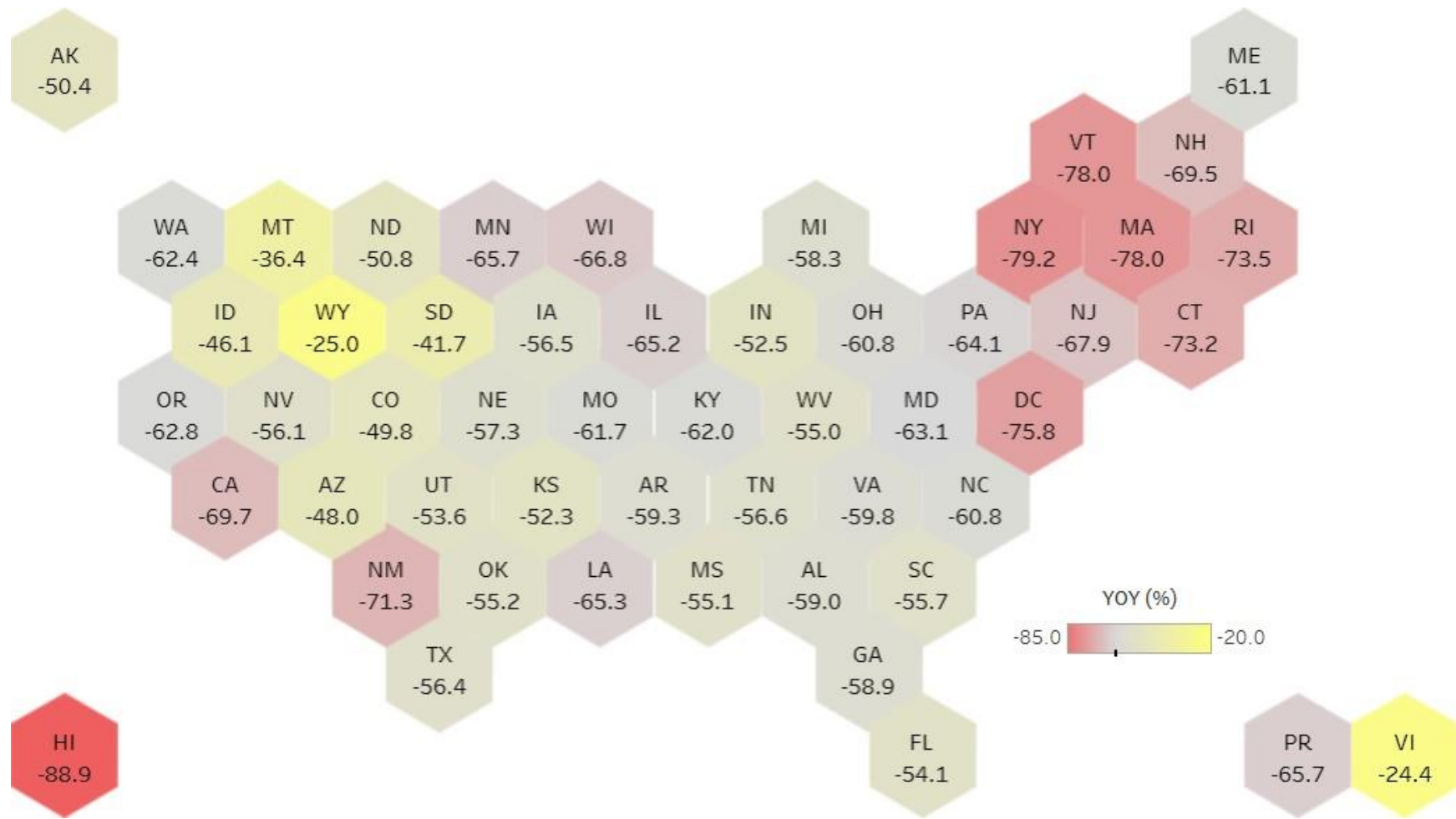


Source: Transportation Security Administration

* U.S. and foreign carrier customers (excluding Known Crewmember® personnel) traversing TSA checkpoints

October: TSA Checkpoint Volumes Declined Most in HA/NY/MA/VT/DC; Least in VI/WY/MT/SD/ID

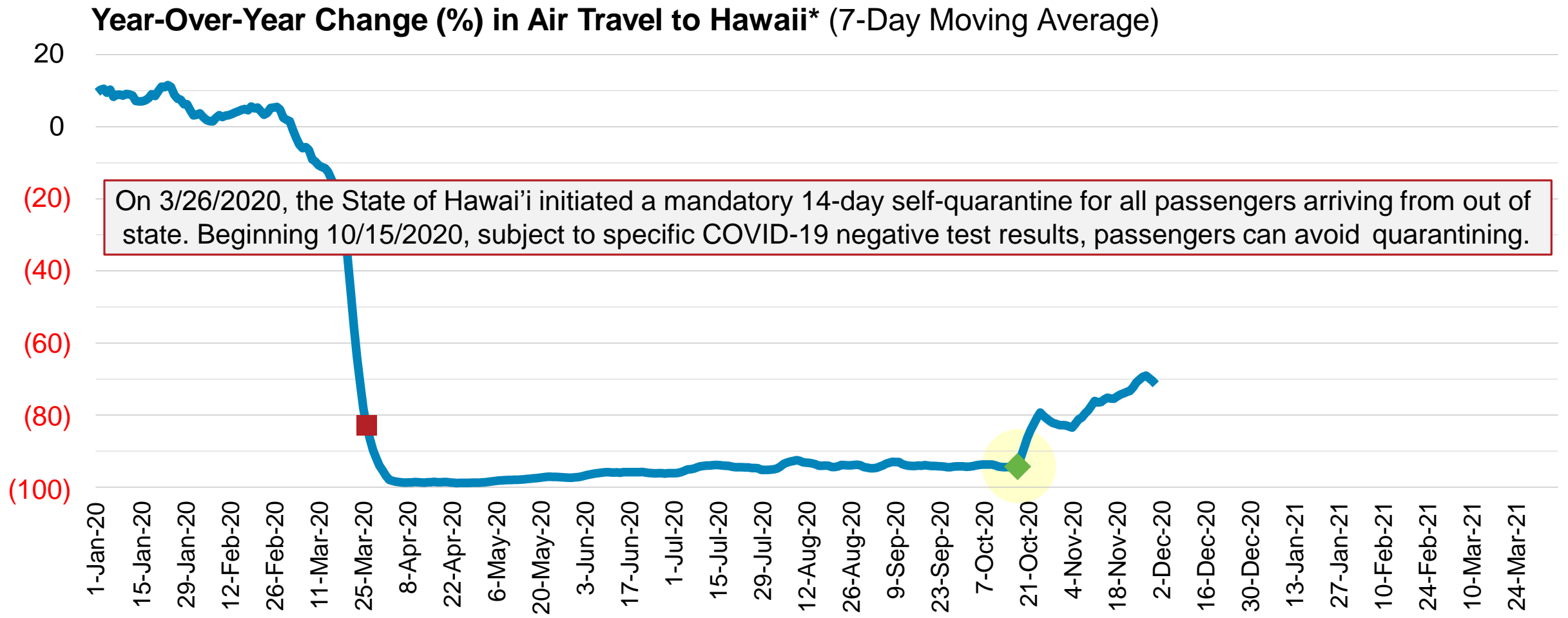
% Change in Traveler Throughput by U.S. State – October 2020 vs. October 2019



Source: Transportation Security Administration

Hawaii's Testing-Based Exemption From Quarantine Continues to Boost Air Travel

Recent Week Is 71% Below Year-Ago Levels, Materially Improved From 94% in First Half of October

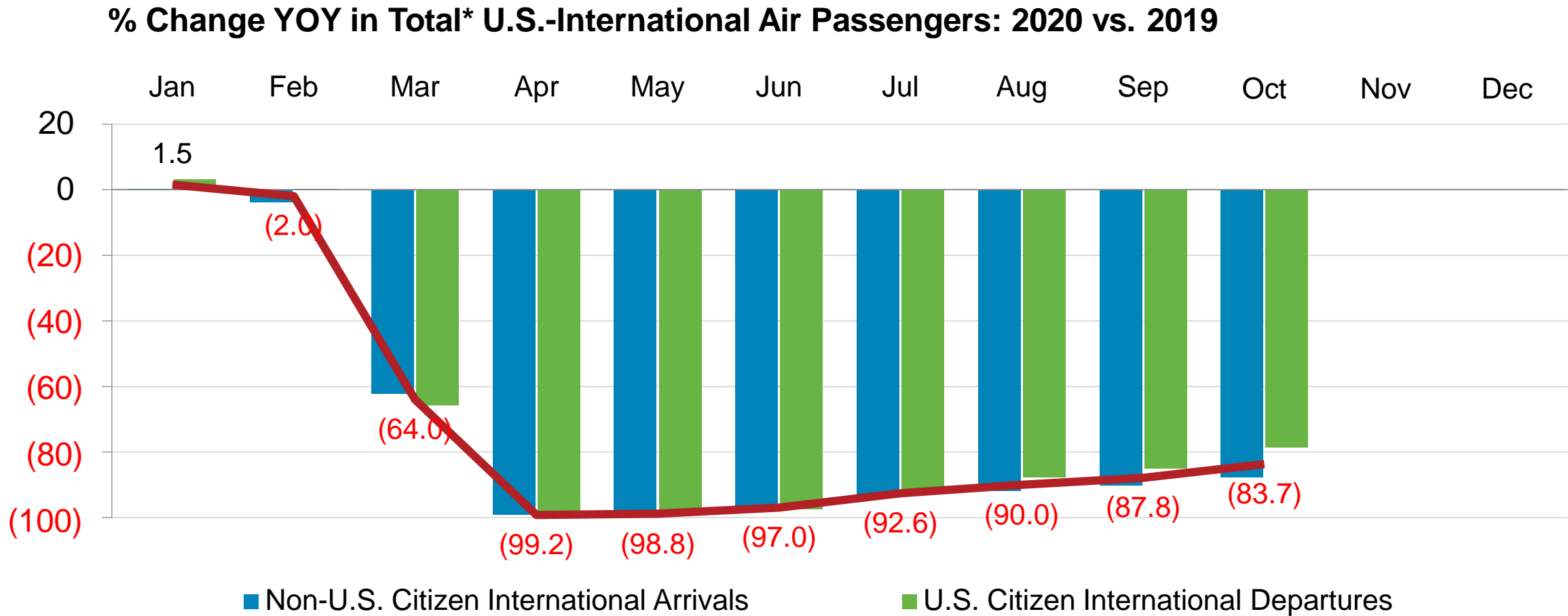


Source: Hawaii Department of Business, Economic Development & Tourism

* Daily passenger counts include returning residents, intended residents and visitors but exclude interisland and Canadapassengers

In October, U.S.-International Air Travel* Fell 84% From Year-Ago Levels

Non-U.S. Citizen Arrivals Fell 88%; U.S. Citizen Departures Fell 79%

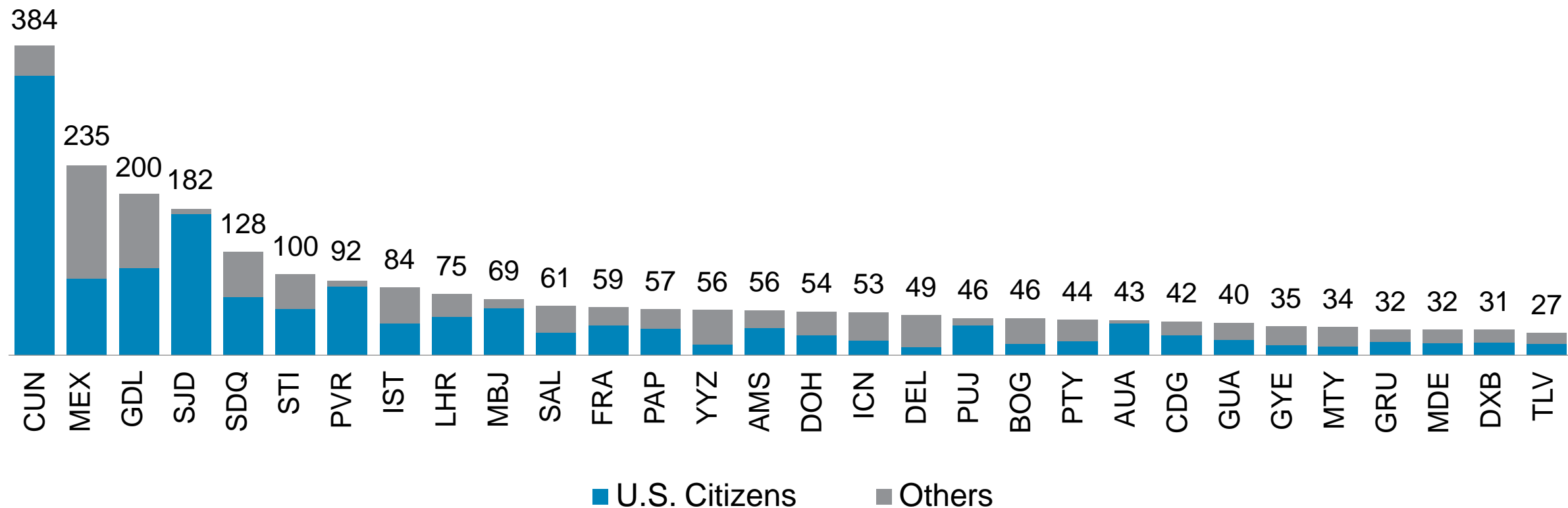


Source: U.S. Department of Commerce National Travel and Tourism Office using DHS I-92 / APIS data

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

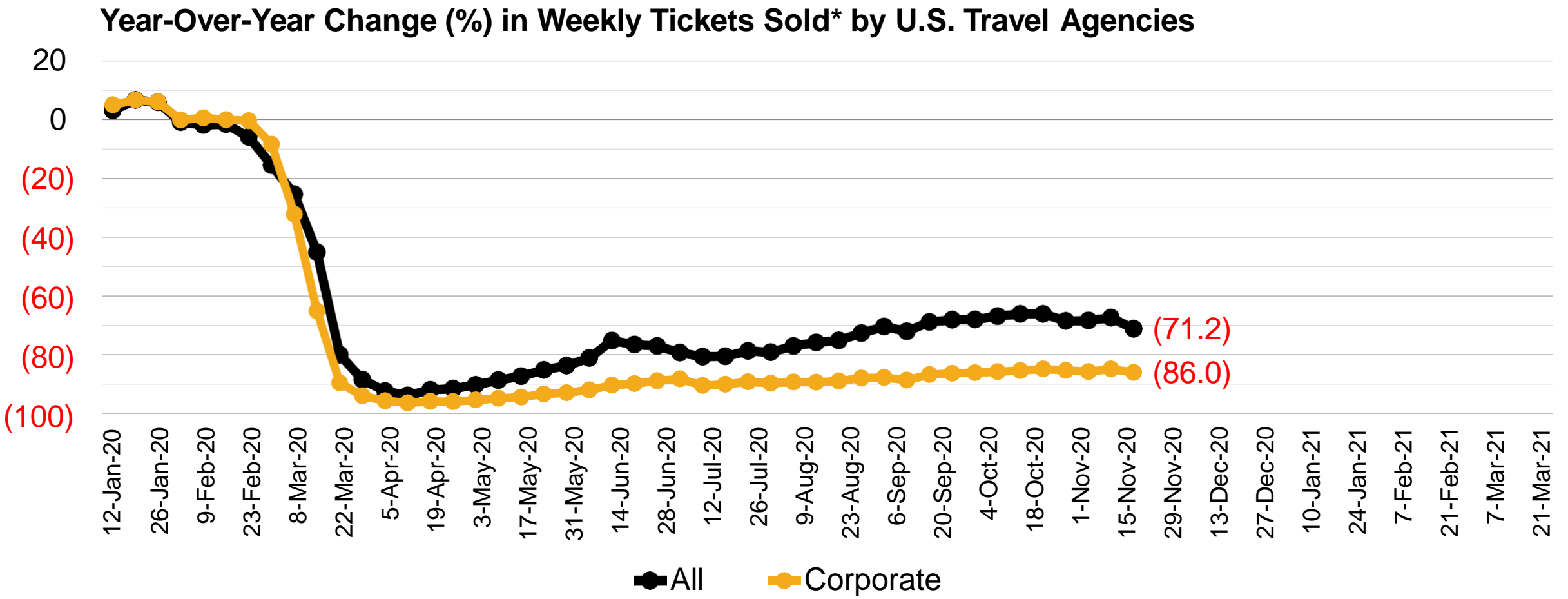
Latin American and Caribbean Airports Are the Most Popular Foreign Gateways to/from USA

October 2020: Top-30 Foreign Gateways to/from USA by Total Nonstop Air Passengers* (000)



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

Corporate Air Travel Has Yet to Recover From the Steep Declines That Began in March

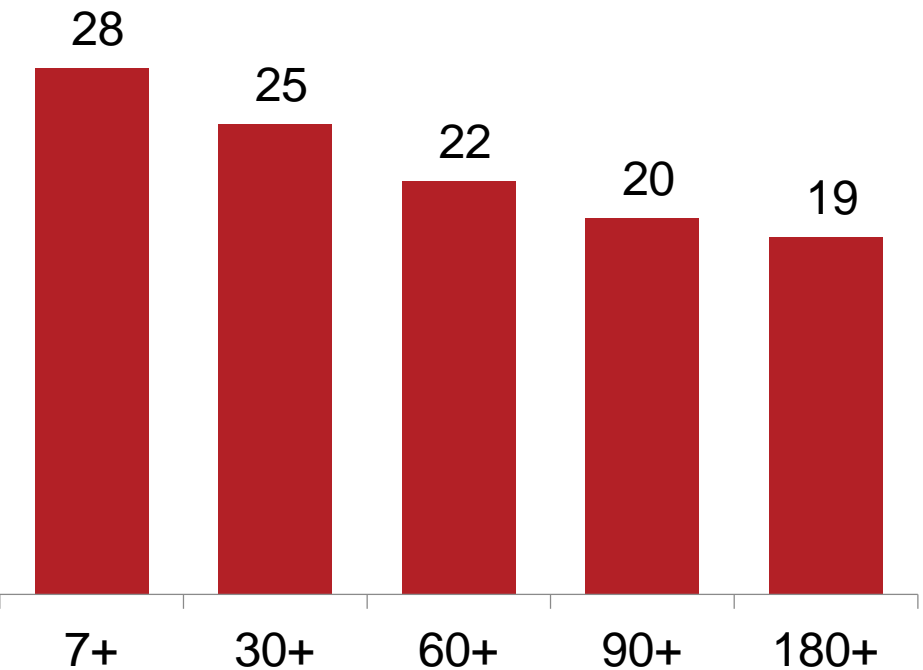


Source: Airlines Reporting Corporation (ARC) * Results do not include sales of tickets purchased directly from airlines and are not net of refunds or exchanges.

One-Fourth of the U.S. Passenger Airline Fleet Has Been Inactive for at Least 30 Days

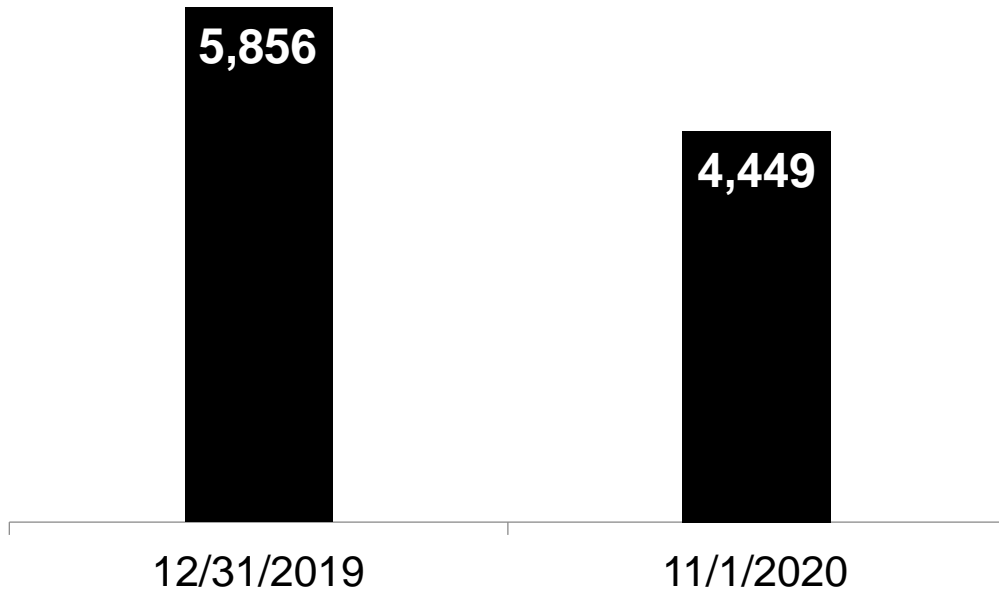
Approximately 400 Aircraft Have Been or Will Be Permanently Retired in 2020

% of Fleet Inactive by Duration



Consecutive Days Inactive as of 11/1/2020

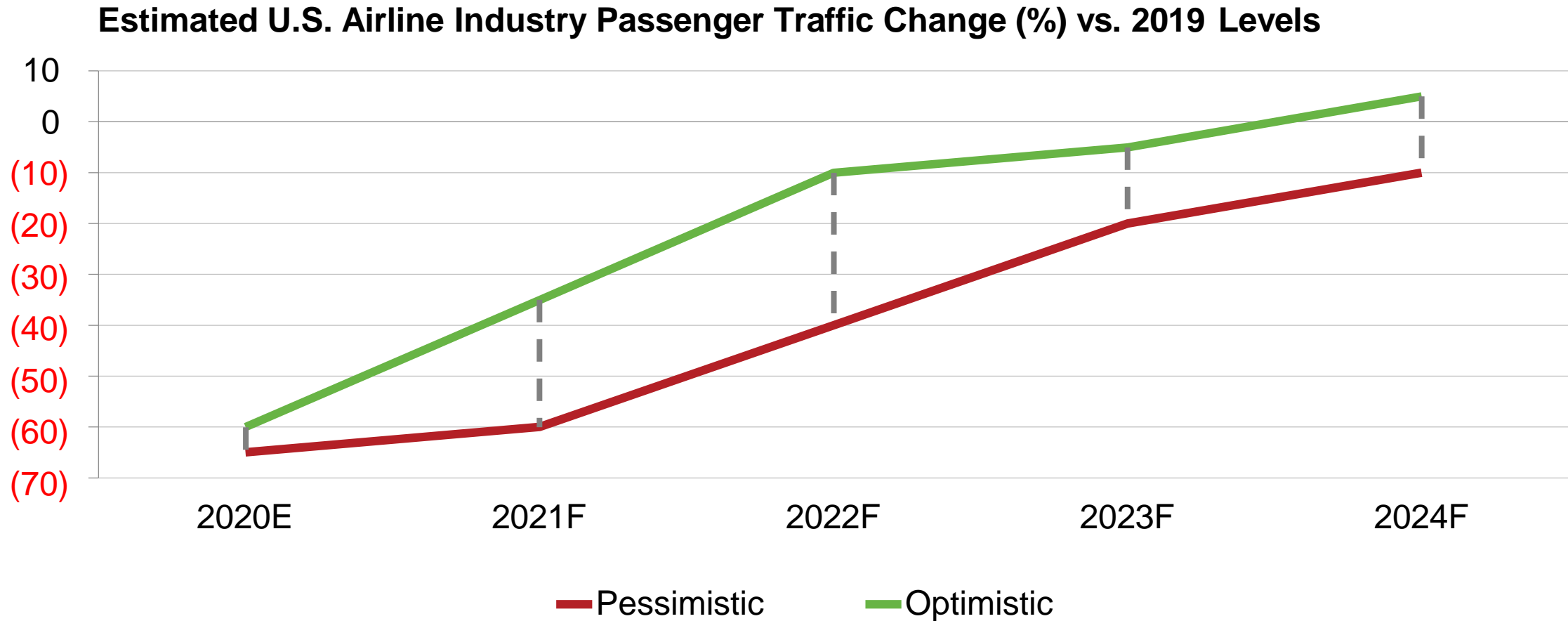
Number of Active Aircraft*



Source: Global Eagle's masFlight Aviation Platform, based on tail numbers that were active at any point in 1Q 2020. * Active defined as operated in any of the previous seven days

We Are Unlikely to See a Return to 2019 Passenger Volumes Before 2023-2024

2021-2022 Clouded by Uncertainty re: State of Pandemic, Vaccination/Therapeutics, Economy



Source: A4A and various airline equity analysts

Developments in the Marketplace Are Driving Important Changes in Airline Strategy

- Evaporation of corporate travel
- Growing interest in getaways and VFR
- “WFH” affording leisure travelers more flexibility
- Most bookings within 30 days of departure
- Aversion to connecting / layovers
- Stockpiling of travel credits (e.g., e-wallets)
- International restrictions/quarantines/recession

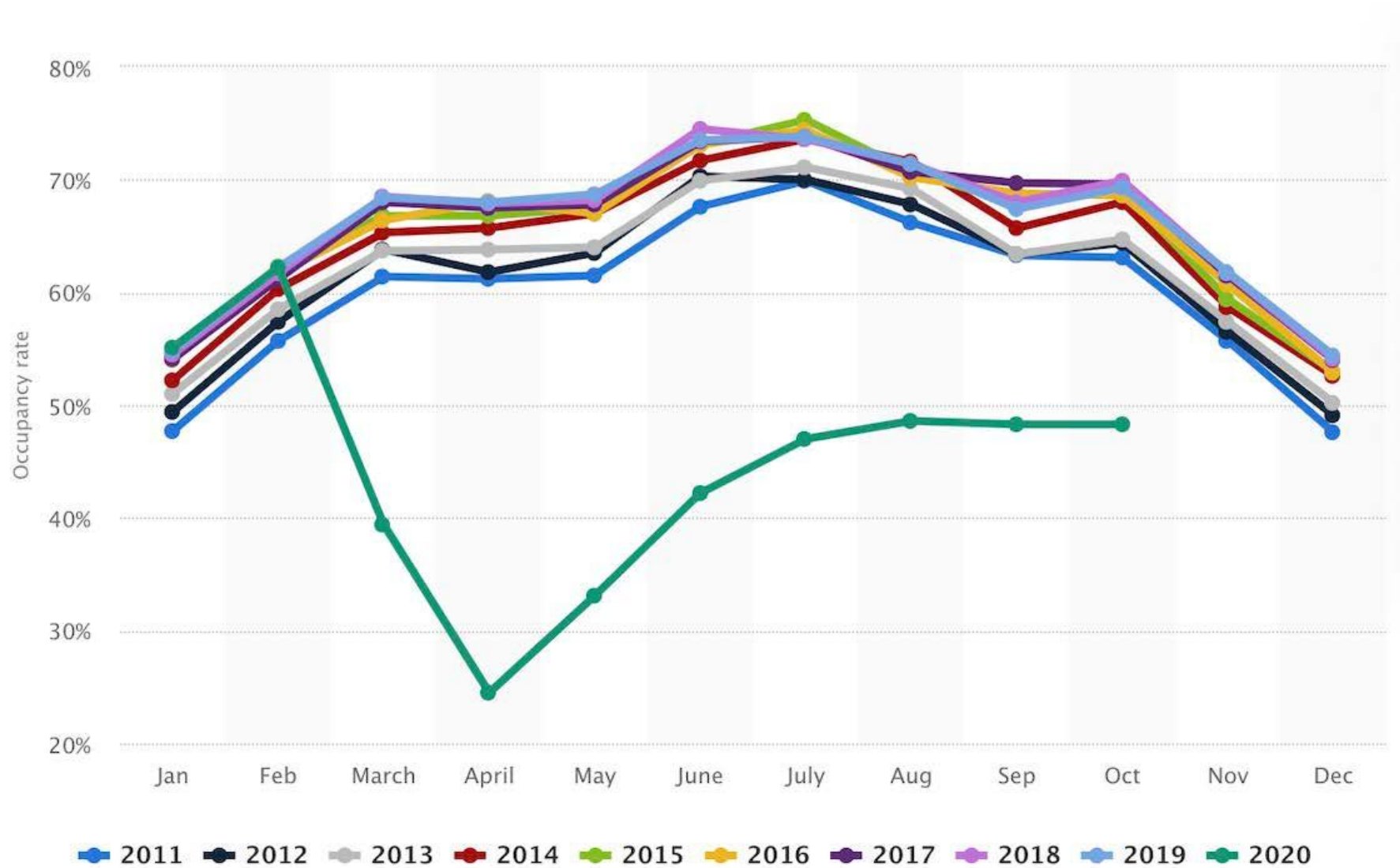
- Domestic leisure fares down > 10% YOY
- Materially higher breakeven load factor
- Higher-than-historical Thurs/Mon share of travel
- Non-U.S. point of sale down ~90% YOY
- U.S.-Mexico/Caribbean/C. America faring better

- Enhanced cleaning measures and PPE
- Widespread elimination of change fees
- Expansion of mobile app self-service functionality
- Map-based flight searches (simultaneous comparisons across multiple destinations)
- Efforts to deploy preflight COVID testing in key transoceanic corridors (incl. Lower 48-Hawaii)
- Rethinking of fleets (gauge, range, types) and routes (points, timings, frequencies, connections)
- Initiatives to capitalize on air-cargo opportunities amid reduced capacity but newer technology
- Acceleration of selected airport projects
- Focus on retaining talent, boosting morale

HOTELS

- Occupancy: 41.2% (-32.6%)
- Average daily rate (ADR): US\$88.54 (-29.0%)
- Revenue per available room (RevPAR): USD\$36.45 (-52.2%)
- 4,000 hotels will default this year alone
- One in four hotels can't pay their mortgages

Monthly occupancy rate of hotels in the United States from 2011 to 2020



Details: United States; STR Global; January 2011 to October 2020



UPWARD!

Steve Glenn
Chairman of the Board