

Air Transport Economic Outlook

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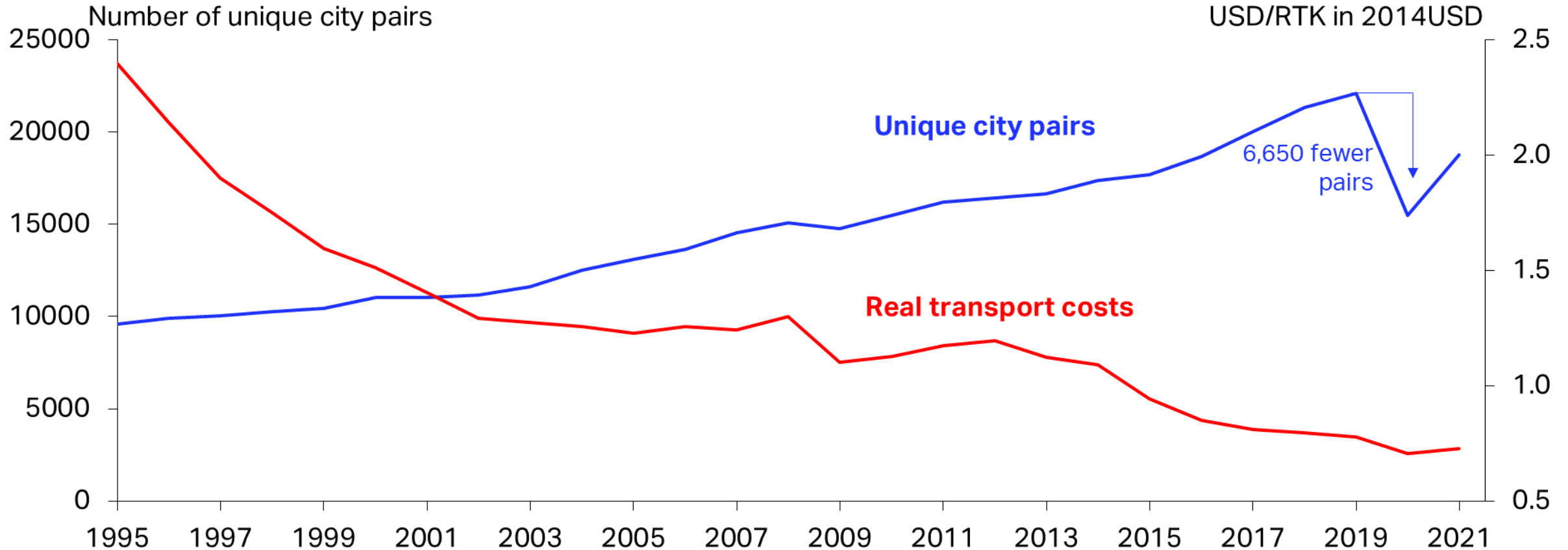
Air transport has been facing turbulent times



- Easing and lifting of travel restrictions
- Willingness to travel
- Cargo
- Business model developments
- Geopolitical conflict
- Debt burden and cost
- Energy costs
- Climate change costs

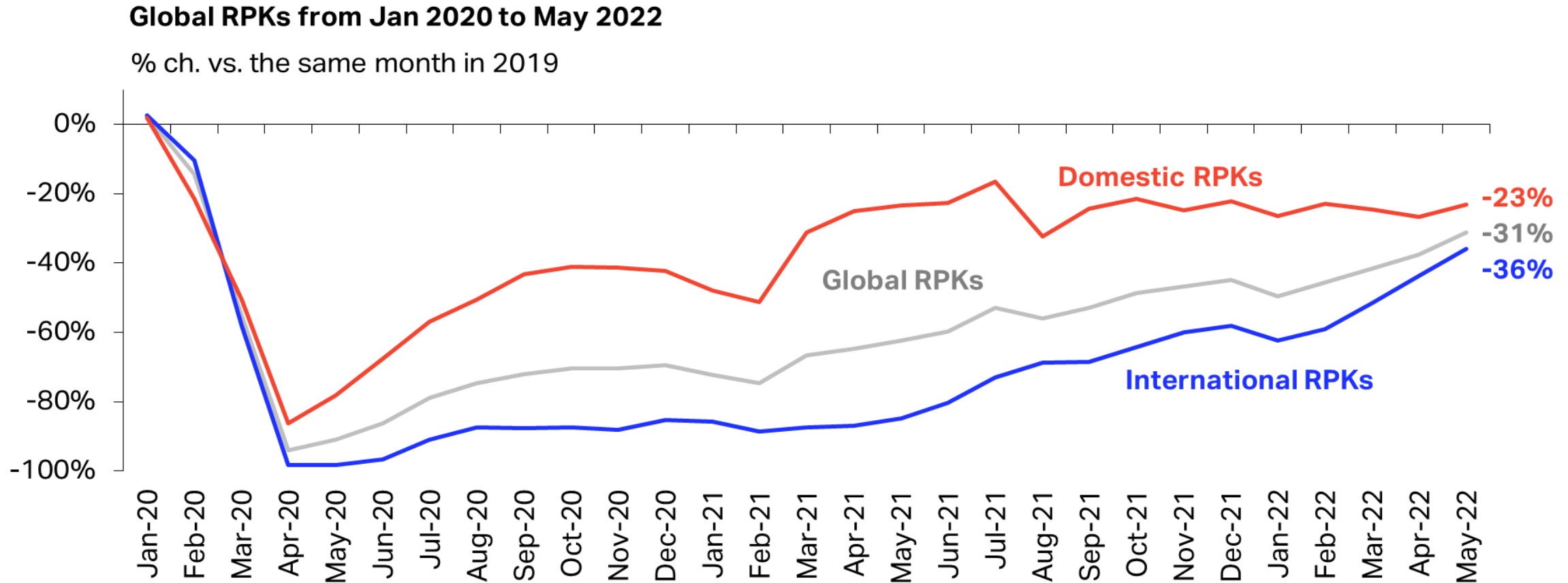
Aviation has been hit by the pandemic

More than 6,600 city pairs were lost due to the pandemic



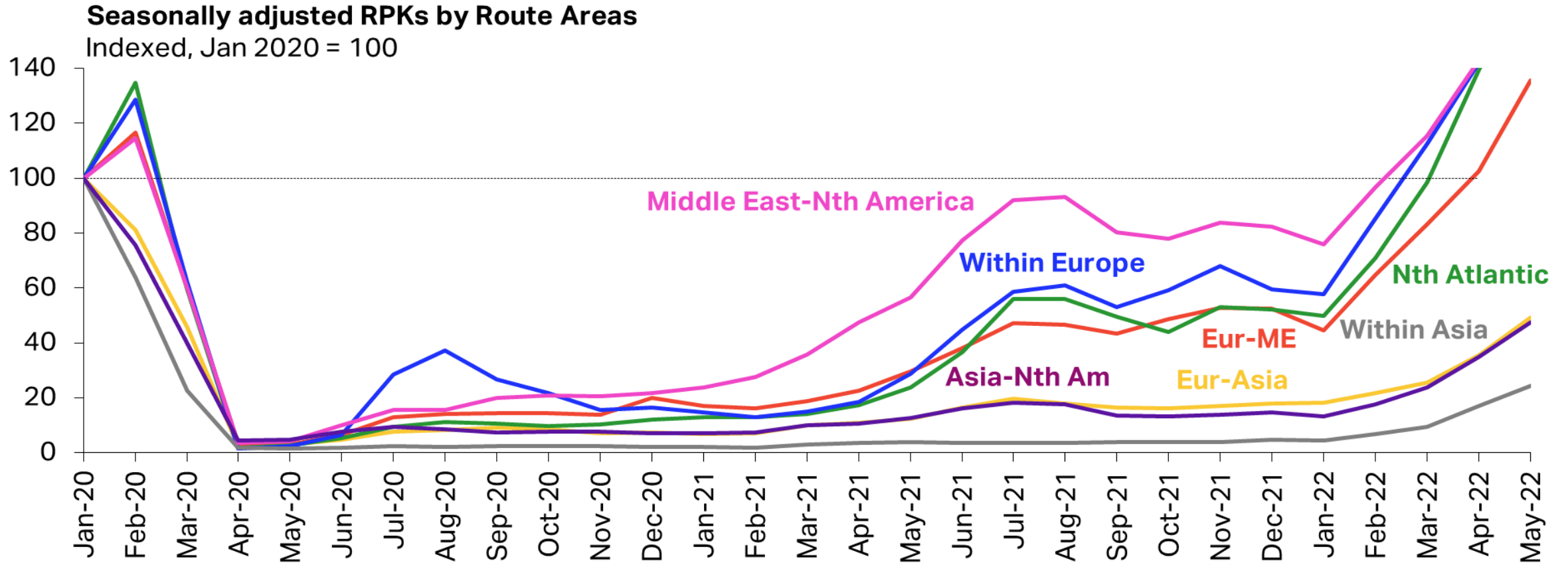
Traffic volumes recovering from the Omicron fall in early 2022

International RPKs down 36% vs. 2019 in April, Domestic RPKs slowed down, now at 77%



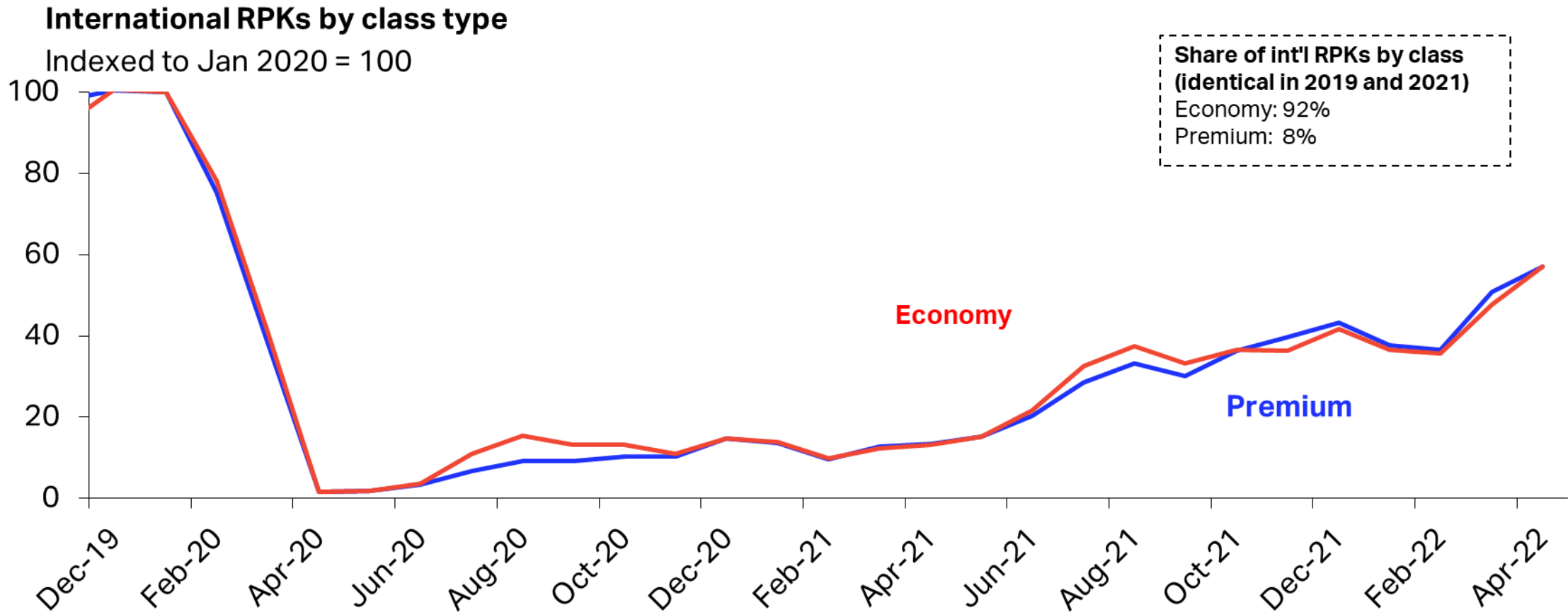
International travel gradually returning despite shocks

Europe and North America leading the recovery due to open borders and strong pent-up demand

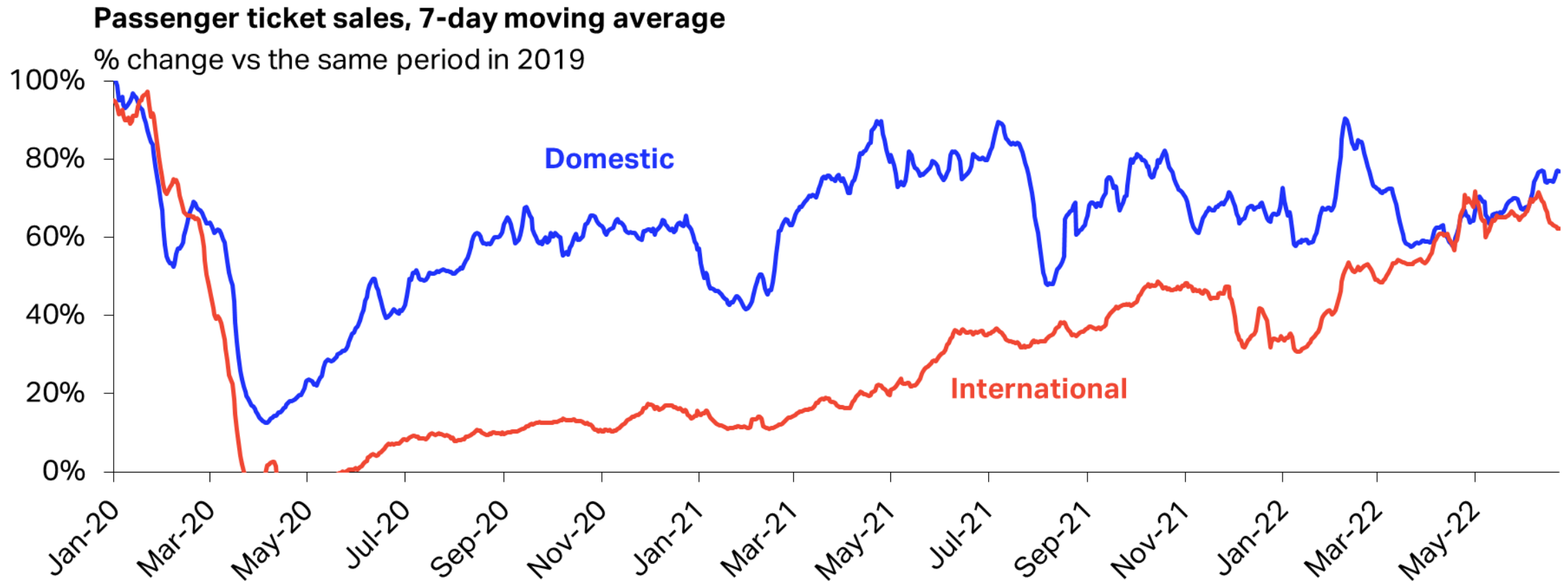


Premium and economy kept same traffic share

Fell in line in 2020, then recovered at the same pace



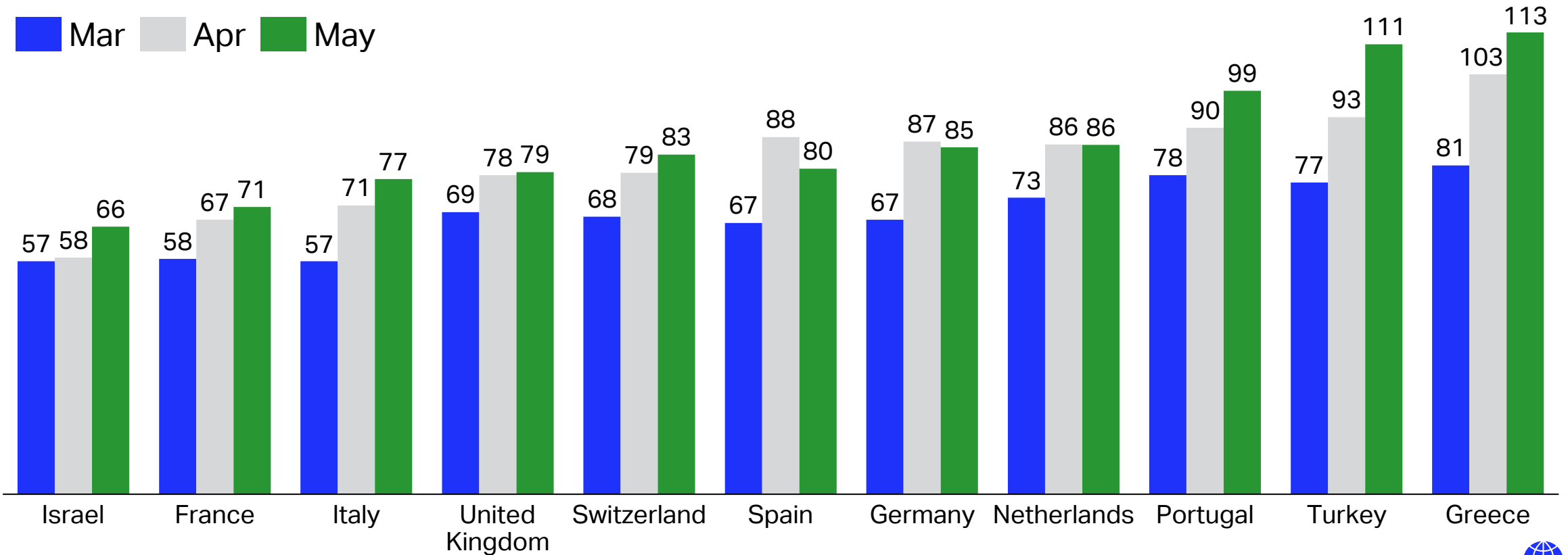
Global international bookings are boosted by summer vacation travelers and fewer restrictions



Airline bookings in Europe are recovering swiftly

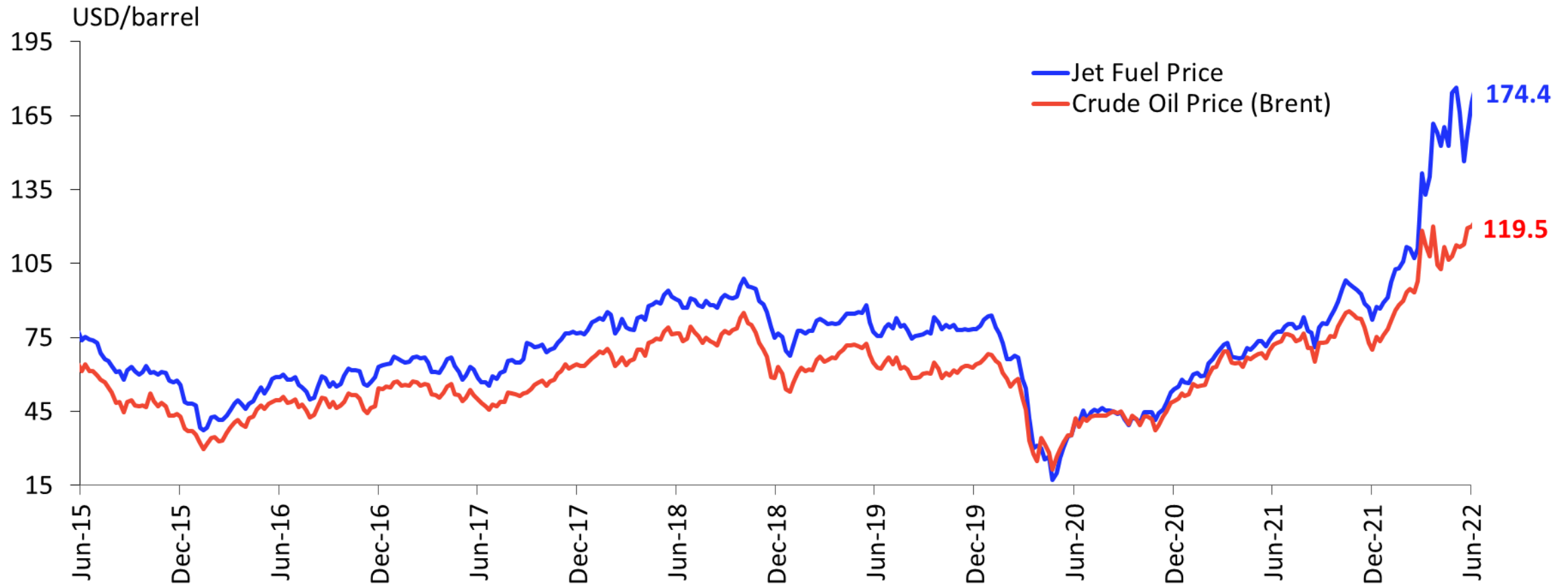
May bookings almost at pre-crisis levels in several touristic destinations

Number of international ticket sales to/from selected countries in Mar-May 2022, as % of same month in 2019



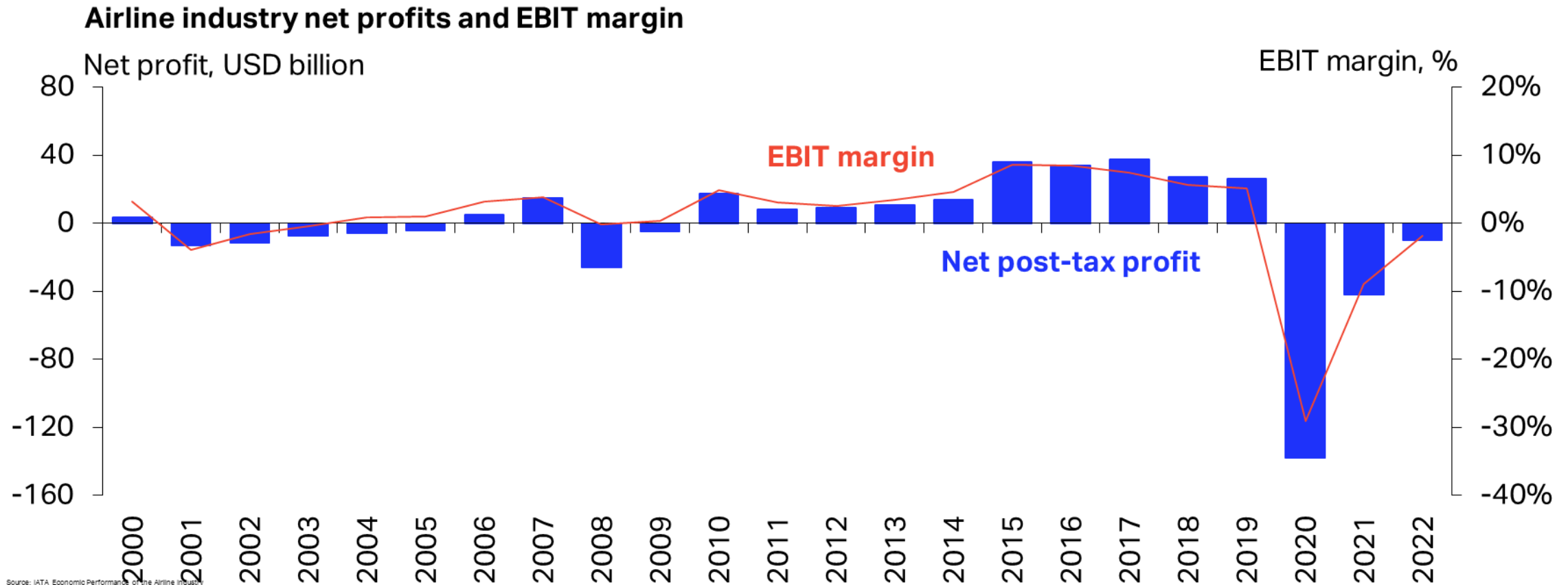
However, more and more pressures on operating costs

Jet fuel price more than doubled in 2022



Financial forecast still negative for this year

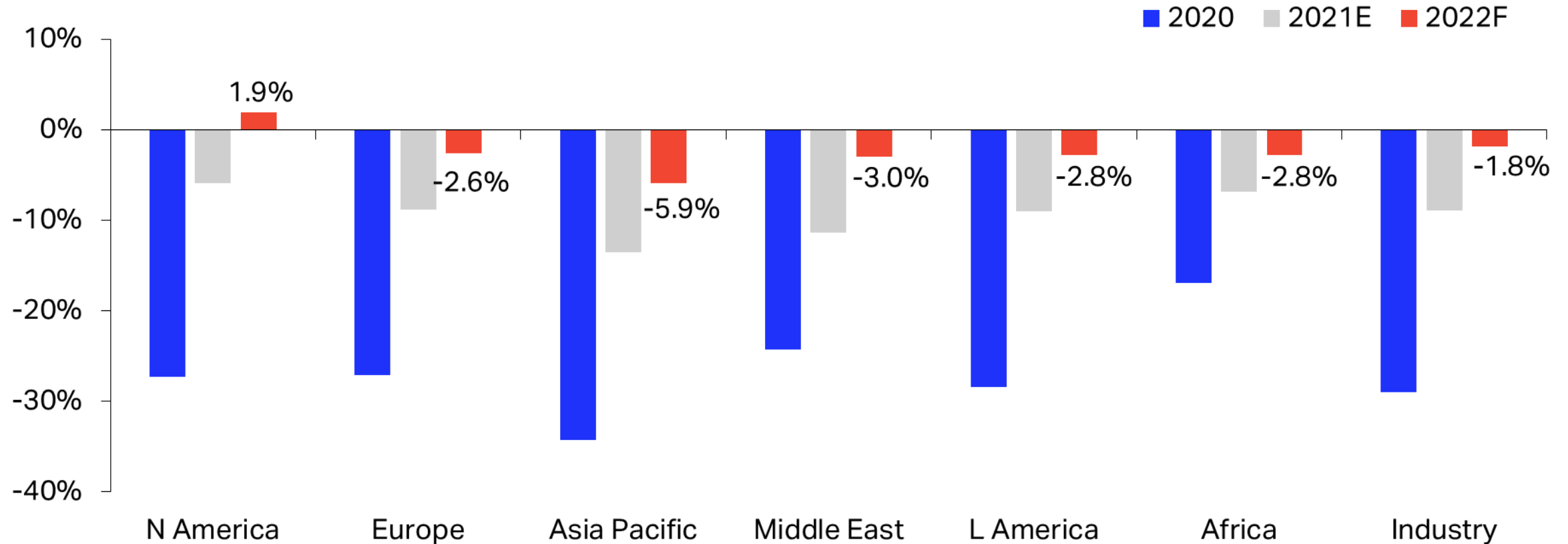
Further increase in costs will be a challenge for airlines



But the situation is different across regions

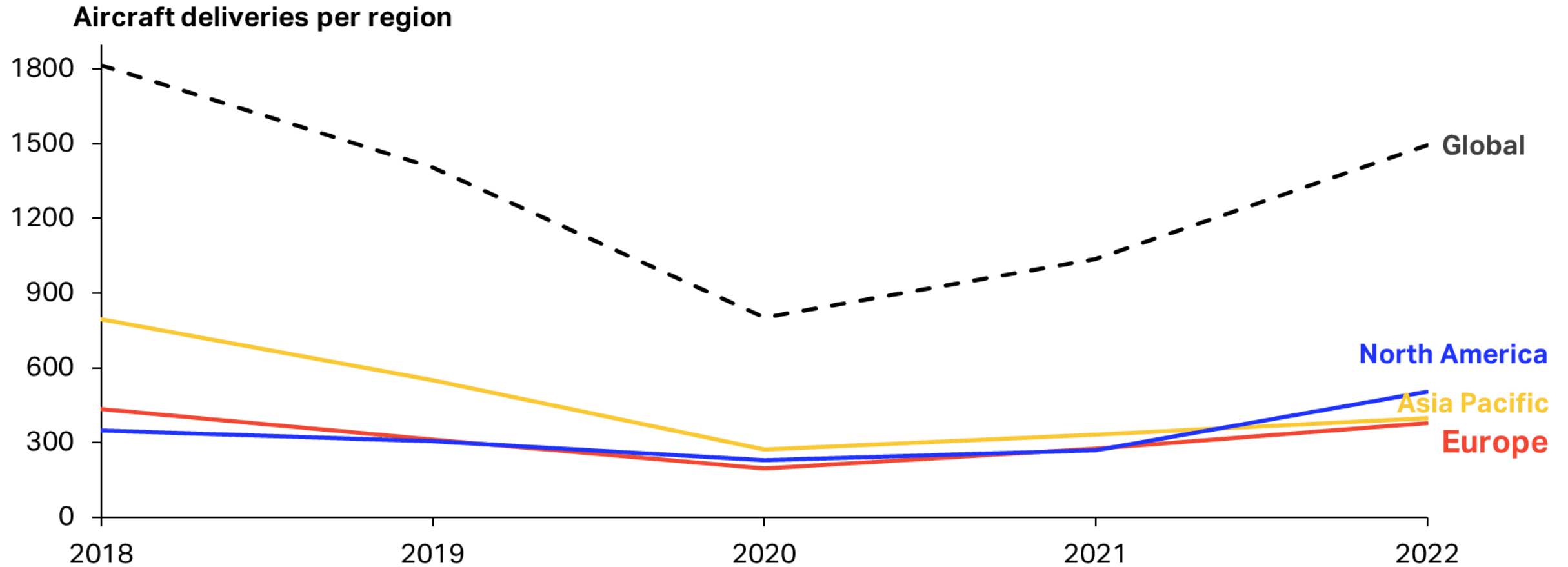
North America profitable in 2022, Asia Pacific lagging behind

Airline region operating margin, % revenue



But the future of air transport is still looking bright

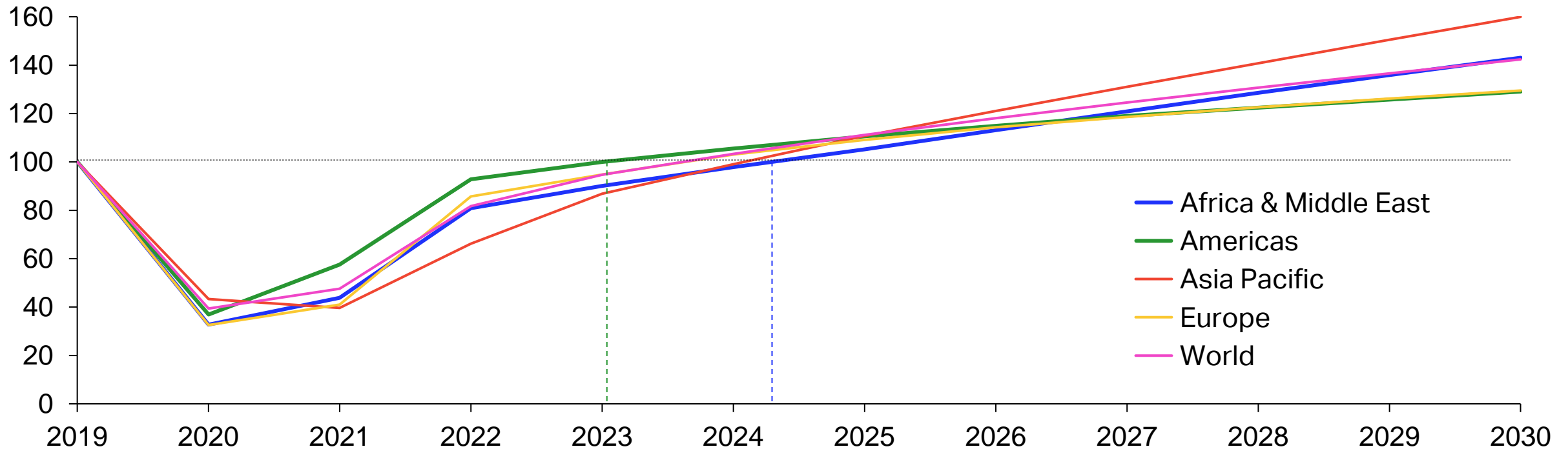
Aircraft deliveries are on pre-crisis levels in some regions



Americas are estimated to recover in 2023

Asia Pacific and Africa only in 2025

Passenger Forecast, passenger demand as a % of 2019



A number of challenges on the horizon...

- Further increase in inflation pushing consumer prices high
- Economic sanctions – economic pressures
- RU and UA are important commodity exporters – ripple effects globally
- Increased military spending, not good news for the environmental agenda
- Further restructuring and new business models
- Labor shortages causing flight delays and cancellations

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