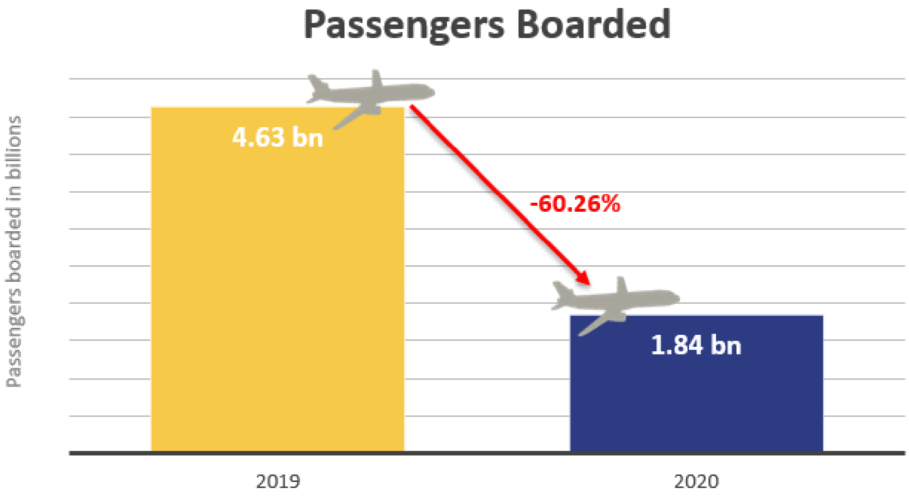
FIRST VIEW

June 2021

2020 GLOBAL PASSENGER VOLUMES: 1.84 Billion

THE FACTS

T2RL has released its assessment of 2020 global passenger volumes showing 1.84 Billion passengers boarded - a 60% decline from 2019's 4.63 billion.



T2RL's 2020 global passenger volumes projection, published in our October 2020 Global Passenger Volumes Analysis Report, was 1.88 Billion. The 40 million difference, amounting to 2.1%, was due to various Covid-19 related travel restrictions and border closures that continued longer than expected into Q4 2020 as many countries faced second waves of the pandemic.

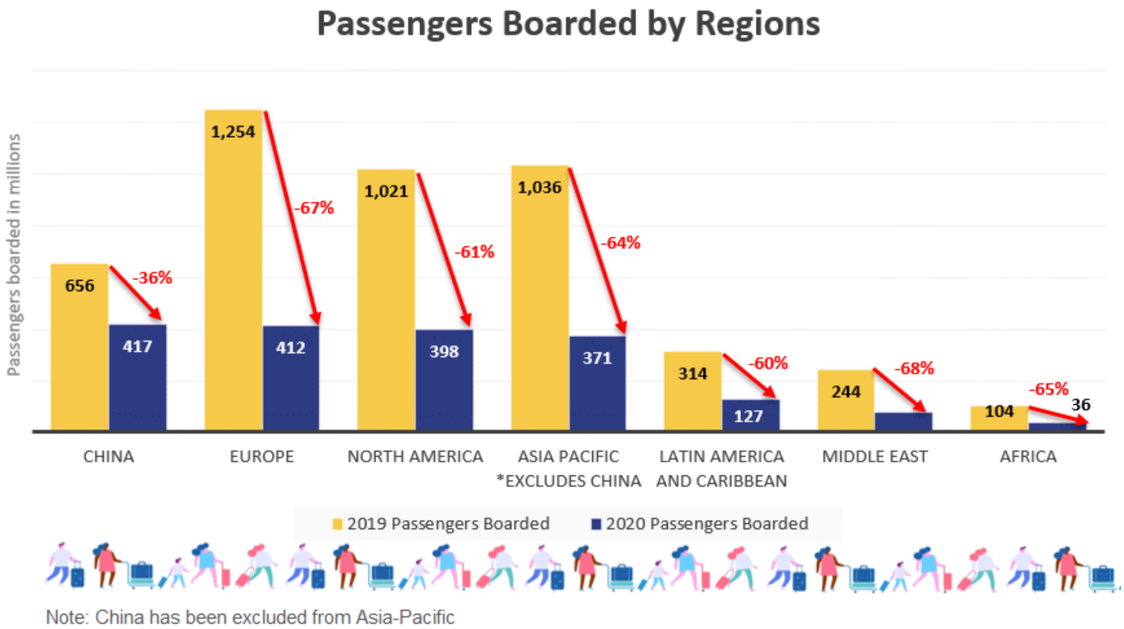
THE ANALYSIS

T2RL's passenger numbers analysis is derived predominantly from figures reported by the airlines themselves. Where reported numbers are not available we use a system of estimations that we have developed over several years. Full details of our approach to data gathering and estimation may be found at www.t2rl.net. For 2020 91% of the passenger numbers were based on reported data with only 9% based on estimates.

Some significant highlights from our 2020 passenger volumes include;

- 2020 passenger volume has taken the industry back 15 years to 2005 passenger volume levels and is 3.21 billion below our pre-Covid projection for 2020 of 5.05 billion.
- Of the 1.84 billion passengers in 2020, T2RL estimates around 75% to be domestic traffic and only 25% to be international traffic, in comparison to 52% domestic and 48% international traffic in 2019.

- 233 airlines carried more than 1 million passengers in 2020, in comparison to 352 in 2019.
- China Southern Airlines replaced American Airlines as the largest airline group by passengers boarded in 2020 whilst Southwest Airlines has maintained its position as the largest individual carrier by passengers boarded.
- Amongst Tier 1 - 3 carriers (> 3 million passengers boarded) and excluding Chinese airlines, Russia-based S7 Airlines and low-cost carrier Pobeda witnessed the lowest traffic declines of around 12% each.



- China has displaced Europe & the USA as the world's largest market by passengers boarded in 2020. Chinese carriers also reported a traffic decline of 36% - the lowest amongst all countries globally.
- Carriers based in the Middle East and Europe saw the highest traffic declines in 2020. The majority of European carriers' traffic is international and the major Middle Eastern airlines are primarily international with a lot of connecting traffic.

- North American carriers witnessed a slightly lower drop of 61% in 2020 in comparison to the other regions due to the size of the U.S. domestic market.

- Airlines based in Asia-Pacific (excluding China) witnessed a traffic drop of 64%. India, which is the region's largest domestic market, continues to record the second highest number of Covid-19 cases globally.

- Carriers based Latin America & Caribbean experienced the lowest traffic decline of 60% as the region entered the crisis with a delay and also has some large domestic markets such as Brazil and Mexico.

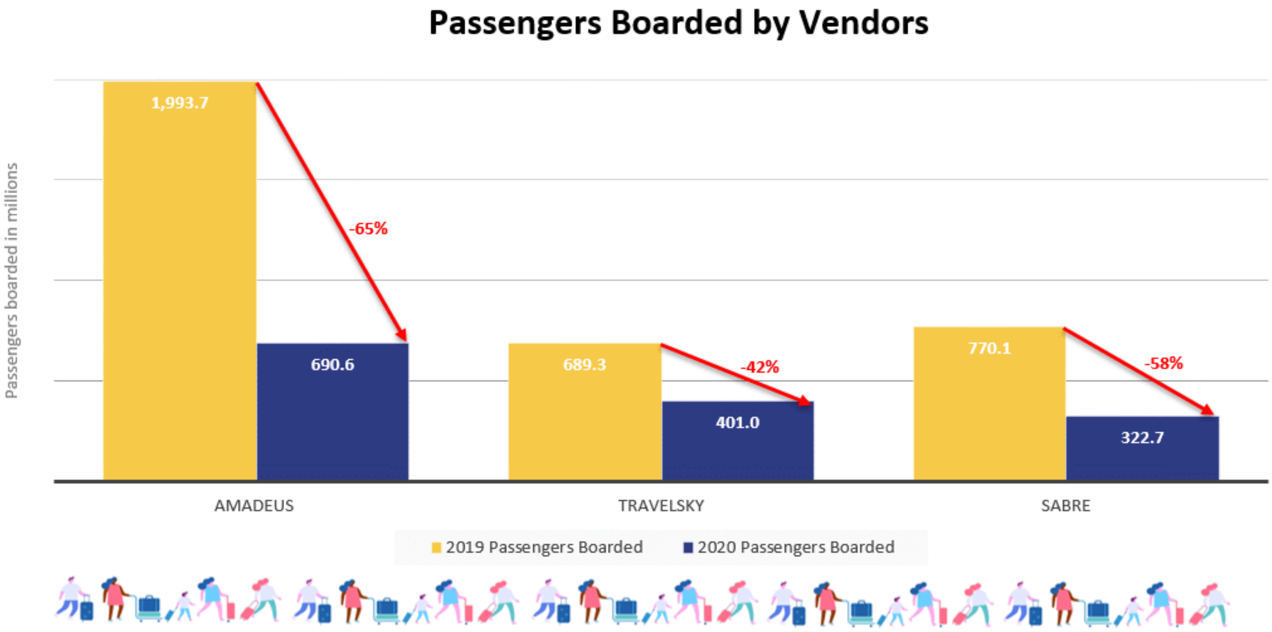
- African carriers witnessed a 65% traffic decline as they have a higher proportion of international traffic and border closures in many African countries stopped all flights for a period of time.

Full information at an individual airline level is available to subscribers in the T2RL database at www.t2rl.net. An in-depth analysis of 2020 passenger volumes by country, region, groups, alliances, business model and comparisons to 2019 will be included in our annual global passenger volumes report scheduled for September 2021.

2021 global passenger volume projections and longer-term predictions will be conducted in Q3 so as to take into account 1st Half 2021 volumes and will also be published and analysed in our 2021 global passenger volumes report.

THE SPECULATION

T2RL has reconciled passenger volumes published by the three largest PSS providers - Amadeus, Sabre & TravelSky. The graph below shows a comparison between 2019 and 2020 passengers boarded by the three vendors.



Note: Amadeus volumes include Navitaire and Sabre volumes include Radixx from Jan-Dec 2019 & 2020.

Amadeus has maintained its position as the market leader in 2020, although it has witnessed the highest passenger volume decline of 65%. This directly correlates to the fact that majority of Amadeus PSS customers are based in Europe and the region saw one of the highest passenger traffic declines in 2020.

TravelSky processed more passengers than Sabre in 2020 for the first time and saw the lowest volume decline of 42%. This is due to the quicker recovery of the Chinese domestic market and is in line with Chinese carriers experiencing the lowest traffic decline amongst all regions and countries in 2020.

Sabre passenger volumes were the lowest amongst the three vendors in 2020. Its traffic decline however was significantly lower than Amadeus, primarily due to the geographical distribution of Sabre's customer base. In 2020 carriers based in Latin America & Caribbean and North America witnessed lower traffic declines in comparison to other regions. Radixx volumes are included in Sabre but Radixx volumes separately saw around 50% decline, which also contributed to Sabre's overall 58% passenger volume decline.

T2RL speculates that 2020 has left TravelSky relatively stronger and Amadeus relatively weaker. Sabre is likely to recover faster than Amadeus because of its greater exposure to the US domestic market. Amadeus winning Southwest Airlines in 2017 looks even more important from that perspective. Whether these changes will have any strategic importance to the market positions depends on how long it takes to get back to "normal".

T2RL will continue to track passenger volumes published by Amadeus, Sabre & TravelSky. Taking into account 1st half 2021 reported volumes, T2RL will project full year 2021 volumes for the three largest PSS vendors in Q3 2021.

T2RL is an independent research and consulting company that specialises in the market place for airline IT systems. Based on data gathered and analysed since the year 2000 it has defined and tracked classifications of airlines and their IT providers. Its research is used by airlines to enable them to make informed choices of systems and vendors and by the vendors to help them develop products that best meet the current and future needs of the airline industry. For further information, visit our website at www.t2rl.com.