

Aviation Capacity Rebuild

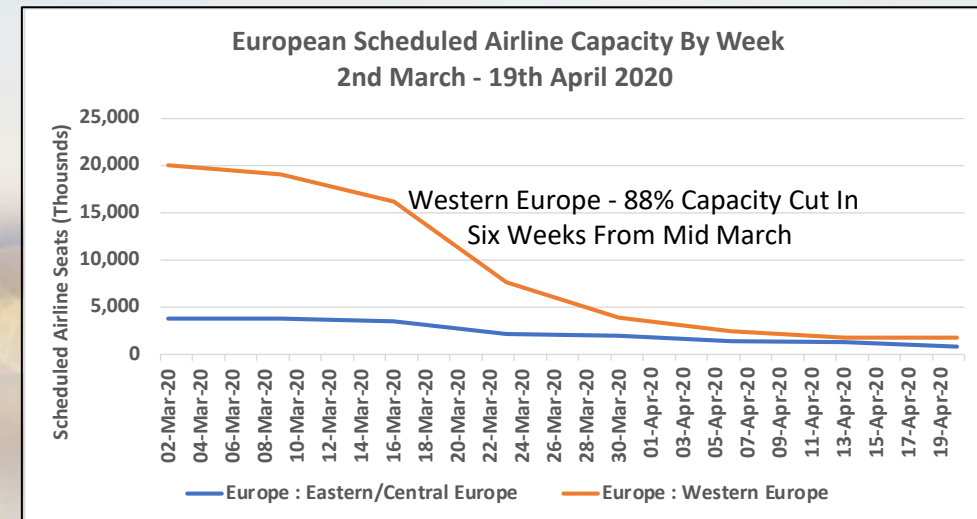
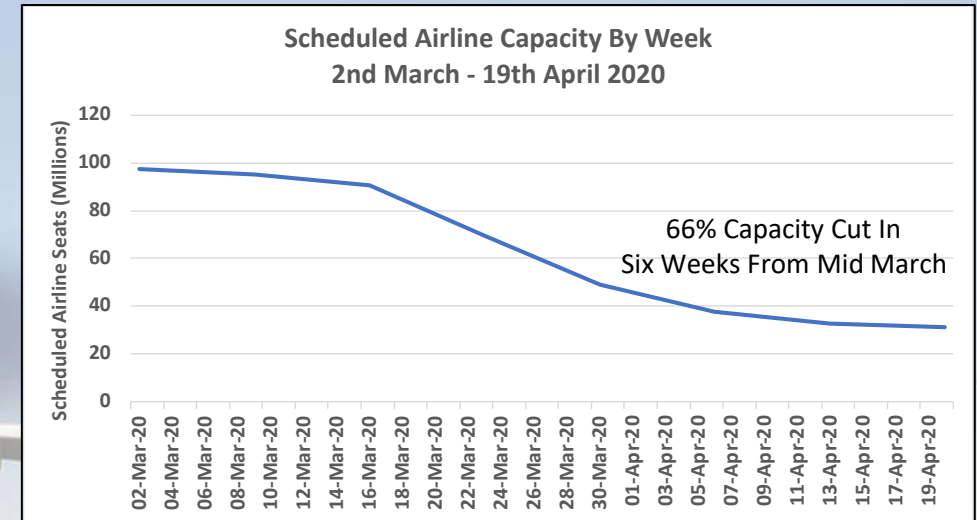
A large commercial airplane is shown in flight, viewed from a low angle. The plane is white with two engines. The background is a dark blue sky with some clouds. In the foreground, there are blurred lights, likely from a city or airport, creating a bokeh effect.

30th March 2022

WAS IT REALLY TWO YEARS AGO?

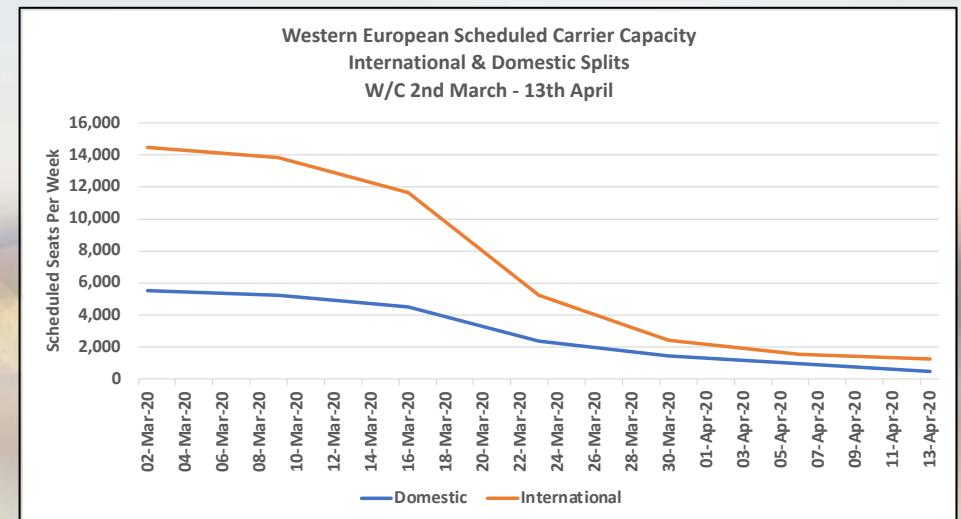
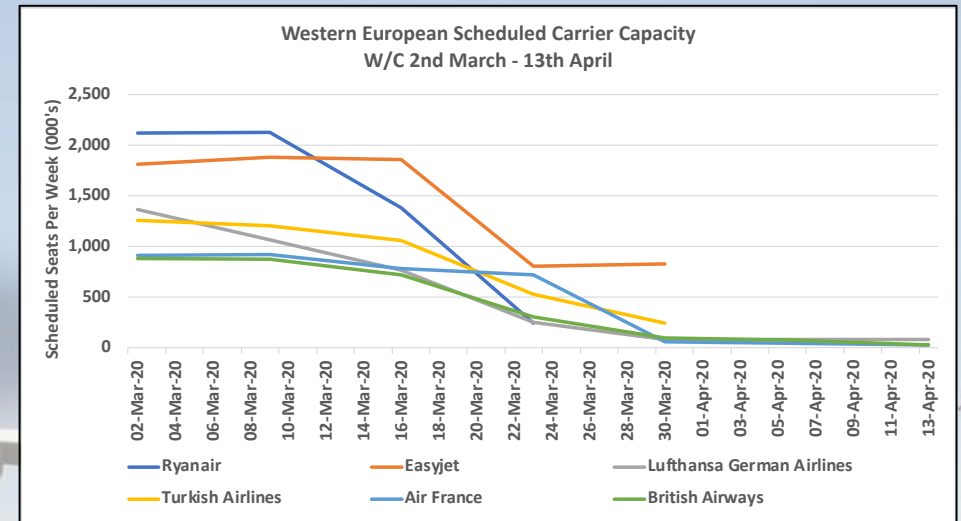
- In a six week period, global capacity fell by over 66%
- Western European capacity fell by a staggering 88% in the space of six weeks
 - From 20 million seats a week to 2.4 million.
 - By week seven only 8% of normal capacity was being operated.

The airline industry was in meltdown



WESTERN EUROPEAN CAPACITY DESTROYED

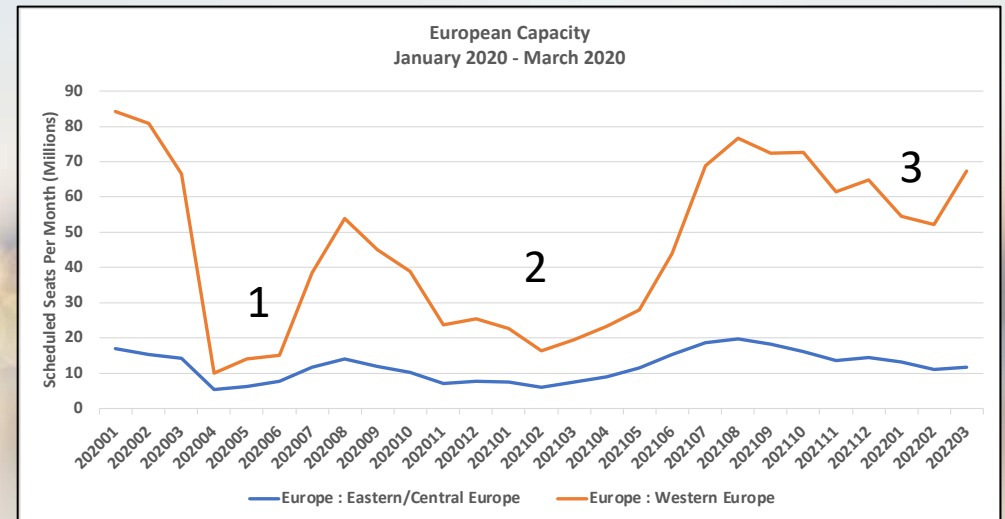
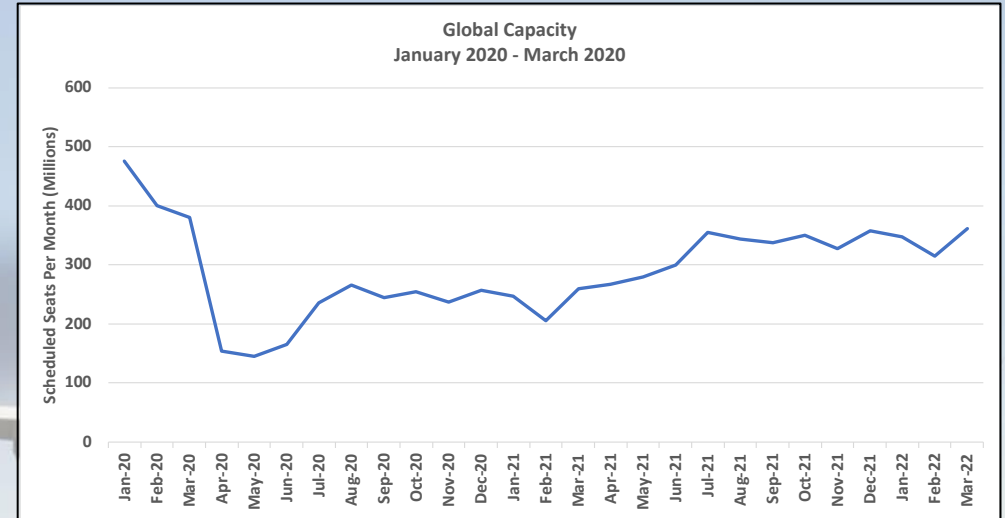
- In a seven week period over 90% of Western European capacity was cut
- The number of airlines operating fell every week
 - w/c 2nd March – 252 airlines
 - w/c 23rd March – 215 airlines
 - w/c 13th April – 161 airlines
- Carriers such as Ryanair, EasyJet and Turkish Airlines has stopped operating all flights.
- Bizarrely Wizzair actually expanded operations but then “cancelled” most of those flights at short notice.



No one had a clue what to do or how to survive

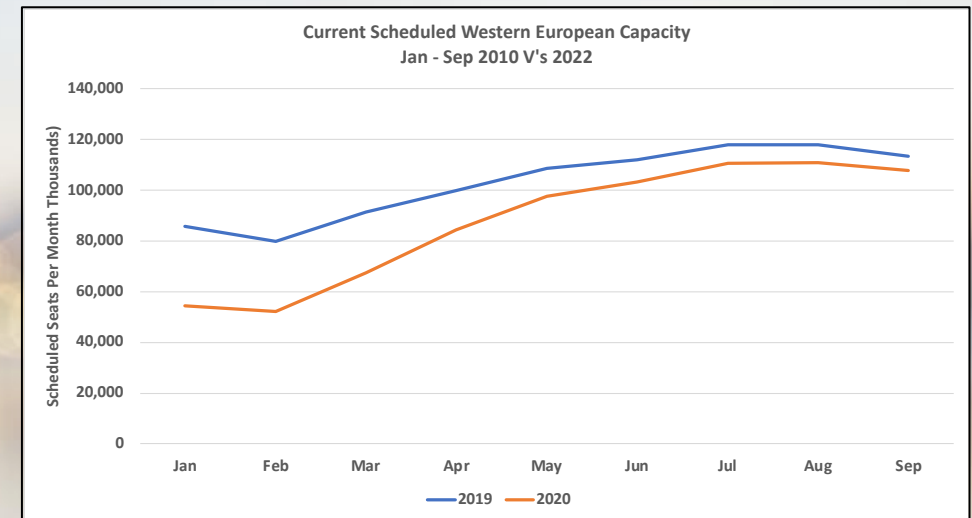
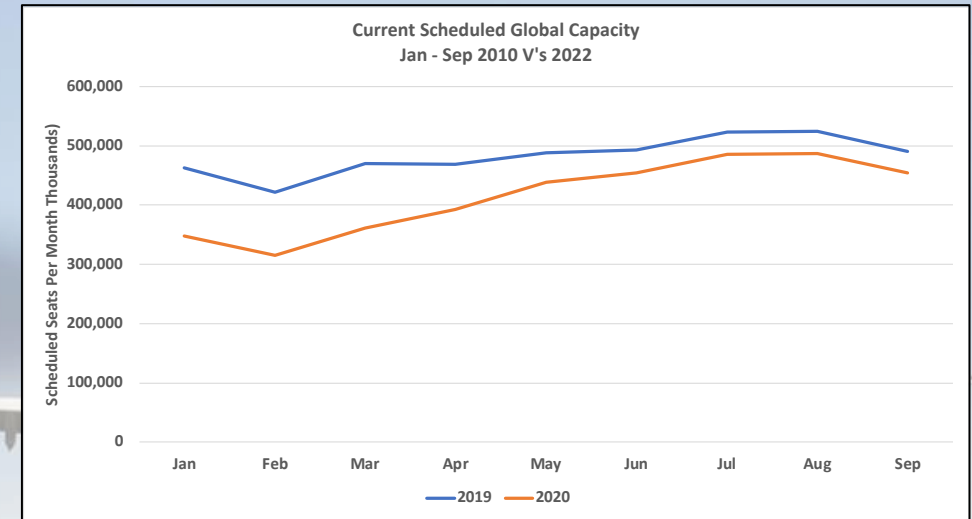
BUT, FINALLY THINGS ARE GETTING BETTER (AGAIN)

- In the last two years there have been a series of false dawns in the capacity recovery.
- Western Europe has seen three “pandemic events” over the last two years.
 - In April 2020 capacity was at just 12% of pre event levels.
 - By August 2020 capacity had recovered to 67% of the pre event levels and subsequently slipped back to 20% of normality.
 - And then in February 2022 capacity fell back again as Omicron swept through.
- Against such back drop airlines, airports, tour operators and consumers have seen confidence badly damaged.



SUMMER'S CAPACITY LOOKS GOOD - AT LEAST THE HEADLINES!

- By September 2022 current capacity will be within 8% of pre pandemic levels.
 - **BUT**, capacity cuts shaved every week by carriers around the world
 - Pandemic events are likely somewhere
 - Demand may be impacted by rising costs
- In Western Europe capacity gets to within 5% of September 2019 but with the same caveats.
- More realistically, global capacity will probably be around the 84% mark of normal
- Western Europe slightly higher.



THIS WEEKS HIGHLIGHTS



- Global capacity is up by 3% to 84 million seats per week
- Western Europe is up by 20% week on week to 18.2 million
 - The UK is up by 27% to 2.7 million
- Singapore, Malaysia and India all ease travel restrictions this week.



- But, China capacity is cut as Covid outbreaks and lockdowns once again take their toll.