



# AIRLINE TRENDS AT AIRPORTS

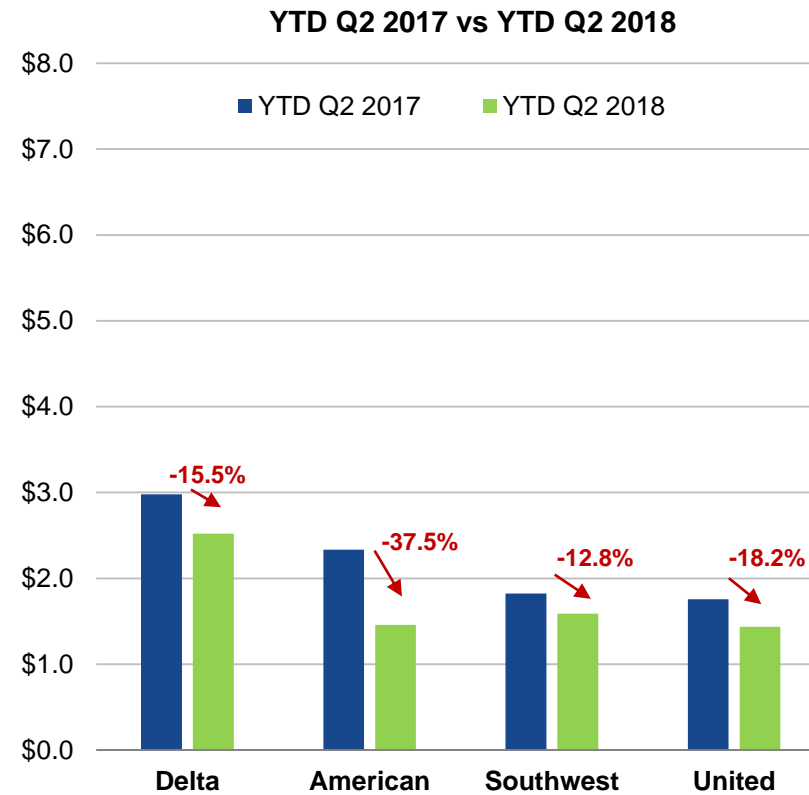
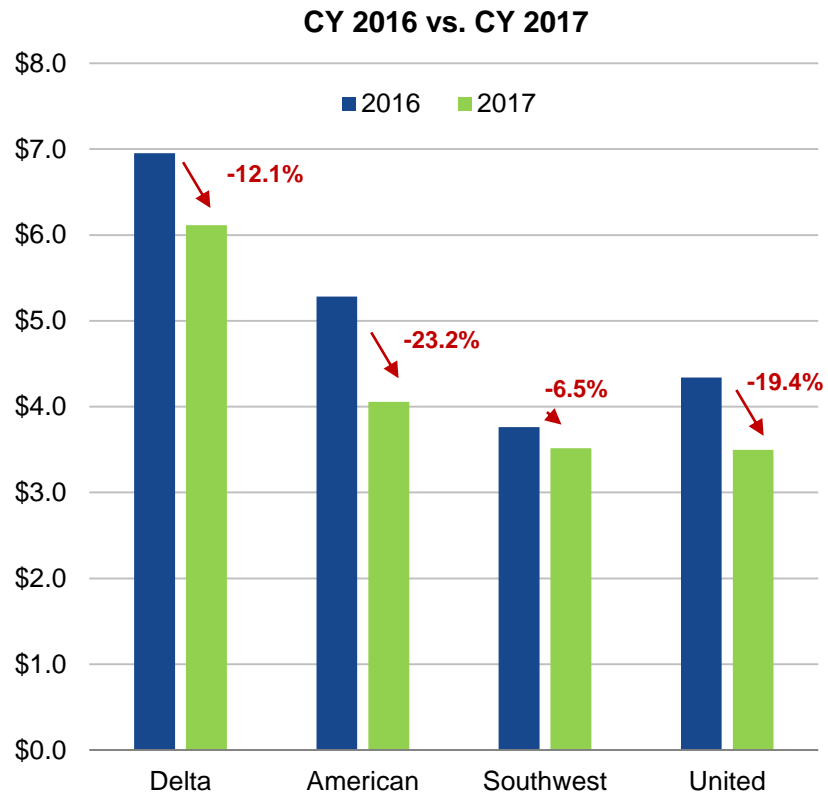
Sabine Reim  
Senior Vice President  
**Inter VISTAS Consulting**  
September 30<sup>th</sup>, 2018

THE  
**VOICE**  
OF  
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# PROFITS OF THE FOUR MAJOR US CARRIERS HAVE DECLINED



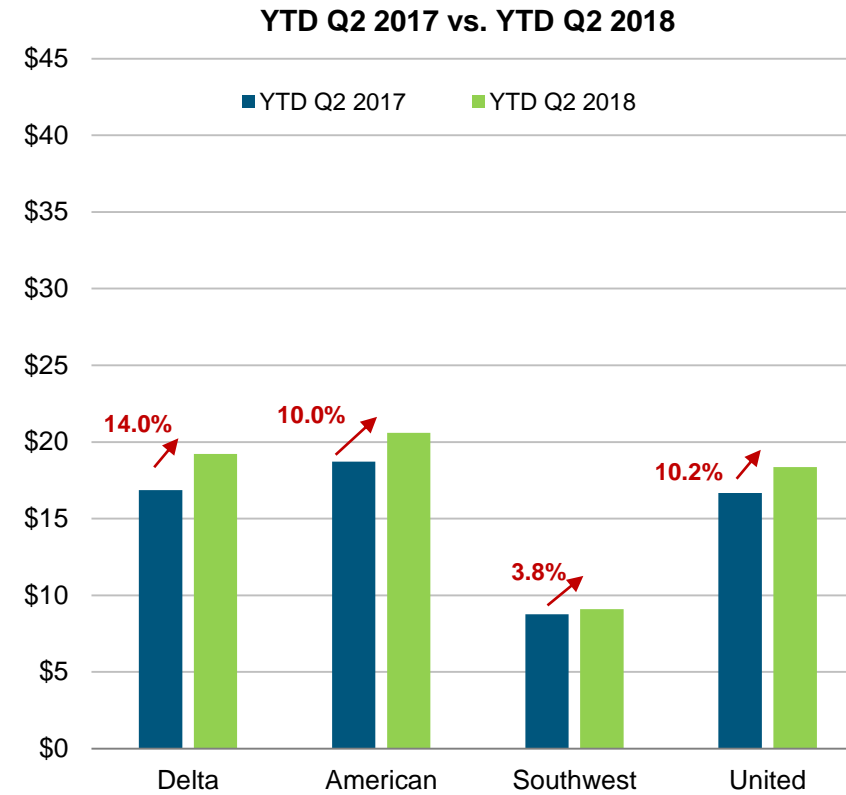
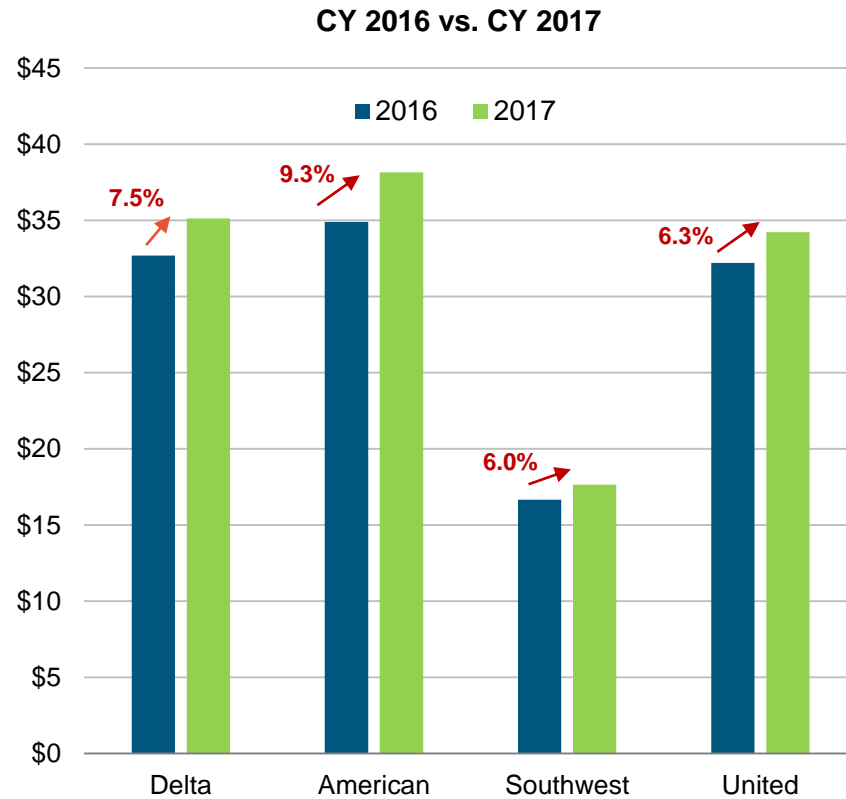
## Operating Profits for the Four Major US Carriers



Source: Airline Annual Reports

# THE DECREASE IN MARGINS IS LARGELY DUE TO THE INCREASED COSTS AIRLINES ARE FACING

## Operating Expenses for the Four Major US Carriers

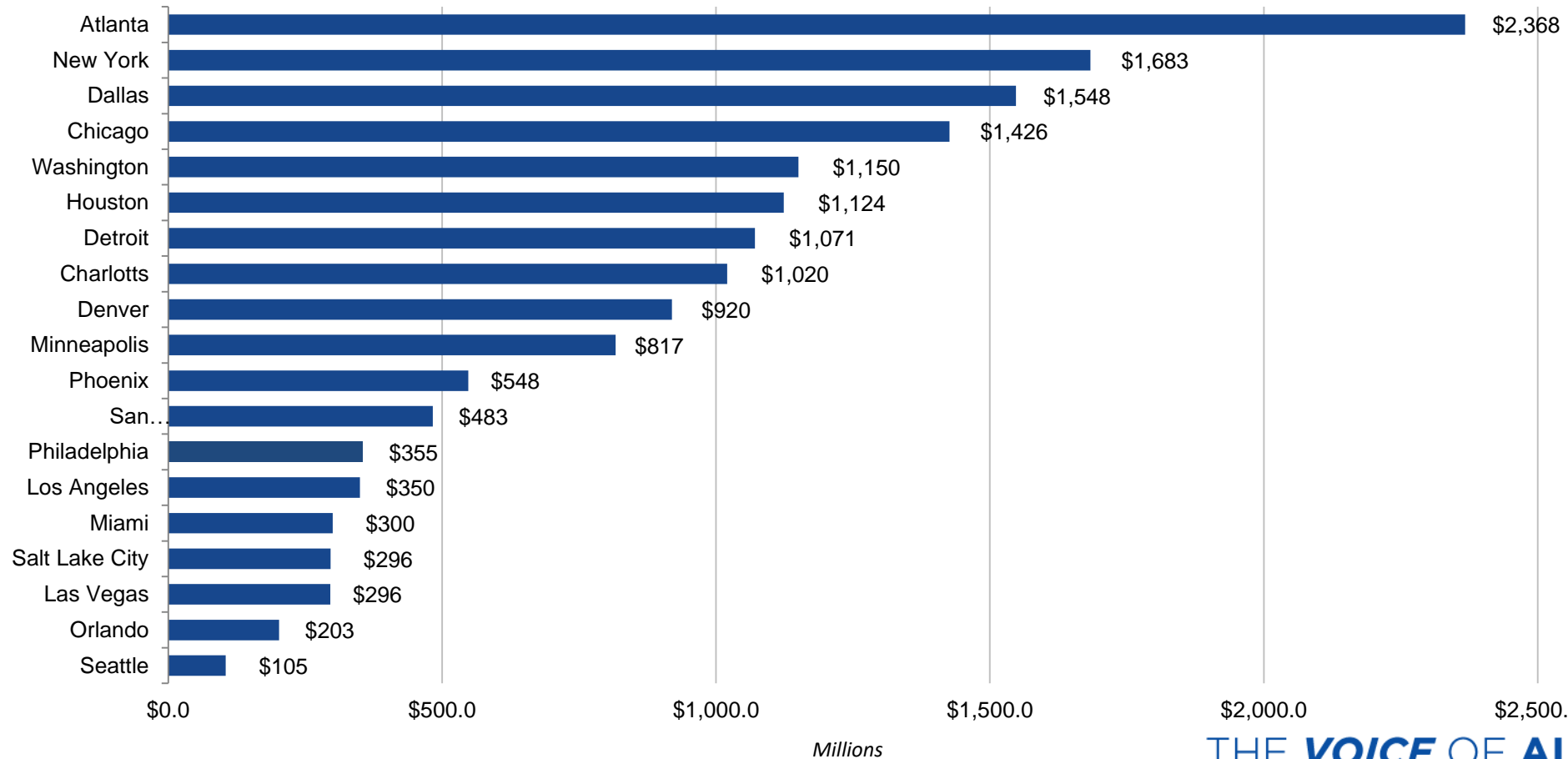


Source: Airline Annual Reports

# US HUB PROFITABILITY



Hub Profitability for the Major U.S. Carriers  
YE Q2 2017 & CY 2017

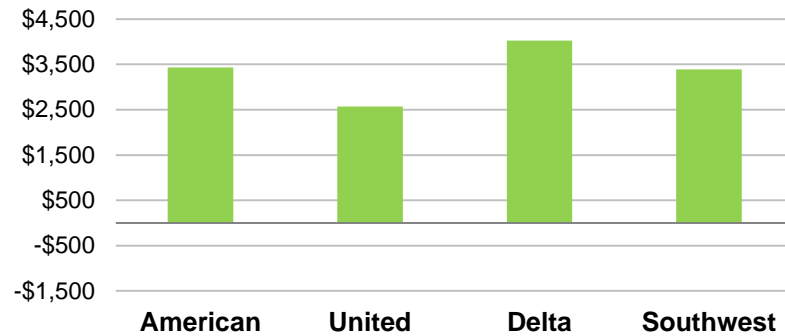


Source: InterVISTAS Analysis AA and DL CY 2017, UA and WN YE Q2 2017

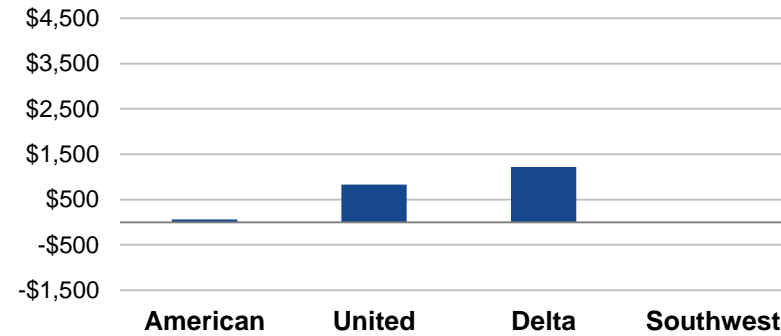
# DOMESTIC MARKETS CONTINUE TO DRIVE PROFITABILITY FOR THE FOUR MAJOR US AIRLINES



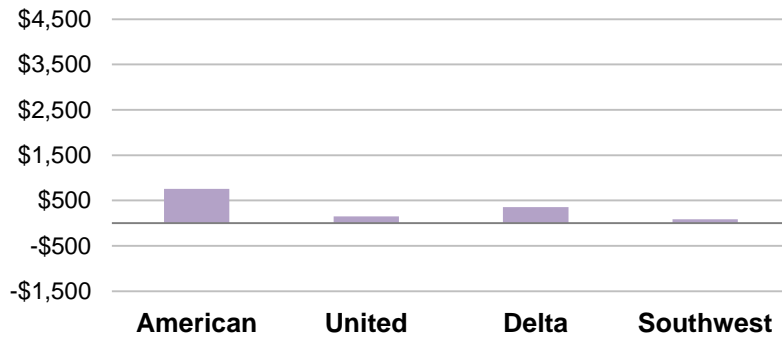
**Operating Profit by Entity – Domestic**  
YE Q1 2018



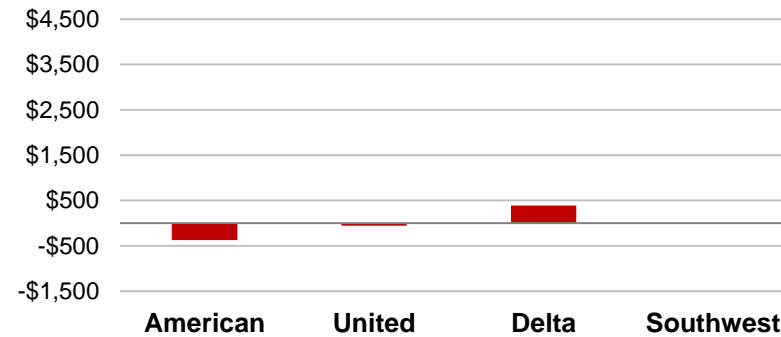
**Operating Profit by Entity – Atlantic**  
YE Q1 2018



**Operating Profit by Entity – Latin**  
YE Q1 2018



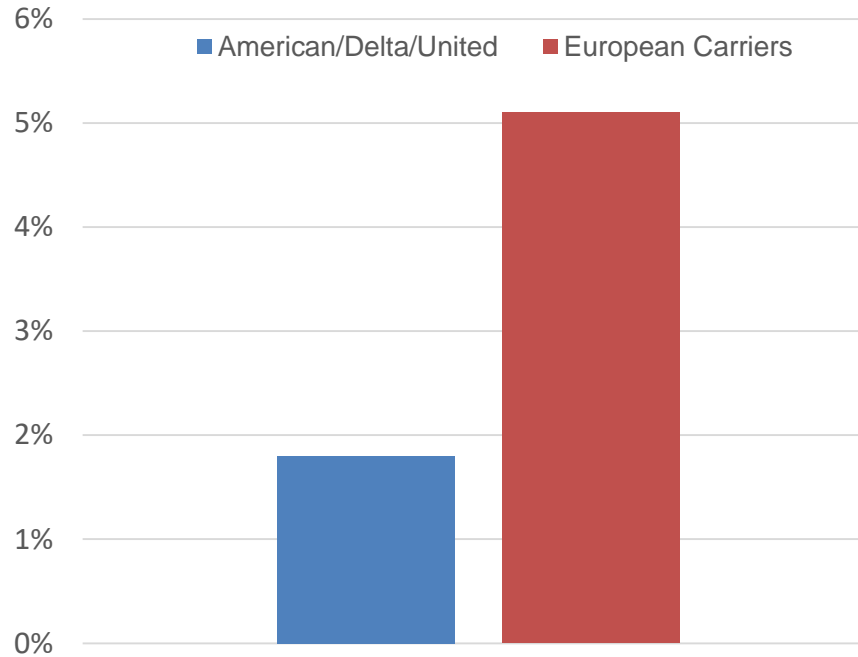
**Operating Profit by Entity – Pacific**  
YE Q1 2018



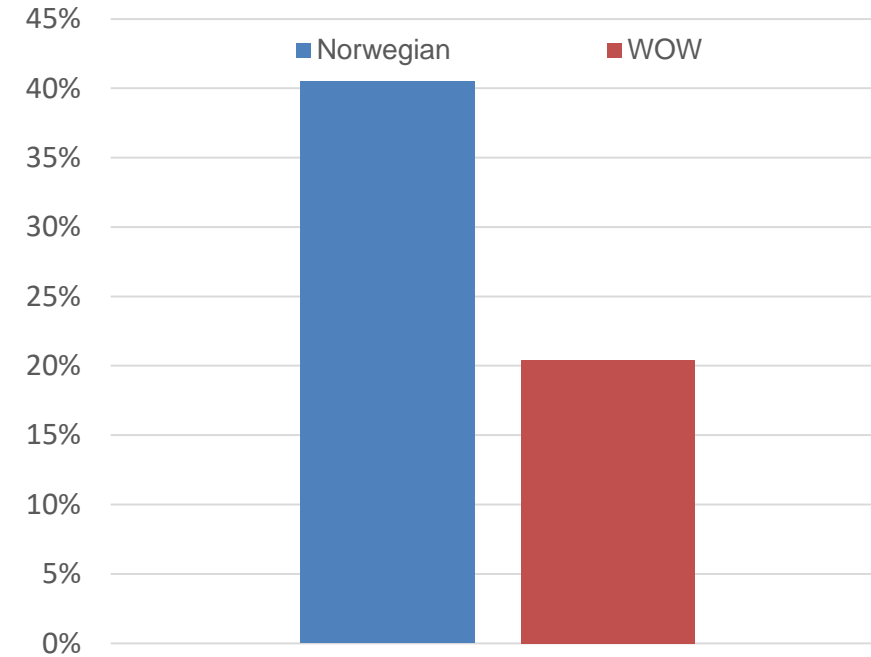
Source: Form 41

# US-EUROPE: GROWTH BY EUROPEAN CARRIERS HAS OUTPACED THAT OF US CARRIERS

**Capacity Growth: US-Europe  
All Carriers**  
CAGR, YE June 2017 to YE June 2019



**Capacity Growth: US-Europe  
Norwegian and WOW**  
CAGR, YE June 2017 to YE June 2019

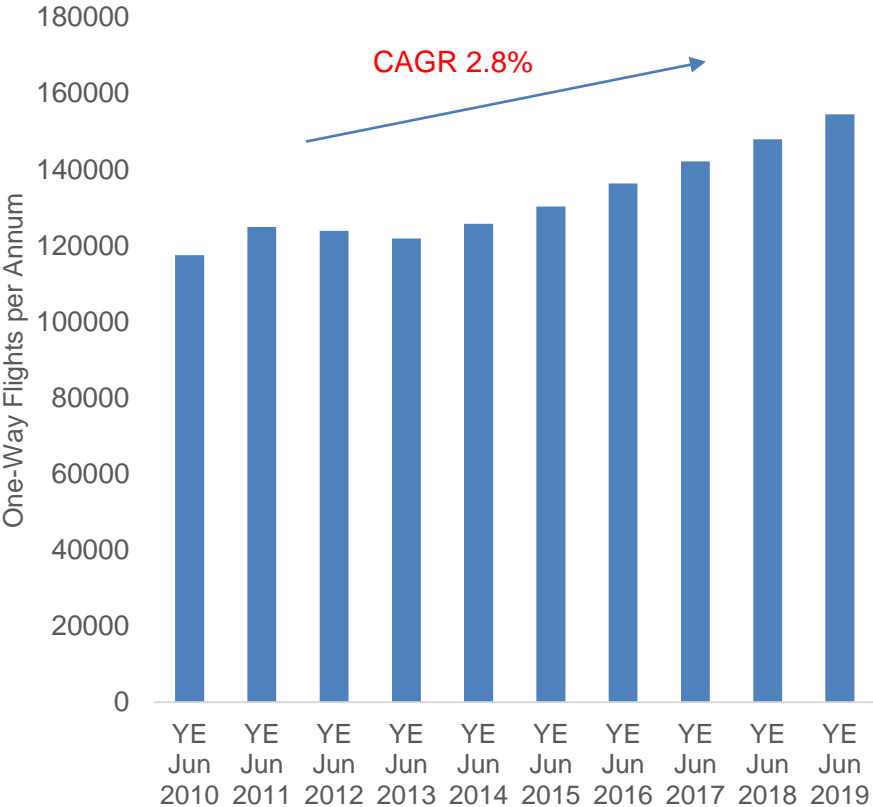


Source: Innovata Schedules

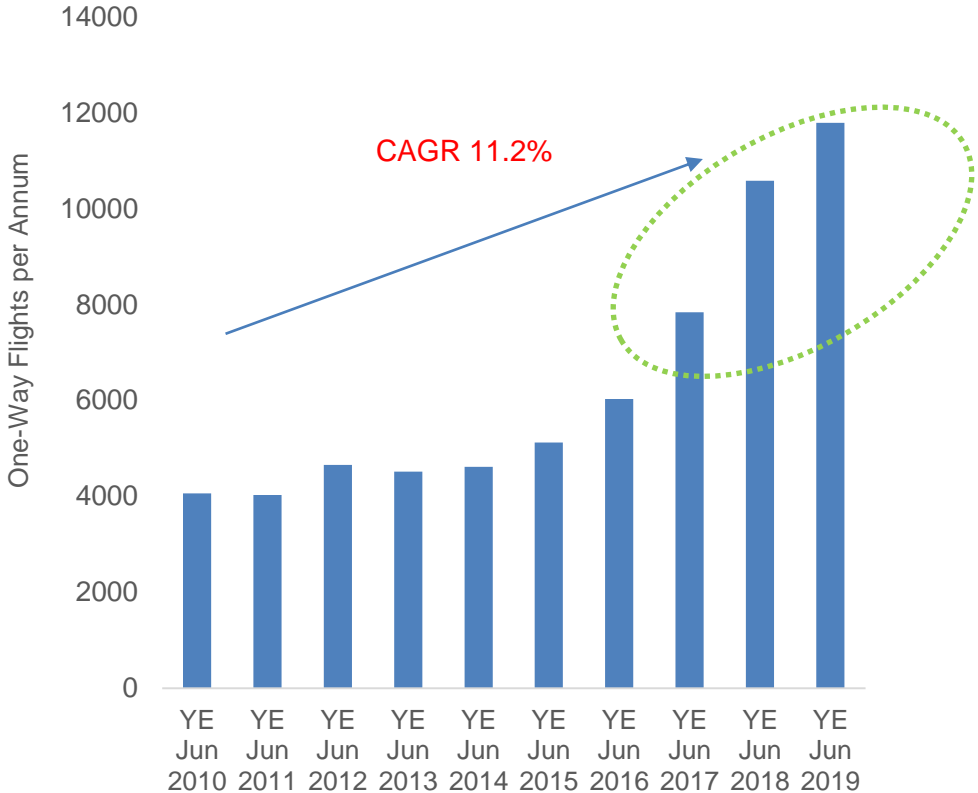
# US-EUROPE: GROWTH IN SECONDARY US MARKETS HAS OUTPACED THAT IN PRIMARY MARKETS



US-Europe: Primary US Market Flying



US-Europe: Secondary US Market Flying

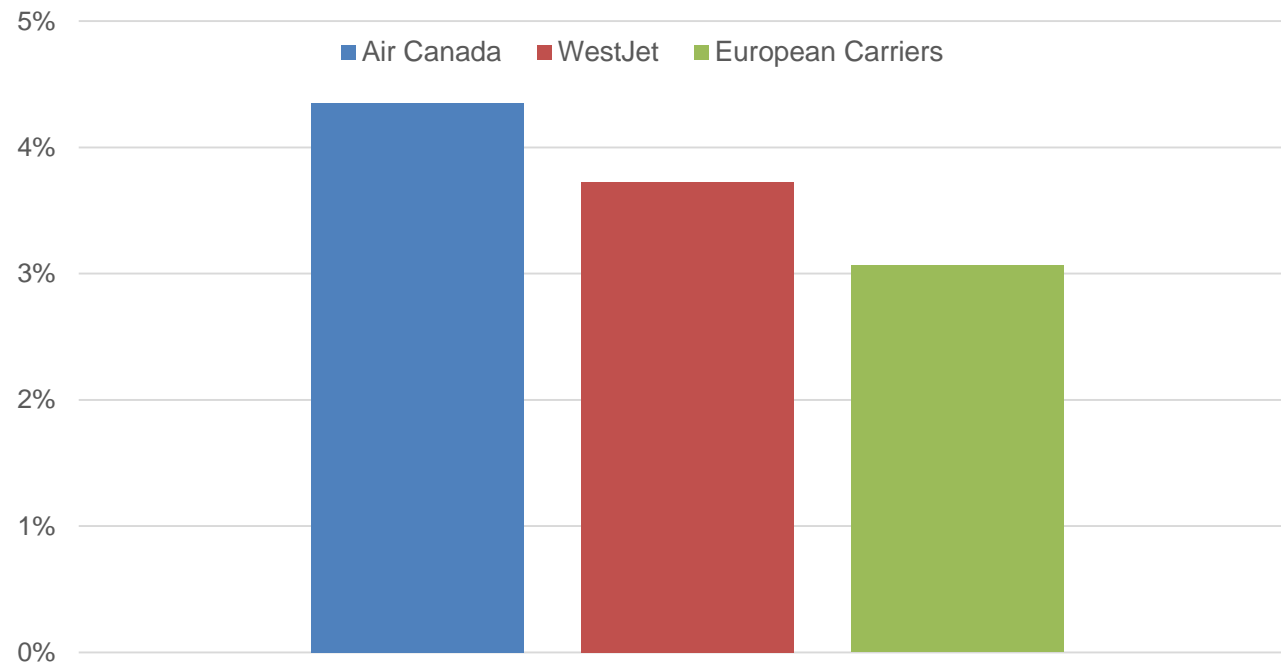


Note: Primary markets are those functioning as international hubs of US carriers  
 Source: Innovata Schedules

# CANADA-EUROPE: CANADIAN CARRIERS OUTPACING EUROPEAN CARRIER GROWTH



Capacity Growth: Canada-Europe  
All Carriers  
CAGR, YE June 2017 to YE June 2019



Source: Innovata Schedules



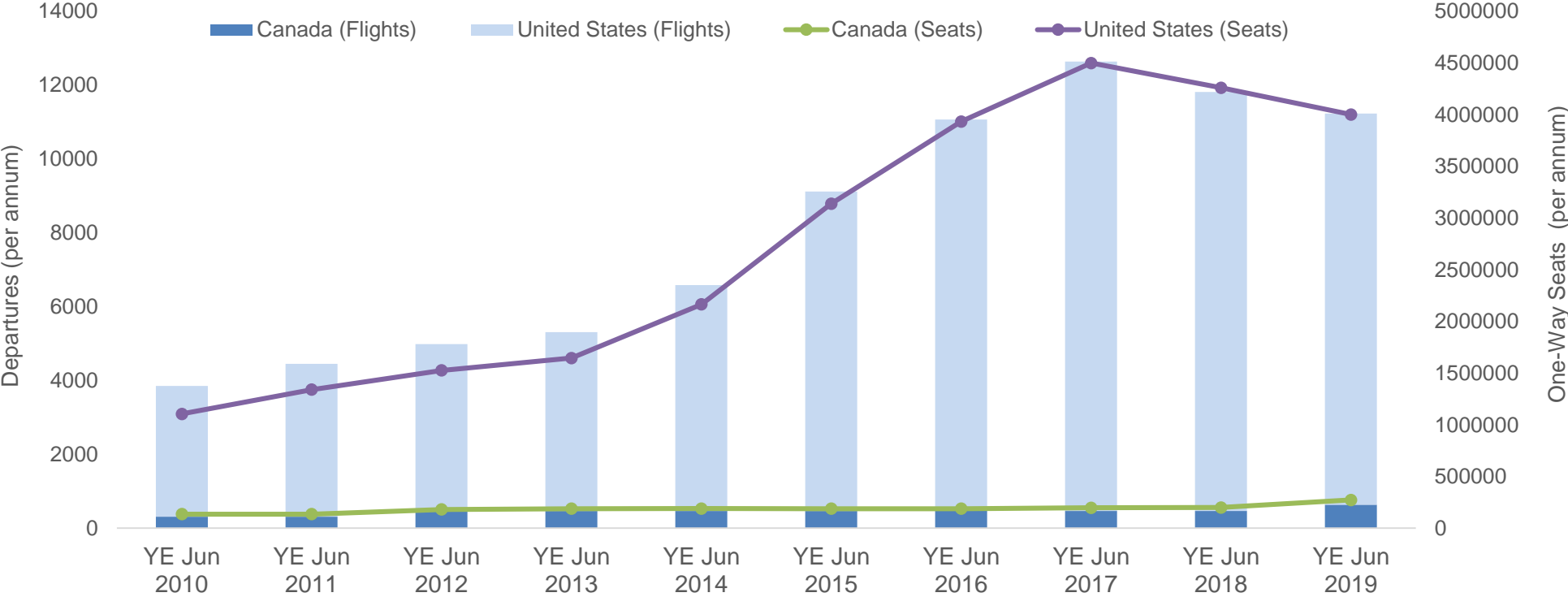
## THE LONG-HAUL LOW-COST SEGMENT REMAINS IN FLUX



# BILATERAL CONSTRAINTS IMPACTING GROWTH OF ME3 IN NORTH AMERICA



ME3 Flights and Seats: US and Canada



Source: Innovata Schedules

## COMPETITION FOR SERVICE EXPECTED TO INTENSIFY



### State of the Industry

- Consolidation, margin pressures, cost pressures accelerating
- Key growth markets experiencing regulatory, economic hurdles

### Viability and Evolution of Business Models

- Future of Long-Haul Low Cost and Reach of ME3