avia SOLUTIONS

COVID-19
Passenger Volume Impact:
- Selected European Airports
- UK Airports

Bulletin #5
H1-2021 Review

July 2021

info@aviasolutions.com
@avia_solutions
aviasolutions
+44 (0)1483 227080

Monthly Traffic Performance Update – Bulletin #5 (July 2021)
- Introduction and Outlook

INTRODUCTION

- Avia Solutions' Covid-19 traffic performance update (Bulletin #5) provides the latest traffic results from a selection of Europe's major airports. We have been monitoring airport performance against 2019 pre-Covid monthly results and in this latest update we review the potential 2021 full year traffic impact.
- The pandemic continues to have a profound impact on air travel, with the airports under review particularly affected, being large hub airports that provide multiple connecting options to domestic, short-haul and intercontinental destinations (pre-pandemic).
- The scope of our traffic performance update includes the major airports / airport systems below. A number of these entities also have international airport investments or concession contracts where passenger volume changes will affect financial performance, in addition to that at the home or base airport. This will be the subject of Bulletin #6 in August 2021.

AENA (all Spanish Airports)

Amsterdam Schiphol (AMS)

London Heathrow (LHR)

Flughafen Wien AG (VIE only)

Groupe ADP (CDG and ORY only)

Fraport (FRA only)

London Gatwick (LGW)

Flughafen Zurich AG (ZRH only)

- We have also included a snapshot of the traffic performance at the major UK airports, as this market is experiencing a slower recovery cycle than the other European airports in this review.
- The UK airport traffic review is separated into:
  (i) London airports market; and
  (ii) other major airports outside London (incl. Scotland).

OUTLOOK

- Global aviation bodies had expected the major European travel markets will recover as the summer 2021 season progresses and Covid-19 quarantine/testing requirements are eased, whilst there will be an improvement of 2020 the level of recovery is now expected to be significantly muted as many restrictions remain in place.
- Risk of another wave of infection across Europe in July / August, which would probably reverse some of the easing, remains a possibility. International travel restrictions are remaining largely in place weakening air travel demand.
- The recovery will not be uniform across market segments, with business travel likely to be far slower to recover than the short-haul leisure market which will be driven by low-cost airlines.

avia SOLUTIONS

Monthly Traffic Performance Update – Bulletin #5 (July 2021)
- Selected European Airports SUMMARY

- With the European summer season already underway, there was hope that a combination of vaccine rollout and low rates of Covid-19 infection would restore confidence in air travel.
- However, H1-2021 traffic figures recently published indicate that the market is still weak, and there is a significant government and health challenge ahead to recover demand in H2-2021.
- In H1-2019, the aggregate traffic volume of the 8 European airports was 339m, declining by -83% in H1-2021 to 57.9m.
- However, the recent results are marginally positive. In Q1-2021, aggregate traffic had declined -86% versus the corresponding period in 2019. This improved to a -80% shortfall in Q2-2021.

Monthly Traffic Volume versus Corresponding Period in 2019

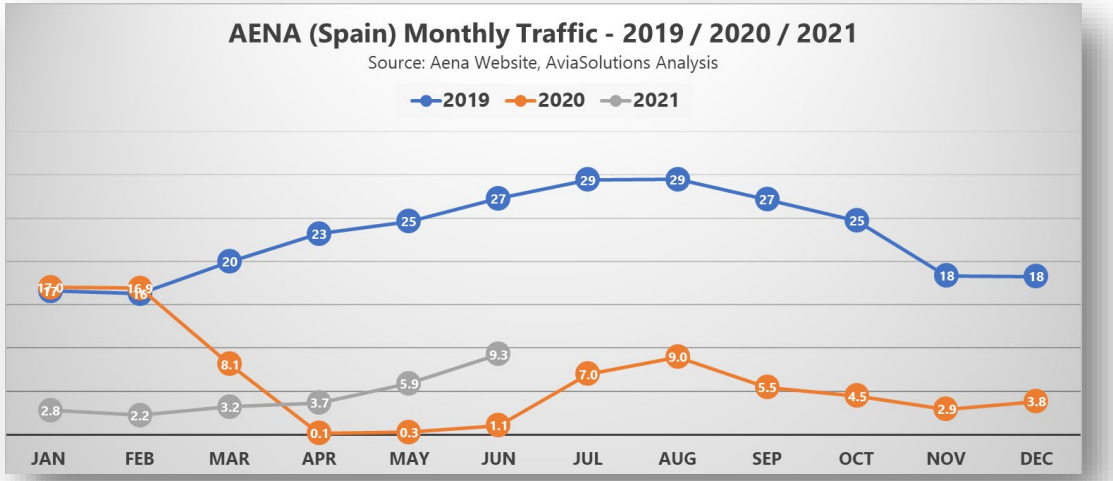
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
AENA	2%	4%	-59%	-99%	-99%	-96%	-76%	-70%	-80%	-82%	-84%	-79%	-83%	-86%	-84%	-84%	-76%	-66%
ADP	1%	0%	-59%	-99%	-98%	-93%	-77%	-69%	-75%	-76%	-83%	-76%	-73%	-83%	-85%	-86%	-80%	-71%
AMS	1%	-3%	-56%	-98%	-97%	-93%	-80%	-73%	-79%	-82%	-83%	-77%	-83%	-90%	-88%	-87%	-83%	-74%
FRA	-1%	-4%	-62%	-97%	-96%	-91%	-81%	-78%	-83%	-83%	-87%	-82%	-81%	-85%	-83%	-84%	-80%	-73%
LHR	3%	-1%	-52%	-97%	-97%	-95%	-89%	-82%	-81%	-82%	-88%	-83%	-89%	-92%	-92%	-92%	-90%	-87%
LGW*	-2%	-4%	-54%	-100%	-100%	-99%	-94%	-82%	-83%	-90%	-97%	-94%	-97%	-98%	-99%	-99%	-97%	-96%
VIE	14%	8%	-66%	-100%	-99%	-95%	-82%	-75%	-81%	-87%	-92%	-91%	-89%	-91%	-91%	-90%	-86%	-76%
ZRH	1%	-1%	-63%	-99%	-98%	-93%	-78%	-77%	-81%	-84%	-89%	-85%	-87%	-91%	-91%	-88%	-83%	-79%

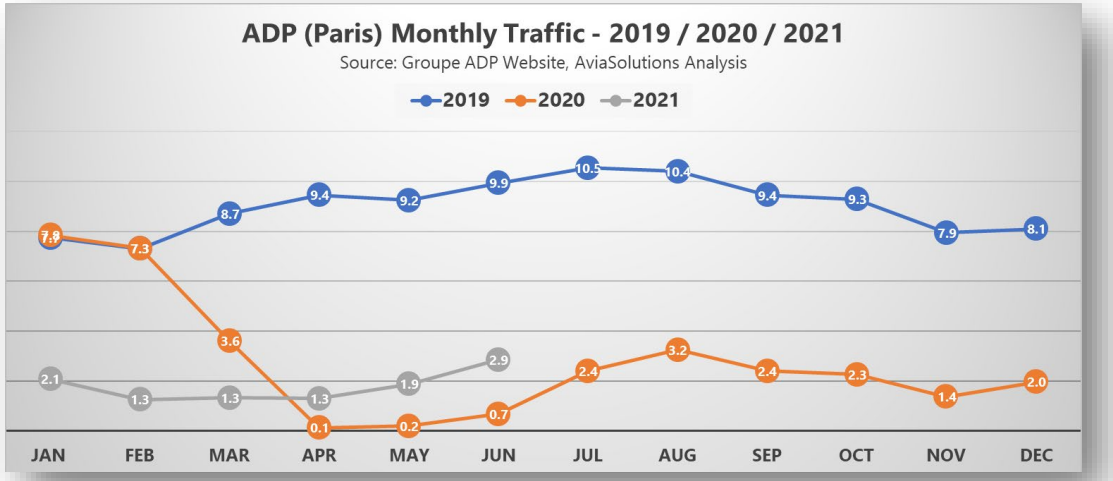
* June 2021 data is provisional
Source: CAA, Company websites, Avia Solutions analysis

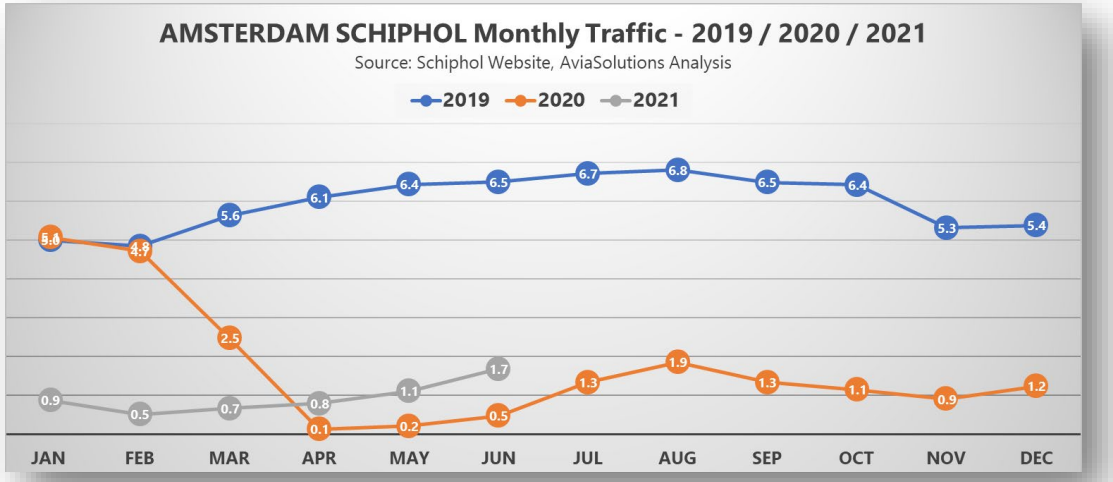
Covid-19 continues to suppress the air travel market across Europe. Differences in the pace of traffic recovery are emerging, with Spain (AENA) leading the way. UK airports appear to be lagging other major EU markets.

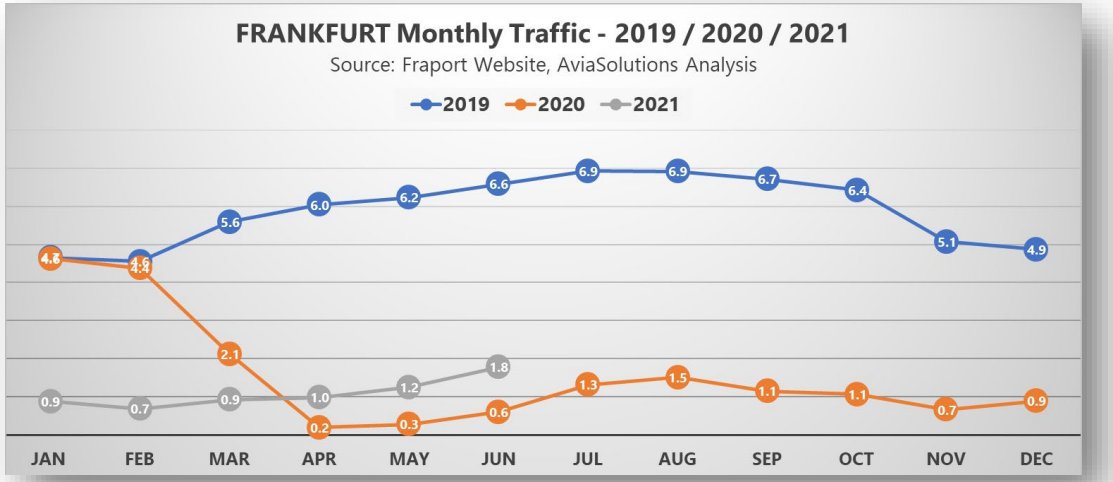
avia SOLUTIONS

Monthly Traffic Performance Update – Bulletin #5 (July 2021)
- Selected European Airports Passengers (m) DETAIL





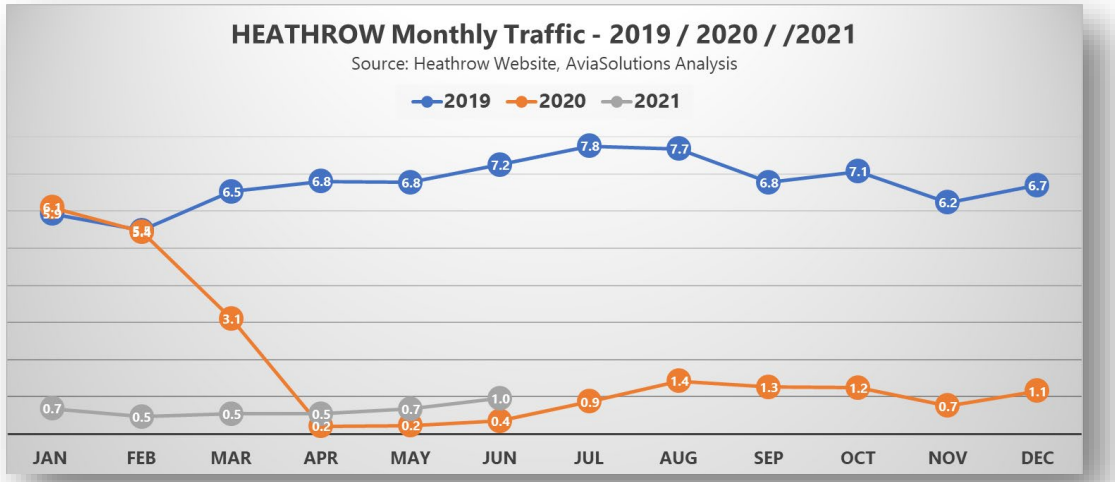


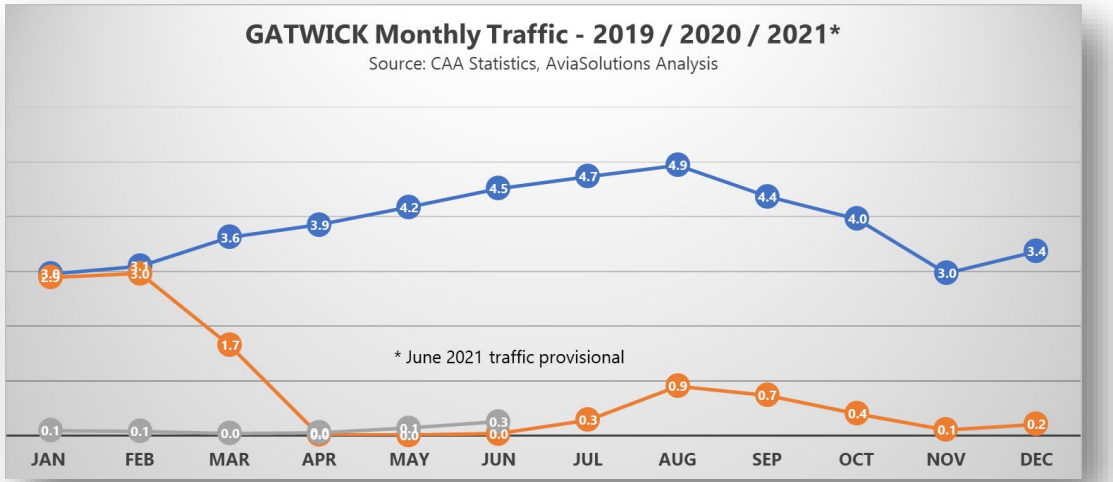


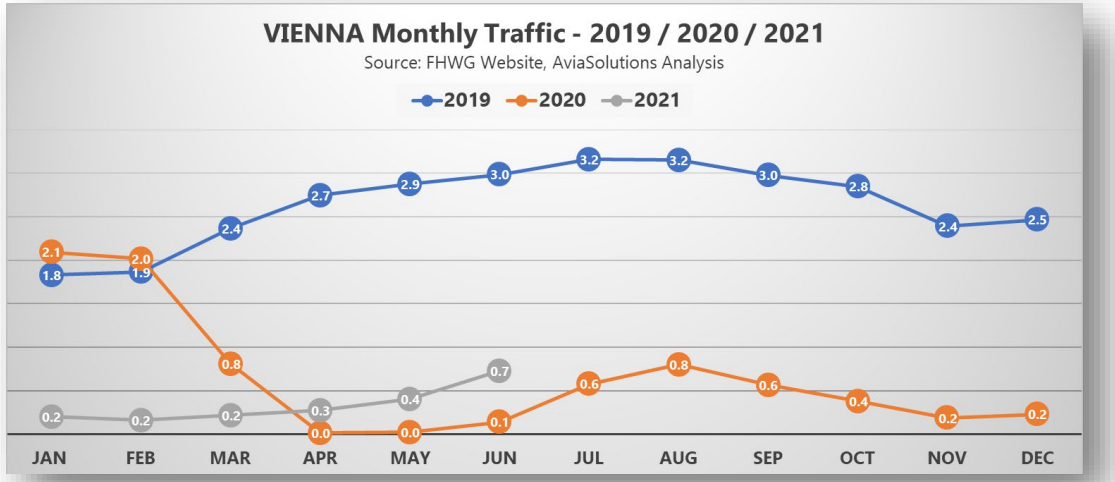
* Monthly Traffic in millions

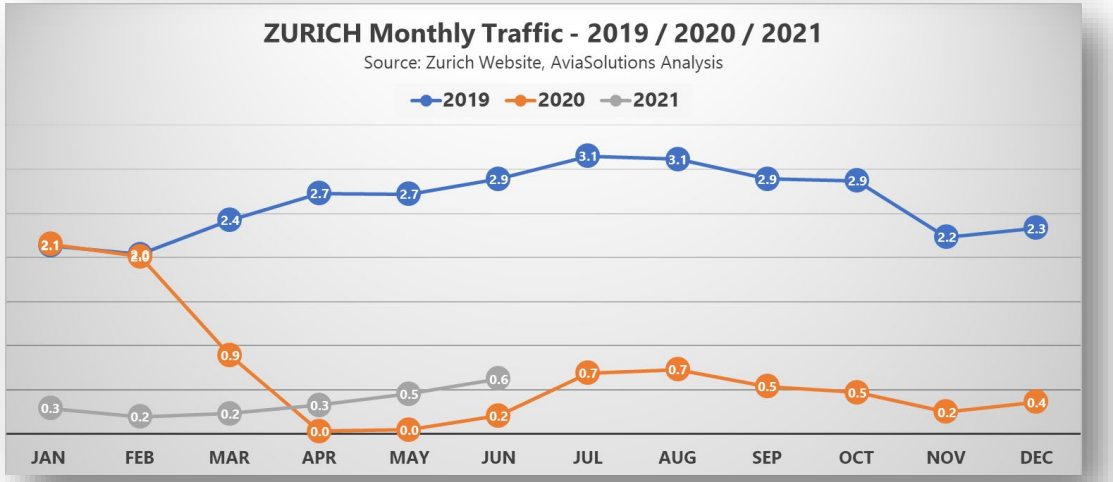
avia SOLUTIONS

Monthly Traffic Performance Update – Bulletin #5 (July 2021)
- Selected European Airports Passengers (m) DETAIL









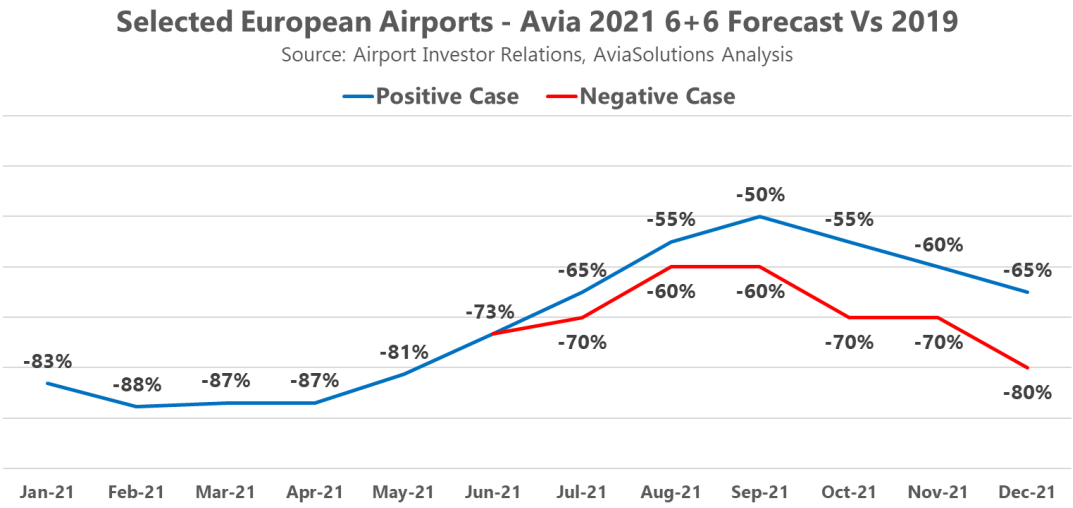
* Monthly Traffic in millions

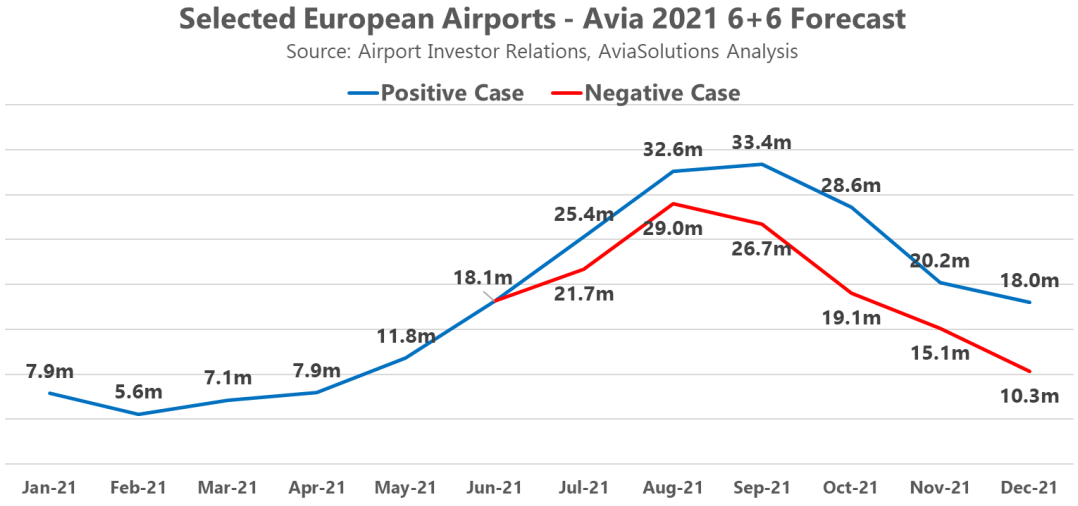
avia SOLUTIONS

Monthly Traffic Performance Update – Bulletin #5 (July 2021)
- Selected European Airports OUTLOOK (6+6 Forecast)

- Avia Solutions' 6+6 forecast for 2021 is based on assumptions regarding the potential for another wave of infections across Europe leading to a re-introduction of border restrictions which are expected to be gradually eased as summer 2021 season progresses.
  - **POSITIVE CASE:** Summer season 2021 sees modest recovery in demand, followed by re-introduction of some quarantine restrictions and border closures to selected international air travel routes. No major outbreaks of Covid-19 (or new variants) during Q3 / Q4, though demand for long haul travel expected to remain weak.
  - **NEGATIVE CASE:** Slight recovery of some of the summer season 2021 market, followed by more significant infection outbreaks possibly with new variants, re-introduction of quarantine restrictions, more widespread border closures to specific international travel markets (such as the US) during the winter season 2021/22.

2021F - Annual Forecast Summary Vs 2019A		
Scenario	**2021F (m pax)**	**Vs 2019 Actual**
Positive Case	216.6	-70%
Negative Case	180.4	-75%





The 2021 outlook is highly subjective and will depend on multiple factors beyond the control of airlines.
The 6+6 forecast range (Positive Case to Negative Case) is c. 36 million passenger (5% of 2019 total).

avia SOLUTIONS

Monthly Traffic Performance Update – Bulletin #5 (July 2021)
- UK Airports

LONDON	Monthly Traffic Volume versus Corresponding Period in 2019																	
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
Heathrow	3%	-1%	-52%	-97%	-97%	-95%	-89%	-82%	-81%	-82%	-88%	-83%	-89%	-92%	-92%	-92%	-90%	-87%
Gatwick	-2%	-4%	-54%	-100%	-100%	-99%	-94%	-82%	-83%	-90%	-97%	-94%	-97%	-99%	-99%	-99%	-97%	
Stansted	-1%	0%	-58%	-99%	-99%	-98%	-83%	-69%	-75%	-84%	-91%	-90%	-95%	-98%	-98%	-96%	-94%	
Luton	5%	-4%	-56%	-99%	-98%	-96%	-74%	-56%	-66%	-82%	-91%	-86%	-90%	-92%	-92%	-93%	-89%	
London City	-2%	-3%	-72%	-100%	-100%	-100%	-97%	-95%	-94%	-96%	-98%	-97%	-98%	-99%	-99%	-97%	-97%	
TOTAL	1%	-2%	-55%	-98%	-98%	-97%	-88%	-77%	-80%	-85%	-91%	-87%	-92%	-95%	-95%	-95%	-93%	

Other UK Airports	Monthly Traffic Volume versus Corresponding Period in 2019																	
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
Manchester	0%	-1%	-54%	-99%	-99%	-99%	-90%	-80%	-79%	-84%	-91%	-87%	-86%	-92%	-91%	-94%	-91%	
Edinburgh	2%	0%	-55%	-100%	-99%	-99%	-89%	-79%	-81%	-87%	-93%	-92%	-95%	-98%	-98%	-97%	-94%	
Birmingham	-1%	0%	-57%	-100%	-99%	-99%	-90%	-82%	-82%	-87%	-93%	-90%	-96%	-98%	-98%	-97%	-96%	
Glasgow	-3%	-1%	-55%	-99%	-100%	-99%	-93%	-82%	-83%	-86%	-91%	-90%	-94%	-97%	-97%	-96%		
Bristol	3%	7%	-52%	-100%	-100%	-100%	-88%	-73%	-76%	-86%	-95%	-91%	-96%	-99%	-99%	-98%		

Source: CAA, Avia Solutions Analysis

In 2021, monthly traffic at UK airports remains consistently greater than 90% below 2019 levels. This reflects the uncertainty of quarantine restrictions on return to the UK and the costs of PCR testing pre and post travel.

avia SOLUTIONS

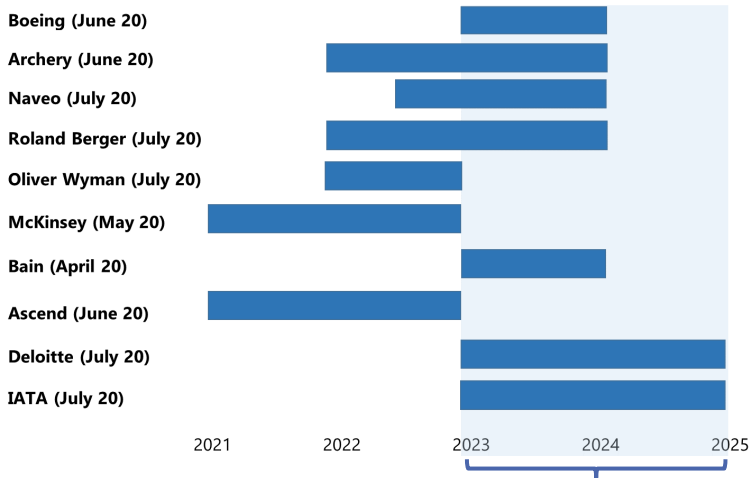
Consensus Traffic Growth Forecast – Bulletin #5 (July 2021)
- Longer Term Recovery Expectations

- Since April 2020, Avia Solutions has consistently taken the view that passenger traffic volumes would return to pre-pandemic 2019 levels between 2023 to 2025 (high to low cases), dependent on region and traffic type. Although it is not expected that the mix of passenger traffic (business, leisure, international, domestic, LCC, full service) will return to the same 2019 levels as volume returns.
- As the pandemic has evolved, the consensus growth forecast from a range of industry bodies has shifted in line with Avia Solutions initial expectations of a 2023 to 2025 recovery.
- **If you require any bespoke forecasting services please contact:**

info@aviasolutions.com

Forecast Recovery to 2019 Levels (Summer 2020 Forecasts)

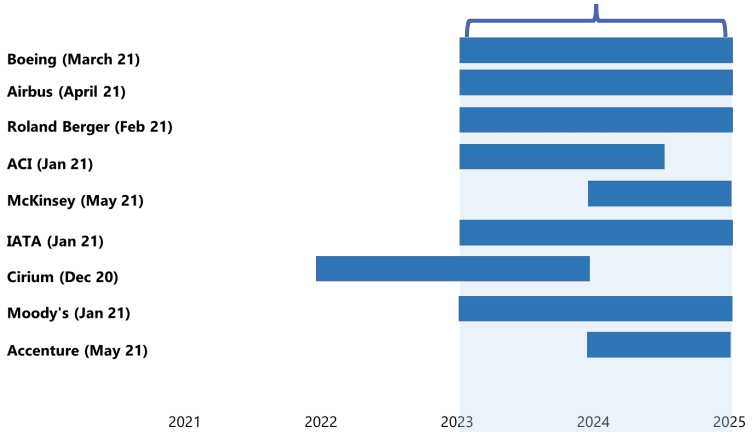
Forecasts from Summer 2020



avia SOLUTIONS Forecast Range

Forecast Recovery to 2019 Levels (Summer 2021 Forecasts)

Forecasts from Spring 2021



A full recovery to 2019 levels is expected between 2023 and 2025. Significant variations due to region, airline type and passenger segment (e.g., Business/Leisure/VFR; Long Haul/Short Haul; Direct/Connecting traffic).

avia SOLUTIONS