avia SOLUTIONS

COVID-19
Passenger Traffic Impact:
- Selected European Airports

Bulletin #7
Jan-Aug 2021 Review

September 2021

aena

GROUPE ADP

ZÜRICH AIRPORT

Fraport

Schiphol Amsterdam Airport

Heathrow

Vienna International Airport

Gatwick LONDON AIRPORT

info@aviasolutions.com

@avia_solutions

LinkedIn aviasolutions

+44 (0)1483 227080

Monthly Traffic Performance Update – Bulletin #7 (September 2021)

- Introduction and Outlook

INTRODUCTION

- Avia Solutions' Covid-19 traffic performance update (Bulletin #7) provides the latest traffic results from a selection of **major European airports**.
- We have been monitoring monthly airport performance against 2019 pre-Covid results; in this latest update we consider 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 this traffic performance update includes 8 major airports / airport systems. 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.

AENA (all Spanish Airports)	**Groupe ADP (CDG and ORY only)**
Amsterdam Schiphol (AMS)	**Fraport (FRA only)**
London Heathrow (LHR)	**London Gatwick (LGW)**
Flughafen Wien AG (VIE only)	**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

- In March 2021, global aviation bodies had expected the major European travel markets to recover as the summer 2021 season progressed and Covid-19 quarantine and testing requirements were eased. Whilst performance has improved versus 2020, the level of recovery is relatively modest as many restrictions remain in place.
- Governments around the world have stated that a high vaccine rollout will reduce the likelihood of further lockdowns as autumn and winter approaches. However, with some countries still experiencing waves of infection after mass vaccination, the reintroduction of restrictions remains a risk.
- As traffic recovers it will not be uniform across market segments. The business travel segment (especially to US) is likely to recover more slowly and significantly behind leisure markets (both short and long-haul).

avia SOLUTIONS

Monthly Traffic Performance Update – Bulletin #7 (September 2021)

- Selected European Airports - SUMMARY

- With the European summer season drawing to an end, a combination of vaccine rollout and lower infection rates have partially restored confidence in air travel.
- In the key peak month of August 2021, traffic performance was generally 40%-50% below pre-Covid (2019) volumes which is a significant improvement on the previous year (2020).
- The exceptions are LHR and LGW which remain 70%-80% below corresponding volumes in 2019. This is partially due to ongoing restrictions on US travel (24% of the 2019 market at LHR), the ever-changing "traffic light" country risk assessment and onerous testing requirements upon return to the UK.
- On 4th October 2021, new travel rules will come into force in the UK with fully vaccinated passengers no longer required to take pre-departure tests. From end of October, fully vaccinated passengers will be permitted to take (cheaper) lateral flow tests upon return to the UK. A simplified two-tier country classification system will also be implemented.

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	Jul-21	Aug-21
AENA	2%	4%	-59%	-99%	-99%	-96%	-76%	-70%	-80%	-82%	-84%	-79%	-83%	-86%	-84%	-84%	-76%	-66%	-49%	-39%
ADP	1%	0%	-59%	-99%	-98%	-93%	-77%	-69%	-75%	-76%	-83%	-76%	-73%	-83%	-85%	-86%	-80%	-71%	-52%	-44%
AMS	1%	-3%	-56%	-98%	-97%	-93%	-80%	-73%	-79%	-82%	-83%	-77%	-83%	-90%	-88%	-87%	-83%	-74%	-55%	-44%
FRA	-1%	-4%	-62%	-97%	-96%	-91%	-81%	-78%	-83%	-83%	-87%	-82%	-81%	-85%	-83%	-84%	-80%	-73%	-59%	-51%
LHR	3%	-1%	-52%	-97%	-97%	-95%	-89%	-82%	-81%	-82%	-88%	-83%	-89%	-92%	-92%	-92%	-90%	-87%	-81%	-71%
LGW*	-2%	-4%	-54%	-100%	-100%	-99%	-94%	-82%	-83%	-90%	-97%	-94%	-97%	-98%	-99%	-99%	-97%	-95%	-90%	-78%
VIE	14%	8%	-66%	-100%	-99%	-95%	-82%	-75%	-81%	-87%	-92%	-91%	-89%	-91%	-91%	-90%	-86%	-76%	-53%	-44%
ZRH	1%	-1%	-63%	-99%	-98%	-93%	-78%	-77%	-81%	-84%	-89%	-85%	-87%	-91%	-91%	-88%	-83%	-79%	-57%	-49%

* August 2021 data is provisional for LGW; estimate based on OAG capacity x70% LF
Source: CAA, Company websites, Avia Solutions analysis

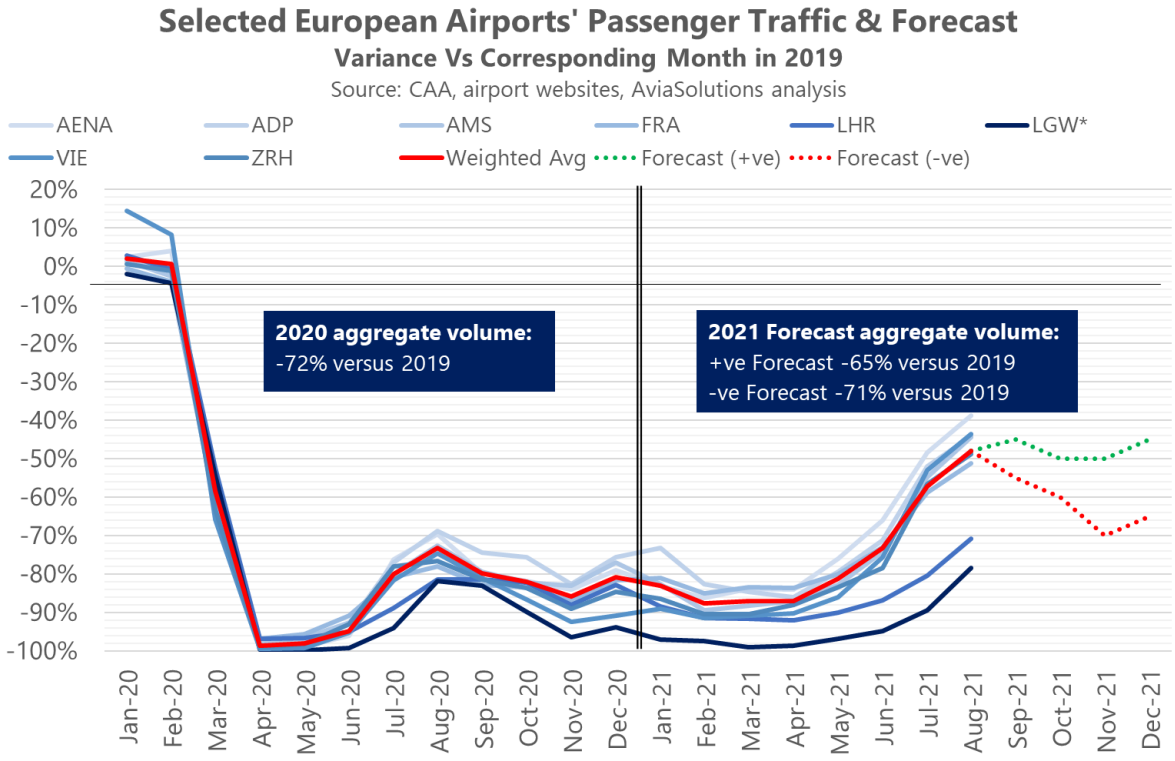
Covid-19 restrictions continue to suppress air travel demand across Europe. Differences in the pace of traffic recovery are emerging, with Spain (AENA) leading the way, though UK airports are lagging other major EU markets.

avia SOLUTIONS

Monthly Traffic Performance Update – Bulletin #7 (September 2021)

- Selected European Airports - OUTLOOK

- The current outlook for the 8 major European airports is far more positive than at the same stage in 2020. In 2020, a minor recovery in July and August was followed by the re-introduction of travel restrictions across Europe in the autumn / winter season alongside continued Covid-19 quarantine and testing regimes in the major long-haul regions.
- We expect recovery to slow in the coming months as the rebound in business travel is far weaker than leisure / VFR markets which saw a reasonable uplift in the peak summer season.
- In addition, there remains the risk of higher Covid-19 infection rates in autumn / winter, and the potential emergence of new variants of the virus. This would undoubtedly lead to a reversal of the recent easing of travel restrictions.
- We have provided two estimates of demand across the selected airports compared with the historic weighted average demand to date.
    - In the +ve forecast, demand will remain slightly behind Aug from Sep through Nov, with a modest improvement in Dec assuming the short haul leisure and winter sports markets are relatively unaffected.
    - In the –ve forecast, we envisage a return of travel restrictions in mid and long-haul markets, along with suppressed demand in the major short haul European markets.
- In both cases, 2021 performance will improve, though within a range of -65% to -71% versus 2019 volumes, which will continue to impact financial results.



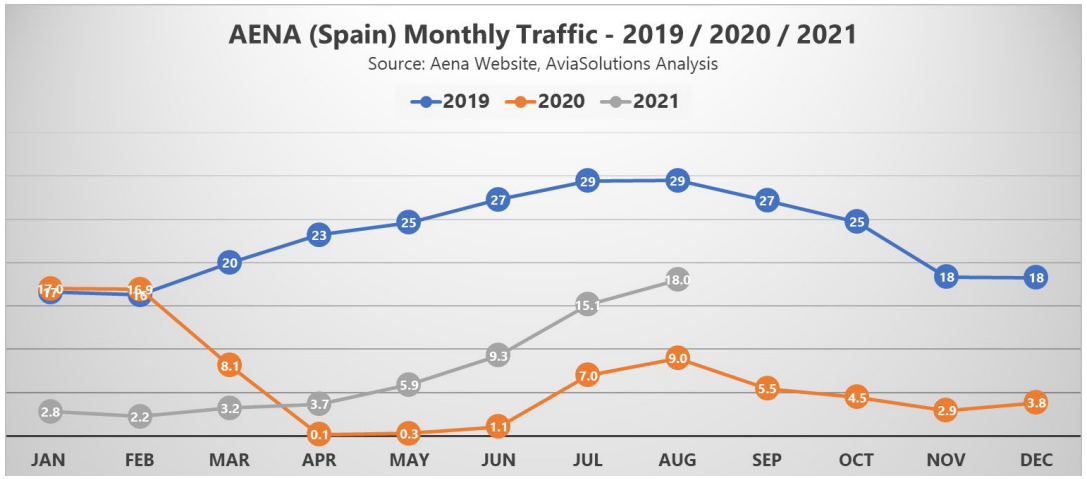
* August 2021 data is provisional for LGW – estimate based on OAG capacity x 70% LF
Source: CAA, company websites, Avia Solutions analysis

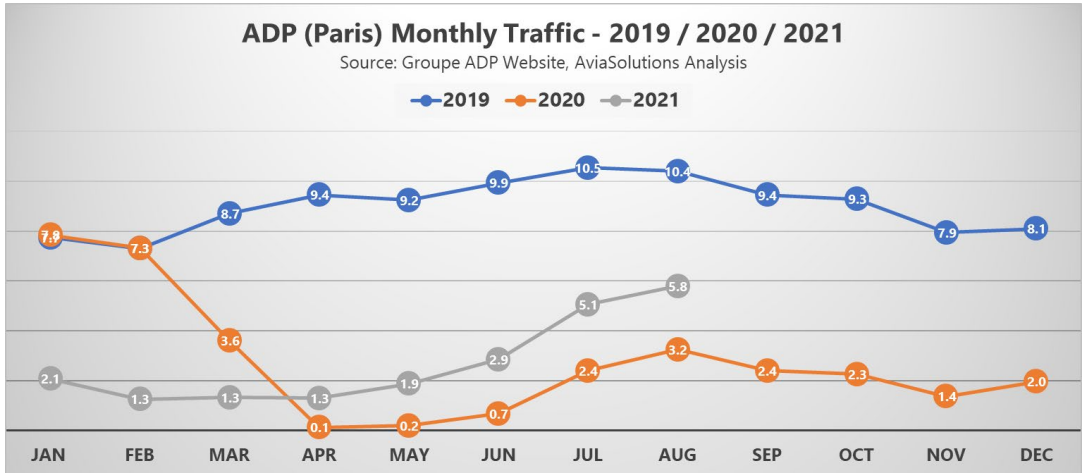
The outlook for the remainder of 2021 is unlikely to mirror Aug performance as typically (pre-Covid) there is a higher share of business traffic through Sep-Nov, a market segment which remains far more suppressed than leisure / VFR travel.

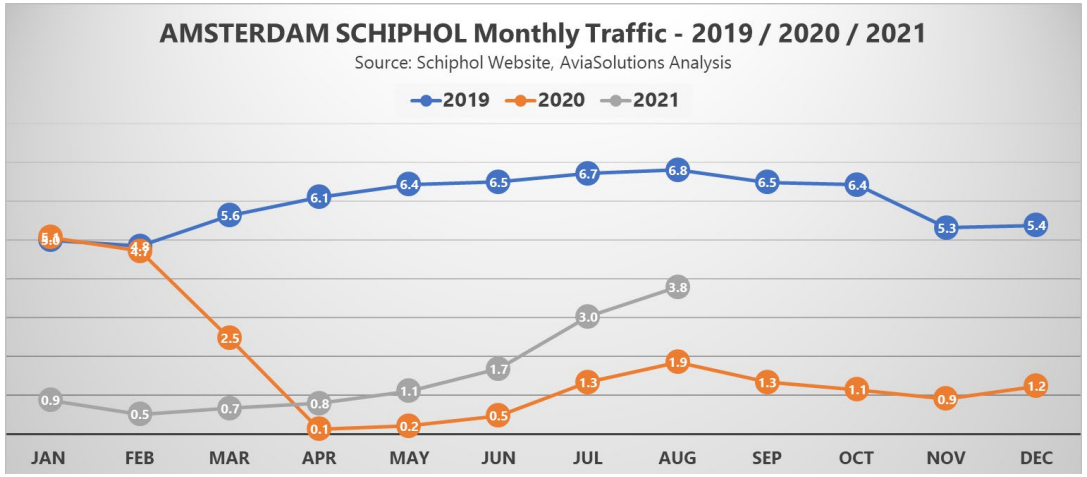
avia SOLUTIONS

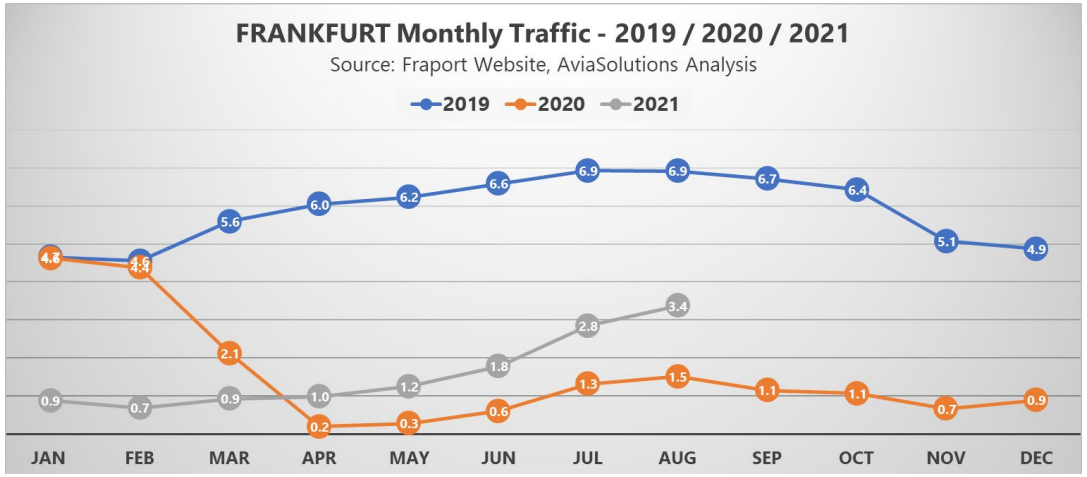
Monthly Traffic Performance Update – Bulletin #7 (September 2021)

- Selected European Airport Passengers (millions) by Airport / Airport Group





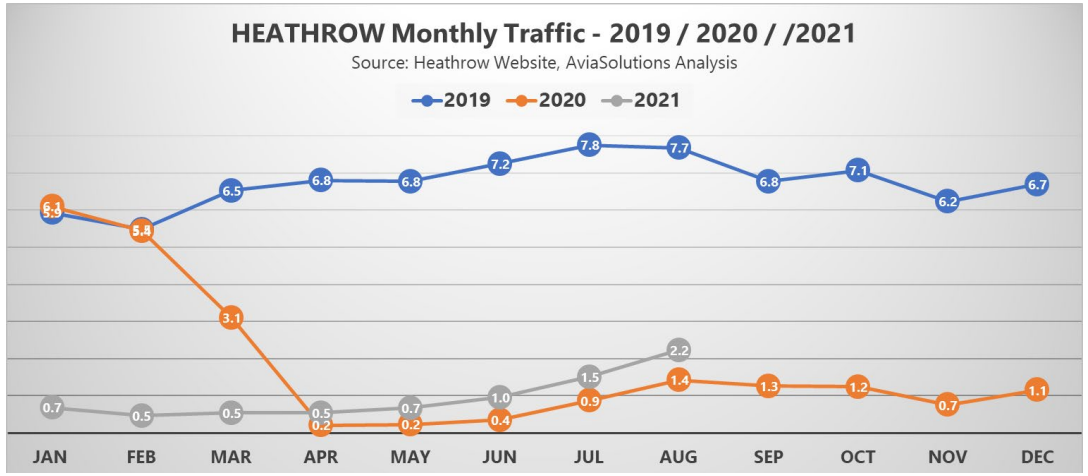


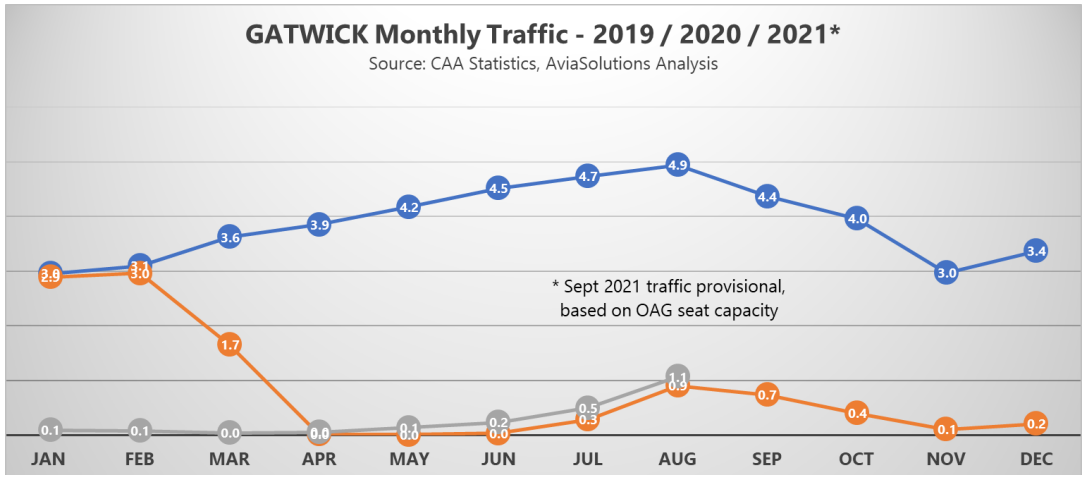


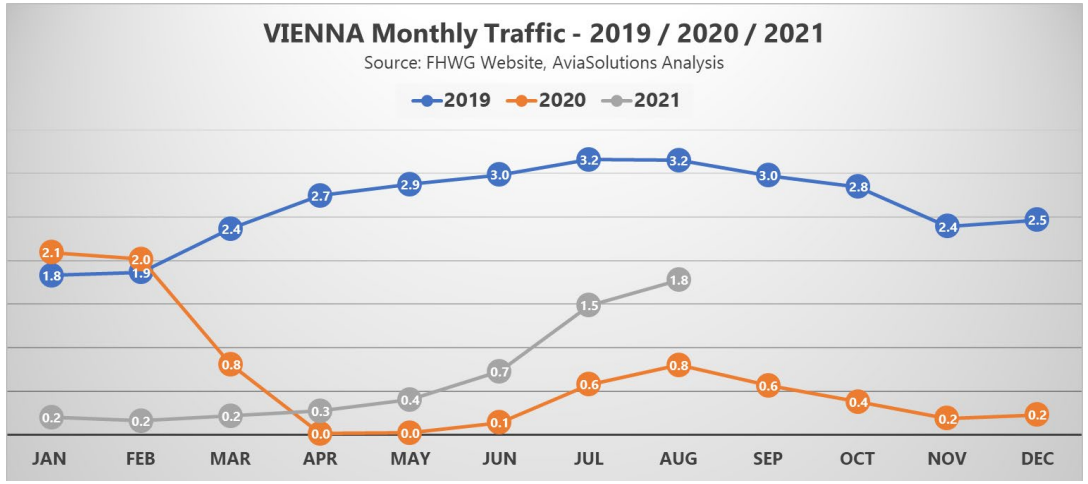
* Monthly Traffic in millions

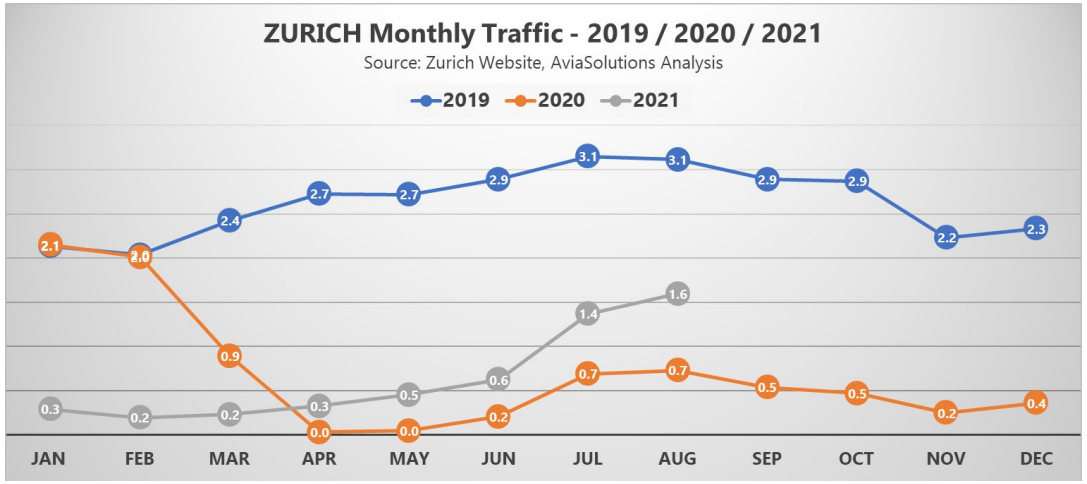
Monthly Traffic Performance Update – Bulletin #7 (September 2021)

- Selected European Airport Passengers (millions) by Airport / Airport Group









* Monthly Traffic in millions

Monthly Traffic Performance Update – Bulletin #7 (September 2021)

- UK Airports SUMMARY

London 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	Jul-21	Aug-21
Heathrow	3%	-1%	-52%	-97%	-97%	-95%	-89%	-82%	-81%	-82%	-88%	-83%	-89%	-92%	-92%	-92%	-90%	-87%	-81%	-71%
Gatwick	-2%	-4%	-54%	-100%	-100%	-99%	-94%	-82%	-83%	-90%	-97%	-94%	-97%	-99%	-99%	-99%	-97%	-95%	-90%	-78%
Stansted	-1%	0%	-58%	-99%	-99%	-98%	-83%	-69%	-75%	-84%	-91%	-90%	-95%	-98%	-98%	-96%	-94%	-87%	-75%	-60%
Luton	5%	-4%	-56%	-99%	-98%	-96%	-74%	-56%	-66%	-82%	-91%	-86%	-90%	-92%	-92%	-93%	-89%	-85%	-77%	
London City	-2%	-3%	-72%	-100%	-100%	-100%	-97%	-95%	-94%	-96%	-98%	-97%	-98%	-99%	-99%	-97%	-97%	-97%	-97%	
TOTAL	**1%**	**-2%**	**-55%**	**-98%**	**-98%**	**-97%**	**-88%**	**-77%**	**-80%**	**-85%**	**-91%**	**-87%**	**-92%**	**-95%**	**-95%**	**-95%**	**-93%**	**-89%**	**-82%**	

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	Jul-21	Aug-21
Manchester	0%	-1%	-54%	-99%	-99%	-99%	-90%	-80%	-79%	-84%	-91%	-87%	-93%	-96%	-95%	-97%	-96%	-93%	-86%	-74%
Edinburgh	2%	0%	-55%	-100%	-99%	-99%	-89%	-79%	-81%	-87%	-93%	-92%	-95%	-98%	-98%	-97%	-94%	-88%	-82%	
Birmingham	-1%	0%	-57%	-100%	-99%	-99%	-90%	-82%	-82%	-87%	-93%	-90%	-96%	-98%	-98%	-97%	-96%	-93%	-85%	
Glasgow	-3%	-1%	-55%	-99%	-100%	-99%	-93%	-82%	-83%	-86%	-91%	-90%	-94%	-97%	-97%	-96%	-91%	-86%	-79%	
Bristol	3%	7%	-52%	-100%	-100%	-100%	-88%	-73%	-76%	-86%	-95%	-91%	-96%	-99%	-99%	-98%	-95%	-91%	-81%	

Source: CAA, Airport Websites, Avia Solutions Analysis

Aug 2021 saw a marginal recovery of traffic, notably at STN which is highly dependent on availability of Ryanair capacity and has been more aggressive in reintroducing services during the summer season.

avia SOLUTIONS

Consensus Traffic Growth Forecast – Bulletin #7 (September 2021)

- Longer Term Recovery Expectations

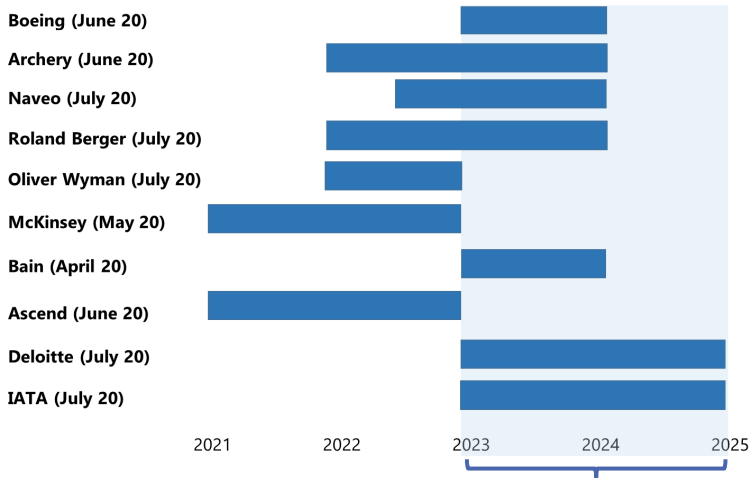
- Since April 2020, Avia Solutions has consistently estimated that passenger traffic volumes would return to pre-pandemic 2019 levels between 2023 to 2025 (high to low cases), dependent on region and traffic type.
- However, it is not expected that the same mix of passenger traffic (business vs leisure, international vs domestic, LCC vs full service) will return 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' consistent expectations of a 2023 to 2025 recovery.

For bespoke forecasting services please contact:

info@aviasolutions.com

Forecast Recovery to 2019 Levels (Summer 2020 Forecasts)

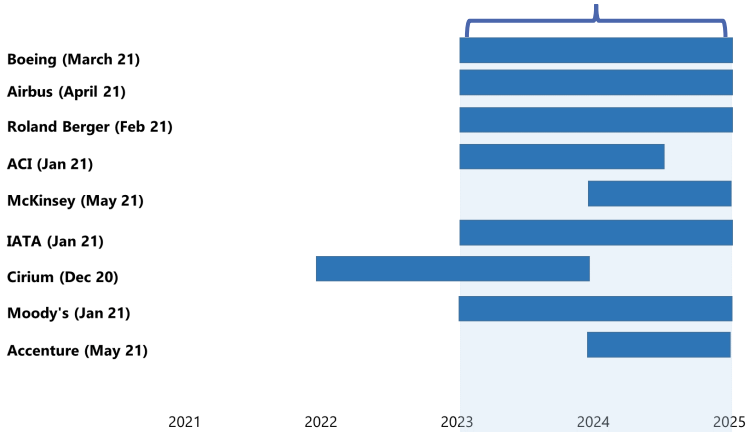
Forecasts from Summer 2020



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

Disclaimer of Liability

- This publication provides general information and should not be used or taken as business, financial, tax, accounting, legal or other advice, or relied upon in substitution for the exercise of your independent judgment. For your specific situation or where otherwise required, expert advice should be sought.
- Although Avia Solutions Limited or any of its affiliates (together, "Avia") believes that the information contained in this publication has been obtained from and is based upon sources Avia believes to be reliable, Avia does not guarantee its accuracy and it may be incomplete or condensed.
- Avia make no representation or warranties of any kind whatsoever in respect of such information.
- Avia does not accept any liability of any kind for loss arising from the use of the material presented in this publication.