



RAYMOND JAMES

Aviation in a
COVID World

The Pandemic Has Unleashed A Rash Of Fixed Wing Airline Bankruptcies Globally

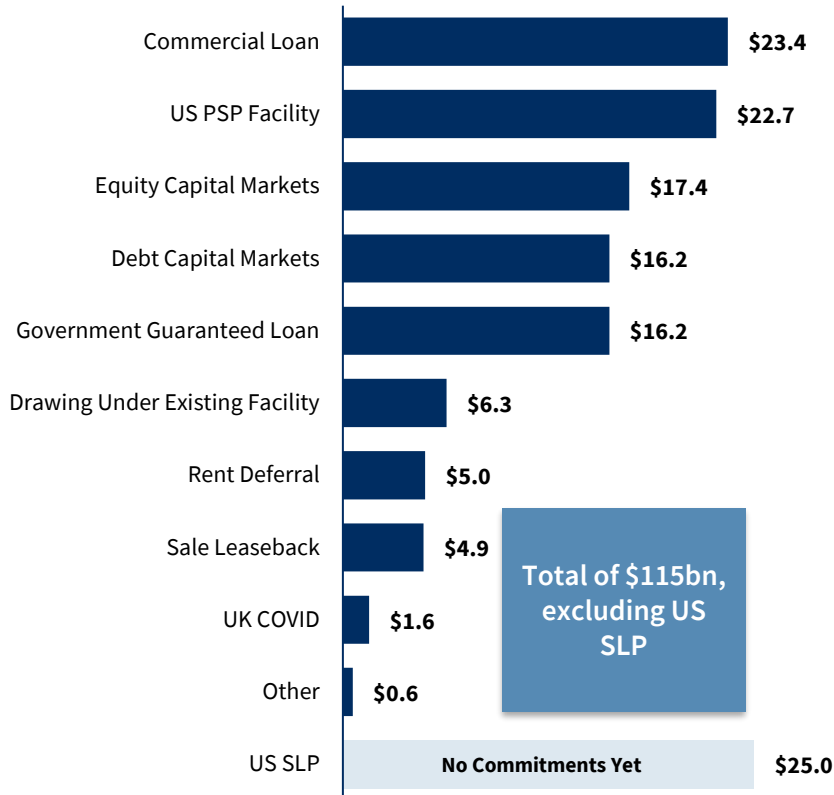
As the impact of COVID-19 has spread globally, carriers have faced 90%+ reductions in demand. Even with the amount of aid offered by governments, successful access to the capital markets, and general balance sheet health pre-COVID, airlines are declaring bankruptcy at an alarming rate.



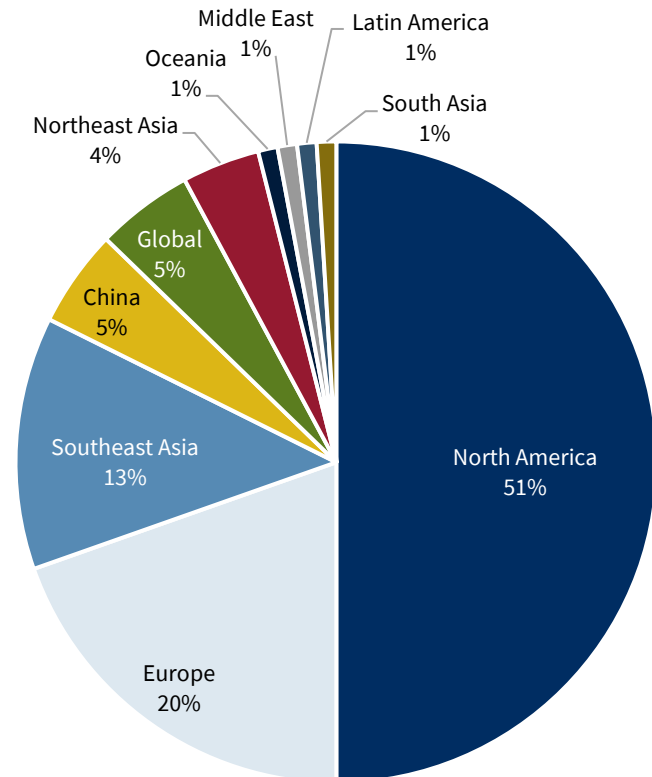
Fixed Wing Passenger Airline Liquidity During Initial Pandemic

For airlines bolstering their balance sheets it's very much a story of the haves and the have nots, both between and within regions

TOTAL AIRLINE LIQUIDITY SOURCES,
1ST FEBRUARY – 11TH MAY



AIRLINE LIQUIDITY SOURCES BY GEOGRAPHY,
1ST FEBRUARY – 11TH MAY

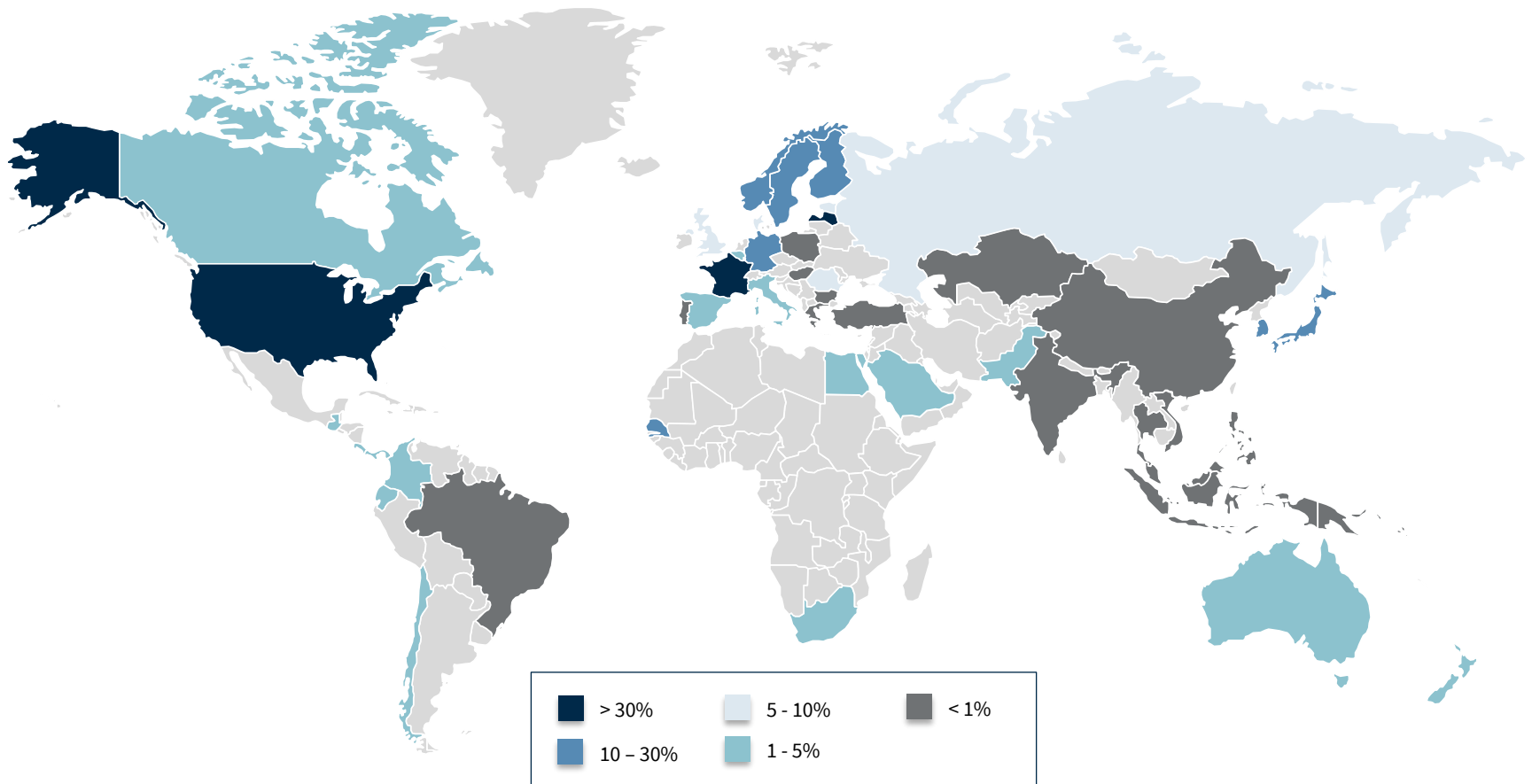


Source: Airfinance Journal. Percentages may not add up to 100% due to the effect of rounding.

Government Aid To Airlines By Country

Worldwide, governments have shown widely varying tolerances to fund airlines during the COVID-19 shutdown.

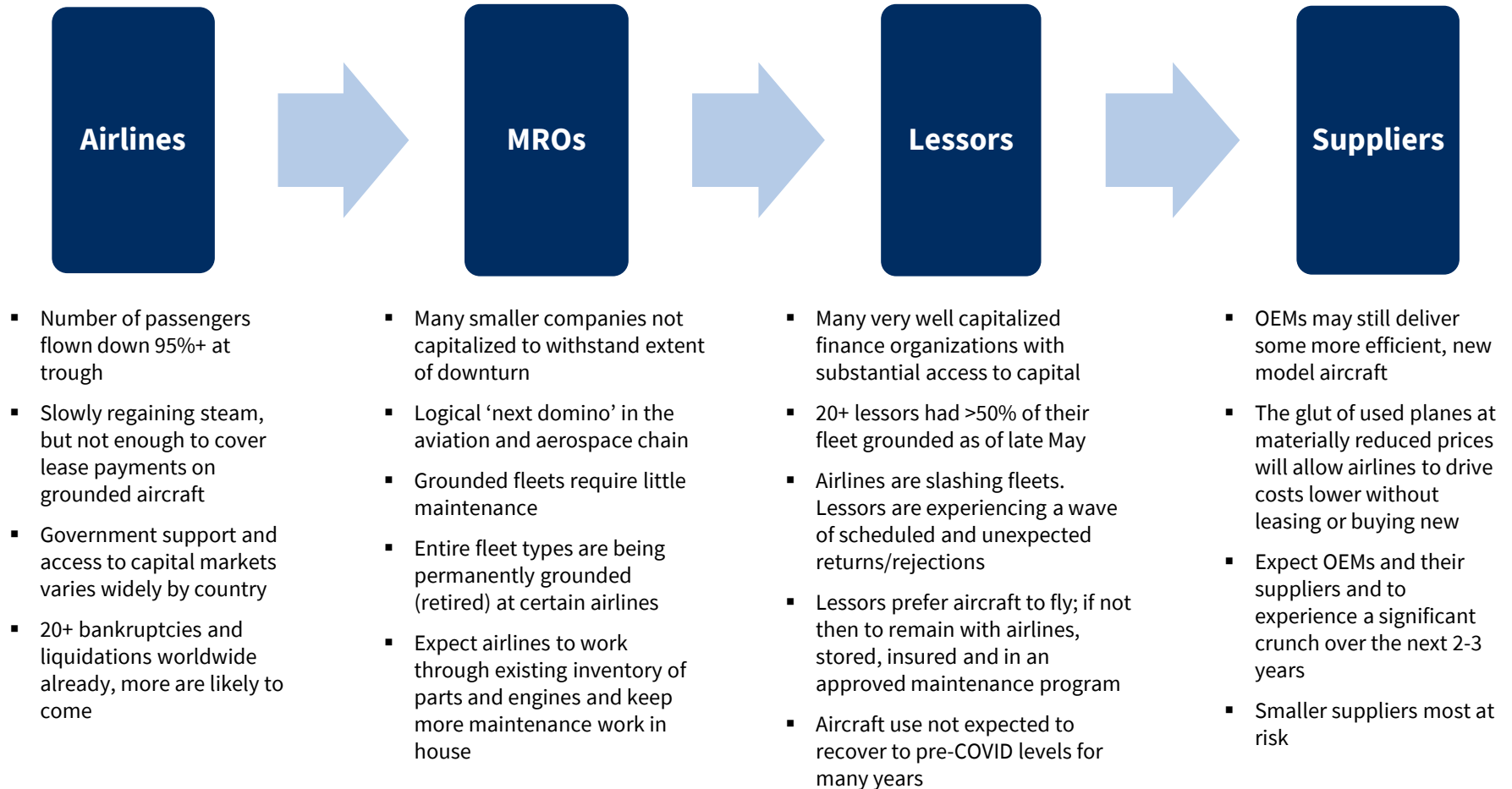
TOTAL AMOUNT OF GOVERNMENT AID AS A % OF AIRLINE TICKET REVENUES
TO/FROM/WITHIN COUNTRY IN 2019



Source: IATA, 05/26/20.

Which Dominoes Fall Next? Does This Look Like Early 2016?

The current fixed wing landscape is focused on bankruptcy filings by passenger carriers. However, depending upon how long and deep the downturn remains, there may be a wide ranging effect on the entire aviation vale chain, as illustrated below.



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