

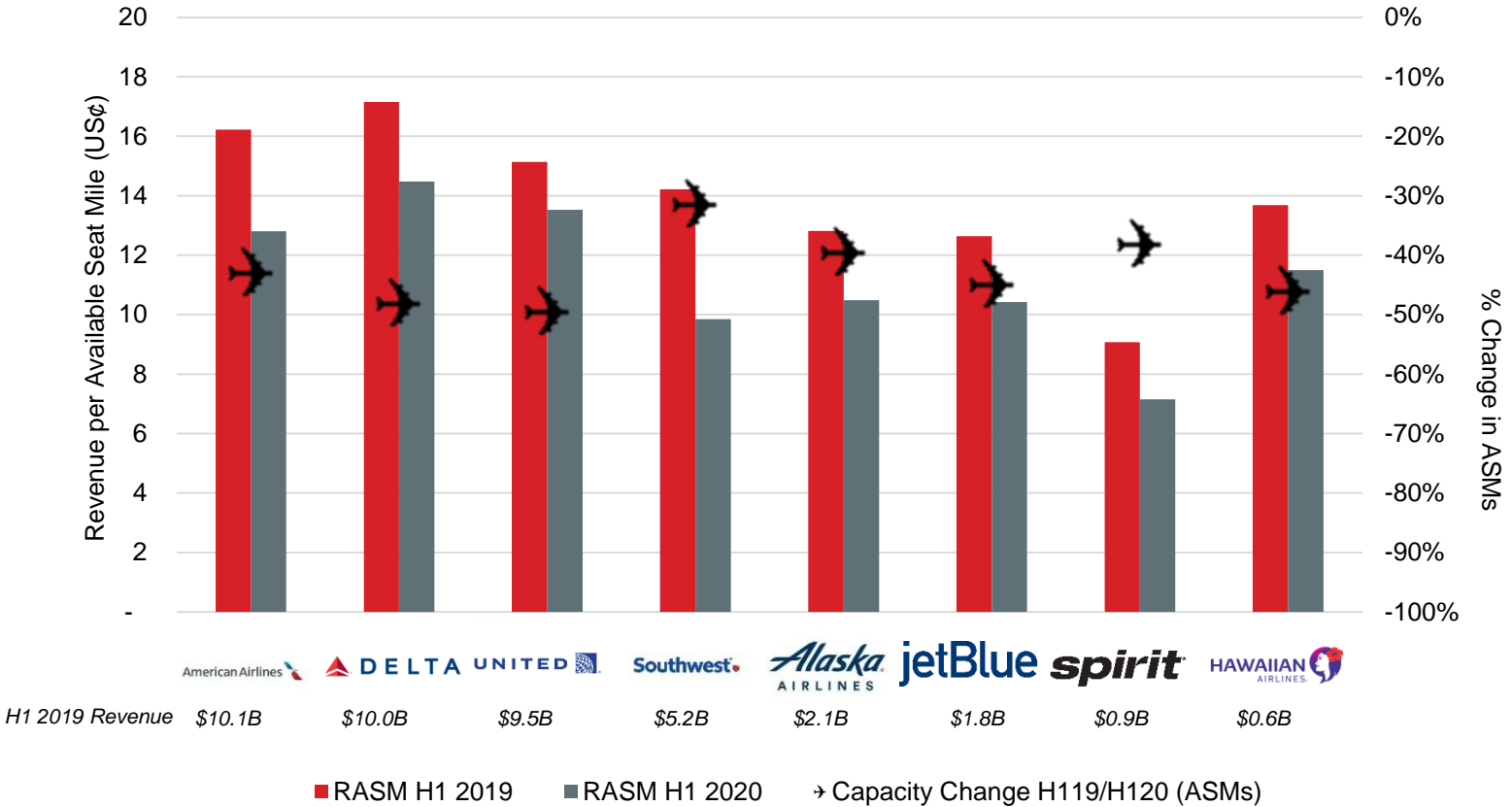
# mba takes a look at the impact of Covid-19 on capacity planning and revenues



The eight largest US air carriers by revenue have reduced capacity to varying degrees in response to lower demand and in an effort to save costs through smaller operations.

In the first half of 2020, the Subject Airline reduced their offering of available seat miles (ASM) approximately 43%, compared to the same period last year. Despite this drastic reduction in capacity, revenues per ASM decreased by an average of US¢2.6.

LCCs took advantage of their flexibility and maintained more capacity compared to their mainline competitors. Southwest reduced capacity the least, cutting only 32% with a RASM reduction of US¢4.4. Among the three mainline carriers American maintained the most capacity allowing them to overtake Delta in revenues for the first half of the year, even with a US¢3.2 reduction in RASM.



Sources: SEC Edgar, OAG, mba Aviation Analysis

mba has comprehensive experience modeling routes in domestic and international markets. When contemplating changes to route networks, many clients find mba's market performance model beneficial.

- This proprietary model provides insight into:
- Yield & Load Factor Analysis
  - Traffic Flow Forecasting
  - Existing Underserved Markets
  - Markets for New Service