

## Airlines

## Bookings: trends normalizing in the off-peak January travel period

Industry Overview

## Trends normalizing in the off-peak January travel period

System net sales increased +1.9% year-over-year for the week ending 1/28 compared to +0.7% last week. Sales remained in-line with the recent trend, just slightly below the rolling 4-week average of +2.1% as volumes continued to be the driver of sales growth on softer pricing. We have seen trends normalize in January to a level ahead of last fall when sales growth was down mid-single digits but behind peak holiday travel when sales were up in the mid- to high-single digits.

## Domestic over international bookings in January

Domestic sales accelerated to +6.4% from +3.7% last week while international sales decelerated modestly to -1.8% from -1.7% last week. International volumes outpaced domestic this week at +7.2% and +4.7%, respectively, while domestic pricing saw the second consecutive positive week at +1.6%, well ahead of international pricing at -8.4%. Over the last 4-weeks, domestic net sales are up +6.3% compared to international down -1.5%. Both entities were slightly softer vs December when domestic/international sales were +8.5%/+4.3%.

## Corporate momentum continues, but SME still leads

Large corporate sales were +0.3% YoY this week, now roughly 80% recovered to 2019. Our proxy for small- and medium-sized enterprises (SME) sales continued the theme of outperformance over large corporate, up +3.7% YoY, with net sales nearly 30% ahead of 2019 levels.

## Exhibit 1: Latest airline booking trends YoY

System net sales rose +1.9% vs 2023

	Trailing 4-weeks ending				Latest Week 1/28/2024	Quarterly 1Q24 to date	
	10/15/2023	11/12/2023	12/10/2023	1/7/2024		4Q23	date
System Sales	-0.2%	-4.0%	5.5%	4.0%	1.9%	1.3%	2.2%
System Volumes	3.6%	7.5%	8.3%	7.0%	5.7%	7.2%	4.8%
System Price	-3.6%	-9.8%	-2.6%	-2.5%	-3.6%	-5.2%	-2.1%
Domestic Sales	-1.8%	1.1%	9.1%	5.8%	6.4%	3.8%	6.5%
International Sales	1.4%	-8.9%	2.4%	2.5%	-1.8%	-1.0%	-1.5%
Large Corporate Sales	-7.0%	-9.0%	3.2%	0.4%	0.3%	-3.0%	0.4%
Leisure Sales	-7.9%	-4.7%	0.4%	-2.4%	-2.2%	-3.7%	-2.8%
Domestic Price	-3.4%	-4.6%	2.4%	2.2%	1.6%	-1.2%	2.3%
International Price	-5.4%	-14.9%	-7.9%	-8.0%	-8.4%	-9.9%	-5.9%

Source: ARC

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## Website traffic decelerates vs last week

US airlines' trailing 7-day average daily website visits were -2% lower for the week ending 1/30 compared to the week ending 1/23. Visits to most websites decelerated, with the exception of United, Frontier, and Southwest which accelerated.

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Refer to important disclosures on page 11 to 13.

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## Monthly and Quarterly ARC trends

### Exhibit 2: Latest booking trends and quarterly comparison

1Q24 net sales to date are +2.2%, ahead of 4Q23

	Trailing 4-weeks ending					Latest Week	Quarterly		1Q24 to date
	9/17/2023	10/15/2023	11/12/2023	12/10/2023	1/7/2024	1/28/2024	3Q23	4Q23	
<b>System:</b>									
System Sales	4.4%	-0.2%	-4.0%	5.5%	4.0%	1.9%	7.1%	1.3%	2.2%
System Volumes	6.7%	3.6%	7.5%	8.3%	7.0%	5.7%	8.8%	7.2%	4.8%
System Price	-2.2%	-3.6%	-9.8%	-2.6%	-2.5%	-3.6%	-1.5%	-5.2%	-2.1%
<b>Domestic:</b>									
Domestic Sales	0.3%	-1.8%	1.1%	9.1%	5.8%	6.4%	2.4%	3.8%	6.5%
Domestic Volumes	4.3%	1.7%	7.0%	6.6%	3.8%	4.7%	5.5%	5.3%	4.6%
Domestic Price	-3.9%	-3.4%	-4.6%	2.4%	2.2%	1.6%	-3.0%	-1.2%	2.3%
<b>International:</b>									
International Sales	8.3%	1.4%	-8.9%	2.4%	2.5%	-1.8%	11.6%	-1.0%	-1.5%
International Volumes	11.3%	7.2%	8.6%	11.2%	11.9%	7.2%	14.8%	10.4%	5.0%
International Price	-2.6%	-5.4%	-14.9%	-7.9%	-8.0%	-8.4%	-2.8%	-9.9%	-5.9%
<b>Large Corporate:</b>									
Large Corporate Sales	-3.0%	-7.0%	-9.0%	3.2%	0.4%	0.3%	-0.5%	-3.0%	0.4%
Large Corporate Volumes	-1.8%	-6.1%	-4.1%	-1.6%	-1.2%	-1.3%	-0.4%	-2.7%	-1.2%
Large Corporate Price	-1.2%	-1.0%	-3.9%	4.8%	2.7%	1.6%	-0.2%	0.2%	2.5%
<b>SME Corporate:</b>									
SME Corporate Sales	10.7%	5.0%	-2.0%	8.2%	7.5%	3.7%	13.1%	4.5%	4.5%
SME Corporate Volumes	13.3%	9.0%	11.4%	13.4%	13.5%	9.7%	15.0%	12.6%	8.5%
SME Corporate Price	-2.3%	-3.6%	-10.9%	-4.5%	-4.7%	-5.5%	-1.7%	-6.8%	-3.3%
<b>Leisure:</b>									
Leisure Sales	-5.3%	-7.9%	-4.7%	0.4%	-2.4%	-2.2%	-1.3%	-3.7%	-2.8%
Leisure Volumes	0.0%	-1.0%	6.8%	4.1%	-0.5%	1.5%	3.0%	2.7%	0.6%
Leisure Price	-5.3%	-7.0%	-10.3%	-3.6%	-1.9%	-3.7%	-4.2%	-6.0%	-3.3%

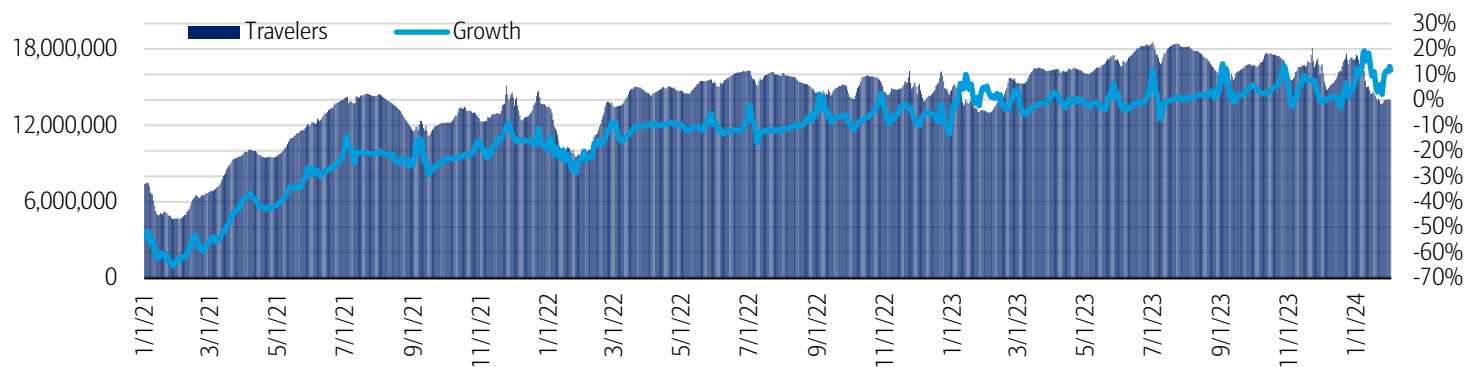
Source: ARC

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## TSA throughput and bookings by month

### Chart 1: TSA trailing 7-day throughput vs 2019

TSA trailing 7-day throughput is 111% of 2019 levels



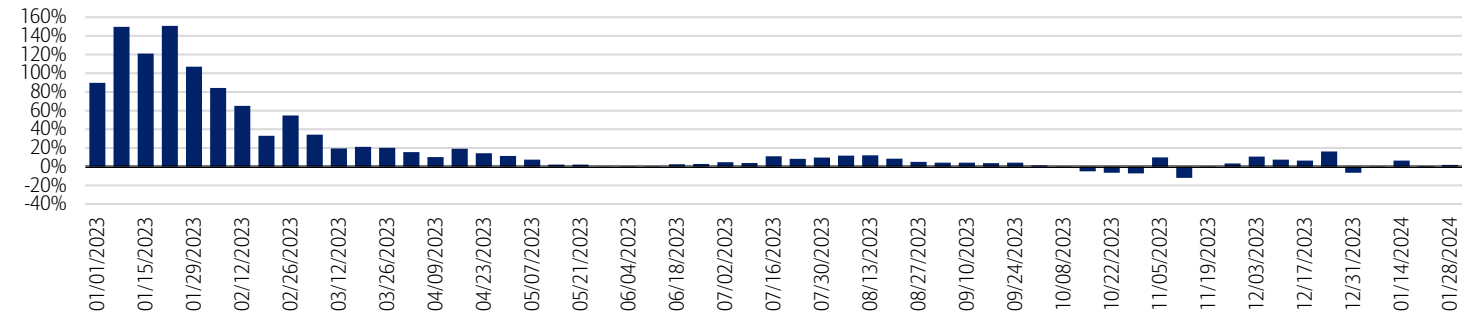
Source: www.tsa.gov

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# Recent growth trends year-over-year

## Exhibit 3: Consolidated net sales growth

Consolidated net sales were +2% (vs +1% last week)

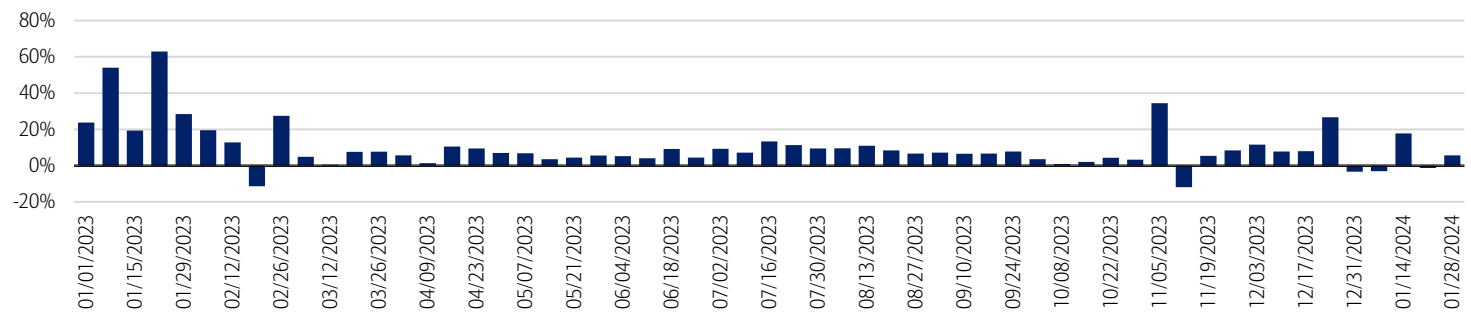


Source: ARC

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## Exhibit 4: Consolidated tickets sold

Consolidated ticket volumes were +6% YoY (vs -1% last week)

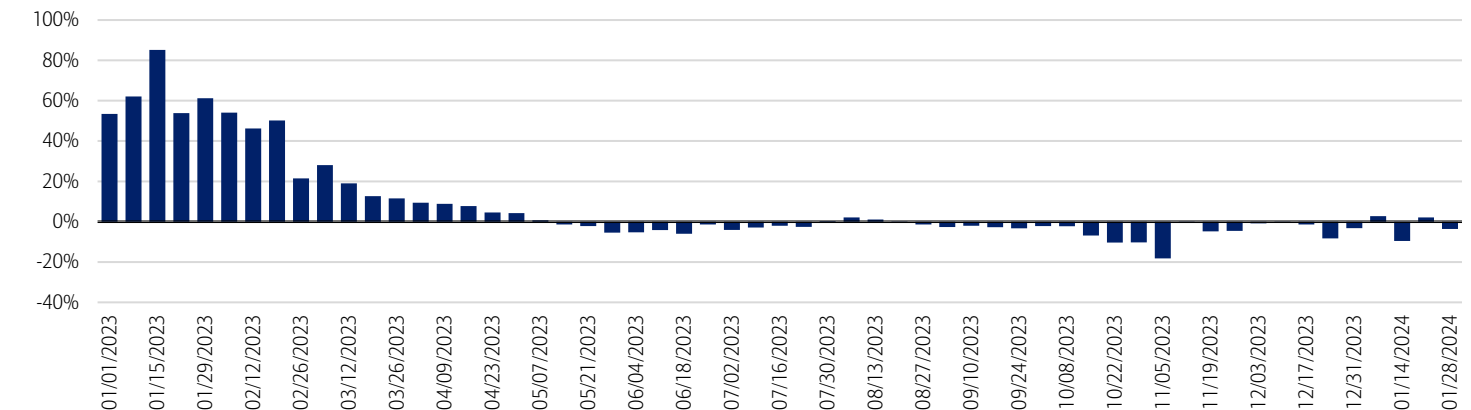


Source: ARC

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## Exhibit 5: Consolidated ticket price

Consolidated ticket prices were -4% YoY (vs +2% last week)

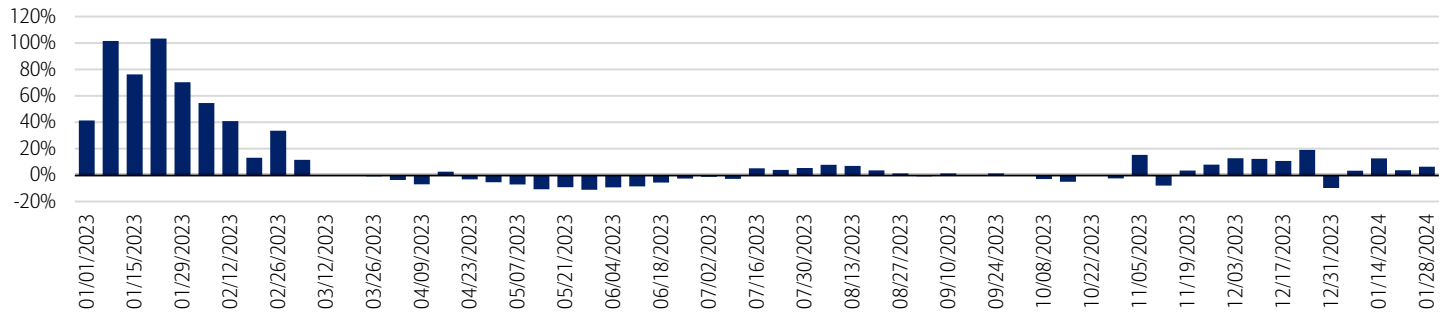


Source: ARC

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**Exhibit 6: Consolidated domestic sales growth**

Consolidated domestic sales were +6% YoY (vs +4% last week)

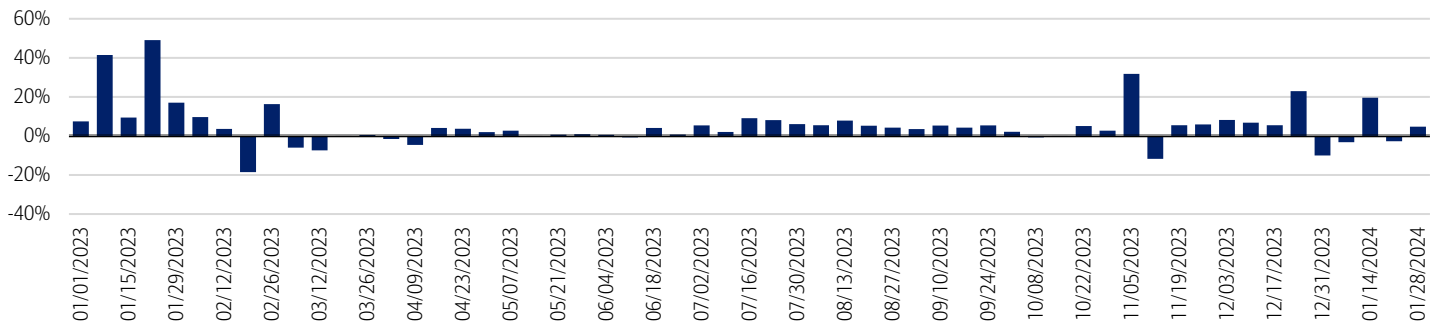


Source: ARC

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**Exhibit 7: Consolidated domestic tickets sold**

Domestic ticket volumes were +5% YoY (vs -3% last week)

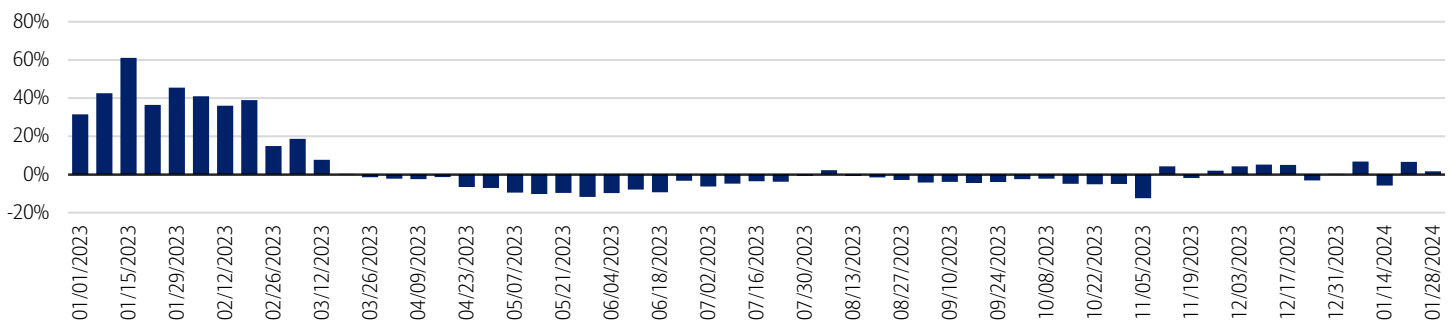


Source: ARC

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**Exhibit 8: Consolidated domestic ticket price**

Domestic ticket prices were +2% YoY (vs +7% last week)

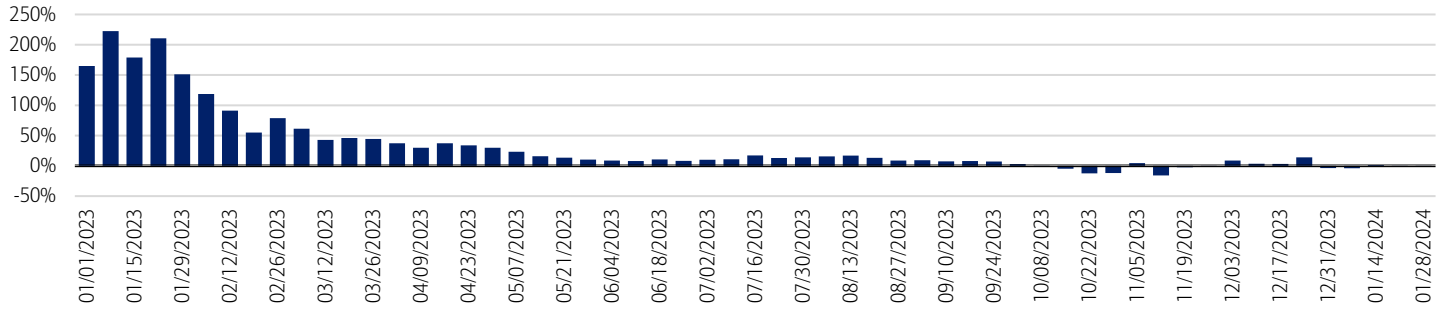


Source: ARC

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**Exhibit 9: Consolidated international sales growth**

International net sales were -2% YoY (vs -2% last week)

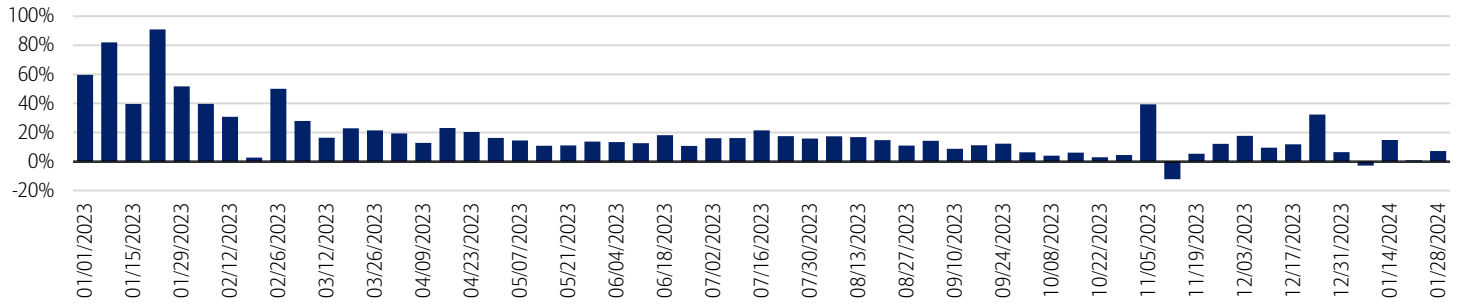


Source: ARC

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**Exhibit 10: Consolidated international tickets sold**

International ticket volumes were +7% YoY (vs +1% last week)

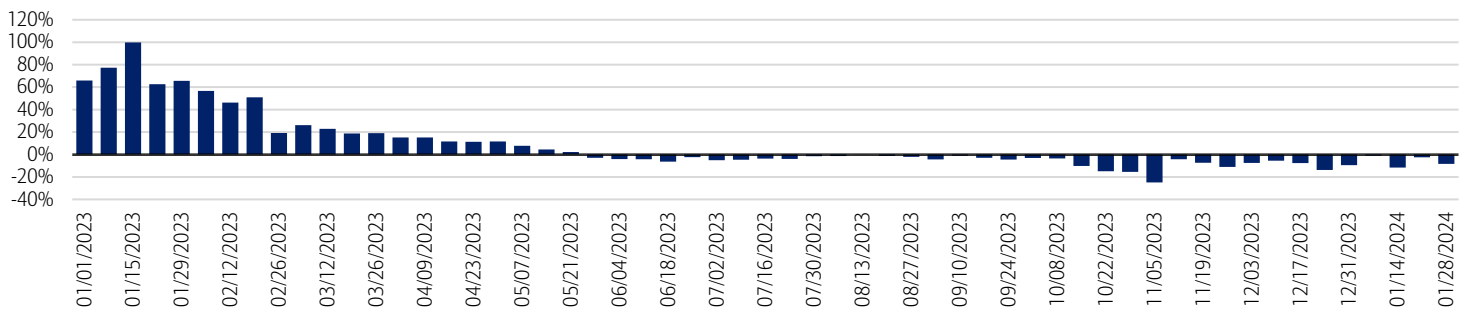


Source: ARC

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**Exhibit 11: Consolidated international ticket price**

International ticket prices were -8% YoY (vs -3% last week)



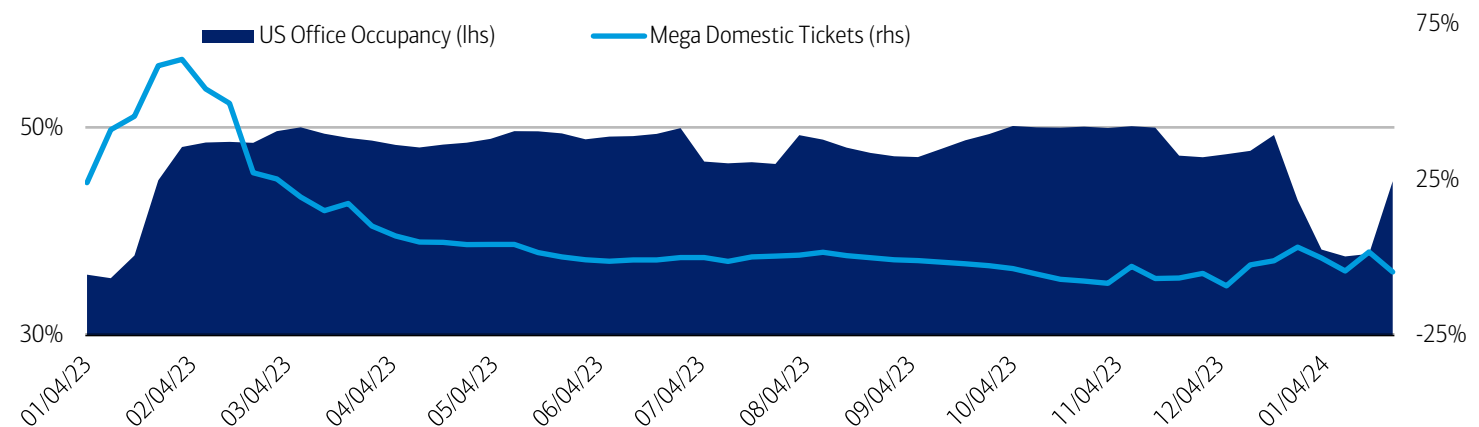
Source: ARC

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# US Office Occupancy & Corporate Trends

## Exhibit 12: Office occupancy versus domestic bookings through mega corporate channels

We have found corporate travel to be linked to office occupancy levels over the course of the recovery

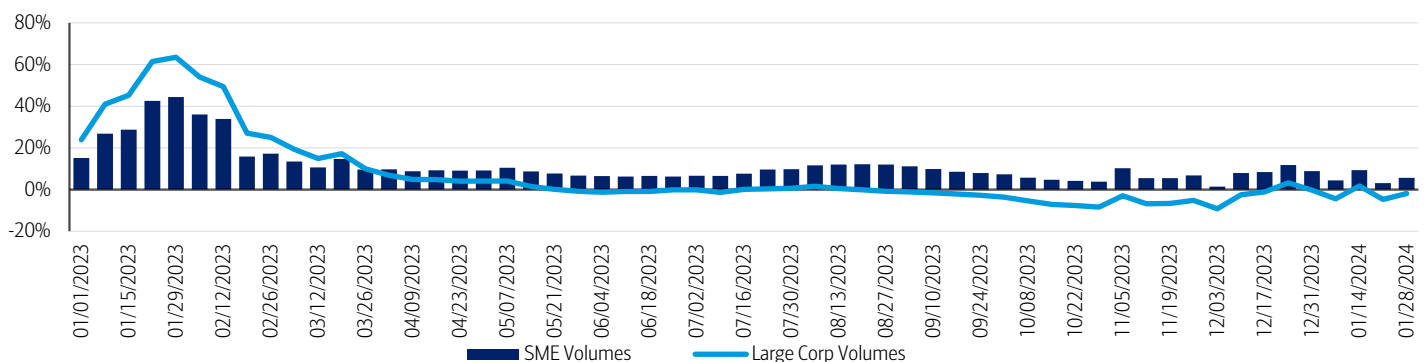


Source: ARC, Kastle Systems

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## Exhibit 13: Domestic bookings through large corporate vs small/medium corporate channels (Trailing 4-week YoY)

Domestic large corporate booking volumes on a trailing 4-week basis were -1.9% YoY compared to SME volumes of +5.6% YoY

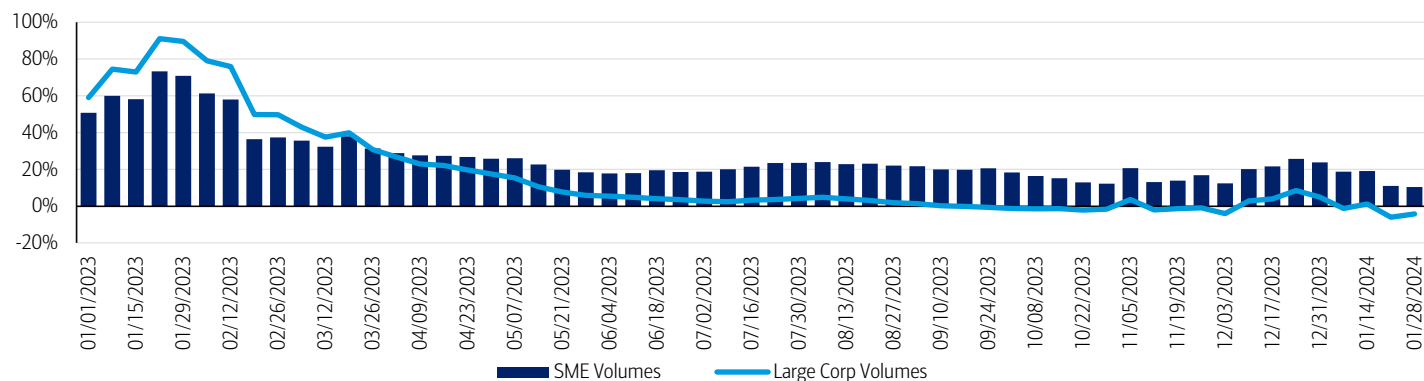


Source: ARC

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## Exhibit 14: International bookings through large corporate vs small/medium corporate channels (Trailing 4-week YoY)

International large corporate booking volumes on a trailing 4-week basis were -4.3% YoY compared to SME volumes +10.3% YoY



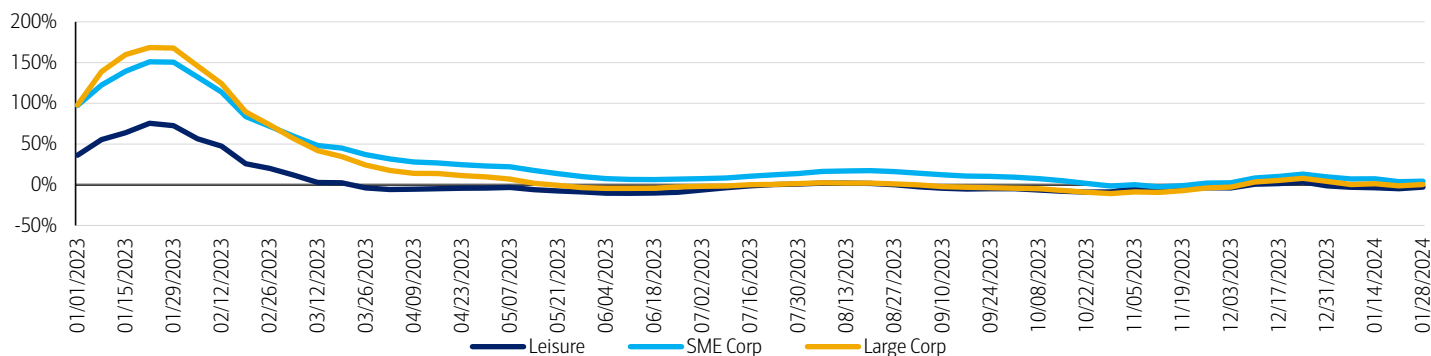
Source: ARC

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# Corporate and leisure year-over-year

## Exhibit 15: Corporate vs leisure sales net sales growth (Trailing 4-week)

SME corporate net sales +4.4%; leisure -2.9%; large corporate +0.3% YoY

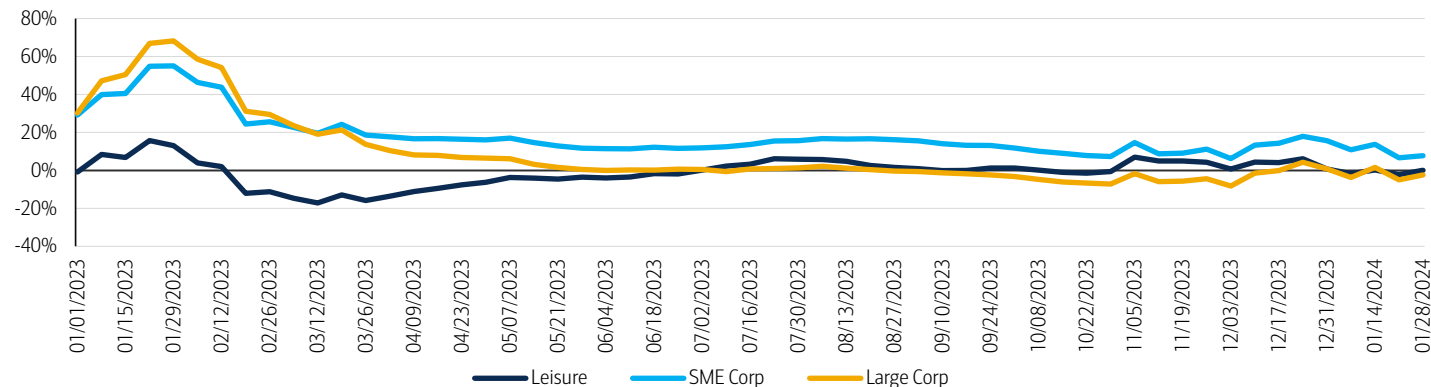


Source: ARC

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## Exhibit 16: Corporate vs leisure tickets sold (Trailing 4-week)

SME corporate tickets sold +7.7%; leisure +0.1%; large corporate -2.4% YoY

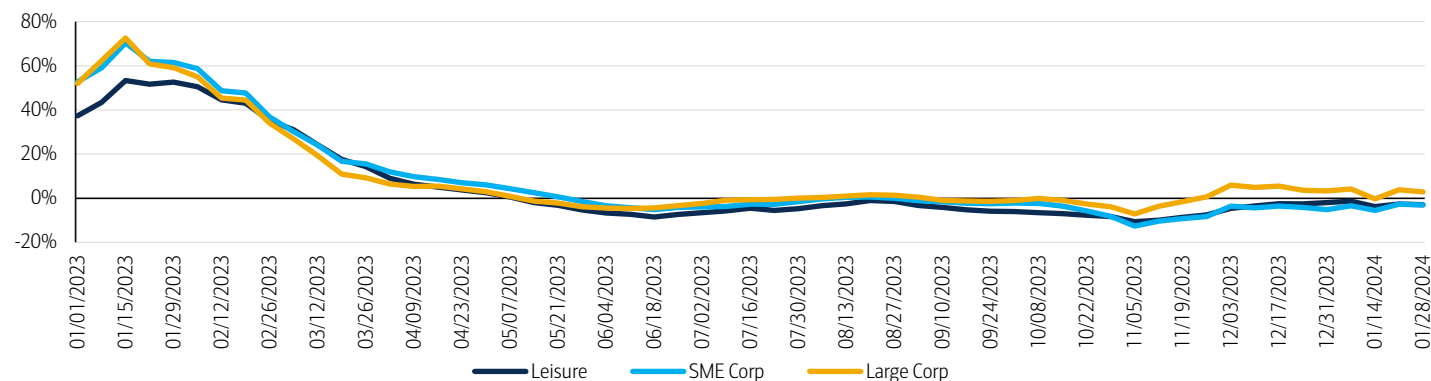


Source: ARC

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## Exhibit 17: Corporate vs leisure ticket price (Trailing 4-week)

SME corporate pricing -3.1% YoY; leisure -3.0% YoY; large corporate +2.8% YoY

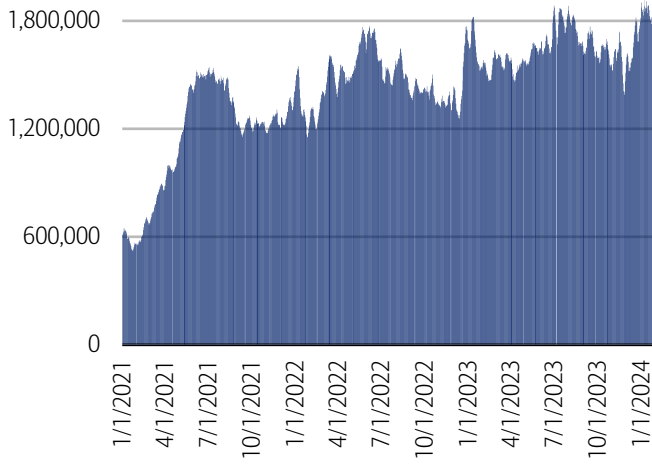


Source: ARC

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### Exhibit 18: Delta trailing 7-day website visits

Daily visit growth to delta.com was lower this week vs last week

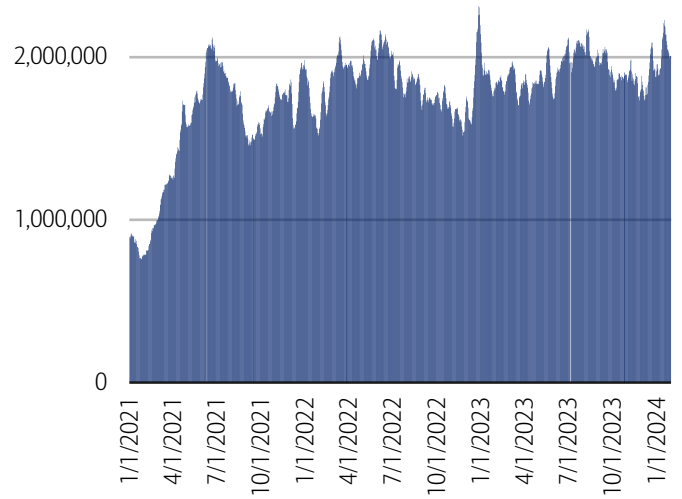


Source: SimilarWeb, [www.similarweb.com](http://www.similarweb.com)

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### Exhibit 19: American trailing 7-day website visits

Daily visit growth to aa.com was lower this week vs last week

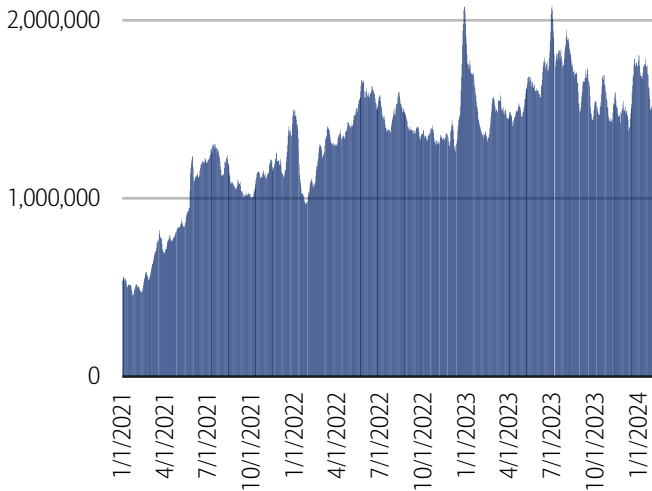


Source: SimilarWeb, [www.similarweb.com](http://www.similarweb.com)

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### Exhibit 20: United trailing 7-day website visits

Daily visit growth to united.com was higher this week vs last week

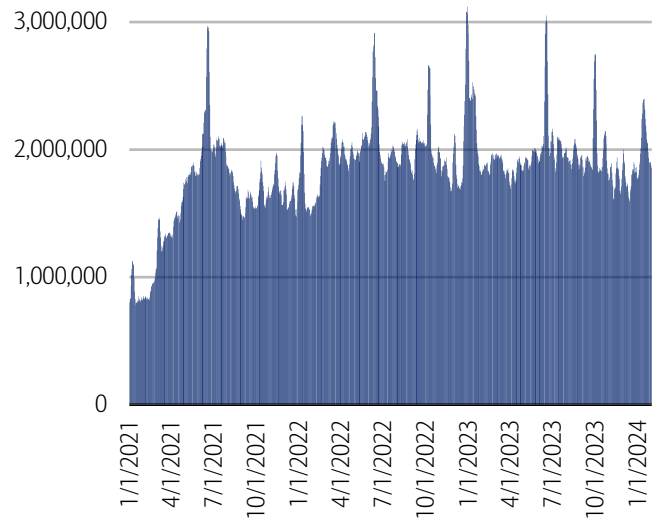


Source: SimilarWeb, [www.similarweb.com](http://www.similarweb.com)

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### Exhibit 21: Southwest trailing 7-day website visits

Daily visit growth to southwest.com was higher this week vs last week



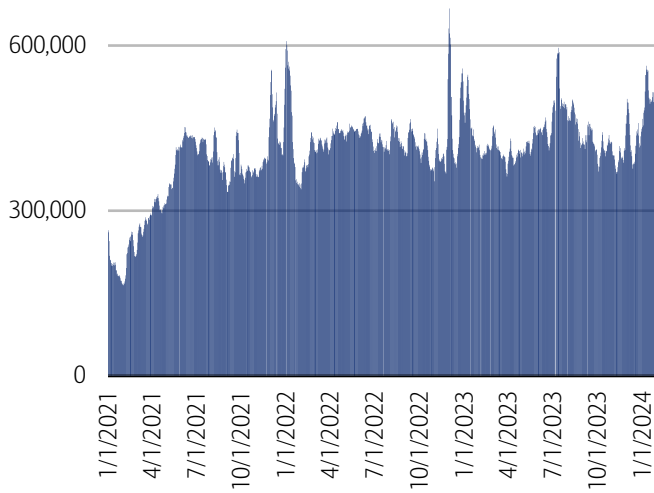
Source: SimilarWeb, [www.similarweb.com](http://www.similarweb.com)

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**Exhibit 22: Alaska trailing 7-day website visits**

Daily visit growth to alaskaair.com was lower this week vs last week

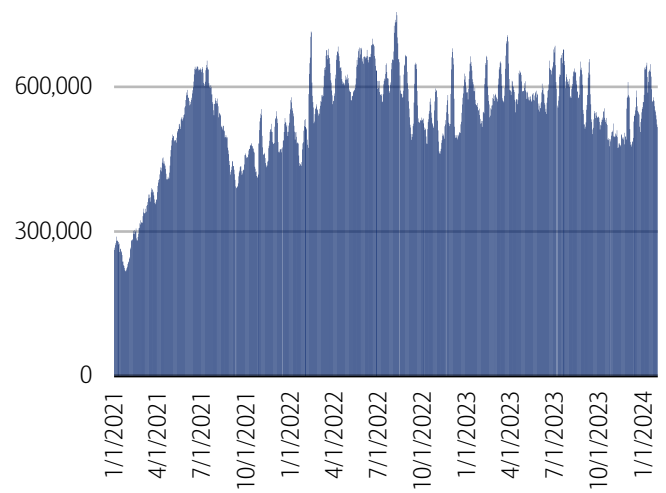


Source: SimilarWeb, www.similarweb.com

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**Chart 2: JetBlue trailing 7-day website visits**

Daily visit growth to jetblue.com was lower this week vs last week

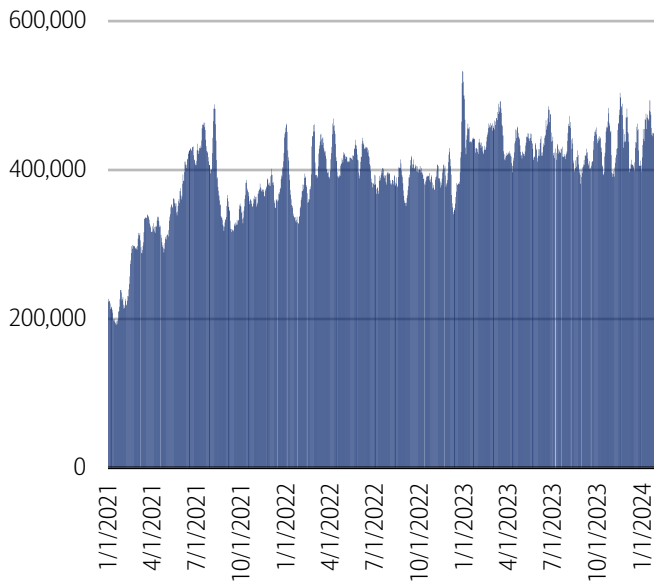


Source: SimilarWeb, www.similarweb.com

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**Chart 3: Spirit Airlines trailing 7-day website visits**

Daily visit growth to spirit.com was lower this week vs last week

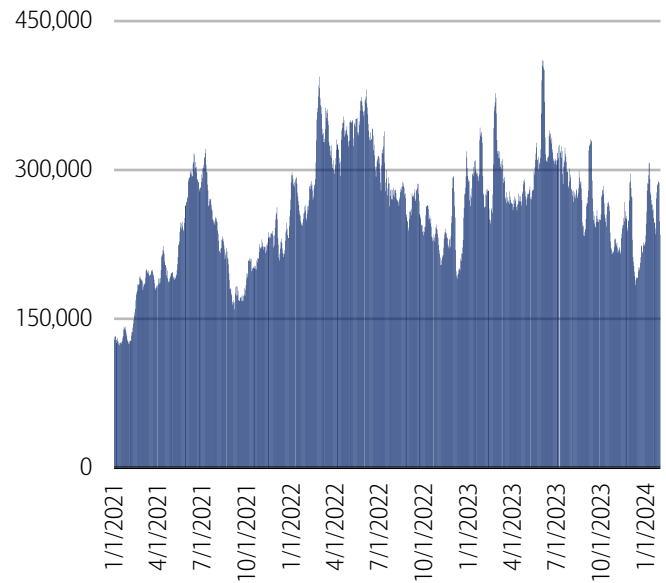


Source: SimilarWeb, www.similarweb.com

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**Exhibit 23: Allegiant trailing 7-day website visits**

Daily visit growth to allegiantair.com was lower this week vs last week

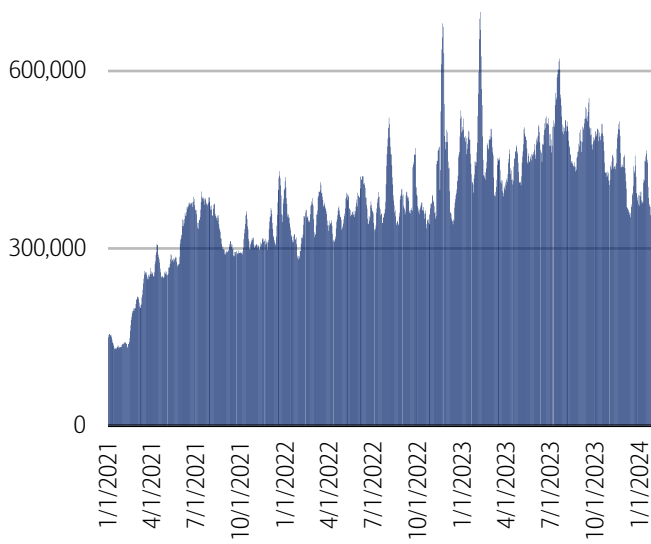


Source: SimilarWeb, www.similarweb.com

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**Exhibit 24: Frontier Airlines trailing 7-day website visits**

Daily visit growth to flyfrontier.com was higher this week vs last week

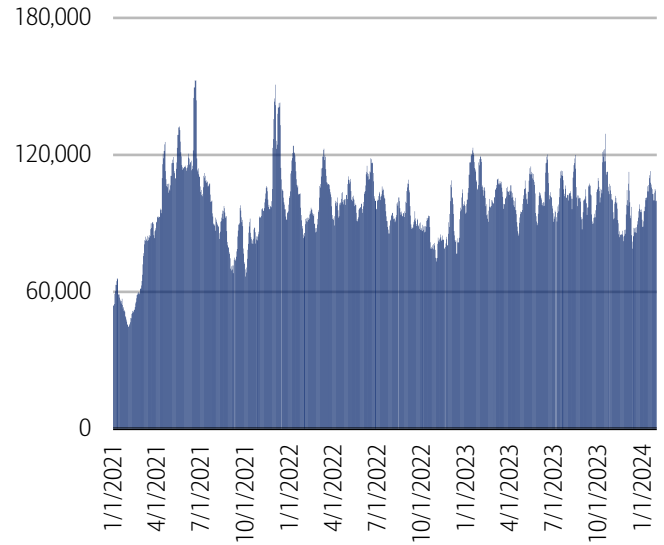


Source: SimilarWeb, www.similarweb.com

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**Exhibit 25: Hawaiian Airlines trailing 7-day website visits**

Daily visit growth to hawaiianairlines.com was lower this week vs last week

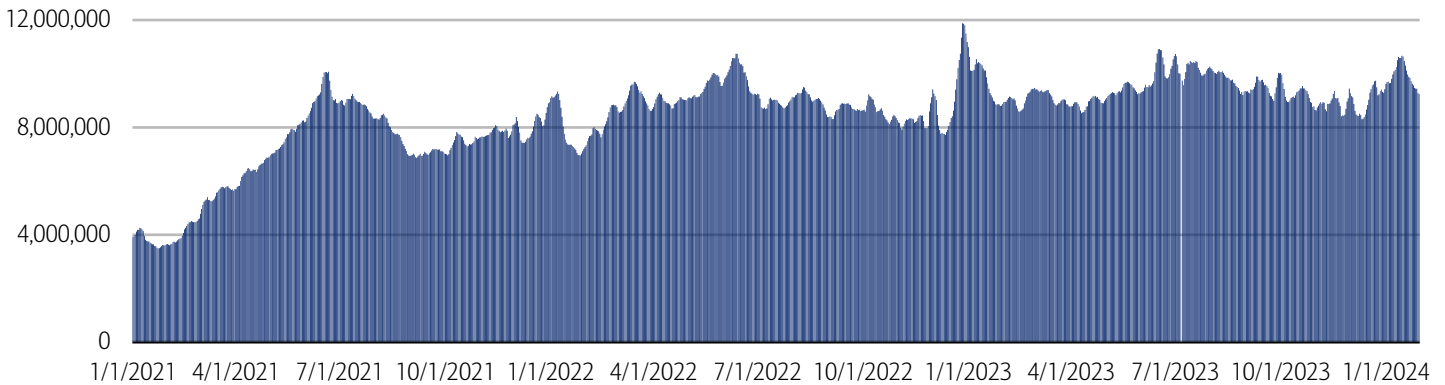


Source: SimilarWeb, www.similarweb.com

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**Exhibit 26: Total website visits across major airlines for trailing 7-days**

US airlines' trailing 7-day average daily website visits were -2% lower this week vs last week



Source: SimilarWeb, www.similarweb.com

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Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

<sup>R1</sup> Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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