

## Airlines

# BofA Seat Tracker: UAL makes Atlantic cuts; ULCC adds to domestic

Industry Overview

## BofA Seat Tracker tracks weekly changes in capacity

In this report, we track weekly system changes by carrier and outline monthly capacity by domestic, Europe, Latin America, and Asia Pacific regions. We also include changes in the Canadian market on a regional basis.

## UAL cuts Atlantic; Pacific schedules show China updates

UAL lowered system capacity by over 450bps each month from April to June while cuts moderated slightly in July. Atlantic flying was lowered by about 500bps each month in the period as international carriers added capacity, while Pacific flying was lowered by 21.8%. Pacific cuts were driven by the removal of China flights from schedules in alignment with allowable operations by current US-China bilateral agreements. Schedules currently reflect once-daily service to Beijing and Shanghai from UAL's San Francisco hub, with operations from other hubs now removed from schedules.

## ULCC adds capacity in April/May

ULCC raised capacity by 650/530bps in April/May with adds focused on the domestic network as Latin American capacity was raised by roughly 100bps in each month. We expect further capacity adds in the coming weeks as 2Q24 capacity growth is tracking +7.4%, below our/consensus estimates of +12%/+11%.

## LUV system capacity now more aligned with guidance

LUV lowered system capacity by 240/250bps in June/July. Cuts came almost entirely from domestic flying, lowered by 260/270bps, while Latin American capacity is mostly unchanged. LUV's 2Q24/3Q24 capacity is now tracking +9%/+5%, which is in line with the company's guidance of +8-10%/+3-5%.

### Exhibit 1: System capacity changes versus prior week

LUV lowered capacity by roughly 250bps in June/July

System	Change vs. Prior Week					
	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024
DAL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AAL	0.0%	0.0%	0.0%	-0.2%	0.0%	0.0%
UAL	0.0%	-0.2%	-4.7%	-4.7%	-4.8%	-4.3%
LUV	0.0%	0.0%	-0.1%	-0.4%	-2.4%	-2.5%
ALK	0.0%	-1.0%	-1.6%	-0.3%	-0.9%	-1.2%
JBLU	0.0%	0.0%	-1.4%	0.0%	0.0%	0.0%
HA	0.0%	0.0%	0.0%	0.5%	1.4%	1.3%
SAVE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ALGT	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%
ULCC	-0.1%	-0.2%	6.5%	5.3%	1.2%	1.2%
SNCY	0.0%	0.0%	0.3%	5.1%	0.2%	0.1%
<b>System Total</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.7%</b>	<b>-0.7%</b>	<b>-0.9%</b>	<b>-0.7%</b>

Source: OAG

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DAL: Delta Air  
AAL: American Airline  
UAL: United Airlines  
LUV: Southwest  
ALK: Alaskan Air Group  
JBLU: JetBlue  
HA: Hawaiian  
SAVE: Spirit Airlines  
ALGT: Allegiant  
ULCC: Frontier Airlines  
SNCY: Sun Country

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**Exhibit 2: US airline capacity changes vs prior week and monthly capacity growth**

UAL lowered Atlantic capacity by around 500bps and Pacific by 21.8% each month from April

System	Change vs. Prior Week						Current Capacity Growth YoY					
	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024
<b>System</b>												
DAL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.6%	5.7%	7.5%	7.3%	9.0%	8.9%
AAL	0.0%	0.0%	0.0%	-0.2%	0.0%	0.0%	8.5%	7.7%	8.3%	11.6%	9.4%	8.6%
UAL	0.0%	-0.2%	-4.7%	-4.7%	-4.8%	-4.3%	12.2%	8.8%	9.9%	9.7%	6.9%	9.1%
LUV	0.0%	0.0%	-0.1%	-0.4%	-2.4%	-2.5%	9.8%	13.0%	8.7%	5.5%	12.9%	8.5%
ALK	0.0%	-1.0%	-1.6%	-0.3%	-0.9%	-1.2%	2.8%	6.2%	3.1%	7.6%	9.1%	6.7%
JBLU	0.0%	0.0%	-1.4%	0.0%	0.0%	0.0%	0.0%	-3.0%	-4.0%	-3.6%	0.1%	-0.2%
HA	0.0%	0.0%	0.0%	0.5%	1.4%	1.3%	5.8%	3.2%	-0.4%	3.8%	7.4%	6.5%
SAVE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%	5.6%	11.4%	10.2%	10.7%	13.8%
ALGT	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	-7.1%	1.4%	-11.7%	1.6%	4.3%	-1.3%
ULCC	-0.1%	-0.2%	6.5%	5.3%	1.2%	1.2%	5.7%	10.3%	13.1%	7.7%	1.9%	-0.5%
SNCY	0.0%	0.0%	0.3%	5.1%	0.2%	0.1%	12.0%	20.0%	12.6%	21.7%	10.1%	8.7%
<b>System Total</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.7%</b>	<b>-0.7%</b>	<b>-0.9%</b>	<b>-0.7%</b>	<b>11.1%</b>	<b>9.3%</b>	<b>9.7%</b>	<b>9.7%</b>	<b>8.9%</b>	<b>8.6%</b>
<b>US Domestic</b>												
DAL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.6%	0.8%	5.5%	6.8%	9.3%	9.6%
AAL	0.0%	0.0%	0.0%	0.1%	0.2%	0.2%	5.2%	4.9%	8.6%	13.0%	10.6%	10.6%
UAL	0.0%	0.0%	0.0%	-0.7%	-1.8%	-0.1%	4.0%	2.2%	5.1%	6.2%	3.4%	8.6%
LUV	0.0%	0.0%	-0.1%	-0.4%	-2.6%	-2.7%	9.6%	12.7%	8.9%	5.3%	12.3%	8.1%
ALK	0.0%	-0.9%	-1.6%	-0.3%	-1.0%	-1.3%	-2.7%	1.9%	1.7%	7.5%	8.8%	6.7%
JBLU	0.0%	0.0%	-1.6%	0.0%	0.0%	0.0%	-9.4%	-12.9%	-14.9%	-12.5%	-10.3%	-8.6%
HA	0.0%	0.0%	0.0%	0.7%	1.8%	1.6%	-1.1%	-5.9%	-2.0%	3.8%	7.5%	6.9%
SAVE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	3.0%	10.3%	12.9%	15.5%	19.9%
ALGT	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	4.0%	1.4%	-11.7%	1.6%	4.3%	-1.3%
ULCC	-0.1%	-0.3%	7.8%	6.3%	1.5%	1.5%	1.8%	8.6%	10.9%	11.0%	4.6%	0.4%
SNCY	0.0%	0.0%	0.4%	5.5%	0.2%	0.1%	9.0%	20.7%	16.7%	22.1%	15.8%	14.6%
<b>Domestic Total</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.7%</b>	<b>-0.2%</b>	<b>4.2%</b>	<b>3.9%</b>	<b>5.3%</b>	<b>7.4%</b>	<b>8.0%</b>	<b>7.9%</b>
<b>Atlantic</b>												
DAL	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	1.9%	2.8%	3.4%	0.8%	2.8%	2.2%
AAL	0.0%	0.0%	0.0%	-1.6%	-0.7%	-0.5%	7.0%	13.3%	7.7%	6.2%	5.9%	3.1%
UAL	0.0%	-0.4%	-5.7%	-5.1%	-4.8%	-4.8%	-4.8%	-4.0%	7.9%	4.8%	2.3%	2.5%
JBLU	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	53.2%	115.5%	128.2%	136.0%	156.3%	124.7%
International Carriers	0.0%	0.2%	5.9%	6.6%	5.5%	5.2%	27.2%	18.3%	27.7%	35.6%	28.7%	21.2%
<b>Atlantic Total</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.3%</b>	<b>-0.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>8.0%</b>	<b>7.7%</b>	<b>11.9%</b>	<b>11.6%</b>	<b>10.5%</b>	<b>8.4%</b>
<b>Pacific</b>												
DAL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	46.0%	35.9%	19.8%	26.6%	34.1%	35.9%
AAL	0.0%	0.0%	0.0%	1.8%	0.3%	0.0%	72.7%	36.7%	10.1%	13.4%	6.3%	5.4%
UAL	0.0%	-1.1%	-21.8%	-21.8%	-21.8%	-21.8%	73.1%	55.5%	38.7%	33.6%	31.1%	30.9%
International Carriers	0.0%	0.0%	0.1%	-0.1%	0.2%	-0.1%	32.1%	26.6%	26.5%	21.5%	18.5%	15.6%
<b>Pacific Total</b>	<b>0.0%</b>	<b>-0.2%</b>	<b>-4.0%</b>	<b>-4.0%</b>	<b>-3.8%</b>	<b>-4.0%</b>	<b>40.2%</b>	<b>31.9%</b>	<b>27.1%</b>	<b>23.2%</b>	<b>20.8%</b>	<b>18.5%</b>
<b>Latin America</b>												
DAL	0.0%	0.0%	-0.1%	-0.2%	-0.2%	-0.5%	28.8%	26.4%	24.3%	20.4%	11.0%	7.7%
AAL	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%	13.5%	10.0%	6.9%	12.0%	9.6%	7.5%
UAL	-0.1%	0.0%	0.0%	1.5%	4.1%	-0.2%	29.1%	23.4%	11.5%	18.0%	14.6%	7.6%
LUV	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	14.4%	19.7%	4.3%	10.0%	24.0%	14.8%
ALK	0.1%	-1.2%	-1.4%	0.0%	-0.1%	-0.1%	74.9%	62.0%	20.7%	8.2%	14.8%	6.9%
JBLU	-0.1%	0.0%	-1.4%	0.0%	0.0%	0.0%	16.5%	10.8%	9.1%	4.5%	8.3%	3.8%
SAVE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.2%	17.1%	16.3%	-0.3%	-5.9%	-6.7%
ULCC	-0.1%	0.0%	1.0%	1.1%	0.0%	0.0%	26.0%	20.0%	24.5%	-4.6%	-7.3%	-4.0%
SNCY	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	18.8%	18.6%	-4.7%	16.2%	-18.5%	-22.4%
International Carriers	0.0%	0.0%	0.0%	0.9%	-0.2%	1.7%	18.8%	16.7%	12.6%	-2.0%	-11.8%	9.1%
<b>Latin America Total</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>20.5%</b>	<b>17.8%</b>	<b>12.6%</b>	<b>6.2%</b>	<b>1.1%</b>	<b>6.6%</b>

Source: OAG

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**Exhibit 3: Canadian airline capacity changes and monthly capacity growth**

WestJet lowered domestic capacity by 200bps in June while raising July by 220bps

	Change vs. Prior Week						Current Capacity Growth YoY					
	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024
<b>Canada Domestic</b>												
AC	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	1.1%	2.2%	1.4%	1.4%	3.8%
WestJet	0.0%	0.0%	0.0%	0.1%	-2.0%	2.2%	8.0%	-2.7%	-0.4%	1.3%	0.1%	5.3%
Canadian ULCCs	-0.1%	-0.4%	-1.7%	-0.6%	-0.2%	-0.1%	0.5%	-13.3%	-12.8%	4.8%	4.3%	-0.8%
<b>Canada Domestic Total</b>	<b>0.1%</b>	<b>-0.1%</b>	<b>-0.4%</b>	<b>-0.1%</b>	<b>-0.6%</b>	<b>0.6%</b>	<b>2.4%</b>	<b>-3.6%</b>	<b>-2.8%</b>	<b>2.3%</b>	<b>1.9%</b>	<b>2.8%</b>
<b>Canada Transborder</b>												
AC	0.0%	0.1%	0.3%	0.3%	0.0%	0.0%	6.6%	7.0%	5.1%	11.3%	6.7%	3.2%
WestJet	0.0%	0.0%	-0.1%	0.0%	2.4%	25.9%	18.5%	13.4%	13.0%	43.7%	35.1%	30.7%
US Carriers	0.0%	0.0%	-0.2%	-0.6%	0.2%	0.4%	21.7%	23.3%	20.1%	35.2%	30.4%	33.7%
<b>Canada Transborder Total</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>-0.1%</b>	<b>0.5%</b>	<b>4.5%</b>	<b>13.7%</b>	<b>13.2%</b>	<b>11.5%</b>	<b>24.8%</b>	<b>19.7%</b>	<b>18.4%</b>
<b>Air Canada International</b>												
Atlantic	0.0%	0.0%	-0.4%	-0.6%	0.0%	0.0%	16.5%	14.5%	10.7%	7.7%	4.2%	2.8%
Pacific	0.0%	0.0%	0.0%	0.0%	2.1%	4.4%	40.8%	31.4%	40.1%	23.0%	20.6%	23.5%
Latin America	0.0%	0.0%	-0.2%	-0.3%	0.0%	0.0%	2.8%	5.6%	-4.8%	-2.2%	-3.5%	-6.1%
<b>Canada System</b>												
AC	0.0%	0.0%	-0.1%	-0.2%	0.3%	0.7%	12.6%	11.2%	10.2%	8.5%	5.9%	5.4%
WestJet	0.0%	0.0%	0.0%	-0.3%	-0.1%	11.0%	22.8%	17.9%	17.8%	27.2%	20.0%	21.4%
<b>Canada System Total</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.2%</b>	<b>0.2%</b>	<b>3.1%</b>	<b>15.1%</b>	<b>12.8%</b>	<b>12.0%</b>	<b>12.6%</b>	<b>9.0%</b>	<b>9.0%</b>

Source: OAG

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**Exhibit 4: Absolute capacity by quarter**

UAL's current schedules reflect the highest industry growth rate in 1Q24

	Absolute ASM's per Schedules					Absolute ASM's per Company Reports					ASM growth per Schedules			
	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q22	1Q23	2Q23	3Q23	1Q24	2Q24	3Q24
Delta Air Lines														
Domestic	40,782,928,940	43,737,271,601	46,375,937,178	44,122,531,148	41,342,360,056	46,903,055,827	51,513,645,419	39,506,000,000	40,328,690,600	43,069,446,950	45,967,320,000	1.4%	7.2%	11.1%
Atlantic	10,834,654,887	17,001,508,254	18,909,136,130	13,926,734,767	11,027,061,506	17,387,489,214	19,196,091,655	12,220,000,000	10,769,090,388	16,862,778,000	18,540,340,000	1.8%	2.3%	1.5%
Latin America	6,772,778,785	5,536,827,886	5,174,841,249	6,175,095,546	8,539,362,735	6,574,343,917	5,773,684,954	4,795,000,000	6,749,385,562	5,500,847,929	5,114,620,000	26.1%	18.7%	11.6%
Asia Pacific	3,442,753,025	3,562,171,938	3,601,333,880	4,376,457,637	4,837,293,391	4,519,352,091	4,894,564,486	2,985,000,000	3,503,850,000	3,560,179,200	3,570,000,000	40.5%	26.9%	35.9%
Total System	61,833,115,637	69,837,779,679	74,061,248,437	68,600,819,098	65,746,077,688	75,384,241,049	81,377,986,514	59,506,000,000	61,351,016,550	68,993,252,079	73,192,280,000	6.3%	7.9%	9.9%
American Airlines														
Domestic	44,206,452,218	45,291,039,280	47,975,519,557	46,022,562,506	46,420,188,269	50,162,472,800	51,916,654,555	44,939,000,000	44,554,000,000	45,700,000,000	48,146,000,000	5.0%	10.8%	8.2%
Atlantic	8,313,675,817	12,835,123,274	14,293,793,240	10,775,653,278	9,106,227,271	13,670,793,401	14,723,541,521	9,725,000,000	8,242,000,000	12,823,000,000	14,262,000,000	9.5%	6.5%	3.0%
Latin America	11,455,096,068	9,933,544,788	9,520,590,821	10,682,272,146	12,790,777,899	10,877,164,986	10,186,976,665	9,853,000,000	10,510,000,000	9,200,000,000	8,872,000,000	11.7%	9.5%	7.0%
Asia Pacific	1,675,744,644	1,939,669,388	2,012,116,047	2,304,579,033	2,651,757,336	2,132,422,068	2,117,674,032	1,445,000,000	1,700,000,000	1,935,000,000	2,005,000,000	58.2%	9.9%	5.2%
Total System	65,650,968,747	69,999,376,730	73,802,019,665	69,785,066,963	70,968,950,775	76,842,853,255	78,944,846,773	65,962,000,000	65,006,000,000	69,658,000,000	73,285,000,000	8.1%	9.8%	7.0%
United Airlines														
Domestic	38,653,982,293	40,869,880,089	42,988,978,334	40,266,178,844	39,750,029,815	42,867,146,309	45,721,102,772	37,551,000,000	38,516,000,000	40,120,000,000	42,345,000,000	2.8%	4.9%	6.4%
Atlantic	13,074,400,433	18,700,179,574	20,842,877,207	15,064,118,564	12,359,932,484	19,597,824,255	21,090,021,146	14,372,000,000	12,951,000,000	18,368,000,000	20,535,000,000	-5.5%	4.8%	1.2%
Latin America	7,119,366,783	7,546,577,710	7,291,115,190	7,825,470,040	8,979,444,584	8,646,696,615	7,507,232,878	6,447,000,000	7,101,000,000	7,435,000,000	7,245,000,000	26.1%	14.6%	3.0%
Asia Pacific	6,868,216,974	7,405,445,234	7,889,931,978	10,399,673,027	11,465,102,205	9,952,923,716	10,063,840,109	5,924,000,000	7,152,000,000	7,615,000,000	8,223,000,000	66.9%	34.4%	27.6%
Total System	65,715,966,483	74,522,082,607	79,012,902,709	73,555,440,475	72,554,509,088	81,064,590,895	84,382,196,905	64,294,000,000	65,720,000,000	73,538,000,000	78,348,000,000	10.4%	8.8%	6.8%
System Capacity														
Southwest	38,632,839,702	42,750,660,135	44,460,284,801	45,529,407,149	42,725,842,884	46,591,117,897	46,677,988,248	37,490,000,000	38,062,000,000	42,579,000,000	44,169,000,000	10.6%	9.0%	5.0%
Alaska	15,841,116,909	17,127,241,929	18,542,153,218	17,002,491,983	16,309,721,070	18,265,843,105	19,519,446,858	15,031,400,000	15,705,000,000	17,160,000,000	18,582,000,000	3.0%	6.6%	5.3%
JetBlue	16,826,215,355	17,575,182,764	17,768,890,374	16,954,482,935	16,425,398,568	17,136,017,735	17,916,851,711	16,470,000,000	16,769,000,000	17,353,000,000	17,362,000,000	-2.4%	-2.5%	0.8%
Hawaiian	4,941,445,907	5,066,587,608	5,216,239,082	5,145,700,016	5,107,211,235	5,252,044,179	5,520,821,540	4,940,514,000	4,917,517,000	5,014,432,000	5,168,883,000	3.4%	3.7%	5.8%
Spirit	13,399,474,501	14,213,062,288	13,933,305,381	14,832,569,784	13,641,412,770	15,741,862,739	6,415,716,272	12,871,503,000	13,209,136,000	13,908,113,000	13,769,941,000	1.8%	10.8%	-54.0%
Allegiant	4,650,397,590	4,822,173,420	4,190,379,060	4,325,395,476	4,552,683,222	4,726,115,178	2,576,952,468	4,192,352,000	4,573,766,000	4,925,194,000	4,280,034,000	-2.1%	-2.0%	-38.5%
Frontier	8,928,293,316	9,459,772,478	10,004,454,084	10,017,988,404	9,592,059,262	10,161,507,024	4,764,380,328	8,670,000,000	8,775,000,000	9,337,000,000	9,697,000,000	7.4%	7.4%	-52.4%
Sun Country	1,634,330,106	1,433,903,760	1,453,500,414	1,547,104,848	1,883,086,878	1,634,092,212	1,359,737,748	1,352,830,000	1,625,728,000	1,417,778,000	1,446,462,000	15.2%	14.0%	-6.5%

Source: BofA Global Research, OAG

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster <sup>R1</sup>
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Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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