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## boolean-autocrats

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## Conclusion:

### Airline Stocks in Pre and Post Pandemic

## PROJECT DESCRIPTION

Looking at airline stock trends in the stock market Pre Covid (2011-2019) in comparison to Post Covid (2020-2025). By comparing trends we are looking to see what industries took a hit with Covid, and which airlines were able to recover

## RESEARCH QUESTIONS

1. How badly did Covid19 impact the airline industry? Line graph and histogram
2. How did the 'end' of Covid19 affect the Market Cap for the airlines - did it increase? Decrease? Pie graph and line graph
3. What do we anticipate for the future of these select airlines? Linear regression and double bar graph

## DATASETS TO BE USED

In this prestigious documentation, we used yahoo finance.

## CONCLUSION

With the onset of Covid 19, the airline industry became a focal point of dramatic change. Previously a sign of the expanding interconnectedness of the country and world, the industry abruptly came to a standstill as governments sought to protect their citizens from the lethal new virus. Following the pandemic's conclusion in 2022, this paper looks into how the pandemic affected the four major United States based carriers: American Airlines, Southwest Airlines, United Airlines, and Delta Airlines. By using Market Cap as an admittedly basic, though effective, measure, we examine to what extent the airline industry was affected as a whole, how did the market share of each carrier change, and whether these market share changes are sustainable for each airline.

The restrictions on air-based travel due to Covid 19 caused a severe devaluation in the market cap for the airline industry. The United States Federal Reserve Bank defines the Covid 19 crash as occurring over three particularly devastating days: Black Monday I on March 9th, Black Thursday on March 12th, and Black Monday II on March 16th. At the end of this tumultuous week and the subsequent few months, the domestic airline leader had a collective market cap of roughly \$35B, down from a \$126B peak in 2018, a 73% drop in market cap valuation.

Examining the domestic leaders on an individual level, the data demonstrates that by the end of 2022, there was no dramatic change in industry position in the pre and post pandemic environments. The market cap had recovered by 88% to \$61B with each airline showing overall upward returns towards pre-pandemic levels. Delta Airlines maintained its leadership followed by Southwest Airlines before proceeding on to United Airlines and American Airlines.

While the overall leaders remained the same, closer examination shows signs of significant market share changes in the post-pandemic era. Southwest Airlines gained nearly 5% in market cap share when comparing the market share at the end of 2019 to the end of 2022. To compensate for this adjustment, Delta Airlines lost 3.5% market share and United Airlines lost 2.1% with the remaining 0.9% being gained by American Airlines.

Projecting forward, both United Airlines and American Airlines show the greatest upward trajectory in their market capitalization with United Airlines outpacing Southwest Airlines 2.9 to 1 and Delta Airlines 3.5 to 1 and American Airlines outpacing Southwest Airlines 2.4 to 1 and Delta Airlines 2.9 to 1.

Taking into account their current market positions, the data posits that United Airlines is likely to re-acquire some post-pandemic lost market share while American Airlines will continue to grow upon its newly acquired market share. Meanwhile Southwest airlines will lose some of its acquired market share and Delta Airlines, showing the lowest post-pandemic growth, will continue to see declines in its market share.

The pandemic created significant obstacles for the airline industry with the four leading airlines losing a collective 73% of total market capitalization within an extremely short period. By examining the pre-pandemic and post-pandemic periods, the data shows that Southwest Airlines emerged with a significantly larger market share in the post-pandemic environment. American Airlines follows next with both an increase in market share and demonstrating high growth.

United Airlines saw its market share decline and also shows the fastest growth in the post-pandemic environment indicating it is likely to recapture market share. Lastly, Delta Airlines both lost market share and has the weakest growth indicating it will likely continue to lose market share.

Further study should be completed to develop more accurate answers as to which of the four major U.S. carriers gained market share in the post-pandemic environment. For example, Covid-19 significantly reduced work travel, completed predominantly on Delta and American Airlines, while simultaneously increasing tourism travel led generally by Southwest Airlines. Exploring the impacts of these cultural circumstances may lead to better indication as to which airline truly emerged from the pandemic with better market share than before.

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