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CARTRAWLER ANCILLARY REVENUE SERIES

2020



The 2020 CarTrawler Yearbook of Ancillary Revenue

By IdeaWorksCompany

RESEARCHED AND WRITTEN BY JAY SORENSEN • EDITED BY ERIC LUCAS



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CarTrawler was established in 2004. Our headquarters are in Dublin, Ireland, with an office in New York. For more information visit www.cartrawler.com.

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About Jay Sorensen, Writer of the Report

Jay Sorensen's research and reports have made him a leading authority on frequent flyer programs and the ancillary revenue movement. He is a regular keynote speaker at the annual MEGA Event, spoke at IATA Passenger Services Symposia in Abu Dhabi and Singapore,



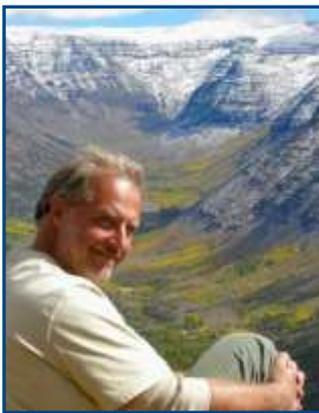
Jay and son Aleksei hiking in the Santa Monica Mountains National Recreation Area in California.

and has testified to the US Congress on ancillary revenue issues. His published works are relied upon by airline executives throughout the world and include first-ever guides on the topics of ancillary revenue and loyalty marketing. He was acknowledged by his peers when he received the Airline Industry Achievement Award at the MEGA Event in 2011.

Mr. Sorensen is a veteran management professional with 36 years experience in product, partnership, and marketing development. As president of the IdeaWorksCompany consulting firm, he has

enhanced the generation of airline revenue, started loyalty programs and co-branded credit cards, developed products in the service sector, and helped start airlines and other travel companies. His career includes 13 years at Midwest Airlines where he was responsible for marketing, sales, customer service, product development, operations, planning, financial analysis and budgeting. His favorite activities are hiking, exploring and camping in US national parks with his family.

About Eric Lucas, Editor of the Report



Eric Lucas is an international travel, culture and natural history writer and editor whose work has appeared in Michelin travel guides, Alaska Airlines *Beyond Magazine*, *Westways* and numerous other publications. Founding editor of *Midwest Airlines Magazine*, he is the author of eight books, including the 2017 *Michelin Alaska* guide. Eric has followed and written about the travel industry for more than 30 years. He lives on San Juan Island, Washington, where he grows organic garlic, apples, beans and hay; visit him online at TrailNot4Sissies.com.

Eric, at his favorite summer retreat, Steens Mountain, Oregon.

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Updates to the 2020 Yearbook

This is Version 1.0 of the 2020 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany.

Readers are encouraged to visit the IdeaWorksCompany website to check for updates to this yearbook: <https://ideaworkscompany.com/reports/>

Updates will include corrections made to the data presented. These will be summarized in the “Updates to the 2020 Yearbook” page. The most up-to-date version of the yearbook will be available at the website.

Every effort is made to provide accurate data. Users are kindly requested to advise IdeaWorksCompany using the contact form provided at the website: <https://ideaworkscompany.com/contact/>



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Summary of the Results

Ancillary revenue provides rare good news for airline industry

The 2020 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany is our largest ever, with 81 airlines disclosing ancillary revenue results. Last year's edition included results from 76 airlines. By every measure, 2019 was a year of overwhelmingly good ancillary revenue results for airlines. That's a good thing, as this provided resilience for the challenges of 2020.

Think of a bear preparing for hibernation. Katmai National Park in Alaska features its brown bears in the annual Fat Bear Week. The fattest looking bear is selected by viewers of its bear cams. During late summer these bears begin to put on the pounds and can eat up to 40 salmon in a day. All of this weight gain provides protection against a foodless winter spent in a bear den. For the bears, the extra weight is a matter of survival; ancillary revenue helps do the same for airlines.

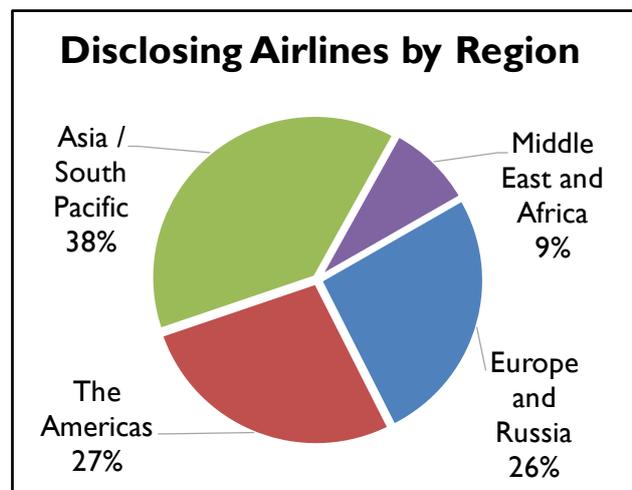


Meet Holly, or bear #435, who is the winner of the 2019 Fat Bear Week at Katmai National Park, Alaska.

Image: National Park Service

The exceptional ancillary revenue of 2019 added a layer of cash to airline balance sheets for the long, cold revenue winter of 2020. Just as important, the higher rates of ancillary revenue have remained durable during the pandemic. This delivers reliable revenue while airlines experiment with very low fares to tempt consumers back into the air.

This year's 81 airlines represent a very robust 68.6 percent of IATA's worldwide airline industry traffic estimate for 2019.¹ The list is a collection of the world's best performing ancillary revenue airlines. There is much that can be learned from analysis of yearbook results. Over all, ancillary revenue as a percentage of total airline revenue was 12.1 percent for 2019, which is a significant increase above 10.7 percent for 2018.



¹ IATA Economic Performance of the Airline Industry, June 2020.

The full list of ancillary revenue results for the 81 airlines follows this narrative section of the yearbook. Table 1 ranks the top 10 airlines by total ancillary revenue for 2019. As a group, the power of ancillary revenue becomes immediately apparent due to the billions in cash generated through frequent flyer, commission-based, and a la carte activity. The 20 percent year-over-year leap shows how the largest producers can produce dramatically higher results on top of an already big base of revenue.

Table 1: Top 10 Airlines – Total Ancillary Revenue				
Rank	Carrier	2018	2019	2019 Change
1	American	\$7,245,000,000	\$7,413,000,000	+2%
2	United	\$5,802,000,000	\$6,580,000,000	+13%
3	Delta	\$5,570,000,000	\$6,198,000,000	+11%
4	Southwest (FF)	\$4,049,000,000	\$4,498,000,000	+11%
5	Ryanair Group	\$2,801,536,938	\$3,311,255,802	+18%
6	Air Canada	\$1,452,733,488	\$2,549,719,104	+76%
7	Alaska Air Group	\$1,388,000,000	\$2,033,560,500	+47%
8	Lufthansa Network Airlines	\$1,952,518,333	\$1,933,431,476	-1%
9	International Airlines Group	\$1,701,544,393	\$1,932,190,010	+14%
10	Emirates	\$120,898,570	\$1,927,297,481	+1,494%
	Totals	\$32,083,231,722	\$38,376,454,374	20%
<i>2018 and 2019 carrier results were based upon 12-month financial period disclosures for each year. (FF) 80% or more of carrier's ancillary revenue is produced by its frequent flyer program.</i>				

US airlines dominate the top of the list because of the revenue provided by their frequent flyer programs. The co-branded cards associated with each program allow consumers to accrue points or miles for every purchase. The card-issuing banks pay airlines to provide miles and points to cardholders. This business flourished during 2019 and while the results have been tarnished by the pandemic, the card portfolios will generate billions again for 2020. Some of the revenue is tied to marketing agreements and determined by cardholder spending. Other revenue is only realized after the miles or points are redeemed for reward travel taken by the cardholders.

Huge percentage increases suggest additional explanation is needed for Air Canada, Alaska Air, and Emirates. Air Canada realized a one-time windfall of cash courtesy of the buyback of the Aeroplan frequent flyer program from AIMIA. The airline received payments from TD Bank, CIBC, Visa and Amex in the aggregate amount of \$923 million when it negotiated new agreements directly with the banks. Alaska's increase was the result of the airline disclosing a specific per passenger ancillary revenue figure, which it did not do for the prior year. Emirates made a giant first-time ancillary revenue disclosure of more than \$844 million, but did not specify what it was. In addition, other items were identified such as excess baggage charges and revenue from their holiday package company. For prior years, the only disclosure found was excess baggage. Clearly, Emirates has embraced ancillary revenue as an essential activity.

Evaluating airlines by “ancillary revenue as a percentage of total revenue” generates a very different list of carriers, as shown in Table 2. Gone are the global giants, replaced by ancillary revenue champs. The most effective of these continue to approach the 50 percent level, in which half of a carrier’s revenue would be from ancillary activities. Even at this high level of performance, almost all the airlines posted better year-over-year results. Jet2.com has traditionally been near the top of this list but the airline recently changed how it reports ancillary revenue. Even so, the carrier most likely remains one of the world’s top ancillary revenue performers.

Rank	Carrier	2018	2019	2019 Change
1	Spirit	44.9%	47.0%	+ 2.1 points
2	Allegiant	41.2%	46.5%	+ 5.2 points
3	Wizz Air	41.1%	45.4%	+ 4.3 points
4	Viva Aerobus	47.6%	45.0%	- 2.6 points
5	Frontier	42.8%	43.6%	+ 0.8 points
6	Volaris	31.5%	38.5%	+ 7.0 points
7	Ryanair Group	31.7%	34.5%	+ 2.8 points
8	Pegasus	24.3%	26.4%	+ 2.1 points
9	Vietjet	23.5%	25.2%	+ 1.8 points
10	Jetstar Group *	23.0%	23.9%	+ 0.9 points
11	Jet2.com	31.1%	23.2%	- 7.9 points
12	Alaska Air Group	16.8%	23.2%	+ 6.4 points
13	Azul	20.8%	22.4%	+ 1.6 points
14	HK Express	No data	21.7%	n/a
15	easyJet	20.5%	21.6%	+ 1.0 point

*2018 and 2019 carrier results were based upon recent 12-month financial period disclosures for each year.
* IdeaWorks estimate based upon past disclosure updated for current report, or partial disclosure.*

This yearbook includes first-ever current year projections

The 2019 financial results form the largest portion of the ancillary revenue story covered in this yearbook. However, the pandemic requires an assessment of how this global event is affecting airlines and ancillary revenue. Clearly, airline activity has significantly decreased during 2020. IATA’s annual mid-year projection of current year activity indicates an approximate 50 percent drop in airline revenue and passenger traffic.² This is the “revenue winter” mentioned above. Perhaps a better phrase would be “airline apocalypse” with 2021 looking problematic also. None of these challenges even touches the greater harms wrought by this pandemic: loss of life, damage to health, and economic catastrophe.

² IATA Economic Performance of the Airline Industry, June 2020.

Prior reports issued by IdeaWorksCompany this year have used the following mantra to remind us of an enduring truth amid the despair, “Travel is an essential element of being human. We work in a business that is a very meaningful part of modern life. People love to travel and business people need to travel. Travel will return again.” These words remain true and the resilience of ancillary revenue testifies to this.

Each individual airline listing includes a summary of total ancillary revenue from 2018 (prior yearbook), 2019 (this yearbook), and a projection for 2020. The projection is based upon the 2019 ancillary revenue as a percentage of total revenue statistic with adjustments made to reflect the airline revenue and passenger traffic losses caused by the pandemic.

Airlines file and adjust flight schedules on a regular basis to reflect the addition or deletion of flights. This information is collected by Cirium, a data and analytics company. Specifically, the ASKs (available seat kilometers) for each of the 81 airlines were analyzed on 31 August 2020. The date range of the data collection encompassed the calendar year. This includes schedules filed earlier in 2020, and those which are planned to operate through the end of the year. This data acts as a proxy reflecting past and future airline seat capacity. The ASKs for 2020 were compared to 2019 to determine how 2020 ancillary revenue activity will decline. There was an additional factor added to adjust the results even lower. This helped the projection incorporate the further cancellation of flights as airlines better align capacity with the reality of weak markets.

Using Aegean Airlines as an example, the filed 2020 schedules observed on 31 August 2020 reflected 48 percent of the total ASKs filed for 2019. This factor was further lowered to 41 percent to accommodate the likelihood that actual seat capacity (and passenger traffic) would be less. The resulting 2020 ancillary revenue projection is \$64,292,825, which is 41 percent below 2019. Table 3 displays the results of this process for the top ten airlines.

Rank	Carrier	2019	2020	2020 Change
1	American	\$7,413,000,000	\$3,881,316,754	-48%
2	United	\$6,580,000,000	\$3,387,653,171	-49%
3	Delta	\$6,198,000,000	\$2,917,882,417	-53%
4	Southwest (FF)	\$4,498,000,000	\$2,937,897,849	-35%
5	Ryanair Group	\$3,311,255,802	\$1,633,172,490	-51%
6	Air Canada	\$2,549,719,104	\$681,442,560	-73%
7	Alaska Air Group	\$2,033,560,500	\$1,141,875,458	-44%
8	Lufthansa Network Airlines	\$1,933,431,476	\$755,084,909	-61%
9	International Airlines Group	\$1,932,190,010	\$802,245,292	-58%
10	Emirates	\$1,927,297,481	\$778,629,528	-60%
	Totals	\$46,622,331,429	\$23,684,505,838	-49%

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Additional explanation is provided when individual ancillary revenue results for 2018 were notably lower than 2019. As appropriate, this appears as “2018 Commentary” above the Historical and Projected Total Ancillary Revenue box in the airline listings.

Recent analysis shows 2020 ancillary revenue rates are holding

The 2020 ancillary revenue projections are based upon the individual airline rates calculated for 2019. Research was conducted to assess how 2020 is comparing to last year. Second quarter 2020 financial disclosures were collected from these 17 airlines: Aeromexico, Air Canada, Allegiant, Cebu Pacific, Finnair, Indigo, Jazeera, Jin Air, Norwegian, Pegasus, Ryanair, Southwest, Spirit, United, Viva Aerobus, Volaris, and Wizz Air. The simple ancillary revenue average (of total airline revenue) among the carriers was 21.7 percent for the first quarter of 2019 and 22.1 percent for 2020. Half of the carriers showed increased ancillary revenue for 2020, while the other half showed decreases.

AirAsia and Wizz Air made specific disclosures in the 2nd quarter financial filings on ancillary revenue activity during the pandemic. AirAsia observed the following for operations in Malaysia and Thailand regarding higher take-rates (percent of passengers buying) for the April – June 2020 period:

- Tune Protect (trip insurance): Take rate of 14%, up 88% from pre-pandemic.
- Baggage: Take rate of 47%, up 72% from pre-pandemic.
- Santan Pre-Order Meals: 43% higher revenue per passenger.
- Assigned Seating: Take rate of 26%, up 15% from pre-pandemic.

Jozsef Varadi, the CEO of Wizz Air, disclosed the company originally planned for ancillary revenue (on a per passenger basis) to have an overall increase of €0.50 to €1 for 2020. As of 03 June 2020, he did not anticipate the pandemic would affect this. The airline said it was not discounting ancillary revenue to boost demand.

Queries regarding 2nd quarter observations were sent by email to a selection of ancillary revenue executives at airlines all over the world. The feedback supported the financial analysis described above which has ancillary revenue rates equaling or exceeding 2019 results. The following are a sample of the comments received:

- Overall take rates are comparable to 2019.
- Baggage revenue is up, because passengers have more bags due to increased family travel, more days away, and relocations.
- Airport staff reductions sometimes lead to less bag policy compliance monitoring, and this leads to more carry-on activity (and lower bag sales).
- Buy-on-board is determined by airport options. Where airports have limited food availability due to retail closures, onboard café sales are higher.
- Café sales are depressed if hot food preparation is discontinued, or menu selection is limited, during the pandemic as a measure to limit staff exposure.

- Seat location has become an important feature, as passengers want to be in the front of the cabin for a quicker and smoother exit upon arrival.
- Extra leg room seating, which provides more personal space, is more popular with consumers.
- Change and cancel fee waivers have decreased trip insurance sales. However, sales of policies which include pandemic coverage for hotel and car hire are very good.
- Airport lounges are less attractive due to limited food offerings.

Do you remember the image of Holly the bear from the beginning of this section? Here's a picture of a much thinner Holly in the spring of 2020. She survived the winter and gave birth to a cub. The life of an Alaskan bear – with its natural and man-made threats – may be easier than the struggle for survival faced by airlines all over the world. Each are helped by a reserve of stored food energy or a cushion of cash. Since travel is an essential element of being human, one should also say that ancillary revenue is an essential element of being an airline.



The National Park Service offered this caption for Holly's photo: "Mom, someday I will be Fat Bear Week Champion, just like you."

Interesting Statistics Identified in this Yearbook

Airlines are increasingly more revealing about the results produced by ancillary revenue, loyalty marketing, and retail activities. During the course of its global review of financial disclosures, IdeaWorksCompany uncovered the following examples for 2019 (presented in alphabetical order):

- **Aeroflot:** The Aeroflot Bonus frequent flyer program has nearly 3% of membership qualified as elite members and 34% of all passengers participate in the program.
- **Aerolineas Argentinas:** The Aerolineas Plus frequent flyer program posted average revenue of ARS 1,500 (\$35) per member.
- **Air Canada:** The airline purchased the Aeroplan FFP from AIMIA and realized a windfall of cash of CAD 2.165 billion (\$1.65 billion) from upfront payments made by the program's bank partners.
- **Air China Group:** Seat assignment fees generated CNY 130 million (\$19 million).

- Air France/KLM Group: Online retail, such as websites and mobile apps, generated sales of €4.6 billion and with more than 550 dedicated social media staff, the group claims the largest such team in the airline industry.
- AirAsia: Santan, the carrier's entree brand, opened its first flagship restaurant in December, which is located in the Mid Valley Megamall, Kuala Lumpur.
- Alaska Airlines: Mileage Plan members produce 4X more revenue and are 65% more likely to book through a direct channel than non-members.
- Allegiant: The Allegiant World MasterCard has a portfolio of 180,000+ cardholders. 63% of ancillary revenue for the portfolio is largely linked to cardholder spending, while the remaining 37% is generated by sign-up bonuses.
- Allegiant: The carrier tested "Extra" service on a few aircraft, which provides 6 inches extra legroom, priority boarding, a free drink, and dedicated overhead bin space. Notably, aircraft can be modified overnight to add the feature.
- Avianca: Pet insurance was added as an a la carte travel protection product.
- Avianca: The carrier's LifeMiles loyalty program introduced a "Lock and Fly" feature which charges a fee (varies by market and cabin class) to hold a reward booking for a 3- or 90-day period.
- Cebu Pacific: The CEB Surfboard service reserves space for up to 5 boards in jet flights and 2 on turbo-prop flights. Checking a surfboard from Manila to Malaysia costs PHP 2,000 (\$37).
- Delta: The revenue contribution from the American Express co-branded relationship is projected to be approximately \$7 billion in 2023. More than 1.1 million new Amex co-branded cardholders were added in 2019, with annual additions exceeding one million for the last 3 years.
- EasyJet: Started to remove plastic items from its inflight retail food and drinks offer and now offers a 50 cent discount for customers who use their own reusable cup.
- Icelandair: The group is selling Icelandair Hotels during 2020 and this is anticipated to generate cash of around \$86 million.
- Jazeera Airways: Effective 01 January 2020, Jazeera Airways cancelled Business Class to become a full low-cost economy carrier, with the exception of flights to Cairo and LGW.
- Jeju Air: Air café sales were KRW 8.2 billion (\$7 million) and onboard duty free was KRW 2.9 billion (\$2.5 million).
- Jet2.com: During summer 2019 more than 700 "customer helpers" were employed at holiday resorts to look after package customers.

- JetBlue: Even More Space seating is the carrier's largest ancillary revenue product; it generated \$301 million in 2019 (equivalent to \$7.04 per passenger).
- JetBlue: JetBlue Vacations was relaunched to include more perks such as no change fees, early boarding, and a free inflight beverage
- JetBlue: The airline owns a 10% share of the 500+ room TWA Flight Center Hotel, which is located at JetBlue's terminal at New York JFK.
- Jin Air: Onboard sales were KRW 4.2 billion (\$3.6 million) or KRW 485 (\$0.42) per passenger, and seat assignment revenue was KRW 6.2 billion (\$5.3 million) or KRW 716 (\$0.62) per passenger.
- Lufthansa Group: Miles & More, which is the group's frequent flyer program, disclosed it has more than 1.4 million co-branded credit card accounts.
- Norwegian: Bank Norwegian, which issues the Norwegian Visa card, disclosed it has 1,255,700 cardholders. The portfolio generated revenue of NOK 403 million, which is approximately \$33 per card account.
- Pobeda: Disclosed that 13% of its customers never flew before. Among these, 36% used car travel, 32% bus, 22% train prior to flying Pobeda.
- Qantas: The group's Qantas Hotels business processed 700,000 bookings during FY 2019.
- Scoot: After 80% of customers surveyed expressed preference for wifi access, the airline replaced its ScooTV streaming inflight entertainment a la carte service with an option to buy 20MB to 200MB wifi data sessions.
- Singapore: The KrisFlyer frequent flyer program generated SGD 826 million (\$609 million) during fiscal 2018/2019, which represents ancillary revenue of SGD 180 (US\$133) per member.
- Southwest: Earlybird priority boarding generated \$3.37 per passenger during the 3rd quarter of 2019. Upgraded Boarding, which boards before Earlybird, averaged \$0.60 per passenger for the same period.
- T'way Air: Inflight revenue was KRW 12.5 billion, or KRW 1,365 (\$1.17) per passenger.
- Transavia: The airline founded Transavia Ventures investment fund to generate new revenue streams with a focus on travel, technology, mobility, logistics, digital retail, hospitality, and sustainability.
- United: MileagePlus sells 71% of miles to partners, such as Chase bank; the remaining 29% are purchased by the airline for flight-related accrual by passengers.

- **United:** Travel represents 97% of redemption activity, with a small 3% slice represented by all other non-travel rewards. Within travel redemptions, 80% are for travel on United and 20% with other travel-related partners.
- **Volaris:** The Volaris co-branded credit card program had 282,000 accounts at the end of 2019, which average ancillary revenue of \$46.81 per account.
- **Wizz Air:** Take rates increased for 2019, with 34% of customers buying a bag-related service, and 30% of passengers buying a seat-related service. Among passengers, 7% were business travelers.

Currency exchange based upon rates in effect when financial information was reviewed for each annual period.

Ancillary Revenue Defined

The definition of ancillary revenue offered by IdeaWorksCompany in 2008 has been adopted all over the world and is accepted as the industry standard. In 2015 the definition was broadened to recognize the growing importance of fare bundles by adding a fifth category to include ancillary revenue generated by “the a la carte components associated with a fare or product bundle.”

Ancillary Revenue Defined
<p style="color: #003366;">Revenue beyond the sale of tickets that is generated by direct sales to passengers, or indirectly as a part of the travel experience.</p> <p style="color: #003366;">IdeaWorksCompany further defines ancillary revenue using these categories: 1) frequent flyer activities, 2) a la carte features, 3) commission-based products, 4) advertising sold by the airline, and 5) the a la carte components associated with a fare or product bundle.</p>

To add more clarity to this declaration, IdeaWorksCompany offers these explanations:

- **Frequent Flyer Programs:** The frequent flyer category largely consists of the sale of miles or points to program partners such as hotel chains and car rental companies, co-branded credit cards, online malls, retailers, and communication services. Miles or points sold directly to program members also qualify.
- **A la Carte Features:** These represent the items on the ancillary revenue menu and consist of the amenities consumers can add to their air travel experience. The list continues to grow and the following are typical activities: 1) onboard sales of food and beverages, 2) checking of baggage and excess baggage, 3) assigned seats or better seats such as exit rows, 4) call center support for reservations, 5) fees charged for purchases made with credit or debit cards, 6) priority check-in and screening, 7) early boarding benefits, 8) onboard entertainment systems, and 9) wireless internet access.

- **Commission-Based Products:** Ancillary revenue activities also include the commissions earned by airlines on the sale of hotel accommodations, car rentals and travel insurance. The commission-based category primarily involves the airline's website, but it can include the sale of duty-free and consumer products onboard aircraft.
- **Advertising Sold by the Airline.** This category includes any advertising initiative linked to passenger travel. The following are typical activities: 1) revenue generated from the inflight magazine, 2) advertising messages sold in or on aircraft, loading bridges, gate areas, and airport lounges, and 3) fee-based placement of consumer products and samples.
- **Fare or Product Bundles.** Airlines may allocate a portion of the price associated with a fare bundle or product bundle as ancillary revenue. This is determined by assigning a revenue value to the services included in the bundle, such as checked baggage, early boarding, and extra leg room seating.

The list is not intended to be exhaustive or complete; human imagination, including in business, is infinite. However, caution is advised when considering revenue sources not linked to the passenger travel experience. This includes air cargo, mail revenue, ground handling, and inflight kitchen operations. Some carriers consider this ancillary revenue, but they are best included in the category of other revenue.

About Individual Airline Listings

The individual airline listings are intended to clarify the type of ancillary revenue activity attributed to each airline in this yearbook. Some airlines are vague in their descriptions and merely provide an "ancillary revenue" line on the income statement without further details. Some of the carriers don't specifically list ancillary revenue, but describe qualifying activities such as "revenue from the sale of frequent flyer miles to partners" or "onboard retail including food and merchandise." Other airlines provide extensive details and seem very proud of their ancillary revenue accomplishments. Airlines sometimes choose to provide additional information in the presentations made to investment analysts.

The total revenue and passenger numbers for each airline are intended to reflect the activities associated with the generation of ancillary revenue. Financial figures have been converted to dollars with the exception of information provided in the notes from financial reports box for each listed. The exchange rates used are listed at the end of this yearbook. Group results may apply for some airline listings. For example, activity reported for the Alaska Air Group includes Alaska Airlines and its regional carrier Horizon Air.

The explanatory material provided for each reporting airline is an edited version of company-generated information found in sources such as financial statements, annual reports, analyst research, and investor relations presentations. The greater length of some listings, such as Allegiant Air, indicates the company dedicated more space in its reports to the topic of ancillary revenue. Interpretation by IdeaWorksCompany provides added context regarding the unique qualities of a carrier's a la carte activity.

Sprinkled throughout the airline listings is jargon which might be unknown to some readers. Every industry has its share of acronyms, and the airline industry is not immune to this practice. While not an exhaustive list, the following are brief definitions of the more notable examples:

- **Branded Fares:** Usually offered as two or three fare choices based upon a “good, better, and best” quality hierarchy. The base fare provides minimal amenities and consumers may select higher-priced fares that offer more perks. Each fare type is always available and has a fixed (predictable) price premium. For example, the lowest priced fare doesn’t sell out as a flight fills up, but the base price increases.
- **Continuous Pricing:** Distribution systems have a limit of 26 inventory classes for managing fares in any specific city pair. Yes, that’s the number of letters in the English alphabet. Continuous pricing uses calculations performed when a pricing query is made and is not limited to 26 possible outcomes. Fares are not set in advance, but rather an algorithm determines the range of possible outcomes.
- **Dynamic Pricing:** Prices are determined at the time a consumer requests the product. The airline performs an evaluation of demand and supply using a combination of factors unique to each booking request, which may include the consumer’s purchase history with the airline.
- **Fare Families:** Similar to branded fares, this method offers two or more fare choices. Amenities are linked to existing fare categories, with higher fares providing more perks. However, the lower dynamically priced fares sell out as demand increases, which limits the choices presented to consumers. The price difference between fares can be very large, especially as a flight fills up.
- **NDC or New Distribution Capability:** The New Distribution Capability (NDC), also known as IATA Resolution 787, describes a framework to enable merchandising a la carte services through a global distribution system (GDS) or online travel agency. This is a major change because it takes the pricing function out of the GDS and makes it the responsibility of the airline through its own passenger service system (PSS), pricing and merchandising engines. The GDS becomes a conduit for the pricing actions of the airline and actually identifies the consumer to the airline. This provides airlines the capability to offer dynamic pricing, which can include a bundle of amenities, tailored for individual consumers.

Carriers are invited to contact IdeaWorksCompany directly to provide feedback on the statistics provided in this yearbook. Airlines also may directly disclose their ancillary revenue activities to IdeaWorksCompany for inclusion in next year’s yearbook. Please send your comments to Jay “at” IdeaWorksCompany.com.



Bringing Opportunities to Life

Driving unparalleled revenue and market share for our partners



B2B Focus & Customer Ownership

Delivering long term sustainable growth by building your brand and providing true customer ownership

Choice

We create a one stop mobility marketplace for our partner and their customers with car rental, private transfer, taxi and ride hailing options



Online & Mobile Retailing Expertise

Maximising conversion and revenue through bespoke partner solutions focused on cross selling the right product, at the right time, on the right device

Technology

Built in house with B2B in mind. Our understanding of travel distribution supports seamless integration to drive your ancillary capabilities right away



Bespoke Pricing & Personalisation

Pricing, content and display is personalised based on each customer's itinerary and powered by data science

Maximising Revenue & Performance

Powered by trading squads: data driven, cross-functional teams that are fully enabled to deliver optimisations at pace



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Ancillary Revenue Data and Graphs

Airlines Posting Ancillary Revenue Results				
For most recent 2019 full-year period, listed in alphabetical order.				
Table 1 of 3				
Carriers <i>See bottom for icon legend</i>	Ancillary Revenue in US\$	% of Total Revenue	US\$ per Passenger	Region
Aegean	\$156,066,447	10.5%	\$10.41	Europe and Russia
Aeroflot Group (less Pobeda)	\$694,487,450	7.0%	\$13.75	Europe and Russia
Aerolineas Argentinas +	\$182,246,562	9.7%	\$19.36	The Americas
Aeromexico	\$269,490,156	7.5%	\$13.03	The Americas
Air Arabia	\$153,052,689	11.8%	\$12.75	Middle East / Africa
Air Astana	\$6,475,000	0.7%	\$1.26	Asia / South Pacific
Air Baltic	\$39,223,784	6.9%	\$7.77	Europe and Russia
Air Canada	\$2,549,719,104	17.5%	\$49.47	The Americas
Air China Group	\$345,004,773	1.7%	\$3.00	Asia / South Pacific
Air France & KLM	\$1,712,952,448	6.0%	\$19.55	Europe and Russia
Air Greenland	\$9,166,763	4.3%	\$20.93	Europe and Russia
Air India	\$17,472,671	0.5%	\$0.80	Asia / South Pacific
Air India Express	\$9,056,382	1.5%	\$2.08	Asia / South Pacific
Air Mauritius +	\$31,892,574	5.6%	\$18.50	Middle East / Africa
Air New Zealand	\$405,755,451	10.5%	\$22.87	Asia / South Pacific
AirAsia Group	\$506,131,114	17.6%	\$9.82	Asia / South Pacific
AirAsia X	\$198,455,655	18.7%	\$32.69	Asia / South Pacific
Alaska Air Group	\$2,033,560,500	23.2%	\$43.51	The Americas
Allegiant	\$855,336,000	46.5%	\$56.98	The Americas
American	\$7,413,000,000	16.2%	\$34.45	The Americas
ANA Group	\$1,540,337,459	8.5%	\$29.43	Asia / South Pacific
Avianca	\$524,530,400	11.3%	\$17.18	The Americas
Azul	\$670,253,775	22.4%	\$24.22	The Americas
Bangkok Airways +	\$112,679,012	12.1%	\$19.23	Asia / South Pacific
Blue Air +	\$39,686,225	9.0%	\$9.92	Europe and Russia
Cebu Pacific	\$214,825,683	13.0%	\$9.56	Asia / South Pacific
China Eastern Group	\$421,477,912	2.4%	\$3.23	Asia / South Pacific
<i>Table continued on following page</i>				
<p><i>2019 carrier results were based upon recent 12-month financial period disclosures.</i></p> <p><i>* IdeaWorksCompany estimate based upon past disclosure updated for current yearbook.</i></p> <p><i>(FF) 80% or more of carrier's ancillary revenue is produced by its frequent flyer program.</i></p> <p><i>+ New carrier listing since prior yearbook.</i></p>				

Airlines Posting Ancillary Revenue Results

Table 2 of 3

Carriers <i>See bottom for icon legend</i>	Ancillary Revenue in US\$	% of Total Revenue	US\$ per Passenger	Region
China Southern Group	\$103,910,067	0.5%	\$0.69	Asia / South Pacific
Copa Airlines	\$108,296,320	4.0%	\$7.02	The Americas
Croatia Airlines	\$2,463,712	1.0%	\$1.13	Europe and Russia
Delta	\$6,198,000,000	13.6%	\$30.99	The Americas
easyJet	\$1,739,009,148	21.6%	\$18.10	Europe and Russia
Emirates	\$1,927,297,481	7.8%	\$34.29	Middle East / Africa
Eurowings +	\$316,585,271	11.6%	\$11.31	Europe and Russia
Finnair	\$322,690,844	9.2%	\$22.03	Europe and Russia
flydubai	\$153,573,860	9.4%	\$16.00	Middle East / Africa
Frontier	\$1,094,043,000	43.6%	\$48.22	The Americas
Garuda Indonesia Group	\$87,259,483	1.9%	\$2.74	Asia / South Pacific
GOL	\$616,816,503	17.0%	\$16.92	The Americas
Hawaiian Airlines	\$436,838,000	15.4%	\$37.17	The Americas
HK Express +	\$52,575,003	21.7%	\$27.85	Asia / South Pacific
Icelandair	\$96,090,000	8.3%	\$21.80	Europe and Russia
IndiGo	\$400,912,022	7.4%	\$5.34	Asia / South Pacific
International Airlines Group +	\$1,932,190,010	6.7%	\$16.34	Europe and Russia
Jazeera Airways	\$27,058,327	7.9%	\$11.27	Middle East / Africa
Jeju Air	\$102,811,760	8.7%	\$7.64	Asia / South Pacific
Jet2.com	\$397,567,621	23.2%	\$31.01	Europe and Russia
JetBlue	\$1,452,752,000	17.9%	\$34.00	The Americas
Jetstar Group *	\$657,930,558	23.9%	\$26.32	Asia / South Pacific
Jin Air	\$51,233,954	6.5%	\$5.91	Asia / South Pacific
Kenya Airways	\$91,188,502	7.3%	\$17.67	Middle East / Africa
LATAM Airlines	\$245,606,000	2.4%	\$3.31	The Americas
Lufthansa Network Airlines	\$1,933,431,476	8.0%	\$18.07	Europe and Russia

Table continued on following page

*2019 carrier results were based upon recent 12-month financial period disclosures.
 * IdeaWorksCompany estimate based upon past disclosure updated for current yearbook.
 (FF) 80% or more of carrier's ancillary revenue is produced by its frequent flyer program.
 + New carrier listing since prior yearbook.*

Airlines Posting Ancillary Revenue Results

Table 3 of 3

Carriers <i>See bottom for icon legend</i>	Ancillary Revenue in US\$	% of Total Revenue	US\$ per Passenger	Region
Nok Air	\$92,921,066	14.3%	\$9.44	Asia / South Pacific
Norwegian	\$822,666,007	16.2%	\$22.73	Europe and Russia
Pegasus	\$518,973,712	26.4%	\$17.02	Europe and Russia
Philippine Airlines	\$208,979,221	6.9%	\$12.47	Asia / South Pacific
PIA Pakistan Airlines	\$78,759,448	7.8%	\$14.89	Asia / South Pacific
Pobeda	\$143,586,434	17.0%	\$13.94	Europe and Russia
Qantas Airways (FF)	\$1,151,460,414	11.8%	\$37.37	Asia / South Pacific
Rex Regional Express	\$890,398	0.4%	\$0.70	Asia / South Pacific
Royal Jordanian	\$9,740,480	1.0%	\$2.95	Middle East / Africa
Ryanair Group	\$3,311,255,802	34.5%	\$22.28	Europe and Russia
SAS Scandinavian	\$342,598,307	6.8%	\$11.51	Europe and Russia
Scoot *	\$247,737,840	20.0%	\$23.70	Asia / South Pacific
Singapore Airlines (FF)	\$653,027,866	6.9%	\$31.24	Asia / South Pacific
Southwest (FF)	\$4,498,000,000	20.1%	\$33.55	The Americas
SpiceJet	\$150,265,988	7.8%	\$7.50	Asia / South Pacific
Spirit	\$1,800,826,000	47.0%	\$52.14	The Americas
Spring Airlines	\$109,455,829	5.1%	\$4.89	Asia / South Pacific
SriLankan Airlines	\$104,415,379	10.0%	\$18.44	Asia / South Pacific
Sun Country	\$83,303,540	11.9%	\$20.37	The Americas
Transavia +	\$344,851,813	17.5%	\$20.80	Europe and Russia
T'way Air	\$64,042,442	9.2%	\$7.00	Asia / South Pacific
United	\$6,580,000,000	15.2%	\$40.51	The Americas
Vietjet	\$447,951,841	25.2%	\$17.99	Asia / South Pacific
Virgin Australia Group	\$819,388,699	20.2%	\$33.06	Asia / South Pacific
Viva Aerobus	\$303,365,676	45.0%	\$25.24	The Americas
Volaris	\$612,788,315	38.5%	\$27.89	The Americas
Westjet *	\$394,190,230	10.0%	\$15.24	The Americas
Wizz Air	\$1,416,492,955	45.4%	\$35.39	Europe and Russia

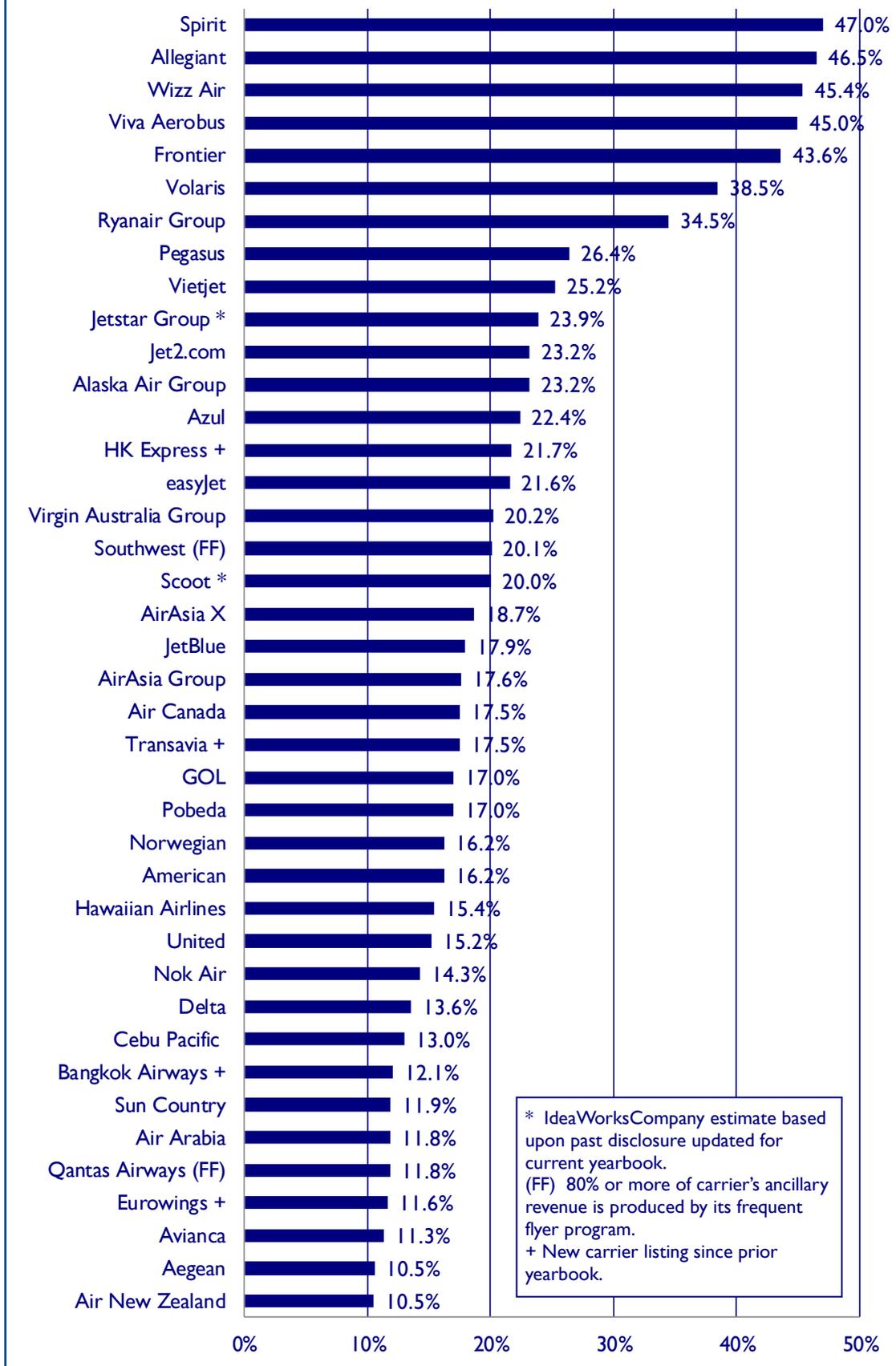
2019 carrier results were based upon recent 12-month financial period disclosures.

** IdeaWorksCompany estimate based upon past disclosure updated for current yearbook.*

(FF) 80% or more of carrier's ancillary revenue is produced by its frequent flyer program.

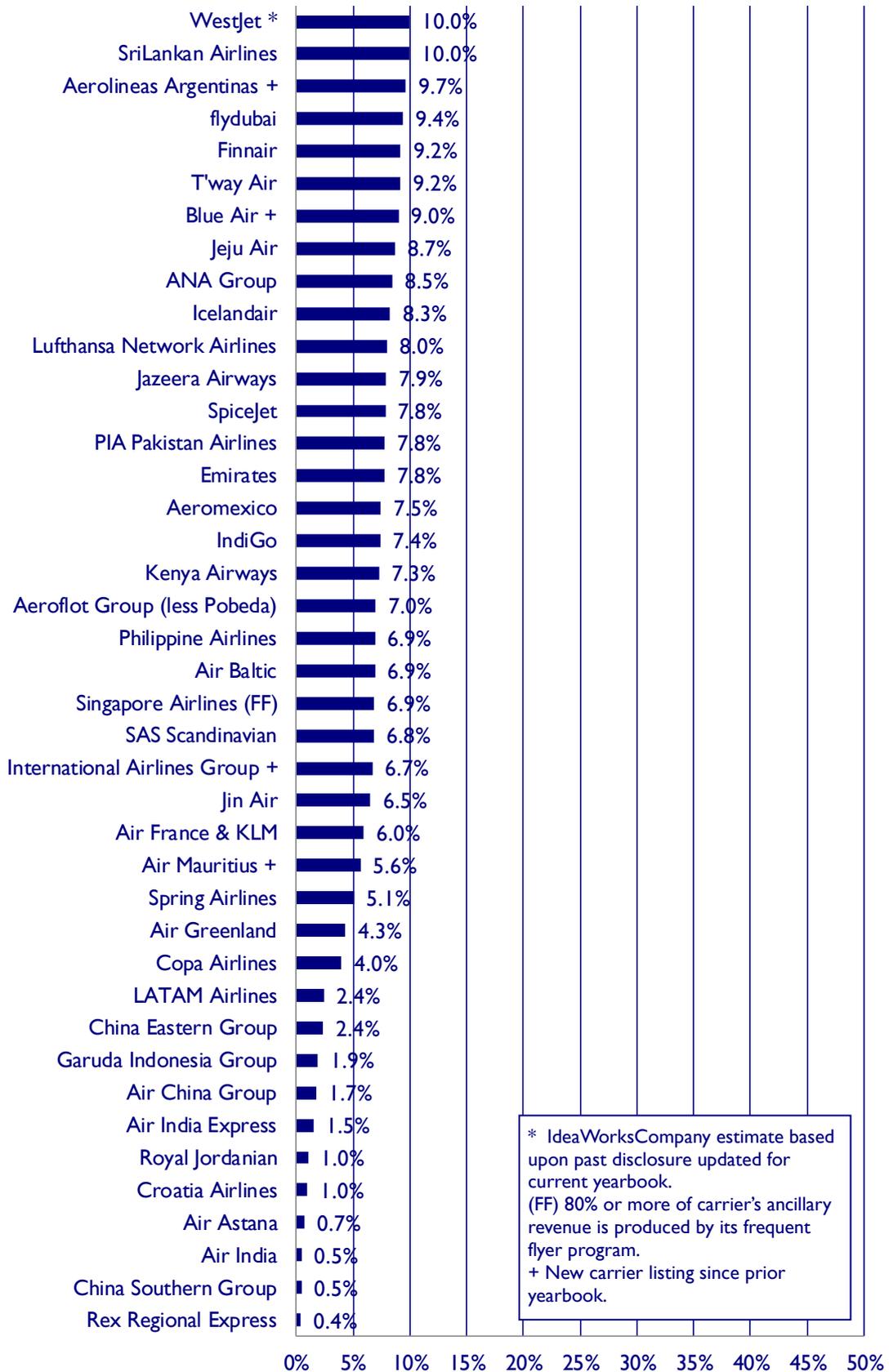
+ New carrier listing since prior yearbook.

Ancillary Revenue as a % of Total Revenue - 2019
Airlines ranked I through 40



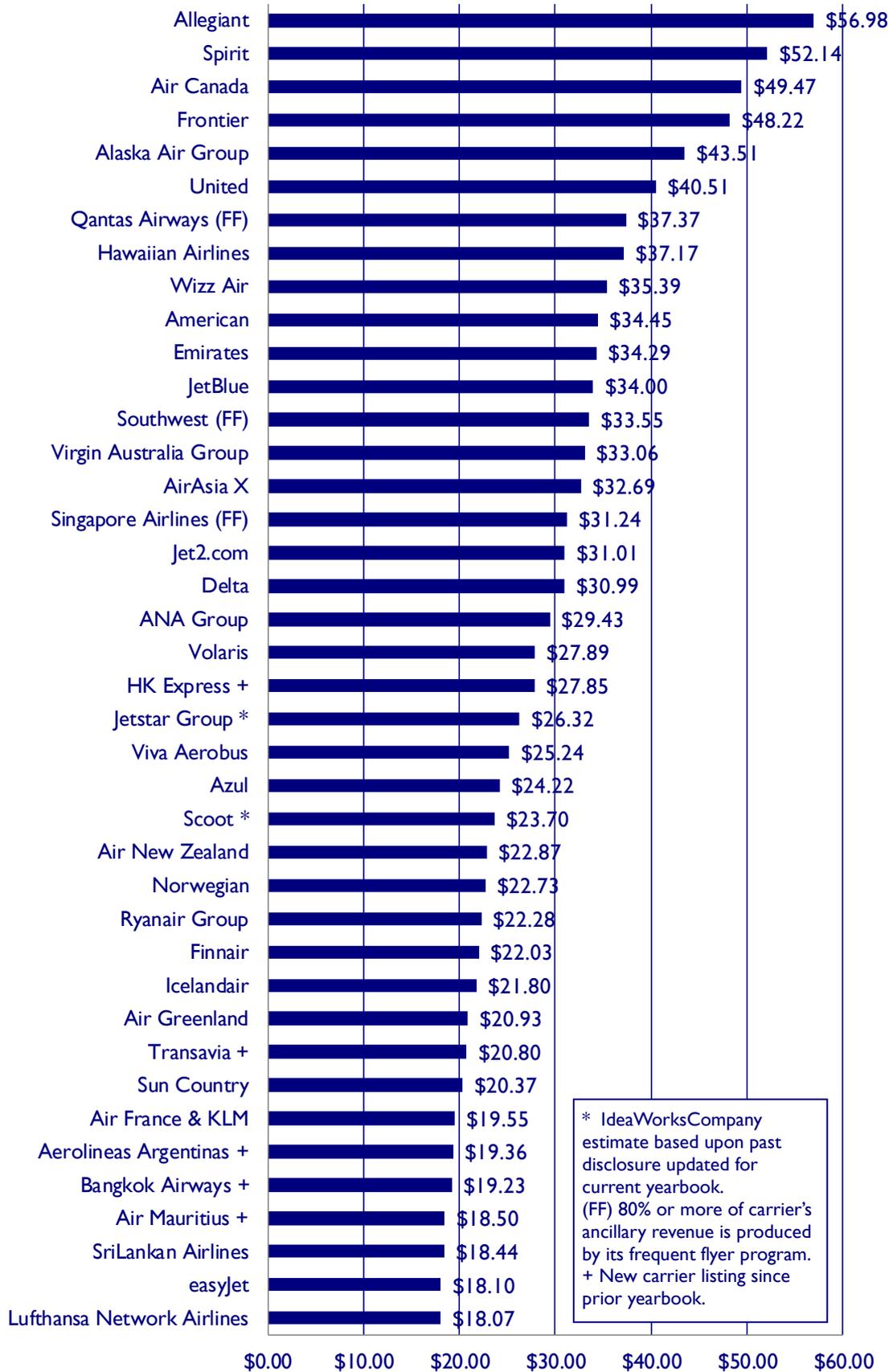
* IdeaWorksCompany estimate based upon past disclosure updated for current yearbook.
(FF) 80% or more of carrier's ancillary revenue is produced by its frequent flyer program.
+ New carrier listing since prior yearbook.

Ancillary Revenue as a % of Total Revenue - 2019
Airlines ranked 41 through 81

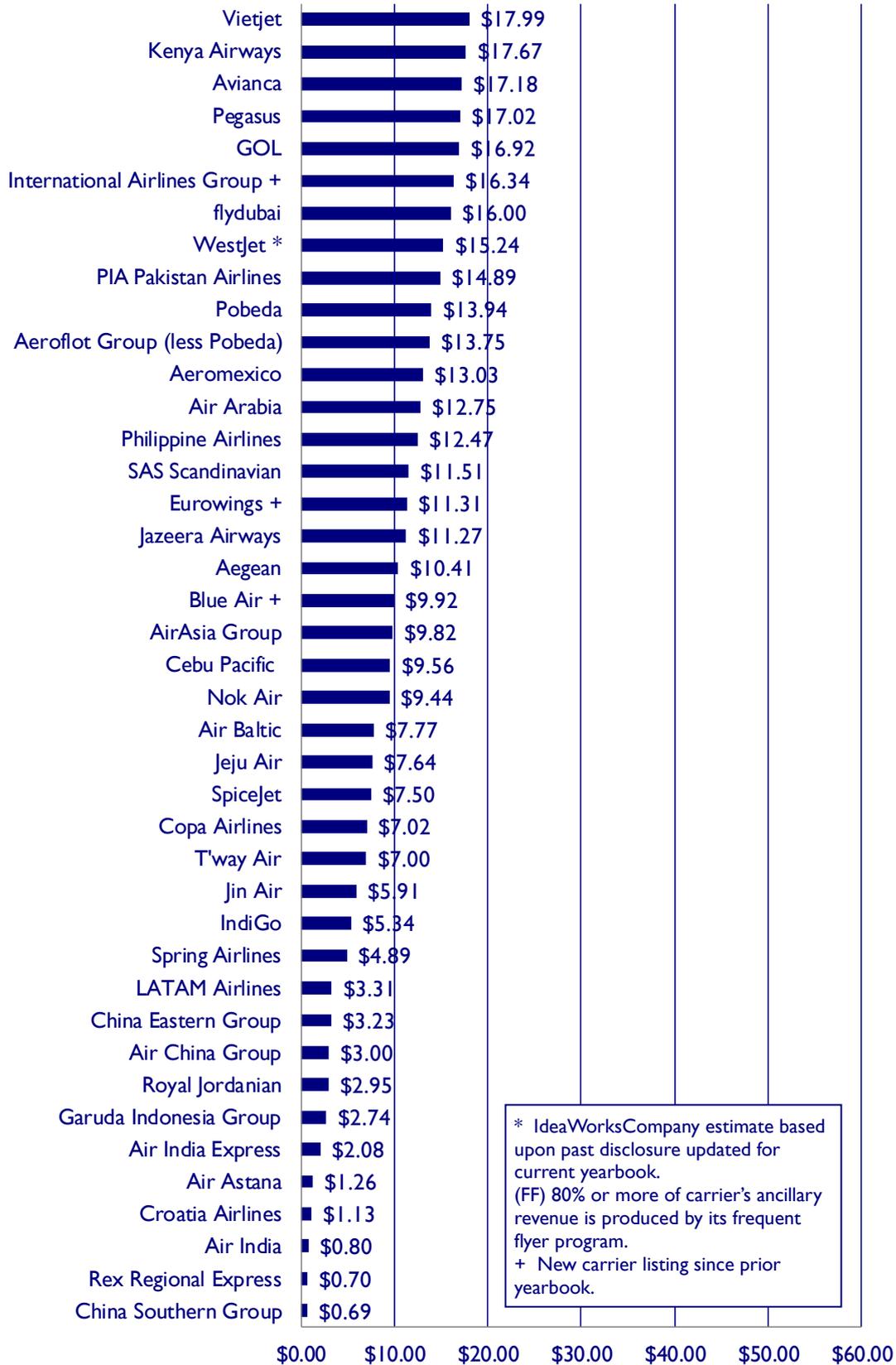


Ancillary Revenue in US\$ per Passenger - 2019

Airlines ranked 1 through 40



Ancillary Revenue in US\$ per Passenger - 2019
Airlines ranked 41 through 81



Airline People

Helping Airlines Thrive

IdeaWorksCompany experts provide an informed outside perspective during COVID-19 with 140+ years of professional airline management. We use imagination and savvy to help clients build revenue and find solutions in a challenging world.

Revenue • Strategy • Loyalty • Marketing • Guest Experience • Diversity



Bob Bahlman

Business restructuring and segment analysis. Former SVP and CFO, Midwest Air Group.



Ben Baldanza

Airline management and strategy. Former CEO, Spirit Airlines; manager at American, Avianca/Taca, Continental, Northwest and US Air.



Jerry Scott

People diversity and affirmative action. Former executive and manager Midwest Express and Eastern.



Michael Smith

Loyalty partnerships and fraud prevention. Managing partner, Airline Information; former FFP manager, British Airways.



Dinaz Zaq

Revenue management and pricing. Former revenue management executive, British Airways.



Jay Sorensen

Ancillary revenue and loyalty marketing. Former marketing and operations executive, Midwest Airlines; founder and president, IdeaWorksCompany.

IdeaWorksCompany: We are travel people

Reach Jay Sorensen, President, direct at Jay@IdeaWorksCompany.com



Europe and Russia

Aegean

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$156,066,447
As a % of Revenue	10.5%
Dollars per Passenger	\$10.41
Financial Period	Calendar year 2019
Total Revenue	\$1,479,810,010
Passengers	14,992,000
Information Source	Annual Financial Report for 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in euros. • Ancillary revenue grew by 10.5% for 2019 compared to 2018. The 2018 revenue amount is based upon the below disclosures and calculations. • Revenue for Aegean was €1,187,400,000 for 2018 and was distributed as follows: <ul style="list-style-type: none"> – International flights: 76% or €902,424,000. – Domestic flights: 24% or €284,976,000. • Aegean disclosed ancillary revenue as a percent of revenue by geographic area: <ul style="list-style-type: none"> – International flights: 11% or €99,267,000. – Domestic flights: 9% or €25,648,000. 2018 total ancillary revenue for Aegean was €124,915,000, when increased by 10.5%, the result for 2019 is <u>€138,031,075</u>. • The airline has these ancillary revenue activities: <ul style="list-style-type: none"> – Booking for care hire, hotel, airport parking, airport transfers, ferry tickets, and tours/activities. – Checked baggage. – Co-branded credit cards. – Extra leg room seat assignment. – Fast track at Heraklion Airport. – Front of cabin seat assignment. – Hold my booking. – Onboard merchandise catalog. – Travel insurance. • Revenue from the loyalty program was €1,309,000 for 2019 from the sale of flight tickets and services rendered. • Aegean revenue for 2019: €1,308,800,000.
Historical and Projected Total Ancillary Revenue	
2018 Financials	\$146,033,211

This yearbook (2019)	\$156,066,447
Projected for 2020	\$64,292,825

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Aeroflot Group (less Pobeda)

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$694,487,450
As a % of Revenue	7.0%
Dollars per Passenger	\$13.75
Financial Period	Calendar year 2019
Total Revenue	\$9,921,249,283
Passengers	50,500,000
Information Source	IFRS Consolidated Financial Statements for the year ended 31 December 2019, Aeroflot Group Q4 and 12 Months 2019 IFRS Results and Capital Markets Day London 12 December 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in Russian rubles (RUB). • Figures include the operations of Aeroflot Airlines and principal airline subsidiaries such as Aurora and Rossiya. Results from its LCC unit Pobeda are listed separately in this yearbook. • The group included a significant presentation on its ancillary revenue strategy in Capital Markets Day presentation: <ul style="list-style-type: none"> – For the group’s network carriers, the strategy will focus on passenger convenience, targeting of individual needs, the upscale nature of the Aeroflot product, and sales channel accessibility. – Key services are: FFP partners, seat selection, baggage fees, catering, merchandise, travel partners, and hotel bookings. – Ancillary revenue was approximately 7% of sales for SU code airlines through the 3rd quarter of 2019. The SU code reference is interpreted to include Aeroflot, Aurora, and Rossiya Airlines. Applying this to 2019 revenue generates ancillary revenue of <u>RUB 43,728,790,000</u>. – Seat selection for budget fares was introduced during 2019, and for the first nine months of 2019, this generated approximately one million transactions and sales of RUB 400 million.

- The same presentation also included information for the Aeroflot Bonus frequent flyer program:
 - 9.8 million members.
 - 34% rate of participation among all passengers.
 - 280,000 (approximately) silver, gold, and platinum elite members.
 - 18 airline partners, 4 co-brand bank partners, and 168 other partners.
- Aeroflot listed the following examples of ancillary revenue categories and results for 2019:
 - Loyalty program: RUB 14,453,000,000.
 - Sales of goods onboard: RUB 1,505,000,000.
 - Hotel revenue: RUB 382,000,000.
 Total for the above is RUB 16,440,000,000, which represents 2.4% of revenue.
- For 2019, the group airlines reported this traffic:
 - Aeroflot: 37.2 million passengers.
 - Aurora: 1.7 million passengers.
 - Rossiya: 11.6 million passengers.
 The total for the group is 50.5 million passengers.
- Total revenue for the group: RUB 677,881,000,000. Aeroflot revenue for the year ended 31 December 2019 was RUB 624,697,000,000 (group revenue less LCC Pobeda).

Historical and Projected Total Ancillary Revenue

2018 Financials	\$535,761,460
This yearbook (2019)	\$694,487,450
Projected for 2020	\$331,921,907

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Air Baltic

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$39,223,784
As a % of Revenue	6.9%
Dollars per Passenger	\$7.77
Financial Period	Calendar year 2019
Total Revenue	\$567,880,483
Passengers	5,049,000
Information Source	Air Baltic Corporation Consolidated Annual Report for the Year Ended 31 December 2019

Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Activity for Air Baltic Group includes Air Baltic Corporation (airline), loyalty services (airBaltic Club FFP), and cargo, crew training, and pilot services. • The airline upgraded its internet booking engine, and the improvement of ancillary revenue is partially attributable to this change, and partially to several new products introduced during the year. Ancillary revenue improved from €6.20 per passenger to €6.90 per passenger in 2019. Total ancillary revenue was €34,691,000. • Loyalty services generated a profit of €715,000. The airBaltic Club has 185,467 members. • Air Baltic revenue for 2019: €502,255,000.
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Historical and Projected Total Ancillary Revenue

2018 Financials	No data
This yearbook (2019)	\$39,223,784
Projected for 2020	\$21,181,299

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Air France & KLM

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,712,952,448 (estimate based upon company guidance)
As a % of Revenue	6.0%
Dollars per Passenger	\$19.55
Financial Period	Calendar year 2019
Total Revenue	\$28,768,555,839
Passengers	87,624,000
Information Source	Results Presentation Full Year 2019, Registration Document 2019 and company guidance, December 2019 traffic press release, and Air France KLM Investor Day 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • These results apply to Air France and KLM; Transavia results are listed separately. • Air France/KLM made meaningful ancillary revenue disclosures in its 2017 financial documents. In addition, while not confirming the exact level of ancillary revenue

for 2019, the company provided guidance to IdeaWorksCompany for the calculations described below.

- Air France/KLM disclosed in financial documents ancillary revenue (paid options) was €730 million for 2019, up from €650 million for 2018. Examples of paid options include: various seating options in the economy cabin, upgrades paid just before departure, additional allowance for checked bags (in advance or at the airport), lounge access, a la carte meals, personalized services at the airport, UM (unaccompanied minor) option for teens, travel insurance, car rentals, hotel bookings, city transfers, "time to think" option to hold a fare, and city tours. This revenue amount was repeated for 2019.
- The company disclosed other network revenue in its 2019 Registration Document of €1.021 billion. Air France/KLM advised IdeaWorksCompany a large portion of this activity largely qualifies as ancillary revenue. Based upon company guidance, IdeaWorksCompany estimates the qualifying component is approximately 70%. Accordingly, the €1.021 billion amount is reduced to €715 million.
- Flying Blue, the loyalty program of Air France/KLM disclosed via an Accor Group press release the program had 15 million members in June 2019. Air France/KLM does not disclose revenue produced by the program, notably from the sale of miles to partners, such as card-issuing banks. SAS Eurobonus, as a Europe-based program, was found to generate revenue of approximately €25 per member in 2018. Applying this statistic to Flying Blue's active membership base of 15 million generates a conservative sales revenue estimate of €375 million.
- Transavia is the group's low cost carrier within Europe, which disclosed ancillary revenue of €305 million for 2019. This amount will be deducted from the group's results.
- The group disclosed 9 key initiatives to grow revenue during 2019. Two of these included group-wide efforts involving ancillary revenue; these involved personalization efforts and the Flying Blue loyalty program.
- Digital is one of the group's largest sales channels with the direct online channels accounting for 36% of the total tickets sold.
- The following 2019 activities were tied to ancillary revenue:
 - Flying Blue is aiming to increase its contribution to group sales and margin via the sale of miles, providing a new digital experience and enabling payment in miles.
 - Air France completed rollout of its Air France Connect service across the entire fleet. This provides free

message access, a Surf Pass for internet and emails (€3 to €18), and the Stream Pass for high-speed internet (€10 to €30).

- Miles may be accrued in Flying Blue for Accor hotel stays, and points may be accrued in the Accor All program for Air France KLM tickets.
 - Flying Blue members may now accrue miles on the purchase of paid options (a la carte items).
 - Flying Blue members may now purchase miles from the program.
 - Follow My Bag was introduced during 2019, which allows customers to track bags through the three main stages of travel: check-in, departure, and retrieval.
 - The Air France Connect proposition is progressively being expanded to offer customers additional services such as shopping, exclusive access to the La Cave Air France cellar, and a wide range of activities, to include a ride-hailing service with Hertz DriveU.
 - The following were disclosed as group digital milestones for 2019:
 - 564 million visits on the digital touchpoints (just under 1.5 million per day).
 - 70% online check-in rate.
 - €4.6 billion generated online.
 - 39 million fans and followers on social media.
 - 550+ agents dedicated to social media: the largest team in the airline industry.
 - 40,000 iPads issued to employees and crews.
 - Total ancillary revenue for Air France and KLM is estimated to be €1,515,000,000 and is based upon the following items:
 - €730 million 2019 disclosure of paid options activity.
 - €715 million adjusted other network sales.
 - €375 million estimated Flying Blue sales.
 - Less €305 million of Transavia ancillary revenue.
 - The Air France/KLM Group carried 104,205,000 passengers. Individual unit traffic was:
 - Air France: 52,532,000 passengers.
 - KLM: 35,092,000 passengers.
- Combined Air France and KLM: 87,624,000.
- Air France/KLM Group revenue for 2019 was: €27,188,000,000, deducting Transavia revenue of €1,744,000,000, leaves a result for Air France and KLM of €25,444,000,000. The group disclosed the following segment results:
 - Air France: €16,588,000,000.
 - KLM: €11,075,000,000.

Please note the above total is larger than the group result disclosed. This is likely due to double reporting of some shared activity between the segments.

- 2018 Commentary (see data below): 2018 results were for the entire Air France/KLM Group, which represents more traffic and revenue activity than just Air France and KLM Airlines. The latter excludes subsidiary carriers such as Transavia.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$2,579,438,796 (Air France/KLM Group)
This yearbook (2019)	\$1,712,952,448
Projected for 2020	\$889,022,321

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Air Greenland

Source and Type	Tour and sightseeing revenue sold to passengers
Ancillary Revenue	\$9,166,763
As a % of Revenue	4.3%
Dollars per Passenger	\$20.93
Financial Period	Calendar year 2019
Total Revenue	\$211,722,467
Passengers	438,000
Information Source	Annual Report 2019 for Air Greenland
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in Danish kroner (DKK). • Air Greenland is the principal airline of Greenland and generates ancillary revenue from hotel and tour operations. • Ownership of the airline was fully transferred to Greenland’s government after SAS and the Danish government sold its shares to Greenland. • Air Greenland disclosed ancillary revenue of <u>DKK 60,515,000</u> from the following ancillary revenue activities: <ul style="list-style-type: none"> – DKK 9,500,000 income (before taxes) for tour operations by Greenland Travel (100% owned by Air Greenland). – DKK 51,015,000 income from hotel operations, principally from Hotel Arctic (100% owned by Air Greenland).

	<p>The airline is the primary method of transportation to the country, which suggests its passengers are the principal customers of Greenland Travel and Hotel Arctic.</p> <ul style="list-style-type: none"> • Air Greenland revenue for 2019: DKK 1,397,700,000.
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Historical and Projected Total Ancillary Revenue

2018 Financials	\$10,241,519
This yearbook (2019)	\$9,166,763
Projected for 2020	\$4,913,035

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Blue Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$39,686,225
As a % of Revenue	9.0%
Dollars per Passenger	\$9.92
Financial Period	Fiscal year ended 30 September 2019
Total Revenue	\$440,958,056
Passengers	4,000,000
Information Source	Blue Air 29 October 2019 Press Release and Ziarul Financiar (ZF.ro) article dated 01 July 2020

<p>Ancillary Revenue Definitions and Other Notes from Financial Reports</p>	<ul style="list-style-type: none"> • All figures are in euros. • Blue Air made the following disclosure in a 2019 press release: “The percentage of ancillary revenues from total revenues increased to 9%, compared to 8% in financial year 2018.” Accordingly, ancillary revenue for 2019 was <u>€35,100,000</u>. • The airline displays the following a la carte services at its website: <ul style="list-style-type: none"> – Airport parking. – Blue Benefits subscription program offering discounts on fares and baggage. – Bundled fares: Light, Express, and Comfort. – Bus and airport transfer. – Car rental. – Checked baggage. – Fare lock. – Hotel booking. – Priority boarding with larger carry-on. • 4 million passengers were referenced in a 2020 newspaper article as annual traffic for Blue Air.
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- Blue Air revenue for 2019: €390,000,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	No data
This yearbook (2019)	\$39,686,225
Projected for 2020	\$21,650,292

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Croatia Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$2,463,712
As a % of Revenue	1.0%
Dollars per Passenger	\$1.13
Financial Period	Calendar year 2019
Total Revenue	\$245,758,362
Passengers	2,179,000
Information Source	Annual Report for the Year Ended 31 December 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Croatia disclosed ancillary revenue of <u>€2,122,000</u> from the following ancillary revenue activities: <ul style="list-style-type: none"> – Mileage related revenue (frequent flyer): €422,000. – Revenue from advertising services: €1,700,000. • Croatia revenue for 2019: €217,358,000. • 2018 Commentary (see data below): 2018 mileage related revenue was significantly above 2019.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$3,494,322
This yearbook (2019)	\$2,463,712
Projected for 2020	\$1,278,097

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

easyJet

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,739,009,148
As a % of Revenue	21.6%
Dollars per Passenger	\$18.10
Financial Period	Fiscal year ended 30 September 2019
Total Revenue	\$8,069,457,419
Passengers	96,100,000
Information Source	Annual Report and Accounts 2019 and Results for the Year Ending 30 September 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Great Britain pounds (£). • Ancillary revenue grew 13.7% to <u>£1,376,000,000</u> (2018: £1,210 million). This increase was produced by the following events during the fiscal year: <ul style="list-style-type: none"> – Seasonal pricing on allocated seating. – Introduction of the fourth level of seat pricing. – Loss of revenue from changes to admin fees more than offset by strong performance of ancillary revenues. – The airline tested the impact of what is placed in the booking path and where, in order to maximize ancillary revenue. • Ancillary revenue includes revenue from the provision of checked baggage, allocated seating and change fees, as well as revenue arising from commissions earned from services sold on behalf of partners and inflight sales. It is measured as the price paid by the customer for the service booked. Ancillary revenue is recognized when the performance obligation is complete, which is generally when the related flight takes place, with the following exceptions: <ul style="list-style-type: none"> – Cancellation fees which are recognized when the cancellation is processed. – Commissions earned from travel insurance, revenue is recognized at the time of booking as easyJet acts solely as appointed representative of the insurance company. • EasyJet introduced the easyJet Holidays program in the last part of calendar 2019. Around 20 million customers per year fly with easyJet to Europe's largest leisure destinations, but only 500,000 book accommodations with the airline. The remaining 19.5 million leisure customers are the carrier's initial target market. • Membership of easyJet's invitation-only loyalty program, Flight Club (for those who fly more than 20 times a year with easyJet) grew strongly, with Flight Club members increasing by 24% in 2019 and accounting for 9% of all

	<p>bookings made. EasyJet plus membership rose by 17% over the 2019 financial year.</p> <ul style="list-style-type: none"> • EasyJet started to remove plastic items from its inflight retail food and drinks offer and now offer a 50 cent discount for customers who use their own reusable cup. • EasyJet plans to introduce a new loyalty program (originally planned for 2019). In the 2019 financial year, 68% of easyJet seats were booked by returning customers (who had made a booking in the preceding two years), representing 65 million passengers. This is a 7 million increase compared to 2018. The program will encourage members to spend on a la carte services, and include accrual partners and membership tiers. • Revenue for the fiscal year ended 30 September 2019 was £6,385,000,000.
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Historical and Projected Total Ancillary Revenue	
2018 Financials	\$1,597,900,258
This yearbook (2019)	\$1,739,009,148
Projected for 2020	\$892,818,546
<p><i>Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.</i></p>	

Eurowings

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$316,585,271
As a % of Revenue	11.6%
Dollars per Passenger	\$11.31
Financial Period	Calendar year 2019
Total Revenue	\$2,722,633,330
Passengers	28,000,000
Information Source	Lufthansa Group Annual Report 2019 and Conference & Roadshow Presentation June/July 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Eurowings is the point-to-point short haul airline for the group. The carrier’s former long haul route structure has been transferred to Lufthansa Network Airlines. The group’s financial reporting for Eurowings also includes Brussels Airlines. However, this will change during 2020 as Brussels becomes aligned with Lufthansa Network Airlines.

- The 2020 yearbook entry for Eurowings is based upon various disclosures that permitted an assessment of the carrier's individual financial and traffic activity:
 - 2019 Eurowings traffic was approximately 28 million passengers (net of Brussels Airlines). Lufthansa disclosed Eurowings annual short-haul traffic was 27 million in a mid-year presentation. Separately, Eurowings/Brussels traffic was listed as 38 million in the 2019 Group annual report, with Brussels separately describing at its website annual traffic of 10 million passengers.
 - Passenger revenue is estimated to be €2,408,000,000 (28 million passengers x €86 per passenger total fare disclosure).
 - Ancillary revenue for Eurowings was disclosed as €10 per passenger as a mid-2019 estimate, with €9 as the 2018 average.
- The airline intends to undertake the following ancillary revenue initiatives:
 - New catering concept: with full buy-on-board.
 - Emphasize ancillary revenue activities.
 - Boost sales in direct channels such as the website and mobile app.
 - Increase travel sales: car hire, hotel accommodations, bus transportation, taxi, and rail.
 - Improve personalization and automation of services.
- Eurowings (net of Brussels Airlines) ancillary revenue for 2019 is €280,000,000 (28 million passengers x €10 per passenger).

Historical and Projected Total Ancillary Revenue

2018 Financials	No data
This yearbook (2019)	\$316,585,271
Projected for 2020	\$118,581,867

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Finnair

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$322,690,844
As a % of Revenue	9.2%
Dollars per Passenger	\$22.03

Financial Period	Calendar year 2019
Total Revenue	\$3,502,450,693
Passengers	14,650,000
Information Source	Finnair Group Financial Statements Release January–31 December 2019 Financial Statements 2019 Presentation, Financial Information 2019 and, 2020 Rights Offering Prospectus
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Finnair generates ancillary revenue from these activities: <ul style="list-style-type: none"> – Advance seat selection. – Destination extras. – Economy comfort product in long-haul. – Extra baggage fees. – Holiday packages. – Sky Bistro in short-haul economy. – Travel retail (merchandise). – Upgrade options. • The airline uses the following tools to maximize ancillary revenue sales (take rates) and value to the customer: <ul style="list-style-type: none"> – Ability to distribute via new marketplaces. – Advanced analytics. – Better product information display. – Dynamic pricing. – Improved sales management and personalization. – Origin – destination revenue management set-up. • Finnair’s disclosed ancillary revenue for 2019 was €176,200,000. Advance seat reservations, service charges, inflight sales and excess baggage were the largest ancillary categories. Ancillary revenue includes sale of ticket related services such as advance seat reservations, additional baggage fees as well as different service fees, and sale of goods in the aircraft. • As of 31 March 2020, the Finnair Plus program had 3.4 million members. Program members on average take 3 more trips per year than non-member customers. • The airline also operates a tour business (Aurinkomatkat and Finnair Holidays) which generates ancillary revenue. Revenue from tour operations was €229,500,000 and expenses for “tour operations” were €120,300,000 for 2019. This yields net income of €109,200,000, which qualifies as ancillary revenue. • Total ancillary revenue for Finnair for 2019 was <u>€285,400,000</u> and consisted of these components: <ul style="list-style-type: none"> – Disclosed ancillary revenue: €176,200,000. – Tour income: €109,200,000. • Finnair revenue for 2019: €3,097,700,000.

Historical and Projected Total Ancillary Revenue	
2018 Financials	\$319,036,651
This yearbook (2019)	\$322,690,844
Projected for 2020	\$118,259,199
<p><i>Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.</i></p>	

Icelandair

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$96,090,000
As a % of Revenue	8.3%
Dollars per Passenger	\$21.80
Financial Period	Calendar year 2019
Total Revenue	\$1,159,524,000
Passengers	4,408,000
Information Source	Icelandair Group Interim Report 2019 and Consolidated Financial Statements for the year 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in US dollars. • Icelandair's disclosed ancillary revenue for 2019 was <u>\$96,090,000</u>. • The group will sell Icelandair Hotels during 2020 which is anticipated to generate cash of around \$86 million. • The airline improved its online booking process by adding seat-only options (basic economy), seat map functionality, and online check-in for outbound travel. This was done to boost ancillary revenue and the changes were well received by customers. • Icelandair Group also owns hotel and tourism related companies which also contribute to ancillary revenue, but these are likely not included in the disclosure. The airline disclosed that 22% of passengers make a stopover in Iceland, and that 42% of passengers fly to Iceland as their tourism destination. • Icelandair transport revenue for 2019: \$1,159,524,000.
Historical and Projected Total Ancillary Revenue	
2018 Financials	\$87,462,000
This yearbook (2019)	\$96,090,000

Projected for 2020	\$47,678,801
<i>Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.</i>	

International Airlines Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,932,190,010
As a % of Revenue	6.7%
Dollars per Passenger	\$16.34
Financial Period	Calendar year 2019
Total Revenue	\$28,838,656,864
Passengers	118,253,000
Information Source	IAG Annual Reports and Accounts 2019, Capital Markets Day 08 November 2019, and IAG traffic and capacity statistics – December 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in euros (except as noted). International Airlines Group consists of the following operating airlines: <ul style="list-style-type: none"> Aer Lingus – hybrid (network and LCC). British Airways - global network carrier. Iberia - global network carrier. LEVEL - low cost carrier. Vueling - low cost carrier. <p>Some of the individual operating airlines have individually disclosed ancillary revenue in prior years, but this is no longer done. Subsequently, past issues of the yearbook provided estimates for Aer Lingus and British Airways; this listing replaces that practice.</p> <ul style="list-style-type: none"> The Capital Markets Day presentation provided a pie chart of revenue categories for the group. “Other Passenger Revenue” appears to qualify as ancillary revenue. The income statement appears to include this activity under passenger revenue, which indicates it is not composed of activity such as air cargo (4.5%) and services provided to other carriers (aircraft maintenance, ground handling, and catering at 7.5%). The revenue share of 6.7% is consistent with other global network carriers in Europe, such as Lufthansa Group and Air France/KLM. Multiplying 6.7% by IAG revenue of €25.506 billion generates ancillary revenue of <u>€1,708,902,000</u>. Revenue by operating airline:

- Aer Lingus: €2,125,000,000.
- British Airways: £13,290,000,000 (€14,856,000 at 01 July 2019 exchange rate).
- Iberia: €5,646,000,000.
- Vueling: €2,455,000,000.

The above totals €25,082,000,000. Pure low cost operations (Vueling) represent approximately 10%. LEVEL results were not disclosed.

- IAG will be placed in the traditional airline category for revenue assignment purposes, as the vast majority of revenue is generated through this activity.
- Traffic by operating airline:
 - Aer Lingus: 11,649,000 (traditional airline/LCC).
 - British Airways: 47,710,000 (traditional airline).
 - Iberia: 22,449,009 (traditional airline).
 - LEVEL: 1,877,000 (LCC).
 - Vueling: 34,568,000 (LCC).

The above totals 118,252,000. Pure low cost operations (LEVEL and Vueling) represent 30+% of the total.

- IAG has reorganized IT and digital support into a single entity called IAG Tech, which has a staff of 1,500. IAG Tech will support each of the airlines in the group. Projects include dynamic pricing for ancillary revenue services. Within IAG Tech, the Hangar 51 group will focus on innovation.
- Avios is the loyalty currency used by airlines in the group. Active membership in all airline programs is 9 million worldwide, with 7 million in Europe, 1 million in the Americas, and 1 million elsewhere in the world. During 2019 120 billion Avios were issued and 93 billion were redeemed (estimates). Avios generated £400 million net cash in 2019 with an operating profit margin of 20%. Plans call for redemption options to include seat assignments and baggage. The corporate entity was recently renamed IAG Loyalty.
- IAG revenue for 2019: €25,506,000,000.
- 2018 Commentary (see data below): The 2018 result was estimated by IdeaWorksCompany using a lower 6% ancillary revenue rate for 2018 (2019 rate is 6.7%). Aer Lingus and British Airways were included in the prior yearbook, IAG was not. The 6% rate is based upon a 2017 corporate disclosure of a 5.3% rate; 6% represents a midpoint between 2017 and 2019.

Historical and Projected Total Ancillary Revenue

2018 Financials

\$1,701,544,393

This yearbook (2019)	\$1,932,190,010
Projected for 2020	\$802,245,292

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Jet2.com

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$397,567,621
As a % of Revenue	23.2%
Dollars per Passenger	\$31.01
Financial Period	12-month period ended 31 March 2019
Total Revenue	\$1,715,154,897
Passengers	12,820,000
Information Source	Dart Group Plc. Annual Report & Accounts 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Great Britain pounds (£). • Jet2.com is a UK-based airline owned by the Dart Group Plc. The company now reports airline and holiday package operations under a single leisure travel category. However, some information about airline operations continues to be provided. Non-ticket revenue is equivalent to ancillary revenue. • Presentation of the non-ticket revenue per passenger sector was adjusted due to the impact of IFRS 15 and also to remove certain non-ticket revenue items previously included within the average package holiday price KPI. <u>This has significantly reduced the non-ticket revenue (ancillary revenue) disclosed, compared to 2018.</u> • The following elements describe how Jet2.com focuses its efforts on leisure travel: <ul style="list-style-type: none"> – The hotel portfolio now numbers over 4,000 for summer 2019 (summer 2018: over 3,400 hotels). – Jet2Villas (Jet2.com flight + car + villa packages) now offers an increased range of over 2,000 self-catering villas, many with a private pool, in more than 35 European beach destinations – More than 40% of its package holidays were sold on an all-inclusive basis offering a “defined price” for the whole holiday experience, including flights, transfers, and meals. – Package holiday passengers represented 50.6% of all passengers.

- During summer 2019 more than 700 “customer helpers” (2018: 600) were employed at holiday resorts to look after package customers.
- Resort flight check-in service, introduced at many hotels in summer 2016, has proven to be extremely popular and expanded to more than 280 hotels for summer 2019. This service allows Jet2holidays customers to check in their baggage for their return flight at their hotel, letting them enjoy their final day, bag and hassle free.
- Non-ticket retail revenue per passenger was £24.07 (2018: £22.52) for annual revenue of £308,577,400 (£24.07 × 12,820,000). This revenue stream includes pre-departure sales (principally checked bags and advance seat assignment), and inflight sales (pre-ordered meals, drinks, snacks, cosmetics and perfumes). This activity no longer includes revenue from travel insurance commissions and package sales. Adding “Other Leisure Travel” of £6,600,000 brings the total result to £314,577,440 (ancillary revenue).
- Passengers carried:
 - Flight-only passenger segments: 6.49 million.
 - Package customers (not segments): 3.17 million.
 - Total leisure passenger segments: 12.82 million.
- Operating revenue results disclosed for the airline (ticket plus non-ticket revenue):
 - Average price of a Jet2holidays package: £669.
 - Flight only yield per passenger segment (excl. taxes) £81.79.
 - Non-ticket revenue per passenger was £24.07.
 Total operating revenue per passenger was £105.86, or £1,357,125,200 for the fiscal period.
- 2018 Commentary (see data below): Jet2.com changed how it reports ancillary revenue for 2019; the earlier method disclosed more revenue from package-related sales. Even so, the carrier most likely remains one of the world’s top ancillary revenue performers.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$455,777,938
This yearbook (2019)	\$397,567,621
Projected for 2020	\$179,974,222

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Lufthansa Network Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,933,431,476
As a % of Revenue	8.0%
Dollars per Passenger	\$18.07
Financial Period	Calendar year 2019
Total Revenue	\$24,167,893,455
Passengers	106,978,000
Information Source	Lufthansa Group Annual Report 2019 and Conference & Roadshow Presentation June/July 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Lufthansa Network Airlines comprises Lufthansa passenger airlines (Lufthansa brand and regional airlines CityLine and Air Dolomiti), SWISS, and Austrian. The Eurowings Segment includes Eurowings, Germanwings, Brussels Airlines, and the equity investment in SunExpress. The 2019 yearbook featured the Lufthansa Group airlines (all of the above). The 2020 yearbook offers two separate entries: Lufthansa Network Airlines and Eurowings. • Carsten Spohr, CEO of Lufthansa Group, made the following disclosure during the 4th Quarter 2018 investor conference call, “NDC allows us to offer customers greater choice and a more personalized offer. For example, NDCs allow us to understand whether a customer travels on his own or with his family, so we could give him the choice of products that will make his life easier, be it lounge access and free wifi for a business trip or extra baggage on pre-booked seats for a holiday trip. We expect this to grow our ancillary revenues, which currently account for around 8% of traffic revenues.” IdeaWorksCompany believes the reference includes Eurowings. • The disclosure by the CEO provided the basis for the Lufthansa listing in the 2019 yearbook, and the yearbook for 2020. • Ancillary revenue activity for 2019 is <u>€1,710,000,000</u> for Lufthansa Network Airlines (8% x €21,375,000,000). • Lufthansa Group disclosed 2019 ancillary revenue of €585 million in an investor presentation. This is believed to include specific a la carte items such as onboard café, paid seat assignment, and onboard retail merchandise. The group also generates substantial revenue from the branded fares (Economy Light, Classic, and Flex) which are universally offered across all airline brands. The Classic

	<p>and Flex fares are priced at a premium over the basic fare, and this represents a source of ancillary revenue.</p> <ul style="list-style-type: none"> • Miles & More, which is the group's frequent flyer program, disclosed it has more than 1.4 million co-branded credit card accounts (Miles & More Company Portrait). The program has 26 million members worldwide (PartnerPlusBenefit information reviewed for Lufthansa Group). • Lufthansa Group reported for 2019 €25,362,000,000 in traffic revenue and 145,190,000 passengers, which includes the following components: <ul style="list-style-type: none"> – Network airlines (Lufthansa, SWISS, and Austrian): €21,375,000,000 (106,978,000 passengers). – Eurowings Segment (includes Brussels): €3,987,000,000 (total revenue: €4,130,000,000 and 38,212,000 passengers). – Austrian: €2,108,000,000 revenue and 14,651,000 passengers. – Lufthansa: €16,119,000,000 revenue and 71,307,000 passengers. – SWISS: €5,144,000,000 revenue and 21,591,000 passengers. • 2018 Commentary (see data below): 2018 results were for Lufthansa Group, which included subsidiaries such as Brussels Airlines and SunExpress. The 2019 figure consists of Lufthansa, SWISS, and Austrian.
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Historical and Projected Total Ancillary Revenue

2018 Financials	\$2,628,328,912 (Lufthansa Group)
This yearbook (2019)	\$1,934,516,912
Projected for 2020	\$755,508,816

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Norwegian

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$822,666,007
As a % of Revenue	16.2%
Dollars per Passenger	\$22.73
Financial Period	Calendar year 2019
Total Revenue	\$5,075,340,237
Passengers	36,200,000

Information Source	Norwegian Air Shuttle Annual Report 2019 and Bank Norwegian 2019 Annual Report
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Norway kroner (NOK). • Results for Norwegian Air Shuttle ASA (the group) consist of Norwegian Air Shuttle ASA and its subsidiaries. • Ancillary revenue disclosed for 2019 was NOK 6,651,500,000 which is 10% above 2018 results. Please refer to notes below for the adjustments made by IdeaWorksCompany. • Other business areas for the company are defined as: cargo, holiday, reward, and brand. Norwegian Brand Ltd., based at Dublin, Ireland, has the responsibility of developing and maintaining the Norwegian Group’s brand across all business areas. • Bank Norwegian no longer qualifies as a related party of Norwegian Air Shuttle, and financial transactions between the entities are no longer reported in the annual report. The airline once owned 20% of the bank, which issues the Bank Norwegian Visa card. Reviewing the financial filings for the bank reveals a co-branded credit card portfolio of 1,255,700 cardholders. The bank’s agreements with Norwegian Air Shuttle were renegotiated in the 2nd quarter of 2018 for a term of 10 years. During 2019, Norwegian Air Shuttle received NOK 403 million (2018: NOK 352.4 million), which represented expenses paid by the bank related to the credit card portfolio. This is approximately NOK 321 per card account, or approximately \$33. Credit card lending exceeded NOK 44 billion. • Norwegian Reward, Norwegian’s loyalty program, is a separate business unit with its own management. Reward is growing rapidly – it surpassed 10 million members in 2019 (2018: was 8.7 million). • The group operates the Norwegian Rewards customer loyalty program. Members earn CashPoints for the following activities: <ul style="list-style-type: none"> – All members accrue 2% on low fare tickets and 10% on flex tickets. – Bank Norwegian co-branded credit cardholders earn 0.5% to 1% for all purchases. Using the card to purchase a low fare accrues a 4% points bonus (was 5% earlier). The rate increases to 10% for Flex ticket purchases. – The airline also operates a corporate reward program which provides 4% on low fares and 12% on Flex fares. – Members earn CashPoints with 50+ merchant partners in the Norwegian Reward program.

- Norwegian became the first low-cost airline to introduce free gate-to-gate wifi on intercontinental flights and launched a premium wifi option on European routes.
- Norwegian defines ancillary revenue as “ticket-related products and services” such as revenue from baggage sales, seating, and premium upgrades.
- “Other revenue” consists of sales that are not directly related to an airline ticket, such as cargo and sales of third party products such as onboard wifi.
- Norwegian’s 2019 ancillary revenue was NOK 7,054,500,000 from these two sources:
 - Ancillary revenue: NOK 6,651,500,000.
 - Bank Norwegian Visa card: NOK 403,000,000.
- Total revenue was NOK 43,521,900,000 for 2019.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$776,339,545
This yearbook (2019)	\$822,666,007
Projected for 2020	\$185,017,585

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Pegasus

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$518,973,712
As a % of Revenue	26.4%
Dollars per Passenger	\$17.02
Financial Period	Calendar year 2019
Total Revenue	\$1,966,220,665
Passengers	30,500,000
Information Source	Consolidated Financial Statements for calendar year 2019 and 2019 Q4 Results Presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Ancillary revenue was <u>€459,000,000</u> (€15 per passenger) for 2019, which represents a 29% increase above 2018 and is a record amount. • Pegasus offers a number of services ancillary to core air passenger services and generates revenue through the provision of these services, including: <ul style="list-style-type: none"> – Airport transfer. – Animal (pet) in cabin.

	<ul style="list-style-type: none"> - Assigned seating fees. - Branded fares. - Car hire. - Excess baggage. - Hotel bookings and Airbnb. - Parking at airport. - Pegasus Flex product which allows unlimited reservation changes (qualifies as ancillary revenue). - Pre-order and inflight sales of beverages and food. - Reservation change and cancellation fees (not considered ancillary revenue by IdeaWorksCompany). - Sales of duty-free items on international flights. • The passenger service fee (formerly counted as ancillary revenue) as of 2018 is recorded as passenger revenue. • Pegasus BolBol, the carrier's frequent flyer program, reached 5.3 million members during 2019. • Total revenue from Pegasus operations was €1,739,000,000 (the company reports revenue in euros and Turkish lira). • All figures include scheduled and charter operations for the airline.
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Historical and Projected Total Ancillary Revenue

2018 Financials	\$439,564,373
This yearbook (2019)	\$518,973,712
Projected for 2020	\$309,841,174

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Pobeda

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$143,586,434
As a % of Revenue	17.0%
Dollars per Passenger	\$13.94
Financial Period	Calendar year 2019
Total Revenue	\$844,652,242
Passengers	10,300,000
Information Source	Aeroflot Group Capital Markets Day 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in Russian rubles (RUB). • Pobeda is a low cost carrier within the Aeroflot Group. The airline has a primary hub at Moscow's Vnukovo

	<p>Airport and through the 3rd quarter of 2019 operated 108 routes and 30 aircraft.</p> <ul style="list-style-type: none"> • The carrier disclosed the following passenger demographics: <ul style="list-style-type: none"> – 42% male, 58% female. – 89% Russian citizens, 11% non-Russian. – Among first time flyers, 36% previously used car travel, 32% bus, 22% train. – 13% never flew before. • Through the 3rd quarter of 2019, Pobeda disclosed it had ancillary revenue of €10.7 per passenger, representing 17% of revenue. The 17% of revenue statistic generated an ancillary revenue result of <u>RUB 9,041,000,000</u>. • Pobeda revenue for the year ended 31 December 2019 was RUB 53,184,000,000.
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Historical and Projected Total Ancillary Revenue

2018 Financials	\$49,783,540
This yearbook (2019)	\$143,586,434
Projected for 2020	\$120,987,042

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Ryanair Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$3,311,255,802
As a % of Revenue	34.5%
Dollars per Passenger	\$22.28
Financial Period	Fiscal year ended 31 March 2020
Total Revenue	\$9,604,744,857
Passengers	148,600,000
Information Source	Ryanair Results for Ryanair Holdings Plc. for the period ended 31 March 2020, and Fiscal Year 2020 Ryanair Holdings PLC earnings video.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in euros. • Ryanair Group includes the following carriers: Ryanair, Lauda, Buzz (Eastern Europe), and Malta Air. • For FY 2020, ancillary revenue was <u>€2,928,600,000</u> and this represents a 20% increase above 2019. • “Ancillary revenue had a very strong growth performance of 20 percent to just under €3 billion, and the standouts

for me on that were the reserved seating and the priority boarding, which did very well, along with the initiatives that our team in (Ryanair) Labs rolled out with the new personalized website in November (2019),” said Neil Sorahan, Group Chief Financial Officer)

- Ryanair disclosed these ancillary revenue activities for fiscal year 2020:
 - More passengers chose Priority Boarding and Preferred Seat services.
 - Ryanair Labs launched a new digital platform with improved personalized consumer offers; as a result, take rates improved across core products.
- Ryanair FY 2020 revenue was €8,494,800,000.

Historical and Projected Total Ancillary Revenue	
2018 Financials	\$2,801,536,938
This yearbook (2019)	\$3,311,255,802
Projected for 2020	\$1,633,172,490

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

SAS Scandinavian

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$342,598,307
As a % of Revenue	6.8%
Dollars per Passenger	\$11.51
Financial Period	For the fiscal period ending 31 October 2019
Total Revenue	\$5,005,212,400
Passengers	29,761,000
Information Source	SAS Annual and Sustainability Report, Fiscal Year 2019 Ended 31 October 2019

Ancillary Revenue Definitions and Other Notes from Financial Reports

- All figures below are in Swedish kroner (SEK).
- EuroBonus membership increased 500,000 to 6.1 million during the year, which contributed to a 5% increase in ancillary revenues.
- Prior Scandinavian disclosures, and calculations performed by IdeaWorksCompany, indicate fiscal 2017 Eurobonus revenue from the sale of points was SEK 1.211 billion. The airline disclosed these sales increased SEK 215 million during fiscal 2018. This brings the fiscal 2018 total to SEK 1.426 billion, or SEK 255 per member. Similar disclosures were not made for 2019.

- Scandinavian’s reporting of ancillary revenue fluctuates significantly from year to year. For some years, there is significant exposure in the annual report on this topic. For others, such as 2019, the phrase appears just three times in the report.
- The airline describes “Other traffic revenue” as including examples of ancillary revenue such as baggage and seat assignment fees. This category also includes revenue from unused tickets, which does not qualify as ancillary revenue. Sales produced by the EuroBonus frequent flyer program likewise are not included in this category. The inclusion of unused ticket revenue and exclusion of Eurobonus sales is assumed to be equal. Other traffic revenue was disclosed to equal 6.3% of revenue, which is an ancillary revenue result consistent with Scandinavian’s peer airlines.
- Total ancillary revenue for fiscal 2019 was calculated to be SEK 3,199,000,000 from these sources:
 - Inflight sales: SEK 263,000,000.
 - Other traffic revenue: SEK 2,936,000,000.
- Total group fiscal 2019 operating revenue was SEK 46,736,000,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$188,746,492
This yearbook (2019)	\$342,598,307
Projected for 2020	\$172,237,476

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Transavia

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$344,851,813
As a % of Revenue	17.5%
Dollars per Passenger	\$20.80
Financial Period	Calendar year 2019
Total Revenue	\$1,971,873,974
Passengers	16,581,000
Information Source	Air France KLM Universal Registration Document for 2019 and Results Presentation Full Year 2019
Ancillary Revenue Definitions and Other	<ul style="list-style-type: none"> • All figures are in euros.

Notes from Financial Reports	<ul style="list-style-type: none"> • Air France KLM Group operates Transavia units in France and the Netherlands. This is the group’s low cost venture, which has the slogan, “We make low-cost feel good.” • Ancillary revenue activities for the airline include: <ul style="list-style-type: none"> – Onboard café. – Hotel, car rental, and airport transfer bookings. – Airport parking. – Checked baggage. – Seat assignment. • Every month, the Transavia website welcomes over 3 million users, of whom 54% are on a mobile device. • Flying Blue accrual and reward redemption is allowed. • In 2019, the Transavia Ventures investment fund was founded in the Netherlands, aimed at generating new revenue streams. The fund focuses on scalable innovations in the areas of travel, technology, mobility, logistics, digital retail, hospitality and sustainability. The first investments have been made and more will follow in 2020. • The group disclosed ancillary revenue was <u>€305,000,000</u> for Transavia during 2019. • Transavia revenue for 2019: €1,744,000,000.
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Historical and Projected Total Ancillary Revenue

2018 Financials	No data
This yearbook (2019)	\$344,851,813
Projected for 2020	\$173,012,155

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Wizz Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,416,492,955
As a % of Revenue	45.4%
Dollars per Passenger	\$35.39
Financial Period	12 month period ended 31 March 2020 (FY 2020)
Total Revenue	\$3,122,096,103
Passengers	40,027,914
Information Source	Annual Report and Accounts Fiscal Year 2020, Wizz Air FY 2020 Results Presentation, and FY 2020 1 st and 4th quarter investor calls

Ancillary Revenue
Definitions and Other
Notes from Financial
Reports

- All figures are in euros.
- Wizz Air's unbundled pricing model offers customers a selection of add-on options that produce ancillary revenue from these activities:
 - Airport check-in (avoided by printing boarding pass prior to arrival at airport): €10 flat fee.
 - Airport transfers and airport parking.
 - Assigned seating.
 - Auto check-in: €1.50 flat fee to automatically check-in 50 hours before departure.
 - Buy on board food and beverage.
 - Car rentals, hotel accommodations, and trip insurance.
 - Checked baggage.
 - Confirmation by SMS message service: €1 flat fee.
 - Extra leg room seating.
 - Fare lock: €3-€7 fee.
 - Fast track security.
 - Flexible travel partner (book now, specify travel partner names before check-in).
 - On time arrival guarantee: €10 flat fee.
 - Paid lounge access.
 - Paper invoice fee: €3 flat fee.
 - Wizz co-branded credit card (Bulgaria, Hungary, and North Macedonia).
 - Wizz Discount Club: €30 standard fee.
 - Wizz Flex. Pre-purchase ability to change reservations: €12 flat fee.
 - Wizz Go branded fare (larger carry-on, checked bag, seat assignment, early boarding, and more).
 - Wizz Plus branded fare (more benefits plus reservation flexibility).
 - Wizz Priority (early boarding and medium size carry-on bag): €5 to €30 fee when purchased online, or €20 fee if purchased at airport. Quantities are limited.
 - Wizz Privilege Pass: Annual €199 option providing Priority service and seat selection (includes first row and extra leg room seats).
- Ancillary revenue grew by 31.5% to €1,252,800,000 for FY 2020.
- The airline disclosed trip purpose statistics:
 - VFR, visiting friends and relatives: 65%.
 - Leisure: 28%.
 - Business: 7%.
- The company noted the following events during FY 2020 which affected ancillary revenue:
 - Wizzair.com is Europe's fourth most visited airline website with 194 million sessions in FY2020.

- The carrier's mobile application saw an increase in traffic by 40% year-over-year following a full redesign of the booking path.
- The mobile app now has a Flight Share function to allow users to easily share their itinerary with others.
- The company believes improvements to its digital distribution channels led to a reduction of call center activity by 27%.
- Self-service baggage drop was introduced at 10+ airports.
- Delivery of the WIZZ Priority boarding service was improved through better signage and employee training.
- The increase in ancillary revenue per passenger was due to the impact of the company's change of its cabin bag policy, as well as due to higher customer take rates of existing products such as allocated seating and priority boarding.
- The airline noted in its 1st quarter 2020 investor call, that baggage revenue has been declining for a number of years now. For 2019, bag revenue improved due to the priority service implemented November 2018. Wizz Priority charges a fee for a larger carry-on and earlier boarding. Take rates have increased, with 34% of customers buying a bag-related service, and 30% of passengers buying a seat-related service. Wizz Air believes there is room for improvement for both take rates.
- Jozsef Varadi, CEO, indicates the company hopes to see ancillary revenue, on a per passenger basis, increase by €0.50 to €1 per year. As of 03 June 2020, he did not anticipate the pandemic would affect this. They are not discounting ancillary revenue to boost demand.
- Revenue from paid checked in bags increased for FY 2020 to €5.70 per passenger, from €5.30 for FY 2019. The following summarizes the bag policy introduced in 2018:
 - Maximum 10 kg carry-on handbag is free of charge (max. size 40 x 30 x 20 cm).
 - Wizz Priority provides special check-in counter access, earlier boarding, and a medium size (max. 55 x 40 x 23 cm) roll-on bag (max. 10 kg). Bag is in addition to the handbag. The fee ranges from €5 to €35.
 - Checked bag fee price points are at 10 kg, 20 kg, and 32 kg.
- Revenue FY 2020: €2,761,300,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$1,114,114,798
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This yearbook (2019)	\$1,416,492,955
Projected for 2020	\$612,633,203

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Non-Reporting Carriers for Europe and Russia

The following airlines did not reveal ancillary revenue activity for the most recent full year period (additional search notes are also provided):

Air Europa (to be acquired by IAG), Air Malta, Air Moldova (no disclosure since 2016, now owned by Blue Air), Air Serbia, Alitalia, Atlantic Airways, Austrian (included in results from Lufthansa Network), Brussels Airlines (does not issue reports separate from Lufthansa Group), Flybe, Iberia Airways (subsidiary of International Airlines Group), Loganair, LOT Polish (Polish Aviation Group), Luxair, Air Italy, (owned by Qatar and Alisarda), Nordwind Airlines, S7 Airlines (Russian only), SATA International/Azores Airlines (only in Portuguese), SmartWings/Czech Airlines (2018 report available during research time), SWISS (included in results from Lufthansa Network), TAP Air Portugal, Tarom, TUI Group – Markets & Airlines (airline brands: Arkefly, Corsair, Jetairfly, Thomson Airways, TUIfly, and TUIfly Nordic), Turkish Airlines, UTair (only in Russian), Virgin Atlantic, Volotea, Vueling, and Wideroe (no disclosure since 2014).

Carriers are invited to contact IdeaWorksCompany directly to provide feedback on the statistics provided in this report. Airlines also may directly disclose their ancillary revenue activities to IdeaWorksCompany for inclusion in next year's report. Please send your comments to Jay "at" IdeaWorksCompany.com.



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The Americas

Aerolineas Argentinas

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$182,246,562
As a % of Revenue	9.7%
Dollars per Passenger	\$19.36
Financial Period	Calendar year 2019
Total Revenue	\$1,884,602,702
Passengers	9,415,030
Information Source	Aerolineas Argentinas Annual Report 2019 and Aerolineas Argentinas Management Discussion and Analysis dated 30 September 2019 (Spanish)
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Argentina pesos (ARS). • Aerolineas Argentinas disclosed ancillary revenue of \$50.5 million for January-October 2019, along with a graph which displayed ancillary revenue as a % of revenue. The average for this activity appears to be 4%. When applied to 2019 revenue, this equals ARS 3,182,568,167. • During 2019 the airline sought to diversify ancillary revenue activity through the development of new a la carte services; which included pet transportation and fast track security. Delays related to support technology reduced sales. Checked baggage sales experienced significant growth. • Revenue produced by the frequent flyer program was ARS 4,511,521,782 for 2019 and primarily reflects the sale of miles to program partners. Aerolineas Plus has 3 million members, which reflects average revenue of ARS 1,500 (\$35) per member. • The outgoing administration of the airline substantially increased the sale of miles to partners, notably co-branded credit card issuing banks. This was likely due to an acute need to increase cash flow. • Total ancillary revenue was <u>ARS 7,694,089,949</u> and consists of these two sources: <ul style="list-style-type: none"> – A la carte activity: ARS 3,182,568,167. – Loyalty program: ARS 4,511,521,782 • Revenue for 2019 was ARS 79,564,204,192.
Historical and Projected Total Ancillary Revenue	
2018 Financials	<i>No data</i>
This yearbook (2019)	\$182,246,562

Projected for 2020	\$80,320,288
<i>Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.</i>	

Aeromexico

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$269,490,156
As a % of Revenue	7.5%
Dollars per Passenger	\$13.03
Financial Period	Calendar year 2019
Total Revenue	\$3,604,489,144
Passengers	20,689,000
Information Source	4 th Quarter Results 2019, Consolidated Financial Results 2018/2019, and Investor Relations Presentation February 2020
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Mexican pesos (MXN) unless otherwise noted (US dollars also appear). • Ancillary revenue for 2019 was disclosed as <u>MXN 5,141,300,000</u>. This specific-style disclosure occurred for 2018 and 2019. The airline introduced branded fares during 2019 and attributes this to a decrease of ancillary revenue. A la carte sales, once separately reported, are now bundled under a generic fare revenue category. • The airline generates ancillary revenue from these activities: <ul style="list-style-type: none"> – Airport lounge access. – AM Plus preferred seating in the first rows of the cabin, includes priority boarding. – Concierge; paid personal service for \$19 per booking, offering travel agent assistance for wide variety of support and booking services (provided by Chubb). – Cross Border Xpress (Tijuana-San Diego) offers a walking option from San Diego to the Tijuana Airport for \$16. – Discount Pass Mexico, \$22 fee to receive car rental, hotel, restaurant, movie, and amusement park savings. – Excess checked baggage. – Ground transportation. – Preferred seating. – Travel insurance (provided by Chubb). • Revenue from the sale of unused tickets (called “breakage”) is listed as ancillary revenue, which is not included in the ancillary revenue definition used for this

	<p>yearbook. However, information about this activity was not separately disclosed and the revenue was not removed from the ancillary revenue total for Aeromexico.</p> <ul style="list-style-type: none"> • Club Premier is the frequent flyer program associated with Aeromexico. The airline (through the PLM entity) owns 51% of the program with Aimia (Canada) as a co-owner. As of 31 December 2019, Club Premier had approximately 6.7 million members (2018: 6.1 million) and had gross billings of \$263.3 million for 2019 (7.9% increase above 2018) according to Aimia financial documents. A portion of this activity is assumed to be included in the ancillary revenue disclosure described above. For 2019, Aeromexico’s revenue share from PLM was MXN 1,898,732,000, and profit of MXN 383,000,000. • Revenue for 2019 was MXN 68,766,000,000.
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Historical and Projected Total Ancillary Revenue	
2018 Financials	\$266,017,410
This yearbook (2019)	\$269,490,156
Projected for 2020	\$137,605,411

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Air Canada

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$2,549,719,104
As a % of Revenue	17.5%
Dollars per Passenger	\$49.47
Financial Period	Calendar year 2019
Total Revenue	\$14,573,850,070
Passengers	51,543,000
Information Source	Air Canada 2019 Annual Report and 2019 Annual Information Form
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Canadian dollars (CAD). • Air Canada includes Air Canada, Air Canada Rouge, and the activity generated through capacity agreements with Air Canada Express partner airlines. • The 2019 Annual Report included this highlighted quote: “Air Canada continues to optimize its ancillary revenue from its à la carte services, such as those related to baggage, ticket changes, seat selection, preferred seating and upgrades, and from its onboard offerings, including

food, beverage, duty-free shopping and onboard wifi internet. Air Canada is also realizing incremental revenue through investments in web and mobile platforms and, in 2019, saw a significant acceleration in direct channel share.”

- Air Canada made a disclosure for 2018 and 2019 that meets the definition for ancillary revenue: “from the sale of the ground portion of vacation packages, redemption of Aeroplan Miles for non-air goods and services, buy on board and related passenger ancillary services and charges, and other airline-related services.” Other revenue for 2019 was CAD 1,182,000,000 (2018: CAD 1,158,000,000).
- On 10 January 2019, Air Canada completed its purchase of Aimia Canada Inc., owner and operator of the Aeroplan loyalty business. The new Air Canada owned entity was named Aeroplan, Inc. Payments to Air Canada were made by the program’s co-branded credit card banks after the acquisition:
 - Air Canada received payments from TD Bank, CIBC, Visa and Amex in the aggregate amount of CAD 1,212 million.
 - In addition, TD Bank and CIBC made payments to Air Canada in the aggregate amount of CAD 400 million as prepayments to be applied towards future monthly payments in respect of Aeroplan Miles. This amount was likely included in the CAD 953 million referenced below.
- Air Canada plans to relaunch the program in the 3rd quarter of 2020. Aeroplan-related operating expenses amounted to \$200 million in 2019. These expenses mainly consist of wages, salaries and benefits, depreciation and amortization, communications and information technology and other expenses. Unredeemed miles on the books at the time of Aeroplan acquisition are recorded as deferred revenue. According to an Aimia fact sheet reviewed July 2020, the program had 5 million active members.
- Air Canada did disclose “Proceeds from Aeroplan Miles issued to program partners” as CAD 953,000,000 for 2019.
- Ancillary revenue for Air Canada is estimated to equal CAD 3,347,000,000 for 2019 and is composed of three items:
 - Other operating revenue: CAD 1,182,000,000.
 - Sale of Aeroplan miles to partners: CAD 953,000,000.
 - Cash received from co-brand partners: CAD 1,212,000,000.Total cash proceeds for 2019 related to Aeroplan were CAD 2,165,000,000.

- Air Canada operating revenue for 2019 was CAD 19,131,000,000.
- 2020 Commentary (see data below): The one-time loyalty payments of CAD 1.212 billion were removed from the 2019 results to generate a more accurate 2020 projection.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$1,452,733,488
This yearbook (2019)	\$2,549,719,104
Projected for 2020	\$681,442,560

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Alaska Air Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$2,033,560,500
As a % of Revenue	23.2%
Dollars per Passenger	\$43.51
Financial Period	Calendar year 2019
Total Revenue	\$8,781,000,000
Passengers	46,733,000 (Combined total of Alaska Airlines mainline and Horizon Air)
Information Source	2019 Annual Report on Form 10-K, Investor Presentation 1 st Quarter 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • The airline discussed ancillary revenue plans in its 3rd Quarter 2019 Investor Presentation. Higher ancillary revenue would be achieved through: <ul style="list-style-type: none"> – Demand-base premium class fares. – Upgraded food and beverage platform. – Higher bag fees. – Tighter change fee policy. <p>The airline anticipates 2019 results are \$18.50 per passenger. This amount does not include co-branded credit card activity.</p> <ul style="list-style-type: none"> • Mileage Plan members produce 4X more revenue and are 65% more likely to book through a direct channel than non-members. • Mileage Plan membership increased by 38% from January 2017 to October 2018. For the same period, the co-branded credit cardholder base grew by 17%. For 2017,

	<p>IdeaWorksCompany estimated Mileage Plan enrollment was 5.3 million; this increased by 38% for 2018 to 7.3 million members. The increase, and Mileage Plan revenue increases, show a trend of 18% growth per year. Accordingly, 2019 membership is estimated to be 8.6 million.</p> <ul style="list-style-type: none"> • Revenue from Mileage Plan for 2019 was \$1,169 million and consisted of two components: <ul style="list-style-type: none"> – Deferred Mileage Plan revenue recorded as passenger revenue: \$704 million. – Mileage Plan other revenue (primarily co-branded credit card related): \$465 million. • IdeaWorksCompany estimates Alaska’s 2019 ancillary revenue was <u>\$2,033,560,500</u> based upon revenue from these sources: <ul style="list-style-type: none"> – Per passenger ancillary revenue of \$18.50 x 46,733,000 passengers: \$864,560,500. – Mileage Plan revenue: \$1,169,000,000. • The estimate was provided to Alaska Airlines management prior to publication of this report. The company did not confirm or deny the accuracy of the estimate. • Operating revenue for 2019 was \$8,781,000,000 for the group.
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Historical and Projected Total Ancillary Revenue

2018 Financials	\$1,388,000,000
This yearbook (2019)	\$2,033,560,500
Projected for 2020	\$1,141,875,458

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Allegiant

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$855,336,000
As a % of Revenue	46.5%
Dollars per Passenger	\$56.98
Financial Period	Calendar year 2019
Total Revenue	\$1,840,965,000
Passengers	15,012,149
Information Source	Allegiant Travel Company Annual Report Form 10-K for the year ended 31 December 2019 and 2020 Investor Day

Ancillary Revenue
Definitions and Other
Notes from Financial
Reports

- All figures below are in US dollars.
- Allegiant provides unbundled air-related services and products in conjunction with air transportation for an additional cost to customers. These optional air-related services and products include:
 - Advance seat assignment.
 - Baggage fees.
 - Branded fares.
 - Call center support.
 - Change fees.
 - Customer convenience fee (fee charged all customers except those booking through an airport ticket office).
 - Food and beverage purchases on board.
 - Priority boarding.
 - Proprietary travel protection product.
- Branded fares were introduced October 2019. Incremental revenue from the initiative is predicted to be \$1.00 to \$1.25 per passenger.
- Allegiant trialed “Extra” service on a few aircraft, which provides 6 inches extra legroom, priority boarding, a free drink, and dedicated overhead bin space. Aircraft can be modified overnight to add the feature.
- In its 2020 Investor Day presentation, Allegiant disclosed website visits by referring source:
 - Mobile app: 15%
 - Direct website entry: 17%
 - Email: 22%
 - Organic search (not paid): 20%
 - Paid search: 21%
- The company is involved in the following non-airline initiatives:
 - Sunseeker Resort: The company is constructing a 512-room hotel and two towers offering one, two and three bedroom suites, numerous bar and restaurant options, and other amenities. The company owns and operates a golf course which is a short drive from the resort site and is considered to be an additional resort amenity. Capital expenditures were \$66+ million in 2019.
 - Teesnap: This golf course management system provides services to approximately 575 golf courses in all 50 US states in the country. The company plans to sell this operation.
 - Family Entertainment Centers: Two family entertainment centers ("FECs") were opened in Clearfield, UT and Warren, MI during 2019 with a third expected to open in Chesterfield, MO during 2020. These are branded as Allegiant Nonstop and do not appear to be operating profitably.

- Allegiant has become more involved in loyalty marketing and listed these activities:
 - The Allegiant World MasterCard was named Best Airline Co-Branded Credit Card by the USA Today 10Best Reader’s Choice Awards.
 - Total portfolio size is 180,000+ cardholders.
 - 63% of bank compensation to Allegiant is based upon cardholder spending, while 37% is based upon acquisition bonuses.
 - The airline plans to introduce a loyalty program in addition to the existing credit card, which will be branded Allways Rewards. The program will provide immediate savings and point accrual.
- Allegiant does not sell through Expedia, Orbitz or Travelocity, or any other online travel agencies, nor are its flights displayed and sold through the global distribution systems which include Sabre or Worldspan. This distribution strategy results in reduced expenses by avoiding the fees associated with the use of GDS distribution points and permits the airline to closely manage ancillary product offerings and pricing while developing and maintaining a direct relationship with consumers. 93.3% of scheduled service revenue was purchased directly through the website in 2019.
- Ancillary revenue increased to \$855,336,000 for 2019 and consists of the following sources:
 - Ancillary air-related revenue: \$770,206,000.
 - Co-branded credit card redemptions: \$15,118,000.
 - 3rd party commission revenue: \$70,012,000.
- 3rd party ancillary revenue is expressed net of amounts paid to wholesale providers, travel agent commissions and payment processing fees.
- Package sale details from 2019:
 - Hotel room nights sold: 415,593 (2018: 409,164).
 - Car rental days sold: 1,921,930 (2018: 1,823,451).
- Per passenger revenue statistics (scheduled services) for 2019:
 - Air fare, scheduled service: \$61.58.
 - Ancillary revenue, air related: \$51.96.
 - Ancillary revenue, third party: \$4.72.
 - Average fare total: \$118.26.
- The estimate was provided to Allegiant management prior to publication of this report. The company did not confirm or deny the accuracy of the estimate.
- Operating revenue for 2019 was \$1,840,965,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$687,600,000
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This yearbook (2019)	\$855,336,000
Projected for 2020	\$716,136,125

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

American

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$7,413,000,000
As a % of Revenue	16.2%
Dollars per Passenger	\$34.45
Financial Period	Calendar year 2019
Total Revenue	\$45,768,000,000
Passengers	215,182,000
Information Source	Form 10-K Annual Report of American Airlines Group for 2019, Q3 and Q4 2019 American Airlines Group Inc. Earnings Calls, and Quarterly “What We Made” Graphics for 2019.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • “Other revenue” for 2019 was \$534 million. This amount includes airport club revenue, advertising, vacation related services. There is a loyalty component also reported, which is listed under the AAdvantage disclosure below. • American disclosed its AAdvantage loyalty program revenue for 2019, which is slightly lower than the \$5.571 billion disclosed for 2018: <ul style="list-style-type: none"> – Loyalty revenue (travel component): \$3.179 billion. – Loyalty revenue (marketing): \$2.361 billion. – Total for 2019: \$5.54 billion. • American did not disclose baggage revenue in its annual report. Data provided by the US DOT indicates American’s baggage revenue was \$1.339 billion in 2019. • The company’s annual report describes the difficulty of maximizing ancillary revenue through GDS and online travel agency channels, “These distribution channels are more expensive and at present have less functionality in respect of ancillary product offerings than those we operate ourselves, such as our website at www.aa.com. Certain of these distribution channels also effectively restrict the manner in which we distribute our products generally.” • The category of “seat revenue” is the largest a la carte revenue contributor after baggage. The definition includes “every additional charge that a customer is willing to pay

for a better seat on the airplane,” according to Don Casey, SVP of revenue management.

- The following ancillary revenue related initiatives occurred during 2019:
 - Expanded fee-based Five Star Service, a premium customer experience for first and business customers, in Atlanta, Austin, Newark, and Nashville.
 - Completed a two-year retrofit of Premium Economy, which offers more legroom, wider seats and enhanced meal service on long-haul international flights and select flights to Alaska and Hawaii.
 - Introduced a new partnership with Blade, offering helicopter transfers in Los Angeles (LAX) and New York (JFK).
 - Provided AAdvantage members more ways to earn miles through its enhanced relationship with Hyatt Hotels. With this relationship, elite members in both the AAdvantage and World of Hyatt loyalty programs will be rewarded with more ways to earn points, miles and status on qualifying American flights and stays at Hyatt Hotels.
- During 2019 the AAdvantage program enrolled the largest number of new members since the merger (with US Airways) with the highest year-over-year growth occurring in the fourth quarter of 2019. The program also ended the year with record numbers of co-brand card members, acquisitions, card spend, and flight redemptions. The use of dynamically priced air rewards expanded throughout the network during 2019.
- According to Oneworld in 2016, the AAdvantage program had 100 million members. The total for 2019 would be above that amount: 100+ million members.
- During 2019, AAdvantage members redeemed approximately 14 million rewards including travel redemptions for flights and upgrades on American and other air carriers, as well as redemption of car and hotel rewards, airport club memberships and merchandise. Approximately 8% of 2019 total revenue passenger miles flown were from reward travel (7.6% for 2018).
- Ancillary revenue for 2019 is \$7,413,000,000 and consists of these components:
 - Other revenue: \$534 million.
 - Baggage revenue: \$1.339 billion.
 - Loyalty program revenue (all): \$5.54 billion.
- Operating revenue for 2019 was \$45,768,000,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$7,245,000,000
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This yearbook (2019)	\$7,413,000,000
Projected for 2020	\$3,881,316,754

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Avianca

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$524,530,400
As a % of Revenue	11.3%
Dollars per Passenger	\$17.18
Financial Period	Calendar year 2019
Total Revenue	\$4,621,496,000
Passengers	30,537,701
Information Source	Avianca Holdings 2019 Annual Report and Form 20-F for Avianca Holdings
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Avianca Holdings includes ownership of Avianca Airlines, Grupo TACA Airlines, and LifeMiles (70%). • The company made robust ancillary revenue disclosures in its 2019 annual report and listed a portfolio of products: <ul style="list-style-type: none"> – Additional baggage. – Assigned seats. – Duty free. – Empty seat (passengers have the option to ensure an empty adjacent seat). – Inflight wifi access. – Paid travel assistance (comprehensive travel assistance program for any destination, covering medical expenses due to illness, legal assistance and even pet insurance, at the customer’s option). – Pets on board. – Sports equipment. – Unaccompanied minors (fee charged). – VIP lounge access. • The following ancillary revenue initiatives occurred during 2019: <ul style="list-style-type: none"> – Increased a la carte offers within the Avianca.com booking path. – Introduced Avianca Plus, which enables assigning seats in the first rows of the plane on domestic flights in Colombia and Ecuador, with additional benefits such as

priority boarding and exclusive overhead bin baggage space.

- Added new travel assistance coverage options, such as pet insurance and an exclusive product for corporate accounts.
 - Launched the sale of on-board wifi connectivity packages and continued to increase the number of airplanes with this service.
 - Implemented a “Shopping Basket” check-in function for airport staff to easily add services such as baggage, sports equipment, and others.
 - Revamped the duty-free website to enable customers to reserve products and receive them during the flight and increased the number of products that can be selected with special prices.
 - Implemented a segmented mailing strategy (post ticket and pre-travel) to inform customers of additional products and services available for their trip, depending on the type of fare purchased (Branded Fares), destination, and other variables.
 - Enhanced digital retail methods increased ancillary revenue by \$2.5 million above 2018.
- The company disclosed the following sources of ancillary revenue for 2019:
 - The “portfolio ancillary revenue” represented 4.8% of total passenger revenue (2018: 4%). $4.8\% \times \text{passenger revenue of } \$3,904,800,000 = \$187,430,400$.
 - LifeMiles contributed \$337,100,000 of total operating revenue for 2019.

The total from these two activities is \$524,530,400 and represents Avianca’s disclosed 2019 ancillary revenue.

- The LifeMiles program has 9.7 million members (2018: 8.9 million) and 723,000 active co-branded credit cards (2018: 680,000). Avianca owns 70% of LifeMiles (LifeMiles BV incorporated in Bermuda). LifeMiles introduced a “Lock and Fly” feature which charges a fee (varies by market and cabin class) to hold a reward booking for a 3- or 90-day period.
- In 2019, the airline deployed Branded Fares to domestic operations in Ecuador and Colombia. Branded Fares enabled the airline to increase commercial revenues, the sale of ancillaries, and deliver more value to customers and to remain competitive in the market. The company describes the following as benefits provided by the initiative:
 - Up-sells that generate incremental revenues.
 - Segmentation and delivery of value to the customer.
 - Be part of the industry trend; remain competitive in the market.

	<ul style="list-style-type: none"> - Affordable prices adjusted to the customer’s needs. - Value proposition adjusted to each region’s needs. - Scaling of benefits and greater range of product alternatives. - Improved customer experience by enabling greater customization; passengers only pay for what they need. <p>During 2020, the company expects to introduce the Branded Fares strategy to the markets of Europe, North America, Central America, Mexico, the Caribbean and South America.</p> <ul style="list-style-type: none"> • The airline disclosed the composition of its passenger base: <ul style="list-style-type: none"> - Leisure: 35.26% - Business: 23.25% - Other: 26.2% - Visit Friends/Relatives: 15.3% • Operating revenue for 2019 was \$4,621,496,000.
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Historical and Projected Total Ancillary Revenue

2018 Financials	\$360,700,000
This yearbook (2019)	\$524,530,400
Projected for 2020	\$149,727,203

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Azul

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$670,253,775
As a % of Revenue	22.4%
Dollars per Passenger	\$24.22
Financial Period	Calendar year 2019
Total Revenue	\$2,994,246,363
Passengers	27,674,247
Information Source	Azul SEC Form 20-F for 2019, Consolidated Financial Statements for 2019, 4 th Quarter 2019 Earnings Results Presentation, and Azul Day Presentation 14 October 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Brazilian reais (R\$). • “Ancillary revenue” (revenue from bag fees, upgrades, other passenger related fees, cargo services, sales of advertising space in various customer-facing formats, and commissions on travel insurance sales) was R\$63.02 per

passenger for 2019 or R\$1,744,031,045 in total. Deducting non-qualifying cargo activity of R\$480,700,000, leaves adjusted “ancillary revenue” at R\$1,263,331,045.

- Ancillary revenue as a % of total revenue continues to grow:
 - 2016: 13%
 - 2017: 14%
 - 2018: 15%
 - 2019, 1st half: 16%
- Ancillary revenue per passenger continues to grow:
 - 2016: R\$43
 - 2017: R\$49
 - 2018: R\$57
 - 2019, 1st half: R\$64
- The airline described regulatory permission to charge a la carte fees in Brazil:
 - Checked baggage: Yes, since June 2017.
 - Carry-on baggage: Not yet permitted.
 - Call center: Not yet permitted.
 - Assigned seating: Yes, since June 2018.
 - Flight interruption protection: Not yet permitted.
- Membership in TudoAzul (frequent flyer program) is approximately 12 million (2018: 10.8 million).
- TudoAzul’s gross billings (for partner sales) totaled R\$1,298,000,000 for 2019, compared with R\$988,100,000 for 2018. Azul sells TudoAzul points to the program’s business partners, including credit card issuers and other companies, as well as directly to TudoAzul members.
- As of December 31, 2019, the shuttle service between the city of Sao Paulo and Viracopos airport had 214 departures per day across six different bus lines, transporting an average of over 53,000 customers monthly and featuring pre-boarding check-in services at most departure points. The shuttle service is complimentary and allows Azul to compete with the city’s primary airport.
- IdeaWorksCompany estimates Azul’s 2019 ancillary revenue was R\$2,561,331,045 based upon revenue from these sources:
 - Adjusted ancillary revenue: R\$1,263,331,045.
 - TudoAzul gross billings: R\$1,298,000,000.
- Operating revenue for 2019 was R\$11,442,317,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$492,269,554
This yearbook (2019)	\$670,253,775
Projected for 2020	\$387,038,347

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Copa Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$108,296,320
As a % of Revenue	4.0%
Dollars per Passenger	\$7.02
Financial Period	Calendar year 2019
Total Revenue	\$2,707,408,000
Passengers	15,424,000
Information Source	Copa Holdings, S.A. SEC Form 20-F for 2019 and 2019 Copa Holdings' Investor Day
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Copa disclosed annual ancillary revenue growth produced by seats, upgrades, baggage and other activity: <ul style="list-style-type: none"> – 2017: \$15 million increase. – 2018: \$15 million increase. – 2019: \$20 million increase. • The airline anticipates it will introduce basic economy fares during 2020. Other new paid services will include priority access and airport lounge day passes. • The airline made a more specific disclosure during its 1st quarter 2019 investor conference call. Jose Montero, CEO of the airline, said “ancillaries for us represents about 3% to 4% of total revenue and that is, I think, included in seats, in upgrades, our baggage program and loyalty, and that includes the net effect of loyalty, including the non-air part and the net effect of the air miles.” • Accordingly, a rate of 3.5% was assumed for 2018, and this has been increased to 4% for 2019. When applied to total operating revenue of \$2,707,408,000, the result is ancillary revenue of <u>\$108,296,320</u> which is nearly \$15 million above the 2018 result. • Ancillary revenue products pursued include: <ul style="list-style-type: none"> – Airport lounges. – Checked bags. – Fare lock. – Frequent flyer mileage sales. – Hotel and car rental bookings. – Premium seating. – Trip insurance. • Revenue for 2019 was \$2,707,408,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$93,716,945
This yearbook (2019)	\$108,296,320
Projected for 2020	\$39,802,891

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Delta

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$6,198,000,000
As a % of Revenue	13.6%
Dollars per Passenger	\$30.99
Financial Period	Calendar year 2019
Total Revenue	\$45,710,000,000 <i>(does not include refinery and other business operations)</i>
Passengers	200,000,000
Information Source	Form 10-K for the year ended 31 December 2019, Investor Day 2019 Presentation, 3 rd and 4th Quarter 2019 earnings call transcripts, Delta Finance Insights (11 December 2019), Delta Reports Operating Performance for December 2019, and US Bureau of Transportation Statistics, Schedule P-1.2
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in US dollars. Delta generates ancillary revenue with the following products and services: <ul style="list-style-type: none"> Checked bags. Economy Comfort+ upgrades. Hotels, car rentals, and trip insurance. Inflight wifi. Mileage booster. Preferred seats. Priority boarding. SkyClub passes. The carrier offers five fare products: Delta One/First Class, Premium Select, Comfort+, Main Cabin, and Basic Economy. The airline changed how it discloses some ancillary revenue activities in 2018. One reporting category is called Travel-Related Services which consists of fee-based activities, to include bags. This includes amounts paid by Amex for providing baggage benefits to cardholders. This represents revenue of \$2.469 billion for 2019. The

category is noted to include reservation change fees (\$830.2 million for 2019). Accordingly, this non-qualifying activity was subtracted to provide adjusted Travel-Related Services revenue of \$1.639 billion for 2019.

- Miscellaneous revenue for 2019 was \$718 million and is primarily composed of lounge access and codeshare revenues. Lounge access represented the majority of the \$160 million increase from 2018. The airline opened new SkyClubs in Austin, Phoenix, and New Orleans. Accordingly, 50% of the total is estimated to represent lounge access revenue, or \$359 million.
- Total cash sales of miles, of which the majority are related to the American Express SkyMiles relationship, was \$4.2 billion for 2019. The airline also described the following activities:
 - The revenue contribution from the American Express co-branded relationship is projected to be approximately \$7 billion in 2023. The contract with Amex has been renewed through 2029. For 2019 alone, the new contract benefitted Delta with \$500 million more revenue.
 - More than 1.1 million new Amex co-branded cardholders were added in 2019, with annual additions exceeding one million for the last 3 years.
 - During 2019, 1.2 million customers have used miles to upgrade their travel experience based upon the presentation of offers in the mobile app, which was introduced in early 2019. This revenue stream delivered \$135 million for 2019.
- 52% of customers purchase travel direct from Delta, with mobile revenue growing by 35% with an active user base of 24 million customers.
- The methodology for various financial disclosures was described in the Delta Finance Insights presentation on 11 December 2019. This includes passenger revenue components: premium tickets, loyalty (value of flown portion), and travel-related services (fees for bags, changes, etc.). Other revenue components include loyalty (marketing portion) and miscellaneous (lounge fees and codeshare). The 2018 version of this document provided specific internal valuation methods for some items:
 - 20,000-mile main cabin redemption: \$200 fare.
 - 25,000-mile premium redemption: \$250 fare.
 - 20,000-mile main cabin redemption and 5,000-mile upgrade to premium: \$200 fare and \$50 upgrade.This effectively reflects how Delta values rewards for revenue management purposes; \$0.01 per mile.
- During 2019 SkyMiles had 20 million reward redemptions (2018: 17.2 million). During this period, 8.9% of revenue

miles flown on Delta were from reward travel (2018: 8.2%). Based upon disclosures made in the 2017 investor presentation, IdeaWorksCompany estimates 2017 SkyMiles membership was 117 million. No membership number could be found for 2018. The airline disclosed it added 6 million SkyMiles members during 2019 which represents an annual record. Based upon this, 4 million are assumed to have been added during 2018, which brings 2019 estimated membership to 128 million.

- Total ancillary revenue for Delta is estimated to be \$6,198,000,000 using the following data:
 - Co-branded revenue from SkyMiles was \$4.2 billion (2019 Form 10-K).
 - Adjusted Travel-Related Services revenue of \$1.639 billion.
 - Lounge revenue estimate of \$359 million.
- This data was provided to Delta management prior to publication of this report. The company did not confirm or deny the accuracy of the estimate.
- Total Delta operating revenue for 2019 was \$47,007,000,000; less deduction of refinery and other business operations of \$1.297 billion, adjusted operating revenue is \$45,710,000,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$5,570,000,000
This yearbook (2019)	\$6,198,000,000
Projected for 2020	\$2,917,882,417

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Frontier

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,094,043,000
As a % of Revenue	43.6%
Dollars per Passenger	\$48.22
Financial Period	Calendar year 2019
Total Revenue	\$2,508,349,000
Passengers	22,687,107
Information Source	USDOT, Bureau of Transportation Statistics, Form 41; Schedule P-I.2 and Carrier Snapshots, T100 USDOT database,

	and Form S-1 Registration Statement of Frontier Group Holdings, Inc. dated 31 March 2017
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • For 2019 Frontier focused on price optimization, merchandising, and mobile optimization. New ancillary revenue products were not introduced during the year. • Total ancillary revenue for Frontier is estimated to be <u>\$1,094,043,000</u>: <ul style="list-style-type: none"> – Revenue from baggage fees was \$459,158,000 for 2019. – Revenue from passenger transport related activities (TransRevenue) was \$628,237,000 million for 2019; for Frontier this would largely consist of onboard sales (food, beverage, and entertainment) and other revenue assigned by the airline. – Revenue from miscellaneous operating revenue (MiscOpRev), which includes pet transportation and sale of frequent flyer miles/points, was \$6,648,000 for 2019. <p>The above results are from the US DOT Bureau of Transportation statistics website.</p> • This data was provided to Frontier management prior to publication of this report. The company did not confirm or deny the accuracy of the estimate. • Operating revenue for 2019 was \$2,508,349,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$922,058,000
This yearbook (2019)	\$1,094,043,000
Projected for 2020	\$684,486,535

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

GOL

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$616,816,503
As a % of Revenue	17.0%
Dollars per Passenger	\$16.92
Financial Period	Calendar year 2019
Total Revenue	\$3,628,141,007
Passengers	36,445,000
Information Source	Gol Linhas Aereas Inteligentes S.A. Form 20-F filing for 2019 and GOL Investor Briefing 02 June 2020

Ancillary Revenue
Definitions and Other
Notes from Financial
Reports

- All figures below are in Brazilian reais (R\$).
- Ancillary revenue (as defined by GOL) includes the following sources:
 - Call center assistance.
 - Carry-on bags.
 - Checked bags.
 - GOL+ Conforto extra leg room seating.
 - Onboard purchase of food and beverages.
 - Priority check-in.
 - Seat assignment.
 - Ticket change and cancellation fees.
 - Trip insurance.
 - Wifi.
- GOL disclosed the following ancillary revenue results:
 - 1st quarter 2019: R\$309 million.
 - 2nd quarter 2019: R\$305 million.
 - 3rd quarter 2019: R\$327 million.
 - 4th quarter 2019: R\$365 million.Total activity for 2019 is R\$1,306,000,000 (this does not include loyalty revenue). Ancillary revenue represents about 10% of PRASK (passenger revenue per available seat kilometer).
- Smiles, the loyalty program, disclosed the following results:
 - 1st quarter 2019: R\$626 million gross billings.
 - 2nd quarter 2019: R\$684 million gross billings.
 - 3rd quarter 2019: R\$634 million gross billings.
 - 4th quarter 2019: R\$667 million gross billings.The program had 16.9 million members at the end of 2019. Smiles produced net revenue of R\$1,051,124,000 for 2019.
- The airline disclosed the following statistics:
 - 25% of passengers fly the airline for business purposes and represent 50% of revenue. The remaining 75% fly the airline for leisure purposes, and represent 50% of revenue.
 - 90% of revenue is via an internet channel, 5% via GDS, and the remaining 5% via the airport or call center.
 - 43% is direct to the customer (no intermediary), and 58% is via an intermediary (and commissionable).
- The airline currently owns 52.7% of Smiles.
- Ancillary revenue for GOL for 2019 was R\$2,357,124,000 and consists of these two categories:
 - Ancillary revenue as defined by GOL: R\$1,306,000,000.
 - Smiles new revenue: R\$1,051,124,000.
- Consolidated revenue for 2019 was R\$13,864,704,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$232,294,093
This yearbook (2019)	\$616,816,503
Projected for 2020	\$320,389,316

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Hawaiian Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$436,838,000
As a % of Revenue	15.4%
Dollars per Passenger	\$37.17
Financial Period	Calendar year 2019
Total Revenue	\$2,832,228,000
Passengers	11,751,000
Information Source	Annual Report 2019 for Hawaiian Holdings, Inc., and 4th Quarter conference call transcript
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Hawaiian made disclosures about its “ancillary revenue” during 2016. For 2017, the carrier changed the name for this activity to “value-added” revenue and made quarterly disclosures. These disclosures did not occur for 2018 or 2019. Various activities have been disclosed for 2019 and are listed below, and represent a portion of the carrier’s total ancillary revenue. • Extra Comfort and preferred seating revenue was disclosed to be \$107 million for 2019. Extra Comfort provides more leg room, fast track screening (at 7 airports), early boarding, at-seat power, and on select flights expanded IFE choices, and an amenity kit. • The airline disclosed these two frequent flyer program revenue components for 2019: <ul style="list-style-type: none"> – Frequent flyer revenue, transportation: \$156,863,000. – Frequent flyer revenue, marketing and brand: \$87,219,000. – Total of above: \$244,082,000. • Regarding the HawaiianMiles frequent flyer program, the number of free travel rewards used for travel on Hawaiian was approximately 720,000 in 2019 (2018: 685,000). The amount of free travel rewards as a percentage of total revenue passengers was approximately 6% (2018: 6%). • Ancillary revenue calculated for Hawaiian Airlines for 2019 is <u>\$436,838,000</u> and is based upon these sources: <ul style="list-style-type: none"> – Extra comfort seating: \$107,000,000.

- Baggage fees (US DOT website): \$85,756,000.
- Loyalty program revenue: \$244,082,000.
- Operating revenue for 2018 was \$2,832,228,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$387,183,000
This yearbook (2019)	\$436,838,000
Projected for 2020	\$208,021,291

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

JetBlue

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,452,752,000
As a % of Revenue	17.9%
Dollars per Passenger	\$34.00
Financial Period	Calendar year 2019
Total Revenue	\$8,094,000,000
Passengers	42,728,000
Information Source	Form 10-K for the year ended 31 December 2019

Ancillary Revenue Definitions and Other Notes from Financial Reports

- All figures below are in US dollars.
- JetBlue disclosed the following in its annual report, “In 2019, our ancillary revenue per customer grew 14% year over year to approximately \$34, aided by another year of solid growth in our co-branded credit card portfolio and continued efforts in optimizing pricing for bags and seats. We also saw the benefit of continued momentum from customers signing up for our co-branded credit cards, and earning and redeeming TrueBlue points. Finally, we solidified our investments in our JetBlue Travel Products subsidiary and relaunched its JetBlue Vacations offering to include more perks such as no change fees, earlier boarding, a free inflight beverage, and access to a dedicated customer assurance team. Over the next few years we plan to continue developing and rolling out an even more innovative suite of products, which we believe will add to our earnings base.” Accordingly, ancillary revenue for 2019 is \$1,452,752,000 (\$34 x 42,728,000 passengers).
- The carrier presented these ancillary revenue activities in its annual report:

- Introduction of Fare Options 2.0 during 2019, which is the carrier's next iteration of the fare bundles first rolled out in 2015. This features 4 fares: Blue Basic, Blue, Blue Extra, and in select markets, Blue Plus.
- The carrier will continue to optimize pricing of a la carte services.
- JetBlue Travel Products, a wholly-owned subsidiary based in Fort Lauderdale, continued development of non-air products. This includes air+hotel packages, and partnerships with insurance and car rental companies. The team will look for opportunities to increase the ancillary spend from customers by adding more products.
- The TWA Flight Center Hotel opened at JetBlue's terminal at New York JFK with 500+ rooms. The airline has a 10% ownership interest in the business.
- The Even More Space seats remains the largest ancillary revenue product; it generated \$301 million in 2019 (equivalent to \$7.04 per passenger).
- JetBlue disclosed various revenue sources in its 2018 Investor Day presentation (amounts are approximate):
 - Baggage: \$7.70 per passenger.
 - Change fees: \$3.80.
 - Loyalty: \$8.00.
 - Even More (seating and priority services): \$6.50.
 - Vacations: \$1.50.
 - Other: \$2.00.
 Baggage and change fees were disclosed as \$11.50; separate amounts were calculated.
- Nearly 3 million TrueBlue one-way redemption rewards were flown during 2019, representing approximately 6% of total revenue passenger miles.
- Operating revenue for 2019 was \$8,094,000,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$1,083,255,000
This yearbook (2019)	\$1,452,752,000
Projected for 2020	\$791,855,838

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

LATAM Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$245,606,000

As a % of Revenue	2.4%
Dollars per Passenger	\$3.31
Financial Period	Calendar year 2019
Total Revenue	\$10,070,100,000
Passengers	74,189,000
Information Source	Annual Report 2019 of LATAM Airlines Group
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • LATAM includes the following subsidiaries: LATAM Chile, LATAM Peru, LATAM Ecuador, LATAM Argentina, LATAM Colombia, and LATAM Brazil. • Total ancillary revenue for LATAM for 2019 was <u>\$245,606,000</u> and consists of these items: <ul style="list-style-type: none"> – Duty free: \$543,000. – Tour packages: \$96,997,000. – Multiplus (loyalty program) transferred from Other Revenue to Passenger Revenue: \$111,894,000. – Multiplus other income (loyalty program): \$36,172,000. <p>The above figures are disclosed as “income” but further evaluation suggests these are actually revenue amounts.</p> • The airline offered these customer service statistics, which are rarely published by a carrier: <ul style="list-style-type: none"> – LATAM mobile app users: 8 million, from 5.5 million in 2018. – Digital check-in via website, mobile app, or kiosk: 79.4% (includes 70% via online and 9.2% via kiosks). – Self-service flight changes using website or mobile app: 50%. – Self-check baggage and bag tags: nearly 30%. – Post flight surveys received from passengers (sent to all who have provided email): 300,000. • LATAM Pass has 33 million members. Members redeemed 7 million (2018: 7.1 million) reward tickets during 2019. These results reflect the combination of LATAM Pass and LATAM Fidelidade programs. The Multiplus coalition program of Brazil is a part of LATAM Pass, as the group owned 100% of Multiplus as of May 2020. The company listed an asset value of \$263,806,000 for the loyalty program in its 2019 accounts. • This data was provided to LATAM management prior to publication of this report. The company did not confirm or deny the accuracy of the estimate. • Total operating revenue for 2019 was \$10,070,100,000.
Historical and Projected Total Ancillary Revenue	
2018 Financials	\$298,466,000

This yearbook (2019)	\$245,606,000
Projected for 2020	\$98,663,456

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Southwest

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$4,498,000,000
As a % of Revenue	20.1%
Dollars per Passenger	\$33.55
Financial Period	Calendar year 2019
Total Revenue	\$22,428,000,000
Passengers	134,056,000 <i>Revenue passengers carried, not enplaned passengers.</i>
Information Source	2019 Annual Report and 3 rd and 4 th Quarter 2019 investor call transcripts
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • The airline added service between the US mainland and Hawaii, and inter-island service, during 2019. • Southwest offers the following a la carte services: <ul style="list-style-type: none"> – EarlyBird Check-In: Provides customers with automatic check-in and an assigned boarding position before general boarding positions become available, thereby improving seat selection options (priority boarding privileges are already a benefit of being an “A-List” tier member under the Rapid Rewards loyalty program). During 2019 the company continued use of a variable pricing model for EarlyBird Check-In based on the length of the flight and the historical popularity of EarlyBird Check-In on the route. Variable price points are \$15, \$20 and \$25. – Pet transportation: Southwest’s pet policy provides customers the benefit to bring a small cat or dog into the aircraft cabin for a \$95 fee. – Unaccompanied minors: \$50 fee charged to recover the administrative expenses for passenger handling. – Upgraded Boarding: When available, the airline also sells Upgraded Boarding at the airport for boarding positions A1-15 (priced at \$30, \$40, or \$50). – Wifi: Satellite-based internet service for an \$8 fee is offered on 737-700 and 737-800 aircraft. Free access is provided to movies, live TV, mobile app messaging, and travel information content.

- Purchase of alcoholic drinks or premium beverages on flights.
- Airline management made specific reference to revenue produced by EarlyBird and Upgraded Boarding:
 - Earlybird: \$113 million for the 3rd quarter, and \$342 million for year-to-date. \$113 million divided by 33,538,000 3rd quarter passengers, equals \$3.37 average per passenger.
 - Upgraded Boarding: \$20 million for the 3rd quarter. \$20 million divided by 33,538,000 3rd quarter passengers, equals \$0.60 average per passenger.
- Southwest made robust disclosure of its ancillary revenue for the first time for 2019:
 - Passenger ancillary (a la carte): \$711 million.
 - Passenger loyalty (Rapid Rewards travel component): \$2.487 billion.
 - Marketing revenue (Rapid Rewards marketing and brand component) \$1.3 billion.
 Total ancillary revenue for 2019 was \$4,498,000,000.
- Customers of Southwest redeemed approximately 10.7 million (2018: 10.4 million) flight rewards, accounting for approximately 14.1% (2018: 13.8%) of revenue passenger miles flown.
- During the 4th quarter investor call, Thomas Nealon, president, said “Now we're also continuing to see very strong growth in spending on our co-brand credit cards. And the sheer size and growth of our credit card portfolio is very healthy, with nearly double-digit growth and very low attrition. So we continue to be very pleased with the economics and the structure of our program, as well as with our partnership with Chase.”
- For the year ended 31 December 2019, approximately 80% of Southwest’s passenger revenues originated from its websites (including revenues from Swabiz.com). The remaining activity is likely derived from traditional travel agency bookings through GDS.
- Operating revenue for 2019 was \$22,428,000,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$4,049,000,000
This yearbook (2019)	\$4,498,000,000
Projected for 2020	\$2,937,897,849

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Spirit

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,800,826,000
As a % of Revenue	47.0%
Dollars per Passenger	\$52.14
Financial Period	Calendar year 2019
Total Revenue	\$3,830,536,000
Passengers	34,537,000 (described as passenger flight segments)
Information Source	2019 Form 10-K and February 2020 Investor Presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • During 2019 Spirit generated non-ticket revenues of \$1,870,750,000. Non-ticket revenues are derived from charges for, among other things, baggage, bookings through certain distribution channels, advance seat selection, itinerary changes and loyalty programs. • Summary of the primary components of non-ticket revenue: <ul style="list-style-type: none"> – Baggage: \$734,243,000. – Passenger usage fee: \$669,177,000 (per passenger fee charged for all bookings except those made at the airport). – Advance seat selection: \$228,876,000. – Other: \$238,454,000. <p>Free Spirit loyalty program revenue is included in the other category, along with travel-related commission revenue. IdeaWorksCompany does not consider reservation change fees to be ancillary revenue. The airline had reservation change revenue of \$69,924,000 during 2019 (US DOT reporting) and this amount should not be included. This adjustment generates total ancillary revenue of <u>\$1,800,826,000</u>.</p> • Per passenger segment revenue statistics for 2019: <ul style="list-style-type: none"> – Average ticket: \$54.63 (\$58.14 for 2018). – Average non-ticket: \$56.28 (\$55.23 for 2018). – Average fare total: \$110.91 (\$113.37 for 2018). <p>The increase in non-ticket revenue was primarily attributable to higher passenger usage fee, higher seat revenue and higher bag revenue per passenger flight segment, as compared to the prior year.</p> • Cash proceeds from the sale of Free Spirit mileage credits to non-airline third parties: <ul style="list-style-type: none"> – 2019: \$48,136,000. – 2018: \$39,194,000. – 2017: \$49,453,000.

	<ul style="list-style-type: none"> - 2016: \$48,882,000. - 2015: \$58,005,000. <p>This activity is included under non-ticket revenue.</p> <ul style="list-style-type: none"> • The company listed the following as current initiatives to increase ancillary revenue: <ul style="list-style-type: none"> - Dynamic pricing of ancillary offerings. - Website merchandising initiatives to include the ability to edit items in the shopping cart. - Loyalty program redesign. - Enhanced hotel and car packaging program. - Continued development of selling ancillary services via Spirit App for Android and iOS devices. • Operating revenue for 2019 was \$3,830,536,000.
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Historical and Projected Total Ancillary Revenue

2018 Financials	\$1,493,108,000
This yearbook (2019)	\$1,800,826,000
Projected for 2020	\$1,201,375,407

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Sun Country

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$83,303,540
As a % of Revenue	11.9%
Dollars per Passenger	\$20.37
Financial Period	Calendar year 2019
Total Revenue	\$701,383,340
Passengers	4,090,000
Information Source	USDOT, Bureau of Transportation Statistics, Form 41; Schedule P-1.2 and Carrier Snapshots, T100 USDOT database
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • Sun Country has the following ancillary revenue activities: <ul style="list-style-type: none"> - “Best” seats with extra leg room. - Assigned seating. - Change fee waiver. - Checked baggage. - Large carry-on fee. - Pet transportation. - Sun Country Airlines Visa credit card. - Vacation packages.

- Total ancillary revenue for 2019 is estimated to be \$83,303,540 from the following activities:
 - Baggage fees: \$70,567,000.
 - Revenue from passenger transport related activities (TransRevenue): \$9,545,650 (this largely consists of onboard sales (food, beverage, and entertainment) and other revenue assigned by the airline.
 - Revenue from miscellaneous operating revenue (MiscOpRev): \$3,190,890 (which includes pet transportation and sale of frequent flyer miles/points).
 The above results are from the US DOT Bureau of Transportation statistics website.
- This data was provided to Sun Country management prior to publication of this report. The company did not confirm or deny the accuracy of the estimate.
- Operating revenue for 2019 was \$701,383,340.

Historical and Projected Total Ancillary Revenue

2018 Financials	No data
This yearbook (2019)	\$83,303,540
Projected for 2020	\$49,708,845

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

United

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$6,580,000,000
As a % of Revenue	15.2%
Dollars per Passenger	\$40.51
Financial Period	Calendar year 2019
Total Revenue	\$43,259,000,000
Passengers	162,443,000
Information Source	United Continental Holdings Form 10-K for 2019 and MileagePlus Investor Presentation dated 15 June 2020
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • United provided this information about a la carte activity in its 2019 annual report: “The company charges fees, separately from ticket sales, for certain ancillary services that are directly related to passengers’ travel, such as ticket change fees, baggage fees, inflight amenities fees, and other ticket-related fees. These ancillary fees are part of

the travel performance obligation and, as such, are recognized as passenger revenue when the travel occurs. The company recorded \$2.4 billion, \$2.2 billion, and \$2.0 billion of ancillary fees within passenger revenue in the years ended December 31, 2019, 2018 and 2017, respectively.”

- The \$2.4 billion amount requires adjustment because ticket change fees don’t qualify as a la carte activity. Change fees for 2019 were \$625 million (US DOT) and the adjusted ancillary revenue for 2019 is \$1.775 billion.
- United.com generated 50% of tickets booked for 2019, which represents a record.
- United received \$5 billion in financing secured by its MileagePlus frequent flyer program. The funds will support operations during the 2020 pandemic. The presentation prepared for the investment community offers a robust review of MileagePlus Holdings. The following are highlights from the presentation (unless otherwise noted):
 - The program has 100 million members.
 - Cash from the sale of products and services (mostly miles accrued through co-branded credit card activity) was \$5.3 billion for 2019.
 - Member activity represents 50% of United’s revenue.
 - 71% of miles are purchased by partners, such as Chase, and the remaining 29% are purchased by the airline (for the flight-related accrual of passengers).
 - Travel represents 97% of redemption activity, with a small 3% slice represented by all other non-travel rewards. Within travel redemptions, 80% are for travel on United and 20% with other travel-related partners.
 - United pays a base price of \$0.01 (one cent) per mile plus an adjustment factor based upon various financial measurements. The factor has a minimum value of 20%, which indicates the minimum price per mile sold to United is \$0.012 (1.2 cents).
 - MileagePlus purchases rewards from United at the fixed price of \$0.01 (one cent) per mile. For example, a 20,000-mile one-way reward would cost \$200.
 - The presentation describes a price of \$0.02 (two cents) per mile as the price paid by partners.
 - The presentation does not provide details for the relationship between United and Chase for the sale of certain card-related benefits such as checked bags and early boarding (paid by Chase to United).
 - The co-branded credit card relationship with Chase has been extended to 2029. Other partners typically have 3- to 5-year agreements.

- In 2019, MileagePlus generated \$1.8B EBITDA (essentially net income) representing 26% of total United adjusted EBITDAR (earnings before interest, taxes, depreciation, amortization, and restructuring or rent).
- Premier members (elite status) spend 14X more with United than members without status. If the Premier member is also engaged with a program partner (such as a co-branded credit card) the factor is 25X.
- 6.1 million rewards were redeemed on United and United Express during 2019, and these represent 7.2% of revenue passenger miles (from annual report).
- Miles accrued in the MileagePlus program, as of the 3rd quarter of 2019, no longer expire (from annual report).
- While MileagePlus Holdings disclosed total cash sales of miles (all partners) of \$5.3 billion, United listed these income statement items in its annual report:
 - Travel miles redeemed (passenger revenue): \$2,213,000,000.
 - Non-travel miles redeemed (revenue): \$137,000,000.
 - Other operating revenue, loyalty program: \$2,455,000,000.

The above totals \$4,805,000,000.
- Total ancillary revenue for 2019 was \$6,580,000,000 from these two sources:
 - Adjusted ancillary revenue (see notes above): \$1,775 billion.
 - MileagePlus activity: \$4.805 billion.
- This data was provided to United's management prior to publication of this report. The company did not confirm or deny the accuracy of the estimate.
- United revenue for 2019 was \$43,259,000,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$5,802,000,000
This yearbook (2019)	\$6,580,000,000
Projected for 2020	\$3,387,653,171

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Viva Aerobus

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$303,365,676
As a % of Revenue	45.0%

Dollars per Passenger	\$25.24
Financial Period	Calendar year 2019
Total Revenue	\$674,815,867
Passengers	12,019,000
Information Source	4 th Quarter 2019 Earnings Release
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Mexican pesos (MXN). • The airline offers this definition of ancillary revenue in its annual report: “Ancillary revenue seeks to maximize the satisfaction level of passengers traveling with Viva Aerobus by offering a broad portfolio of products and services adaptable to the unique needs of each client, while also being an important source of revenue for the company.” • Viva Aerobus derives ancillary revenue from the following activities: <ul style="list-style-type: none"> – Baby Package allowing stroller drop off and retrieval at the aircraft door. – Boarding pass printed at airport. – Checked bags. – Co-branded credit card. – Deferred payment. – Extra heavy carry-on bag. – Flexi Pass (allows itinerary charges). – Pet carriage (in cabin or in hold). – Seat assignment (more space and regular). – VIP Pass (early boarding). – Viva Bus (airport ground transportation). – Viva Express (priority check-in). – Viva Fan (fare discount subscription program). – Viva Insurance (plans for travel, medical and baggage). – Viva Taxis. – Viva Transfer shared transportation. • Ancillary revenue reached <u>MXN 5,787,573,000</u> for 2019 which is a 20.1% increase compared to 2018. The increase is largely attributed to the introduction of Flexi Pass, which allows customers to change their bookings after payment of a fee. • Revenue for 2019 was MXN 12,874,054,000.
Historical and Projected Total Ancillary Revenue	
2018 Financials	\$239,682,841
This yearbook (2019)	\$303,365,676
Projected for 2020	\$239,059,400

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Volaris

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$612,788,315
As a % of Revenue	38.5%
Dollars per Passenger	\$27.89
Financial Period	Calendar year 2019
Total Revenue	\$1,593,324,521
Passengers	21,975,000 (booked passengers)
Information Source	Volaris Aviation Holding Company SEC Form 20-F for 2019 and Volaris Investor Presentation – February 2020
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are Mexican pesos (MXN) unless otherwise stated. • Volaris is a self-described “ultra-low-cost carrier” based in Mexico. The carrier refers to ancillary revenue as “non-ticket revenue.” • Ancillary revenue was disclosed as MXN 532 per passenger or <u>MXN 11,690,700,000</u> for 2019. The airline also noted these revenue categories: <ul style="list-style-type: none"> – Other passenger revenues: MXN 10,569,208,000 (a la carte activities). Other passenger services include but are not limited to fees charged for excess baggage, bookings through the call center or third-party agencies, advance seat selection, itinerary changes, V-Club memberships and charters. – Other non-passenger revenues: MXN 897,586,000. Revenues from other non-passenger services mainly include but are not limited to commissions charged to third parties for the sale of hotel reservations, trip insurance, rental cars and advertising spaces to third parties. • The airline grows non-ticket revenue by allowing passengers to choose additional products and services using its “tú decides” (“you decide”) strategy: <ul style="list-style-type: none"> – Charging for excess baggage (over the 25 kg limit of free checked luggage required by Mexican regulations on domestic flights) and effective 01 March 2017, charging for the first checked bag on routes to/from the United States. – Passing through all distribution-related expenses to the customer.

- Charging for advance seat selection, extra leg room, and carriage of sports equipment.
- Generating subscription fees from the ultra-low-fare subscription service, V-Club.
- Deriving brand-based fees from proprietary services, such as the Volaris affinity credit card program.
- Selling itinerary attachments, such as hotel and car rental reservations and airport parking, and making available trip interruption insurance commercialized by third parties, through the website.
- Selling onboard advertising.
- V-Club subscriptions accounted for approximately 1.6% of passenger revenues in 2019 ($1.6\% \times \text{MXN } 33,699,199,000 = \text{MXN } 539,187,184$). Members of the V-Club have exclusive access to the lowest fares and promotions through the Volaris website. The program had 632,000 members at the end of 2019 (2018: 790,000).
- The airline also generates revenue from its affinity credit card such as electronic flight credit rewards earned through credit card purchases. Revenue from the Volaris affinity credit card accounted for approximately 2.13% of non-ticket revenue ($2.13\% \times \$619,695,000 = \$13,199,503$) for 2019. There were 282,000 affinity credit cardholders at the end of 2019 (2018: 235,000). Affinity card revenue for Volaris is \$46.81 per account.
- The airline provided these customer statistics in an early 2020 investor presentation:
 - In 2019, Volaris carried 20.6 million passengers; more than 1.2 million were first-time flyers.
 - VFR (visiting friends and relatives) traffic and the market of bus travelers are the most important sources of growth. Surveys indicate 82% of passengers will not return to bus travel.
 - Volaris often is an “air service pioneer” by operating 68 routes that previously were not flown by an airline.
 - 41% of routes only compete with the bus market (no competing airline flights).
 - 6% of passengers are first time flyers; they have not taken an airline flight before.
 - 6.5 million customers have downloaded the mobile app.
 - 70% of sales occur through digital channels (website and mobile app).
- The following describes the carrier’s current ancillary revenue strategy:
 - Apply revenue management techniques: pricing by route/season/day, dynamic pricing for some products, and focus efforts on most important product.
 - Add products: third fare, membership programs, Ya Vas travel package platform.

	<ul style="list-style-type: none"> - Enhance existing products: improve digital channels, offer deferred payment option, multi-currency payments. - Create more touch-points to sell ancillaries throughout the journey. • This data was provided to Volaris’ management prior to publication of this report. The company did not confirm or deny the accuracy of the estimate. • Revenue for 2019 was MXN 30,397,249,000.
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Historical and Projected Total Ancillary Revenue

2018 Financials	\$442,275,728
This yearbook (2019)	\$612,788,315
Projected for 2020	\$485,363,298

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Westjet

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$394,190,230
As a % of Revenue	10.0%
Dollars per Passenger	\$15.24
Financial Period	Calendar year 2019
Total Revenue	\$3,934,966,182 (see special note)
Passengers	25,867,135 (described in the annual report as “Segment Guests”)
Information Source	Westjet Third Quarter 2019 Report and Onex Group press release dated 11 December 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Canadian dollars (CAD). • Westjet was purchased by the Onex Corporation and its affiliated funds (the “Onex Group”) for approximately CAD 5 billion during December 2019. Accordingly, the last financial statement filed by Westjet as an independent organization was for the 3rd quarter of 2019. • The results include the operations of Swoop, the ultra-low cost carrier owned by Westjet. • Ancillary revenue for 2019 is <u>CAD 517,451,000</u> and consists of these two components: <ul style="list-style-type: none"> - Ancillary revenue for quarters 1-3, 2019: CAD 381,468,000 (up 10.8% year over year 2018).

- Estimated revenue for quarter 4, 2019: CAD 135,983,000 (quarter 4, 2018: CAD 122,728,000 x 110.8%).
- Segment guests (passengers) calculations:
 - Passengers for quarters 1-3, 2019: 19,588,811 (up 1.5% year over year 2018).
 - Estimated passengers for quarter 4, 2019: 6,278,324 (quarter 4, 2018: 6,185,541 x 101.5%).
 The total for above is 25,867,135 passengers.
- Revenue for 2019 is CAD 5,165,405,000 and consists of these two components:
 - Revenue for quarters 1-3, 2019: CAD 3,863,515,000 (up 9.1% year over year 2018).
 - Estimated revenue for quarter 4, 2019: CAD 1,301,890,000 (quarter 4, 2018: CAD 1,193,300,000 x 109.1%)

Historical and Projected Total Ancillary Revenue

2018 Financials	\$355,034,913
This yearbook (2019)	\$394,190,230
Projected for 2020	\$188,565,825

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Non-Reporting Carriers for the Americas

The following airlines did not reveal ancillary revenue activity for the most recent full year period (additional search notes are also provided):

Air Transat (no disclosure of air revenues), Flair Airlines (Canada), Flybondi (Argentina), Interjet (only 1st quarter 2019 available during research time), Jetlines (Canada), JetSMART (Chile), Porter (privately held), Sky Airline (Chile), and Sunwing (part-owned by Tui).

Carriers are invited to contact IdeaWorksCompany directly to provide feedback on the statistics provided in this report. Airlines also may directly disclose their ancillary revenue activities to IdeaWorksCompany for inclusion in next year's report. Please send your comments to Jay "at" IdeaWorksCompany.com.



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Huifang Yuan, General Manager | Marketing and Sales Department
Hainan Airlines | Beijing, China

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Asia and the South Pacific

Air Astana

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$6,475,000
As a % of Revenue	0.7%
Dollars per Passenger	\$1.26
Financial Period	Calendar Year 2019
Total Revenue	\$898,729,000
Passengers	5,120,000
Information Source	Air Astana Annual Report 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in US dollars. • The results include the operations of Air Astana and FlyArystan. • Ancillary revenue for 2019 was represented by baggage charges and advertising sales: <ul style="list-style-type: none"> – Revenue from excess baggage charges: \$5,688,000. – Revenue from the sale of advertising: \$787,000. Disclosed ancillary revenue activity for 2019 was \$6,475,000. • For 2019, the airlines introduced the following ancillary revenue related initiatives: <ul style="list-style-type: none"> – Implemented branded fares. – Introduced piece concept for checked baggage, which eases the process of charging bag fees. – New frequent flyer program for small and medium businesses. – Signed letter with Qazaq Tourism to develop inbound tourism. • In May 2019 the company launched domestic flights for FlyArystan, an LCC that will operate alongside Air Astana's existing operations. The LCC carried 77,000 passengers during 2019.; no revenue was disclosed. FlyArystan sells more than 4 out of 5 seats via the internet. • Revenue for 2019 was \$898,729,000.
Historical and Projected Total Ancillary Revenue	
2018 Financials	\$6,160,000
This yearbook (2019)	\$6,475,000
Projected for 2020	\$3,318,479
<p><i>Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.</i></p>	

Air China Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$345,004,773
As a % of Revenue	1.7%
Dollars per Passenger	\$3.00
Financial Period	Calendar Year 2019
Total Revenue	\$19,874,360,433
Passengers	115,006,120
Information Source	Air China 2019 Annual Report and 2019 Annual Results Announcement (presentation)
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in China yuan (CNY). • Air China made this disclosure in the annual report: “During the reporting period, the accumulated sales revenue contributed by aviation-related income from ancillary products amounted to CNY 360 million, representing a year-on-year increase of 57%, and the revenue generated from upgrade product, paid seat selection and prepaid luggage recorded a year-on-year growth of 103%.” • The airline also disclosed these approximate revenue amounts from these activities: <ul style="list-style-type: none"> – CNY 130 million from seat assignment fees. – CNY 200 million from paid upgrades. – CNY 50 million from prepaid baggage. <p>Deducting the non-qualifying activity of paid cabin class upgrades provides adjusted ancillary revenue of CNY 180,000,000.</p> • The Phoenix Miles program has 63,595,300 members, and member activity represented 46.5% of revenue. The program contributed revenue of CNY 2.204 billion during 2019. • Total ancillary revenue for Air China during 2019 was <u>CNY 2,364,000,000</u> and is represented by these sources: <ul style="list-style-type: none"> – Seat assignment and prepaid baggage: CNY 160,000,000. – Phoenix Miles revenue: CNY 2,204,000,000. • Mobile app users numbered 10 million at the end of 2019 and represented passenger revenue of CNY 10 billion. • Results from the following subsidiaries are included in Air China Group results: Shenzhen Airlines (including Kunming Airlines), Air Macau, Beijing Airlines, Dalian Airlines and Air China Inner Mongolia. <p>Total for the above subsidiaries: 46,937,000 passengers.</p> <ul style="list-style-type: none"> • Total revenue for 2019 was CNY 136,180,690,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$138,602,255
This yearbook (2019)	\$345,004,773
Projected for 2020	\$173,270,498

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Air India

Source and Type	Checked baggage fees
Ancillary Revenue	\$17,472,671
As a % of Revenue	0.5%
Dollars per Passenger	\$0.80
Financial Period	Fiscal Year ended 31 March 2019 (FY 2018-19)
Total Revenue	\$3,701,342,553
Passengers	21,800,000
Information Source	Annual Report of Air India for Fiscal 2018-19 (Chairman's Message, Directors Report, Management's Discussion, and Financial Notes)
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in India rupees (INR). Ancillary revenue disclosed for FY 2018-19 was represented by baggage charges of <u>INR 1,203,800,000</u>. Total Flying Returns membership on 31 March 2019 was 2,518,130. Elite tier membership was: <ul style="list-style-type: none"> The Maharaja Club 1,532. Golden Edge Club 2,329. Silver Edge Club 10,559. Total operating revenue from operations for FY 2018-19 was INR 255,008,300,000. 2018 Commentary (see data below): Baggage revenue for 2018 was significantly higher than 2019.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$34,903,952
This yearbook (2019)	\$17,472,671
Projected for 2020	\$9,383,341

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Air India Express

Source and Type	Checked baggage fees
Ancillary Revenue	\$9,056,382
As a % of Revenue	1.5%
Dollars per Passenger	\$2.08
Financial Period	Fiscal Year ended 31 March 2019 (FY 2018-19)
Total Revenue	\$594,288,828
Passengers	4,360,000
Information Source	Annual Report of Air India Express Limited for Fiscal 2018-19
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in India rupees (INR). • Air India Express is a subsidiary of Air India Group. • Ancillary revenue disclosed for FY 2018-19 was represented by baggage charges which equaled <u>INR 623,950,000</u>. • The following ancillary revenue producing services are offered: <ul style="list-style-type: none"> – Excess baggage. – Pre-order meals. – Assigned seating, to include exit row and extra leg room. – Visa services. <p>The airline continues to serve complimentary snacks to passengers who do not opt for the paid meals.</p> • Total revenue for FY 2018-19 was INR 40,944,220,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$9,822,710
This yearbook (2019)	\$9,056,382
Projected for 2020	\$5,511,086

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Air New Zealand

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$405,755,451
As a % of Revenue	10.5%
Dollars per Passenger	\$22.87
Financial Period	Fiscal year ended 30 June 2019
Total Revenue	\$3,860,683,036

Passengers	17,738,000
Information Source	Annual Financial Results 2019 Report and Presentation and 2019 Investor Day Presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in New Zealand dollars (NZD). Air New Zealand has a history of describing ancillary revenue activities in its investor documents, without disclosing a specific revenue amount. There was reference last year to NZD 100 million, which seemed low for a carrier its size. For 2019, the following financial disclosures, when added together, provide a more accurate assessment of the carrier's ancillary revenue: <ul style="list-style-type: none"> Loyalty program (Airpoints): NZD 370 million. This consists of NZD 175 million current revenue in advance and NZD 195 million non-current revenue in advance. This is actually considered a liability, but it can approximately reflect annual revenue if the activity is consistent year over year; last year's total activity was NZD 343 million. The program has 3.2 million members. Other revenue: NZD 238 million. The airline defines this as including lounge revenue, Koru membership subscriptions, commissions and fees. This is largely consistent with ancillary revenue. <p>Total ancillary revenue for 2019 is <u>NZD 608,000,000</u>.</p> <ul style="list-style-type: none"> Total revenue for fiscal year 2019 was NZD 5,785,000,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$67,665,647
This yearbook (2019)	\$405,755,451
Projected for 2020	\$178,033,054

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

AirAsia Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$506,131,114
As a % of Revenue	17.6%
Dollars per Passenger	\$9.82
Financial Period	Calendar year 2019
Total Revenue	\$2,869,464,139
Passengers	51,559,070

Information Source	Director’s Report and Audited Financial Statements 31 December 2019, Annual Report 2019, and Analyst Presentation – 4th Quarter Results 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in Malaysian ringgit (MYR). • AirAsia Group airlines of AirAsia Berhad consist of the following operating companies: AirAsia Malaysia, AirAsia Indonesia, AirAsia Philippines, AirAsia Thailand, AirAsia India and AirAsia Japan. • Annual reports are also offered by Air Asia Indonesia and AirAsia Thailand. • About the results posted by the group: When the group discloses revenue, this represents the ownership share of the operating company’s revenue. Passenger traffic reflects all passengers carried on the network. When the operating companies disclose traffic, it also represents passengers carried. These passengers connect with other operating companies in the group. Therefore, the sum of the traffic disclosed by the operating companies is greater than the total disclosed by the group. The group has a very complex financial structure which has hampered analysis of ancillary revenue results for years. The 2019 financial year likely represents the most accurate assessment to date for the yearbook. • The 2019 Annual Report offers these marketing statistics: <ul style="list-style-type: none"> – AirAsia.com is the group’s online travel commerce website with gross booking value of MYR 5.5 billion and operating revenue of MYR 11.1 million. AirAsia.com offers 11+ products, including flights, hotels, packages, activities, insurance, and duty free retail. – BIG Points loyalty which grew its membership base by 48% to 25.2 million members. The company is co-owned with AIMIA. – The website has 313 million page views, gross booking value of MYR 1.6 billion, and 60 million users per month. – AirAsia.com announced in November 2019 the sale of other airline flights in partnership with Kiwi.com. – Santan, the carrier’s food brand, opened its first flagship restaurant in December, which is located in the Mid Valley Megamall, Kuala Lumpur. This food retail operation had revenue of MYR 119.5 million for 2019. – T&Co is AirAsia’s café brand that has been growing in tandem with Santan, serving inflight and on-ground guests ASEAN inspired coffee and tea, as well as local snacks and desserts. 2019 revenue was MYR 3.1 million. The unit was merged into Santan during 2020.

- Duty free grew by 40% year over year and represents the largest ancillary revenue category.
- The take rate for AirAsia wifi on the 15 installed aircraft is close to 30%.
- Tune Protect issued nearly 10 million travel protection policies during 2019.
- AirAsia Group disclosed 2019 ancillary revenue of MYR 2,092,000,000. This represents the group's share of revenue disclosed by the operating companies. The following additional detail was provided:
 - Baggage: MYR 1.2 billion.
 - Pick-a-seat: MYR 204 million.
- BIG loyalty membership was 25+ million at the end of 2019 (source AIMIA Investor Presentation May 2020). The program is owned by Biglife which is co-owned by RedBeat Ventures (80%) and Aimia (20%).
- Since resuming flights in Malaysia and Thailand in late April 2020, the company observed higher take rates for ancillary products:
 - Tune Protect (trip insurance): Take rate of 14%, up 88% from pre-pandemic.
 - Baggage: Take rate of 47%, up 72% from pre-pandemic.
 - Assigned seating: Take rate of 26%, up 15% from pre-pandemic.
 - Santan pre-order meals: 43% higher revenue per passenger.
- AirAsia Group results do not include AirAsia X (which appears separately in this yearbook).
- Group (airline) 2019 revenue was MYR 11,860,403,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$764,756,815
This yearbook (2019)	\$506,131,114
Projected for 2020	\$240,791,877

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

AirAsia X

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$198,455,655
As a % of Revenue	18.7%
Dollars per Passenger	\$32.69
Financial Period	Calendar year 2019

Total Revenue	\$1,062,730,177
Passengers	6,071,019
Information Source	AirAsia X 4 th Quarter 2019 Results Presentation and 4 th Quarter Report ended 31 December 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures are in Malaysian ringgit (MYR). The following details for the sources of revenue were provided for the 4th quarter of 2019: <ul style="list-style-type: none"> Baggage fees: 40%. Seat selection: 13% (includes over the counter option to upgrade). Inflight meals: 7% (pricing is determined by a customer's purchase history for Santan meals). Others: 16% (includes inflight duty free). Connecting fee: 4% (fly-through fee for online connections). <p>The detail also included freight services at 20%, which does not qualify under the IdeaWorksCompany ancillary revenue definition.</p> <ul style="list-style-type: none"> Ancillary revenue for 2019 was <u>MYR 820,280,000</u> and is defined as including assigned seat, cancellation, documentation and other fees, and on-board sale of meals and merchandise (freight services were listed separately). Operating revenue for 2019 was MYR 4,392,600,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$211,409,473
This yearbook (2019)	\$198,455,655
Projected for 2020	\$79,318,349

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

ANA Group

Source and Type	Tour and sightseeing packages sold to passengers
Ancillary Revenue	\$1,540,337,459
As a % of Revenue	8.5%
Dollars per Passenger	\$29.43
Financial Period	Fiscal year 2019
Total Revenue	\$18,209,334,475
Passengers	52,332,749
Information Source	ANA Holdings Financial Results for the period ended 31 March 2020 and Annual Report 2019

Ancillary Revenue
Definitions and Other
Notes from Financial
Reports

- All figures below are in Japan yen (JPY). Results include low cost operations of Vanilla Air and Peach Aviation.
- The airline disclosed three areas which include ancillary revenue activity for fiscal year 2019:
 - Travel Services under the ANA Traveler’s brand, which the airline intends to grow through direct sales, offering Tabisaku dynamic packages, and by focusing on Hawaii routes. Operating revenue was JPY 167 billion.
 - Trade and retail includes ANA Duty Free Shops and ANA Festa stores across Japan. Operating income (not sales) increased to JPY 165 billion. However, this category includes plenty of retail activity not directly linked to passenger activity.
 - “Others in Air Transportation,” which primarily includes incidental revenue from mileage memberships, inflight sales, contracted maintenance, etc. was JPY 292 billion. Contracted maintenance does not qualify as ancillary revenue.

Among the categories above, Travel Services is believed to offer the closest alignment with the definition of ancillary revenue. Total revenue of JPY 167,000,000,000 appears to qualify as ANA operates as a packager and does not merely earn a commission from a 3rd party package company.
- ANA X Inc. is the carrier’s “customer asset business” which principally consists of the ANA Mileage Club (which has 36,650,000 members) and the company’s marketing database.
- Total revenue for fiscal year 2018 was JPY 1,974,216,000,000.
- 2018 Commentary (see data below): 2018 results consisted of income (profit) from travel services and trade & retail. Better disclosures for 2019 indicate “operating revenue” from travel services, which more accurately portrays ancillary revenue. Trade & retail was not included because it includes significant off-airport retail activity.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$38,956,798
This yearbook (2019)	\$1,540,337,459
Projected for 2020	\$992,233,298

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Bangkok Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$112,679,012
As a % of Revenue	12.1%
Dollars per Passenger	\$19.23
Financial Period	Calendar year 2019
Total Revenue	\$933,511,292
Passengers	5,860,200
Information Source	Annual Report 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Thai bhat (THB). • Ancillary revenue for 2019 is represented by “Baggage fee and other service income” of <u>THB 3,453,235,000</u>. • The following are examples of the carrier’s ancillary revenue activities: <ul style="list-style-type: none"> – Airport lounges. – Airport meet and greet services. – Airport transfer and limousine. – Car rental. – Excess baggage. – Extra leg room or front of cabin seating. – Hotel booking. – Inflight shopping. – Luggage storage and delivery. – Tours and activities, including Get Your Guide. – Trip insurance. <p>However, only baggage revenue was disclosed.</p> <ul style="list-style-type: none"> • The company owns and operates three airports, namely Samui Airport, Trat Airport and Sukhothai Airport. • Total revenue for 2019 was THB 28,609,000,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	<i>No data</i>
This yearbook (2019)	\$112,679,012
Projected for 2020	\$29,987,070

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Cebu Pacific

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$214,825,683
As a % of Revenue	13.0%
Dollars per Passenger	\$9.56
Financial Period	Calendar year 2019
Total Revenue	\$1,656,545,437
Passengers	22,468,000
Information Source	Cebu Pacific Annual Report 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in Philippine pesos (PHP). Results include CEBGO (formerly Tiger Airways Philippines). • The company offers ancillary services such as inflight merchandising (sale of duty-free products on international flights), baggage, and travel-related products and services. The definition also includes cancellation fees which IdeaWorksCompany does not consider ancillary revenue. However, the airline separately disclosed this item as PHP 6,381,316,817. • Cebu Pacific offers the following branded products: <ul style="list-style-type: none"> – CEB Biz (discount and services program for business) – CEB Cargo – CEB Fare Bundles (Fly, Fly+Bag, Fly+Bag+Meal) – CEB Flexi (allows free of charge rebooking) – CEB Getaways (holiday packages) – CEB Meals (pre-order meals) – CEB Mobile App – CEB Moments (cake/greeting card on flights) – CEB Prepaid Baggage – CEB Seat Selector – CEB Sports Equipment (baggage) – CEB Surfboard (allows space to be reserved) – CEB Transfers (airport transfer) – CEB Travelsure (travel insurance) – CEB Wifi Kit – Charlie the Chatbot – Fast Check-in Options – Fun Café (buy-on-board food) – GetGo (loyalty and lifestyle rewards program) – Payment Options (includes 7-Eleven stores) – Smile & Waytogo • The company disclosed ancillary revenue of PHP 17,379,313,322 for 2019. Deducting the cancellation fee revenue noted above provides an adjusted result of <u>PHP 10,997,996,505</u>. Within this amount, the following activity was disclosed:

	<ul style="list-style-type: none"> - Baggage charges: PHP 8,237,585,725. - Inflight sales, advance seat selection fee, reservation booking fees and others: PHP 2,760,410,780. • Total revenue for 2019 was PHP 84,806,810,363.
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Historical and Projected Total Ancillary Revenue

2018 Financials	\$171,318,581
This yearbook (2019)	\$214,825,683
Projected for 2020	\$98,087,906

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

China Eastern Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$421,477,912
As a % of Revenue	2.4%
Dollars per Passenger	\$3.23
Financial Period	Calendar Year 2019
Total Revenue	\$17,656,830,578
Passengers	130,297,360
Information Source	China Eastern Annual Report 2019

Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in China yuan (CNY). • China Eastern offers limited disclosure of activities which qualify as ancillary revenue: <ul style="list-style-type: none"> - Income produced by tour operations and other travel related services: CNY 878,000,000. - Revenue from Contracts with Customers includes the category of revenue produced by the Eastern Miles frequent flyer program. An evaluation of specifically disclosed activities under this category suggests the “Others” is a category with a focus on loyalty and other a la carte revenue: CNY 2,011,000,000. <p>The total for the above is <u>CNY 2,889,000,000</u> and represents 2019 ancillary revenue for the company.</p> <ul style="list-style-type: none"> • The group offered details on its 2019 ancillary revenue activities: <ul style="list-style-type: none"> - Established its branded fare products series, completed the branded fare products launching campaign in 63 direct routes in Southeast Asia, Hong Kong and Macao. - Expanded auxiliary products such as upgrades, preferred seats and excess baggage, newly added prepaid baggage products at the website.
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	<ul style="list-style-type: none"> - Customized and increased the release of personalized overnight transit products and presale route products. - Enriched Eastern Miles member point redemption products and optimized points payment function. <p>The revenue from auxiliary products such as upgrades and preferred seats has shown rapid growth, with a year-on-year increase of 44.5%.</p> <ul style="list-style-type: none"> • The Eastern Miles frequent flyer program has 42,680,000 members. • China United Airlines is the company's low-cost airline. The carrier has increased its a la carte emphasis and switched to a buy-on-board food program, introducing baggage charges, inflight sales, and paid lounge access. • The group includes these subsidiary airlines: Eastern Air Jiangsu, Eastern Air Wuhan, Eastern Air Yunnan, Shanghai Airlines, and China United Airlines. These subsidiary airlines total CNY 45,101,000,000 revenue and 60,579,299 passengers. • Revenue for 2019 was CNY 120,986,000,000.
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Historical and Projected Total Ancillary Revenue

2018 Financials	\$328,443,511
This yearbook (2019)	\$421,477,912
Projected for 2020	\$237,691,456

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

China Southern Group

Source and Type	Tour and sightseeing packages sold to passengers
Ancillary Revenue	\$103,910,067
As a % of Revenue	0.5%
Dollars per Passenger	\$0.69
Financial Period	Calendar year 2019
Total Revenue	\$22,521,923,268
Passengers	151,632,160
Information Source	China Southern Airlines Annual Report 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in China yuan (CNY). • During the year, 9.22 million new Sky Pearl members were enrolled, an increase of 62% year-on-year. The total number of Sky Pearl members reached 48,960,000, and passenger revenue from members was RMB 51.7 billion.

	<ul style="list-style-type: none"> Income produced by hotel and tour services: <u>CNY 712,000,000</u>. The group includes these subsidiary airlines: Xiamen Airlines, Shantou Airlines, Zhuhai Airlines, Guizhou Airlines, Chongqing Airlines, and Henan Airlines. Total revenue for 2019: CNY 154,322,000,000.
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Historical and Projected Total Ancillary Revenue	
2018 Financials	\$102,175,708
This yearbook (2019)	\$103,910,067
Projected for 2020	\$64,244,103

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Garuda Indonesia Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$87,259,483
As a % of Revenue	1.9%
Dollars per Passenger	\$2.74
Financial Period	Calendar year 2019
Total Revenue	\$4,572,638,083
Passengers	31,894,383
Information Source	Garuda Indonesia Annual Report 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in US dollars. The results include the Citilink subsidiary. The domestic market experienced a significant traffic decrease of 20% during 2019. The airline offers this definition of ancillary revenue which largely corresponds to the IdeaWorksCompany definition: “Ancillary revenue is non-ticket revenue received by the company, generated either through direct or indirect sales to passengers as part of the travel experience. Ancillary revenues include: a la carte features, commission-based products, frequent flyer programs, and advertisements sold by the company.” The ancillary revenue effort is organized under the Strategic Business Unit (SBU) which includes SBU Loyalty and Ancillary Revenue. This SBU is led by a vice president, reporting to the commercial director, who reports to the president & CEO. The SBU has responsibility for the

	<p>loyalty program, ancillary products, and advertising revenue.</p> <ul style="list-style-type: none"> • The airline noted the following loyalty and ancillary revenue activities for 2019: <ul style="list-style-type: none"> – Special reward redemption offers every quarter. – Development of non-air reward experiences such as in-person events and at-airport retail reward shop. – Addition of accrual partners and development of new real-time partner tracking system. – Introduced Garuda Priority service. – Implemented online sales for car rental, airport rail transfer, and travel insurance. – Revamped boarding pass branding/advertising. <p>At the end of 2019, there were 7,961,157 GarudaMiles members.</p> <ul style="list-style-type: none"> • Ancillary revenue disclosed for 2019 was <u>\$87,259,483</u>, which was down 17.2% from 2018 results. • Total passenger airline revenue for 2018 was \$4,572,638,083.
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Historical and Projected Total Ancillary Revenue	
2018 Financials	\$107,520,534
This yearbook (2019)	\$87,259,483
Projected for 2020	\$38,136,637
<p><i>Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.</i></p>	

HK Express

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$52,575,003
As a % of Revenue	21.7%
Dollars per Passenger	\$27.85
Financial Period	Calendar year 2019
Total Revenue	\$242,281,121
Passengers	1,888,000
Information Source	Cathay Pacific Annual Report 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Hong Kong dollars (HKD). • On 19th July 2019, Cathay Pacific completed the acquisition of 100% of Hong Kong Express Airways Limited. • HK Express is Hong Kong's only low-cost carrier, focusing

	<p>on serving leisure travel destinations.</p> <ul style="list-style-type: none"> • Ancillary revenue as a percentage of total revenue was 21.7% during the period. This included revenue from the sale of baggage, priority boarding, allocated seats and administration fees. Multiplying this rate by 2019 revenue provides ancillary revenue of <u>HKD 410,781,000</u>. • The following are examples of the carrier’s ancillary revenue activities: <ul style="list-style-type: none"> – Booking fee (call center or convenience store). – Bundled fares. – Duty-free shopping. – Extra leg room and front of cabin seating. – Hotel, car rental, and activity bookings. – Onboard café. – Trip insurance. – U-first: priority check-in, boarding, and baggage. • Total revenue for 2019 was HKD 1,893,000,000.
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Historical and Projected Total Ancillary Revenue

2018 Financials	<i>No data</i>
This yearbook (2019)	\$52,575,003
Projected for 2020	\$19,564,306

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

IndiGo

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$400,912,022
As a % of Revenue	7.4%
Dollars per Passenger	\$5.34
Financial Period	Fiscal 2019-20 year ended 31 March 2020
Total Revenue	\$5,412,710,717
Passengers	75,025,960
Information Source	IndiGo’s Quarterly (1 through 4) Financial Results for fiscal year 2019-20 and operational statistics from the website
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in India rupees (INR). • IndiGo disclosed quarterly ancillary revenue throughout FY 2019-20: <ul style="list-style-type: none"> – Quarter 1: INR 9,026 billion. – Quarter 2: INR 9,302 million.

- Quarter 3: INR 10,373 million.
- Quarter 4: INR 10,757 million.
- The above activity totals INR 39,458,00,00. The activity includes cargo and ticket change fees, which are not considered ancillary revenue.
- For the prior fiscal year, cargo revenue was disclosed as INR 8,200,420,000, which approximately represents 30% of ancillary revenue. Accordingly, the quarterly disclosure totals are reduced by 30% (INR 11,837,000,000) to yield adjusted ancillary revenue of INR 27,621,300,000.
- Total passenger airline revenue for FY 2019-20 was INR 372,915,000,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$309,840,106
This yearbook (2019)	\$400,912,022
Projected for 2020	\$265,764,535

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Jeju Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$102,811,760
As a % of Revenue	8.7%
Dollars per Passenger	\$7.64
Financial Period	Calendar year ended 31 December 2019
Total Revenue	\$1,182,967,068
Passengers	13,465,000
Information Source	Jeju Air 2019 Earnings Release

Ancillary Revenue Definitions and Other Notes from Financial Reports

- All figures below are in Korean won (KRW).
- Ancillary revenue and other revenue disclosed for the group was KRW 119,600,000,000 for 2019, which represents a 21% increase above 2018.
- The airline promotes the following ancillary revenue generating activities at its website:
 - Advance seat assignment.
 - Air café.
 - Coat/baggage storage at airport.
 - Empty seat next to you.
 - Hotel, car hire, and activities booking.
 - Inflight shopping.

	<ul style="list-style-type: none"> - J Pass subscription program of benefits: priority check-in, boarding, and baggage, access to sale fares, 3 annual lounge passes, and zone A seat assignment at the airport. - JJ Lounge at Seoul Incheon International Airport. - Pre-booked baggage. - Premium Class with wider seats, meals, and amenity kit. - Pre-ordered meals. - Refresh Point frequent flyer program. • Jeju Air provided additional sales detail for these ancillary revenue categories: <ul style="list-style-type: none"> - Additional baggage: KRW 24.8 billion. - Other a la carte services including advance seat assignment: KRW 15.6 billion. - Air café: KRW 8.2 billion. - Onboard duty free: KRW 2.9 billion. <p>Effective April 2019, the lowest priced fare no longer included a checked bag on all routes.</p> <ul style="list-style-type: none"> • Operating revenue disclosed for 2019: KRW 1,376,135,000,000.
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Historical and Projected Total Ancillary Revenue

2018 Financials	\$88,696,584
This yearbook (2019)	\$102,811,760
Projected for 2020	\$82,088,233

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Jetstar Group

Source and Type	Multiple ancillary revenue activities (estimate based upon disclosure of past performance)
Ancillary Revenue	\$657,930,558
As a % of Revenue	23.9%
Dollars per Passenger	\$26.32
Financial Period	Fiscal year ended 30 June 2019
Total Revenue	\$2,757,517,957
Passengers	25,002,000 Jetstar domestic and international
Information Source	Qantas Airways Limited Annual Report, for the year ended 30 June 2019, Qantas Data Book 2019, and Qantas Investor Day 19 November 2019

Ancillary Revenue
Definitions and Other
Notes from Financial
Reports

- All figures below are in Australian dollars (AUD).
- Total FY 2019 passenger traffic is:
 - Australia domestic: 14,153,000.
 - International: 6,386,000.
 - Jetstar Asia: 4,463,000.The total of the above is 25,002,000.
- Jetstar is the Qantas Group's low cost airline brand. It is a value-based, low fares network of airlines operating primarily in leisure market segments. Jetstar consists of Jetstar Domestic and Jetstar International (including New Zealand based domestic operations). Jetstar also has holdings in Singapore-based Jetstar Asia, Vietnam based Jetstar Pacific and in Jetstar Japan.
- For FY 2016 IdeaWorksCompany estimated per passenger ancillary revenue to be AUD 33.71 based upon published executive interviews in which growth rates were referenced. For FY 2017, the rate was estimated to be AUD 35 per passenger, and the same rate was used for FY 2018.
- In the Qantas Group 2019 Investor Presentation, the following annual growth rates were provided for Jetstar's ancillary revenue:
 - FY2017 to FY2018: 1% increase, which is comparable to the "no increase" assumed by IdeaWorksCompany.
 - FY2018 to FY 2019: 8% increase, which yields an AUD 37.80 result.
 - FY2019 to FY2020: Projected 8% increase.
- Multiplying the AUD 37.80 rate by passenger traffic generates total ancillary revenue of AUD 945,075,600.
- Jetstar noted these ancillary revenue activities for FY 2019:
 - Customers choosing the "+3kg carry-on baggage" option (which is an upgrade from the standard 7kg carry-on baggage to 10kg) numbered 600,000 for FY2019. This feature was changed to a "+7 kg carry-on baggage" option during the latter part of 2019.
 - Membership in the Club Jetstar subscription program was 372,000 (+37% growth), with total program savings to members of AUD 30 million in fares, seat selection and baggage. With an annual membership fee of AUD 55, this represents AUD 20,460,000.
 - Baggage, meal selection and flexibility options were reviewed and optimized within the fare bundles.
 - "Manage My Booking" customer account feature was improved.
 - 73% of bookings with Jetstar now add an ancillary revenue product (take rate).
- Digital channel statistics for FY 2019:
 - 70% direct channel share.

- 216 million website visitors per year.
- 800,000 active mobile app users each month.
- Sources of ancillary revenue include:
 - Activity and day tour bookings.
 - Airport transfers.
 - Call center booking fee.
 - Car hire bookings.
 - Catering.
 - Checked baggage.
 - Club Jetstar (savings subscription).
 - Comfort packs.
 - Extra leg room seating and seat assignment.
 - Extra 7 kg for carry-ons – supplement.
 - Faxed itinerary, mailed itinerary.
 - Hotel bookings.
 - Inflight entertainment.
 - Jetstar MasterCard (Australia).
 - Prepaid extra baggage.
 - Pricing bundles.
- The estimate was provided to Jetstar management prior to publication of this report. The company did not confirm or deny the accuracy of the estimate.
- Jetstar Group had total revenue of AUD 3,961,000,000 for FY 2019.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$641,530,404
This yearbook (2019)	\$657,930,558
Projected for 2020	\$283,190,903

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Jin Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$51,233,954
As a % of Revenue	6.5%
Dollars per Passenger	\$5.91
Financial Period	Calendar year ended 31 December 2019
Total Revenue	\$782,435,317
Passengers	8,663,000
Information Source	Jin Air 4 th Quarter 2019 Earnings Release (English)

Ancillary Revenue
Definitions and Other
Notes from Financial
Reports

- All figures below are in Korean won (KRW).
- The company started releasing an English version of its earnings release in 2018. The following sources of revenue were disclosed for 2019:
 - Onboard sales: KRW 4.2 billion.
 - Excess baggage: KRW 9.0 billion.
 - Ticket related fees (includes reservation fee): KRW 27.9 billion.
 - Assigned seat sales: KRW 6.2 billion.
 - Bundle sales: KRW 1.5 billion.
 - Other ancillary (includes extra leg room seats, advertising, and others): KRW 10.8 billion.
 Total ancillary revenue for 2019 is KRW 59,600,000,000. One checked bag is allowed per passenger.
- The airline offers the following onboard and ticket-related services:
 - Branded fares (Basic, Smart, and Smart Plus).
 - Buy on board café with hot entrees.
 - Bundled service (seat assignment, excess baggage, and snack pack) offers up to 50% savings.
 - Duty-free goods.
 - Inflight app for movies and wifi (no charge on domestic Korea flights).
 - Paid seat assignment (extra leg room seats, front of cabin, exit row, and aft cabin).
 - Pre-order meals.
- The airline offers these ancillary revenue services:
 - Activity booking.
 - Frequent flyer program.
 - Holiday packages.
 - Hotel and car hire booking.
- Jin Air operates a point based frequent flyer program called Nabi.
- Operating revenue disclosed for 2019: KRW 910,200,000,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$48,567,664
This yearbook (2019)	\$51,233,954
Projected for 2020	\$20,140,832

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Nok Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$92,921,066
As a % of Revenue	14.3%
Dollars per Passenger	\$9.44
Financial Period	Calendar year ended 31 December 2019
Total Revenue	\$651,592,122
Passengers	9,840,000
Information Source	Nok Airlines Public Company Limited, Annual Report 2019 and Management Discussion and Analysis for the year 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Thai baht (THB). • Results include subsidiaries Nok Holidays and NokScoot Airlines (consolidated). • Nok offers 3 fare types: <ul style="list-style-type: none"> – Lite: No checked bag, however Nok Smile Plus members may check a 10 kg bag free of charge. Bottle of water is provided to all passengers. – X-tra: Checked bag plus other features. – Max: Checked bag, hot meal, and other features. • Primary distribution channels, and the share of revenue for each in 2019 were: <ul style="list-style-type: none"> – Website and mobile: 46.1% – Call center: 2.2% – Airport counter: 4.8% – Travel agency: 7.1% – Convenience stores: 0.51% <p>Nok did not provide details for the remaining distribution channels.</p> • Ancillary revenues (consolidated) of THB <u>2,847,720,000</u> were disclosed for 2019, and are defined to include checked baggage, overweight baggage, ticket reservation fees, payment fees, travel changes, and sales of snacks and souvenirs, etc. • The company disclosed Nok passenger traffic of 8,250,000 for 2019 (separated financial statements). This was combined with NokScoot results to generate a combined result of 9,840,000 passengers. • Total consolidated revenue for 2019 was THB 19,969,120,000.
Historical and Projected Total Ancillary Revenue	
2018 Financials	\$77,497,168
This yearbook (2019)	\$92,921,066

Projected for 2020	\$55,065,414
<i>Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.</i>	

Philippine Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$208,979,221
As a % of Revenue	6.9%
Dollars per Passenger	\$12.47
Financial Period	Calendar year ended 31 December 2019
Total Revenue	\$3,018,591,496
Passengers	16,761,050
Information Source	SEC Form 17-A for PAL Holdings, Inc.
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in Philippine pesos (PHP). Results include PAL Express. Philippine Airlines disclosed “ancillary” revenue of <u>PHP 10,698,687,000</u> for 2019. The reference was not further defined; however, cargo was disclosed as a separate item. Philippine Airlines lists the following a la carte activities at its website: <ul style="list-style-type: none"> Buy-on-board boutique. Choice Seats, which offer seat assignments in the front of the cabin and extra leg room seats. Excess baggage. Inflight oxygen. myPAL pocket wifi access. Paid lounge access. Premium economy seating. Swingaround hotel and air bookings. Ticket office service fee. Travel insurance. Unaccompanied minor travel. <p>The airline provides complimentary meal service for economy class passengers.</p> <ul style="list-style-type: none"> Revenue for 2019 was PHP 154,536,731,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$216,823,125
This yearbook (2019)	\$208,979,221
Projected for 2020	\$104,521,935

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

PIA Pakistan Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$78,759,448
As a % of Revenue	7.8%
Dollars per Passenger	\$14.89
Financial Period	Calendar year ended 31 December 2019
Total Revenue	\$1,011,520,649
Passengers	5,290,000
Information Source	Annual Report 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in Pakistan rupees (PKR). PIA disclosed ancillary revenue of <u>PKR 12,819,764,000</u> for 2019 consisting of the following activities: <ul style="list-style-type: none"> Excess baggage: PKR 1,000,643,000. Room, food and beverage sales: 11,819,121,000. PIA owns 90% of the Scribe Hotel (213 guest rooms) in Paris, 100% of the Roosevelt Hotel (1,025 guest rooms) in New York City, and the Karachi Airport Hotel. These properties represent the majority of room, food, and beverage sales. Revenue for 2019 was PKR 164,646,354,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	No data
This yearbook (2019)	\$78,759,448
Projected for 2020	\$39,387,253

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Qantas Airways

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$1,151,460,414
As a % of Revenue	11.8%
Dollars per Passenger	\$37.37
Financial Period	Fiscal year ended 30 June 2019 (FY 2019)
Total Revenue	\$9,749,820,499

Passengers	30,811,000 (excludes Jetstar)
Information Source	Qantas Airways Limited Annual Report for the year ended 30 June 2019, Qantas Data Book 2019, and Qantas Investor Day 19 November 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Australian dollars (AUD). • These results include Qantas Domestic, Qantas International, and Qantas Loyalty. Jetstar is the low fare affiliate of Qantas; please see the separate listing. • Qantas disclosed the following traffic for FY 2019: <ul style="list-style-type: none"> – 21,989,000 Australia domestic passengers. – 8,822,000 international passengers. Total passengers for period: 30,811,000. • The results listed below are for the Qantas Group which includes Qantas (excludes Jetstar). However, Jetstar's contribution to Qantas Loyalty results are not separated from the consolidated results. • The airline made an unusual disclosure about the revenue received from various airline relationships. During FY 2019 Qantas realized the following revenue: <ul style="list-style-type: none"> – AUD 1.1 billion: Joint business agreements with American, China Eastern, and Emirates. – AUD 1.1 billion: Codeshare partnerships to include oneworld. – AUD 300 million: Regular interline relationships. • Digital channel statistics for 2019: <ul style="list-style-type: none"> – 60% direct channel share (Australia only, excludes corporate business). – 235 million website visitors per year. – One million active mobile app users each month. • Qantas Group has a collection of businesses which can qualify as ancillary revenue: <ul style="list-style-type: none"> – Qantas Insurance: Health, auto, life and travel insurance for frequent flyers. – Qantas Hotels: Accommodation booking service with 700,000 bookings during FY 2019. – Qantas Money: Co-branded credit cards. – Qantas Wine: Wine subscriptions and sales which accrue points. • Qantas Loyalty (operator of the Qantas Frequent Flyer program) had revenue (essentially billings) of <u>AUD 1,654,000,000</u> for FY 2019. This represents the company's sole ancillary revenue disclosure. Qantas Loyalty was founded in 1987 and was established as a separate segment in 2007. • Qantas Loyalty highlights for the fiscal period include: <ul style="list-style-type: none"> – 12.9 million members, representing 50% of Australia's population. – 2.7 mobile app downloads.

- Approximately 5 million rewards redeemed annually.
- Only program globally having all major banks as co-branded card issuers in home market.
- Approximately 35% of card spend in Australia is on Qantas Points earning credit cards. Source: Qantas internal analysis based on Reserve Bank of Australia credit card statistics as of Aug 2019.
- More than 100 billion Qantas Points expected to be redeemed in FY2020 with more than 80% for flights and hotels.
- Between 20 June and 11 November 2019: 20% growth in Classic Reward flight redemptions, 28% growth in high-value international premium cabins redemptions, and approximately 300,000 seats redeemed by members with no Classic Reward activity in the prior 18 months.
- Qantas Business Rewards, a loyalty program for small and medium enterprises, has 270,000 members, who annually generate more than AUD 1 billion airline revenue for Qantas.
- The group did not specifically disclose ancillary revenue activity for FY 2019, which includes checked baggage, assigned seating, extra leg room seating, duty-free merchandise, commissions on travel services such as hotel and car rental bookings, and advertising revenue.
- Total group revenue for FY 2019 was AUD 17,966,000,000; excluding Jetstar revenue of AUD 3,961,000,000 yields net Qantas Airways revenue of AUD 14,005,000,000.
- 2018 Commentary (see data below): Loyalty program revenue was higher for 2018 and the carrier disclosed advertising revenue (which was not described for 2019).

Historical and Projected Total Ancillary Revenue

2018 Financials	\$1,255,877,286
This yearbook (2019)	\$1,151,460,414
Projected for 2020	\$481,412,396

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Rex Regional Express

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$890,398
As a % of Revenue	0.4%

Dollars per Passenger	\$0.70
Financial Period	Fiscal year ended June 30, 2019
Total Revenue	\$221,136,789
Passengers	1,271,000
Information Source	Annual Report for the financial year ended June 30, 2018 and fiscal year 2019 Financial Results Presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Australian dollars (AUD). • Results include Rex Regional Express and Pel-Air Aviation. • Rex sells the following services to passengers: <ul style="list-style-type: none"> – Andrew’s Airport Parking. – Annual memberships for its airport lounge in Sydney. – Business Flyer reward program. – Hotel accommodations, transfers, and travel insurance at its website. – Priority Baggage at AUD 5.50 per kg guarantees carriage of baggage on any flight, even when bag offloads are required for operational reasons. – “Rextra” extra leg room seating at the exit row and bulkhead. – Safe Hand Baggage allows passengers to be in possession of their checked bag up until the time of boarding the aircraft and immediately after arrival for a fee of AUD 50. – Service fees are charged for payment made by credit card. – Surcharge for bookings via website (1%), Rex call center (2%), and travel agents (AUD 1 per sector). • The carrier disclosed revenue of <u>AUD 1,279,000</u> from “other passenger services and amenities.” • Revenue for FY 2019 was AUD 317,649,000. • 2018 Commentary (see data below): Revenue from other passenger services and amenities was substantially higher for 2018.
Historical and Projected Total Ancillary Revenue	
2018 Financials	\$1,926,024
This yearbook (2019)	\$890,398
Projected for 2020	\$345,306
<p><i>Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.</i></p>	

Scoot

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$247,737,840 (estimate based upon disclosure of past performance)
As a % of Revenue	20.0%
Dollars per Passenger	\$23.70
Financial Period	Fiscal year ended 31 March 2020 (FY 2019/2020)
Total Revenue	\$1,238,689,201
Passengers	10,454,000
Information Source	Singapore Airlines 2019/2020 Annual Report and “Interview: Lee Lik Hsin, chief executive, Scoot” dated 11 September 2017 at <i>Flight Airline business</i>
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Singapore dollars (SGD). • Scoot is a low cost carrier wholly owned by Singapore Airlines. • Singapore Airlines did not disclose actual ancillary revenue for Scoot for FY 2019/2020. However, Lee Lik Hsin, CEO of Scoot, commented in a <i>Flight Airline Business</i> article (2017) that ancillary revenue currently accounts for 20% of its total revenue. This 20% rate was applied to FY 2018/2019 and FY 2019/2020. FY 2019/2020 ancillary revenue is estimated at <u>SGD 336,120,000</u>. • Scoot lists the following a la carte activities at its website: <ul style="list-style-type: none"> – Assigned seating fees. – BoardMeFirst early boarding. – Buy-on-board café. – Call center bookings. – Checked baggage. – Commission-based products: SIM card, entry visa, insurance, hotel, car rental, airport transfer. – Duty-free merchandise. – Economy fare bundles: Fly, FlyBag, and FlyBagEat. – Extra Cabin Bag provides an additional 7 kg allowance (only offered on 787 aircraft). – Extra leg room seating. – Scoot-in-Style Package includes Singapore Airport lounge access and early boarding. – Wifi access. • Scoot’s popular premium inflight offering ScootBiz was renamed ScootPlus. The inflight components of ScootPlus remain unchanged, except for the replacement of the ScooTV streaming inflight entertainment option with a 30MB inflight wifi data session. This change was based on the results of a social media survey, which revealed that an

	<p>overwhelming 80% of Scoot customers preferred to have internet connectivity during their flights.</p> <ul style="list-style-type: none"> • Scoot eliminated all applicable payment processing fees for all bookings on its direct channels such as its website and mobile app. • Revenue for FY 2019 was SGD 1,680,600,000.
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Historical and Projected Total Ancillary Revenue

2018 Financials	\$245,850,027
This yearbook (2019)	\$247,737,840
Projected for 2020	\$93,411,613

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Singapore Airlines

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$653,027,866
As a % of Revenue	6.9%
Dollars per Passenger	\$31.24
Financial Period	Fiscal year ended 31 March 2020 (FY 2019/2020)
Total Revenue	\$9,521,234,736
Passengers	20,906,000
Information Source	Singapore Airlines 2019/2020 Annual Report and Financial Results Briefing dated 06 November 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Singapore dollars (SGD). • These results exclude subsidiaries Silk Air and Scoot. • Singapore Airlines did not disclose actual ancillary revenue for FY 2019/2020. However, in its 06 November 2019 results briefing, it did make disclosures during the presentation, which are not reflected in its financial filings: <ul style="list-style-type: none"> – KrisFlyer frequent flyer program: SGD 700 million (\$609 million) was generated during fiscal 2018/2019; this result has not been disclosed before. For the first half of 2019/2020 the year-over-year increase was 18%. Accordingly, the 2019/2020 result was assumed to increase 18% to SGD 826 million. – KrisShop e-commerce retailer: The company acquired 70% of KrisShop during the fiscal year. KrisShop is being developed to offer retail distribution far beyond the aircraft cabin. The company expects current fiscal year revenue to be SGD 60 million (30% above prior fiscal year).

	<p>Disclosed ancillary revenue is represented by the combination of these activities: <u>SGD 886,000,000</u>.</p> <ul style="list-style-type: none"> • Loyalty marketing activities represent more than 93% of total ancillary revenue. • KrisFlyer has 4.6 million members; program revenue per member is SGD 180 (US\$133). • Revenue for FY 2019 was SGD 12,918,000,000.
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Historical and Projected Total Ancillary Revenue

2018 Financials	No data
This yearbook (2019)	\$653,027,866
Projected for 2020	\$263,770,158

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

SpiceJet

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$150,265,988
As a % of Revenue	7.8%
Dollars per Passenger	\$7.50
Financial Period	Fiscal year ended 31 March 2020 (fiscal 2019/2020)
Total Revenue	\$1,916,858,852
Passengers	20,035,000
Information Source	SpiceJet FY 2019/2020 Q4 Investor Presentation and Annual Report 2018/2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in India rupees (INR). • SpiceJet defines ancillary revenue as: Preferred seating, Spice Max, insurance, meals, Spice Vacations, lounge, visa, cab, cargo, and onboard merchandise. • The company offered an expanded description of these three ancillary revenue initiatives: <ul style="list-style-type: none"> – SpiceClub is the carrier’s frequent flyer program with points accrued for flight and a la carte purchases. – SpiceScreen offers movies, television shows, and videos viewable onboard through a mobile phone. – In addition to this, the launch of niche products and services such as YouFirst (priority check-in, priority baggage), combo products like seat + meal, visa, gift cards, MyFlexi Plan have received positive responses from customers.

- SpiceVacations.com offers customized travel packages for both business and leisure travelers at competitive prices. Spice Experiences is the recently launched activities portal platform on SpiceVacations to offer a wide range of destination-specific activities, airport transfers and local transport to customers.
- Ancillary revenue was disclosed by the airline in its 4th qtr. FY 2019/2020 investor presentations: INR 12,159,000,000. The carrier’s revenue disclosure is composed of ancillary revenue and air cargo. IdeaWorksCompany does not define air cargo as ancillary revenue and believes ancillary revenue is overstated due to the inclusion of air cargo revenues. Accordingly, this amount was reduced by INR 1,806,250,000 (representing the freighter and logistics disclosure for the current fiscal year). Net ancillary revenue for FY 2019/2020 is INR 10,352,750,000.
- The airline carried 22,000,000 domestic passengers and 2,800,000 international passengers, for a total of 24,800,000 passengers.
- Total revenue for the fiscal year ended 31 March 2020 was INR 132,064,220,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$85,438,486
This yearbook (2019)	\$150,265,988
Projected for 2020	\$85,953,790

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Spring Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$109,455,829
As a % of Revenue	5.1%
Dollars per Passenger	\$4.89
Financial Period	Calendar year ended 31 December 2019
Total Revenue	\$2,160,441,653
Passengers	22,392,500
Information Source	Spring Airlines Annual Report for 2019
Ancillary Revenue Definitions and Other	<ul style="list-style-type: none"> • All figures are in China yuan (CNY). The company’s listing number on the Shanghai stock exchange is 601201.

Notes from Financial Reports	<ul style="list-style-type: none"> • The document was published in Chinese. The following translations may be helpful for finding information: <ul style="list-style-type: none"> – Revenue: 收入 – Ancillary Revenue: 辅助收入 – Also called Auxiliary Business Income: 公司辅助业务收入 – Passenger Traffic: 旅客运输量 • Ancillary revenue for 2019 was <u>CNY 750,000,000</u> which represents an increase from 2018. • The company offers a number of products to enhance ancillary revenue: <ul style="list-style-type: none"> – Airport transfers. – Assigned seating (business seat, front of cabin, extra leg room, and standard). – Attraction tickets. – Excess baggage (and handbag only fares). – Holiday packages. – Hotel and car hire bookings. – Pre-order meals. – Spring Plus (20% to 40% more leg room in first rows, meals and beverages, total 30 kg baggage allowance, priority check-in and boarding, bonus SpringPass points. – SpringPass frequent flyer program. – Trip insurance. • Total revenue for 2019: CNY 14,803,517,124.
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Historical and Projected Total Ancillary Revenue

2018 Financials	\$92,199,973
This yearbook (2019)	\$109,455,829
Projected for 2020	\$84,825,866

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

SriLankan Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$104,415,379
As a % of Revenue	10.0%
Dollars per Passenger	\$18.44
Financial Period	Fiscal year ended 31 March 2019
Total Revenue	\$1,044,153,786

Passengers	5,663,000
Information Source	SriLankan Airlines Annual Report 2018/2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures are in Sri Lankan rupee (LKR). • In addition to the existing ancillary products of seat upgrade, prepaid baggage, extra legroom seats, advance seat reservation, order of special meals and car rental services, the company intends to offer live bidding for business class seats, travel insurance, and neighbor-free seating for economy class passengers during the upcoming financial year. • Apart from its main operation of inflight catering, SriLankan also manages/operates restaurant/lounges for transit passengers at BIA and Mattala International Airport (MRIA). As a part of its ancillary business activities the company manages/operates the Serenediva Transit Hotel and the industrial laundry. • Ancillary revenue was disclosed by the airline as surpassing 10% of company revenue; accordingly, the result is <u>LKR 18,409,704,000</u>. • FlySmiLes is the carrier's frequent flyer program, and it has 575,000 members. • The airline did disclose these individual activities in its annual report: <ul style="list-style-type: none"> – Airport restaurant: LKR 1,266,000,000. – Duty-free sales: LKR 882,000,000. – Excess baggage: LKR 1,074,220,000. • Total revenue for FY 2018/2019: LKR 184,097,040,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$20,659,610
This yearbook (2019)	\$104,415,379
Projected for 2020	\$53,080,423

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

T'way Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$64,042,442
As a % of Revenue	9.2%
Dollars per Passenger	\$7.00
Financial Period	Calendar Year 2019
Total Revenue	\$697,160,011

Passengers	9,154,000
Information Source	2019 Business Performance Presentation
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> All figures below are in Korean won (KRW). The airline disclosed total ancillary revenue for 2019 was <u>KRW 74,500,000,000</u>. T'Way Air offers these ancillary revenue services: <ul style="list-style-type: none"> Assigned seating. Bundles: Savings are offered when a la carte items are purchased together as a Double Pack, Triple Pack, or Multi Pack. Onboard shopping. Pre-order meals. Pre-paid baggage. Side seats: Hold up to 2 empty adjacent seats. T'Care: personal service from counter to boarding. Time hold/pay later: Fee for holding a booking for 7 days (domestic) or 14 days (international). Tour lounge in Saipan (book local car, hotel, tours). The following ancillary revenue results were disclosed for 2019: <ul style="list-style-type: none"> Baggage: KRW 19.8 billion. Inflight: KRW 12.5 billion. Other: KRW 34.6 billion. Seat assignment: KRW 7.6 billion. Total revenue for 2019 was KRW 811,000,000,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$53,864,322
This yearbook (2019)	\$64,042,442
Projected for 2020	\$31,270,823

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Vietjet

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$447,951,841
As a % of Revenue	25.2%
Dollars per Passenger	\$17.99
Financial Period	Calendar year ended 31 December 2019
Total Revenue	\$1,775,081,810
Passengers	24,900,000

Information Source	Vietjet Aviation Joint Stock Company Annual Report 2019 and Separate Financial Agreements for the Year Ended 31 December 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • Figures below are in Vietnamese dong (VND) and US dollars. • Vietjet’s “Key ancillary revenue activities” include baggage revenue and surcharges, cargo sales (cargo), aircraft sales (food, drinks, souvenirs) and advertising revenue. IdeaWorksCompany does not include cargo as a qualifying activity. • Vietjet disclosed ancillary revenue of VND 11,340,000,000,000 (includes cargo) for 2019, which represents a 36% increase above the 2018 result. • Cargo revenue for 2019 was disclosed as VND 929,826,666,157 in the Separate Financial Agreements for 2018. This was deducted from the ancillary revenue noted above to provide net 2019 ancillary revenue of <u>VND 10,410,173,333,000</u>. • Ancillary revenue with good profit margin is seen as one of the major sources of revenue in the next stages of development for the airline. Vietjet plans to provide passengers with diverse inflight services in order to increase ancillary revenue per passenger and increase the proportion of ancillary revenue in total annual revenue. • Growth in ancillary revenue was mainly contributed by checked baggage service, surcharges, inflight sales and on-board advertising revenue. In 2019, Vietjet boosted ancillary revenue by offering travel insurance and by diversifying inflight sale items. • The airline in its annual report listed these ancillary revenue sources: <ul style="list-style-type: none"> – Baggage. – Duty-free shopping. – Pre-ordered food. – Seat selection. – Shuttle bus between airport and central city. – Travel insurance. • The annual report also provided more detail on three a la carte services: <ul style="list-style-type: none"> – Lounges: Vietjet has a system of modern and luxury lounges at airports to serve Skyboss passengers. Passengers can relax, entertain, work and meet business partners in private spaces and with well-equipped facilities. – Buy-on-Board: Inflight meals served with a diversity of seasonal menus include nine hot dishes, instant food and snacks, accompanying more than 20 types of hot and cold drinks in European and Asian styles. In

	<p>addition, Vietjet also serves vegan and dietary meals specially ordered by passengers.</p> <ul style="list-style-type: none"> - Skyboss Upgrade: Vietjet provides many special services to leading passengers, including: priority check-in, luxury lounges, priority seat, flexible ticket, private transportation to aircraft, free inflight meals and beverage, free 30kg of checked baggage and one golf bag. • Operating revenue disclosed for 2019: VND 41,252,000,000,000 (passenger related revenue + ancillary revenue). This revenue excludes gains on the sale of aircraft.
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Historical and Projected Total Ancillary Revenue

2018 Financials	\$338,240,952
This yearbook (2019)	\$447,951,841
Projected for 2020	\$268,859,493

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Virgin Australia Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$819,388,699
As a % of Revenue	20.2%
Dollars per Passenger	\$33.06
Financial Period	Fiscal year ended 30 June 2019 (FY 2019)
Total Revenue	\$4,056,635,418
Passengers	24,786,063
Information Source	Virgin Australia Group Annual Report 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Australian dollars (AUD). • The Virgin Australia Group includes Virgin Australia Domestic, Virgin Australia International, and Tigerair Australia. • The airline disclosed “Other ancillary revenue” for FY 2018; this type of disclosure has not occurred for years. The airline offered this definition: “ancillary revenue comprises revenue earned from the provision of airline related services including reservation change fees, baggage charges and other additional services provided to passengers.” Other ancillary revenue for FY 2018 was AUD 793.8 million.

- Virgin Australia did not make a similar disclosure for FY 2019. The FY 2018 amount expressed on a per passenger basis (AUD 793.8 million divided by 24,786,063) is AUD 32 per passenger. This amount has been multiplied by FY 2019 passenger traffic to generate a result of AUD 793.2 million.
- Virgin Australia generates ancillary revenue through these activities:
 - Airport parking (some with valet service).
 - Airport transfers.
 - Bundled fares: Getaway, Elevate, Freedom.
 - Buy-on-board food (in addition to free offer).
 - Call center fee.
 - Car hire booking.
 - Credit card payment fees.
 - Cruise bookings.
 - Economy X (extra leg room seating, priority screening and boarding, plus more perks).
 - Event tickets.
 - Excess baggage (all fares include checked baggage).
 - Extra seat for personal comfort.
 - Hotel booking.
 - Lounge access.
 - Onboard retail menu (in addition to included food).
 - Trip insurance.
 - Virgin Australia Holidays.
 - Wifi (standard package is free on domestic flights).
- Virgin Australia results include the operations of Tigerair Australia, which had revenue of AUD 564,400,000 for FY 2019. A separate passenger traffic statistic was not disclosed.
- Virgin Australia does not own 100% of the Velocity Frequent Flyer Program.
- Reportable loyalty program revenue associated with the Velocity Frequent Flyer program was AUD 383.8 million for FY 2019 and this qualifies as ancillary revenue.
- Total FY 2019 ancillary revenue for Virgin Australia is AUD 1,177,000,000 and consists of these components:
 - Other ancillary revenue: AUD 793.2 million.
 - Velocity FFP: AUD 383.8 million.
- The Velocity program had 9.8 million members at the end of FY 2019.
- Annual revenue for the airline was AUD 5,827,100,000 for FY 2019.

Historical and Projected Total Ancillary Revenue

2018 Financials

\$863,267,535

This yearbook (2019)	\$819,388,699
Projected for 2020	\$293,691,873

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Non-Reporting Carriers for Asia and the South Pacific

The following airlines did not reveal ancillary revenue activity for the most recent full year period (additional search notes are also provided):

Air Do (Japanese only), Asiana, Biman Bangladesh, Cathay Pacific/Cathay Dragon, China Airlines, EVA Airways, Fiji Airways, Hainan Airlines (documents only in Chinese at Shanghai Exchange), Hong Kong Airlines (owned by HNA), Juneyao Airlines (documents only in Chinese), Korean Air, Lion Air, (privately held), Malaysia Airlines (no recent annual reports), Peach Aviation (owned by ANA), Silk Air, Solaseed Air (documents only in Japanese), Starflyer (documents only in Japanese), Thai Airways, Tigerair Taiwan, and Vietnam Airlines.

Carriers are invited to contact IdeaWorksCompany directly to provide feedback on the statistics provided in this report. Airlines also may directly disclose their ancillary revenue activities to IdeaWorksCompany for inclusion in next year's report. Please send your comments to Jay "at" IdeaWorksCompany.com.

Middle East and Africa

Air Arabia

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$153,052,689
As a % of Revenue	11.8%
Dollars per Passenger	\$12.75
Financial Period	Calendar year 2019
Total Revenue	\$1,295,711,096
Passengers	12,000,000
Information Source	Air Arabia Consolidated Financial Statements 31 December 2019 and Air Arabia Annual Report 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in UAE dirhams (AED). • The holding company owns 100% of Air Arabia (UAE), 40% of Air Arabia (Morocco), 40% of Air Arabia (Egypt), and 49% of Air Arabia (Jordan). In addition, the company holds shares in catering, travel companies, and hotels in the UAE. • The airline disclosed the following revenue sources: <ul style="list-style-type: none"> – Other airline related services: AED 273,028,000. – Service revenue: AED 173,292,000. – Revenue from hotel operations: AED 61,115,000. – Baggage revenue: AED 54,651,000. These total <u>AED 562,086,000</u>, which equals an “ancillary revenue as a % of revenue” rate of 11.8%, very close to the rate stated in a 2016 presentation (less the exclusion of cargo revenue). • The group announced it carried more than 12 million passengers in 2019; no additional details were offered. • Revenue for 2019 was AED 4,758,499,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$139,107,379
This yearbook (2019)	\$153,052,689
Projected for 2020	\$121,810,177

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Air Mauritius

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$31,892,574
As a % of Revenue	5.6%
Dollars per Passenger	\$18.50
Financial Period	Fiscal year ended 31 March 2019
Total Revenue	\$565,112,623
Passengers	1,724,000
Information Source	Air Mauritius Annual Report 2018/2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in euros. • The airline disclosed “Others” revenue of <u>€28,207,000</u> for 2019 which appears to qualify as ancillary revenue. This definition is offered: “Others include room revenue, sale of food and beverages and income from other normal hotel services as well as redemption of miles on customer loyalty program.” • The airline described the following ancillary revenue activities in its annual report (but did not disclose a revenue result): <ul style="list-style-type: none"> – The baggage policy was reviewed, coupled with a better control on excess baggage. – Charging for advance seat reservations was extended to standard seats, in addition to exit seats. – Marketing of the ancillary services was also being actively done through all channels. – New products will be introduced: Twin/Duo seat option will be offered and inflight wifi will be made available on all A350 and A330 aircraft. • The Kestrel frequent flyer program registered membership growth of 4% during the financial year 2018/2019 with about 16,000 new members. This indicates a prior year base of 400,000 members and 2018/2019 membership of 416,000. • Revenue for 2019 was €499,807,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	<i>No data</i>
This yearbook (2019)	\$31,892,574
Projected for 2020	\$12,951,296

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Emirates

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,927,297,481
As a % of Revenue	7.8%
Dollars per Passenger	\$34.29
Financial Period	Fiscal year ended 31 March 2020 (2019-2020)
Total Revenue	\$24,777,399,591
Passengers	56,200,000
Information Source	Annual Report 2019-20 of The Emirates Group for the period ended March 31, 2020
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in UAE dirhams (AED). • For the first time, Emirates disclosed ancillary revenue as a defined category. The following lists qualifying ancillary revenue activity described by the airline for FY 2019-20: <ul style="list-style-type: none"> – Defined ancillary revenue was AED 3.1 billion. – Excess baggage revenue was AED 478 million, which was described as a component of “core passenger revenue” which suggests the airline does not include it under the ancillary revenue category. – Travel Services (Dnata) revenue was AED 3.5 billion. This category includes Emirates Holidays. When Emirates acts as an agent between the service provider and the end customer, the net commission is recognized as revenue. This indicates the revenue figures for Travel Services and Consumer Goods represent commission revenue, and/or sales revenue on items purchased by the company. • The total of the qualifying activity listed above is <u>AED 7,078,000,000</u>. The amount does not include revenue activity related to the Skywards frequent flyer program. The group also has holdings in a diverse array of businesses worldwide: restaurants (such as Hudson’s Coffee outlets in Australia) and airline catering kitchens. These have not been included as contributing to ancillary revenue. • The company disclosed these results for FY 2019-20: <ul style="list-style-type: none"> – EmiratesRED was introduced as a dedicated inflight shopping channel for customers. – 20 million downloads of its mobile app (to date). – Skywards frequent flyer program has 25 million members. – Introduced Skywards Everyday, a location based app that gives members the power to earn Skywards Miles at more than 1,000 retail, entertainment and dining outlets across the UAE.

- Launched Rehlaty, a new travel brand designed by Emiratis for the Emirati traveler.
- Revenue for FY 2019-209 was AED 90,995,000,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$120,898,570
This yearbook (2019)	\$1,927,297,481
Projected for 2020	\$778,629,528

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

flydubai

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$153,573,860
As a % of Revenue	9.4%
Dollars per Passenger	\$16.00
Financial Period	Calendar Year 2019
Total Revenue	\$1,633,764,466
Passengers	9,600,000
Information Source	Statements on the 2019 Annual Results press release dated 04 March 2020
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in UAE dirhams (AED). • Ancillary revenue disclosed for 2019 was 8.9% (2018: 9.4%) of revenues or <u>AED 564,000,000</u>. Ancillary revenue items include: bundled fares, wifi, onboard sales, extra leg room seating, checked baggage, car rental, holiday packages, hotel bookings, and visa facilitation services. The definition also includes cargo, which IdeaWorksCompany does not consider a qualifying source. However, flydubai's narrow body aircraft limit the quantity of cargo carried; the amount is not believed to be meaningful. • Revenue for 2019 was AED 6,000,000,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$158,692,988
This yearbook (2019)	\$153,573,860
Projected for 2020	\$61,802,859

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Jazeera Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$27,058,327
As a % of Revenue	7.9%
Dollars per Passenger	\$11.27
Financial Period	Calendar Year 2019
Total Revenue	\$341,389,200
Passengers	2,400,000
Information Source	Jazeera Airways Group 2019 Annual Report
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Kuwait dinars (KWD). • Ancillary revenue includes revenue from the provision of checked baggage, allocated seating, change fees, inflight sales and cargo revenue. IdeaWorksCompany does not include cargo as a qualifying activity. • The calculation of Jazeera’s 2019 ancillary revenue total was derived as follows: <ul style="list-style-type: none"> – Defined ancillary revenue: KWD 7,806,089. – Less cargo revenue: (KWD 493,644). – Facility ancillary revenue: KWD 906,655 (Terminal 5). The total from the above is <u>KWD 8,219,100</u>. • The airline provided the following list of activities, for publication in the yearbook, which occurred during 2019: <ul style="list-style-type: none"> – Terminal 5 (operated by the airline) generated revenue of KWD 4.3 million from sources such as retail leases and advertising. 45% of available space has been leased. – The VIV Lounge was opened, and operates on a profit-sharing model. This is in addition to the existing Jazeera Pearl Lounge. – Customers can now choose from three fare categories in Economy Class: Light, Value or Extra. Each provides a set of services, including options to choose a preferred seat, meal, extra baggage, access to the business lounge and more. – Priority Service was introduced to provide passengers a faster travel experience with access to Priority Check-in, Priority Baggage and Priority Boarding. – The company launched its new holidays service, Jazeera Holidays, in partnership with Sharjah-based Cozmo Travel, offering travel packages to leading leisure destinations in the Middle East, India, and Europe.

	<ul style="list-style-type: none"> - Effective 01 January 2020, Jazeera Airways cancelled Business Class to become a full low-cost economy carrier, with the exception of flights to Cairo and LGW. This change provides better revenue opportunities with the availability of more high load factor economy seating. A large part of the Business Class associated costs were eliminated by cutting costs on lounge access, complimentary meals and others. • Revenue for 2019 was KWD 103,698,648.
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Historical and Projected Total Ancillary Revenue

2018 Financials	\$19,829,319
This yearbook (2019)	\$27,058,327
Projected for 2020	\$21,784,900

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Kenya Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$91,188,502
As a % of Revenue	7.3%
Dollars per Passenger	\$17.67
Financial Period	Calendar Year 2019
Total Revenue	\$1,249,157,565
Passengers	5,160,896
Information Source	Kenya Airways Annual Report and Financial Statement 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Kenya shillings (KES). • For 2018, Kenya Airways disclosed ancillary revenue (Other Revenue) in its annual report as KES 8,338,000,000, which represented 7.3% of airline revenue. The airline did not make a similar ancillary revenue disclosure for 2019; the 7.3% rate was applied to 2019 revenue. This generated 2019 estimated ancillary revenue of <u>KES 9,367,141,000</u>. • The airline offers the following ancillary revenue services: <ul style="list-style-type: none"> - Airport lounge access. - Airport transfers. - Assigned seating (extra leg room and preferred). - Book a ticket through call center or airport office. - Branded fares: Light, Smart, Standard, and Flex (began 2019). - Car rental.

- Duty-free merchandise.
- Economy Comfort class.
- Excess baggage with pre-booked discounts.
- Hotel booking and safaris.
- Pet transportation (cargo hold).
- Revenue for 2019 was KES 128,317,000,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$82,718,101
This yearbook (2019)	\$91,188,502
Projected for 2020	\$37,609,162

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Royal Jordanian

Source and Type	Checked baggage fees
Ancillary Revenue	\$9,740,480
As a % of Revenue	1.0%
Dollars per Passenger	\$2.95
Financial Period	Calendar Year 2019
Total Revenue	\$931,745,134
Passengers	3,298,000
Information Source	Alia - The Royal Jordanian Airlines Company Annual Report 2019 (Arabic) and Consolidated Financial Statements 31 December 2019
Ancillary Revenue Definitions and Other Notes from Financial Reports	<ul style="list-style-type: none"> • All figures below are in Jordanian dinars (JOD). • For 2018, Royal Jordanian disclosed ancillary revenue (الخدمات المضافة) in the Arabic edition of its annual report as JOD 6,180,000. Of this amount, JOD 5,257,000 can be attributed to excess baggage fees. • Ancillary revenue was not specifically disclosed for 2019, however baggage revenue of <u>JOD 6,906,000</u> qualifies as ancillary revenue • The following ancillary revenue activities were described in the annual report: <ul style="list-style-type: none"> - The airline introduced co-branded cards which provide airport lounge access. - The frequent flyer program has 430,000 members. - The Meet and Greet service at the Amman airport, provided by Tikram, accrues loyalty points.

- “Time to Think” was introduced as an a la carte service to allow customers 24 to 48 hours to hold a booking without payment.
- The Dead Sea Spa Resort was added as a point accruing loyalty partner.
- The airline lists the following “Travel Extras” at its website:
 - Excess baggage.
 - Lounge access.
 - Seat selection.
 - Car hire.
 - Hotel booking.
 - Meet & Greet.
- Revenue for 2019 was JOD 660,607,000.

Historical and Projected Total Ancillary Revenue

2018 Financials	\$8,716,502
This yearbook (2019)	\$9,740,480
Projected for 2020	\$3,845,107

Projection is based upon 2019 results for the airline adjusted for passenger traffic for 2020. Traffic data is calculated for each airline based upon Cirium Core, schedules (data filed August 31, 2020) which compares available seat kilometer statistics for full calendar years 2019 and 2020.

Non-Reporting Carriers for the Middle East and Africa

The following airlines did not reveal ancillary revenue activity for the most recent full year period (additional search notes are also provided):

Comair/Kulula, Egyptair, El Al, Etihad Aviation Group, Ethiopian, Fastjet, flyadeal (owned by Saudi Arabian Airlines), flynas (privately held), Jambojet (owned by Kenya Airways), Middle Eastern Airlines (only 2018 report was available during research time), Oman Air (only 2017 annual report was available during research time), Qatar Airways, Royal Air Maroc, Saudi Arabian Airlines (government owned), and South African Airways.

Carriers are invited to contact IdeaWorksCompany directly to provide feedback on the statistics provided in this report. Airlines also may directly disclose their ancillary revenue activities to IdeaWorksCompany for inclusion in next year's report. Please send your comments to Jay "at" IdeaWorksCompany.com.

Currency Exchange Rates Used for this Yearbook

Airlines usually disclose revenue in local currency. The overall reporting currency for this guide is the US dollar. The following exchange rates were used to convert amounts from local currencies to the US dollar.

Argentina peso (ARS)	= 0.02369
Australian dollar (AUD)	= 0.69617
Brazil reais (BRL)	= 0.26168
Canada dollar (CAD)	= 0.76179
China yuan (CNY)	= 0.14594
Danish kroner (DKK)	= 0.15148
euro (€)	= 1.13066
Great Britain pound (GBP)	= 1.26381
Hong Kong dollar (HKD)	= 0.12799
India rupees (INR)	= 0.01451
Japan yen (JPY)	= 0.00922
Jordanian dinars (JOD)	= 1.41044
Kenyan Shilling (KES)	= 0.00973
Korean won (KRW)	= 0.00086
Kuwait dinars (KWD)	= 3.29213
Malaysia ringgit (MYR)	= 0.24194
Mexican peso (MXN)	= 0.05242
Norway kroner (NOK)	= 0.11662
New Zealand dollar (NZD)	= 0.66736
Pakistan rupee (PKR)	= 0.00614
Philippine peso (PHP)	= 0.01953
Russian ruble (RUB)	= 0.01588
Sri Lankan rupee (LKR)	= 0.00567
Swedish kroner (SEK)	= 0.10710
Singapore dollars (SGD)	= 0.73705
Qatari riyal (QAR)	= 0.27473
Thai baht (THB)	= 0.03263
Turkish lira (TRY)	= 0.17712
UAE dirham (AED)	= 0.27229
US dollars (USD)	= 1.00000
Vietnamese dong (VND)	= 0.00004

Currency exchange rates are from XE.com, the Universal Exchange Converter.
As effective on 01 July 2019

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Reach Jay Sorensen direct at Jay@IdeaWorksCompany.com

