Travel Industry Update
June 3, 2020

Alaska Airlines burning $5.5 million in cash each day

- Despite cost cutting efforts, the airline is still burning $5.5 million in cash each day.
- Alaska Air Group said Thursday that last month it spent $170 million more than it took in. And that’s an improvement, down from $260 million in April, or $8.7 million per day. In March, the airline burned through $400 million.
- The airline set a goal of reducing the cash outflow to $200 million in June, and reaching zero cash burn by year’s end.
- Tuesday’s filing with the Securities and Exchange Commission indicates Alaska is ahead of the initial reduction plan, although the filing restates the same target.
- In May, with many of Alaska’s jets in storage on the ground, the number of seats the airline flew was approximately 79% below the levels of a year earlier. The jets it did fly were approximately 40% full.
- Seeing only “modest week over week improvements in demand,” Alaska said that it plans next month to continue to fly a reduced fleet, offering only 70% to 75% of the seat capacity it had a year ago.

Air Canada raises $1.59 billion (US$ 1,175,558,550) to offset loses

- The airline raised the cash from share and debt offerings.
- Chief financial officer Michael Rousseau says the financing proceeds help to restore Air Canada's liquidity strength after confinement measures and border shutdowns "destroyed demand and depleted cash."
- The CFO says a positive reaction from the public markets amounts to "a strong endorsement" of the airline's strength despite more than $1 billion in losses in the first quarter.

KLM adds flights to July schedule

- KLM Royal Dutch Airlines announced plans to boost its July route network and number of flights by 60% compared to the June schedule.
- Compared to the same month last year, KLM says it will operate only 25 to 30% of its normal flight schedule for July.
- In terms of cities served, the airline will fly to 78% of the destinations it had initially intended to serve during its July schedule.

Canada bans most cruises through October

- Canada has banned cruises and ferries carrying more than 100 people with overnight capacity in its waters through Oct. 31.
• The original ban, issued in March, stated that ships with more than 500 people aboard could not dock in the country until July 1.
• Starting July 1, it will be up to local authorities to set their own regulations on other passenger vehicles carrying under 100 people.