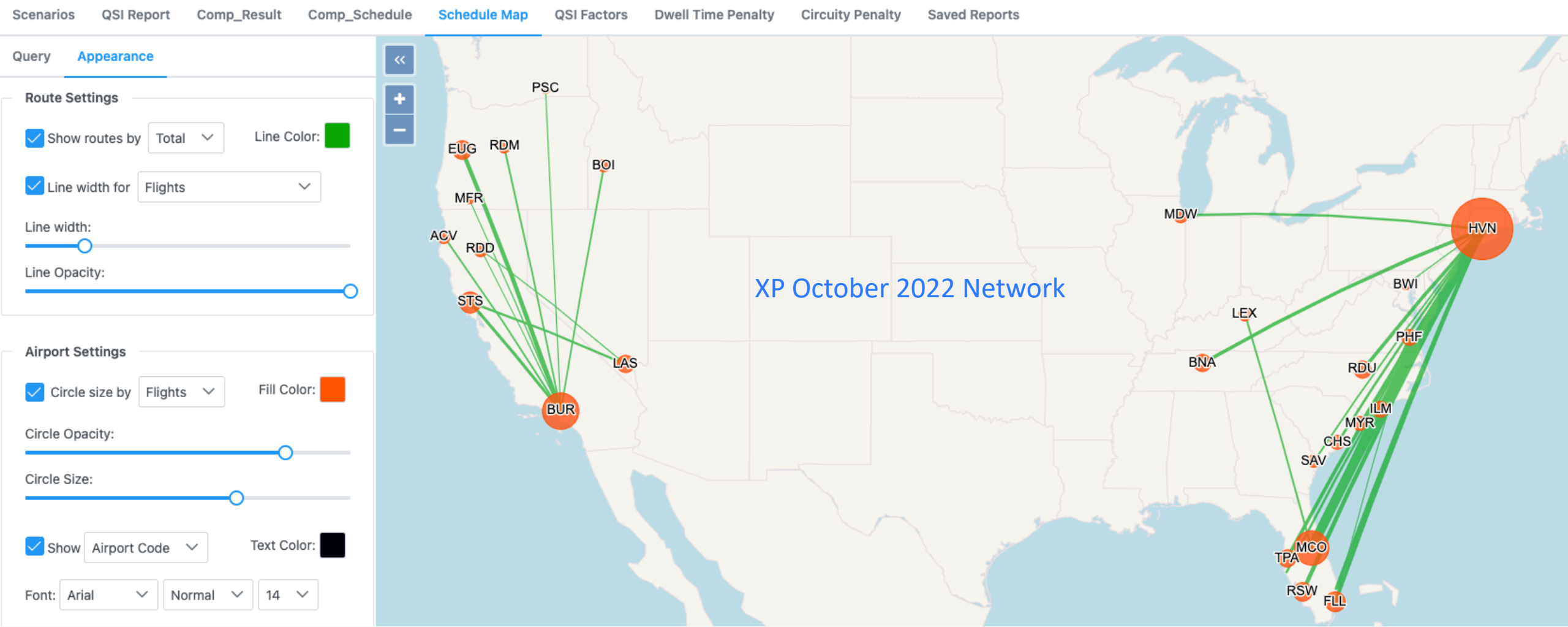




September 5th, 2022

Impact of Avelo's New Flights

Avelo (XP) is a US low-cost carrier starting scheduled operations in 2021 from Burbank (BUR) and New Haven (HVN)



Source: Avelo Oct. 2022 Schedule

For the coming fall season, XP has not much new capacity to add but shift flights from some markets to others

Schedule Difference

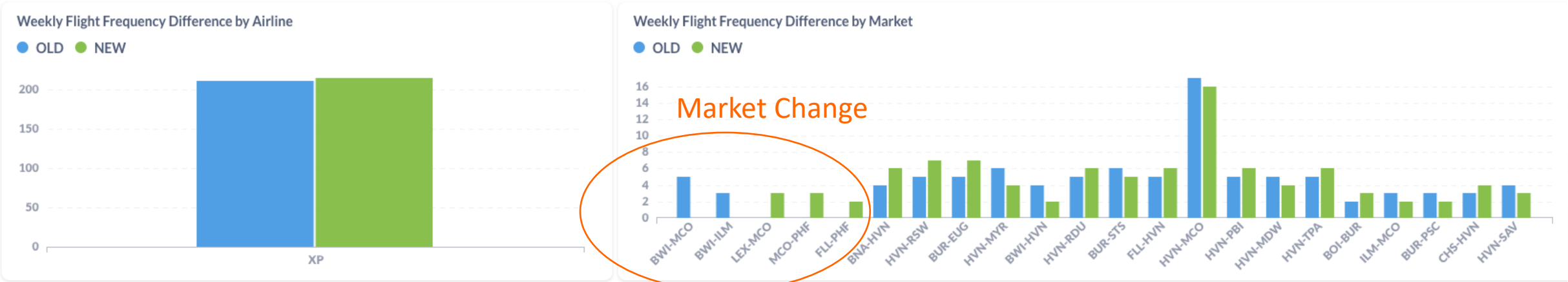
Origin Airport


Dest Airport

Mkt Airline

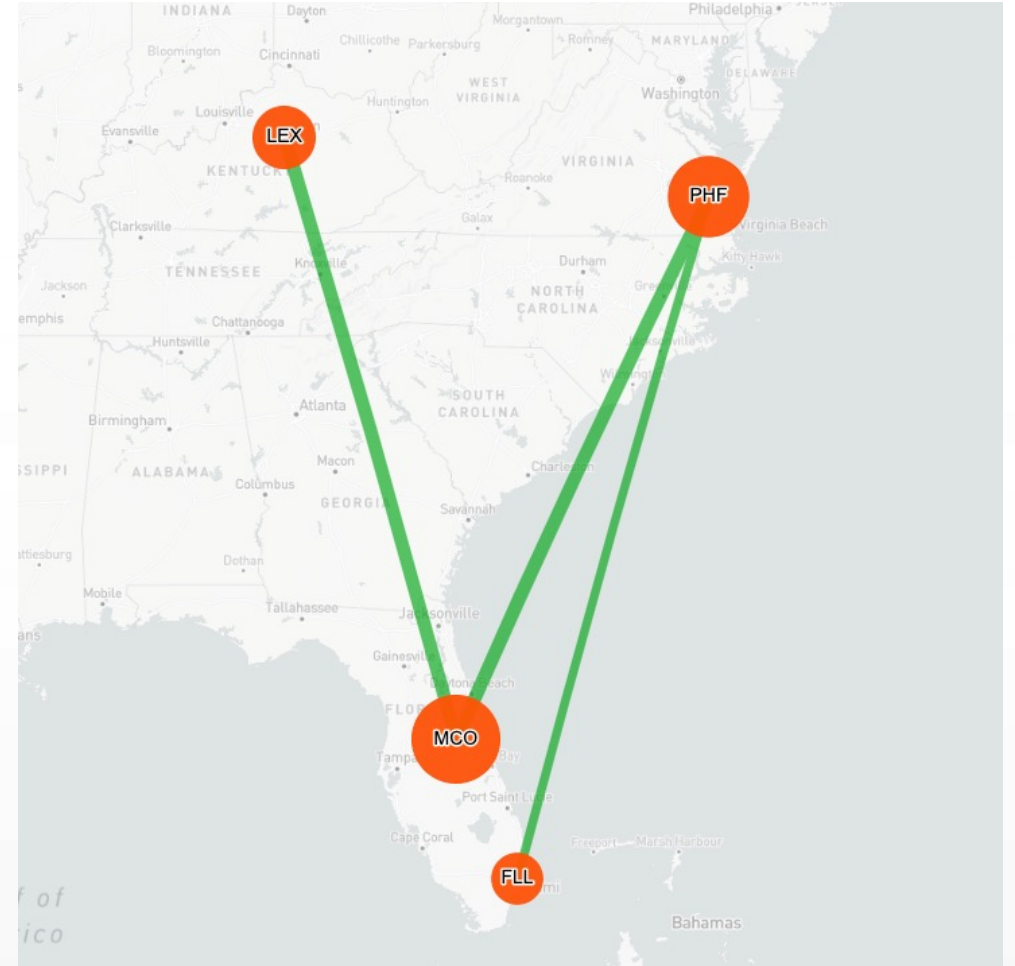
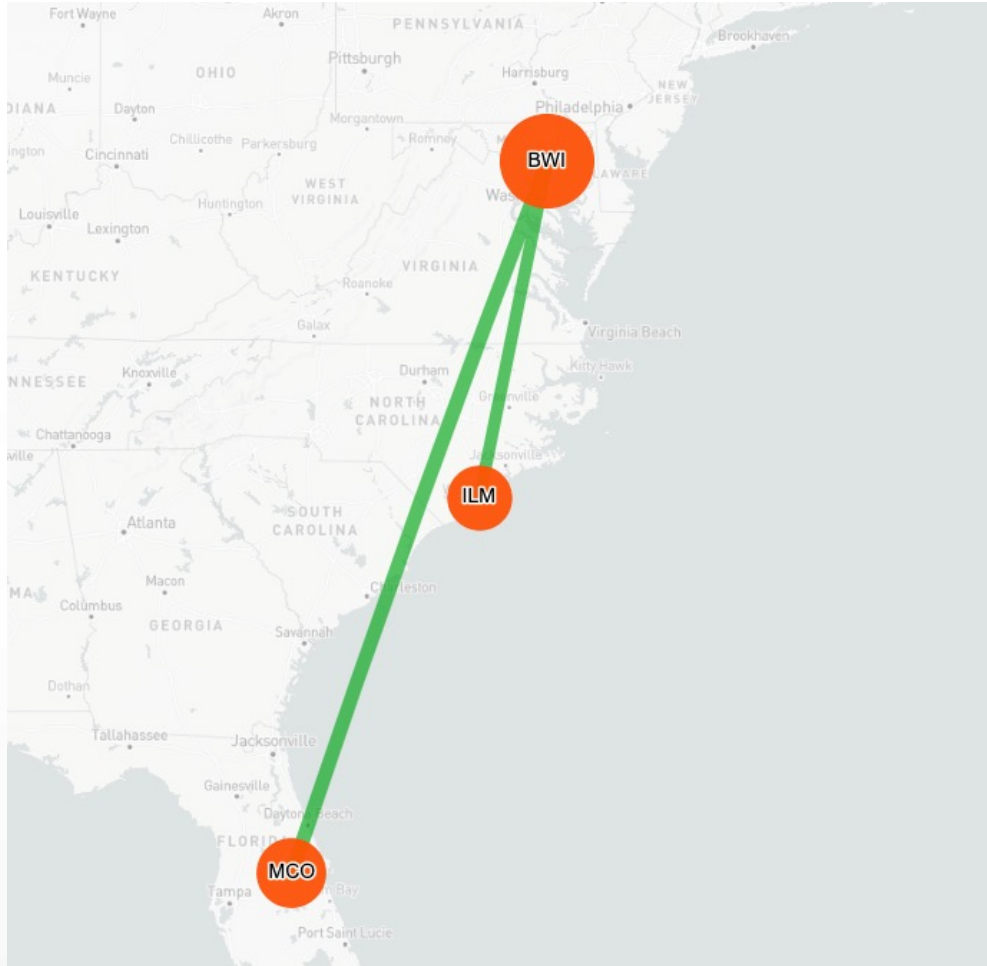
Opt Airline

Aircraft



Schedule Difference																	
	^ SOURCE	^ MKT_AL	^ OPT_AL	^ MKT_FLIGHT_NO	^ OPT_FLIGHT_NO	^ ORG	^ DST	^ VIA	^ EFFECTIVE_FROM	^ EFFECTIVE_TO	^ OPT_DAYS	^ LOCAL_DEP_TIME	^ LOCAL_ARR_TIME	^ ARR_OFFSET	^ FLYING_MINS	^ AIRCRAFT	^ !
New		XP	XP	196	196	ACV	BUR		2022-08-08	2022-08-14	2	1630	1825		115	737	
New		XP	XP	196	196	ACV	BUR		2022-08-08	2022-08-14	47	0930	1110		100	737	
Old		XP	XP	196	196	ACV	BUR		2022-08-08	2022-08-14	24	1300	1440		100	737	
Old		XP	XP	196	196	ACV	BUR		2022-08-08	2022-08-14	7	1435	1615		100	737	

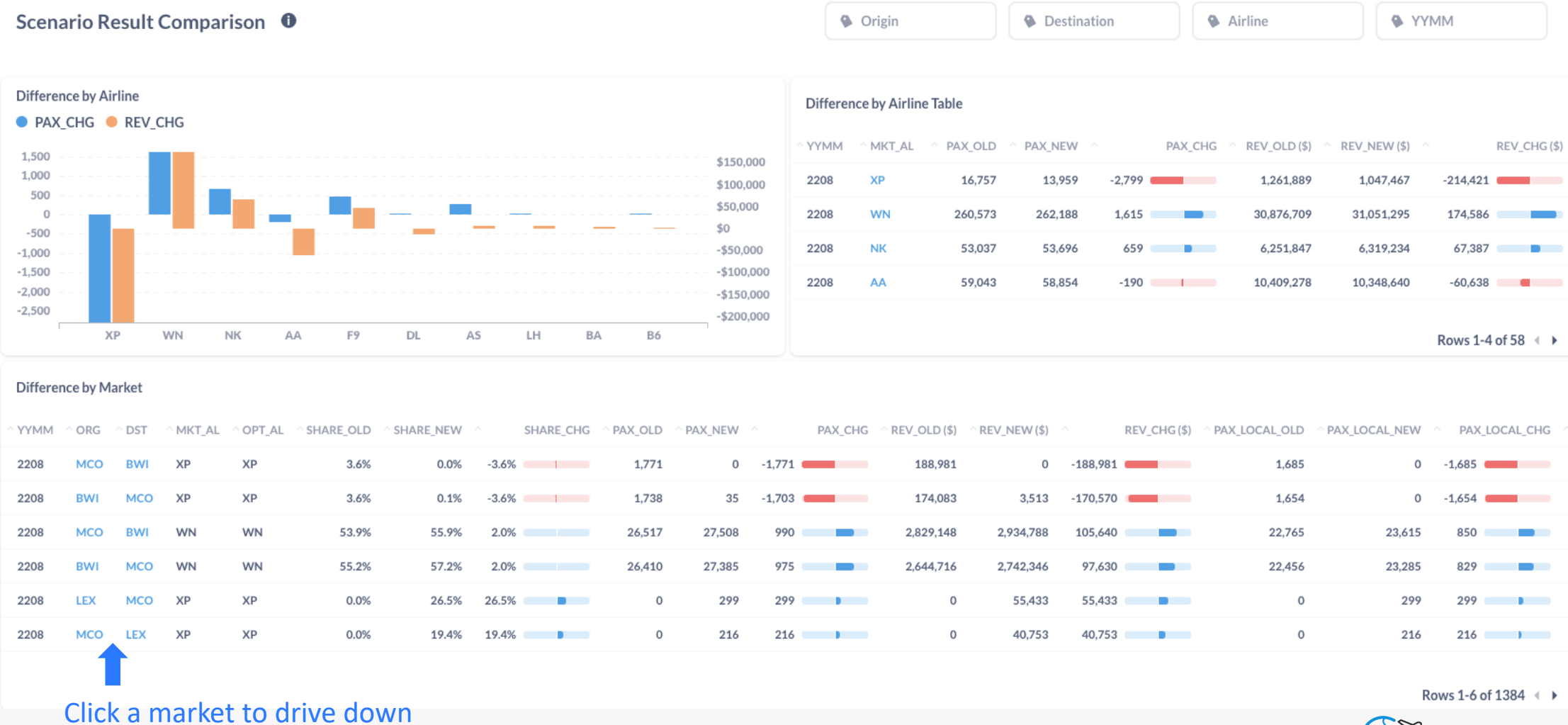
What is the impact when XP shifts flights from Baltimore, MD(BWI) to Newport News/Williamsburg, VA (PHF) and Lexington, KY (LEX)



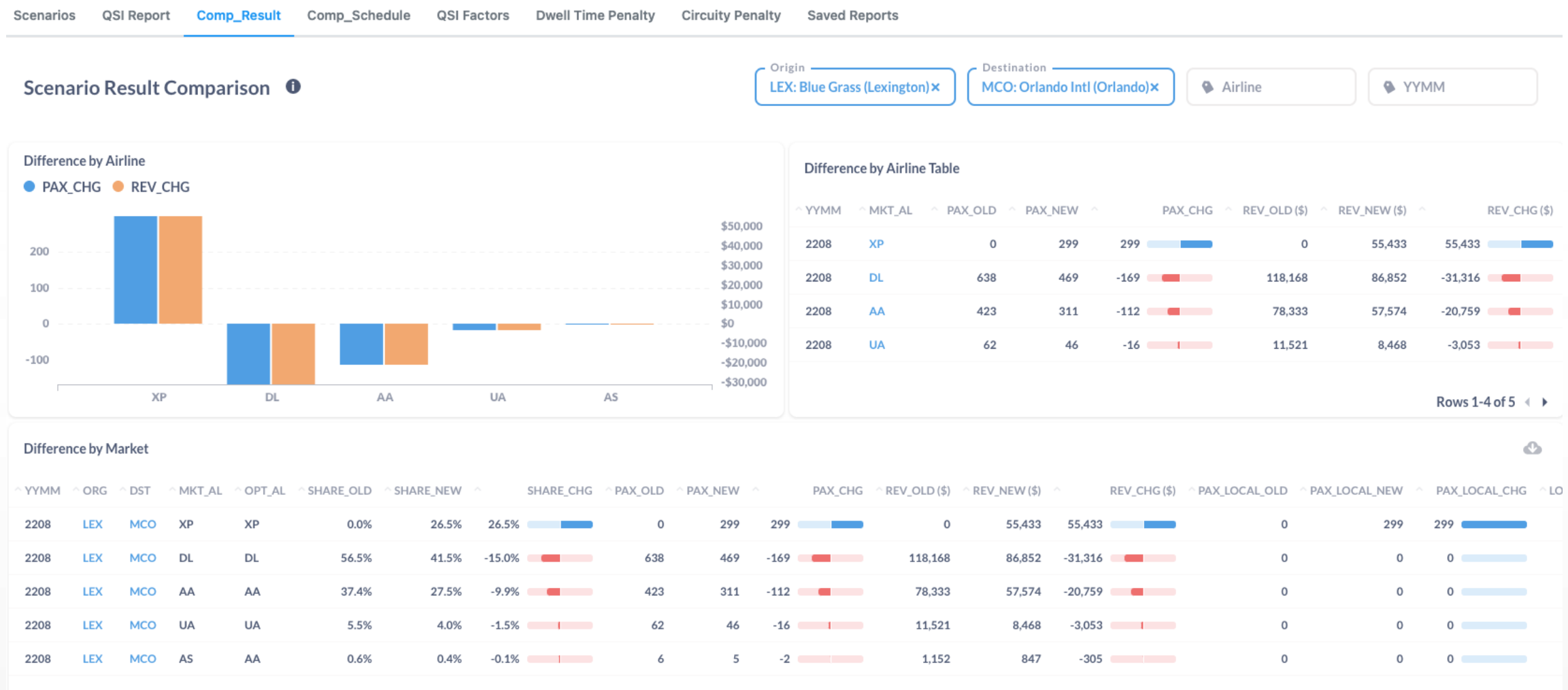
Source: Avelo Aug. 2022 Schedule and Oct. 2022 Schedule



If total market size were constant, XP would have lower total traffic and revenue because the BWI market is bigger than LEX and PHF



Using LEX-MCO as an example, XP will gain traffic from legacy carriers because it will be the only carrier offering non-stop services



Difference by Market

YYMM	ORG	DST	MKT_AL	OPT_AL	SHARE_OLD	SHARE_NEW	SHARE_CHG	PAX_OLD	PAX_NEW	PAX_CHG	REV_OLD (\$)	REV_NEW (\$)	REV_CHG (\$)	PAX_LOCAL_OLD	PAX_LOCAL_NEW	PAX_LOCAL_CHG
2208	LEX	MCO	XP	XP	0.0%	26.5%	26.5%	0	299	299	0	55,433	55,433	0	299	299
2208	LEX	MCO	DL	DL	56.5%	41.5%	-15.0%	638	469	-169	118,168	86,852	-31,316	0	0	0
2208	LEX	MCO	AA	AA	37.4%	27.5%	-9.9%	423	311	-112	78,333	57,574	-20,759	0	0	0
2208	LEX	MCO	UA	UA	5.5%	4.0%	-1.5%	62	46	-16	11,521	8,468	-3,053	0	0	0
2208	LEX	MCO	AS	AA	0.6%	0.4%	-0.1%	6	5	-2	1,152	847	-305	0	0	0

But Delta (DL) and American (AA) may keep their leading positions on LEX-MCO with lots of single connections if they match XP's price

Scenarios **QSI Report** Comp_Result Comp_Schedule QSI Factors Dwell Time Penalty Circuity Penalty Saved Reports

Origins Destinations

LEX

MCO

Travel Month: 08/2022

Standard Custom **QSI** ShareGap

Run Report

QSI Market Share Report

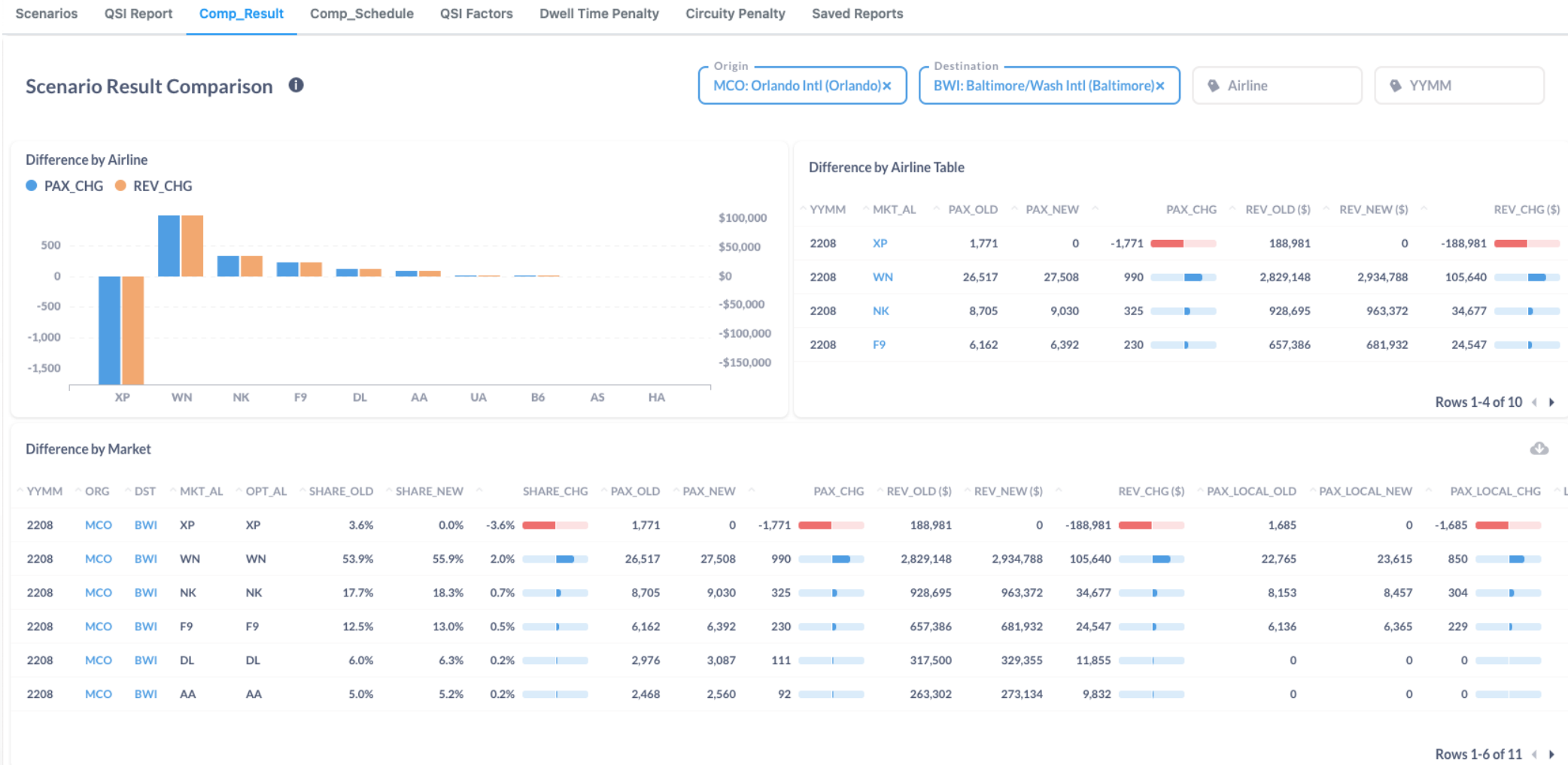
10 columns selected

 Show Details > 0.0%

Search keyword

DOM MKT AL	DOM OPT AL	ORG Country	DST Country	ORG	DST	Service Type	QSI Point	QSI Share
DL	DL	US	US	LEX	MCO	Single Connect	4.60	41.52%
AA	AA	US	US	LEX	MCO	Single Connect	3.05	27.52%
XP	XP	US	US	LEX	MCO	Non-stop	2.93	26.50%
UA	UA	US	US	LEX	MCO	Single Connect	0.45	4.05%
AS	AA	US	US	LEX	MCO	Single Connect	0.04	0.40%
							11.07	100.00%

Southwest (WN), Spirit(NK), and Frontier(F9) would benefit from XP's withdrawal from the BWI market



Source: Analysis of Avelo’s Schedule Change with Fligence Planning



A new non-stop service may stimulate more demand. More scenarios can be played with different assumptions

Scenarios

QSI Report

Comp_Result

Comp_Schedule

Schedule Map

QSI Factors

Saved Reports

QSI Factors

Dwell Time Penalty

Circuitry Penalty

Market Adjustment

System-wide Market Adjustment

Market Growth

0.0%

^

v

Fare Change

0.0%

^

v

Market Stimulation by New Service

Local Market

40.0%

^

v

Connect Market

5.0%




^

v

Specify demand increase as % of supply increase for local markets

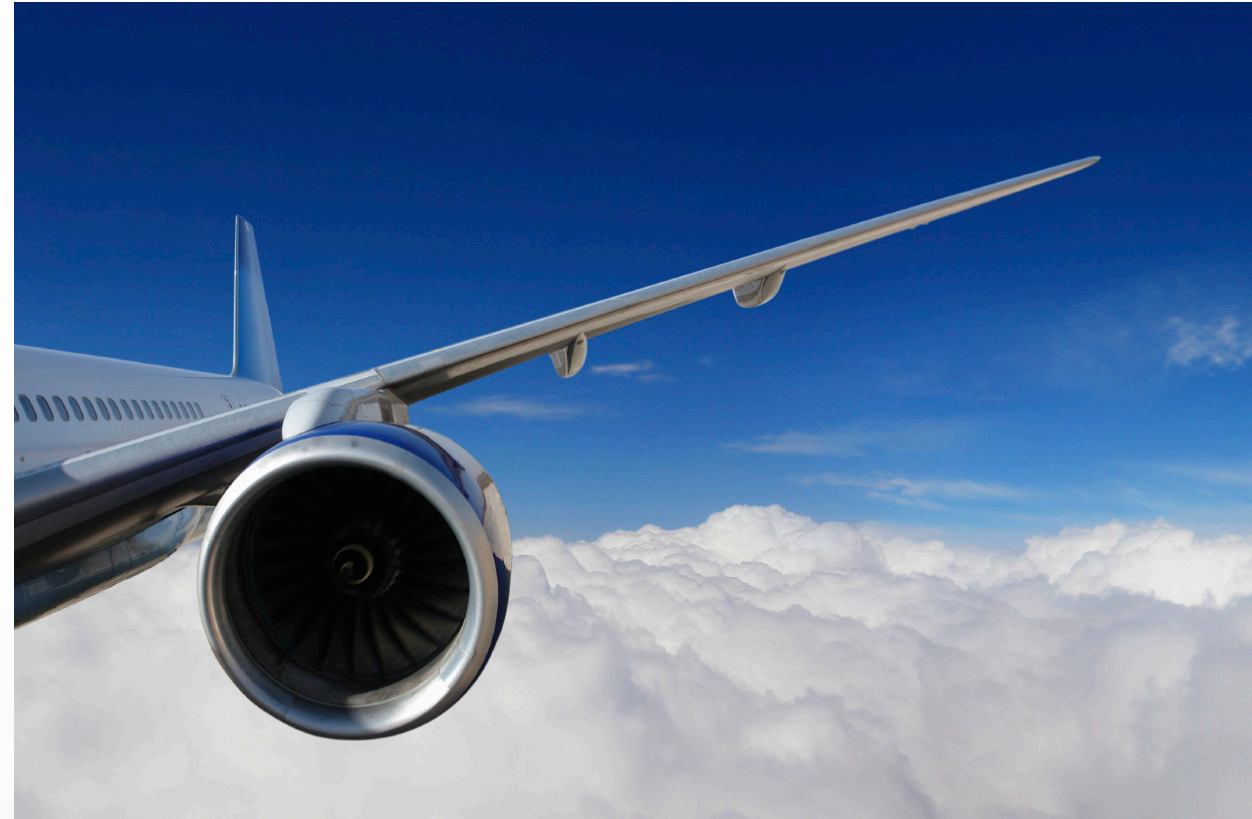


Why Fligence Planning? Everything is in the Cloud and scalable.

- Fligence¹ Planning is an airline network planning tool using the QSI (Quality Service Index) method to assess the impact of any airline schedule changes.
- With Fligence Planning, you can
 -  Run all scenario analyses anywhere on any devices with an internet connection;
 -  Rebuild connections and assess impact in minutes rather than waiting for hours;
 -  Evaluate the scenario result visually using your own comparison templates.

Notes:

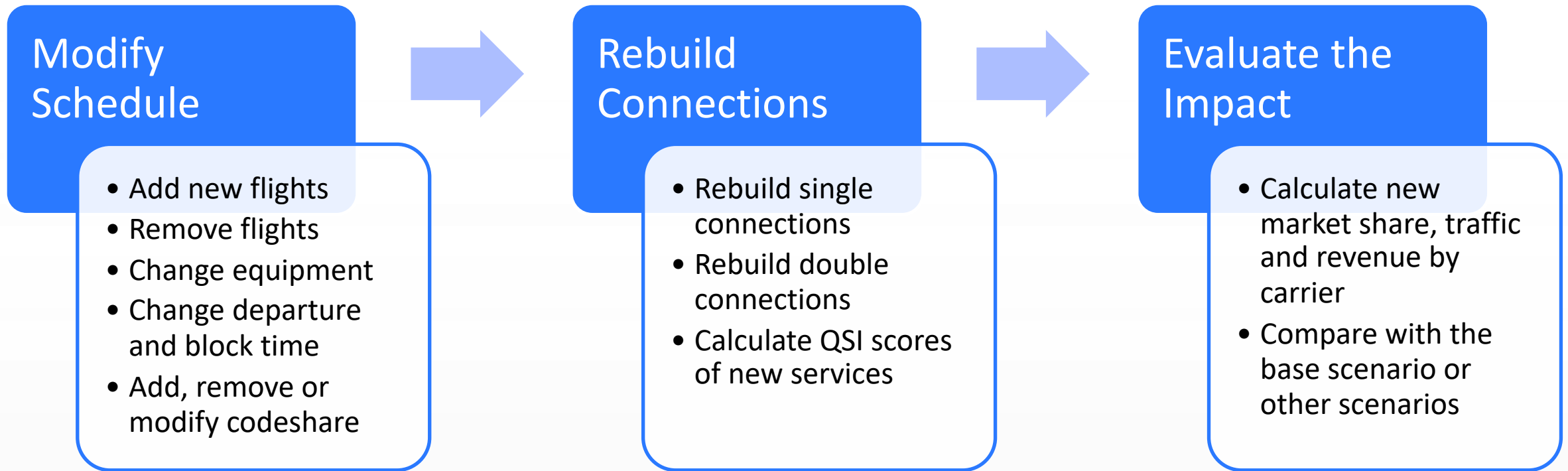
1. Fligence is our product brand, which stands for Flight Intelligence.



The sky is the limit.



Wise decisions come from data-driven “What-if” analyses



Please get in touch with us if you want to learn more

Flight BI is a Business Intelligence (BI) solution provider for the global aviation industry. We build data warehouse products and web applications to help air operators, airports, OEMs, and other travel-related businesses make data-driven strategic and operational decisions intuitively.

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