

TEN MAJOR AIRLINES NET DEBT POSITION (DEC 2020)

NET DEBT

A key liquidity ratio used by banks & credit rating agencies to determine how well a company is positioned to pay all of its debts if they were due immediately. It is calculated by subtracting total cash & cash equivalents from total short-term & long-term debt

At a total of £90Bn, the Dec 2020 Net Debt position for the ten major airlines observed increased by £33Bn (57%) over Dec 2019. In the USA, Delta's Net Debt increased by £9.5Bn, equivalent to almost the sum of American & United combined (£10.3). In Europe, Air France KLM's Net Debt increased by £4.4Bn, almost the sum of Lufthansa & IAG combined (£4.9Bn). The Low Cost Carriers in both regions continue to have the smallest Net Debt positions in absolute terms and as a multiple of EBITDA. While the Net Debt values will continue to change, overall the LCCs remain very well placed to weather any further storms and take advantage of emerging growth opportunities

