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AIRLINE REVENUE & TRANSPORTATION SERIES

CarTrawler Yearbook of Ancillary Revenue

By IdeaWorksCompany

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The 2023 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany

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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 ancillary revenue and airline retail conferences and has testified to the US Congress on ancillary revenue issues. His published works are relied upon by airline



Jay with sons Anton and Aleksei at Artist Point in Yellowstone National Park.

executives throughout the world and include first-ever guides on the topics of ancillary revenue and loyalty marketing.

Mr. Sorensen has 38 years experience in product, partnership, and marketing development.

As president of the IdeaWorksCompany consulting firm, he has helped boost airline

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About Eric Lucas, Editor of the Report



Eric Lucas is an international journalist whose work has appeared in Michelin travel guides, *Alaska Airlines Beyond Magazine*, *Epoch Times*, *Westways* and many other publications. Founding editor of *Midwest Airlines Magazine*, he is the author of eight books. 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, corn and hay; visit him online at TrailNot4Sissies.com.

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

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ABOUT CARTRAWLER

CarTrawler is the leading global B2B provider of car rental and mobility solutions to the travel industry. Recognised for its innovative technology solutions, CarTrawler is the partner of choice for the world's leading travel brands, enabling them to offer car rental, airport transfer and ride-hailing services to their customers.

CarTrawler's purpose is to drive successful partnerships, by creating substantial ancillary revenue opportunities for the travel and airline industries.

Founded in 2004 in Dublin, Ireland, CarTrawler's proprietary technology platform connects customers to more car rental options than anyone else in the world. Their team of in-house experts designs, builds and powers tailored software solutions which are easily integrated into partners' websites and intuitive to use. Developed over 18 years, CarTrawler's innovative, bespoke and data-led solutions have proven conversion rates and measurable returns.

CarTrawler's global network connects more than 50,000 car rental locations worldwide, working with the biggest industry players including United Airlines, American Express Travel, easyJet, Uber, Hotels.com and Emirates.

Find out more at cartrawler.com.

UPDATES TO THE 2023 YEARBOOK

This is Version 1.0 of the 2023 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 listing for the 2023 yearbook on the Reports page of 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/>



The Human Traveltech Company

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We combine the power of our people and our technology to drive successful partnerships through our global online marketplace connecting Partners, Customers and Suppliers.

Our proprietary technology platform expands our airline and travel partners' offering to their customers, creating substantial ancillary revenue opportunities.

We connect customers to more car rental options than anyone else in the world. We build and power innovative, customised solutions which are easy to integrate and intuitive to use.





SUMMARY OF THE RESULTS

The airline recovery was in full bloom in 2022

Ancillary revenue is one facet of the airline industry as a whole, in terms of traffic and revenue. It's important to begin this annual review with an assessment of the state of the industry for 2022. The craziness and damage wrought on the world's airline industry by the pandemic quickened its reversal during 2022. Per the estimates offered in the *2023 Big Book of Travel Data by IdeaWorksCompany*, passenger traffic jumped more than 30 percent and revenue leapt 50 percent.

Table 1: Global Estimate of Airline Traffic and Revenue				
Reporting Year	Traffic	Change	Revenue	Change
2019	4.6 billion		\$840 billion	
2020	1.8 billion	-60.9%	\$350 billion	-58.3%
2021	2.3 billion	+27.8%	\$462 billion	+32.0%
2022	3.0 billion	+30.4%	\$693 billion	+50.0%

Source: 2023 Big Book of Travel Data by IdeaWorksCompany

The world's regions all experienced gains with some unevenness. Geographically, Europe continued a second year of big gains. Intra-region tourism in Europe sprang back during 2022. Asia & South Pacific displayed new life compared to the weak increase achieved for 2021. However, within this region, China continued to display significant weakness. Traffic for the four largest carriers in China actually posted year-over-year decreases ranging from approximately 6 to 14 percent. The US & Canada should've made better gains in 2022, but stumbled largely due to a difficult operating environment caused by weather issues and an over-eagerness to expand flights beyond operational capabilities. US airline executives admitted it was a self-inflicted wound. Middle East & Africa and Latin America continued a second year of good growth in 2022.

Table 2: Passenger Traffic by World Region – 2022 Compared to 2021 Individual Carriers, Weighted Averages	
Europe	154.4%
US & Canada	73.6%
Middle East & Africa	73.5%
Latin America	70.7%
Asia & South Pacific	69.9%
<i>Source: 2023 Big Book of Travel Data by IdeaWorksCompany</i>	

Airlines made billions more from ancillary revenue in 2022

A rising tide lifts all boats, and this adage applies to the link between airline traffic and ancillary revenue. More traffic naturally generates more ancillary-related sales in raw numbers. This is evidenced by the robust results in Table 3 below. But another factor occurs too – as airports and aircraft become more crowded, consumers are more inclined to spend money on comfort and conveniences such as extra leg room, assigned seats, early boarding, checked bags, and priority screening. This reactive spending to crowding was heightened by the pandemic; it wasn't a significant factor before.

Table 3: Top 10 Airlines – Total Ancillary Revenue				
Rank	Airlines	2022 Result	2021 Result	Change from 2021
1	Delta	\$7,987,111,000	\$5,831,000,000	+37.0%
2	United	\$7,881,371,000	\$5,468,683,000	+44.1%
3	American	\$7,711,216,000	\$5,896,000,000	+30.8%
4	Southwest (FF)	\$5,941,000,000	\$4,134,000,000	+43.7%
5	Ryanair Group	\$4,002,983,357	\$2,547,307,585	+57.1%
6	Spirit	\$2,612,630,000	\$1,752,875,000	+49.0%
7	easyJet	\$2,353,524,353	\$631,042,418	+273.0%
8	JetBlue	\$2,106,097,000	\$1,243,000,000	+69.4%
9	Alaska Air Group	\$2,083,000,000	\$1,519,000,000	+37.1%
10	Air Canada	\$1,975,197,146	\$931,039,517	+112.1%
<p><i>2022 and 2021 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. 2023 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany</i></p>				

The selection of airlines in Table 3 reveal the importance of the US & Canada market for ancillary revenue. With the exceptions of easyJet and Ryanair, the US & Canada dominate the list of top producers. This is principally due to the power of the loyalty component of ancillary revenue. The contribution of co-branded credit card programs is described on subsequent pages of this Summary section.

There are offsetting factors that can reduce ancillary revenue results. One of the signs of a return to normalcy are differentiated results within an airline, and between carriers. Passenger fares have an influence on ancillary revenue. Yields were lowered by the pandemic due to the drop in demand.

As demand returned, airlines increased their fares (and yields) during 2022. When fares increase, ancillary revenue as a percentage of total airline revenue tends to shrink. If average fares make a big jump, the result can reduce ancillary revenue as a share of total revenue. This can occur even when total ancillary revenue increases for an airline.

Table 4: Top 10 Airlines – Ancillary Revenue as a % of Total Revenue				
Rank	Airlines	2022 Result	2021 Result	Change from 2021
1	Spirit	51.5%	54.3%	↓ 2.7 points
2	Frontier	50.8%	54.9%	↓ 4.1 points
3	Allegiant	48.9%	51.3%	↓ 2.4 points
4	Wizz Air	48.0%	56.0%	↓ 8.0 points
5	Viva Aerobus	44.5%	44.8%	↓ 0.2 points
6	Volaris	41.4%	42.9%	↓ 1.5 points
7	Breeze	38.9%	18.2%	↑ 20.7 points
8	Ryanair Group	35.7%	44.7%	↓ 9.1 points
9	easyJet	33.9%	31.4%	↑ 2.4 points
10	GOL	29.3%	33.0%	↓ 3.7 points

2023 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany

The same can also occur on a per passenger basis, as consumers divert more of their spending capacity to the base fare, rather than the optional extras associated with ancillary revenue. Overall ancillary revenue can increase by raw number, but frugal-feeling consumers cutting back on spending for optional extras reduce the per passenger result.

Some airlines can overcome these influences through stronger retailing, savvy pricing, and product development. During pre-pandemic times, these would be the prevailing explanations for the gains made by airlines. But these remain abnormal times and increases or decreases can't reliably be attributed to management mastery or the strangeness of pandemic economics. Airline management teams have inside knowledge how much internal and external factors have influenced their 2022 results, but IdeaWorksCompany does not.

Throughout the pandemic, the master practitioners of ancillary revenue – low cost carriers – grabbed an even larger share of global traffic. Starting in 2020, the LCC share was 25 percent, which then bumped up to 26.8 percent for 2021, and most recently moved to 31.3 percent for 2022.¹ LCCs tend to dominate the list of carriers ranked by ancillary revenue per passenger, with a few exceptions caused by revenue from the loyalty programs, as shown in Table 5. That LCCs made continued gains during extreme economic turbulence points to the durability of the a la carte model and the consumer's growing embrace of it.

Table 5: Top 10 Airlines – Ancillary Revenue per Passenger				
Rank	Airlines	2022 Result	2021 Result	Change from 2021
1	Jet2.com	\$84.72	\$87.17	-2.8%
2	Qantas Airways (FF)	\$73.23	\$85.88	-14.7%
3	Allegiant	\$67.74	\$64.30	+5.4%
4	Spirit	\$67.61	\$56.86	+18.9%
5	Frontier	\$66.24	\$54.58	+21.4%
6	Sun Country	\$56.74	\$45.69	+24.2%
7	Air Canada	\$54.65	\$70.58	-22.6%
8	United	\$54.62	\$52.54	+4.0%
9	JetBlue	\$53.24	\$41.30	+28.9%
10	HK Express	\$52.52	\$88.21**	-40.5%

*2022 and 2021 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.
** 2021 passenger traffic was just 8,000 passengers.
2023 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany*

¹ 2023 and 2022 Big Book of Travel Data by IdeaWorksCompany.

The yearbook reflects the industry, it does not define it

The results in this yearbook represent the 65 airlines for which research identified complete or partial elements of ancillary revenue. The **CarTrawler Worldwide Estimate of Ancillary Revenue**, to be released later in 2023, will offer a global assessment. But this yearbook's collection of 65 airlines includes the world's most prolific producers of ancillary revenue, so there are lessons to be learned from the data.

Total ancillary revenue for carriers in the yearbook increased significantly for 2022, which is expected when estimated global passenger traffic increased by 30.4 percent to 3 billion passengers.² There are 61 airlines in this yearbook which also appeared in last year's edition. Table 6 displays the apples-to-apples comparison of these carriers and reveals a picture of an industry in robust recovery.

Table 6: Same Set Comparison of Yearbook Airlines 61 airlines appearing in 2023 and 2022 editions			
Statistic	2022 Result	2021 Result	Change from 2021
Total Ancillary Revenue	\$68.7 billion	\$45.4 billion	+51.3%
Total Airline Revenue	\$407.7 billion	\$247.5 billion	+64.7%
Passenger Traffic	2 billion	1.4 billion	+43%

*2022 and 2021 carrier results were based upon 12-month financial period disclosures for each year.
2023 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany*

The column of changes tells this story. Traffic has jumped year-over-year, but at a slower pace than total revenue. That's perhaps due to average fares advancing more quickly; travel demand was much stronger in 2022 compared to 2021.

Ancillary revenue, which experienced a significant jump in 2021, did not keep pace with the increase of average fares during 2022. In effect, total ancillary revenue improved, but its yield did not. Consider this outcome an opportunity for ancillary revenue to "catch its breath" during the second year of the industry's recovery.

It's important to note the breadth of disclosures offered by the airlines in this yearbook. Among top performers, the portrayal is very complete. That's because these airlines seek to post results that reveal the prowess of their ancillary revenue capabilities to investors. Typically, these are low cost carriers, major US carriers with big co-branded credit card portfolios, and a few traditional carriers that embrace their ancillary revenue stories.

² Global estimate of passenger traffic from the 2023 Big Book of Airline Data, IdeaWorksCompany.

For other airlines, the yearbook offers a partial glimpse of activity. For some, the evidence of non-disclosed revenue is obvious, but their inclusion helps form a more complete story of industry-wide results and their disclosures can include specific (if limited) details. For others, at the earliest phases of their ancillary revenue journeys, the results reveal a work in progress.

Frequent flyer programs add billions to the total

Table 7 summarizes the results from the individual airline disclosures found in the yearbook regarding the revenue produced by frequent flyer programs.

Table 7: Frequent Flyer Revenue Analysis – 2022		
Airlines – Program Name	Frequent Flyer Revenue	Per Passenger
American - AAdvantage	\$5,800,000,000	\$29.10
Delta – SkyMiles	\$5,500,000,000	\$32.10
Southwest - Rapid Rewards	\$5,206,000,000	\$41.13
United - MileagePlus	\$4,565,000,000	\$31.64
Alaska - Mileage Plan	\$1,521,000,000	\$36.68
Air Canada - Aeroplan	\$970,177,195	\$26.84
LATAM - LATAM Pass	\$936,252,000	\$14.99
Qantas Group - Frequent Flyer	\$905,768,218	\$42.60
JetBlue - TrueBlue	\$899,000,000	\$22.72
GOL – SMILES	\$822,590,428	\$30.17
Azul – TudoAzul	\$417,793,810	\$15.20
Lufthansa - Miles & More	\$372,719,197	\$3.66
Hawaiian - HawaiianMiles	\$306,263,000	\$30.58
Air New Zealand - Airpoints	\$240,757,918	\$31.09
China Southern - Sky Pearl	\$216,690,034	\$3.46
Aerolineas Argentinas - Plus	\$74,350,944	\$6.47
Copa - ConnectMiles	59,695,000	\$5.78
SAS Scandinavian - EuroBonus	\$56,516,116	\$3.16
Royal Jordanian - Royal Club	\$4,471,086	\$1.49
airBaltic - airBaltic Club	\$255,073	\$0.08
2022 carrier results were based upon 12-month financial period disclosures for each year. 2023 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany		

The five largest US airlines (Alaska, American, Delta, Southwest, and United) generated revenue of \$22.6 billion from their frequent flyer programs in 2022. This yields an average of \$33.08 per passenger, which is above the \$30.88 result for 2021, and significantly higher than the 2019 rate of \$25.71 per passenger for the five carriers. Yes, that's correct – 2022 results have outpaced the pre-pandemic level of 2019. More than 90% of this cash bonanza is courtesy of co-branded credit card programs.

Ancillary revenue is a corporate lifesaver for airlines

The next section reveals the interesting collection of facts this yearbook offers. These include the occasional commentary by airline executives on the topic of ancillary revenue. The following quote from Jozsef Varardi, CEO of Wizz Air, caught our attention. He said this about ancillary revenue during a 10 April 2023 interview for the Aerotime.aero website:

Ancillary revenue tends to be a lot more resilient, as a revenue stream – from a business perspective – than ticket revenue. Ticket revenues are subject to market conditions, macroeconomic factors, and they tend to fluctuate. Ancillary revenues tend to be very stable and you can really predict them. It's almost like hedging your revenue stream, or a part of your revenue stream . . .

This establishes ancillary revenue as a bulwark against the very unpredictable nature of the airline business. Varardi, who is a master practitioner of the travel retail craft, confesses it's more reliable than the core of airline revenue itself – the sale of airline tickets to consumers.

This was proved by two pandemic-era trends. First, consumers eagerly purchased the extra comforts and conveniences of a la carte services during the pandemic. Secondly, co-branded credit cards generated billions while air traffic plummeted.

Ancillary revenue can't replace ticket revenue, but it certainly has proven a reliable economic partner in good times and bad. But for any product to perform at its very best, it must always deliver value for the customer. That's a truth sometimes neglected in the pursuit of profits. It's a worthwhile thought to remember as you continue your review of the yearbook.

INTERESTING ITEMS 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 from 2022 (presented in alphabetical order):

- **AirAsia Aviation Group:** During 2022, 26% of new Super App customers who purchased hotels and packages were later converted to purchase AirAsia flights. In addition, more than 1 million non-AirAsia flights were sold on the platform (more than 700 airlines may be booked on the platform).
- **AirAsia Aviation Group:** The AirAsia Super App is an online service which operates 11 different retail and service product areas, as well as AirAsia's booking site. The Super App achieved average monthly users of 34.4 million during 2022 and gross booking value of MYR 8,850,101,000 (\$2 billion) for the year.
- **AirAsia X:** Assigned seat fees represented 10% of ancillary revenue, or MYR 19 (\$4) per passenger. Inflight meals and beverages were 9% of ancillary revenue, or MYR 17 (\$4) per passenger.
- **Air France & KLM:** The company says that 50% of its business class passengers are now leisure travelers, courtesy of a push by the commercial department. Also, the carriers have quick-change flexibility to decrease the size business cabins by up to 19%, when more economy-oriented seating is desired.
- **Allegiant:** The Allways Rewards co-branded credit card added 150,000 new cardholders during 2022 which led to more than 410,000 cardholders at year end (an average of 335,000 accounts were open during the year). Revenue from the program was \$103 million for 2022 which averages \$307 per account. 2.7% of rewards members hold the card.
- **Atlantic Airways:** The carrier's subsidiary, P/F Hotel Atlantic, operates the new Hilton Garden Inn hotel in the Faroe Islands capital of Torshavn, which features 130 rooms and five meeting and conference rooms.

- Avianca: Of the 11.6 million members of the LifeMiles coalition loyalty program, 524,000 have a co-branded credit card account (4.5% of membership).
- Azul: Gross partner billings for the TudoAzul loyalty program totaled BRL 2.218 billion for 2022. With 15 million members, that's BRL 148 (\$31) per member of partner-only activity
- Azul: Viagens, the carrier's holiday package business, is noted by the airline as an important driver of margin expansion. In 2022, Azul sold 36% more travel packages compared to 2021. During weekends when load factors are lower, Azul dedicated 25% of its capacity to fly exclusive nonstop leisure routes, which are tailored for Azul Viagens customers. The airline operated more than 2,000 flights dedicated to Azul Viagens during the high season.
- China Eastern Group: The new program called MileagePlus offers the pre-purchase of 10,000 miles of travel on all China flights (excludes Hong Kong, Macau, and Taiwan). Package prices vary according to the advance booking window desired, from 30 days in advance to day of departure. The airline sold 55,000 packages during 2022.
- China Eastern Group: The airline disclosed that 220,000 members of the Eastern Miles loyalty program participated in its referral program. Members invite friends to make a booking, which provides a discount for the friend, and an incentive gift for the referring member.
- China Eastern Group: The group launched the "Easy to Enjoy" product series that covered optional services such as change flexibility, parking privileges and VIP room access. Approximately 410,000 passengers purchased these services during 2022. The services vary by destination in China.
- Copa Airlines: The carrier is engaged in initiatives to boost tourism, such as the "Panama Stopover" program, which encourages transit passengers to stay a few days in Panama. Since 2019 this program has brought more than 260,000 visitors; it is estimated that in 2023 more than 115,000 tourists will take advantage of the Panama Stopover.
- Delta: Approximately 25 million SkyMiles reward tickets were redeemed, and this activity was 10% of revenue miles flown by the airline, and 6.8% of miles redeemed were for non-travel rewards.

- Delta: Premium products and non-ticket revenue (loyalty, contract maintenance services, cargo, and travel related services) are estimated to represent 55% of total revenue for 2022, with economy cabin traffic representing the remaining 45%.
- EasyJet: Revenue from easyJet Plus cards totaled £15 million. This is an annual subscription providing expedited bag drop, speedy boarding, seat assignment, and fast track security. Annual membership costs £215 which suggests the airline sold approximately 70,000 subscriptions during the year.
- Emirates: “Emirates Delivers UK” was launched during 2022 and provides UAE customers the capability to shop from multiple UK-based online retailers and have the goods delivered directly to their door in the UAE.
- FlyArystan: Bundled fares for domestic bookings generated revenue of \$29,153,076 or \$63.47 per domestic passenger. The disclosure refers to the ancillary revenue component of the bundled fare. For international bookings, bundled fare revenue is \$2,554,514, or \$0.98 per international passenger.
- Frontier: Revenue from assigned seating fees was \$251 million for 2022, or \$9.85 per passenger.
- Frontier: The airline introduced the “Go Wild All-You-Can-Fly Pass” during 2022 which charges one price for unlimited flights, such as \$1,999 for a 12-month flight period.
- GOL: Voe Junto (Fly Together) is a service offered in the booking path in which a GOL employee provides assistance at every step of a flight journey. The option is required for unaccompanied minors. Fees for the service are BRL 200 (\$40) domestic, and BRL 349 (\$69) for international flights.
- HK Express: Air+Ferry Pass is available on a number of ferry routes operating between the SkyPier at Hong Kong’s airport and the Greater Bay Area. The Air +Ferry Pass provides one-stop booking for combined journeys with air/ferry boarding pass issuance. The service includes checked baggage to the destination via the ferry and offers free rebooking in the event of flight or ferry delay.
- Icelandair: Saga Club loyalty program members may redeem points during a flight for the onboard cafe, Wifi service, and to upgrade to an extra leg room seat.

- Jazeera Airways: Duty Free activity at Terminal 5 generated revenue of KWD 4.2 million in 2022 with a net margin of 30%. Jazeera disclosed 3.6 million passengers used the terminal which represents revenue of KWD 1.17 (\$3.55) per passenger and profits of KWD 0.35 (\$1.66) per passenger among those using the terminal.
- Jeju Air: The Golf Membership program provides a 25 kg allowance for unlimited transport of golf clubs (and a duffel bag) as checked baggage. This includes priority delivery to the bag belt upon arrival. Discounts are also provided for golf and driving ranges. The annual online discounted price is \$129. A similar program is offered for sports equipment: bicycles, scuba diving equipment, snowboards, surfboards, and kayaks.
- Jet2.com: 64.9% of the carrier's 16,220,000 passengers were package customers (not air-only) which represents a 13.2-point increase above FY 2022.
- Jetstar: The Dynamic Seat Map released in FY 2023 provides more interaction for consumers, differentiated pricing, and an average of a 1-minute faster booking time. During early FY 2023, this change led to a 26% lift in revenue compared to FY 2019.
- LATAM Airlines: The sale of LATAM Pass miles to partners was \$547 million for 2021, for an average of \$14 per passenger, which represented 10% of LATAM revenue.
- Lufthansa Passenger Airlines: The airline disclosed during its annual meeting that average spend per buy-on-board purchase was €8.65 (or €2.44 per systemwide passenger) for 2022.
- Qantas Airways: 6% of Qantas Frequent Flyer members have elite status.
- Qantas Airways: The Qantas Frequent Flyer Program disclosed how members accrued miles during 2022: 62% with flights, 44% with credit cards, financial services, insurance, 44% with retailers and loyalty coalition partners, and 19% with other travel services (accommodations, car rental, etc.).
- SAS Scandinavian: The EuroBonus frequent flyer program has more than 7 million members. The airline recognized SEK 584 million as frequent flyer revenue for 2022, which is SEK 83 (\$8) per member.

- Southwest: During 2022, the company closed all seven physical locations of the Customer Support and Services call centers and transitioned Customer Support and Services employees to remote work.
- T'way Air: The airline improved its unique t'pet loyalty program during 2022. The allowable weight of pets in the cabin was increased to 9 kg (including the transport container). Pets now receive a boarding pass and the loyalty program provides benefits for multiple trips. Pets accruing 4 stamps receive a special cabin crew tie; 6 stamps earn one free pet transport or a pet-oriented flight attendant uniform. T'way flew 27,000 pets during 2022 which generated revenue of KRW 810,000,000 (\$623,000).
- United: The airline noted a significant increase in the sale of United Club memberships and lounge passes for 2022. United Club space was increased, compared to 2019, during the year: Newark +69%, Denver +180%, Chicago +40%, and Dallas +43%.
- Volaris: Revenue from the Volaris INVEX affinity credit card generated revenue of \$2,603,356 for 2022. By year end, there were approximately 500,000 Volaris INVEX accounts, which represents revenue of \$5.21 per account.
- Volaris: The carrier sells a membership-based ultra-low-fare subscription service called V-Club which had approximately 756,000 members as of the end of 2022. The program provides exclusive access to the lowest fares through the Volaris website. V-Club subscriptions accounted for 0.75% of other passenger revenues in 2022; the program generated subscription revenue of \$8,086,883 for 2022.
- Wizz Air: For FY 2024, the airline anticipates its website and mobile app will generate more than 750 million visits.
- Wizz Air: The airline offers a unique "Sitting Together" alternative to assigned seating fees. For a single €20 fee, the airline ensures two adults in an itinerary will be seated next to each other for a one-way or roundtrip itinerary.

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.

Ancillary Revenue Defined

Revenue beyond the sale of tickets that is generated by direct sales to passengers, or indirectly as a part of the travel experience.

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.

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 carrier'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 an 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 extra 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.

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 via email to Jay "at" IdeaWorksCompany.com.

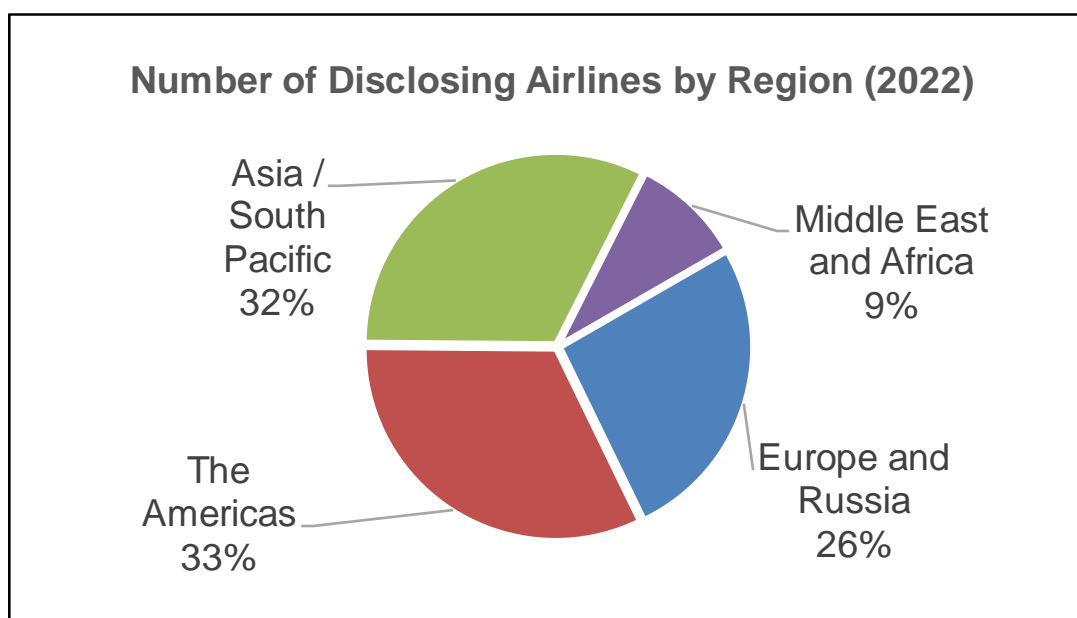
ABOUT INDIVIDUAL AIRLINE LISTINGS

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 included in each listing.

The exchange rates used are listed at the end of this yearbook. The rate for 01 July is chosen as a midway point of the year, as has been practice for prior editions of the 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. Interpretation by IdeaWorksCompany provides added context regarding the unique qualities of a carrier's a la carte activity. Each airline is limited to a single page listing.



A continuing feature for the 2023 edition is the inclusion of prior year results for each airline. The end of each airline listing provides total ancillary revenue for 2019, 2020, and 2021 periods. Occasionally, commentary on these results is offered as a bullet point above the results.

Sprinkled throughout the airline listings is jargon which might be unknown to some readers. Every industry has its own dialect, 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” 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. Unlike other methods, to include continuous pricing, this process does not use filed fares and managed inventory classes. Dynamic pricing will rely upon new technology based upon NDC to create a direct link between the consumer's booking request and a carrier's response to price it.
- **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 methods 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.

FREQUENT FLYER PROGRAMS AND ANCILLARY REVENUE

Frequent flyer programs appear prominently in the financial disclosures of major airlines in Australia, Brazil, Canada, and the United States. Robust revenue results are created by large co-branded credit card portfolios associated with the loyalty programs. The cash generating aspect of co-branded cards warrants more explanation for readers of the yearbook.

Co-branded credit cards are issued by banks (program partners) having a marketing relationship with an airline and its frequent flyer program. Consumers accrue miles or points for purchases made with these cards, such as one point for every dollar charged. Banks pay airlines for the miles or points deposited to a member's account. For purposes of this discussion, let's assume the bank pays the airline \$0.02 (2 cents) per mile accrued by a cardholder.

This activity is typically recorded as two types of revenue by the carrier. The travel-related component is the largest and is tied to the rewards redeemed by members. For this example, let's assume this equals \$0.015 (1.5 cents) per mile. The majority of rewards are for airline travel; this revenue is recorded by the airline when travel occurs. The marketing component is smaller and is the revenue attributed to the value a program delivers beyond the benefit of reward travel. Continuing this example, this would equal \$0.005 (0.5 cents) per mile. This revenue is recorded when points or miles are sold to banks (usually well before reward travel is taken).

The yearbook strives to use the annual sales figure for total miles or points sold by an airline to program partners (for both components); the full 2 cents, using this example. Other program partners participating in this activity include hotel chains, car rental companies, other service companies, and retailers.

Frequent flyer programs have begun to adopt "arms-length relationships" with airlines to facilitate and manage the flow of program currency (miles or points) and rewards between entities. These are intra-company transactions, in which the airline buys miles or points from the program, and the program buys travel rewards from the airline. When these are disclosed, the information is included in the yearbook. However, these accounting transactions are not included in ancillary revenue calculations.

Airlines have been eager to separate the financial reporting of frequent flyer programs from their passenger transport activities. Management believes a stand-alone structure allows frequent flyer programs to operate as independent marketing entities. The hoped-for outcome is better revenue and profits for the airline. The extreme financial pain wrought by the pandemic also allowed airlines to borrow billions of dollars against the value of the cash streams generated by frequent flyer programs and their co-branded credit card portfolios.



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ANCILLARY REVENUE DATA AND GRAPHS

Airlines Posting Ancillary Revenue Results				
For most recent 2022 full-year period, listed in alphabetical order.				
Carriers <i>See bottom for icon legend</i>	Ancillary Revenue in US\$	% of Total Revenue	US\$ per Passenger	Region
Aegean	\$133,674,491	9.6%	\$10.72	Europe
Aerolineas Argentinas	\$142,243,776	5.2%	\$12.38	The Americas
Air Arabia	\$184,492,580	12.9%	\$14.41	Middle East & Africa
Air Canada	\$1,975,197,146	15.4%	\$54.65	The Americas
Air France & KLM *	\$1,760,525,594	7.5%	\$37.77	Europe
Air New Zealand	\$318,122,288	18.8%	\$41.07	Asia & South Pacific
AirAsia Aviation Group	\$203,571,016	16.1%	\$8.40	Asia & South Pacific
AirAsia X	\$17,811,369	8.9%	\$42.69	Asia & South Pacific
airBaltic	\$33,720,676	6.5%	\$10.09	Europe
Alaska Air Group	\$2,083,000,000	21.6%	\$50.23	The Americas
Allegiant	\$1,126,508,000	48.9%	\$67.74	The Americas
American	\$7,711,216,000	15.7%	\$38.69	The Americas
ANA Group	\$1,310,661,418	10.4%	\$33.83	Asia & South Pacific
Atlantic Airways +	\$9,732,746	9.4%	\$31.63	Europe
Avianca (FF)	\$216,205,000	5.3%	\$8.65	The Americas
Azul	\$729,123,649	26.5%	\$26.53	The Americas
Bangkok Airways	\$31,008,648	8.7%	\$11.69	Asia & South Pacific
Breeze	\$52,473,000	38.9%	\$50.02	The Americas
Cebu Pacific	\$154,408,191	15.0%	\$10.43	Asia & South Pacific
China Eastern Group	\$208,482,078	3.0%	\$4.90	Asia & South Pacific
China Southern Group	\$290,860,107	2.2%	\$4.64	Asia & South Pacific
Copa Airlines (FF)	\$68,148,000	2.3%	\$6.59	The Americas
Croatia	\$2,128,186	0.9%	\$1.46	Europe
Delta	\$7,817,110,000	17.5%	\$46.61	The Americas
easyJet	\$2,353,524,353	33.9%	\$33.77	Europe
<i>Table continued on following page</i>				
<p><i>2022 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

Carriers <i>See bottom for icon legend</i>	Ancillary Revenue in US\$	% of Total Revenue	US\$ per Passenger	Region
EI AI +	\$79,448,811	4.0%	\$19.00	Middle East & Africa
Emirates	\$1,540,367,597	5.3%	\$35.31	Middle East & Africa
Finnair	\$213,012,145	8.7%	\$23.42	Europe
FlyArystan	\$42,013,681	19.3%	\$12.97	Asia & South Pacific
flydubai	\$223,008,850	9.0%	\$21.04	Middle East & Africa
Frontier	\$1,688,148,080	50.8%	\$66.24	The Americas
Garuda Indonesia Group	\$38,195,718	1.8%	\$2.57	Asia & South Pacific
GOL (FF)	\$838,480,909	29.3%	\$30.75	The Americas
Hawaiian Airlines	\$448,524,000	17.0%	\$44.79	The Americas
HK Express	\$16,492,416	18.7%	\$52.52	Asia & South Pacific
Icelandair	\$111,002,000	8.8%	\$30.34	Europe
IndiGo	\$499,539,903	7.1%	\$5.86	Asia & South Pacific
Japan Airlines Group	\$1,459,973,152	14.3%	\$42.37	Asia & South Pacific
Jazeera Airways	\$69,416,479	11.70%	\$19.37	Middle East & Africa
Jeju Air	\$61,110,727	11.4%	\$7.70	Asia & South Pacific
Jet2.com	\$1,374,231,185	22.7%	\$84.72	Europe
JetBlue	\$2,106,097,000	23.0%	\$53.24	The Americas
Jetstar Group	\$260,110,722	26.6%	\$29.24	Asia & South Pacific
Jin Air	\$32,018,481	7.0%	\$4.55	Asia & South Pacific
LATAM Airlines (FF)	\$960,320,000	10.3%	\$15.37	The Americas
Lufthansa Passenger Airlines	\$588,230,018	2.5%	\$5.78	Europe
Norse Atlantic Airways +	\$13,880,000	13.3%	\$48.03	Europe
Norwegian	\$368,789,968	19.6%	\$20.72	Europe
Pegasus	\$651,738,038	25.6%	\$24.19	Europe
Philippine Airlines	\$204,284,874	8.1%	\$21.94	Asia & South Pacific

Table continued on following page

*2022 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.*

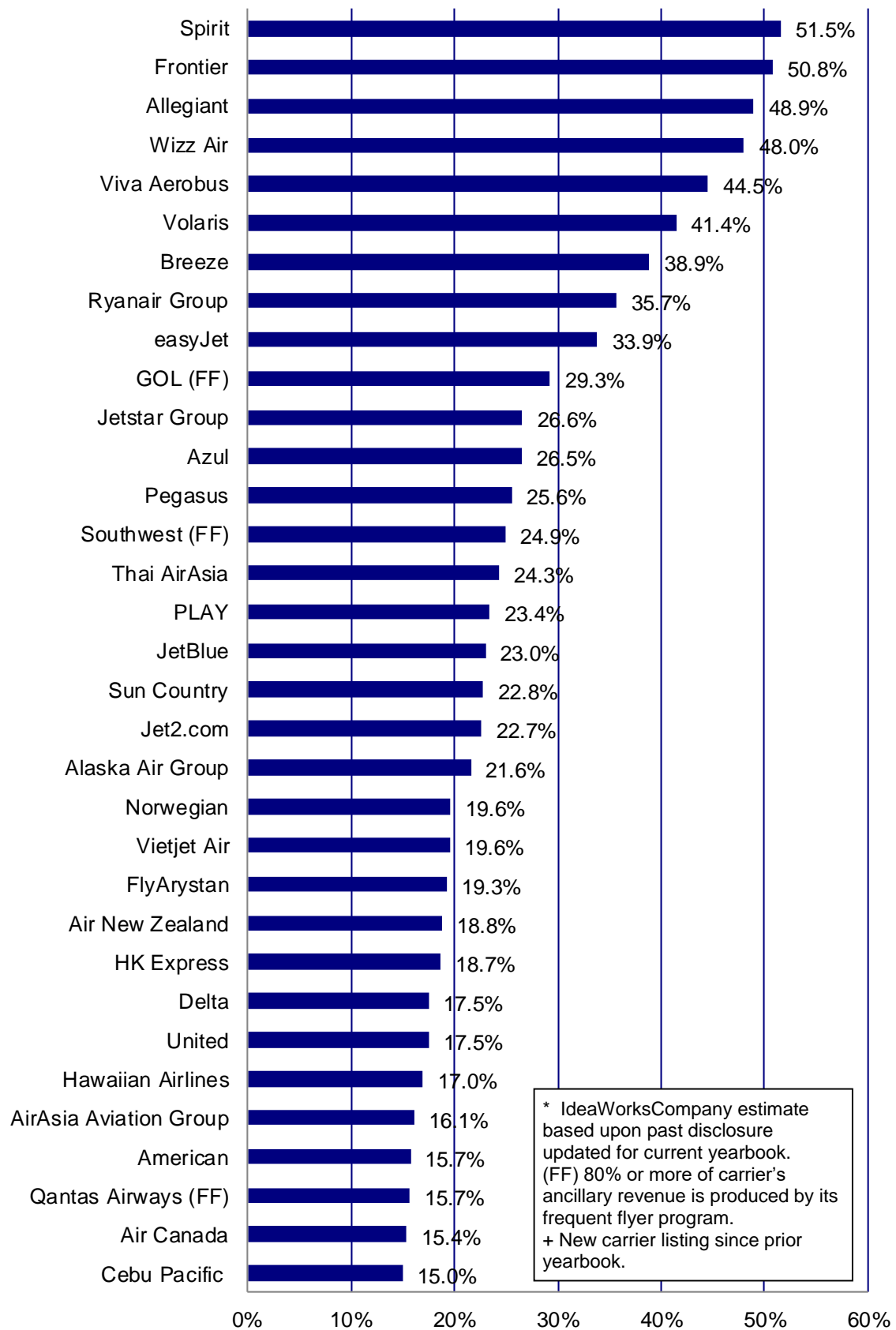
Airlines Posting Ancillary Revenue Results

Carriers <i>See bottom for icon legend</i>	Ancillary Revenue in US\$	% of Total Revenue	US\$ per Passenger	Region
PLAY	\$32,800,000	23.4%	\$41.56	Europe
Qantas Airways (FF)	\$905,768,218	15.7%	\$73.23	Asia & South Pacific
Royal Jordanian	\$31,853,315	3.7%	\$10.59	Middle East & Africa
Ryanair Group	\$4,002,983,357	35.7%	\$23.74	Europe
SAS Scandinavian	\$308,516,060	10.0%	\$17.27	Europe
Southwest (FF)	\$5,941,000,000	24.9%	\$46.93	The Americas
Spirit	\$2,612,630,000	51.5%	\$67.61	The Americas
Sun Country	\$204,167,000	22.8%	\$56.74	The Americas
Thai AirAsia	\$93,141,996	24.3%	\$9.36	Asia & South Pacific
T'way Air	\$32,787,368	8.1%	\$5.78	Asia & South Pacific
United	\$7,881,371,000	17.5%	\$54.62	The Americas
Vietjet Air	\$335,149,602	19.6%	\$16.27	Asia & South Pacific
Viva Aerobus	\$650,818,000	44.5%	\$31.44	The Americas
Volaris	\$1,179,938,000	41.4%	\$38.00	The Americas
Wizz Air	\$1,947,718,085	48.0%	\$38.14	Europe

2022 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.

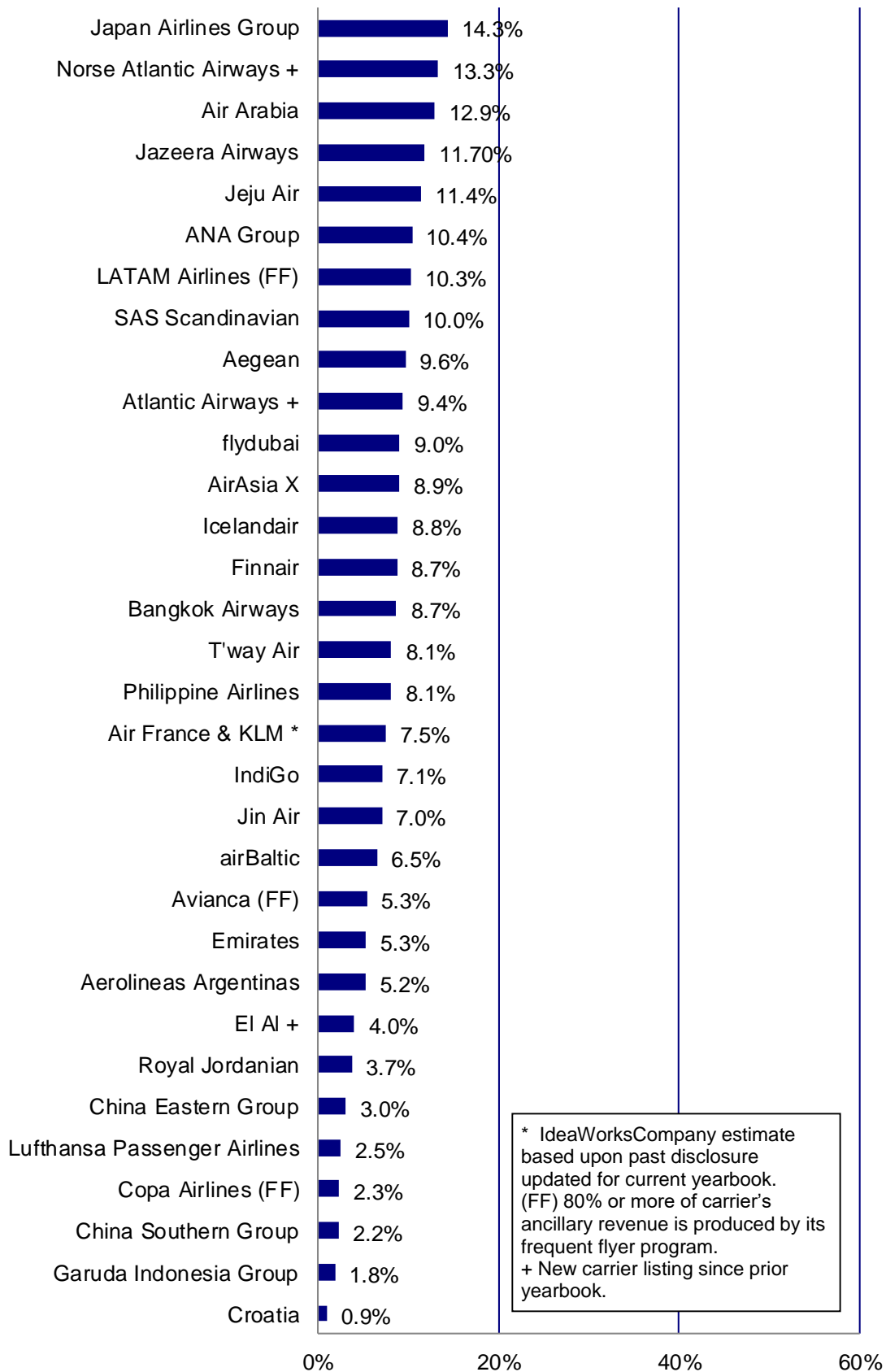
Ancillary Revenue as a % of Total Revenue - 2022

Airlines ranked 1 through 33



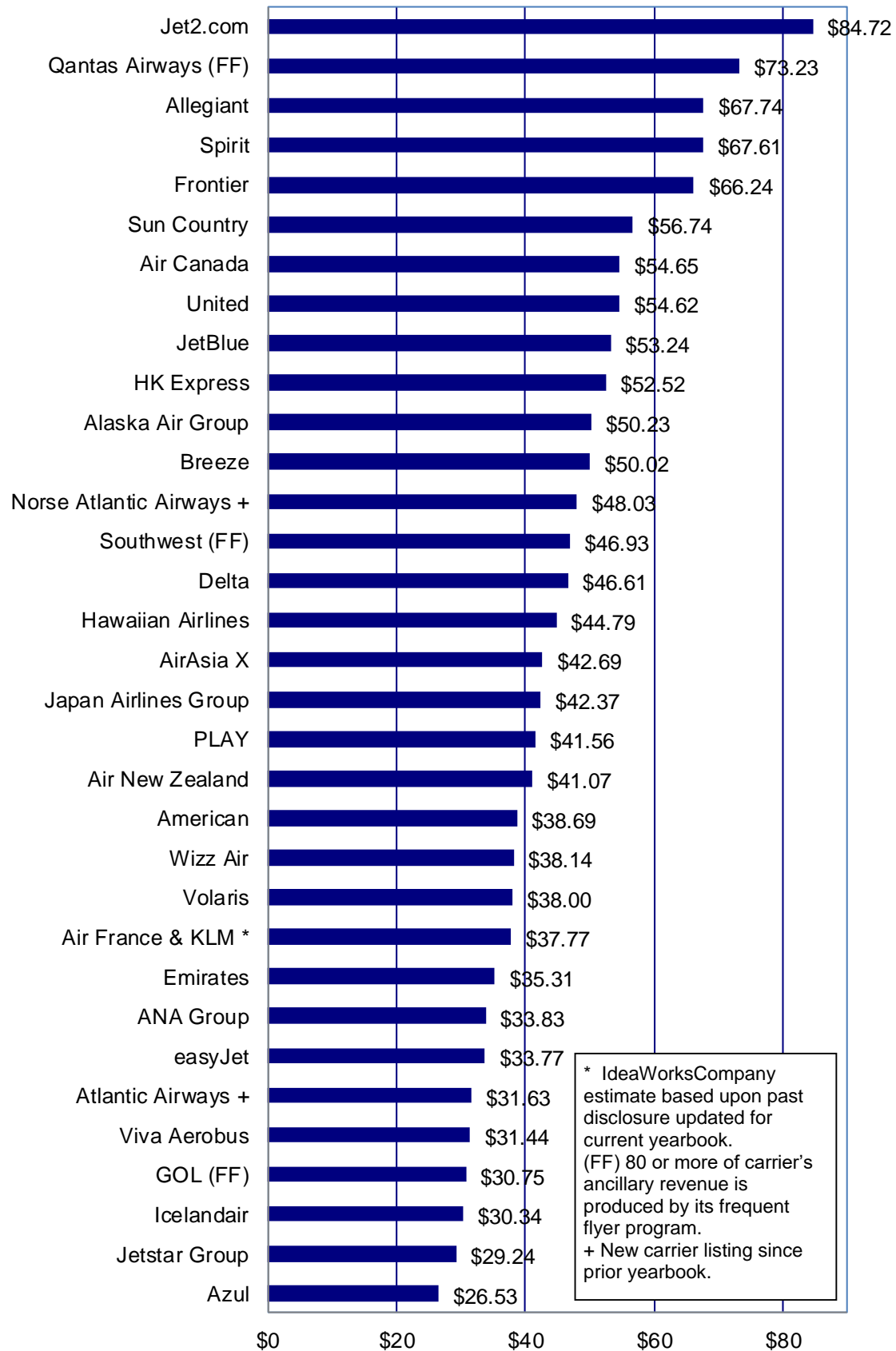
Ancillary Revenue as a % of Total Revenue - 2022

Airlines ranked 34 through 65



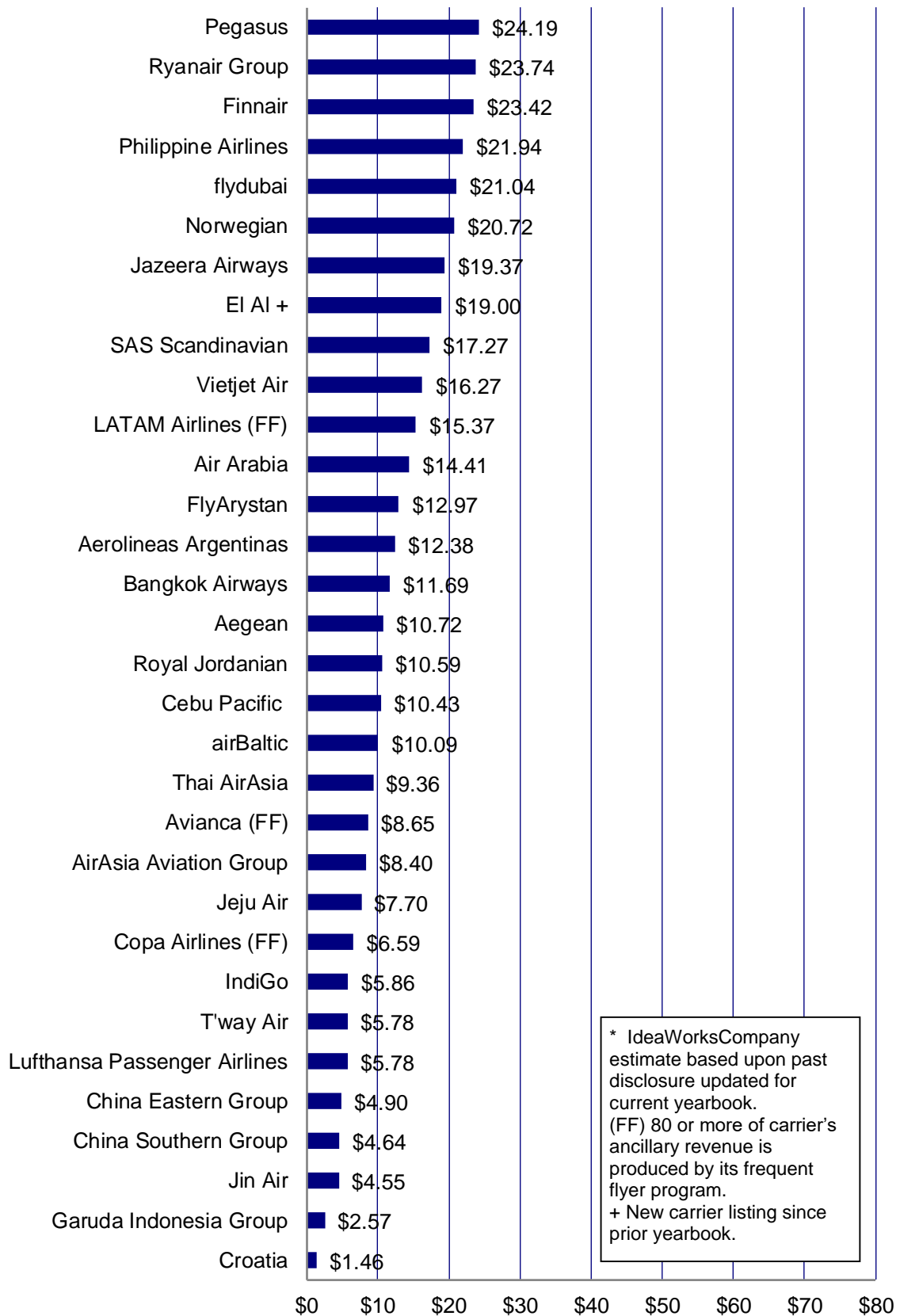
Ancillary Revenue in US\$ per Passenger - 2022

Airlines ranked 1 through 33



Ancillary Revenue in US\$ per Passenger - 2022

Airlines ranked 34 through 65



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EUROPE

Aegean

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$133,674,491
As a % of Revenue	9.6%
US\$ per Passenger	\$10.72
Total Revenue	\$1,391,796,293
Financial Period	Calendar year 2022
Passengers	12,465,000
Information Source	2022 Annual Report

Ancillary revenue definitions and other notes:

- All figures are in euros.
- The company describes “ancillary services” as including baggage fees, reissuing tickets fees, fast track, and fee-based seat services.
- Ancillary revenue activities for 2022 included the following:
 - New business lounge at Athens International Airport in the Schengen area.
 - Wifi service (fee applies) and a free entertainment platform was launched in February 2022 at the Neoaircraft event.
 - Aegean Pass: Pre-purchase of flight tickets in quantities of 8, 12, 14, or 20 flights. Passes include standard assigned seats or 30% or 50% discount for up front seats.
 - genAIRation Aegean: Loyalty program for consumers age 18-25 years. The program provides a 15% discount on all flights, 23 kg free checked baggage allowance for 2 trips per year, free onboard Wifi, and 50% discount for pet transport.
- The company’s annual report disclosed “Other operating income related to flights.” The 2019 amount was very close to a separate ancillary revenue disclosure. This, along with other references, indicates other operating income related to flights is a proxy for ancillary revenue. Aegean’s ancillary revenue for 2022 is assumed to be €128,395,500.
- Aegean revenue for 2022: €1,336,832,330.

Year	Historical Ancillary Revenue
2019	\$156,066,447
2020	\$66,888,033
2021	\$93,257,317

Air France & KLM

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,760,525,594
As a % of Revenue	7.5%
US\$ per Passenger	\$37.77
Total Revenue	\$23,506,296,191
Financial Period	Calendar year 2022
Passengers	46,613,000 (Air France: 28,575,000 + KLM: 18,038,000)
Information Source	Consolidated Financial Statements 2022, Results 2022 and 24 May 2022 Presentations, and KLM Annual Report 2022

Ancillary revenue definitions and other notes:

- All figures are in euros.
- The company says that 50% of its business class passengers are now leisure travelers, courtesy of a push by the commercial department. Also, the carriers have quick-change flexibility to decrease the size business cabins by up to 19%, when more economy-oriented seating is desired.
- The group aims for a €400 million revenue boost by 2024 from new revenue streams produced by its Flying Blue loyalty program and other ancillary revenue activities. Flying Blue has 16+ million members (May 2022). Multiplying assumed revenue of €10 per member (similar to that generated by SAS EuroBonus) by 16 million members generates estimated revenue of €160 million for Flying Blue.
- The airline disclosed “ancillary revenue” of €800 million for 2022, which likely is from options such as a la carte meals, paid lounge access, and the time-to-think option.
- Air France has advised in the past the category of “other sales” also includes activities which qualify as ancillary revenue; other sales were €914 million for 2022. 80% of this amount (€731 million) is believed to represent the ancillary revenue component.
- 2022 ancillary revenue calculated for Air France & KLM is €1,691,000,000:
 - Loyalty revenue (estimated): €160 million.
 - Ancillary revenue disclosed: €800 million.
 - Additional estimated ancillary revenue activity: €731 million.
- This data was provided to Air France & KLM management, which did not confirm its accuracy.
- Air France & KLM revenue for 2022: €22,578,000,000 (includes cargo operations). Air France revenue was €11.315 billion and KLM revenue was €9.686 billion.

Year	Historical Ancillary Revenue
2019	\$1,712,952,448
2020	\$1,262,249,758
2021	\$1,368,270,785

airBaltic

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$33,720,676
As a % of Revenue	6.5%
US\$ per Passenger	\$10.09
Total Revenue	\$520,734,528
Financial Period	Calendar year 2022
Passengers	3,342,000
Information Source	Sustainability and Annual Report 2022

Ancillary revenue definitions and other notes:

- All figures are in euros.
- The airline described its marketing results and statistics for 2022:
 - The call center served a total of 1.14 million inquiries (1.07 million in 2021).
 - AirBaltic’s social media support specialists engaged in 31,0000 customer interactions.
 - AirBaltic.com is the source of 63.8% of all airBaltic flight bookings (the same as in 2021).
 - Mobile devices remain the most significant source of web site traffic, accounting for almost 58% of online sessions (60% in 2021).
 - Customers rely on personal computers to book flights, with only 28% (29% in 2021) of flight bookings made on mobile devices.
 - Almost 15% of all flight bookings were prompted by direct media messaging sent by the airline. The biggest share among these, with more than 63,000 bookings, came from e-mails (up 94% from 32,500 in 2021).
 - AirBaltic’s newsletter database consisted of 551,000 active subscribers (up 17% from the end of 2021).
- AirBaltic Club had 792,846 members at the end of 2022. The frequent flyer program added these partners during the year: Cover Genius (travel insurance), SIXT (car rental), and Air France/KLM. The program, which has been integrated within the group, generated revenue of €245,000 during 2022.
- Ancillary revenue disclosed for 2022 was €32,389,000 for 2022.
- AirBaltic Group total revenue for 2022: €500,170,000.

Year	Historical Ancillary Revenue
2019	\$39,223,784
2020	\$13,363,408
2021	\$21,244,953

Atlantic Airways

Source and Type	Hospitality services and retail goods sold to passengers
Ancillary Revenue	\$9,732,746
As a % of Revenue	9.4%
US\$ per Passenger	\$31.63
Total Revenue	\$103,729,270
Financial Period	Calendar year 2022
Passengers	350,599
Information Source	Group Consolidated Annual Report 2022

Ancillary revenue definitions and other notes:

- All figures are Danish kroner (DKK).
- Atlantic Airways is based in the Faroe Islands, which is a North Atlantic island group and an autonomous territory of Denmark. The airline is the principal airline serving the Faroe Islands.
- The carrier's subsidiary, P/F Hotel Atlantic, operates the new Hilton Garden Inn hotel in the capital, which features 130 rooms and five meeting and conference rooms. The hotel is part of the Hilton chain of hotels, which has more than 150 million people in its loyalty program, Hilton Honors. This marketing relationship is capable of attracting customers to the Faroe Islands from the USA and Asia, where the Hilton chain is particularly strong. P/F Hotel Atlantic leases the building from a company which is 40% owned by the airline. The hotel generated revenue of DKK 51,856,000 for the airline in 2022. It is believed the majority of guests are passengers of Atlantic Airways.
- Together with Vagar airport, Atlantic Airways has established the company P/F Duty Free, which operates duty-free sales in the airport. The operation generated profit of DKK 17,683,000 for the airline in 2022. It is believed the majority of customers are passengers of Atlantic Airways.
- 2022 ancillary revenue calculated for Atlantic Airways is DKK 69,539,000 and consists of:
 - Hotel operations for its passengers: DKK 51,856,000.
 - Airport duty free: DKK 17,683,000.
- Atlantic Airways total revenue for 2022: DKK 741,130,000.

Year	Historical Ancillary Revenue
2019	No data
2020	No data
2021	No data

Croatia Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$2,128,186
As a % of Revenue	0.9%
US\$ per Passenger	\$1.46
Total Revenue	\$229,338,150
Financial Period	Calendar year 2022
Passengers	1,453,224
Information Source	Annual Report for the Year Ended 31 December 2022

Ancillary revenue definitions and other notes:

- All figures are in Croatian kuna (HRK).
- Ownership by the Republic of Croatia exceeds 98.7%.
- The company anticipates it will introduce a Time-to-Think a la carte option allowing customers to hold a reservation before committing to purchase.
- The airline introduced a Fly&Sail program offering tourists to Croatia the ability to package airline travel with sailboat rental.
- Croatia Airlines disclosed ancillary revenue of HRK 15,395,000 from the following activities:
 - Mileage related revenue (FlyOnLine Club frequent flyer program): HRK 3,247,000.
 - Revenue from advertising services: HRK 12,148,000.
- Croatia Airlines revenue for 2022: HRK 1,659,000,000.

Year	Historical Ancillary Revenue
2019	\$2,463,712
2020	\$1,813,991
2021	\$1,416,807

EasyJet

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$2,353,524,353
As a % of Revenue	33.9%
US\$ per Passenger	\$33.77
Total Revenue	\$6,952,115,714
Financial Period	Fiscal year ended 31 September 2022 (FY 2022)
Passengers	69,700,000
Information Source	Annual Report and Accounts 2022, Results for the twelve months ending 30 September 2022, and FY 2022 Results Presentation dated 29 November 2022.

Ancillary revenue definitions and other notes:

- All figures are in UK pounds.
- Cabin bags and the Standard Plus leisure-oriented fare (introduced 2021), among other ancillary products, have continued to deliver incremental revenue through the period. Total ancillary revenue disclosed was £1,953,000,000 for FY 2022.
- EasyJet disclosed inflight retail statistics:
 - FY 2019 conversion rate of 20%, £1.85 spending per seat, £0.42 profit per seat.
 - September 2022: conversion rate 5% higher, spending per seat 10% higher, and profit per seat 70% higher.
- Revenue from easyJet Plus cards for the current financial year totaled £15 million. This is an annual subscription providing: expedited bag drop, speedy boarding, seat assignment and fast track security. Annual membership is £215 which suggests the airline sold approximately 70,000 subscriptions during the year.
- Closed loop Wifi (through an onboard router “box” provided by AirFi) will become available on all aircraft during FY 2023, which should improve in-cabin promotion of merchandise and services. This will include at-seat ordering, pre-order capability, and a new duty-free offer later in the year.
- EasyJet holidays continues its rapid expansion, with 83% growth (compared to FY 2019), 1.1 million customers (passengers), revenue of £368 million, and profit before tax of £38 million in FY 2022. The business expects customer growth in excess of 30% for the coming year and remains on track to deliver the medium-term target of more than £100 million profit before tax.
- EasyJet revenue for FY 2022: £5,769,000,000.

Year	Historical Ancillary Revenue
FY 2019	\$1,739,009,148
FY 2020	\$880,788,206
FY 2021	\$631,042,418

Finnair

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$213,012,145
As a % of Revenue	8.7%
US\$ per Passenger	\$23.42
Total Revenue	\$2,453,491,789
Financial Period	Calendar year 2022
Passengers	9,095,800
Information Source	Annual Report 2022

Ancillary revenue definitions and other notes:

- All figures are in euros.
- Ancillary revenue consists of various service fees and inflight sales, and increased to €123.2 million. Excess baggage, assigned seating, and the frequent flyer program were the largest categories.
- The Finnair Plus frequent flyer program has 4 million members and the number of members has grown by over 60% since 2017.
- The number of active users of the Finnair mobile application increased by 118% to 711,000 year-on-year.
- The airline introduced a new premium economy class during 2022, which offers approximately 50% more personal space than economy. Comfort is provided by memory foam cushions and an 8-inch seat recline. Other features include at-seat power, 13-inch video screen, single-leaf tray table, and meals served on china.
- The airline operates a tour business (Aurinkomatkat and Finnair Holidays) which generates ancillary revenue. Revenue from “tour services” was €170.3 million and expenses for “tour operations” were €88.9 million for 2022. This yields net income of €81.4 million, which qualifies as ancillary revenue. During 2022 international packages resumed which resulted in a 291.4% package traffic increase above 2021.
- 2022 ancillary revenue calculated for Finnair is €204,600,000 and consists of:
 - Defined ancillary revenue: €123.2 million.
 - Tour business: €81.4 million.
- Total revenue for 2021 was incorrectly listed in the 2022 Yearbook; the correct amount is €838.4 million.
- Finnair revenue for 2022: €2,356,600,000.

Year	Historical Ancillary Revenue
2019	\$322,690,844
2020	\$107,645,920
2021	\$72,681,975

Icelandair

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$111,002,000
As a % of Revenue	8.8%
US\$ per Passenger	\$30.34
Total Revenue	\$1,265,118,000
Financial Period	Calendar year 2022
Passengers	3,658,363
Information Source	Consolidated Financial Statements for the year 2022, Annual and Sustainability Report 2022, and Traffic Data December 2022

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- The Saga Club frequent flyer program has more than 1.3 million members and membership grew by 17% during 2022, making it the largest loyalty program in Iceland.
- Saga Club members may redeem points during a flight for the onboard café, Wifi service and to upgrade to an extra leg room seat. Members present their physical or digital Saga Card and credit/debit Card to the cabin crew. If there are not adequate points for the whole transaction, the passenger's credit/debit card is charged the usual cash amount.
- Icelandair began offering pre-purchase meals before departure. Pre-purchase will be available in the booking process and passengers can also add meals in the "My Journey" area on the Icelandair website until 24 hours before departure. The selections include increased diversity of meals, for example a three-course hot meal, Nordic open-face sandwich as well as vegan and low carb options. Icelandair's disclosed ancillary revenue for 2022 was \$72,225,000 which is likely flight-related a la carte activity.
- 2022 ancillary revenue calculated for Icelandair is \$111,002,000 and consists of:
 - Disclosed ancillary revenue: \$72,225,000.
 - Sales at airports and hotels: \$7,713,000.
 - Tourism revenue: \$31,064,000.
- Icelandair revenue for 2022: \$1,265,118,000.

Year	Historical Ancillary Revenue
2019	\$96,090,000
2020	\$52,652,000
2021	\$79,426,000

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,374,231,185
As a % of Revenue	22.7%
US\$ per Passenger	\$84.72
Total Revenue	\$6,065,778,202
Financial Period	12-month period ended 31 March 2023 (FY 2023)
Passengers	16,220,000
Information Source	Preliminary Results 2023

Ancillary revenue definitions and other notes:

- All figures are in UK pounds.
- Jet2.com flew 16,220,000 overall sector passengers. Of these, 64.9% were package customers, which represents a 13.2-point increase above FY 2022.
- Jet2.com is a UK-based airline owned by Jet2 plc. The company reports airline and holiday package operations under a single leisure travel category.
- During FY2023, the airline introduced new ancillary revenue related products:
 - VIBE by Jet2Holidays in partnership with Leeds-born DJ Tom Zanetti which includes special access at entertainment venues in the Mediterranean.
 - Express Transfers (paid upgrade) guaranteeing customers the first, second or third drop off on their arrival transfer at the start of their holiday, and among the last pick-ups for the return journey.
- Non-ticket revenue represents a la carte activity, and includes checked baggage, assigned seats, pre-order meals, and inflight sales. The company noted this activity declined during a portion of FY 2023 due to problems associated with its onboard vendor.
- Net package revenue of £719,363,600 was calculated based upon holiday package revenue of £4,028,900,000 and 5.29 million package customers. Accommodation costs of £1,973,600,000, roundtrip flight revenue of £1,060,962,400 (£200.56 x 5.29 million pax.), and double counting of non-ticket revenue of £274,974,000 (£51.98 x 5.29 million pax.) is deducted from this revenue. This calculation yields a package margin of 17.9%.
- FY 2023 ancillary revenue calculated for Jet2.com is £1,140,363,600 and consists of:
 - Non-ticket revenue: £421,000,000.
 - Net package revenue: £719,363,600.
- Jet2.com revenue for FY 2023: £5,033,500,000.

Year	Historical Ancillary Revenue
FY 2020	\$397,567,621
FY 2021	\$110,330,575
FY 2022	\$422,776,100

Lufthansa Passenger Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$588,230,018
As a % of Revenue	2.5%
US\$ per Passenger	\$5.78
Total Revenue	\$23,695,779,135
Financial Period	Calendar year 2022
Passengers	101,774,000
Information Source	Annual Report 2022 and Miles & More Numbers and Facts

Ancillary revenue definitions and other notes:

- All figures are in euros.
- The Passenger Airlines segment includes Lufthansa Airlines, SWISS, Austrian Airlines, Brussels Airlines and Eurowings. Passenger Airlines also includes the regional airlines Lufthansa CityLine, Air Dolomiti, Edelweiss Air, Eurowings Discover, as well as the equity investment in SunExpress, and the joint venture with Turkish Airlines.
- This edition of the yearbook will rely upon specific disclosures by Lufthansa, rather than the now-dated “percent of revenue” disclosure made in 2018. The disclosures admittedly are below what Lufthansa actually generates as ancillary revenue.
- Revenue of €358 million for 2022 was attributed to the Miles & More frequent flyer program. The program has 16 million members worldwide, 1.4 million co-branded credit card accounts, and operates eight Lufthansa Worldshop retail locations which feature merchandise that can be purchased using miles.
- The airline disclosed during its annual meeting that average customer spend per buy-on-board purchase was €8.65 (or €2.44 per systemwide passenger) for 2022. In its annual report, inflight sales were listed as €207 million. If all of this revenue is attributed to buy-on-board, this suggests 23.9 million individual purchases, which represents about 24% of passengers. The activity would be reduced if a portion of the €207 million disclosure includes duty free sales.
- 2022 ancillary revenue calculated for Lufthansa Passenger Airlines is €565,000,000:
 - Revenue from customer loyalty programs: €358 million.
 - Inflight sales: €207 million.
- Historical data in the table below refers to Lufthansa Network Airlines which excludes certain affiliates, notably Eurowings; this year’s listing uses a different basis.
- Lufthansa Passenger Airlines revenue for 2022: €22,760,000,000 (see details above).

Year	Historical Ancillary Revenue
2019	\$1,934,516,912 (Lufthansa Network Airlines)
2020	\$763,880,674 (Lufthansa Network Airlines)
2021	\$843,016,055 (Lufthansa Network Airlines)

Norse Atlantic Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$13,880,000
As a % of Revenue	13.3%
US\$ per Passenger	\$48.03
Total Revenue	\$104,269,000
Financial Period	Calendar year 2022
Passengers	289,000
Information Source	Annual Report 2022 and Investor Presentation dated 24 November 2022

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- The company's first commercial flight occurred on 20 June 2022. It currently operates flights on transatlantic routes between Europe and the US. Norse Atlantic Airways is a public company listed on the Euronext Growth Oslo exchange.
- Norse began marketing connecting flights with Spirit and easyJet. The Norse/Spirit connections are available through a booking engine operated by Dohop. The easyJet connections are available through the Worldwide by easyJet booking platform.
- By the end of 2022, accommodations could be booked at FlyNorse.com through the Booking.com platform.
- Norse described these 2022 activities as contributing to ancillary revenue:
 - Hotel accommodations and travel insurance sales.
 - Incentive program for airport staff to increase a la carte sales.
 - Pre-order options for onboard café and inflight comfort kit.
 - Freeze-the-price option (fee based).
 - New handheld retail devices for crewmembers.
 - At-seat onboard café ordering.
- The company defines ancillary passenger revenue as the sale of products and services to passengers, such as revenue from baggage sales, seating and premium upgrades and food and beverages onboard the aircraft.
- Ancillary revenue disclosed for 2022 was \$13,880,000.
- Norse Atlantic Airways revenue for 2022: \$104,269,000.

Year	Historical Ancillary Revenue
2019	No data – began operations 2022
2020	No data – began operations 2022
2021	No data – began operations 2022

Norwegian

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$368,789,968
As a % of Revenue	19.6%
US\$ per Passenger	\$20.72
Total Revenue	\$1,876,992,294
Financial Period	Calendar year 2022
Passengers	17,800,000
Information Source	Norwegian Air Shuttle Annual Report 2022 and Investor Presentation dated March 2023

Ancillary revenue definitions and other notes:

- All figures are in Norway kroner (NOK).
- Ancillary revenue includes sales of ticket-related products and services, such as baggage sales, assigned seating, and seating and premium upgrades.
- The Norwegian Reward frequent flyer program has 8.3 million members, with 5.1 million residing in Scandinavian countries.
- Bank Norwegian, the issuer of the Norwegian Reward co-branded credit card, was acquired by Nordax Group November 2021.
- Bank Norwegian credit card accounts by country (approximately 1,230,000 accounts):
 - Norway: 533,000.
 - Sweden: 400,000.
 - Finland: 169,000.
 - Denmark: 95,000.
 - Germany/Spain: 33,000 (amount includes bank loan customers).
- Ancillary revenue disclosed for 2022 was NOK 2,870 million. Ancillary revenue per passenger increased 6% from 2021.
- Other revenue amounted to NOK 802 million, compared to NOK 214 million in 2021 and is primarily related to commissions from inflight sales and revenue from the Norwegian Reward loyalty program.
- 2022 ancillary revenue calculated for Norwegian is NOK 3,672,000,000 and consists of:
 - Disclosed ancillary revenue: NOK 2,870 million.
 - Other revenue (inflight and loyalty): NOK 802 million.
- Norwegian revenue for 2022: NOK 18,689,000,000.

Year	Historical Ancillary Revenue
2019	\$822,666,007
2020	\$196,740,349
2021	\$148,120,149

Pegasus

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$651,738,038
As a % of Revenue	25.6%
US\$ per Passenger	\$24.19
Total Revenue	\$2,550,080,382
Financial Period	Calendar year 2022
Passengers	26,940,000
Information Source	Consolidated Financial Statements for the year ended 31 December 2022, 2022 Q4 Results Presentation dated March 2023, and Annual Activity Report (06 March 2023)

Ancillary revenue definitions and other notes:

- All figures are in euros.
- During 2022, improvements were implemented for the Pegasus BolBol frequent flyer program:
 - Transferring BolPoints to other members is now available.
 - The Pegasus Airlines Youth Club Program was introduced as a BolBol program feature.
 - Gaming features were incorporated into the mobile app which allows members to accrue complimentary BolPoints.

The program had 8,405,633 members at the end of 2022.
- Self-service bag check kiosks were expanded during 2022 and are available at eight airports: Istanbul Sabiha Gokcen, Istanbul Airport, Izmir, Ankara, Antalya, Dalaman, Bodrum-Milas, and North Cyprus. The capability to purchase assigned seating at a kiosk was added during 2022.
- Ancillary revenue disclosed for 2022 was €626,000,000. On a per passenger basis, 2022 was a record year at €23.30 with prior years at €15.60 (2021) and €14.90 (2019).
- Pegasus revenue for 2022: €2,449,374,176.

Year	Historical Ancillary Revenue
2019	\$518,973,712
2020	\$239,893,378
2021	\$373,933,017

PLAY

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$32,800,000
As a % of Revenue	23.4%
US\$ per Passenger	\$41.56
Total Revenue	\$139,905,000
Financial Period	Calendar year 2022
Passengers	789,151
Information Source	PLAY Annual and Sustainability Report 2022 and Q2 2022 Results Presentation

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- The airline expanded its distribution network during the year, which now includes more than 50 global and local online travel agents and meta-search engines. It has established an online interline presence by participating in the Vueling Global and Worldwide by easyJet online booking platforms. Distribution channels include: Google Flights, Kayak, Skyscanner, Dohop, Booking.com, Tripadvisor, eDreams, and Expedia.
- The airline indicates revenue from airport sales in 2022 was impacted by staff shortages at airports, hindering PLAY from enforcing fee-producing policies. This likely refers to carry-on baggage compliance which works to increase checked baggage activity. The airline will introduce new sales kiosks at airports, which will serve to increase airport and onboard sales.
- Branded fares were introduced in January 2023: Play Basic, Play Value, and Play Flex.
- The carrier's passenger composition is: 30% of passengers traveling to Iceland, 36% of passengers originating from Iceland, and 34% traveling via the Iceland hub.
- Ancillary revenue was disclosed as \$32,800,000 for 2022.
- PLAY revenue for 2022: \$139,905,000.

Year	Historical Ancillary Revenue
2019	No data – began operations 2021
2020	No data – began operations 2021
2021	\$4,700,000 (partial year)

Ryanair Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$4,002,983,357
As a % of Revenue	35.7%
US\$ per Passenger	\$23.74
Total Revenue	\$11,218,223,169
Financial Period	For the fiscal period ending 31 March 2023 (FY 2023)
Passengers	168,600,000
Information Source	FY 2023 Ryanair Results

Ancillary revenue definitions and other notes:

- All figures are in euros.
- Ryanair Group includes the following carriers: Ryanair, Lauda, Buzz (Eastern Europe), and Malta Air. Separate statistics are not offered.
- Ryanair reports “customers” not passengers, which suggests the carrier includes customers purchasing tickets who don’t fly (such as no-shows). This would understate ancillary revenue results on a per passenger basis when compared to other airlines.
- The airline offers a generous family seating policy. For family bookings, children (aged 2 to 11 years) receive free reserved seating so they can sit beside a parent. Adult fares include assigned seating for up to four children free of charge (in the same booking). However, if an adult selects a reserved seat outside of specific allocated rows (depending on aircraft) a price difference will apply. Similarly, if a seat is selected for a child outside of these rows, they will be charged the full reserved seat price of these seats.
- The Family Plus fare is designed for family travel, and includes these features:
 - 1 Small Bag (one per family).
 - 1 x 20 kg Check-in Bag (one per family).
 - 10kg Check-in Bags (one for each family member).
 - Free assigned seating for kids under 12 (standard offer for all kids).
- For FY 2023, ancillary revenue was €3,844,900,000 and this represents a 124% increase above FY 2022. Higher take rates were achieved during the year for these activities: priority boarding, assigned seats, and inflight sales.
- Ryanair Group revenue for 2022: €10,775,200,000.

Year	Historical Ancillary Revenue
FY 2020	\$3,311,255,802
FY 2021	\$675,376,811
FY 2022	\$2,547,307,585

SAS Scandinavian

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$308,516,060
As a % of Revenue	10.0%
US\$ per Passenger	\$17.27
Total Revenue	\$3,079,741,251
Financial Period	For the fiscal period ending 31 October 2022 (FY 2022)
Passengers	17,868,000
Information Source	SAS Annual and Sustainability Report 2022 and Eurobonus AB FY 2022 Annual Report

Ancillary revenue definitions and other notes:

- All figures are in Swedish kronor (SEK).
- The airline filed for Chapter 11 bankruptcy (reorganization) in the US 05 July 2022.
- SAS Go is the fare category for economy class, which offers 5 options:
 - Go Light allows a small underseat bag. Long haul flights allow a traditional carry-on.
 - Go Smart provides an 8 kg carry-on and a checked bag.
 - Go Smart Bio is the same as Go Smart, but provides a 50% paid carbon offset.
 - Go Pro is the same as Go Smart, but provides flexibility.

SAS Plus is the fare category for premium economy seating and offers the same 5 options.

- The airline describes “Other traffic revenue” (SEK 2.982 billion) as consisting of ancillary revenue, and including examples such as baggage and assigned seat fees. This category also includes revenue from unused tickets (abandoned) which does not qualify as ancillary revenue. IdeaWorksCompany assumes 75% (SEK 2.237 billion) of this activity qualifies as ancillary revenue.
- The EuroBonus frequent flyer program has more than 7 million members. The airline recognized SEK 584 million as revenue for 2022, which is SEK 83 (\$8) per member.
- 2022 ancillary revenue calculated for SAS Scandinavian is SEK 3,188,000,000 and consists of:
 - Adjusted Other traffic revenue: SEK 2.237 billion.
 - Inflight sales: SEK 367 million.
 - Loyalty program (recognized as revenue): SEK 584 million.
- SAS Scandinavian revenue for 2022: SEK 31,824,000,000.

Year	Historical Ancillary Revenue
FY 2019	\$342,598,307
FY 2020	\$358,303,159
FY 2021	\$241,615,487

Wizz Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,947,718,085
As a % of Revenue	48.0%
US\$ per Passenger	\$38.14
Total Revenue	\$4,055,872,002
Financial Period	12 month period ended 31 March 2023 (FY 2023)
Passengers	51,071,836
Information Source	Wizz Air Holdings PLC Annual Report and Accounts 2023

Ancillary revenue definitions and other notes:

- All figures are in euros.
- The airline disclosed it uses dynamic pricing for baggage, assigned seats, and priority boarding. During FY 2023 Wizz Air contracted with a technology company to provide machine learning capabilities with regard to ticket and ancillary sales. The amount paid to the vendor in FY 2023 was €2.5 million (FY 2022: €1.2 million).
- Jozsef Varardi, CEO of the airline, commented on ancillary revenue during a 10 April 2023 interview at Aerotime.aero, “Ancillary revenue tends to be a lot more resilient, as a revenue stream – from a business perspective – than ticket revenue. Ticket revenues are subject to market conditions, macroeconomic factors, and they tend to fluctuate. Ancillary revenues tend to be very stable and you can really predict them. It’s almost like hedging your revenue stream, or a part of your revenue stream . . .”
- Wizz Air offers a unique “Sitting Together” alternative to assigned seating fees. For a single €20 fee, the airline will seat two adults next to each other for a one-way or roundtrip itinerary. The travelers don’t choose specific seats, but are guaranteed adjoining seats.
- More than 90% of bookings were made via the carrier’s website or mobile app; the carrier does not distribute through global distribution systems. For FY 2024, the airline anticipates its website and mobile app will generate more than 750 million visits.
- During FY 2023, Wizz Air introduced a new type of checked bag with a weight allowance of 26 kg, in addition to the existing 10, 20 and 32 kg options.
- Ancillary revenue disclosed for FY 2023 was €1,870,800,000.
- Wizz Air revenue for 2022: €3,895,700,000.

Year	Historical Ancillary Revenue
FY 2020	\$1,416,492,955
FY 2021	\$465,377,185
FY 2022	\$1,104,339,176

Non-Reporting Carriers for Europe

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

Aer Lingus (See IAG), Air Europa (owned by Globalia), Air Greenland, Air Malta, (no disclosure since 2018), Air Moldova (no disclosure since 2016), Air Serbia, Austrian (included in results from Lufthansa), British Airways (see IAG), Brussels Airlines (does not issue reports separate from Lufthansa Group), Czech Airlines, FlyBAIR, HiSky Airlines, Iberia Airways (see IAG), IAG International Airlines Group (sufficient disclosure not found for 2022), ITA Airways Italy, Loganair, LOT Polish (Polish Aviation Group), Luxair, Nordwind Airlines, S7 Airlines (only in Russian), SATA International/Azores Airlines, SmartWings (2019 report available during research time), SWISS (included in results from Lufthansa), TAP Air Portugal, Tarom, TUI Group – Markets & Airlines (airline brands: Thomson Airways, TUIfly, and TUIfly Nordic), Turkish Airlines, UTair (only in Russian), Volotea, Vueling (see IAG), and Wideroe (owned by Torghatten).

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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Aerolineas Argentinas

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$142,243,776
As a % of Revenue	5.2%
US\$ per Passenger	\$12.38
Total Revenue	\$2,719,176,855
Financial Period	Calendar year 2022
Passengers	11,489,000
Information Source	Aerolineas Argentinas Annual Report 2022 and Aviacion Civil Argentina (traffic)

Ancillary revenue definitions and other notes:

- All figures are in Argentinian pesos (ARS).
- Aerolineas Argentinas disclosed items in its most recent annual report which may qualify as ancillary revenue: *miscelaneos pasajes* and *otros servicios*. These translate as “miscellaneous tickets” and “other services” with other line items referring to cargo, frequent flyer, and services provided to third parties.
- Revenue produced by the frequent flyer program was ARS 9,323,871,452.
- In the past, the airline disclosed ancillary revenue as equaling 4% of revenue. The items described above approximate that level, with an additional factor allowing for improved results.
- 2022 ancillary revenue calculated for Aerolineas Argentinas is ARS 17,837,872,773 and consists of:
 - Miscellaneous tickets: ARS 7,841,563,222.
 - Other services: ARS 672,438,099.
 - Loyalty program: ARS 9,323,871,452.
- Aerolineas Argentinas revenue for 2022: ARS 340,994,398,673. Revenue described in the 2022 yearbook was incorrect; the correct 2021 revenue is ARS 162,130,597,445.

Year	Historical Ancillary Revenue
2019	\$182,246,562
2020	\$81,247,549
2021	\$152,830,808

Air Canada

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,975,197,146
As a % of Revenue	15.4%
US\$ per Passenger	\$54.65
Total Revenue	\$12,819,037,222
Financial Period	Calendar year 2022
Passengers	36,144,000
Information Source	Air Canada 2022 Annual Report and 2022 Annual Information Form

Ancillary revenue definitions and other notes:

- All figures are in Canadian dollars (CAD).
- Air Canada includes Air Canada, Air Canada Rouge, Air Canada Vacations, Aeroplan, and the activity generated through capacity arrangements with Air Canada Express partner airlines.
- Air Canada made this disclosure for 2022 that meets the definition of ancillary revenue: “Other operating revenues are principally derived from customers located in Canada and consist primarily of revenues from the sale of the ground portion of vacation packages, redemption of Aeroplan Points for non-air goods and services, buy on board and related passenger ancillary services and charges, and other airline-related services.” Other revenue for 2022 was CAD 1.298 billion.
- These activities occurred during 2022 for Aeroplan: Partnerships have been added with Starbucks, Uber, Liquor Control Board of Ontario (retail alcohol), recording-breaking addition of 1+ million new members, with membership on track to reach 7 million for 2022.
- Proceeds from Aeroplan Points issued to program partners were CAD 1.253 billion for 2022, which is a significant increase from CAD 822 million for 2021.
- Air Canada invested in its Maple Leaf Lounge experience, including a contemporary buffet service, expanded Cafe offering and new Priority Access Lanes for premium and elite status travelers.
- 2022 ancillary revenue calculated for Air Canada is CAD 2,551,000,000 and consists of:
 - Other operating revenue: CAD 1,298,000,000.
 - Sale of Aeroplan miles to partners: CAD 1,253,000,000.
- Air Canada operating revenue for 2022: CAD 16,556,000,000.

Year	Historical Ancillary Revenue
2019	\$2,549,719,104
2020	\$892,458,089
2021	\$931,039,517

Alaska Air Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$2,083,000,000
As a % of Revenue	21.6%
US\$ per Passenger	\$50.23
Total Revenue	\$9,646,000,000
Financial Period	Calendar year 2022
Passengers	41,468,000 (Total of Alaska Airlines mainline and Horizon Air)
Information Source	2022 Annual Report / Form 10-K

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- Ancillary passenger revenue relates to items such as checked-bag fees, ticket change fees (prior to 2021), and onboard food and beverage sales. These were disclosed as totaling \$447 million for 2022.
- Sales by channel were as follows for 2022: 64% direct to consumer, 18% traditional travel agencies, 7% online travel agencies, and 11% call centers.
- In 2022, Alaska amended its Mileage Plan co-branded credit card agreement with Bank of America. The amendment extended the term of the agreement into 2030. This agreement includes service for Alaska to provide to the issuing bank: bag fee waivers, companion fare offers, and priority boarding for cardholders, along with “unlimited access to the use of the Company’s brand and frequent flyer member lists.” Revenue received from the bank is allocated in accordance with the services provided by Alaska. Total Mileage Plan revenue was \$1.521 billion for 2022 and primarily represents payments made by Bank of America to Alaska.
- IdeaWorksCompany estimates Mileage Plan has more than 30 million members based upon calculations made on information revealed in the past.
- Alaska also earns other revenue for lounge memberships, hotel and car commissions, and certain other immaterial items not intrinsically tied to providing air travel to passengers. The “other revenue” component for 2022 was \$115 million.
- 2022 ancillary revenue calculated for Alaska was \$2,083,000,000 and consists of:
 - Ancillary revenue (passenger): \$447,000,000.
 - Ancillary revenue (lounges and commission): \$115,000,000.
 - Mileage Plan revenue: \$1,521,000,000.
- Alaska Air Group operating revenue for 2022: \$9,646,000,000.

Year	Historical Ancillary Revenue
2019	\$2,033,560,500
2020	\$960,743,000
2021	\$1,519,000,000

Allegiant

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,126,508,000
As a % of Revenue	48.9%
US\$ per Passenger	\$67.74
Total Revenue	\$2,301,829,000
Financial Period	Calendar year 2022
Passengers	16,630,138
Information Source	Allegiant Travel Company Form 10-K for the year ended 31 December 2022 and Presentation dated 03 May 2023

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- Ancillary revenue (baggage fees, advance seat assignments, proprietary travel protection product, change fees, use of our call center for purchases, priority boarding, customer convenience fee, food and beverage purchases on board) was \$1,025,549,000 for 2022.
- Third party products revenue (hotel rooms, rental cars, paid hotel, shuttle services, and the frequent flyer program) was \$100,959,000 for 2022. The company claims a 90+% margin on this activity, which likely refers to the lack of overhead expenses associated with commission based activities (which don't require assets such as aircraft).
- For 2022, third party activity included the sale of 282,854 hotel nights and 1,447,708 car rental days.
- The Allways Rewards loyalty program added 2.1 million members during 2022 for a year-end total of 15.3 million members.
- The Allways Rewards co-branded credit card added 150,000 new cardholders during 2022 with more than 410,000 cardholders at year end (an average of 335,000 accounts open during the year). Revenue from the program was \$103 million for 2022 which averages \$307 per account. 2.7% of rewards members hold the card. A portion of this revenue is prorated under the third party revenue category.
- The company anticipates its 500-room Sunseeker Resort, located near Punta Gorda Airport (Florida), will open in the 4th quarter of 2023.
- 2022 ancillary revenue calculated for Allegiant was \$1,126,508,000 and consists of:
 - Defined ancillary revenue: \$1,025,549,000.
 - Third party products: \$100,959,000.
- Allegiant Travel Company revenue for 2022: \$2,301,829,000.

Year	Historical Ancillary Revenue
2019	\$855,336,000
2020	\$513,001,000
2021	\$876,859,000

American

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$7,711,216,000
As a % of Revenue	15.7%
US\$ per Passenger	\$38.69
Total Revenue	\$48,971,000,000
Financial Period	Calendar year 2022
Passengers	199,288,000
Information Source	2022 Annual Report on Form 10-K

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- “Other revenue” for 2022 was \$513 million. This amount includes airport club revenue, advertising, and vacation related services (all of these qualify as ancillary revenue).
- American’s 2022 loyalty program revenue was \$5.8 billion and consisted of:
 - Loyalty revenue, travel: \$3.143 billion (mileage redemptions linked to partners).
 - Loyalty revenue, marketing services: \$2.657 billion (marketing component).
- AAdvantage membership in 2020 was disclosed as 115 million; IdeaWorksCompany estimates the total is now 120 million. Approximately 7% of 2022 total revenue passenger miles flown were reward travel.
- The AAdvantage program introduced a “Loyalty Point Rewards” benefit feature below the Gold tier, which requires just 15,000 Loyalty Points (Gold requires 40,000 points). The primary benefit is Group 5 boarding for the membership year and a choice of a) priority check-in, security, and Group 4 boarding for one trip, or b) five preferred seat coupons.
- US DOT data indicates American’s baggage revenue was \$1,398,216,000 in 2022.
- During the carrier’s 3rd quarter 2022 investor conference call, Vasu Raja (American’s CCO) revealed that business traffic is approximately 80% recovered since the pandemic. Revenues are actually higher, due to higher yields and “really high margin products” such as premium cabin seats, co-branded credit cards, and the AAdvantage program.
- 2022 ancillary revenue calculated for American was \$7,711,216,000 and consists of:
 - Other revenue: \$513,000,000.
 - Loyalty program revenue (all): \$5,800,000,000.
 - Baggage revenue: \$1,398,216,000.
- American revenue for 2022: \$48,971,000,000.

Year	Historical Ancillary Revenue
2019	\$7,413,000,000
2020	\$3,782,000,000
2021	\$5,896,000,000

Avianca

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$216,205,000
As a % of Revenue	5.3%
US\$ per Passenger	\$8.65
Total Revenue	\$4,047,856,000
Financial Period	Calendar year 2022
Passengers	24,998,000
Information Source	Avianca Group International Limited Consolidated Financial Statements for the Year Ended 31 December 2022 and JP Morgan Conference March 2023 presentation

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- On 01 December 2021 Avianca Holdings SA successfully emerged from Chapter 11 bankruptcy. As part of the execution of the reorganization plan, Avianca Holdings SA transferred its assets and restructured financial obligations to Avianca Group International Limited.
- Avianca offers 4 branded fares: XS, S, M, and L. XS represents basic economy and only provides a small carry-on bag. L is a premium fare, and offers booking flexibility, priority boarding, checked bag, larger carry-on, and a higher level frequent flyer accrual. When available, the customer may also select a Plus seat at no additional charge (extra leg room). The airline also provides 2x2 seating on narrow body aircraft, which can be selected at additional charge in a manner similar to the Big Front Seat on Spirit Airlines.
- LifeMiles is the carrier's coalition loyalty program and is an important contributor of revenue for the airline. The carrier disclosed the following details for the program:
 - 11.6 million members.
 - 2022 gross partner billings of \$202 million (\$17.41 per member).
 - 524,000 co-branded credit card accounts (4.5% of membership).
 - Reward redemption mix: 65% on Avianca, 24% airline partners, and 11% non-air rewards.
- Loyalty program revenue was \$216,205,000 for 2022 and this represents the sole ancillary revenue disclosure made by the airline.
- Avianca Group International Limited revenue for 2022: \$4,047,856,000.

Year	Historical Ancillary Revenue
2019	\$524,530,400
2020	\$208,561,000
2021	\$324,497,000

Azul

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$729,123,649
As a % of Revenue	26.5%
US\$ per Passenger	\$26.53
Total Revenue	\$2,749,178,397
Financial Period	Calendar year 2022
Passengers	27,485,369
Information Source	Azul Form 20-F for 2021

Ancillary revenue definitions and other notes:

- All figures are in Brazilian reais (BRL).
- Ancillary items such as bags, upgrades, itinerary changes and other air travel-related fees are recognized in passenger revenue while non-passenger related items including cargo, travel packages, and revenue from aircraft subleases are recognized under “cargo and other revenue.” Cargo was separately listed as \$1.4 billion for 2022. “Cargo and other revenue” was listed as BRL111.07 per passenger for total revenue of BRL 3,052,799,935 (when multiplied by 2022 passenger traffic). Removing the cargo element leaves net ancillary revenue of BRL 1,652,799,935. The carrier’s reporting of ancillary revenue is difficult to discern because cargo and other revenue terms are interchangeably used.
- Azul Viagens, the vacations business, is an important driver of margin expansion. In 2022, Azul sold 36% more travel packages compared to 2021. During weekends when utilization is lower, Azul dedicated 25% of its capacity to fly exclusive nonstop leisure routes, which are ideal for Azul Viagens. The airline operated more than 2,000 flights dedicated to Azul Viagens during the high season.
- On a standalone basis, TudoAzul’s gross partner billings totaled BRL 2.218 billion for 2022. That’s BRL 148 (\$31) per member and the result is “ex airline” which reflects the removal of billings to Azul. TudoAzul had more than 15 million members as of December 31, 2022. TudoAzul members have generally demonstrated a willingness to pay higher average fares than those paid by non-members due to higher customer satisfaction, increased passenger loyalty, and because many members are business travelers.
- 2022 ancillary revenue calculated for Azul was BRL 3,870,799,935 and consists of:
 - Adjusted ancillary revenue: BRL 1,652,799,935.
 - TudoAzul gross billings: BRL 2,218,000,000.
- Azul revenue for 2022: BRL 14,594,945,000.

Year	Historical Ancillary Revenue
2019	\$670,253,775
2020	\$281,105,386
2021	\$415,905,492

Breeze Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$52,473,000
As a % of Revenue	38.9%
US\$ per Passenger	\$50.02
Total Revenue	\$135,000,000
Financial Period	Calendar year 2022
Passengers	1,049,000
Information Source	US DOT, Bureau of Transportation Statistics, Form 41; Schedule P-1.2 and Carrier Snapshots

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- The airline began operations May 2021; 2022 was its first full year of operations.
- Breeze has the following ancillary revenue activities:
 - Airport printed boarding pass (\$3 per boarding pass).
 - Assigned seating.
 - Branded fares: Nice, Nicer, and Nicest.
 - Call center support.
 - Checked baggage and large carry-on bag.
 - Frequent flyer program (BreezePoints).
 - Onboard café.
 - Pet in cabin.
 - Rental car and hotel bookings.
 - Wifi (entertainment is no charge).
- 2022 ancillary revenue calculated for Breeze Airways was \$52,473,000 and consists of:
 - Baggage fees: \$52,364,000.
 - Revenue from passenger transport related activities (TransRevenue): Not disclosed for 2022 (this largely consists of onboard sales such as food, beverage and entertainment and other items assigned by the airline).
 - Revenue from miscellaneous operating revenue (MiscOpRev): \$109,000 (which includes pet transportation and sale of frequent flyer points).

The above results are from the US DOT Bureau of Transportation Statistics website.
- Breeze Airways revenue for 2022: \$135,000,000.

Year	Historical Ancillary Revenue
2019	<i>No data – began operations 2021</i>
2020	<i>No data – began operations 2021</i>
2021	\$3,278,000 (partial year)

Copa Airlines

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$68,148,000
As a % of Revenue	2.3%
US\$ per Passenger	\$6.59
Total Revenue	\$2,965,033,000
Financial Period	Calendar year 2022
Passengers	10,334,000 (passengers carried, not segment passengers)
Information Source	Copa Holdings, S.A. SEC Form 20-F for 2022.

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- ConnectMiles, the carrier's frequent flyer program, generated \$59,695,000 from these sources during 2022:
 - Redemption of miles for reward travel: \$31,299,000.
 - Marketing component of miles sold to partners: \$28,396,000.
- "Other operating revenue" (under the Other operating revenue category) includes some ancillary revenue activities such as advertising and vacation packages. The total for 2022 was \$10,153,000 and also includes aircraft lease revenue. Deducting 2022 lease income of \$1,700,000 yields a net amount of \$8,435,000.
- Copa Airlines continues initiatives to boost tourism, such as the "Panama Stopover" program, which encourages transit passengers to stay a few days in Panama. Since 2019 this program has brought more than 260,000 visitors and it is estimated that in 2023 more than 115,000 tourists will take advantage of the Panama Stopover. The program provides opportunities to sell travel-related services such as hotel accommodations.
- 2022 ancillary revenue calculated for Copa Airlines is \$68,148,000 and consists of:
 - Frequent flyer program: \$59,695,000.
 - Other operating revenue: \$8,435,000.
- Copa Airlines revenue for 2022: \$2,965,033,000.

Year	Historical Ancillary Revenue
2019	\$108,296,320
2020	\$32,040,000
2021	\$50,268,000

Delta

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$7,987,111,000
As a % of Revenue	17.5%
US\$ per Passenger	\$46.61
Total Revenue	\$45,605,000,000
Financial Period	Calendar year 2022
Passengers	171,354,000
Information Source	Form 10-K for the period ended 31 December 2022 and Financial Outlook and Strategic Update presentation dated 14 December 2022.

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- American Express payments to Delta for the co-branded cards were \$4 billion for 2021, \$5.5 billion for 2022, and are estimated to be \$6.5 billion for 2023. The program added 1.2 million Amex co-branded cardholders in 2022.
- Premium products and non-ticket revenue (consisting of loyalty, contract maintenance services, cargo, and travel related services) are estimated to represent 55% of total revenue for 2022, with Main cabin traffic representing the remaining 45%.
- During 2022 SkyMiles added 8.5 million members. For 2021 IdeaWorksCompany estimated SkyMiles had 136 million members; the total for 2022 is 144.5 million.
- Approximately 25 million reward tickets were redeemed, and this activity was 10% of revenue miles flown by the airline. 6.8% of miles redeemed were for non-travel rewards.
- 2022 ancillary revenue calculated for Delta was \$7,987,111,000 and consists of:
 - Cash from loyalty marketing agreements: \$5.5 billion.
 - Miscellaneous: \$894,000,000. The airline disclosed this as “primarily consisting of lounge access” for Delta customers and Amex cardholders.
 - Travel-related services: \$1,593,111,000. Delta described this as “services performed in conjunction with a passenger’s flight, including baggage fees, onboard sales and administrative fees.” The amount of \$1.694 billion has been reduced by the \$100,890,000 reported to the USDOT as change/cancel fees.
- Total operating revenue for 2022 was \$50,582,000,000; less deduction of refinery and other business operations of \$4.977 billion, adjusted operating revenue is \$45,605,000,000.

Year	Historical Ancillary Revenue
2019	\$6,198,000,000
2020	\$3,676,400,000
2021	\$5,831,000,000

Frontier

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,688,148,080
As a % of Revenue	50.8%
US\$ per Passenger	\$66.24
Total Revenue	\$3,326,000,000
Financial Period	Calendar year 2022
Passengers	25,486,000
Information Source	Frontier Group Holdings Form 10-K for the period ended 31 December 2022 and 15 November 2023 Investor Day

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- Revenue from assigned seating fees was \$251 million for 2022, or \$9.85 per passenger.
- The airline introduced the “Go Wild All-You-Can-Fly Pass” during 2022 which charges one price for unlimited flights, such as \$1,999 for a 12-month flight period (this would be a fare revenue generating activity, not ancillary revenue).
- Ancillary revenue includes an “other revenues” component consisting of services such as the Frontier Miles co-branded credit card program and commissions from the sale of items such as rental cars and hotels. Revenue from these activities was \$3.07 per passenger for 2022 or \$78,242,020.
- The airline described a 2026 target of \$100 ancillary revenue per passenger, which includes change fee activity which IdeaWorksCompany does not include in the definition. Activities defined by the airline to reach this target include the following:
 - Automated bag fee enforcement at bag drop and gate.
 - Updated marketing and in-path booking design for paid seat assignments.
 - New travel site featuring cars, hotels, cruises and more.
 - Relaunch premium seating product.
- Total ancillary revenue per passenger was \$76.28 for 2022. Multiplying this by Frontier’s passenger traffic of 25,486,000 generates a result of \$1,944,072,080. However, this includes change fees which are not defined as ancillary revenue for the yearbook. 2022 change fees were \$255,924,000 (US DOT Bureau of Transportation website), which was the highest for any US airline for the year. Deducting this amount yields adjusted ancillary revenue of \$1,688,148,080.
- Frontier revenue for 2022: \$3,326,000,000.

Year	Historical Ancillary Revenue
2019	\$1,094,043,000
2020	\$615,450,100
2021	\$1,130,325,950

GOL

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$838,480,909
As a % of Revenue	29.3%
US\$ per Passenger	\$30.75
Total Revenue	\$2,862,909,482
Financial Period	Calendar year 2022
Passengers	27,269,000
Information Source	GOL Linhas Aereas Inteligentes S.A. Parent Company and Consolidated Financial Statements dated 31 December 2022 and 4 th Qtr. 2022 investor presentation transcript (for SMILES)

Ancillary revenue definitions and other notes:

- All figures are in Brazilian reais (BRL).
- Voe Junto (Fly Together) is a service offered in the booking path in which a GOL employee provides assistance at every step of a flight journey. Fees for the service are BRL 200 (\$40) domestic, and BRL 349 (\$69) for international flights.
- The wholly owned SMILES loyalty program had 20.9 million members at the end of 2022.
- During 2022, the airline introduced the Smiles Viagens (Smiles Vacations) platform with airline tickets, hotels, transfers, tours with experiences and insurance, available for sale online, via the mobile app and WhatsApp. Brazil destination packages include checked baggage, priority boarding, lounge access, and Smiles mileage accrual.
- GOL disclosed “other revenue” (baggage, onboard sales, change fees etc.) as BRL 84,360,000 for 2022. This disclosure includes activity which does not qualify as ancillary revenue, but the non-conforming revenue is believed to be negligible.
- 2022 ancillary revenue calculated for GOL was BRL 4,451,360,000 and consists of:
 - Other revenue (adjusted): BRL 84,360,000.
 - SMILES 1st quarter 2022: BRL 971,000,000.
 - SMILES 2nd quarter 2022: BRL 1,001,000,000.
 - SMILES 3rd quarter 2022: BRL 1,260,000,000.
 - SMILES 4th quarter 2022: BRL 1,135,000,000.
- The carrier’s reporting of ancillary revenue is difficult to discern because ancillary revenue is bundled with other activities. The 2021 result was reviewed and corrected.
- GOL revenue for 2022: BRL 15,198,725,000.

Year	Historical Ancillary Revenue
2019	\$616,816,503
2020	\$175,670,739
2021	\$303,999,982 (corrected value)

Hawaiian Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$448,524,000
As a % of Revenue	17.0%
US\$ per Passenger	\$44.79
Total Revenue	\$2,641,267,000
Financial Period	Calendar year 2022
Passengers	10,015,000
Information Source	Annual Report 2022 for Hawaiian Holdings

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- Hawaiian does not make direct disclosures for ancillary revenue. Various activities were disclosed for 2022 and are listed below, and represent a portion of its ancillary revenue.
- “Other revenue” was \$182,468,000 for 2022 and primarily consists of cargo revenue, incidental services revenue, and contract services. Revenue from air cargo (PropFreight) for 2022 was \$127,400,000 per Form 41, Schedule P-1.2 at the US DOT Bureau of Transportation statistics website. Deducting air cargo from other revenue generates a result of \$55,068,000.
- Baggage revenue was \$87,193,000 for 2022 per the US DOT.
- For the prior year, Hawaiian sales from its Extra Comfort seating were \$100 million; an amount was not disclosed for 2022.
- The HawaiianMiles frequent flyer program has approximately 11.7 million total members as of December 31, 2022, with 63% residing in the US mainland, 23% in Hawaii, and the remainder residing in international markets. The number of free travel awards as a percentage of total revenue passengers was approximately 7% for 2022.
- Revenue produced by HawaiianMiles was \$306,263,000 for 2022 and consisted of:
 - Frequent flyer revenue, reward travel: \$182,904,000.
 - Frequent flyer revenue, marketing component: \$123,359,000.
- 2022 ancillary revenue calculated for Hawaiian Airlines is \$448,524,000 and consists of:
 - Miscellaneous services: \$55,068,000.
 - Baggage revenue: \$87,193,000.
 - Frequent flyer revenue: \$306,263,000.
- Hawaiian Airlines revenue for 2022: \$2,641,267,000.

Year	Historical Ancillary Revenue
2019	\$436,838,000
2020	\$191,034,200
2021	\$372,523,000

JetBlue

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$2,106,097,000
As a % of Revenue	23.0%
US\$ per Passenger	\$53.24
Total Revenue	\$9,158,000,000
Financial Period	Calendar year 2022
Passengers	39,562,000
Information Source	JetBlue Annual Report 2022

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- JetBlue Vacation Products, which includes JetBlue Vacations and the Paisly car and hotel booking site, reached earnings before income taxes of approximately \$100 million for 2022.
- The company introduced Troupe, in September 2022, as a new vacation planning application for large groups of friends or families. For example, a group participant can propose travel dates and a destination, to be voted upon by group members.
- Revenue from passenger transport related activities (TransRevenue): \$582,240,000 (per Form 41, Schedule P-1.2 at the US DOT Bureau of Transportation statistics website). This largely consists of onboard sales such as food, beverage and entertainment and other items assigned by the airline. IdeaWorksCompany believes JetBlue includes assigned seating fees in this category.
- Baggage revenue was \$624,857,000 for 2022 per Form 41, Schedule P-1.2 at the US DOT Bureau of Transportation statistics website.
- Enrollment in the TrueBlue program jumped by 50% during 2022, with co-branded credit card accounts growing by 40%. Loyalty program revenue for 2022 was \$899 million and comprised these items:
 - Loyalty revenue, reward travel: \$508 million.
 - Loyalty revenue, marketing component: \$391 million.
- 2022 ancillary revenue calculated for JetBlue is \$2,106,097,000 and consists of:
 - Miscellaneous revenue (a la carte): \$582,240,000.
 - Baggage revenue: \$624,857,000.
 - Loyalty program: \$899,000,000.
- JetBlue revenue for 2022: \$9,158,000,000.

Year	Historical Ancillary Revenue
2019	\$1,452,752,000
2020	\$934,800,000
2021	\$1,243,000,000

LATAM Airlines

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$960,320,000
As a % of Revenue	10.3%
US\$ per Passenger	\$15.37
Total Revenue	\$9,362,521,000
Financial Period	Calendar year 2022
Passengers	62,467,000
Information Source	Annual Report 2022 of LATAM Airlines Group and 5-Year Business Plan Projection dated August 2022

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- LATAM includes the following subsidiaries: LATAM Airlines Chile, LATAM Airlines Peru, LATAM Airlines Ecuador, LATAM Airlines Argentina, LATAM Airlines Colombia, LATAM Airlines Brazil, LATAM Airlines Paraguay.
- LATAM Pass, the carrier's frequent flyer program, had 42 million members at the end of 2022. The airline presented an overview of the program in the 5-Year Business Plan:
 - 8.6% of 2022 passengers were enrolled in the program.
 - 11.5% of revenue passenger km (RPK) were produced by reward travel.
 - Sales of miles to partners were \$547 million for 2021 for an average of \$14 per passenger, which represented 10% of LATAM revenue.
 - 50% of members reside in Brazil, with 15% in Argentina, and 12% in Chile.
- The following ancillary revenue activities occurred during 2022:
 - Dedicated call center for FFP elites and the reward redemption fee were eliminated.
 - 24 airports in seven countries offer self-service for checked baggage with 76% of passengers using the service.
 - The airline opened a new lounge in Santiago, featuring 4,200 square meters separated into three areas: Signature, Premium and WorldMember.
- 2022 ancillary revenue calculated for LATAM is \$960,320,000 and consists of:
 - Tour operations revenue: \$24,068,000.
 - Loyalty program revenue: \$936,252,000 (representing 10% of total revenue).
- This data was provided to LATAM management, which did not confirm its accuracy.
- LATAM revenue for 2022: \$9,362,521,000.

Year	Historical Ancillary Revenue
2019	\$245,606,000
2020	\$65,412,000
2021	\$585,690,000

Southwest

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$5,941,000,000
As a % of Revenue	24.9%
US\$ per Passenger	\$46.93
Total Revenue	\$23,814,000,000
Financial Period	Calendar year 2022
Passengers	126,586,000 Revenue passengers carried, not enplaned passengers.
Information Source	2022 Annual Report and 07 December 2022 Investor Day

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- The carrier's ancillary revenue is generated by EarlyBird Check-in and Upgraded Boarding (both services provide priority boarding benefits), pet transportation, unaccompanied minor fees, and the Rapid Rewards frequent flyer program. Southwest does not charge fees for these services: checked bags (2 allowed per passenger), call center support, onboard snacks, beverages, and entertainment.
- Reward travel represented 15% of revenue passenger miles flown.
- As of December 31, 2021, the company operated seven Customer Support and Services call centers. During 2022, the company closed all seven physical locations of the Customer Support and Services call centers and transitioned Customer Support and Services employees to remote work.
- Southwest added a 4th branded fare during 2022 called Wanna Get Away Plus. The fare is higher than the lowest-priced fare and offers standby travel flexibility. According to the airline, 85% of consumers would buy the fare again, and there has been trade-up of purchases from the lowest fare.
- 2022 ancillary revenue calculated for Southwest is \$5,941,000,000 and consists of:
 - Loyalty, reward travel component: \$3,028,000,000.
 - Loyalty, marketing component: \$2,100,000,000
 - Other loyalty, from non-airline redemption: \$78,000,000.
 - Passenger ancillary, sold separately: \$735,000,000.
- Southwest revenue for 2022: \$23,814,000,000.

Year	Historical Ancillary Revenue
2019	\$4,498,000,000
2020	\$2,522,000,000
2021	\$4,134,000,000

Spirit

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$2,612,630,000
As a % of Revenue	51.5%
US\$ per Passenger	\$67.61
Total Revenue	\$5,068,447,000
Financial Period	Calendar year 2022
Passengers	38,643,000
Information Source	Form 10-K for the period ended 31 December 2022.

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- During 2022 the airline entered into a merger agreement with JetBlue and terminated merger discussions with Frontier. On 07 March 2023 the US DOT filed a lawsuit to block the merger.
- The airline disclosed it uses dynamic pricing methods for the sale of its ancillary products and services.
- The airline has thoroughly adopted NDC for the pricing of its product through 3rd party distribution, such as online travel agents. The display of a la carte products through OTAs is now similar to if not the same as what consumers see at Spirit.com.
- During the JP Morgan Industrials Conference on 14 March 2023, the airline discussed ancillary revenue activities. Prior to the pandemic, average a la carte revenue was around \$50 per passenger, as of the 4th quarter of 2022, that amount is around \$70. The airline believes it was underpricing a la carte services earlier in its history. Now that these are appropriately priced, the total price of travel for the consumer is higher.
- 2022 ancillary revenue calculated for Spirit is \$2,612,630,000 and consists of:
 - Non-fare revenues were \$2,533,548,000 for the year, and are primarily composed of certain ancillary items such as bags, seats and other travel-related fees.
 - Other revenues were \$79,082,000 for the year, and primarily consist of the marketing component of the sale of frequent flyer miles to the company's credit card partner and commissions revenue from the sale of various items such as hotels and rental cars.
- Spirit revenue for 2022: \$5,068,447,000.

Year	Historical Ancillary Revenue
2019	\$1,800,826,000
2020	\$1,009,308,000
2021	\$1,752,875,000

Sun Country

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	204,167,000
As a % of Revenue	22.8%
US\$ per Passenger	\$56.74
Total Revenue	\$894,444,000
Financial Period	Calendar year 2022
Passengers	3,598,584 (scheduled service passengers)
Information Source	Form 10-K for the Year Ended 31 December 2022

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- The airline provides at-seat power, inflight entertainment, and beverages without charge to passengers.
- “Ancillary revenue” consists primarily of revenue generated from air travel-related services such as baggage fees, seat selection and upgraded seating fees, priority check-in and boarding fees, itinerary service fees and onboard sales. This item totaled \$192,506,000 for 2022.
- “Other revenue” consists primarily of revenue from services in connection with Sun Country Vacations products, including organizing ground services, such as hotel, car and transfers. Other revenue also includes services not directly related to providing passenger services such as the advertising, marketing and brand elements resulting from the co-branded credit card program. This component of revenue also includes revenue from mail on regularly scheduled passenger aircraft (which was not separately defined). This item totaled \$11,661,000 for 2022.
- 2022 ancillary revenue calculated for Sun Country is \$204,167,000 and consists of:
 - Defined as ancillary revenue: \$192,506,000.
 - Defined as other revenue: \$11,661,000.
- Sun Country revenue for 2022: \$894,444,000.

Year	Historical Ancillary Revenue
2019	\$118,175,218
2020	\$67,422,000
2021	\$124,879,000

United

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$7,881,371,000
As a % of Revenue	17.5%
US\$ per Passenger	\$54.62
Total Revenue	\$44,955,000,000
Financial Period	Calendar year 2022
Passengers	144,300,000
Information Source	Form 10-K for the period ended 31 December 2022

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- United noted a significant increase in the sale of United Club memberships and lounge passes for the year. Airport club space was increased, compared to 2019, during the year: Newark +69%, Denver +180%, Chicago +40%, and Dallas +43%.
- During 2022 United opened its largest United Club, which offers 30,000 square feet of space at Newark Airport, and a United Club Fly grab-and-go club facility in Denver.
- “Bag Drop Shortcut” was introduced as an express service at United’s hubs (Chicago, Newark, Washington D.C., Houston, Denver, Los Angeles and San Francisco). The process starts on the app and the physical bag drop is completed in 1 to 2 minutes.
- In 2022, approximately 5.6 million MileagePlus flight awards were used on United and United Express, which were approximately 7.3% of United's total revenue passenger miles. 92% of miles redeemed were for travel on United; members also redeemed 1.2 million other awards such as United Club memberships, car and hotel rewards, merchandise, and flights on other carriers. Total program revenue was \$4.565 billion.
- 2022 ancillary revenue calculated for United is \$7,881,371,000 and consists of:
 - Other operating revenue from loyalty: \$2,400,000,000 (marketing component).
 - Revenue from travel miles redeemed: \$2,079,000,000.
 - Revenue from non-travel miles redeemed: \$86,000,000.
 - Ancillary fees: \$3,316,371,000. The airline disclosed \$3.4 billion as being “certain ancillary services that are directly related to passengers' travel, such as baggage fees, premium seat fees, inflight amenities fees, and other ticket-related fees. The amount has been reduced by the \$83,629,000 reported to the USDOT as change/cancel fees for 2022.
- United revenue for 2022: \$44,955,000,000.

Year	Historical Ancillary Revenue
2019	\$6,580,000,000
2020	\$3,319,515,000
2021	\$5,468,683,000

Viva Aerobus

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$650,818,000
As a % of Revenue	44.5%
US\$ per Passenger	\$31.44
Total Revenue	\$1,461,226,000
Financial Period	Calendar year 2022
Passengers	20,698,000
Information Source	4 th Quarter 2022 Earnings Release Grupo Viva Aerobus and press releases dated 05 and 12 September 2022

Ancillary revenue definitions and other notes:

- All figures are in US dollars. The company changed to reporting financial results in US dollars at the end of 2022.
- The first checked bag (domestic) is included in the fare per Mexican law.
- The airline launched the Doters frequent flyer program September 2022. Airline purchases, to include a la carte services, accrue points in the program. Points can be used to purchase (partial payment too) airline tickets, additional services such as baggage, assigned seats, and even pay Mexico's airport fee, known as TUA.
- The Doters program offers three tiers: Green, Silver, and Gold. Green is the base member level with Silver and Gold as elite tiers. The program closed 2022 with 1.3 million members, and the airline expects to reach 3 million members by the end of 2023.
- The Doters program partnered with 3 Mexican bus lines (ETN Turistar, Costaline, and Autovías La Línea) for point accrual and reward redemption. Spending on bus lines also qualifies for elite status. Elite perks provided for bus trips include priority boarding, parcel discount, and bonus kg for luggage.
- HSBC Bank and Viva Aerobus introduced an HSBC VIVA co-branded credit card September 2022. Benefits include the option of deferring flight payments (without interest charges), access to MasterCard lounges at Mexico City Airport, and priority boarding.
- 2022 ancillary revenue disclosed by Viva Aerobus was \$650,818,000.
- Viva Aerobus revenue for 2022: \$1,461,226,000.

Year	Historical Ancillary Revenue
2019	\$303,365,676
2020	\$189,518,219
2021	\$453,993,164

Volaris

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,179,938,000
As a % of Revenue	41.4%
US\$ per Passenger	\$38.00
Total Revenue	\$2,847,190,000
Financial Period	Calendar year 2022
Passengers	31,051,000 (booked for scheduled and charter flights)
Information Source	Volaris Aviation Holding Company SEC Form 20-F for 2022 and 06 December 2022 Investor Presentation

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- The first checked bag (domestic) is included in the fare per Mexican law.
- Volaris sells a membership-based ultra-low-fare subscription service called V-Club which had approximately 756,000 members as of the end of 2022. The program provides exclusive access to the lowest fares through the Volaris website. The cost is \$38.99 for individuals, \$64.99 for duo memberships, and \$159.99 for friends and family. V-Club subscriptions accounted for 0.75% of other passenger revenues in 2022. Multiplying this revenue of \$1,078,251,000 by 0.75% generates subscription revenue of \$8,086,883.
- The airline also generates revenue from the Volaris affinity credit card (Volaris INVEX) through multiple revenue streams, such as receiving a share of interchange fees for purchases made with the card, plus revenue associated with card benefits (both are paid by the card issuer to Volaris). This revenue accounted for 2.8% of “other non-passenger revenues” for 2022. Multiplying this revenue of \$92,977,000 by 2.8% generates INVEX revenue of \$2,603,356. By year end, there were approximately 500,000 Volaris INVEX accounts, which represents revenue of \$5.21 per account. The INVEX cards do not charge an annual fee and provide cardholder benefits such as additional baggage allowance, priority boarding, interest free ticket purchase, and 15% café savings.
- The airline plans to boost ancillary revenue by 9 percentage points by: optimize pricing (+4 points), new products (+2 points), subscription plans (+2 points), and enhance existing products (+1 point).
- Ancillary revenue was disclosed as \$38 per booked passenger for 2022, or a total amount of \$1,179,938,000 (\$38 x 31,051,000 passengers).
- Volaris revenue for 2022: \$2,847,190,000.

Year	Historical Ancillary Revenue
2019	\$612,788,315
2020	\$415,901,030
2021	\$958,296,305

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), Avelo operated by TEM Enterprises, Flair Airlines (Canada), Flybondi (Argentina), Jetlines (Canada), JetSMART (Chile), JSX Air operated by Delux Public Air Charter, OWG Airlines, Porter (privately held), Sky Airline (Chile), Sky Cana, Sunwing (owned by WestJet), and WestJet (now privately held).

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.

ASIA AND THE SOUTH PACIFIC

Air New Zealand

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$318,122,288
As a % of Revenue	18.8%
US\$ per Passenger	\$41.07
Total Revenue	\$1,692,113,494
Financial Period	Fiscal year ended 30 June 2022 (FY 2022)
Passengers	7,745,000
Information Source	Annual Financial Results 2022, 29 June 2022 and 14 April 2022 company press releases

Ancillary revenue definitions and other notes:

- All figures are in New Zealand dollars (NZD).
- The fiscal year ended 30 June 2023 (FY2022) is the most recent full reporting period.
- More than 160,000 new members joined the Airpoints frequent flyer program during FY 2022, which brings total membership to 3,760,000.
- During 2022 the airline provided details of its new Skynest service for long haul economy cabins. Skynest will become available 2024 with the arrival of new 787 aircraft. Customers may book one of six lie flat sleeping beds for a portion of the flight.
- The Airpoints program renewed its co-branded credit card agreement with ANZ Bank New Zealand during 2022, for another five years.
- Air New Zealand has described ancillary revenue activities in its investor documents in the past, without disclosing a specific revenue amount. For FY 2022, the following financial disclosures, when added together, provide a reasonable assessment of the carrier's NZD 514,000,000 ancillary revenue:
 - Loyalty program (Airpoints): NZD 389 million. This consists of NZD 194 million current revenue in advance and NZD 195 non-current revenue in advance. This is actually considered a liability, but can approximate annual revenue if the activity is consistent year over year; the prior year's total activity was NZD 396 million.
 - Other revenue: NZD 125 million. The airline defines this as including lounge revenue, Koru membership subscriptions, commissions and fees. This is largely consistent with ancillary revenue.
- Air New Zealand revenue for 2022: NZD 2,734,000,000.

Year	Historical Ancillary Revenue
FY 2019	\$405,755,451
FY 2020	\$425,327,353
FY 2021	\$332,104,919

AirAsia Aviation Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$203,571,016
As a % of Revenue	16.1%
US\$ per Passenger	\$8.40
Total Revenue	\$1,262,603,029
Financial Period	Calendar year 2022
Passengers	24,247,725
Information Source	Capital A Annual Report 2022 and 4 th Qtr. Financial Presentation

Ancillary revenue definitions and other notes:

- All figures are in Malaysia ringgit (MYR).
- Capital A is a holding company of travel and lifestyle brands, which includes the Aviation Group sector (“Consolidated Airlines” in Malaysia, Indonesia, and Philippines).
- The AirAsia Super App is an online service which operates 11 different retail and service product areas, as well as AirAsia’s booking site. The app achieved average monthly users of 34.4 million during 2022 and gross booking value of MYR 8,850,101,000 (\$2 billion) for the year.
- During 2022, 26% of new Super App customers, who purchased hotels and packages, were later converted to purchase AirAsia flights. More than 1 million non-AirAsia flights were sold on the platform (more than 700 airlines may be booked on the platform).
- BIG is a wholly owned subsidiary of Capital A and operates the AirAsia Rewards program (29 million members).
- Capital A disclosed the following ancillary revenue details for the 4th quarter of 2022:
 - Baggage revenue was MYR 26.5 (\$6) per passenger.
 - Inflight revenue was MYR 1.1 (\$0.25) per passenger.
 - Assigned seating revenue was MYR 4.8 (\$1.09) per passenger.
 - Processing and service fee revenue was MYR 3.3 (\$0.75) per passenger.
 - Fly-Thru program (paid services for connecting passengers) revenue was MYR 2.5 (\$0.57) per passenger.
- The group specifically disclosed ancillary revenue, which includes non-qualifying activity such as cargo. “Other passenger revenue” of MYR 897,198,000 is the most appropriate reflection of qualifying ancillary revenue activity.
- AirAsia Aviation Group revenue for 2022: MYR 5,564,667,000.

Year	Historical Ancillary Revenue
2019	\$506,131,114 (AirAsia Group)
2020	\$128,523,423 (AirAsia Group)
2021	\$60,794,048 (AirAsia Aviation Group)

AirAsia X Malaysia

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$17,811,369
As a % of Revenue	8.9%
US\$ per Passenger	\$42.69
Total Revenue	\$199,260,437
Financial Period	Special period: 01 July 2021 – 31 December 2022 (18 months)
Passengers	417,195
Information Source	Annual Report 2022 and Full Financial Period 2022 Analyst Deck

Ancillary revenue definitions and other notes:

- All figures are in Malaysia ringgit (MYR).
- AirAsia X as a group includes AirAsia X Malaysia along with an investment in AirAsia X Thailand; results do not include AirAsia X Thailand.
- The airline entered restructuring during 2020. Shareholders approved a restructuring plan in June 2021. The company's last two fiscal periods have consisted of 18 months. Flights slowly began to resume in May 2022. Of the 14 aircraft in its fleet, only 7 were operational.
- The company has appointed "AirAsia Com" as the preferred agent for development and management of flight and ancillary sales at the carrier's website. Air Asia Com provides platform development, technology maintenance, branding, digital marketing of flight promotions, and delivering sales reports to the AirAsia X management.
- AirAsia X provided the following ancillary revenue details for the final quarter of 2022:
 - Baggage fees: 40% of ancillary revenue, or MYR 75 (\$17) per passenger.
 - Assigned seat fees: 10% of ancillary revenue, or MYR 19 (\$4) per passenger.
 - Inflight meals and beverages: 9% of ancillary revenue, or MYR 17 (\$4) per passenger.
- Baggage, assigned seats and inflight meals & beverage lead the quarter-over-quarter increase in take-up per passenger due to better marketing and upgrade options based on purchase history. Inflight meals & beverage, in particular, shows the most growth in revenue per passenger from promotion strategies involving new menu selections and mix-and-match options.
- Ancillary revenue disclosed for the special 18-month period was MYR 78,500,000 or MYR 188 per passenger. The airline defines this as: assigned seats, baggage, cancellation, documentation and other fees, and onboard sale of meals and merchandise.
- AirAsia X revenue for Special 18-month period: MYR 878,200,000.

Year	Historical Ancillary Revenue
2019	\$198,455,655
2020	See below - special 18-month reporting period ending June 2021
2021	\$42,282,646

ANA Group

Source and Type	Primarily from travel and consumer retail services
Ancillary Revenue	\$1,310,661,418
As a % of Revenue	10.4%
US\$ per Passenger	\$33.83
Total Revenue	\$12,643,069,524
Financial Period	Year ended 31 March 2023 (FY 2022)
Passengers	38,7467,379
Information Source	ANA Holdings Financial Results for the period ended 31 March 2023 and financial results presentation

Ancillary revenue definitions and other notes:

- All figures below are in Japan yen (JPY).
- Results include low cost operations of Vanilla Air and Peach Aviation. ANA will launch a medium-haul airline called AirJapan in FY 2023.
- ANA Mileage Club membership was 38 million at the end of FY 2022.
- The airline disclosed four areas which include ancillary revenue activity for FY 2022:
 - Air Transportation (Others subcategory) includes ancillary revenue activities such as inflight sales (likely duty free) and revenue produced by the frequent flyer program (likely co-branded credit card). The subcategory also includes non-qualifying activities such as maintenance contracts; it is not included in the ancillary revenue total.
 - Airline Related category includes ancillary revenue related services such as the sale of inflight meals. But it also includes contract services provided to other airlines at airports, which likely represents a large portion of this category. This category is not included in the ancillary revenue total.
 - Travel Services category includes vacation package sales and the ANA X unit which develops consumer lifestyle point accrual and redemption opportunities linked to the loyalty program. FY 2022 revenue from external customers was JPY 73.8 billion.
 - Trade and Retail category operates airport retail locations. ANA Festa shops are located at more than 30 airports around Japan. FY 2022 revenue from external customers was JPY 103.2 billion.
- Two of the above activities (Travel Services, and Trade and Retail) largely represent qualifying ancillary revenue activity and total JPY 177,000,000,000. The disqualified items noted above undoubtedly lead to underreporting of results.
- ANA Group revenue for FY 2022: JPY 1,707,400,000,000.

Year	Historical Ancillary Revenue
FY 2019	\$1,540,337,459
FY 2020	\$418,619,826
FY 2021	\$936,899,188

Bangkok Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$31,008,648
As a % of Revenue	8.7%
US\$ per Passenger	\$11.69
Total Revenue	\$357,616,703
Financial Period	Calendar year 2022
Passengers	2,653,600
Information Source	Form 56-1 One Report 2022 and Opportunity Day Presentation 2022

Ancillary revenue definitions and other notes:

- All figures are in Thai bhat (THB).
- The carrier calls itself “Asia’s boutique airline” and offers a traditional service which includes the following amenities as its economy cabin product: onboard snacks and drinks, 20 kg checked baggage allowance, and standard seat assignment. In addition, the airline provides separate no-fee airport lounges for its economy and premium passengers, which offer free food and drinks.
- The following are examples of the carrier’s ancillary revenue activities:
 - Airport lounges (upgrade to Blue Ribbon Lounge).
 - Airport transfer and limousine.
 - Car rental.
 - Empty adjoining seat.
 - Excess baggage.
 - Extra leg room or front of cabin seating (upgrade from standard seats).
 - Hotel booking.
 - Tours and activities, including Get Your Guide and TakeMeTour.
- The company owns and operates three airports, namely Samui Airport, Trat Airport and Sukhothai Airport.
- Ancillary revenue for 2022 is represented by “Baggage fee and other service income” of THB 1,104,855,000 from the consolidated results, which reflect those of the airline alone and not the group. Results from 2019 and 2020 were corrected to reflect only non-consolidated results.
- Bangkok Airways revenue for 2022: THB 12,742,077,714.

Year	Historical Ancillary Revenue
2019	\$31,581,555 (corrected)
2020	\$13,900,019 (corrected)
2021	\$6,393,865

Cebu Pacific

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$154,408,191
As a % of Revenue	15.0%
US\$ per Passenger	\$10.43
Total Revenue	\$1,029,431,262
Financial Period	Calendar year 2022
Passengers	14,800,000
Information Source	SEC Form 20-IS dated 17 April 2023

Ancillary revenue definitions and other notes:

- All figures are in Philippine pesos (PHP).
- Results include CEBGO (formerly Tiger Airways Philippines).
- The airline introduced self-service baggage kiosks at its Clark Airport hub during 2022.
- The piece method for baggage was implemented during the year, with customers offered 20 kg and 32 kg options for individual bags. The airline promoted 64% savings when booking checked bags online, rather than payment at the airport.
- The travel protection agreement with AXA Philippines was renewed during 2022. Starting as low as one peso per day (or 365 pesos per year), the basic “micro-insurance” plan provides coverage for hospitalization due to accidents, while at home or traveling (airline ticket not required for coverage).
- 2022 ancillary revenue disclosed by Cebu Pacific was PHP 14,493,307,139, which includes non-qualifying activity. Total ancillary revenue qualifying activity was PHP 8,512,346,642 and consisted of the following:
 - Baggage: PHP 3,764,753,308.
 - Others: PHP 4,747,593,334 (a la carte items such as onboard sales and fees from assigned seating and booking fees).
- Cebu Pacific revenue for 2022: PHP 56,751,365,859.

Year	Historical Ancillary Revenue
2019	\$214,825,683
2020	\$57,367,571
2021	\$42,598,824

China Eastern Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$208,482,078
As a % of Revenue	3.0%
US\$ per Passenger	\$4.90
Total Revenue	\$6,881,400,924
Financial Period	Calendar year 2022
Passengers	42,510,460
Information Source	China Eastern Annual Report 2022

Ancillary revenue definitions and other notes:

- All figures are in China yuan (CNY).
- The group includes these subsidiary airlines: China Eastern Airlines, China United Airlines, Eastern Air Jiangsu, Eastern Air Wuhan, Eastern Air Yunnan, OTT Airlines, and Shanghai Airlines.
- The group launched the “Easy to Enjoy” product series that covered optional services such as change flexibility, parking privileges and VIP room access. Approximately 410,000 passengers purchased these services during 2022. The services available vary by airport location in China.
- The airline disclosed that 220,000 members of the Eastern Miles loyalty program participated in its referral program. Members invite friends to make a booking, which provides a discount for the friend, and an incentive gift for the referring member.
- China Eastern introduced a program called MileagePlus (前程萬里) which offers the pre-purchase of 10,000 miles of travel on all China flights (excludes Hong Kong, Macau, and Taiwan) based upon flight distance. Package prices vary according to the advance booking window desired, from 30 days in advance to day of departure. The airline sold 55,000 packages during 2022.
- China Eastern offers limited disclosure of activities which qualify as ancillary revenue: 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 1,397,000,000 representing 2022 ancillary revenue for the company.
- China Eastern Group revenue for 2022: CNY 46,111,000,000.

Year	Historical Ancillary Revenue
2019	\$421,477,912
2020	\$188,934,822
2021	\$247,651,281

China Southern Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$290,860,107
As a % of Revenue	2.2%
US\$ per Passenger	\$4.64
Total Revenue	\$12,992,298,651
Financial Period	Calendar year 2022
Passengers	62,636,060
Information Source	China Southern Annual Report 2022

Ancillary revenue definitions and other notes:

- All figures are in China yuan (CNY).
- The group includes these subsidiary airlines: China Southern Airlines, Chongqing Airlines, Guizhou Airlines, Henan Airlines, Shantou Airlines, Xiamen Airlines, and Zhuhai Airlines.
- Membership in the Sky Pearl program is listed as 72 million at the website (Chinese language).
- China Southern offers limited disclosure of activities which qualify as ancillary revenue:
 - Income produced by hotel and tour services: CNY 497,000,000.
 - Frequent flyer revenue recognized at beginning of the year: CNY 1,084,000,000.
 - Frequent flyer revenue recognized during the year: 368,000,000.
 The total for the above is CNY 1,949,000,000.
- China Southern Group revenue for 2022: CNY 87,059,000,000.

Year	Historical Ancillary Revenue
2019	\$103,910,067
2020	\$223,723,719
2021	\$355,708,862

FlyArystan

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$42,013,681
As a % of Revenue	19.3%
US\$ per Passenger	\$12.97
Total Revenue	\$217,944,437
Financial Period	Calendar year 2022
Passengers	3,240,000
Information Source	Direct disclosure made by the company

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- FlyArystan has provided a robust disclosure of its \$42,013,681 ancillary revenue activity for 2022 by category (per passenger amounts use systemwide total):
 - Bundled fares (ancillary component), domestic: \$29,153,076. \$9.00 per passenger.
 - Prepaid baggage, domestic: \$2,788,215. \$0.86 per passenger.
 - Bundled fares (ancillary component), international: \$2,554,514. \$0.79 per passenger.
 - Prepaid baggage, international: \$1,797,396. \$0.55 per passenger.
 - Excess baggage, domestic: \$1,372,819. \$0.42 per passenger.
 - Assigned seating, domestic: \$1,259,476. \$0.39 per passenger.
 - On board sales: \$1,024,274. \$0.32 per passenger.
 - Excess baggage, international: \$476,826. \$0.15 per passenger.
 - Large cabin baggage, domestic: \$421,339. \$0.13 per passenger.
 - Prepaid large cabin baggage, domestic: \$314,543. \$0.10 per passenger.
 - Assigned seating, international: \$224,732. \$0.07 per passenger.
 - Miscellaneous services, such as UM: \$166,395. \$0.05 per passenger.
 - Prepaid large cabin baggage, international: \$146,936. \$0.05 per passenger.
 - Other advertising income: \$140,705. \$0.04 per passenger.
 - SMS mobile phone notification: \$100,579. \$0.03 per passenger.
 - Large cabin baggage, international: \$55,143. \$0.02 per passenger.
 - Priority boarding fee: \$14,455. \$0.004 per passenger.
 - Online insurance sales, commission: \$2,259. \$0.001 per passenger.
- FlyArystan revenue for 2022: \$217,944,437.

Year	Historical Ancillary Revenue
2019	No data
2020	No data
2021	\$39,118,250

Garuda Indonesia Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$38,195,718
As a % of Revenue	1.8%
US\$ per Passenger	\$2.57
Total Revenue	\$2,100,079,558
Financial Period	Calendar year 2022
Passengers	14,850,000
Information Source	Garuda Indonesia Annual Report 2022

Ancillary revenue definitions and other notes:

- All figures below are in US dollars.
- The results include the Citilink subsidiary.
- The airline offers this description 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 advertising sales.”
- GarudaMiles loyalty program membership increased by 10.12% to 1,920,000 members.
- The following ancillary revenue activities occurred during 2022:
 - Mileage transfer for GarudaMiles members began, which generated revenue from transfer fees.
 - Bonus offer with Bank Danamon.
 - GICC Citibank and Garuda-BNI cobrand acquisition program.
 - Addition of 20 kg baggage bonus for holders of the Garuda-BNI cobrand Signature card.
 - Relaunch of sales on flights.
 - Distribution channels were increased for airport lounge passes.
- Ancillary revenue is included as a key performance indicator for company management.
- 2022 ancillary revenue disclosed by Garuda Indonesia Group was \$38,195,718. Approximately 5.6 million passengers purchased ancillary revenue services during the year.
- Garuda Indonesia Group revenue for 2022: \$2,100,079,558.

Year	Historical Ancillary Revenue
2019	\$87,259,483
2020	\$38,136,637
2021	\$21,382,496

HK Express

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$16,492,416
As a % of Revenue	18.7%
US\$ per Passenger	\$52.52
Total Revenue	\$88,194,738
Financial Period	Calendar year 2022
Passengers	314,000
Information Source	Cathay Pacific Annual Report 2022

Ancillary revenue definitions and other notes:

- All figures are in Hong Kong dollars (HKD).
- Cathay Pacific owns 100% of Hong Kong Express Airways Limited. HK Express is a Hong Kong based low-cost carrier, focusing on leisure travel destinations.
- The airline offers a U-First service which bundles several airport convenience services: priority baggage, priority checking, and express boarding. The latter delivers checked bags first to the bag belt.
- The HK Express Air + Ferry Pass is available on a number of routes operating between ports in the Greater Bay Area and the SkyPier at Hong Kong's airport:
 - One stop booking for combined journeys with air/ferry boarding pass issuance.
 - Includes checked baggage to the destination via the ferry.
 - Free rebooking in the event of flight or ferry delay.
 - Traveler is exempt from the airport duty charged for Hong Kong departures.
- Ancillary revenue for 2022 was disclosed as 18.7% of total revenue (2021: 27.4%). This includes non-flight scheduled revenue, which arises from the sale of baggage, priority boarding, assigned seats, and administration fees. Multiplying this rate by 2022 revenue provides ancillary revenue of HKD 129,404,000.
- HK Express revenue for 2022: HKD 692,000,000.

Year	Historical Ancillary Revenue
2019	\$52,575,003
2020	\$20,884,103
2021	\$705,672

IndiGo

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$499,539,903
As a % of Revenue	7.1%
US\$ per Passenger	\$5.86
Total Revenue	\$7,082,148,904
Financial Period	Fiscal year 2023 year ended 31 March 2023 (FY 2023)
Passengers	85,265,383
Information Source	Indigo's Quarterly Financial Results for FY 2023 and operational statistics from the website

Ancillary revenue definitions and other notes:

- All figures are in India rupees (INR).
- The following is a sampling of the ancillary revenue related services offered by the airline:
 - Fast Forward: Passengers booking IndiGo flights have an option to buy “FFWD” service which entitles passengers to priority check-in, priority baggage-drop at a separate FFWD counter at the airport, and priority baggage pick-up for travel in certain sectors. Prices for domestic travel are INR 500 (\$6) and INR 700 for international (\$9).
 - 6E Prime: Combination package consisting of early boarding, assigned seat, inflight snack combo, and priority baggage delivery. 6E represents the airline industry code for Indigo. Prices start at INR 899 (\$11).
- IndiGo disclosed quarterly ancillary revenue throughout FY 2023:
 - Quarter 1: INR 12,863 million.
 - Quarter 2: INR 12,872 million.
 - Quarter 3: INR 14,222 million.
 - Quarter 4: INR 14,459 million.
- The above activity totals INR 54,416 million. The amount includes cargo and ticket change fees (based upon prior year disclosures) which are not considered ancillary revenue. Last year's cargo activity was estimated to be INR 15 billion. In a June 2023 article in a cargo industry publication, the current CCO of Indigo's cargo operation indicated FY 2023 cargo activity was flat compared to FY 2022. Accordingly, the FY 2022 amount is deducted from the ancillary revenue shown above to generate FY 2023 adjusted ancillary revenue of INR 39,416,000,000.
- Indigo revenue for FY 2023: INR 558,814,180,000.

Year	Historical Ancillary Revenue
FY 2019/20	\$400,912,022
FY 2020/21	\$204,326,962
FY 2021/20	\$293,125,421

Japan Airlines Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,459,973,152
As a % of Revenue	14.3%
US\$ per Passenger	\$42.37
Total Revenue	\$10,186,053,276
Financial Period	Fiscal year 31 March 2023 (FY 2022)
Passengers	34,458,482
Information Source	Consolidated Financial Statements for the Year Ended 31 March 2023, Financial Results Mar/2023 (FY 2022) presentation, and Medium-Term Management Plan FY2021–2025 Rolling Plan 2023

Ancillary revenue definitions and other notes:

- All figures are in Japan yen (JPY).
- The company's results include these airline operations: Japan Airlines, Japan Transocean Air, Japan Air Commuter, Zipair (LCC), and Spring Air Japan (LCC).
- JAL is making significant effort to build its "Mileage and Lifestyle" business segment which is focused on the JAL Mileage Bank loyalty program. Mileage and Lifestyle links a large list of everyday consumer purchases to mileage accrual: utility bills, health care, financial services, housing, education and medical care. The airline plans to add these categories during the next year: retail commerce, entertainment, nursing care, and travel.
- Mileage and Lifestyle sales for FY 2019 were JPY 250 billion which produced a profit of JPY 25 billion. The company did specifically disclose the category had profits of JPY 39 billion for FY 2022, but did not indicate revenue. However, the larger "Mileage, Lifestyles, Infrastructure and Others" segment was revealed to have a 5X sales to profit ratio for FY 2022. Based upon the 5X margin, this suggests Mileage and Lifestyles segment revenue of JPY 195 billion (5 x JPY 39 billion).
- 2022 ancillary revenue calculated for Japan Airlines Group is JPY 197,164,000,000 and consists of:
 - Baggage, international routes: JPY 1,755,000,000.
 - Baggage, domestic routes: JPY 409,000,000.
 - Mileage and Lifestyle: JPY 195,000,000,000 (see note above).
- Japan Airlines Group revenue for FY 2022: JPY 1,375,589,000,000.

Year	Historical Ancillary Revenue
FY 2020	No data
FY 2021	\$801,824,415
FY 2022	\$873,438,185

Jeju Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$61,110,727
As a % of Revenue	11.4%
US\$ per Passenger	\$7.70
Total Revenue	\$535,373,072
Financial Period	Calendar year 2022
Passengers	7,940,000
Information Source	2022 Earnings Release

Ancillary revenue definitions and other notes:

- All figures are in Korean won (KRW).
- The Golf Membership program provides a 25 kg allowance for unlimited transport of golf clubs (and a duffel bag) as checked baggage. This includes priority delivery to the bag belt upon arrival. Discounts are also provided at select golf and driving ranges. The annual online price is \$129 (discounted for online purchases). A similar program is offered for sports equipment: bicycles, scuba diving equipment, snowboards, surfboards, and kayaks.
- The Business Lite service provides 2x2 seating on Jeju's narrow body aircraft, 30 kg checked baggage, priority check-in, priority delivery to the bag belt, meal service, and amenity kit.
- Jeju Air provided sales details for these ancillary revenue activities:
 - Additional baggage: KRW 10.7 billion, or KRW 1,347 (\$1.04) per passenger.
 - Other a la carte services including assigned seating: KRW 9.7 billion, KRW 1,221 (\$0.94) per passenger.
 - Onboard café: KRW 3.2 billion, KRW 403 (\$0.31) per passenger.
 - Onboard duty free: KRW 0.5 billion, KRW 63 (\$0.05) per passenger.
- 2022 ancillary revenue disclosed by Jeju Air was KRW 79,400,000,000.
- Jeju Air revenue for 2022: KRW 695,600,000,000.

Year	Historical Ancillary Revenue
2019	\$102,811,760
2020	\$48,508,981
2021	\$33,495,750

Jetstar Group

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$260,110,722
As a % of Revenue	26.6%
US\$ per Passenger	\$29.24
Total Revenue	\$977,740,805
Financial Period	For the period ended 30 June 2022 (FY 2022)
Passengers	8,895,000
Information Source	Qantas Annual Report 2022, Qantas Investor Day presentation and video 30 May 2023, FY 2022 Supplementary Results

Ancillary revenue definitions and other notes:

- All figures are in Australian dollars (AUD).
- Jetstar attributes its ancillary revenue growth for FY 2022-2023 to the following activities:
 - Fare Credit product released in FY 2022 as an a la carte option to provide booking flexibility (“tens of millions of revenue have been generated by this product”).
 - Fare Bundle Section released in FY 2023 to improve retail presentation in the booking path and 3-minute faster booking time.
 - Dynamic Seat Map released in FY 2023 to provide more interaction for consumers, differentiated pricing, and 1-minute faster booking time. During early FY 2023, this change led to a 26% lift in revenue compared to FY 2019.
- Stephanie Tully, CEO of Jetstar discussed the following during the 2023 Investor Day:
 - Domestic ancillary revenue, FY 2019 AUD 26.10, FY 2023 AUD 35.60.
 - International ancillary revenue, FY 2019 AUD 77.20, FY 2023 AUD 93.50.
 - Ancillary revenue will be 19% of revenue for FY 2023 (assumed as Jetstar Domestic).
- Domestic per passenger ancillary revenue growth since FY 2019 is 38%, which equates to 9.5% per annum. Accordingly, the FY 2023 amounts above will be reduced by 9.5% to equate to FY 2022 ancillary revenue: Domestic AUD 32.51, International AUD 85.39.
- FY 2022 ancillary revenue is calculated using domestic and international traffic:
 - Domestic, 7,138,000 passengers x AUD 32.51 = AUD 232,056,380.
 - International, 1,278,000 passengers x AUD 85.39 = AUD 109,128,420.
 - Asia, 479,000 passengers x AUD 85.39 = AUD 40,901,810.
 The above ancillary revenue components total AUD 383,086,640.
- Jetstar Group revenue for 2022: AUD 1,440,000,000.

Year	Historical Ancillary Revenue
FY 2019	\$657,930,558
Calendar 2020	\$204,477,594
FY 2021	\$207,415,704

Jin Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$32,018,481
As a % of Revenue	7.0%
US\$ per Passenger	\$4.55
Total Revenue	\$456,714,176
Financial Period	Calendar year 2022
Passengers	7,040,000
Information Source	Jin Air 4 th Quarter 2022 Earnings Release

Ancillary revenue definitions and other notes:

- All figures are in Korean won (KRW).
- Jin Air provided sales detail for these ancillary revenue activities:
 - Merchandise: KRW 3.7 billion.
 - Excess baggage: KRW 3.6 billion.
 - Ticket related fees: KRW 20.4 billion.
 - Others: KRW 13.4 billion.

The English version of the earnings release incorrectly identifies the above figures as “billion” when the correct description is “100 million” which is offered in the Korean language version.

- 2022 ancillary revenue disclosed by Jin Air was described as 7% of company revenue or KRW 41,601,000,000.
- Jin Air revenue for 2022: KRW 593,400,000,000.

Year	Historical Ancillary Revenue
2019	\$51,233,954
2020	\$23,752,760
2021	\$20,097,450

Philippine Airlines

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$204,284,874
As a % of Revenue	8.1%
US\$ per Passenger	\$21.94
Total Revenue	\$2,525,684,367
Financial Period	Calendar year 2022
Passengers	9,310,000
Information Source	SEC Form 17-A for PAL Holdings, Inc.

Ancillary revenue definitions and other notes:

- All figures are in Philippine pesos (PFH).
- As of December 2022, the Mabuhay Miles program has over 5 million members, with the majority based in the Philippines and the US, and the rest spread across Asia, Australia, Middle East and Europe. In June, Mabuhay Miles signed a partnership with SMAC, the largest retail loyalty program in the Philippines. The relationship allows Mabuhay Miles to be transferred to SMAC points at a 10:1 ratio.
- Philippine Airlines lists the following a la carte activities at its website:
 - Buy-on-board boutique for international flights.
 - Choice seats, which offer assigned seats in the front of the cabin and extra leg room seats.
 - Pay for empty adjacent seat(s) in the Choice seats zone (starting at \$30.)
 - Excess baggage.
 - myPAL flavors upgraded meal option, such as a salmon croissant with egg and cheese for \$9.
 - myPAL Wifi access with unlimited, standard, lite, and chat plans.
 - Travel insurance.
 - Unaccompanied minor travel services.
 - A la carte shuttle services to passengers travelling between Los Angeles airport and San Diego; and between New York JFK Airport and points in New Jersey and Philadelphia.
- Philippine Airlines disclosed “ancillary” revenue of PHP 11,261,991,000 for 2022. The reference was not further defined; however, cargo was disclosed as a separate item.
- Philippine Airlines revenue for 2022: PHP 139,238,085,000.

Year	Historical Ancillary Revenue
2019	\$208,979,221
2020	\$79,897,311
2021	\$129,660,283

Qantas Airways

Source and Type	Primarily partner activities associated with the FFP
Ancillary Revenue	\$905,768,218
As a % of Revenue	15.7%
US\$ per Passenger	\$73.23
Total Revenue	\$5,763,238,857
Financial Period	For the period ended 30 June 2022 (FY 2022)
Passengers	12,369,000
Information Source	Qantas Annual Report 2022, Qantas Investor Day presentation and video 30 May 2023, FY 2022 Supplementary Results

Ancillary revenue definitions and other notes:

- All figures are in Australia 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. However, Jetstar's contribution to Qantas Loyalty results are not separated from the consolidated results for Qantas Airways.
- In May 2022, Qantas Loyalty (operator of the Qantas Frequent Flyer Program) secured a 51% stake in TripADeal, an online travel agency, adding to its existing hotels and holidays accommodation booking business.
- Qantas Frequent Flyer offered the following statistics in the 2023 Investor Day presentation:
 - One million members joined in 2022, for a total of 15 million members.
 - 25% of Australians identify QFF as their primary loyalty program (even beyond travel).
 - 35% of all credit card spending in Australia accrues QFF points.
 - During FY 2022 118 billion points were accrued and 92 billion were redeemed.
 - Anticipated FY 2023 redemption activity: 75% air travel, 14% travel, and 11% retail.
 - Members actively accruing in categories: 62% with flights, 44% credit cards, financial services, insurance, 44% with retailers and loyalty coalition partners, and 19% with other travel services (accommodations, car rental, etc.).
 - 6% of Qantas Frequent Flyer members have elite status.
- Qantas Loyalty disclosed revenue of AUD 1,334,000,000. This represents the company's sole ancillary revenue disclosure.
- Qantas Airways revenue for 2022: AUD 8,488,000,000.

Year	Historical Ancillary Revenue
FY 2019	\$1,151,460,414
Calendar 2020	\$546,456,696
FY 2021	\$735,145,781

Thai AirAsia

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$93,141,996
As a % of Revenue	24.3%
US\$ per Passenger	\$9.36
Total Revenue	\$382,649,223
Financial Period	Calendar year 2022
Passengers	9,950,000
Information Source	Asia Aviation Public Company Limited Annual Report 2022 and Investor Day 2022 presentation

Ancillary revenue definitions and other notes:

- All figures are in Thai baht (THB).
- Asia Aviation, as a holding company, owns 100% of Thai AirAsia.
- The company's Journey D program aims to create sustainable and productive tourism in smaller destinations in Thailand. For example, staff taught English to local persons involved in tourism, professional chefs worked with local restaurants to improve food service and cuisine, and an engineering team worked at an outdoor adventure site to improve customer safety.
- The airline disclosed sales by distribution channel:
 - Internet sales: 66%.
 - Direct (booking centers and airport): 3%.
 - Indirect (travel agents, convenience stores, corporate channel): 31%.
- Thai Air Asia listed its top ancillary revenue activities for 2022. Average ancillary revenue was THB 334 per passenger.
 - Seat selection: 7% of ancillary revenue, THB 23 (\$0.50).
 - Inflight services: 6% of ancillary revenue, THB 20 (\$0.50).
 - Checked baggage: 51% of ancillary revenue, THB 170 (\$5).
- Ancillary revenue increased by 410% for 2022 compared to 2021, led by checked baggage, seat selection, and processing & service fees.
- 2022 ancillary revenue disclosed by Thai AirAsia was THB 3,318,700,000.
- Thai AirAsia revenue for 2022: THB 13,634,000,000.

Year	Historical Ancillary Revenue
2019	No data
2020	\$73,631,176
2021	\$20,290,760

T'way Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$32,787,368
As a % of Revenue	8.1%
US\$ per Passenger	\$5.78
Total Revenue	\$404,762,361
Financial Period	Calendar year 2022
Passengers	5,670,000
Information Source	2022 4 th Quarter Business Presentation (English) also labeled 2022 Earnings Release Book

Ancillary revenue definitions and other notes:

- All figures are in Korean won (KRW).
- Calendar year 2022 is in the 20th reporting period for the airline (Korean calendar).
- T'way Air: The airline improved its unique t'pet loyalty program during 2022. The allowable weight of pets in the cabin was increased to 9 kg (including the transport container). Pets now receive a boarding pass and the loyalty program provides benefits for multiple trips. Pets accruing 4 stamps receive a special cabin crew tie; 6 stamps earn one free pet transport or a pet-oriented flight attendant uniform. The price is KRW 30,000 (\$23) for in-cabin transport; the airline also sells pet transport containers for KRW 50,000. T'way flew 27,000 pets during 2022 which generated revenue of KRW 810,000,000 (\$623,000) as disclosed in a 01 July 2022 press release.
- The airline disclosed ancillary revenue of KRW 42,600,000,000 for 2022. The English version of the Business Performance Presentation does not accurately describe the decimal places for the revenue disclosure. The Korean version specifies results as "100 million" which seems a reasonable figure.
- The following ancillary revenue results were disclosed for 2022:
 - Baggage: KRW 6,500,000,000 or KRW 1,146 (\$0.88) per passenger.
 - Inflight: KRW 5,400,000,000 or KRW 952 (\$0.73) per passenger.
 - Assigned seats: KRW 6,000,000,000 or KRW 1,058 (\$0.81) per passenger.
 - Other: KRW 24,600,000,000.
- T'way Air revenue for 2022: KWD 525,900,000,000.

Year	Historical Ancillary Revenue
2019	\$64,042,442
2020	\$17,786,651
2021	\$19,215,983

VietJet Air

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$335,149,602
As a % of Revenue	19.6%
US\$ per Passenger	\$16.27
Total Revenue	\$1,714,031,610
Financial Period	Calendar year 2022
Passengers	20,600,000
Information Source	VietJet Air Annual Report 2022

Ancillary revenue definitions and other notes:

- All figures are in Vietnamese dong (VND).
- The airline lists these as its primary ancillary revenue activities:
 - In-flight seat selection.
 - Food pre-ordering.
 - Luggage services.
 - Duty-free product selling.
 - Travel insurance.
 - SkyBoss premium service with lounge access, front of cabin assigned seating, private golf cart shuttle to the gate, onboard food and beverage and a large checked bag.
 - Shuttle bus from the airport to the city center services.
- The carrier introduced SkyJoy as a new revenue-based frequent flyer program and a Fly Now Pay Later plan supported by MOVI financial services. The program offers a credit limit for the purchase of travel up to VND 10 million (\$427) and an installment period up to 6 months.
- The airline disclosed ancillary revenue of VND 13,050,000,000,000 (includes cargo) for 2022. Cargo revenue for 2022 increased by 166% compared to 2021. Last year's disclosed cargo revenue was VND 3,133,099,000,000, or VND 5,200,944,300,000 for 2022. Deducting 2022 cargo revenue from the ancillary revenue disclosure yields adjusted ancillary revenue of VND 7,849,055,700,000.
- VietJet Air revenue for 2022: VND 40,141,863,488,029. This is consolidated "revenue from the sale of goods and rendering of services." Prior years used separate revenue, the basis was changed to consolidated revenue because the company's operations are largely airline related.

Year	Historical Ancillary Revenue
2019	\$447,951,841
2020	\$218,843,697
2021	\$77,711,830

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 Astana, Air Do (Japanese only), Air India and Air India Express (Tata Group), Air Mauritius (no recent annual reports), Air Premia, Asiana Airlines, Bamboo Airways, Biman Bangladesh, Cathay Pacific, China Airlines, EVA Airways, Fiji Airways, Go First, Greater Bay Airlines, Hainan Airlines (documents only in Chinese), 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), Solaseed Air (documents only in Japanese), SriLankan Airlines, Starflyer (documents only in Japanese), Thai Airways, Thai Summer Airways, Tigerair Taiwan (owned by EVA Air), Toki Air (2022 start), Vietnam Airlines (documents only in Vietnamese), Virgin Australia (privately held), and Vistara.

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	\$184,492,580
As a % of Revenue	12.9%
US\$ per Passenger	\$14.41
Total Revenue	\$1,427,319,265
Financial Period	Calendar year 2022
Passengers	12,800,000
Information Source	2022 Annual Report and Consolidated Statements for the Year Ended 31 December 2022

Ancillary revenue definitions and other notes:

- All figures are in UAE dirhams (AED).
- The company is involved with the following LCC start-up affiliates: Fly Arna (Operations started 2022 in Armenia), Fly Jinnah (Operations started in 2022 in Pakistan), and Air Arabia Sudan.
- In addition to Air Arabia UAE, the holding company owns shares in these companies:
 - Airlines: Air Arabia Morocco, Air Arabia Egypt, Air Arabia Maroc, Air Arabia Jordan, Fly Arna, and Fly Jinnah.
 - Air Arabia Holidays (100%).
 - Cozmo Travel (travel and tourism agency).
 - Centro Hotel Sharjah, Radisson Blu Dubai Marina, Action Hospitality.
 - Sayara (limousine and car rental).
- The airline introduced “City Check-in” services at the Air Arabia Sales Shop in Abu Dhabi where passengers can receive boarding passes and check in their baggage. Checked bags are accepted 8 to 24 hours prior to departure and are transported to the airport for the passenger.
- 2022 ancillary revenue calculated for Air Arabia is AED 677,549,000 and consists of:
 - Other airline related products: AED 358,152,000.
 - Service revenue: AED 213,498,000.
 - Revenue from hotel operations: AED 61,563,000.
 - Baggage revenue: AED 44,336,000.
- Air Arabia revenue for 2022: AED 5,241,830,000.

Year	Historical Ancillary Revenue
2019	\$153,052,689
2020	\$76,963,376
2021	\$126,043,567

EI AI

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$79,448,811
As a % of Revenue	4.0%
US\$ per Passenger	\$19.00
Total Revenue	\$1,985,777,000
Financial Period	Calendar year 2022
Passengers	4,181,569
Information Source	Investor Presentation March 2023

Ancillary revenue definitions and other notes:

- All figures are in US dollars.
- The Matmid Frequent Flyer Program and other ancillary revenue generation are listed as elements of the Core Business Strategic Plan for EI AI.
- Matmid has 2.6 million members and 356,000 members have the co-branded credit card (13.7% of membership).
- The airline lists the following ancillary revenue services as planned or existing:
 - EI AI Protect: fee-based service which provides reservation cancellation flexibility as a travel voucher.
 - Branded fares on transatlantic routes.
 - Branded fares in the premium cabin.
 - Priority boarding.
 - Dynamic packages (domestic and international) and destination activities.
 - Third party ancillary such as bag tracking, airport parking, and travel insurance.
 - Advertising involving inflight entertainment, website, and Wifi, and sponsor logo/ messages on service items such as cups, blankets, and amenity kits.
- EI AI disclosed ancillary revenue per passenger was \$13 for 2019 and anticipates \$31 per passenger for 2028. This equates an approximate \$2 annual increase, or \$6 over 3 years. Accordingly, a rate of \$19 per passenger will be assumed for calculated ancillary revenue for 2022: \$79,448,811.
- EI AI revenue for 2022: \$1,985,777,000.

Year	Historical Ancillary Revenue
2019	\$75,738,000 (based upon \$13 per passenger)
2020	\$13,575,000 (estimate based upon \$15 per passenger)
2021	\$23,409,000 (estimate based upon \$17 per passenger)

Emirates

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$1,540,367,597
As a % of Revenue	5.3%
US\$ per Passenger	\$35.31
Total Revenue	\$29,232,402,995
Financial Period	Fiscal year ended 31 March 2023 (2022/23)
Passengers	43,626,000
Information Source	Emirates Group Annual Report 2022/23

Ancillary revenue definitions and other notes:

- All figures are in UAE dirhams (AED).
- Emirates introduced premium economy services during 2022 on its A380 aircraft. The plan is to install 4,000 premium economy seats on 120 aircraft by April 2025.
- “Emirates Delivers UK” was launched during 2022 and provides UAE customers the capability to shop from multiple UK-based online retailers and have the goods delivered directly to their door in the UAE.
- The dnata division (Travel Services) recorded total retail transaction value sales of AED 7.0 billion. The division sells services such as accommodations and tours.
- The Emirates Skywards frequent flyer program reached 30 million members.
- Emirates has specifically disclosed ancillary revenue activity for the third year: “Our ancillary offerings, including redemption related revenue from Skywards miles and marketing income earned from the program partners, flight upgrades, excess baggage, paid seats, and onboard, sales increased by 88% to AED 5.1 billion and formed 6.0% of our passenger revenue. All ancillary revenue streams grew this year, with major contributions from assigned seating (higher by 160%), flight upgrades (increased by 54%), and Skywards income (up 35%).” The inclusion of upgrade revenue does not align with the yearbook’s definition of ancillary revenue.
- Hotel operations revenue of AED 675 million is not included this year because most hotel activity is not directly purchased by Emirates passengers. This perhaps offsets the inclusion of upgrade revenue noted above.
- 2022 ancillary revenue calculated for Emirates is AED 5,657,000,000 and consists of:
 - Disclosed ancillary revenue: AED 5,100,000,000.
 - Travel Services: AED 557,000,000.
- Emirates revenue for 2022: AED 107,356,000,000.

Year	Historical Ancillary Revenue
FY 2019/20	\$1,927,297,481
FY 2020/21	\$203,675,970
FY 2021/22	\$735,194,010 (restated and increased in the FY 2022/23 report)

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$223,008,850
As a % of Revenue	9.0%
US\$ per Passenger	\$21.04
Total Revenue	\$2,477,876,106
Financial Period	Calendar year 2022
Passengers	10,600,000
Information Source	Annual Results for 2022 press release dated 01 March 2023

Ancillary revenue definitions and other notes:

- All figures are in UAE dirhams (AED).
- eShop by flydubai is a pre-order online store which delivers merchandise to a customer's flight. The buying process begins when a flight number and travel are entered. The shop has a limited selection of watches, electronics, liquor, jewelry, and gifts.
- Belt pick-up and delivery delivers baggage checked to Dubai to a home or hotel within three hours of arrival. The price to pick up and deliver one bag is AED 99 (\$27) and every additional bag is AED 40 (\$11).
- The carrier's frequent flyer program is Emirates Skywards.
- 2022 ancillary revenue disclosed by flydubai for 2022 was 9% (2021: 11.3%) of revenues, which calculates as AED 819,000,000 and consists of baggage, inflight sales, and cargo. The disclosure includes cargo, which is not believed to represent a key activity for the airline.
- Flydubai revenue for 2022: AED 9,100,000,000.

Year	Historical Ancillary Revenue
2019	\$153,573,860
2020	\$102,164,738
2021	\$163,076,923

Jazeera Airways

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$69,416,479
As a % of Revenue	11.70%
US\$ per Passenger	\$19.37
Total Revenue	\$593,252,122
Financial Period	Calendar year 2022
Passengers	3,583,000
Information Source	Jazeera Airways 2022 Annual Report and 4Q 2022 Earning Webcast presentation

Ancillary revenue definitions and other notes:

- All figures are in Kuwait dinars (KWD).
- The airline owns and operates Terminal T5 at its Kuwait hub. Revenue is generated from commercial tenant activity and as the terminal is dedicated to Jazeera operations, this qualifies as ancillary revenue (terminal revenue).
- Duty Free activity at Terminal 5 generated revenue of KWD 4.2 million in 2022 with a net margin of 30%. Jazeera disclosed 3.6 million passengers used the terminal which represents revenue of KWD 1.17 (\$3.55) per passenger and profits of KWD 0.35 (\$1.66) per passenger among those using the terminal.
- Terminal 5 includes numerous duty free and dining options, a car park dedicated to Jazeera passengers connected to Terminal 5, and the Pearl Lounge for Jazeera's business class customers. Economy class passengers may purchase a pass for KWD 10.
- Ancillary revenue includes checked baggage, assigned seats, inflight sales, and change fees. The inclusion of change fees does not align with the yearbook's definition of ancillary revenue; the amount was not separately defined.
- 2022 ancillary revenue calculated for Jazeera Airways is KWD 21,309,432 and consists of:
 - Disclosed ancillary revenue: KWD 13,417,437.
 - Travel Services: KWD 7,891,995.
- Jazeera Airways revenue for 2022: KWD 182,116,206.

Year	Historical Ancillary Revenue
2019	\$27,058,327
2020	\$10,840,545
2021	\$19,359,927

Royal Jordanian

Source and Type	Multiple ancillary revenue activities
Ancillary Revenue	\$31,853,315
As a % of Revenue	3.7%
US\$ per Passenger	\$10.59
Total Revenue	\$864,475,317
Financial Period	Calendar year 2022
Passengers	3,008,000
Information Source	Royal Jordanian Annual Report 2022

Ancillary revenue definitions and other notes:

- All figures are in Jordanian dinars (JOD).
- The Royal Club frequent flyer program had 500,000 members at the end of 2022. Hospitality and Management Holding (HMH) joined the program as a hotel accrual partner for its locations in Jordan and the UAE. Royal Club program revenue was JOD 3,170,000 for 2022, or JOD 9.02 (\$12.72) per member.
- Duty-Free kiosks added value services to the Crown Lounge passengers by simplifying their travel experience. The new service allows passengers to shop from duty-free, and their purchases will be delivered to them in the Amman lounge.
- 2022 ancillary revenue calculated for Jazeera Airways is JOD 22,584,000 and consists of:
 - Excess baggage: JOD 5,912,000.
 - Royal Tours (tour operations): JOD 8,990,000.
 - Frequent flyer revenue: JOD 3,170,000.
 - Disclosed ancillary revenue: JOD 4,512,000.
- Royal Jordanian revenue for 2022: JOD 612,913,000.

Year	Historical Ancillary Revenue
2019	\$9,740,480
2020	\$5,953,456
2021	\$23,636,107

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):

Airlink, Air Cairo, Air Mauritius, Cemair, Green Africa, El Al, Etihad Aviation Group, Ethiopian (only 2020/2021 report was available during research time), Fastjet, flyadeal (owned by Saudi Arabian Airlines), flynas (privately held), FlyEgypt, FlySafair (Safair Operations LTD), Jambojet (owned by Kenya Airways), Kenya Airways, Lift (Global Airways), Middle Eastern Airlines (only 2020 report was available during research time), Oman Air, Royal Air Maroc, SalamAir, Saudi Arabian Airlines (government owned), South African Airways, and Zambia 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.

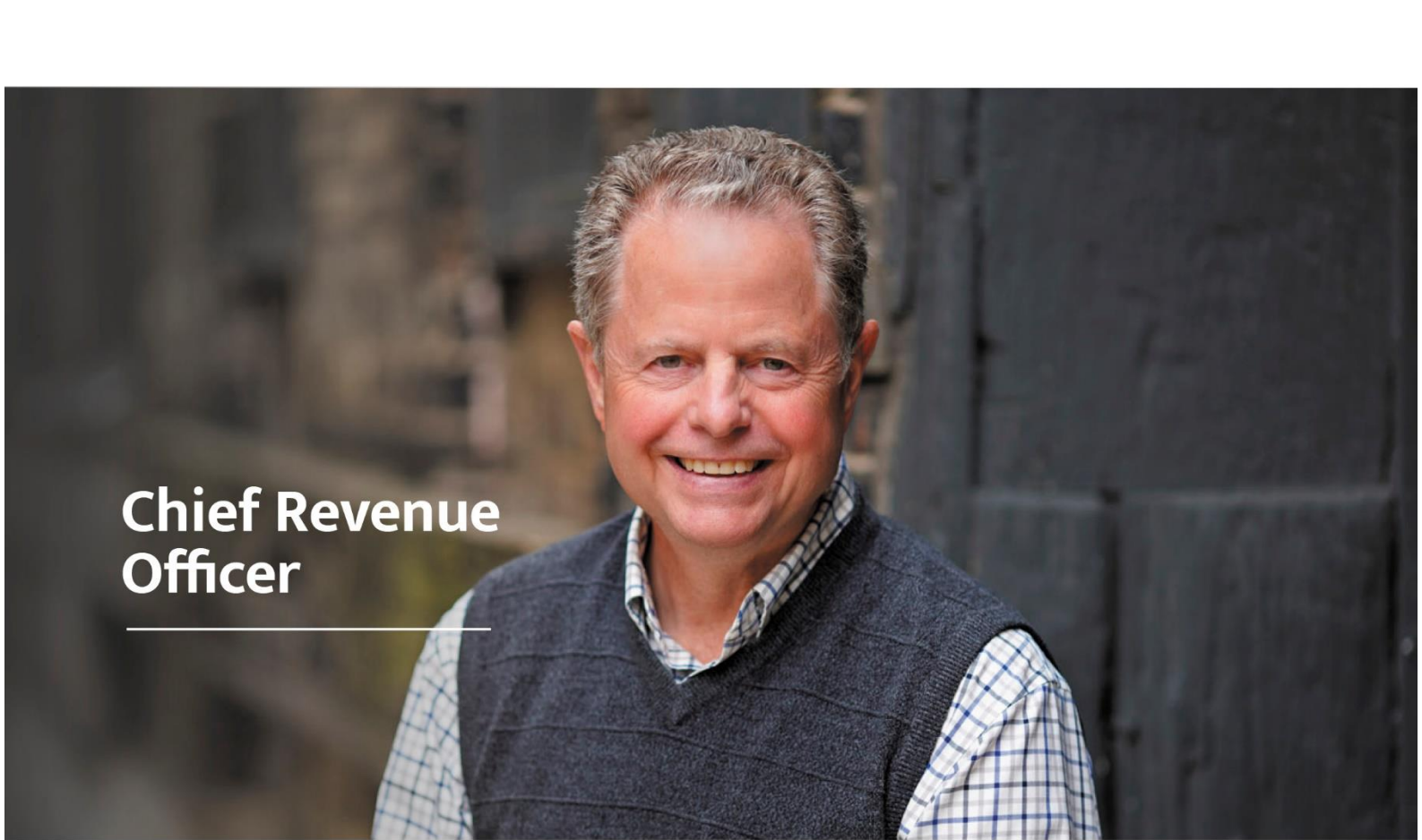
CURRENCY EXCHANGE RATES USED FOR THIS YEARBOOK

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.

Argentina peso (ARS)	= 0.00797
Australian dollar (AUD)	= 0.67899
Brazil reais (BRL)	= 0.18837
Canada dollar (CAD)	= 0.77428
China yuan (CNY)	= 0.14924
Croatian kuna (HRK)	= 0.13824
Danish kroner (DKK)	= 0.13996
Euro (€)	= 1.04112
Great Britain pound (GBP)	= 1.20508
Hong Kong dollar (HKD)	= 0.12745
India rupee (INR)	= 0.01267
Japan yen (JPY)	= 0.00740
Jordanian dinar (JOD)	= 1.41044
Korean won (KRW)	= 0.00077
Kuwait dinar (KWD)	= 3.25755
Malaysia ringgit (MYR)	= 0.22690
New Zealand dollar (NZD)	= 0.61891
Norway kroner (NOK)	= 0.10043
Philippine peso (PHP)	= 0.01814
Swedish kroner (SEK)	= 0.09677
Thai baht (THB)	= 0.02807
UAE dirham (AED)	= 0.27229
US dollar (USD)	= 1.000000
Vietnamese dong (VND)	= 0.00004

Currency exchange rates are from XE.com, the Universal Exchange Converter.

As effective on 01 July 2022.

A portrait of Jay Sorensen, a middle-aged man with short, graying hair, smiling warmly. He is wearing a dark gray sweater vest over a light-colored, patterned button-down shirt. The background is a dark, textured wall.

Chief Revenue Officer

Jay Sorensen's consulting work, research, and reports have made him the **leading authority** on ancillary revenue, a la carte pricing, loyalty marketing, and airline retail.

Jay has the hands-on-experience of 13 years as an airline executive and the innovative spirit of 25 years as an industry consultant. Since 1996 IdeaWorksCompany has helped 70 client companies including airlines, loyalty programs, passenger railroads, and hotel brands. Jay has presented on-site workshops in Europe, the Middle East, South America, Asia, and North America, and has issued 96 reports, 15 yearbooks of ancillary revenue, and more than 20 other publications on frequent flyer programs and travel industry statistics.

IdeaWorksCompany clients do better.

CONTACT JAY SORENSEN FOR MORE INFORMATION

Jay "at" IdeaWorksCompany.com

Visit IdeaWorksCompany.com to view our research and list of clients.

