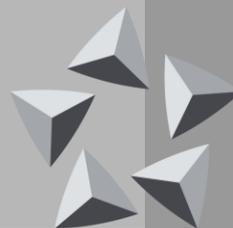




# Lufthansa

Official Airline

Market and competitors



STAR ALLIANCE

# Market share

## Wholly owned by Lufthansa:

### The Network Airlines:

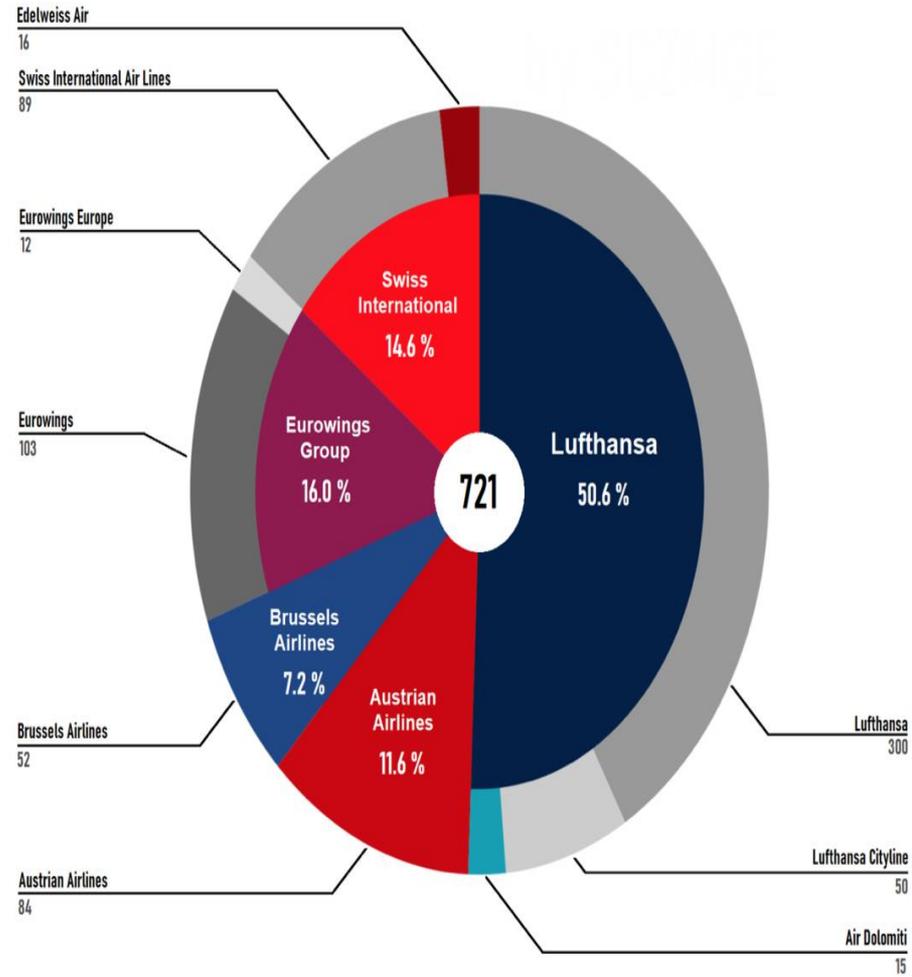
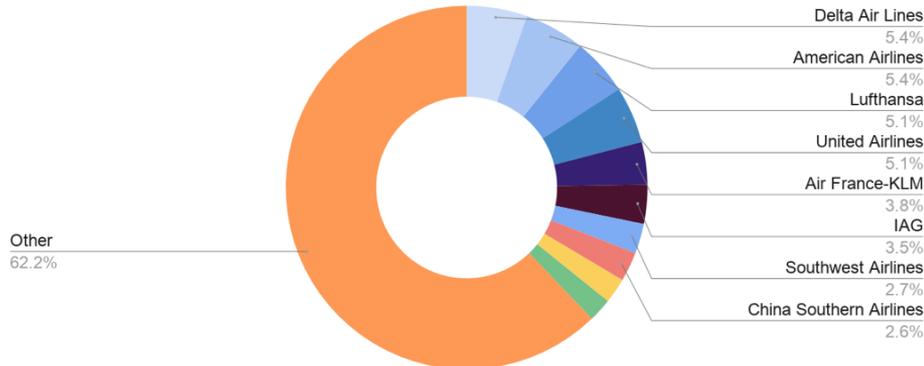
- Lufthansa Regional – regional feeder airline
  - Lufthansa CityLine
  - Air Dolomiti
- Austrian Airlines – the flag carrier airline of Austria
- Swiss International Air Lines – the flag carrier airline of Switzerland
  - Edelweiss Air – Swiss leisure airline subsidiary
- Brussels Airlines – the flag carrier airline of Belgium
- Eurowings Group (low-cost or hybrid point-to-point airlines)
  - Eurowings – German low-cost airline headquartered in Düsseldorf
  - Eurowings Europe – low-cost airline registered in Austria
- Lufthansa Cargo – German cargo airline headquartered in Frankfurt, formerly German Cargo

### Partly owned by Lufthansa:

- AeroLogic – German cargo airline owned by a joint-venture of Lufthansa (50%) and DHL (50%)
- SunExpress – Turkish leisure airline jointly owned by Lufthansa (50%) and Turkish Airlines (50%)

## World's Biggest Public Airlines Companies Revenue (\$), 2019

www.T4.ai



wholly owned passenger fleet size (excluding cargo)

# COVID-19 Market trends



## *The Network Airlines*

- Eurowings focuses on European direct traffic
- Coronavirus pandemic weighs heavily on business.
- Restructuring programme tightened.

- Focus on reducing costs and ensuring liquidity.
- Earnings significantly affected by coronavirus

### T028 TRENDS IN TRAFFIC REGIONS Network Airlines

	Net traffic revenue external revenue		Number of passengers		Available seat-kilometres		Revenue seat-kilometres		Passenger load factor	
	2020 in €m	Change in %	2020 in thousands	Change in %	2020 in millions	Change in %	2020 in millions	Change in %	2020 in %	Change in pts
Europe	2,116	-75	22,988	-74	32,049	-67	20,117	-74	62.8	-15.1
America	1,385	-80	2,810	-79	36,172	-70	21,869	-79	60.5	-24.9
Asia/Pacific	695	-81	1,424	-81	18,696	-74	11,524	-81	61.6	-23.6
Middle East/ Africa	554	-72	1,897	-74	12,651	-65	8,451	-71	66.8	-13.9
Not assignable	738	-61	-	-	-	-	-	-	-	-
<b>Total traffics</b>	<b>5,488</b>	<b>-76</b>	<b>29,119</b>	<b>-75</b>	<b>99,568</b>	<b>-69</b>	<b>61,961</b>	<b>-77</b>	<b>62.2</b>	<b>-20.4</b>

# SWOT Analysis : **Lufthansa**



**STRENGTH**

**WEAKNESS**

**OPPORTUNITIES**

**THREATS**

## STRENGTH

- GLOBAL OPERATIONS
- LARGEST STAR ALLIANCE MEMBER
- IT DIVISION
- STRONG FINANCIAL PERFORMANCE AND STABILITY

## WEAKNESSES

- LUFTHANSA HAS A HIGH-COST BASE
- POOR LABOR RELATIONS
- SLOW RESPONSE TO COMPETITIVE THREAT

## OPPORTUNITIES

- ❑ ENCOURAGE GROWTH OF STAR ALLIANCE
- ❑ INCREASE OWNERSHIP STAKES IN DIFFERENT MARKETS
- ❑ IMPROVEMENT IN EXPERIENCE AND HIGH-QUALITY SERVICES TO CUSTOMERS

## THREATS

- ❑ INCREASED COMPETITION
- ❑ RISING COSTS
- ❑ ALTERNATIVE TRAVEL OPTIONS FOR SHORT DISTANCES

# Lufthansa Top 13 Competitors

*United Airlines*



*Air India*



*Singapore Airlines*



*Etihad Airways*



*Malaysia Airlines*



*Qatar Airways*



*Qantas Airways*



*Emirates*



*KLM*



*Turkish Airlines*



*Air France*



*Virgin Atlantic*



*British Airways*



# Lufthansa Airlines Vs British Airways

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BRITISH AIRWAYS



- ❑ lack of communication
- ❑ high chance of canceling your flight a day in advance.
- ❑ willing to assist you in finding suitable replacement
- ❑ offers destinations that aren't available with Lufthansa
- ❑ higher airport tax in the UK

# LUFTHANSA AIRLINES VS EMIRATES

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- ❑ 221 aircrafts
- ❑ better in catering to the passenger's age and religion
- ❑ work harder to satisfy your needs
- ❑ better first-class section.
- ❑ Higher prices

Lufthansa



Supply chain



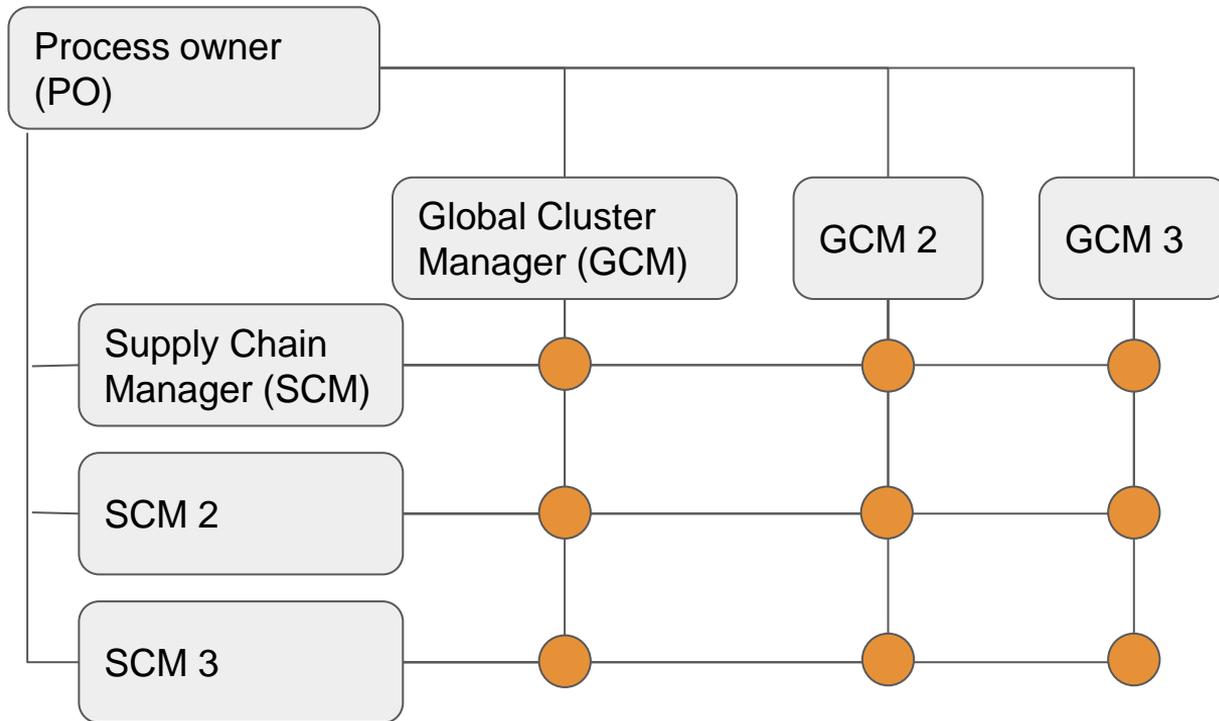
STAR ALLIANCE



# Lufthansa

## COMPANY STRUCTURE

Even though the Lufthansa Group consists of many different individual companies, the processes of the individual purchasing organizations are nevertheless interconnected across the Group. October 1, 2017 the matrix organization was established to optimize the cooperation between various Group companies. Matrix organization comprises a LH Group with a wide range of responsibilities, arranged according to individual material groups. Accordingly, the responsibilities were divided in such a way that 10 different so-called clusters were formed, each of which coordinates the purchasing of the individual material groups for the entire group across company boundaries.





# Lufthansa

## Lead buyer system

Lufthansa is a corporation consisting of many individual companies. Group company transacting the largest purchase volume usually is responsible for concluding a master agreement with the respective supplier and for the respective contracts. While the master agreement is only concluded in the name of the respective group company, it still contains a clause that allows other group companies to use the same conditions for a contract of their own.





# Lufthansa

## Contractual agreements

- For simple and/or lower value projects, individual contracts are concluded in the form of orders based on quotes and based on our General Purchasing Conditions
- A standard agreement and/or standard master agreement are generally concluded for projects of considerable value and/or complexity. These agreements expand on the General Purchasing Conditions in terms of content and structure.

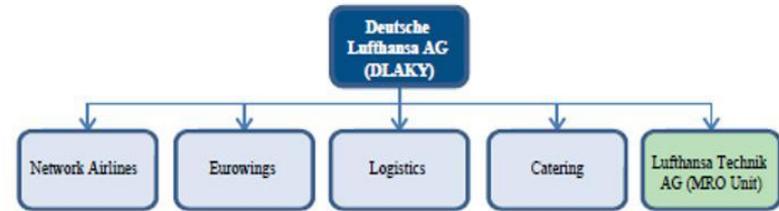


# Internal organization

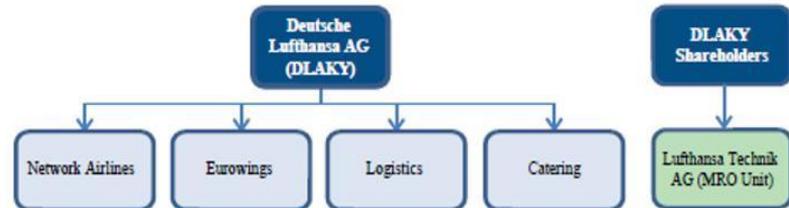
## Lufthansa

• Lufthansa group consists of the business segments; namely logistics, MRO, catering, network airlines.

Organization Structure  
Pre Spin-Off / Carve Out



Post Spin-Off / Carve Out



Source: Company data

- Composition and mode of operation of the **Executive Board**, and the **Supervisory Board**.
- **Executive Board** members are jointly responsible for the overall management of the Company and inform each other of all significant activities and transactions.
- Reporting regularly to the Supervisory Board, which is made up of an equal numbers of shareholder and employee representatives.



# Supervisory Board

Lufthansa



The Supervisory Board of Deutsche Lufthansa AG consists of 20 members:

- ❑ 30% women and at least 30% men.
- ❑ SB has adopted a comprehensive requirements profile for its composition.
- New Supervisory Board members receive a comprehensive information package from the Company.

# Work of the SB

- 1.The Supervisory Board appoints the Executive Board, advises it on the management of the Company and monitors its activities. It also decides on the system and amount of compensation for the Executive Board.
- 2.Resolutions of the Supervisory Board are generally passed in meetings. At least two Supervisory Board meetings must be convened in a calendar half-year.
- 3.The principles of the Supervisory Board's cooperation are set out in the Rules of Procedure for the SB.

4.SB is divided to:

Chairman of the SB

- -Committees
- -Steering Committee
- -Audit Committee
- -Nomination Committee
- -Arbitration Committee

Corporate structure

