



Airlines

50

2022

The annual report on the most valuable and strongest airlines brands
Supplementary analysis on airport brands

May 2022

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About Brand Finance.

Brand Finance is the world's leading brand valuation consultancy.

We bridge the gap between marketing and finance

Brand Finance was set up in 1996 with the aim of 'bridging the gap between marketing and finance'. For 25 years, we have helped companies and organisations of all types to connect their brands to the bottom line.

We quantify the financial value of brands

We put 5,000 of the world's biggest brands to the test every year. Ranking brands across all sectors and countries, we publish nearly 100 reports annually.

We offer a unique combination of expertise

Our teams have experience across a wide range of disciplines from marketing and market research, to brand strategy and visual identity, to tax and accounting.

We pride ourselves on technical credibility

Brand Finance is a chartered accountancy firm regulated by the Institute of Chartered Accountants in England and Wales, and the first brand valuation consultancy to join the International Valuation Standards Council.

Our experts helped craft the internationally recognised standards on Brand Valuation – ISO 10668 and Brand Evaluation – ISO 20671. Our methodology has been certified by global independent auditors – Austrian Standards – as compliant with both, and received the official approval of the Marketing Accountability Standards Board.



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Each report includes expert recommendations for growing brand value to drive performance and offers a cost-effective way to gaining a better understanding of your position against peers.

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Brand Finance Group.



Brand Finance
Institute

Brand Finance Institute

Brand Finance Institute is the educational division of Brand Finance, whose purpose is to create and foster a professional environment for knowledge-sharing and networking among practitioners and experts in the market. BFI organises events, in-company training, and corporate educational initiatives around the world. In the quest for marketing excellence and with the purpose to equip the brand valuation and strategy practitioners with the necessary skills and tools, we have developed a wide range of programmes and certifications in collaboration with the most coveted business schools, universities and thought leaders in the field.

Brand Dialogue



Brand Dialogue

Brand Dialogue is a public relations agency developing communications strategies to create dialogue that drives brand value. Brand Dialogue has over 25 years of experience in delivering campaigns driven by research, measurement, and strategic thinking for a variety of clients, with a strong background in geographic branding, including supporting nation brands and brands with a geographical indication (GI). Brand Dialogue manages communications activities across Brand Finance Group's companies and network.

vi360

VI360

VI360 is a brand identity management consultancy working for clients of all sizes on brand compliance, brand transition, and brand identity management. VI360 provide straightforward and practical brand management that results in tangible benefits for your business.

Brand Finance®



Global Brand Equity Monitor

- Original market research on over **5,000 brands**
- **36 countries** and **29 sectors** covered
- Over **100,000 respondents** surveyed annually
- We are now **in our 6th consecutive year** conducting the study

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Foreword.



David Haigh
Chairman & CEO,
Brand Finance

What is the purpose of a strong brand: to attract customers, to build loyalty, to motivate staff? All true, but for a commercial brand at least, the first answer must always be 'to make money'.

Huge investments are made in the design, launch, and ongoing promotion of brands. Given their potential financial value, this makes sense. Unfortunately, most organisations fail to go beyond that, missing huge opportunities to effectively make use of what are often their most important assets. Monitoring of brand performance should be the next step, but is often sporadic. Where it does take place, it frequently lacks financial rigour and is heavily reliant on qualitative measures, poorly understood by non-marketers.

As a result, marketing teams struggle to communicate the value of their work and boards then underestimate the significance of their brands to the business. Sceptical finance teams, unconvinced by what they perceive as marketing mumbo jumbo, may fail to agree necessary investments. What marketing spend there is, can end up poorly directed as marketers are left to operate with insufficient financial guidance or accountability. The end result can be a slow but steady downward spiral of poor communication, wasted resources, and a negative impact on the bottom line.

Brand Finance bridges the gap between marketing and finance. Our teams have experience across a wide range of disciplines from market research and visual identity, to tax and accounting. We understand the importance of design, advertising, and marketing, but we also believe that the ultimate and overriding purpose of brands is to make money. That is why we connect brands to the bottom line.

By valuing brands, we provide a mutually intelligible language for marketing and finance teams. Marketers then have the ability to communicate the significance of what they do, and boards can use the information to chart a course that maximises profits. Without knowing the precise, financial value of an asset, how can you know if you are maximising your returns? If you are intending to license a brand, how can you know you are getting a fair price? If you are intending to sell, how do you know what the right time is? How do you decide which brands to discontinue, whether to rebrand and how to arrange your brand architecture? Brand Finance has conducted thousands of brand and branded business valuations to help answer these questions.

Brand Finance's research revealed the compelling link between strong brands and stock market performance. It was found that investing in highly-branded companies would lead to a return almost double that of the average for the S&P 500 as a whole.

Acknowledging and managing a company's intangible assets taps into the hidden value that lies within it. The following report is a first step to understanding more about brands, how to value them and how to use that information to benefit the business.

The team and I look forward to continuing the conversation with you.

Delta retains top position as most valuable airlines brand in the world as airlines begin COVID-19 recovery.

- + **Delta** retains top position as the world's most valuable airline, valued at US\$7.3 billion
- + Canadian airline **WestJet** is strongest airline brand in the world with AAA- brand rating
- + Spanish airline **Iberia** is fastest growing airline brand, 36% hike in brand value
- + **SAUDIA** is the fastest growing airline brand in Middle East
- + **AirAsia** strengthens brand familiarity and recall using digital transformation
- + Indian airline brands achieve steady post pandemic growth

Executive Summary.



Brand Value & Brand Strength Analysis.



Airline brands across the world are returning to growth after the widespread disruption of the COVID-19 pandemic. The airlines industry suffered big losses in brand value during the pandemic as governments enforced travel restrictions to reduce the rapid spread of COVID-19. While many airline brands are growing again, they have not yet returned to pre-pandemic values.

Delta retains top position as the world's most valuable airline, valued at US\$7.3 billion

Delta soars higher than its competition with the highest brand value in the ranking, up 27% to US\$7.3 billion. The leading American carrier has rolled out various new features over the year to retain customer loyalty in times of low demand.

The new developments over the past year include the introduction of six new transatlantic routes adding to its existing network and new partner hubs across Europe in London, Paris and Amsterdam among others. Additionally, the Delta business has invested in airlines across the globe like Aeromexico (brand value up 42% to US\$0.3 billion), Virgin Atlantic (brand value up 37% to US\$0.4 billion), Korean Air (brand value up 15% to US\$1.3 billion) and China Eastern (brand value up 4% to US\$2.3 billion) to build the Delta brand by being able to deliver enhanced travel connectivity.

The airline industry faces challenges from carbon emissions and Delta is taking steps to address these concerns. Delta has partnered with European aerospace brand Airbus to research hydrogen powered aircraft to reduce carbon emissions. The switch from conventional jet fuel to alternative sources may reduce the environmental impact of the aviation industry.

The COVID-19 pandemic brought many travel restrictions across the world which had very big and direct impacts on airline brand values. As the world looks to a post-COVID future, airline brands, led by Delta, are beginning to taxi for take-off. Brand values have grown this year but have a long way to return to pre-pandemic levels.

Savio D'Souza
Valuation Director, Brand Finance

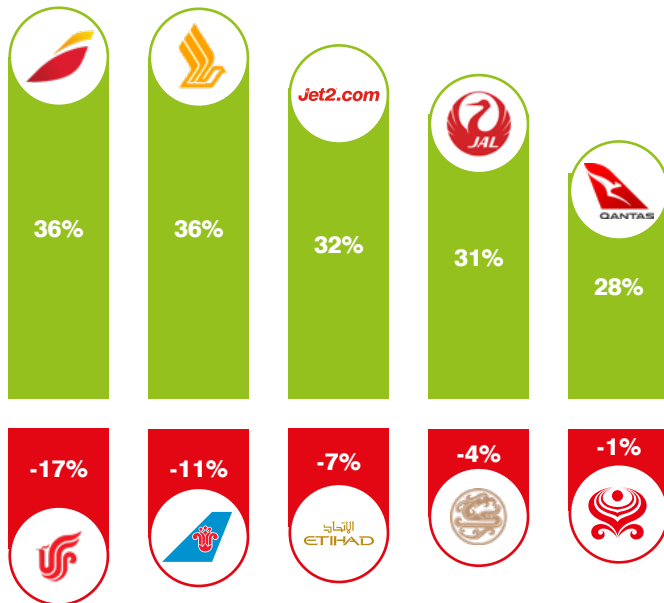
Top 10 Most Valuable Airlines Brands

© Brand Finance Plc 2022

1 ← 1   DELTA \$7.3bn +27%	2 ← 2   American Airlines \$6.3bn +17%	3 ← 3  UNITED  \$5.5bn +10%	4 ← 4   \$5.0bn +7%	5 ← 5  Southwest  \$4.9bn +24%
6 ↑ 9   AIR CANADA \$2.5bn +16%	7 ↑ 11   Lufthansa \$2.4bn +16%	8 ↓ 6   AIR CHINA \$2.4bn -17%	9 ↓ 7   中国南方航空 CHINA SOUTHERN \$2.3bn -11%	10 ↑ 12  ANA  \$2.3bn +27%



Brand Value Change 2021-2022 (%)



Spanish airline Iberia is fastest growing airline brand, 36% hike in brand value

Iberia is the fastest growing airline brand in the ranking with an impressive 36% growth in brand value, marginally ahead of Singapore Airlines, which increased brand value by just under 36% to US\$2 billion. Iberia has achieved its brand value growth by adapting quickly to the COVID-19 disruption, and the Spanish airline is also building a new strategic partnership with Spanish oil producer Cepsa to decarbonise air transport and deliver sustainable fuel for air travel.







SAUDIA is the fastest growing airline brand in Middle East

SAUDIA (brand value up 13% to US\$0.5 billion) is the fastest growing airline in the Middle East. As part of Vision 2030, Saudi Arabia plans to increase the number of tourists to 100 million and the number of religious visitors to 30 million a year by 2030. SAUDIA is investing heavily in both its product and service to enhance customer experience as it welcomes first-time visitors to Saudi Arabia. As a key enabler of the Kingdoms ambitious tourism targets as part of Vision 2030, there are numerous initiatives underway such as increasing the number of routes its serves and increasing the size of its fleet at its new state-of-the-art Jeddah Hub airport.



Top 10 Strongest Airlines Brands

© Brand Finance Plc 2022

1  WESTJET  84.0  +1.2 AAA-	2  ANA  83.7  +2.6 AAA-	3  Southwest  83.0  +5.4 AAA-	4  QANTAS  82.4  +1.7 AAA-	5  Jet2.com  80.7  +4.0 AAA-
6  AEROFLOT  80.5  -9.0 AAA-	7  JAPAN AIRLINES  80.3  +4.0 AAA-	8  Emirates  80.1  -0.4 AAA-	9  airasia  79.7  +3.2 AAA-	10  SINGAPORE AIRLINES  79.5  +5.9 AA+

*Assessed as of 1 January, 2022 – does not account for subsequent Russian invasion of Ukraine

AirAsia strengthens brand familiarity and recall using digital transformation

AirAsia (brand value up 18% to US\$1.4 billion) is among the top 10 strongest airline brands in the ranking. The brand's familiarity is strengthened by its diverse service offerings across travel, business, food and finance, beyond its core air travel business. The brand prioritises customer experience and digital integration with its versatile online travel agent (OTA) mobile application Super App. The brand has captured 63% of the domestic market share in Malaysia, reflecting its strong market position in its geographically concentrated markets.

Canadian airline WestJet is the strongest airline brand in the world with AAA- brand rating

In addition to calculating brand value, Brand Finance also determines the relative strength of brands through a balanced scorecard of metrics evaluating marketing investment, stakeholder equity, and business performance. Compliant with ISO 20671, Brand Finance's assessment of stakeholder equity incorporates original

market research data from over 100,000 respondents in more than 35 countries and across nearly 30 sectors.

WestJet (brand value up 22% to US\$0.6 billion) is the strongest airline brand in the world with a Brand Strength Index (BSI) of 84 out of 100 and a corresponding AAA- brand rating. The Canadian airline has strengthened its brand identity across Canada with the addition of 24 new routes across the nation, leading to Canadian customers feeling an increased affinity with the brand. The brand is steadily recovering from the impact of COVID-19 and is now operating over 500 departures per day for the first time since the pandemic nadir.

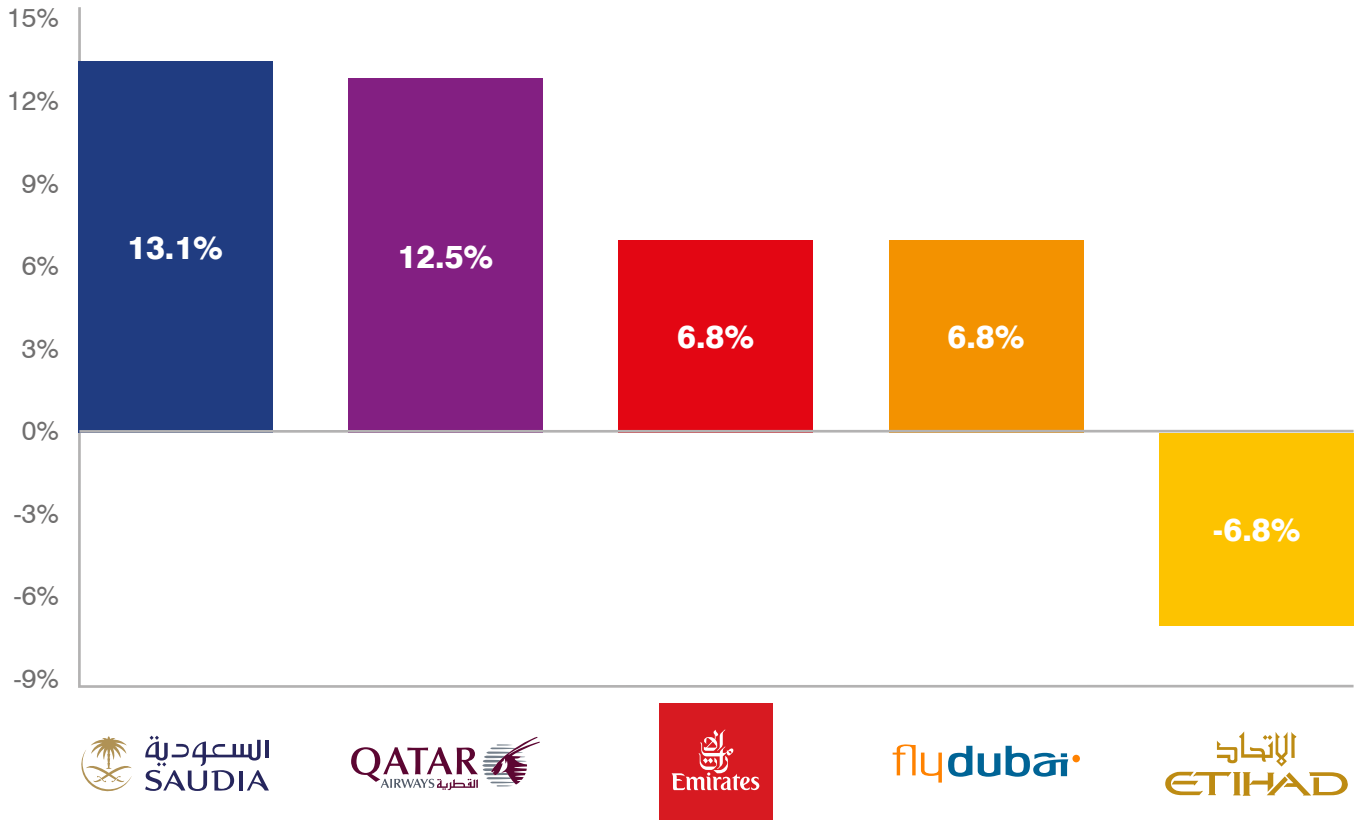
Indian airline brands achieve steady post pandemic growth

Indian airlines are recovering from a dip in demand during several lockdown guidelines across India. **IndiGo** (brand value up 22% to US\$0.7 billion) and **Air India** (brand value up 19% to US\$0.3 billion) both achieved strong growth, although Air India remained outside the top 50 airline brands. The Indian airline brands in the ranking have achieved significant growth with 22% year-on-year brand value growth, with further potential as the world looks to a post-COVID future.

Middle East Airlines.

Brand Value by Growth (%) 2022

© Brand Finance Plc 2022



The Middle East region has seen its brand value recover over the last year as demand for travel has recovered. On average, the top five Middle Eastern airline brands have seen their brand values increase by 7.3%. However, when compared to pre-pandemic valuations, the overall brand value for the sector is 16.5% below 2020. Nonetheless, this is a positive sign for the sector and a signal that the gradual recovery of the industry is underway, as countries continue to ease travel restrictions.

Leading the pack in terms of brand value growth is Saudi Arabia's **SAUDIA**, which saw its brand value rise by 13% to US\$572 million. As part of Vision 2030, Saudi Arabia plans to increase the number of business and leisure tourists to ~100 million a year by 2030, and the number of religious visitors to 30 million by 2025. As discussed earlier in the report, the brand is undergoing a heavy investment phase to capture this growth as part of the travel and tourism ecosystem being built almost from scratch in the country.

SAUDIA has recently completed 75 years as the flag carrier of Saudi Arabia and is one of the key enablers

of the logistics and tourism goals of Vision 2030. Additionally, given the strong connection with the Saudi nation brand, the SAUDIA brand is going to play a key role in building the Saudi Soft Power globally.

SAUDIA's Brand Strength (A) has improved over the past year but there is significant headroom to grow which makes the brand an exciting one to watch for the future.

Qatar Airways is the second fastest growing brand at 12.5% with a value of US\$2.0 billion as it looks to capitalise on the upcoming World Cup 2022 tournament. The brand is a key pillar of Qatar Tourism's ecosystem and as one of the prominent Q companies plays a big role in enhancing Qatar's soft power globally.

Emirates retained the title of the Middle East's most valuable and strongest airline brand, with a brand value of US\$5.0 billion, and BSI score of 80.1. For brand strength, Emirates is followed by Qatar Airways (74.4) and Air Arabia (69.8). Growing brand strength will be key for the brands in the region to recover its pandemic brand value losses by 2024.



Brand Value by Country

© Brand Finance Plc 2022



Country	Brand Value (USD bn)	% of total	Number of Brands
United States	27.5	33.0%	8
China	12.1	14.5%	10
UAE	5.6	6.7%	2
United Kingdom	4.6	5.5%	4
Japan	4.4	5.3%	2
Canada	3.1	3.7%	2
Other	26.1	31.3%	22
Total	83.3	100.0%	50

Brand Value Ranking.

Top 50 most valuable airlines brands 1-50



2022 Rank	2021 Rank		Brand	Country	2022 Brand Value	Brand Value Change	2021 Brand Value	2022 Brand Rating	2021 Brand Rating
1	1	←	Delta	United States	\$7,327	+27.0%	\$5,770	AA	AA
2	2	←	American Airlines	United States	\$6,264	+17.4%	\$5,336	AA	AA-
3	3	←	United Airlines	United States	\$5,485	+9.6%	\$5,003	AA-	AA-
4	4	←	Emirates	UAE	\$4,985	+6.8%	\$4,669	AAA-	AAA-
5	5	←	Southwest Airlines	United States	\$4,929	+24.1%	\$3,971	AAA-	AA+
6	9	↑	Air Canada	Canada	\$2,511	+15.8%	\$2,169	AA	AA
7	11	↑	Lufthansa	Germany	\$2,387	+15.7%	\$2,064	AA+	AA
8	6	↓	Air China	China	\$2,381	-17.3%	\$2,880	AA	AA
9	7	↓	China Southern	China	\$2,315	-11.0%	\$2,601	AA+	AA+
10	12	↑	ANA	Japan	\$2,284	+26.7%	\$1,802	AAA-	AAA-
11	8	↓	China Eastern	China					
12	10	↓	British Airways	United Kingdom					
13	15	↑	Japan Airlines	Japan					
14	14	←	Ryanair	Ireland					
15	18	↑	Singapore Airlines	Singapore					
16	17	↑	Qantas	Australia					
17	13	↓	Qatar Airways	Qatar					
18	19	↑	Air France	France					
19	16	↓	Turkish Airlines	Turkey					
20	21	↑	AirAsia	Malaysia					
21	20	↓	Easyjet	United Kingdom					
22	23	↑	Korean Air	South Korea					
23	22	↓	Alaska Airlines	United States					
24	24	←	Jetblue Airways	United States					
25	26	↑	LATAM Airlines	Chile					
26	25	↓	Aeroflot	Russia					
27	28	↑	KLM	Netherlands					
28	31	↑	Thai Airways	Thailand					
29	27	↓	Hainan Airlines	China					
30	32	↑	Cathay Pacific	China					
31	34	↑	Iberia	Spain					
32	30	↓	Xiamen Airlines	China					
33	29	↓	Shenzhen Airlines	China					
34	36	↑	Indigo	India					
35	37	↑	Wizz Air	Hungary					
36	38	↑	Jet2.com	United Kingdom					
37	35	↓	Asiana Airlines	South Korea					
38	33	↓	Etihad Airways	UAE					
39	39	←	SAUDIA	Saudi Arabia					
40	44	↑	Eva Airways	China					
41	40	↓	China Airlines	China					
42	43	↑	WestJet	Canada					
43	46	↑	Swiss	Switzerland					
44	42	↓	Air New Zealand	New Zealand					
45	45	←	Spirit Airlines	United States					
46	41	↓	Juneyao Airlines	China					
47	49	↑	Jetstar	Australia					
48	-	New	Hawaiian	United States					
49	-	New	Virgin Atlantic	United Kingdom					
50	47	↓	Vueling	Spain					

*Assessed as of 1 January, 2022 – does not account for subsequent Russian invasion of Ukraine

Airports 25.

Top 10 Most Valuable Airports Brands

© Brand Finance Plc 2022

1 ← 1   PARISAÉROPORT \$763m +28%	2 ↑ 3  Heathrow \$742m +65%	3 ↓ 2   CHANGI airport singapore \$603m +25%	4 ← 4   Incheon Airport \$478m +33%	5 ↑ 6   Frankfurt Airport \$381m +27%
6 ↓ 5  HANEDA  \$379m +20%	7 ↑ 8   Narita Airport Connecting Japan to the World \$320m +43%	8 ↑ 10  Schiphol \$294m +63%	9 ↑ 12  Zurich Airport \$231m +47%	10 ↑ 11   BCIA 首都机场股份 \$223m +34%



PARISAÉROPORT

Top 25 most valuable airports brands

2022 Rank	2021 Rank		Brand	Country	2022 Brand Value	Brand Value Change	2021 Brand Value	2022 Brand Rating	2021 Brand Rating
1	1	←	Paris Aeroport	France	\$763	+28.4%	\$594	AA+	AA
2	3	↑	Heathrow Airport	United Kingdom	\$742	+65.2%	\$449	AA	AA
3	2	↓	Changi Airport	Singapore	\$603	+25.2%	\$481	AAA-	AAA-
4	4	←	Incheon International Airport	South Korea	\$478	+33.3%	\$358	AAA-	AAA-
5	6	↑	Frankfurt Airport	Germany	\$381	+26.8%	\$301	AA	AA-
6	5	↓	Haneda International Airport	Japan	\$379	+20.4%	\$315	AA+	AA+
7	8	↑	Narita International Airport	Japan	\$320	+43.3%	\$223	AA	AA-
8	10	↑	Schiphol	Netherlands	\$294	+63.4%	\$180	AA+	AA
9	12	↑	Zürich Airport	Switzerland	\$231	+46.8%	\$157	AA	AA-
10	11	↑	Beijing Capital International Airport	China	\$223	+33.6%	\$167	AA-	A+
11	9	↓	Munich Airport	Germany	🔒	🔒	🔒	🔒	🔒
12	13	↑	Los Angeles International Airport	United States	🔒	🔒	🔒	🔒	🔒
13	7	↓	Shanghai Airport (Group)	China	🔒	🔒	🔒	🔒	🔒
14	23	↑	O'Hare International Airport	United States	🔒	🔒	🔒	🔒	🔒
15	20	↑	Toronto Pearson International Airport	Canada	🔒	🔒	🔒	🔒	🔒
16	15	↓	Guangzhou Baiyun International Airport	China	🔒	🔒	🔒	🔒	🔒
17	16	↓	Sydney Airport	Australia	🔒	🔒	🔒	🔒	🔒
18	14	↓	Bangkok Airport	Thailand	🔒	🔒	🔒	🔒	🔒
19	19	←	John F. Kennedy International Airport	United States	🔒	🔒	🔒	🔒	🔒
20	21	↑	Gatwick Airport	United Kingdom	🔒	🔒	🔒	🔒	🔒
21	17	↓	Hong Kong International Airport	China	🔒	🔒	🔒	🔒	🔒
22	22	←	Dallas/Fort Worth International Airport	United States	🔒	🔒	🔒	🔒	🔒
23	-	New	Istanbul Grand Airport	Turkey	🔒	🔒	🔒	🔒	🔒
24	18	↓	Madrid-Barajas Airport	Spain	🔒	🔒	🔒	🔒	🔒
25	25	←	San Francisco International Airport	United States	🔒	🔒	🔒	🔒	🔒



Brand Spotlights.





airasia

Rank

Brand Value

20 ↑

\$1.4bn +18%

Rank

Brand Strength

9 ↑

79.7 +3.2

Interview with Rudy Khaw.



Rudy Khaw
Chief Brand Officer,
AirAsia

AirAsia grew by 18% in brand value over the past year. What do you think has contributed to this growth?

Being a brand that's always been resilient in the face of challenges, we didn't waste this Covid crisis but rather saw it as an opportunity to really go full steam with the vision we've always had to diversify our offerings. While travel has slowly been picking up in the past year, on the digital side, we grew the presence and offerings of the airasia Super App as an OTA and a delivery platform. On-demand services, such as e-hailing, food delivery and travel offerings, including non-AirAsia flights alongside accommodation, allowed us to target and reach a new audience we otherwise wouldn't have connected with. Moreover, the launch of AirAsia's investment holding company, Capital A, earlier this year has added a new dimension to its brand value that better reflects its business diversification and showcases the portfolio of synergistic travel and lifestyle businesses.

With travel reopening in Southeast Asia, what are your primary growth areas and how do you intend on taking advantage of these areas?

AirAsia, as a much beloved airline, will focus on getting our planes back to the skies, allowing people to travel, connect and explore the region again. This also means that there will be plenty of opportunities to provide travelers with a seamless experience from booking to flying and further on ground transportation. That's where we'll be able to step in and prove to be the brand that offers a true end-to-end ecosystem journey.



How will the Super App help the brand achieve your vision of ‘Uniting Asean and beyond’?

The airline and brand have always been synonymous with championing the Asean region through providing connectivity and building communities. The airasia Super App is our foray into creating an ecosystem that cuts across the region as we continue to improve the cross border experience for Asean. People have always been at the center of everything we do and with the Super App, that is no different. Our offerings exist to enrich, and simplify the regional experience, whether you are in Bali

or in Kuala Lumpur or Bangkok, you would see a single brand that makes you feel at home.

You recently rebranded the group name to Capital A, what role do you think the brand plays in your industry?

Capital A exists to connect everyone with everything, everywhere with a strong commitment to its vision of serving the underserved, building communities and transforming lives. Our brand and the ethos behind it have always been about making things accessible, affordable, and inclusive, whether it be the airline where it all began, or logistics, e-commerce or fintech.



SAUDIA.



السعودية
SAUDIA

Rank

Brand Value

39 ←

\$572m +13%

Rank

Brand Strength

50 ←

57.7 +4.0

Interview with Khaled Tash.



Khaled Tash
Chief Marketing Officer,
SAUDIA Group

SAUDIA is the fastest growing airline brand in the region this year. What are the big success stories for your brand over the last 12 months that has been driving this growth?

The impact of COVID on the airline industry has been a topic addressed frequently over the past two years. We have turned a challenge into an opportunity. We thought about how we could use this time to reimagine our business.

As a result, just some of the improvements that we introduced include creating the biggest Skyteam lounge in the world, in Jeddah - the SAUDIA AlFursan flagship lounge - a facility which more resembles a five-star hotel. Additionally, the AlFursan lounge was the first airline lounge in the world to be certified as part of the APEX Health Safety Standard powered by SimpliFlying. (AlFursan is SAUDIA's frequent flyer loyalty program). Our hubs, such as our new Jeddah terminal, now also feature touchless technologies and all digital boarding passes.

Through agreements with Panasonic and Inmarsat, we are introducing a state-of-the-art IFE system with world class connectivity. Additionally, our food and beverage service has been revamped, and SAUDIA is one very few airlines in the world who have on-board chefs.

The many new additions that have been introduced, including mobile and web features furthering the guest overall experience, has resulted in three major accolades. We have once again, for the second time in five years, been the most improved airline in the Skytrax ratings, and Apex ranked SAUDIA as a five-star airline, as well as a World Class airline.

Saudi Arabia has undergone tremendous change in the last 5 years as it transforms itself to achieve the Vision 2030 goals. Post-COVID the world and the region is also settling back into a new normal. How are these factors affecting your brand and corporate strategy?

By 2030, the Kingdom of Saudi Arabia will look to attract 100 million visits a year. As the national airline of Saudi Arabia, we have a key part to play in that.

But it is a lot more than just about getting people from A to B. First, it is important that our passengers feel and sense the essence of Saudi Arabia as soon as they step onto our aircraft. Hence we talk about 'naturally generous' Saudi hospitality. We are ambassadors for our country, and our aircraft is the first experience of Saudi Arabia that many passengers will have.

Then we talk about 'bringing the world to the Kingdom, and the Kingdom to the world.' That means introducing new areas of Saudi Arabia to the wider world. Just one example, is the launch of the first route from Europe (Paris) to the cultural and heritage destination of AlUla. When the new Red Sea International Airport opens, we of course intend to run services there too.

And on that, we recognise that the pandemic has accelerated a trend in terms of tourists looking for sustainable travel experiences. Saudi Arabia aims to be a leader in sustainable tourism. That means that at SAUDIA we too, have a role to play, and we are currently working on an ambitious programme of environmental, and sustainability initiatives.

What do you see as key growth opportunities for the brand over the next 5 years?

We see several. Firstly, the aim of Saudi Arabia is to attract 100 million visits by the end of the decade. That is a huge increase in passenger traffic into the Kingdom, and a major opportunity. As well as our Jeddah and Riyadh hubs, we are opening up completely new routes, such as the heritage and cultural centre of AlUla.

Then, by drastically changing our onboard and on-the-ground product, we see scope for increasing the amount of East / West transit traffic, via Jeddah and Riyadh. For example, our brand-new Jeddah lounge is a destination. Clearly, we face major competition from other regional carriers, but here we believe we have created something special and unique.

Finally, the increase in sustainability is actually an opportunity. With SAUDIA and Saudi Arabia, the focus is on sustainable travel, not just sustainable aviation.

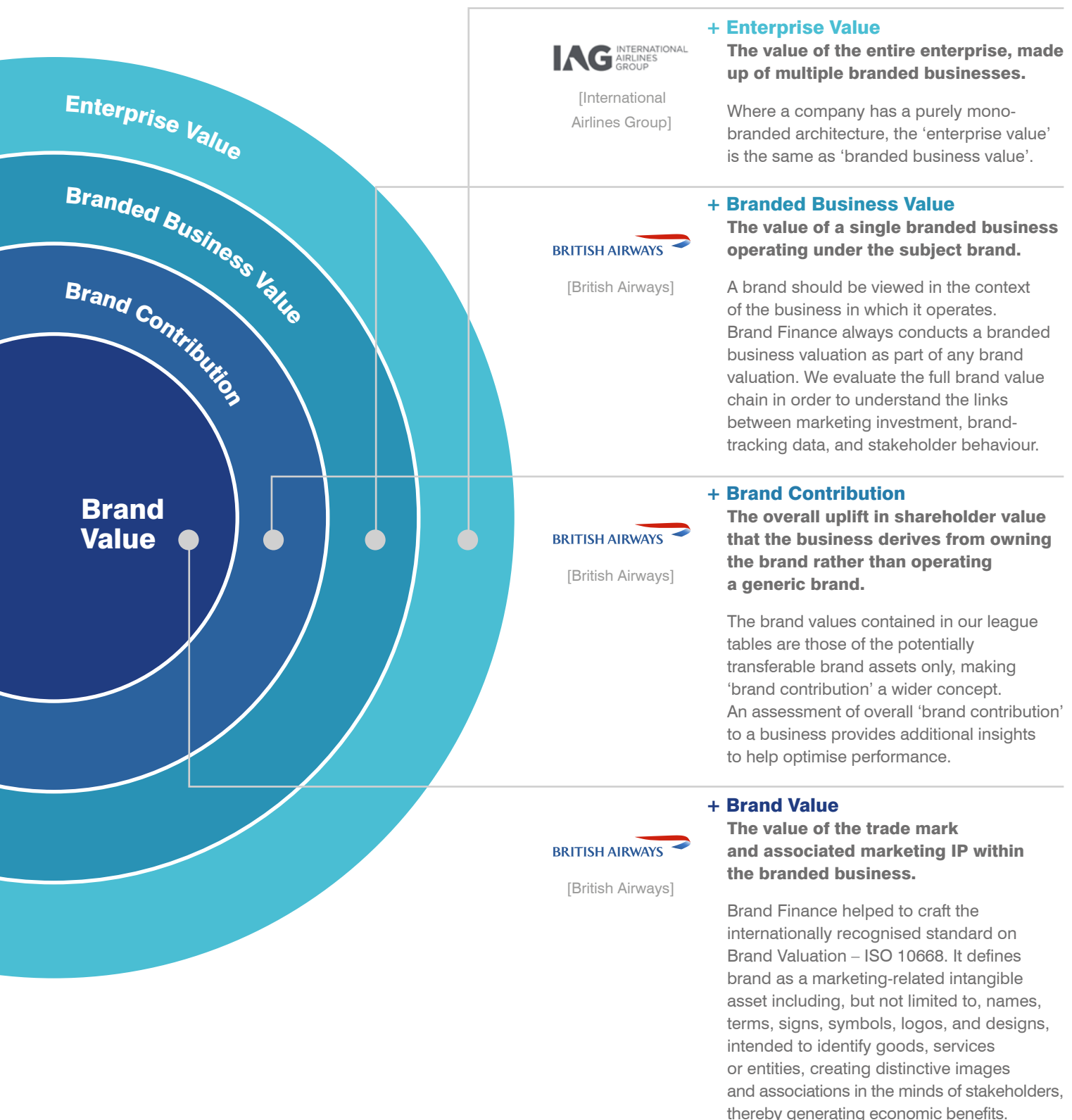
While aviation contributes 2-3% of global emissions, the tourism sector contributes 8%. That is why travellers are starting to look at their journey holistically and that is why it is essential that Saudi Arabia becomes a leader in sustainable tourism. As a result, our country is set to become a major destination for those looking for environmentally responsible travel, and as the national flag carrier with operations to 95 routes across four continents - with ten new destinations being added this year alone - we will of course be a natural enabler to bring the world to Saudi Arabia.





Methodology.

Definitions.



Brand Valuation Methodology.

Definition of Brand

Brand is defined as a marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos, and designs, intended to identify goods, services, or entities, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits.

Brand Value

Brand value refers to the present value of earnings specifically related to brand reputation. Organisations own and control these earnings by owning trademark rights.

All brand valuation methodologies are essentially trying to identify this, although the approach and assumptions differ. As a result published brand values can be different.

These differences are similar to the way equity analysts provide business valuations that are different to one another. The only way you find out the “real” value is by looking at what people really pay.

As a result, Brand Finance always incorporates a review of what users of brands actually pay for the use of brands in the form of brand royalty agreements, which are found in more or less every sector in the world.

This is sometimes known as the “Royalty Relief” methodology and is by far the most widely used approach for brand valuations since it is grounded in reality.

It is the basis for a public rankings but we always augment it with a real understanding of people’s perceptions and their effects on demand – from our database of market research on over 3000 brands in over 30 markets.

Disclaimer

Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions produced in this study are based only on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. Brand Finance accepts no responsibility and will not be liable in the event that the publicly available information relied upon is subsequently found to be inaccurate. The opinions and financial analysis expressed in the report are not to be construed as providing investment or business advice. Brand Finance does not intend the report to be relied upon for any reason and excludes all liability to any body, government or organisation.

1



Brand Impact

We review what brands already pay in royalty agreements. This is augmented by an analysis of how brands impact profitability in the sector versus generic brands.

This results in a range of possible royalties that could be charged in the sector for brands (for example a range of 0% to 2% of revenue)

2

Brand Strength

We adjust the rate higher or lower for brands by analysing Brand Strength. We analyse brand strength by looking at three core pillars: “Inputs” which are activities supporting the future strength of the brand; “Equity” which are real current perceptions sourced from our market research and other data partners; “Output” which are brand-related performance measures such as market share.



Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding Brand Rating up to AAA+ in a format similar to a credit rating.

3



Brand Impact × Brand Strength

The BSI score is applied to the royalty range to arrive at a royalty rate. For example, if the royalty range in a sector is 0-5% and a brand has a BSI score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.

Forecast Brand Value Calculation

4

We determine brand-specific revenues as a proportion of parent company revenues attributable to the brand in question and forecast those revenues by analysing historic revenues, equity analyst forecasts, and economic growth rates.



We then apply the royalty rate to the forecast revenues to derive brand revenues and apply the relevant valuation assumptions to arrive at a discounted, post-tax present value which equals the brand value.

Brand Strength.

Brand Strength

Analytical rigour and transparency are at the heart of our approach to brand measurement at Brand Finance. Therefore, in order to adequately understand the strength of brands we conduct a structured, quantitative review of data that reflect the 'Brand Value Chain' of brand-building activities, leading to brand awareness, perceptions and onwards to brand-influenced customer behaviour.

To manage the 'Brand Value Chain' process effectively we create and use the "Brand Strength Index" (BSI). This index is essentially a modified Balanced Scorecard split between the three core pillars of the 'Brand Value Chain': **Brand Inputs**, **Brand Equity** and **Brand Performance**.



1

Attribute Selection and Weighting

Although we follow a general structure incorporating the three pillars (Brand Inputs, Brand Equity and Brand Performance), the attributes included are different depending on the sector. A brand strength index for a luxury apparel brand will differ in structure from an index designed for a telecommunications brand. An index for luxury apparel brand may emphasize the exclusiveness, word of mouth recommendation, and price premium, whereas an index for a telecommunications company may emphasize customer service and ARPU as important metrics.

These attributes are weighted according to their perceived importance in driving the following pillar: Brand Investment measures in driving Brand Equity; Brand Equity measures for Brand-Related Business Performance measures; and finally the relevance of Brand-Related Business Performance measures for driving business value.

2

Data Collection

Brand's ability to influence purchase depends primarily on people's perceptions. Therefore, the majority of the Brand Strength Index is derived from Brand Finance's proprietary Global Brand Equity Research Monitor research, a quantitative study of a sample of over 100,000 people from the general public on their perceptions of over 4,000 brands in over 25 sectors and 37 countries.

However, at Brand Finance we also believe that there are other measures that can be used to fill gaps that survey research may not capture. These include total investment levels – for example in marketing, R&D, innovation expenditure, that can be a better guide to future performance than surveys. They also include online measures – such as ratings by review sites and social media engagement that can give a more granular understanding of marketing effectiveness. Finally they also include real behaviour – for example net additions, customer churn and market share, to overcome the tendency for surveys to incorporate intended behaviour rather than real.

Over a period of 3 to 4 months each year, we collect all this data across all the brands in our study in order to accurately measure their comparative strength.



3

Benchmarking and Final Scoring

In order to convert raw data in to scores out of 10 that are comparable between attributes within the scorecard, we then have to benchmark each attribute. We do this by reviewing the distribution of the underlying data and creating a floor and ceiling based on that distribution.

Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding rating up to AAA+ in a format similar to a credit rating.













Analysing the three brand strength measures helps inform managers of a brand's potential for future success.















Global Brand Equity Monitor.

Original market research in 36 countries and across more than 29 sectors with approximately 100,000 consumers rating over 5,000 brands.

Tier 1

-  Apparel
-  Automobiles
-  Luxury Automobiles
-  Banks
-  Cosmetics & Personal Care
-  Food
-  Insurance
-  Oil & Gas
-  Restaurants
-  Retail & E-Commerce
-  Telecoms
-  Utilities

Tier 2

-  Airlines
-  Luxury Apparel
-  Appliances
-  Beers
-  Luxury Cosmetics
-  General Retail
-  Healthcare Services
-  Hotels
-  Household Products
-  Logistics
-  Media
-  Pharma
-  Real Estate
-  Soft Drinks
-  Spirits & Wine
-  Technology
-  Tyres



Brand KPIs and Diagnostics

1. Brand Funnel



Awareness

Have heard of your brand

Familiarity

Know something about your brand

Consideration

Would consider buying/using your brand

2. Brand Usage

3. Quality

4. Reputation

5. Loyalty

6. Closeness

7. Recommendation (NPS)

8. Word of Mouth

9. Brand Imagery

10. Advertising Awareness

11. Brand Momentum

Highlights from the Global Brand Equity Monitor.

Brand Finance's proprietary market research provides a robust assessment of brand health on key equity measures, allowing comparison both within and across product and service categories. Benchmarking against brands outside your sector is especially helpful in assessing the real strength of brand – not just the 'best of a bad bunch' in a category where brands are generally weaker.

What makes a brand great?

Amazon is undoubtedly one of the world's strongest brands, one of just a handful achieving the highest AAA+ rating. It has an extremely strong brand funnel, with near-universal familiarity, and consideration, and while its reputation score is not best-in-class, it is stronger than many of its critics might think.

Every strong brand has its own winning formula, and our research highlights Amazon's particular advantages. Top of that list is the outstanding value which shoppers believe Amazon delivers. Amazon ranks on this measure in big markets such as Brazil, USA, UK, and is #1 among retailers in many more. Value has always been a big driver of consumer behaviour, but Amazon also delivers a slick shopping experience ("excellent website/apps"), and this powerful combination is irresistible for many consumers, even those who question Amazon's values and broader corporate reputation.


Does brand purpose deliver?

Argument rages among CMOs and marketing gurus over this issue. The jury is out – our data suggests that being seen to "care about the wider community" does correlate somewhat with higher Consideration levels, and is an asset particularly for local favourites such as **Jio** (India) or **Bunnings** (Australia). But brands like **McDonald's** and **Nike** (as well as Amazon) are liked and desired despite somewhat moderate reputations on sustainability and values.

Who's the coolest cat?

In categories like apparel, tech and automotive, sustainability can make you cool, but it's not the only way. **Porsche** wins relatively few plaudits for sustainability, but its übercoolness is very apparent.

Selected Rankings for Amazon – All Non-Luxury Brands

	Great value for money	Excellent website/apps
	5	5
	1	1
	8	1
	6	1

© Brand Finance Plc 2022



43% Care about the wider community (Rank #1)

88% Consideration Conversion



8% Care about the wider community (Rank #86)

92% Consideration Conversion

Similarly in the apparel category (especially footwear), the correlation between coolness and sustainability is not especially high.

Meanwhile in France, the epitome of chic, the 2nd-highest highest scorer among non-luxury brands is... **Burger King**.

Get your brand talked-about

Cool brands get talked about, and word-of-mouth (WOM) is another key asset some brands possess. It has proven impact on brand growth, hence WOM's inclusion in our Brand Strength Index model.

In an absolute sense, big brands get talked about a lot more than small ones – their sheer mass presence and relevance ensures that. But deeper analysis reveals a number of challenger brands who look set to profit from above-expectation WOM levels and positive consumer sentiment. Keep an eye on **Tim Horton's** in Spain, **Peros Garment Factory** (Canada), **SAIC** in, yes, the USA and **iinet** in Singapore.



Top-ranked brands for being “Cool” (Among Category Users) © Brand Finance Plc 2022

	1 st	2 nd	3 rd
	 PORSCHE		
			
	 CONVERSE		 PORSCHE
		 PORSCHE	 UNDER ARMOUR

Our Services.



Consulting Services.

Make branding decisions using hard data

Brand Research

What gets measured

Brand evaluations are essential for understanding the strength of your brand against your competitors. Brand Strength is a key indicator of future brand value growth whether identifying the drivers of value or avoiding the areas of weakness, measuring your brand is the only way to manage it effectively.

- + Brand Audits
- + Primary Research
- + Syndicated Studies
- + Brand Scorecards
- + Brand Drivers & Conjoint Analysis
- + Soft Power

- + Are we building our brands' strength effectively?
- + How do I track and develop my brand equity?
- + How strong are my competitors' brands?
- + Are there any holes in my existing brand tracker?
- + What do different stakeholders think of my brand?



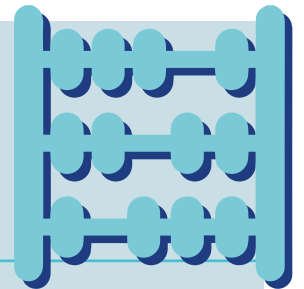
Brand Valuation

Make your brand's business case

Brand valuations are used for a variety of purposes, including tax, finance, and marketing. Being the interpreter between the language of marketers and finance teams they provide structure for both to work together to maximise returns.

- + Brand Impact Analysis
- + Tax & Transfer Pricing
- + Litigation Support
- + M&A Due Diligence
- + Fair Value Exercises
- + Investor Reporting

- + How much is my brand worth?
- + How much should I invest in marketing?
- + How much damage does brand misuse cause?
- + Am I tax compliant with the latest transfer pricing?
- + How do I unlock value in a brand acquisition?



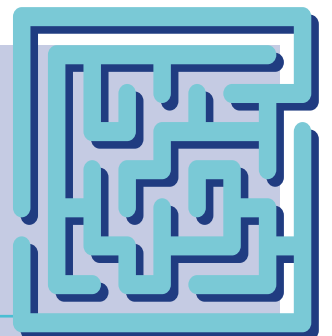
Brand Strategy

Make branding decisions with your eyes wide open

Once you understand the value of your brand, you can use it as tool to understand the business impacts of strategic branding decisions in terms of real financial returns.

- + Brand Positioning
- + Brand Architecture
- + Franchising & Licensing
- + Brand Transition
- + Marketing Mix Modelling
- + Sponsorship Strategy

- + Which brand positioning do customers value most?
- + What are our best brand extension opportunities in other categories and markets?
- + Am I licensing my brand effectively?
- + Have I fully optimised my brand portfolio?
- + Am I carrying dead weight?
- + Should I transfer my brand immediately?
- + Is a Masterbrand strategy the right choice for my business?



Brand Evaluation Services.



How are brands perceived in my category?

Brand Finance tracks brand fame and perceptions across 30 markets in 10 consumer categories. Clear, insightful signals of brand performance, with data mining options for those who want to dig deeper – all at an accessible price.

What if I need more depth or coverage of a more specialised sector?

Our bespoke brand scorecards help with market planning and can be designed to track multiple brands over time, against competitors, between market segments and against budgets. Our 30-country database of brand KPIs enables us to benchmark performance appropriately.

Do I have the right brand architecture or strategy in place?

Research is conducted in addition to strategic analysis to provide a robust understanding of the current positioning. The effectiveness of alternative architectures is tested through drivers analysis, to determine which option(s) will stimulate the most favourable customer behaviour and financial results.

How can I improve return on marketing investment?

Using sophisticated analytics, we have a proven track record of developing comprehensive brand scorecard and brand investment frameworks to improve return on marketing investment.

What about the social dimension? Does my brand get talked about?

Social interactions have a proven commercial impact on brands. We measure actual brand conversation and advocacy, both real-world word of mouth and online buzz and sentiment, by combining traditional survey measures with best-in-class social listening.

Brand Dialogue®



With strategic planning and creative thinking, we develop communications plans to create dialogue with stakeholders that drives brand value.

Our approach is integrated, employing tailored solutions for our clients across PR and marketing activations, to deliver strategic campaigns, helping us to establish and sustain strong client relationships. We also have a specific focus on geographic branding, including supporting nation brands and brands with a geographical indication (GI).

Brand Dialogue Limited is a member of the Brand Finance Plc Group



Research, Strategy & Measurement

- Brand & Communications Strategy
- Campaign Planning
- Market Research & Insights
- Media Analysis



Public Relations & Communications

- Media Relations
- Press Trips & Events
- Strategic Partnerships & Influencer Outreach
- Social Media Management



Marketing & Events

- Promotional Events
- Conference Management
- Native Advertising
- Retail Marketing



Content Creation

- Bespoke Publications, Blogs & Newsletters
- Press Releases
- Marketing Collateral Design
- Social Media Content



Strategic Communications

- Crisis Communications
- Brand Positioning & Reputation
- Geographic Branding
- Corporate Social Responsibility (CSR)





Brand Finance[®] Institute

Brand Finance Institute

Learn how to build, protect and measure brand value

The Brand Finance Institute is the educational division of Brand Finance, offering expert training on brand evaluation, management and strategy.

Our in-house training and workshops, online learning offer and webinars will help you answer key strategic questions about your brand for different levels of seniority and development needs:

- How can I grow brand value?
- How can I build a business case to show the return on my marketing investment?
- How can I set up my marketing budget using brand research and analytics?

For more information, contact enquiries@brandfinance.com or visit brandfinanceinstitute.com

Brand Finance Institute is a member of the Brand Finance plc group of companies



Brand Finance Network.

For further information on our services and valuation experience, please contact your local representative:

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