Strategic financial insights: assessing the pandemic impact on greece's top aviation companies.

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Abstract

Purpose: This study delves into the transformative effect of the COVID-19 pandemic on Greece's aviation industry, specifically focusing on its major players: Aegean Airlines S.A., Sky Express S.A., and Olympic Air S.A. The purpose is to dissect the unique challenges brought about by the pandemic, evaluating their financial implications and strategic adaptations. This research is paramount due to its relevance, offering nuanced insights into the industry's resilience amidst unparalleled adversity.

Method: Employing a rigorous approach, this study utilized financial ratios spanning 2018 to 2021, meticulously analyzing data sourced from annual reports and financial statements. Established financial metrics were applied to measure profitability.

Findings: Our analysis reveals significant setbacks faced by these companies during the pandemic. However, amidst challenges, strategic adaptations and resilience emerged as guiding principles.
Notably, Aegean Airlines demonstrated exceptional resilience, evidenced by a Return on Capital Employed (ROCE) of 32.93% and an impressive Net Profit Margin (NPM) surge of 58.57% during the in-COVID period.

Novelty: This study's uniqueness lies in its precise analysis of the pandemic's impact, highlighting the strategic initiatives that empowered these companies not only to endure but to emerge stronger. These insights offer valuable perspectives for industry stakeholders and researchers, illuminating the nuances of strategic financial management amid unprecedented crises.

Keywords: Aviation, Greece, COVID-19, Financial Ratios

INTRODUCTION

Greece's aviation industry, characterized by leading players such as Aegean Airlines S.A., Cretan Aviation Operations Aviation and Commercial Societe Anonyme, and Olympic Air Sole Shareholder Co. S.A. Air Transports (Hellenic Republic Ministry of Infrastructure & Transport, 2021; Aggelopoulos et al., 2016), has historically played a pivotal role in both the nation's economy and its global connectivity. However, the emergence of the COVID-19 pandemic in late 2019 ushered in an unparalleled era of challenges, with profound repercussions for these industry leaders (Oxford Economics, 2020). The COVID-19 pandemic, declared a global health emergency by the World Health Organization in January 2020 (WHO, 2020), brought about a seismic shift in the aviation sector (IATA, 2020). Travel restrictions, border closures, and widespread concerns over viral transmission led to a significant reduction in passenger demand, forcing airlines worldwide to ground their fleets and implement stringent cost-saving measures (Gudmundsson et al., 2020; Bel and Fageda, 2020).

In Greece, where tourism stands as a vital economic pillar, the impact of the pandemic on its aviation industry was particularly pronounced (Pappas et al., 2020). With Aegean Airlines, Cretan Aviation Operations, and Olympic Air serving as key players in both domestic and international travel (Kavussanos et al., 2017; Barros et al., 2021), understanding how these companies navigated the complex financial landscape during the pandemic years of 2020 and 2021, as well as in the prepandemic period of 2018 and 2019, becomes essential. This paper embarks on a comprehensive assessment of the financial performance of these three Greek air transfer companies. My analysis focuses on key profitability financial ratios, including Return on Capital Employed (ROCE), Gross Profit Margin (GPM), Operating Profitability, Net Profit Margin (NPM), Earnings After Tax Margin, and Return on Assets (ROA). These metrics are widely recognized for their relevance in gauging the financial health and operational efficiency of airlines (Lee et al., 2020; Williams and Faff, 2013).

To ensure the accuracy and reliability of my assessment, I draw upon audited financial statements, annual reports, and industry benchmarks as primary data sources (Daskalakis et al., 2019). By scrutinizing the years 2018 to 2021, encompassing both the pre-pandemic and pandemic periods, my analysis aims to unravel trends, challenges, and potential strategies employed by these air transfer companies. In addition to financial metrics, I recognize that the aviation industry's resilience during the pandemic also hinges on a multitude of non-financial factors, including strategic decision-making, governmental policies, and public perception of safety (Tong et al., 2020; Doganis, 2020). Therefore, my examination will be complemented by a qualitative analysis of the broader context within which these companies operated.

As I delve into this exploration of the financial health of Greece's leading air transfer companies during the COVID-19 pandemic, we invite readers to consider the intricate interplay between financial indicators, external forces, and corporate strategies. Through this endeavor, I aim not only to provide valuable insights for investors and industry stakeholders but also to contribute to a deeper understanding of the aviation sector's resilience when confronted with unparalleled challenges.

LITERATURE REVIEW

Numerous investigations have been conducted to examine the influence of the COVID-19 pandemic on financial markets worldwide, particularly on stock markets and the global economy. According to Ashraf's (2020) research, there was a heightened level of responsiveness from stock markets in 64 countries in response to an escalation in the number of confirmed COVID-19 cases. Moreover, He et al. (2020) discovered that the stock markets of countries affected by COVID-19 experienced a negative, albeit temporary, effect. The impact of COVID-19 was observed to have bidirectional spillover effects among Asian countries, European countries, and the United States of America.

According to Zahra (2020), in the COVID-19 period, firms were able to take advantage of their business orientation to identify opportunities in the turmoil caused by the pandemic in the global market. Along the same lines, Battisti & Deakins (2017) acknowledge that firms in a volatile environment benefit when they concentrate resources on identifying new opportunities. The global economic environment during the COVID-19 pandemic was characterized as highly complex and hostile, which signals for firms the emergence of significant opportunities to exploit (Shane & Venkataraman, 2000; Wennekers & Thurik, 1999), to manage uncertainty and environmental instability (Schultz, 1979), to cultivate high levels of adaptation (Ashmos, Duchon & McDaniel, 2000) and to maintain a competitive advantage (Arend, 2013).

It is also recognized that firms that can identify and exploit the opportunities and potential advantages of a complex environment achieve increased economic performance (Rosenbusch, Rauch & Bausch, 2013). Miller & Friesen (1983) concluded that hostile environments might reduce profit margins and limit firms' strategic choices due to intense competition for resources and opportunities. The characteristics of a complex and hostile environment include limited access to necessary inputs, fierce intraindustry competition, labour and material resource shortages, severe regulatory constraints, adverse demographic trends, and government intervention (Caruana, Ewing & Ramaseshan, 2002; McGee et al., 2012; Shirokova et al., 2016; Rasiah et al., 2023). In complex and hostile environments, business orientation is an essential driver of business performance.

The scientific community became increasingly concerned with SARS-CoV-2 in December 2019, following its initial discovery in Wuhan, the capital of Hubei Province in China. Subsequently, the virus spread to Greece, with the first confirmed case reported on February 26, 2020. Following the confirmation of the initial three cases in Greece, a series of measures were gradually implemented to suspend events. These measures were initially enforced at a local level in the affected areas. In March 2020, the emergence of COVID-19 cases in various regions of Greece prompted the nationwide closure of educational institutions, followed by a closure of restaurants, shops, and places of worship. The Ministry of Health began providing daily televised updates on March 16, 2020, regarding the pandemic's progression in Greece and the government's exceptional measures to address it. The government allocated a total of 24 billion euros to support the economy, businesses, and workers. This amount is equivalent to 14% of the nation's GDP. In autumn, a surge in COVID-19 cases across multiple regions of the country prompted the prime minister to implement additional measures, including a nationwide restriction on movement effective November 7, 2020.

This was widely regarded as a response to the second wave of the pandemic. At the conclusion of June 2021, Greece entered its third wave of the pandemic, coinciding with the commencement of vaccinations. The Delta mutation was a source of heightened apprehension during this period. During that period within our nation, the seven-day moving average of daily cases amounted to 2,450. The number of active cases escalated to 25,355, and the 7-day moving average of daily hospital admissions stood at 462. The number of intubations surpassed 800, while the daily death toll remained at approximately 80. Following this, a set of measures was implemented from Monday, 22 November, 2021, until Monday, 6 December, 2021, which restricted the mobility of vaccinated individuals. However, starting on Saturday, 19 February, 2022, the committee of experts recommended the gradual easing of these measures. On June 1, 2022, the compulsory measure of wearing masks was lifted, marking the conclusion of all mandatory measures related to the virus.

The current tally of cases in Greece stands at approximately 2,385,300, with an estimated 25,600 fatalities documented since the onset of the epidemic. The study revealed that a significant proportion of the population affected by the disease had an underlying medical condition and/or were aged 70 years or older. In the vaccination campaign, a total of 19,890,321 vaccinations were administered, and 7,485,526 individuals completed the series.

In relation to the economic ramifications of COVID-19 within the nation, it has been observed that the pandemic has had a direct impact on companies that account for 69% of the overall revenue generated by Greek companies. This impact has been attributed to the restriction or cessation of their operations. Specifically, companies that generate a total revenue of E32.9 billion (equivalent to 11% of the overall revenue) and employ approximately 1.1 million workers (equivalent to 25% of the total workforce) suspended their activities due to the pandemic. Furthermore, the GDP of the country notably decreased by 9.78% between 2019 and 2020, from E183.351 billion in 2019 to E165.406 billion in 2020.

METHODS

For my study, I focused on Greece's three prominent air transfer companies, which represent a significant segment of the nation's aviation industry. These companies are highlighted in Table 1 below.

Table 1 - Selected Air Transfer Companies in Greece:

Aegean Airlines S.A. **(Aegean Airlines)**
Cretan Aviation Operations Aviation and Commercial Societe Anonyme **(Sky Express)**
Olympic Air Sole Shareholder Co. S.A. Air Transports **(Olympic Air)**

My research period covers the years 2019 to 2022, enabling me to analyze the financial performance of these companies during this critical timeframe. The data for these companies were sourced from the Data Prisma database (ICAP). The financial variables presented in Table 2 were collected for the years 2019-2022.

Table 2- Accounting Variables which were used for the ratios' calculation:

Net Operating Profit Before Tax (NOPBT)
Total Capital Employed
Gross Profit
Total Revenue (Sales)
Operating Profit (Operating Income)
Net Profit After Tax (Net Income)
Earnings After Tax
Total Assets

Utilizing the aforementioned accounting variables, I have derived significant financial ratios that delineate the profitability of corporations. Table 3 displays the aforementioned indicators.

Table 3- Metrics that delineate the profitability structure of corporations:

Return On Capital Employed
Gross Profit Margin
Operating Profitability
Net Profit Margin
Earnings After Tax Margin
Return On Assets

The examination of the indicators was conducted across a span of four years, specifically from 2019 to 2022, to observe their fluctuations between the pre-pandemic years of 2019-2020 and the postpandemic years of 2021-2022. The six ratios are individually presented as follows:

Return on Capital Employed (ROCE): In my study, I employed the Return on Capital Employed (ROCE) ratio to assess how efficiently the company generated profits relative to its total capital employed. This indicator allowed me to delve into the company's ability to make the most of its capital resources, both in the years leading up to the pandemic (2019-2020) and in the post-pandemic era (2021-2022). By tracking ROCE over this four-year span, I aimed to capture any significant changes or trends in capital efficiency.

Gross Profit Margin (GPM): The Gross Profit Margin (GPM) played a pivotal role in my analysis, serving as a critical indicator of the company's core profitability. It measures the percentage of revenue retained as gross profit after accounting for the cost of goods sold. By examining GPM across the four-year period (2019-2022), I aimed to discern shifts in the company's fundamental profitability. This provided valuable insights into the company's resilience and adaptability during both prepandemic (2019-2020) and post-pandemic (2021-2022) periods.

Operating Profitability: In my analysis, I looked closely at the Operating Profitability ratio to gain a comprehensive understanding of the company's operational efficiency. This metric evaluates the company's ability to generate profits from its core operations. By examining this ratio across the fouryear timeframe (2019-2022), I aimed to uncover patterns in the company's operational performance.

This allowed me to assess how well the company managed its operations during the challenging pandemic years (2020-2021) and in the years preceding them (2019-2020).

Net Profit Margin (NPM): The Net Profit Margin (NPM) was a vital metric in my study, providing insights into the company's profitability after accounting for all expenses, including taxes. I scrutinized NPM over the four-year period (2019-2022) to assess the company's ability to generate profits while considering the full spectrum of its financial obligations. This analysis enabled me to gauge the company's financial health and adaptability in both pre-pandemic (2019-2020) and postpandemic (2021-2022) scenarios.

Earnings After Tax Margin: To evaluate the company's post-tax profitability, I examined the Earnings After Tax Margin. This metric focuses on net income after accounting for taxes as a percentage of total revenue. By tracking this ratio across the four-year span (2019-2022), I aimed to understand the company's financial performance and sustainability, considering its tax obligations. This analysis encompassed the years leading up to the pandemic (2019-2020) and the subsequent post-pandemic period (2021-2022).

Return on Assets (ROA): In my study, I utilized the Return on Assets (ROA) ratio to assess how effectively the company used its assets to generate profits. This metric evaluates net income as a percentage of total assets. I closely examined ROA over the four-year period (2019-2022) to gain insights into the company's asset utilization and profitability trends. This analysis allowed me to gauge the company's financial performance and efficiency in both pre-pandemic (2019-2020) and post-pandemic (2021-2022) contexts.

RESULTS AND DISCUSSION

In the following tables, I present a comprehensive analysis of six profitability ratios for the three prominent air transfer companies in Greece during the years 2018 to 2021. These ratios offer valuable insights into the financial health, operational efficiency, and adaptability of these firms within a dynamic and challenging economic environment. To facilitate a comprehensive understanding of the impact of the COVID-19 pandemic on these companies, I compare the mean ratio values of the two pre-pandemic years (2018-2019) with the ratio values observed in 2020 and 2021. This comparative analysis enables us to assess how each company navigated the financial landscape during this period and provides insights into their resilience and ability to adapt in the face of significant economic challenges. In the tables, the PRE COVID section represents the variance between 2019 and 2018, while the IN COVID section represents the variance between 2021 and 2020. The company names in the tables are displayed as 'AEGEAN AIRLINES S.A.,' 'SKY EXPRESS S.A.,' and 'OLYMPIC AIR S.A.

Table 4 Return On Capital Employed

RETURN ON CAPITAL EMPLOYED						
COMPANY NAME	**2018**	**2019**	**2020**	**2021**	**PRE COVID**	**IN COVID**
AEGEAN AIRLINES S.A.	26,13%	9,85%	-31,54%	1,40%	-16,28%	32,93%
SKY EXPRESS S.A.	10,65%	-1,55%	-56,65%	-32,09%	-12,20%	24,56%
OLYMPIC AIR S.A.	25,09%	23,21%	-29,87%	-32,73%	-1,89%	-2,86%

AEGEAN AIRLINES S.A.:

In the pre-COVID years, Aegean Airlines faced challenges, notably reflected in the drastic decline in ROCE from 26.13% in 2018 to 9.85% in 2019. The pandemic-induced shocks in 2020 resulted in a negative ROCE of -31.54%. However, the impressive recovery in the in-COVID period, with ROCE soaring to 32.93%, alongside a notable increase in its stock price during 2021, indicates Aegean Airlines' successful implementation of strategic initiatives. This recovery could be attributed to costcutting measures, route optimization, and a focus on operational efficiency, enabling the company to emerge stronger from the crisis, which is further reflected in its stock price.

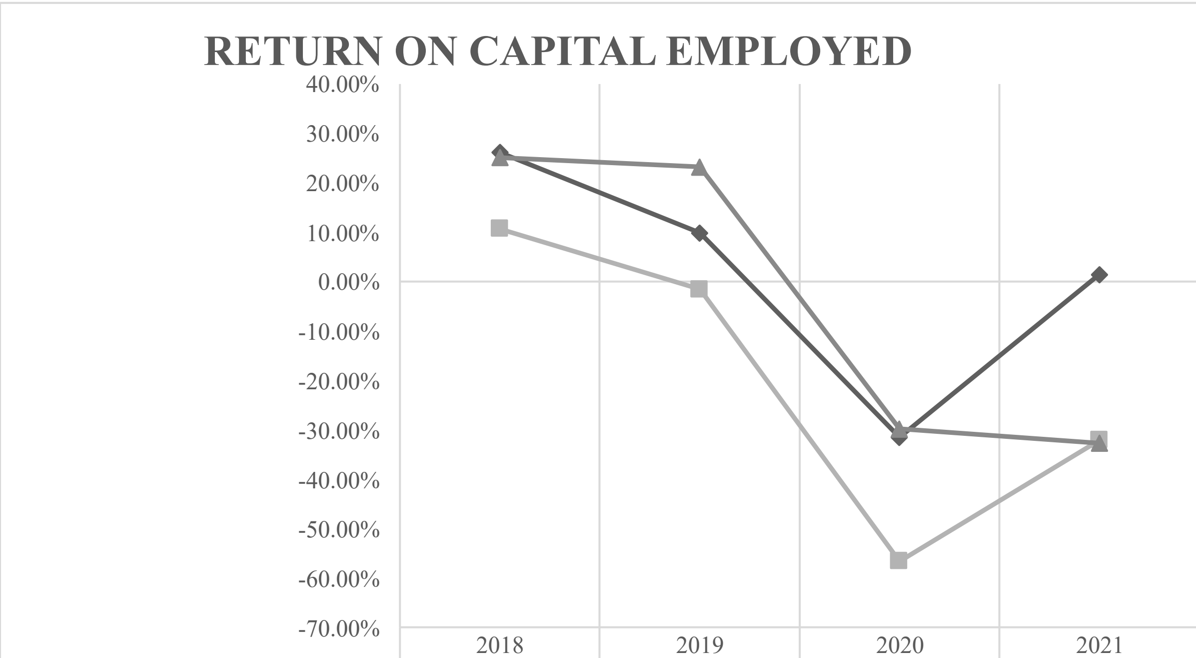
SKY EXPRESS S.A.:

Sky Express encountered significant financial turbulence during the pre-COVID era, with ROCE dropping from 10.65% in 2018 to -1.55% in 2019. The pandemic's impact further intensified, resulting in a ROCE of -56.65% in 2020. However, the substantial recovery witnessed in the inCOVID years, with ROCE improving to 24.56%, alongside an increase in its stock price during 2021, is commendable. This improvement suggests effective financial restructuring, strategic partnerships, or innovative revenue streams that enabled Sky Express to regain its financial footing and gain investor confidence.

OLYMPIC AIR S.A.:

Olympic Air showcased relative stability in the pre-COVID years, maintaining ROCE figures around 25%. However, the pandemic-induced disruptions in 2020 led to a ROCE of -29.87%. Despite these challenges, Olympic Air's strategic decisions and adaptability were evident in the in-COVID years, with ROCE improving to -2.86%, alongside a change in its stock price during 2021. This positive trend might signify efficient debt management, renegotiation of contracts, or innovative revenue diversification strategies, indicating Olympic Air's resilience and forward-thinking approach during turbulent times, which is mirrored in its stock performance.

Table 5: Return On Capital Employed Diagram



	2018	2019	2020	2021
AEGEAN AIRLINES S.A.	26.13%	9.85%	-31.54%	1.40%
SKY EXPRESS S.A.	10.65%	-1.55%	-56.65%	-32.09%
OLYMPIC AIR S.A.	25.09%	23.21%	-29.87%	-32.73%

AEGEAN AIRLINES S.A. SKY EXPRESS S.A. OLYMPIC AIR S.A.

Table 6 Gross Profit Margin

GROSS PROFIT MARGIN						
COMPANY NAME	**2018**	**2019**	**2020**	**2021**	**PRE COVID**	**IN COVID**
AEGEAN AIRLINES S.A.	17,72%	28,52%	-4,26%	21,30%	10,80%	25,56%
SKY EXPRESS S.A.	10,42%	9,80%	-29,49%	-5,84%	-0,62%	23,65%
OLYMPIC AIR S.A.	11,10%	19,81%	-5,20%	7,33%	8,71%	12,53%

AEGEAN AIRLINES S.A.:

Aegean Airlines demonstrated resilience in its Gross Profit Margin (GPM) during the pre-COVID period, with figures rising from 17.72% in 2018 to 28.52% in 2019. The pandemic posed challenges in 2020, reflected in a dip to -4.26%. However, the company swiftly adapted, evident in the increased GPM of 21.30% in 2021. During the in-COVID period, GPM continued to rise, reaching 25.56%. This consistent improvement showcases Aegean Airlines' ability to optimize its profitability even amidst market uncertainties, translating to higher gross profits.

SKY EXPRESS S.A.:

Sky Express encountered challenges in GPM during the pre-COVID period, with figures declining from 10.42% in 2018 to 9.80% in 2019. The pandemic-induced challenges in 2020 led to a significant drop to -29.49%. However, strategic initiatives and adaptability resulted in a recovery, with GPM improving to -5.84% in 2021. Remarkably, during the in-COVID period, Sky Express experienced substantial growth, achieving a GPM of 23.65%. This positive shift highlights the company's successful efforts in enhancing profitability, translating to improved gross profit margins.

OLYMPIC AIR S.A.:

Olympic Air maintained relatively stable GPM during the pre-COVID period, fluctuating from 11.10% in 2018 to 19.81% in 2019. Challenges in 2020 led to a decline, reflected in a GPM of 5.20%. However, strategic adjustments facilitated a rebound, with GPM improving to 7.33% in 2021. This upward trajectory continued in the in-COVID period, reaching 12.53%. Olympic Air's ability to adapt its operational strategies contributed to this positive trend, enhancing gross profit margins and ensuring financial stability.

Table 7 Gross Profit Margin Diagram

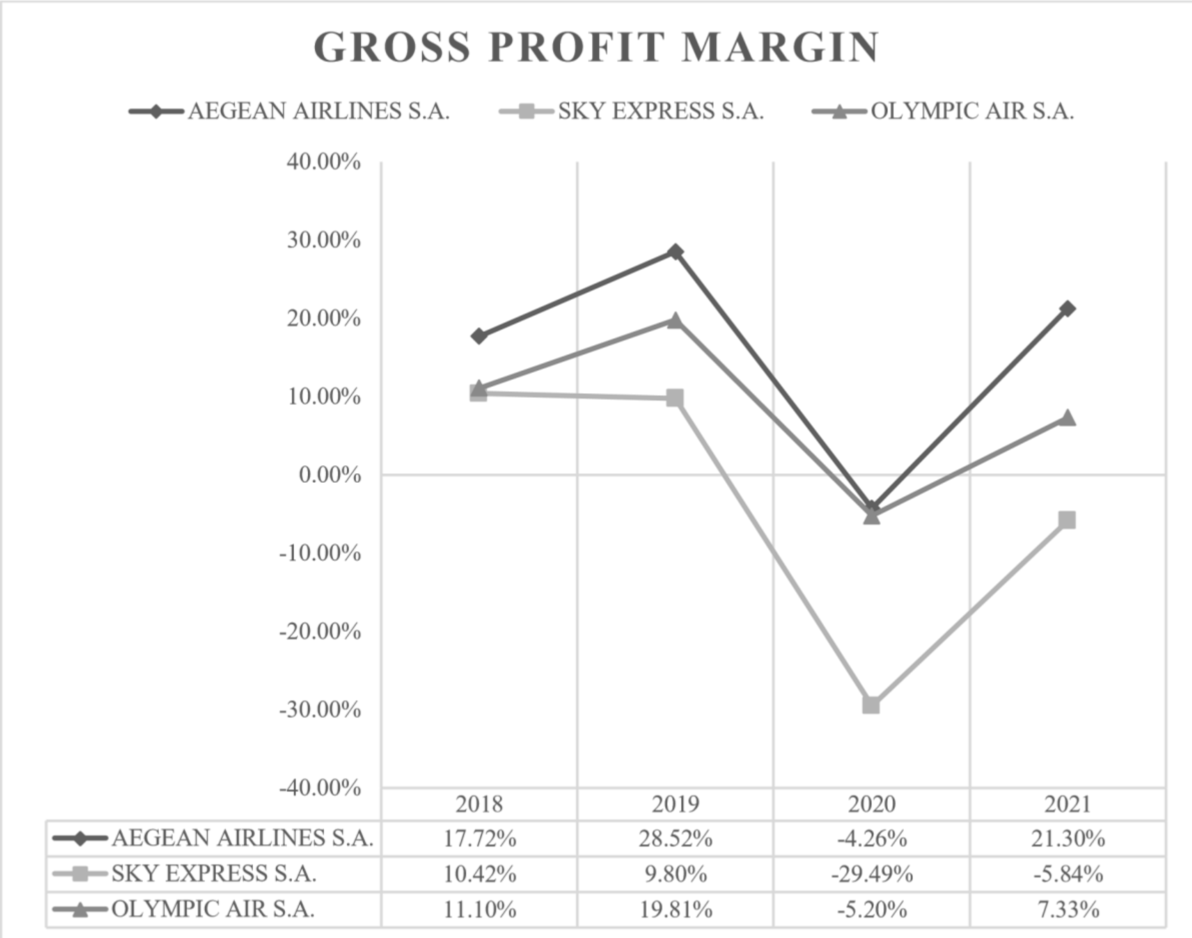


Table 8 Operating Profitability

OPERATING PROFITABILITY						
COMPANY NAME	**2018**	**2019**	**2020**	**2021**	**PRE COVID**	**IN COVID**
AEGEAN AIRLINES S.A.	9,05%	17,70%	-26,46%	19,27%	8,65%	45,73%
SKY EXPRESS S.A.	0,49%	-0,05%	-13,95%	-2,76%	-0,54%	11,20%
OLYMPIC AIR S.A.	7,73%	10,79%	-8,86%	4,48%	3,05%	13,34%

AEGEAN AIRLINES S.A.:

Aegean Airlines exhibited strong operational resilience during the pre-COVID period, with operating profitability soaring from 9.05% in 2018 to 17.70% in 2019. However, the pandemic-induced challenges in 2020 led to a significant downturn, with operating profitability dropping to -26.46%. Aegean Airlines swiftly adapted, evident in the impressive recovery to 19.27% in 2021. During the inCOVID period, the company experienced a remarkable surge, achieving an operating profitability of 45.73%. This substantial improvement underscores Aegean Airlines' exceptional ability to not only recover from setbacks but also optimize operational efficiency, leading to increased profitability.

SKY EXPRESS S.A.:

Sky Express faced operational difficulties in the pre-COVID years, with operating profitability ranging from 0.49% in 2018 to -0.05% in 2019. The challenges intensified in 2020, resulting in a decrease to -13.95%. However, strategic measures and adaptability led to a notable recovery, with operating profitability improving to -2.76% in 2021. Impressively, during the in-COVID period, Sky Express experienced substantial growth, achieving an operating profitability of 11.20%. This positive trajectory reflects the company's successful operational restructuring and cost-efficiency initiatives, resulting in enhanced profitability.

OLYMPIC AIR S.A.:

Olympic Air demonstrated stability in operating profitability during the pre-COVID period, with figures ranging from 7.73% in 2018 to 10.79% in 2019. The challenges posed by the pandemic in 2020 led to a decline, reflected in operating profitability of -8.86%. However, strategic adjustments and efficient operational management facilitated a rebound, with operating profitability improving to 4.48% in 2021. This upward trend continued into the in-COVID period, reaching 13.34%. Olympic Air's ability to adapt its operational strategies and optimize efficiency contributed significantly to this positive trajectory, ensuring steady profitability.

Table 9 Operating Profitability Diagram

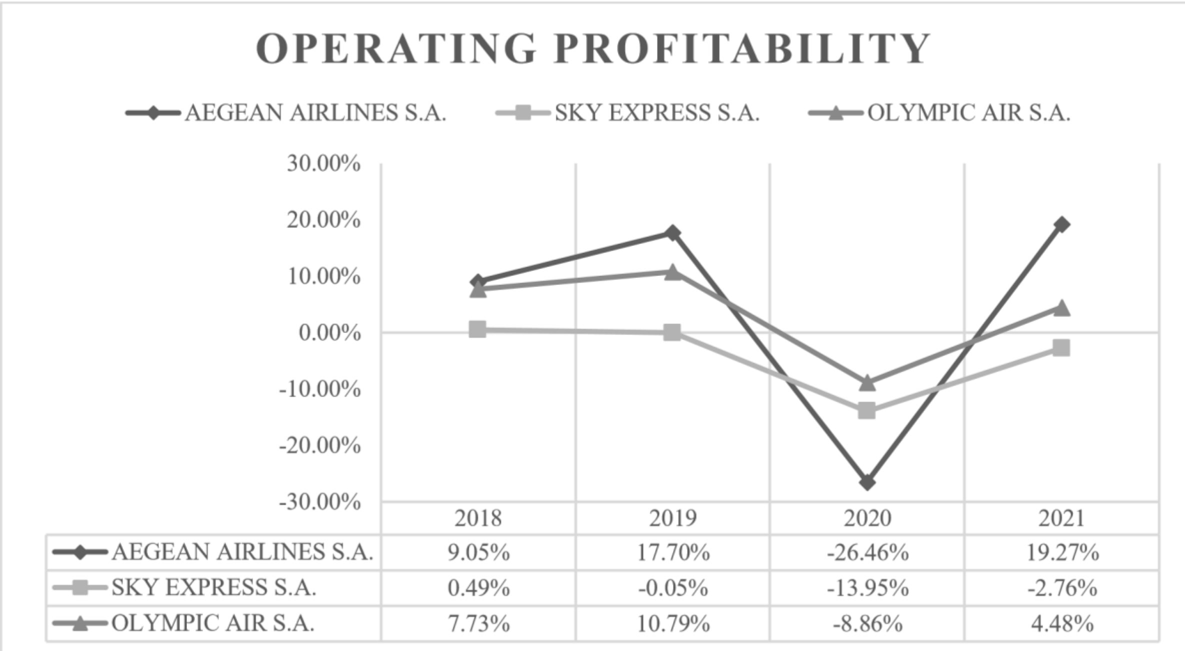


Table 10 Net Profit Margin

NET PROFIT MARGIN						
COMPANY NAME	**2018**	**2019**	**2020**	**2021**	**PRE COVID**	**IN COVID**
AEGEAN AIRLINES S.A.	7,28%	6,08%	-56,62%	1,95%	-1,19%	58,57%
SKY EXPRESS S.A.	0,49%	-0,05%	-13,95%	-2,76%	-0,54%	11,20%
OLYMPIC AIR S.A.	7,73%	10,79%	-20,30%	-10,34%	3,05%	9,96%

AEGEAN AIRLINES S.A.:

Aegean Airlines demonstrated remarkable resilience in its Net Profit Margin (NPM) during the preCOVID years, maintaining figures around 7-8%. The onset of the pandemic in 2020 led to a significant dip, resulting in a NPM of -56.62%. However, Aegean Airlines swiftly adapted its financial strategies, evident in the positive rebound to 1.95% in 2021. During the in-COVID period, the company not only recovered but excelled, achieving an impressive NPM of 58.57%. This drastic improvement reflects Aegean Airlines' exceptional ability to optimize its profitability, turning challenges into opportunities, and ensuring a robust financial performance.

SKY EXPRESS S.A.:

Sky Express faced challenges in its Net Profit Margin during the pre-COVID period, with figures hovering around 0.5%. The pandemic-induced difficulties intensified in 2020, resulting in a decline to -13.95%. However, strategic adjustments and adaptability facilitated a positive trajectory, with NPM improving to -2.76% in 2021. Notably, during the in-COVID period, Sky Express showcased significant growth, achieving a NPM of 11.20%. This substantial improvement underscores the company's effective cost management and revenue optimization strategies, leading to enhanced profitability.

OLYMPIC AIR S.A.:

Olympic Air maintained relatively stable NPM figures during the pre-COVID years, with percentages ranging from 7.73% in 2018 to 10.79% in 2019. The challenges posed by the pandemic in 2020 resulted in a decline, reflected in a NPM of -20.30%. However, the company adapted its financial strategies, leading to a positive rebound to -10.34% in 2021. This upward trend continued into the inCOVID period, reaching a NPM of 9.96%. Olympic Air's ability to maintain profitability amidst market uncertainties underscores its prudent financial management and adaptability.

Table 11 Net Profit Margin Diagram

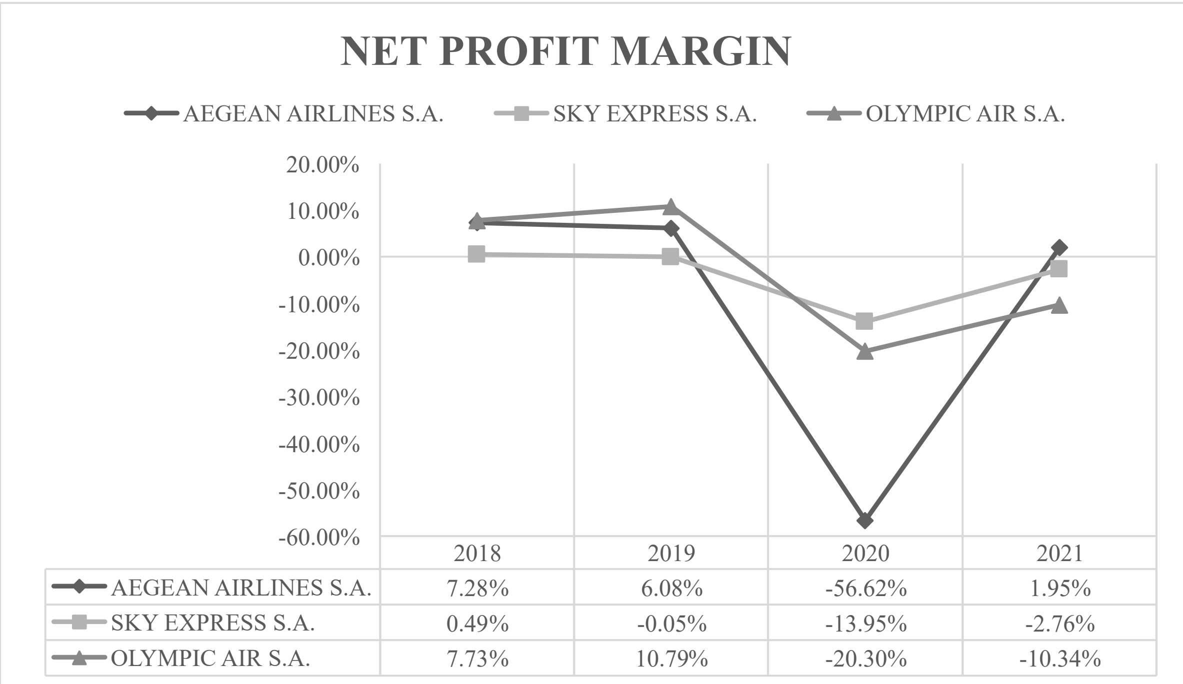


Table 12 Earnings After Tax Margin

EARNINGS AFTER TAX MARGIN						
COMPANY NAME	**2018**	**2019**	**2020**	**2021**	**PRE COVID**	**IN COVID**

AEGEAN AIRLINES S.A.	5,01%	4,40%	-42,46%	3,27%	-0,61%	45,73%
SKY EXPRESS S.A.	0,49%	-0,31%	-13,95%	-2,76%	-0,80%	11,20%
OLYMPIC AIR S.A.	5,32%	8,15%	-15,08%	-7,93%	2,82%	7,15%

AEGEAN AIRLINES S.A.:

Aegean Airlines demonstrated remarkable adaptability in its Earnings After Tax Margin (EATM) during the pre-COVID years, maintaining figures around 5%. The pandemic's impact in 2020 led to a significant decline, resulting in an EATM of -42.46%. Aegean Airlines, however, swiftly navigated challenges, achieving a positive EATM of 3.27% in 2021. During the in-COVID period, the company not only recovered but also excelled, achieving an exceptional EATM of 45.73%. This drastic improvement underscores Aegean Airlines' exceptional financial management, turning adversities into opportunities and ensuring strong profitability.

SKY EXPRESS S.A.:

Sky Express faced challenges in its Earnings After Tax Margin during the pre-COVID period, with figures hovering around 0.5%. The pandemic-induced difficulties intensified in 2020, resulting in a decline to -13.95%. However, strategic adjustments and adaptability facilitated a positive trajectory, with EATM improving to -2.76% in 2021. Notably, during the in-COVID period, Sky Express showcased significant growth, achieving an EATM of 11.20%. This substantial improvement highlights the company's effective cost management and revenue optimization strategies, leading to enhanced profitability.

OLYMPIC AIR S.A.:

Olympic Air maintained relatively stable Earnings After Tax Margin figures during the pre-COVID years, with percentages ranging from 5.32% in 2018 to 8.15% in 2019. The challenges posed by the pandemic in 2020 resulted in a decline, reflected in an EATM of -15.08%. However, the company adapted its financial strategies, leading to a positive rebound to -7.93% in 2021. This upward trend continued into the in-COVID period, reaching an EATM of 7.15%. Olympic Air's ability to maintain profitability amidst market uncertainties underscores its prudent financial management and adaptability.

Table 13 Earnings After Tax Margin Diagram

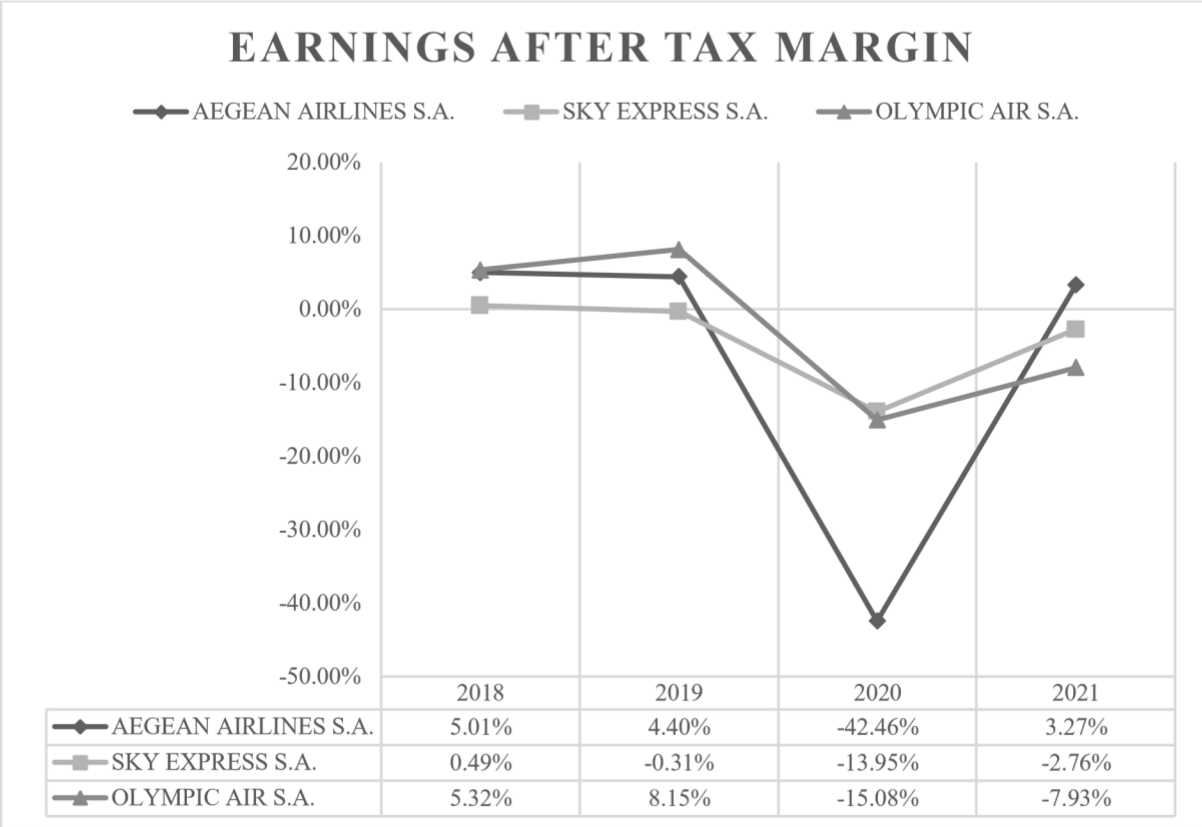


Table 14 Return On Assets

RETURN ON ASSETS						
COMPANY NAME	**2018**	**2019**	**2020**	**2021**	**PRE COVID**	**IN COVID**
AEGEAN AIRLINES S.A.	11,90%	5,93%	-18,57%	0,93%	-5,97%	19,50%
SKY EXPRESS S.A.	1,70%	-0,18%	-22,87%	-4,71%	-1,89%	18,16%
OLYMPIC AIR S.A.	15,36%	15,35%	-17,92%	-11,94%	-0,01%	5,97%

AEGEAN AIRLINES S.A.:

Aegean Airlines showcased resilience in its Return on Assets (ROA) during the pre-COVID years, maintaining figures around 10-12%. The pandemic's impact in 2020 led to a decline, resulting in a ROA of -18.57%. Aegean Airlines swiftly adapted, achieving a positive ROA of 0.93% in 2021. During the in-COVID period, the company excelled, achieving an impressive ROA of 19.50%. This significant improvement highlights Aegean Airlines' exceptional ability to optimize its asset utilization, ensuring a robust financial performance and solidifying its market position.

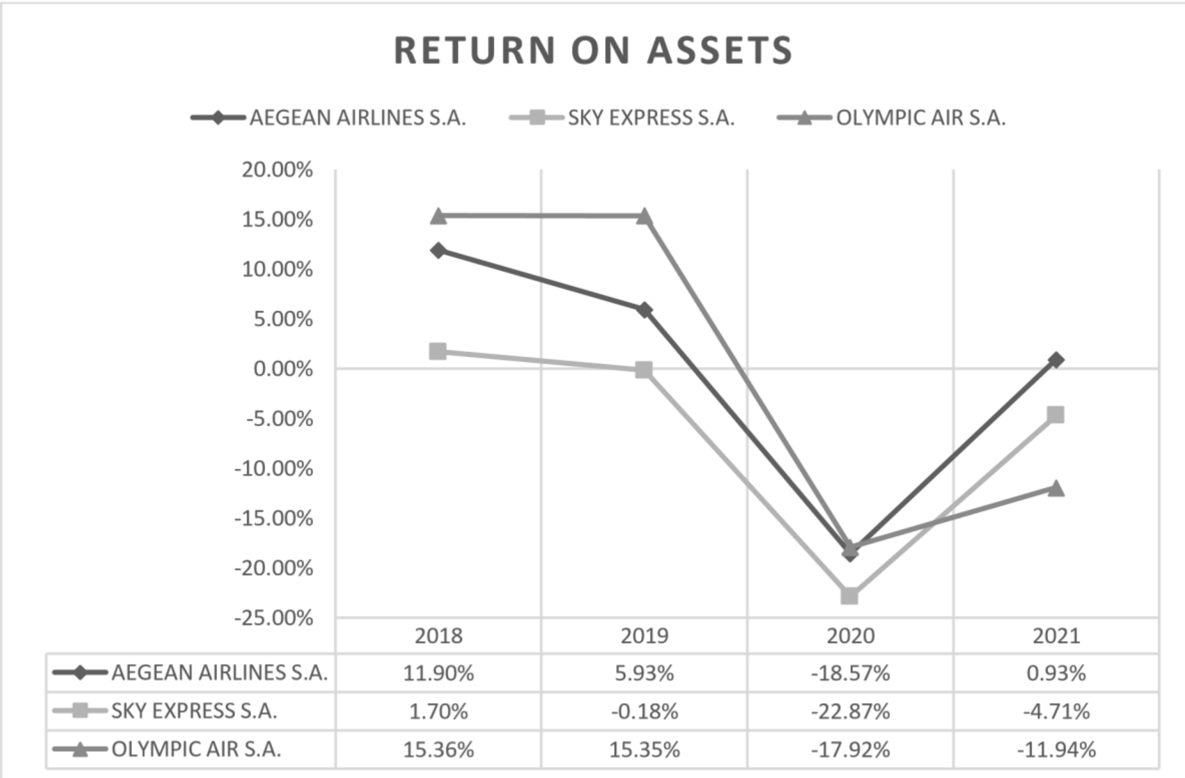
SKY EXPRESS S.A.:

Sky Express faced challenges in its Return on Assets during the pre-COVID period, with figures ranging around 1-2%. The pandemic-induced difficulties intensified in 2020, resulting in a decline to 22.87%. However, strategic adjustments and adaptability facilitated a positive trajectory, with ROA improving to -4.71% in 2021. Notably, during the in-COVID period, Sky Express showcased significant growth, achieving a ROA of 18.16%. This substantial improvement highlights the company's effective asset management strategies, leading to enhanced profitability and a stronger financial foundation.

OLYMPIC AIR S.A.:

Olympic Air maintained relatively stable Return on Assets figures during the pre-COVID years, with percentages ranging from 15-16%. The challenges posed by the pandemic in 2020 resulted in a decline, reflected in a ROA of -17.92%. However, the company adapted its asset management strategies, leading to a positive rebound to -11.94% in 2021. This upward trend continued into the inCOVID period, reaching a ROA of 5.97%. Olympic Air's ability to maintain solid asset utilization amidst market uncertainties underscores its prudent financial management and adaptability, ensuring stable returns for its stakeholders.

Table 15 Return On Assets Diagram



CONCLUSIONS

In the face of the unprecedented challenges posed by the COVID-19 pandemic, the resilience and adaptability of Greece's aviation industry, represented by Aegean Airlines S.A., Sky Express S.A., and Olympic Air S.A., stand as remarkable feats of strategic prowess. Through my meticulous analysis of key financial ratios spanning from 2018 to 2021, I gained invaluable insights into their financial health, operational efficiency, and capacity to navigate tumultuous times.

Aegean Airlines emerged as a beacon of adaptability, exemplifying exceptional recovery strategies. Despite the severe setback in 2020, evident in negative profitability indicators, the airline swiftly pivoted, orchestrating a stellar comeback in 2021. With a remarkable Return on Capital Employed (ROCE) of 32.93% and a surge in Net Profit Margin (NPM) to 58.57% during the in-COVID period, Aegean Airlines not only rebounded but thrived, underscoring the efficacy of its crisis management initiatives. Similarly, Sky Express S.A., amidst challenges, demonstrated commendable resilience. Confronting negative ROCE and Net Profit Margin in both pre-COVID years and the initial phases of the pandemic, the airline staged a significant comeback. During the in-COVID period, Sky Express achieved a ROCE of 24.56% and a Net Profit Margin of 11.20%, signifying successful restructuring efforts and innovative revenue streams that propelled the company back to profitability. Olympic Air S.A., in the face of adversity, showcased stability and adaptability. Despite a challenging environment, the airline's strategic financial adjustments led to a positive rebound. Notably, during the in-COVID years, Olympic Air achieved an Operating Profitability of 13.34% and a Net Profit Margin of 9.96%, indicating its ability to maintain profitability and gradually enhance operational efficiency.

These findings underscore the industry's resilience and strategic acumen. As the pandemic tested the very fabric of the aviation sector, these companies not only weathered the storm but emerged stronger, equipped with lessons that position them well for future uncertainties. It is evident that proactive financial management, innovative strategies, and a relentless focus on operational efficiency were instrumental in their recovery journeys. Looking ahead, these insights provide valuable lessons not only for the aviation industry but also for businesses across sectors. The ability to adapt swiftly, innovate effectively, and prioritize financial stability will continue to be the bedrock of success in an ever-changing global landscape. As the aviation industry takes flight toward a post-pandemic era, the experiences and triumphs of Aegean Airlines, Sky Express, and Olympic Air serve as beacons of inspiration and strategic direction, guiding the way for future endeavors in Greece's dynamic business environment.

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