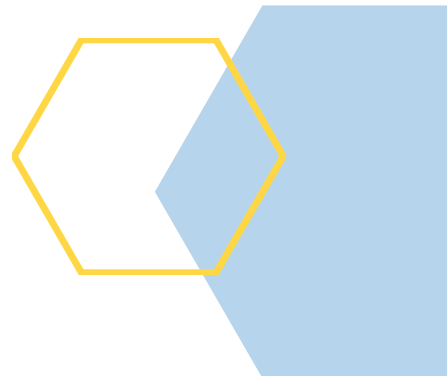




FIRST VIEW
July 2021



A Strategic Year for Hitit



THE FACTS

Last month, Hitit announced the signing of Royal Brunei Airlines (RBA). The deal includes the use of Hitit's Crane PSS solution, internet booking engine, mobile app and loyalty platform plus other solutions.

This is the third carrier Hitit has signed in South East Asia in the past year and the first airline that is planned to migrate to Hitit's Crane PSS from Amadeus Altea.

THE ANALYSIS

In what could have been a relatively quiet year given the current market conditions, we have seen over 50 PSS migrations since the start of the pandemic, spurred on significantly by SITA's earlier decision to exit the PSS market in 2022.

One of the key PSS vendors to have benefitted from this decision is Istanbul-based Hitit.

Hitit has been climbing the market share table for the past five years and now resides in a healthy 8th place. It is now the main contender for PSS business after the big four providers.

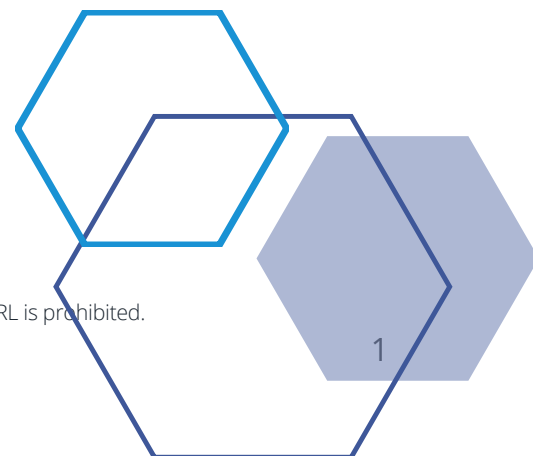
The past year has been busy. Excluding the setback of Blue Air choosing to remain on Navitaire late last year, Hitit has signed 13 new airlines since the start of the pandemic. Five of these were SITA customers. It has migrated the majority of these remotely whilst travel restrictions have remained tight.

Whereas a lot of providers in the market have been undertaking cost cutting exercises and laying off staff, Hitit has been doing the opposite. It recently opened a new sales and marketing office in Istanbul and has been expanding its workforce.

The majority of airlines that it has signed are relatively small tier 4 airlines, particularly in the current climate of reduced passenger volumes due to the pandemic.

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Pre-covid passengers boarded (PBs) should add a total of around 5 million PBs to Hitit's market share, which although it may seem insignificant to some of the larger vendors, strategically these are important airlines for Hitit.

After migrating PIA from Sabre a couple of years ago, Hitit migrated its first airline in the USA in December. Hybrid airline, Contour Airlines is a significant customer as it interlines with American Airlines which may open doors to the other US-based regional airlines.

Earlier this year Hitit signed Nella Airlines, a start-up and its first airline in Latin America and it already has several customers in the African region.

Last month Hitit migrated Myanmar Airways International and Myanmar-based Air KBZ and now the signing of Royal Brunei becomes its third South-East Asian airline. This is a region where Hitit's hybrid platform coupled with affordable pricing makes an attractive offering.

Of perhaps greater significance is that Royal Brunei is its first Amadeus customer which, if the migration is successful, should catch the attention of the other leading PSS providers' Tier 4 customers.

THE SPECULATION

The next few years will be about Hitit consolidating its foothold in these regions, putting in place local support resources and preparing to ramp up international expansion.

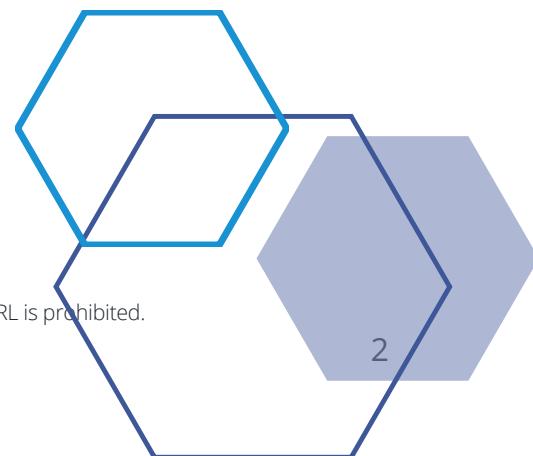
A win within the Tier 3 bracket would help cement this further.

The past year has meant a lot of airlines have extended their PSS contracts with their current providers in exchange for favourable short-term financial conditions. The next few years will be interesting to see how the market will play out.

Airlines will be emerging from the crisis with a cautious outlook to their finances and will want to streamline costs wherever possible.

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A look to the market for cheaper alternatives will be the best option for many and Hitit would be a strong contender to include in RFPs.

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