Airlines for America®
We Connect the World

The State of U.S. Commercial Aviation

Updated August 15, 2026

https://www.airlines.org/dataset/state-of-us-aviation/

U.S. Airlines Facilitate the Safe and Efficient Movement of People and Goods Worldwide

Data Reflects Passenger and Cargo-Only Operations*

> 1M
employees
around the world

Powering ~28K
flights per day
across the globe

Carrying ~2.7M
passengers
per day to/from
~85 countries

Moving ~61K
tons of cargo
per day to/from
more than 220
countries

Sources: A4A, U.S. Bureau of Transportation Statistics, Diio by Cirium and company literature

* Headcount as of Dec-2025; other statistics reflect daily average for 2025

The Street: Times Have Changed

"**[W]e no longer believe cost structures to be the primary determinant of profitability** the way they once were, before the industry successfully de-commoditized and **product/network quality took on increased relevance** with consumers."

Jamie Baker, J.P. Morgan (Feb. 12, 2026)

"In the post-COVID world, the industry has been forced to adapt as **consumer preferences shifted**. Premium products, loyalty programs, and network breadth moved to the forefront, and airlines with those offerings have fared materially better… **Gone are the days when airlines could profitably operate on rock-bottom fares as industry costs have converged, and consumers are demanding a better experience**."

Conor Cunningham, Melius Research (April 22, 2026)

Airlines Increasingly Offer Multiple Classes of Service to Appeal to a Wide Range of Travelers

Basic Economy

Standard Economy

Premium Economy

First/Business

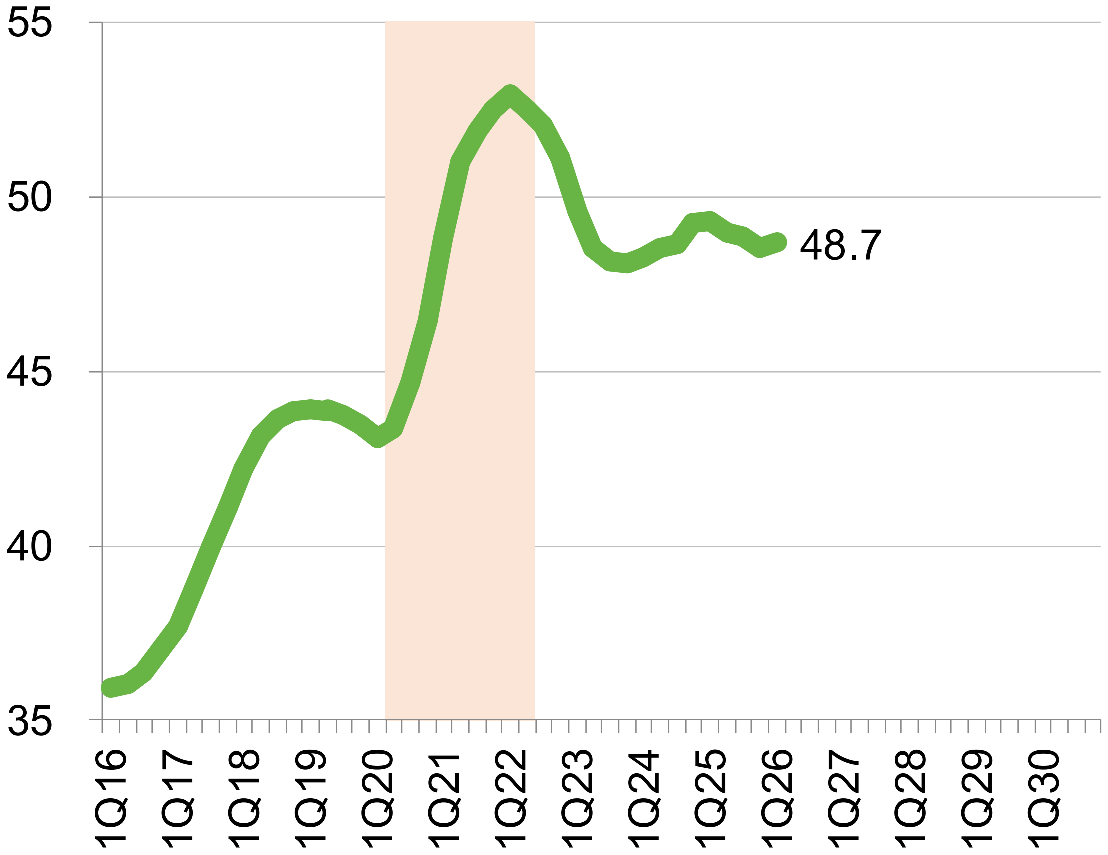
- Least Expensive
- Most Restricted re: Changes/Refunds
- Lower Boarding Priority
- No Advance Seat Selection
- Least Personal Space
- Carry-On Limits
- Buy-on-Board Meal Options

- Most Expensive
- Changeable/Refundable
- Higher Boarding Priority
- Advance Seat Selection
- Most Personal Space
- Complimentary Bags and Meals
- Additional Perks

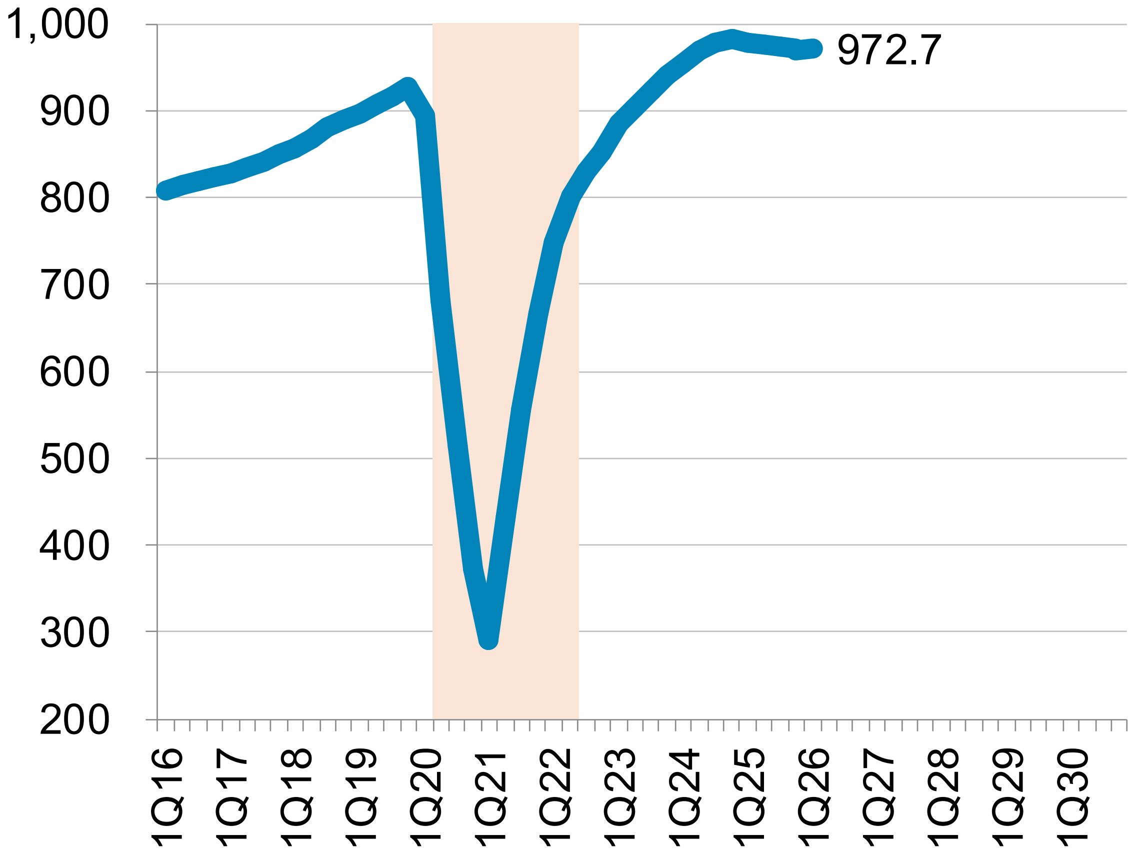
For U.S. Airlines, Air-Cargo and Air-Travel Volumes Subsided in 2025 But Grew in 1Q 2026

Air-Cargo Demand Rose 1.3% Year-Over-Year; Passenger Enplanements Rose Rose 0.3%

Annualized Air Cargo Revenue Ton Miles* (Bils)



Annualized Scheduled-Service Passengers (Mils)



Source: U.S. Bureau of Transportation Statistics (Form 41 Schedule T1 and T100 segment data)

* Cargo revenue ton miles (RTMs) flown on U.S. passenger and cargo-only airlines in scheduled and nonscheduled services

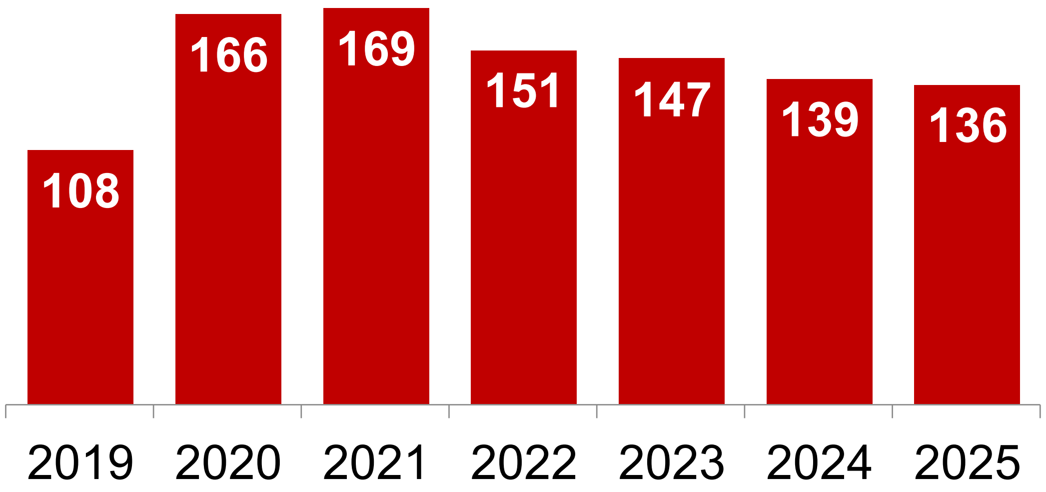
Airlines Have Prioritized Debt Reduction, Accompanied by Heavy Cash Outlays for Interest

Debt Levels Fell ~$33B From 2021 to 2025, But Interest Expense Remains Elevated

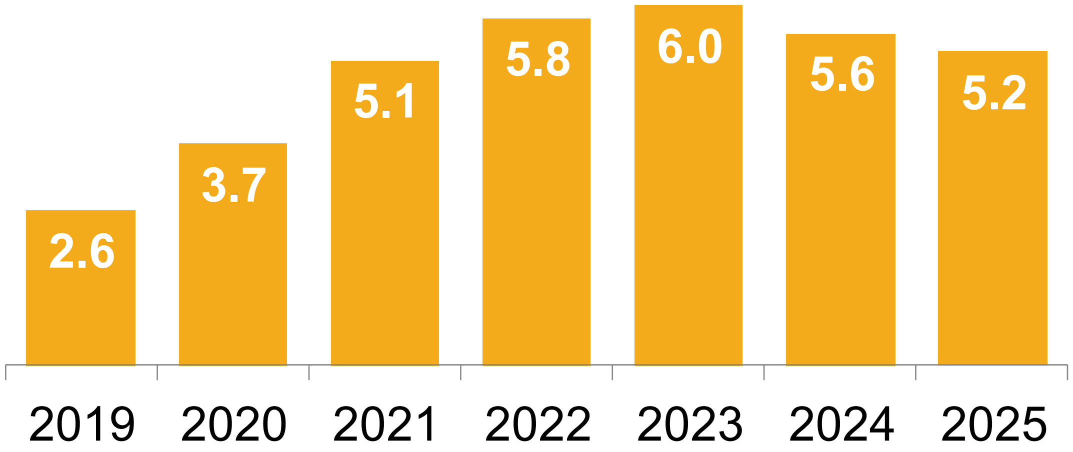
“To suggest that the airlines should have better prepared for this environment seems akin to suggesting Pompeii should have invested more heavily in firefighting technology.” (Jamie Baker, JPMorgan, March 22, 2020)

“For 2021 and beyond, we anticipate a major deleveraging cycle as **the industry will have no choice but to address its significant debt load**.” (Michael Linenberg, Deutsche Bank, July 1, 2020)

Year-End Total Debt* ($ Billions)



Interest Expense ($ Billions)



Source: Alaska/Hawaiian, Allegiant, American, Delta, Frontier, JetBlue, Southwest, Spirit, Sun Country and United 10-Ks

* Long-term debt and finance leases + operating lease liabilities + pension and postretirement benefits

In 1H 2026, U.S. Passenger Airlines Collectively Saw Profitability Fall From 1H 2025

14% Higher Operating Expenses Outpaced 13% Higher Revenues

Financial Results: Jan-Jun 2026	$ Billions	% Chg. YOY	% of Category
Passenger	114.9	11.3	87
Cargo	2.4	18.1	2
Other[1]	14.1	28.1	11
Total operating revenues	**131.4**	**13.0**	**100**
Salaries, wages and benefits	40.8	6.2	32
Aircraft fuel and taxes	31.5	43.8	25
Maintenance materials and repairs	7.5	10.8	6
Landing fees and airport (terminal/hangar) rents	8.6	8.2	7
Depreciation and amortization[2]	5.8	4.2	5
Regional capacity (branded codeshare partners)	5.5	5.5	4
Other[3]	27.5	7.4	22
Total operating expenses	**127.4**	**14.2**	**100**
Interest and other non-op expenses, net	(2.6)	357.4	n/a
Pre-tax profit/(loss)	**1.4**	**(65.6)**	**n/a**
Pre-tax margin[4]	**1.1%**	**(2.5 pts)**	**n/a**

1. Sale of frequent flyer award miles to airline business partners, transportation of pets, in-sourced aircraft and engine repair, flight simulator rentals, inflight sales, etc.
2. Related primarily to ownership of aircraft, ground support equipment, information technology, etc.
3. Aircraft rents, professional fees, food/beverage, insurance, commissions, GDS fees, communications, advertising, utilities, office supplies, crew hotels, etc.
4. Pre-tax profit/(loss) ÷ total operating revenues

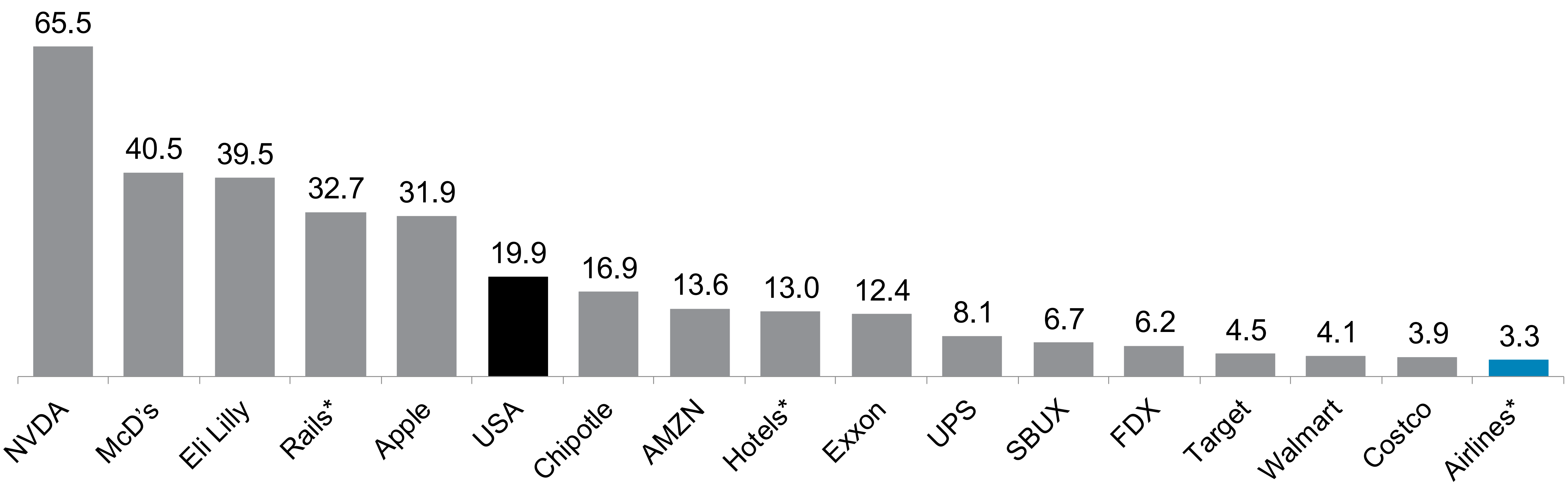
Source: SEC filings of Alaska/Hawaiian, Allegiant, American, Delta, Frontier, JetBlue, Southwest, Spirit, Sun Country and United

Numerous Fortune 500 Brands Enjoy Significantly Higher Profitability Than U.S. Airlines

Retaining Multiples More in Profit for Every Dollar of Revenue Generated in 2025

Pre-Tax Profit Margin (%) for Selected U.S. Companies and Industries in Fiscal Year 2025

Note: Profit Margin = (Revenues – Expenses) ÷ Revenues

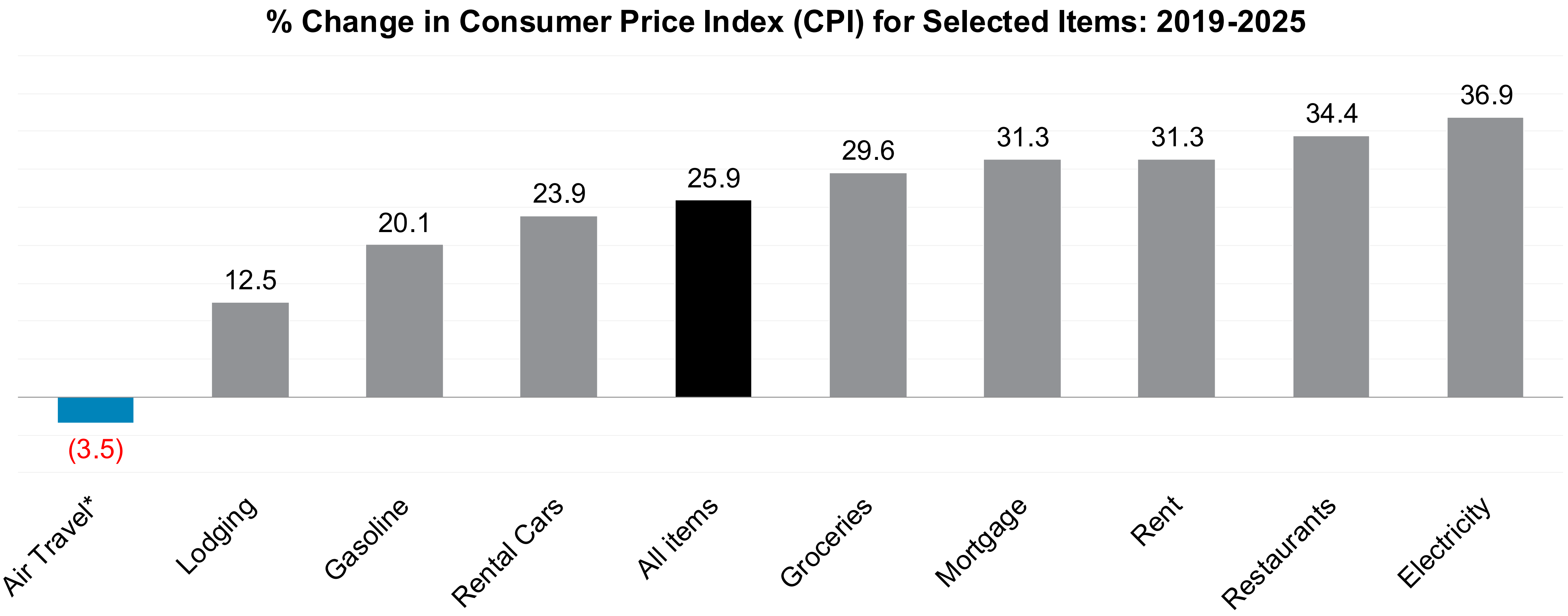


Sources: A4A, U.S. Bureau of Economic Analysis and company SEC filings

* Airlines = U.S. passenger airlines; Hotels = Choice/Hilton/Hyatt/Marriott/Wyndham; Rails = CSX/Norfolk Southern/Union Pacific

Since 2019, Consumers Have Faced Higher Prices for Housing/Food/Fuel But Not for Air Travel

CPI for Airline Fares *Fell* 3.5% from 2019-2025

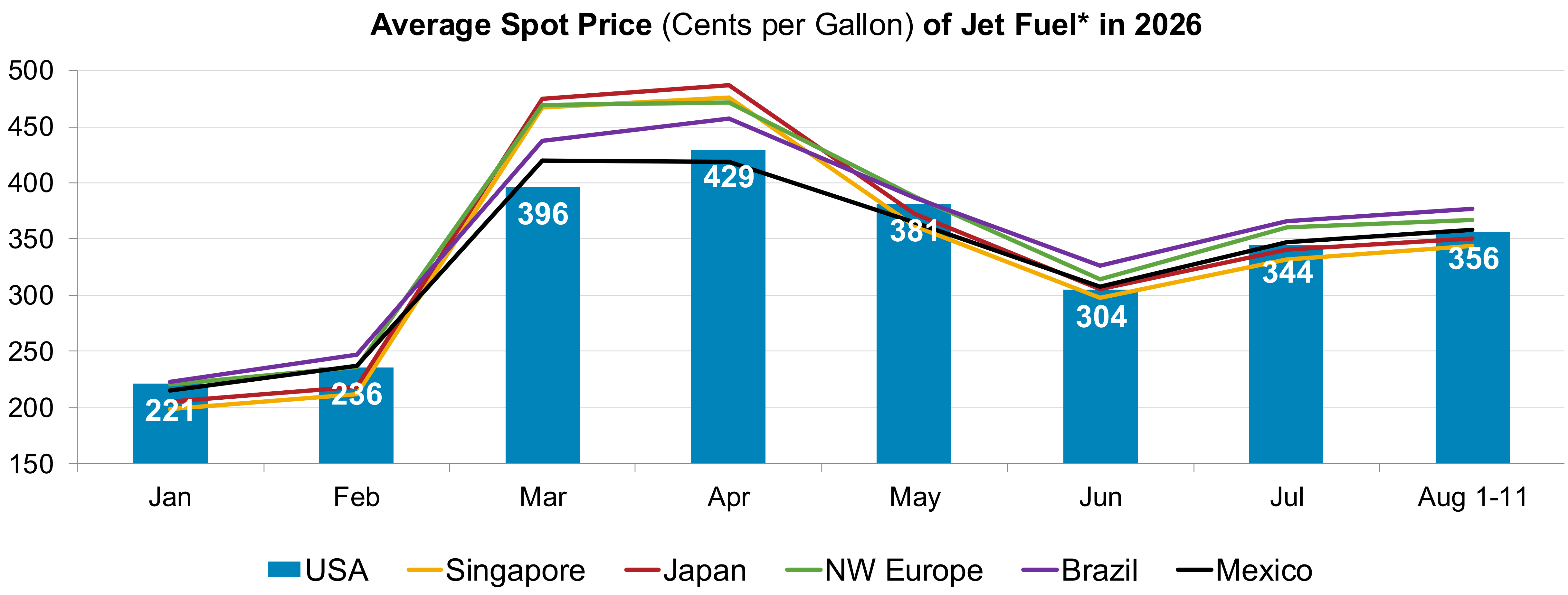


Source: U.S. Bureau of Labor Statistics

* Per BLS, "air travel" includes applicable taxes fuel surcharges, airport, security, and baggage fees (for first checked bag)

Jet Fuel Prices Ticked Up in July and Remain Significantly Higher Than Pre-War Levels

Prices in Europe and Latin America Exceed the United States



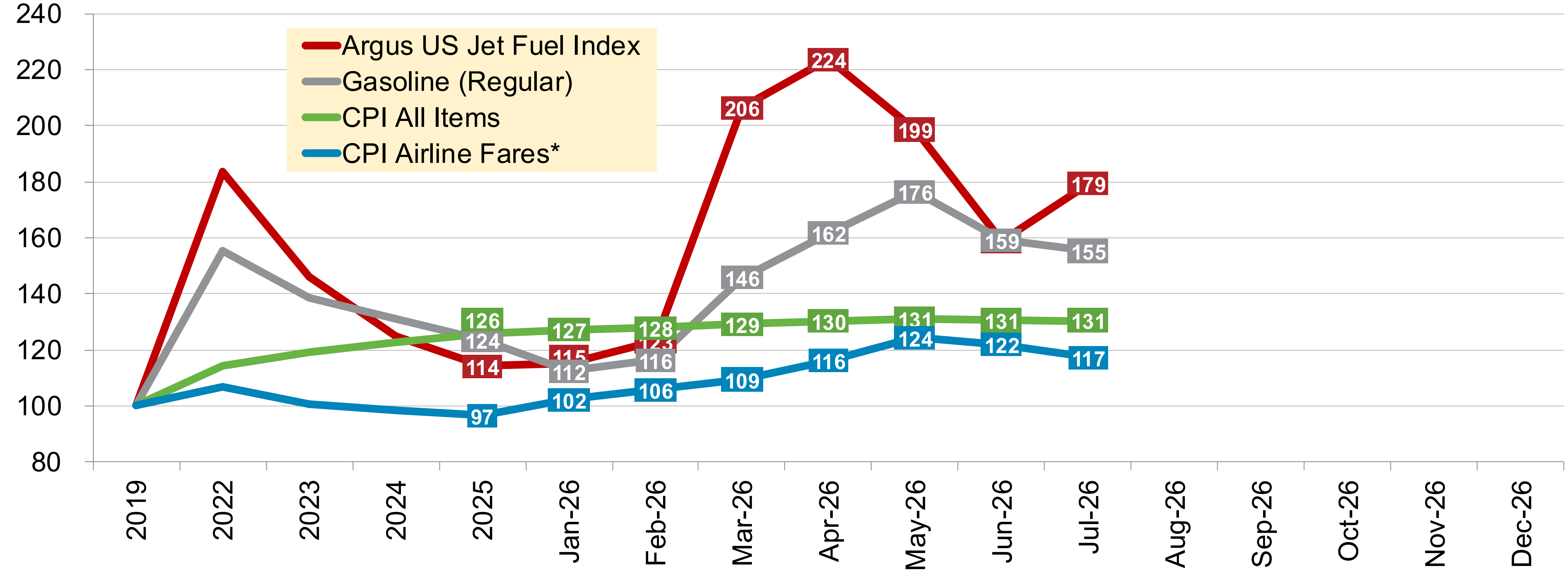
Source: Argus Media

* USA = Argus US Jet Fuel Index™ (https://www.airlines.org/dataset/argus-us-jet-fuel-index/) average of Chicago/Houston/Los Angeles/New York refining centers

From January to July 2026, the Price of Jet Fuel Rose 3.8x More Than the Price of Air Travel

Post-2019, Airfares Have Lagged Overall U.S. Inflation and Jet Fuel Prices

U.S. Consumer Price Index and Airline Fares* CPI vs. U.S. Jet Fuel (Index: 2019 = 100)



Sources: U.S. Bureau of Labor Statistics and Argus US Jet Fuel Index™

* Includes applicable taxes fuel surcharges, airport, security, and baggage fees (for first checked bag)

For U.S. Airlines, Labor and Fuel Are Not the Only Cost Headwinds

Sources of Cost Pressure Include Maintenance, Insurance, Airports, Food/Beverage, Debt Service

Change in Cost of Selected U.S. Passenger Airline Inputs Since the Pandemic (2019 to 1Q 2026)

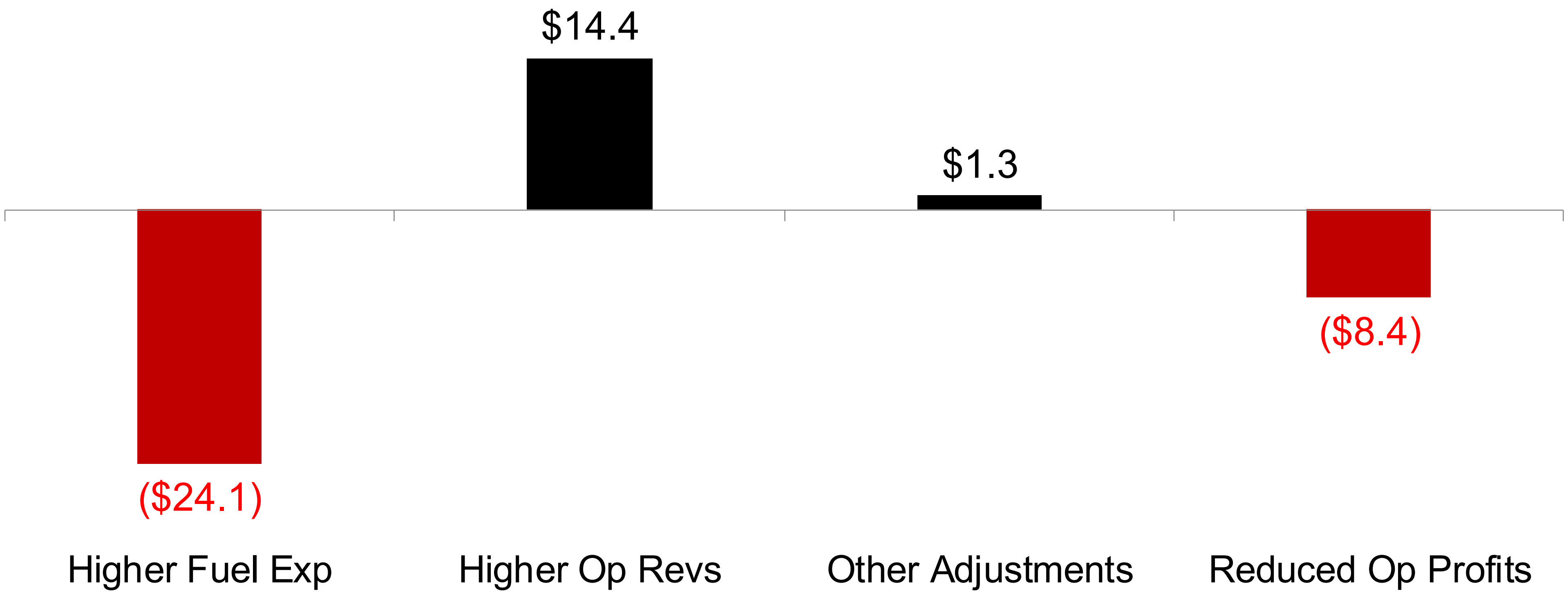
Cost Component and Unit	2019	1Q26	Change (%)
Maintenance Material per Block Hour	$117	$232	99
Aircraft Insurance per Net Book Value	0.068%	0.127%	87
Airport/Other Rents per Enplaned Pax	$8.69	$15.75	81
Non-Aircraft Insurance per RPM	0.025¢	0.041¢	68
Food & Beverage per RPM	0.298¢	0.492¢	65
Airport Landing Fees per Capacity Ton	$17.59	$27.84	58
Utilities & Office Supplies per FTE	$2.6K	$3.7K	44
Aircraft Fuel & Taxes per Gallon	178¢	242¢	36
Advertising & Promotion per RPM	0.104¢	0.140¢	34
Salaries/Wages/Benefits per FTE	$127K	$167K	32
Communication per Enplaned Pax	$1.53	$1.76	15
Interest (Book Rate) on Debt	3.95%	4.46%	13
Aircraft Ownership per Operating Seat	$12.4K	$10.8K	(13)

Source: A4A Passenger Airline Cost Index

Deutsche Bank Projects That U.S. Airlines Will Recapture ~60% of the Incremental Fuel Bill

Revised Forecast (April 7) Projects $14.4B More Revenue Against $24.1B Higher Fuel Expense

***Change* in Deutsche Bank's 2026 Forecast (in Billions) for U.S. Airlines (April 7 vs. Late Feb)**



Source: Deutsche Bank Research, "Airlines: Mar Q '26 Preview/Jun Q '26 Outlook - A crude reality: airlines face $40 billion fuel bill," (April 7, 2026)

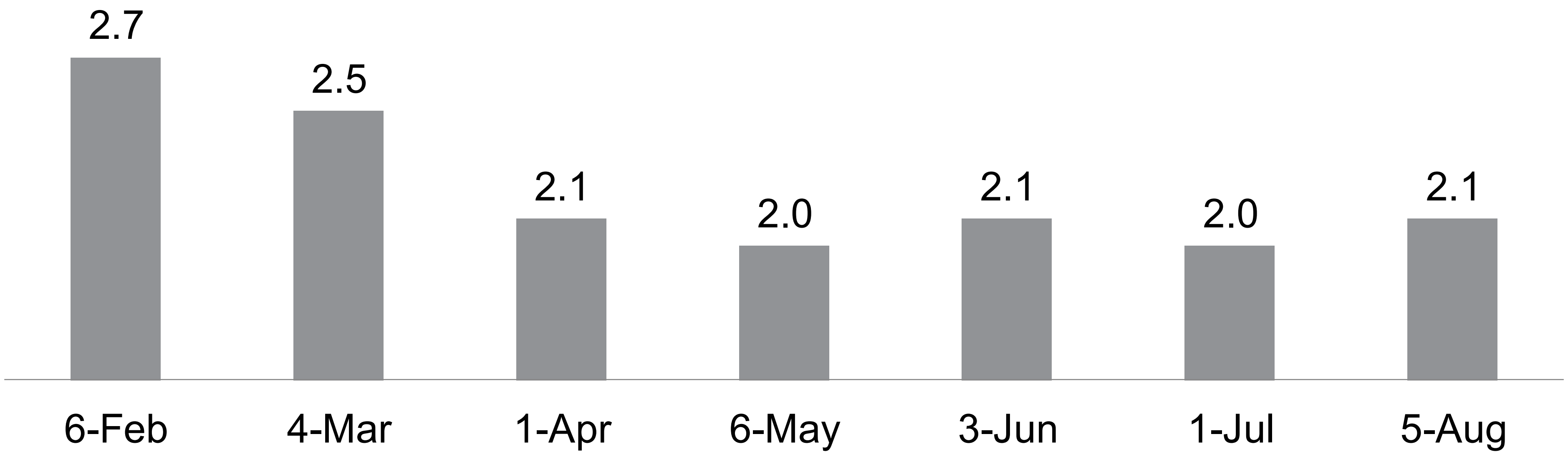
Standard & Poor's (S&P) Has Lowered Its Expectations for U.S. Economic Growth in 2026

Real GDP Growth Now Pegged at 2.0%, Down From Pre-War (Feb. 6) Outlook

"Improved conditions for consumer spending are also supporting somewhat stronger growth this year. Real disposable personal income declined less in the second quarter than expected, and the S&P 500 is above our prior forecast."

— S&P US Economic Outlook (August 5, 2026)

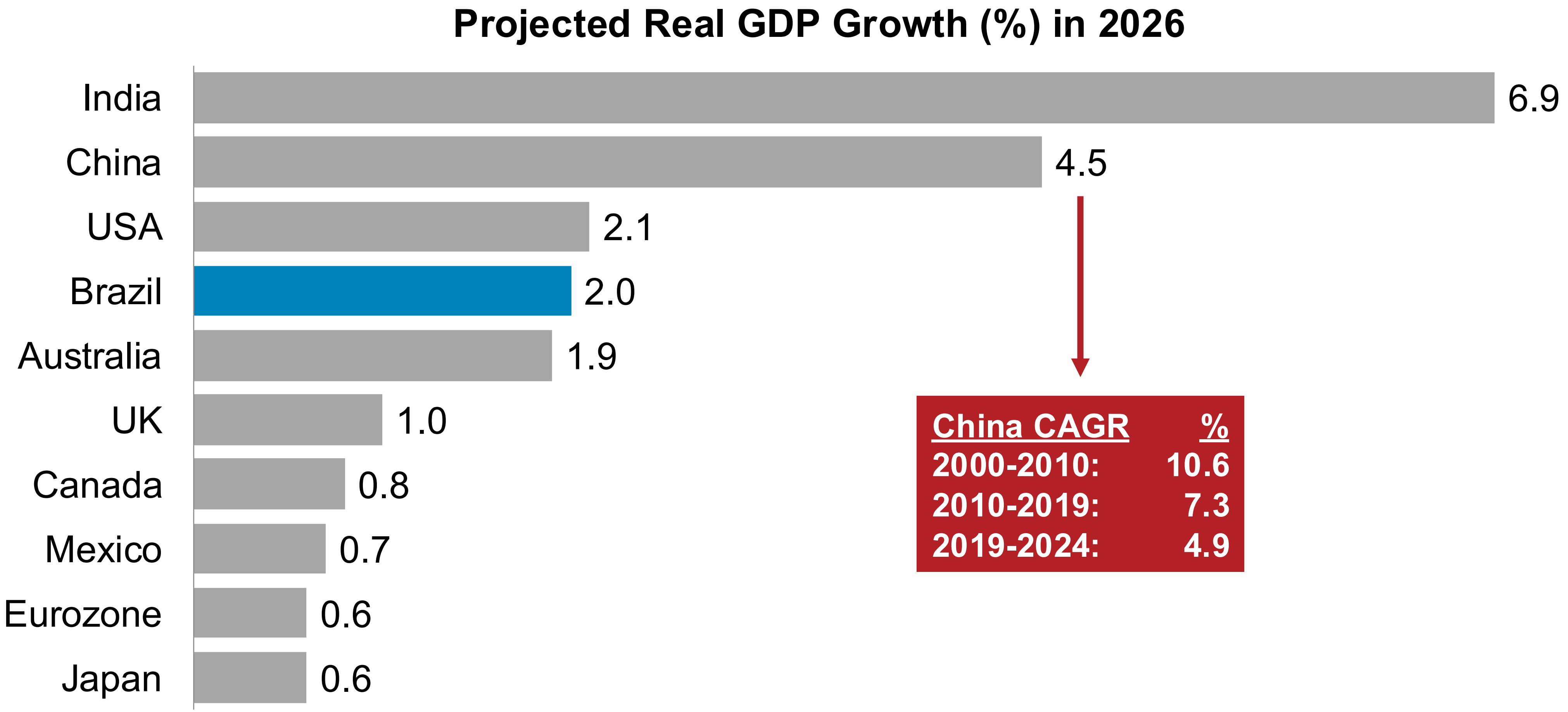
S&P Projected Real U.S. GDP Growth (%) for 2026 by Date of Forecast



Source: Standard & Poor's U.S. Economic Outlook (July 2026)

As of Mid-July, Wells Fargo Expected Anemic Growth for Many Large Economies in 2026

Canada/Mexico/Europe/Japan Will Grow Less Than 1%

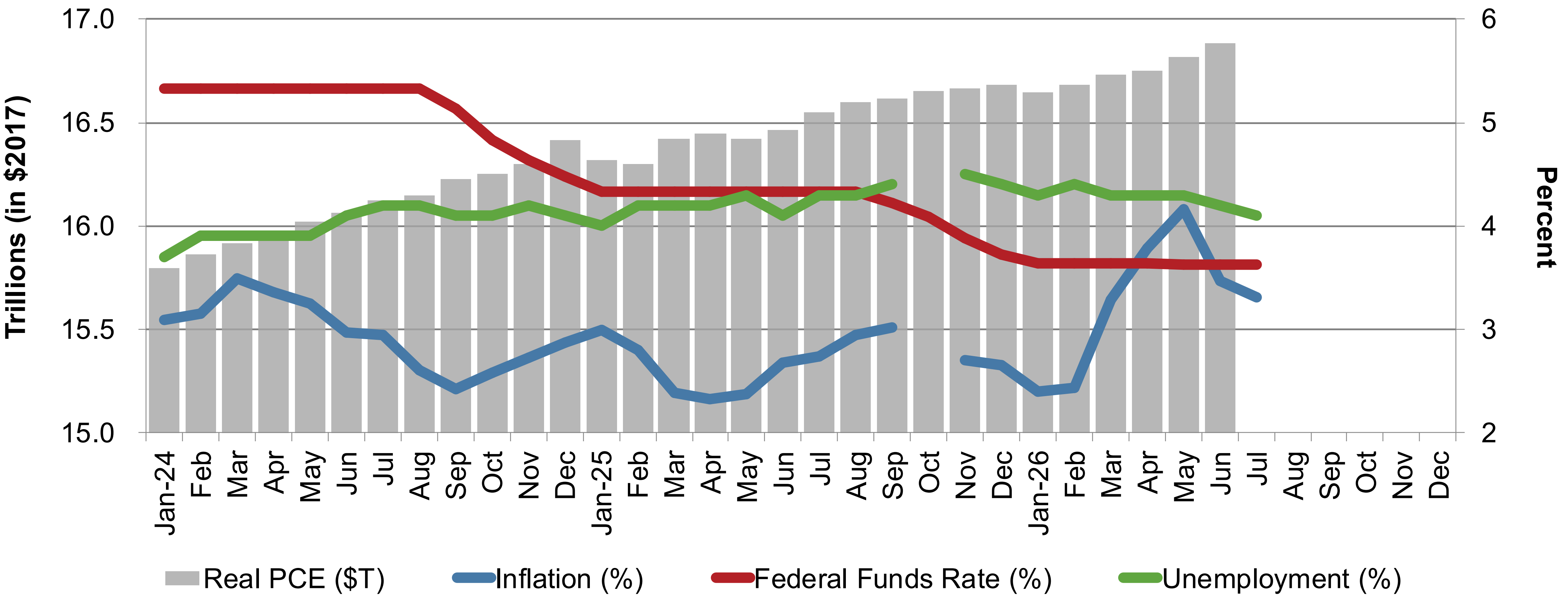


China CAGR	%
2000-2010:	10.6
2010-2019:	7.3
2019-2024:	4.9

Source: Wells Fargo International Economic Forecast (July 16, 2026)

Real U.S. Consumer Spending Rose to Record Level in June

Unemployment Rate Remains North of 4%



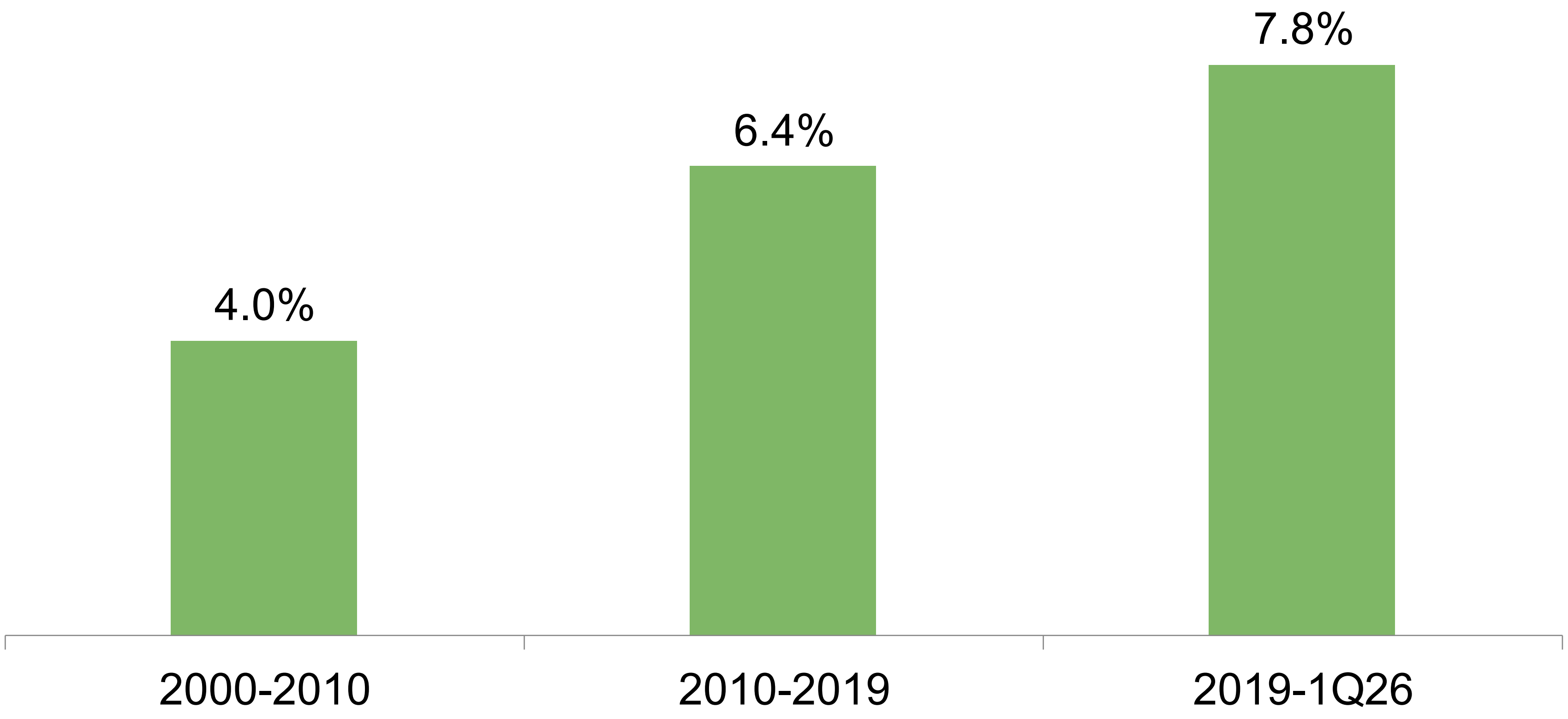
Source: U.S. Bureau of Economic Analysis and Bureau of Labor Statistics via Federal Reserve Bank of St. Louis

Note: Personal consumption expenditures (PCE) and inflation are seasonally adjusted and annualized

American Households' Gains in Net Worth Have Accelerated Post-Pandemic

These Gains Have Helped Fuel Demand for Air Travel, Lounges and More

U.S. Household Net Worth: Compound Annual Growth Rate (%)



Source: Board of Governors of the Federal Reserve System (US) via FRED®

Note: Household net worth = assets (e.g., cash savings, investments, retirement funds, home market value, vehicles) minus debts

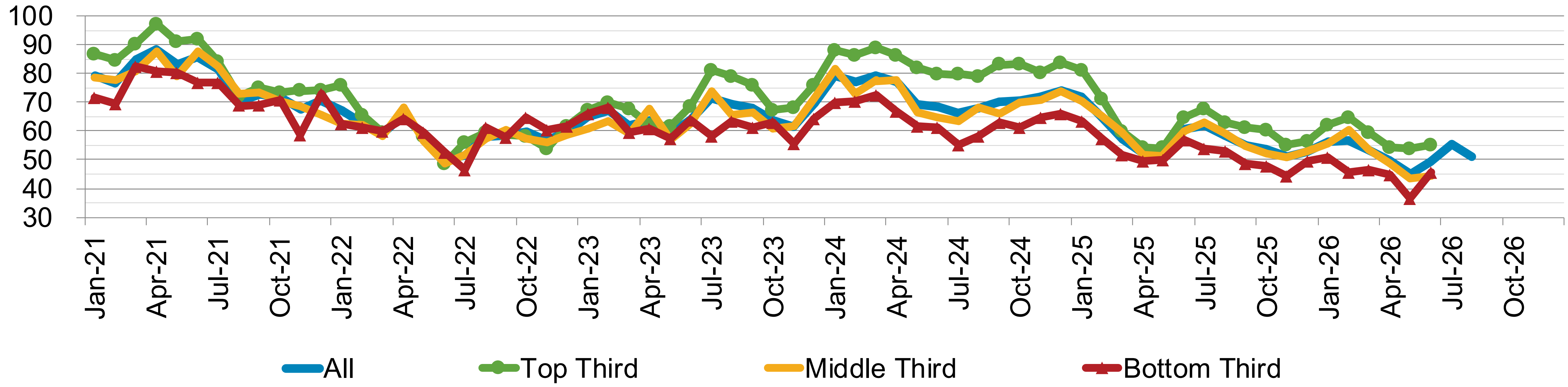
U.S. Consumer Sentiment Slipped in Mid-August

Higher Levels of Sentiment Correlated With Higher Levels of Income

"The US-Israeli war in Iran and its subsequent oil supply crunch and price shocks have worsened sentiment that already was soured by years of high inflation and an affordability crisis… **Americans are feeling worse now** than they did during wars, the 1970s oil crisis, 9/11, the Great Recession, the Covid-19 pandemic and the inflation surge afterward. **Some of the sharpest declines in sentiment came from lower-income consumers and those without college degrees...**"

Alicia Wallace, "High gas prices, cost of living send US consumer sentiment to all-time low," CNN.com (May 22, 2026)

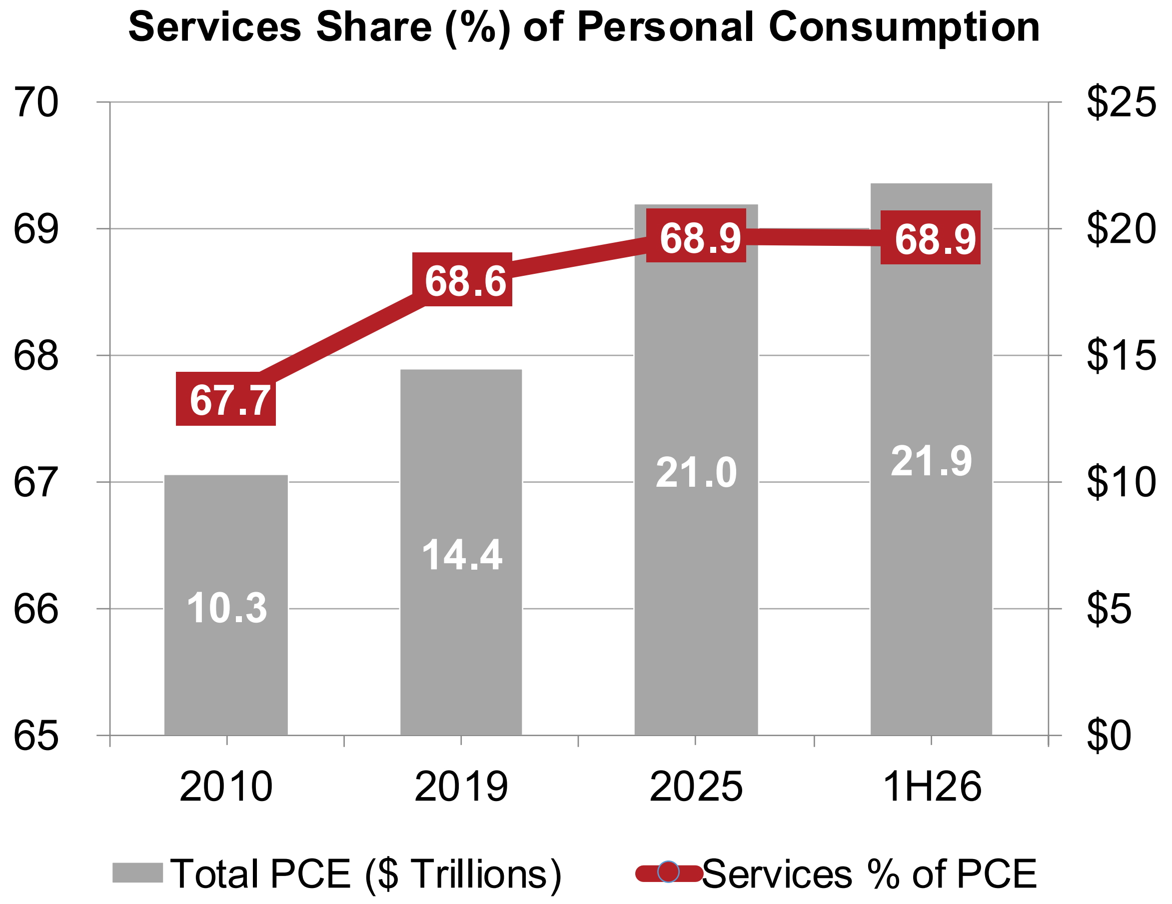
U.S. Consumer Sentiment by Income Tier: Index: 1Q 1966 = 100

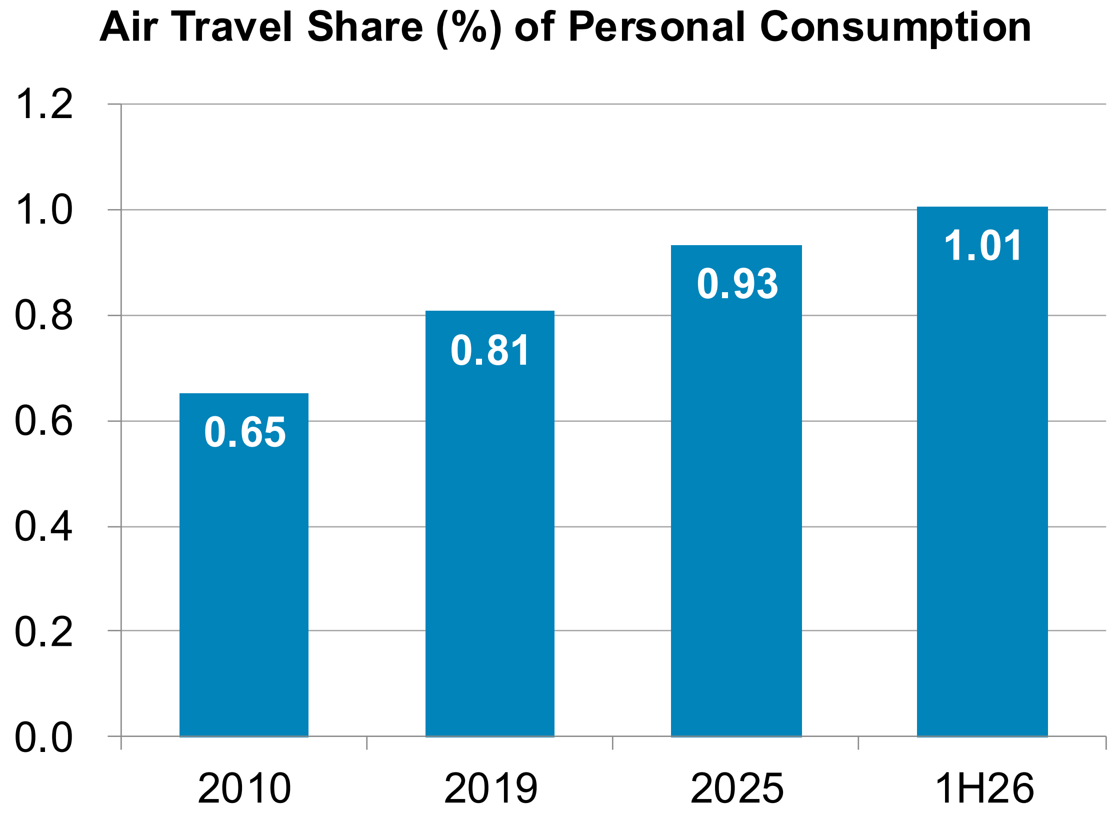


Sources: University of Michigan and https://www.linkedin.com/pulse/affordability-squeeze-mark-zandi-xk7re/

U.S. Consumers Are Prioritizing Experiences, With 1% of Spending Going to Air Travel

From 2019 to 1H 2026, Higher Air Transport Share of Spend Translated to Additional $44B





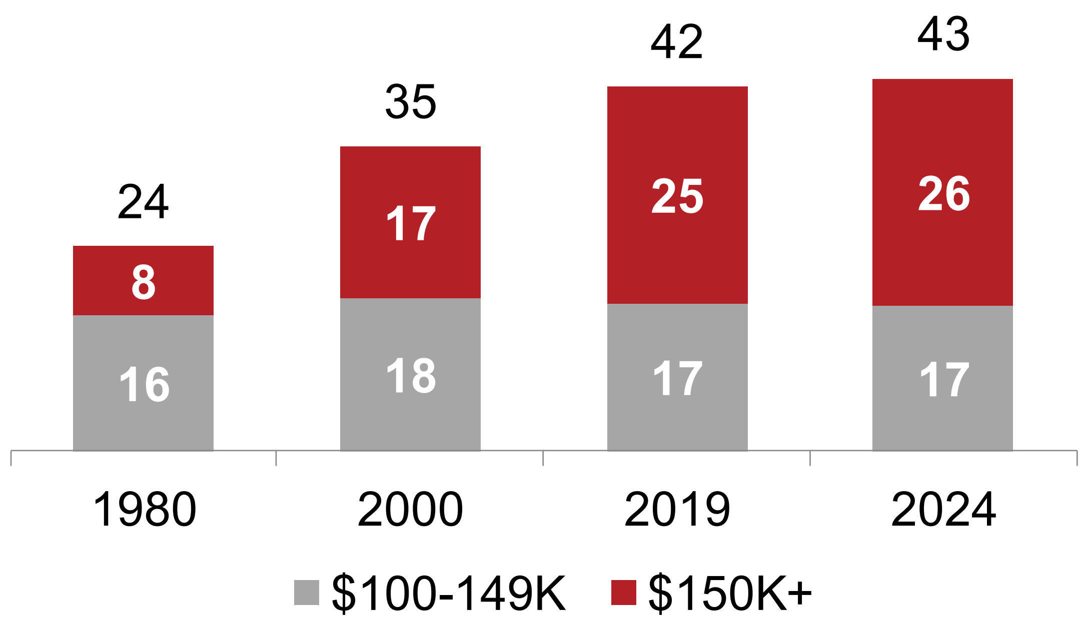
Source: U.S. Bureau of Economic Analysis

Note: PCE = personal consumption expenditures

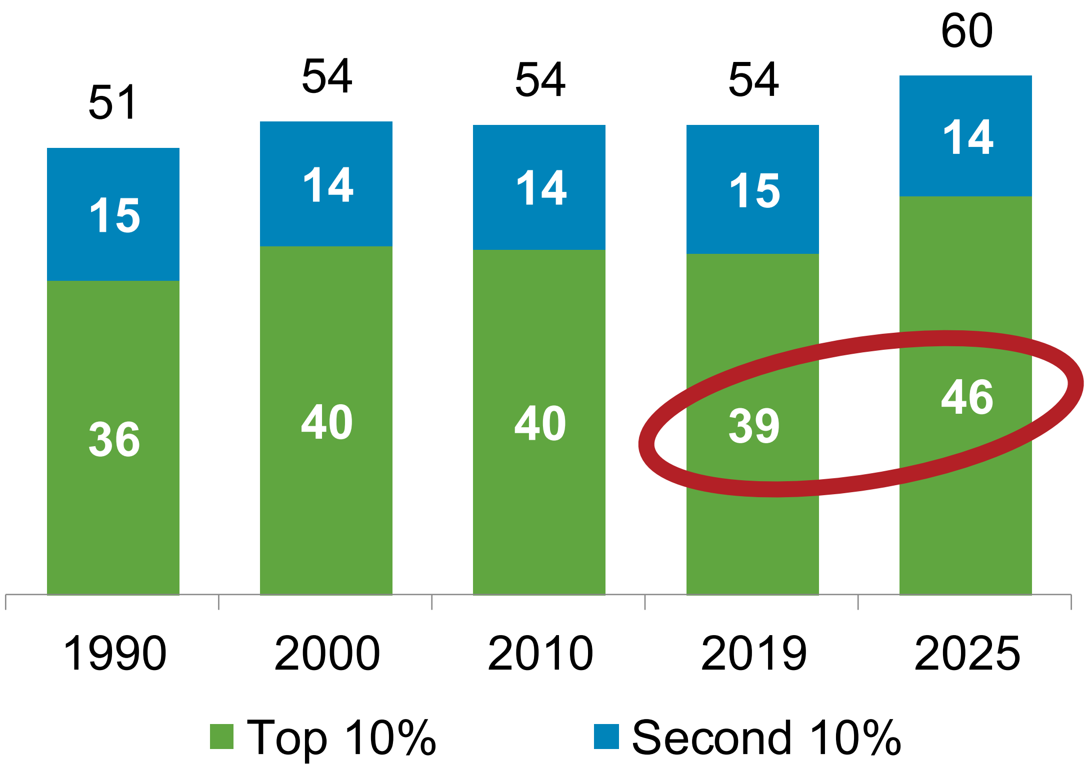
Increasing Share of Upper-Income Households = Expanding Pool of Premium Travelers

Plus… Highest-Income Americans Responsible for 46% of Spending, Up From 36% in 1990

Share (%) of U.S. Households With $100K+ in Pretax Income (2024 Dollars)



Share (%) of U.S. Consumer Spending by Top 20% of Earners



Sources: Melius Research review of U.S. Census Bureau data and Moody's Analytics review of Federal Reserve data

Competitive Analysis: Perspective

"It is an understatement to say that **the airline industry is a challenging one**. It is **capital intensive**, it is **fuel intensive**, it is **labor intensive**, it is **cyclical**, and it has **often** been **waylaid by black swan events** such as 9-11, the pandemic, and frequent energy crises such as the one we are currently experiencing. It has also been a **very competitive, dog-eat-dog industry** where managements seem to be wearing Milk-Bone underwear. **In good times the airlines made millions, and in bad times they lost billions**. Since deregulation, the industry's cumulative net profit is close to zero."

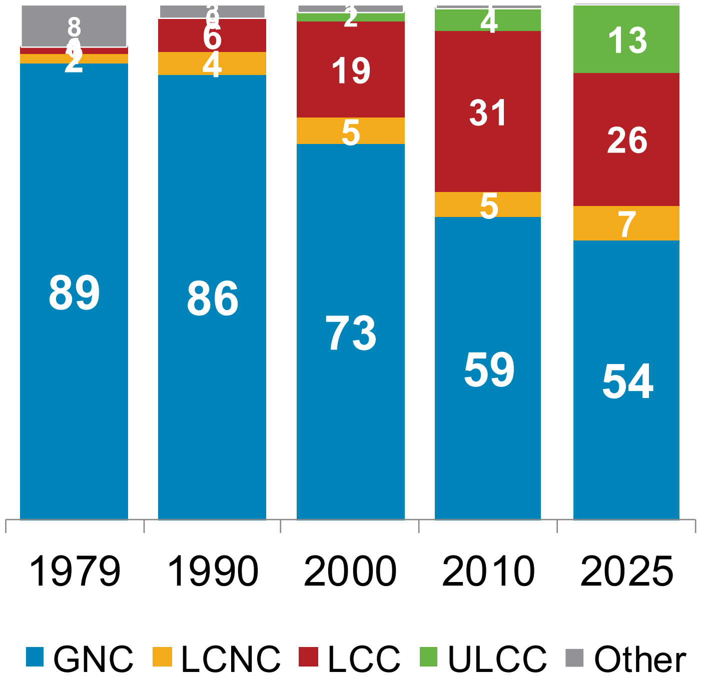
Mike Derchin, Derchin Airline Research, LLC (May 13, 2026)

Source: "The Past, Present, and Future of Aviation," Speech by Michael W. Derchin at Syracuse University (May 13, 2026)

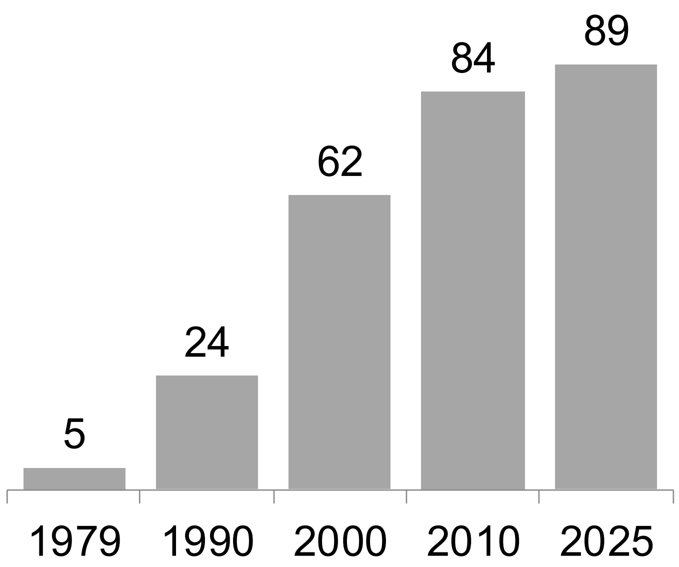
From 2000-2025, the Number of Competitors per Domestic Air Trip *Rose* From 3.33 to 3.47

Global Network Carrier Share of Domestic Passengers Fell From 73% in 2000 to 54% in 2025

% of Domestic O&D Pax by Airline Business Model

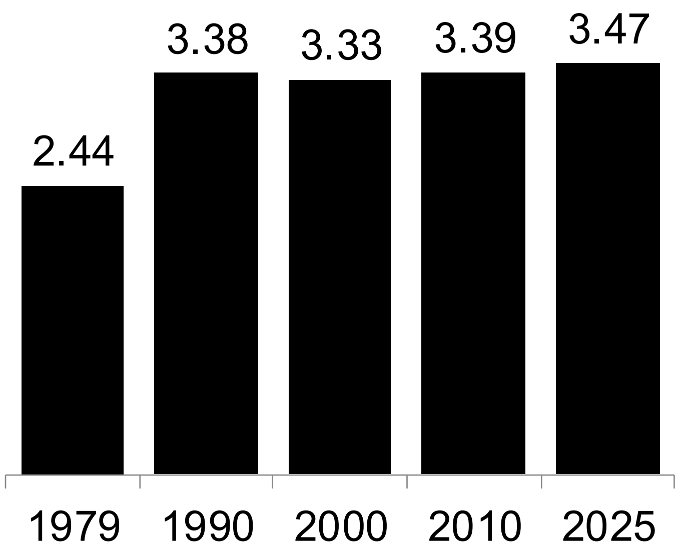


% of Domestic O&D Pax With Access to Lower-Cost Carriers



Average # of Competitors* in Domestic O&D City Pairs

* Per DOT and GAO, carrying at least 5% of O&D passengers in the city pair; average is passenger-weighted across city pairs.



Source: Econic Partners analysis of DOT O&D survey data. Global network carriers (GNCs) include AA/DL/UA and predecessor airlines (e.g., US Airways, America West, TWA, Northwest, Continental) and defunct legacy network carriers (e.g., Eastern, Braniff). Low-cost carriers includes Southwest, JetBlue, Breeze, Reno Air, Midway, Pro Air, Kiwi International, AirTran, Accessair, Independence, Eastwind, National, ValuJet, ATA, Skybus, People Express, Vanguard, Virgin America, Western Pacific, Air South, and Morris Air). Lower cost network carriers include Alaska, Hawaiian and Aloha. Ultra low-cost carriers (ULCCs) include Allegiant, Frontier, Spirit, Sun Country, and Avelo.

Post Pandemic, Airline Revenues From Reservation Change Fees Have Fallen Sharply

Widespread Elimination of Change Fees and Same-Day Standby Fees Has Boosted Travel Flexibility

Aug. 30-31, 2020: United/Alaska/American/Delta announce widespread elimination of change fees.

"**It makes me feel a lot better as a consumer**. It makes me feel more willing to book something now."

Brett Snyder, CrankyFlier.com (Aug. 31, 2020)

"**One of the best changes that the airlines made**…was to quietly get rid of change fees."

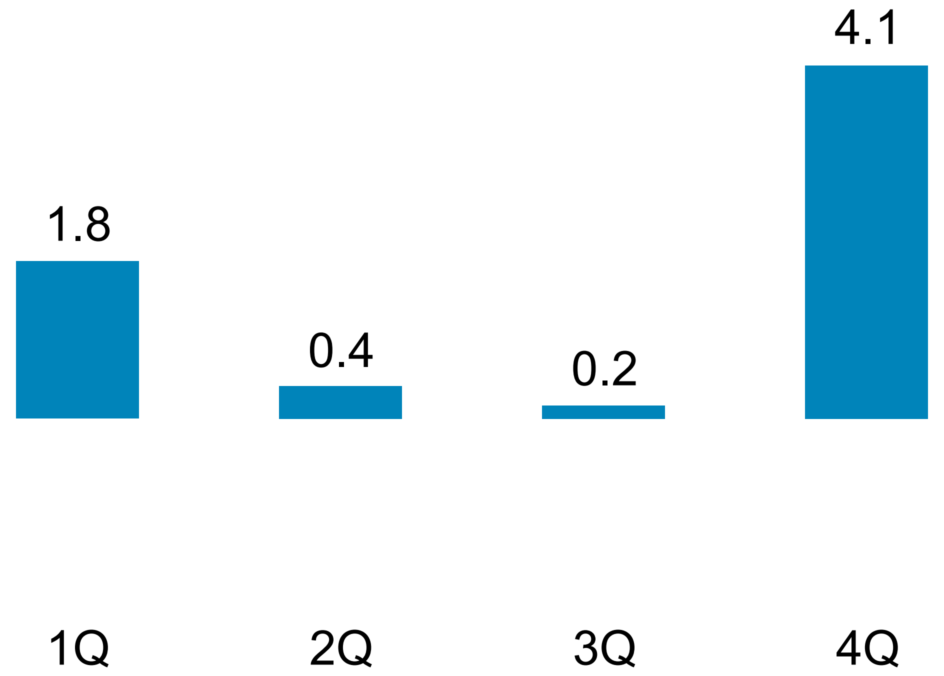
Scott Keyes, Scott's Cheap Flights (April 4, 2022)

Sources: U.S. Bureau of Transportation Statistics Form 41; Kyle Arnold, *The Dallas Morning News* (Aug. 31, 2020); Savannah Levins, 11 Alive (April 4, 2022)

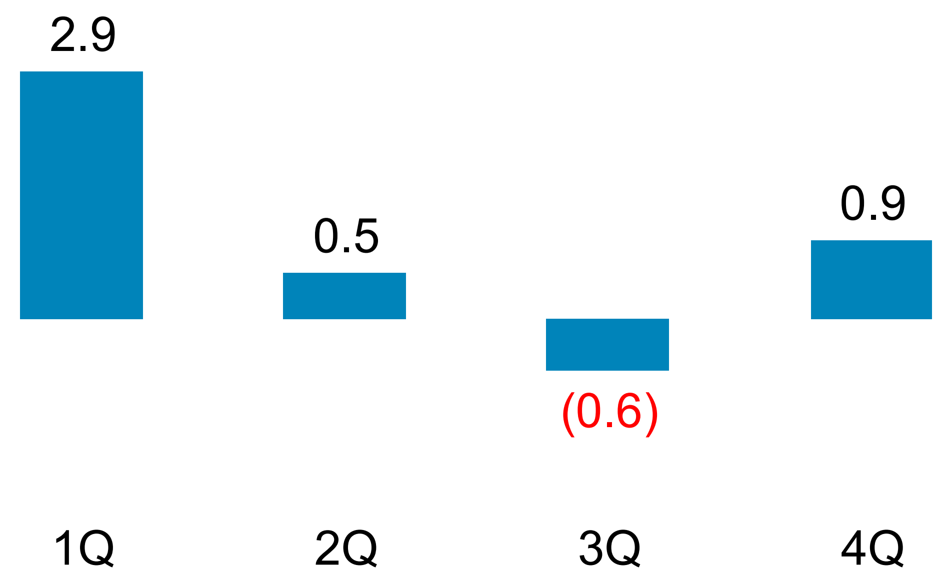
With Fuel Prices Elevated, U.S. Airlines Materially Pared Apr-Sep 2026 Capacity Growth

Show U.S. Carriers Reducing International Capacity YOY in 3Q, Rising Less Than 1% in 4Q

Scheduled U.S. Domestic Capacity
% Change YOY in Available Seat Miles



Scheduled U.S. International Capacity*
% Change YOY in Available Seat Miles



Source: Cirium published schedules (Aug. 14, 2026)

* Alaska/American/Delta/Hawaiian/JetBlue/Southwest/United only

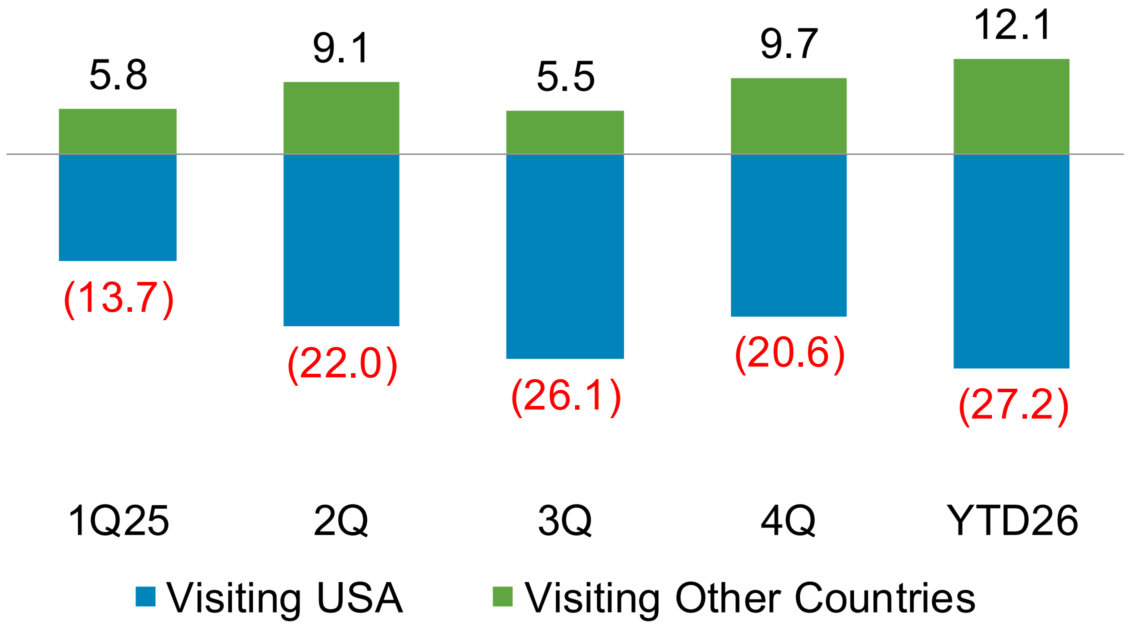
Canadian-Resident Air Trips to the United States Have Fallen Sharply Since 2024

In Response, Airlines Have Reduced Transborder Seats

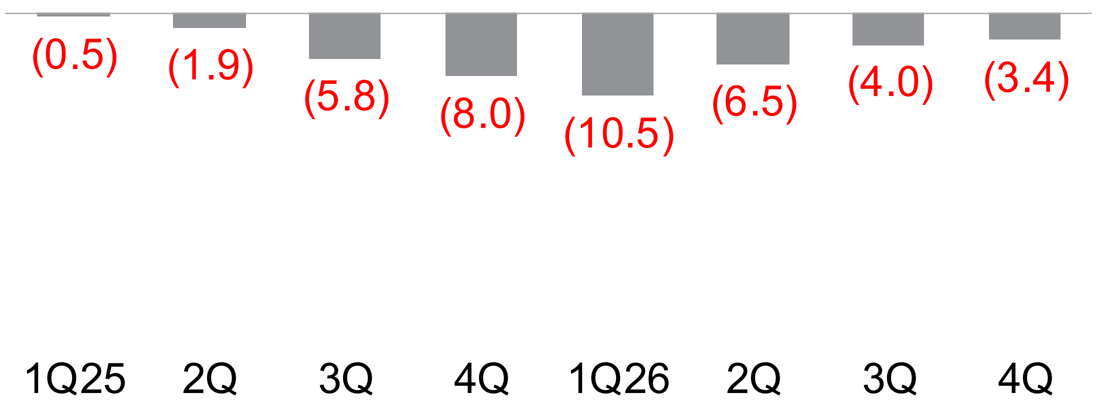
"With no near-term recovery in sight, the industry is coming to terms with the possibility that **winning back Canadians may take far longer than expected**."

Christina Jelski, "A year into Canadian tourism backlash, there's little sign of change," *Travel Weekly* (April 28, 2026)

% Change vs. 2024 in Canadians Returning by Air



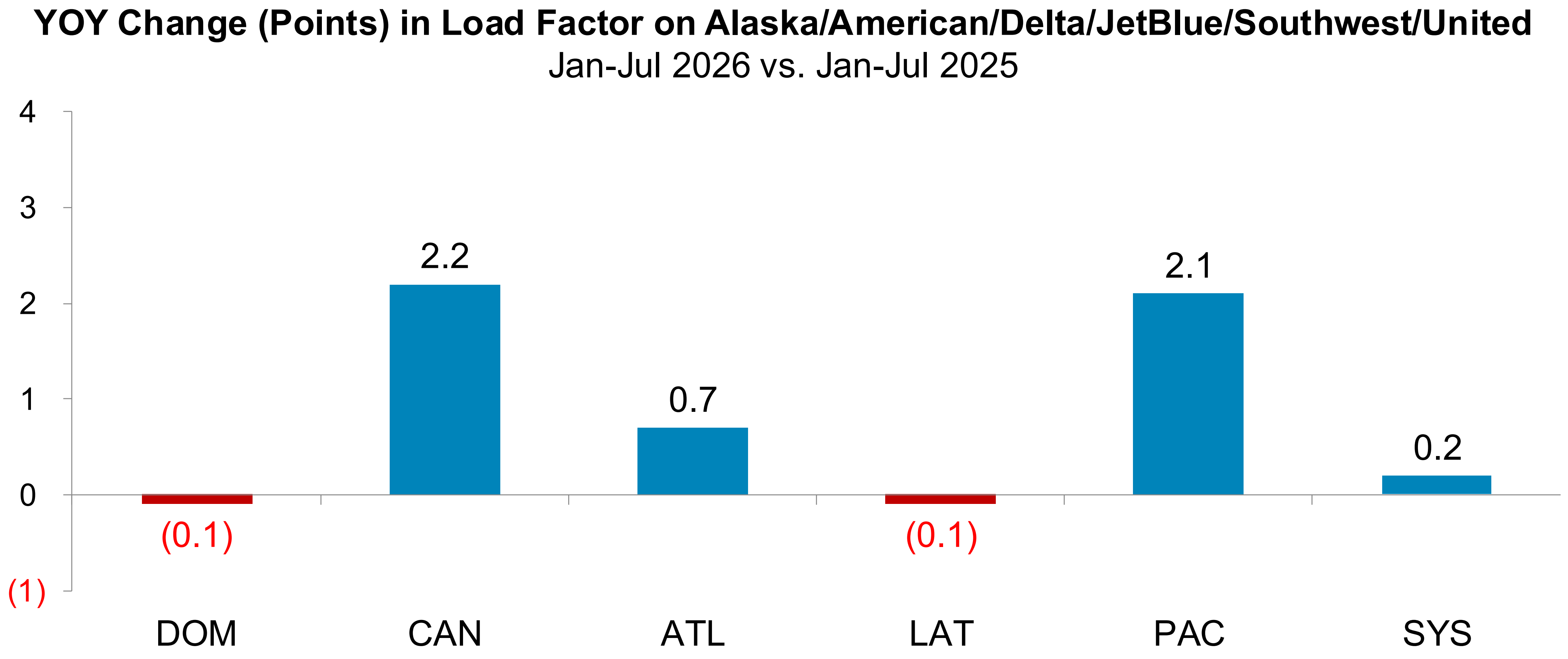
% Change vs. 2024 in U.S.-Canada Seats



Sources: Statistics Canada (https://www.statcan.gc.ca/en/start) and Cirium published schedules (Aug. 14, 2026) for all airlines offering scheduled service from the United States to Canada

First Seven Months of 2026: A4A Systemwide Load Factor Up Slightly YOY

Domestic and Latin America Down Slightly

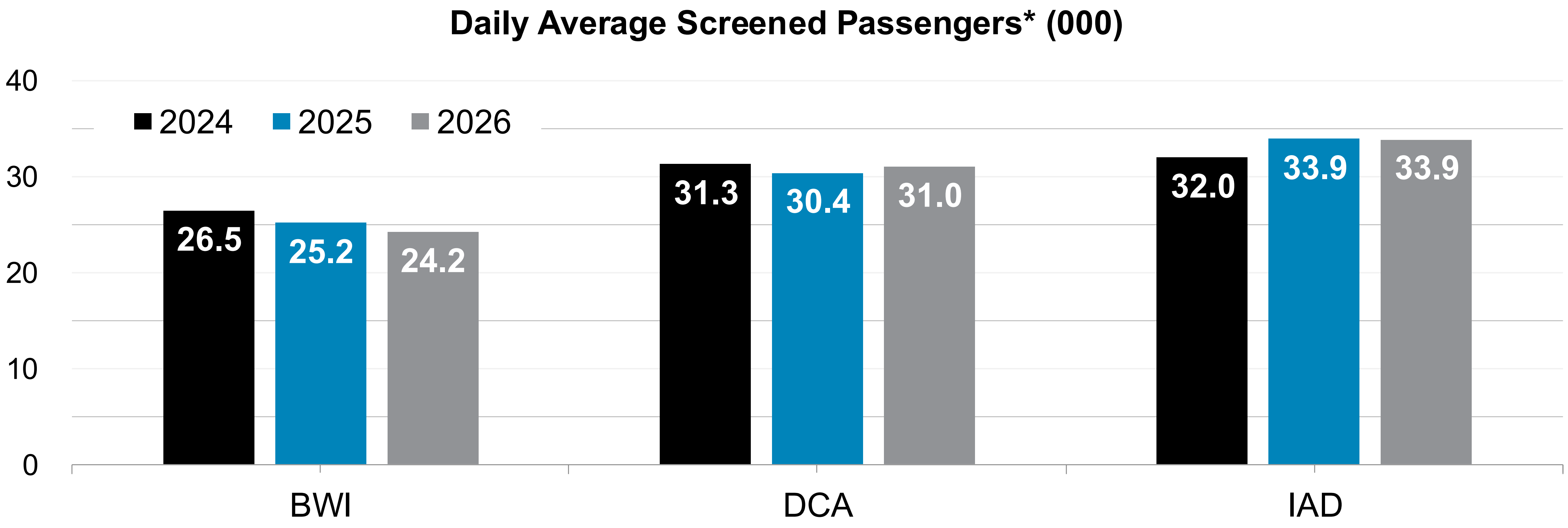


Source: A4A member airlines (including Hawaiian Airlines) and branded code share partners

Combined BWI/DCA Screened Passenger Volumes Are Down Almost 2,500 per Day From 2024

But Washington Dulles (IAD) Checkpoints Are Seeing ~1,900 More Passengers per Day

"Enrico Moretti, an economist at the University of California, Berkeley, said **each federal job in the capital region likely creates 1.6 additional jobs in the local economy over a decade, an effect that would be reversed in the event of job cuts**." Paul Kiernan and Rachel Louise Ensign, *The Wall Street Journal* (April 19, 2025)



Sources: Transportation Security Administration and *The Wall Street Journal* (April 19, 2025)

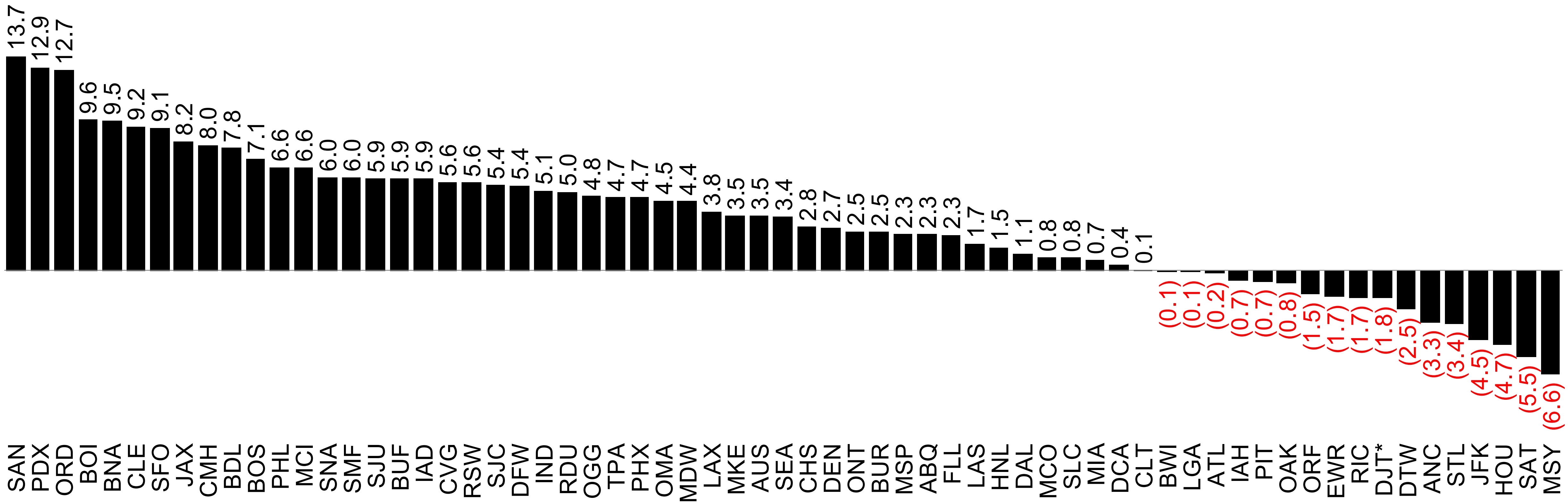
* U.S. and foreign-carrier customers (*excludes* Known Crewmember® personnel) traversing TSA checkpoints

4Q 2026: Schedules Show San Diego/Portland/Chicago O’Hare Growing > 12% Year-Over-Year

Among the Largest U.S. Airports, New Orleans (MSY) Seeing the Deepest YOY Cut

% Change in *Systemwide* Scheduled Seats*

4Q 2026 vs. 4Q 2025

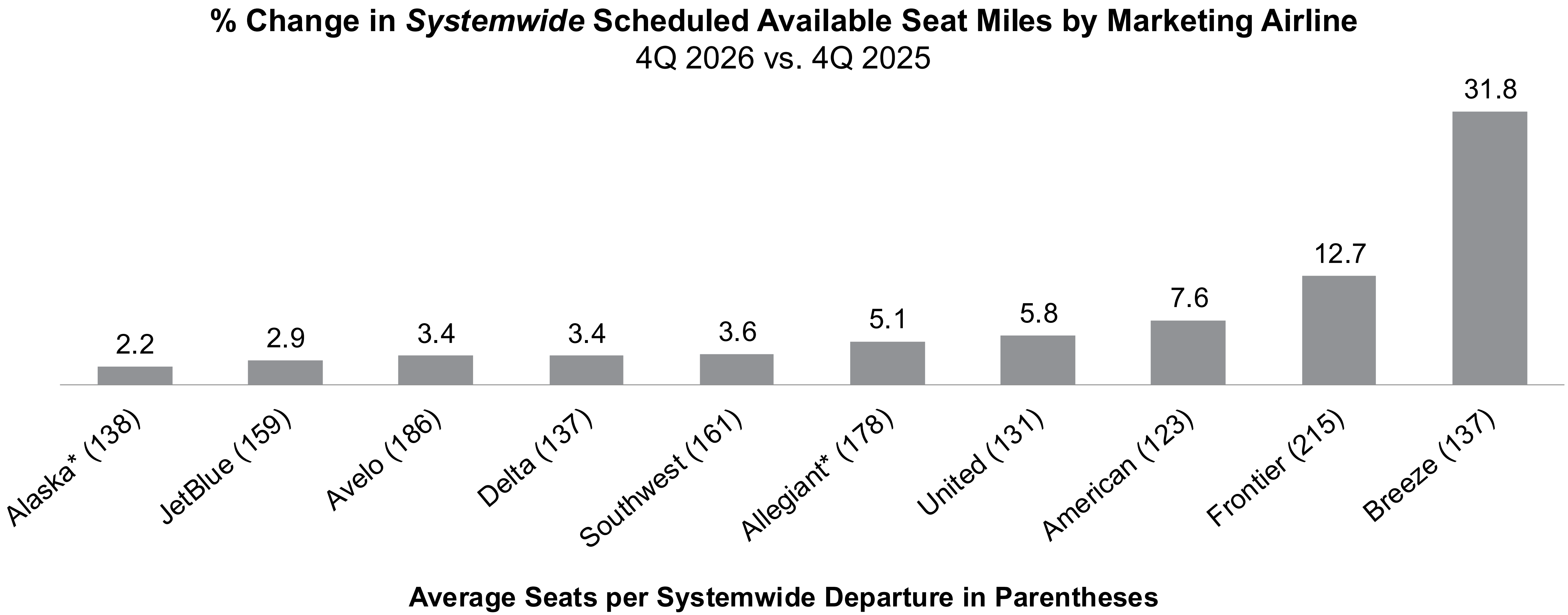


Source: Cirium published schedules (Aug. 14, 2026)

* All U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations; DJT includes ops performed under code PBI

4Q 2026: Schedules Show Breeze and Frontier Adding the Most Systemwide Capacity

Followed by American and United



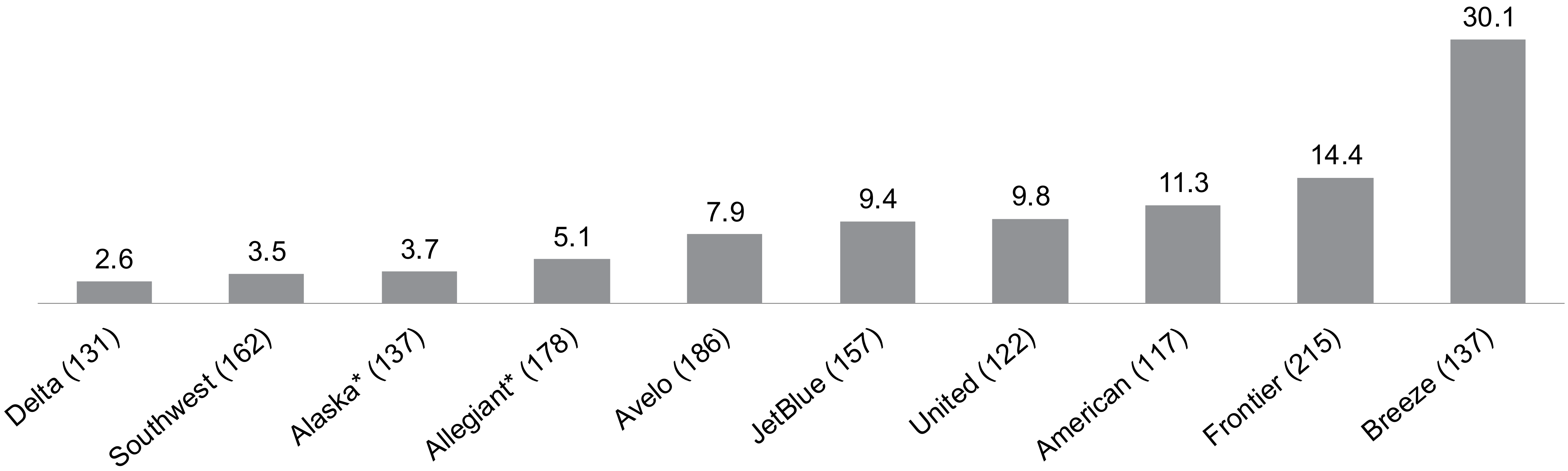
Source: Cirium published schedules (Aug. 14, 2026) for selected marketing airlines (including regional affiliates)

* Alaska includes Hawaiian operations; Allegiant includes Sun Country operations

4Q 2026: Schedules Show Breeze and Frontier Adding the Most Domestic U.S. Capacity

Followed by American and United

% Change in *Domestic* Scheduled Available Seat Miles by Marketing Airline
4Q 2026 vs. 4Q 2025



Average Seats per Domestic Departure in Parentheses

Source: Cirium published schedules (Aug. 14, 2026) for selected marketing airlines (including regional affiliates)

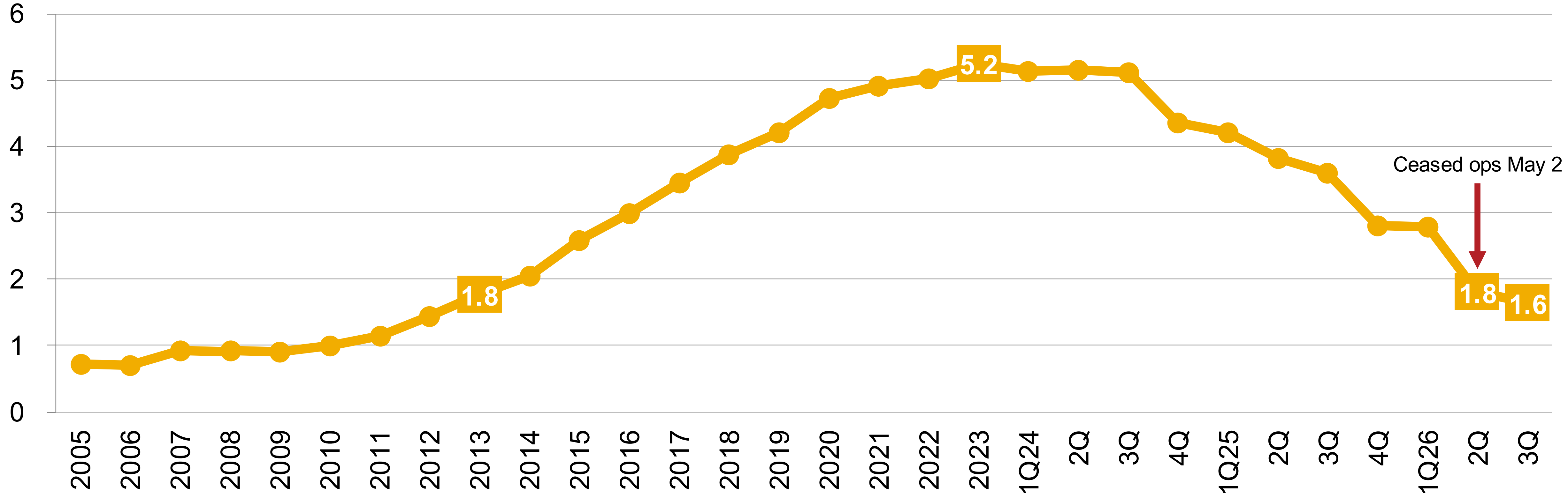
* Alaska includes Hawaiian operations; Allegiant includes Sun Country operations

At the Time of Its Cessation, Spirit Airlines Constituted Just 1.8% of Domestic U.S. Capacity

2Q Market Share Had Already Retreated to 2013 Levels and Was Poised to Shrink Further

"The airline intends to further rightsize its fleet to 76-80 planes by third quarter 2026..." (Spirit Airlines, March 13, 2026)

Spirit's Share (%) of Domestic U.S. Capacity (Scheduled Available Seat Miles)



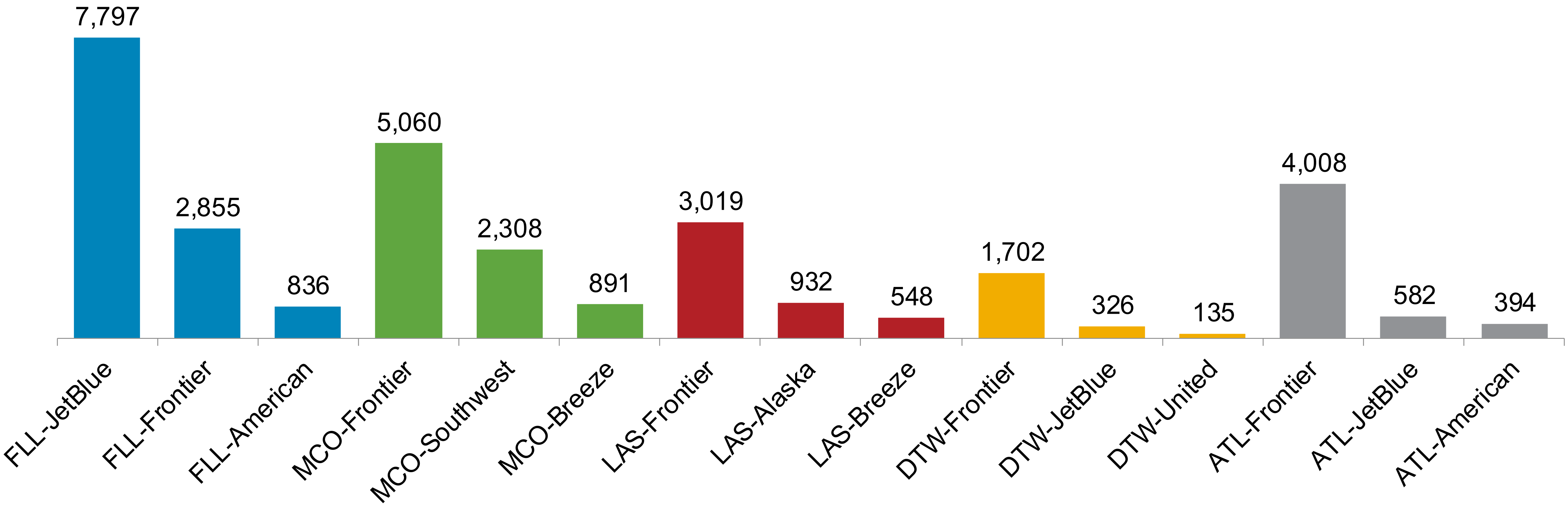
Source: Cirium published schedules (May 1, 2026)

Frontier and JetBlue Moved Quickly to Add Seats at Spirit's Largest Locations

Substantial Competitive Additions in Fort Lauderdale, Orlando, Las Vegas, Detroit and Atlanta

Top-Growing Airlines by YOY Daily Scheduled Seats in July 2026 at Spirit's Largest Locations

Based on Spirit's Top Five Airports (by Scheduled Seats) in July 2025

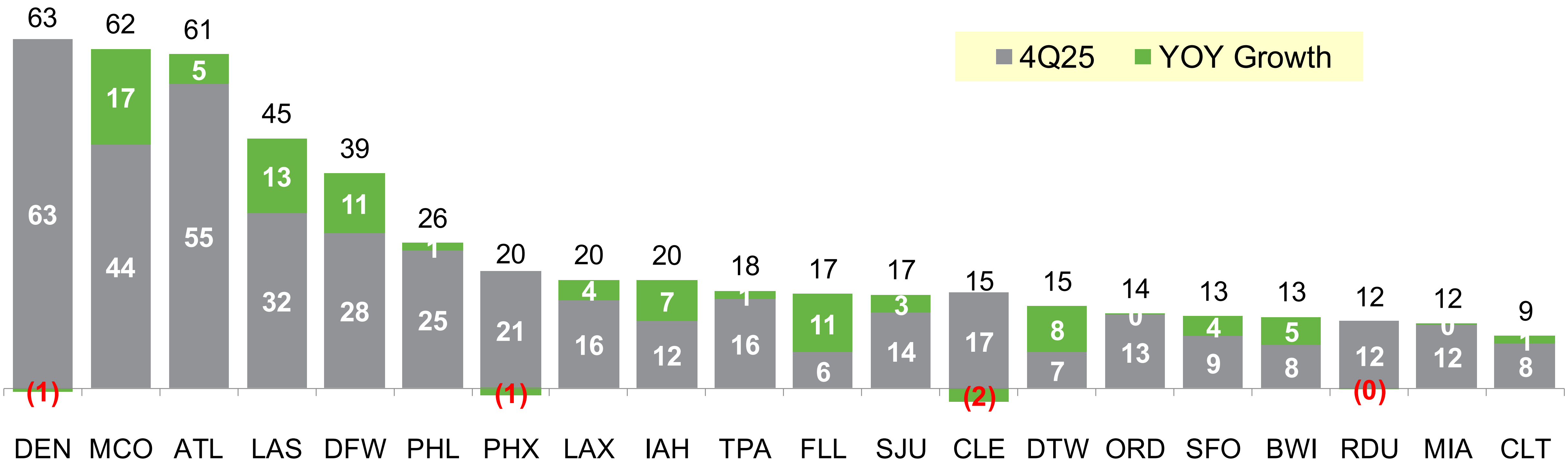


Source: Cirium published schedules (July 24, 2026)

In Spirit's Absence, Frontier Is Growing Materially in Numerous Markets

Double-Digit Departure Growth YOY at MCO (17), LAS (13), DFW/FLL (11)

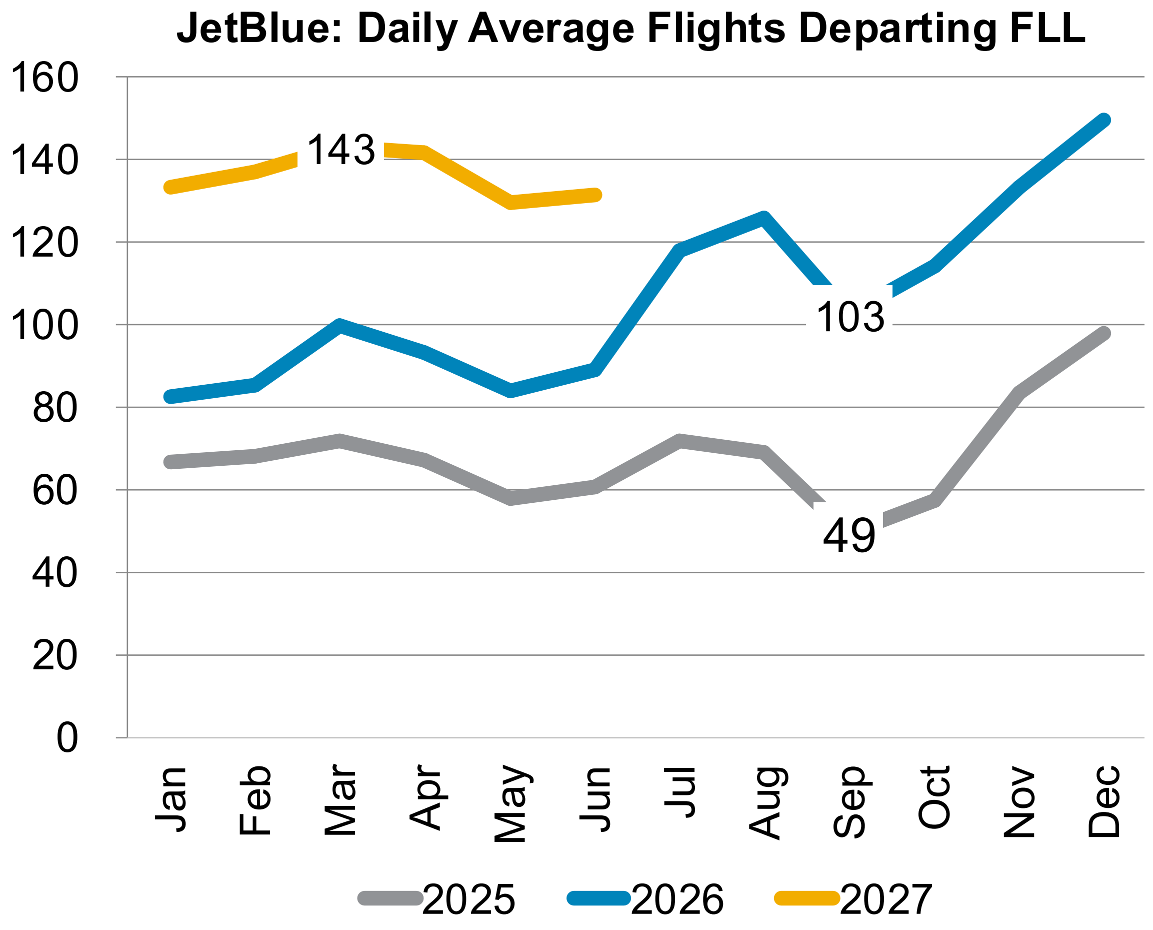
Frontier's Largest Airports by Daily Average Scheduled Flights in 4Q 2026



Source: Cirium published schedules (Aug. 14, 2026)

JetBlue Is Accelerating Its Growth in Fort Lauderdale

Spirit's Cessation Has Created Additional Opportunities to Bolster Position in South Florida



"**JetBlue** Airways is already the biggest airline in Fort Lauderdale, Florida, and it **wants to get even bigger**… Capitalizing on growth at the Broward County airport is key for JetBlue as it revamps its network… JetBlue says it's **planning for even more growth as additional gates become available after Spirit's demise**."

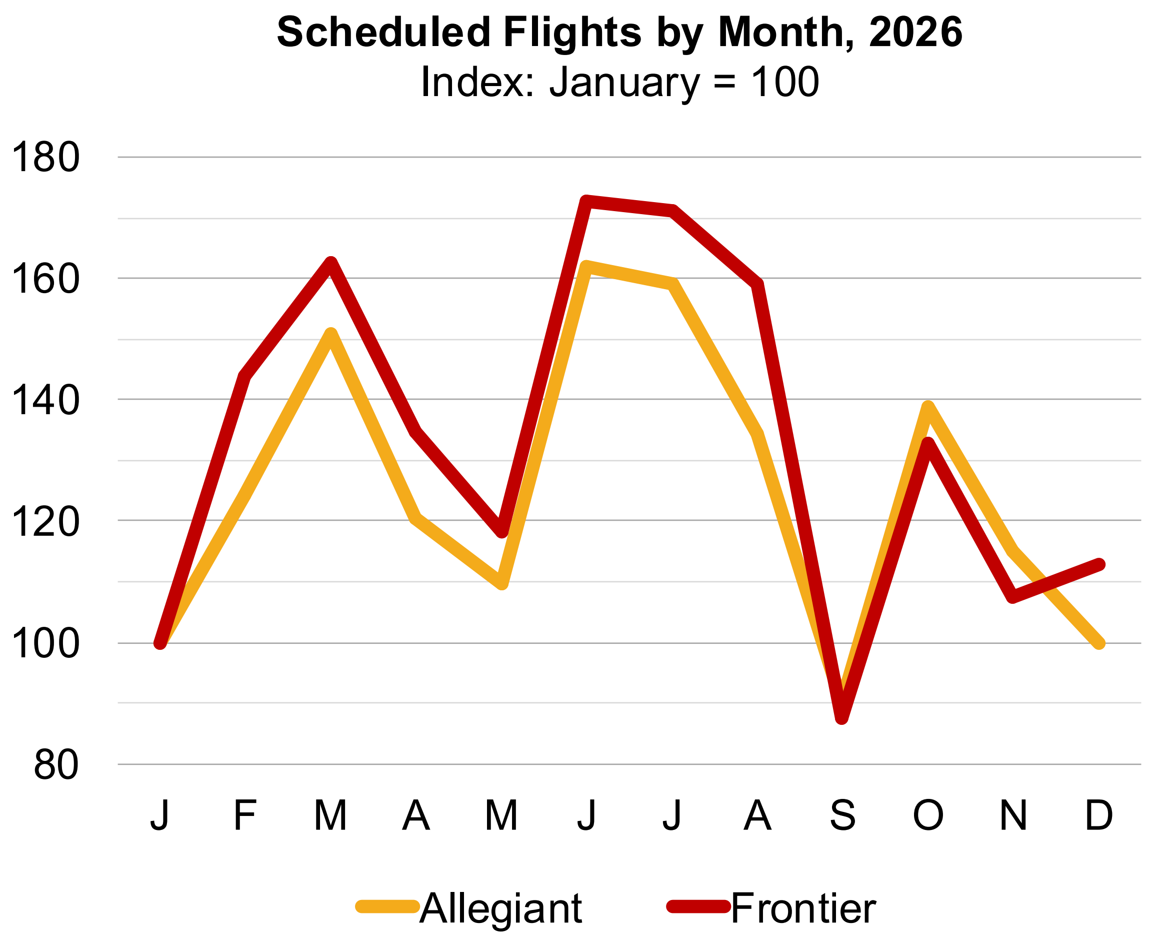
Leslie Josephs, CNBC, "JetBlue bets big on Fort Lauderdale, from a new airport lounge to an international gateway" (June 14, 2026)

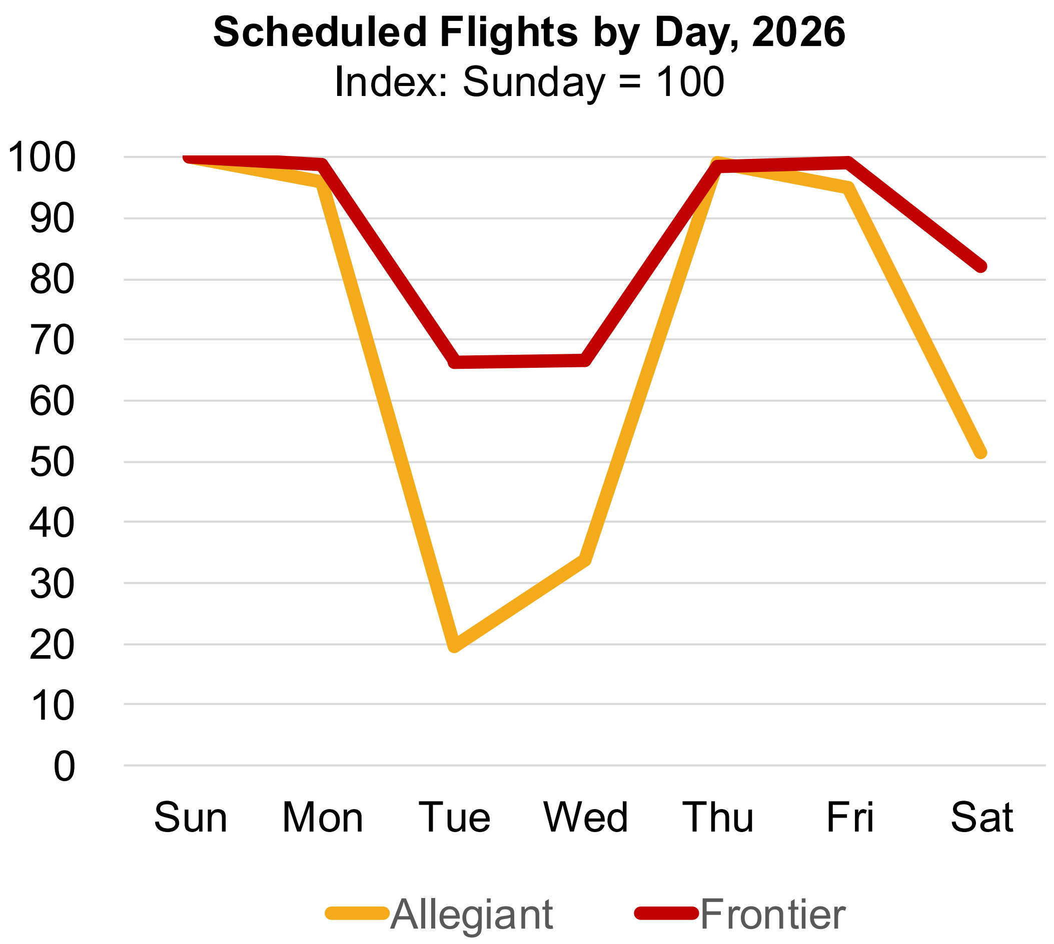
"**We're in a very competitive marketplace**, and the ability to take a market like South Florida, which is a very big metro area with a great combination of leisure, business, and VFR demand, and **to be an unequivocal No. 1 in that part of South Florida, I think is an incredible opportunity for us**."

JetBlue President Marty St. George, interview with The Airline Observer (June 25, 2026)

Source: Cirium published schedules (Aug. 14, 2026) and https://www.cnbc.com/2026/06/14/jetblue-fort-lauderdale-airport.html

Both Allegiant and Frontier Publish Schedules With Significant Seasonal Variation, But Allegiant Is Much More Aggressive in Adjusting Its Departures by Day of Week

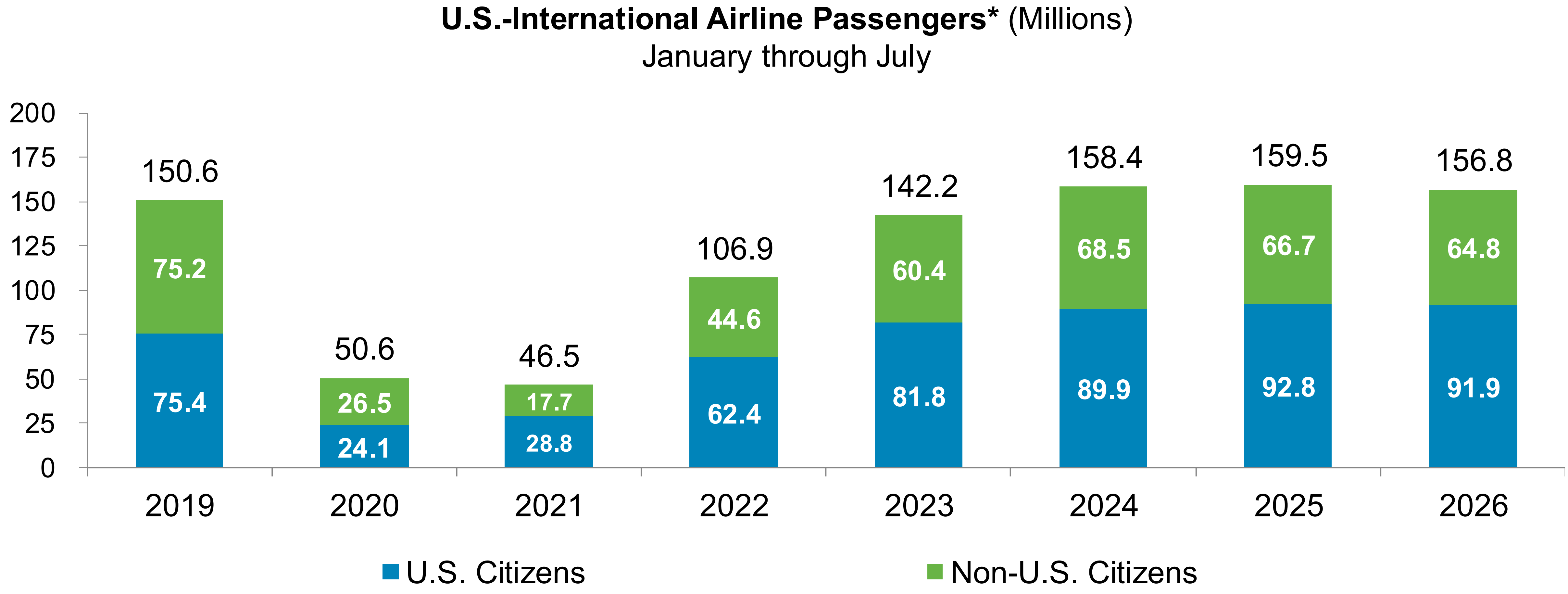




Source: Cirium published schedules (July 31, 2026)

U.S.-International Air Passengers Subsided 1.7% in the First Seven Months of 2026

U.S. Citizen Volumes Down 0.9%, Non-U.S. Citizen Passengers Down 2.8%



Source: DHS I-92 / APIS data compiled by U.S. Department of Commerce National Travel and Tourism Office

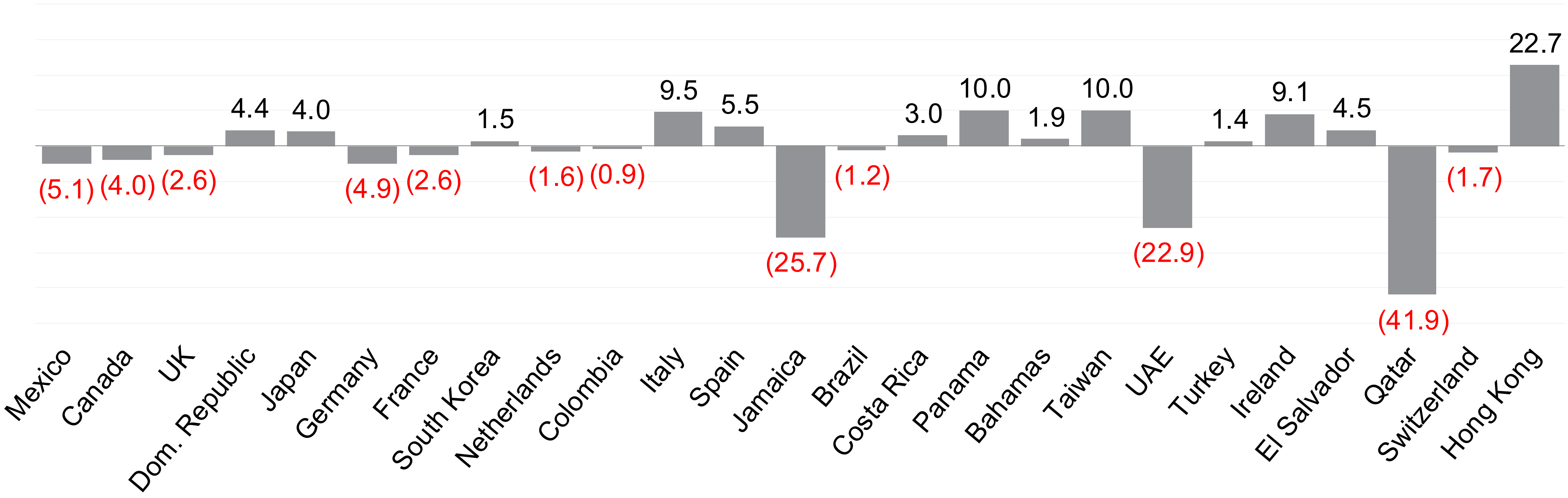
* Gateway-to-gateway passengers on U.S. and foreign scheduled and charter airlines

In Jan-Jul 2026, The Three Largest Gateway-to-Gateway Markets Saw Fewer Passengers YOY

But Nonstop Volumes Between U.S.-Dominican Republic/Japan/South Korea Rose YOY

Change (%) YOY in Passengers* for Top 25 Gateway-to-Gateway Markets — Jan-Jul 2026

Sorted Left to Right by YTD 2025 Market Size

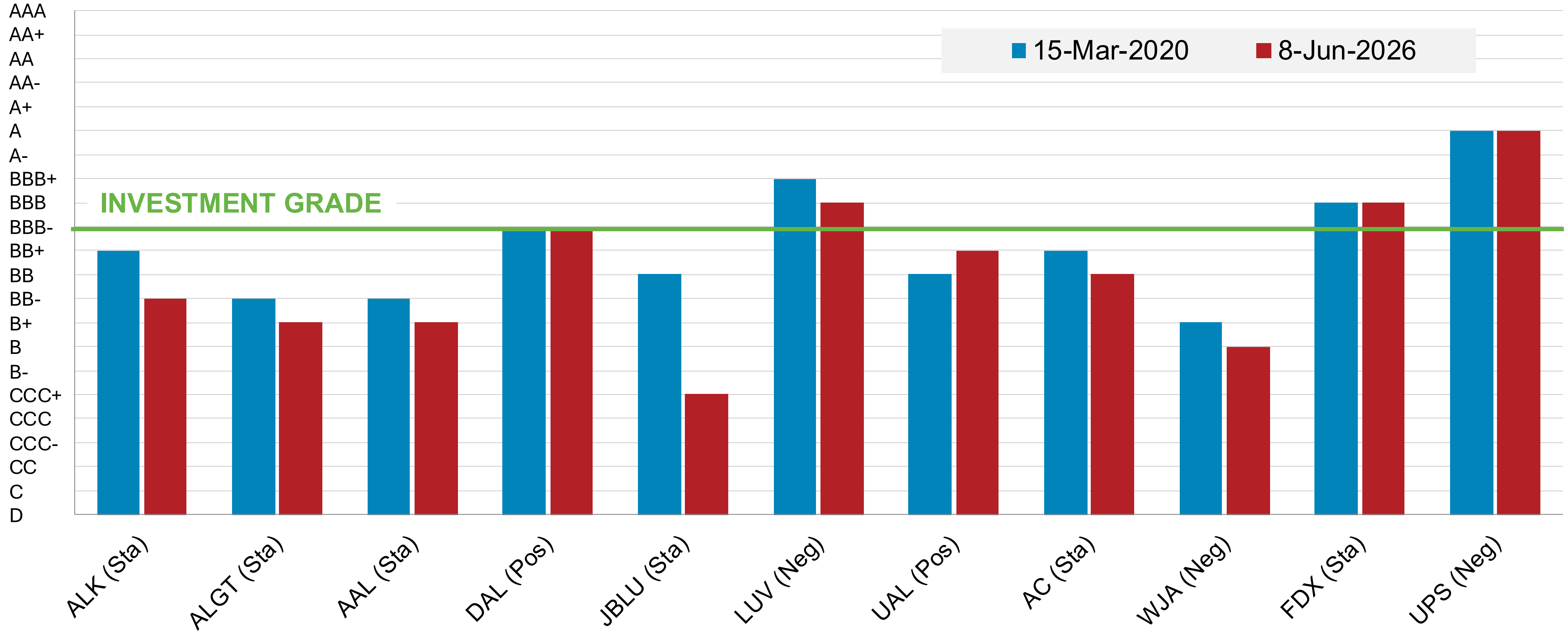


Source: DHS I-92 / APIS data compiled by U.S. Department of Commerce National Travel and Tourism Office

* Gateway-to-gateway passengers on U.S. and foreign scheduled and charter airlines

For Most North American Passenger Airlines, Balance Sheet Quality Remains Depressed

Ratings Reflect Assessment of Financial Condition and Risk



Source: Standard & Poor's issuer ratings and outlook (in parentheses) for publicly traded U.S. and Canadian carriers in the S&P coverage universe

Note: Pos = positive outlook; Neg = negative outlook; Sta = stable

Airline Balance Sheets Continue to Lag Those of Many Fortune 500s and Amtrak

S&P Credit Ratings Reflect Assessment of Financial Condition and Risk for Selected Companies

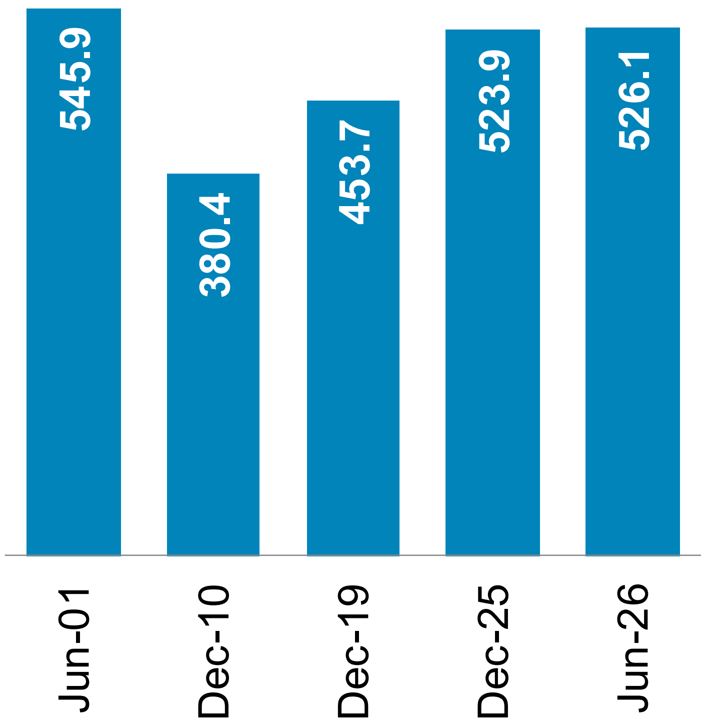
Companies	S&P Rating
J&J, Microsoft	AAA
Google, XOM, Walmart	AA ±
Airbus, Amtrak, BP, GE, Pepsi, Target, Toyota, UPS	A ±
Boeing, British Air, **Delta**, eBay, FedEx, Ford, Marriott, McDonald's, **Southwest**, Starbucks	BBB ±
Investment Grade[1] (above) / **Speculative**[2] (below)	
Air Canada, **Alaska**, Avis, **United**	BB ±
Allegiant, **American**, Hertz, **JetBlue** (CCC+), Sabre, **WestJet**	< = B ±

Source: Standard & Poor's (**bold** = air-only companies) as of May 1, 2026

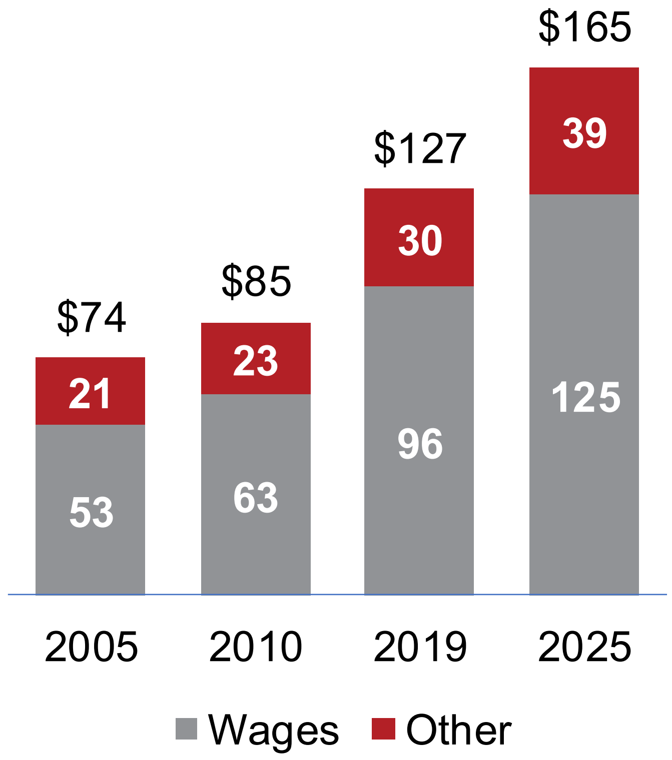
[1] Issuers with relatively high levels of creditworthiness and credit quality
[2] Issuers with ability to repay but facing significant uncertainties, such as adverse business or financial circumstances that could affect credit risk

Firmer Financial Footing Has Enabled Airlines to Reinvest in Employees, Whose Average Wage Rose 100% from 2010-2025 (vs. 48% U.S. CPI) and Who Now Garner 34% of Airline Revenues

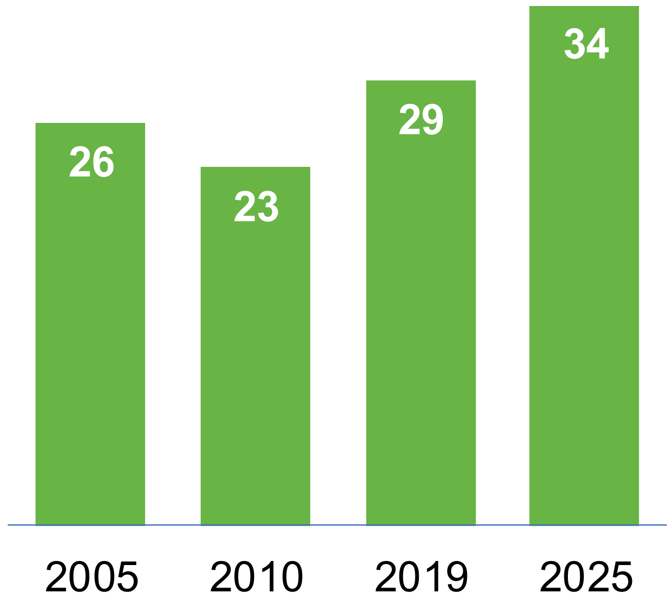
Employees (000 FTEs*)



Average Compensation (000)



Wages and Benefits as % of Operating Revenues

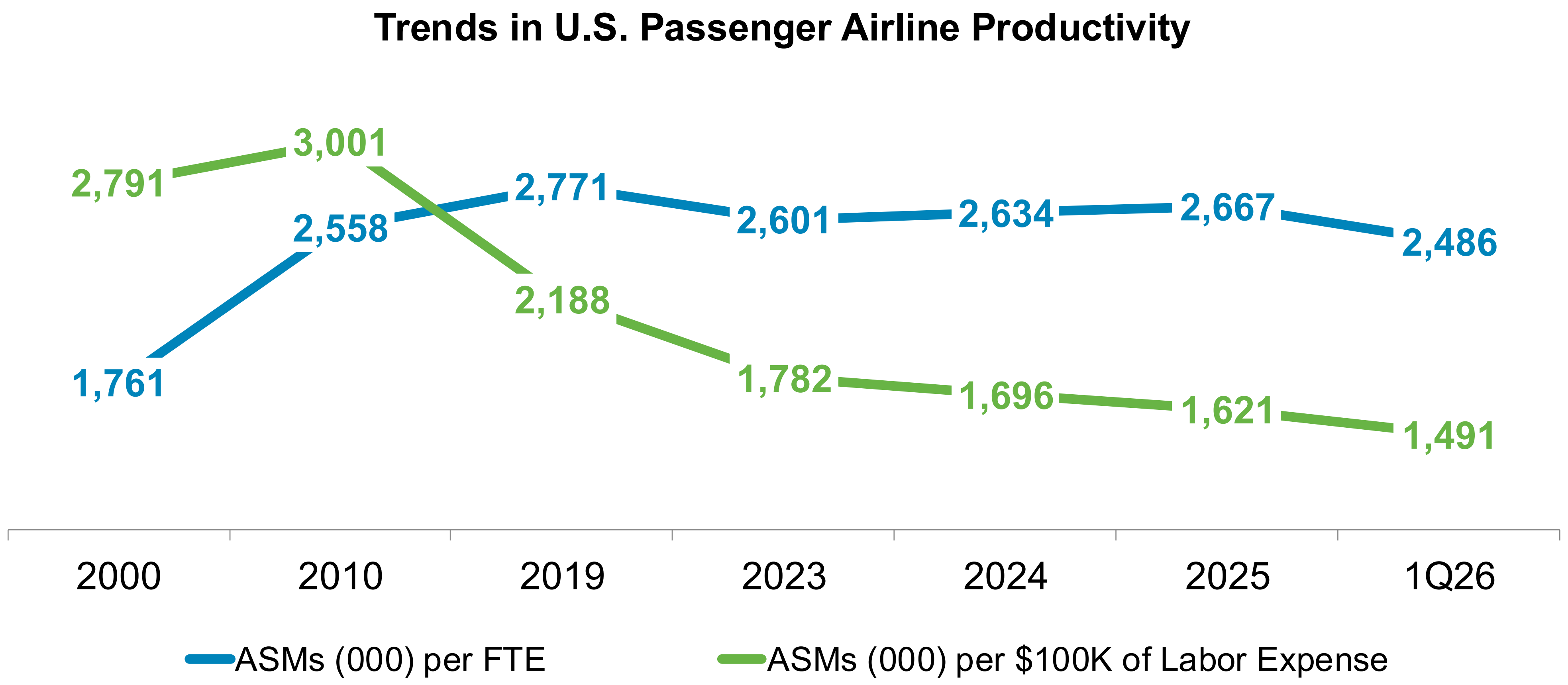


Source: U.S. Bureau of Transportation Statistics for scheduled U.S. passenger airlines and A4A Passenger Airline Cost Index

* Full-time equivalents (FTE) = full-time workers plus 0.5 * part-time workers

U.S. Airline FTE Productivity Rose in 2025, But Labor-Dollar Productivity Was ~25% Below 2019

Greater Labor Expense Needed to Generate Pre-Pandemic Levels of Capacity

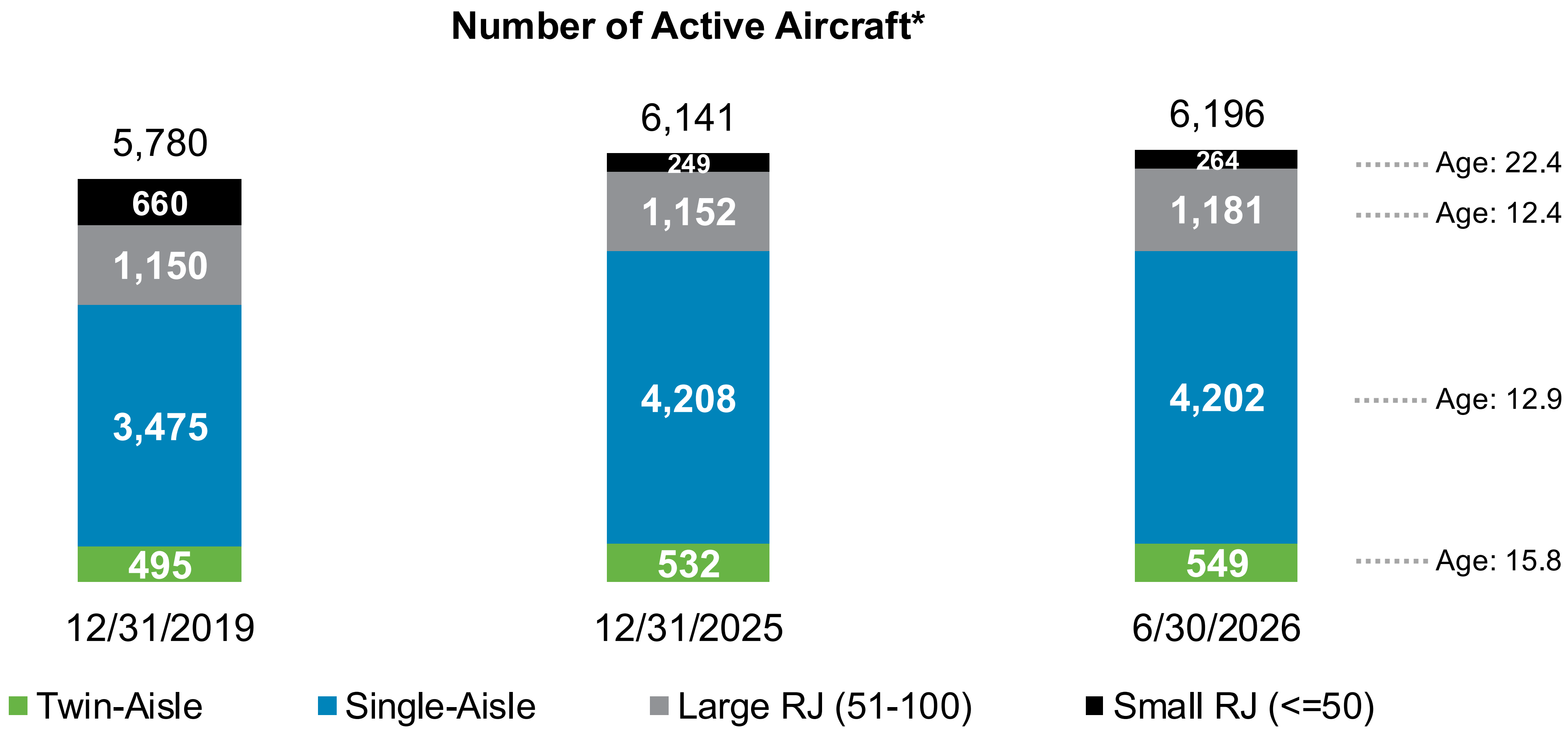


Source: A4A Passenger Airline Cost Index

Note: ASM = available seat mile (basic unit of passenger airline capacity)

U.S. Passenger Airlines Are Operating 20% More Single-Aisle Aircraft Than at Year-End 2019

But the Aging Fleet of *Small* Regional Aircraft Is ~60% Smaller

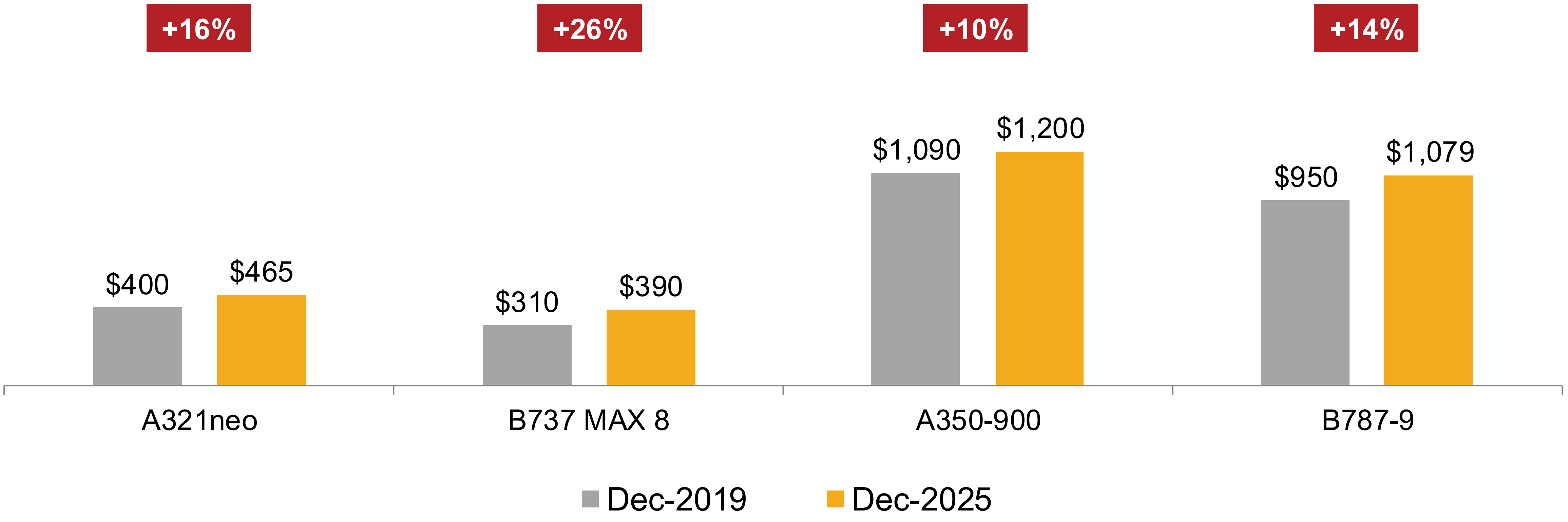


Source: Anuvu (ages as of 6/30/2026)

* Operated by or on behalf of Alaska/Allegiant/American/Avelo/Breeze/Delta/Frontier/Hawaiian/JetBlue/Southwest/Spirit/Sun Country/United in any of the previous seven days

Airplanes Have Gotten Significantly More Expensive, Reflecting Elevated Interest Rates, General Inflation and Supply Chain Tightness, Among Other Factors

Monthly Market Lease Rates (in $000) for New Builds

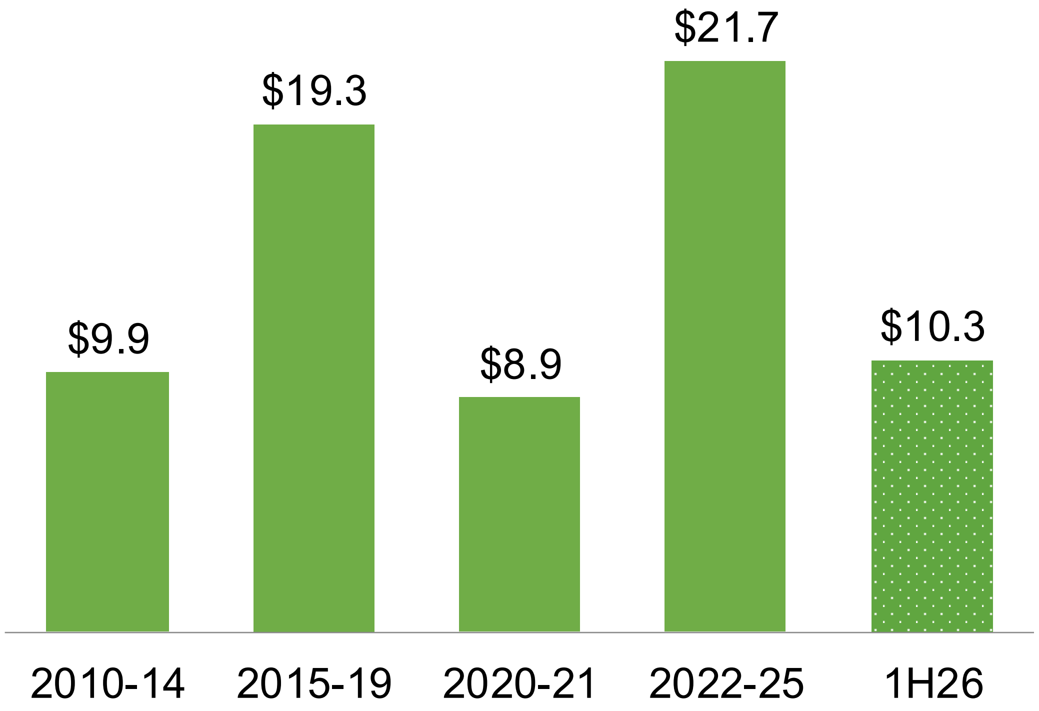


Source: Cirium and Deutsche Bank

U.S. Airlines Are Investing Heavily in Aircraft, Ground Equipment, Facilities and Technology

Financial Recovery Has Enabled Record Rates of Reinvestment, Exceeding $21B Annually

Average Annual Capital Expenditures* (Bils)
U.S. Passenger Airlines

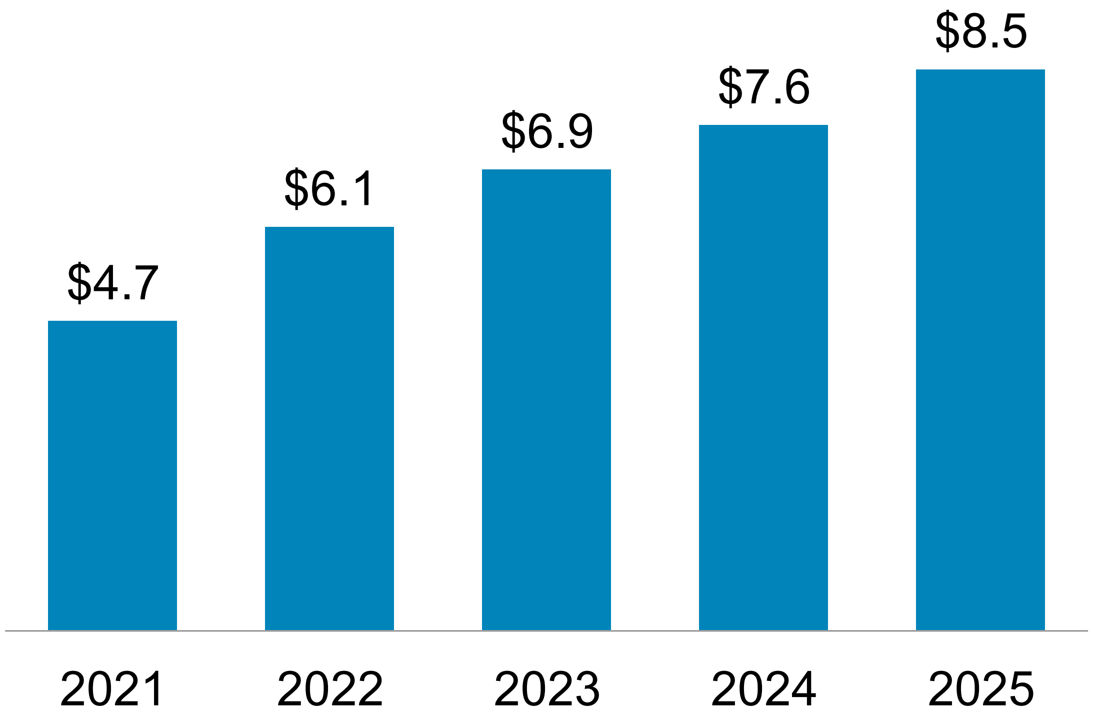


* Includes payments made for aircraft and other flight equipment, ground and other property and equipment (e.g., baggage carts, lavatory trucks, deicing vehicles), airport and other facility construction and technology
Sources: CapEx from SEC filings of Alaska/Hawaiian, Allegiant, American, Delta, Frontier, Hawaiian, JetBlue, Southwest, Spirit, Sun Country, United and predecessors plus Republic/Mesa and SkyWest

U.S. Passenger Airlines Have Steadily Increased IT Expenditures, Reaching ~$8.5B in 2025

Goal: Boost Operational Resiliency/Redundancy/Security and Customer Self-Service Functionality

Annual IT Expenditures* (Billions)
U.S. Passenger Airlines



Making it easier for travelers to:

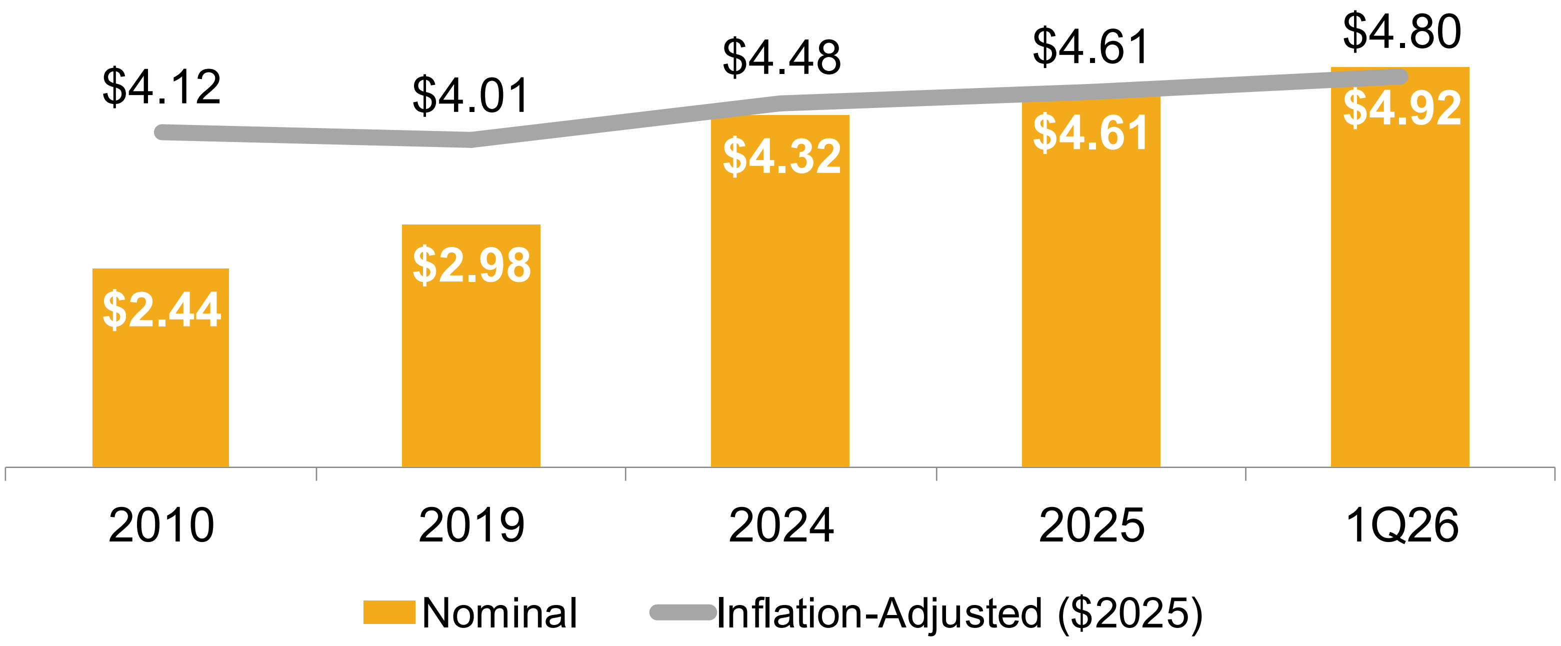
- Shop for tickets
- Modify itineraries
- Check in for flights
- Navigate airports
- Check and/or track bags
- Stay apprised of flight status
- Redeem vouchers/loyalty points

Sources: Alaska/Hawaiian, Allegiant, American, Avelo, Breeze, Delta, Frontier, JetBlue, Southwest, Spirit, Sun Country, United

* IT operating expenses plus capital expenditures, net of depreciation (where available)

U.S. Airlines Have Greatly Increased Spending on Inflight Food and Beverage
Drivers Include the Pursuit of Brand-Loyal and Premium Customers

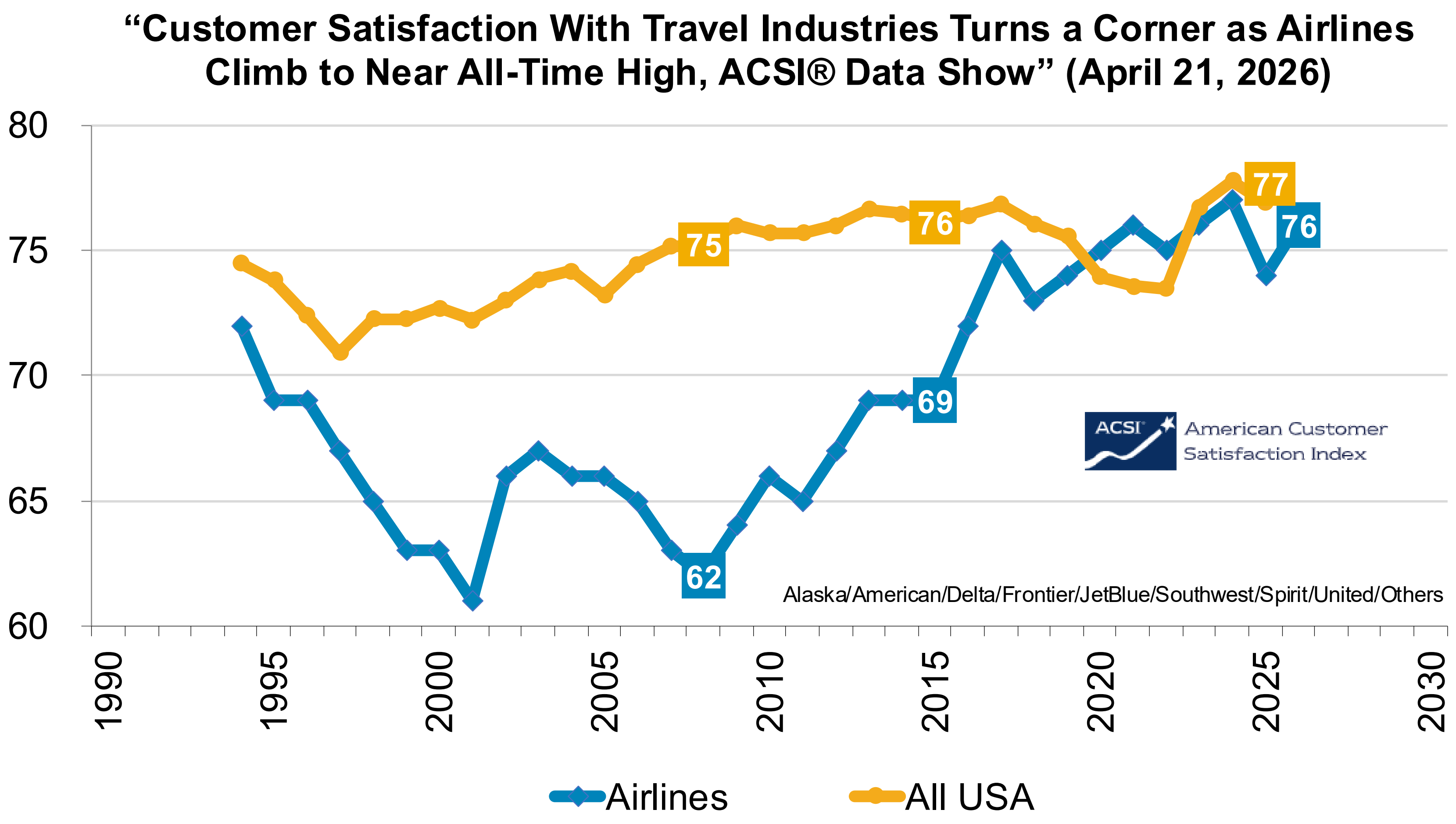
U.S. Airline Food & Beverage Expense
Per Thousand Passenger-Miles Flown



Sources: A4A Passenger Airline Cost Index and Consumer Price Index for All Urban Consumers: Food Away from Home in U.S. City Average (CUUR0000SEFV)

ACSI Airline Customer Satisfaction Index Now at 76, Up From 62 in 2008 and 69 in 2015

In 2026, Airlines Scored 80+ on 15 of the 21 Benchmarks

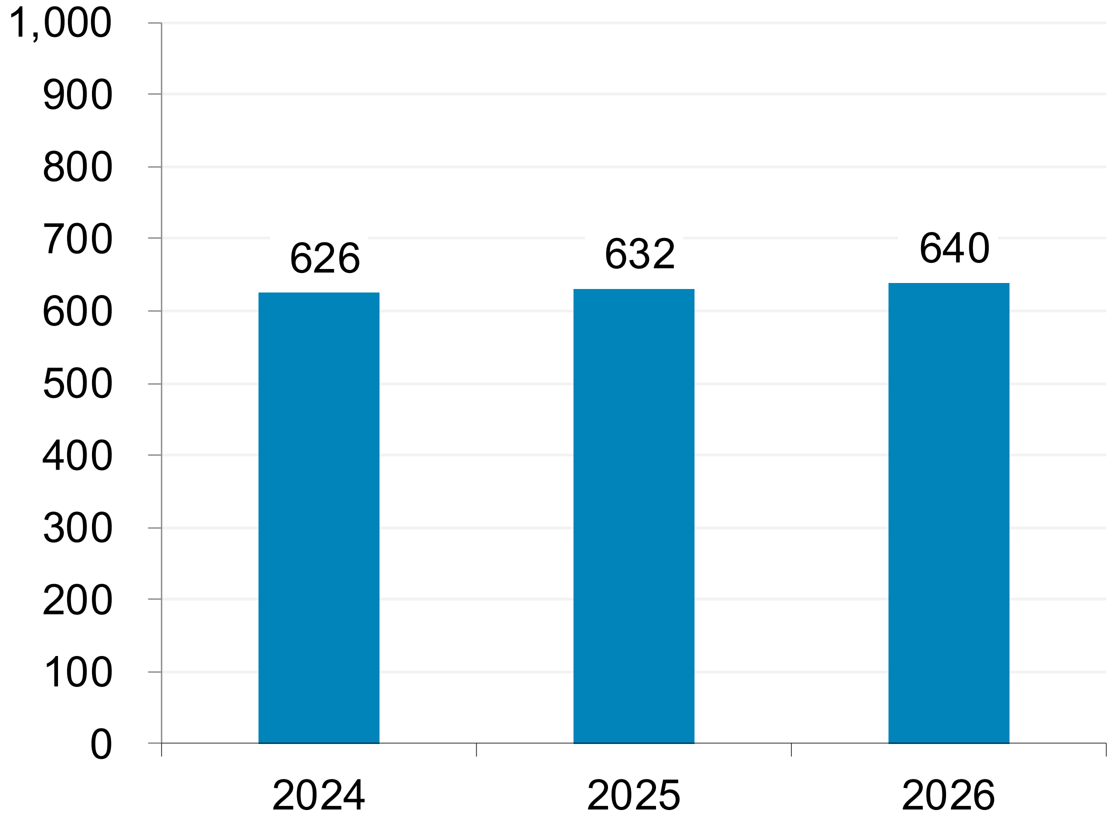


Satisfaction Benchmark	2026
Mobile app reliability	85
Mobile app quality	84
Website satisfaction	84
Ease of making a reservation	84
Ease of check-in process	82
Cleanliness of cabin and lavatory	82
Courtesy/helpfulness of gate staff	82
Courtesy/helpfulness of flight crew	82
Boarding experience	82
Timeliness of arrival	82
Usefulness of flight information	82
Baggage handling	81
Call center satisfaction	81
Loyalty program	81
Range of flight schedules	80
Availability/size of overhead storage	79
Quality of purchased food/beverage	79
Quality of comped food/beverage	79
Quality of in-flight Wi-Fi	79
Quality of in-flight entertainment	78
Seat comfort	76

Source: The American Customer Satisfaction Index (ACSI®), the only national cross-industry measure of customer satisfaction, measures the satisfaction of U.S. household consumers with the quality of products and services offered by firms with significant share in U.S. markets. The ACSI Travel Study 2026 is based on 14,910 completed surveys. Customers were chosen at random and contacted via email between April 2025 and March 2026.

JD Power: North America Airline Customer Satisfaction Rose Eight Points in 2026

"Airlines Deliver Strong Passenger Experience, Despite Industry Challenges, JD Power Finds" (May 6, 2026)



The North America Airline Satisfaction Study measures passenger satisfaction with airline carriers in North America based on performance in **seven core dimensions** on a poor-to-perfect 6-point rating scale. Individual dimensions measured are (in alphabetical order): airline staff; digital tools; ease of travel; level of trust; on-board experience; pre/post-flight experience; and value for price paid. The study measures passenger satisfaction in **three segments**—first/business; premium economy; and economy/basic economy.

Note: JD Power study methodology changed in 2024.

Note: The 2026 study reflected responses from 10,914 passengers who flew on a major North America airline within the past month of completing a survey. The study was fielded from March 2025 through March 2026.

Source: JD Power North America Airline Satisfaction Study℠

Airlines for America®

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