



**Airlines for America<sup>®</sup>**

**We Connect the World**

## **The State of U.S. Commercial Aviation**

Updated April 30, 2025

<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 ~27K  
**flights** per day  
across the globe



Carrying ~2.7M  
**passengers**  
per day to/from  
~80 countries



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



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

\* Headcount as of Dec-2024; other statistics reflect daily average for 2024

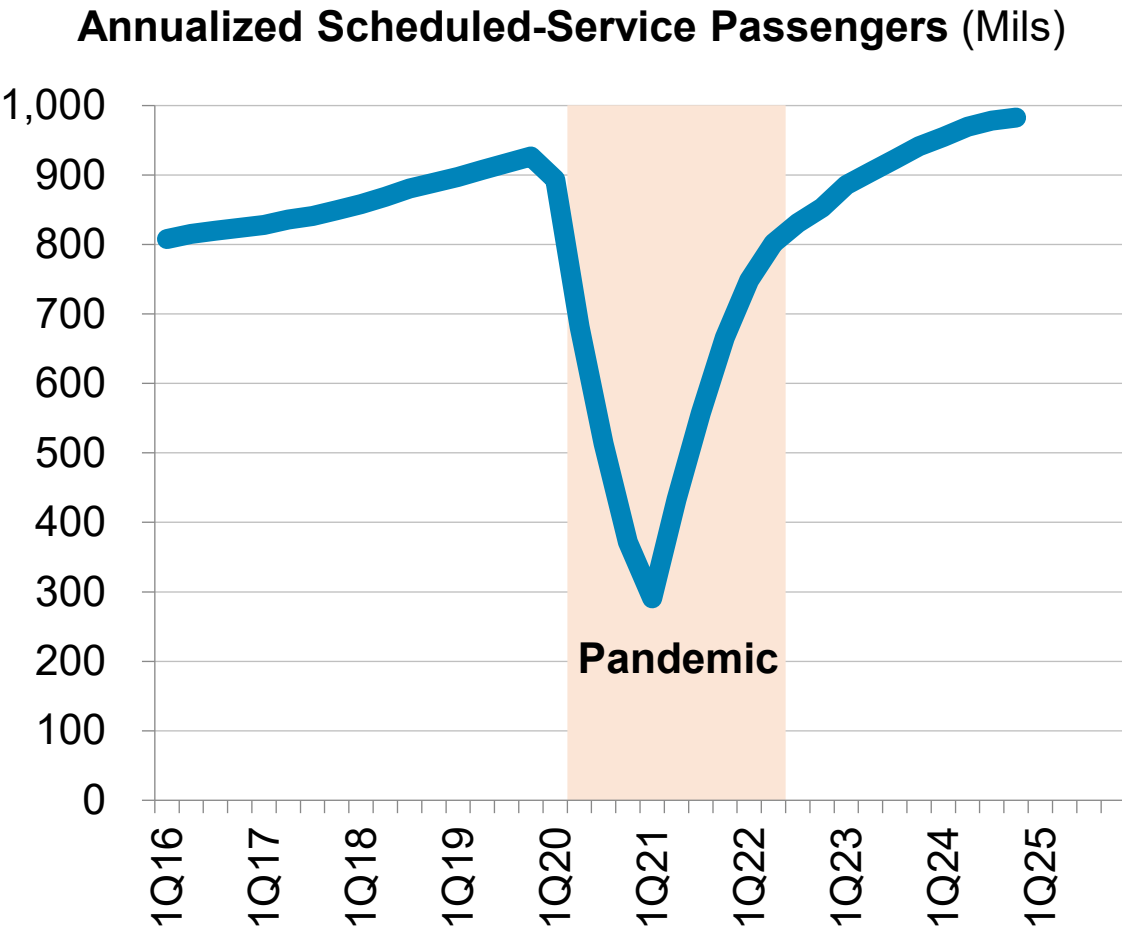
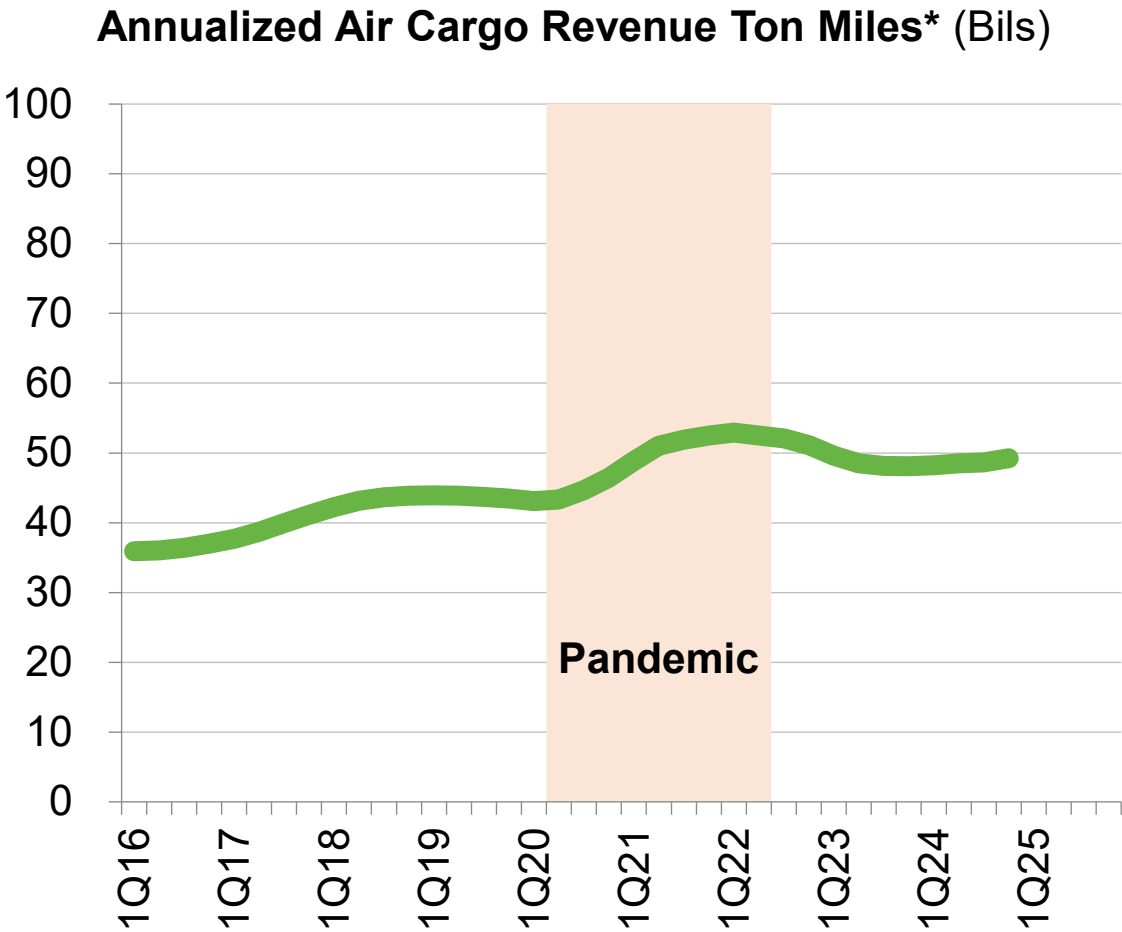
# Key Points

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- » Demand for air travel healthy, but many **airlines are flashing yellow**.
  - » **YOLOism** and the nearly four-fold increase in **hybrid work** have been positive forces.
- » Air cargo demand remains solidly above 2019 levels but is likely to be impacted by trade wars.
- » Airlines of all shapes and sizes continue to retool products and networks to reflect the changing face of demand and to cope with inflation, but **growth rates—and profit margins—differ widely**.
- » ATC issues, aircraft/engine deliveries, labor supply, parts scarcity, MRO bottlenecks and workforce juniority have curbed growth and led airlines to hold onto older equipment to accommodate demand.
- » In large part, airlines have been using **cash flow** to add staff, renew fleets, upgrade ground equipment and IT and retire the massive **debt** accumulated in 2020-2021 to weather the pandemic.
- » Most airlines are pursuing high-margin revenue diversification, earnings durability, equity appreciation and balance sheet fortification.

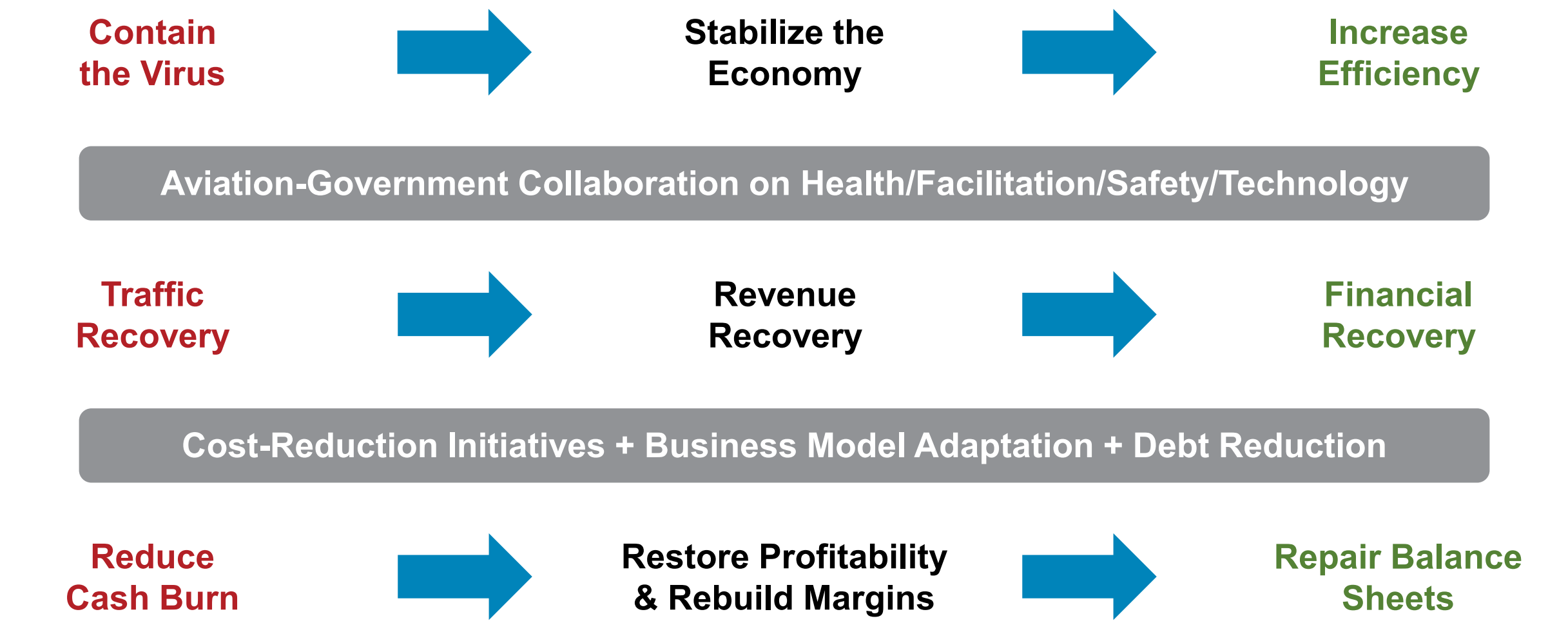
# For U.S. Airlines, Air-Travel and Air-Cargo Demand Exceed Pre-Pandemic Levels

## Air Cargo Stabilized After a Pandemic Surge, Whereas Air Travel Has Continued to Rise in 2023-2024



Source: 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 Are in Stage Three of the Multiyear Recovery From the Pandemic



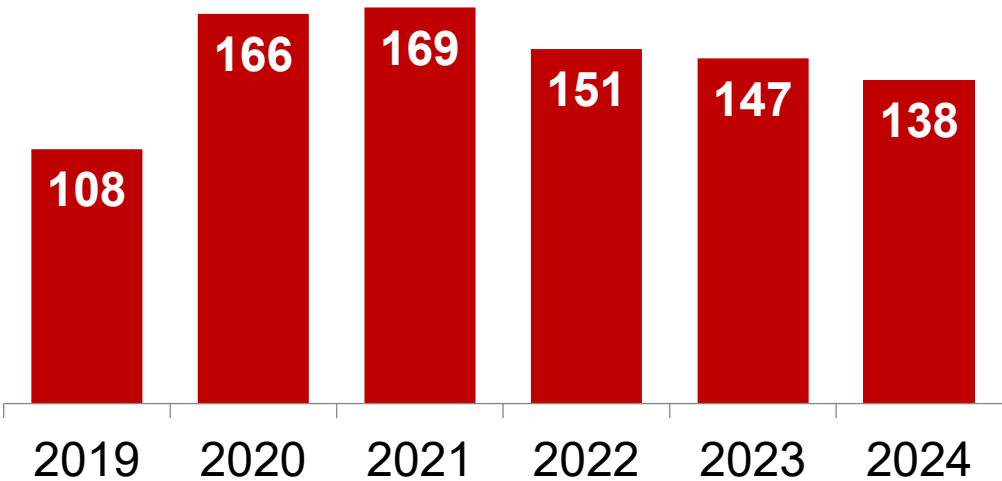
# Airlines Have Prioritized Debt Reduction, Accompanied by Heavy Cash Outlays for Interest

## Debt Levels Fell \$31B From 2021-2024, But Interest Expense Remains Elevated

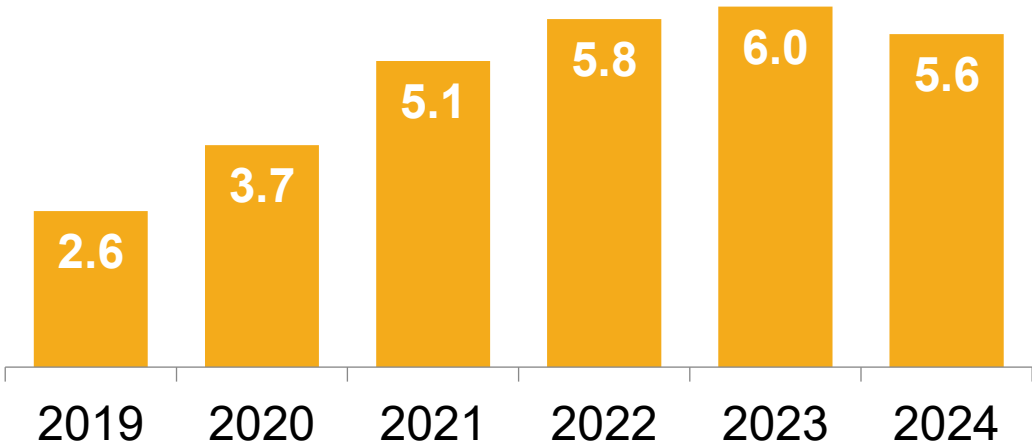
“To suggest that the airlines should have better prepared for this environment seems akin to suggesting Pompeii should have invested more heavily in firefighting technology.” (Jamie Baker, JPMorgan, March 22, 2020)

“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)

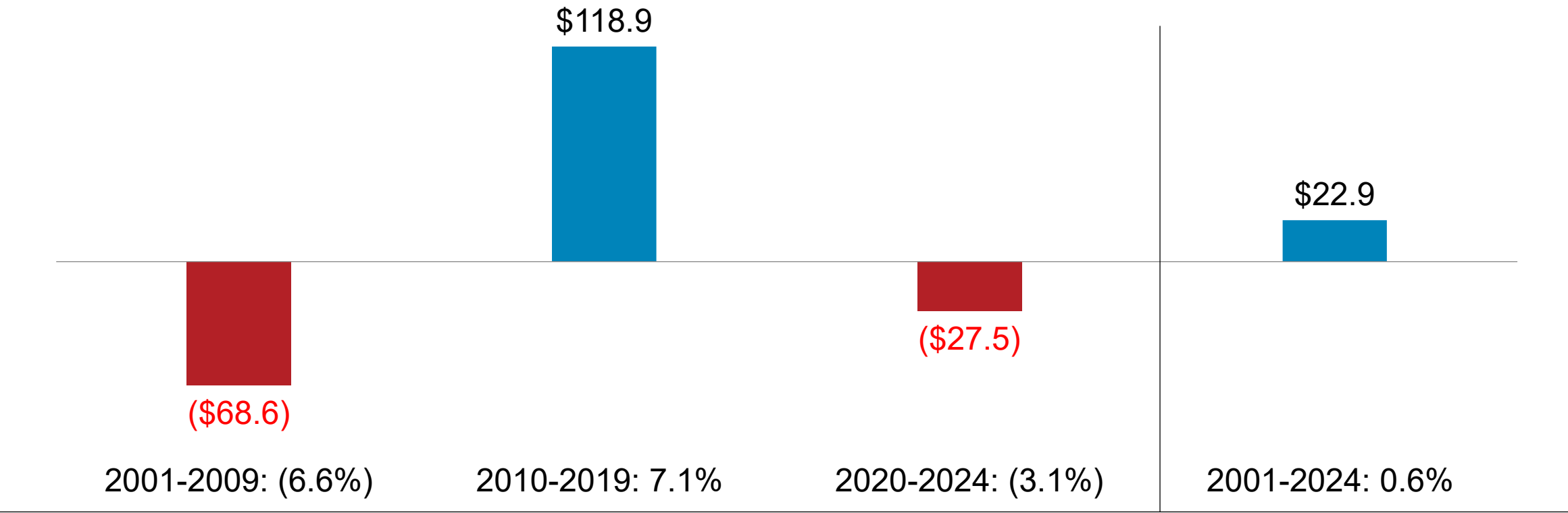


Source: Alaska/Hawaiian, Allegiant, American, Delta, Frontier, JetBlue, Southwest, Spirit, Sun Country and United 10-Ks

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

**From 2001-2024, U.S. Airlines Posted a Razor-Thin 0.6% Pre-Tax Profit Margin**  
**From 2020-2024, \$27.5 Billion in Pre-Tax Losses Translated to a Negative 3% Margin**

**U.S. Passenger Airlines' Pre-Tax Profit/(Loss) in Billions and Profit Margin**



Source: A4A Passenger Airline Cost Index and Bureau of Transportation Statistics

# In 2024, U.S. Passenger Airlines Collectively Posted a Pre-Tax Profit Margin of 3.6%

## Significantly Higher Interest Expense Contributed to a 16% Reduction in Pre-Tax Profits

Financial Results: 2024	\$ Billions	% Chg. YOY	% of Category
Passenger (RPMs +4.7%, yield -1.2%)	210.0	3	89.1
Cargo	4.5	13	1.9
Other <sup>1</sup>	21.2	13	9.0
<b>Total operating revenues</b>	<b>235.7</b>	<b>4</b>	<b>100.0</b>
Salaries, wages and benefits	72.6	7	32.5
Aircraft fuel and taxes (consumption +2.8%, price -7.1%)	50.0	(4)	22.4
Maintenance materials and repairs	12.9	11	5.8
Landing fees and airport (terminal/hangar) rents	14.9	13	6.7
Depreciation and amortization <sup>2</sup>	11.5	8	5.1
Other <sup>3</sup>	61.4	7	27.5
<b>Total operating expenses</b>	<b>223.3</b>	<b>5</b>	<b>100.0</b>
Interest and other non-op expenses, net	(4.0)	56	n/a
<b>Pre-tax profit/(loss)</b>	<b>8.5</b>	<b>(16)</b>	<b>n/a</b>
<b>Pre-tax margin<sup>4</sup></b>	<b>3.6%</b>	<b>(0.9 pts)</b>	<b>n/a</b>

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, payments to regionals, 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

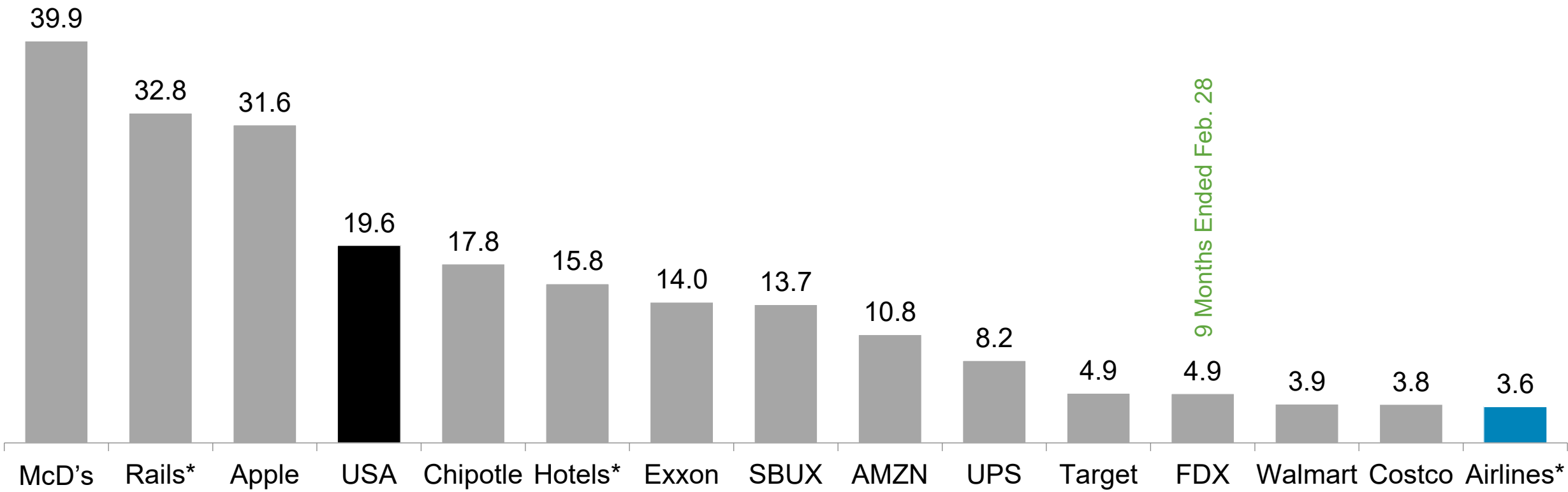


# In 2024, the Average U.S. Corporation Was 5.5 Times More Profitable Than U.S. Airlines

## McDonald's Was 11 Times More Profitable Than Airlines

### Pre-Tax Profit Margin (%) for Selected U.S. Companies and Industries, Fiscal Year 2024

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

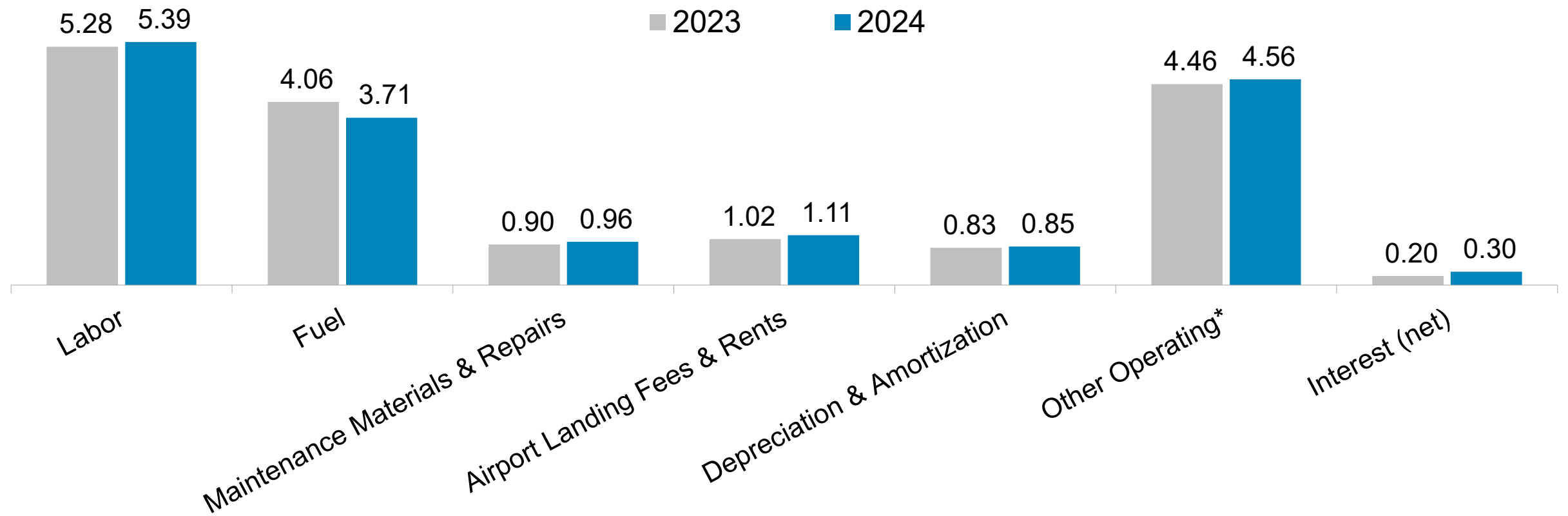


Sources: Bureau of Economic Analysis and SEC filings      \* Airlines = ALK/ALGT/AAL/DAL/ULCC/JBLU/LUV/SAVE/SNCY/UAL; Hotels = Choice/Hilton/Hyatt/Marriott/Wyndham; Rails = CSX/Norfolk Southern/Union Pacific

# In 2024, U.S. Airlines' Pre-Tax Unit Costs Rose 0.7% YOY Despite 8.6% Lower Fuel CASM

Other Than Fuel, All CASM Components Rose From 2023 to 2024

U.S. Passenger Airlines: Cost (in Cents) per Available Seat Mile



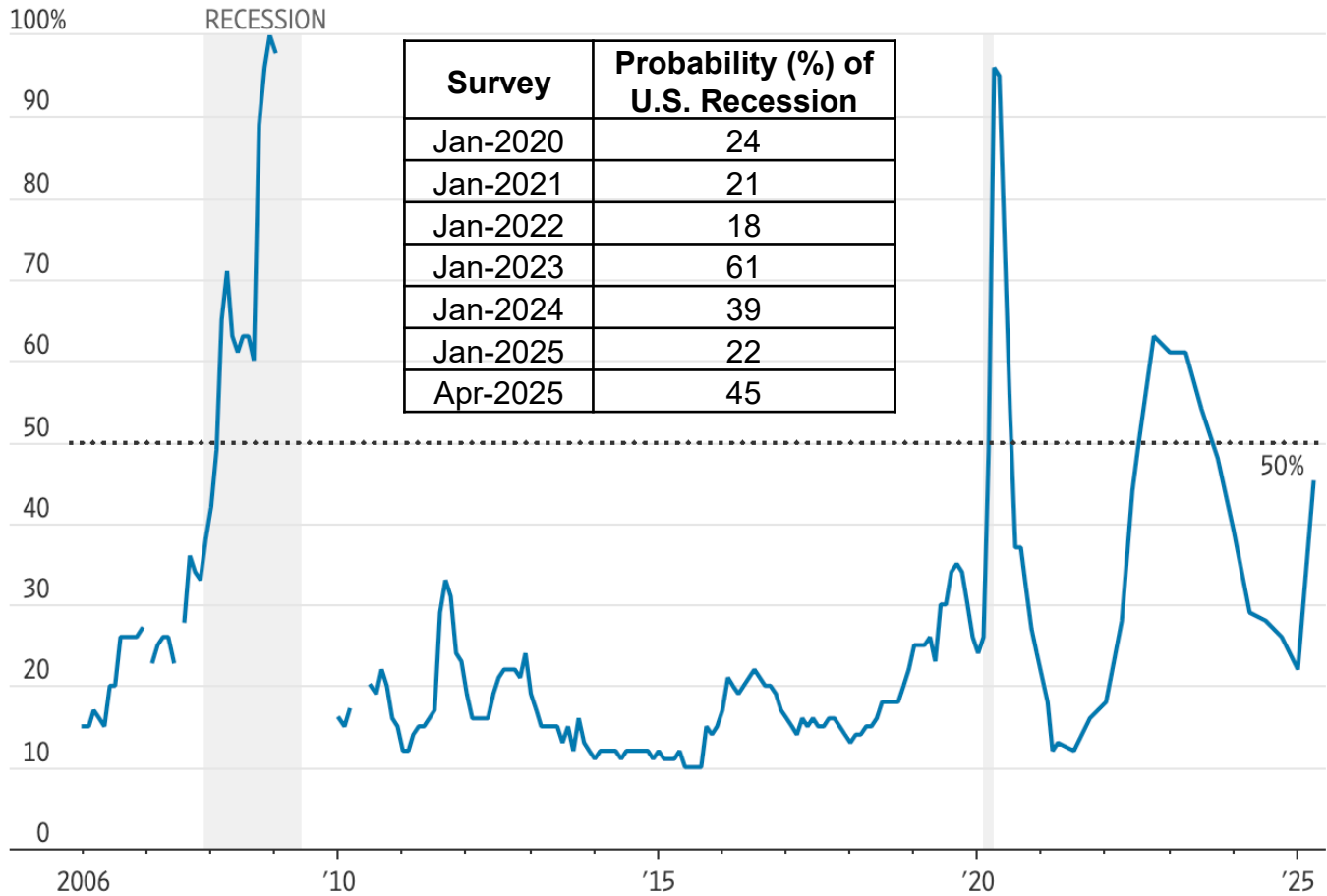
Source: SEC filings of Alaska/Hawaiian, Allegiant, American, Delta, Frontier, JetBlue, Southwest, Spirit, Sun Country and United

\* Professional fees, food/beverage, insurance, commissions, GDS fees, communications, advertising, utilities, office supplies, crew hotels, payments to regional carriers, etc.

# Versus January, Economists Now Deem U.S. Recession Within Next 12 Months Twice as Likely

## Probability Doubled From 22% to 45%

Probability the U.S. is in a recession in next 12 months including today



**Jan-2023** — *Economists...Still See Recession This Year Despite Easing Inflation*

**Jan-2024** — *It Won't Be a Recession—It Will Just Feel Like One*

**Jan-2025** — *Trump's Return Nudges Economists' Inflation Outlook Higher*

**Apr-2025** — *Economic Outlook Dives Just Three Months Into Trump's Term*

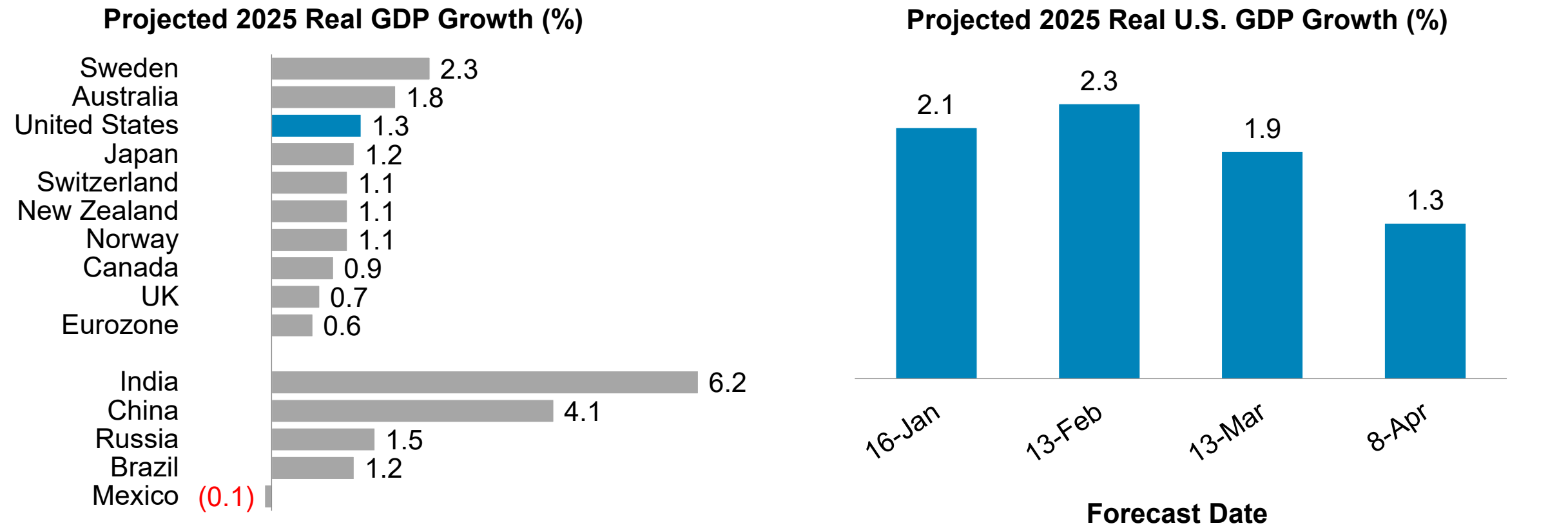
**“Economists expect U.S. gross domestic product after inflation to expand just 0.8% in the fourth quarter from a year earlier, according to the survey’s average estimate. That is down from a forecast of 2% GDP growth in January. If accurate, it would make this year the economy’s worst since 2020...”**

Source: The Wall Street Journal Economic Forecasting Survey and “Economic Outlook Dives Just Three Months Into Trump’s Term,” *The Wall Street Journal* (April 12, 2025)

# Most Advanced Economies Are Expected to Grow Less Than 2% in 2025

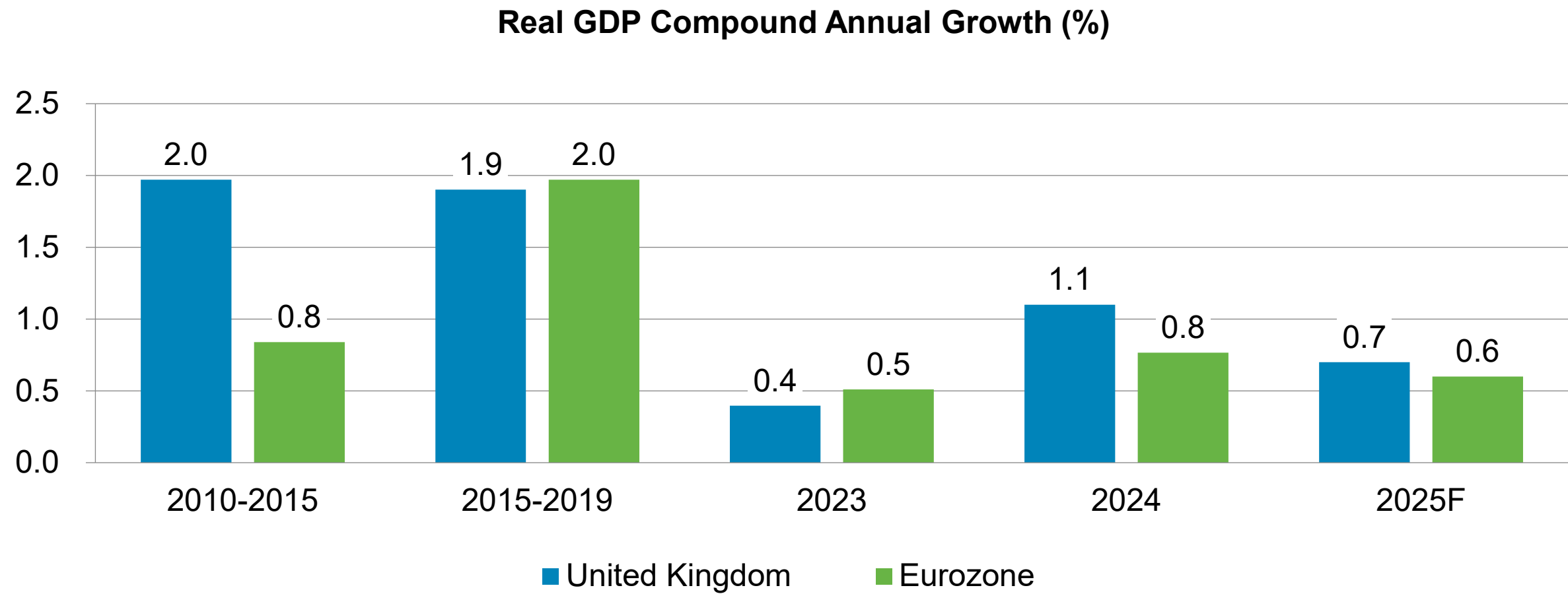
## U.S. Expected to Grow Just 1.3%; Eurozone/UK/Canada to Grow Sub 1%; Mexico to Contract

“This marked acceleration in consumer prices under the tariff scenario leads to weakness in real disposable income, **which causes sequential growth in real consumer spending to turn negative**. Business fixed investment spending also declines. Consequently, **real GDP growth turns negative later this year.**”



Source: Wells Fargo 2025 International Economic Outlook (April 8, 2025)

# In 2025, Europe's Economy Is Expected to Grow Less Than 1% Substantially Below Annual Growth Rates Experienced in 2015-2019

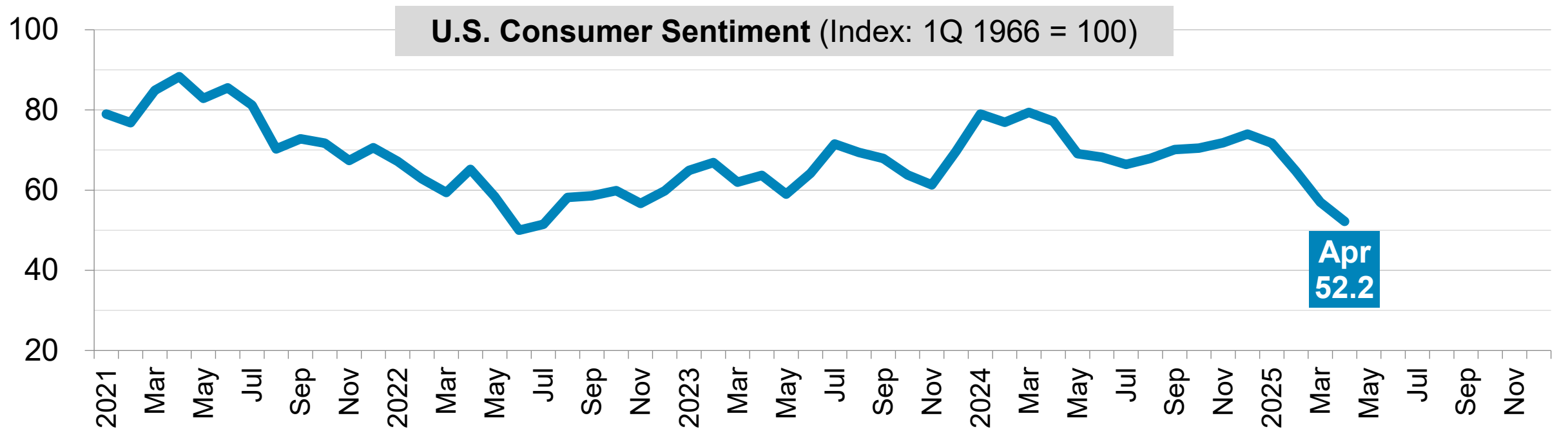


Source: Historical rates from UK Office of National Statistics and Eurostat (via Federal Reserve Bank of St. Louis); forecast from Wells Fargo 2025 International Economic Outlook (April 8, 2025)

# In April, U.S. Consumer Sentiment Fell to Lowest Level Since July 2022

Next Reading: May 16

“Consumer sentiment fell for the fourth straight month... Expectations have fallen a precipitous 32% since January, **the steepest three-month percentage decline seen since the 1990 recession... Consumers perceived risks to multiple aspects of the economy**, in large part due to ongoing uncertainty around trade policy and the potential for a resurgence of inflation looming ahead.” (Director Joanne Hsu, April 25, 2025)



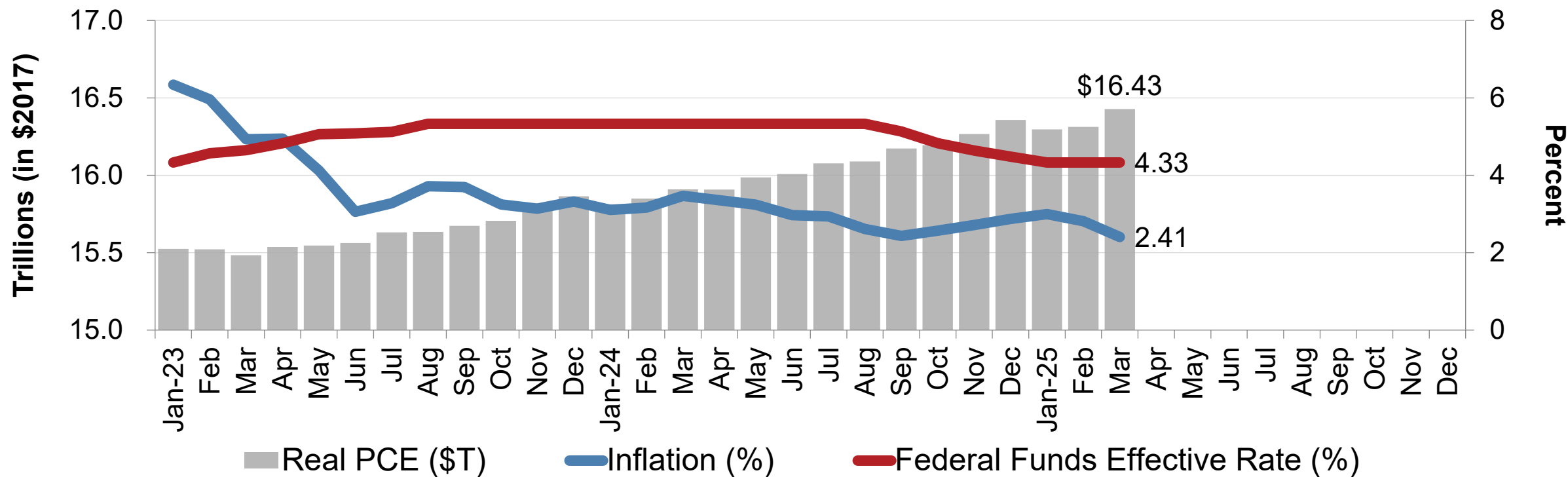
Sources: University of Michigan

# In March, Inflation-Adjusted Consumer Spending Reached an All-Time High

## Spending Surged Ahead of Expectations Regarding Tariffs, Inflation

“U.S. consumer spending increased solidly in March as **households boosted purchases of motor vehicles to avoid higher prices and shortages due to tariffs, but that did little to change economists' views that the economy had shifted into lower gear...** Consumers’ **one-year inflation expectations have jumped to levels last seen in 1981.**”

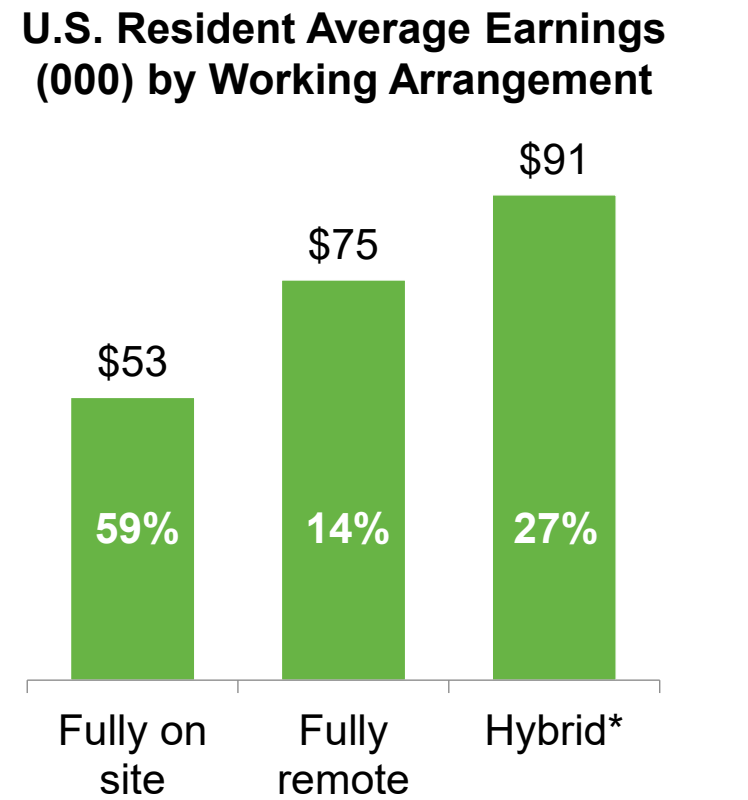
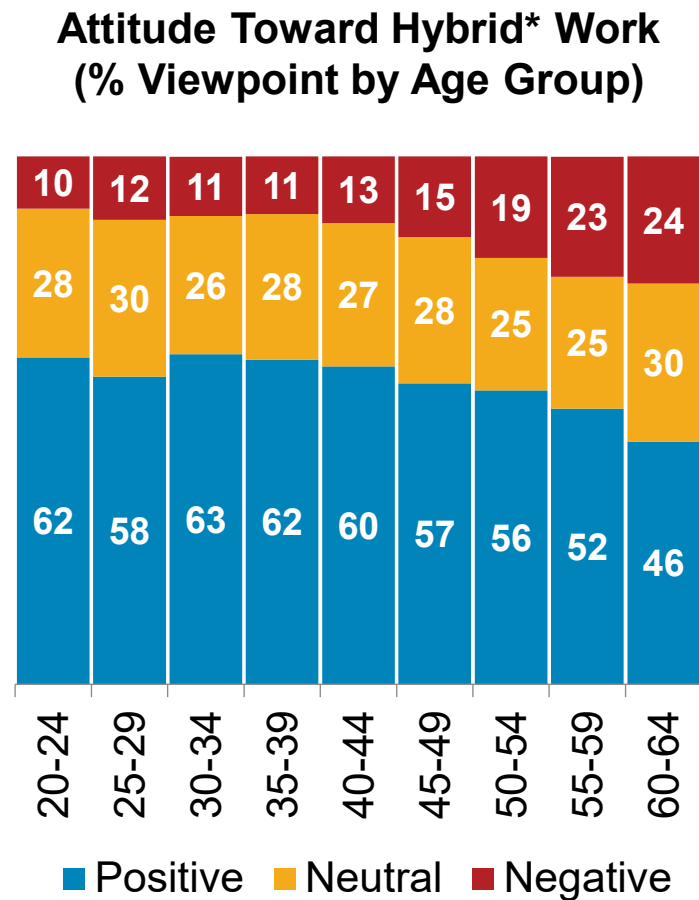
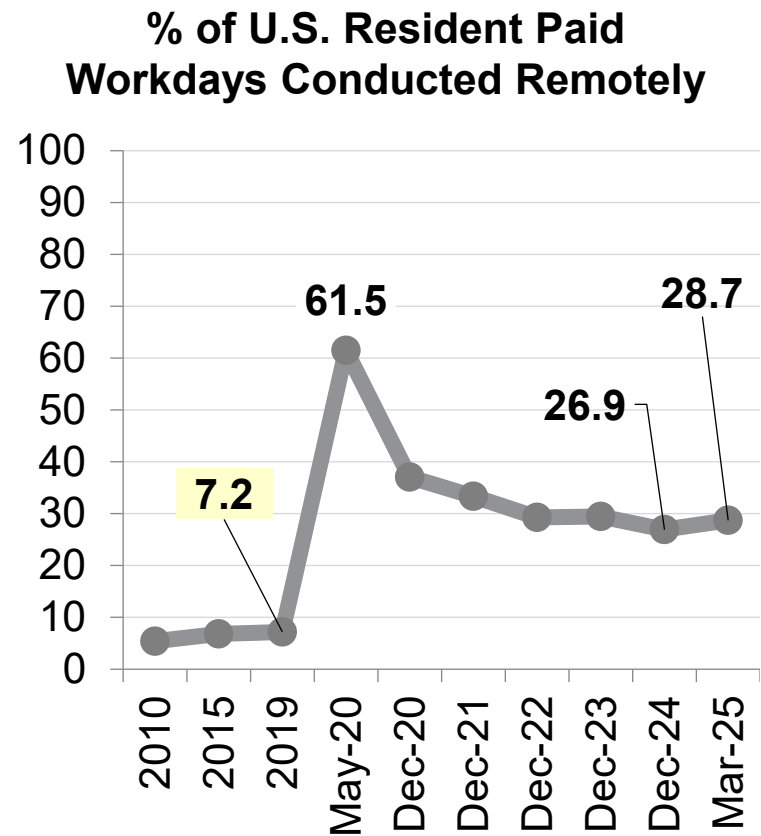
—Lucia Mutikani, Reuters (April 30, 2025)



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

# Share of Remote Work Remains Well Above 2019; Preference for Hybrid Work Persists

## Younger Workers Are Most Enthusiastic About Hybrid Work, Which Commands Greater Earnings



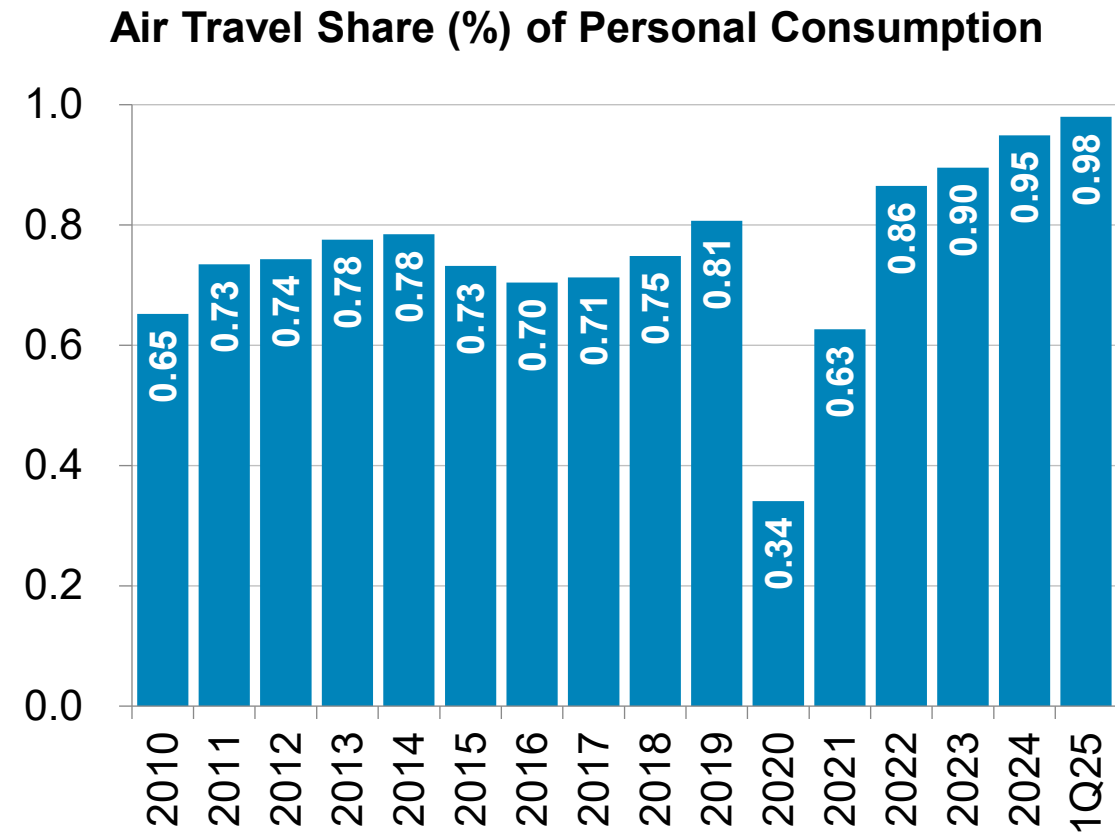
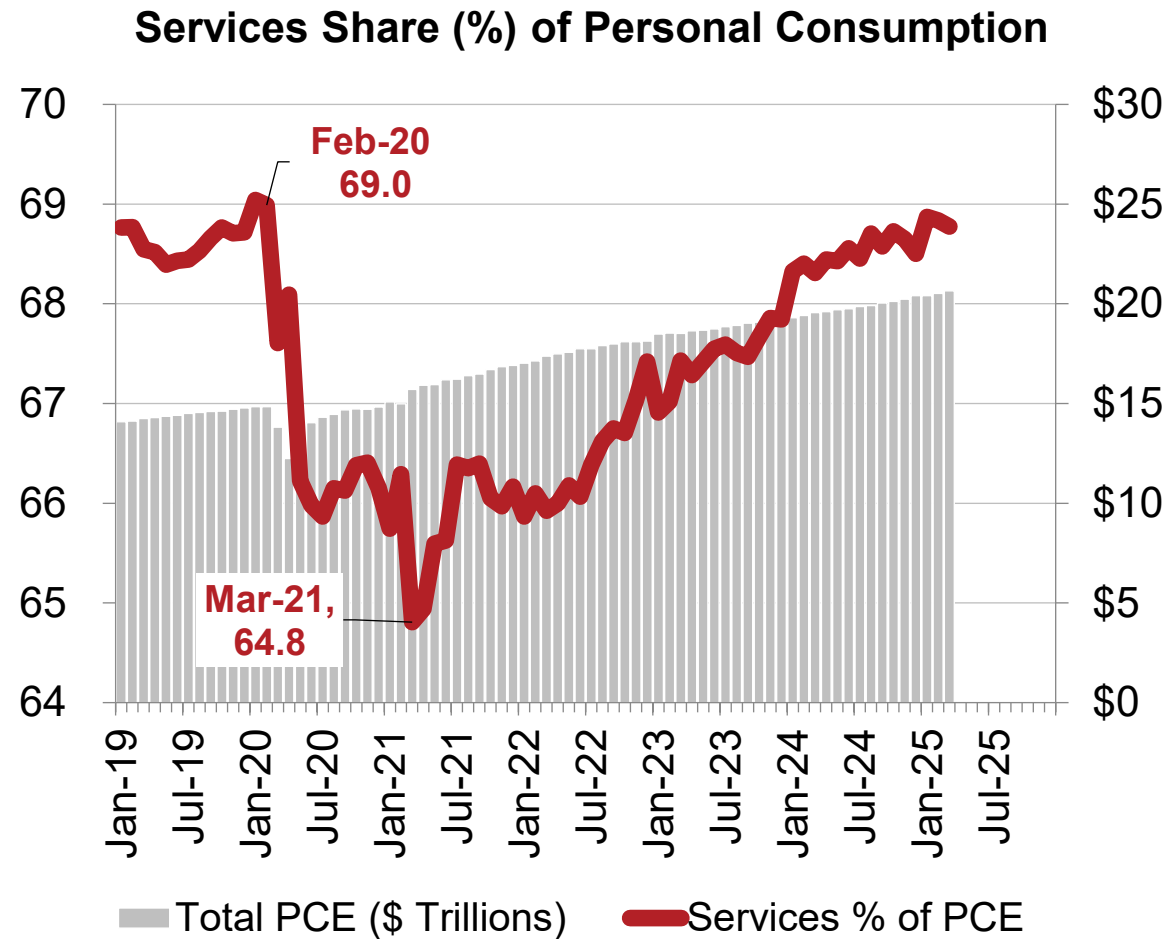
Source: Survey of Working Arrangements and Attitudes (SWAA), Barrero, Jose Maria, Nicholas Bloom, and Steven J. Davis, 2021. "Why working from home will stick," National Bureau of Economic Research Working Paper 28731.

\* Two to three days per week



# Once Again, U.S. Consumers Are Allocating ~69% of Spending to Services

## And They Have Increasingly Prioritizing Air Travel, Approaching 1% of All Spending



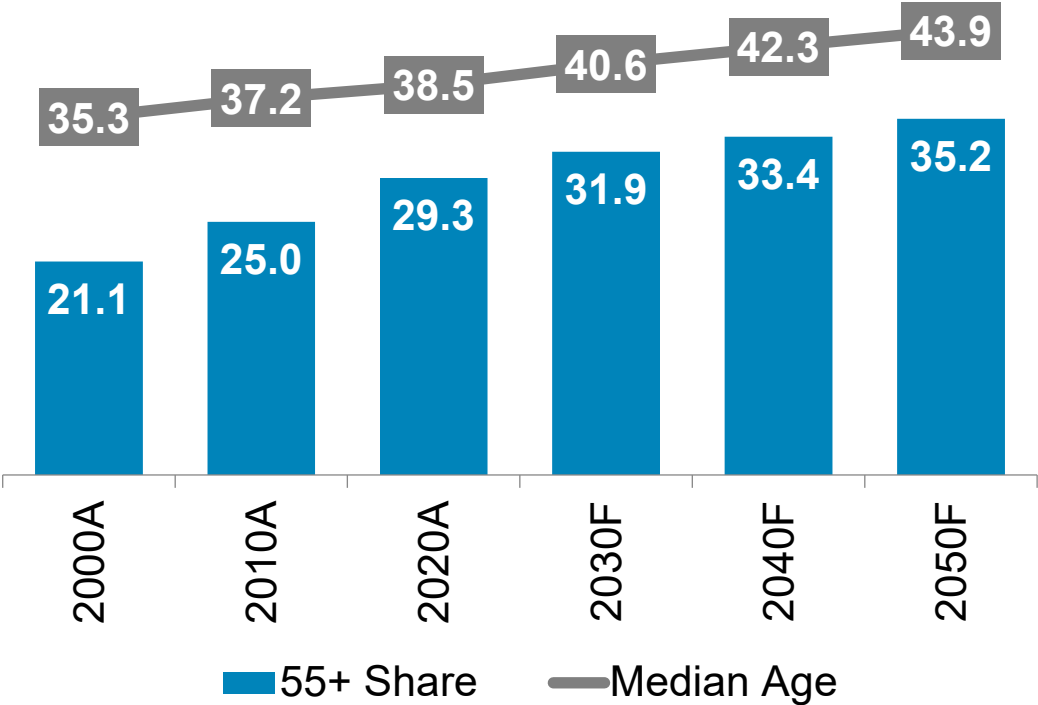
Source: Bureau of Economic Analysis

Note: PCE = personal consumption expenditures

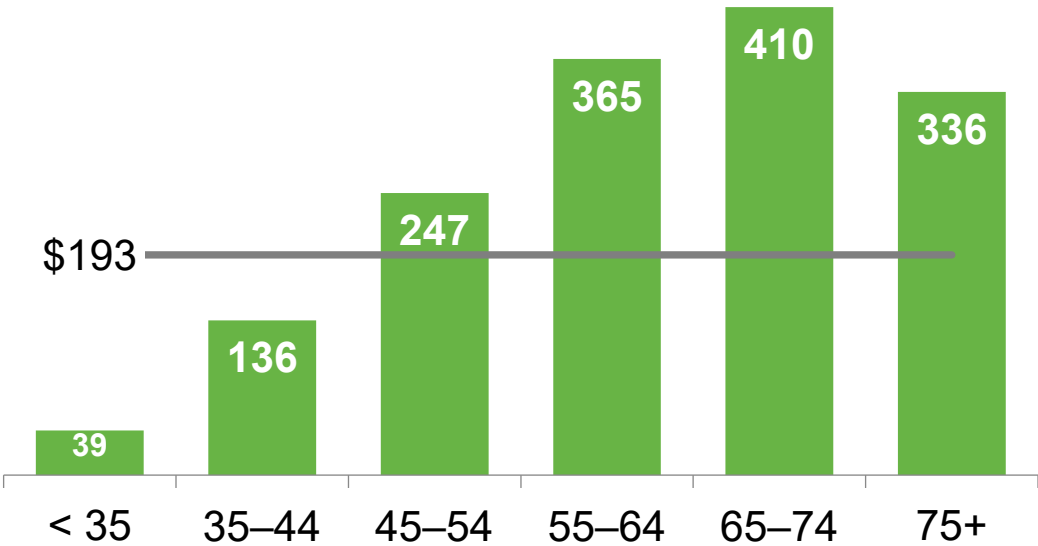
# The Older (and Wealthier) Share of the U.S. Population Is Expected to Continue Growing

That Subset of the Population Has Time and Money to Spend on Air Travel

U.S. Population Age: Median and 55+ Share



Median Household Net Worth (\$000) by Age, 2022

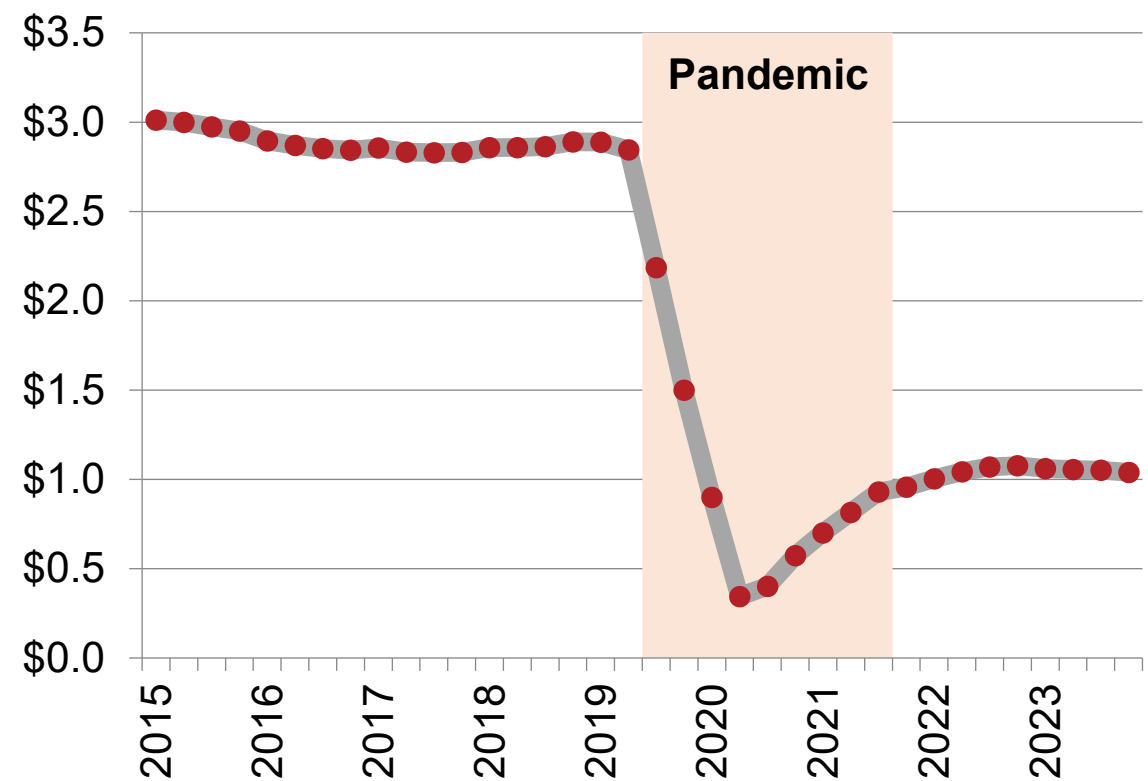


Source: U.S. Census Bureau and Federal Reserve 2022 Survey of Consumer Finances (Oct. 18, 2023)

# U.S. Airlines Revenues From Reservation Change Fees Fell 66% From 2015 to 2024

## Widespread Elimination of Change Fees (on Most Tickets) Has Boosted Traveler Flexibility

U.S. Airline Change-Fee Revenues (Billions)  
Four-Quarter Rolling Basis



**“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)

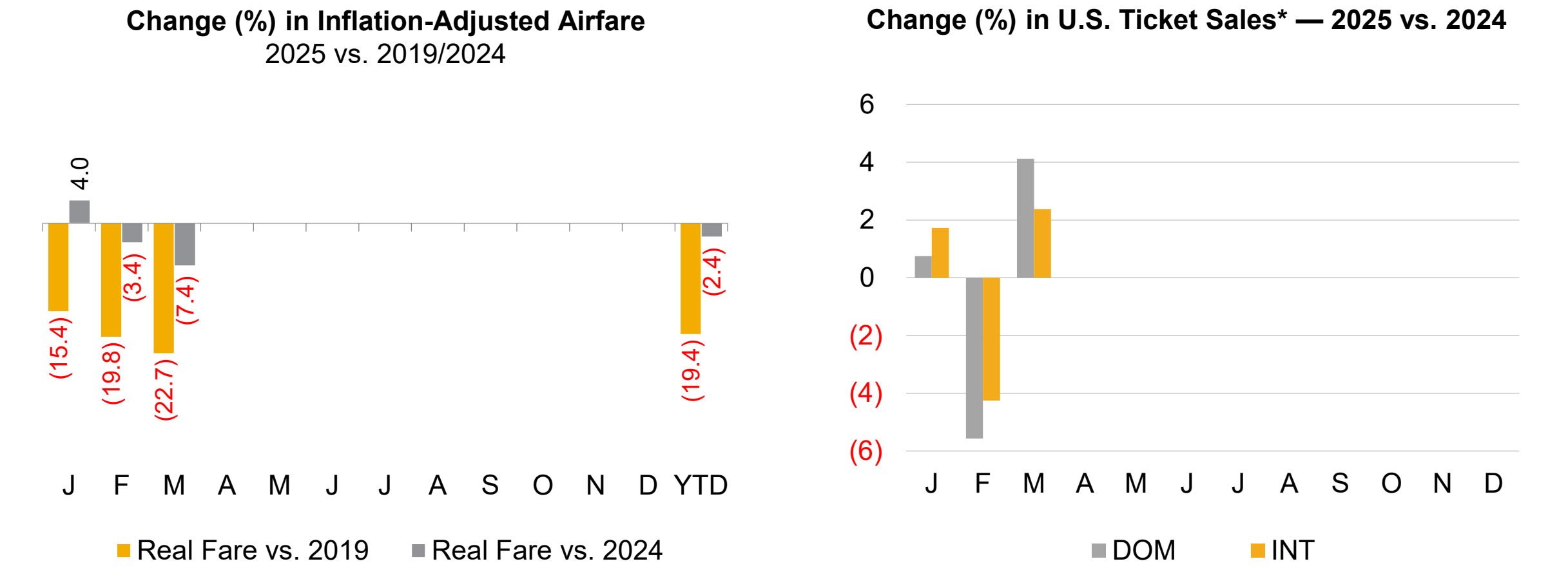
**“One of the best changes that the airlines made in their policies over the past two years was to quietly get rid of change fees.”**

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

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

# Collectively, Airlines Are Confronting Real Declines in Fares and Ticket Sales

Adjusted for Inflation, March Airfare CPI Fell ~7% Year Over Year; Int'l Sales Continue to Outperform

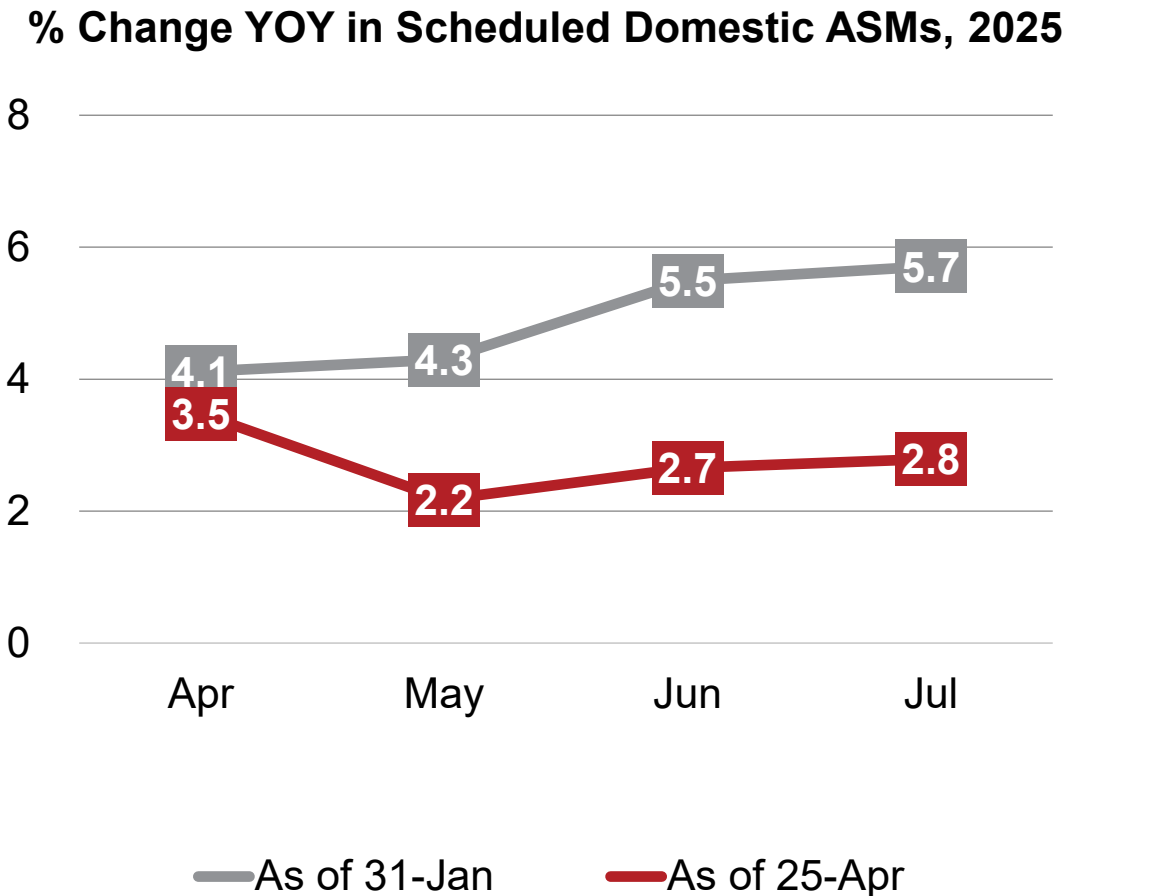
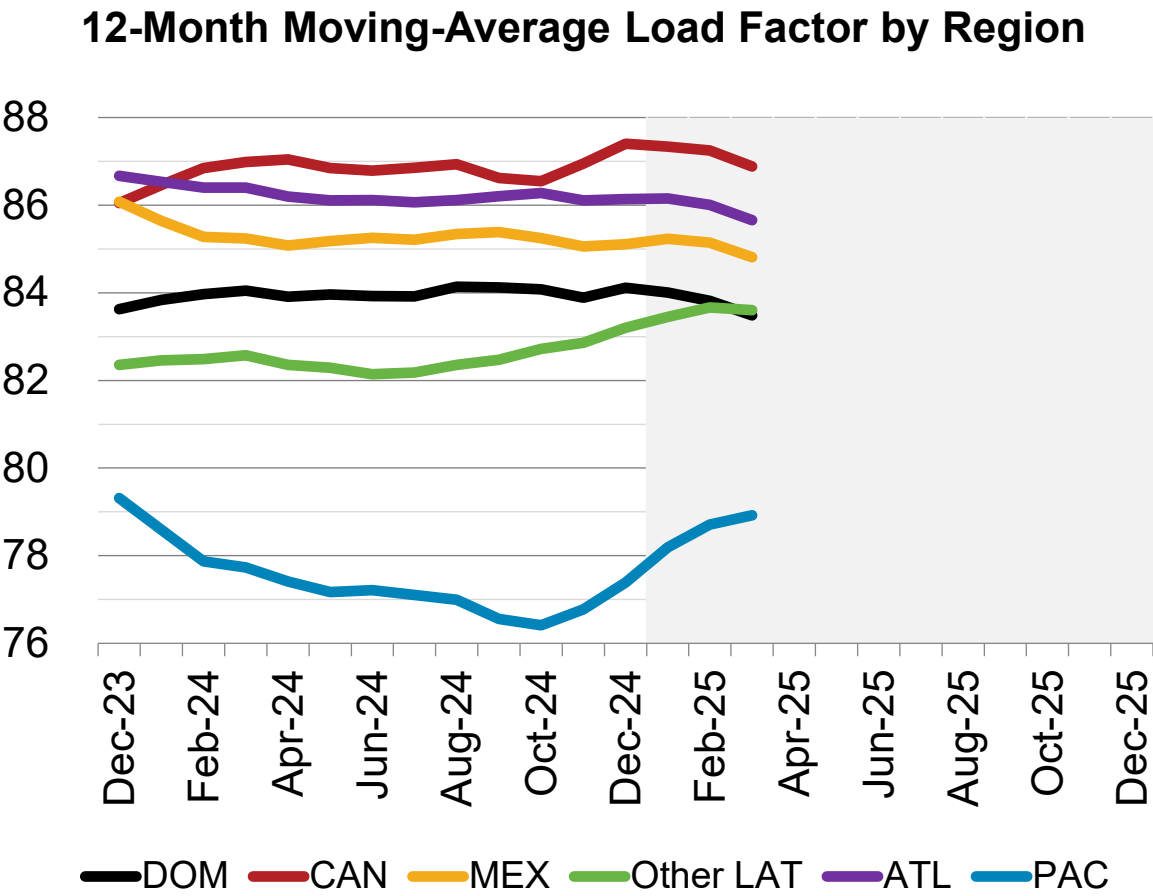


Source: Bureau of Labor Statistics (CPI Series CUUR0000SETG01, not seasonally adjusted) and A4A analysis of data from Airlines Reporting Corporation (ARC)

\* Fees for reservation changes and transport of bags

# In Addition to Falling Fares and Slowing Sales, Load Factors in Key Regions Have Subsided

## Accordingly, Published Schedules Show Domestic Capacity Growth Retrenching

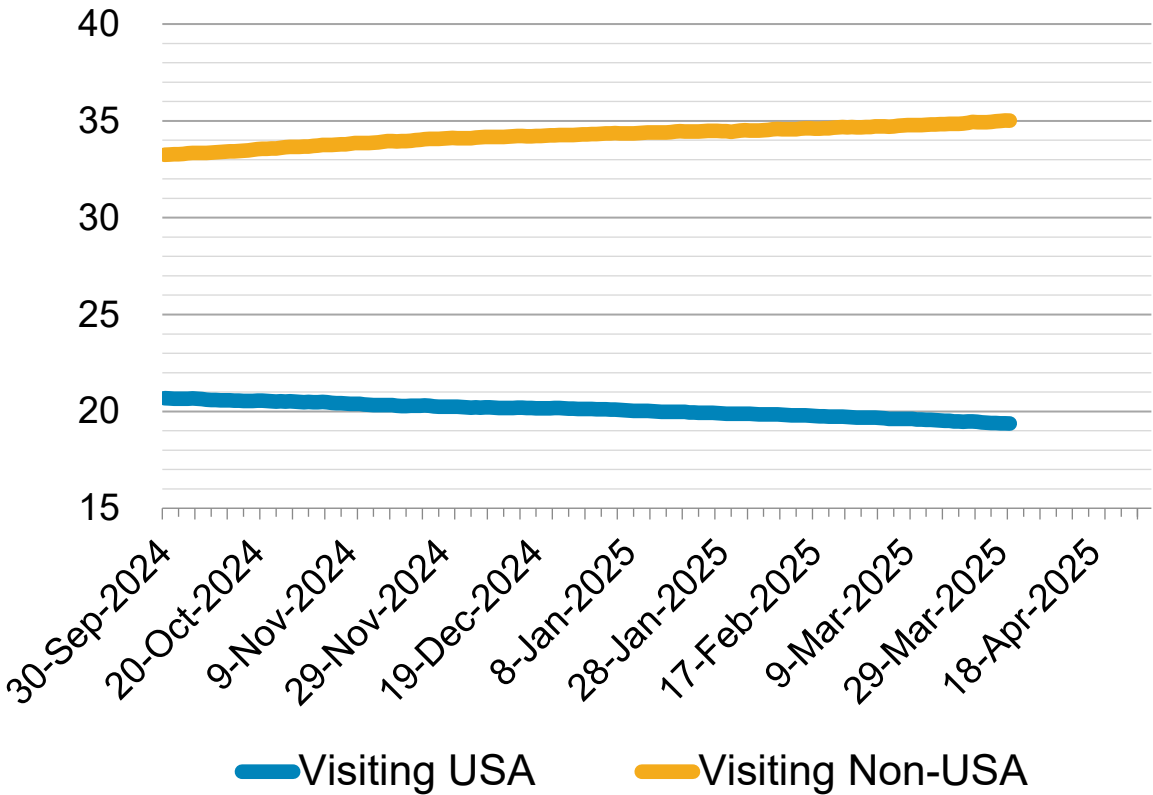


Sources: A4A member passenger airlines (Alaska/Hawaiian, American, Delta, JetBlue, Southwest, United) and branded code share partners Cirium published schedules

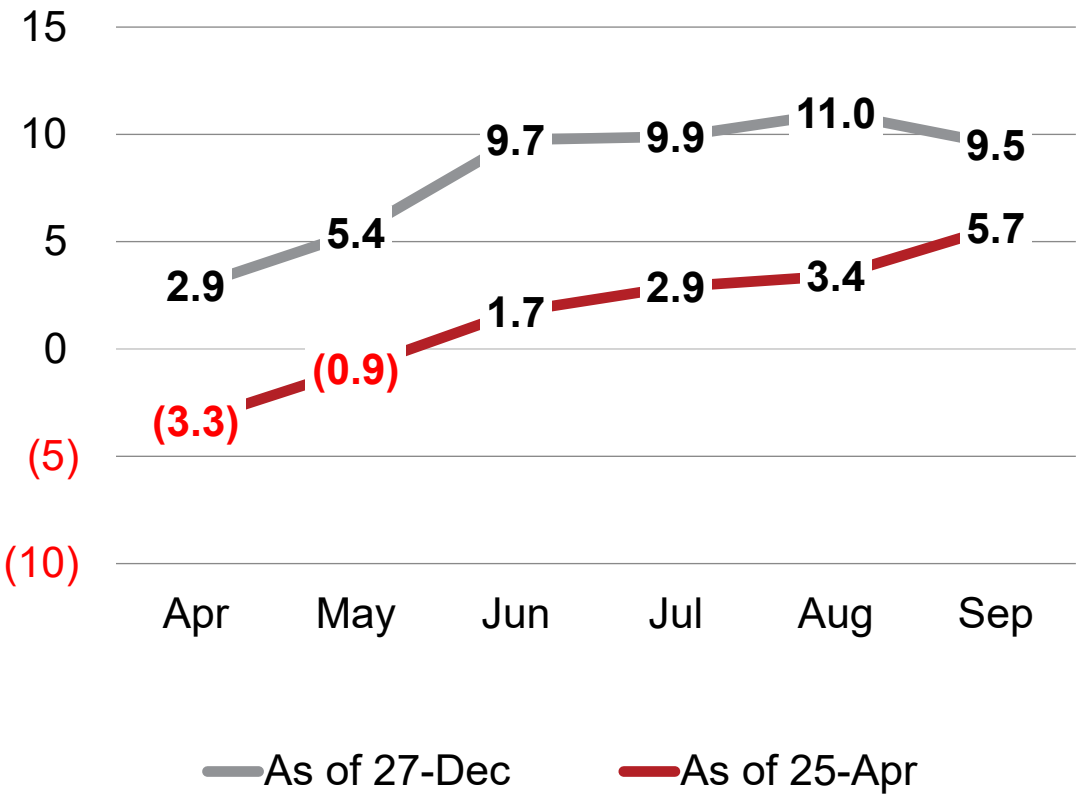
# Airlines Have Significantly Pared U.S.-Canada Air Service for Spring and Summer 2025

## Supply of Scheduled Seats Now Showing YOY Declines in April and May

Canadian Residents Returning by Air  
365-Day Rolling Daily Average (000)



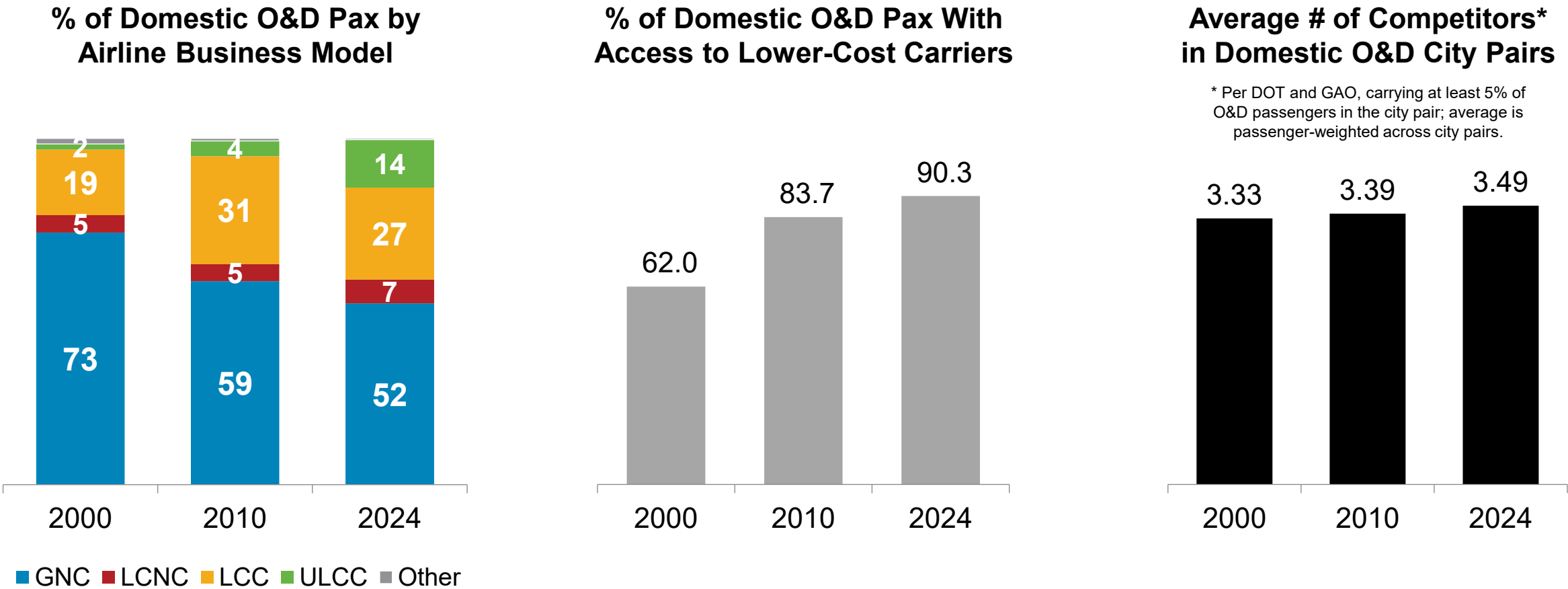
% Change YOY in Scheduled U.S.-Canada Seats, 2025



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

# From 2000-2024, the Number of Competitors per Domestic Air Trip Rose From 3.33 to 3.49

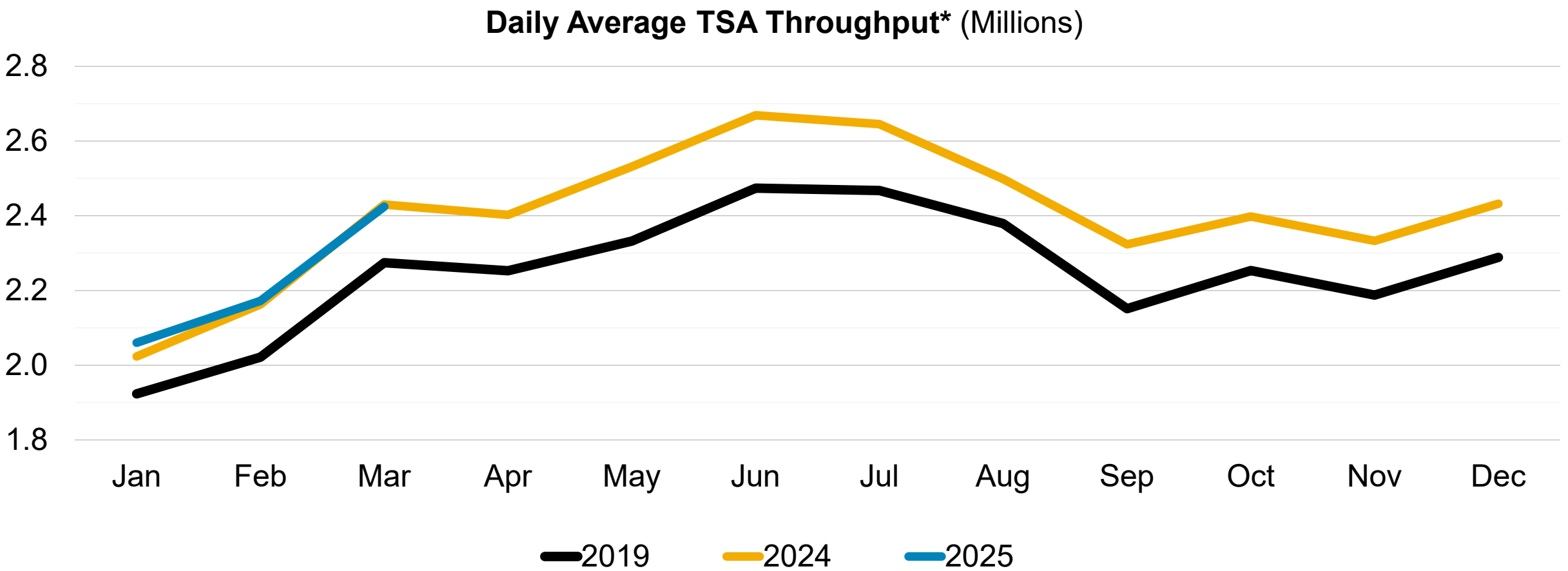
## Global Network Carrier Share of Domestic Passengers Fell From 73% in 2000 to 52% in 2024



Source: DOT Data Bank 1B and Compass Lexecon. 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.

# In First Three Months of 2025, TSA's Daily Average Checkpoint Throughput Rose 0.6% YOY

Total Volume (Not Adjusted for Leap Year) Down 0.5%



Source: A4A analysis of data from the Transportation Security Administration

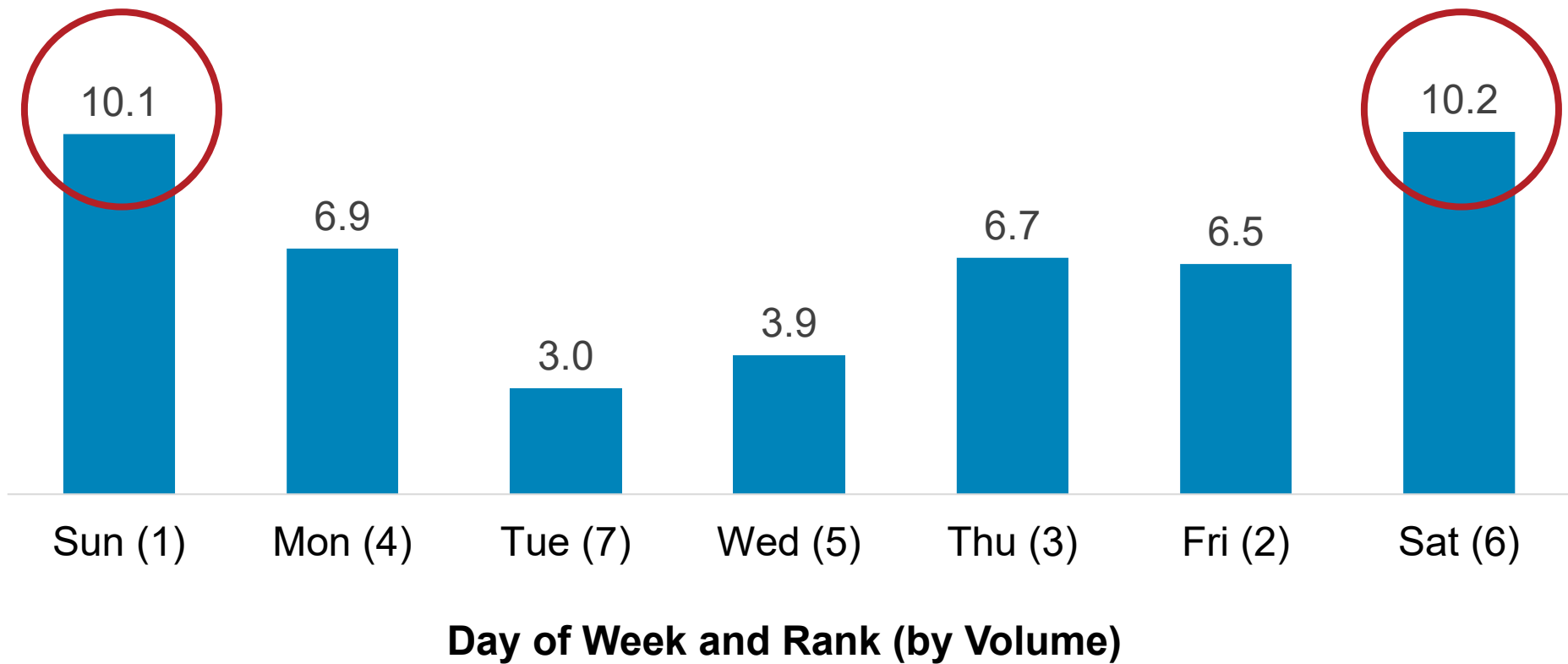
\* U.S. and foreign-carrier customers (excludes Known Crewmember® personnel) traversing TSA checkpoints



# Change in Day-of-Week Air-Travel Patterns Provides Evidence of Increased Leisure Mix

Big Winners = Leisure-Oriented Saturday/Sunday; Sunday Now the Busiest Day, Tuesday the Slowest

Change (%) in TSA Checkpoint Volume: 2024 vs. 2019



Source: A4A analysis of data from the Transportation Security Administration

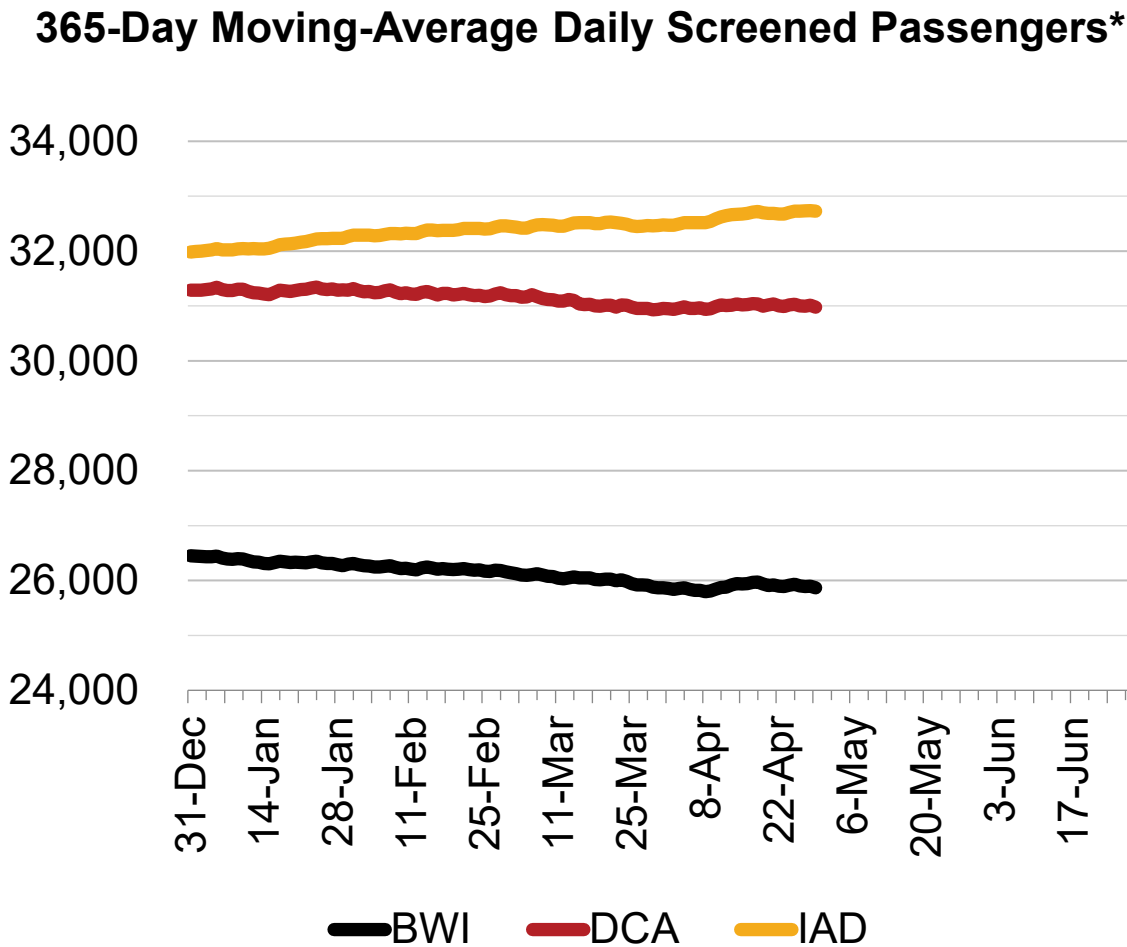
Note: Volume reflects travelers only, not Known Crewmember® personnel; 2019 base adjusted for 2024 leap day

# Airlines Are Closely Monitoring Traffic Levels at Washington-Area Airports

## Screened Passenger Volumes Have Fallen at BWI and DCA, Risen at Dulles (IAD)

“Economists believe government layoffs and looming budget cuts will push the Washington, D.C., metro area into a recession, challenging its reputation for economic resilience... The federal government employs around 17% of full-time workers in the Washington metro area, or around 400,000 people. An additional 500,000 or so are employed in ‘professional, scientific and technical services,’ a category that includes government contractors and consultants at firms such as Booz Allen Hamilton, Deloitte and Ernst & Young. ...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, “Government Jobs Insulated DC From Economic Volatility. Not Any More.” *The Wall Street Journal* (April 19, 2025)

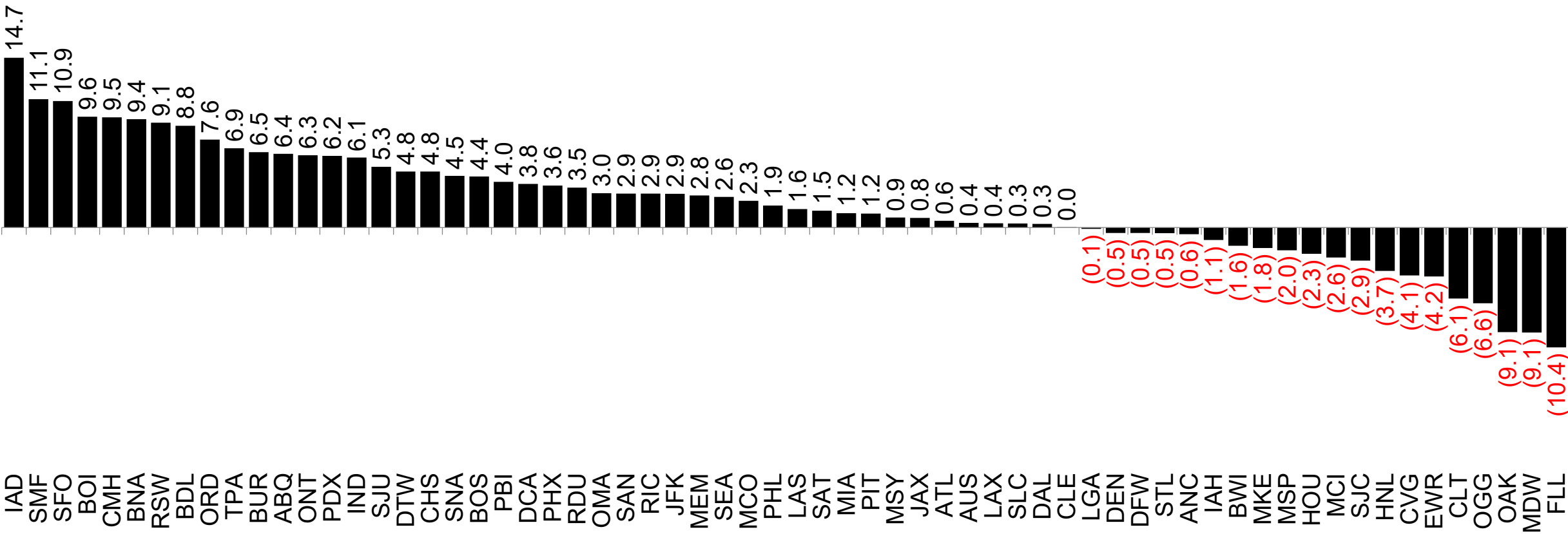


Source: Transportation Security Administration and *The Wall Street Journal* (April 19, 2025) \* U.S. and foreign-carrier customers (excludes Known Crewmember® personnel) traversing TSA checkpoints

# In 2Q 2025, Washington Dulles Leads U.S. Airports' Growth in Scheduled Seats

## Fort Lauderdale/Chicago Midway/Oakland Seeing the Deepest Year-Over-Year Cuts

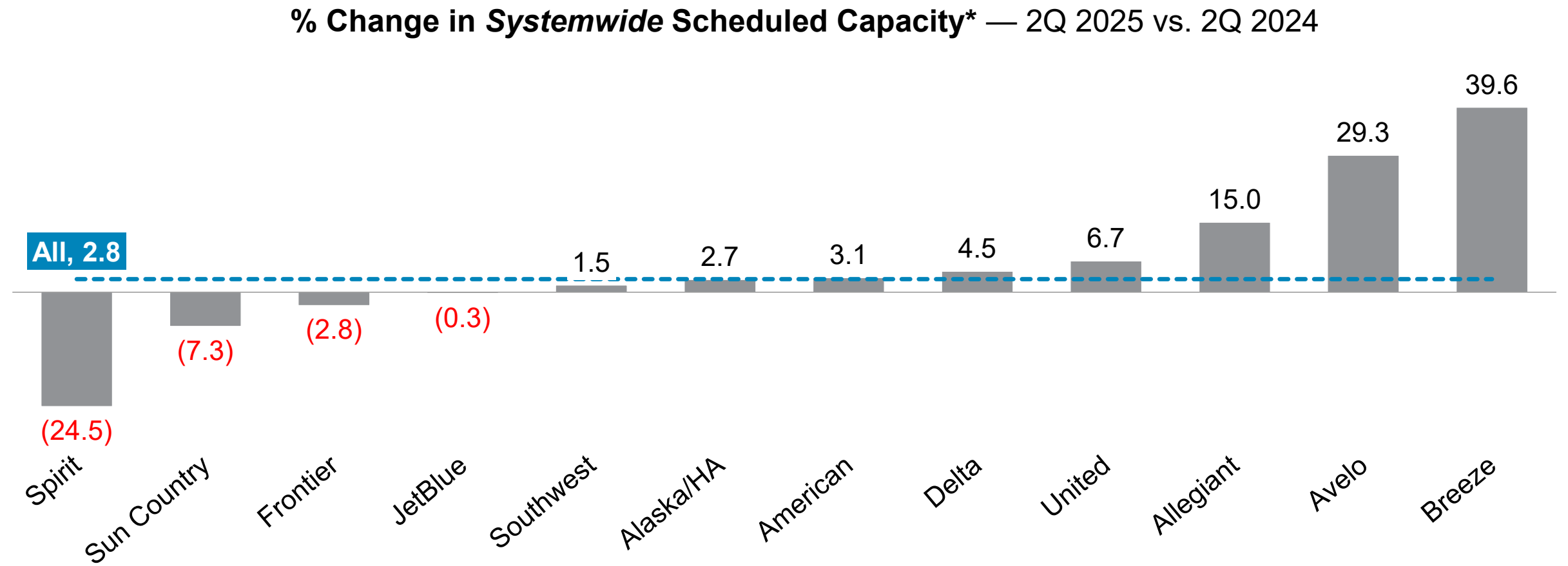
Change (%) in Systemwide Scheduled Seats: 2Q 2025 vs. 2Q 2024



Source: Cirium published schedules (April 25, 2025) for all U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations

# Collectively, U.S. Passenger Airlines Showing < 3% Systemwide Capacity Growth in 2Q 2025

## Growth Rates Differ Dramatically by Company

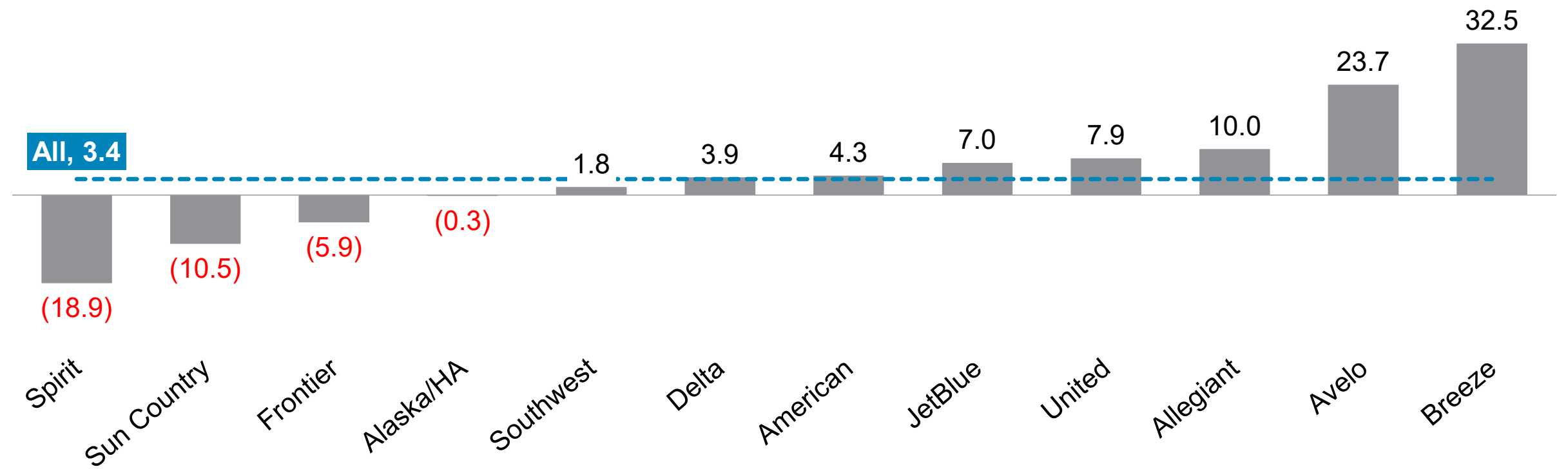


Source: Cirium published schedules (April 25, 2025) for selected marketing airlines (including regional affiliates) \* Available seat miles (ASMs)

# Collectively, U.S. Passenger Airlines Showing 3.4% Systemwide Capacity Growth in July 2025

## Growth Rates Differ Dramatically by Company

% Change in *Systemwide Scheduled Capacity*\* — July 2025 vs. July 2024



Source: Cirium published schedules (April 25, 2025) for selected marketing airlines (including regional affiliates) \* Available seat miles (ASMs)

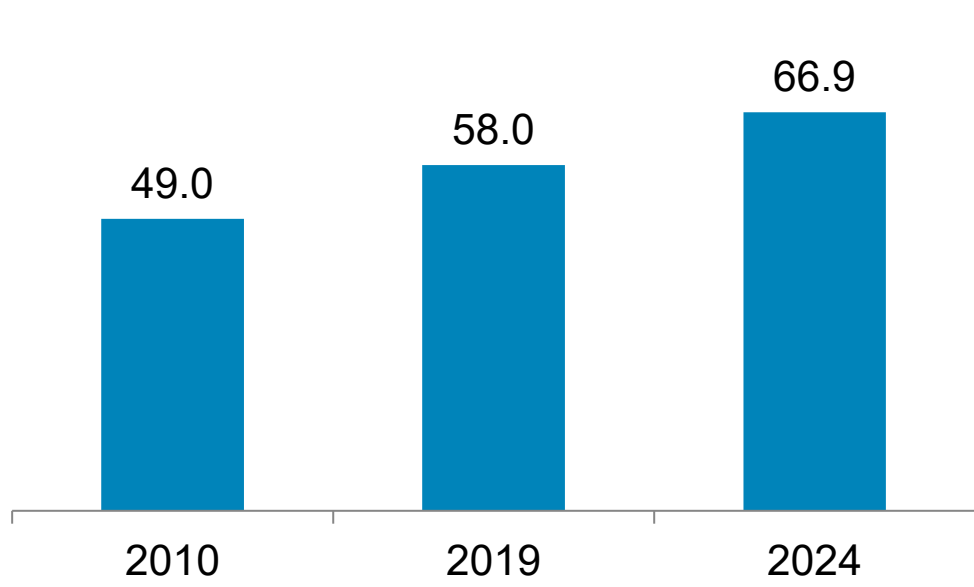
# Increases in Mainline Flying *and* in Aircraft Size Have Fueled Domestic Up-Gauging

## Mainline Now Accounts for Two-Thirds of Domestic Flights, Up From Half in 2010

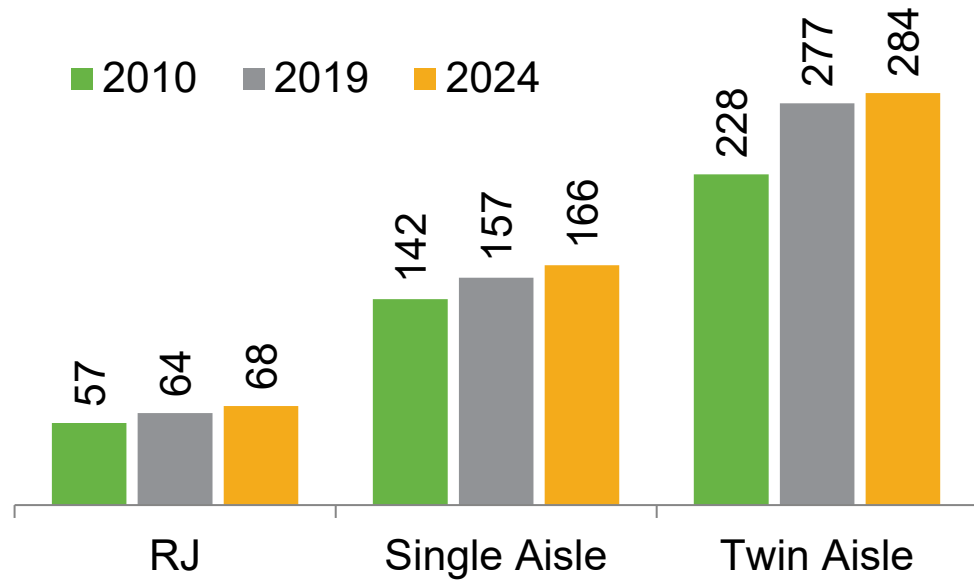
“[Y]ou’re never again gonna see the **50-seat aircraft** have the level of prominence in the industry.” (Delta CEO Ed Bastian, Sept. 20, 2022)

“Expect the [regional jet] fleet to still be around..., but it will become **a smaller and smaller percentage of the business.**” (United CEO Scott Kirby, Oct. 16, 2024)

Mainline\* % of Domestic U.S. Flights



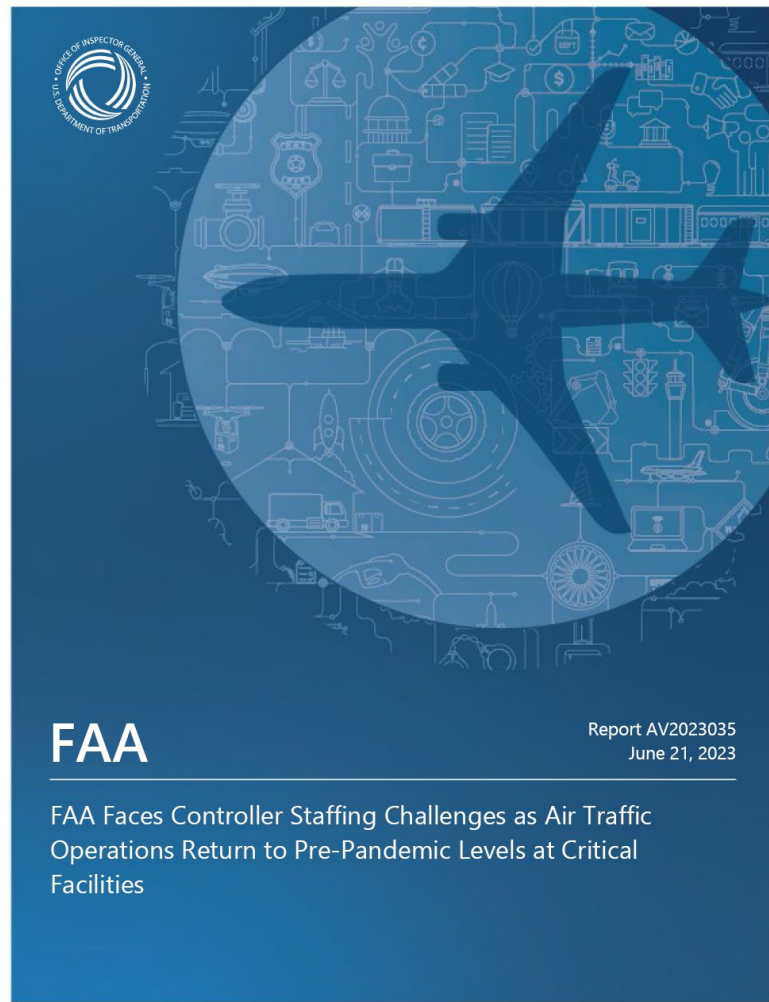
Average Seats per Domestic U.S. Flight



Source: Cirium published schedules (Jan. 3, 2025)

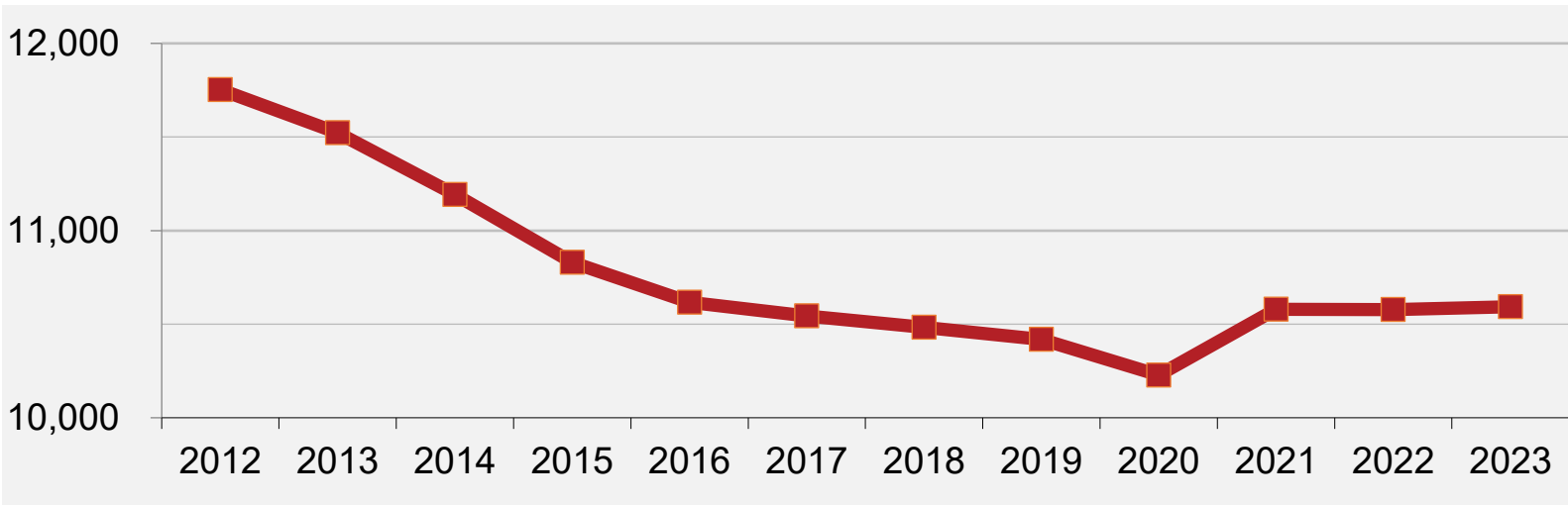
\* Mainline = operated by the marketing airline itself rather than a regional airline codeshare partner

# DOT Inspector General: FAA Faces Controller Staffing Challenges as Air Traffic Operations Return to Pre-Pandemic Levels at Critical Facilities



“FAA has made **limited efforts to ensure adequate controller staffing at critical air traffic control facilities**. The Agency also has **yet to implement a standardized scheduling tool** to optimize controller scheduling practices at these facilities... As a result, **FAA continues to face staffing challenges and lacks a plan to address them**, which in turn poses a risk to the continuity of air traffic operations.”

FAA Certified Professional Controller Staffing by Fiscal Year

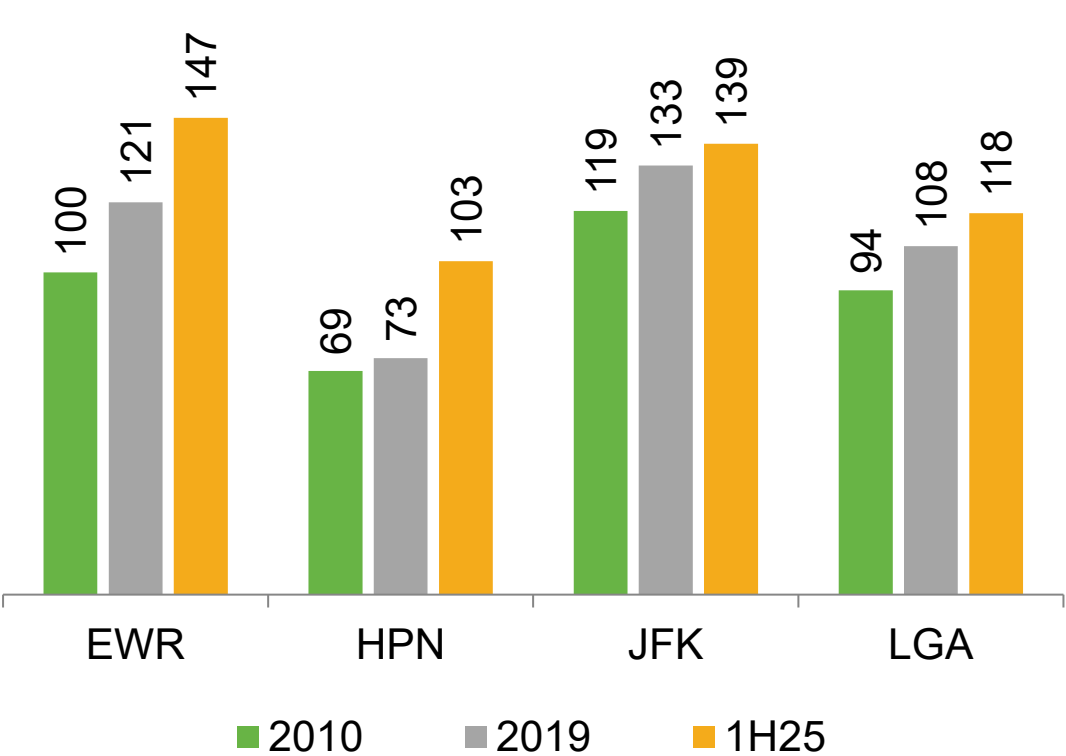


Source: DOT Office of Inspector General, Report AV2023035 (June 21, 2023) and FAA Air Traffic Controller Workforce Plan (May 10, 2024)

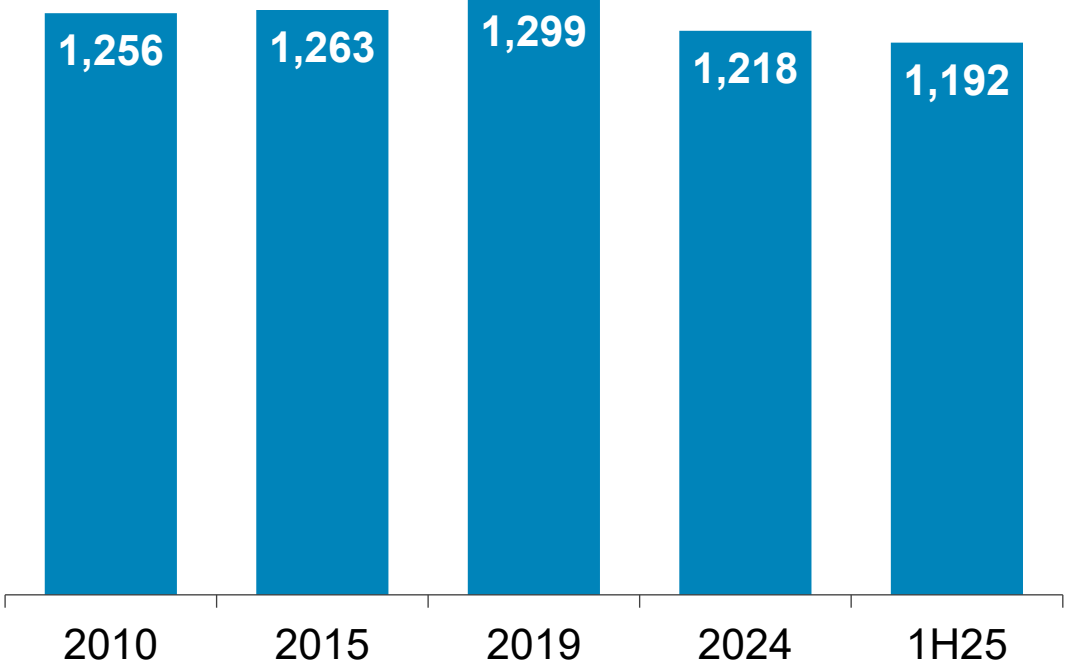
# Airlines Have Up-Gauged Domestic Flying and Pared Schedules in New York City

2019-1H25: Aircraft Size Up ~22% at EWR, ~9% at LGA; Flights Down ~8% Across the Four Airports

Seats per Domestic Departure at NYC\* Airports



Daily Domestic Departures at NYC\* Airports



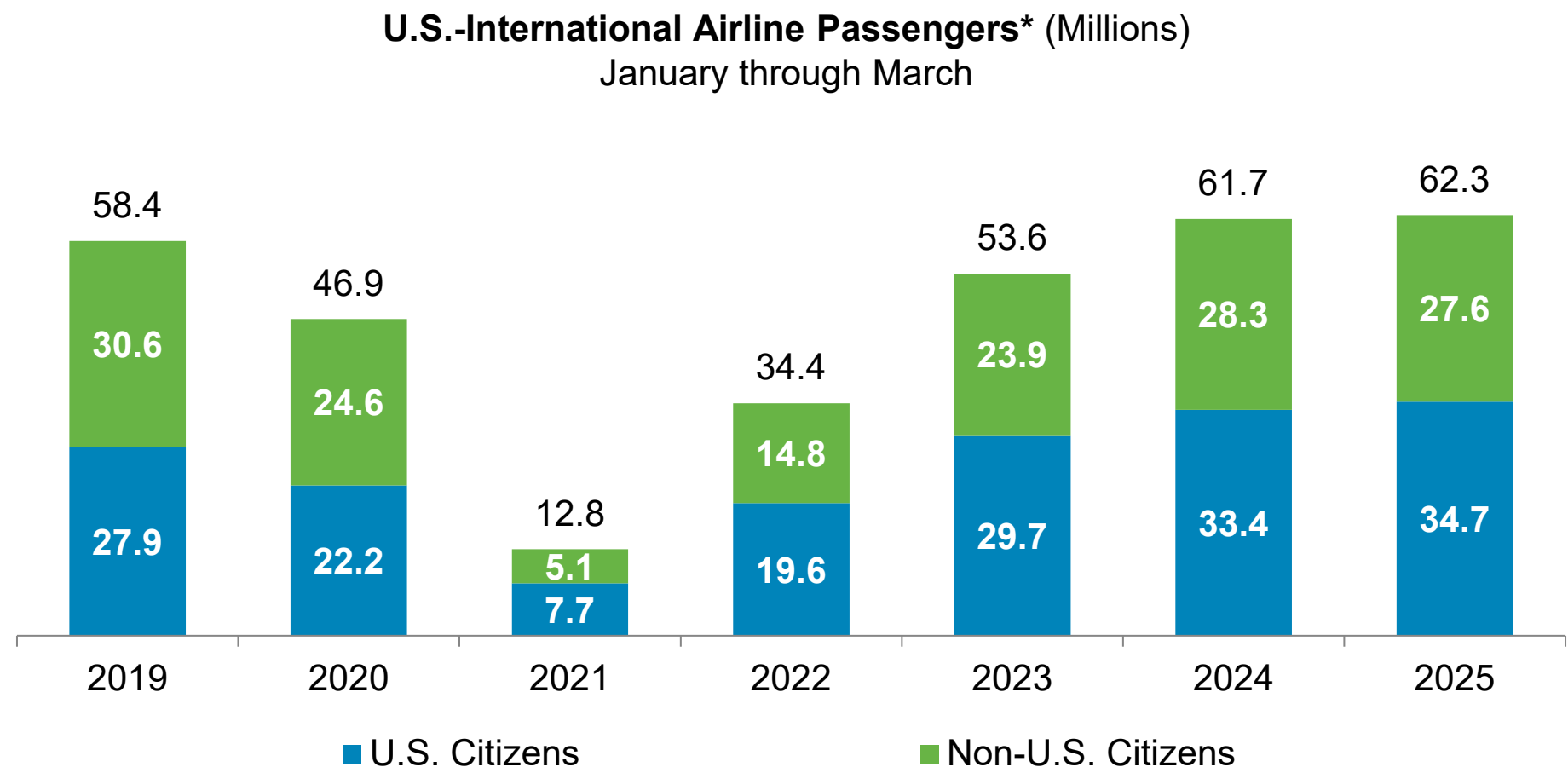
Source: Cirium published schedules (April 18, 2025)

\* EWR/HPN/JFK/LGA



# U.S.-International Air Passengers Up ~1% YOY in First Three Months of 2025

## Increase in U.S. Citizens Traveling Abroad Overcame Decrease in Non-U.S. Citizen Visitors



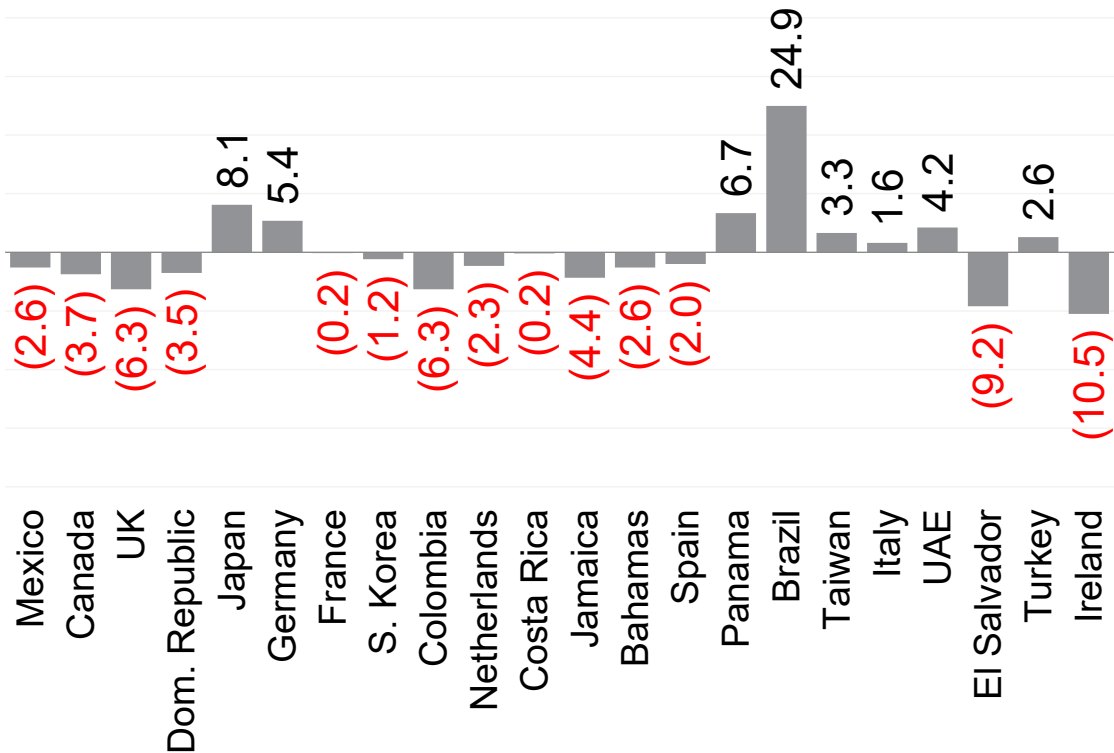
Source: DHS I-92 / APIS data compiled by U.S. Department of Commerce National Travel and Tourism Office

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

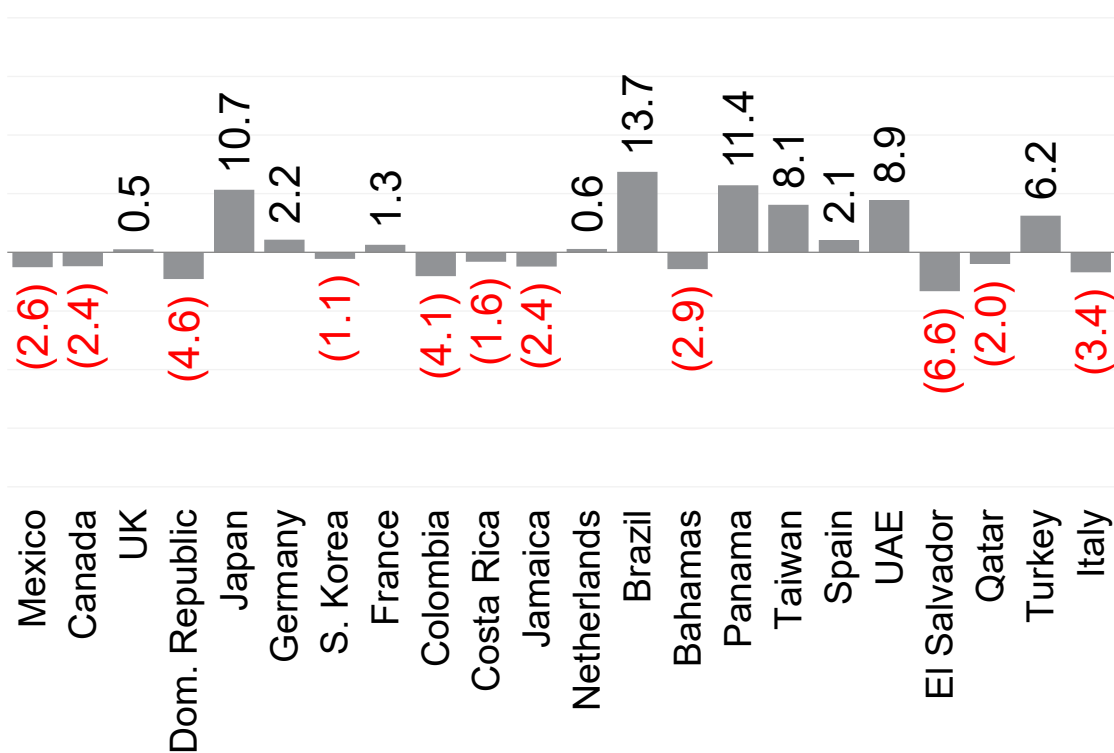
# Of the 15 Largest U.S.-International Air Travel Markets, 12 Experienced YOY Declines in March

## The Four Largest Gateway-to-Gateway Markets All Saw Declines

March 2025: Change (%) YOY in Passengers\*  
Sorted by March 2024 Market Size



YTD March 2025: Change (%) YOY in Passengers\*  
Sorted by YTD 2024 Market Size

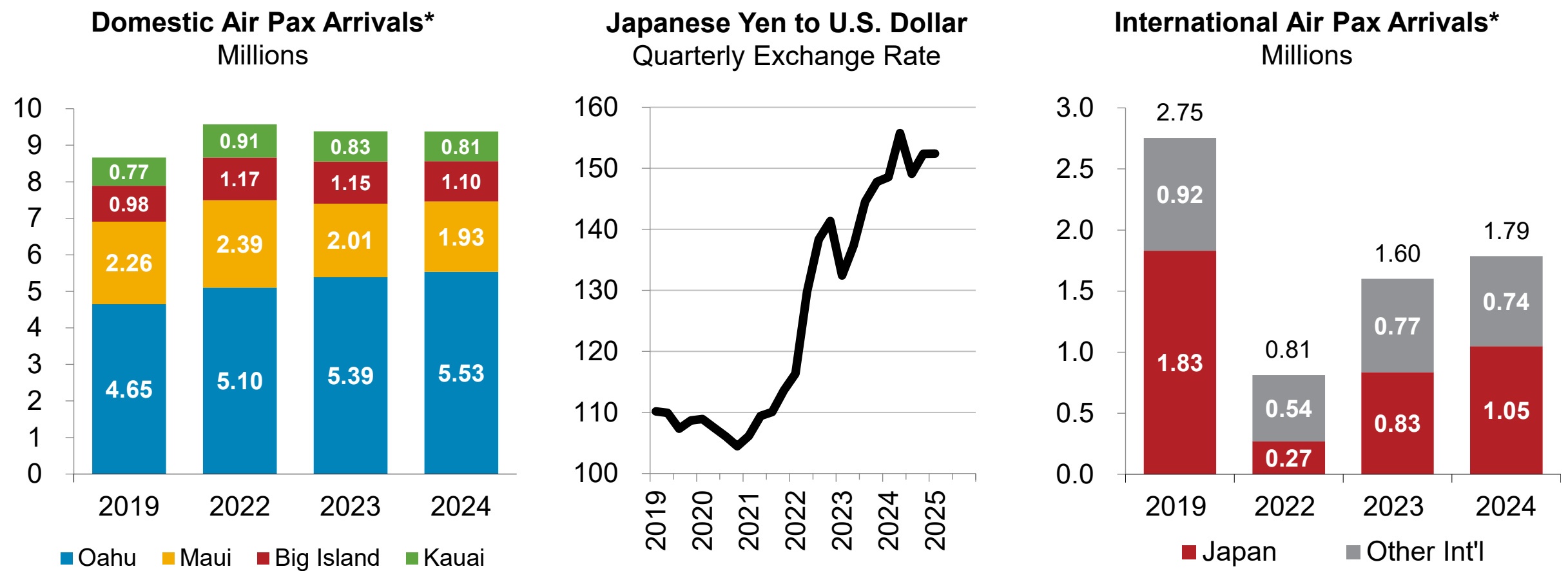


Source: DHS I-92 / APIS data compiled by U.S. Department of Commerce National Travel and Tourism Office

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

# In Contrast to Other Hawaiian Islands, Domestic Arrivals to Oahu Rose in 2024

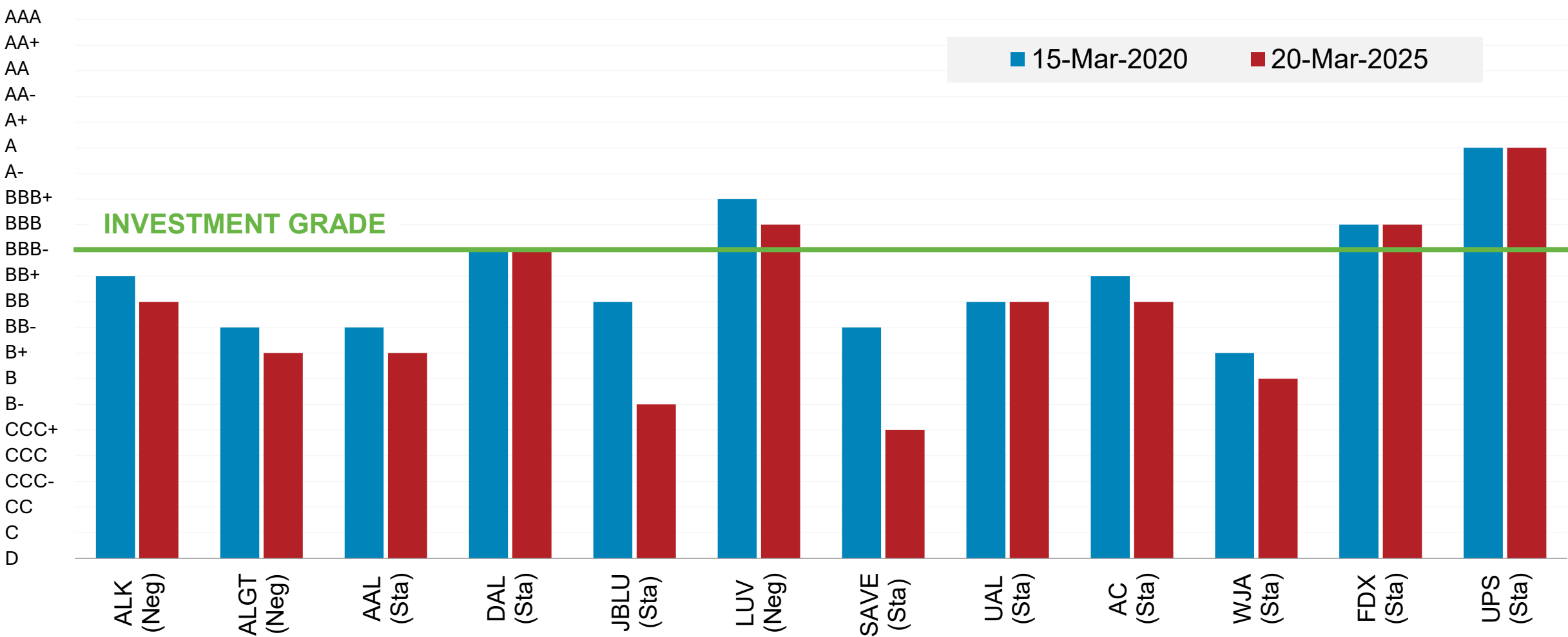
## Hawaii Saw More Japanese Visitors in 2024, But International Air Arrivals Remained Well Below 2019



Source: Hawaii Department of Business, Economic Development & Tourism and Federal Reserve Bank of St. Louis \* Includes returning residents, intended residents and visitors but exclude interisland and Canada passengers

# Per Standard & Poor's, Pax Airline Balance Sheet Quality Remains Depressed Post-Pandemic

## Ratings Reflect Assessment of Financial Condition and Risk

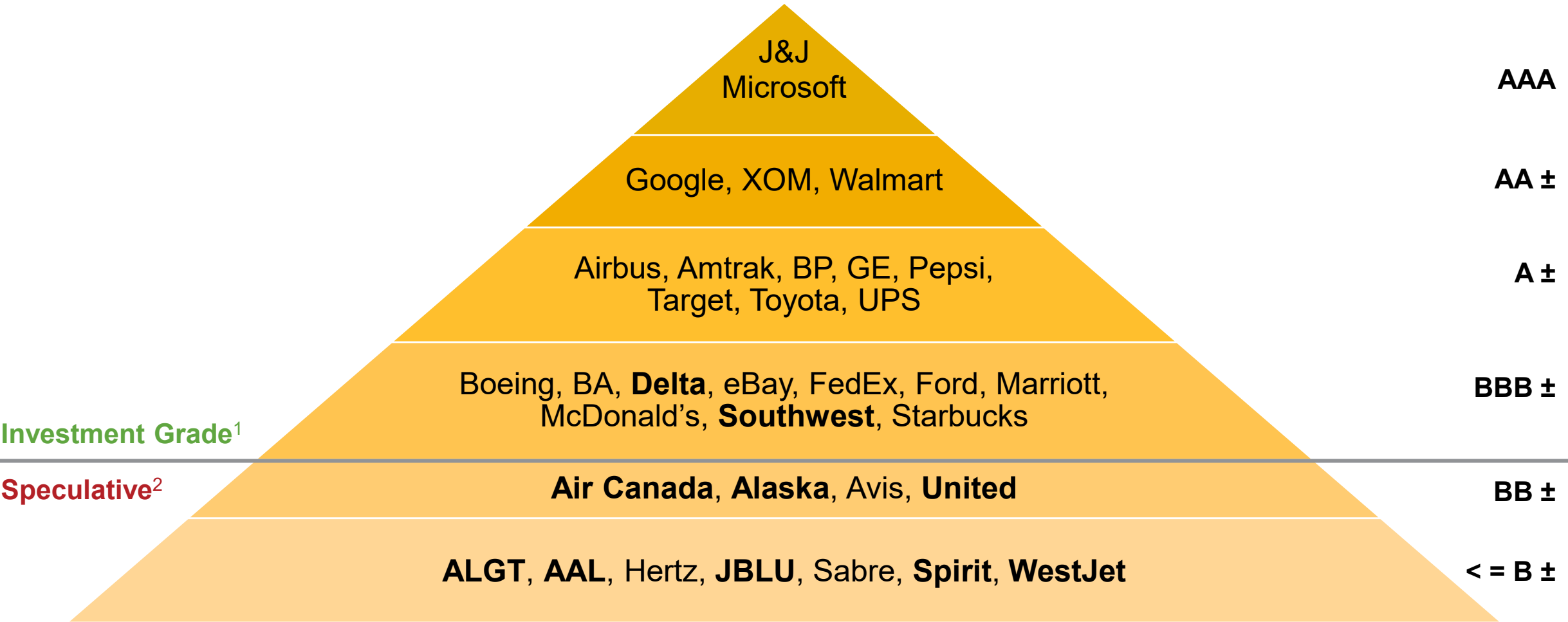


Source: Standard & Poor's issuer ratings and outlook (in parentheses) for publicly traded U.S. and Canadian carriers in the S&P coverage universe

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

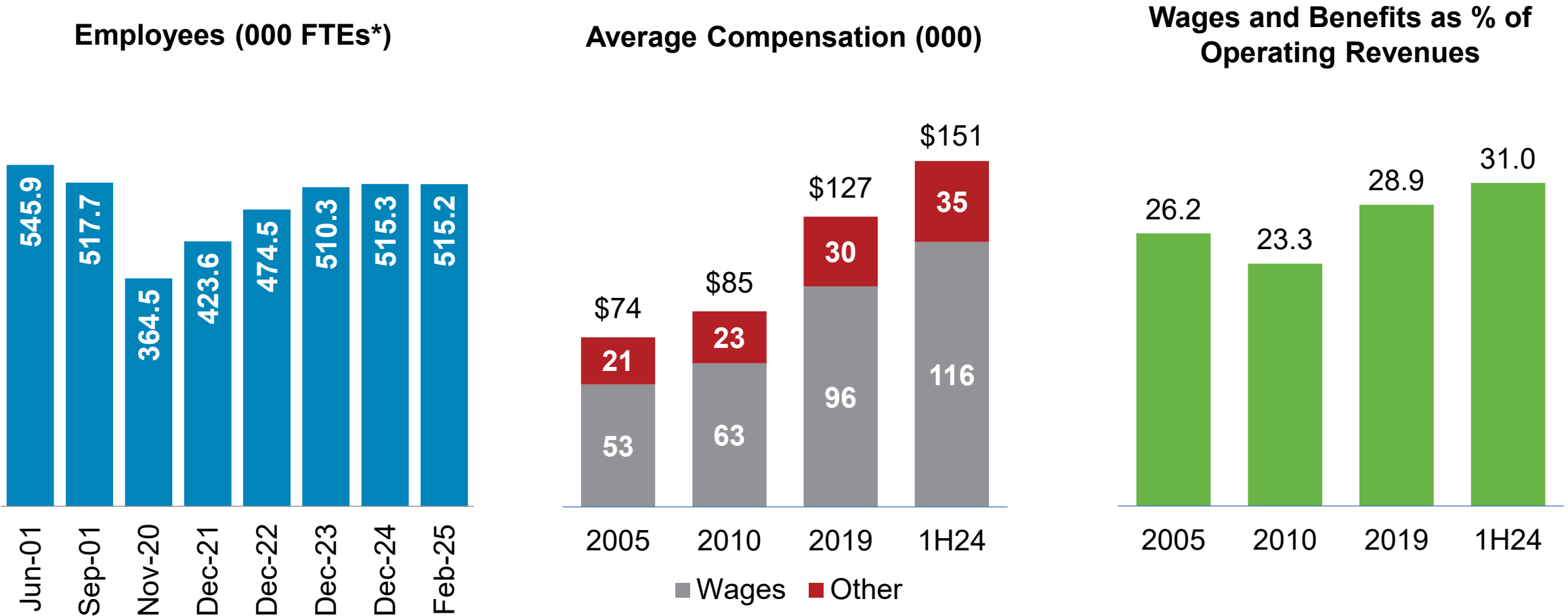


Source: Standard & Poor's (**bold** = air-only companies) as of March 25, 2025

<sup>1</sup> Issuers with relatively high levels of creditworthiness and credit quality

<sup>2</sup> 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 85% from 2010-1H 2024 (vs. 43% U.S. CPI) and Who Now Garner 31% of Airline Revenues



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

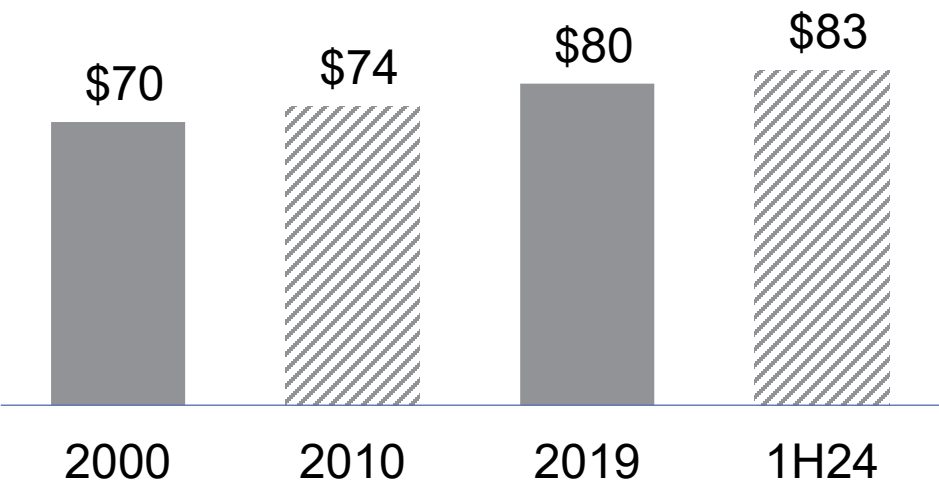
\* Full-time equivalents (FTE) = full-time workers plus 0.5 \* part-time workers

# Real (Inflation-Adjusted) Airline Wages Grew 29% From 2010 to the First Half of 2024

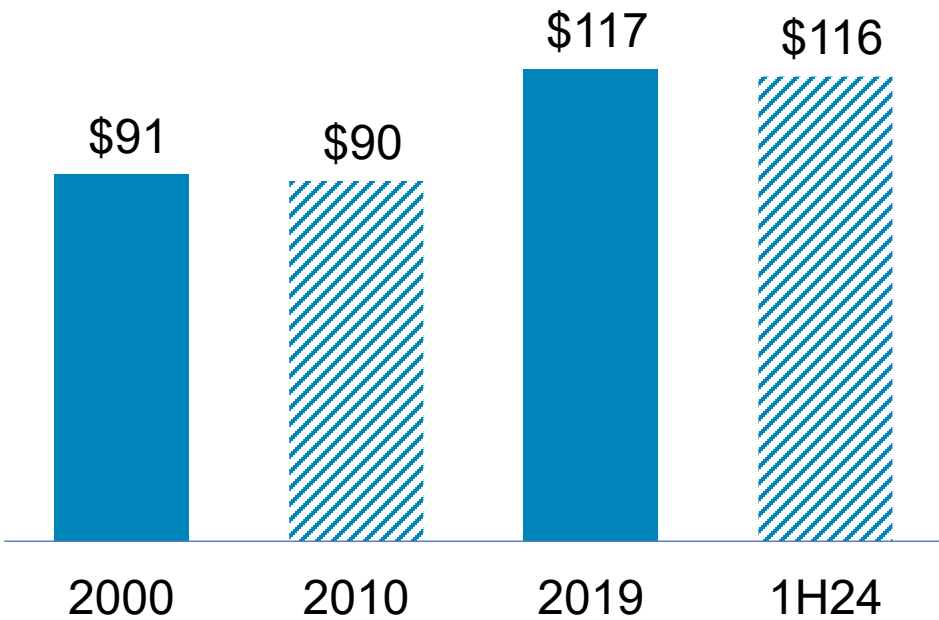
The Average Private Sector Wage Grew Just 12% in Real Terms Over That Period

Average Wage (000) in Constant 1H 2024 Dollars

U.S. Private Sector  
Real Wages **Up 12%** Since 2010



U.S. Passenger Airlines  
Real Wages **Up 29%** Since 2010

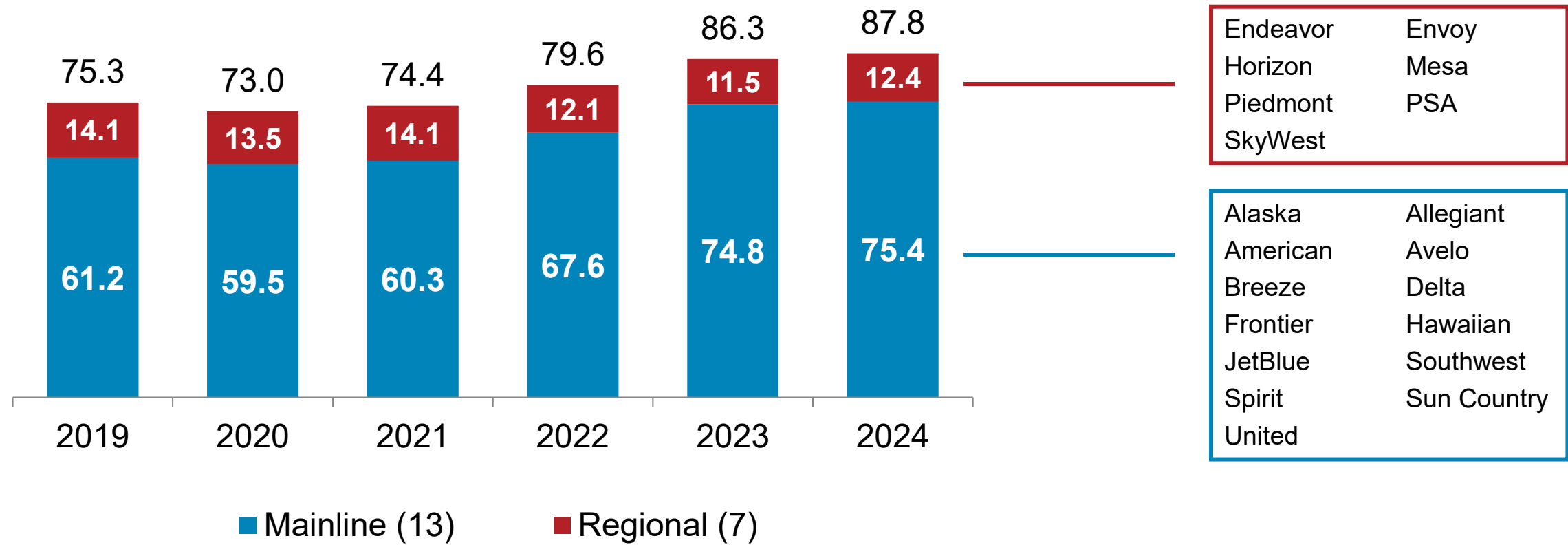


Source: A4A Passenger Airline Cost Index

# U.S. Passenger Airlines Added ~1,500 Pilots in 2024 — Up 1.7% From 2023

Mainline Pilot Levels Ended the Year 23% Above 2019, Regional Pilot Levels 12% Lower

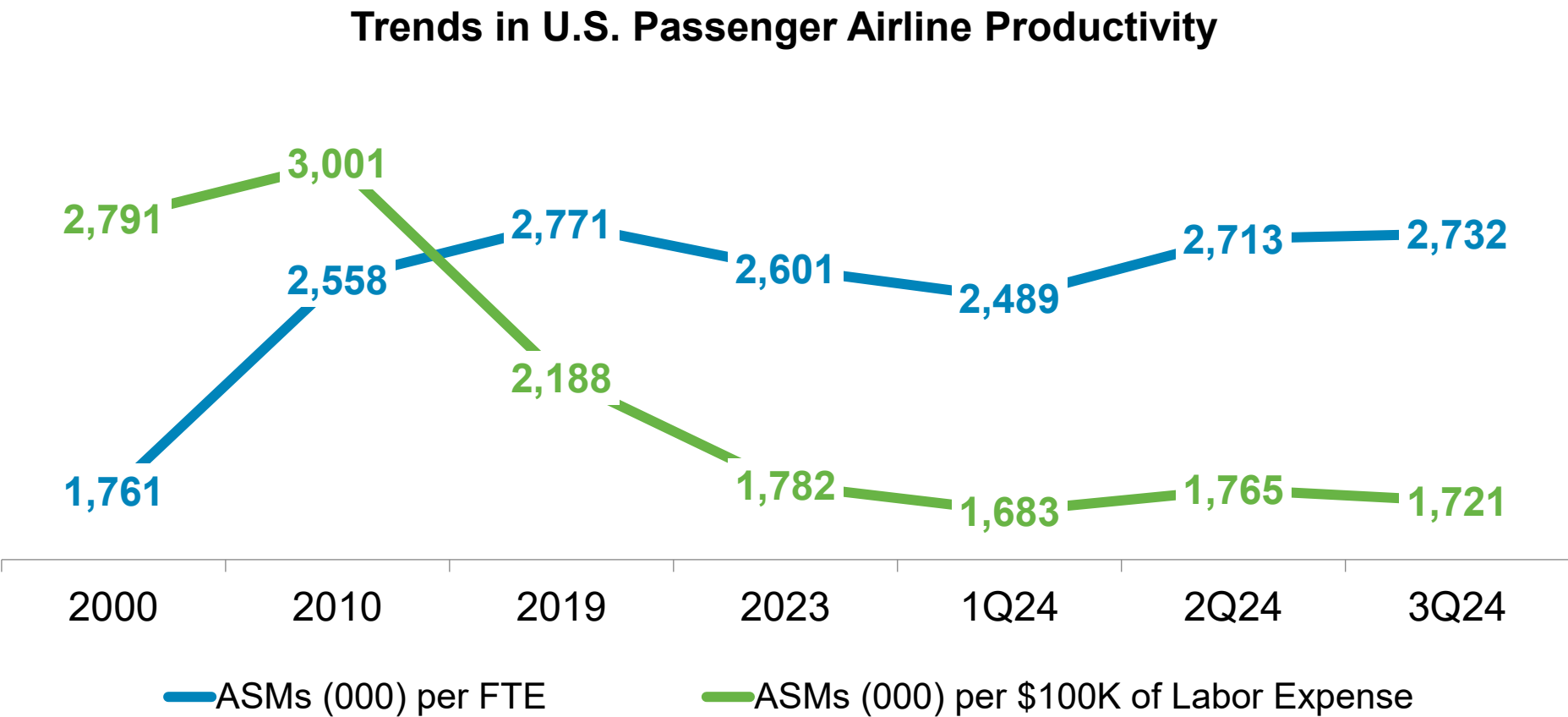
Year-End Active Pilots (000) at 20 U.S. Passenger Airlines



Source: Company SEC filings or direct reports



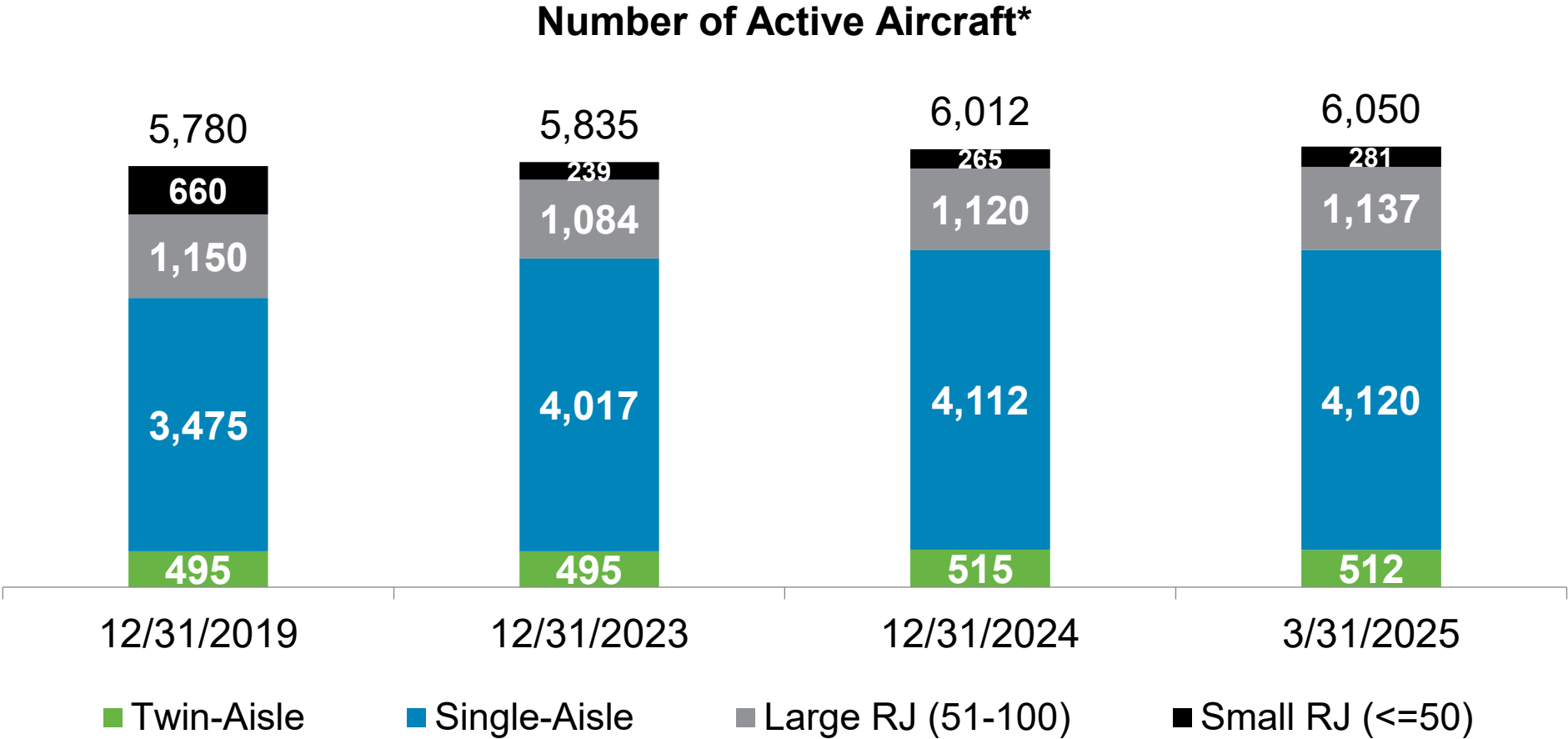
# U.S. Airline FTE Productivity Recovering in 2024, But Labor-Dollar Productivity Down ~21% Greater Labor Expense Needed to Generate Pre-Pandemic Levels of Capacity



Source: A4A Passenger Airline Cost Index \* ASM = available seat mile (basic unit of passenger airline capacity)

# U.S. Passenger Airlines Ended 2024 Operating More Than 6,000 Aircraft — Up 232 From 2019

From 2019 to 2024, the Fleet of *Small Regional Aircraft* Declined by 395 Units (60%)



Source: Anuvu      \* 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

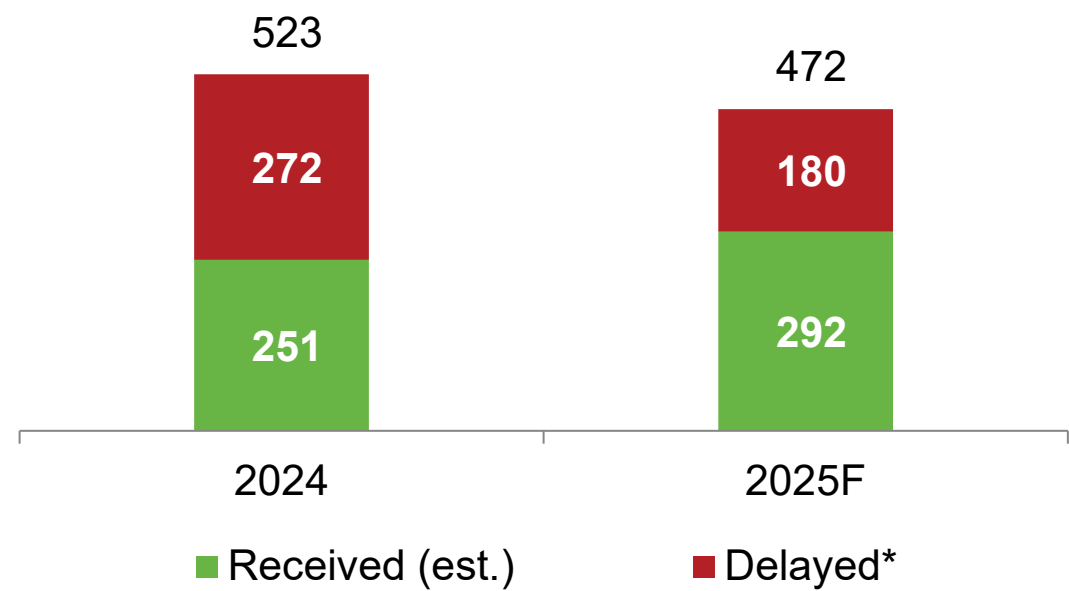
# Aircraft Deliveries in 2024 and 2025 Reduced Materially by Production/Certification Delays

## U.S. Passenger Airlines Received Just Half of Their Contractually Stipulated Aircraft Deliveries

“**A weakened supply chain**...is one of the main culprits. [T]he **dearth of airplanes** has left many carriers unable to respond fully to resurgent demand for air travel, growing competition and pressure to fly cleaner fleets.”

*Bloomberg Government*, “A Lost Decade of Planemaking Costs Airlines Thousands of Jets” (Oct. 29, 2024)

New-Aircraft Deliveries for 11 U.S. Passenger Airlines



Example: United Aircraft Deliveries in 2025

(As of Dec. 31, 2024, per UAL 10-K)

Aircraft Type	Contractual	Expected	Diff
B787	28	9	(19)
B737 MAX 8	16	16	—
B737 MAX 9	68	28	(40)
A321 neo	23	20	(3)
Total	135	73	(62)

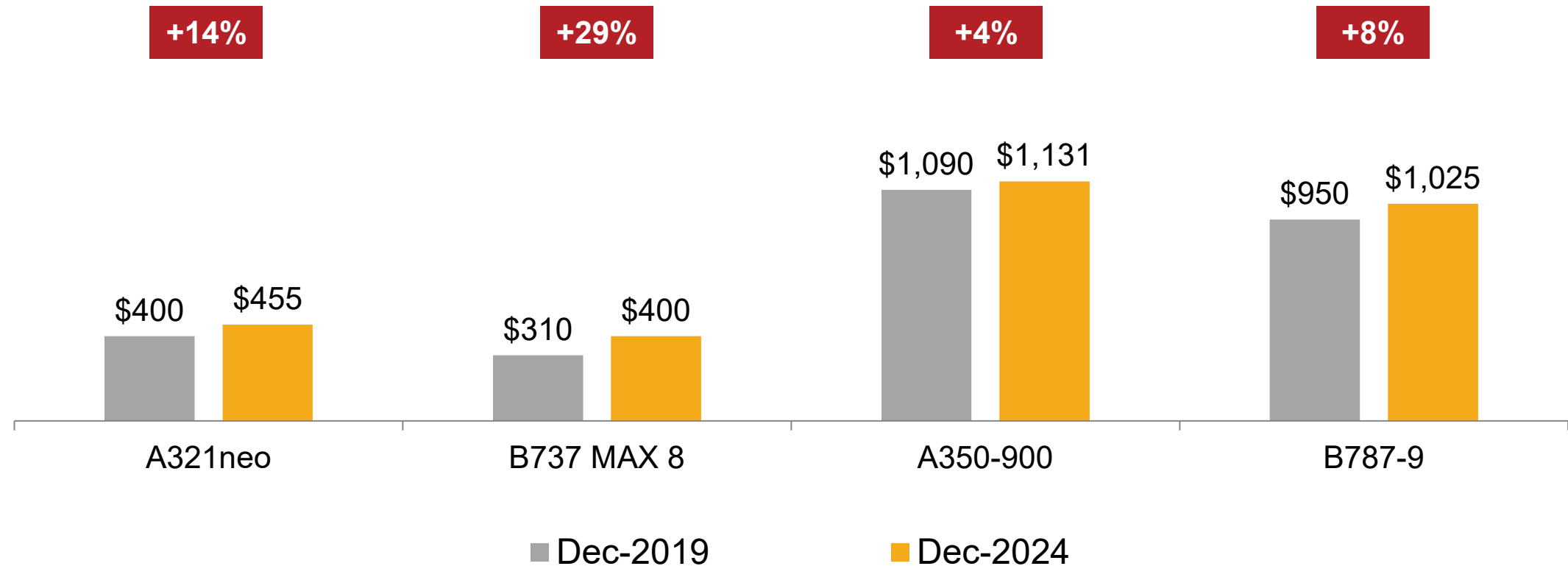
Source: Alaska/Hawaiian, Allegiant, American, Breeze, Delta, Frontier, JetBlue, Southwest, Spirit and United as of March 3, 2025

\* 2024 based on contractual fleet plans as of 10/31/2023

# Single-Aisle Airplanes Have Gotten Significantly More Expensive

Monthly Lease Rates on New Builds Reflect Supply Chain (e.g., Labor, Materials) Tightness

Monthly Market Lease Rates (000) for New Builds



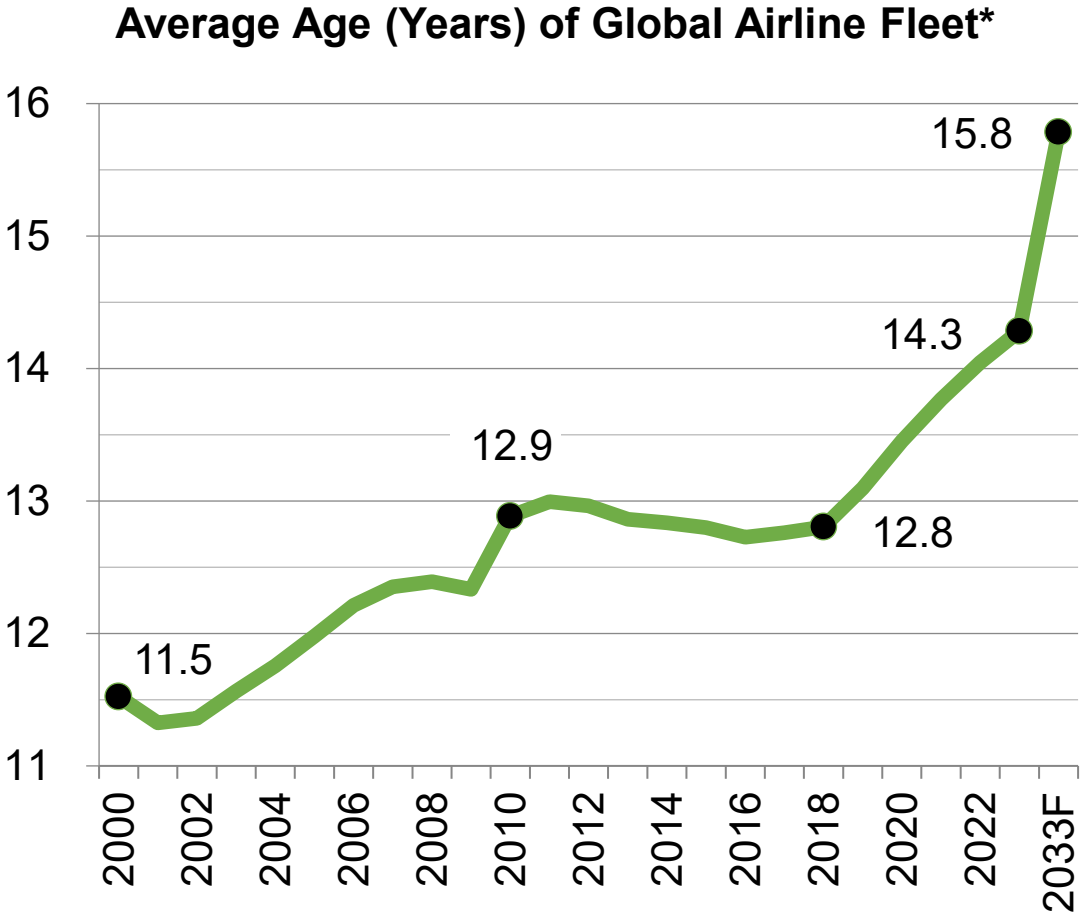
Source: Cirium and Deutsche Bank (January 2025)

# Globally, Aircraft Delivery Delays Are Translating to an Aging Fleet

## Average Fleet Age Expected to Rise to ~16 Years by 2033

“**Commercial airplane fleets are aging at an alarming rate, and the implications**—ranging from higher maintenance, repair and overhaul costs to reduced ability to meet ambitious sustainability targets—**are troubling for operators**... [We do] not expect a return to 2018 delivery levels until around 2027, and that milestone may slip to the right with the fallout from strikes **and the whack-a-mole nature of supply chain bottlenecks that are difficult to contain**... To return the fleet age to 2019 levels by 2033, 5-10% more narrowbodies and 30-40% more widebodies would have to be delivered than are forecast to be handed over.”

Mike Stengel, AeroDynamic Advisory, “Up Front,”  
*Aviation Week & Space Technology*, (Nov. 25, 2024)



Source: CAPA (<https://centreforaviation.com/>) and Mike Stengel, AeroDynamic Advisory,

\* Active fleet only, including narrowbody and widebody jets, regional jets and turboprops

# Supply Chain Issues Are Exacerbating Airline Cost and Operating Pressures

## Tight Capacity of Maintenance/Repair/Overhaul (MRO) and Parts Could Last Several Years

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**“External MRO capacity is not likely to move materially higher in the near-term**, as facility operators are concerned about overcapacity in the future. The view here is that MROs are likely only 25% of the solution. To get out of this environment, it’s going to take higher OE production, which should accelerate retirements and allow for more parts scrapping. **All indicators are that it should take another two and half to three years before that plays out.**” (Stephen Trent, AeroDynamic Advisory, Nov. 13, 2024)

**“Integral parts of the supply chain like engines are also seeing delays**, with CFM’s delivery target for LEAP engines in 2024 now down 10% year-over-year vs. up 20% to 25% in February 2024. **Aircraft availability is further exacerbated by tight MRO supply, both in terms of slot availability and longer turnaround times. Several airlines in the US are also materially impacted by mandatory accelerated maintenance** for GTF-powered A230neos and A220s...” (Catherine O’Brien, Goldman Sachs Equity Research, Nov. 15, 2024)

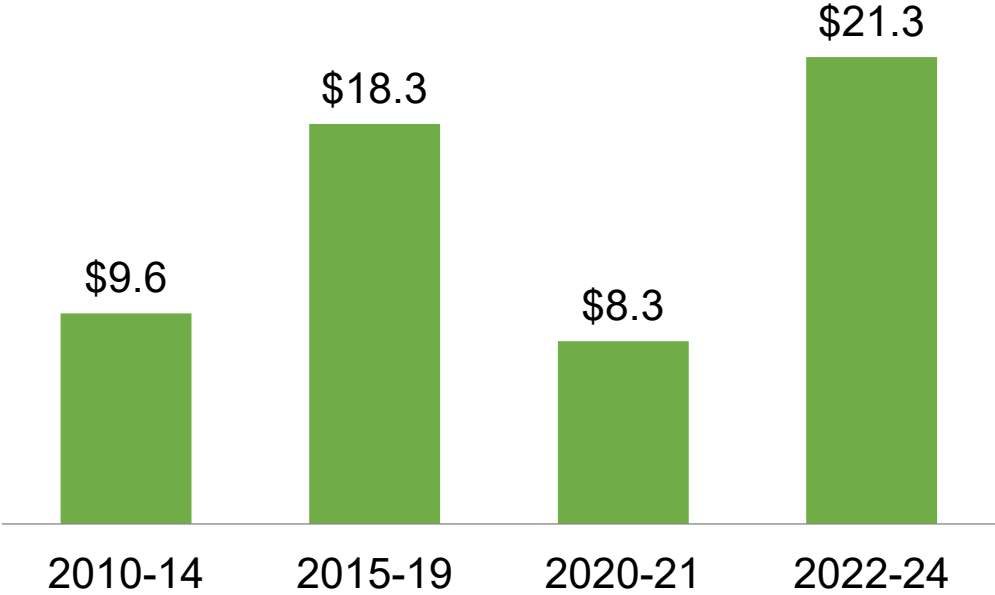
“For airlines, an aging fleet **increases pressure on maintenance costs**... Inflation has certainly played a role..., **but older fleets also drive nonroutine tasks during maintenance events, and parts become more difficult to source**... [M]ost airlines will find their options limited...” (Mike Stengel, AeroDynamic Advisory, Nov. 25, 2024)

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

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



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

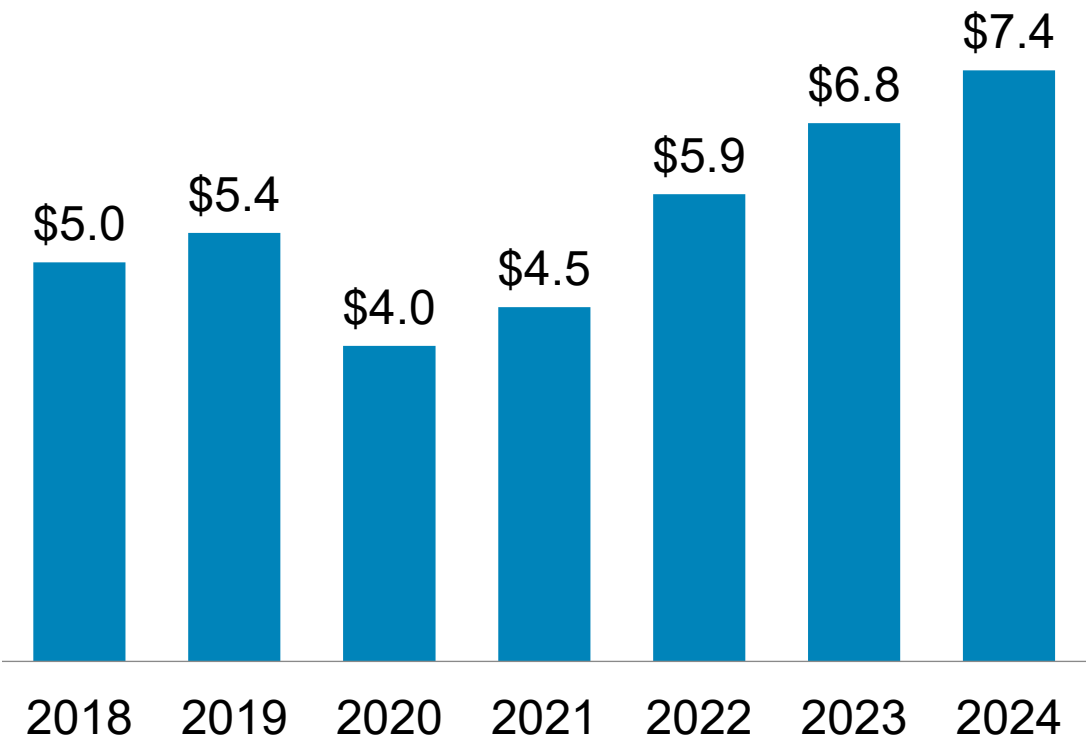


\* Includes payments made for aircraft and other flight equipment, ground and other property and equipment (e.g., baggage carts, lavatory trucks, deicing vehicles), airport and other facility construction and technology  
Sources: CapEx from SEC filings of Alaska/Hawaiian, Allegiant, American, Delta,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

# From 2022-2024, U.S. Passenger Airlines Spent ~\$20 Billion on Information Technology

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 their journeys
- Navigate airports
- Check and/or track bags
- Stay apprised of flight status
- Redeem vouchers/loyalty points

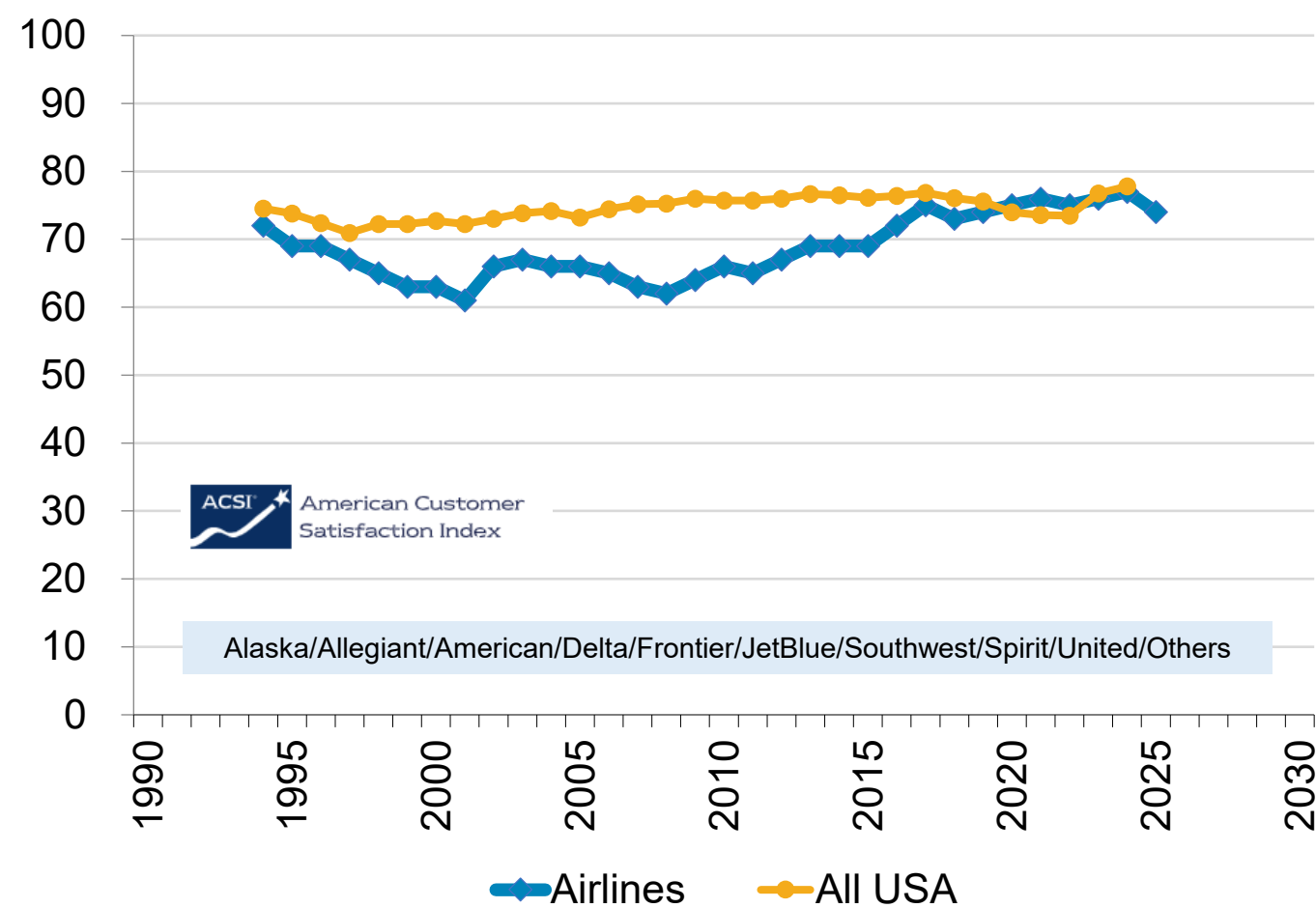
Sources: Alaska/Hawaiian, Allegiant, American, Avelo, Breeze, Delta Frontier, JetBlue, Southwest, Spirit, Sun Country, United

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



# ACSI Airline Customer Satisfaction Index Fell Three Points in 2025 From 2024 All-Time High

## Airlines Scored 80+ on Five of the 21 Benchmarks and 75-79 on 10 Others



Satisfaction Benchmark	2019	2024	2025
Mobile app quality	82	84	82
Mobile app reliability	82	84	81
Website satisfaction	80	83	81
Ease of making a reservation	81	84	80
Ease of check-in process	82	83	80
Cabin and lavatory cleanliness	78	82	79
Courtesy/helpfulness: flight crew	80	82	78
Baggage handling	79	81	77
Boarding experience	79	81	77
Courtesy/helpfulness: gate staff	80	81	77
Range of flight schedules	77	80	77
Timeliness of arrival	80	81	77
Call center satisfaction	78	81	76
Loyalty program	75	80	76
Availability of overhead storage	73	79	75
Quality: purchased food/beverage	73	78	74
Quality: in-flight entertainment	71	78	74
Quality: free food/beverage	73	76	73
Seat comfort	69	76	73
Usefulness of flight information	NM	NM	71
Quality: in-flight Wi-Fi	NM	NM	66

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 2025 is based on 16,771 completed surveys. Customers were chosen at random and contacted via email between April 2024 and March 2025.



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