



Airlines for America[®]

We Connect the World

The State of U.S. Commercial Aviation

Updated March 7, 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 ~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

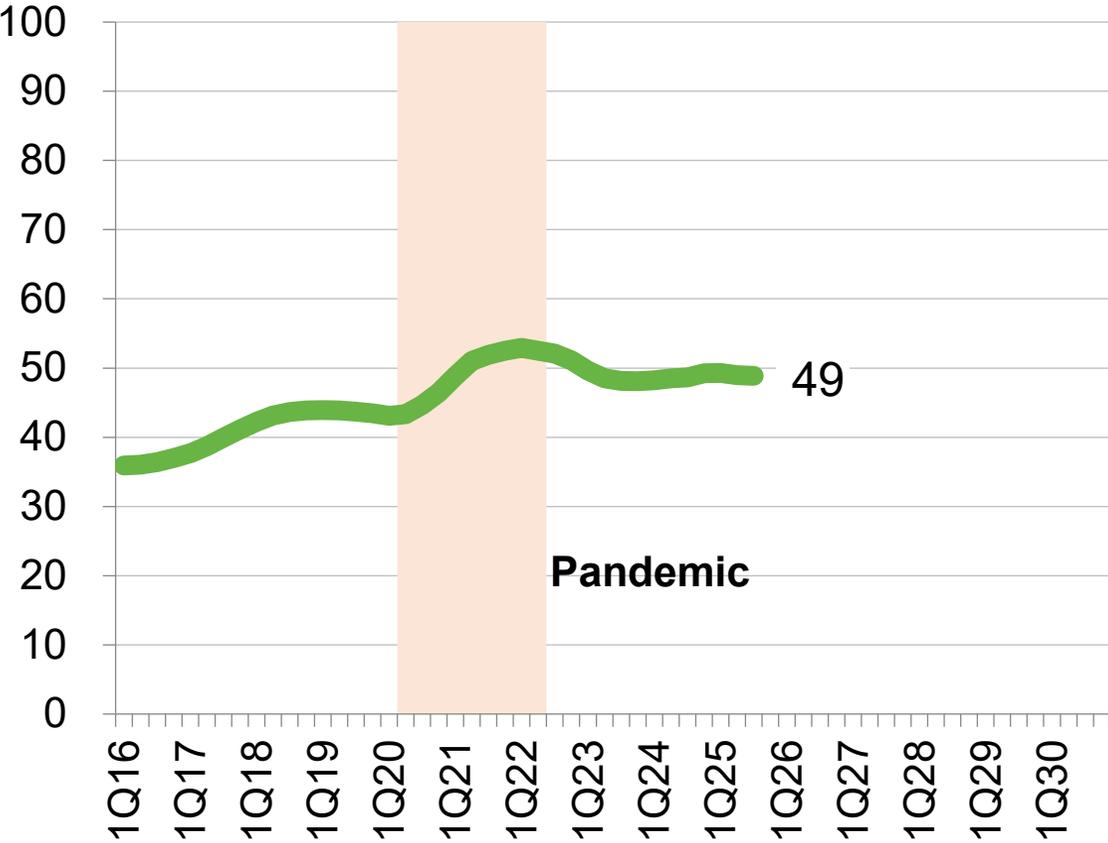
- » Airlines of all shapes and sizes continue to retool products and networks to reflect the changing face of demand and to cope with inflation, but **growth rates—and profit margins—differ widely.**

“[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)

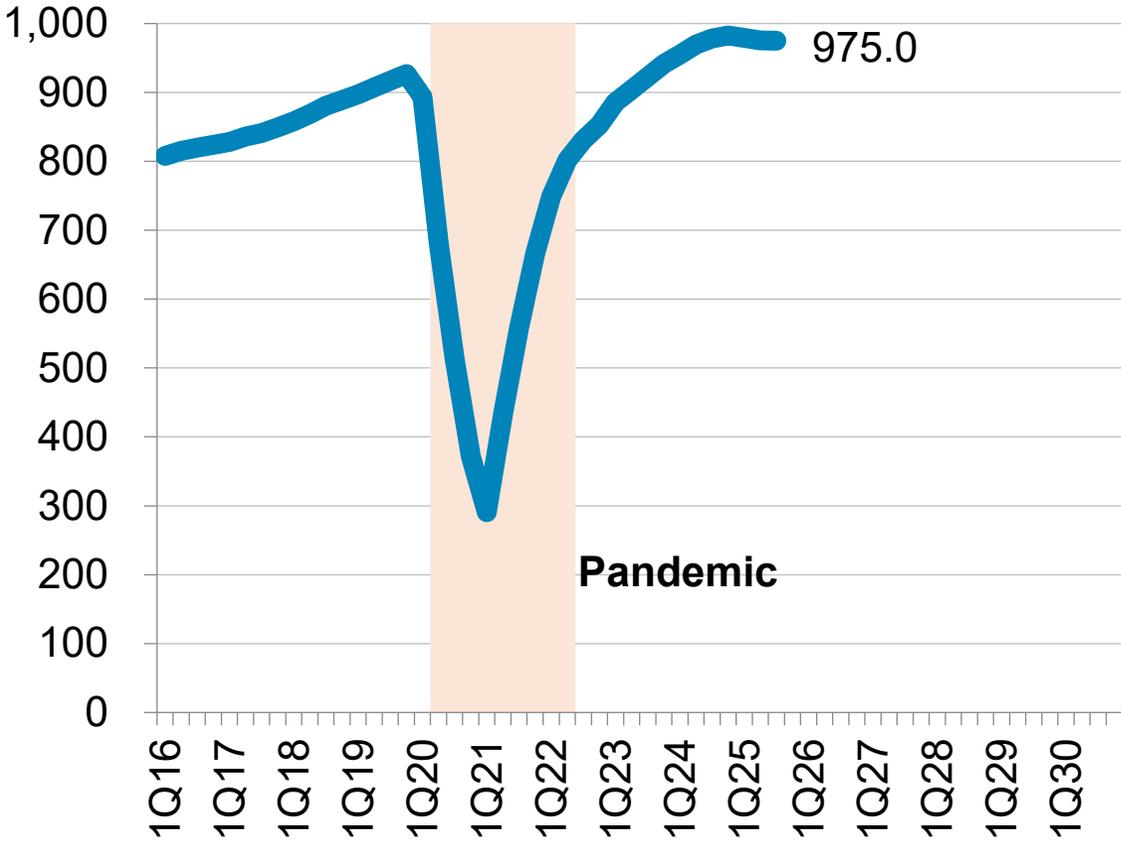
- » In large part, airlines have been using **cash flow** to add staff, renew fleets, upgrade ground equipment and IT and retire the massive **debt** accumulated in 2020-2021 to weather the pandemic.
- » Most airlines are pursuing high-margin revenue diversification, earnings durability, equity appreciation and balance sheet fortification.

For U.S. Airlines, Air-Cargo and Air-Travel Demand Subsided in 2Q and 3Q 2025 But Demand Remains Well Above Pre-Pandemic Levels

Annualized Air Cargo Revenue Ton Miles* (Bils)



Annualized Scheduled-Service Passengers (Mils)



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

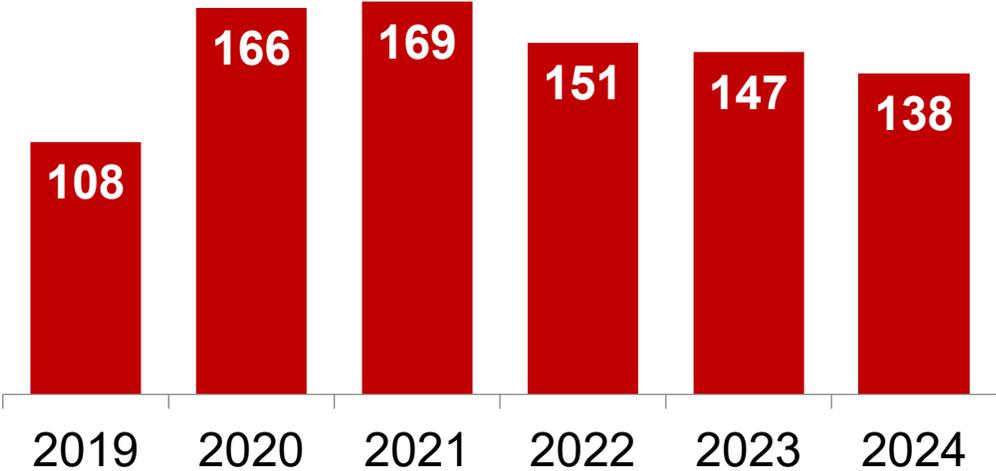
Airlines Have Prioritized Debt Reduction, Accompanied by Heavy Cash Outlays for Interest

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

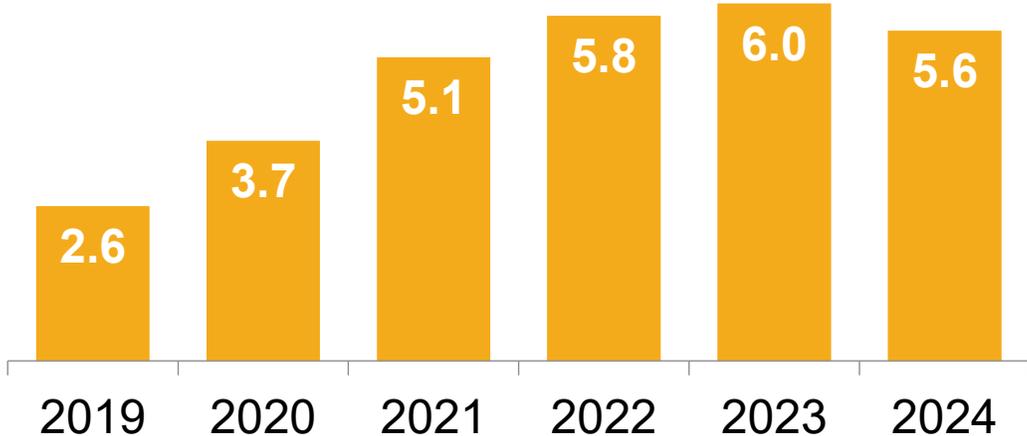
“To suggest that the airlines should have better prepared for this environment seems akin to suggesting Pompeii should have invested more heavily in firefighting technology.” (Jamie Baker, JPMorgan, March 22, 2020)

“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

In 2025, U.S. Passenger Airlines Collectively Posted a Pre-Tax Profit Margin of 4.4%

Lower Interest Expense Helped Offset Higher Operating Costs to Drive Improved Results

Financial Results: 2025 <i>pending Spirit Airlines</i>	\$ Billions	% Chg. YOY	% of Category
Passenger (RPMs +TBD%, yield +TBD%)	208.4		88
Cargo	3.8		2
Other ¹	23.6		10
Total operating revenues	235.9	Pending	100
Salaries, wages and benefits	77.0		34
Aircraft fuel and taxes (consumption +TBD%, price -TBD%)	43.9		20
Maintenance materials and repairs	12.9		6
Landing fees and airport (terminal/hangar) rents	16.0		7
Depreciation and amortization ²	11.1		5
Regional capacity	10.6		5
Other ³	52.0		23
Total operating expenses	223.5	Pending	100
Interest and other non-op expenses, net	(1.9)		n/a
Pre-tax profit/(loss)	10.5	Pending	n/a
Pre-tax margin⁴	4.4%		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

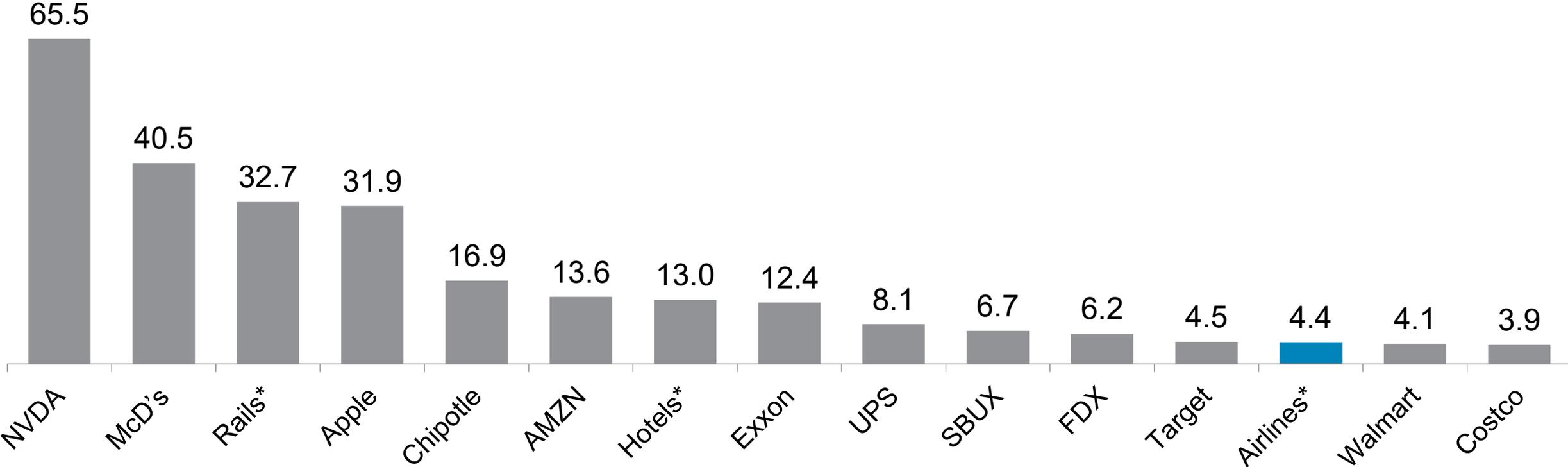
Source: SEC filings of Alaska/Hawaiian, Allegiant, American, Delta, Frontier, JetBlue, Southwest, Spirit, Sun Country and United

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



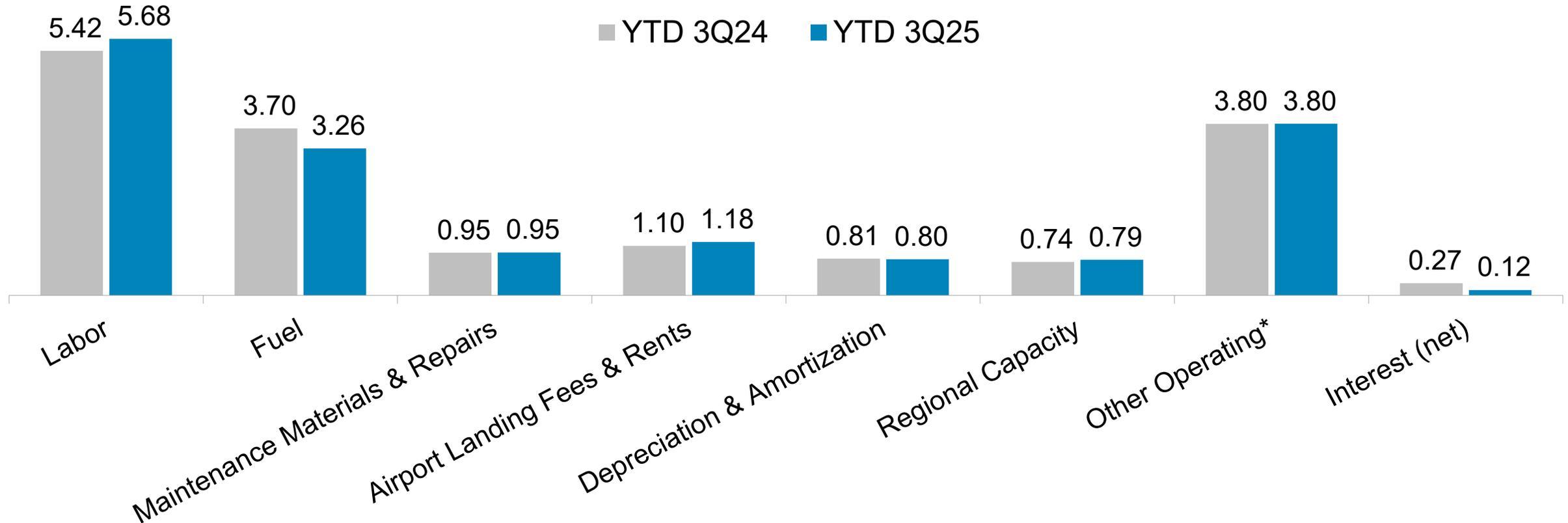
Sources: A4A, Bureau of Economic Analysis and company SEC filings

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

In Jan-Sep 2025, U.S. Airlines' Pre-Tax Unit Costs Fell 1% YOY on 12% Lower Fuel CASM

Labor CASM Rose 5%, Airport CASM Rose 8%

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



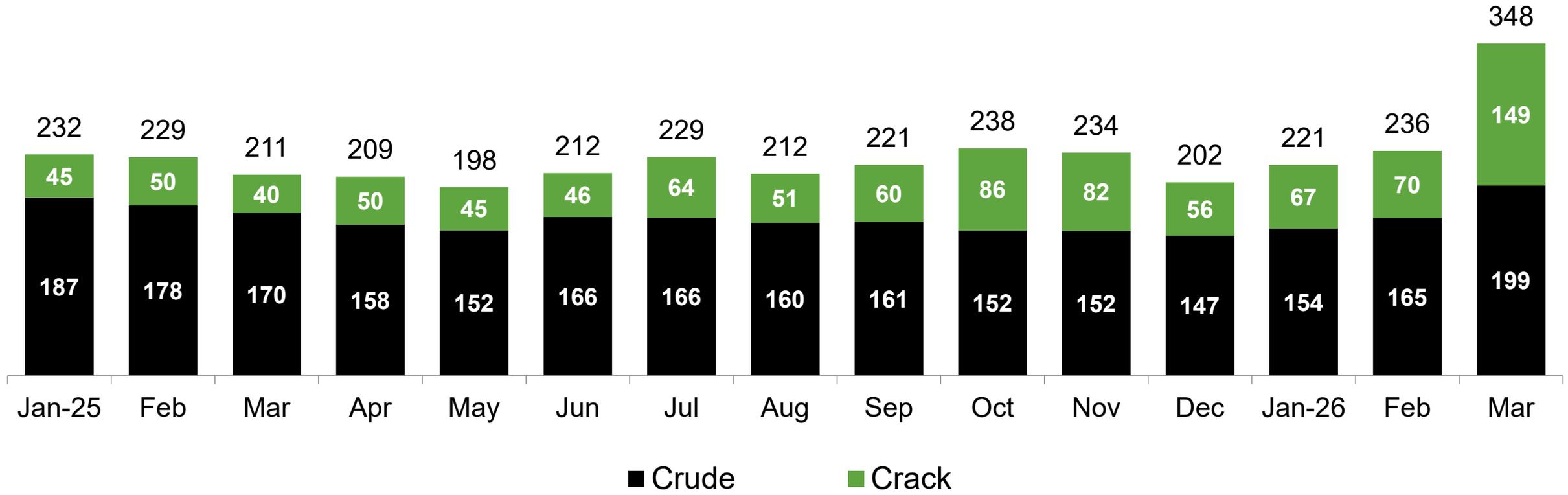
Source: SEC filings of Alaska/Hawaiian, Allegiant, American, Delta, Frontier, JetBlue, Southwest, Spirit, Sun Country and United

* Professional fees, food/beverage, insurance, commissions, GDS fees, communications, advertising, utilities, office supplies, crew hotels, etc.

After Declining Steadily From 2022 to 2025, U.S. Jet Fuel Prices Are Surging in 2026

Disruptions to Refining Production and Distribution Have Translated to Materially Wider Crack Spreads

Argus US Jet Fuel Index™ — Average Spot Price (Cents per Gallon)*



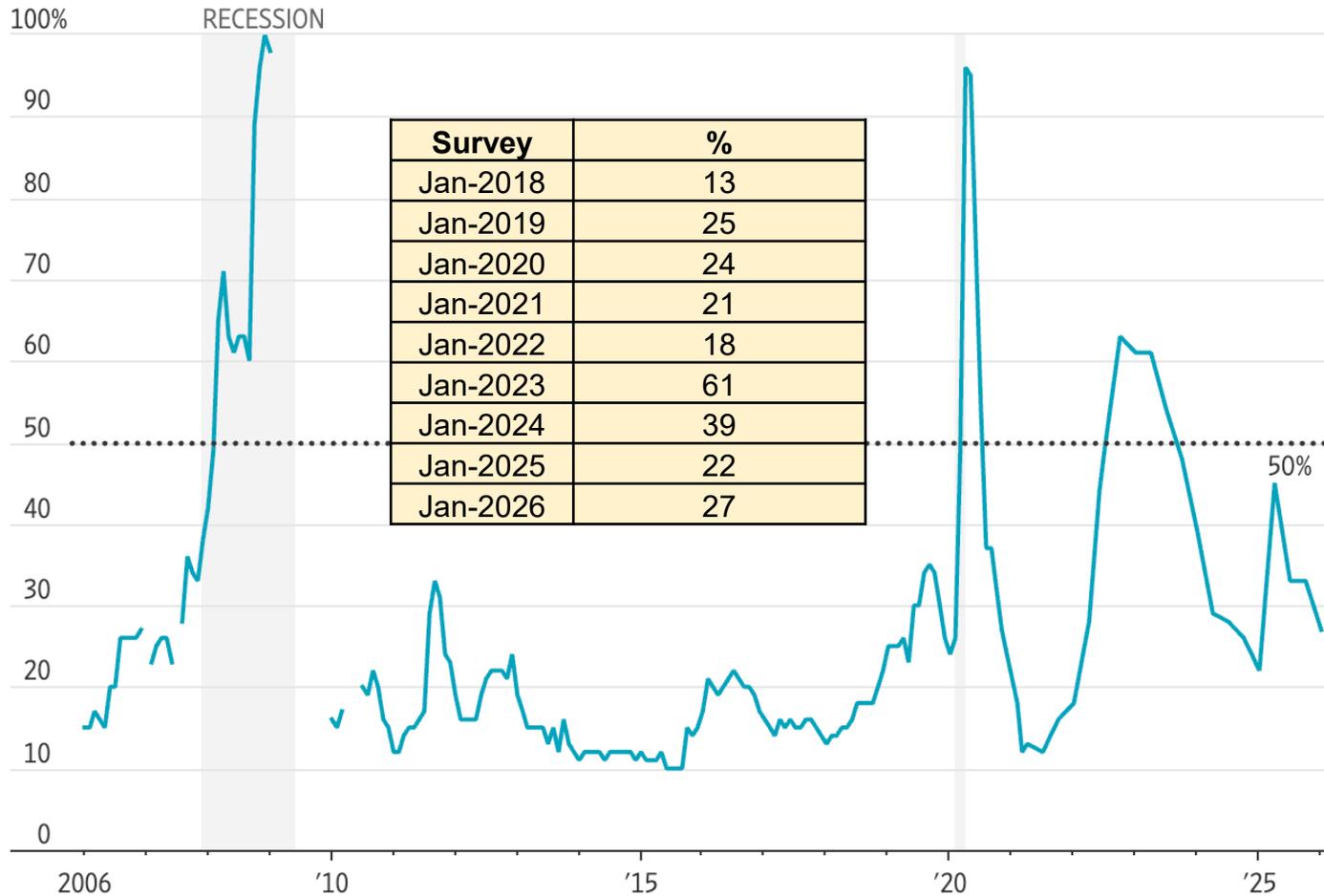
Sources: Argus Media (<https://www.airlines.org/dataset/argus-us-jet-fuel-index/>)

* Crude =ICE Brent; jet = average of Chicago/Houston/L.A./New York; excludes transportation costs, taxes, storage and into-plane fees

Economists Remain Downbeat, But Perceived Risk of U.S. Recession Has Subsided

WSJ Survey: Probability of Recession Over Next 12 Months: 27% (as of January)

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



“Economists assigned a 27% probability of a recession over the next 12 months, the lowest in a year. **Risks to the outlook include the fight over Fed independence, the potential impact of tariffs on inflation, and sluggish job growth** pressuring the finances of lower- and middle-income households.”

“**The growth in the economy is being fueled by consumers in the top 20% of the income spectrum**, who benefited from a rising stock market that’s fueled by massive investments on AI and data centers. Fine for now. But it **makes the economy quite vulnerable to any sudden pullback in equity values**,” said Bernard Baumohl, chief global economist at the Economic Outlook Group.”

Source: Harriet Torry and Anthony DeBarros, “Economists Shrug Off Trumponomics, Boost 2026 Growth Outlook Back Above 2%,” *The Wall Street Journal* (Jan. 18, 2026)

Perspectives on the U.S. Economic Outlook

“The US economy remains resilient, but **the signal has become harder to read**... Beneath the surface, **the pattern is distinctly K-shaped. Affluent households continue to spend, supported by income and wealth gains, while middle- and lower-income families are turning more cautious** heading into the holiday season. Business investment outside technology has taken on a more defensive tone, and tariff-related cost pressures are gradually filtering through supply chains.”

Gregory Daco, Chief Economist, EY (Nov. 28, 2025)

“**The economy is growing, but its growth is fragile.** Whether the economy strengthens or instead slumps in the coming year depends primarily on how aggressively the Trump administration pursues its **tariff, immigration and other deglobalization policies**; how quickly businesses adopt and incorporate **artificial intelligence** into their workflows; and how much **monetary and fiscal support** is provided by the Federal Reserve and lawmakers.”

Mark Zandi, Chief Economist, Moody's Analytics (Jan. 21, 2026)

Sources: <https://www.linkedin.com/pulse/us-outlook-2026-numbers-mark-zandi-jof6e/>

Perspectives on the U.S. Economic Outlook (Continued)

“There is a **growing divide between assessments of the economy’s performance**. Judging that performance based on recently stronger GDP growth and ebullient investors, the economy is doing well, if not great. But based on jobs and how dour the majority of Americans feel about their finances, the economy’s performance is lagging, if not faltering. So which is it? While **the reality likely lies somewhere between these two widely differing perspectives**, the old saw ‘better to prepare for the worst and hope for the best’ is apt.”

Mark Zandi, Chief Economist, Moody’s Analytics, “U.S. Outlook: GDP Optimists vs. Jobs Pessimists” (Feb. 10, 2026)

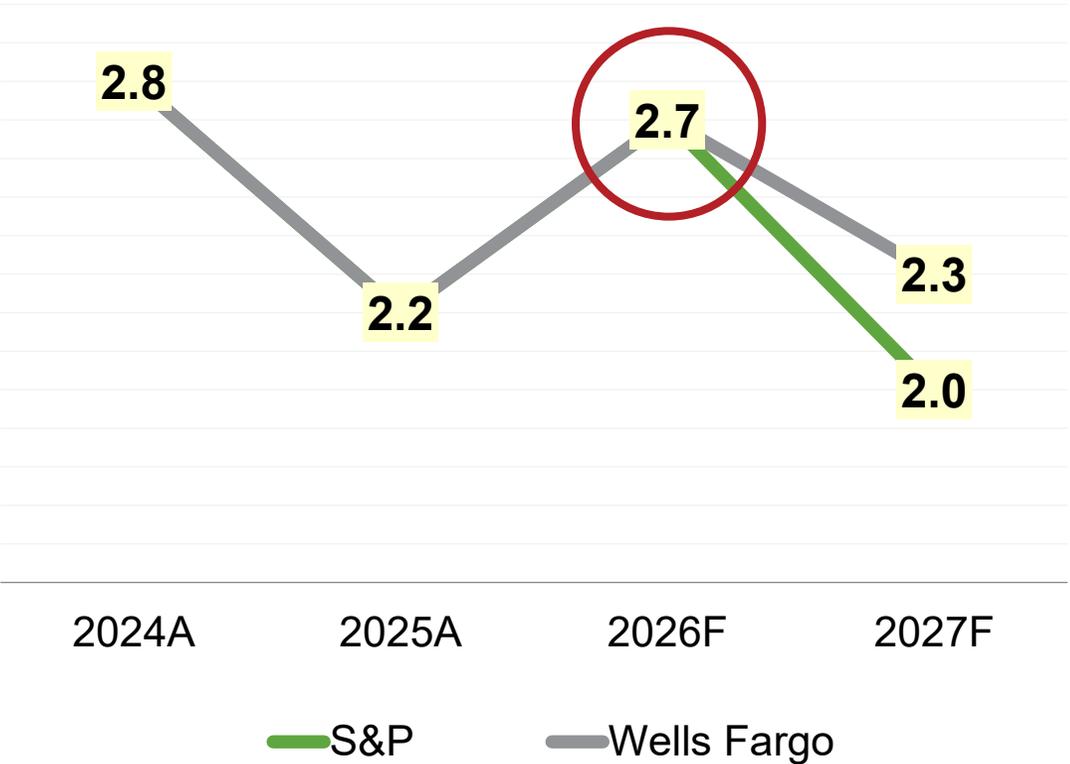
“I mean, there is certainly — pick your description — a **K-shaped economic bifurcation of the consumer**. We continue to see really consistent strength across luxury for the full year.”

Anthony Capuano, Marriott CEO (Feb. 10, 2026)

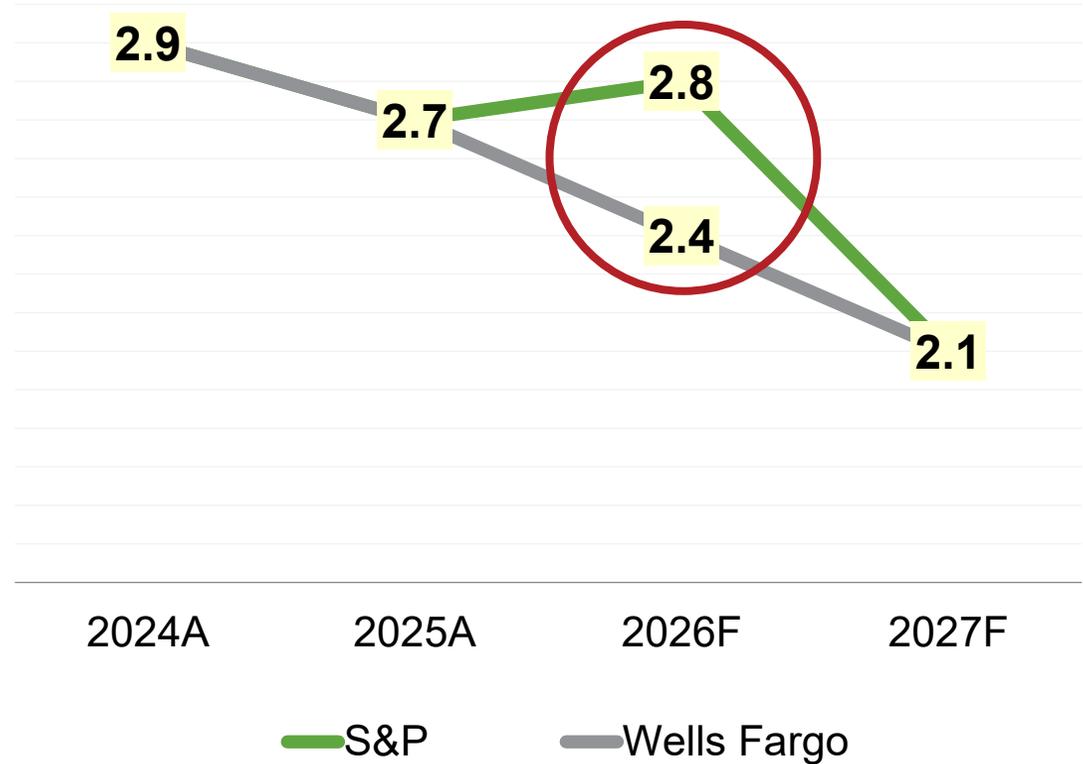
Sources: <https://www.linkedin.com/pulse/us-outlook-gdp-optimists-vs-jobs-pessimists-mark-zandi-ybqpe/> and 0

Both S&P and Wells Fargo Expect the U.S. Economy to Grow 2.7% in 2026, Decelerating in 2027
Wells Fargo Is Less Optimistic Than S&P on Personal Consumption Expenditures

YOY Change (%) in Real U.S. GDP



YOY Change (%) in Real U.S. Personal Consumption

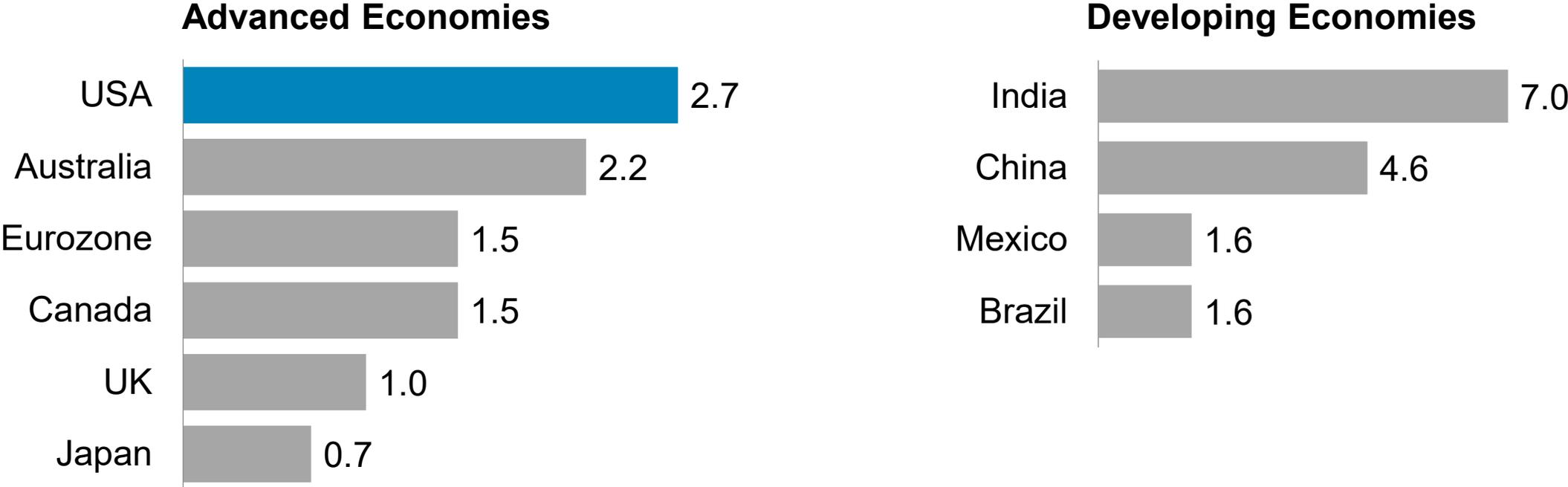


Sources: U.S. Bureau of Economic Analysis (Feb. 20, 2026), Standard & Poor's U.S. Economic Outlook (Feb. 12, 2026) and Wells Fargo International Economic Outlook (Feb. 18, 2026)

Wells Fargo Expects Tepid Economic Growth for Japan and the UK in 2026

India's Economy Expected to Outpace China's, With Mexico and Brazil Lagging Significantly

Projected Real GDP Growth (%) in 2026



Source: Wells Fargo International Economic Outlook (Feb. 19, 2026)

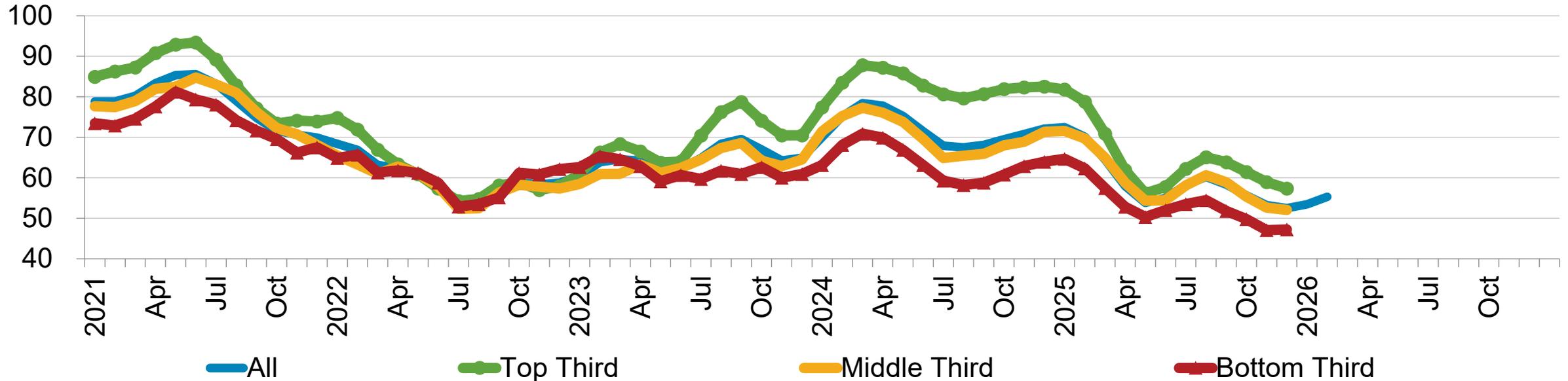
U.S. Consumer Sentiment Ticked Up in January and February

Higher Levels of Sentiment Correlated With Higher Levels of Income

“Not all Americans are feeling the affordability squeeze. **The finances of the well-to-do are arguably as good as they have ever been.** They have a job, and they are enjoying sturdy wage growth. If they have any debt, it is a mortgage loan they refinanced during the pandemic at an exceptionally low rate. They have ample cash in their checking and money market accounts...and **their wealth has ballooned with the surge in home values and stock prices.**”

Mark Zandi, Chief Economist, Moody’s Analytics, “The Affordability Squeeze,” *LinkedIn* (Dec. 9, 2025)

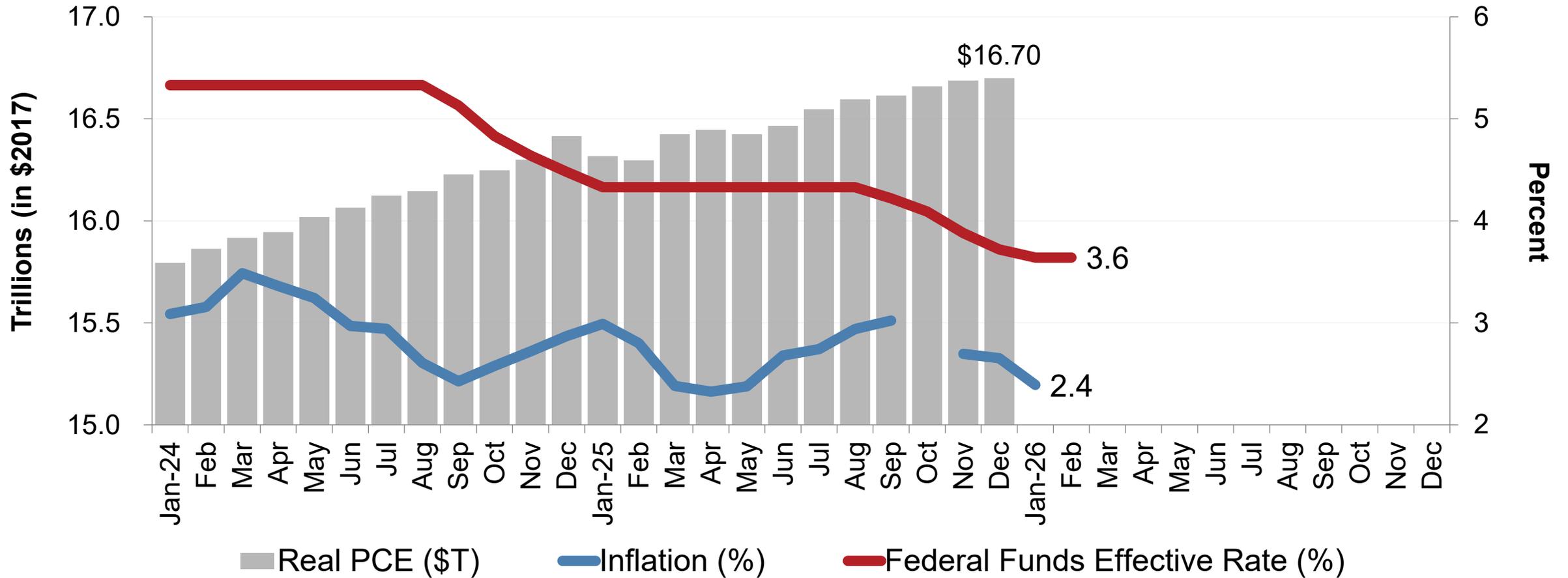
U.S. Consumer Sentiment by Income Tier: Three-Month Moving Average, Index: 1Q 1966 = 100



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

Real Consumer Spending Rose to Record Level in December

Boosted in Part by Lower Federal Funds Rate and Lower Headline Inflation



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

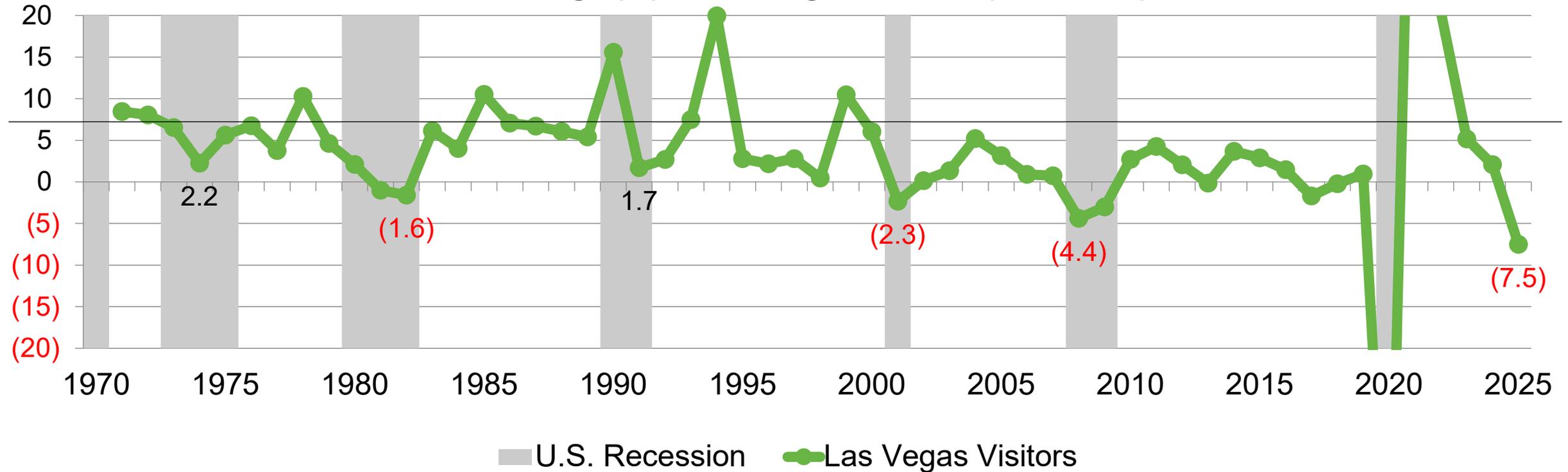
Aside From 2020, Las Vegas Saw Its Steepest-Ever Drop in Visitors in 2025

Multiple Factors at Play

“A portion of our friends in Canada are not happy with us right now,” said [Steve] Hill, CEO of the LVCVA...

“Vegas tourism leaders head north of the border to entice disgruntled Canadians,” *The Nevada Independent* (Sept. 3, 2025)

YOY Change (%) in Las Vegas Visitors (All Modes)

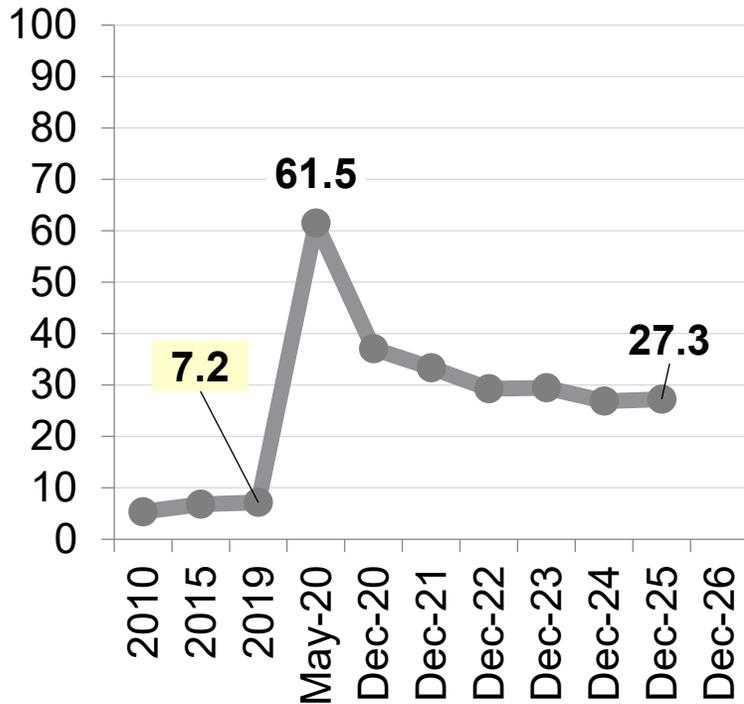


Source: Visual Approach Advisory (Aug. 21, 2025) and “Vegas tourism leaders head north of the border to entice disgruntled Canadians,” *The Nevada Independent* (Sept. 3, 2025), and LVCVA.com

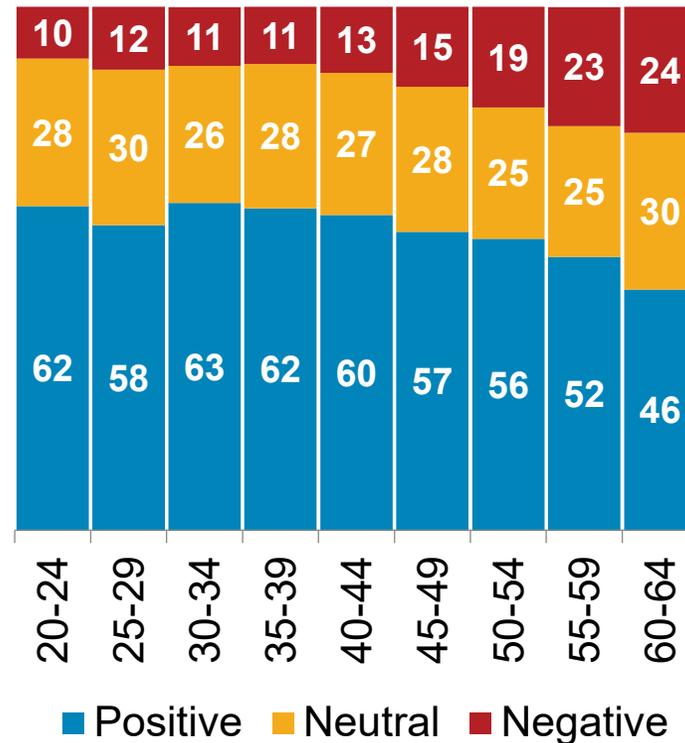
Share of Remote Work Remains Well Above 2019; Preference for Hybrid Work Persists

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

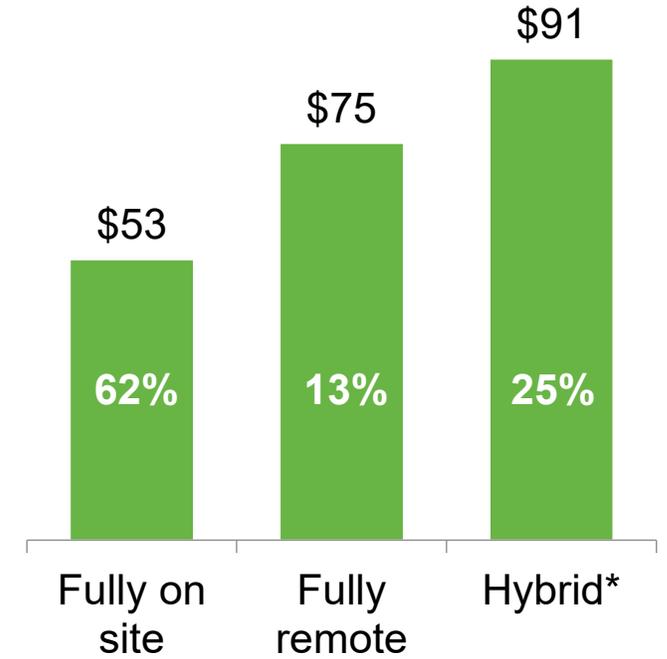
% of U.S. Resident Paid Workdays Conducted Remotely



Attitude Toward Hybrid* Work (% Viewpoint by Age Group)



U.S. Resident Average Earnings (000) by Working Arrangement

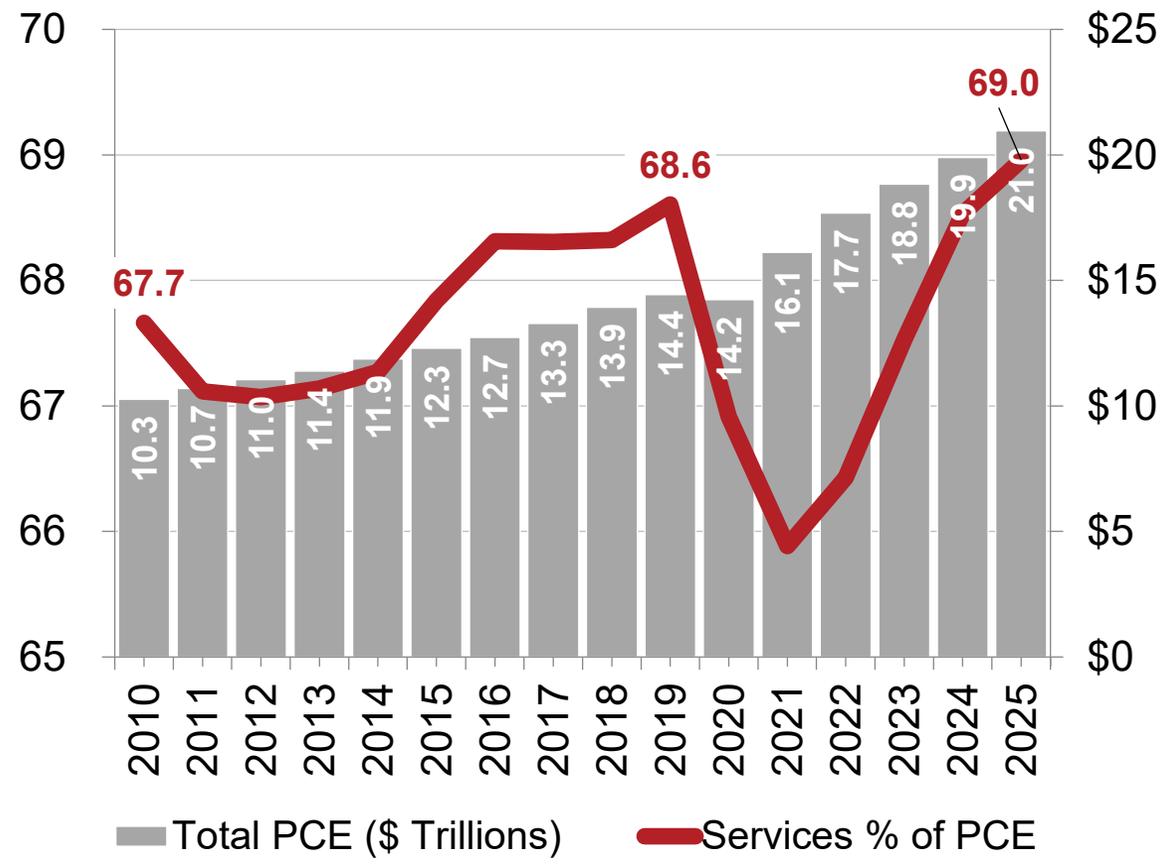


* Two to three days per week

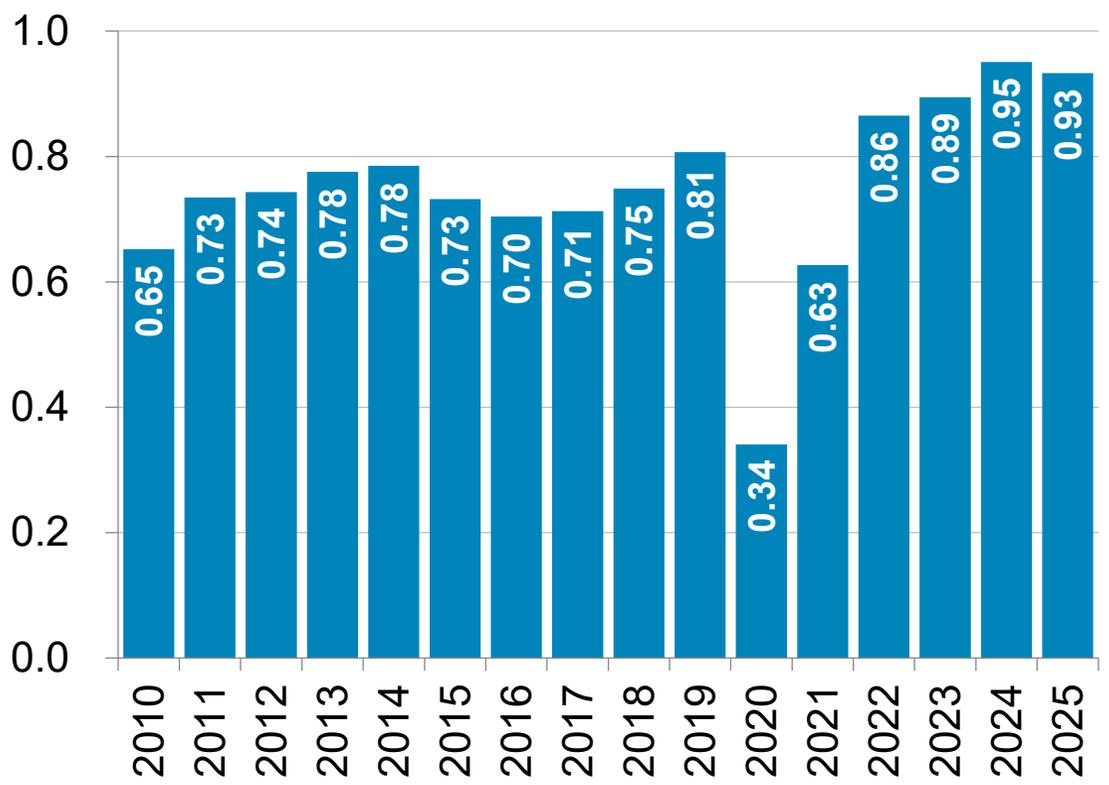
Source: Survey of Working Arrangements and Attitudes (SWAA), Barrero, Jose Maria, Nicholas Bloom, and Steven J. Davis, 2021. "Why working from home will stick," National Bureau of Economic Research Working Paper 28731.

Once Again, U.S. Consumers Are Allocating 69% of Total Spending (\$21T) to Services And They Have Increasingly Prioritized Air Travel, Albeit With a Small Retrenchment in 2025

Services Share (%) of Personal Consumption



Air Travel Share (%) of Personal Consumption



Source: U.S. Bureau of Economic Analysis

Note: PCE = personal consumption expenditures

“Top 10% of Earners Drive a Growing Share of US Consumer Spending”

High-Income Americans Behind Roughly Half of Spending, Up From a Third in the Early 1990s

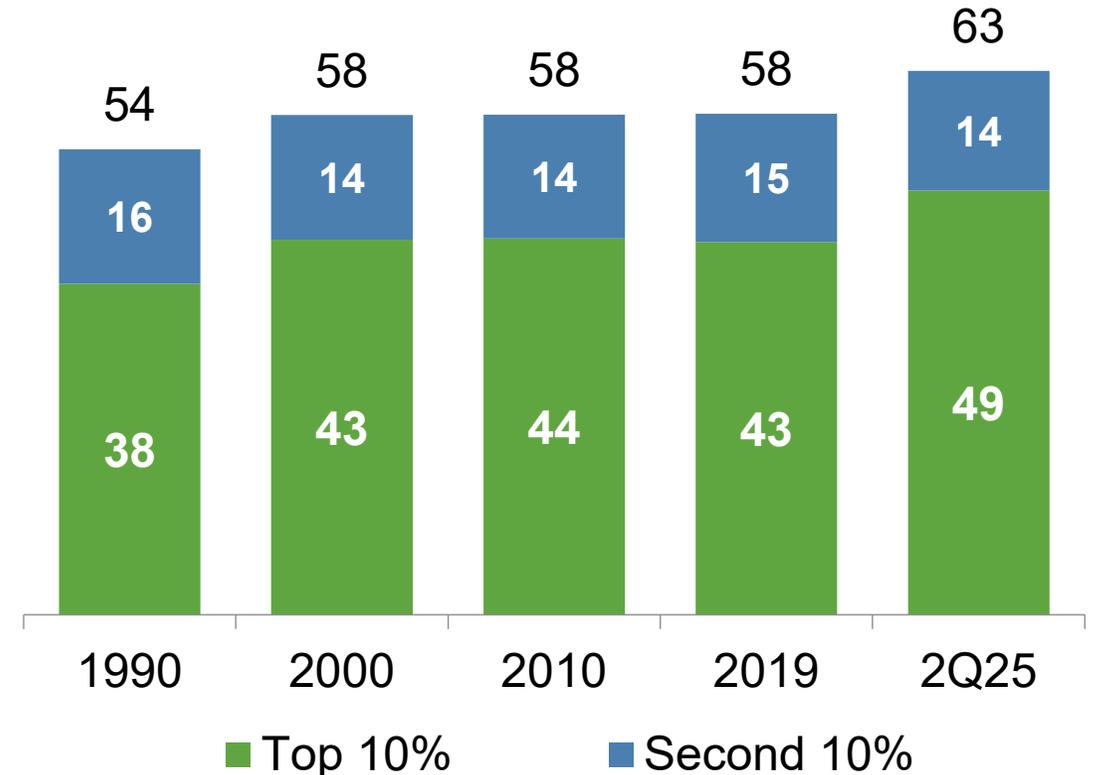
“The economy’s prospects are tethered to the fortunes and spending of the well-to-do,” [Moody’s Analytics Chief Economist Mark] Zandi said.”

Bloomberg Government (Sept. 16, 2025)

“Not surprisingly, the well-to-do are thus spending with gusto. Those in the top 10% of the income distribution, who are making more than \$275,000 annually, account for an estimated nearly one-half of all personal outlays, and their spending has significantly outpaced inflation since the pandemic. Those in the next highest 10% of the income distribution...have also spent at a pace measurably greater than inflation during this period.”

“The Affordability Squeeze,” *LinkedIn* (Dec. 9, 2025)

Share (%) of Spending by Consumers in Top Tiers of Income Distribution

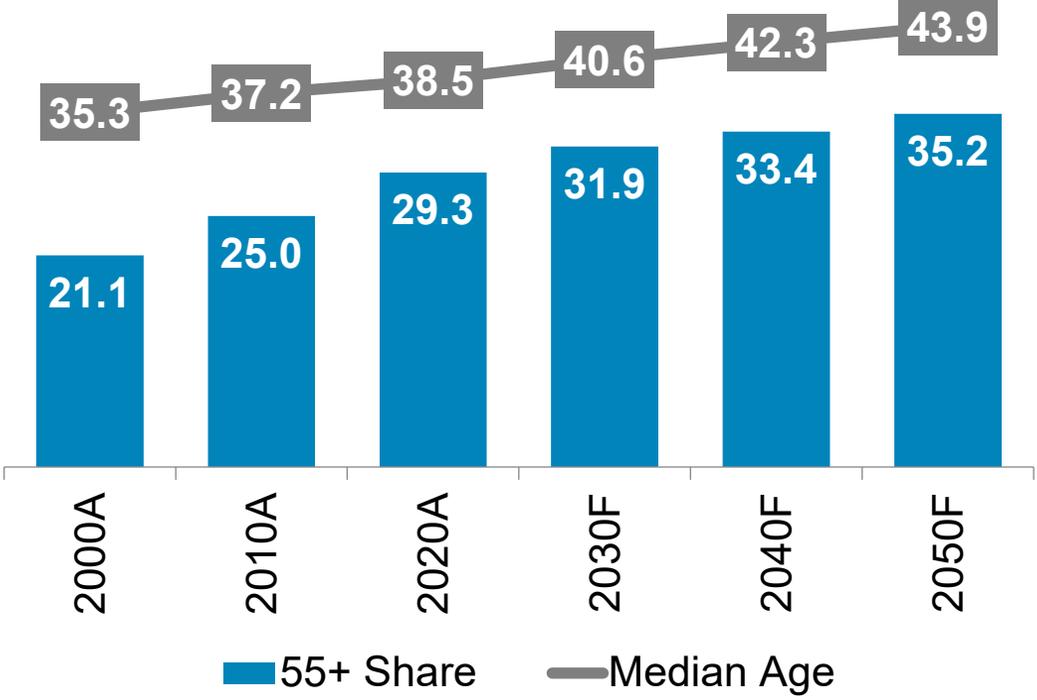


Source: Moody’s Analytics review of Federal Reserve data and Jonnelle Marte, “Top 10% of Earners Drive a Growing Share of US Consumer Spending,” *Bloomberg Government* (Sept. 16, 2025)

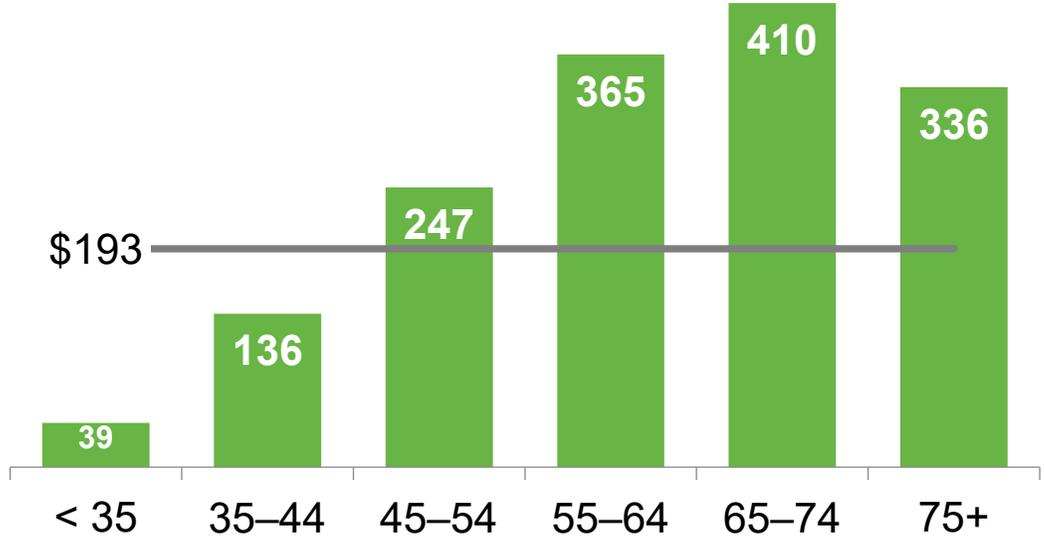
The Older (and Wealthier) Share of the U.S. Population Is Expected to Continue Growing

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

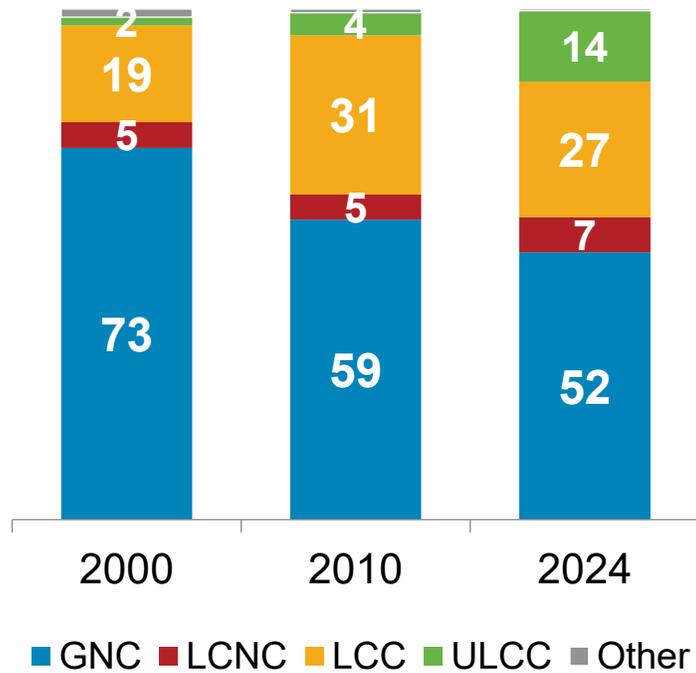


Source: U.S. Census Bureau and Federal Reserve 2022 Survey of Consumer Finances (Oct. 18, 2023)

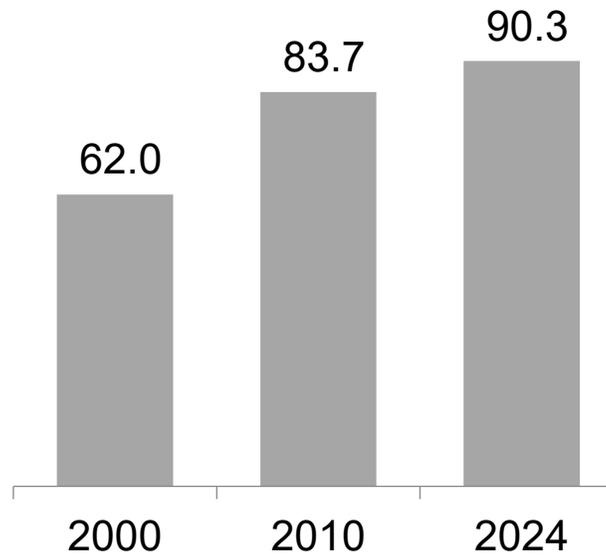
From 2000-2024, the Number of Competitors per Domestic Air Trip Rose From 3.33 to 3.49

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

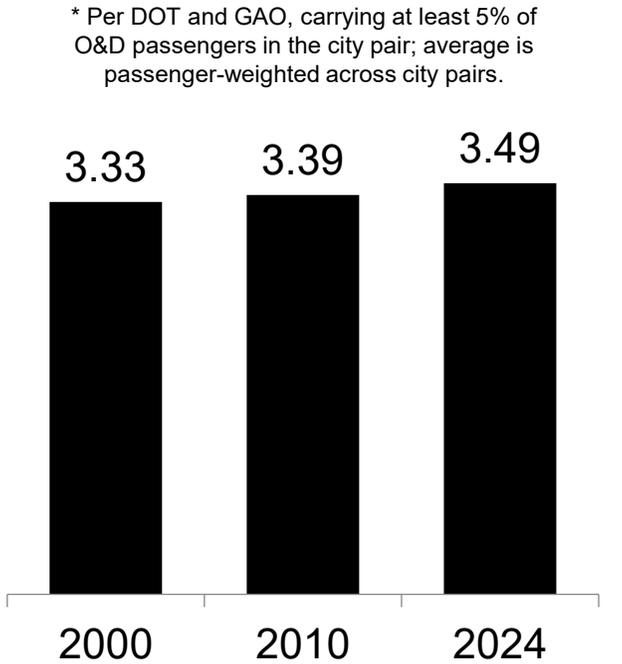
% of Domestic O&D Pax by Airline Business Model



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



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

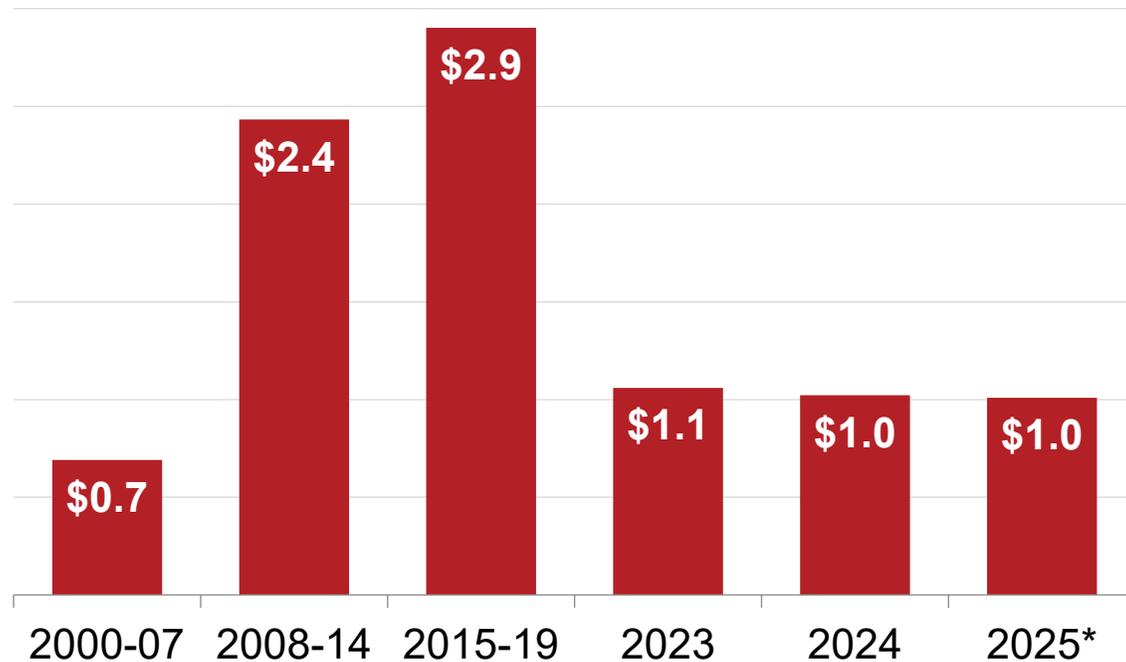


Source: DOT Data Bank 1B and Eonic Partners. Global network carriers (GNCs) include AA/DL/UA and predecessor airlines (e.g., US Airways, America West, TWA, Northwest, Continental) and defunct legacy network carriers (e.g., Eastern, Braniff). Low-cost carriers includes Southwest, JetBlue, Breeze, Reno 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

U.S. Airline Change-Fee Revenues
Annual Average, in Billions



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.”

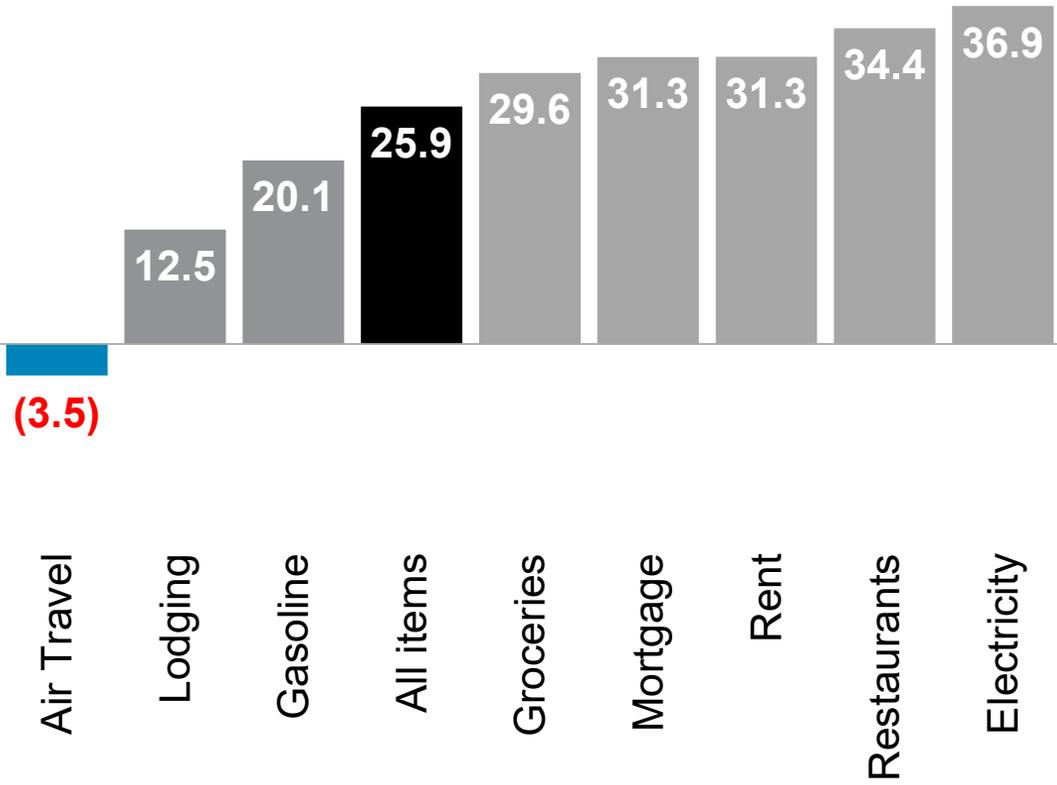
Scott Keyes, Scott’s Cheap Flights (April 4, 2022)

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

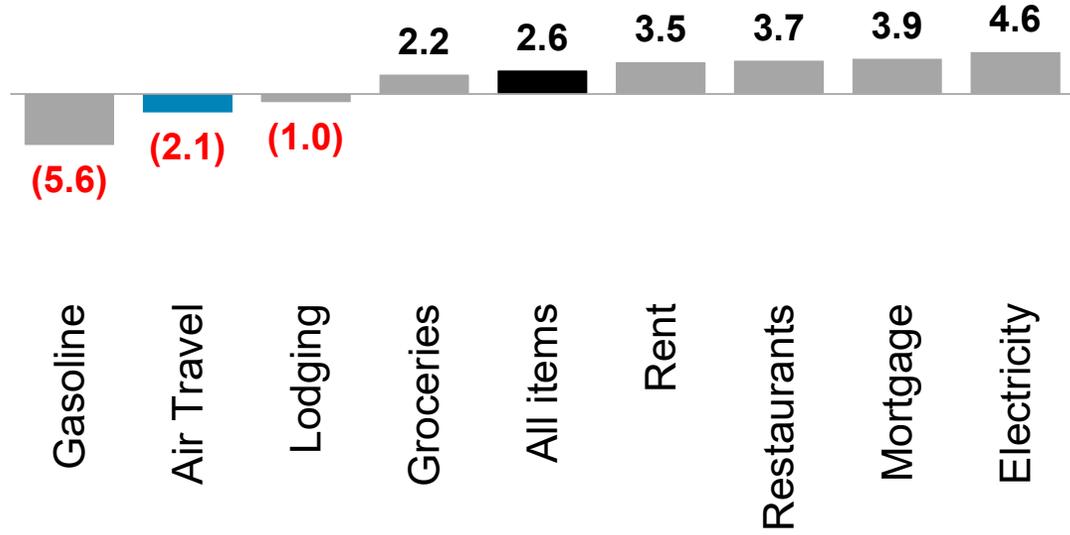
* Four quarters ended 3Q 2025

In Contrast to the Overall U.S. CPI (Up ~26%), the CPI for Airfares *Fell* 3.5% From 2019 to 2025
 From 2024 to 2025, the CPI for Airfares *Fell* 2.1% While the Overall U.S. CPI Rose 2.6%

% Change in CPI* for Selected Items: 2025 vs. 2019



% Change in CPI* for Selected Items: 2025 vs. 2024



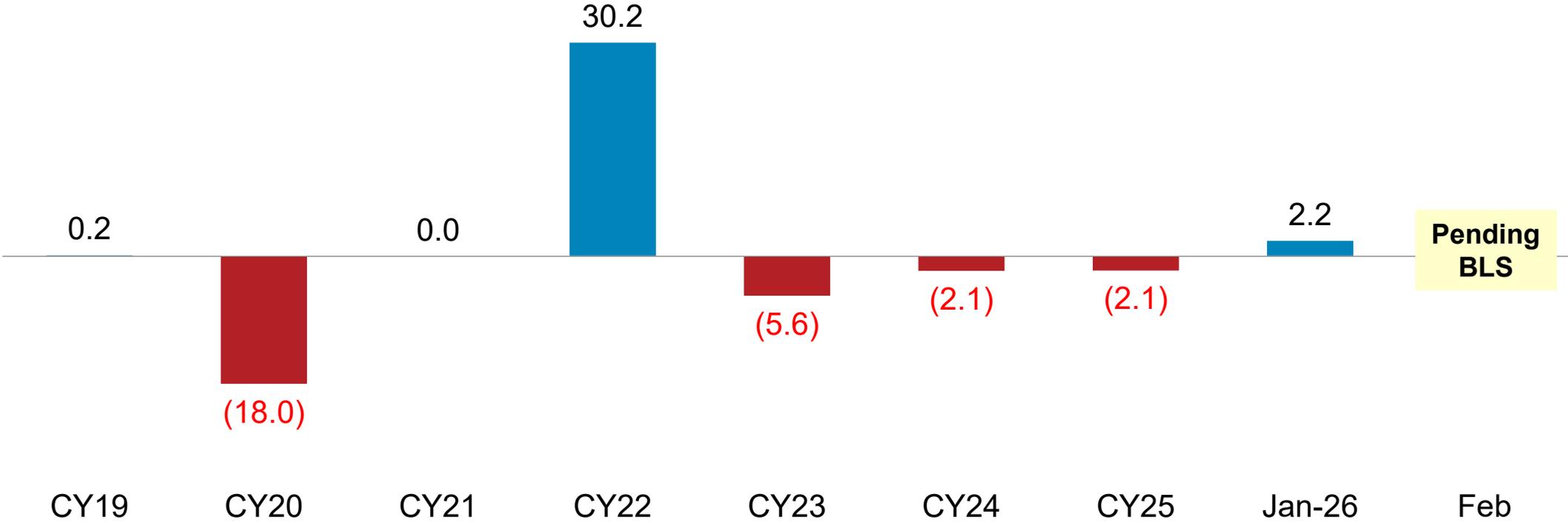
Sources: Bureau of Labor Statistics

* U.S. Consumer Price Index

BLS: After Rising in 2022, the CPI for Airfares Fell in 2023, 2024 and 2025

The CPI for Airfares Rose 2.2% Year Over Year in January

% Change YOY in CPI for Airline Fares

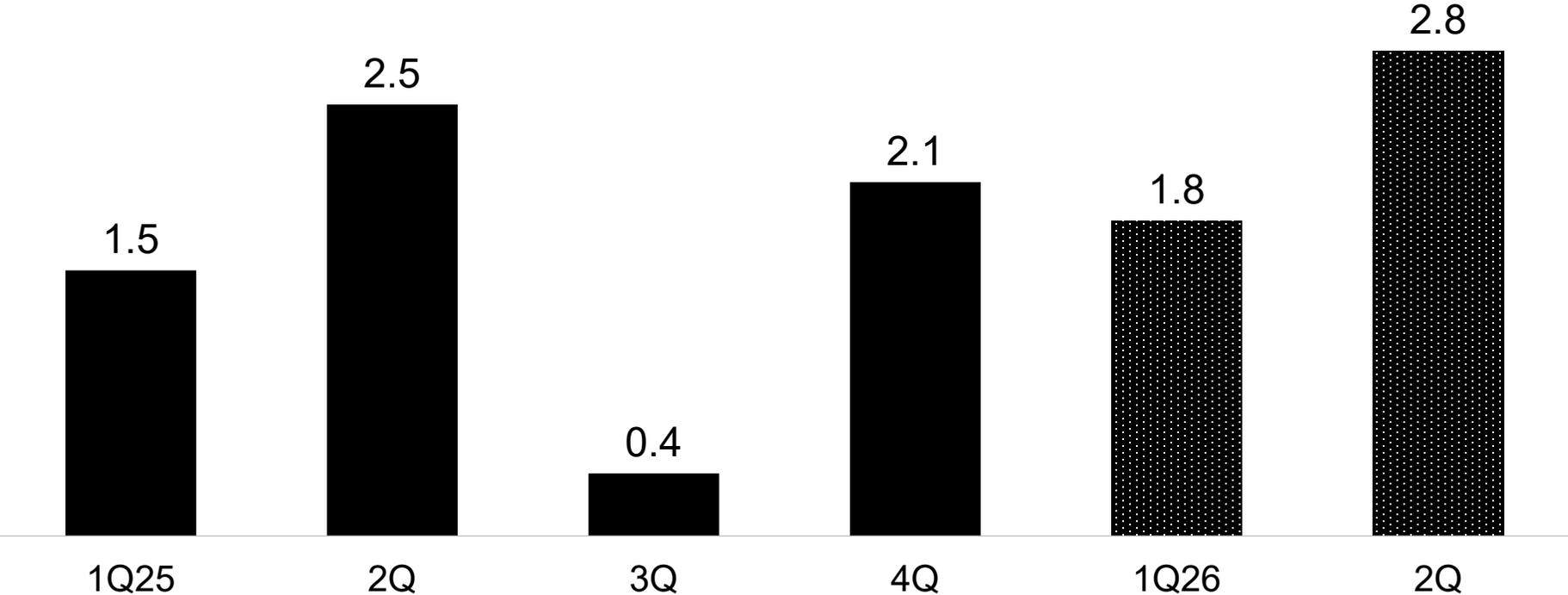


Sources: Bureau of Labor Statistics (CPI Series CUUR0000SETG01)

Weaker Pricing and Softening Load Factors Led to Curtailed Capacity Growth Following 2Q25

Currently Slated to Grow 2.8% Domestically in 2Q26

% Change YOY in Domestic ASMs

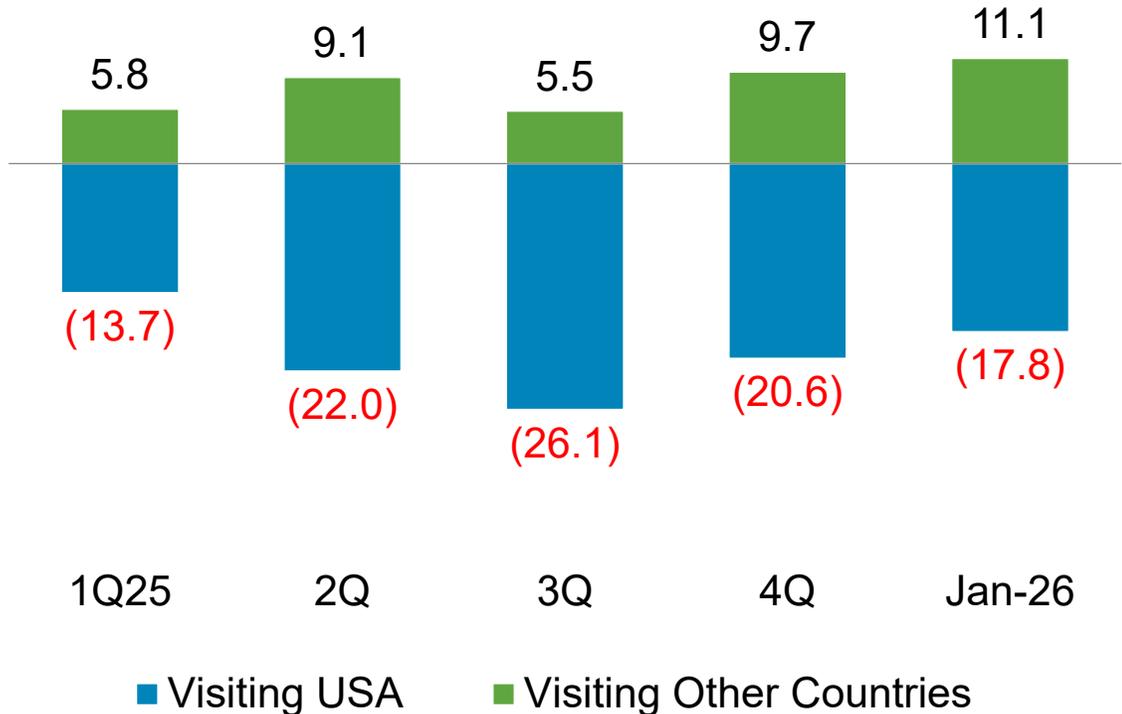


Sources: A4A member passenger airlines (AA, AS/HA, B6, DL, UA, WN) and branded code share partners and Cirium published schedules (March 6, 2026)

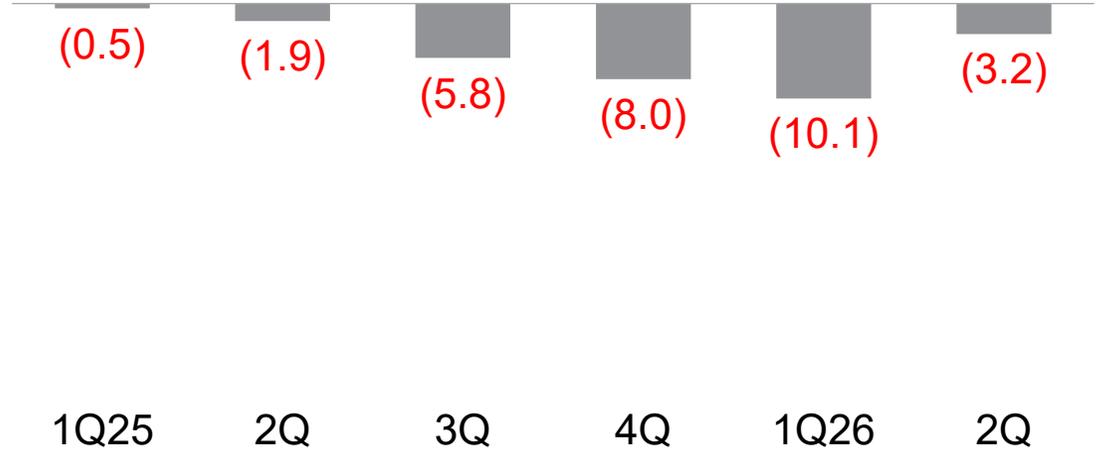
Canadian-Resident Air Trips to the United States Fell 20% in 2025 and 18% in January 2026

In Response, Airlines Have Reduced Transborder Seats

% Change YOY in Canadian Residents Returning by Air



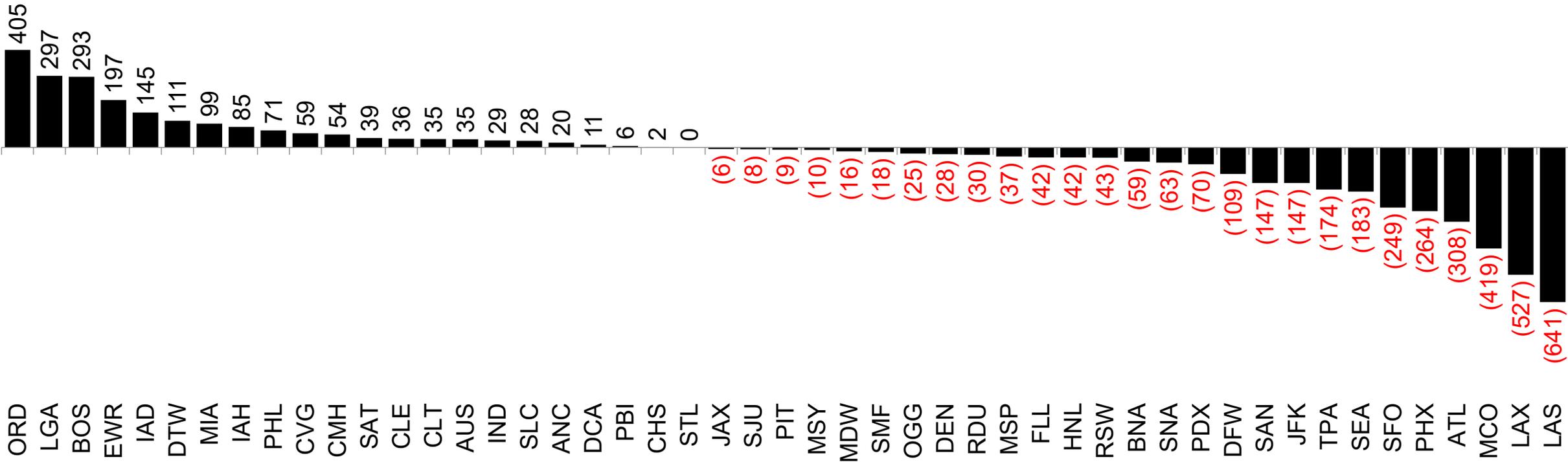
% Change YOY in U.S.-Canada Seats



Sources: Statistics Canada (<https://www.statcan.gc.ca/en/start>) and Cirium published schedules (March 6, 2026) for all airlines offering scheduled service from the United States to Canada

Led by Las Vegas, Los Angeles and Orlando, Many U.S. Airports Continue to See Less Scheduled Service From Canada; Chicago, New York/Newark and Boston Expect YOY Gains

Change in Daily Average Scheduled Seats From Canada to U.S. Airports Apr-Jun 2026 vs. Apr-Jun 2025

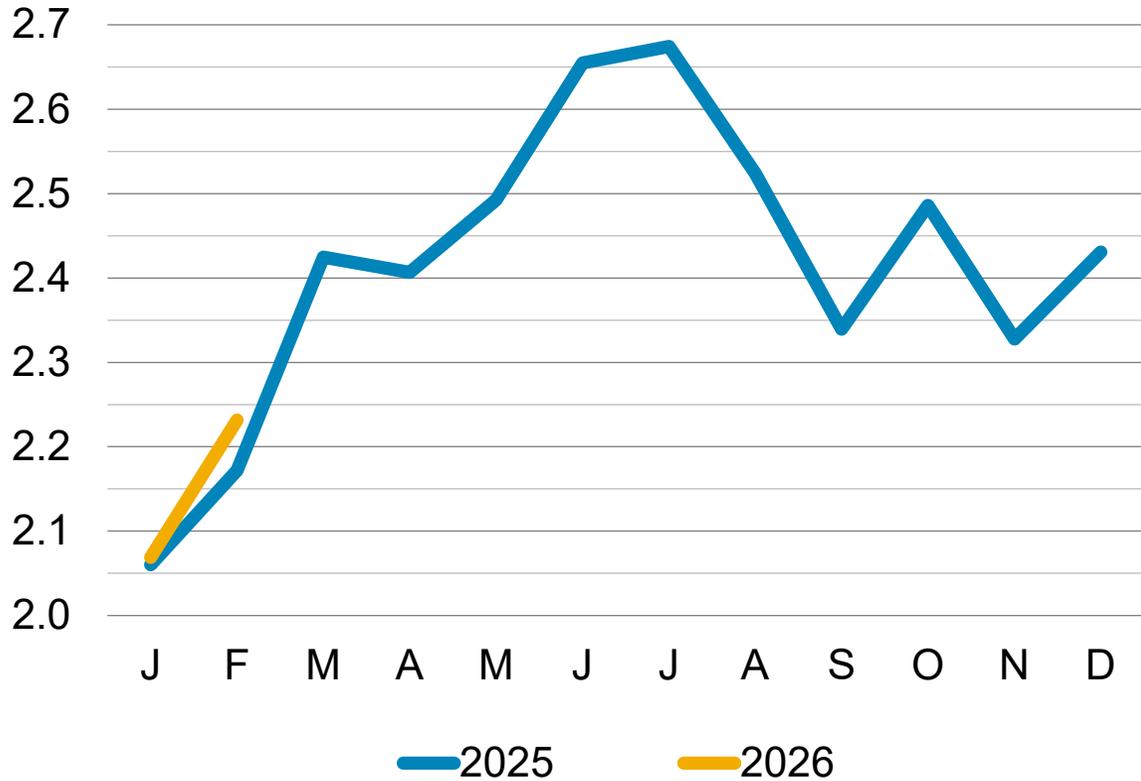


Source: Cirium published schedules (March 6, 2026) for all U.S. and non-U.S. airlines providing scheduled service

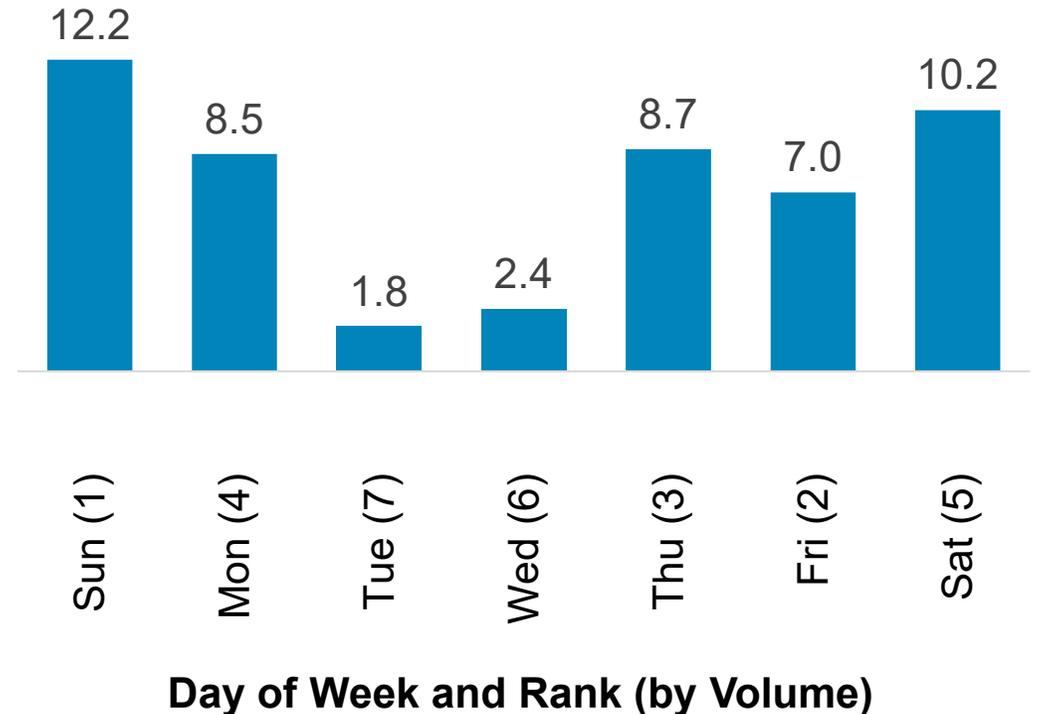
TSA Passenger Screenings Rose 1.6% YOY in the First Two Months of 2026

In Stark Contrast to Tuesdays and Wednesdays, Saturdays and Sundays Have Soared

Daily Average TSA Throughput* (Millions)



Change (%) in TSA Checkpoint Volume
Jan-Dec 2025 vs. Jan-Dec 2019



Source: A4A analysis of data from the Transportation Security Administration

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

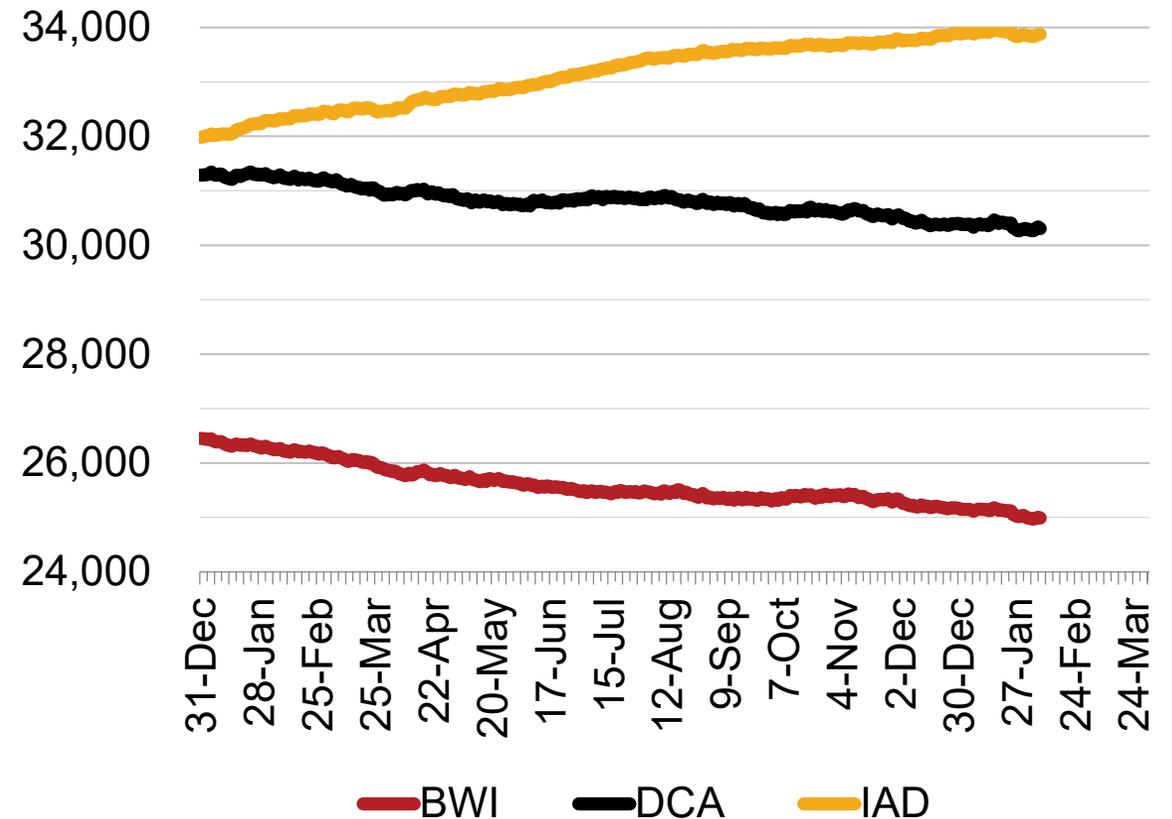
Combined BWI/DCA Screened Passenger Volumes Down ~2,400 per Day But Up ~1,900 per Day at Washington Dulles (IAD)

“**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)

365-Day Moving-Average Daily Screened Passengers*

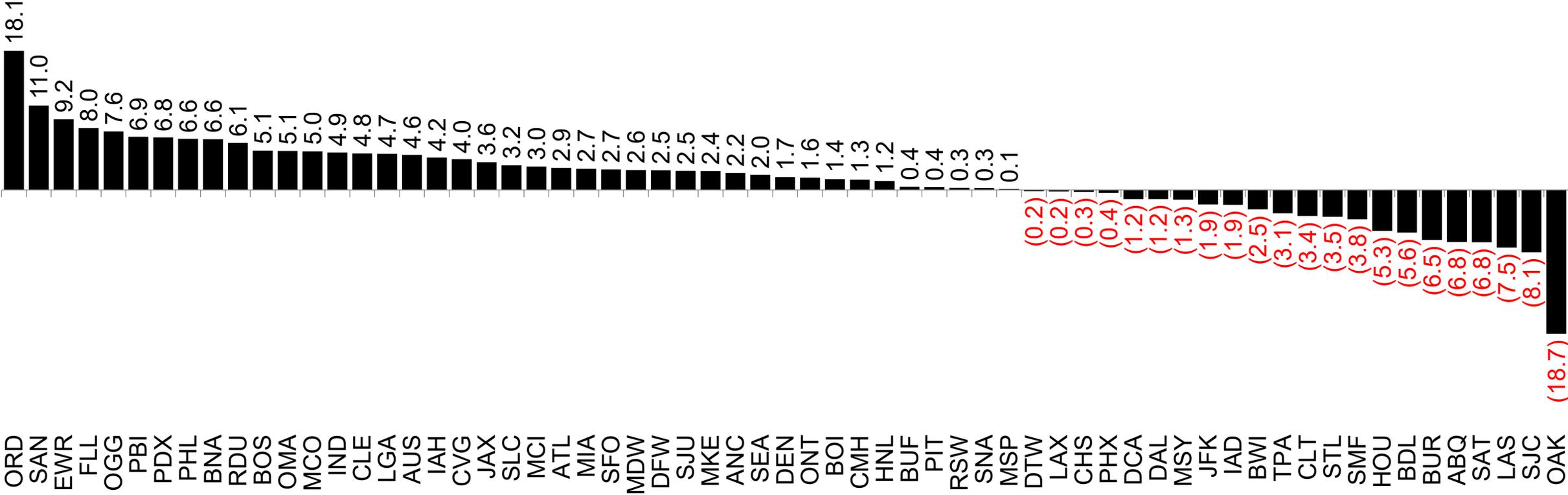


Source: Transportation Security Administration and *The Wall Street Journal* (April 19, 2025)

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

Schedules for 2Q 2026 Show Chicago O’Hare Gaining the Most Seats Year-Over-Year Oakland Seeing the Deepest Year-Over-Year Cuts

% Change in Systemwide Scheduled Seats*
Apr-Jun 2026 vs. Apr-Jun 2025



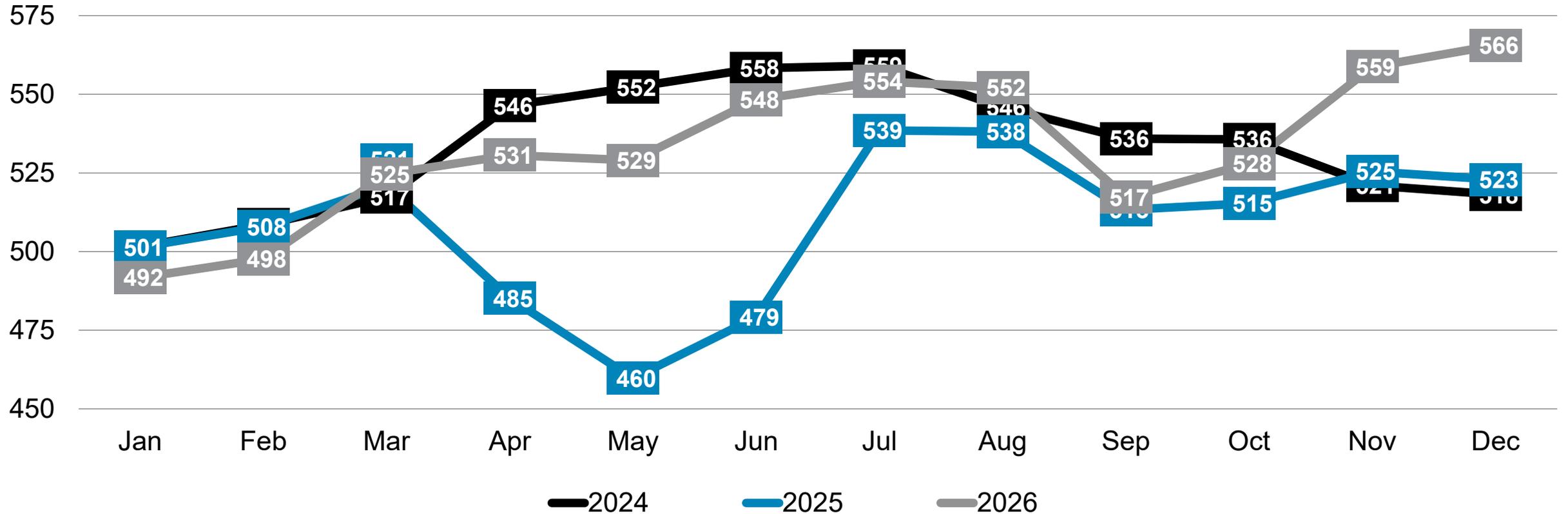
Source: Cirium published schedules (March 6, 2026)

* All U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations

Schedules Show Boost in Passenger Flights Departing Newark Airport This Summer

Air Traffic Control Equipment and Staffing Issues Constrained the Airport For Most of 2025

Daily Average Scheduled Passenger Flights Departing Newark Liberty International Airport (EWR)

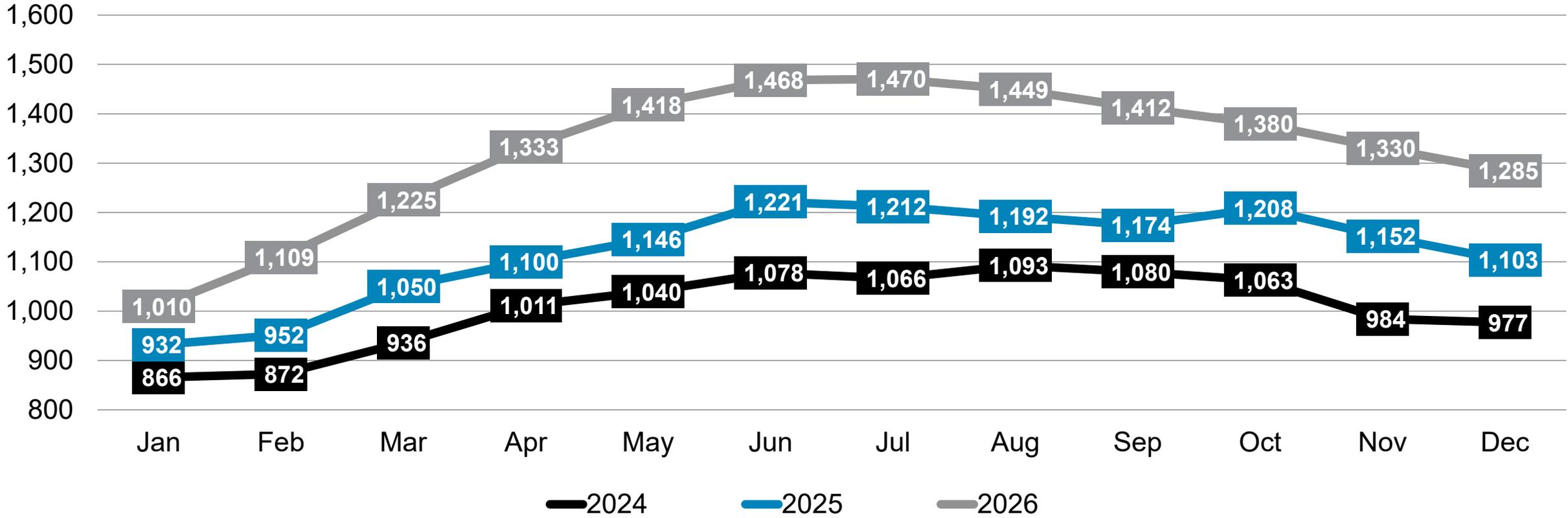


Source: Cirium published schedules (March 6, 2026) for all U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations

Schedules Show Big Boost in Passenger Flights Departing Chicago O'Hare This Summer

Daily Flights Grew Sizably From 2024 to 2025 and Are Slated to Do So Again in 2026

Daily Average Scheduled Passenger Flights Departing Chicago O'Hare (ORD)

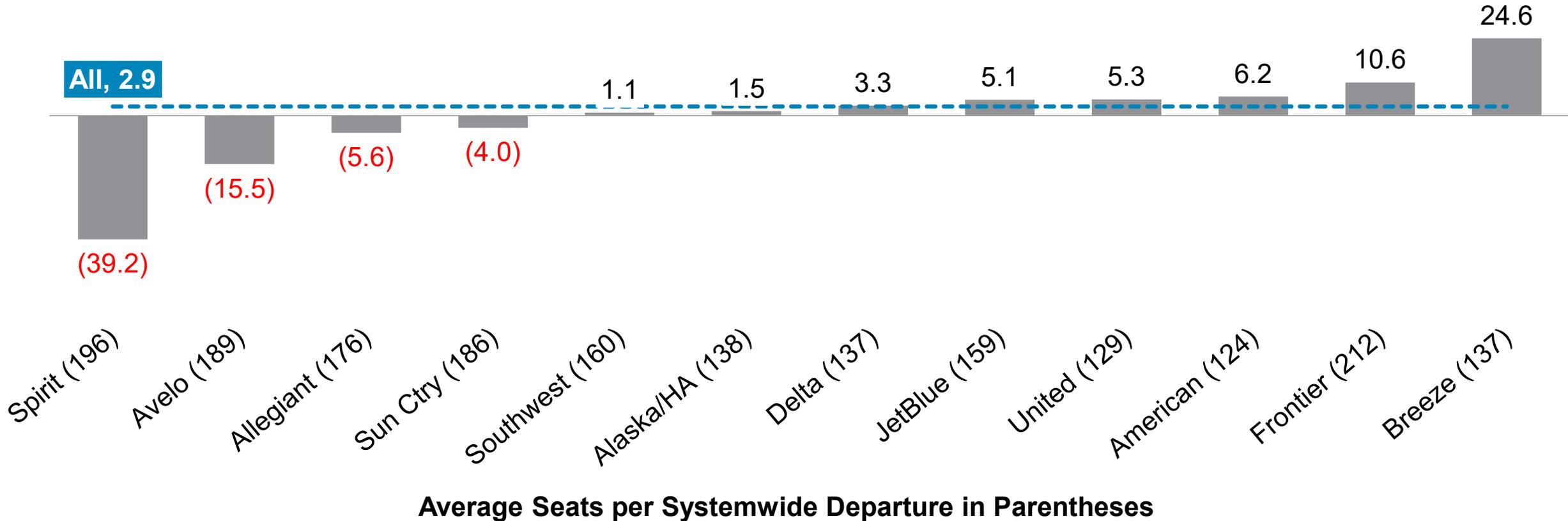


Source: Cirium published schedules (March 6, 2026) for all U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations

Several U.S. Airlines Are Poised to Grow More Than 5% YOY in the Second Quarter

Frontier Has Scheduled Systemwide Capacity Growth Exceeding 10%

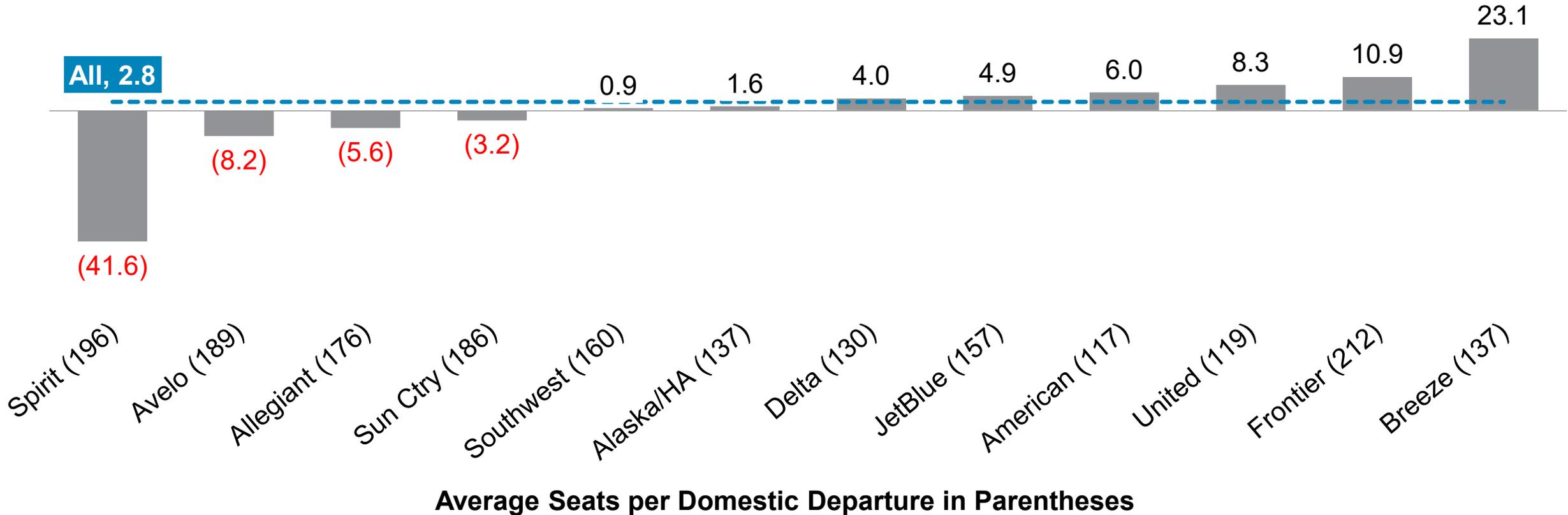
% Change in Systemwide Scheduled Available Seat Miles by Marketing Airline
Apr-Jun 2026 vs. Apr-Jun 2025



Source: Cirium published schedules (March 6, 2026) for selected marketing airlines (including regional affiliates)

While Spirit Slashes 2Q Domestic Capacity ~42% Year-Over-Year, Frontier Shows ~11% Growth United Has Scheduled ~8% Domestic Growth for the Quarter, Followed by American at ~6%

% Change in Domestic Scheduled Available Seat Miles by Marketing Airline
Apr-Jun 2026 vs. Apr-Jun 2025

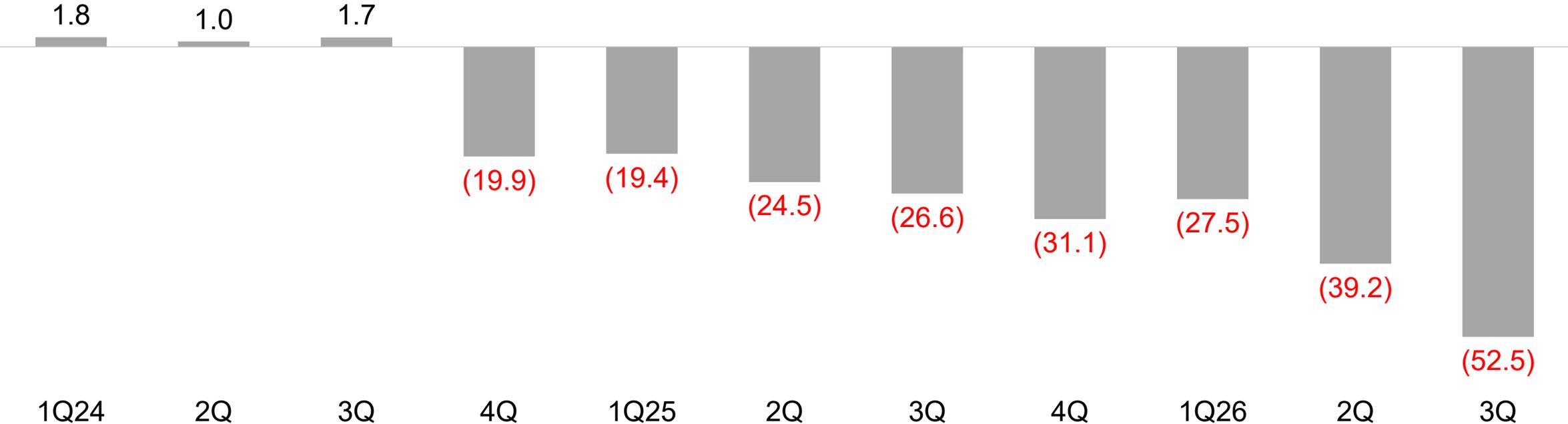


Source: Cirium published schedules (March 6, 2026) for selected marketing airlines (including regional affiliates)

Spirit's Shrinking Footprint Mirrors Its Dwindling Fleet

Once at ~215, With More Than 100 Deliveries Planned, Fewer Than 95 Active Aircraft Remain

% Change YOY in Spirit Airlines Systemwide Scheduled Available Seat Miles

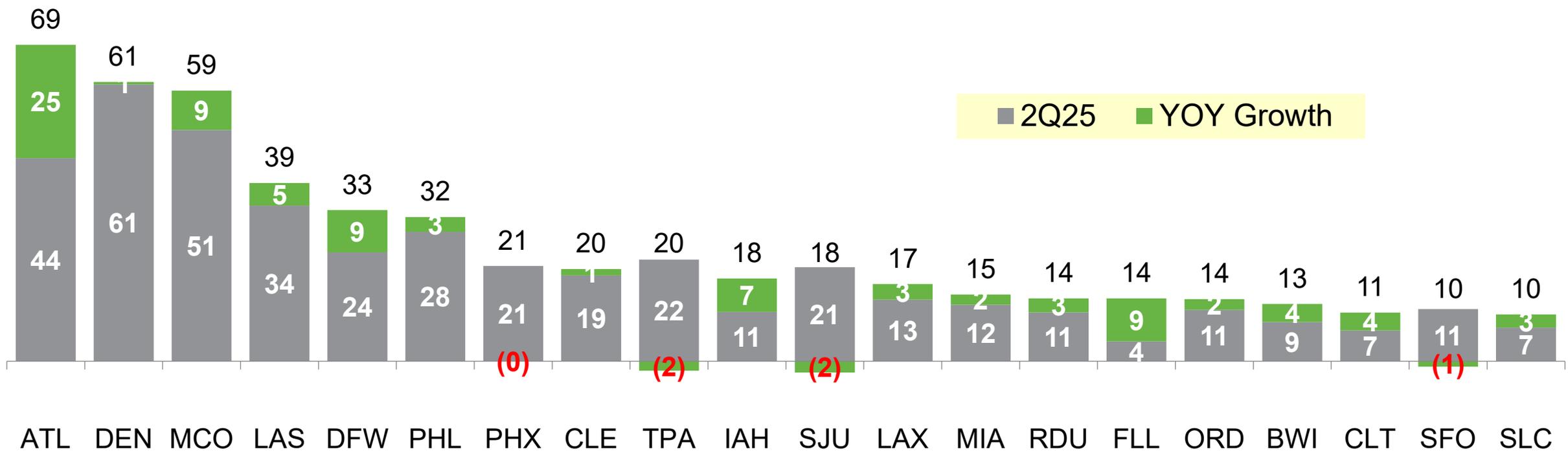


Source: Cirium published schedules (March 6, 2026)

Frontier Is Adding 25 Daily Flights in Atlanta in 2Q 2026, Making It the Airline's Largest Location

And the Airline Is Adding Nine Daily Flights in Orlando, Dallas-Fort Worth and Fort Lauderdale

Frontier's Largest Airports by Daily Average Scheduled Flights in 2Q 2026



Source: Cirium published schedules (March 6, 2026)

* All U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations

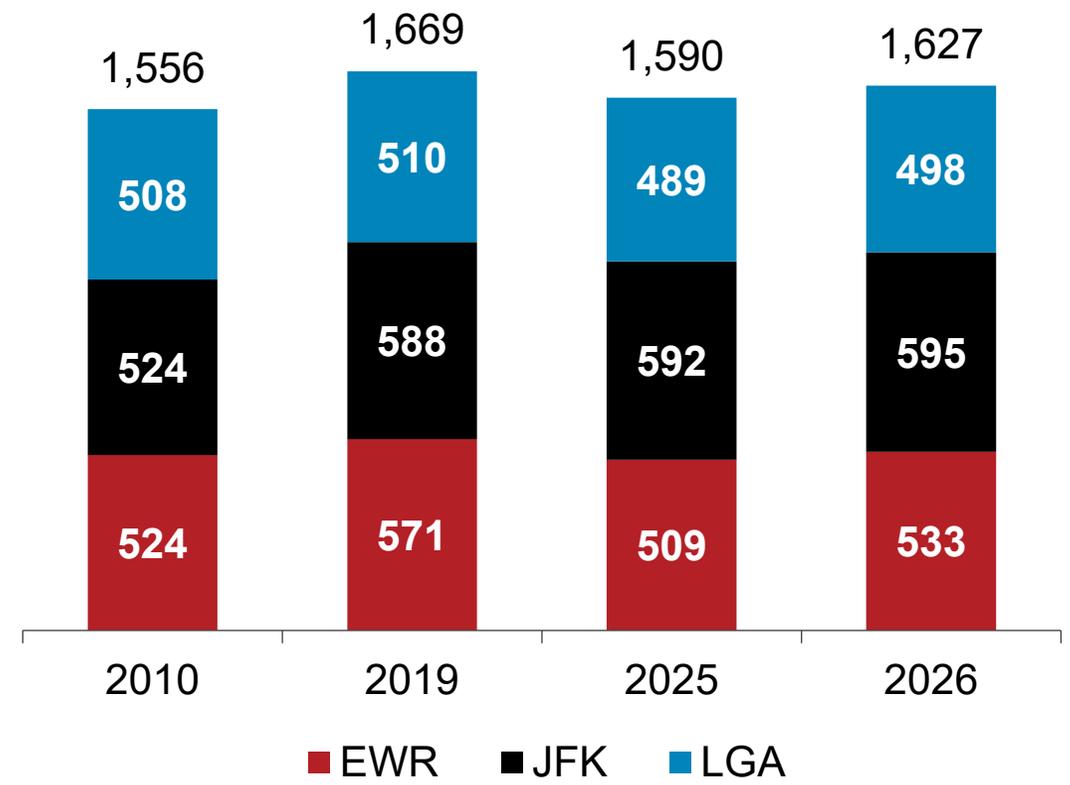
Airlines Have Up-Gauged Domestic Flying in New York City

Unlike LaGuardia and Newark, JFK Is Poised to See 2026 Departures Exceed 2019

Scheduled Seats per Domestic Departure



Daily Average Scheduled Systemwide Departures

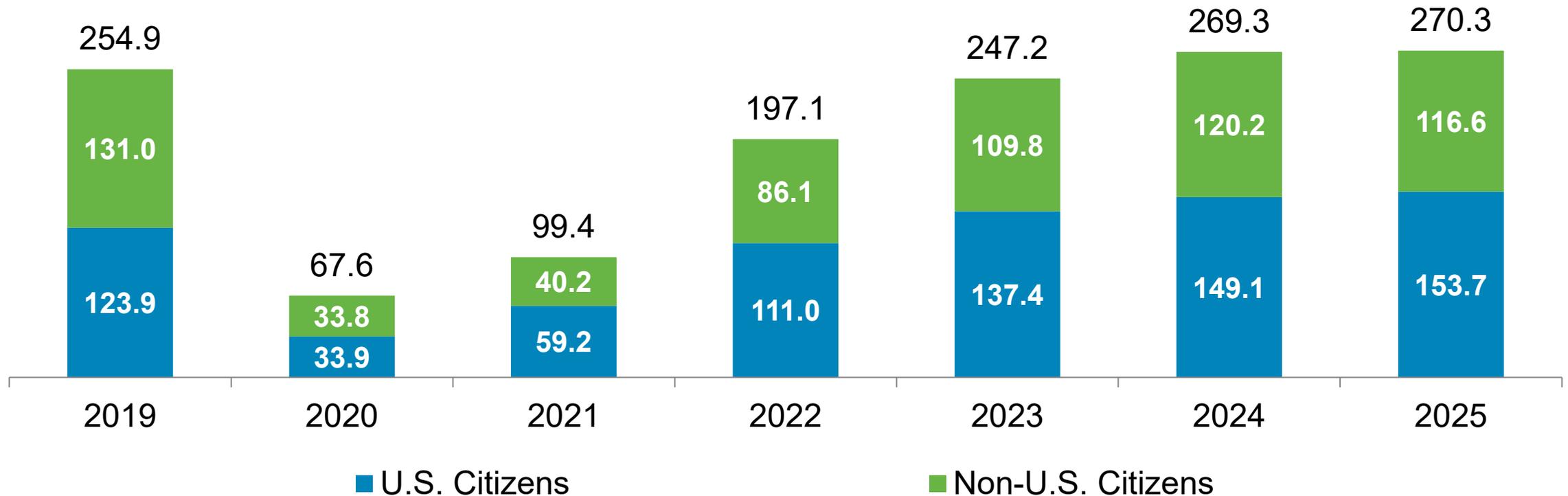


Source: Cirium published schedules (March 6, 2026)

U.S.-International Air Passengers Increased 0.4% in 2025 to a Record 270 Million

3% Increase in U.S. Citizen Passengers Overcame 3% Decrease in Non-U.S. Citizen Passengers

U.S.-International Airline Passengers* (Millions)
January through December

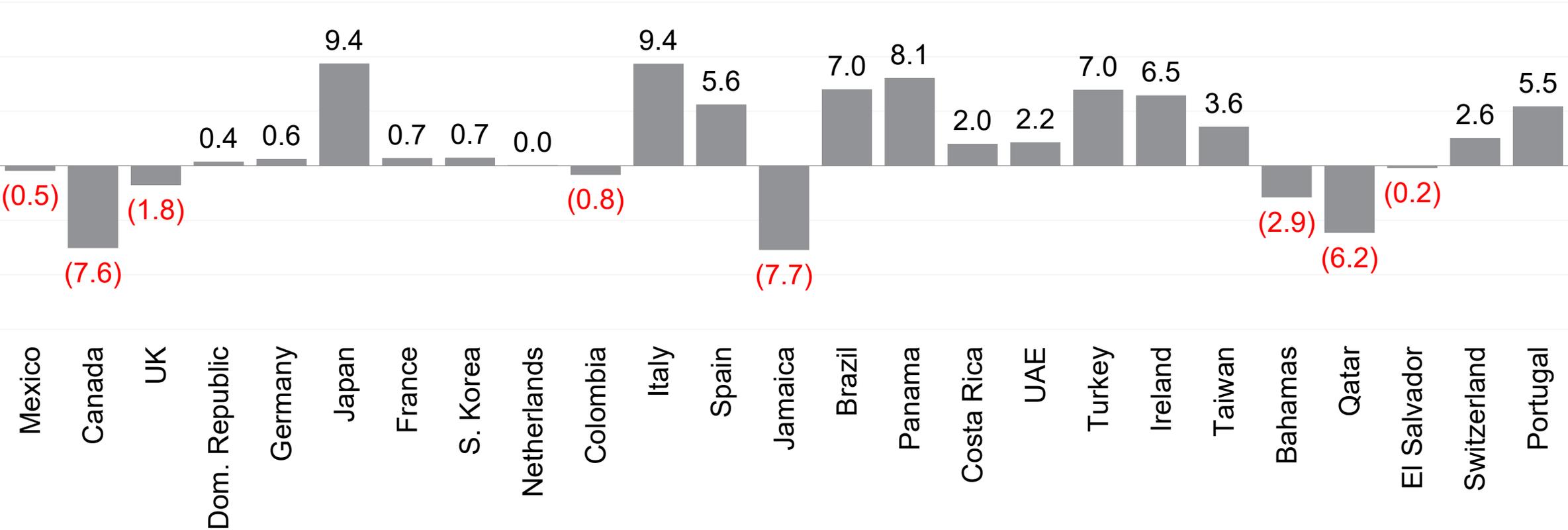


Source: DHS I-92 / APIS data compiled by U.S. Department of Commerce National Travel and Tourism Office

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

In 2025, The Three Largest Gateway-to-Gateway Markets Saw Fewer Air Passengers But Volumes Between U.S.-Japan and U.S.-Italy Rose More Than 9%

Change (%) in Passengers* for Top 25 Gateway-to-Gateway Markets — 2025 vs. 2024
Sorted by 2024 Market Size

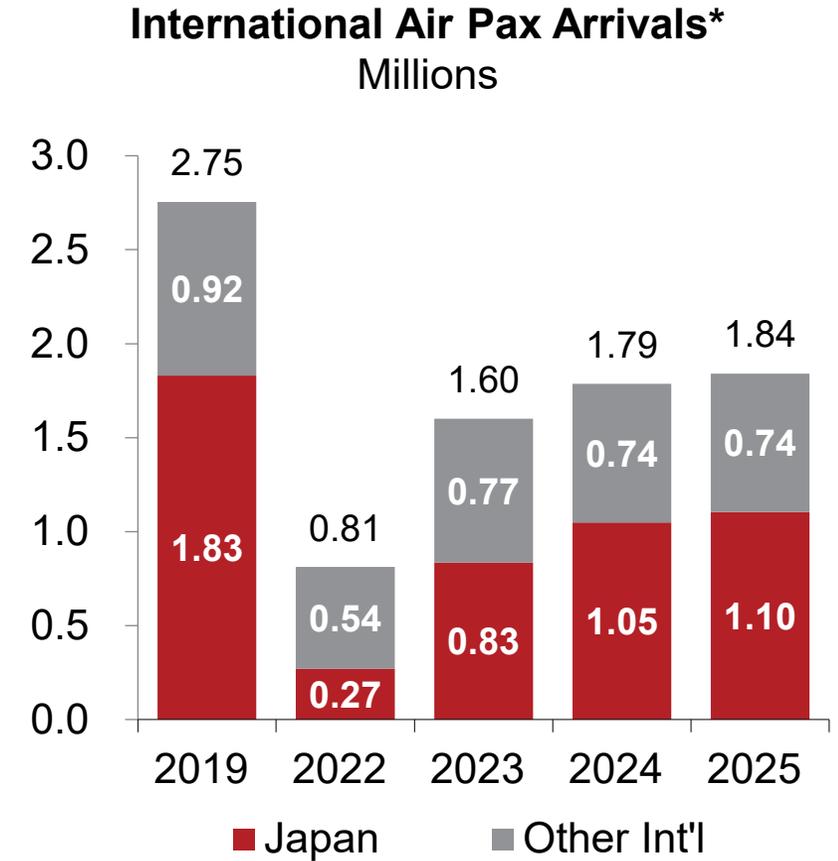
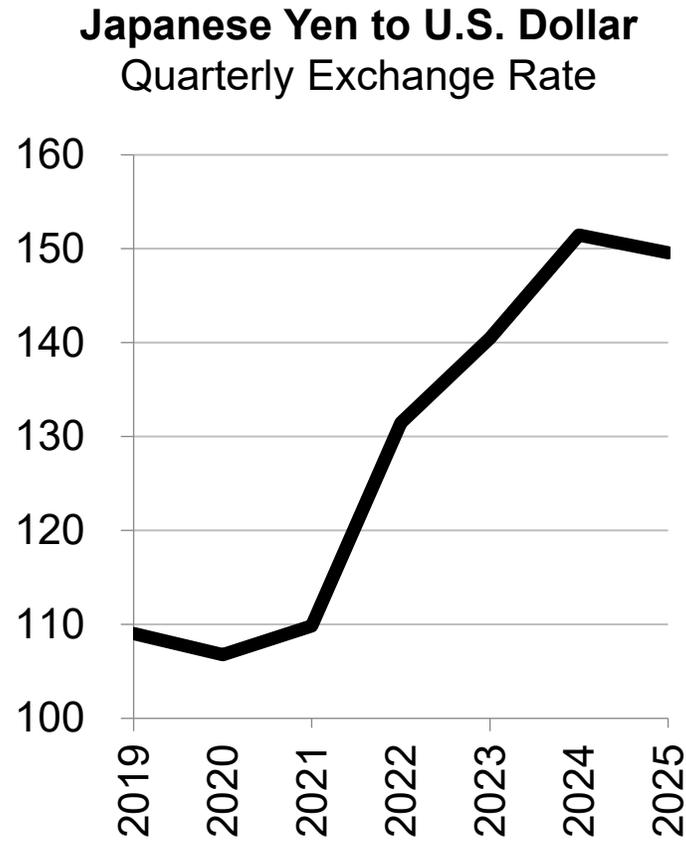
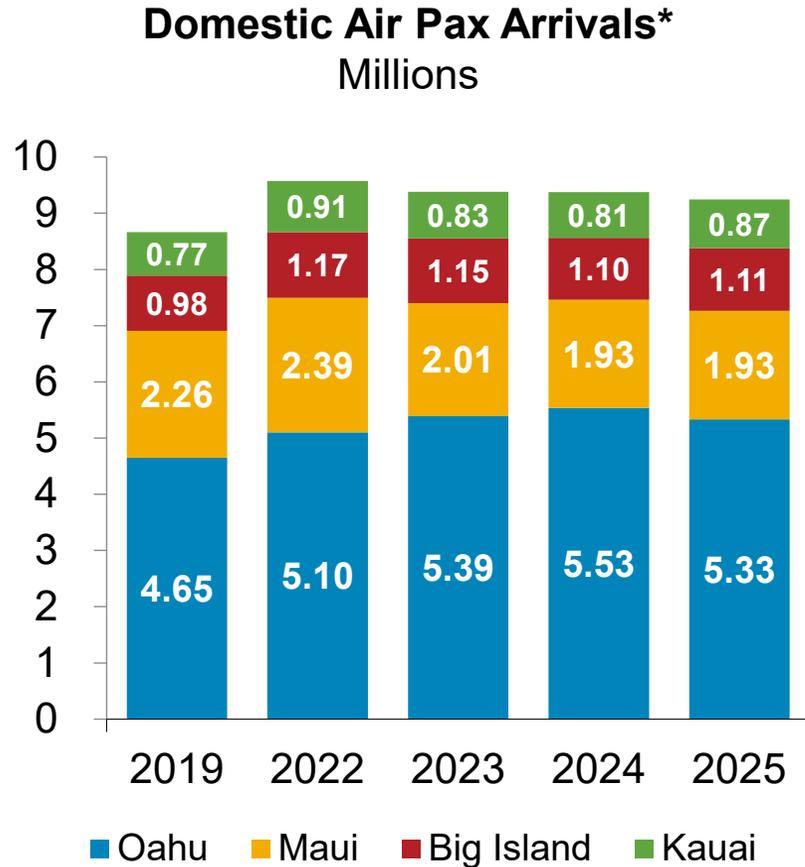


Source: DHS I-92 / APIS data compiled by U.S. Department of Commerce National Travel and Tourism Office

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

Domestic Arrivals to Oahu Fell in 2025

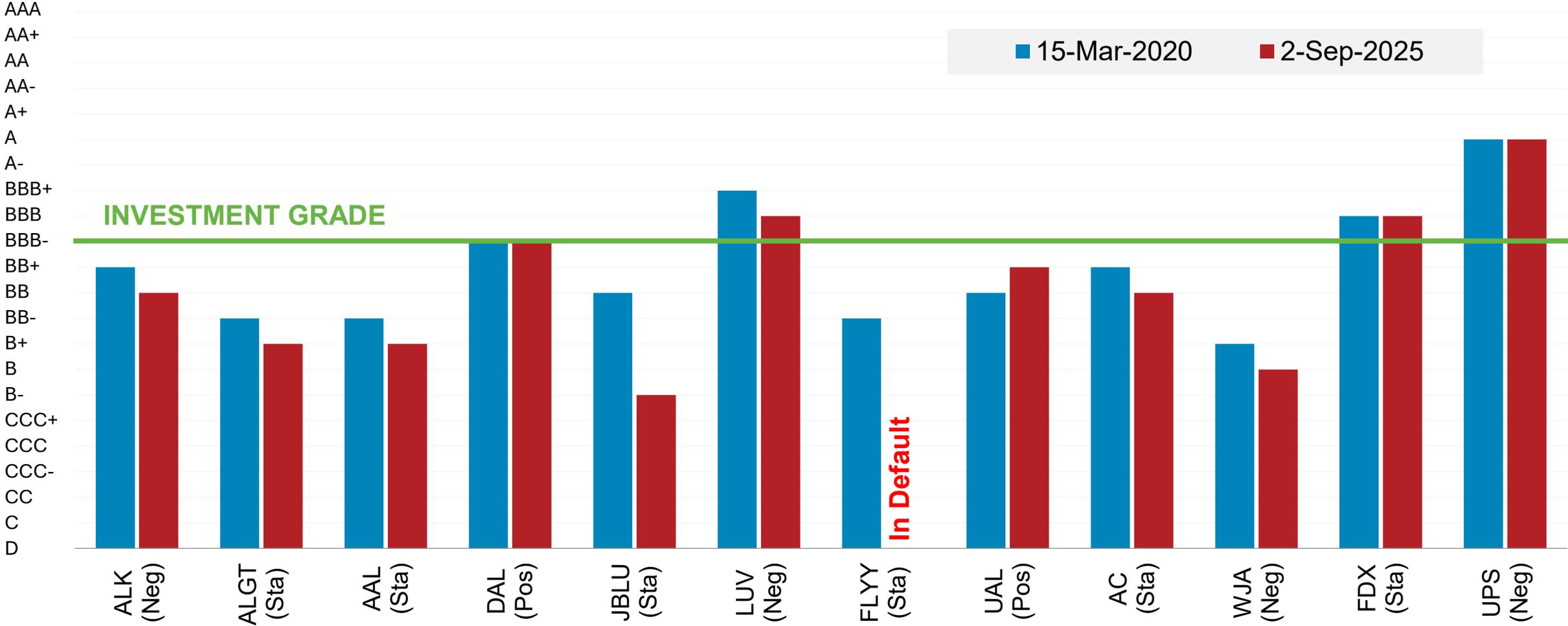
Hawaii Saw More Japanese Visitors in 2025, But Arrivals From Other Nations Were Unchanged



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

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

Ratings Reflect Assessment of Financial Condition and Risk

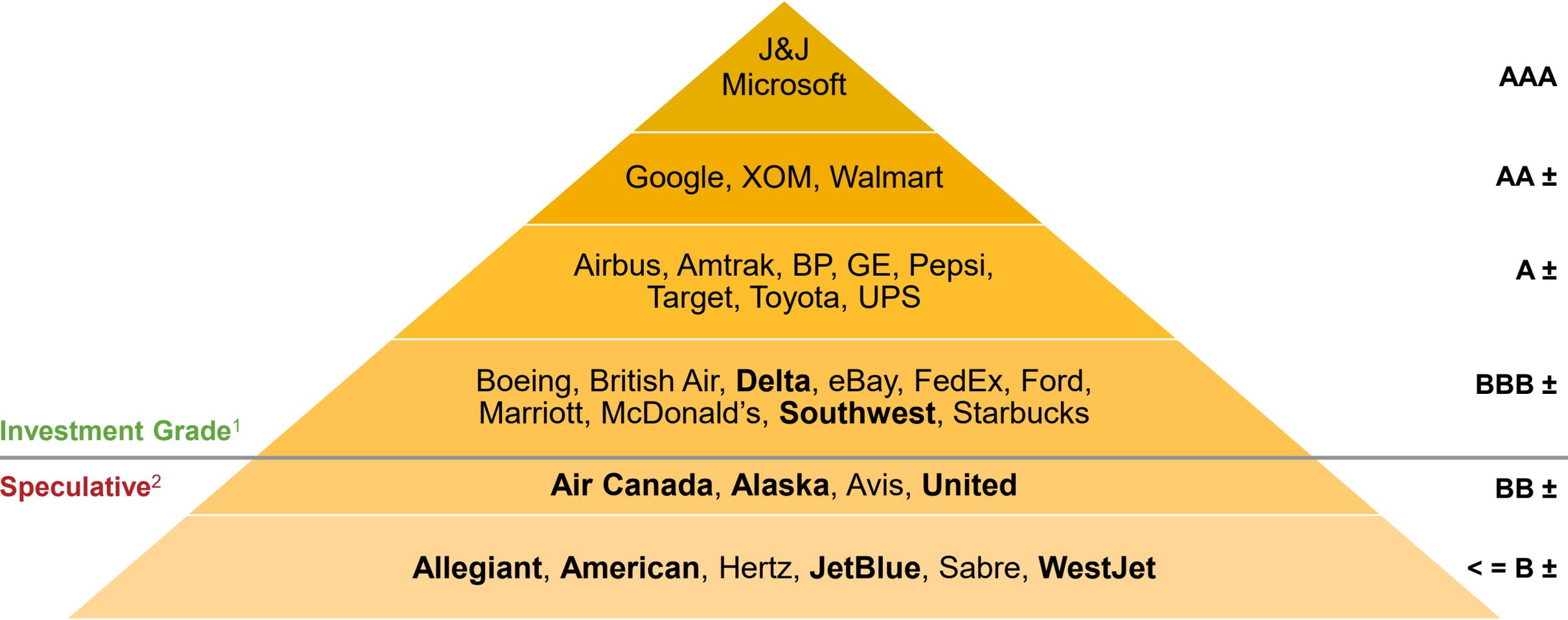


Source: Standard & Poor's issuer ratings and outlook (in parentheses) for publicly traded U.S. and Canadian carriers in the S&P coverage universe

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



Investment Grade¹

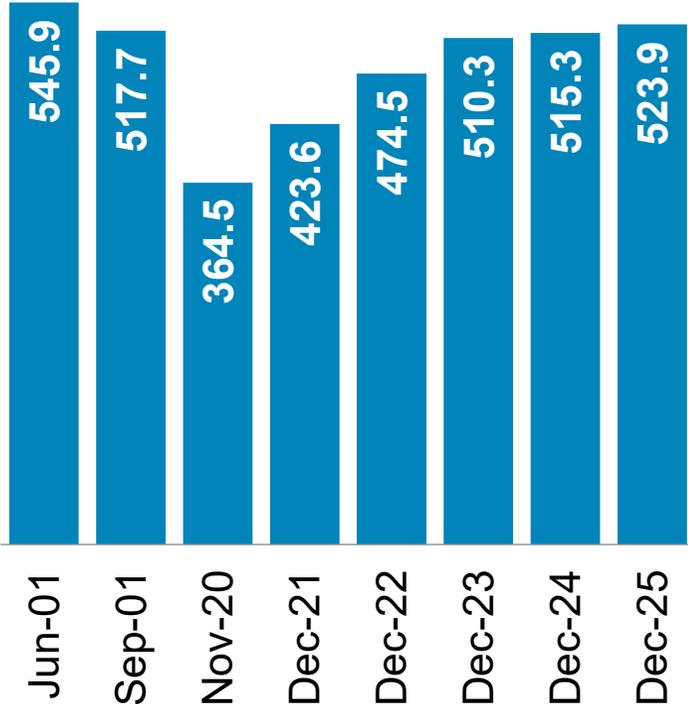
Speculative²

Source: Standard & Poor's (**bold** = air-only companies) as of March 2, 2026

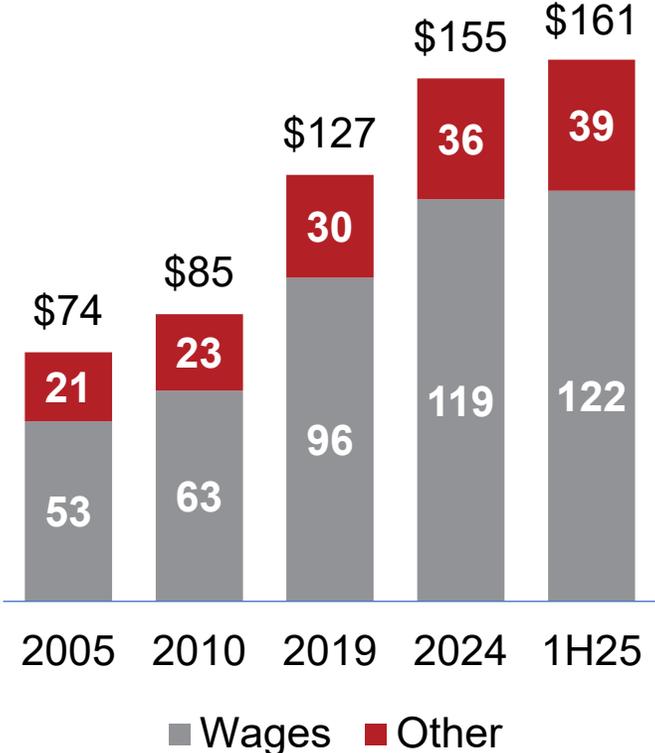
¹ Issuers with relatively high levels of creditworthiness and credit quality
² Issuers with ability to repay but facing significant uncertainties, such as adverse business or financial circumstances that could affect credit risk

Firmer Financial Footing Has Enabled Airlines to Reinvest in Employees, Whose Average Wage Rose 95% from 2010-1H25 (vs. 47% U.S. CPI) and Who Now Garner a Third of Airline Revenues

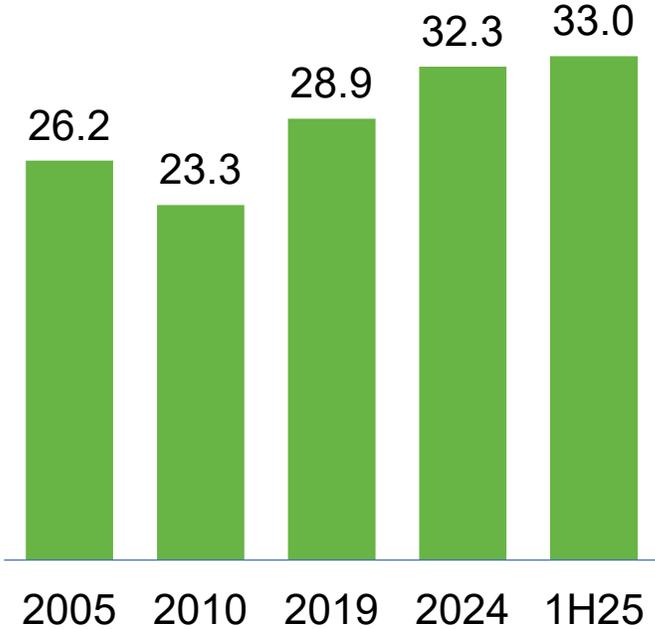
Employees (000 FTEs*)



Average Compensation (000)



Wages and Benefits as % of Operating Revenues



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

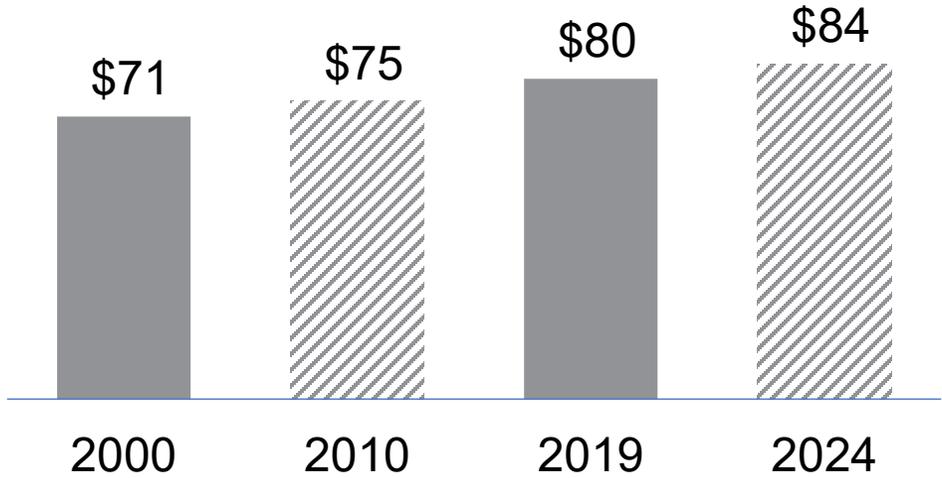
* Full-time equivalents (FTE) = full-time workers plus 0.5 * part-time workers

Real (Inflation-Adjusted) Airline Wages Grew 33% From 2010 to 2024

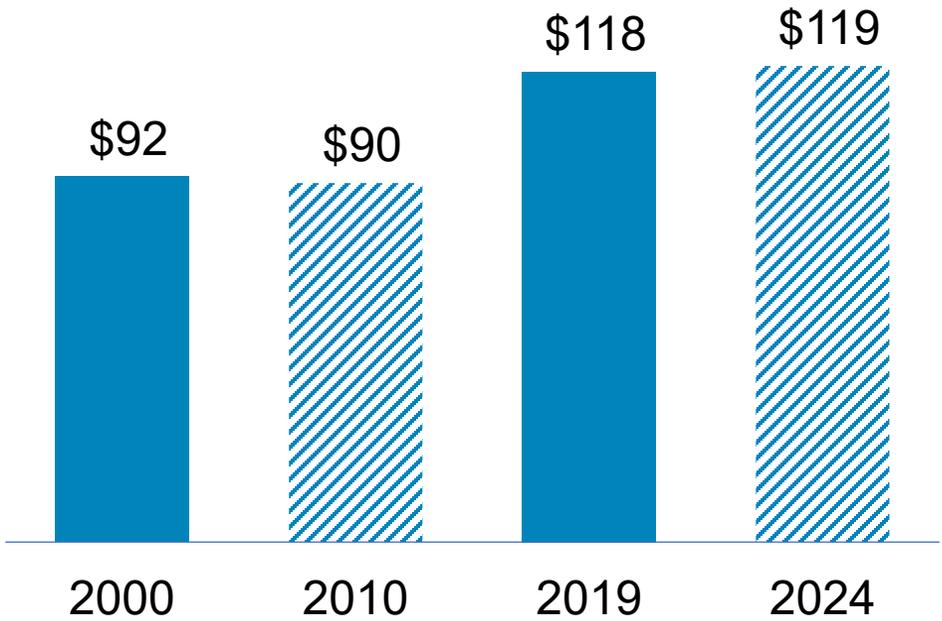
The Average Private Sector Wage Grew Just 12% in Real Terms Over That Period

Average Wage (000) in Constant 2024 Dollars

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



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

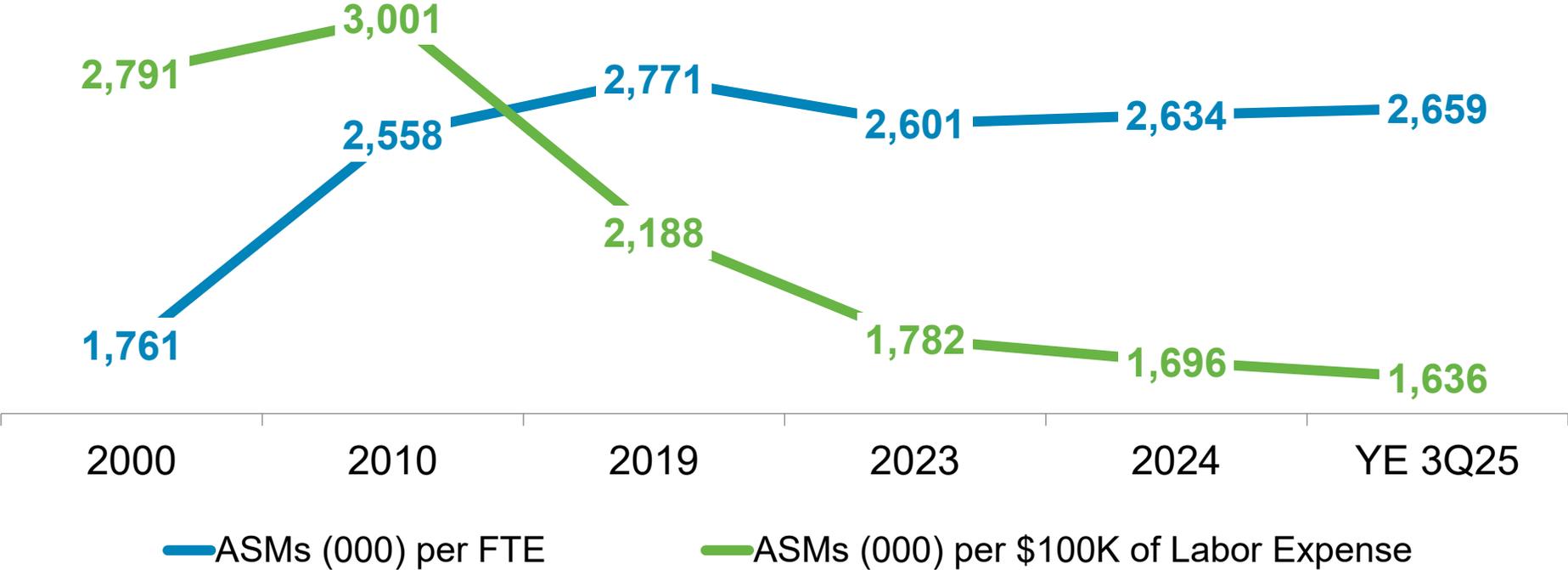


Source: A4A Passenger Airline Cost Index

U.S. 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

Trends in U.S. Passenger Airline Productivity

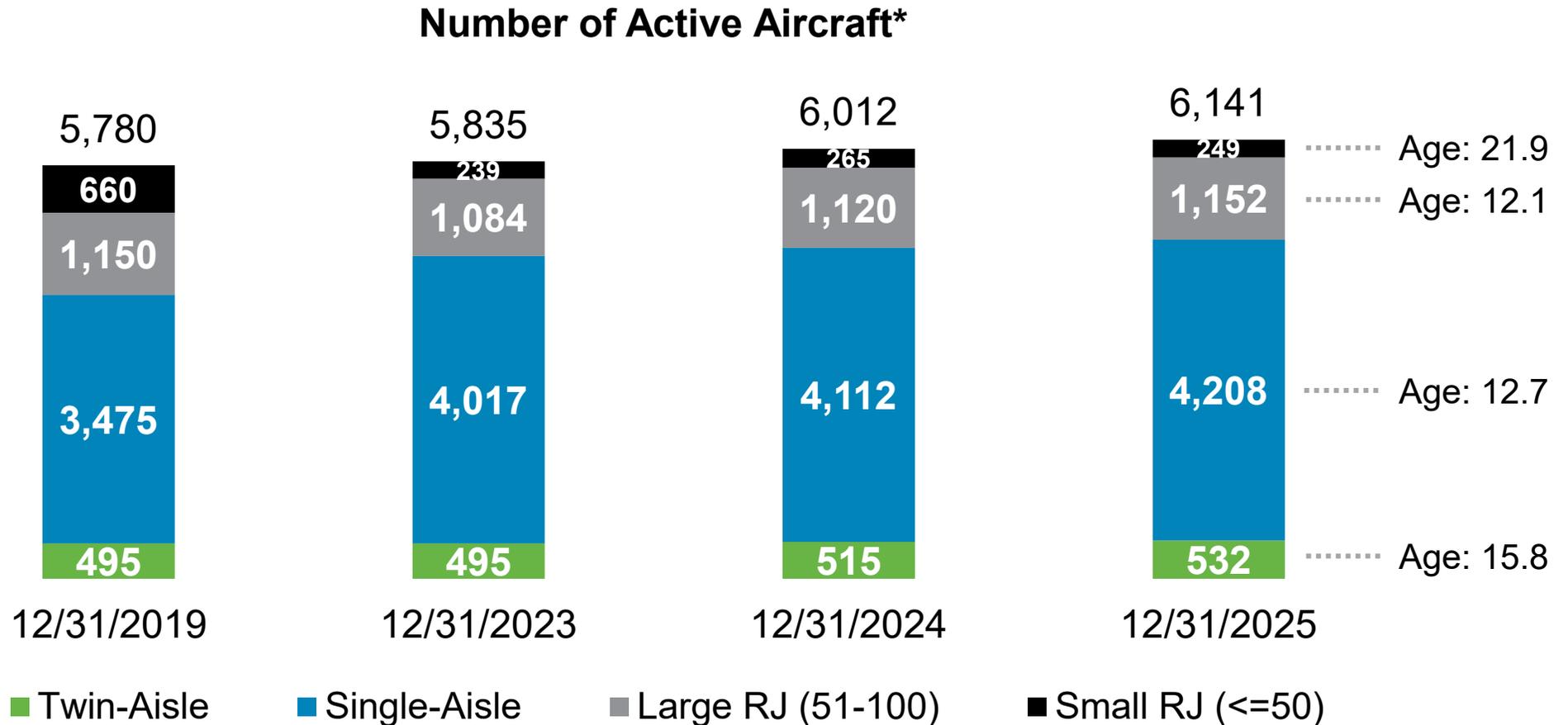


Source: A4A Passenger Airline Cost Index

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

U.S. Passenger Airlines Are Operating 21% More Single-Aisle Aircraft Than at Year-End 2019

But the Aging Fleet of *Small Regional Aircraft* Is ~62% Smaller

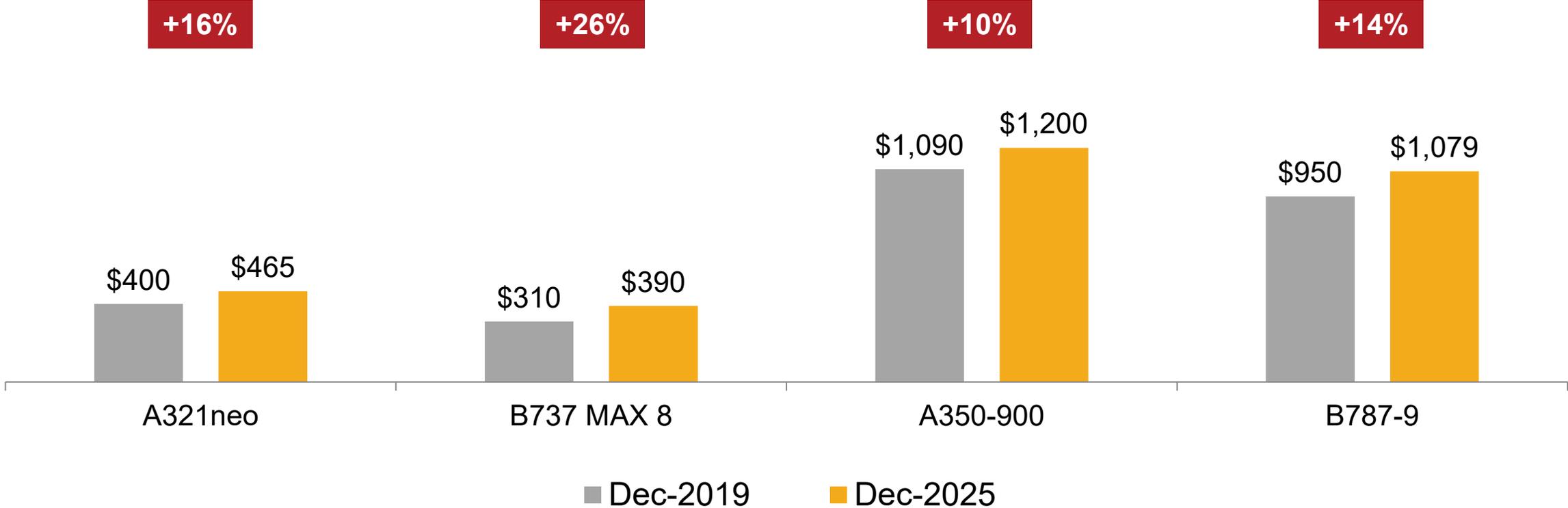


Source: Anuvu (ages as of 12/31/2025)

* 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



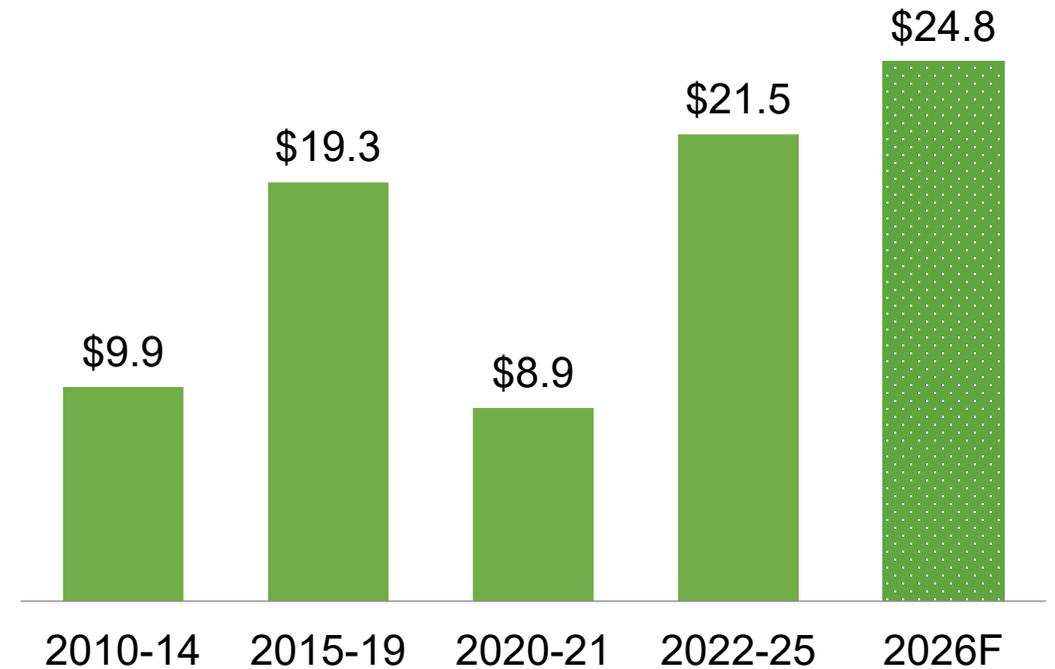
Source: Cirium and Deutsche Bank

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



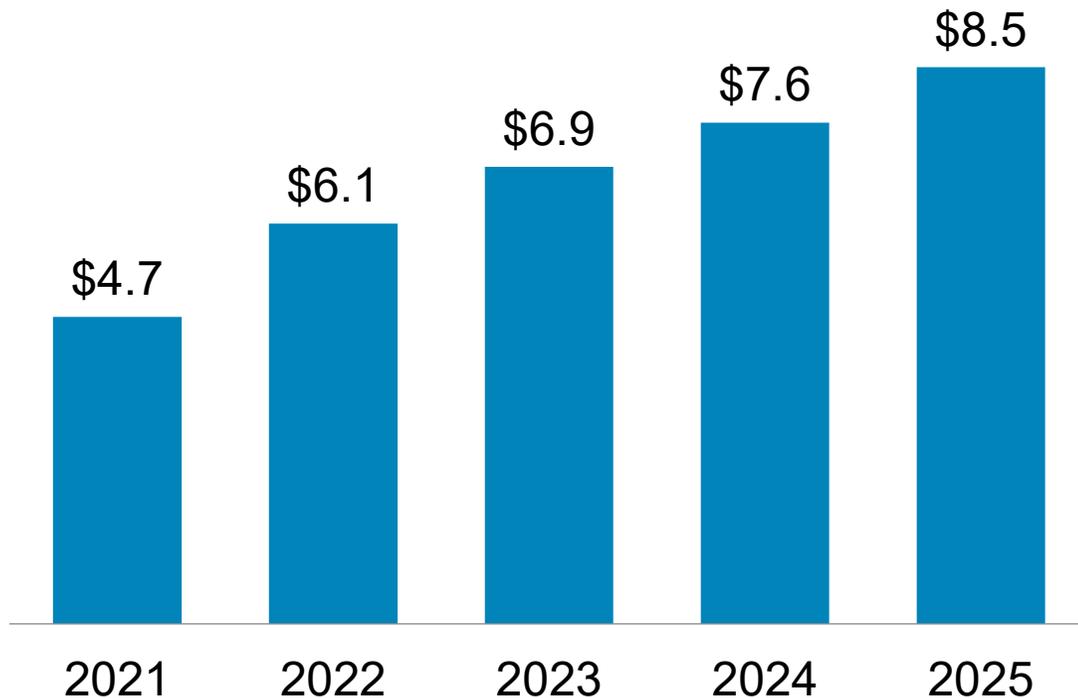
* Includes payments made for aircraft and other flight equipment, ground and other property and equipment (e.g., baggage carts, lavatory trucks, deicing vehicles), airport and other facility construction and technology

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

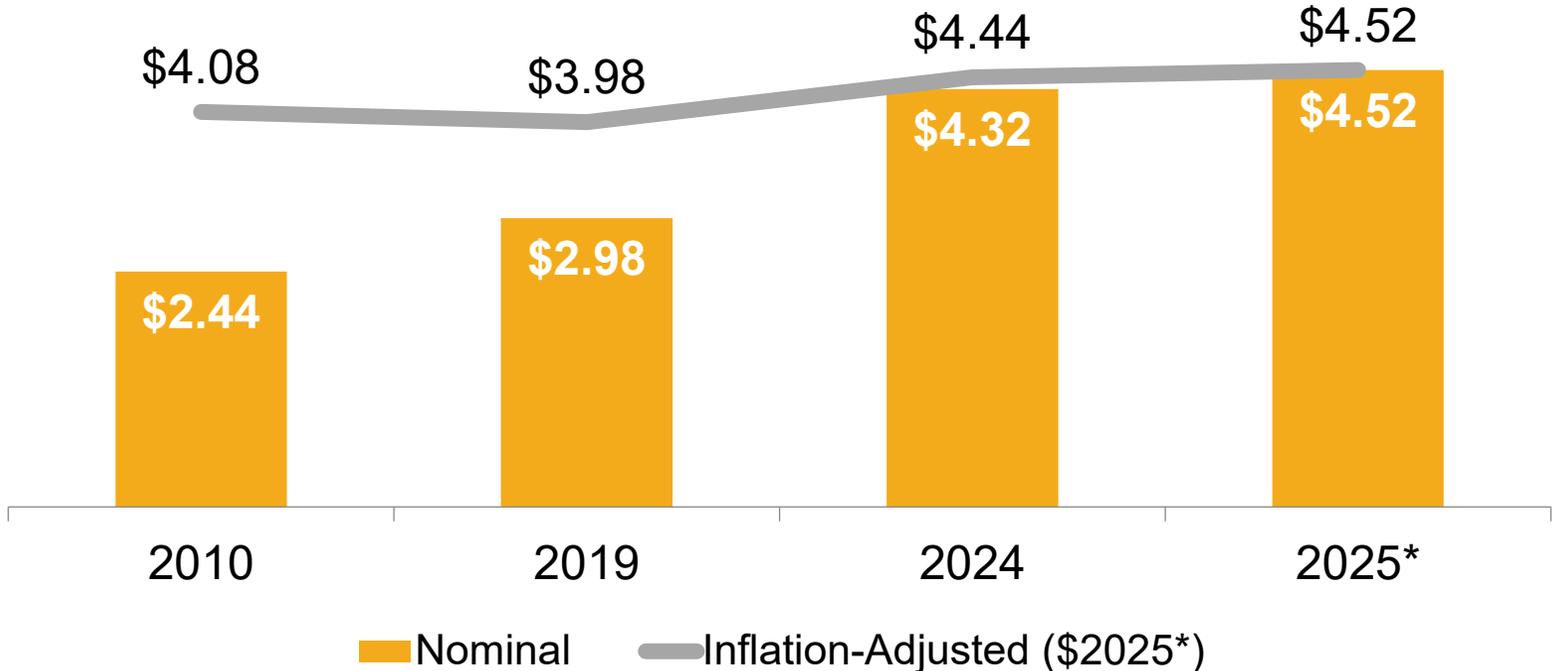
Sources: Alaska/Hawaiian, Allegiant, American, Avelo, Breeze, Delta, Frontier, JetBlue, Southwest, Spirit, Sun Country, United

* 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

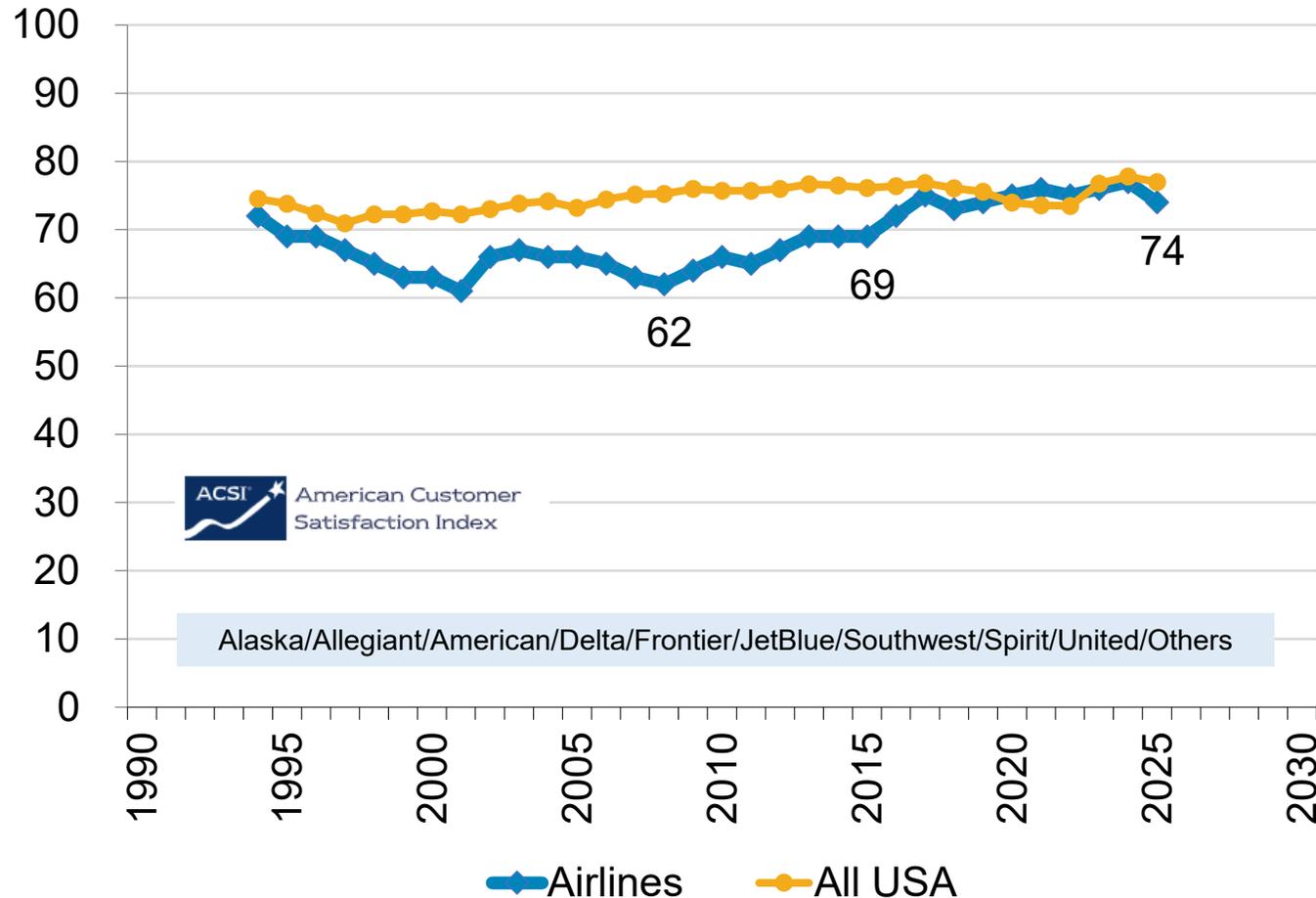


Sources: A4A Passenger Airline Cost Index and Consumer Price Index for All Urban Consumers: Food Away from Home in U.S. City Average (CUUR0000SEFV)

* Four quarters ended 3Q 2025

ACSI Airline Customer Satisfaction Index Now at 74, Up From 62 in 2008 and 69 in 2015

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



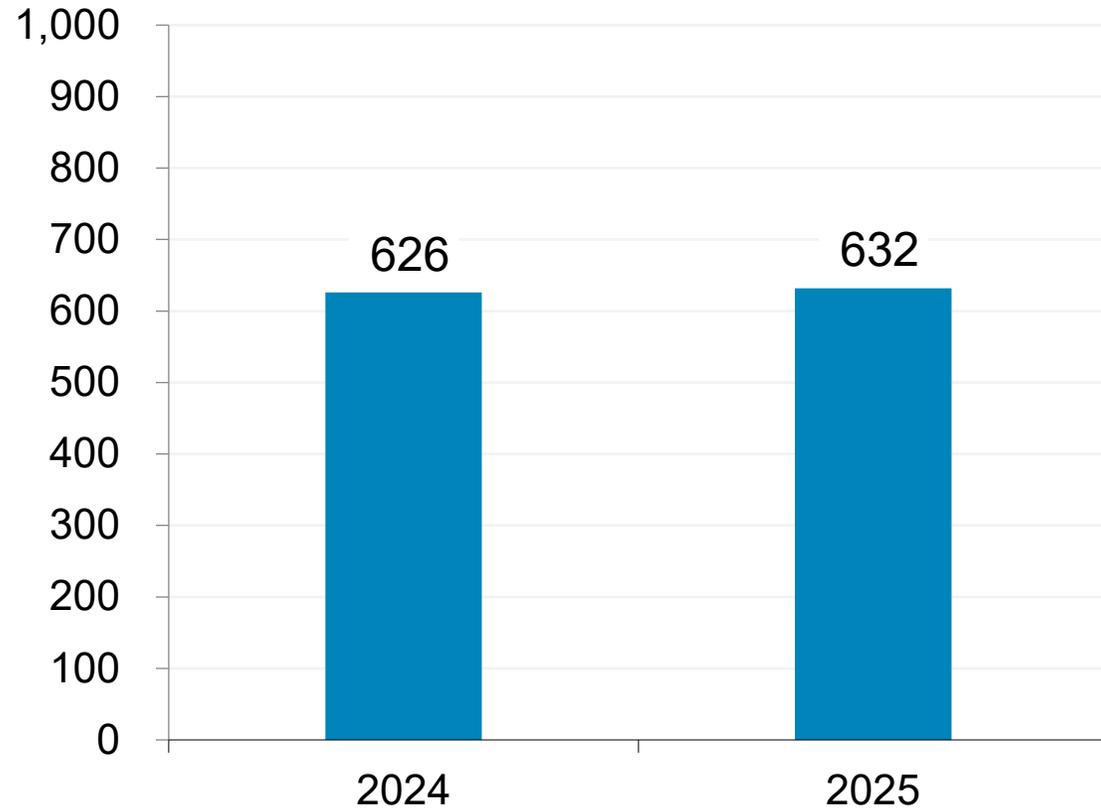
Satisfaction Benchmark	2019	2024	2025
Mobile app quality	82	84	82
Mobile app reliability	82	84	81
Website satisfaction	80	83	81
Ease of making a reservation	81	84	80
Ease of check-in process	82	83	80
Cabin and lavatory cleanliness	78	82	79
Courtesy/helpfulness: flight crew	80	82	78
Baggage handling	79	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.

J.D. Power: North America Airline Customer Satisfaction Rose Six Points in 2025

Note: Study Methodology Changed in 2024

“Airline Passenger Satisfaction Improves Slightly as Industry Confronts Economic Headwinds, J.D. Power Finds”



The North America Airline Satisfaction Study measures passenger satisfaction with airline carriers in North America based on performance in **seven core dimensions**: airline staff; digital tools; ease of travel; level of trust; on-board experience; pre/post-flight experience; and value for price paid.

The 2025 study is based on responses from 10,224 passengers. Passengers needed to have flown on a major North America airline within the past month of completing a survey. **The study was fielded from March 2024 through March 2025.**

Note: The 2025 study reflected responses from 10,224 passengers who flew on a major North America airline within the past month of completing a survey. The study was fielded from March 2024 through March 2025.

Source: J.D. Power North America Airline Satisfaction StudySM



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