Economic and Financial Analysis Committee

Industry Financials

4th Quarter 2024

Industry Scorecard

4Q 2024 (with comparisons to 4Q 2023)

4Q24	Key Financial Metrics (non-GAAP) - 4Q24					Unit Level Metrics (non-GAAP) - 4Q24 (y/y change)				
Airline	Operating Revenue ($ mil)	Operating Profit (Loss) ($ mil)	Operating Margin	Net Profit (Loss) ($ mil)	Net Margin	Revenue Passenger Miles	Available Seat Miles	(T)RASM[1]	CASM-ex[2]	Fuel ($/gal)[3]
United	14,695	1,571	10.7%	1,090	7.4%	6.3%	6.2%	1.6%	5.0%	$2.40
Delta	14,437	1,735	12.0%	1,203	8.3%	4.7%	5.2%	0.5%	3.2%	$2.34
American	13,660	1,153	8.4%	609	4.5%	4.0%	2.5%	2.0%	5.7%	$2.34
Southwest	7,047	397	5.6%	356	5.1%	(3.1%)	(4.4%)	8.0%	11.2%	$2.42
Alaska	3,534	148	4.2%	125	3.5%	34.7%	33.2%	3.9%	11.3%	$2.54
jetBlue	2,277	18	0.8%	(72)	(3.2%)	(2.6%)	(5.1%)	3.2%	9.6%	$2.47
Frontier	1,002	45	4.5%	54	5.4%	(1.9%)	(2.1%)	14.9%	26.1%	$2.48
Allegiant[4]	610	81	13.2%	56	9.1%	(2.2%)	1.7%	(1.1%)	(2.5%)	$2.50
Sun Country[5]	260	28	10.6%	15	5.8%	(0.3%)	3.5%	(1.0%)	7.6%	$2.47
Total	57,522	5,175	9.0%	3,436	6.0%					

[1] TRASM for airlines that report it
[2] CASM-ex excludes fuel, special items, profit sharing, third-party business expenses, fuel hedges, and MTM accounting
[3] Economic fuel cost/gal, includes effect of fuel hedging and settlements on derivatives
[4] Airline-only operations
[5] Includes AMZN cargo ops

Industry Scorecard

12 months 2024 (with comparisons to 12 months 2023)

FY24	Key Financial Metrics (non-GAAP) - FY24					Unit Level Metrics (non-GAAP) - FY24 (y/y change)				
Airline	Operating Revenue ($ mil)	Operating Profit (Loss) ($ mil)	Operating Margin	Net Profit (Loss) ($ mil)	Net Margin	Revenue Passenger Miles	Available Seat Miles	(T)RASM[1]	CASM-ex[2]	Fuel ($/gal)[3]
Delta	57,001	6,016	10.6%	3,990	7.0%	6.0%	6.0%	(1.7%)	2.8%	$2.56
United	57,063	5,208	9.1%	3,534	6.2%	5.8%	6.8%	(0.5%)	4.6%	$2.65
American	54,211	3,257	6.0%	1,362	2.5%	7.3%	5.5%	(2.6%)	2.7%	$2.60
Southwest	27,599	457	1.7%	597	2.2%	4.6%	4.1%	1.6%	7.9%	$2.66
Alaska	11,735	877	7.5%	625	5.3%	11.3%	11.2%	1.3%	6.5%	$2.74
jetBlue	9,279	(93)	(1.0%)	(245)	(2.6%)	(2.9%)	(3.5%)	0.0%	5.3%	$2.75
Frontier	3,775	20	0.5%	53	1.4%	(0.5%)	5.4%	(0.2%)	4.8%	$2.73
Allegiant[4]	2,441	188	7.7%	108	4.4%	(2.1%)	0.6%	(3.7%)	5.4%	$2.76
Sun Country[5]	1,076	112	10.4%	58	5.4%	8.3%	11.0%	(8.7%)	1.3%	$2.77
Total	224,180	16,042	7.2%	10,082	4.5%					

[1] TRASM for airlines that report it
[2] CASM-ex excludes fuel, special items, profit sharing, third-party business expenses, fuel hedges, and MTM accounting
[3] Economic fuel cost/gal, includes effect of fuel hedging and settlements on derivatives
[4] Airline-only operations
[5] Includes AMZN cargo ops

Better Than Expected Results; Mixed Outlook

Fourth Quarter Synopsis

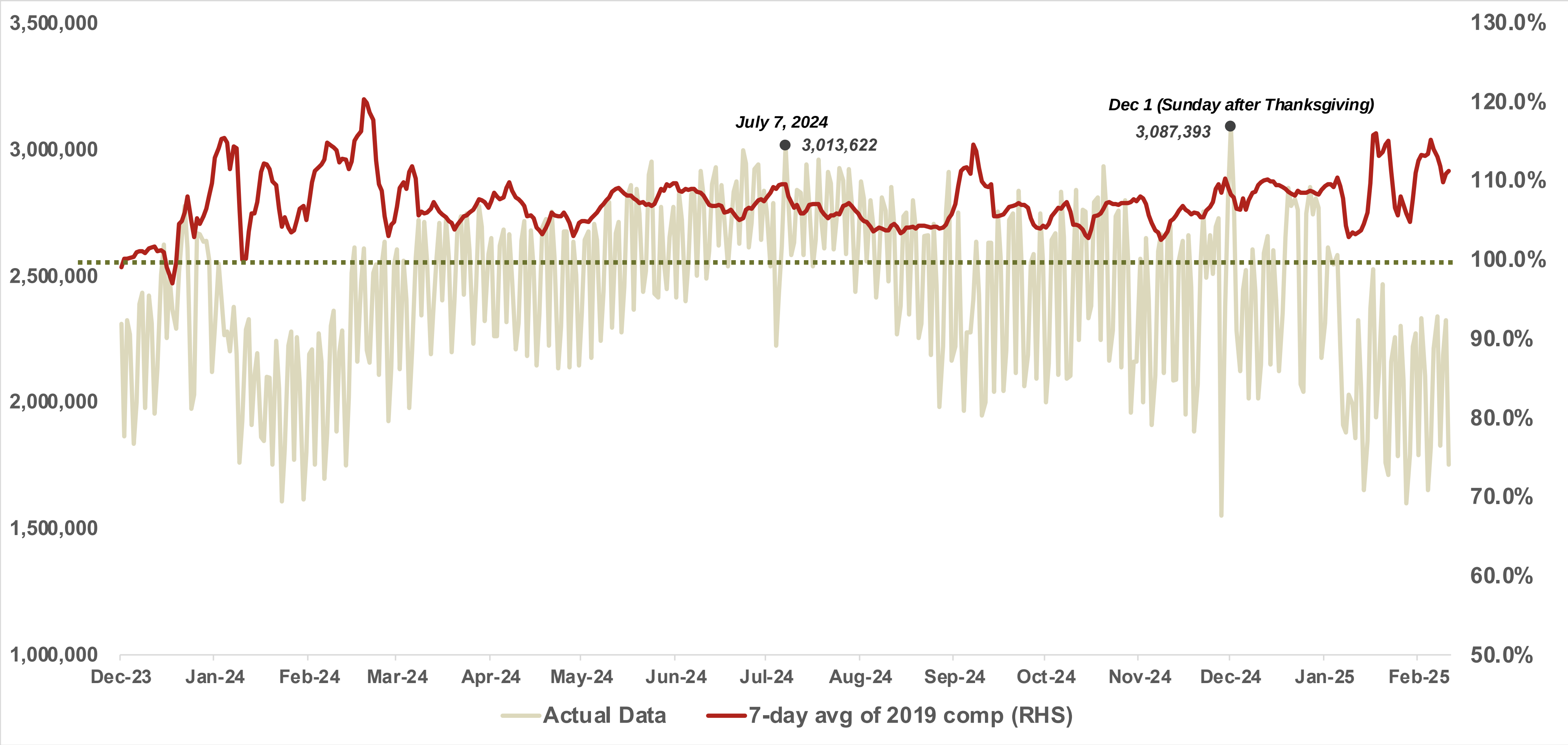
- **Alaska**, **Delta** and **United** continue to lead the industry in financial performance. The gap between the “haves and the have nots” continues to widen.
- The airlines are racing to expand premium products, with virtually every carrier either already offering or planning to offer upgraded seating, loyalty perks and other benefits to generate additional revenue.
- The holiday travel season was better than predicted, leading to outsized results that beat analyst’s expectations for every carrier including **Southwest**. Close-in bookings were particularly strong.
- Fuel costs moderated but non-fuel costs continue to increase, with airport costs (landing fees/terminal leases) and labor highlighted by most carriers.

First Quarter 2025 Forecast

- Outlook for first quarter 2025 reflects a mix of strong revenue growth for certain airlines (**Delta** & **United**) but subpar forecasts (quarterly loss) for **American** and others.
- Demand remains strong for premium and transatlantic travel, but several carriers (**American**, **JetBlue**, **Southwest**) are cutting capacity (domestic) to firm up pricing.
- Business travel is expected to be stronger year-over-year, with the Big Three in particular, calling this out during the conference calls. This trend was not highlighted by other carriers, including **Southwest** (First time in 2+ years for LUV).
- Inflationary non-fuel costs are expected to continue to pressure nearly every carrier in 1Q, with expenses moderating later this year.

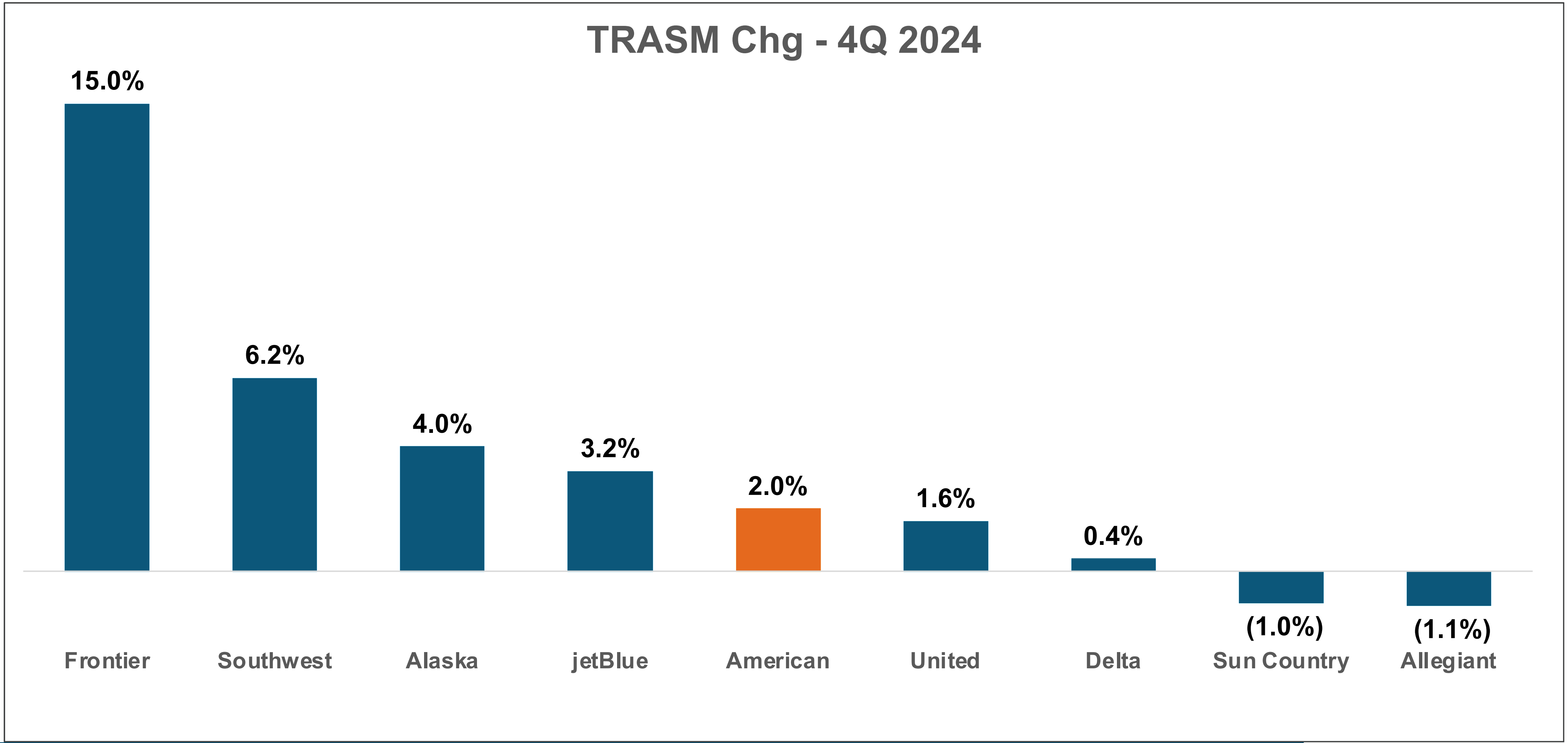
2025 about 110% of 2019 levels

TSA checkpoint data: Dec 1, 2023 – Feb 11, 2025



Industry RASM has now inflected positive

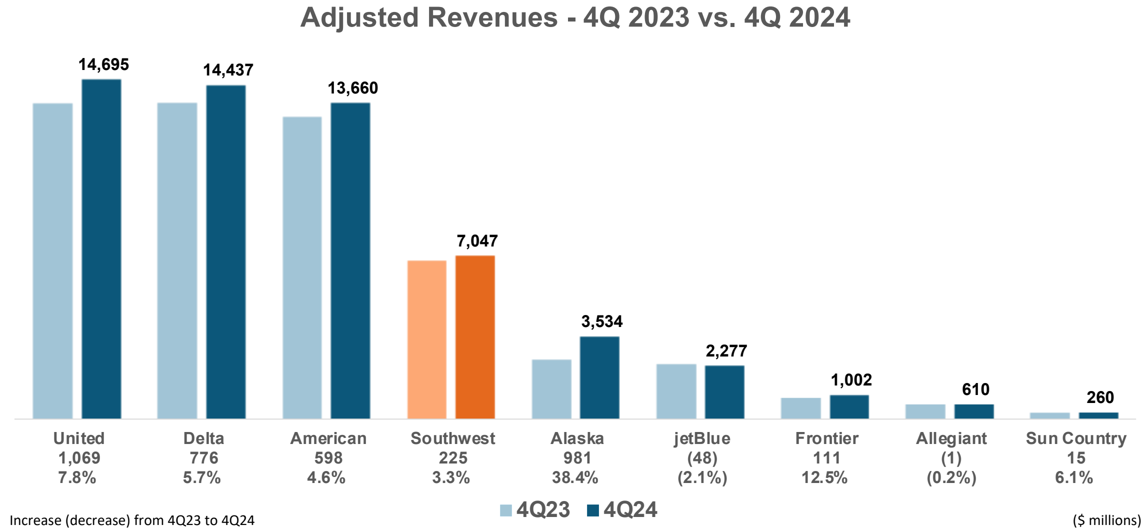
First positive RASM quarter since 1Q23; industry returning to pre-pandemic performance



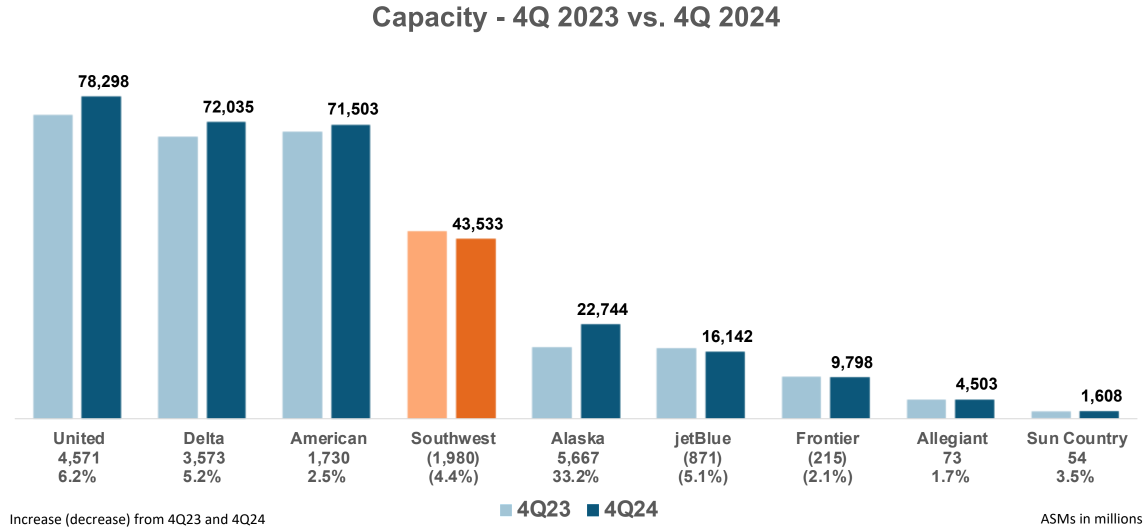
RASM grew because revenues are up…

… on slower capacity growth

4Q24 revenues were up 6.9%* over 4Q23…



… yet capacity up only 2.6%

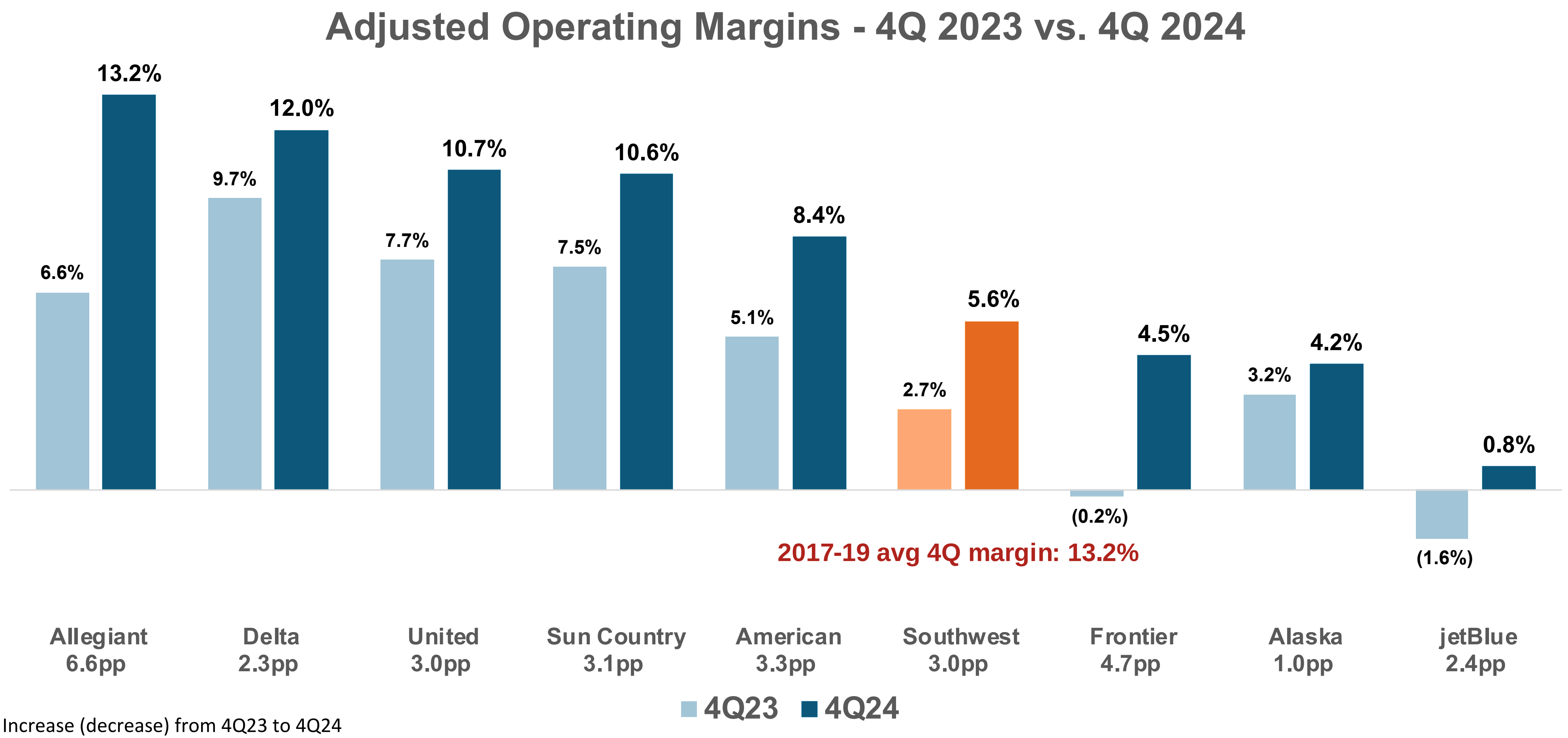


Capacity was up 7.7% a year ago – 4Q23

* Note: Totals are ex-Spirit (no longer reports); ALK financials now include HA

Margins began to turnaround in 4Q

Industry's 4Q operating margin (ex-Spirit) grew from 5.9% to 9.0%

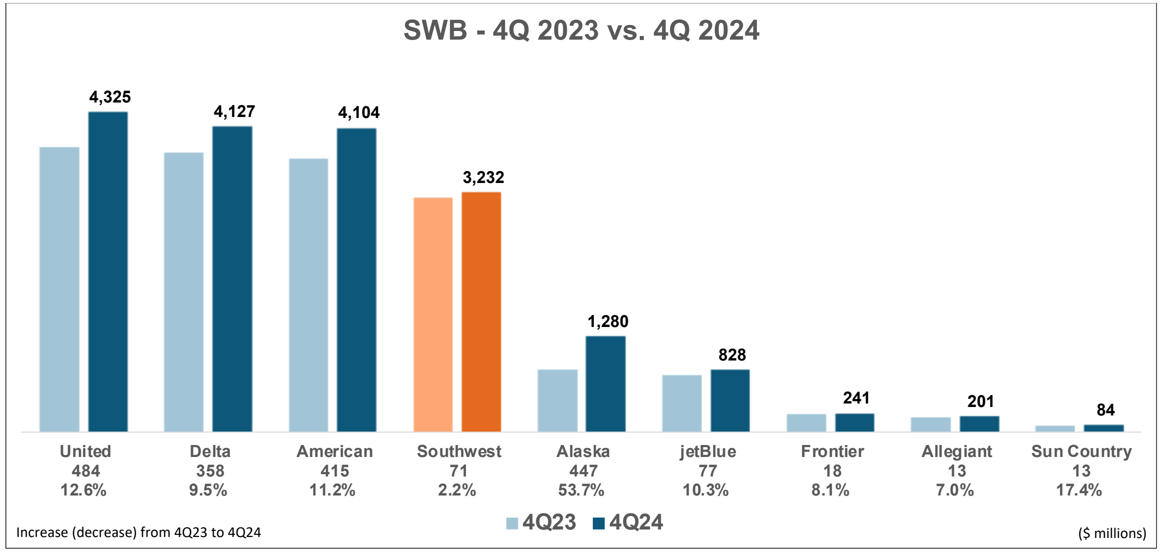


Increase (decrease) from 4Q23 to 4Q24

Cost inflation remains an industry problem

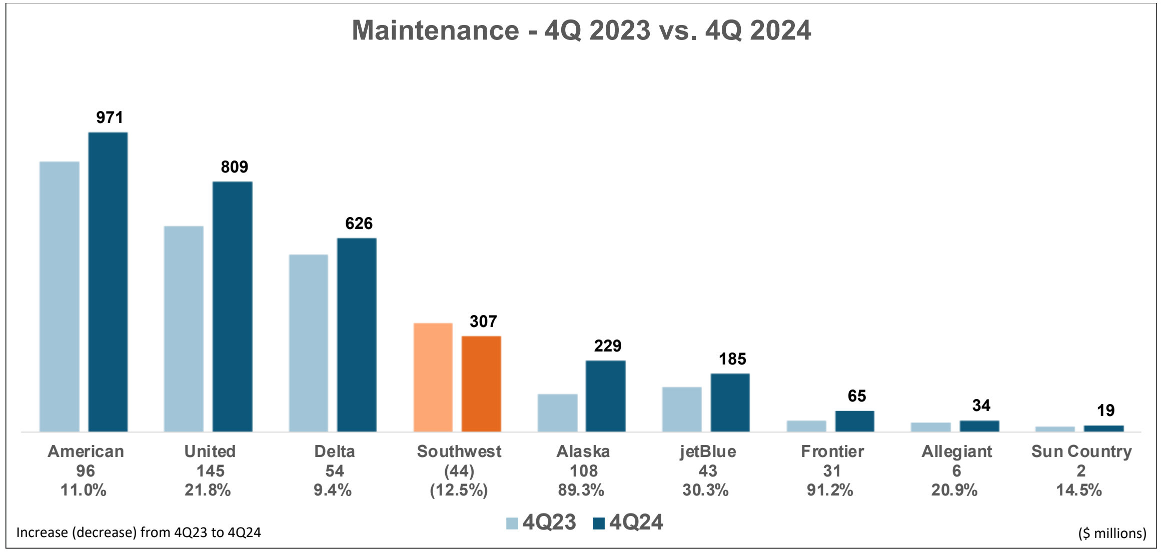
Labor, Maintenance, and Airport Costs most frequently cited cost issue

Industry SWB costs still growing: 4Q24 +10.0%



SWB up 40.4% vs. 4Q19
SWB per ASM up 28%

Maintenance is up 12%

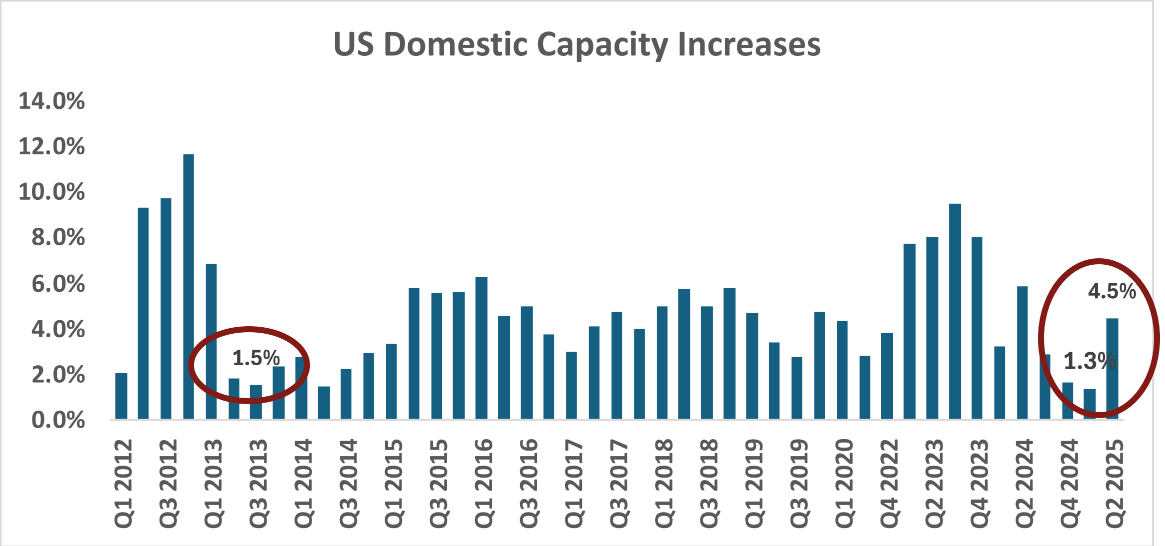


Mx costs up 46% vs. 4Q19

Capacity discipline reigns in 1Q25, but summer?

Domestic capacity increases are lowest since 2013, but airlines are adding at GDP+ in 2Q

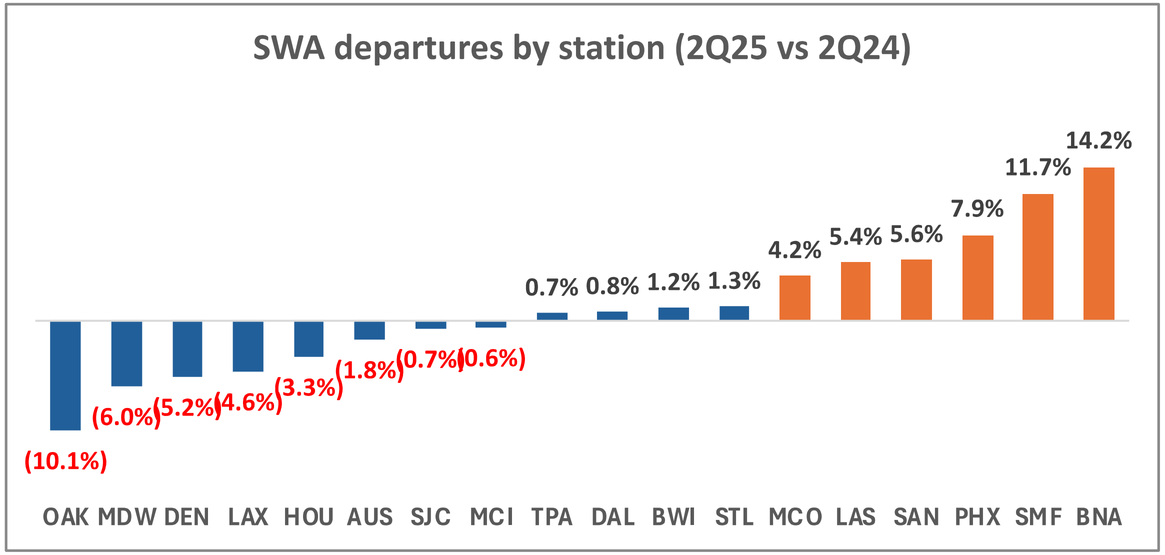
1Q25 capacity only +1.3%; 2Q25 creeps up to +4.5%



* Note: 2Q20 – 2Q22 removed as not meaningful

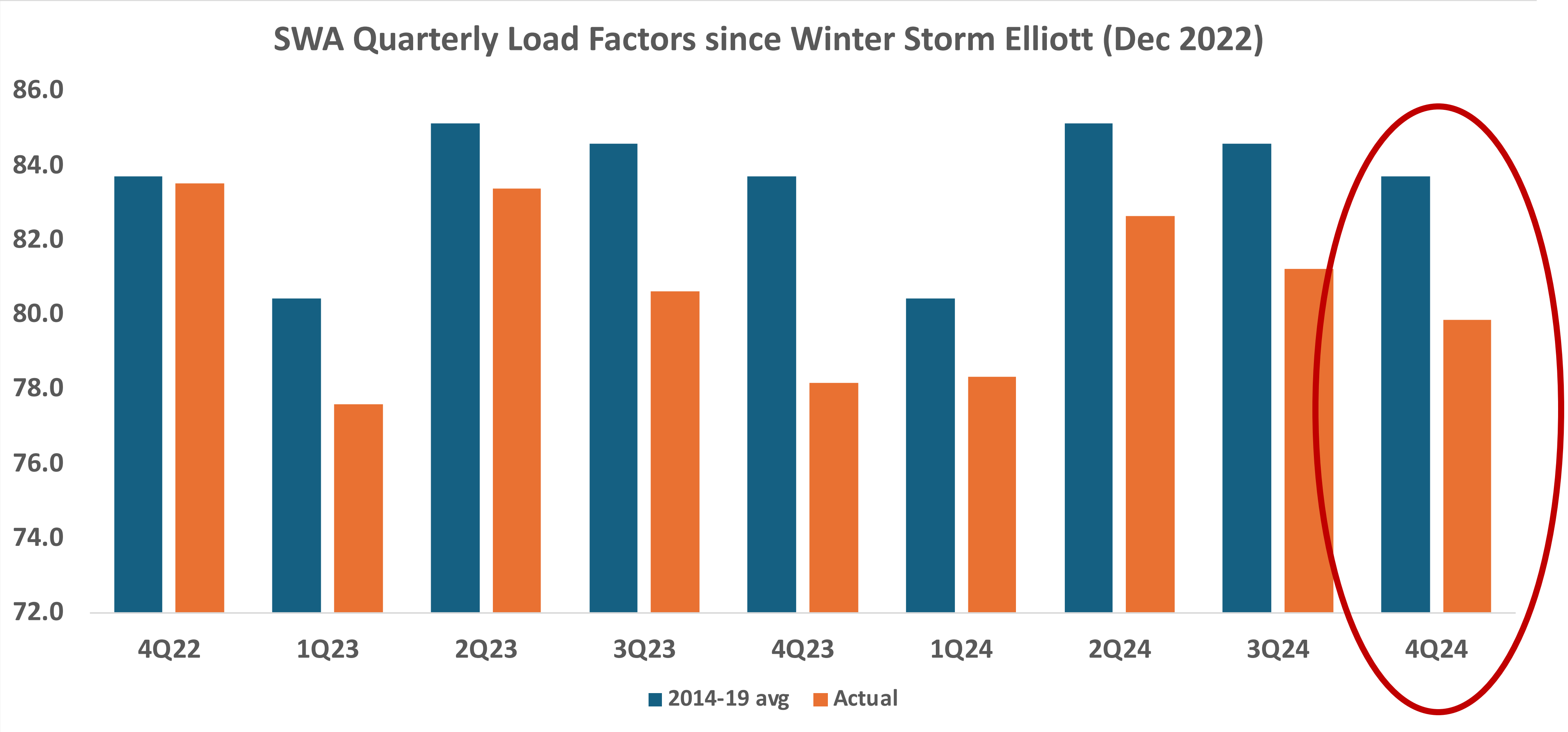
Big 3 adding 5.9% in 2Q25; UAL leads at 8.4%

SWA flight activity will decrease 1.3% in 2Q25



SWA Load Factor issue yet to reverse…

Avg load factors down 3.2pp; potential ~5m missing pax/$888m revenue annually

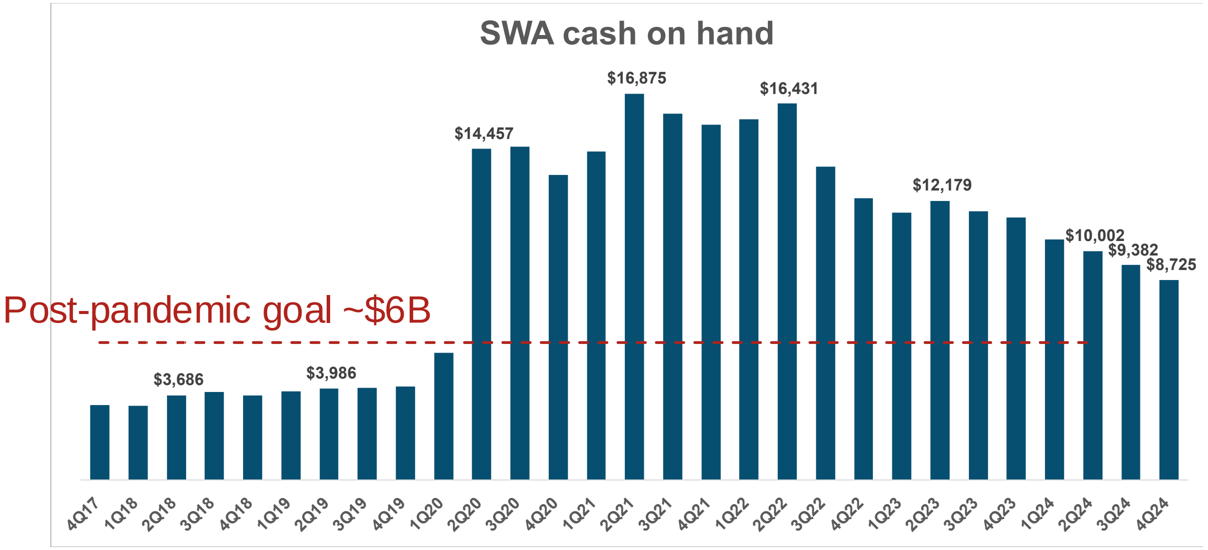


Sources: Diio.net

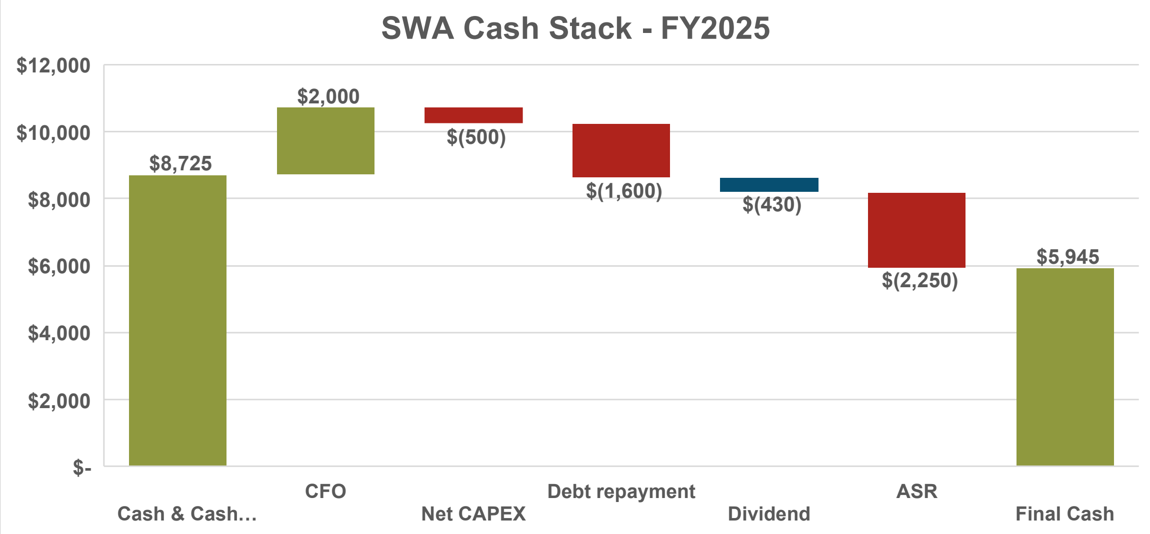
SWA trending to zero net cash

$1.6B in debt comes due in 2025; $2.25B ASR + $0.4B Dividends also

Cash fell to $8.7B; Net cash grew to $2.0B in 4Q



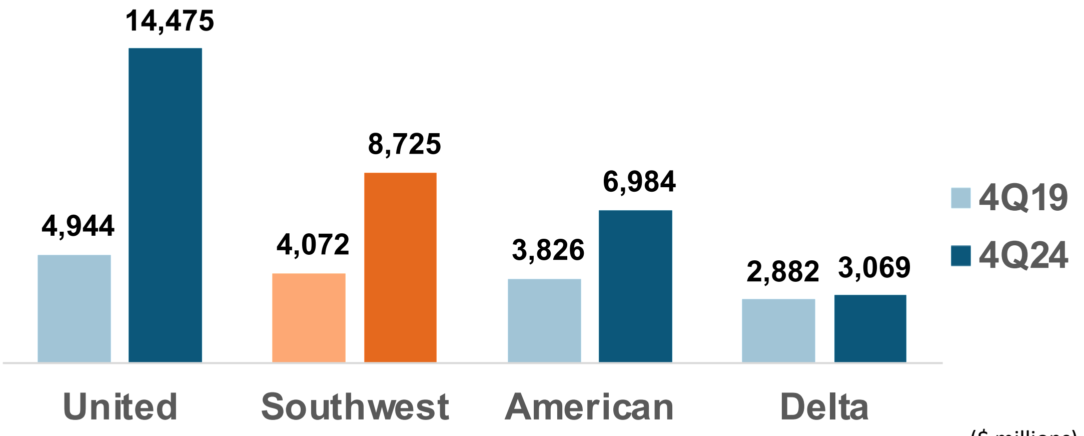
SWA Cash will decrease with large ASR



$2.25B ASR effectively buys back the May 2020 $2.3B stock issuance

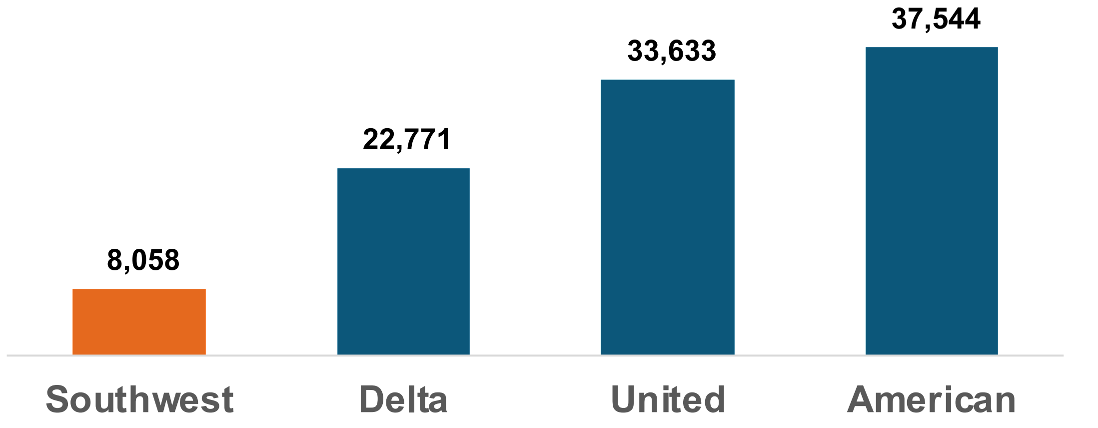
SWA's balance sheet still strongest of Big 4

Cash and Short-Term Equivalents – 4Q19 vs 4Q24



($ millions)

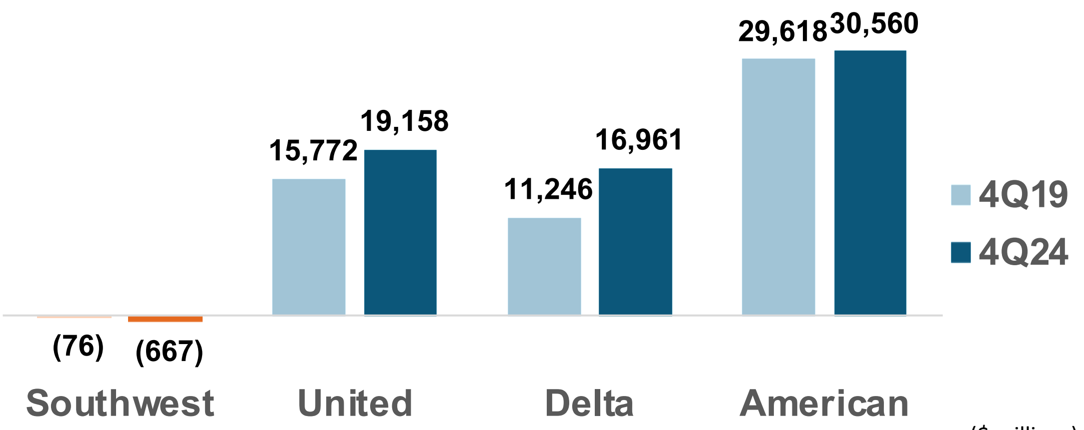
Total Adjusted Debt – 4Q24



($ millions)

Adj Debt = Total debt + operating lease liabilities

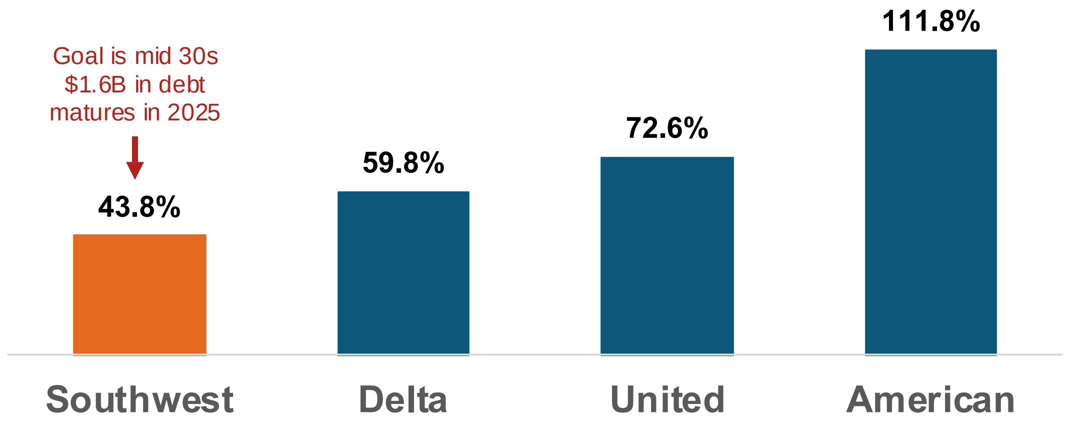
Adjusted Net Debt 4Q19 vs 4Q24



Adj Net Debt = Adj Debt less Cash/STI

($ millions)

Adjusted Debt-to-Capital Ratio – 4Q24



2025 hiring to date / 2025 forecast

	To date	2025
United		**1500-2000**
Delta		**515**
American		**1500**
Southwest		**50-60 (D225)**
Spirit		**Furlough 400**
Atlas		**100-150**
JetBlue		**0**
Alaska		**150**
FedEx		**0**

	To date	2025
Frontier		**400-500**
UPS		**100-125**
Allegiant		**200-300**
Breeze		**50***
Hawaiian		**50**
Avelo		**35**
Sun Country		**50-100***
		4,710+

Source: SWAPA analysis, FAPA.aero, Bold indicates revised

**SWAPA estimates*

Hiring and Pilot Supply Notes

- **American** resumed hiring in January. Revised hiring forecast upwards from 1,000 to 1,500 for the year.
- **Delta l**atest Advance Entitlement bid shows hiring 515 for 2025.
- **United** hiring 1,500-2,000 depending on pace of aircraft deliveries. Expecting 81 A/C deliveries in 2025.
- **Alaska** will resume hiring in second quarter 2025. Estimates range from 100 to 150.
- **Hawaiian** hiring 30 pilots in first quarter of 2025 and 50 for the year.
- **JetBlue** is not hiring. Offered a VSP package in January, (55 hours, 18 months or Age 65) to avoid Capt. downgrades. Estimates of 500 overstaffed.
- **Southwest** forecasting only D225 hiring.
- **Allegiant** expected to hire for growth in 2025. Forecasting 200-300.
- **Frontier** hiring as many as 500-600 depending on attrition to OAL's.
- **Spirit** not hiring. Furloughed 230 Jan 31, down from a planned 330 due to attrition.
- **Sun Country** will hire in 2025 to cover attrition and the entry of eight aircraft into the Amazon freight operations. Estimates are 50-100.
- **FedEx** not hiring, still overstaffed by upwards of 500 pilots according to inside sources.
- **UPS** estimates are 100-150 depending on USPS contract staffing needs. One class of eight in Jan.

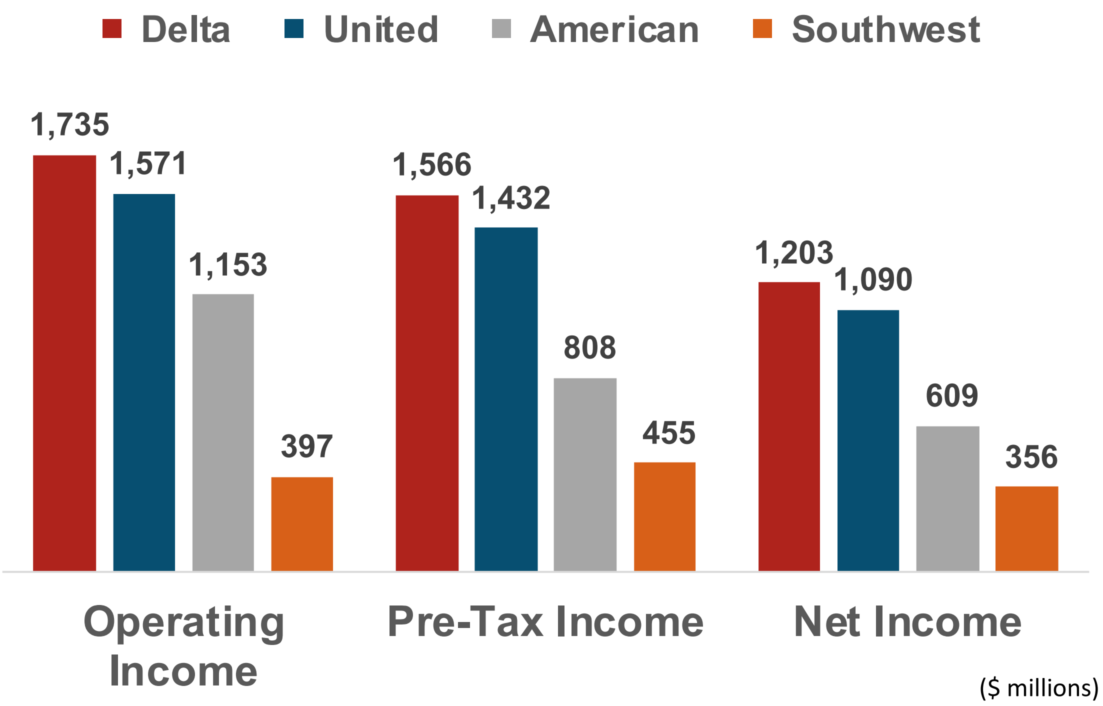
Global Network Carriers

Sources: Airline financial press releases, SEC filings, and SWAPA analysis

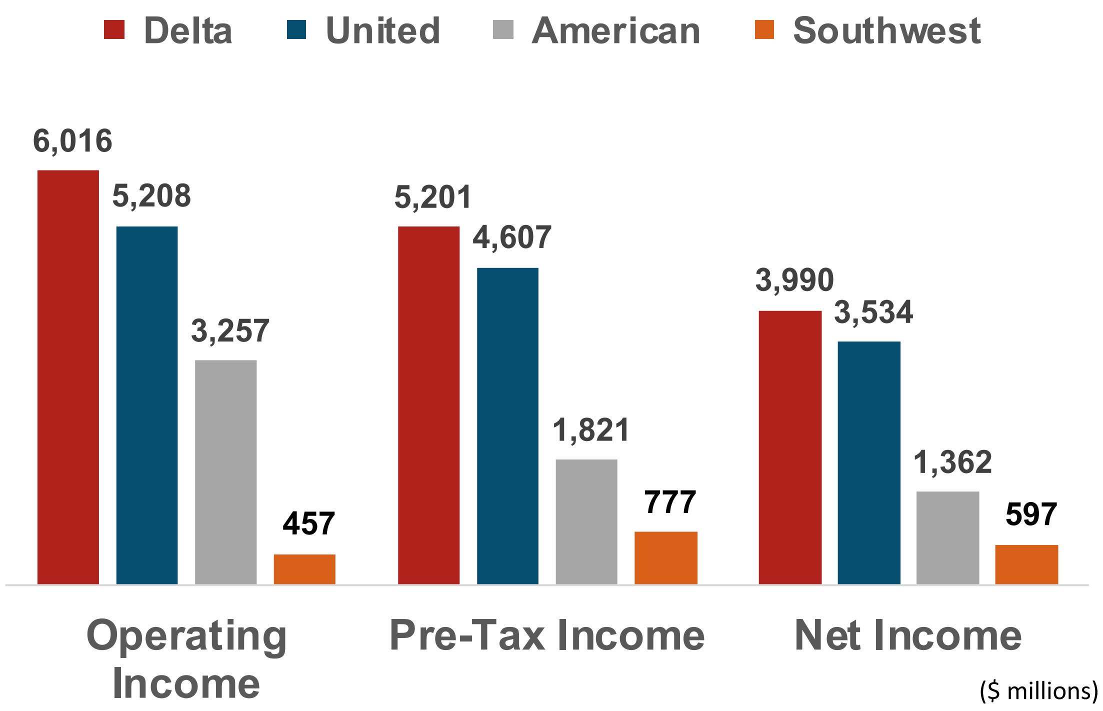
Key Financial Results

Global Network Carriers (Legacies) vs. Southwest

4th Quarter 2024

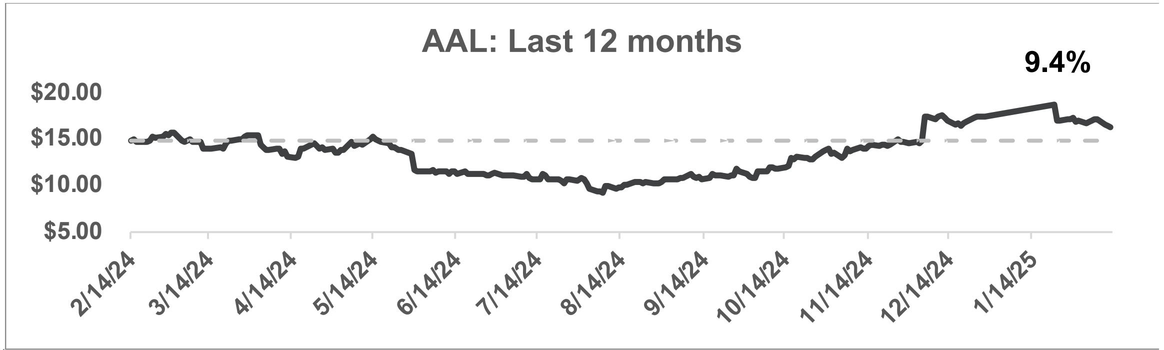


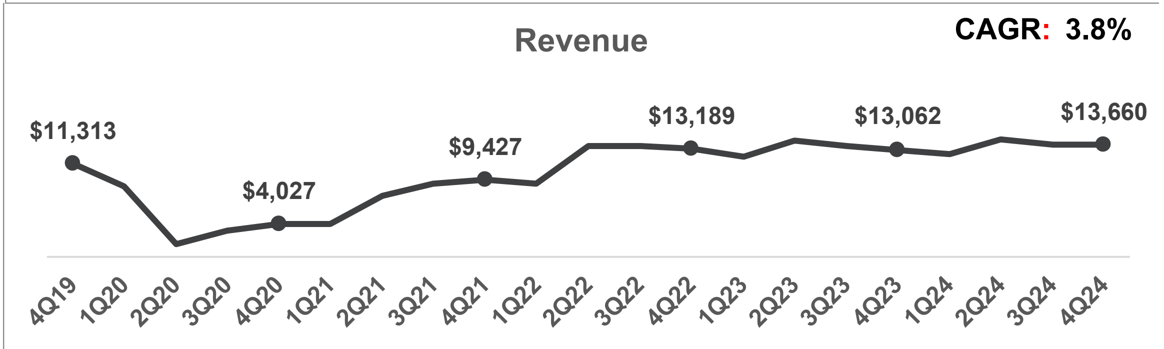
Full Year 2024

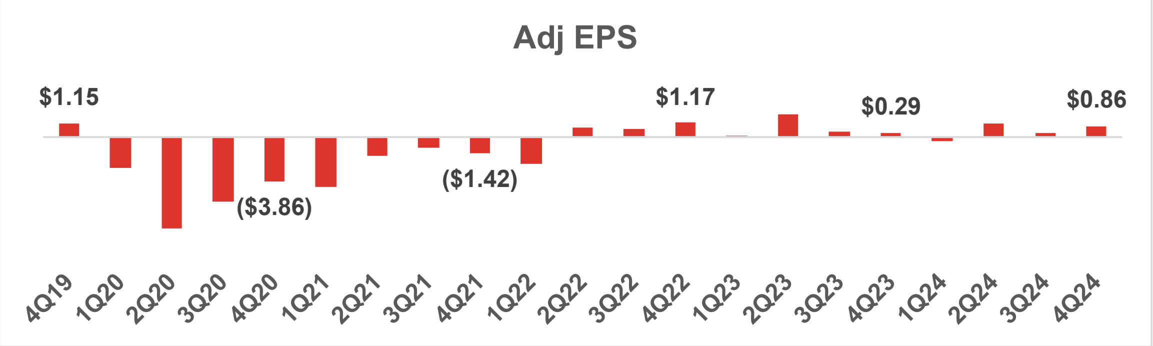


Non-GAAP – excludes special items

American Airlines







American

"Demand for American's product remains strong, with favorable trends"

4Q24 adj. pre-tax income: $808M

American Airlines reported record financial results for the fourth quarter and full year of 2024, driven by strong demand and strategic operational adjustments. The airline achieved a record quarterly revenue and annual revenue of nearly $55 billion. American also generated record operating and free cash flow metrics in 2024. Additionally, the company reduced its total debt by $15 billion from peak levels, achieving this milestone a year ahead of schedule. Key highlights include a new 10-year co-branded credit card partnership with Citi, expected to enhance loyalty rewards programs starting in 2026, and positive unit revenue growth in the fourth quarter across domestic and international markets. Despite these achievements, American Airlines forecasted a challenging first quarter of 2025 with anticipated losses from lower capacity and higher labor costs, but FY 2025 should be profitable.

EFA takeaway: American is making progress on recapturing lost business revenue and repairing the balance sheet but still trails Delta and United in overall profitability.

Items of interest

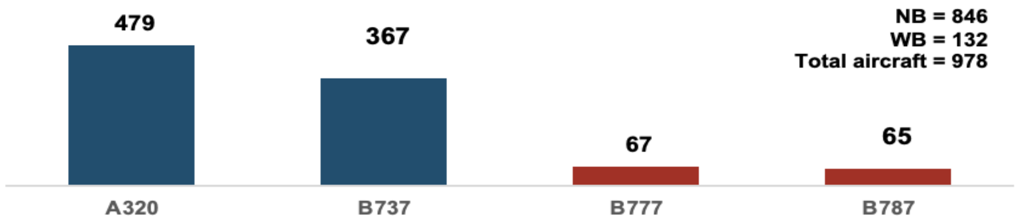
- Record quarterly and yearly revenues helped by capacity constraints and strong pricing trends. Total unit revenue was positive for the fourth quarter and the YoY 4Q TRASM gains in Domestic, Atlantic and Pacific led the US network carriers. Latin was only region down.
- Managed business revenue up 8%, with Premium and Loyalty revenues up 8% and 14% respectively. Both are at record levels and are forecast to increase in 2025. On track to fully restore corporate revenue share from indirect agency channels by YE 2025.
- Announced a new ten-year agreement with Citibank for the co-branded credit card. By 2026, expect cash payment from Citi and other partners to grow 10% annually and approach $10B per year. This should add $1.5B to pre-tax income as compared to 2024.
- Introducing the B787-9 and A321XLR in 2025, with brand new redesigned Flagship suites. Expecting long-haul international capable fleet to grow from 125 to 200 aircraft by 2029. Took delivery of 30 A/C in 2024 and expect to accept 40-50 new aircraft in 2025 with A/C CAPEX of $2-$2.5B.
- CASM-ex up 5% 4Q with labor and shift to regional capacity (up 17%) expected to increase costs in the first quarter. Full year costs will moderate towards end of year and into 2026.
- Ended 2024 with $10B in liquidity, repaid $750M in debt. Total debt stands at $38B with net debt at $31B, lowest since 2015. Goal is to reduce total debt below $35B by 2027.

4Q Snapshot (as compared to 4Q 2023)

Capacity	Revenues	TRASM	CASM-ex	Fuel
▲ 2.5%	▲ 4.6%	▲ 2.0%	▲ 5.7%	▼ 23.5 %

American Stats	4Q24	4Q23	4Q19	y/y	y/5y
Revenues	$13,660M	$13,062M	$11,313M	4.6%	20.7%
Adj Operating Income (EBIT)	$1,153M	$665M	$876M	73.4%	31.6%
Adj Operating Margin	8.4%	5.1%	7.7%		
Adj Pretax Income	$808M	$257M	$679M	214.4%	19.0%
Adj Net Income	$609M	$192M	$502M	217.2%	21.3%
Adj EPS	$0.86	$0.29	$1.15	196.6%	(25.2%)
Capacity (ASMs)	71.5 billion	69.8 billion	70.3 billion	2.5%	1.8%
Yield	20.44¢	20.59¢	17.56¢	(0.7%)	16.4%
TRASM	19.10¢	18.72¢	16.10¢	2.0%	18.6%
CASM	17.52¢	17.78¢	15.06¢	(1.5%)	16.3%
CASM-ex	13.99¢	13.24¢	11.59¢	5.7%	20.7%
Fuel (econ)	$2.34	$3.06	$2.05	(23.5%)	14.1%

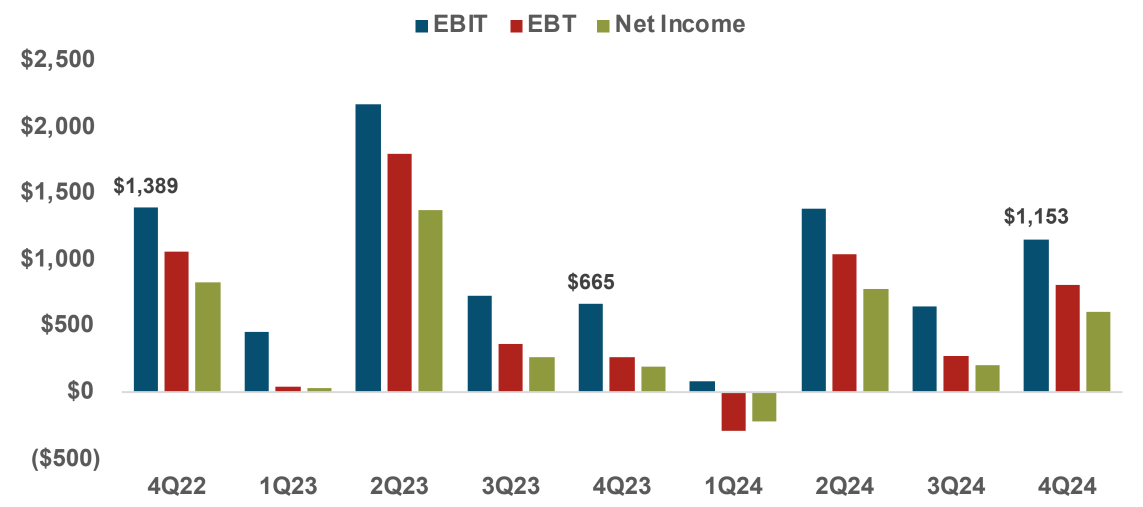
American Mainline Fleet – 4Q24 (est.)



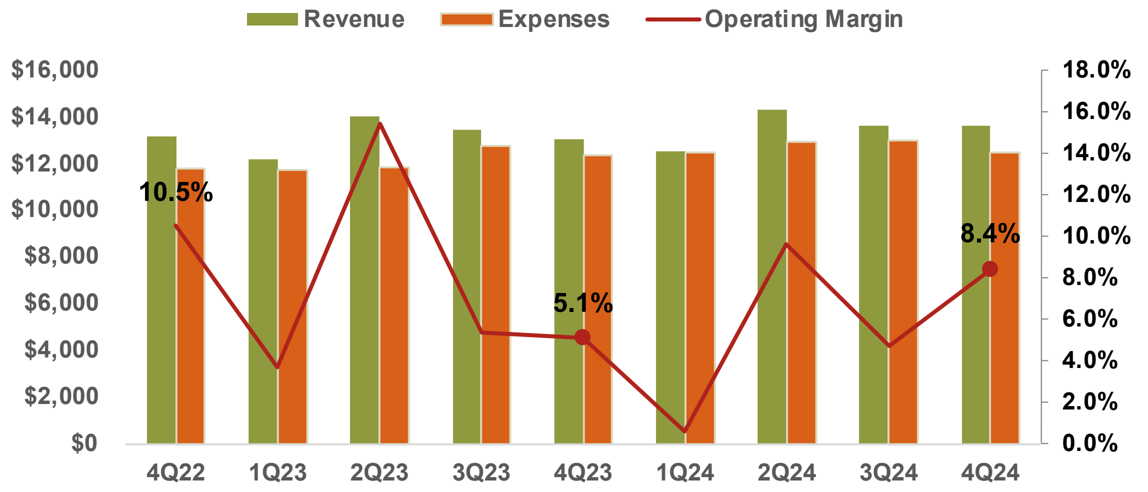
Source: planespotters.net

American - Financial Performance

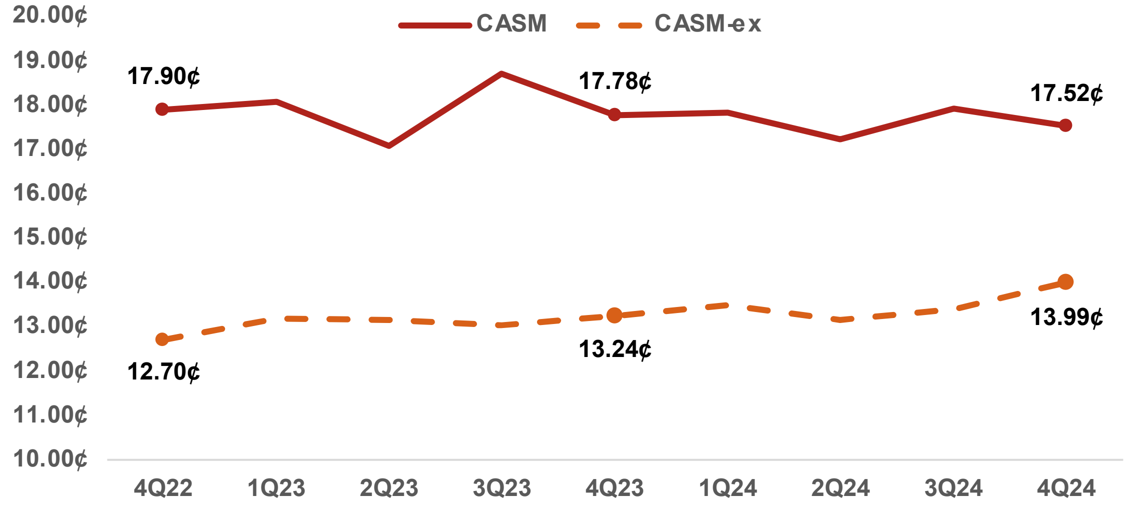
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



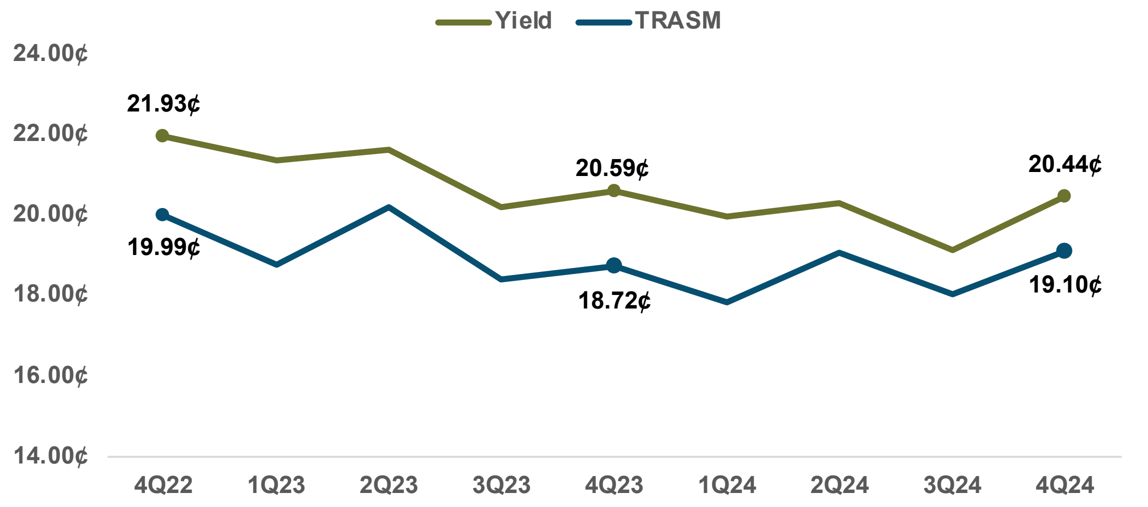
Quarterly Revenue, Expenses, Adj. Operating Margin



CASM & CASM-ex



Yields & TRASM

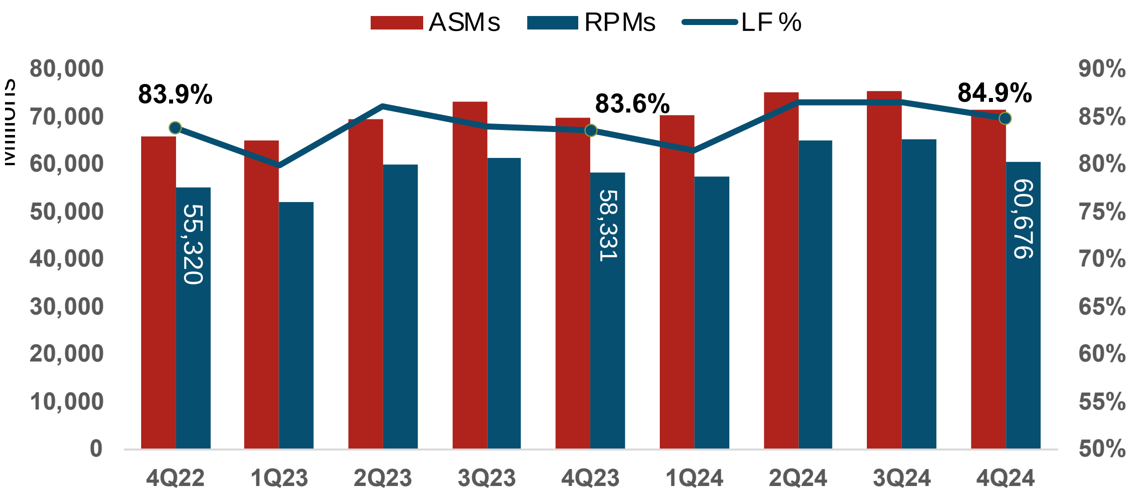


American - Network News

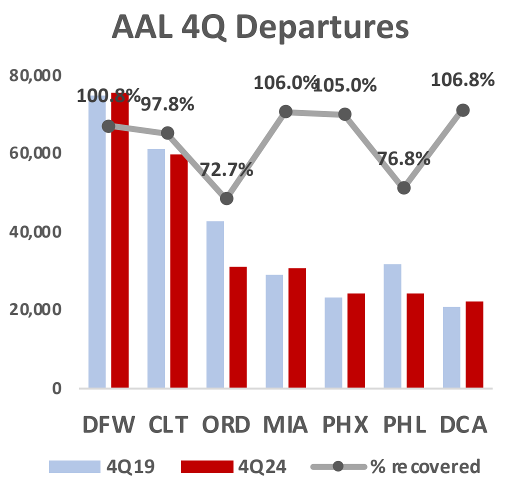
Network news and notes

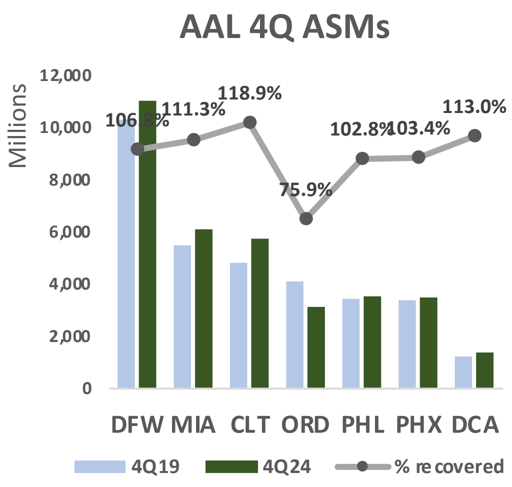
- Growing Europe in 2025 with various new and expanded service to Athens, Edinburgh, Madrid, Milan and Rome from CLT, MIA, ORD and PHL.
- Will increase regional jet service ASM's by 17% starting in 1Q, focusing on DFW, ORD and PHL.
- Will add three new routes to Canada, including Halifax and Quebec City from Chicago and Dallas.
- Beginning several summer only routes from LGA to Rocky Mountain destinations such as Kalispell and Bozeman.

Capacity and Load Factors

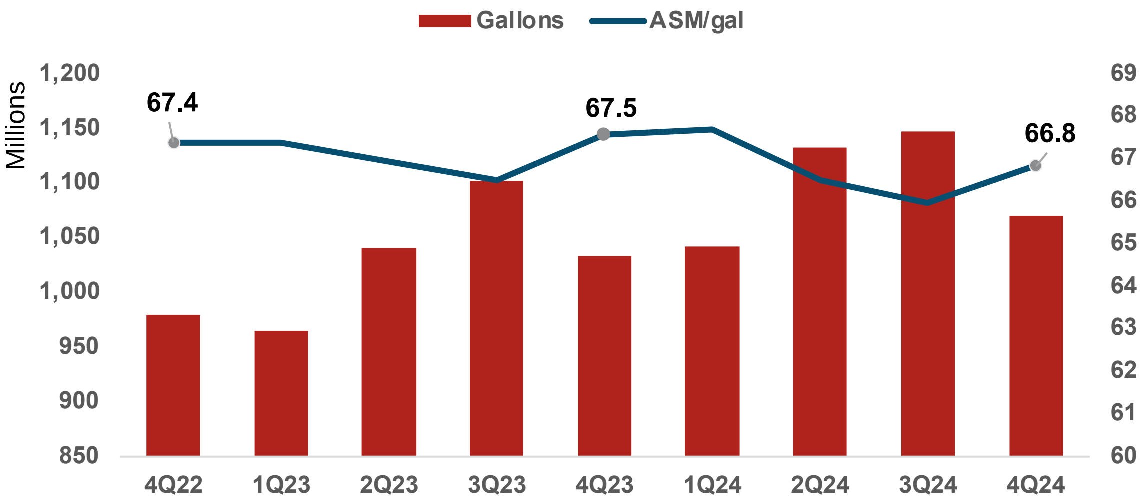


Restoration of major hubs and focus cities





Fuel & Fuel Efficiency



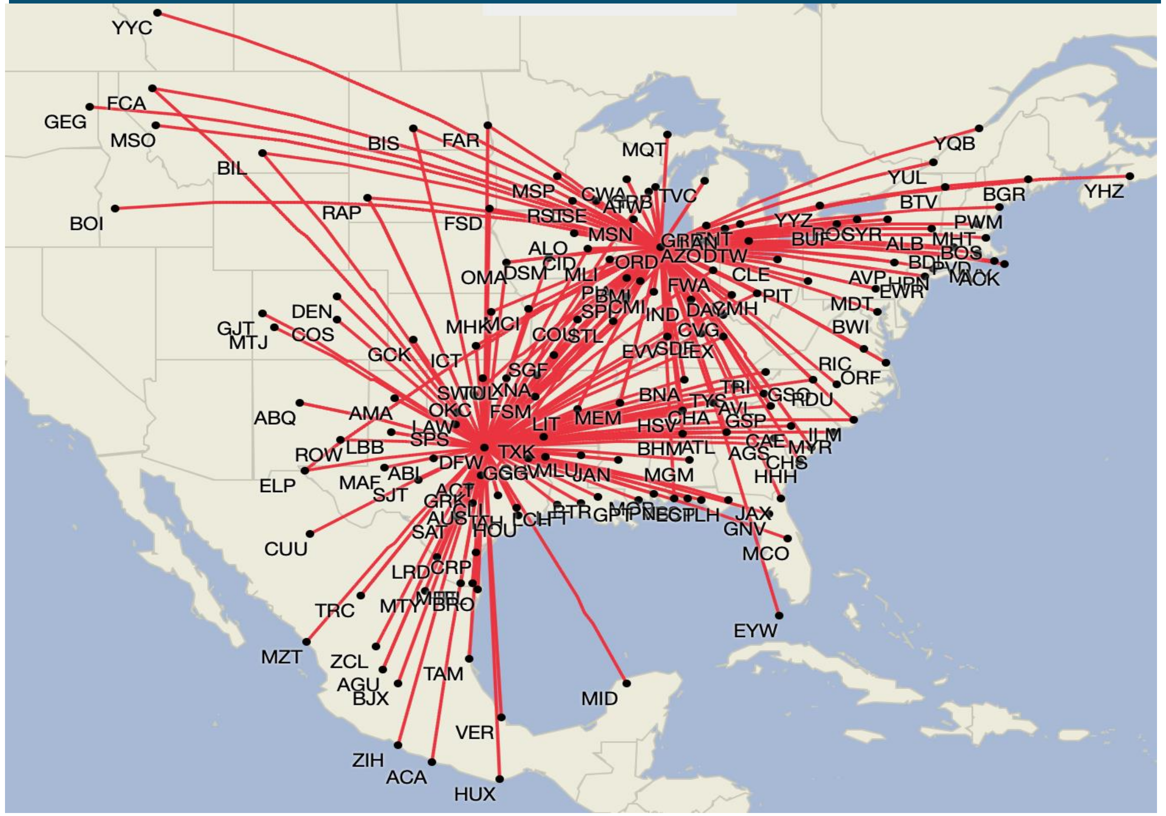
American

Analyst Commentary

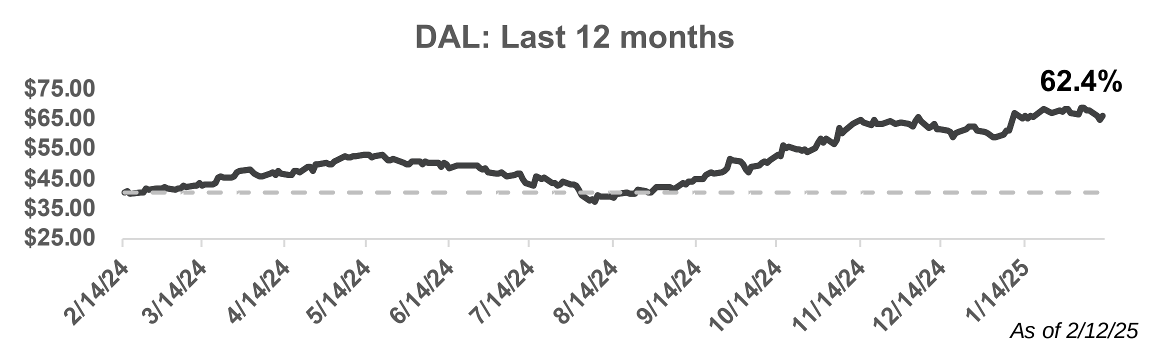
- We think investors were disappointed by American's 1Q guide that calls for a loss but are underestimating the revenue generation power as illustrated by the 4Q revenue beat and better than projected 1Q revenue forecast.
- American's guide falls short of expectations, but the main building blocks of our thesis remain intact. Credit card agreement, recapture lost corporate share and less overlap with discounter airlines.
- 4Q results were solid and well outperformed and American continues to show progress in reducing debt, even ahead of their previous schedule.
- We disagree with the market's response to AA's 4Q results. The bigger picture shows moderate capacity growth, labor and loyalty house is in order and balance sheet running ahead of schedule. The CASM-ex surprise appears to be clear and temporary but showing a wider than anticipated loss is never good. Still, American has the right business model at the right time.
- We went into the call constructive on 4Q and 1Q revenue but costs disappointed. Big picture, our thesis is pushed out but doesn't change. Management is making slow but steady progress on recovering $1.5B in lost indirect corp. revenue which suggests further strength later this year.
- Constrained competitive capacity backdrop will also help, we think AA guided conservatively here and 1Q25 could surprise positively.

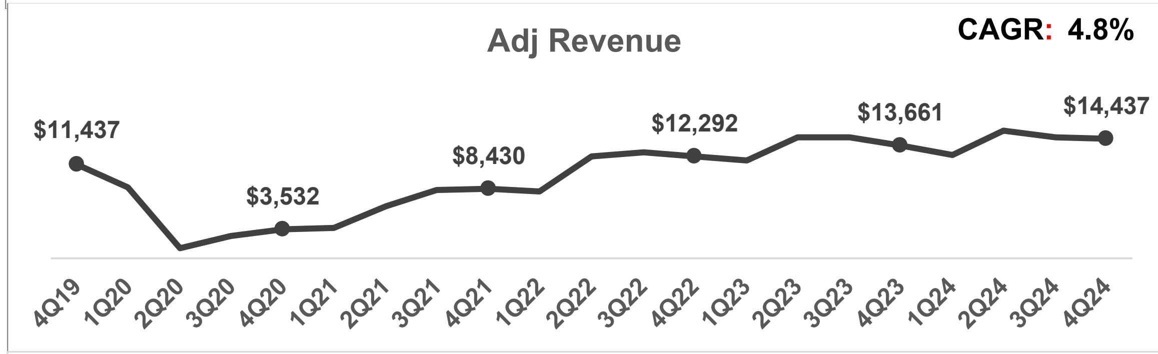
Guidance	1Q25	FY 2025	Notes
Capacity	Down 2% to Flat	Up LSD	
Revenue	Up 3% -5%	Up 4.5%-7.5%	
CASM-ex	Up HSD	Up MSD	
Fuel			
Adj EPS	($0.20) - ($0.40)	$1.70-$2.70	
Operating margin	Flat to 1%		
CAPEX		~$2.0-$2.5B	Aircraft CAPEX

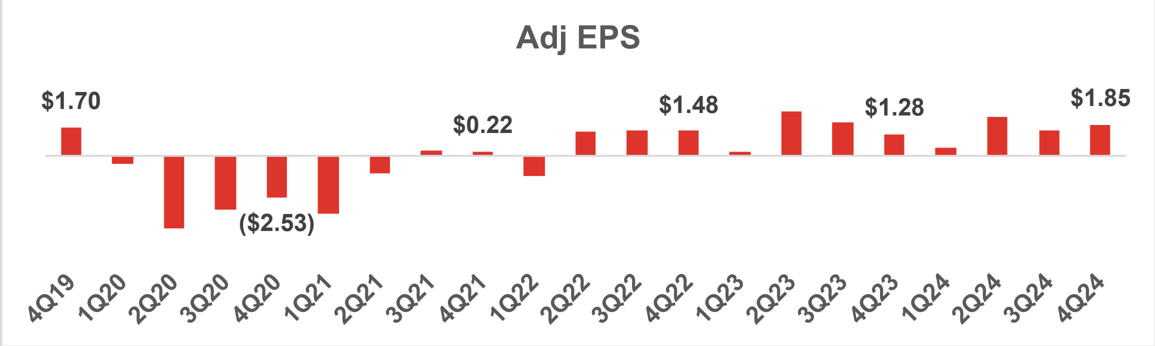
American increases regional flying by 17% in June to 2019 levels



Delta Air Lines







Delta

"We leverage innovation and technology to further elevate travel"

4Q24 adj. pre-tax income: $1.6B

Delta Air Lines reported a strong close to 2024, achieving record revenue and operating profit in the December quarter. Adjusted earnings per share (EPS) reached $1.85, surpassing analysts' expectations. Delta's focus on premium travel services and operational efficiency contributed significantly to its success, as revenue from premium seating options grew by 8%. The airline also generated $1.9 billion in operating cash flow and reduced its total debt to $16.2 billion by year-end. CEO Ed Bastian emphasized the airline's differentiation within the industry and its ability to meet growing demand for premium travel experience. He also highlighted various new travel tools and partnerships designed to "personalize the travel experience", including Delta Concierge, Delta Sync and link-ups with Uber and YouTube. Looking ahead to 2025, Delta expects another record-breaking year, driven by continued demand for premium products and a favorable industry environment.

EFA takeaway: Delta surprised to the upside with its fourth quarter results and 1Q guide, continuing to financially outdistance the rest of the industry.

Items of interest

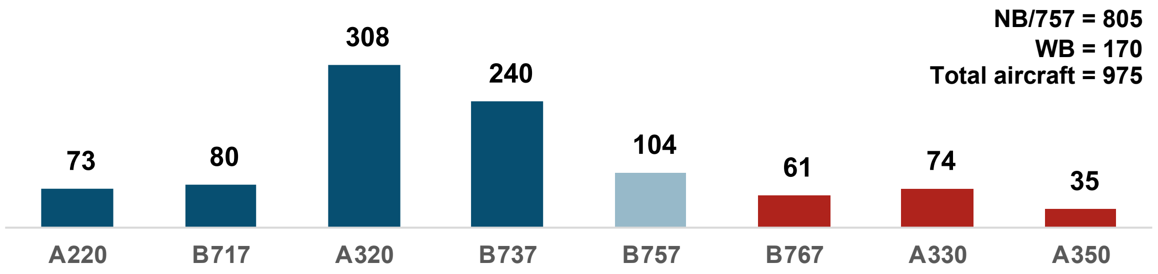
- Fourth quarter revenues set another record, as they were mid-single digits higher than the year ago period. Four of the top ten revenue days in company history were set post-election and booking activity from both business and leisure travelers saw double-digit increases. 2024 revenue reached over $61B, highest in company history, with an adjusted operating margin of 9.7%. ROIC was 13%, double the rest of the industry.
- Corporate sales grew 10% YoY, improving over 3%. Premium revenues outpaced Main Cabin throughout the whole year (57% of total revenues) and was up 8% in 4Q. Loyalty revenues up 9%, with renumeration from American Express reaching $2.1B for the quarter and $7.4B for the year. International RASM for all geographies were sequentially improved, up 6%, driven by both volume and fare strength, with transatlantic continuing to lead.
- Over 50% of Delta's growth in 2025 will come from increased asset utilization with regional flying projected to be fully restored. 3%-4% full year capacity growth.
- Non-fuel costs increased low single-digits in 4Q, consistent with the outlook at the beginning of the year. Full year 2025 CASM-ex growth also expected to be low single digits as efficiencies offset the impact of slower capacity growth. Adjusted fuel expense down 5%, helped by refinery benefit of $0.01 per gallon.
- Took delivery of 11 aircraft in 4Q, full year total of 38 (A321neo, A220, A330/350). 40 A/C deliveries expected in 2025. Generated FCF of $3.4B in 2024, expects over $4B FCF in 2025. Liquidity of $6.1B with adjusted net debt of $18B, down nearly $4B from YE 2023.

4Q Snapshot (as compared to 4Q 2023)

Capacity	Revenues	TRASM	CASM-ex	Fuel
5.2%	5.7%	0.5%	2.0%	22.0%

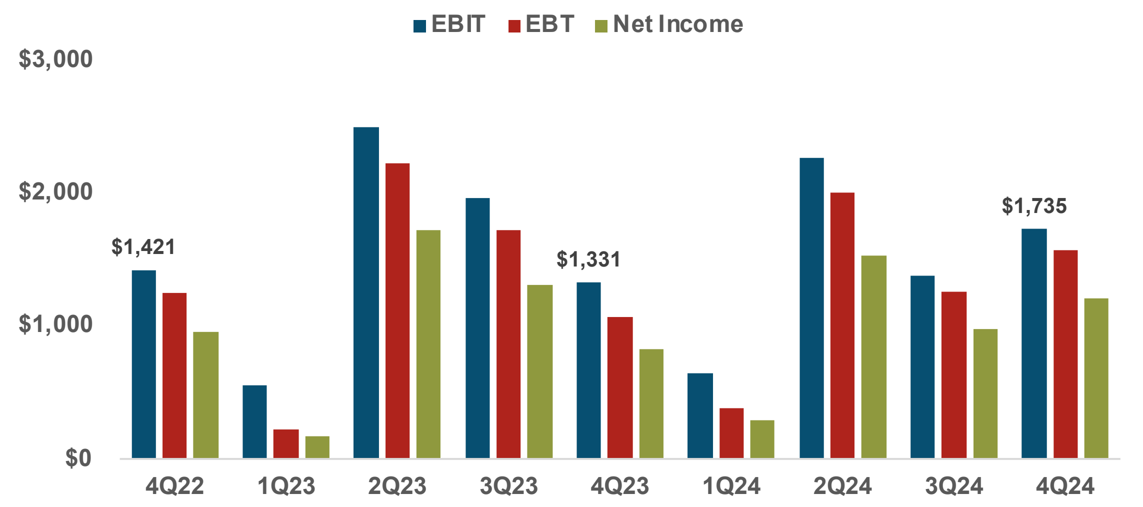
Delta statistics	4Q24	4Q23	4Q19	y/y	y/5y
Adj Revenues	$14,437M	$13,661M	$11,437M	5.7%	26.2%
Adj Operating Income (EBIT)	$1,735M	$1,331M	$1,422M	30.4%	22.0%
Adj Operating Margin	12.0%	9.7%	12.4%		
Adj Pretax Income	$1,566M	$1,064M	$1,415M	47.2%	10.7%
Adj Net Income	$1,203M	$826M	$1,096M	45.6%	9.8%
Adj EPS	$1.85	$1.28	$1.70	44.5%	8.8%
Capacity (ASMs)	72.0 billion	68.5 billion	65.5 billion	5.2%	10.0%
Yield	21.22¢	21.12¢	18.29¢	0.5%	16.0%
TRASM	20.04¢	19.95¢	17.47¢	0.5%	14.7%
CASM	19.22¢	18.84¢	15.34¢	2.0%	25.3%
CASM-ex	13.72¢	13.29¢	11.21¢	3.2%	22.4%
Fuel (econ)	$2.34	$3.00	$1.99	(22.0%)	17.6%

Delta Mainline Fleet – 4Q24

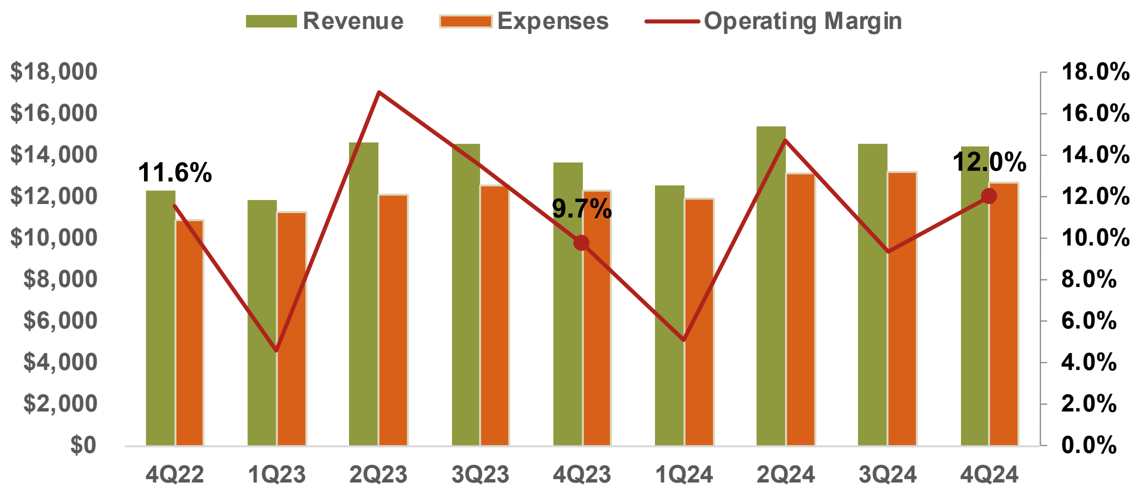


Delta - Financial Performance

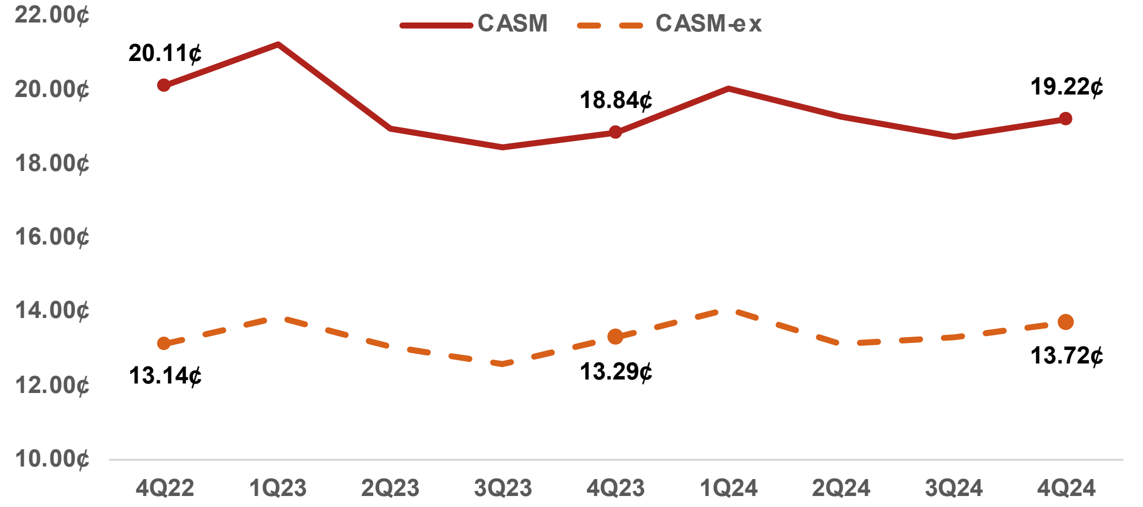
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



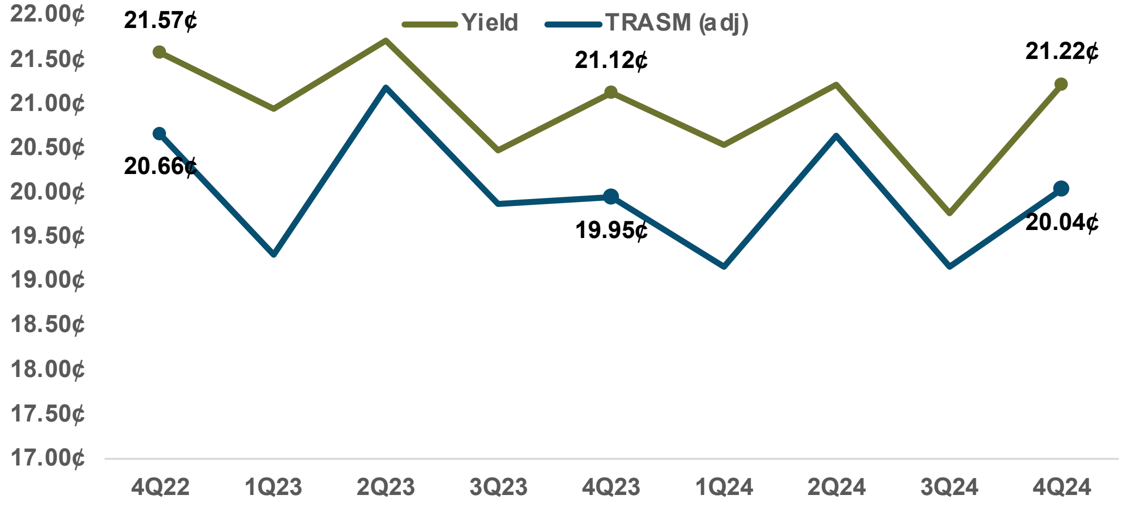
Quarterly Revenue, Expenses, Adj. Operating Margin



CASM & CASM-ex



Yields & TRASM (adj)

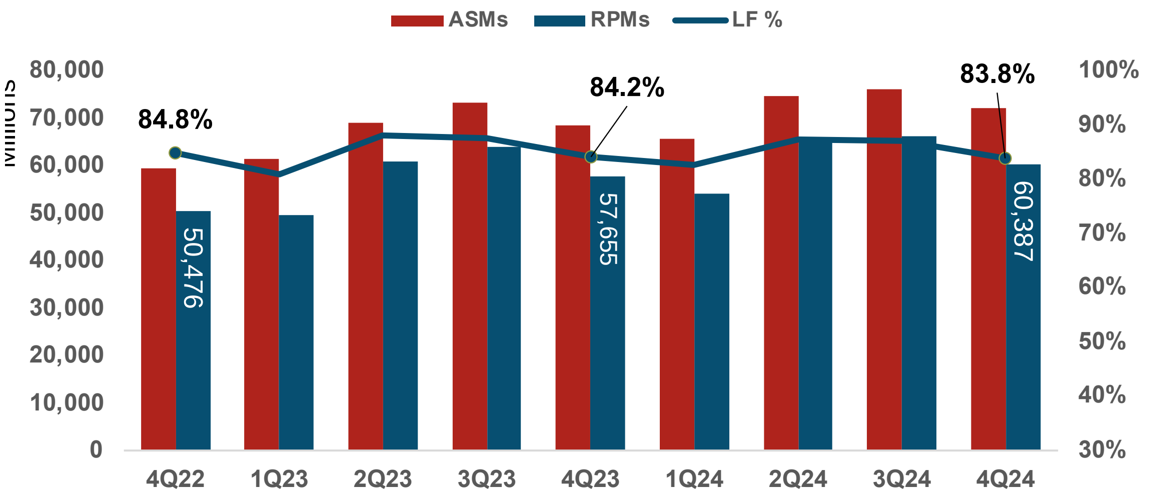


Delta - Network News

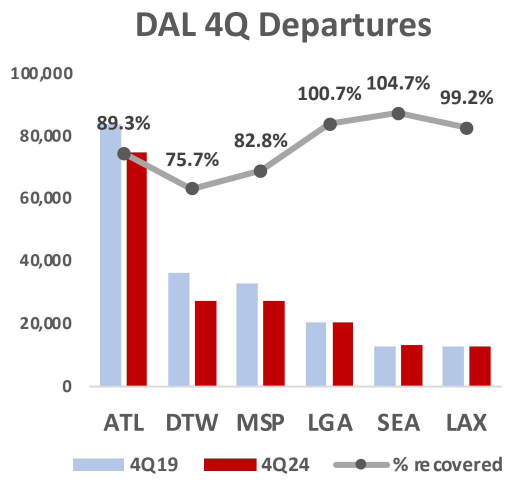
Network news and notes

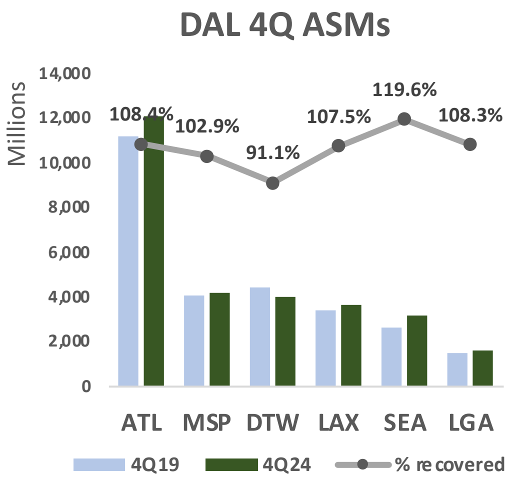
- Awarded DOT route DCA-SEA, starting March 2025.
- Will begin non-stop flights TPA-AMS, MCO-LHR and JFK to Lagos, Nigeria.
- MSP-CPH announced and will begin Summer 2025.
- Added 13 new Latin America routes from six hubs, for expanded winter leisure destinations.

Capacity and Load Factors

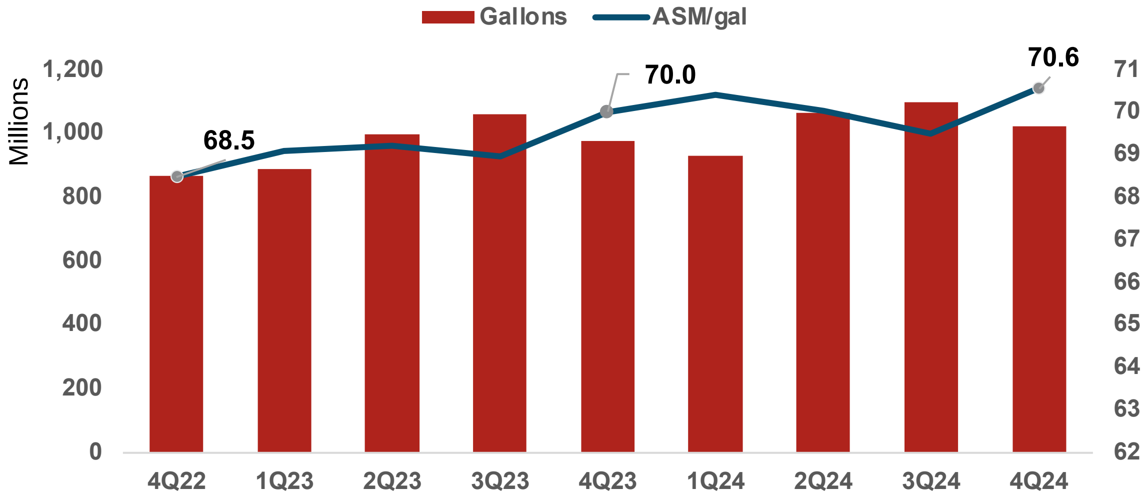


Restoration of major hubs and focus cities





Fuel & Fuel Efficiency



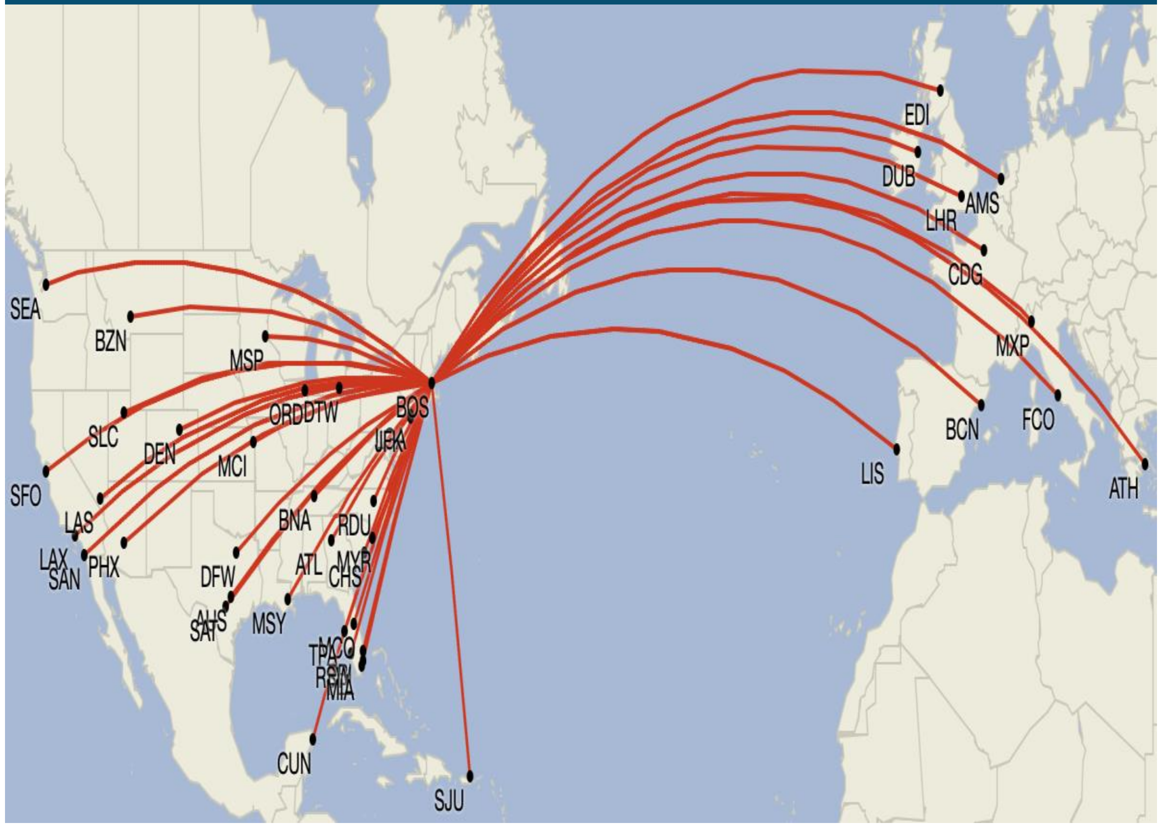
Delta

Analyst Commentary

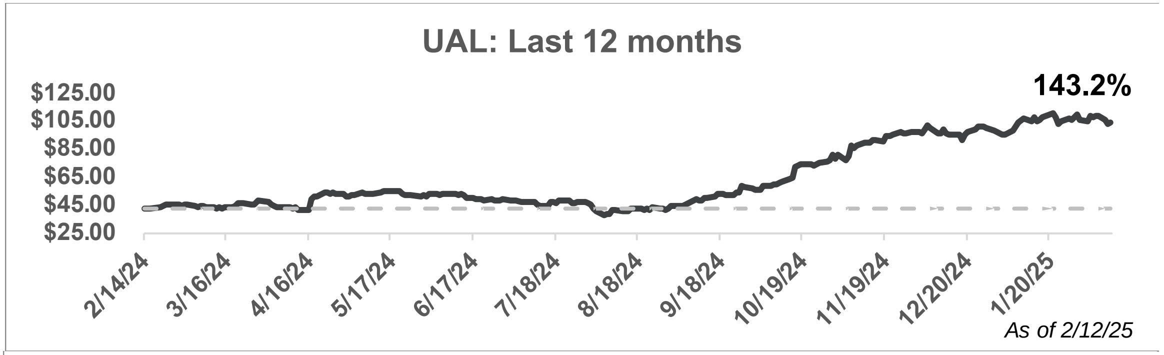
- Delta's solid results and favorable share price reaction today reinforce our bullish outlook for airline equities in 2025.
- Subdued industry capacity expansion coupled with still-strong travel demand should lead to improved yield performance and margin expansion for Delta.
- We are revising our estimates upward, reflecting stronger revenue and somewhat lower non-fuel cost outlooks. If achieved, these would notably exceed Delta's 2019 results.
- We continue to see unique structural advantages at Delta that support a margin advantage, which combined with a stronger balance sheet, make it an attractive company for a broad set of investors.
- Delta afforded an unexpectedly robust start to earnings season. It appears revenues strength is overtaking lower fuel as the primary narrative, which we believe, results in a favorable setup.
- This could be the most constructive backdrop in 20+ years. The premium phenomenon, international momentum, loyalty returns, aircraft supply constraints and the impairment of the Discount sector. We expect Premium revenue to overtake Main Cabin by 2027.
- The company is well-positioned to grow its ROIC to 15%+ as it hits its three-to-five- year financial targets, putting it among the industry leaders.

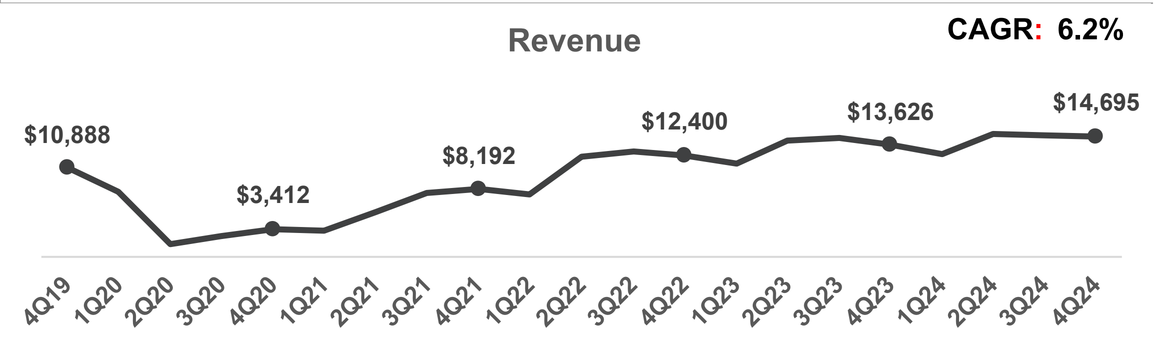
Guidance	1Q25	FY 2025	Notes
Total Revenue	$14.6B - $14.9B		Up 7% - 9%
Capacity			
CASM-ex			
Fuel (incl refinery)			
Op Margin	6% - 8%		
EPS	$0.70 - $1.00	> $7.35	

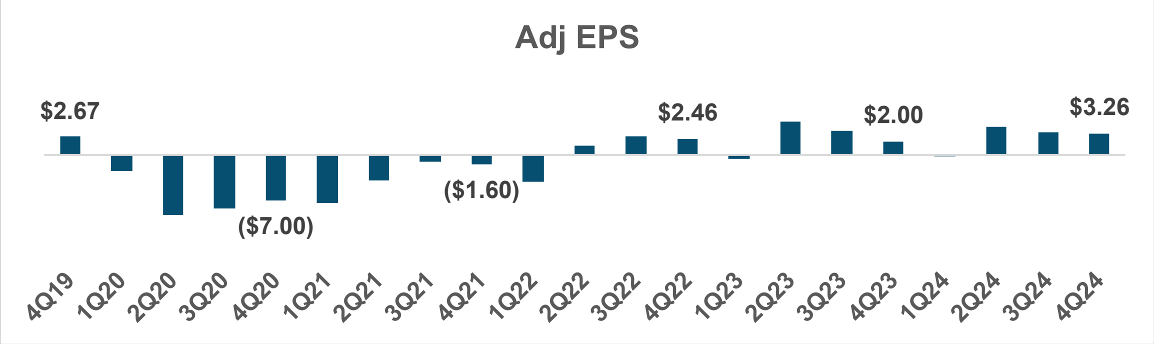
Delta operates its largest BOS schedule in July 2025, 92 dept/day



United Airlines







United

"Our industry leading product and service have created a moat for UAL"

4Q24 adj. pre-tax income : $1.4B

United Airlines delivered a robust fourth-quarter performance for 2024, surpassing market expectations and setting a strong foundation for 2025. The airline reported total operating revenue of $14.7 billion, a 7.8% increase compared to the same quarter in 2023, and achieved a net income of $1 billion, marking a 64% year-over-year growth. Key drivers of United's performance included robust demand across multiple revenue streams. Premium products, corporate travel and Basic Economy all surged year-over-year in the quarter. Operationally, United excelled in customer service metrics, finishing first in on-time departures across all seven U.S. hubs. Investments in technology, infrastructure, and staffing were credited for these improvements, along with enhanced customer satisfaction. CEO Scott Kirby emphasized the company's unique post-COVID strategy as pivotal in achieving these results and positioning United as a leading global airline in 2025.

***EFA takeaway*: United continues to impress with its results and alongside Delta, is clearly separating itself from the rest of the industry financially.**

Items of Interest

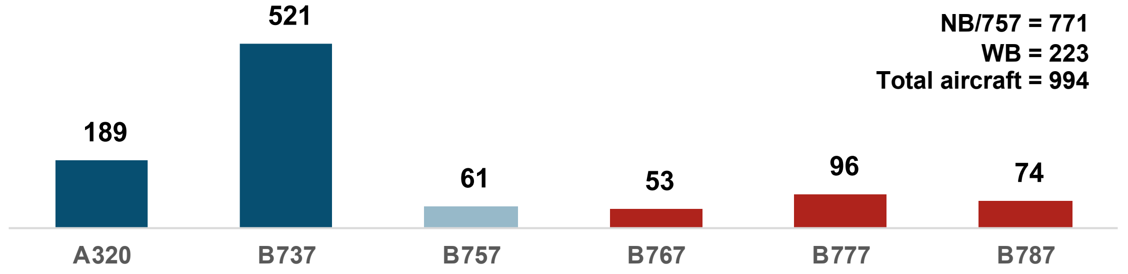
- Total revenues up high single digits YoY with TRASM increasing nearly 2% as the revenue environment improved materially due to lower industry capacity. All United hubs were profitable with only a 7-point pretax margin difference between the best and worst performing hubs. Domestic capacity increased 8% with RASM down 2%, with 1Q domestic RASM projected to turn positive. Basic Economy pax increased 21% YoY.
- Pretax margins, EPS and free cash flow were all greater than analyst's forecasts. Premium cabin revenue up 10%, corporate travel up 7% and Basic Economy up 20% YoY. Loyalty program revenues also higher by double-digits. Managed business up 14% YoY.
- All regions except Latin America outperformed, with overall international margins continuing to lead over Domestic. Pacific capacity was up 31% and the region is now back to pre-pandemic levels. International will continue to make up the bulk of new UA flights.
- 50% of fleet has new signature interior with seatback entertainment, will reach over 70% by YE 2025. Starlink internet service is also planned for installation. More product segmentation, merchandising and brand awareness actions are planned for 2025.
- Unit costs excluding fuel was up 5% on 6% capacity growth vs. 4Q23. Inflationary pressures and labor costs are expected to pressure CASM-ex in 2025 as a new flight attendant contract is expected. Product investment costs are expected as well.
- Took delivery of 22 a/c in 4Q, expect 81 in 2025. CAPEX of $7B, liquidity of $17.4B with FCF of $3.4B, Paid down $7.4B in debt and repurchased $180M of stock.

4Q Snapshot (as compared to 4Q 2023)

Capacity	Revenues	TRASM	CASM-ex	Fuel
6.2%	7.8%	1.6%	5.0%	23.3%

United statistics	4Q24	4Q23	4Q19	y/y	y/5y
Revenues	$14,695M	$13,626M	$10,888M	7.8%	35.0%
Adj Operating Income (EBIT)	$1,571M	$1,045M	$991M	50.3%	58.5%
Adj Operating Margin	10.7%	7.7%	9.1%		
Adj Pretax Income	$1,432M	$845M	$889M	69.5%	61.1%
Adj Net Income	$1,090M	$664M	$676M	64.2%	61.2%
Adj EPS	$3.26	$2.00	$2.67	63.0%	22.1%
Capacity (ASMs)	78.3 billion	73.7 billion	71.0 billion	6.2%	10.2%
Yield	20.59¢	20.47¢	16.94¢	0.6%	21.5%
TRASM	18.77¢	18.48¢	15.33¢	1.6%	22.4%
CASM	16.85¢	17.13¢	14.11¢	(1.6%)	19.4%
CASM-ex	12.89¢	12.28¢	10.53¢	5.0%	22.4%
Fuel (econ)	$2.40	$3.13	$2.10	(23.3%)	14.3%

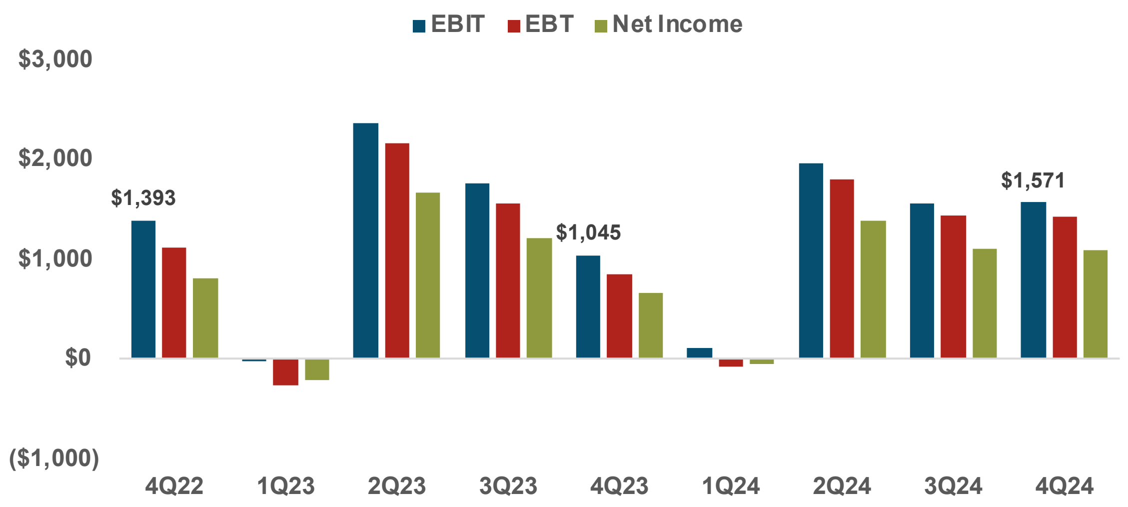
United Mainline Fleet – 4Q24



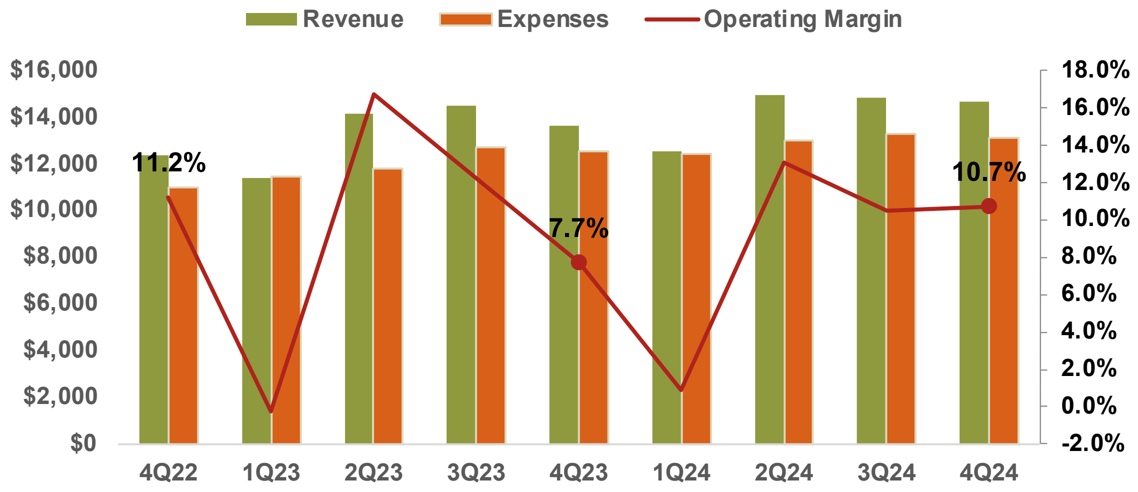
United - Financial Performance

UNITED

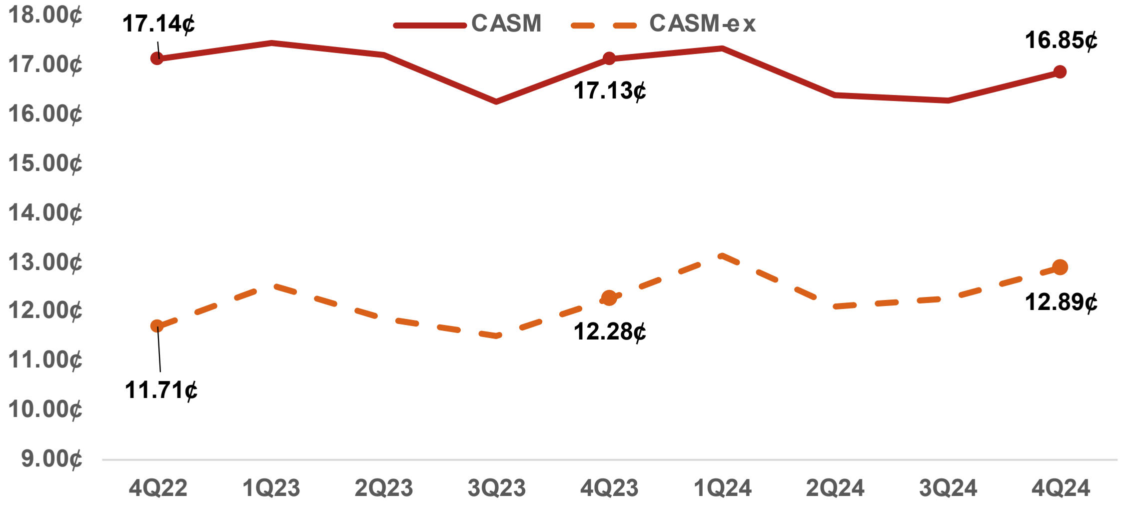
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



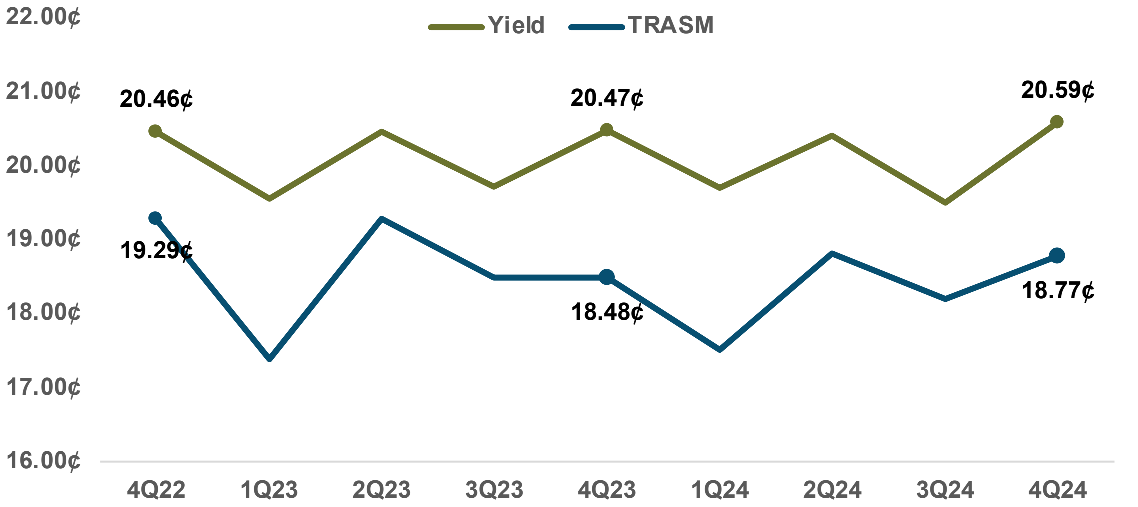
Quarterly Revenue, Expenses, Adj. Operating Margin



CASM & CASM-ex



Yields & TRASM



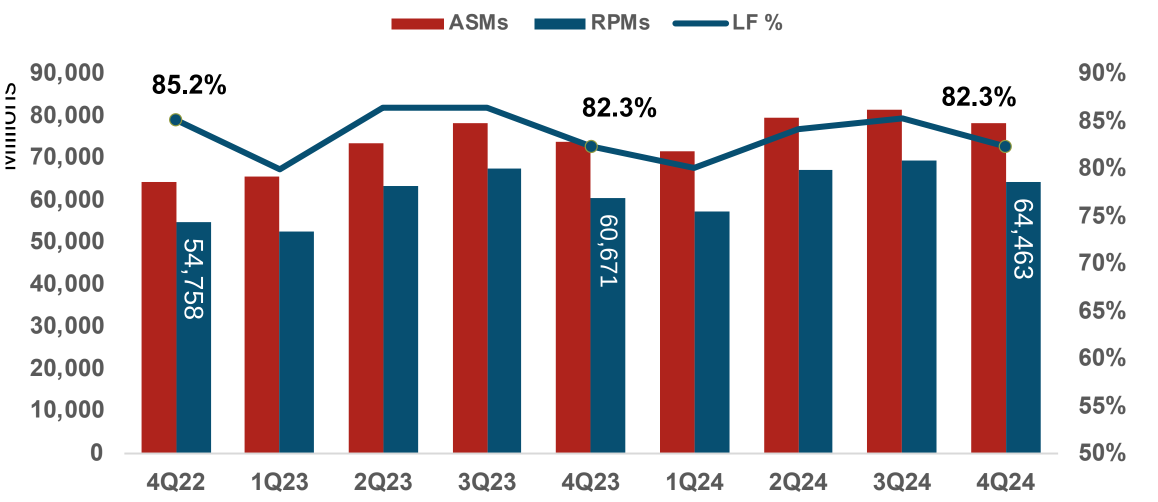
SWAPA

United - Network News

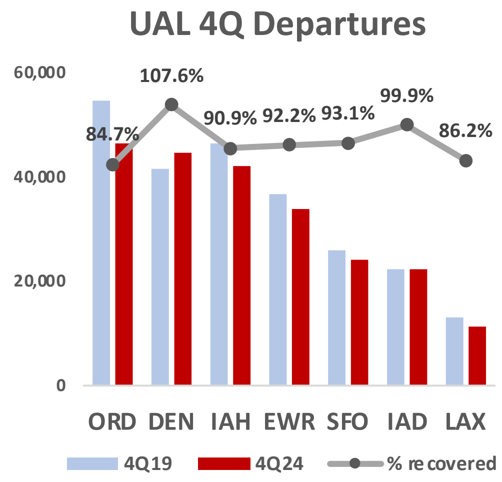
Network news and notes

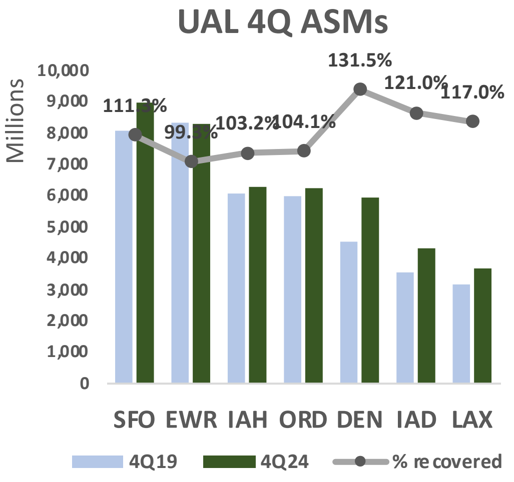
- In 4Q, began service of its largest international winter schedule ever, with new service to Morocco, Cebu, Philippines and Medellin, Columbia as well as SFO-MTY and BZE.
- Announced eight new international routes for Summer 2025, including Greenland and Mongolia.
- In 2024, flew largest international schedule of any US carrier, 35% more ASM's than the next largest, with 700 daily flights to 133 destinations.
- Plan to add more Tokyo flying using the 737 from the Guam base as the carrier adds Pacific capacity.
- In 2025, will increase to 800 daily international flights to 147 destinations.

Capacity and Load Factors

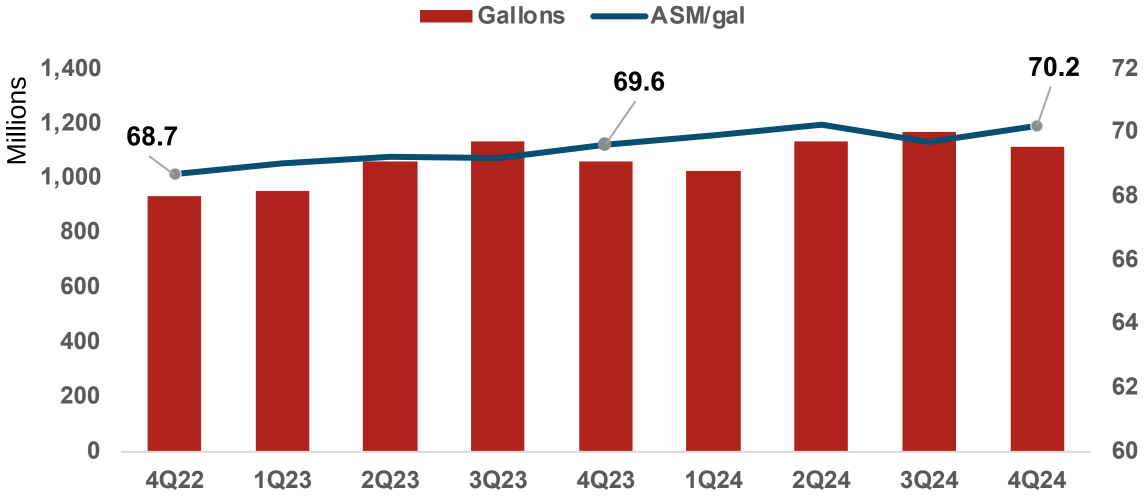


Restoration of major hubs and focus cities





Fuel & Fuel Efficiency



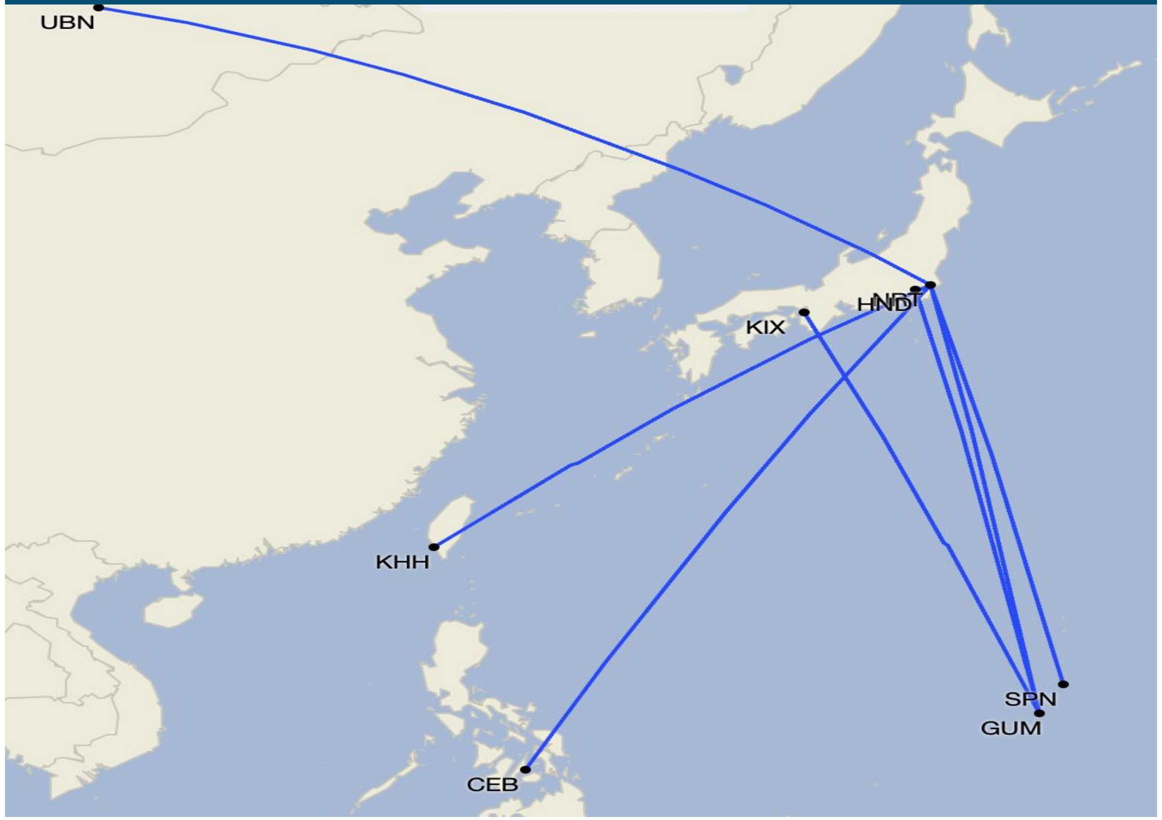
United

Analyst Commentary

- UAL reported solid results despite Boeing delays crucial to UAL's plans to up-gauge and grow premium seats. The revenue upside is unique to UAL and gives us confidence to boost our outlook for 2025/206.
- United has arguably the best capacity backdrop in the industry, given capitulation by key competitors and a sharp restoration in higher RASM RJ flying. Continued recovery in corp. demand also helping.
- The top quartile margin performance by United has been driven by a willingness to adopt to a changing operating environment and take advantage of others who can't adjust.
- United's results and outlook have been consistently impressive. The company is taking the opportunity to benefit from the structural change within the industry and has further levers to drive above industry returns with up-gauging and product investments.
- United posted strong 4Q results with a consensus-topping 1Q guide. We don't consider this report or call commentary a seminal event but rather just another mile marker for United's multi-year march towards higher margins and improved free cash flow.
- The quintet of premiumization, tight supply, loyalty, international and a competitively hobbled Discount sector are underappreciated and continue to help United outperform relative to OAL's.
- Premium and corporate remained key drivers of 4Q24 revenue growth. Strength in corporate traffic is expected to drive our higher 1Q25 EPS estimates.

Guidance	1Q25	FY 2025	Notes
Capacity	~3.6% (Diio)		Conf call: "low" to "minimal"
Revenue			
TRASM			UAL no longer guides TRASM
CASM-ex			UAL no longer guides CASM-ex
Fuel			UAL no longer guides fuel
CAPEX		<$7.0B	reduction reflects BA delivery delays
EPS (adj)	$0.75 - $1.25	$11.50 - $13.50	

United begin new 737 flying from Japan mini-hub in summer 2025



Hybrid/Low-Cost Carriers

Alaska

jetBlue

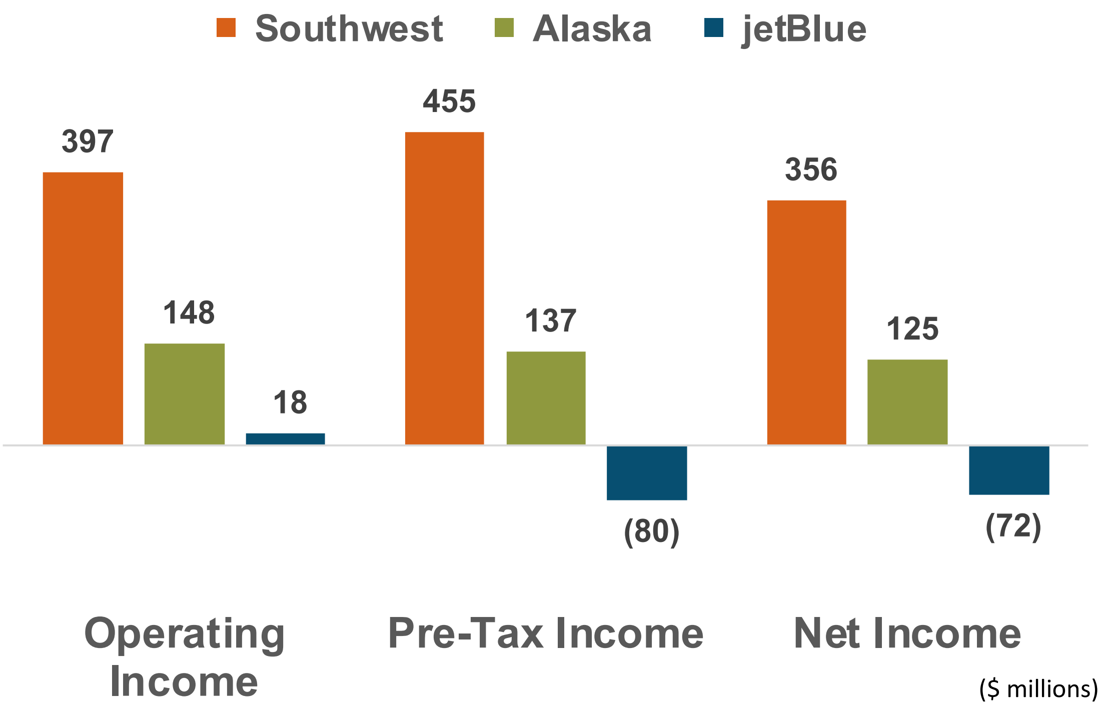
Southwest

Sources: Airline financial press releases, SEC filings, and SWAPA analysis

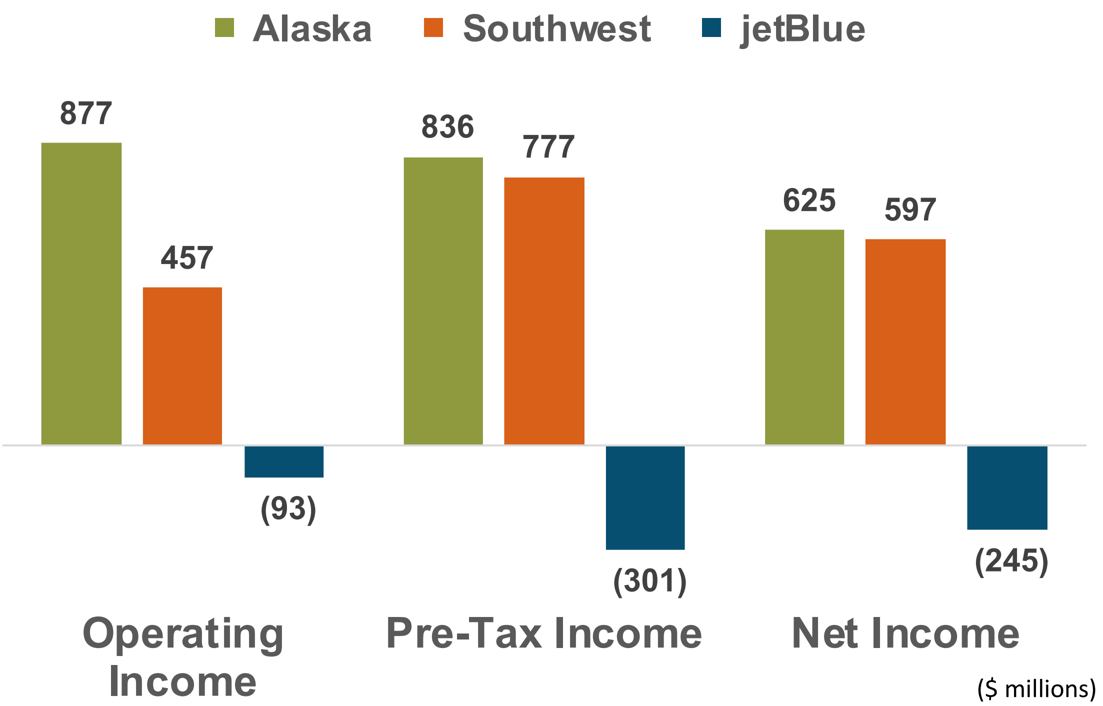
Key Financial Results

Hybrid/LCC vs. Southwest

4th Quarter 2024

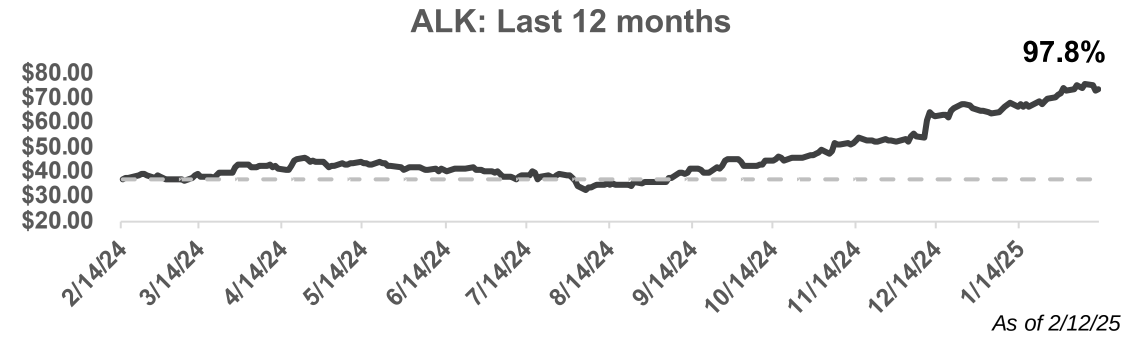


Full Year 2024



Non-GAAP – excludes special items

Alaska Airlines



Alaska/Hawaiian

"We are embarking on the most exciting transformation in company history"

4Q24 adj. pre-tax income: $137M

Alaska Air Group reported strong financial results for 4Q 2024 and full year 2024, driven by revenue and cost improvement across the business, as well as lower-non-operating costs. Revenue for the quarter reached $3.5 billion, marking a double-digit year-over-year increase, driven by sustained leisure demand, corporate travel recovery, and premium cabin growth. Hawaiian Airlines results were also strong, as demand to the Islands was evident and Alaska expects the Hawaiian franchise to become profitable later this year. The company highlighted its strategic plan, "Alaska Accelerate", which involves leveraging the combined network, building an international gateway in Seattle, strengthening the Hawaiian brand and diversifying the business. The company forecasts an additional $1B in pre-tax profit and at least $500M in synergies over the next three years through this strategy. The next steps in the merger process are for a Single Operating Certificate and merged reservation system as employee groups work on seniority list integration.

EFA takeaway: Early indications show that the Alaska/Hawaiian combination has the potential to turn into a true global carrier

Items of Interest

- Unit revenues up 7% YoY, improving on a sequential trend and up 6% from Q3. December was noted as exceeding expectations. This was driven by a combination of close-in strength from corporate demand, higher load factors and codeshare connections from Hawaiian.
- North American to Hawaii, which represents 25% of capacity, saw revenues grow 15%, with unit revenues up 7%. Alaska and Latin America regions improved on better supply/demand and interisland was markedly improved, with RASM up double-digits.
- First/Premium Class revenues up 10% & 11% YoY on 5% greater capacity. Paid First Class load factor was 75% in 4Q, up 3%, with yield up 4%. Premium is expected to outperform Main Cabin in 2025, along with continued strength in managed corporate business.
- Loyalty programs generated $2.1B in renumeration in 2024. A new Premium credit card will launch in summer 2025, along with new loyalty program specifically for Hawaii residents.
- Have modified 19 a/c for additional Premium Class seating, with 79 more scheduled to be finished by summer 2025. Expect to receive 14 MAX and three B787 a/c in 2025.
- 4Q unit costs up over 8%, better than guidance. Grounding of MAX-9 a/c, Boeing strike reduced planned capacity materially, driving a 2% increase. Performance based pay also.
- Liquidity of $3.4B. Raised $2B in capital markets in Oct, using Mileage plan as collateral. Funds used to pay off higher rate HA debt. Repurchased $312M of stock, $1B additional stock purchases planned starting 2025. Share count now at 2019 levels.

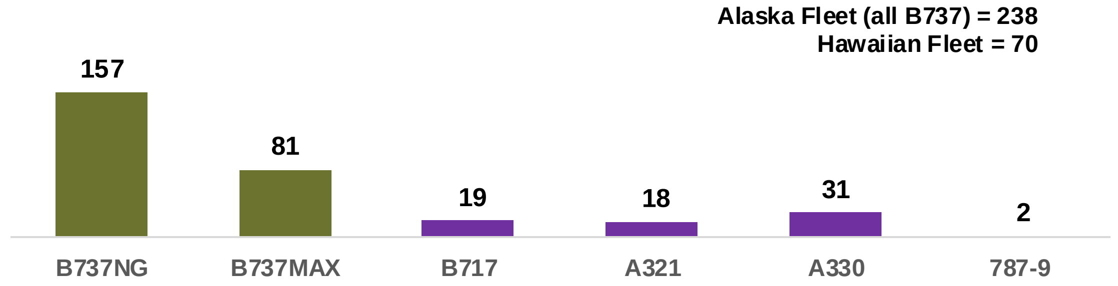
Includes Hawaiian statistics beginning Sep 18, 2024

4Q Snapshot (as compared to 4Q 2023)

Capacity	Revenues	TRASM	CASM-ex	Fuel
33.2%	38.4%	3.9%	11.3%	25.7%

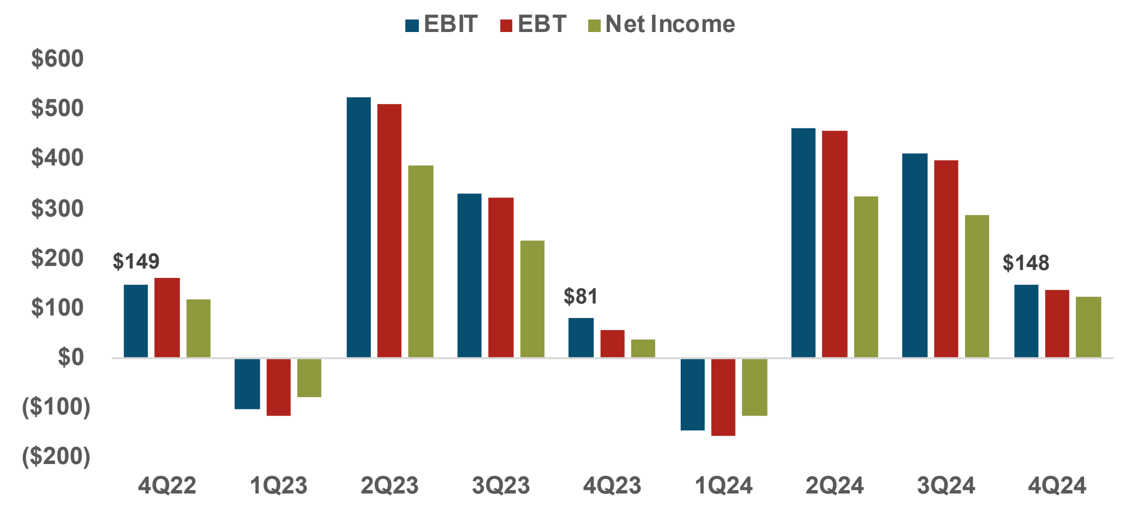
Alaska Stats	4Q24	4Q23	4Q19	y/y	y/5y
Revenues	$3,534M	$2,553M	$2,228M	38.4%	58.6%
Adj Operating Income (EBIT)	$148M	$81M	$252M	82.7%	(41.3%)
Adj Operating Margin	4.2%	3.2%	11.3%		
Adj Pretax Income	$137M	$57M	$243M	140.4%	(43.6%)
Adj Net Income	$125M	$38M	$181M	228.9%	(30.9%)
Adj EPS	$0.97	$0.30	$1.46	223.3%	(33.6%)
Capacity (ASMs)	22.7 billion	17.1 billion	16.6 billion	33.2%	36.6%
Yield	16.67¢	16.43¢	14.77¢	1.5%	12.9%
TRASM	15.54¢	14.95¢	13.38¢	3.9%	16.1%
CASM	15.22¢	14.76¢	11.86¢	3.1%	28.3%
CASM-ex	11.57¢	10.40¢	9.01¢	11.3%	28.4%
Fuel (econ)	$2.54	$3.42	$2.21	(25.7%)	14.9%

Alaska / Hawaiian Mainline Fleet – 4Q24

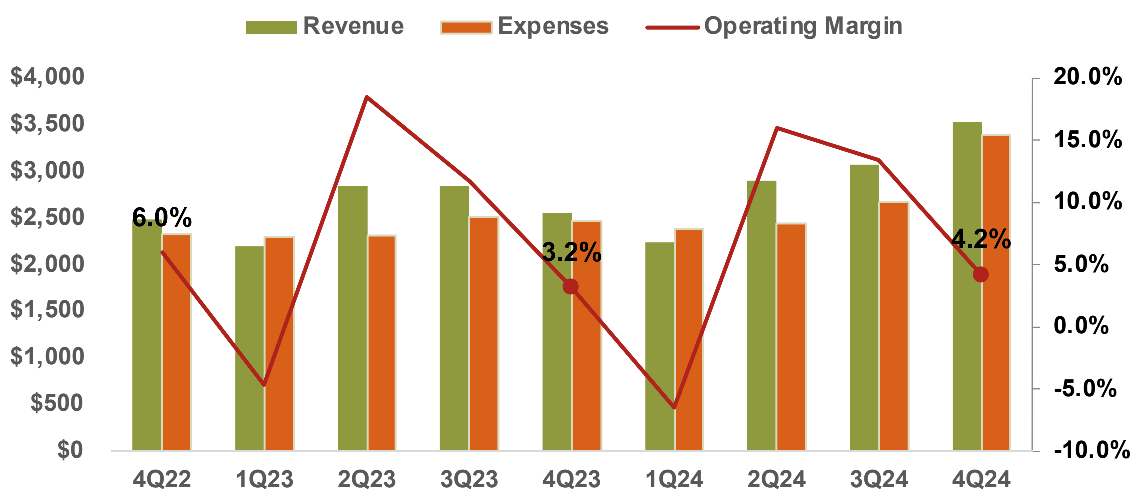


Alaska - Financial Performance

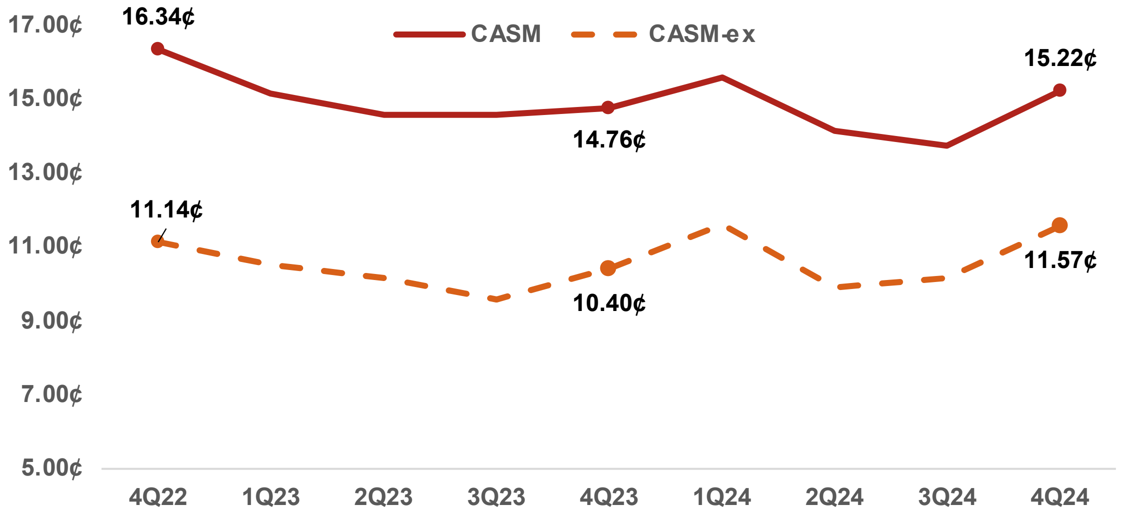
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



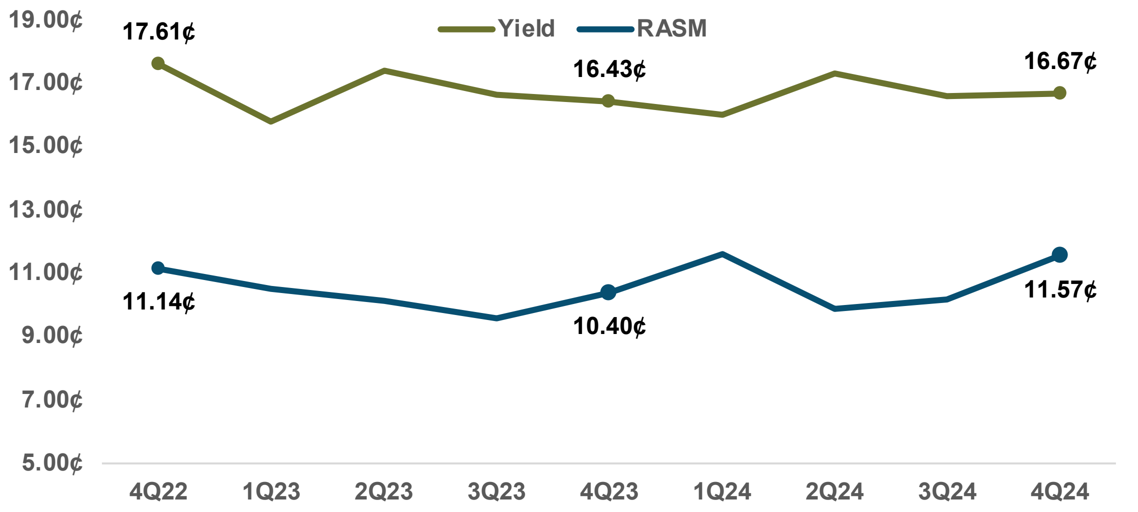
Quarterly Revenue, Expenses, Adj. Operating Margin



CASM & CASM-ex (consolidated; ALK no longer breaks out mainline)



Yields & TRASM



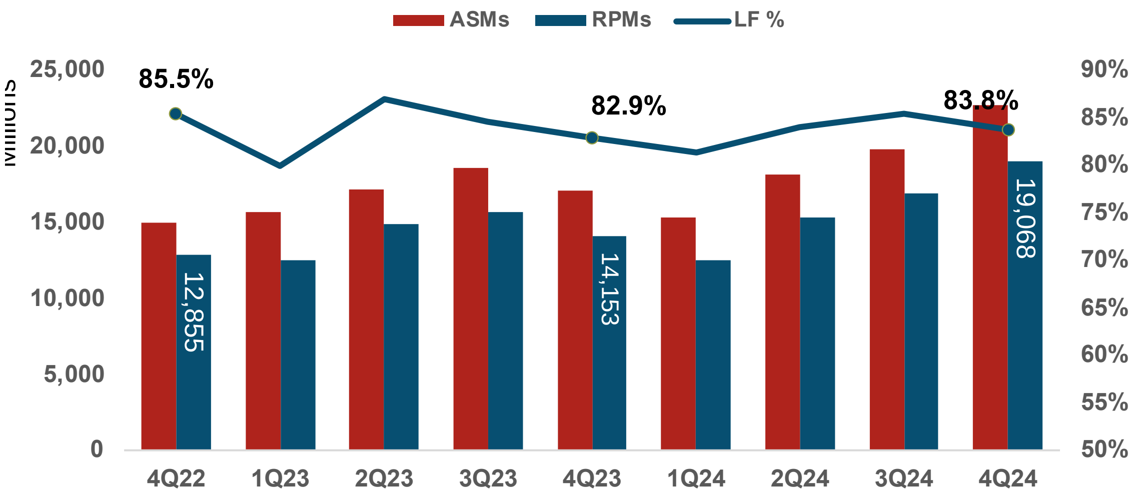
Alaska/Hawaiian - Network News

Alaska HAWAIIAN AIRLINES

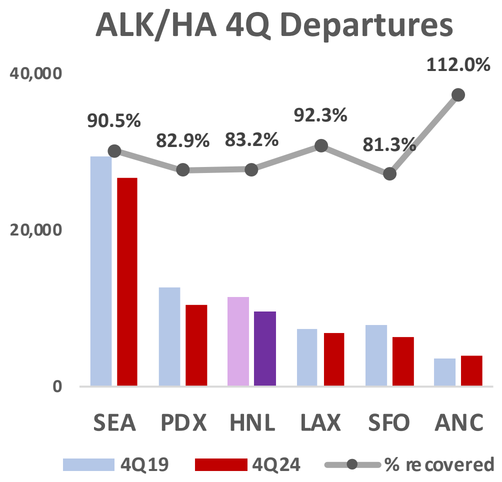
Network news and notes

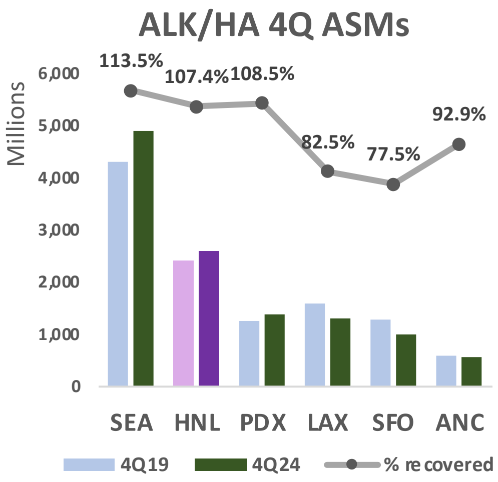
- Announced the launch of Seattle as an international gateway, with nonstop routes to Tokyo and Seoul in 2025, with plans to add 12 international widebody destinations by 2030.
- Expanding service from Alaska and Oregon in summer 2025, with nonstop service to DTW and SMF from ANC and PDX to FAI, IAH and EUG.
- Hawaiian received two A330-200 freighter aircraft for Amazon freight service.
- Will upgrade HNL-JFK service to B-787 from A330-200 for summer service.

Capacity and Load Factors

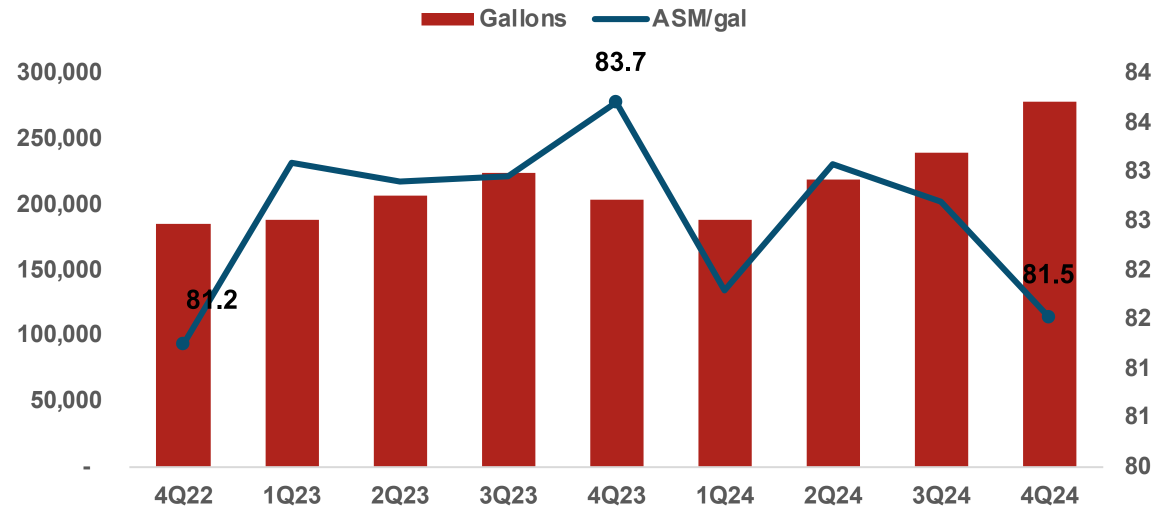


Restoration of major hubs and focus cities





Fuel & Fuel Efficiency (consolidated; ALK no longer breaks out mainline)



SWAPA

Alaska/Hawaiian

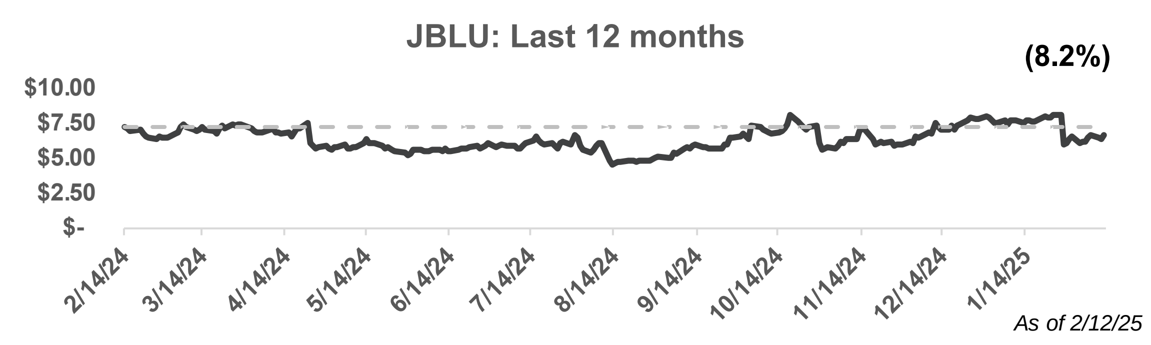
Analyst Commentary

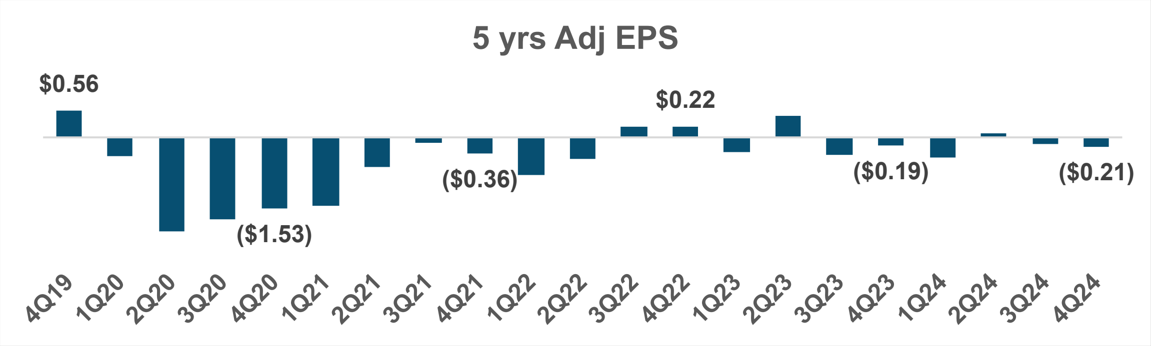
- We've never seen a merger get off to this good of a start, though we admit, it is an unconventional marriage. We have full confidence in the ALK management team to fix the issues plaguing Hawaiian.
- With the international franchise thru Hawaiian, we think Alaska can continue to be at or near best- in- class industry margins, particularly as the company leans into premium and loyalty.
- Alaska provided a better than expected fourth quarter outcome, showing better corporate demand and a higher completion factor which kept costs under control. We think this sets up for robust revenue momentum into 2025.
- We believe Alaska's Hawaiian integration plan and synergies are moving ahead quickly and will achieve margin expansion throughout the year. Our targets could even be conservative.
- We continue to be encouraged by the momentum across the Air Group's business. The HA merger looks to be a situation where 1+1=3 and the two franchises are fitting "hand in glove". Alaska should be viewed as firmly one of the industry leaders.
- With demand strong across the board, ALK is already benefiting from the combined network, with even more upside as it becomes fully connected. The Hawaiian franchise continues to improve as the airline laps the impact of the Maui fires and GTF groundings. Pre-tax margins should inflect positively 2Q
- Hawaiian is a laggard entity now, but we expect breakeven results by spring and then profits come the summer. Combined, we see drivers to outperform with synergies yet to come.

Guidance	4Q24	FY 2024	Notes
Capacity	Up 1.5% - 2.5%		inclusive of HA; pro-forma to 1/1/23
RASM	Up MSD		inclusive of HA; pro-forma to 1/1/23
CASM-ex	Up HSD		inclusive of HA; pro-forma to 1/1/23
Fuel (econ)	$2.55 - $2.65		
Pre-tax Margin			
EPS	$0.20 - $0.40	$3.50 - $4.50	Includes HA results

Alaska's new seasonal flights ,replacing underperforming routes

JetBlue Airways





JetBlue

jetBlue

"This is a pivotal year for JetBlue as we continue our transition"

4Q24 adj. pre-tax income (loss): ($80M)

JetBlue reported a fourth quarter loss that was better than analysts' expectations with revenue declining year-over-year but slightly above forecasts. Capacity shrank, which limited revenue growth potential, as the carrier continues to rework its network and slash unprofitable flying. Operating expenses rose, reflecting significant cost pressures despite efficiency initiatives. The JetForward turnaround plan gained momentum and exceeded revenue targets and operational performance metrics in the fourth quarter. The carrier announced additional initiatives such as domestic First Class, lounges, a premium co-brand credit card and further cost savings programs in an ongoing quest to improve margins. CEO Joanna Geraghty believes a slightly positive operating margin is possible in 2025, but also said aircraft groundings will be a significant impediment to the operation thru 2027.

EFA takeaway: JetBlue has a good product but is struggling with several issues that are making it very difficult to return to sustained profitability.

Items of Interest

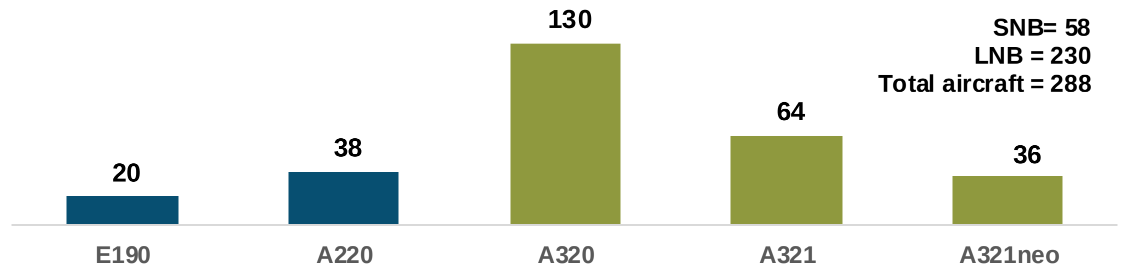
- Fourth quarter top-line revenue was lower overall but outperformed in November and December, bolstered by stronger close-in demand. Latin, transatlantic and transcon flying led unit revenue performance during the quarter.
- Premium (Mint and Even More Seating) RASM up high single digits YoY, led by Atlantic strength. Approximately $395M of revenue was captured by the new 2024 revenue initiatives. Demand remains strong for purchasing preferred seats & free bag product. Loyalty revenue was also up during the quarter and now comprises 12% of total revenue.
- Continue to refine the JetForward plan which will focus on further loyalty engagement, more product choices, East Coast leisure network and cost controls. Expecting approximately $200M of EBIT contribution in 2025 and a total of $800M-$900M by YE 2027.
- P&W aircraft groundings (averaged 11 per month) impacted 2024 operating margin by nearly 3%. Including EBIT loss, overstaffing and extensions of A320's, the estimated negative impact was $225M. The groundings will continue into 2027, with 2025 AOG averaging mid-to-high teens. The company is offering an early retirement plan for pilots to ease overstaffing.
- Unit costs were up double-digits, better than forecast but still very much impacted by the aircraft groundings and overstaffing. Strategic capacity reductions, pilot wage step-ups and maintenance timing will pressure costs in the first quarter but will moderate later in 2025.
- Ended 2024 with $3.9B in liquidity. CAPEX of $1.4B for 2025 with 24 A/C deliveries. Extended leases for 14 A320's and retire remainder of E190's by summer. Unencumbered assets $5B.

4Q Snapshot (as compared to 4Q 2023)

Capacity	Revenues	TRASM	CASM-ex	Fuel
↓ 5.1%	↓ 2.1%	↑ 3.2%	↑ 9.6%	↓ 19.8%

jetBlue Stats	4Q24	4Q23	4Q19	y/y	y/5y
Revenues	$2,277M	$2,325M	$2,031M	(2.1%)	12.1%
Adj Operating Income (EBIT)	$18M	($38M)	$228M	n.m.	(92.1%)
Adj Operating Margin	0.8%	(1.6%)	11.2%		
Adj Pretax Income	($80M)	($84M)	$221M	n.m.	n.m.
Adj Net Income	($72M)	($63M)	$162M	n.m.	n.m.
Adj EPS	($0.21)	($0.19)	$0.56	n.m.	n.m.
Capacity (ASMs)	16.1 billion	17.0 billion	16.1 billion	(5.1%)	0.4%
Yield	15.82¢	15.89¢	14.79¢	(0.4%)	7.0%
TRASM	14.11¢	13.67¢	12.63¢	3.2%	11.7%
CASM	14.00¢	14.06¢	11.22¢	(0.4%)	24.8%
CASM-ex	10.76¢	9.82¢	8.31¢	9.6%	29.5%
Fuel (econ)	$2.47	$3.08	$2.07	(19.8%)	19.3%

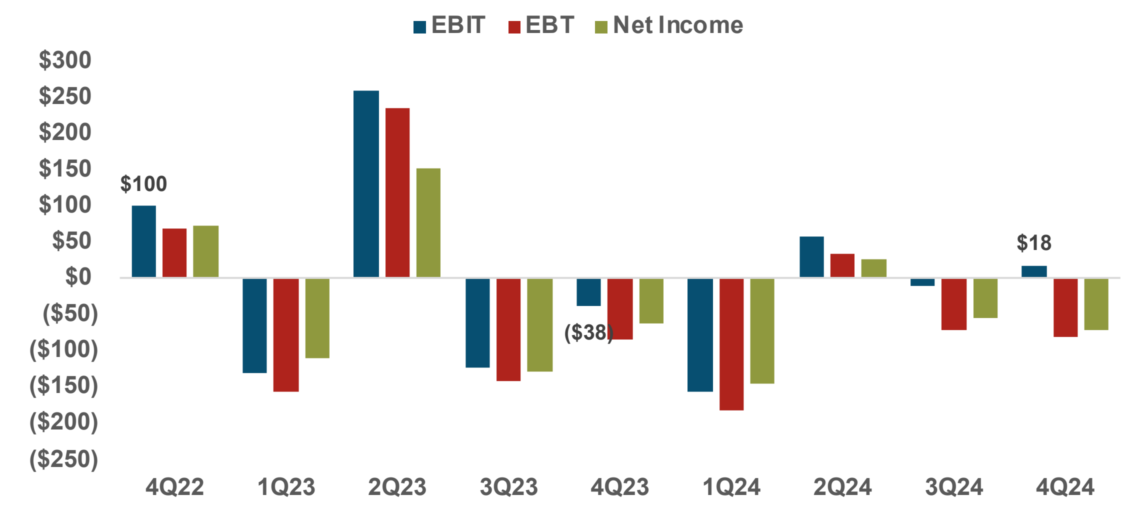
JetBlue Fleet – 4Q24



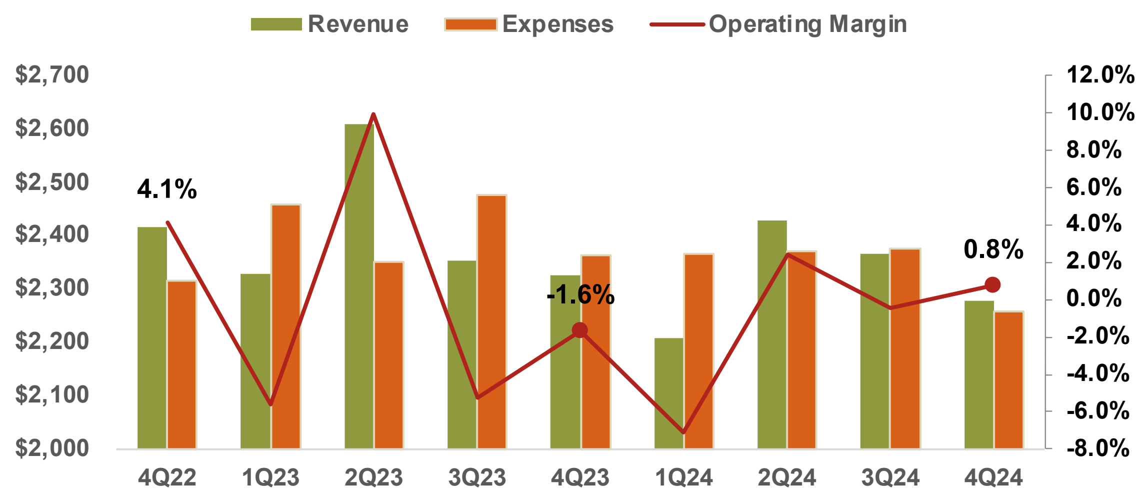
SWAPA

JetBlue - Financial Performance

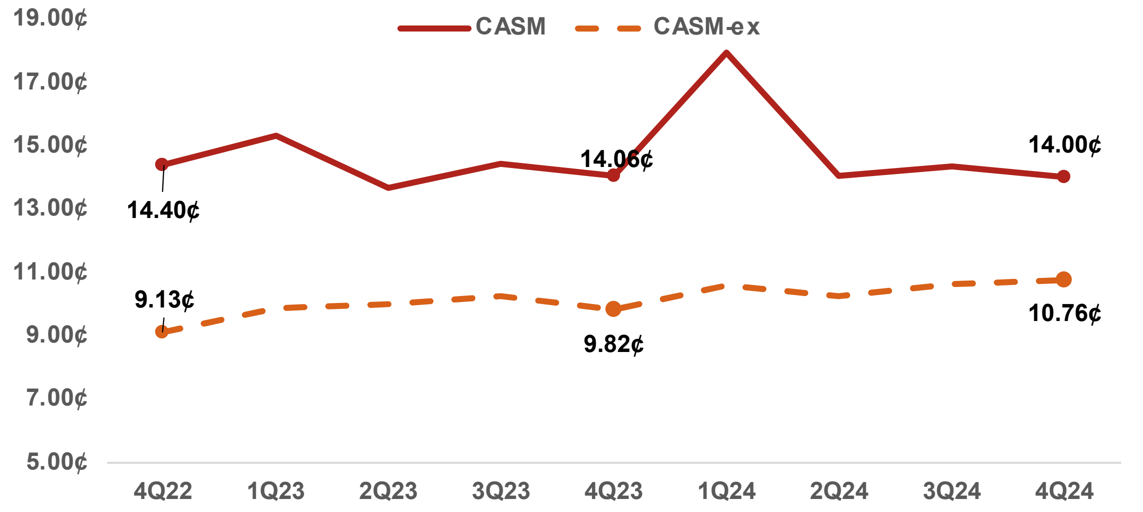
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



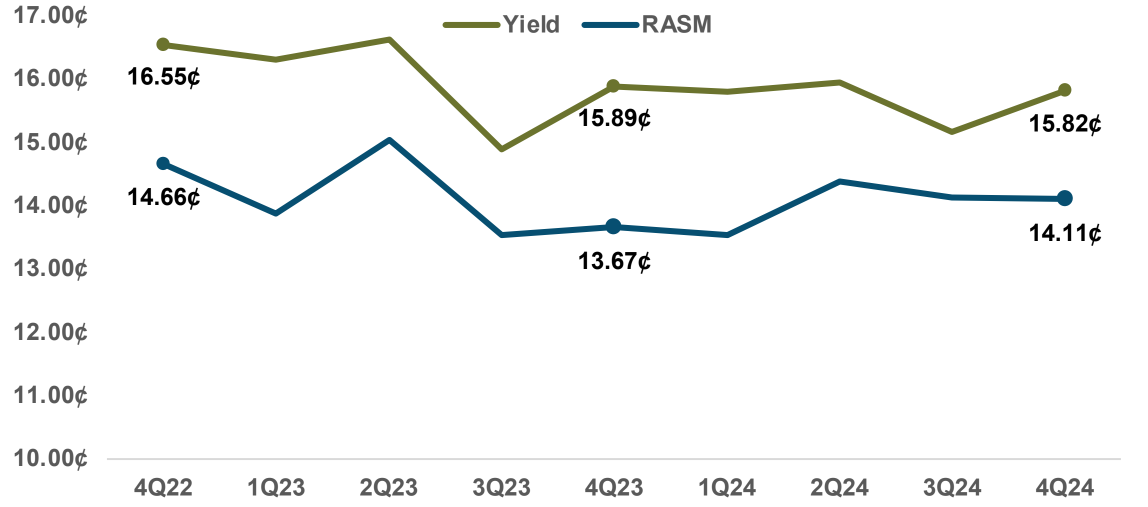
Quarterly Revenue, Expenses, Adj. Operating Margin



CASM & CASM-ex



Yields & TRASM



JetBlue - Network News

Network news and notes

- Announced nonstop seasonal flying to Madrid, Spain and Edinburgh, Scotland with service beginning May 2025.
- Continues to build network from SJU, with service to CUN, HPN, MDE, PVD and STX.
- Added service from MHT and PVD to several cities in Florida while adding frequencies from BOS to various Caribbean and Florida cities such as FLL, JAX, MCO, MIA, PBI, RSW and TPA.

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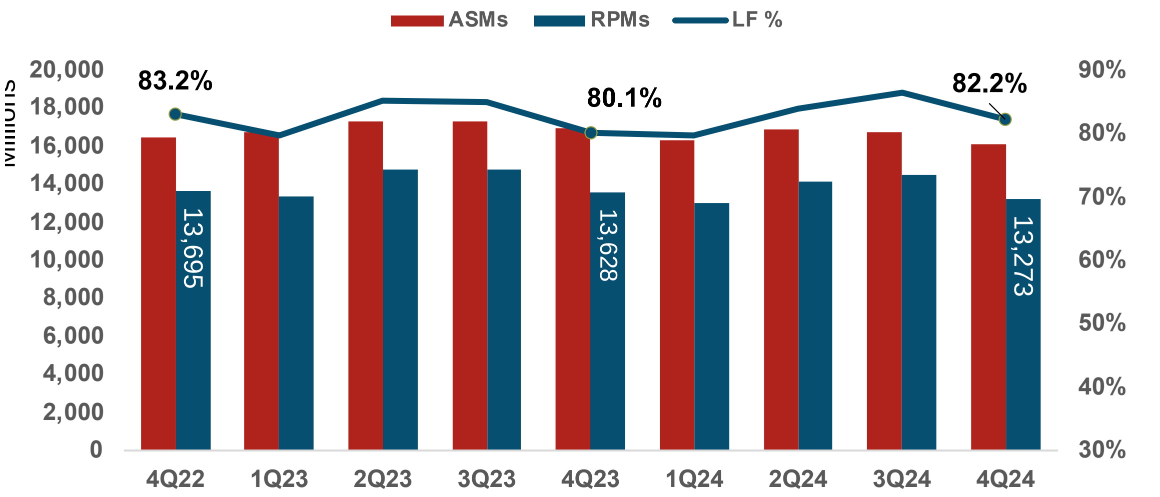
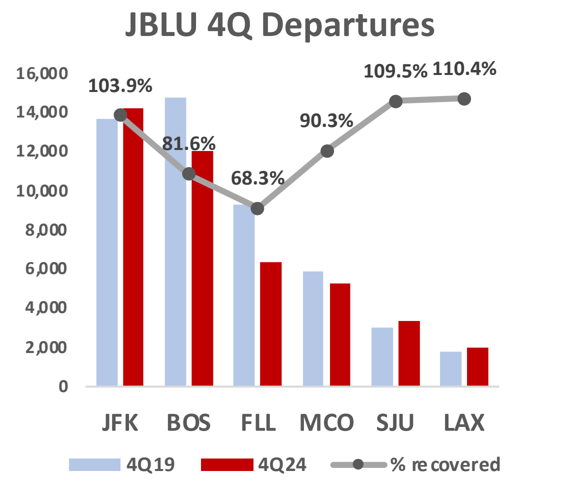
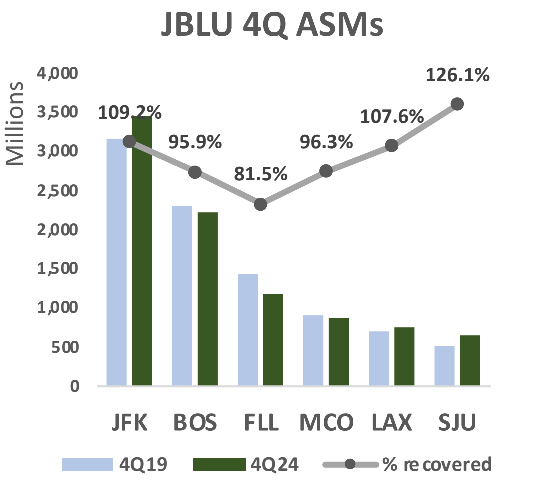
Capacity and Load Factors

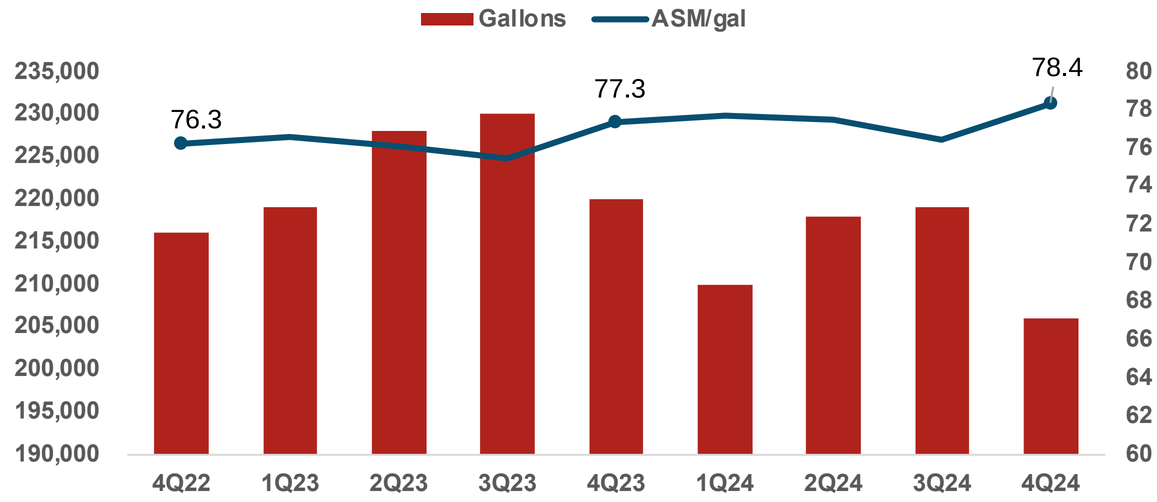


Restoration of major hubs and focus cities





Fuel & Fuel Efficiency



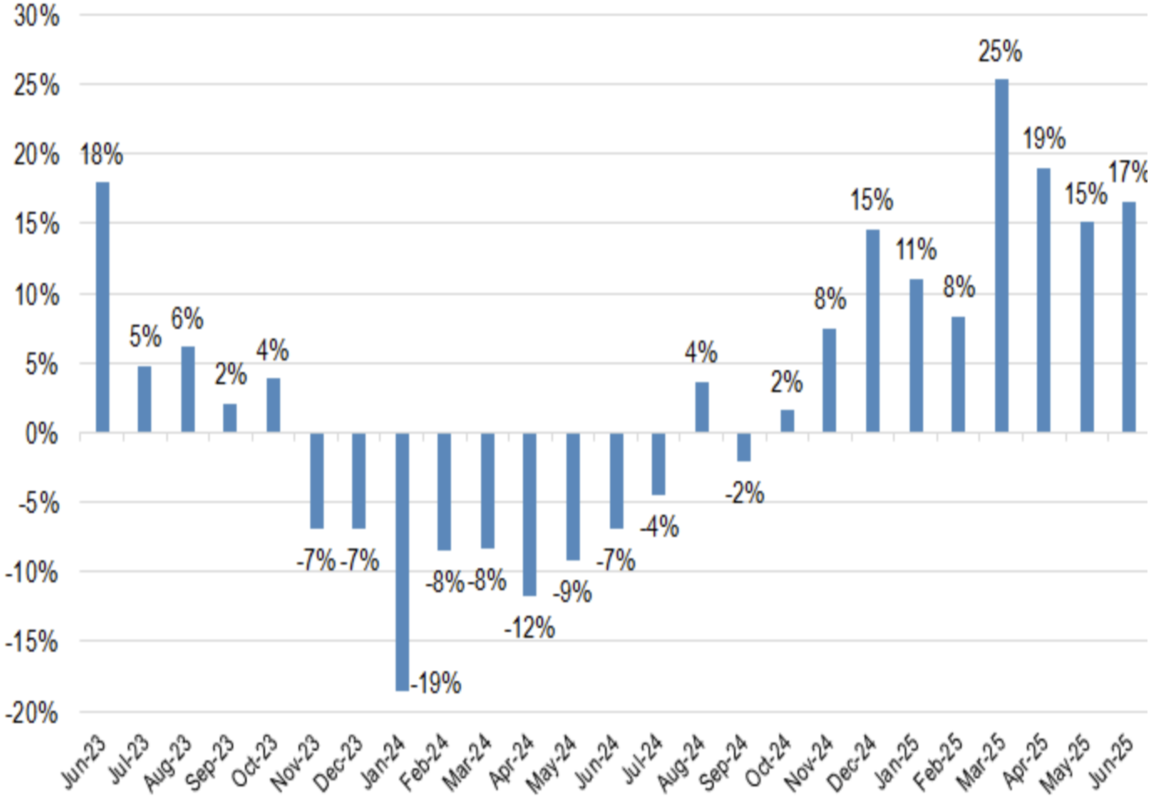
JetBlue

Analyst Commentary

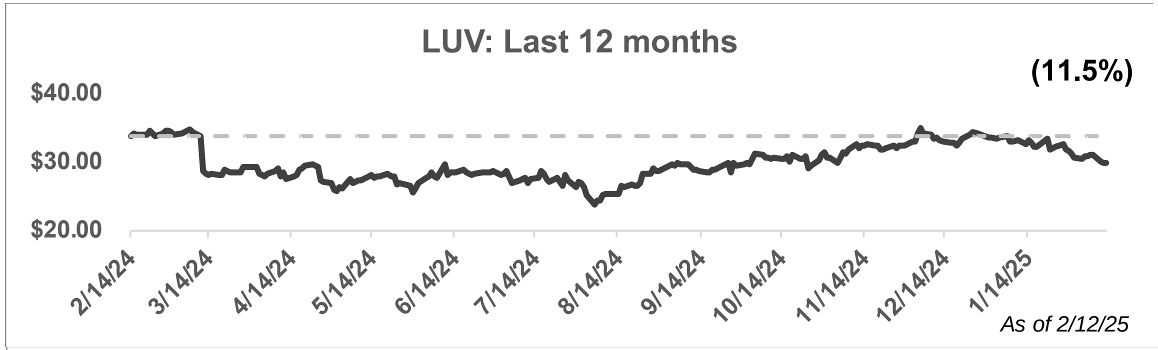
- Management commentary has caused us to lower our expectations for 1Q, with higher-than-expected labor and maintenance costs and slower RASM expansion from premium products.
- We are encouraged by the full year outlook as a slightly positive operating margin now seems possible as opposed to the "break even" outcomes. Commercial changes should help earnings into 2026.
- As a turnaround story, it is difficult to frame JetBlue against what we consider to be a much more compelling multi-year evolutionary theme for the Big 3 and Alaska. We felt 4Q momentum was encouraging and 2025 expectations don't meaningfully differ from what management has been expressing for months.
- Guidance metrics appear reasonable to us although we don't see a path towards outsized prosperity. We struggle to envision a scenario where JetBlue's financial output could encroach on that of the top four airlines however improved performance contingent on continued execution on its network changes in addition to its solid balance sheet should help differentiate JetBlue financially.
- Management commentary has caused us to lower our expectations for 1Q, with higher-than-expected labor and maintenance costs and slower RASM expansion from premium products.

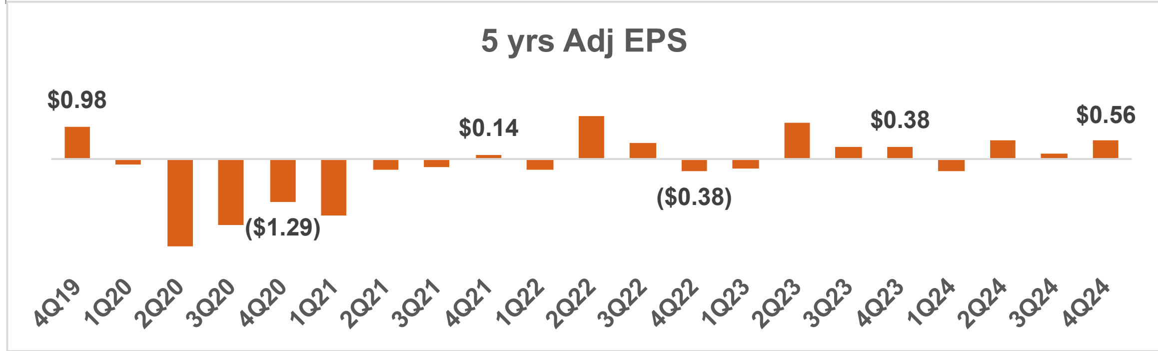
Guidance	1Q25	FY 2025	Notes
Capacity	Down 2%-5%	Flat	
RASM	Down 0.5%-Up 3.5%	Up 3% - 6%	
CASM-ex	Up 8% - 10%	Up 5%-7%	
CAPEX	~$270M	~$1.46B	
Fuel	$2.70 - $2.80	$2.80 - $3.00	
Adj Op Margin	0.0%	0% - 1%	

JetBlue resumes growth in BOS as Delta encroaches on their focus city



Southwest Airlines





Southwest

"We are intensely focused on meeting and exceeding our targeted goals".

4Q24 adj. pre-tax Income: $455M

Southwest reported a profitable fourth quarter, helped by record operating revenues and RASM that increased 8%, which reflected strong pricing power and demand. The company highlighted its transformation plan as working faster than expected, with operational efficiency and network changes having the greatest effect. The company achieved a 99% completion factor and best on-time performance since 2020. CEO Bob Jordan discussed a multi-year $500 million cost mitigation plan that will focus on corporate overhead and becoming more efficient. The airline plans to be conservative with its delivery schedule regarding the MAX -8's and has no timing insight regarding the certification of the MAX-7. Fleet monetization will continue in 2025 and the outright sale of MAX-8's is expected in line with the company's reduced growth plans. Accelerated shareholder returns is also planned in 2025, with buybacks of $2.25B.

EFA takeaway: Southwest is making progress on the transformation plan, but the critical changes that boost revenue generation are still over a year away.

Items of Interest

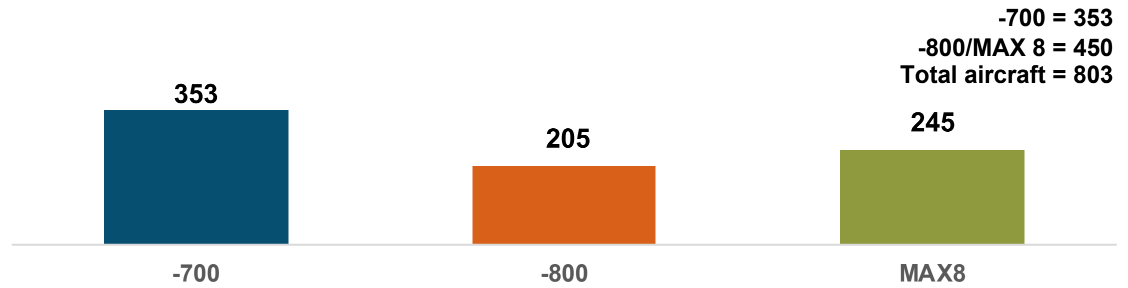
- Record revenues for the quarter and the year, with RASM higher year-over-year as well. This was attributed to capacity moderation, demand strength and better performance from the new revenue management system.
- The company continues to forecast a $1B EBIT contribution from the business initiatives, excluding any fleet transactions. Cost savings from minimal hiring, optimizing scheduling efficiency and supply chain opportunities were highlighted.
- The Icelandair interline partnership begins in February at BWI, eventually expanding to BNA and DEN in the second quarter. A second partnership is planned for later this year.
- Bookings for redeye flights have been strong, with 75% of customers on a connecting flight. The schedule will grow to 33 flights by the June schedule.
- The ELR and cabin refresh is expected to add $150M in incremental costs, mostly in 2H 2025 but are one-time costs and will not carry into 2026.
- CASM-ex was higher in the fourth quarter, with contractual labor costs, overstaffing, airport fees and maintenance being the main drivers. Lower capacity and inflationary pressures will contribute to higher first quarter costs, but they are expected to slow later in the year.
- Received 22 MAX-8's, expecting 38 in 2025, with 51 retirements. Company evaluating sale of -10 -800's as well as excess new MAX-8's. A sale/leaseback transaction is expected in 1Q
- Liquidity of $8.7B, with $2B in net cash. Will execute remainder of $2.5B repurchase in 2025.

4Q Snapshot (as compared to 4Q 2023)

Capacity	Revenues	TRASM	CASM-ex	Fuel
4.4%	3.3%	8.0%	11.2%	19.3%

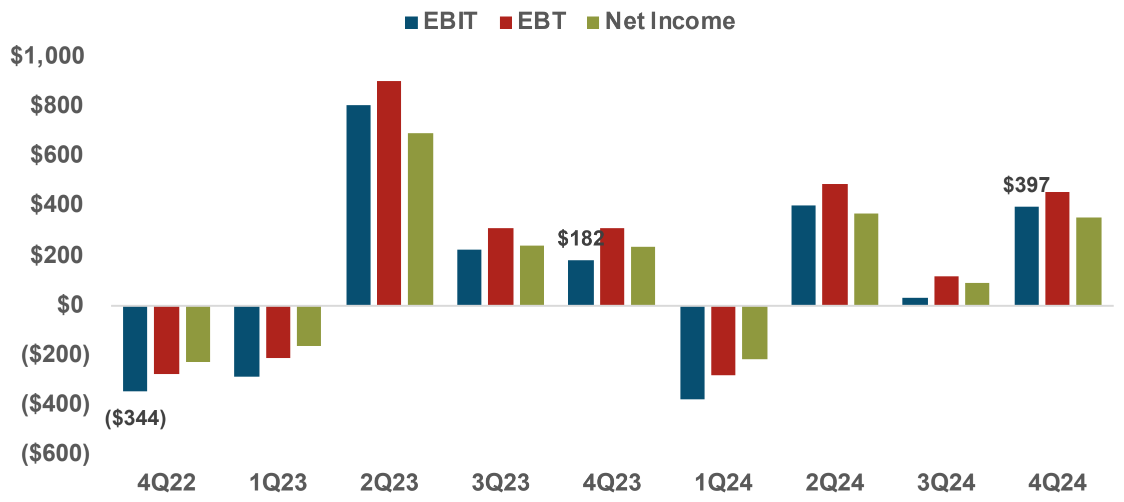
Southwest Stats	4Q24	4Q23	4Q19	y/y	y/5y
Revenues	$7,047M	$6,822M	$5,729M	3.3%	23.0%
Adj Operating Income (EBIT)	$397M	$182M	$665M	118.1%	(40.3%)
Adj Operating Margin	5.6%	2.7%	11.6%		
Adj Pretax Income	$455M	$309M	$666M	47.2%	(31.7%)
Adj Net Income	$356M	$237M	$514M	50.2%	(30.7%)
Adj EPS	$0.56	$0.38	$0.98	47.4%	(42.9%)
Capacity (ASMs)	43.5 billion	45.5 billion	40.0 billion	(4.4%)	8.8%
Yield	18.63¢	17.46¢	16.00¢	6.7%	16.4%
TRASM	16.19¢	14.99¢	14.32¢	8.0%	13.1%
CASM	15.28¢	15.78¢	12.66¢	(3.2%)	20.7%
CASM-ex	12.19¢	10.96¢	9.24¢	11.2%	31.9%
Fuel (econ)	$2.42	$3.00	$2.09	(19.3%)	15.8%

Southwest Fleet – 4Q24

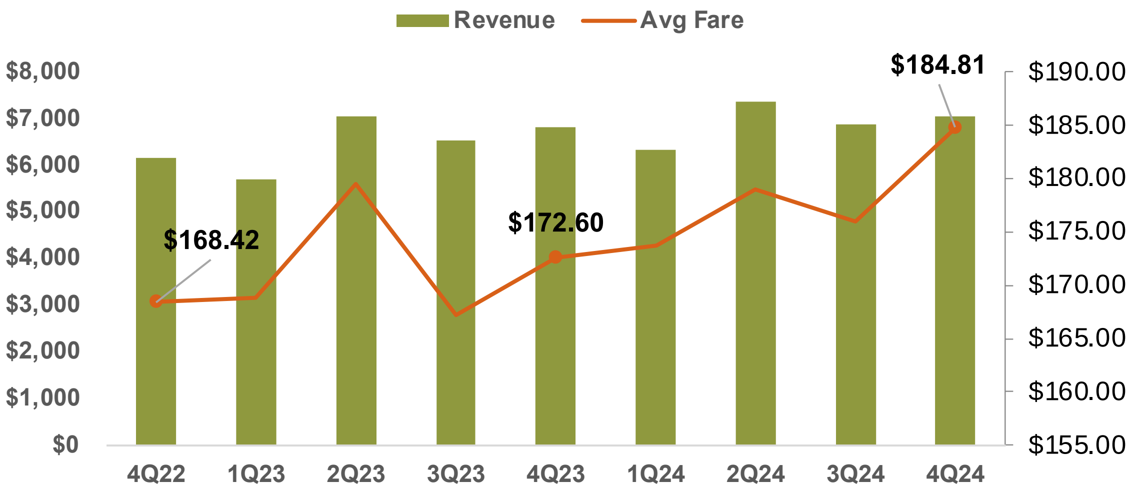


Southwest - Financial Performance

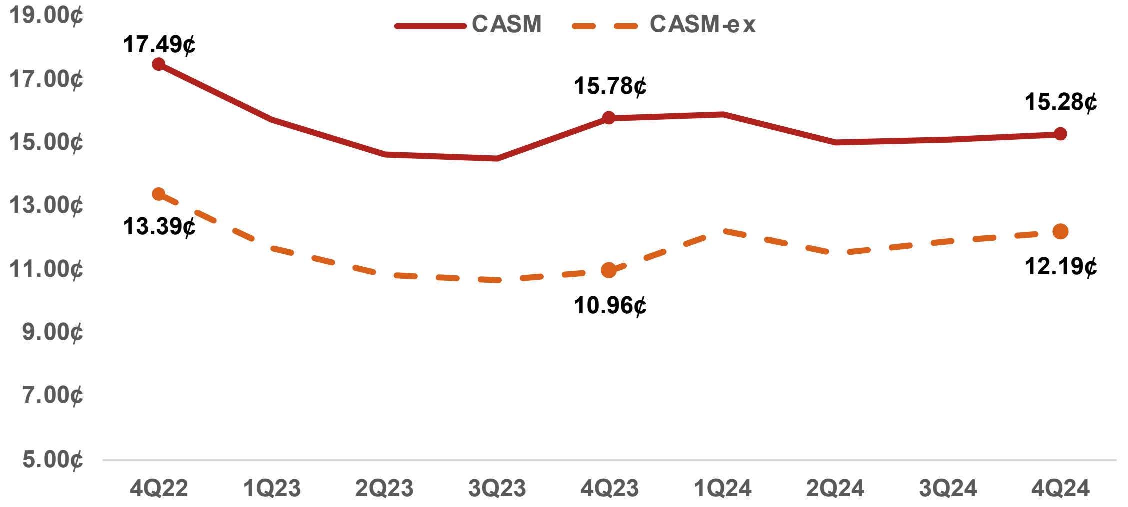
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



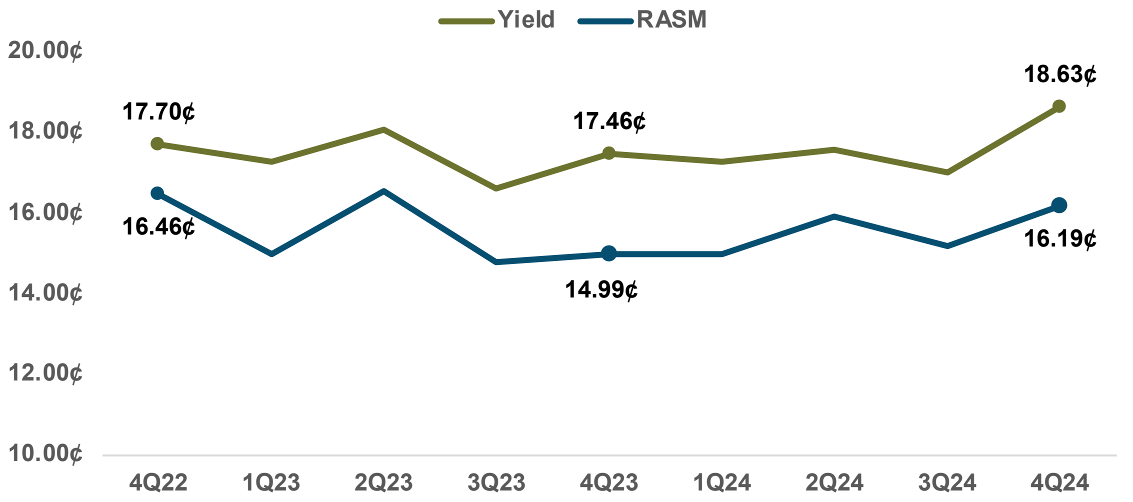
Quarterly Revenue, Expenses, Adj. Operating Margin



CASM & CASM-ex



Yields & TRASM

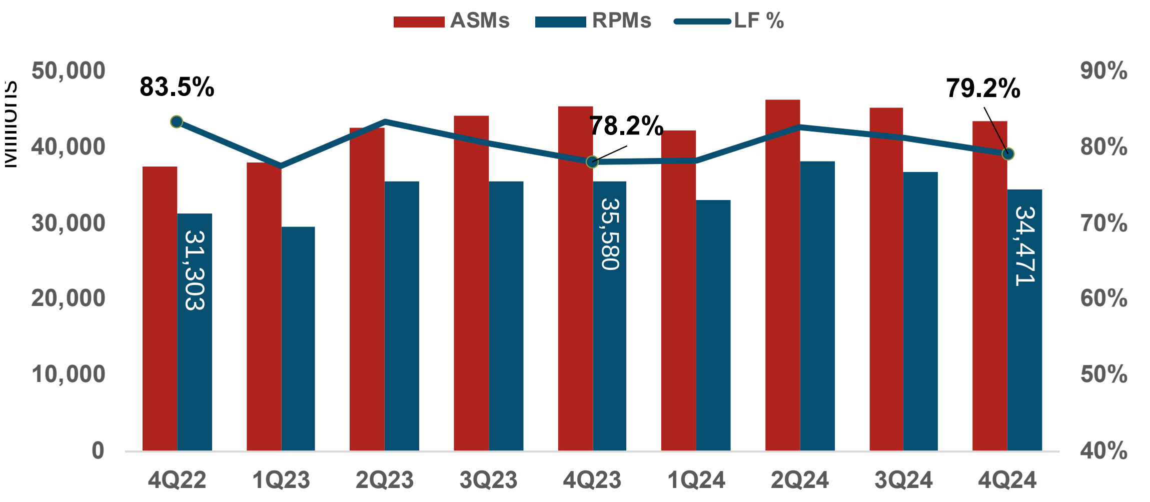


Southwest - Network News

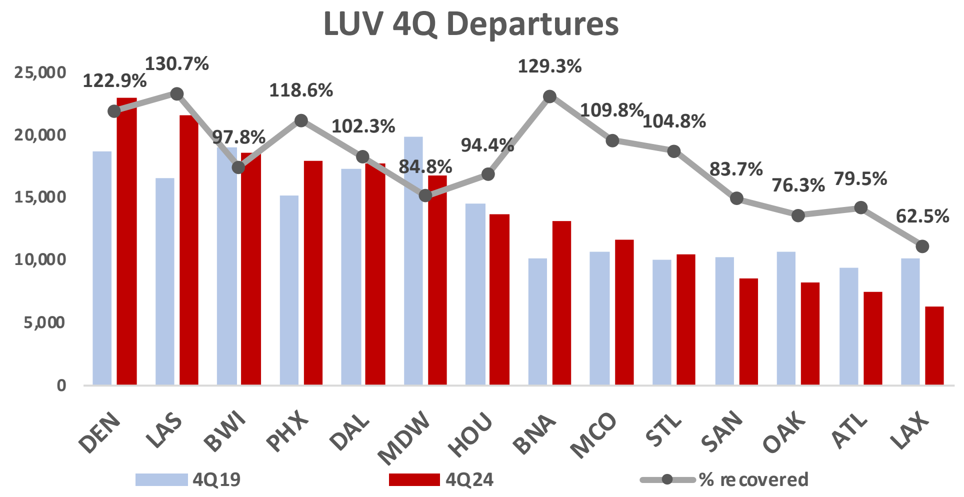
Network news and notes

- Redeye flying began February 13th, increases to 33 routes by June. After the summer schedule, the number is reduced to 28 starting in August.
- Will increase connectivity from MCO by adding intra-Florida flying from MIA, PBI, RSW and SRQ with three nonstops per day. Overall, MCO has seen a 26% increase in cities served, all timed for connections.
- MDW-IND, AUS-SFO return for the first time since 2019, with new service between LAX-MCO as a redeye.
- Service from Atlanta, OAK/SFO and South Florida (FLL) continue to adjust downwards, as flying is reallocated to BNA, DEN, MDW and SMF.

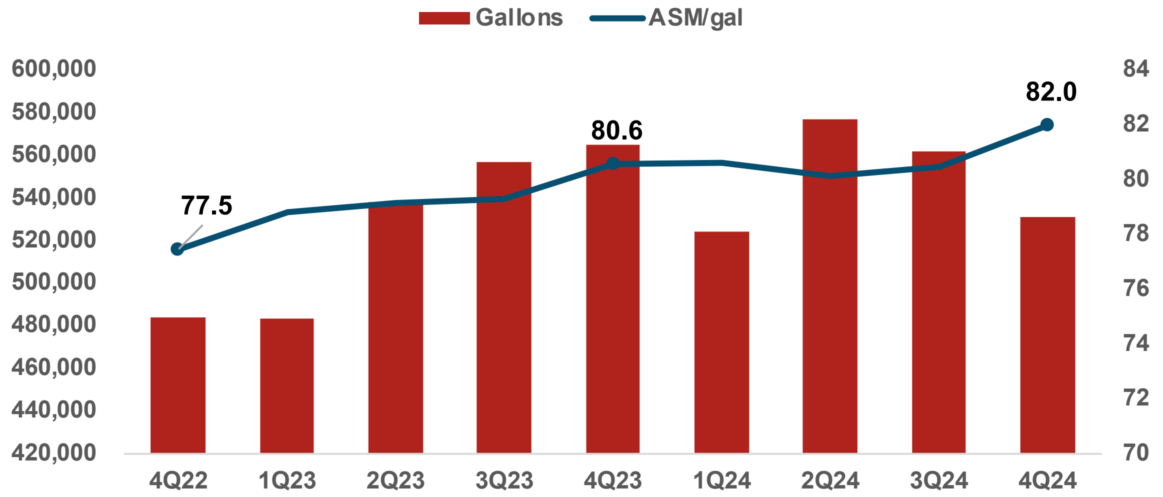
Capacity and Load Factors



Restoration of major hubs and focus cities



Fuel & Fuel Efficiency



Southwest

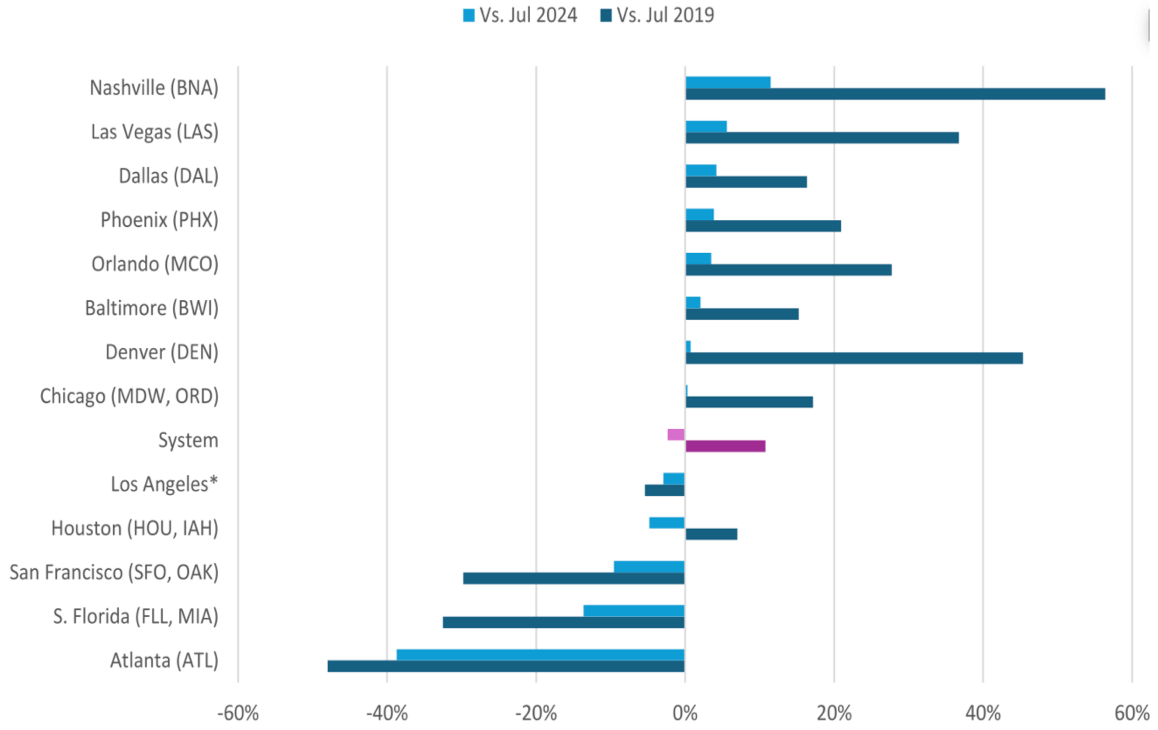
Analyst Commentary

- Southwest closed out 2024 on a stronger note, supported by strength in unit revenue as the carrier benefits from slower growth. Slower capacity growth is weighing on unit cost inflation and is likely to lead to a first quarter loss.
- We note that SWA continues to have a large yield and op margin gap to competitors such as Delta, United and Alaska driving greater reliance on long-term initiatives that pushes upside to 2026/2027.
- We see sufficient green shoots to remain cautiously optimistic against a backdrop of considerably negative sentiment. Southwest has beaten guidance the last two quarters, beginning a reversal of a previously inconsistent track record. Faster than anticipated pace of buybacks is favorable as some investors did not appropriately value the net cash position.
- We expect the increased sense of urgency and planned sensible revenue and cost initiatives to return Southwest to generating best-in-class margins over the next few years, much like 2013-2014.
- We are encouraged by the company's efforts in place to achieve critical financial milestones, but as noted by management, there is a lot more runway to go. Southwest has become a "show me" story considering the tactical initiatives will take time to ramp-up.
- We remain on the sidelines until we feel confident that the company is on track to hit its financial targets. Other airlines are better competitively positioned than Southwest at present.

Southwest

Guidance	1Q25	FY 2025	Notes
Capacity	Down 2%-3%%	Up ~1%-2%	expect 1%-2% through 2027
RASM	Up 5% - 7%		
CASM-ex	Up 7% - 9%	Up LSD	LSD is 'exit rate' for 4Q25
Fuel cost	$2.50 - $2.60		~7¢/gal net hedging cost
CAPEX		~$2.5B - $3.0B	
Aircraft		790	ASM growth from red-eye/turn reduction
Interest Exp	~$452m		

Southwest seat change by percentage Jul 2019 vs. Jul 2025



Ultra Low-Cost Carriers (ULCCs)

allegiant

FRONTIER AIRLINES

spirit airlines

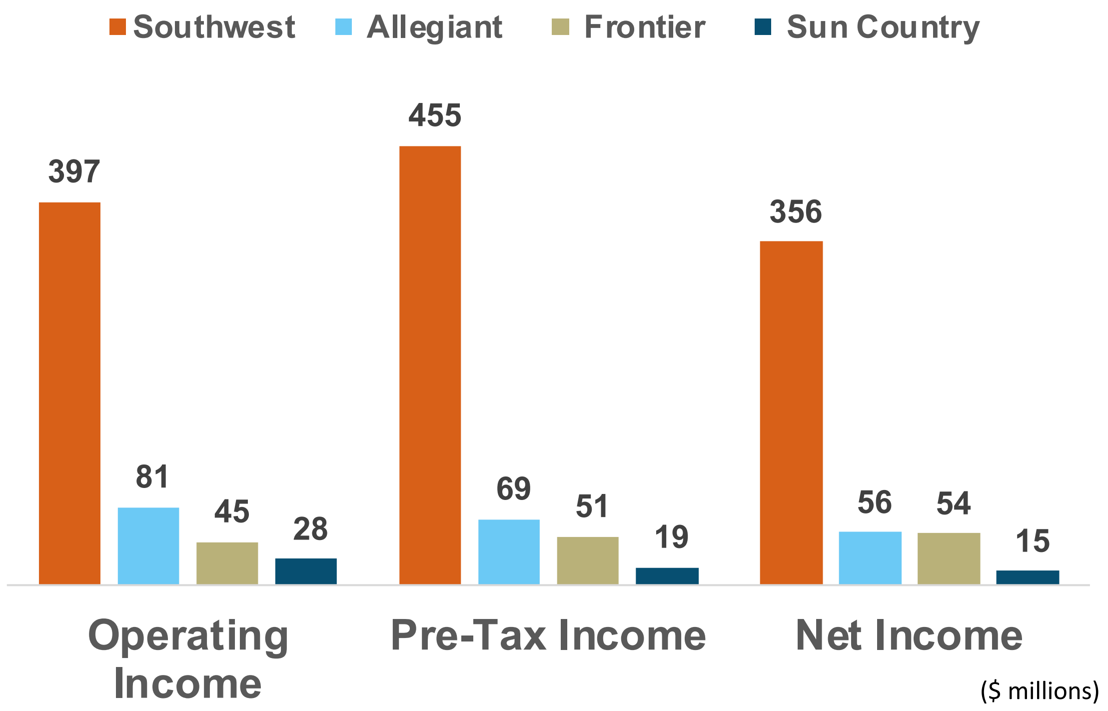
sun country airlines

Sources: Airline financial press releases, SEC filings, and SWAPA analysis

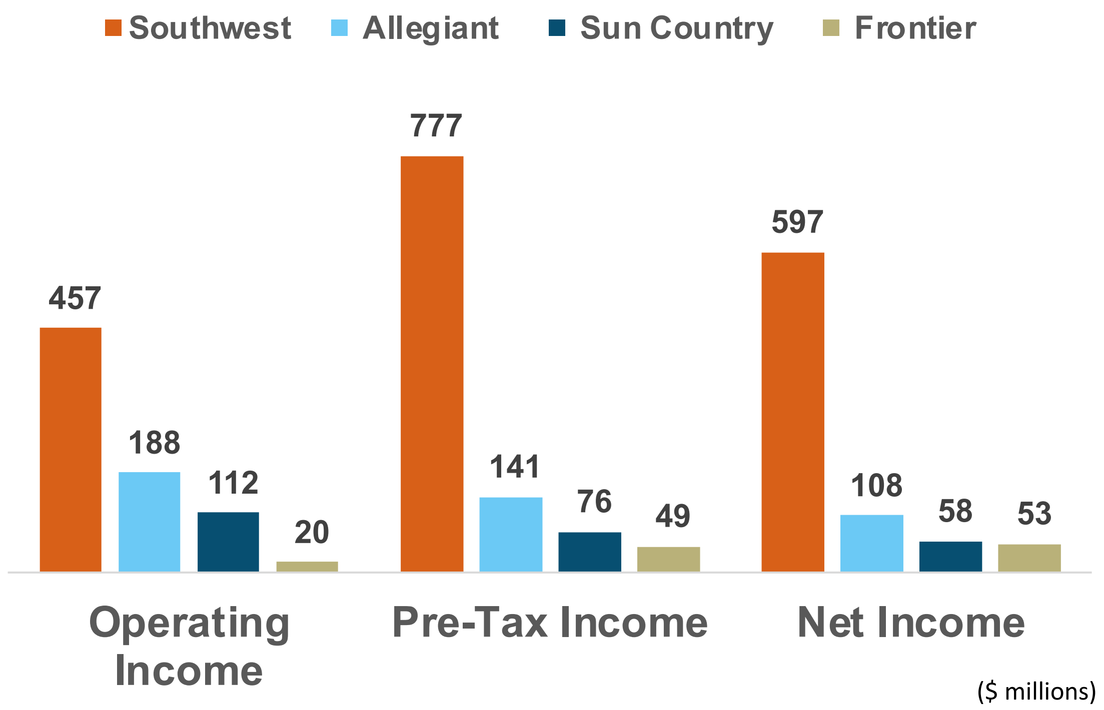
Key Financial Results

ULCCs vs. Southwest

4th Quarter 2024

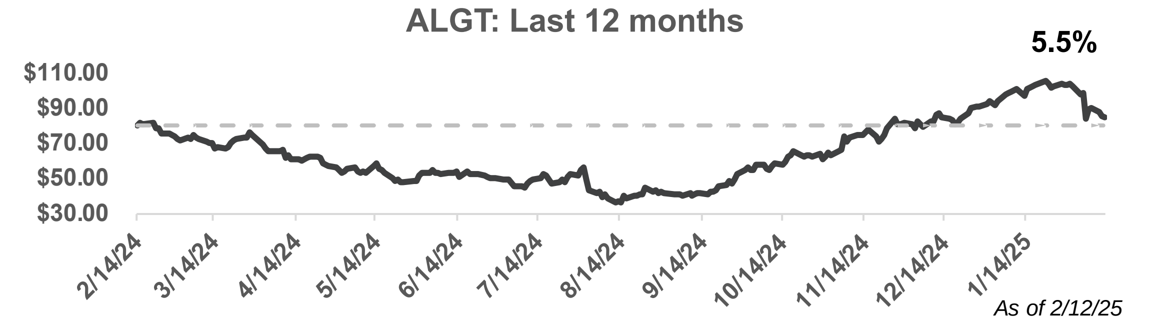


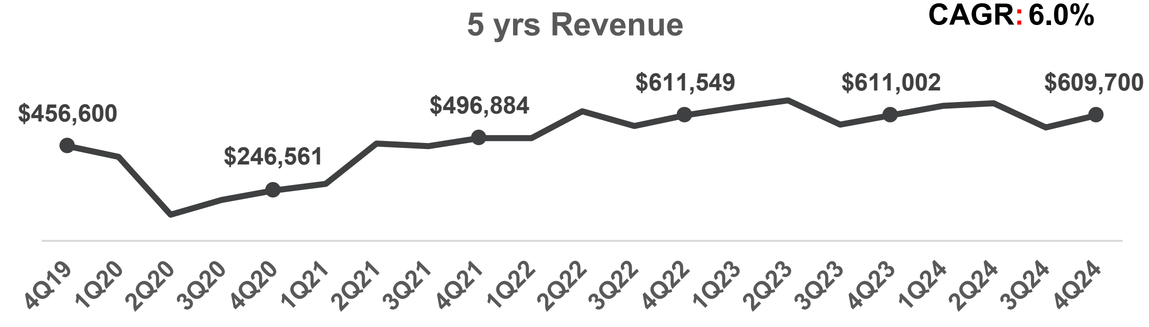
Full Year 2024

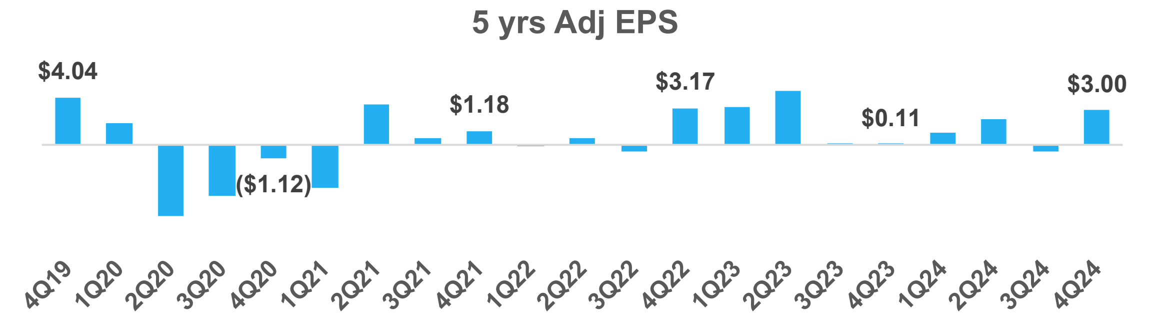


Non-GAAP – excludes special items

Allegiant Travel Co.







Allegiant

“In 2025, we have a clear plan to deliver results on our core strength”

4Q24 adj. pre-tax income (airline only) : $69M

Allegiant reported mixed financial results for the fourth quarter, reflecting both operational strengths within the core airline business and challenges with the Sunseeker resort. On the positive side, the airline increased operating revenue year-over-year with the help of higher ancillary revenues and better aircraft utilization during the holiday season. Unfortunately, the Sunseeker resort continues to be a drag on the overall company, incurring losses from low occupancy, construction delays and hurricane-related damages. The company will take a one-time impairment charge in the fourth quarter to retire debt and prepare for transitioning Sunseeker off Allegiant’s balance sheet. The airline plans to enhance its operational efficiency, strengthen the balance sheet and upgrade commercial technology with the delivery of the new MAX-8-200 aircraft. The airline plans to capture travel demand in 2025 increasing capacity by 15%.

EFA takeaway: Allegiant has been distracted with Sunseeker recently, but it plans to improve on its earnings by returning to its core, well-known airline strategies.

Items of Interest

- Airline only revenue was up slightly YoY which outperformed expectations from early December. The outperformance was due to faster recovery to hurricane impacted destinations, ancillary strength and a stronger-than-expected holiday season.
- Ancillaries per passenger rose to $76 per passenger, higher by $3 from the previous period. Fixed fee revenue was $81M, a company record. Allegiant Extra premium product and co-brand credit card renumeration were the main contributors.
- Peak flying aircraft utilization reached 9.6 hours per day, a 21% YoY increase, matching 2019 peak hours per day. Controllable completions were 99.7%.
- The Sunseeker impairment charge was $322M and was responsible for the GAAP net loss of $216M for the quarter. Without this loss, adjusted operating margin would have been 13%. Some operational improvement was noted by the company in 1Q25, which should help investor interest for a potential transaction.
- Will start 44 new routes in Spring and Summer 2025 with quarterly capacity growth of over 10% each quarter in 2025. 5% of seats will be on new routes. Plan for 9 MAX-200’s in 2025.
- Adjusted non-fuel costs were up slightly over guidance due to maintenance timing and pilot retention bonuses. Capacity growth are expected to moderate CASM-ex in 2025.
- Ended year with $1.1B in liquidity with debt balances down $200M during 2024. CAPEX of $326M in 2024, with 2025 higher at $515M due to more aircraft deliveries. With 12 A/C retirements, will end 2025 with 122 A/C.

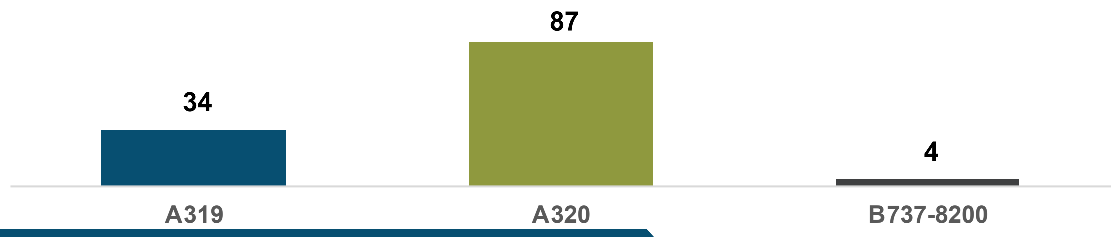
4Q Snapshot (as compared to 4Q 2023)

Capacity	Revenues	TRASM	CASM-ex	Fuel
↑ 1.7%	↓ 0.2%	↓ 1.1%	↓ 2.5%	↓ 22.1%

Allegiant Stats	4Q24	4Q23	4Q19	y/y	y/5y
Airline Revenues	$610M	$611M	$457M	(0.2%)	33.5%
Adj Operating Income (EBIT)	$81M	$41M	$97M	99.5%	(17.0%)
Adj Operating Margin	13.2%	6.6%	21.3%		
Adj Pretax Income	$69M	$26M	$83M	163.2%	(17.7%)
Adj Net Income	$56M	$16M	$66M	249.7%	(15.5%)
Adj EPS	$3.00	$0.11	$4.04	2627.3%	(25.7%)
Capacity (ASMs)	4.5 billion	4.4 billion	3.7 billion	1.7%	20.2%
Yield	15.34¢	15.07¢	13.57¢	1.8%	13.0%
TRASM	13.01¢	13.16¢	11.57¢	(1.1%)	12.4%
CASM	11.32¢	12.75¢	9.38¢	(11.2%)	20.7%
CASM-ex	8.29¢	8.50¢	6.50¢	(2.5%)	27.5%
Fuel (econ)	$2.50	$3.21	$2.18	(22.1%)	14.7%

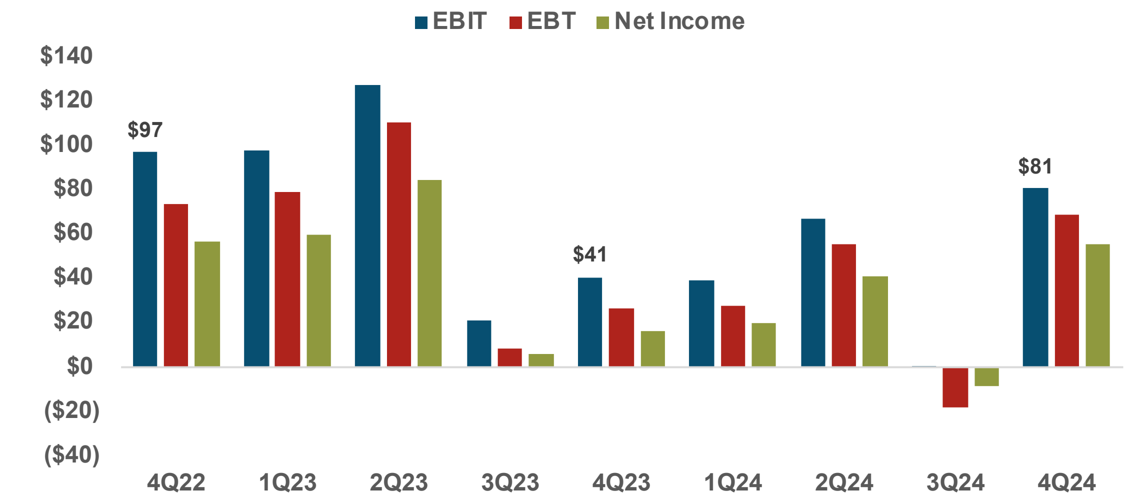
Allegiant Fleet – 4Q24

Total aircraft = 125

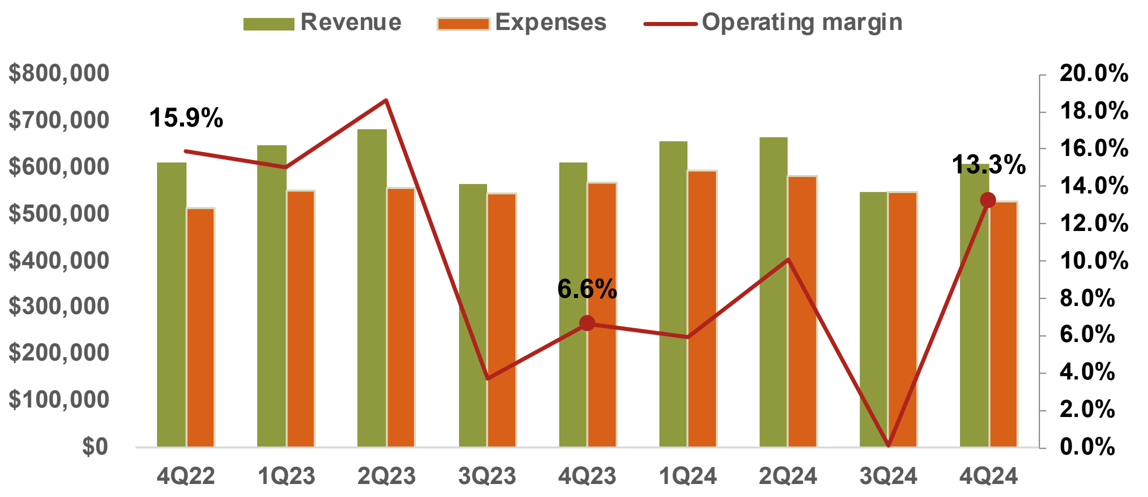


Allegiant - Financial Performance

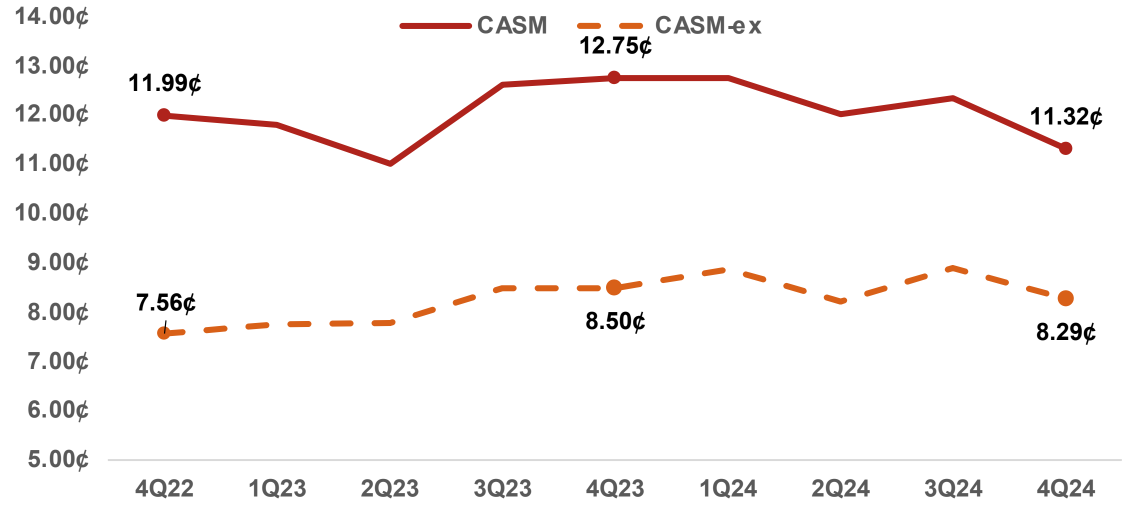
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



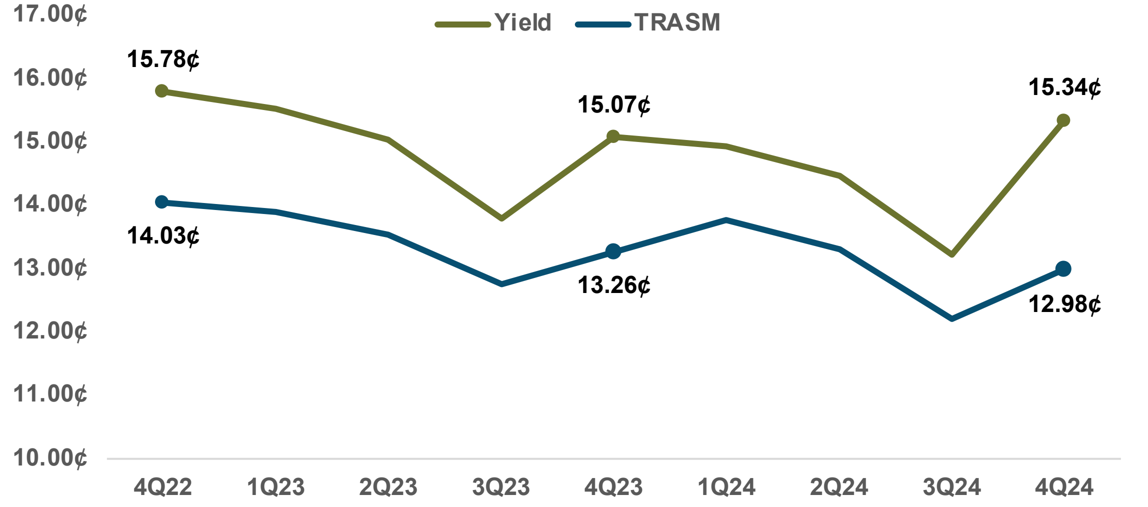
Quarterly Revenue, Expenses, Adj. Operating Margin



CASM & CASM-ex



Yields & TRASM

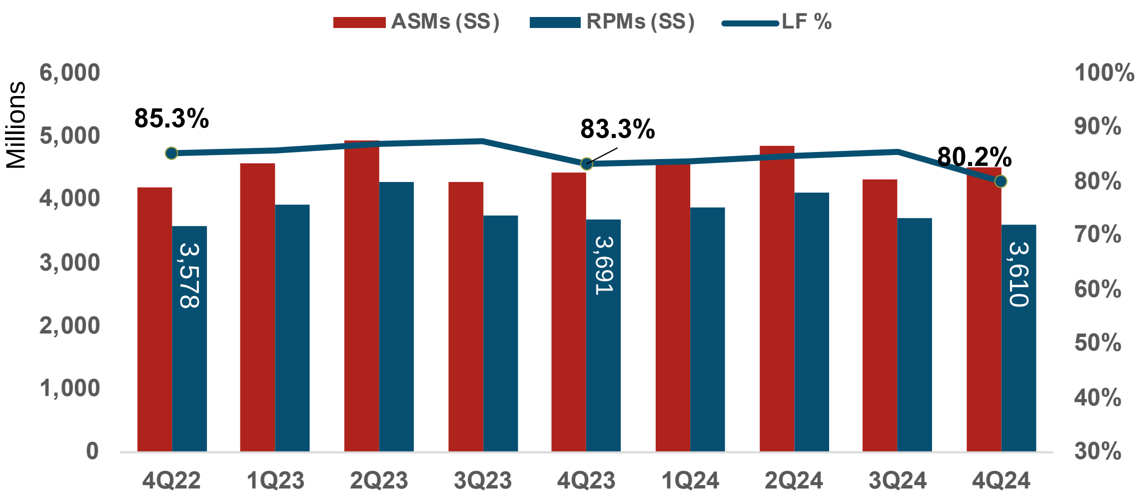


Allegiant - Network News

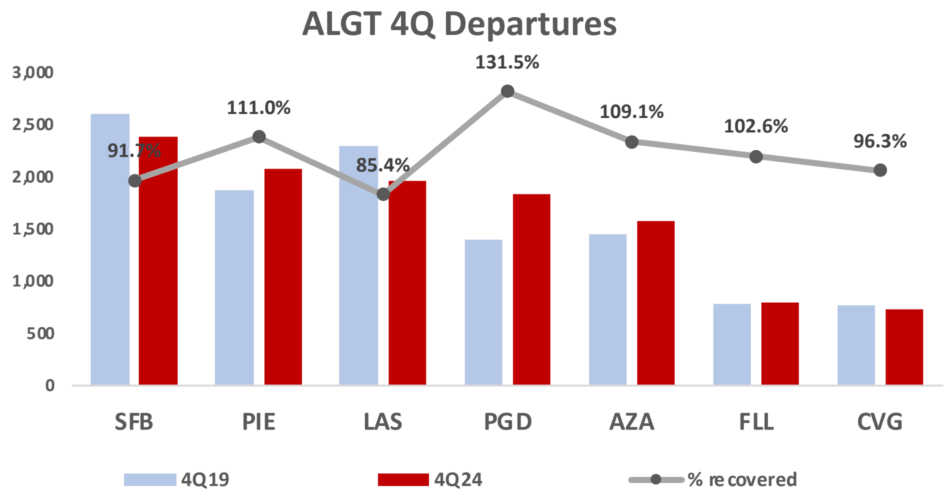
Network news and notes

- Will begin 44 new routes in Spring and Summer 2025, 39 of which have no non-stop service.
- Three new cities announced, Colorado Springs, Columbia, South Carolina and Gulf Shores, AL all to open in 2025.

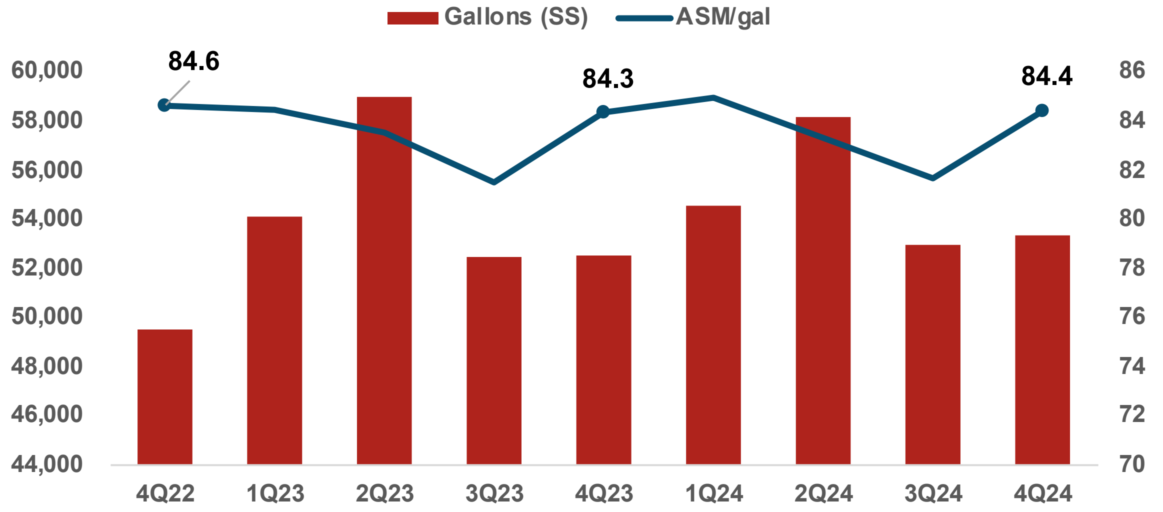
Capacity and Load Factors



Restoration of major hubs and focus cities



Fuel & Fuel Efficiency



Allegiant

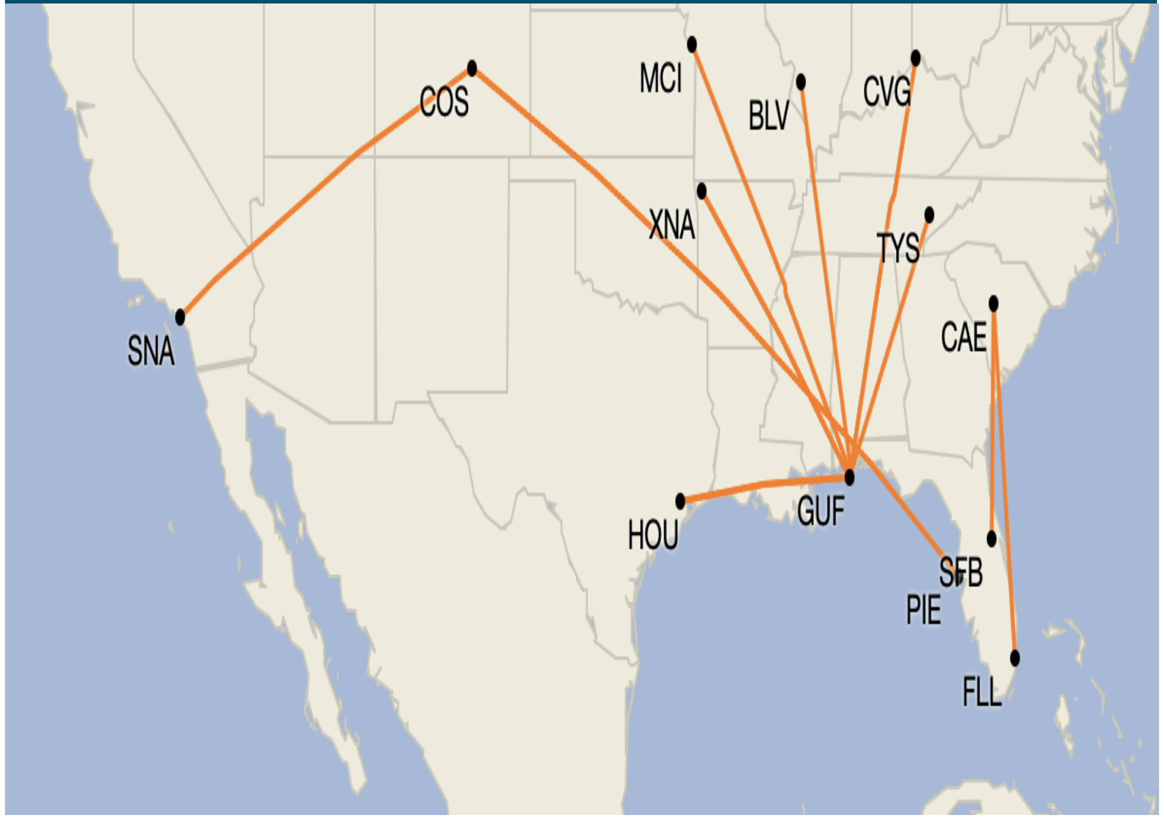
allegiant

Analyst Commentary

- Fourth quarter was solid for the core airline operation excluding Sunseeker. We are happy to see management is deep into the evaluation process for a majority interest sale as early as June if all goes well.
- We've been arguing that 2025 would be a year of revenue and cost transformation driving a solid recovery in earnings and we're walking away from the earnings call concluding the recovery is stronger than expected on business fixes and high margin, peak day revenue growth.
- We still find ALGT to be a compelling story despite significant uncertainty regarding the pilot contract, managing the Sunseeker resort and introducing a second fleet type.
- We expect Allegiant to build back to historical profitability levels once utilization rates normalize, productivity shows an increase, and the network matures.
- Allegiant provided an optically better fourth quarter earnings result, but it was aided by $15M in asset sales which likely boosted EPS. While asset sale gains have been a hotly contested topic, we see core results as likely trailing prior expectations which were not calibrated for asset sales.
- On the positive side, airline revenue outperformed managements bullish guidance from December suggesting strong demand during the holiday period. Unit revenue declines of 6% in 1Q comes in quite a bit below our forecasts, although it could be partially offset by lower non-fuel cost inflation

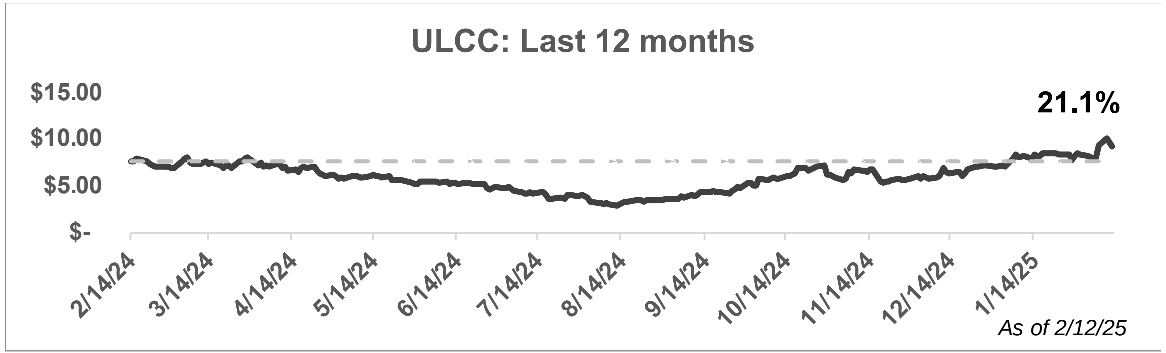
Guidance	1Q25	FY 2025	Notes
Capacity	Up ~ 13.5%	Up ~16%	sched service up 14.0%/17.0% 1Q25/FY25
Operating margin	8.0% - 11.0%		
EPS (airline)	$1.75 - $2.75	$7.75 - $10.25	
Fuel	$2.60	$2.60	
CAPEX		$485 - $545m	
Fleet		122	13 MAX-8200 by YE25

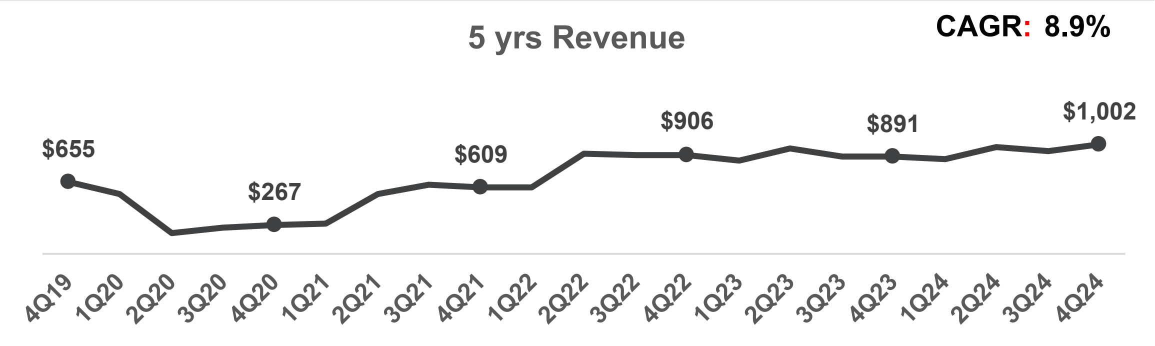
Allegiant is opening three new cities, CAE, COS and GUF in 2025.

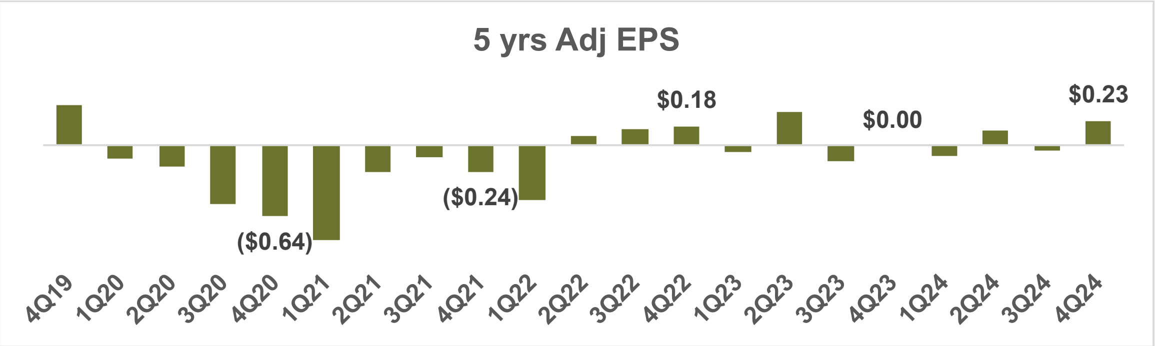


SWAPA

Frontier Airlines







Frontier

"We are on a trajectory for meaningful RASM growth and margin expansion"

4Q24 adj. pre-tax income: $51M

Frontier reported stronger than forecast results for the fourth quarter, achieving record revenues despite operating at 2% less capacity. Network initiatives, disciplined capacity management and a renewed focus on costs were the key drivers, according to CEO Barry Biffle. The airline is introducing several new commercial initiatives, including first class seating, a new co-brand credit card and other loyalty perks for business and repeat customers. Upgrades to the digital experience through the new application and upcoming website was highlighted as an additional attraction to higher-yielding travelers. Operationally, the change to out-and-back flying has helped to contain costs, although CASM-ex was higher during the quarter due to reduced capacity and airport costs. The airline will continue to adjust the network to meet demand patterns that exist in today's environment. The offer for Spirit airlines is still "on the table" and CEO Biffle believes it offers substantial value to equity and bond holders as well as employees.

EFA takeaway: Frontier is making impressive product changes and if successful in acquiring Spirit, could reinvigorate the ULCC space.

Items of interest

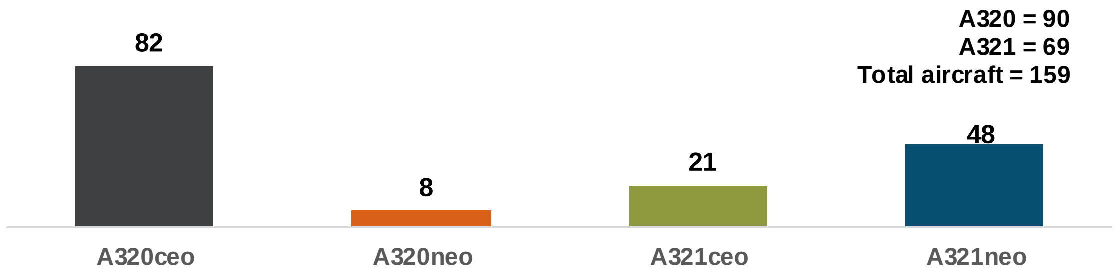
- Total operating revenues were $1.0 billion, a record for any quarter in Frontier's history and 12 percent higher than the comparable 2023 quarter, on 2 percent lower capacity; full-year 2024 revenue was also a record. RASM increased double-digits, higher than any comparable quarter in 2023. Revenue per pax up 6%, slightly offset by lower ancillary rev per pax.
- The revenue outperformance was attributed to premium seating, "UpFront Plus" and an increase in Loyalty program revenues. Frontier cited significant opportunities to increase Loyalty revenues as co-brand revenue per passenger is at $3 compared to Legacy carriers at over $30 per pax. First Class two by two product is coming late '25.
- Adjusted CASM (excluding fuel), stage adjusted to 1,000 miles, a non-GAAP measure, was 6.95 cents compared to 5.76 cents in the corresponding 2023 quarter. The increase was largely due to a 15 percent reduction in average daily aircraft utilization resulting from the Company's disciplined capacity deployment, and an increase in airport costs.
- Took delivery of six A321neo aircraft during the fourth quarter using SLB transactions, increasing the proportion of the fleet comprised of the more fuel-efficient A320neo family aircraft to 82 percent as of December 31, 2024. 159 a/c in fleet, with 21 deliveries in 2025.
- Frontier ended the year with $935 million in liquidity, representing 25% of trailing twelve-month revenue, up from 17% in 2023. Fuel costs dropped 22% in the quarter with record fuel efficiency of 106 ASM's per gallon. CAPEX of $30M in 4Q, with 2025 spend of $175M-$235M.

4Q Snapshot (as compared to 4Q 2023)

Capacity	Revenues	TRASM	CASM-ex	Fuel
↓ 2.1%	↑ 12.5%	↑ 14.9%	↑ 26.1%	↓ 22.0%

Frontier Stats	4Q24	4Q23	4Q19	y/y	y/5y
Revenues	$1,002M	$891M	$655M	12.5%	53.0%
Adj Operating Income (EBIT)	$45M	($2M)	$90M	n.m.	(50.0%)
Adj Operating Margin	4.5%	(0.2%)	13.7%		
Adj Pretax Income	$51M	$7M	$94M	628.6%	(45.7%)
Adj Net Income	$54M	$1M	$73M	5300.0%	(26.0%)
Adj EPS	$0.23	$0.00	$0.37	n.m.	
Capacity (ASMs)	9.8 billion	10.0 billion	7.6 billion	(2.1%)	29.6%
Yield	12.75¢	11.16¢	8.16¢	14.3%	56.3%
TRASM	10.23¢	8.90¢	8.67¢	14.9%	18.0%
CASM	9.78¢	8.93¢	7.78¢	9.5%	25.7%
CASM-ex	7.44¢	5.90¢	5.21¢	26.1%	42.8%
Fuel (econ)	$2.48	$3.18	$2.24	(22.0%)	10.7%

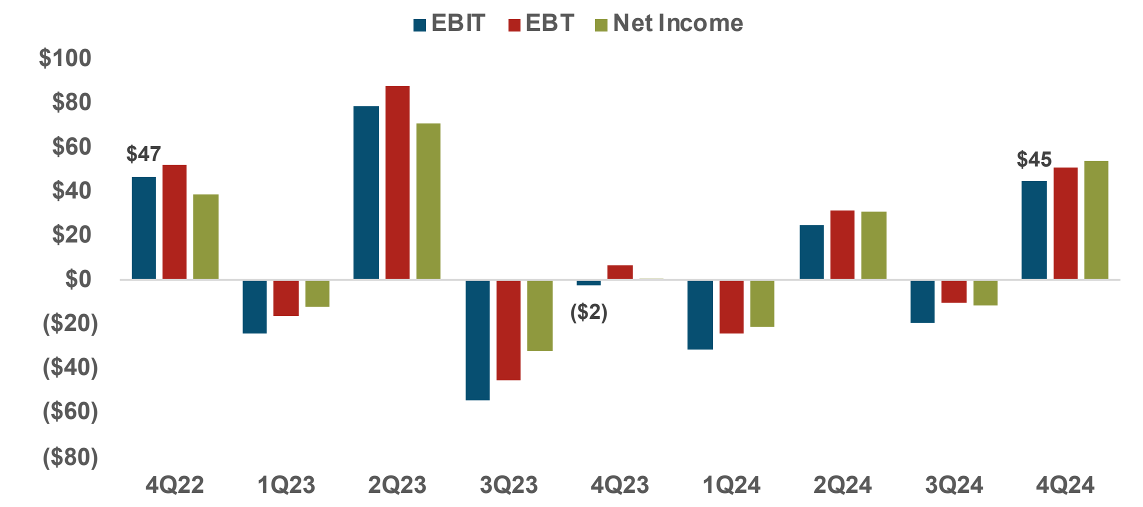
Frontier Fleet – 4Q24



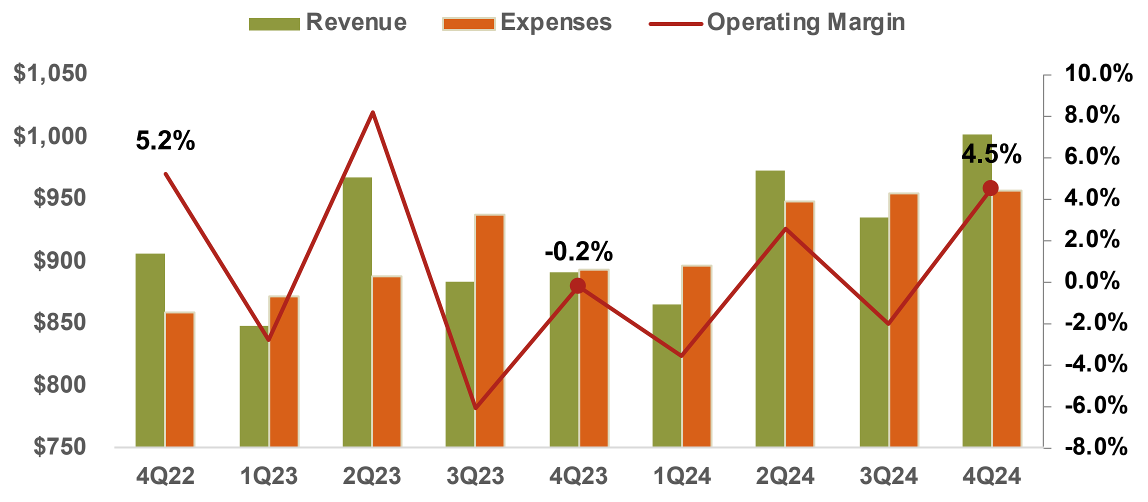
Frontier - Financial Performance

FRONTIER AIRLINES

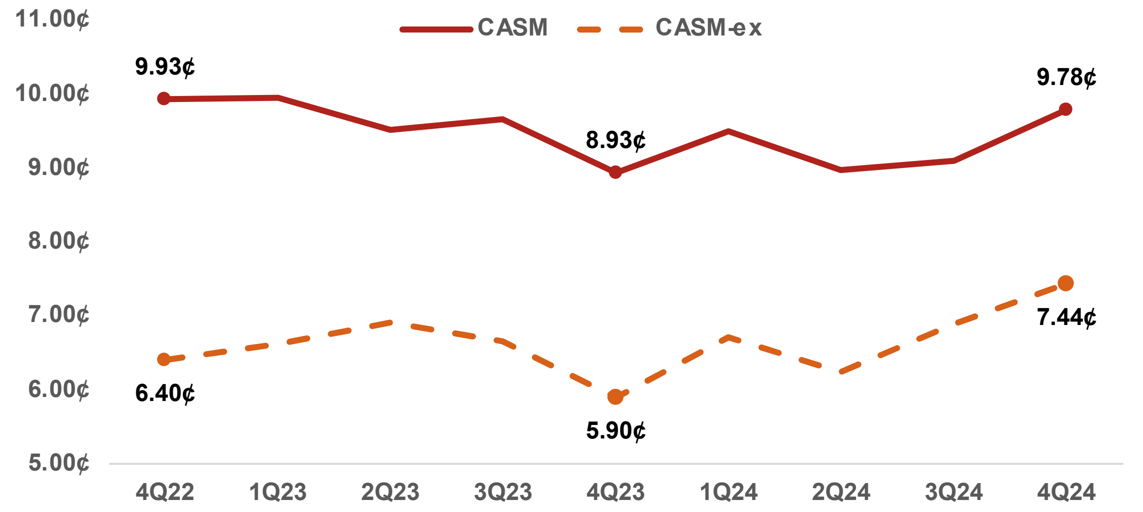
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



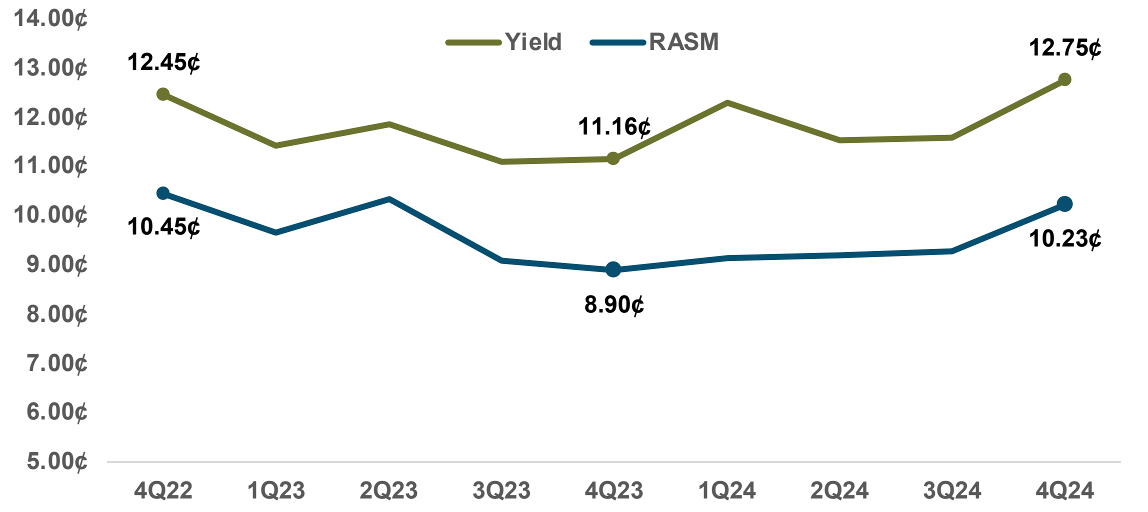
Quarterly Revenue, Expenses, Adj. Operating Margin



CASM & CASM-ex



Yields & TRASM

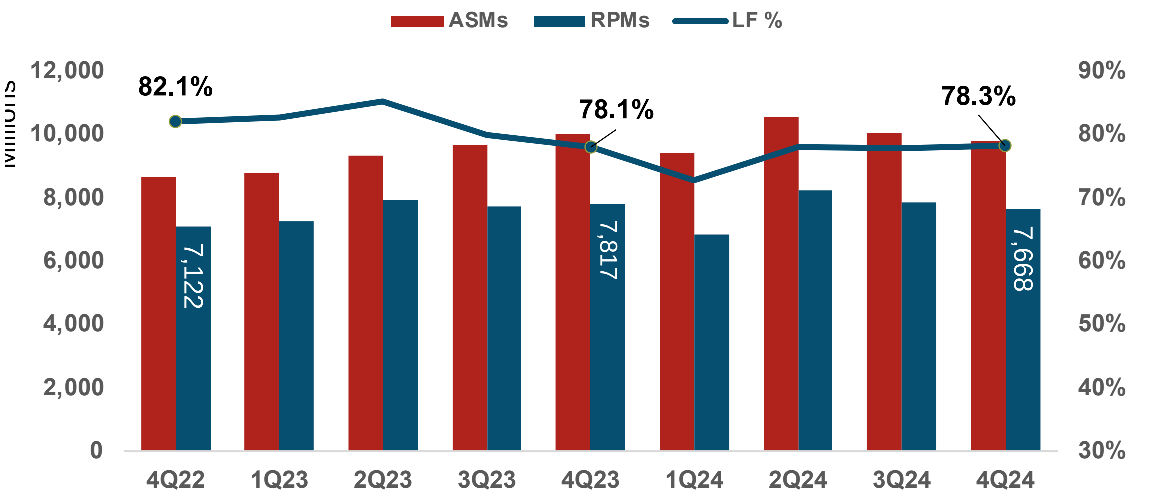


Frontier - Network News

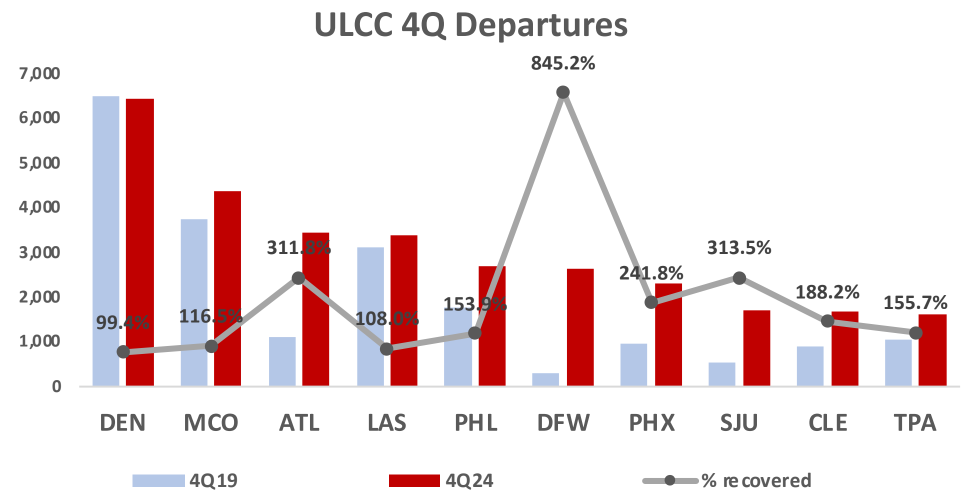
Network news and notes

- Launched a significant expansion in 4Q, with 22 new routes, with 2/3rds from one of the13 crew bases, designed to scale a "simplified" network.
- Will begin 16 new routes in March, with AUS seeing the largest number of new routes at four, followed by MCO and TPA at three. All routes will have significant competition from American, Delta, Southwest and United as well as Allegiant and Spirit.
- The March and April schedules will have 27% more seats than the year-ago period.
- Overall capacity will grow mid-single digits on an average stage length of 900 miles.

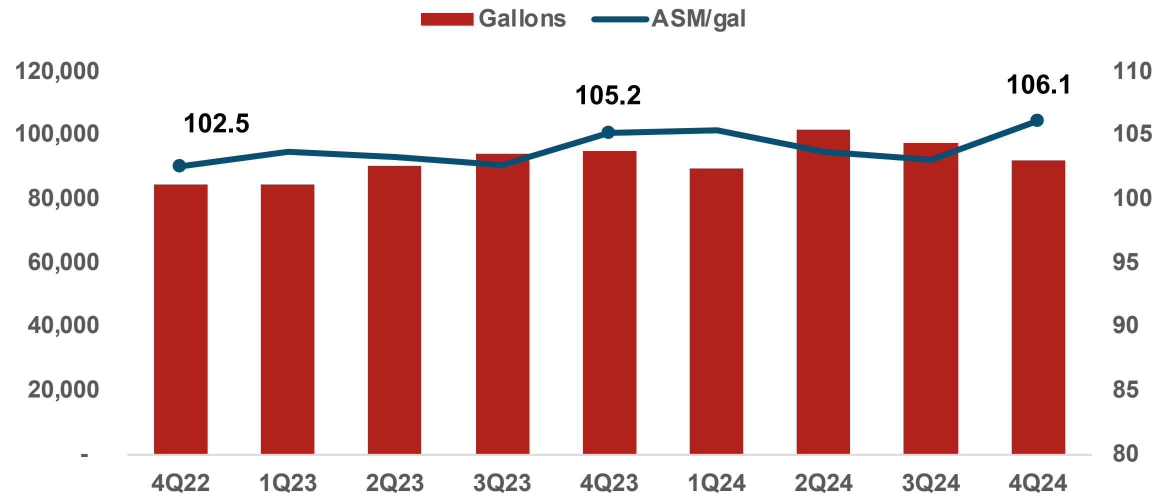
Capacity and Load Factors



Restoration of major hubs and focus cities



Fuel & Fuel Efficiency



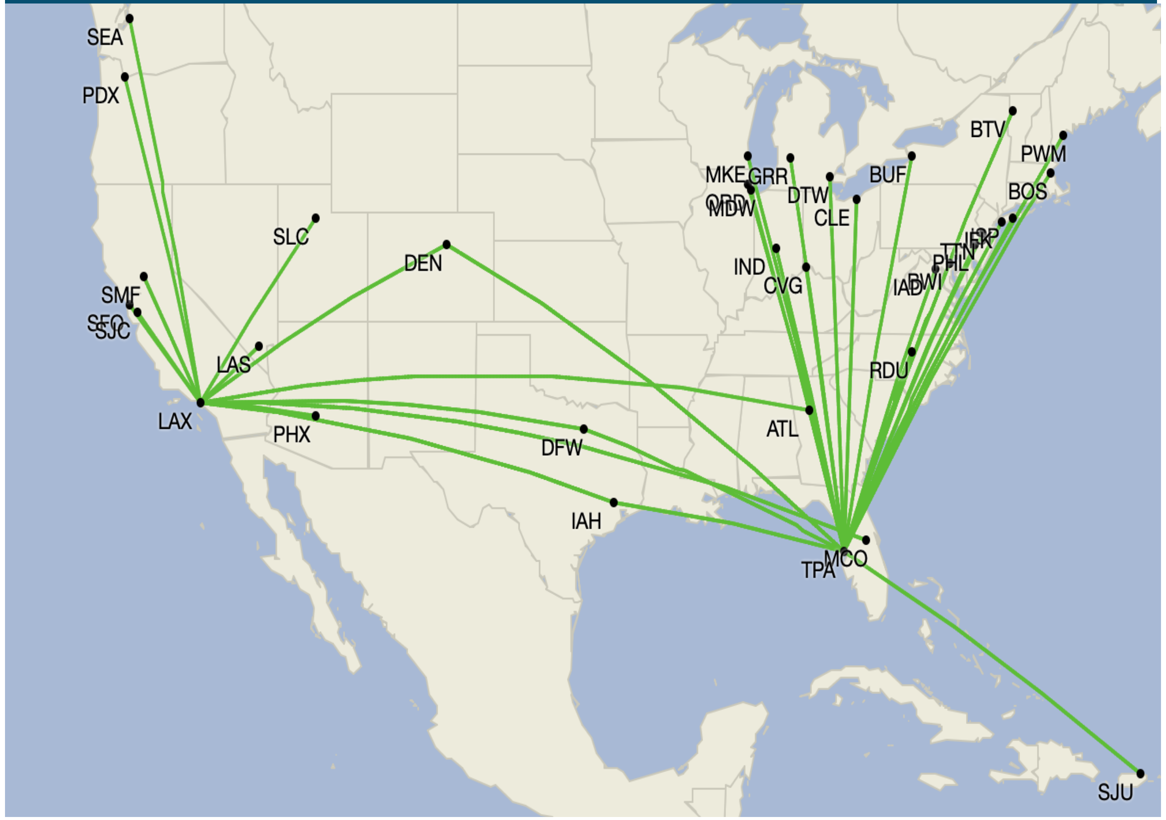
Frontier

Analyst Commentary

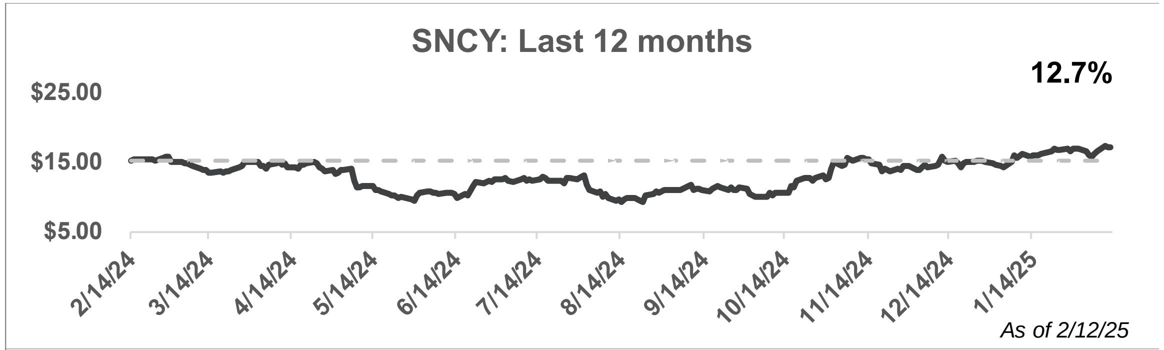
- We see two encouraging signs for ULCC: The initiatives are driving revenue upside and secondly, ULCC's plan to better match supply with demand is a positive sign for the carrier and the industry.
- Despite the strong unit revenue trends into peak December travel, the $51M of pre-tax income in 4Q came from $76M of SLB gains as unit costs grew 26%.
- 18 months ago, capacity growth was elevated and margins unsatisfactory. Fast forward and now Frontier is digesting its past growth while embracing the mantra that less is more, and they need to stop doing things that lose money. The changes the company has made are driving revenue outperformance. Selective capacity deployment will drive continued strength in unit revenue.
- We believe the company's new network, product and distribution strategies will translate into better profitability. The product enhancements will make Frontier more competitive, and drive improved financial results. A potential merger with Spirit could be a positive development.
- A new pilot contract will likely challenge labor cost inflation at some point in the future but there is productivity potential as the airline operates a greater share of out and back flights from crew bases.

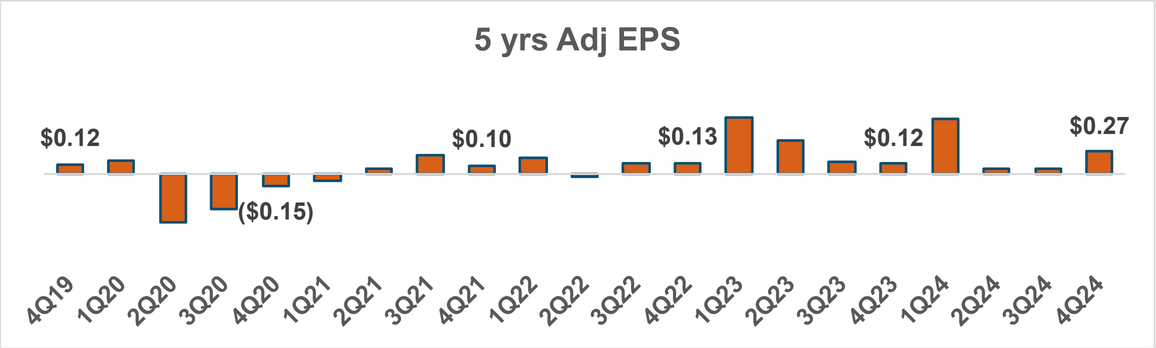
Guidance	1Q25	FY 2025	Notes
Capacity			Not provided for 1Q or FY2025
Fuel	$2.60	$2.55	
CAPEX		$185 - $275	
CASM-ex (SLA)			Not provided for 1Q or FY2025
Adj. EPS	$0.00 - $0.07	At least $1.00	

Frontier grows March schedule 27% YoY focusing on LAX & TPA



Sun Country Airlines





Sun Country

"We are pleased to report our 10th consecutive quarter of profitability"

4Q24 adj. pre-tax income: $19M

Sun Country reported strong results for the fourth quarter, achieving record revenues and notable operational highlights. Revenues were up 6% year-over-year, showing robust growth over its diversified business model. The company is going to focus on increasing its cargo business in 2025, with the addition of eight 737-800's as part of the latest agreement with Amazon. CEO Jude Bricker expects cargo revenue to roughly double by this time next year. In terms of passenger service, Sun Country is planning on re-accepting six aircraft that are currently out on lease through 2026 that will grow block hours without a change in utilization or new aircraft acquisitions. Industry overcapacity has moderated, and the pricing environment has strengthened, which should lead to better TRASM in 1Q25. However, overall capacity will decline 3%-5% as the Amazon operation will drive most of the growth in 2025. The balance sheet remains strong, with the company raising additional financing to pay down higher interest rate loans on existing aircraft.

EFA takeaway: Despite a softer than expected first quarter outlook, Sun Country looks to produce another profitable year with its unique operation.

Items of interest

- Revenues, operating income and margins were all higher year-over-year, as the airline's diversified operation was profitable in all areas.
- Cargo revenue was up nearly 29% in 4Q, marking a 13% YoY increase despite a 2.5% decline in cargo block hours. Cargo revenue per block hour was up 16%, reflecting rate escalations and new contract terms with Amazon that includes annual rate adjustments. Cargo flying will grow sharply in 2025, but the company is not expected to benefit from the UPS Amazon reduction.
- Scheduled service ASM's declined from 17% growth earlier in 2024 to less than 5% in 4Q reflecting capacity adjustments in-line with the rest of the industry. Scheduled service TRASM was down only 1% as yields firmed up in December. Revenue per passenger grew 2% and scheduled service fare also grew 2% YoY to nearly $160. Scheduled service revenues are expected to be flat in 1Q on 7% growth in ASM's in the quarter.
- Charter revenue grew 2.5% to $48M on 5% growth of Block hours. Charter business classified as ad hoc grew significantly in 4Q, mostly sports charters, with more growth expected in 1Q.
- Adjusted CASM grew nearly 8% on lower ASM growth than previous quarters. Other drivers of the increased costs were maintenance, up 14.5% and landing fees/rents increasing 18%. Lower capacity growth will hurt costs in 2025, with increases in the mid-to-high digits.
- Total liquidity was $205M YE 2024. Full year 2024 CAPEX was $88M, which includes the acquisition of three aircraft off lease. Raised $60M from appending a 2019 EETC, which was used to pay down term loan financing on five 737-900's, which will save $800,000.

4Q Snapshot (as compared to 4Q 2023)

Capacity	Revenues	TRASM	CASM-ex	Fuel
↑ 3.5%	↑ 6.1%	↓ 1.0%	↑ 7.6%	↓ 19.5%

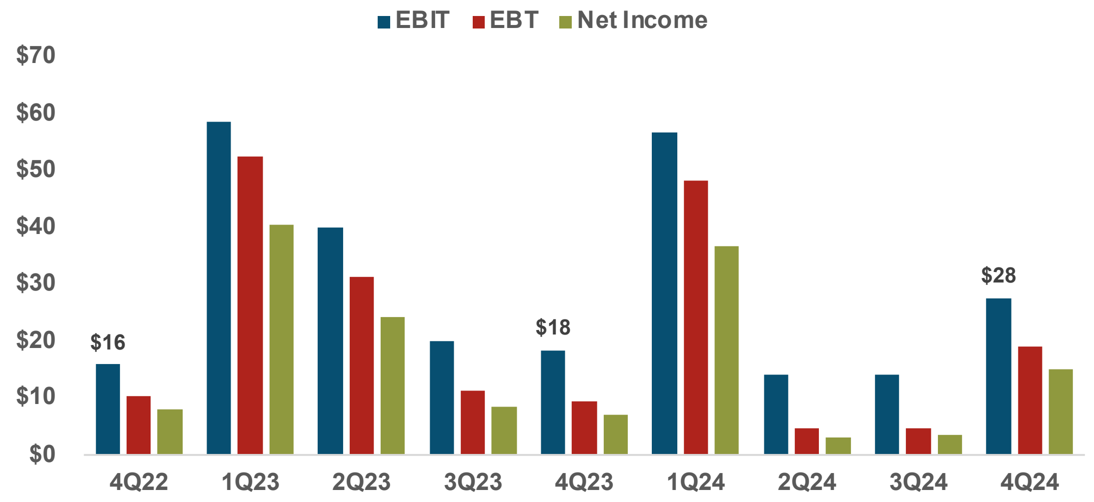
Sun Country Stats	4Q24	4Q23	4Q19	y/y	y/5y
Revenues	$260M	$246M	$164M	6.1%	58.9%
Adj Operating Income (EBIT)	$28M	$18M	$13M	50.3%	117.1%
Adj Operating Margin	10.6%	7.5%	7.7%		
Adj Pretax Income	$19M	$9M	$8M	103.2%	131.3%
Adj Net Income	$15M	$7M	$5M	117.4%	198.9%
Adj EPS	$0.27	$0.12	$0.12	125.0%	128.5%
Scheduled Capacity (ASMs)	1.61 billion	1.55 billion	1.30 billion	3.5%	23.8%
Yield	16.40¢	15.99¢	15.53¢	2.5%	5.6%
TRASM	11.14¢	11.25¢	9.89¢	(1.0%)	12.6%
CASM	11.94¢	12.03¢	9.13¢	(0.7%)	30.8%
CASM-ex	7.83¢	7.28¢	6.82¢	7.6%	14.9%
Fuel (econ)	$2.47	$3.07	$2.11	(19.5%)	17.2%

Sun Country Fleet – 4Q24

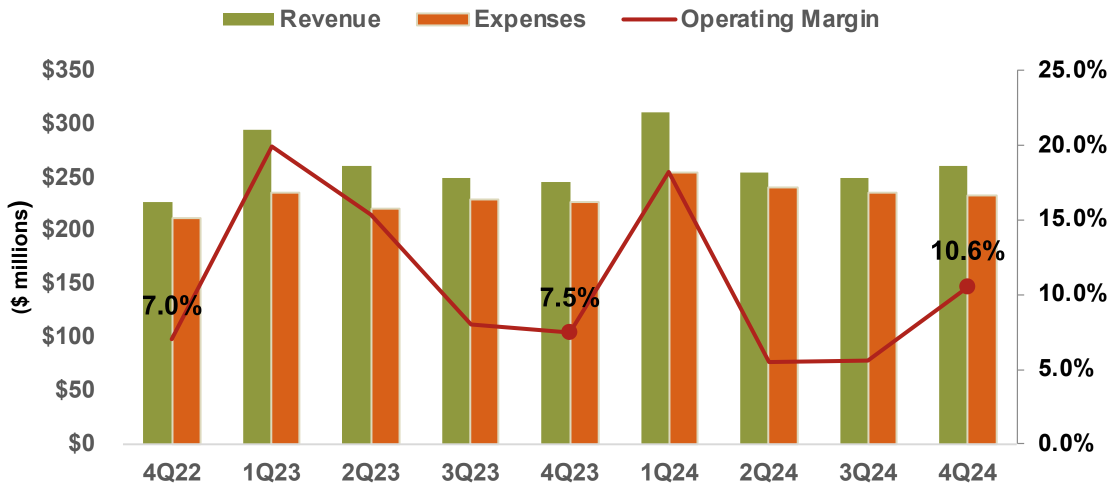
Passenger/charter = 45
Cargo (Amazon) = 12
Total aircraft = 57

Sun Country - Financial Performance

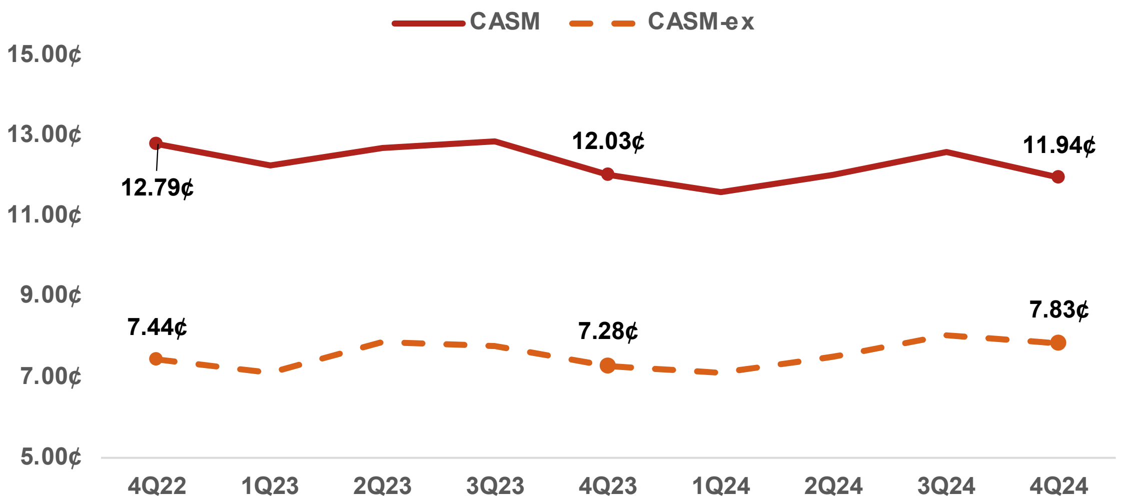
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



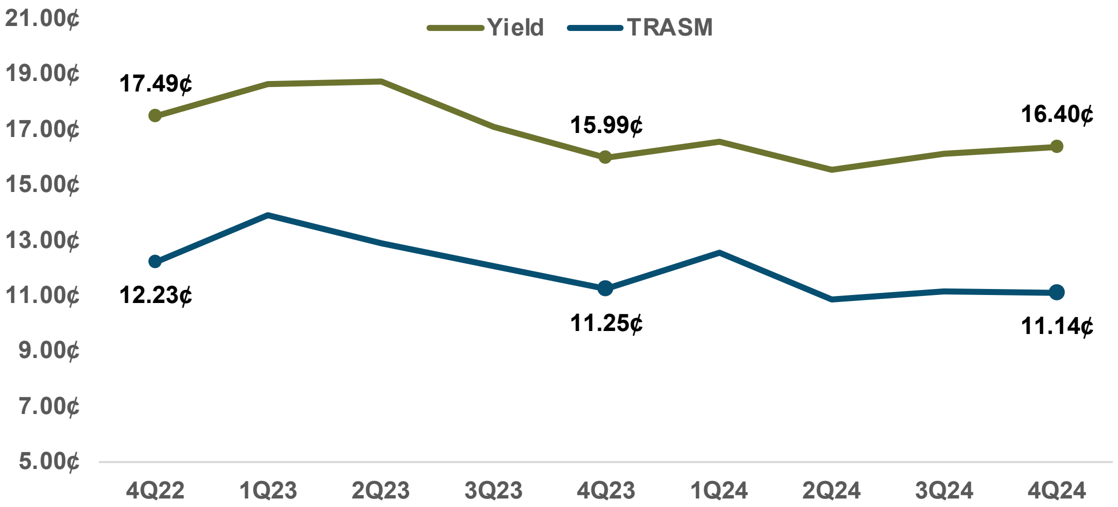
Quarterly Revenue, Expenses, Adj. Operating Margin



CASM & CASM-ex



Yields & TRASM

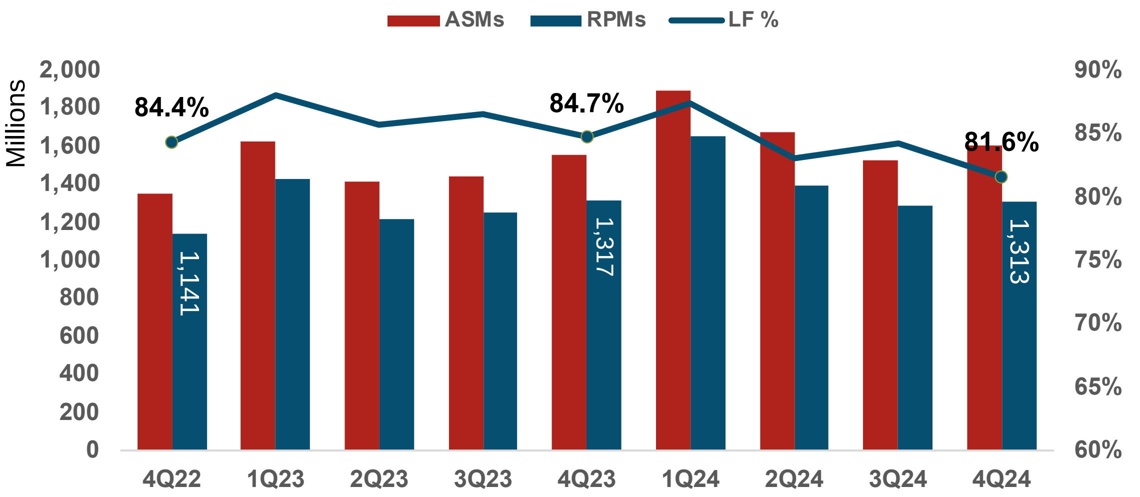


Sun Country - Network News

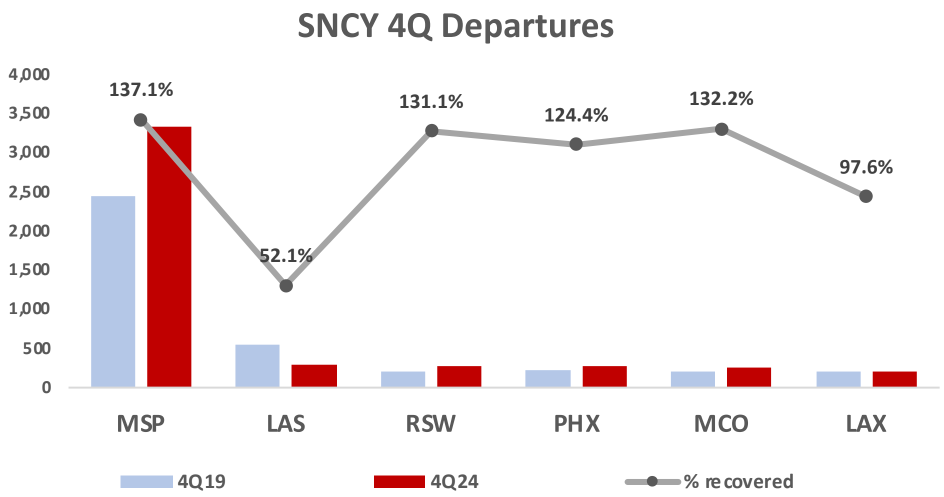
Network news and notes

- Cutting five routes from MSP for summer schedule as performance was weak in these markets: AVL, BIL, CLE, COS and OMA.
- First quarter scheduled service is typically the airline's strongest period, adding 7% capacity in 1Q 2025, focusing on "leisure sun destinations".

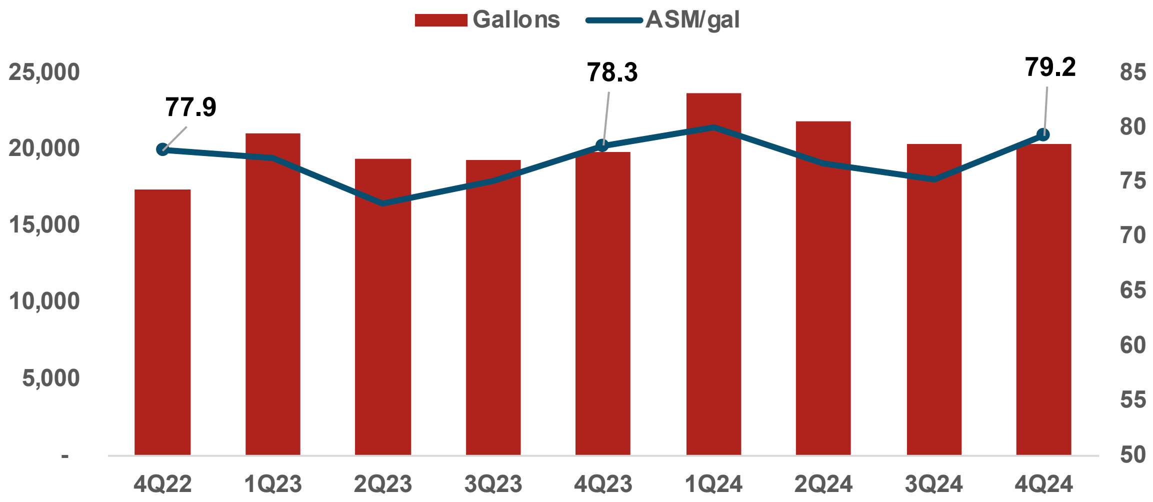
Capacity and Load Factors



Restoration of major hubs and focus cities



Fuel & Fuel Efficiency

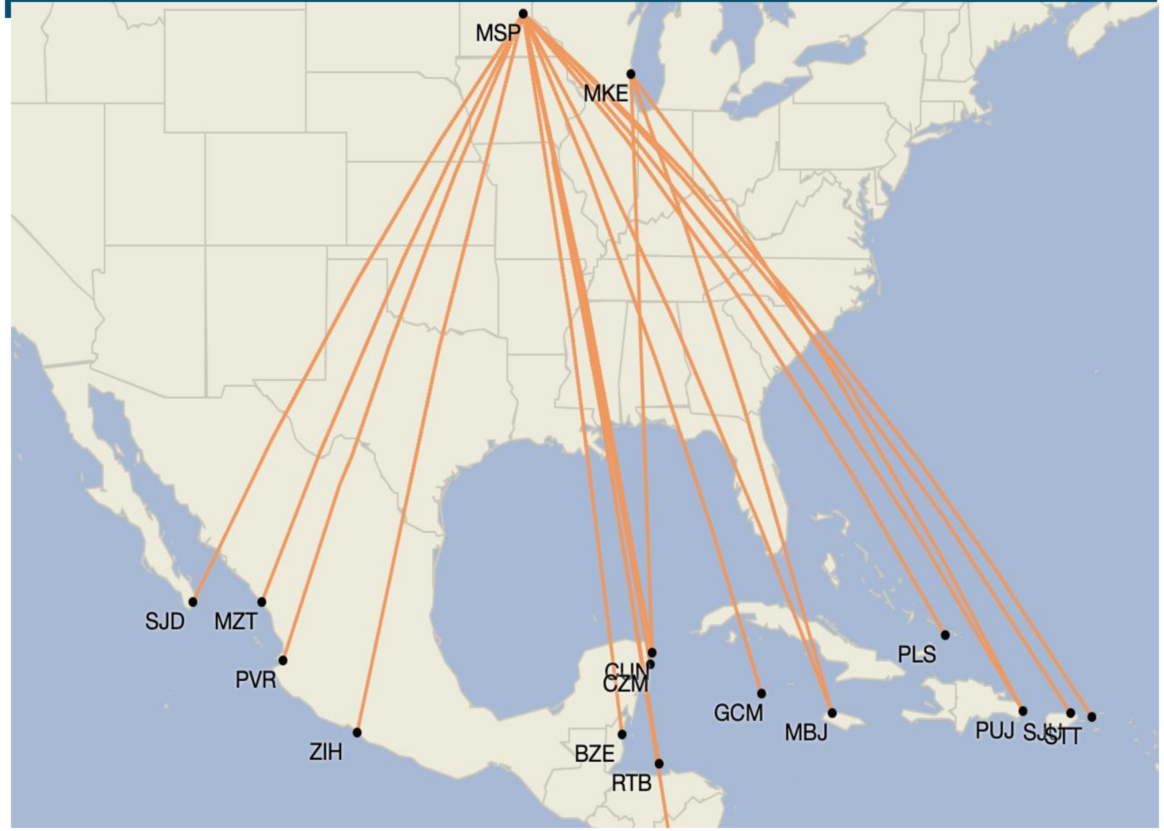


Sun Country

- Despite lowering our 1Q numbers, we still view Sun Country as a name with unparalleled visibility to growth and industry-leading margins (1Q is always seasonally strong) with an underappreciated cash flow story.
- We have highlighted the uniqueness of Sun Country relative to other airlines, and we find the predictability of cargo growth to be compelling. SNCY is a multi-year growth story.
- We are very constructive on SNCY as the flexibility of the model allows management to deploy each aircraft to its most profitable mission which includes scheduled service, charter and cargo.
- As the company gets paid a fixed rate per aircraft no matter what the utilization levels in the cargo sector, we see no near-term impact based on changes in freighter demand.

Guidance	1Q25	FY 2025	Notes
Capacity (sys block)	Up 7% - 9%		41,000-42,000 blk hours
Total Revenue	Up 6% -9%		$330m - $340m
Effective tax rate	23%		
Fuel	$2.76		Down 8% over 1Q24
Adj Oper Margin	17% - 21%		Down 1pp to up3 pp vs 1Q24

Sun Country increases international flying in seasonally strong first Q 25



Economic and Financial Analysis Committee

Industry Financials

4th Quarter 2024