

Industry Overview

POW! DEN vs. The Forces of Chaos

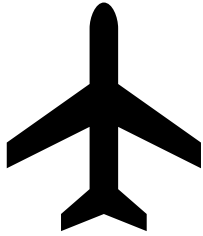


Pueblo, Colorado

October
2025



Current Industry Drivers and Trends



Aircraft Delivery and
Certification Delays



ATC Staffing and
Technology Issues



Premium Travel Surge and
Main Cabin Slowdown



New Airline
Partnerships



Economic Uncertainty



Transborder Sentiment



2025 Headlines

Economic Uncertainty

American Airlines pulls its 2025 forecast. The economic outlook is too uncertain.

Air carrier's stock drops, as quarterly results bested forecasts but the profit view for the current quarter was on the downbeat side

APR 9, 2025

Delta throws out 2025 profit projection, says future is uncertain

United Airlines Is So Unsure About the Economy It Offers Two Profit Scenarios

"Southwest Airlines, Steve Madden, Cummins, and other corporate giants say they can't give investors profit forecasts during the trade war... **Uncertainty** over tariffs, supply chain instability, and other broader macroeconomic headwinds are pushing a growing number of major companies to pull their 2025 earnings guidance. **From automakers to airlines and consumer giants**, firms are increasingly opting to sit out of the forecasting game, **citing economic uncertainty that, for some, is getting too thick to navigate.**"

Kevin Williams and Shannon Carroll, "Ford, Mattel, UPS, and more companies pulling their earnings guidance because of tariff uncertainty," Quartz (May 7, 2025)

Strong (Premium) Demand and Struggling Low-Cost Travel

Low-Cost Airlines Struggling Amid Low Demand for US Travel

Spirit Airlines slashes fleet, will get rid of more than 100 planes in latest bankruptcy cuts

Edward Russell

Oct. 03, 2025 • 3 min read

News Roundup: Delta, American, and Southwest Airlines Soar to New Height as Stock Market Surges Supercharging US Aviation Industry

"We've become increasingly more bullish on the setup for the US airlines into year-end given capacity rationalization and the underlying improvement in travel pricing. Spirit's recent bankruptcy filing has brought back some investor interest as it speaks to **the structural change occurring in the industry – i.e. low fares may no longer be the path to market share gains as consumers are increasingly seeking out premium products, network depth & breadth and loyalty.** The question is who has the potential to lasso the incremental demand that Spirit & others' network adjustments could create."

Conor Cunningham, Melius Research (Sept. 7, 2025)



New Airline Partnerships



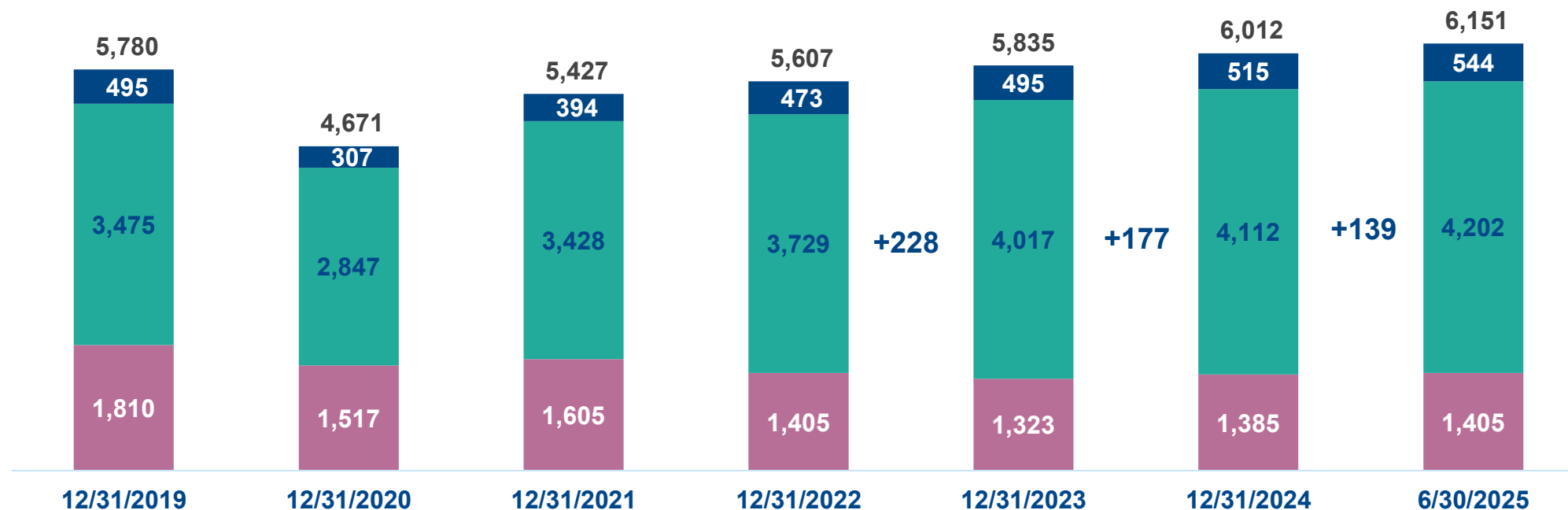


Active Aircraft Across U.S. Carriers Have Increased 6% Since 2019 and 2% YoY

Mainline (single-aisle) increased 21% since 2019 and conversely, regional aircraft have decreased 22%

Number of Active Aircraft*

■ Regional ■ Single-Aisle ■ Twin-Aisle



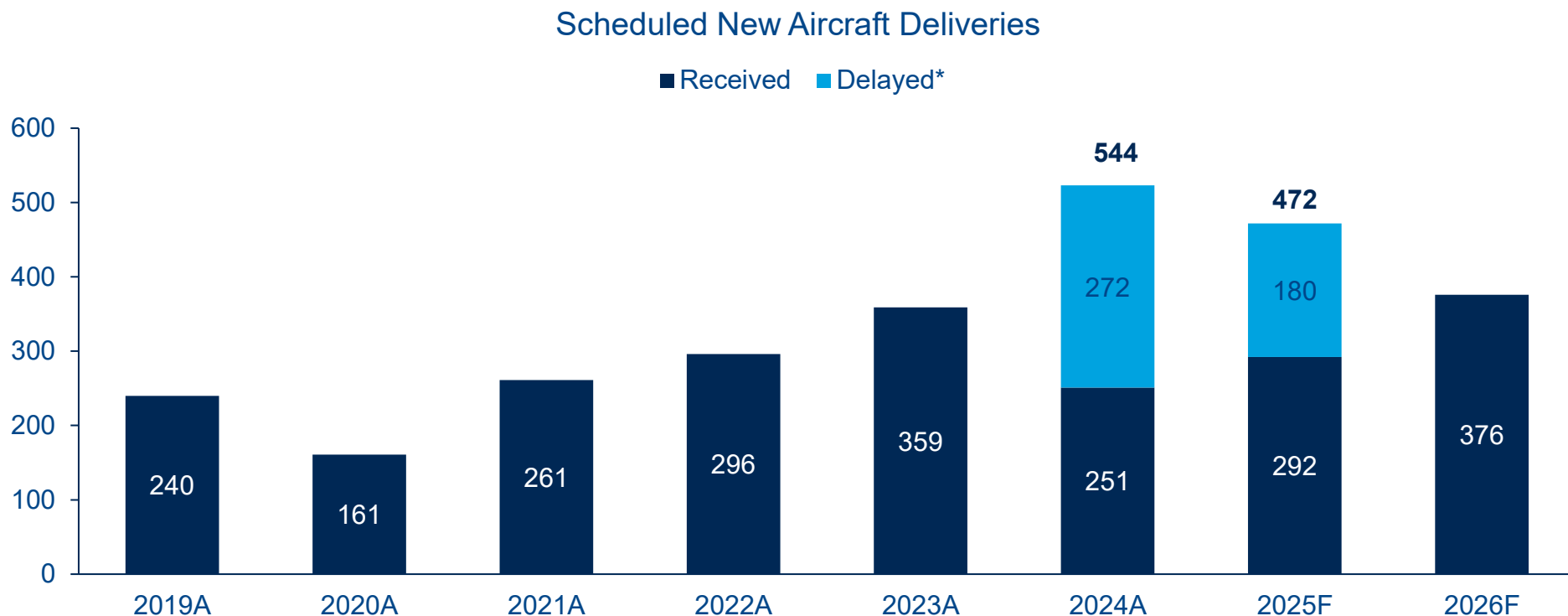
Note: Operated by or on behalf of Alaska, Allegiant, American, Avelo, Breeze, Delta, Frontier, Hawaiian, JetBlue, Southwest, Spirit, Sun Country, and United in any of the previous 7 days.

Source: A4A Anuvu



Production & Certification Delays Are Improving

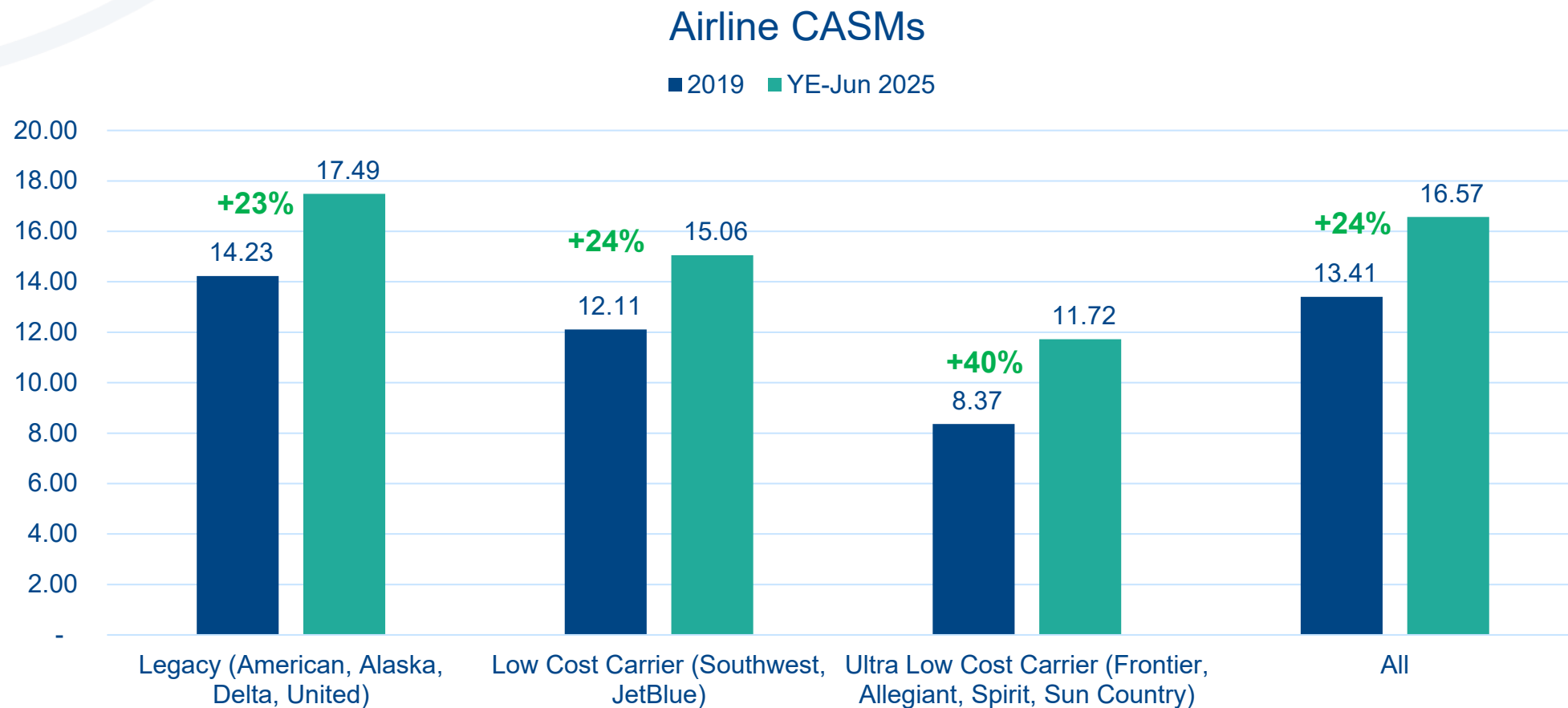
- 2025 and 2026 expected to see improvements in deliveries
- Delays are a result of ongoing issues with Boeing aircraft production, however more reliable with dates
- Some carriers face P&W GTF engine issues resulting in decreased aircraft availability



Note: 2024 and 2025 delayed deliveries based on contractual fleet plans as of 10/31/23. Operated by or on behalf of Alaska, Allegiant, American, Avelo, Breeze, Delta, Frontier, Hawaiian, JetBlue, Southwest, Spirit, Sun Country, and United in any of the previous 7 days.
Source: A4A Anuvu; Cirium Fleet Detail based on Build Dates



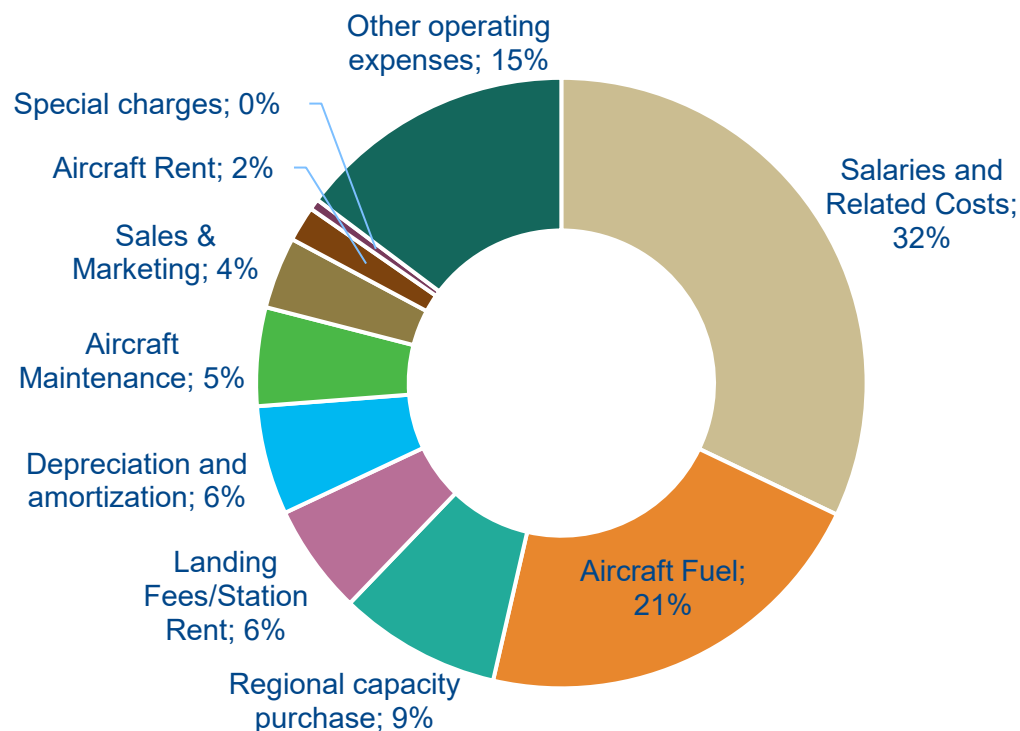
Airline Costs Have Increased 24%, With ULCCs Increasing 40% Since 2019



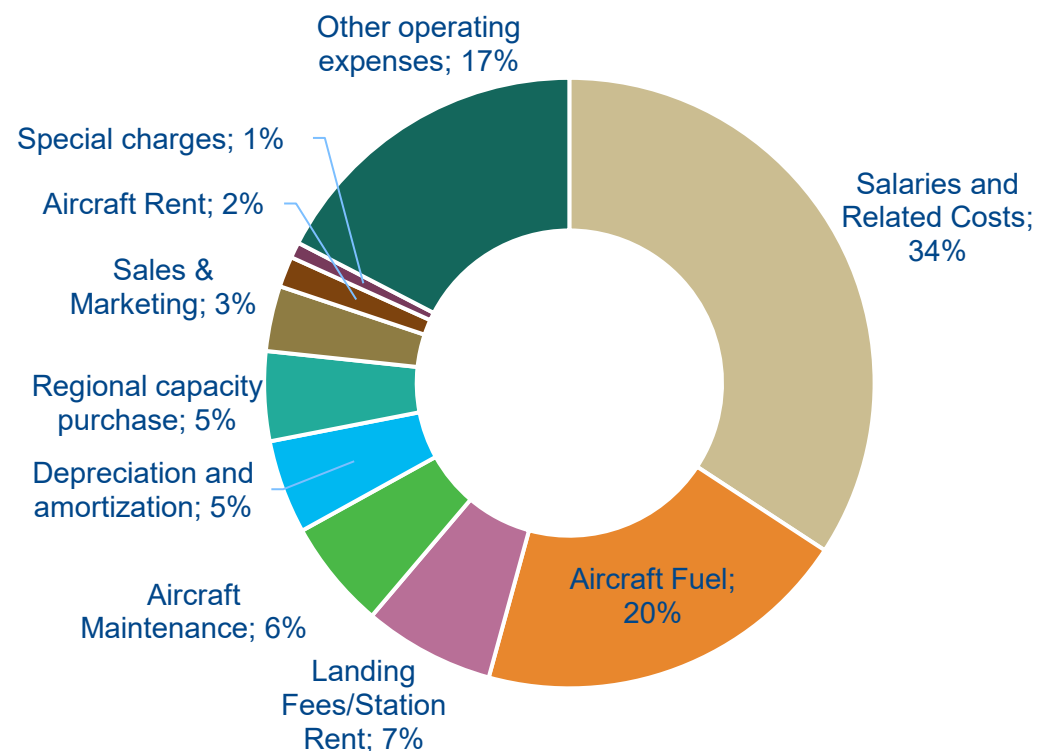


US Carrier Costs Increasing Across the Board, Salaries and Airport Costs are Among the Largest Share Increases

Operating Costs by Category
2019



Operating Costs by Category
YE-Jun 2025

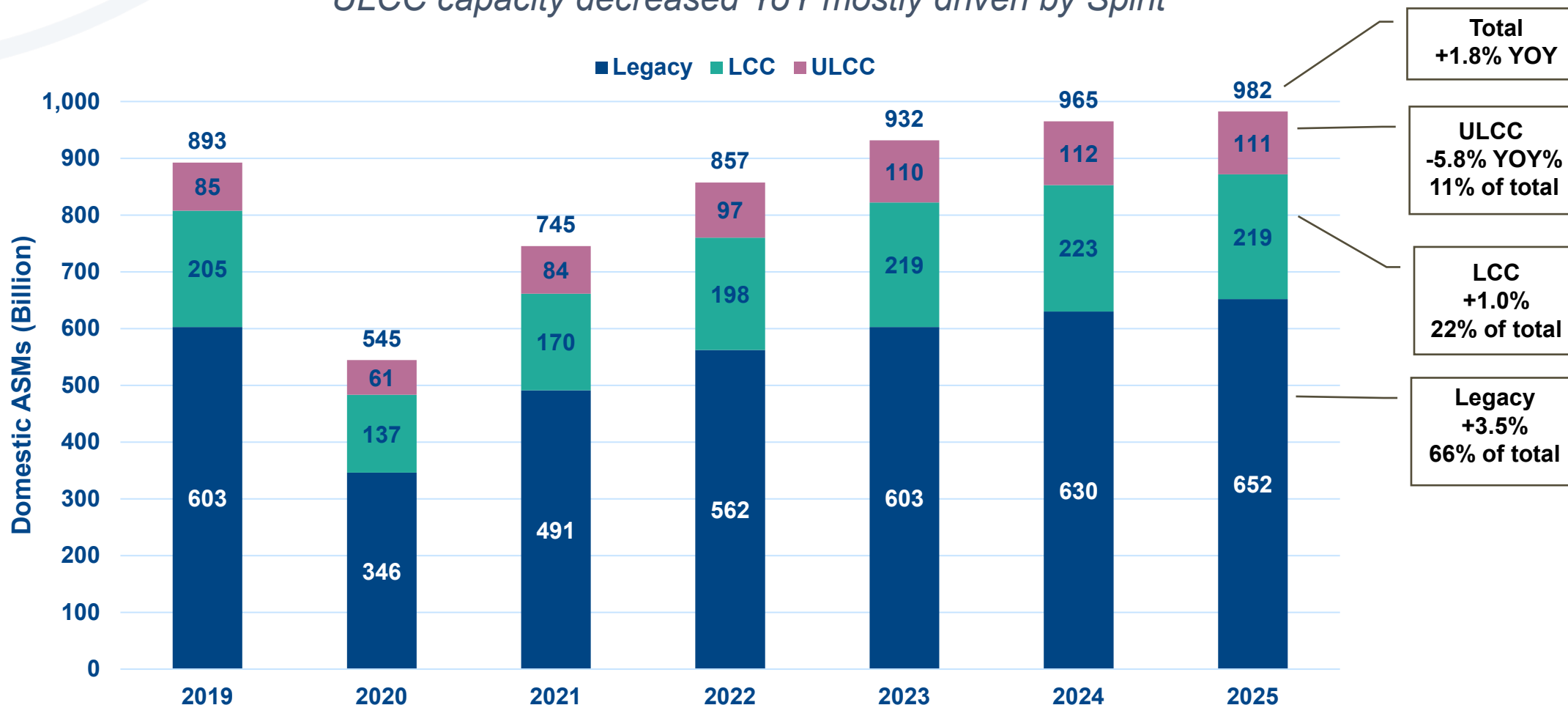




Domestic Capacity Has Grown 10% Since 2019

Legacy growth is far outpacing LCC and ULCC carriers

ULCC capacity decreased YoY mostly driven by Spirit



Note: ULCC includes F9, G4, MX, NK, SY, XP; LCC includes B6 and WN; Legacy includes AA, AS, DL, HA, UA.

Source: Schedule data via Cirium as of 10/2/25.

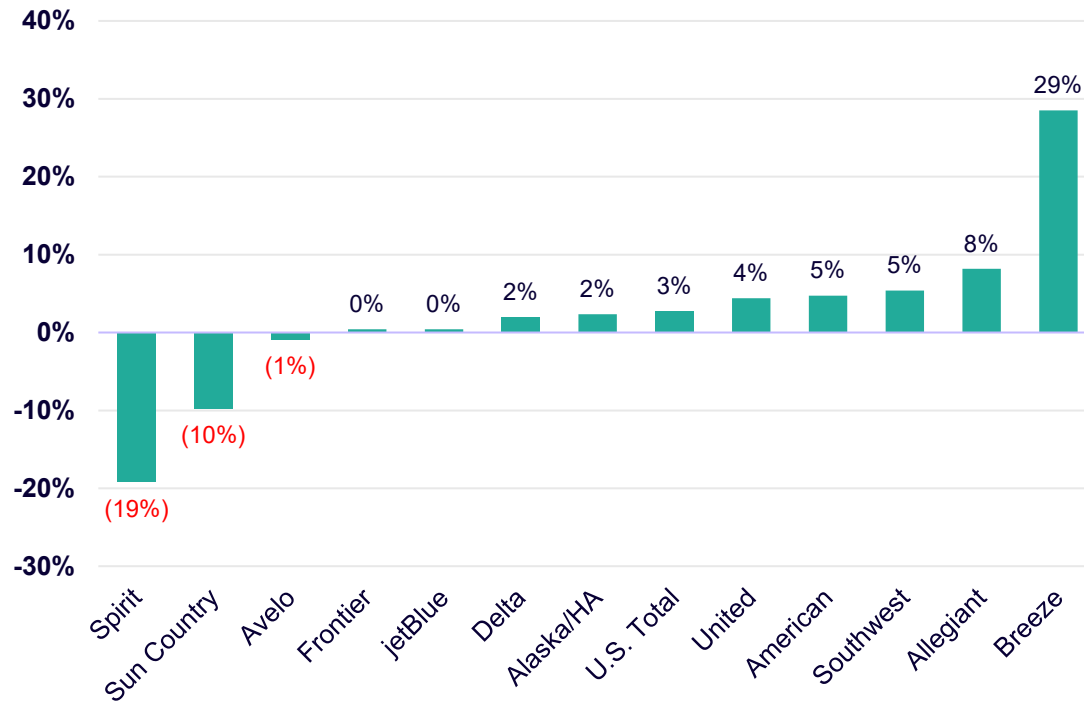


Airline Domestic Scheduled Capacity

With most carrier capacity at or above 2019 levels, shift back to YOY and MOM comparisons

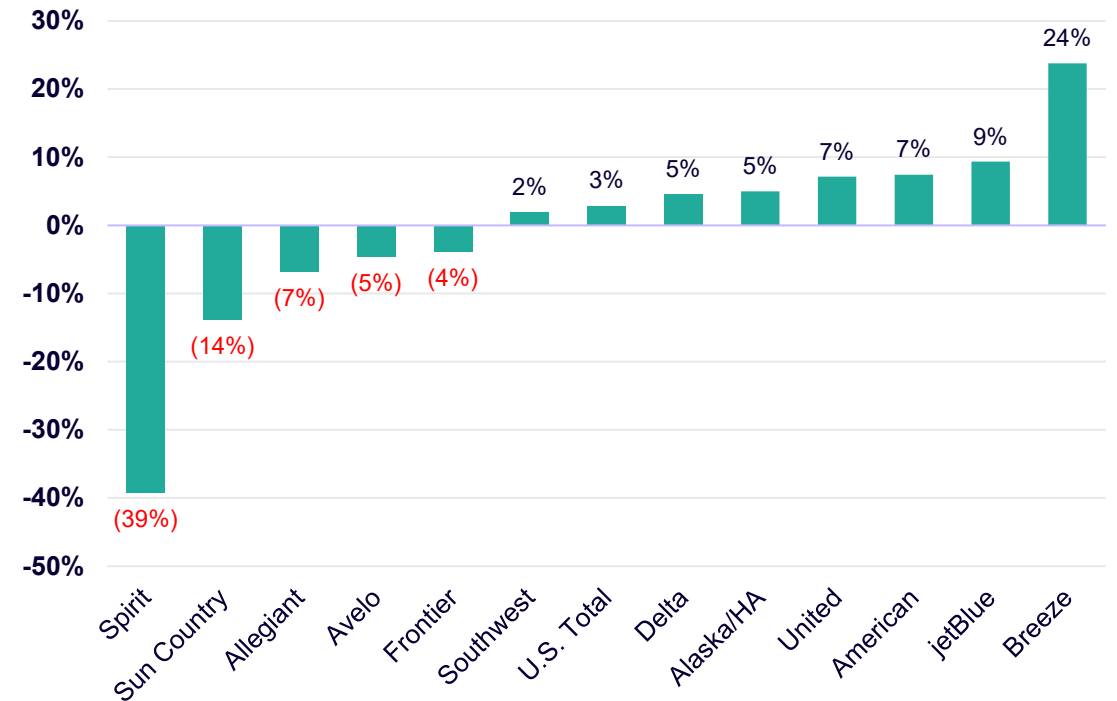
Q4 2025 vs. Q4 2024

Percent Change in Domestic Available Seat Miles (ASMs)



Q1 2026 vs. Q1 2025

Percent Change in Domestic Available Seat Miles (ASMs)

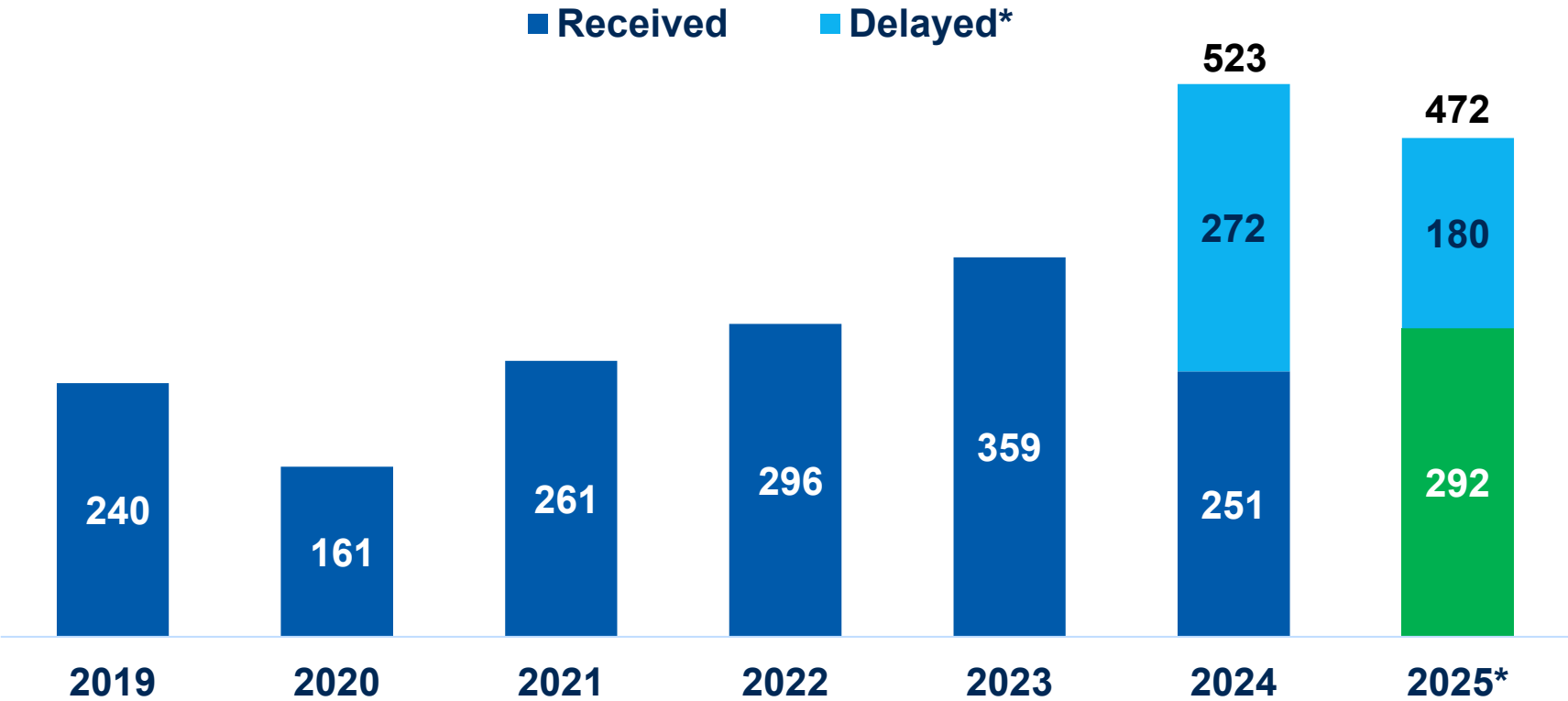




Production and Certification Delays Are Significantly Impacting Aircraft Deliveries, but Rebounding

2025 Expected to Have 38% Fewer Deliveries








Scheduled New Aircraft Deliveries



*Note: 2024 and 2025 delayed deliveries based on contractual fleet plans as of 10/31/23. Operated by or on behalf of Alaska, Allegiant, American, Avelo, Breeze, Delta, Frontier, Hawaiian, JetBlue, Southwest, Spirit, Sun Country, and United in any of the previous 7 days.
Source: A4A Anuvu; Cirium Fleet Detail based on Build Dates*



U.S. Airlines Finances – Net Income/Loss

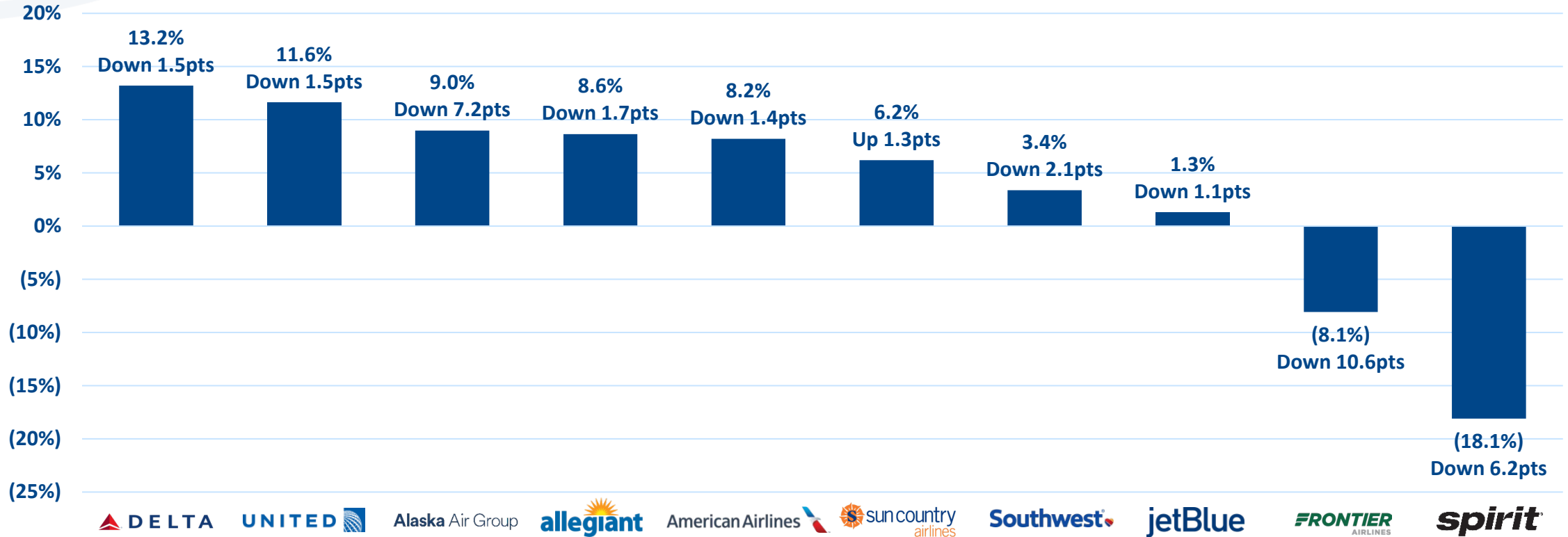
Carrier	2019	2023	2024	Q1 2025	Q2 2025	Q3 2025*
 DELTA	\$ 4,767 million	\$ 4,609 million	\$5,995 million	\$240 million	\$2,130 million	\$1,417 million
UNITED 	\$ 3,009 million	\$ 2,618 million	\$3,149 million	\$387 million	\$973 million	\$949 million
American Airlines 	\$ 1,686 million	\$ 822 million	\$846 million	-\$473 million	\$ 599 million	-\$114 million
Alaska Air Group	\$ 798 million	\$ 235 million	\$395 million*	-\$166 million*	\$ 277 million	\$73 million
Southwest 	\$ 2,300 million	\$ 498 million	\$465 million	-\$149 million	\$213 million	\$54 million
 sun country airlines	\$ 46 million	\$ 72 million	\$58 million	\$37 million	\$7 million	TBD
 allegiant	\$ 232 million	\$ 118 million	-\$240 million	\$ 32 million	-\$65 million	TBD
jetBlue	\$ 569 million	-\$ 310 million	-\$795 million	-\$208 million	-\$74 million	TBD
spirit <small>LESS MONEY. MORE GO.</small>	\$ 335 million	-\$ 447 million	-\$1.23 billion	-\$143 million	-\$246 million	TBD
 HAWAIIAN AIRLINES	\$ 224 million	-\$ 260 million	-	-	-	TBD

Note: Sorted by Q2 2025 earnings. Q3 2025 earnings are currently being reported. Unadjusted net income with GAAP standards excluding special items. Allegiant earning shown reflects the consolidated Allegiant Travel Company.
Source: Airline quarterly releases.



U.S. Airline 2Q25 Earnings Summary

Q2 2025 Operating Margin & YoY
Change:



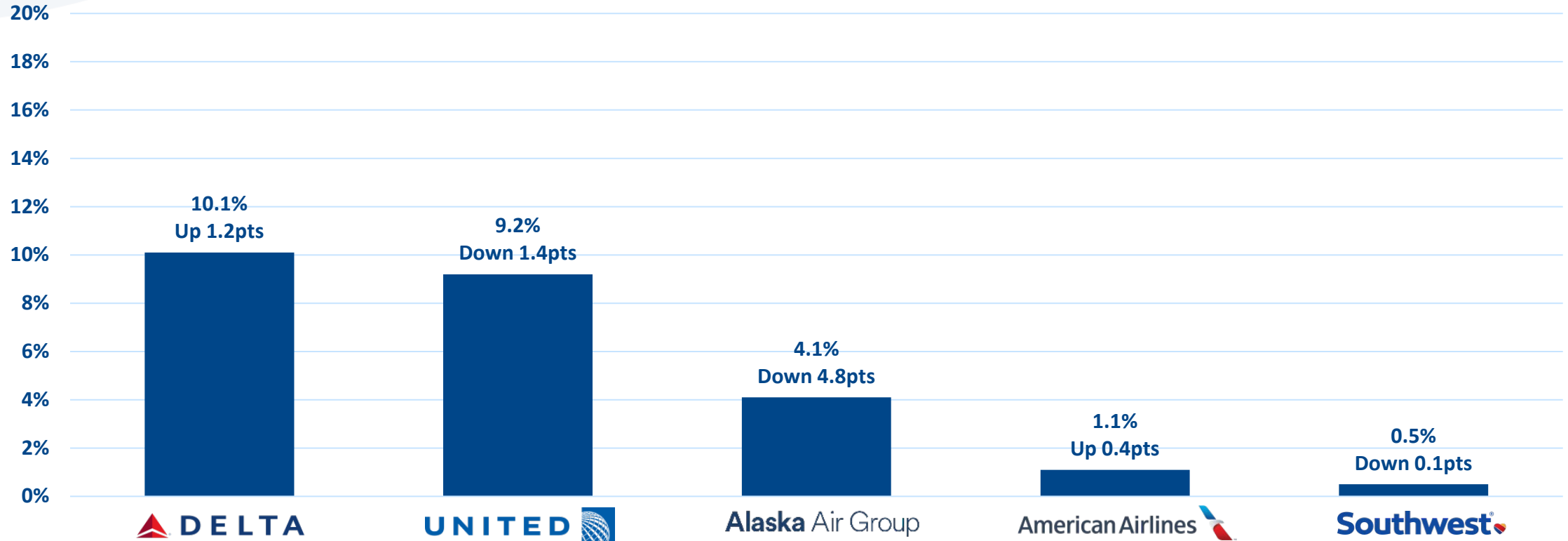
Note: all figures exclude special items; Allegiant figures include airline only and exclude SunSeeker;
Source: Airline quarterly earnings releases



U.S. Airline 3Q25 Earnings Summary

(Reported as of 10/24/25)

Q3 2025 Operating Margin & YoY Change:



Note: GAAP standards excluding special items; Allegiant figures include airline only and exclude SunSeeker;
Source: Airline quarterly earnings releases



- Scott Kirby (UA) commented on Spirit's bankruptcy and ultra-low-cost flying "...a fundamentally broken business model, and the consumer has voted. They are going out of business because customers do not like their product."
- 2025-26: Added nine new domestic routes and four new international routes from Denver. Also added one route from Eagle CO (IAD), and Gunnison (ORD)
- Starting deploying Starlink Wi-Fi to narrowbody aircraft for higher speed inflight connectivity

Colorado's Airlines Making Moves



- Continuing their transformational plan adapting to market demands and appealing to "premium" customers including ending the "bags fly free" policy, assigned seating starting Jan 2026, and adding "extra legroom".
- Expanded international airline partnerships with agreements with Icelandair, China Airlines, and EVA Air.
- Considering widebody aircraft for long-haul int'l routes and premium airport lounges, though a narrow-body long-haul equipment (similar to their 737 MAX) would be more risk tolerant as part of their continued transformation.
- Adding new routes from Colorado including Denver to Anchorage, Santa Rosa, Knoxville, Destin/Ft. Walton Beach and Montrose to Nashville



- Aug-Sep – Announced new routes including Denver to Corpus Christi, New York JFK, Richmond VA, Tulsa
- Relaunched their All-You-Can-Fly annual pass "GoWild!"
- Unveiled \$69 Elite Gold Status Offer to attract potential new customers from competing frequent flyer programs – Southwest, JetBlue, Alaska, or Spirit. Offering benefits such as free carry-on bag, complimentary upgrades, free seat assignments, and priority boarding.
- Introducing Premium Cabin

Questions?

