



Airlines for America[®]

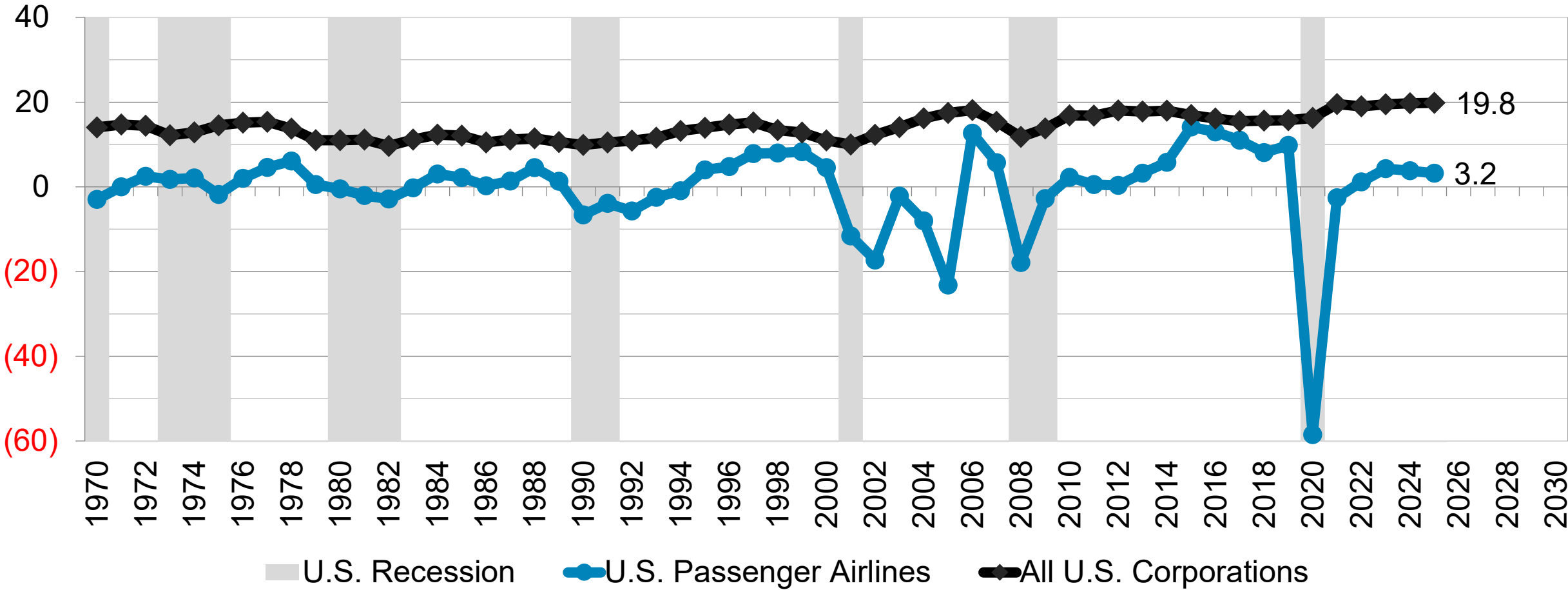
We Connect the World

What the Fuel???

John Heimlich, VP & Chief Economist
Presentation to ACH Annual Conference
May 13, 2026

Even in Best Years, Airline Profitability Lags the U.S. Corporate Average

Pre-Tax Profit Margin (%) Gap Was Narrowest in 2015



Source: ATA Annual Reports (1970-1976), A4A Passenger Airline Cost Index (1977-present); Bureau of Economic Analysis

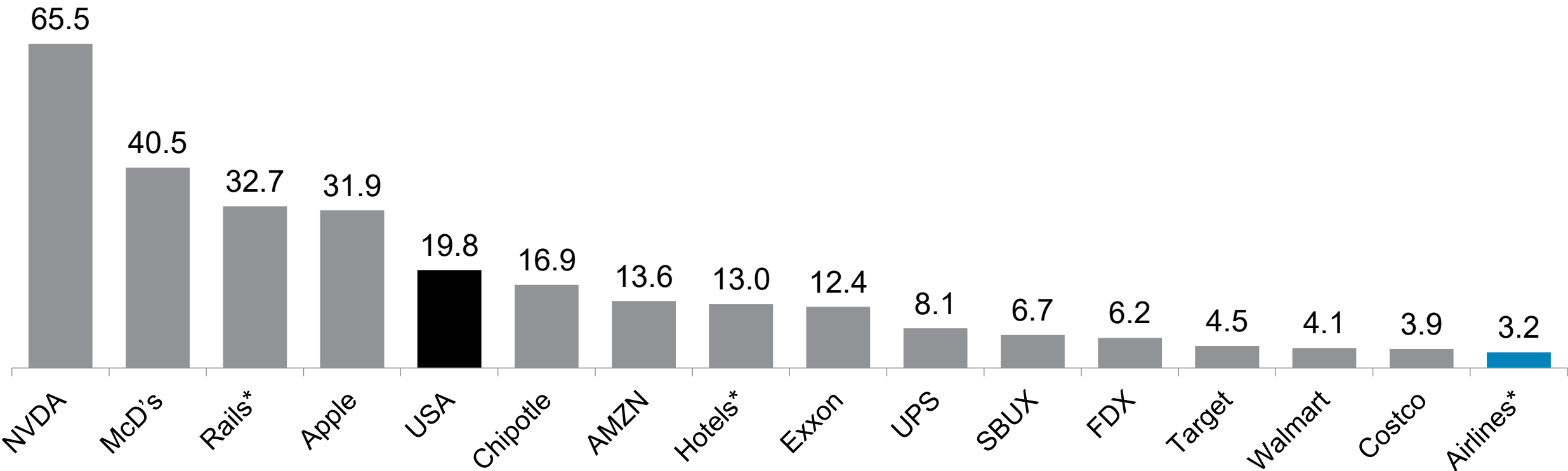
Note: Years with at least two months in recession highlighted in gray

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

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

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

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

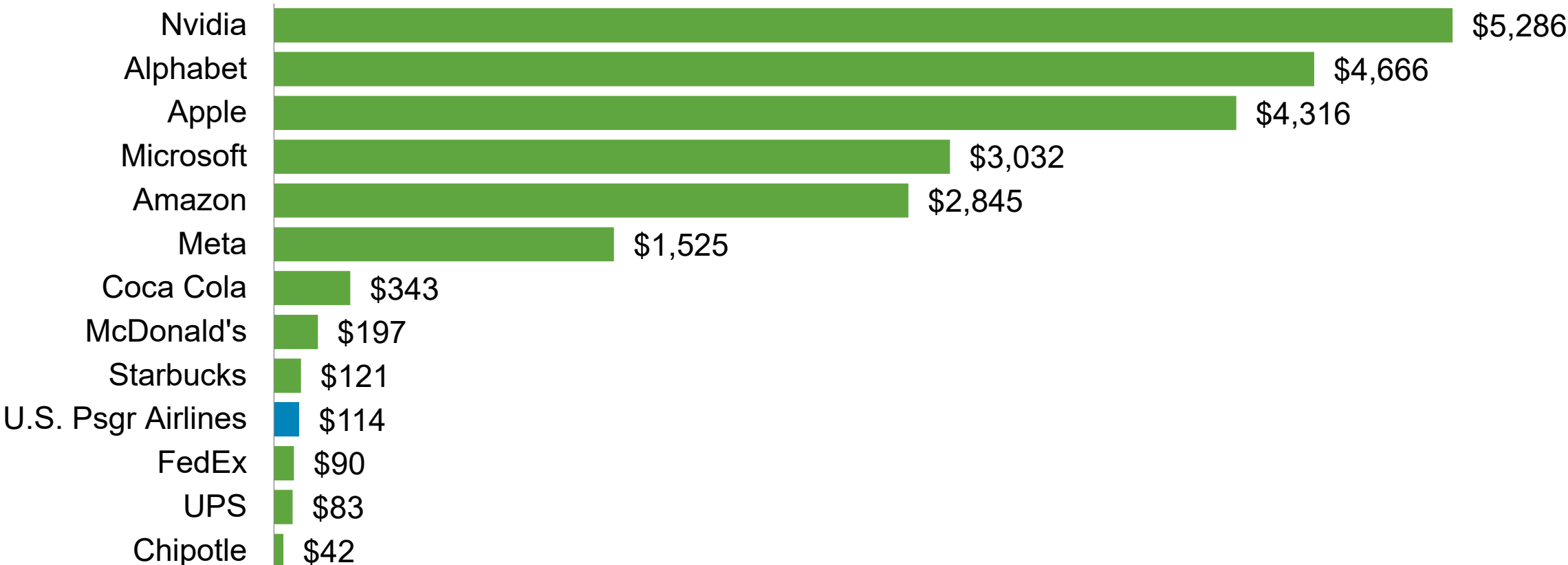


Sources: A4A, Bureau of Economic Analysis and company SEC filings

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

Nvidia Is Worth 46 Times the 10 Largest U.S. Passenger Airlines Combined
McDonald's Is Worth Double the 10 Largest U.S. Passenger Airlines Combined

Market Capitalization (Billions) for Selected U.S. Companies and Industries (May 12, 2026)



Sources: Refinitiv (via Microsoft Office)

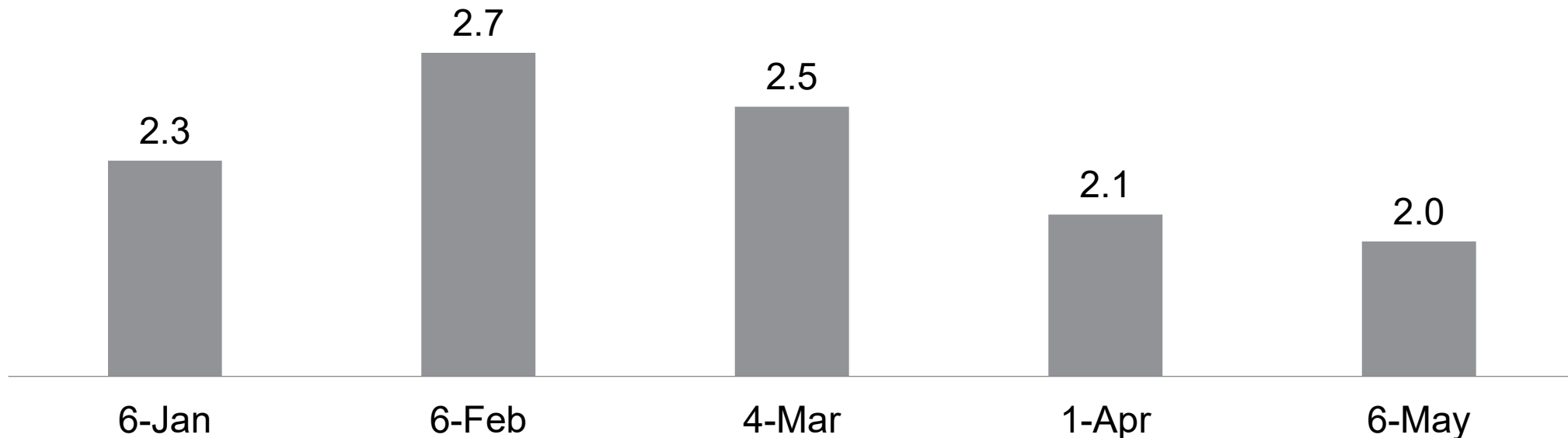
Note: Airlines = Alaska, Allegiant, American, Delta, Frontier, JetBlue, Southwest, Sun Country and United

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

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

“The most important development influencing this month’s forecast is our updated projection for oil prices... Even if the ceasefire holds indefinitely, we now expect supply to remain tight enough for long enough to keep oil prices well above the levels shown in last month’s forecast.” — S&P US Economic Outlook (May 2026)

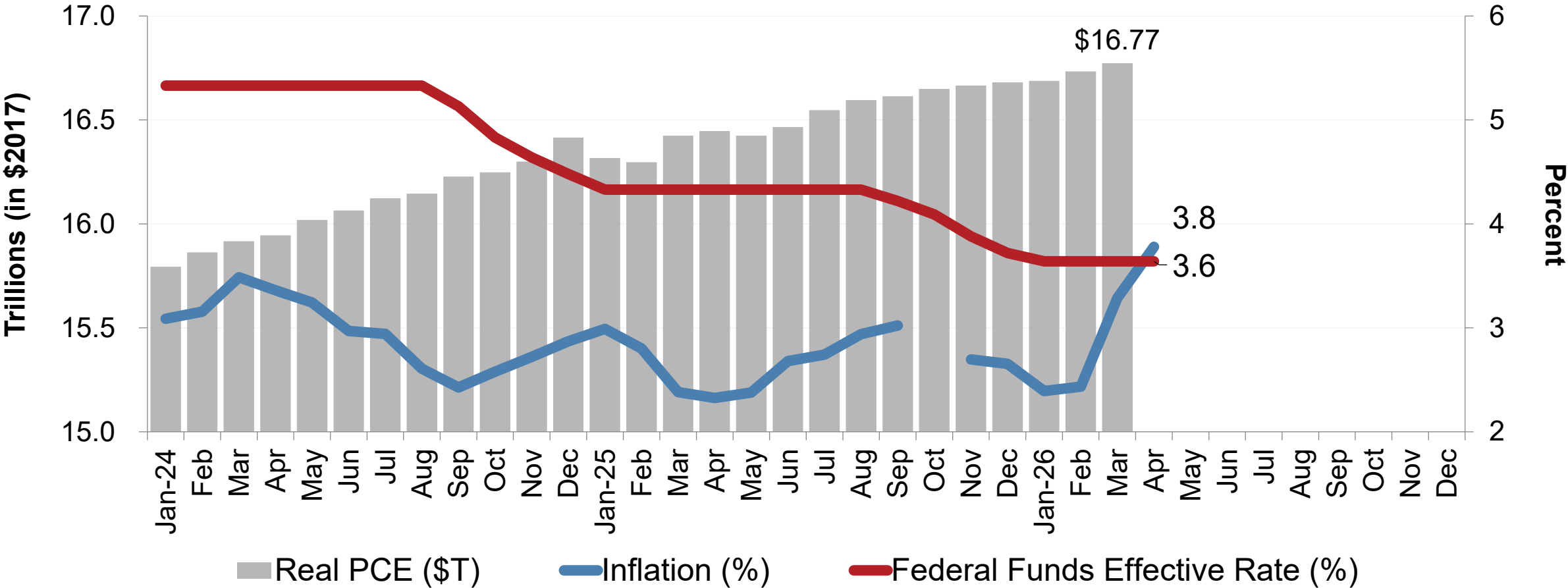
S&P Projected Real U.S. GDP Growth (%) for 2026 by Date of Forecast



Sources: U.S. Bureau of Economic Analysis (March 13, 2026), Standard & Poor's U.S. Economic Outlook (May 2026)

Real U.S. Consumer Spending Rose to Record Level in March, But Inflation Surged in April

Federal Funds Rate Held Steady



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

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

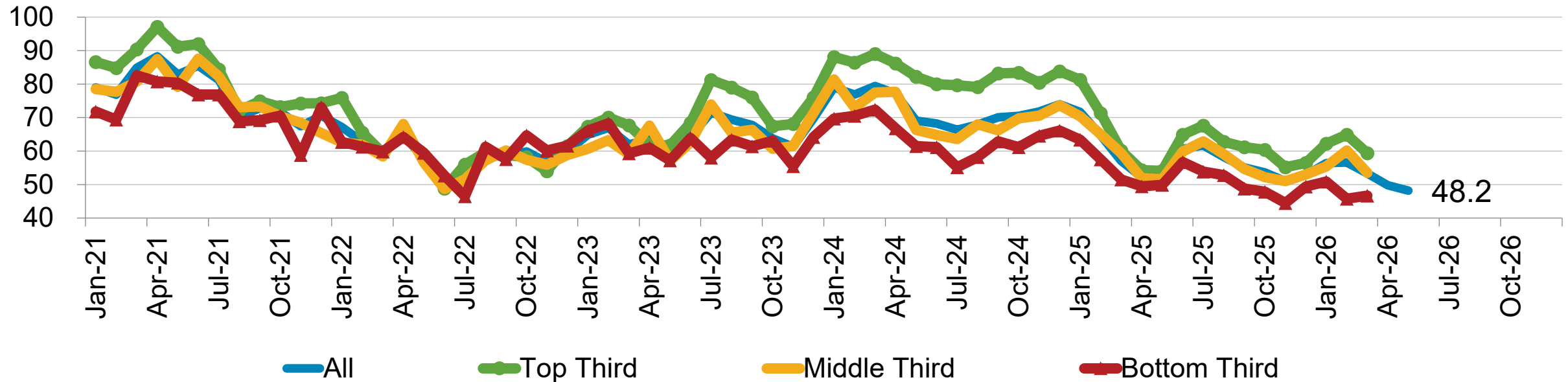
In Early May, U.S. Consumer Sentiment Fell to Its Lowest Level Since June 2022

Higher Levels of Sentiment Correlated With Higher Levels of Income

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

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

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

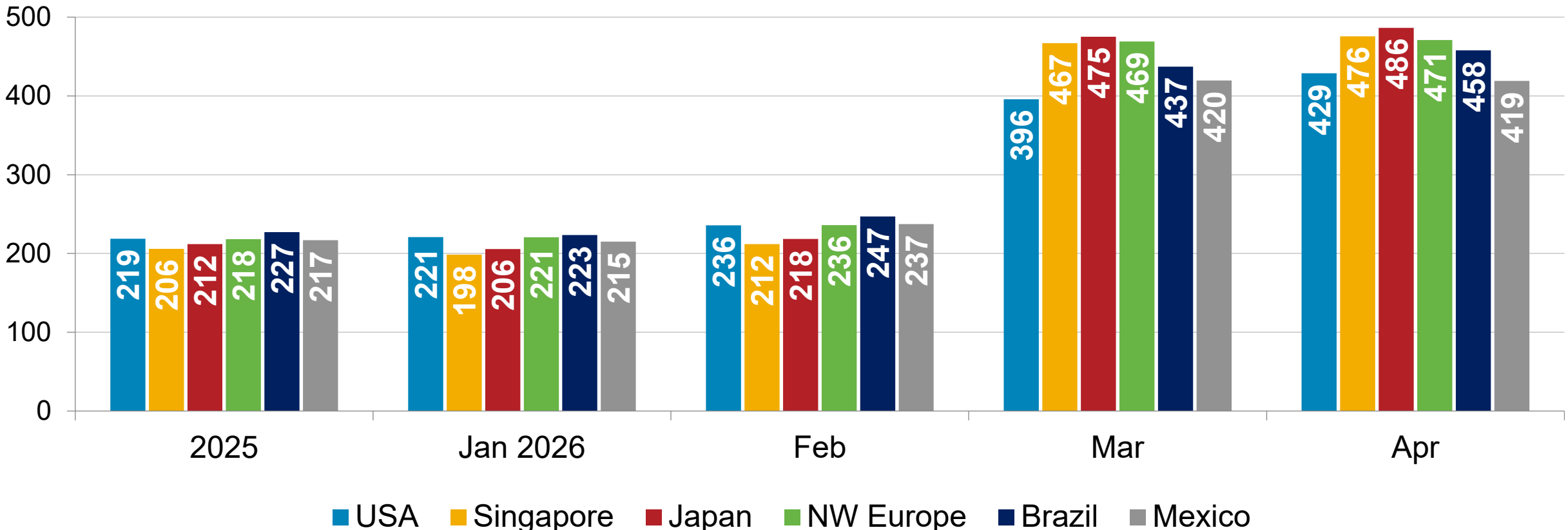


Sources: University of Michigan and <https://www.linkedin.com/pulse/affordability-squeeze-mark-zandi-xk7re/>

Jet Fuel Prices Surged in March/April, Driven by Supply Chain Disruption and Military Demand

Prices Are Especially High in Asia and Europe

Average Spot Price (Cents per Gallon) of Jet Fuel*



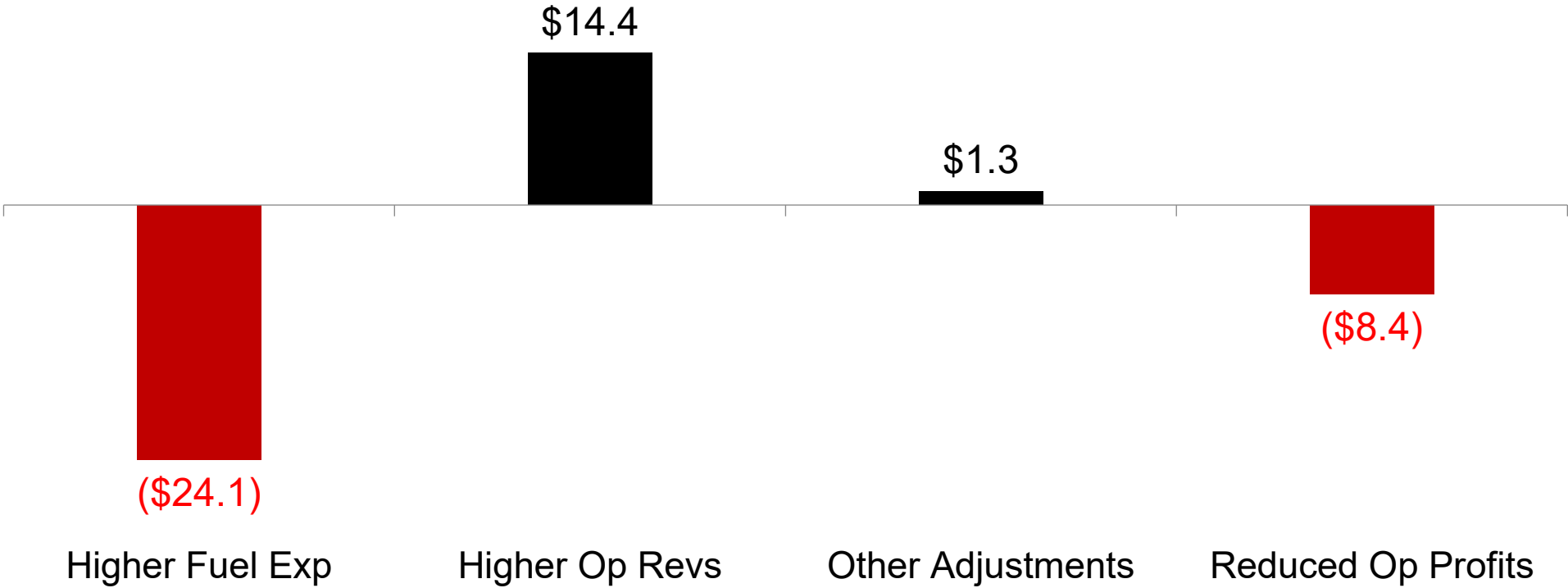
Sources: Argus Media

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

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

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

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

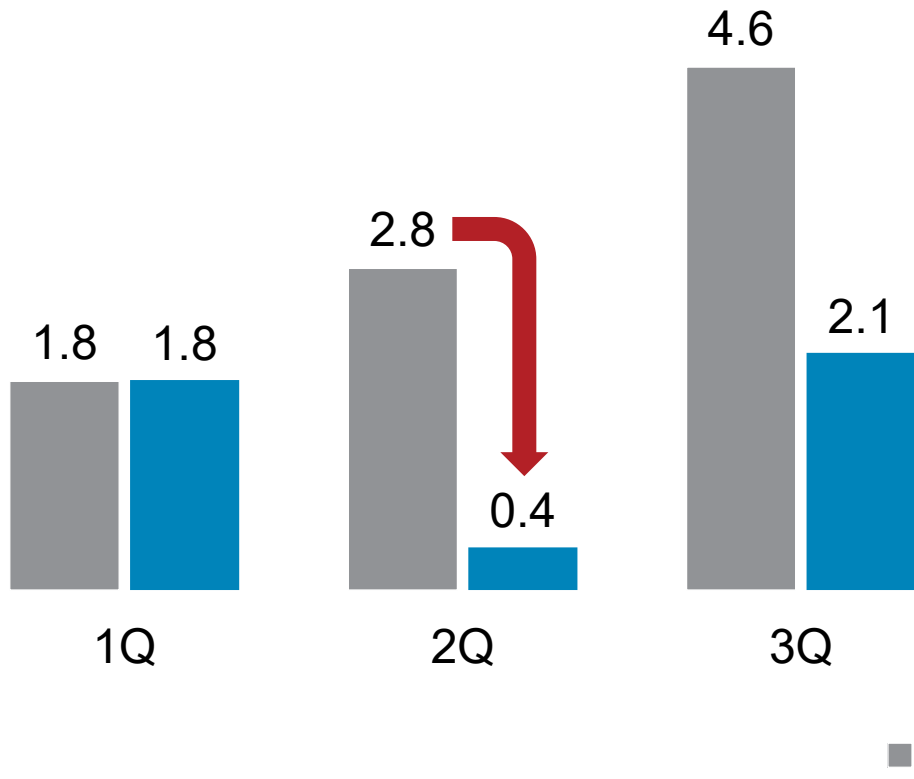


Source: Deutsche Bank Research, "Airlines: Mar Q '26 Preview/Jun Q '26 Outlook - A crude reality: airlines face \$40 billion fuel bill," (April 7, 2026)

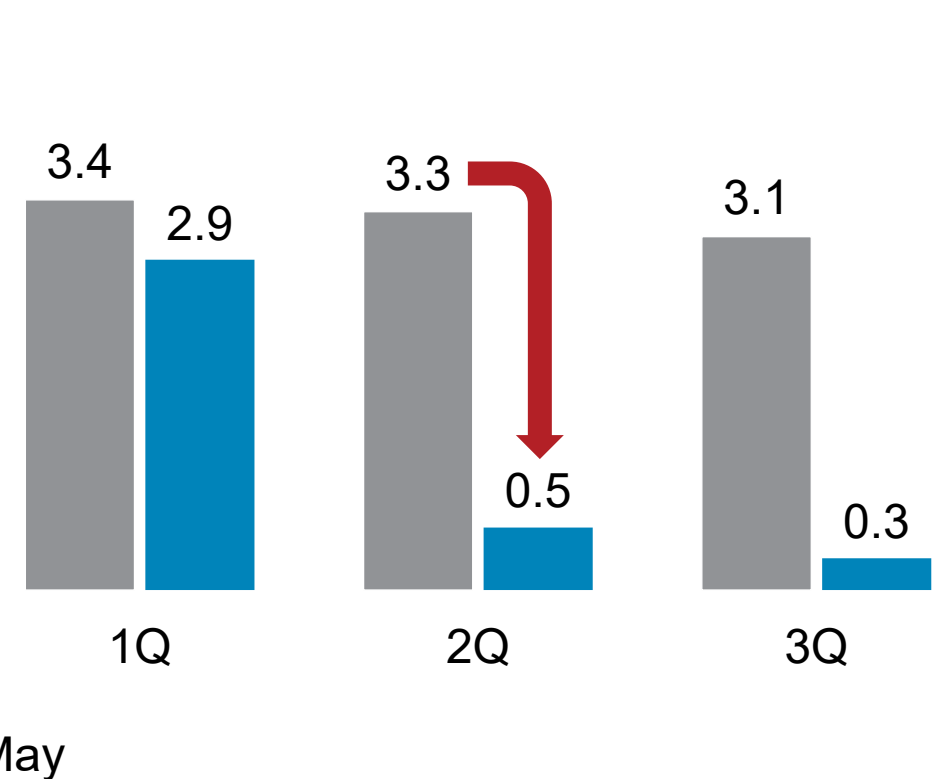
With Fuel Prices Surging in 2026, U.S. Airlines Have Pared 2Q and 3Q Capacity Growth

Reductions in International Flying Have Materially Outpaced Domestic Cutbacks

Scheduled U.S. Domestic Capacity*
% Change YOY



Scheduled U.S. International Capacity*
% Change YOY



Sources: Cirium published schedules for all airlines domestically and Alaska/American/Delta/Hawaiian/JetBlue/Southwest/United internationally

* Available seat miles (ASMs)

“The airline industry is highly competitive. The principal competitive factors in the airline industry include fare pricing, total price, flight schedules, aircraft type, passenger amenities, number of routes and frequency served from a city, customer service, safety record and reputation, code-sharing relationships, loyalty programs, and redemption opportunities.”

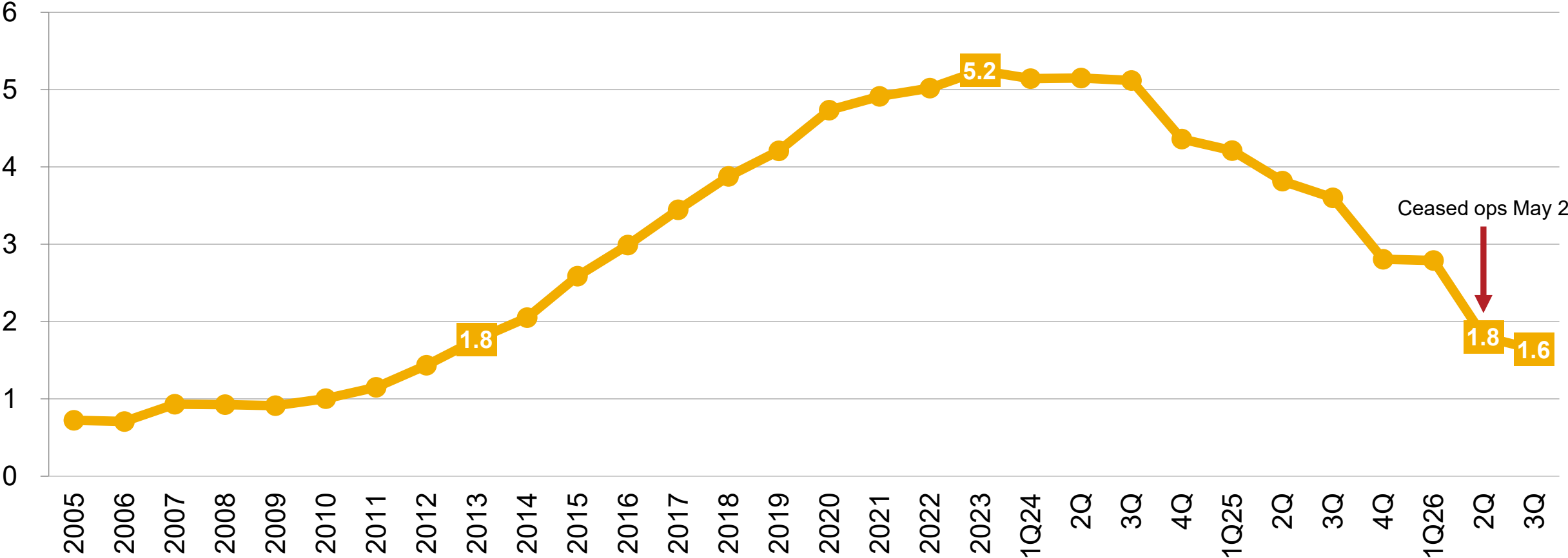
Fred Cromer, Executive VP and CFO of Spirit Aviation Holdings, Inc. (Aug. 31, 2025)

Source: Declaration of Fred Cromer in Support of the Chapter 11 Proceedings and First Day Pleadings” (Aug. 31, 2025)

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

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

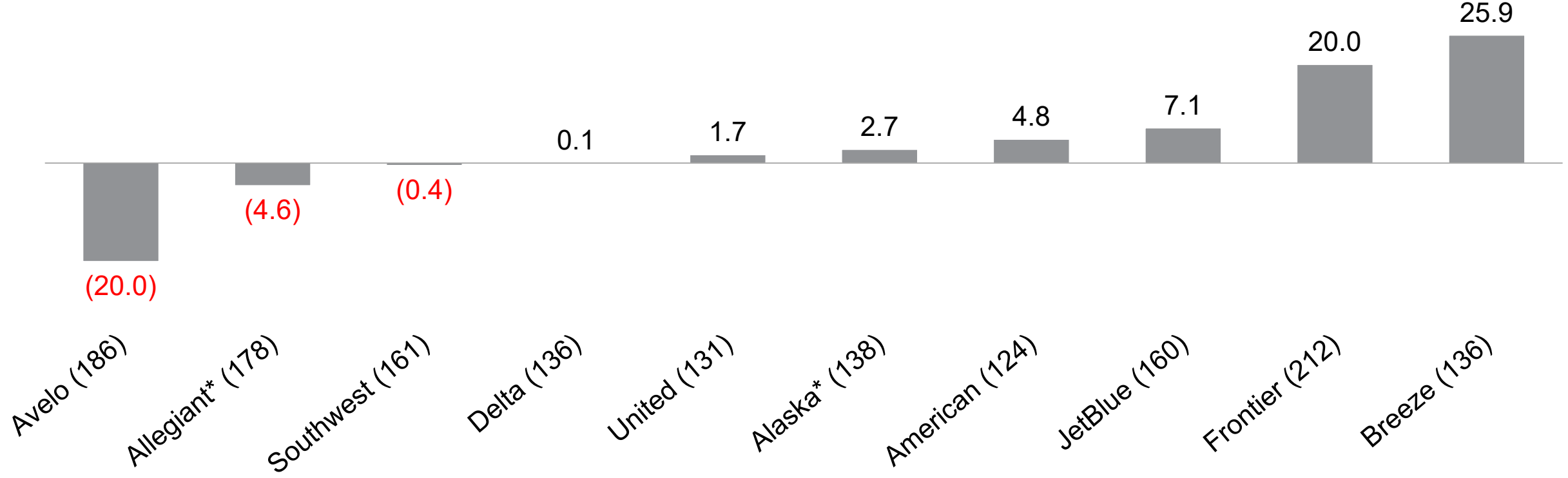
Spirit's Share (%) of Domestic U.S. Capacity (Scheduled Available Seat Miles)



Source: Cirium published schedules (May 1, 2026)

Summer 2026: Frontier Growing 20% YOY; Breeze (26%) and JetBlue (7%) Also Up Materially
Avelo to Shrink 20%; Allegiant and Southwest Also Contracting

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



Average Seats per Systemwide Departure in Parentheses

Source: Cirium published schedules (May 8, 2026) for selected marketing airlines (including regional affiliates)

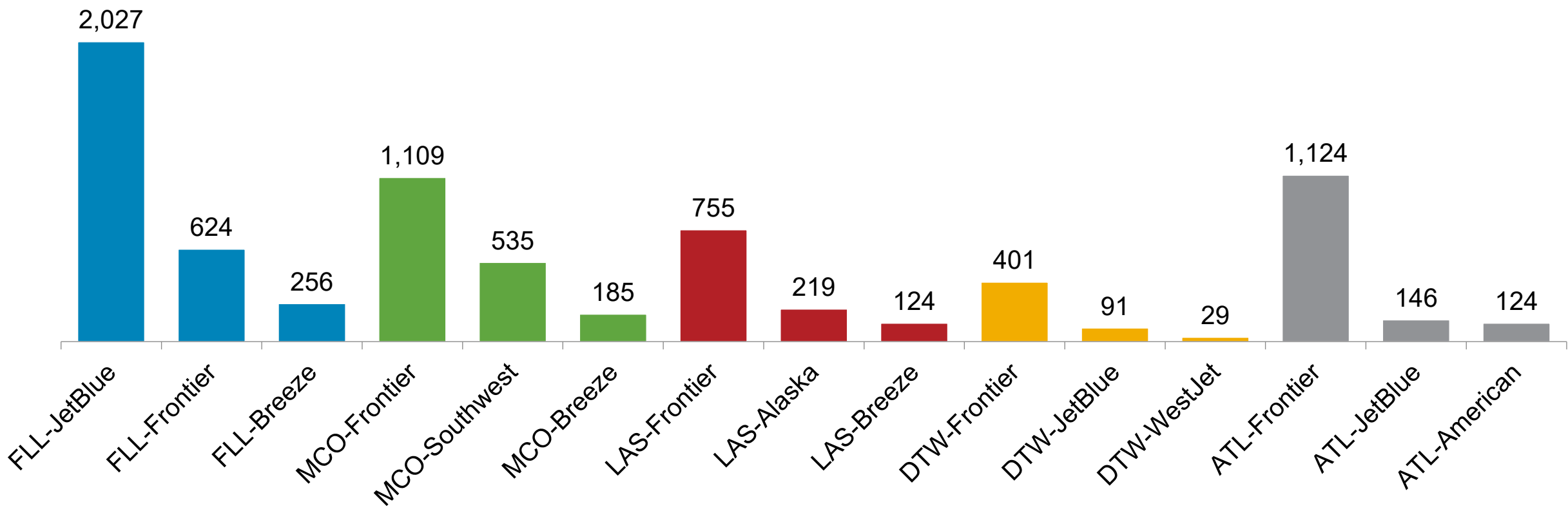
* Alaska includes Hawaiian operations; Allegiant includes Sun Country operations

Breeze/Frontier/JetBlue/Others Have Moved Quickly to Add Seats at Spirit's Largest Locations

JetBlue Up > 2,000 Daily Seats Departing FLL; Frontier Up > 1,100 Seats in Atlanta and Orlando

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

Spirit's Top Five Airports (by Seats) in July 2025: Fort Lauderdale, Orlando, Las Vegas, Detroit, Atlanta

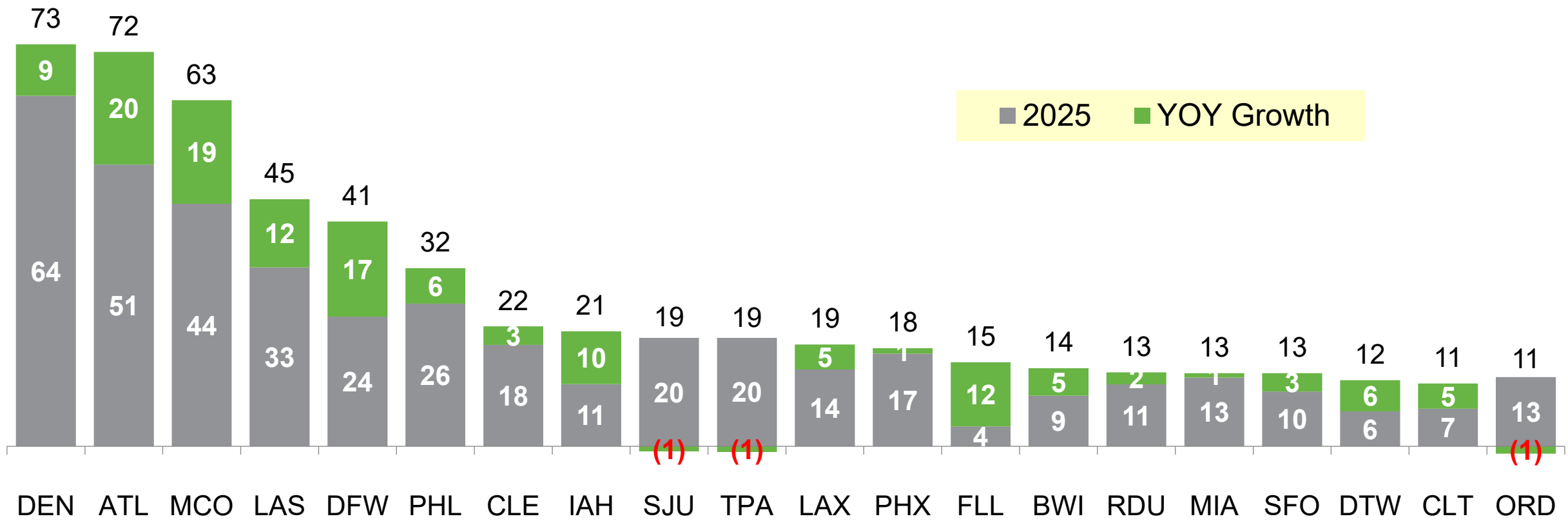


Source: Cirium published schedules (May 8, 2026)

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

Double-Digit Departure Growth YOY at ATL (20), MCO (19), DFW (17), LAS/FLL (12), IAH (10)

Frontier's Largest Airports by Daily Average Scheduled Flights in Jun-Aug 2026

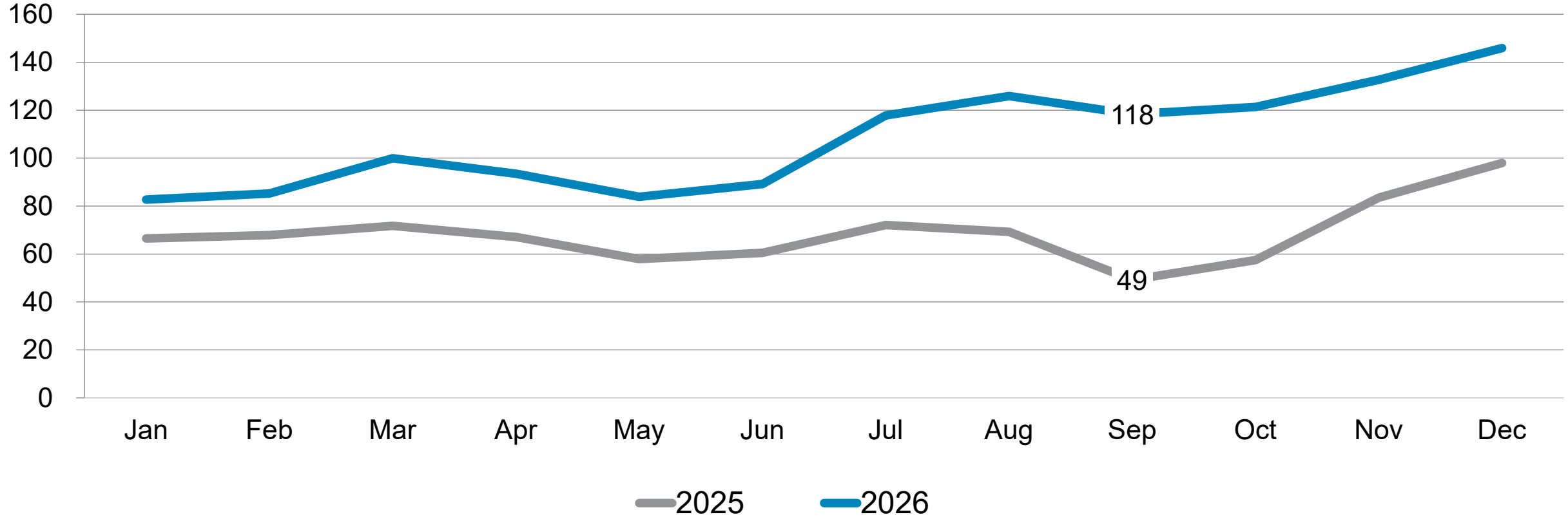


Source: Cirium published schedules (May 8, 2026)

JetBlue Is Accelerating Its Growth in Fort Lauderdale

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

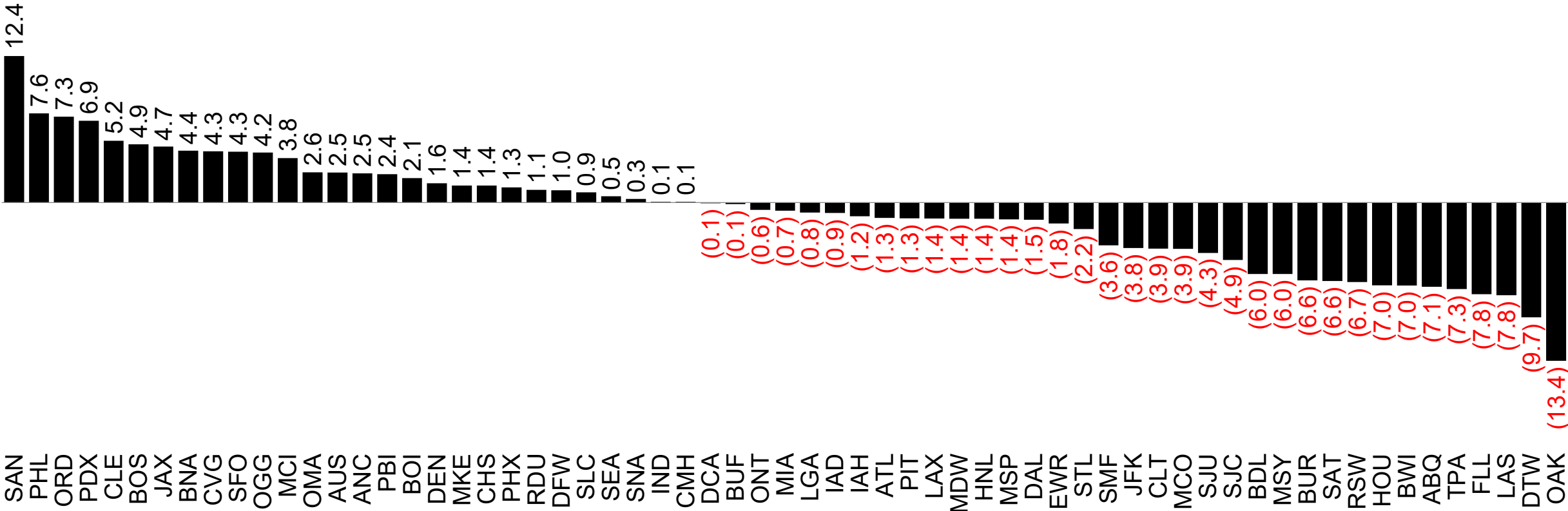
JetBlue Airways: Daily Average Scheduled Flights Departing FLL



Source: Cirium published schedules (May 8, 2026)

Summer 2026: Published Schedules Show San Diego Gaining the Most Seats Year-Over-Year Oakland Seeing the Deepest Year-Over-Year Cuts

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



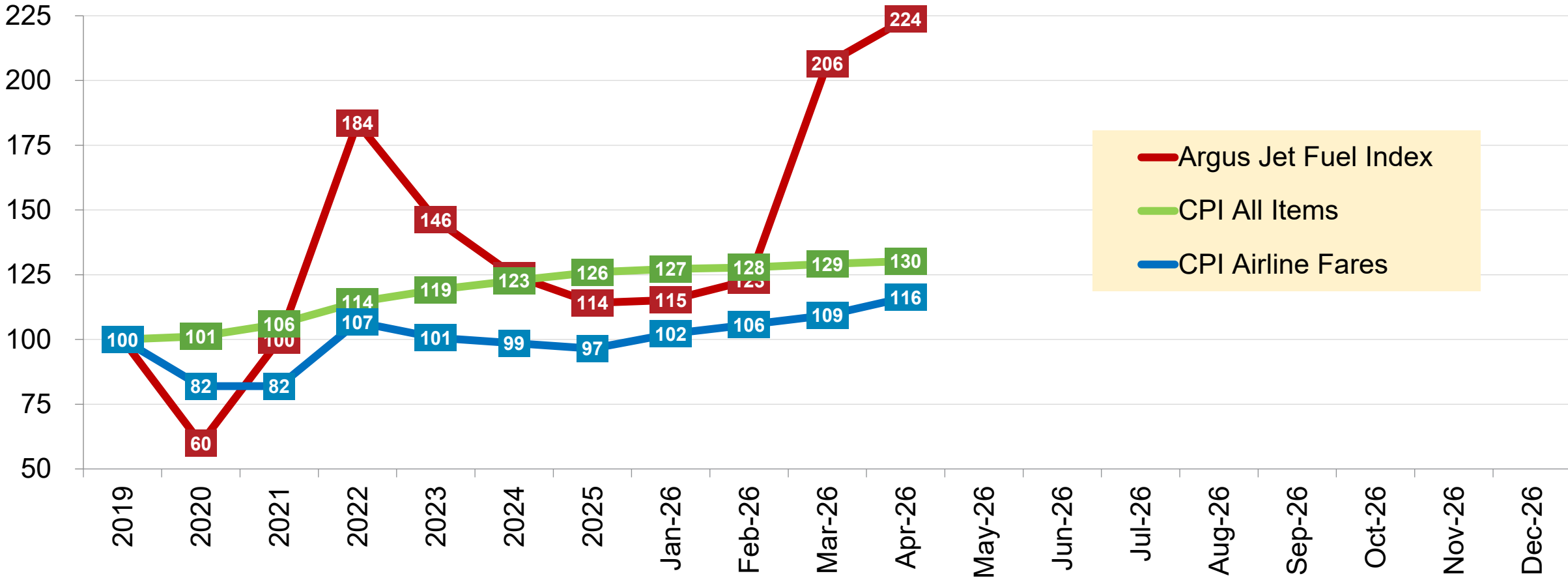
Source: Cirium published schedules (May 8, 2026)

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

From January to April 2026, the Jet Fuel Prices Rose 7x More Than the CPI for Airline Fares

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

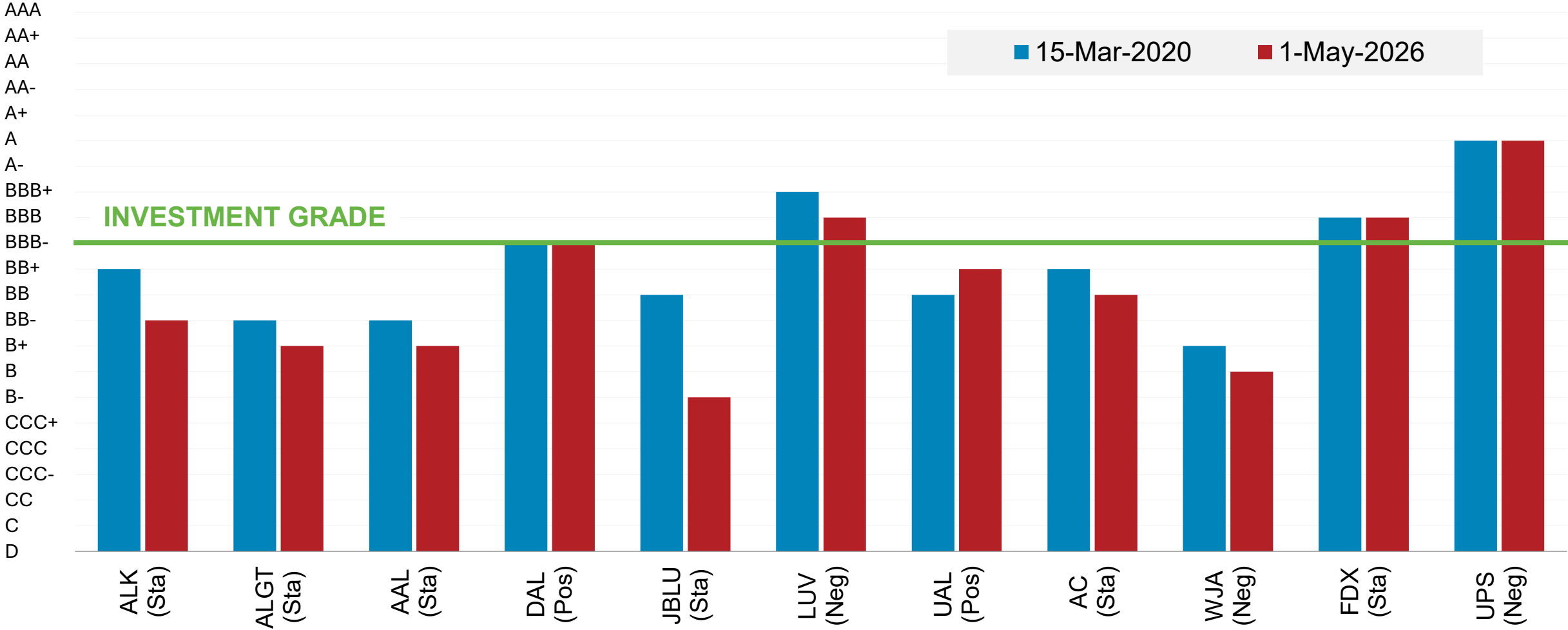
U.S. Consumer Price Index and Airline Fares* CPI vs. U.S. Jet Fuel (Index: 2019 = 100)



Source: Bureau of Labor Statistics and Argus Jet Fuel Index™

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

Ratings Reflect Assessment of Financial Condition and Risk



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

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



Airlines for America[®]

We Connect the World