Economic and Financial Analysis Committee

Industry Financials

3rd Quarter 2025

Industry Scorecard

3Q 2025 (with comparisons to 3Q 2024)

3Q25	Key Financial Metrics (non-GAAP) - 3Q25					Unit Level Metrics (non-GAAP) - 3Q25 (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	15,197	1,695	11.2%	1,120	7.4%	2.0%	3.8%	0.3%	0.4%	$2.25
United	15,225	1,322	8.7%	909	6.0%	6.1%	7.2%	(4.3%)	(0.9%)	$2.43
American	13,691	158	1.2%	(111)	(0.8%)	1.6%	2.3%	(1.9%)	3.9%	$2.37
Southwest	6,949	42	0.6%	58	0.8%	(1.0%)	0.8%	0.4%	2.5%	$2.40
Alaska	3,766	210	5.6%	123	3.3%	22.2%	23.2%	(0.5%)	10.5%	$2.51
jetBlue	2,322	(95)	(4.1%)	(144)	(6.2%)	(0.8%)	0.9%	(2.7%)	3.8%	$2.49
Frontier	886	(77)	(8.7%)	(77)	(8.7%)	(0.5%)	(3.8%)	(1.5%)	9.3%	$2.54
Allegiant[4]	553	(17)	(3.1%)	(30)	(5.3%)	8.7%	10.2%	(8.4%)	(4.7%)	$2.56
Sun Country[5]	256	12	4.9%	4	1.4%	(9.6%)	(10.2%)	3.5%	5.2%	$2.55
Total	58,844	3,250	5.5%	1,852	3.1%					

Delta and United combined for 110% of industry net profits

[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

Nine months 2025 (with comparisons to 9m 2024)

9m25	Key Financial Metrics (non-GAAP) - 9m25					Unit Level Metrics (non-GAAP) - 9m25 (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	43,682	4,334	9.9%	2,788	6.4%	2.1%	4.0%	(1.3%)	1.9%	$2.31
United	43,673	3,594	8.2%	2,477	5.7%	4.8%	6.0%	(2.7%)	0.5%	$2.43
American	40,634	1,140	2.8%	131	0.3%	0.3%	1.6%	(1.4%)	4.9%	$2.38
Southwest	20,621	159	0.8%	211	1.0%	(3.9%)	0.2%	0.1%	4.0%	$2.40
Alaska	10,607	440	4.1%	243	2.3%	29.8%	30.5%	(0.9%)	8.0%	$2.50
jetBlue	6,818	(239)	(3.5%)	(412)	(6.0%)	(2.6%)	(1.6%)	(1.0%)	5.9%	$2.48
Frontier	2,727	(198)	(7.3%)	(190)	(7.0%)	2.1%	(0.4%)	(1.3%)	12.4%	$2.48
Allegiant[4]	1,890	84	4.4%	44	2.3%	10.4%	13.7%	(9.1%)	(6.9%)	$2.53
Sun Country[5]	846	90	10.6%	51	6.1%	(4.6%)	(2.6%)	1.2%	6.3%	$2.55
Total	171,498	9,404	5.5%	5,343	3.1%					

[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

Third Quarter As Expected, Optimistic Into Year End

Third Quarter Synopsis

- **Delta** and **United** continue to materially outpace the rest of the industry**. Alaska, Southwest,** and **Sun Country** managed small profits, every other carrier lost money despite record third quarter revenues for many carriers.
- Premium/Loyalty/Corporate revenues were strong, once again. (**Alaska** +5% YoY increase in premium, **United** +9% YoY loyalty revenues).
- Higher costs and soft yields still a factor. (**Alaska, American, Southwest** all record revenues but either lost money or very thin profits)
- ULCC's continue to be under pressure, with **Allegiant** and **Frontier** reporting losses and Spirit filing a second bankruptcy.
- Capacity moderation and stable to increasing demand after July helped to offset headwinds in some cases.

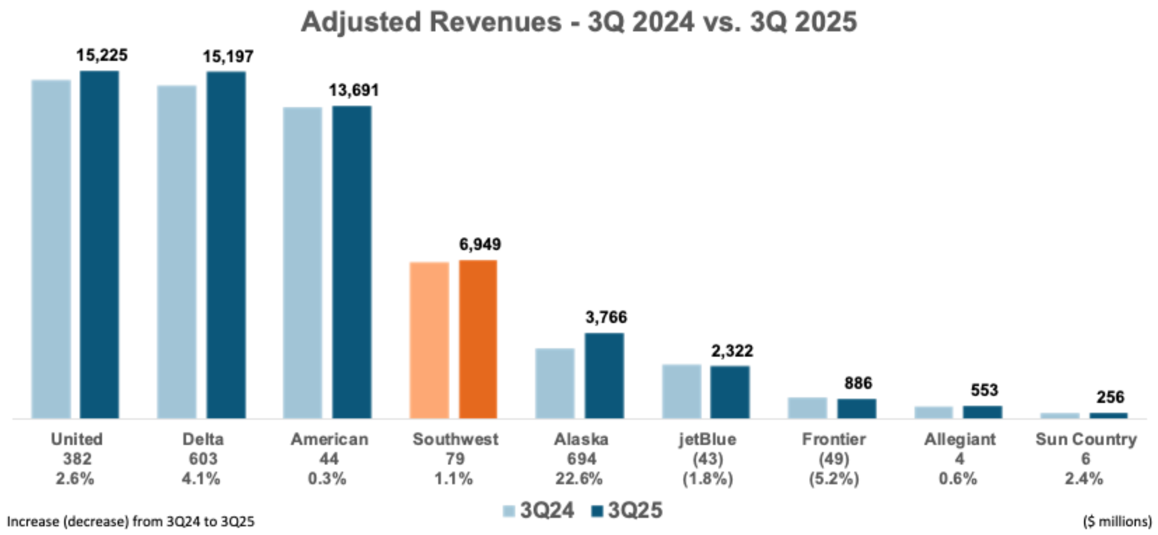
Fourth Quarter Forecast

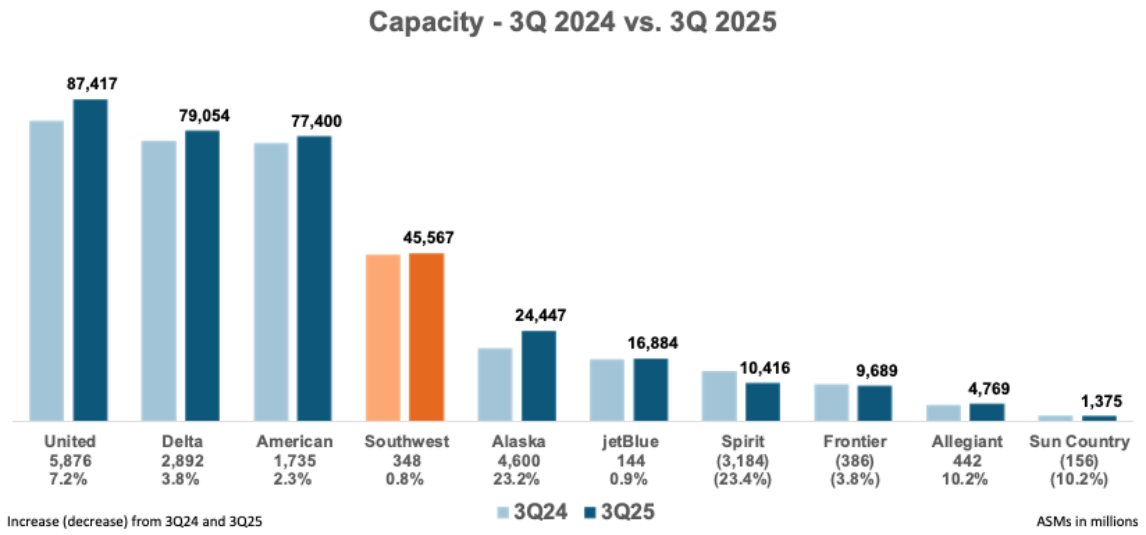
- Virtually every airline has guided to improvement in 4th quarter, with most expecting to post a profit.
- Capacity will grow markedly, year-over-year but restrained compared to previous years.
- Macro risks still abound: Effects of government shutdown, volatile West Coast fuel prices, consumer confidence, inflationary pressures.
- Domestic market continues to be price sensitive, pressuring leisure demand other than holiday periods.
- International travel expected to outperform, as former peak summer travel periods (June, July) have become more balanced throughout the year. (**Delta, United** forecasting strong 4th quarter demand for international)

Repeat of last quarter: Revenues grew less than capacity

3Q25 revenues were up ~1.8%* over 3Q24…

… while capacity grew ~2.1*%

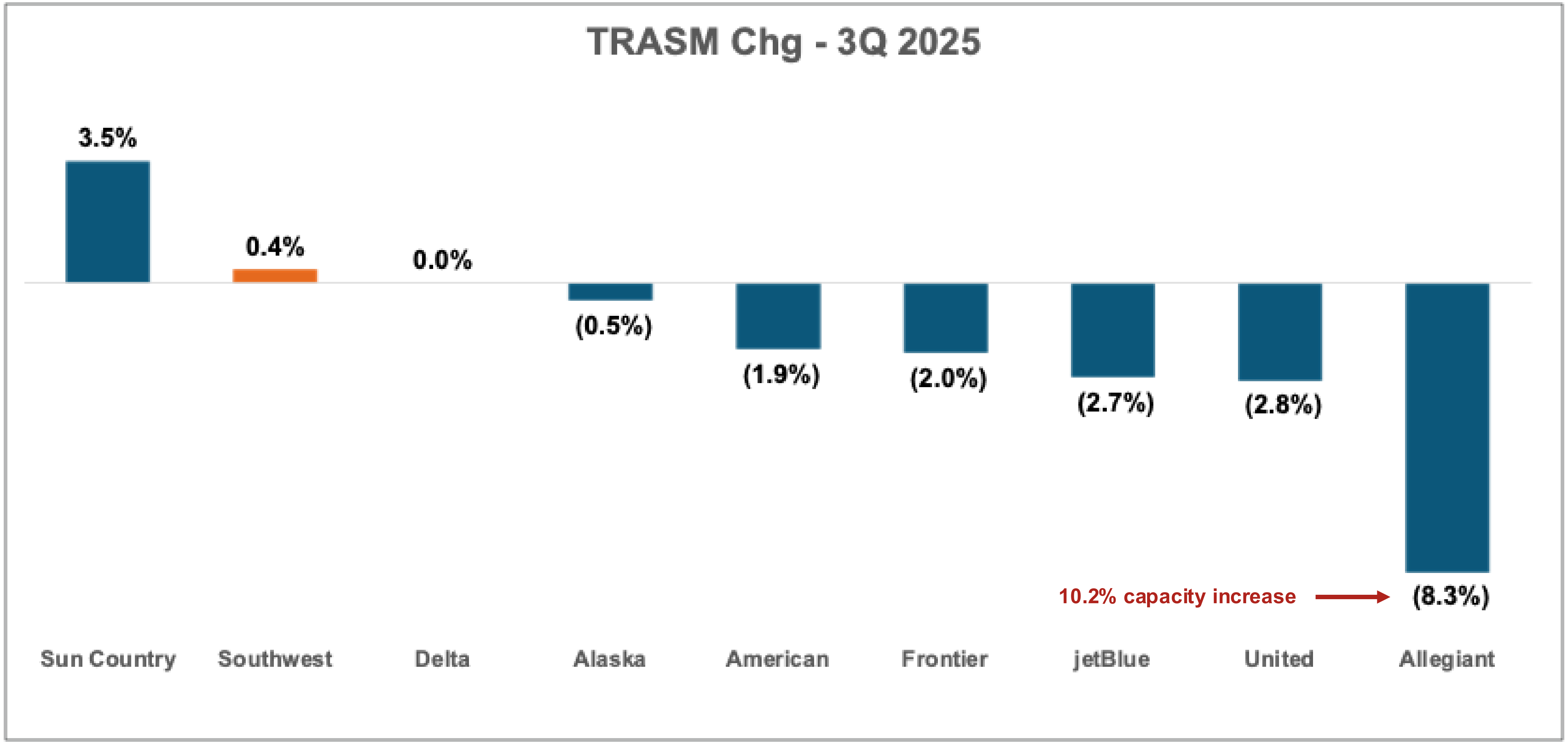




*ALK closed with HA on 18 Sep 24. HA's 3Q24 revenues and capacity are estimated and are included in the y/y comparison

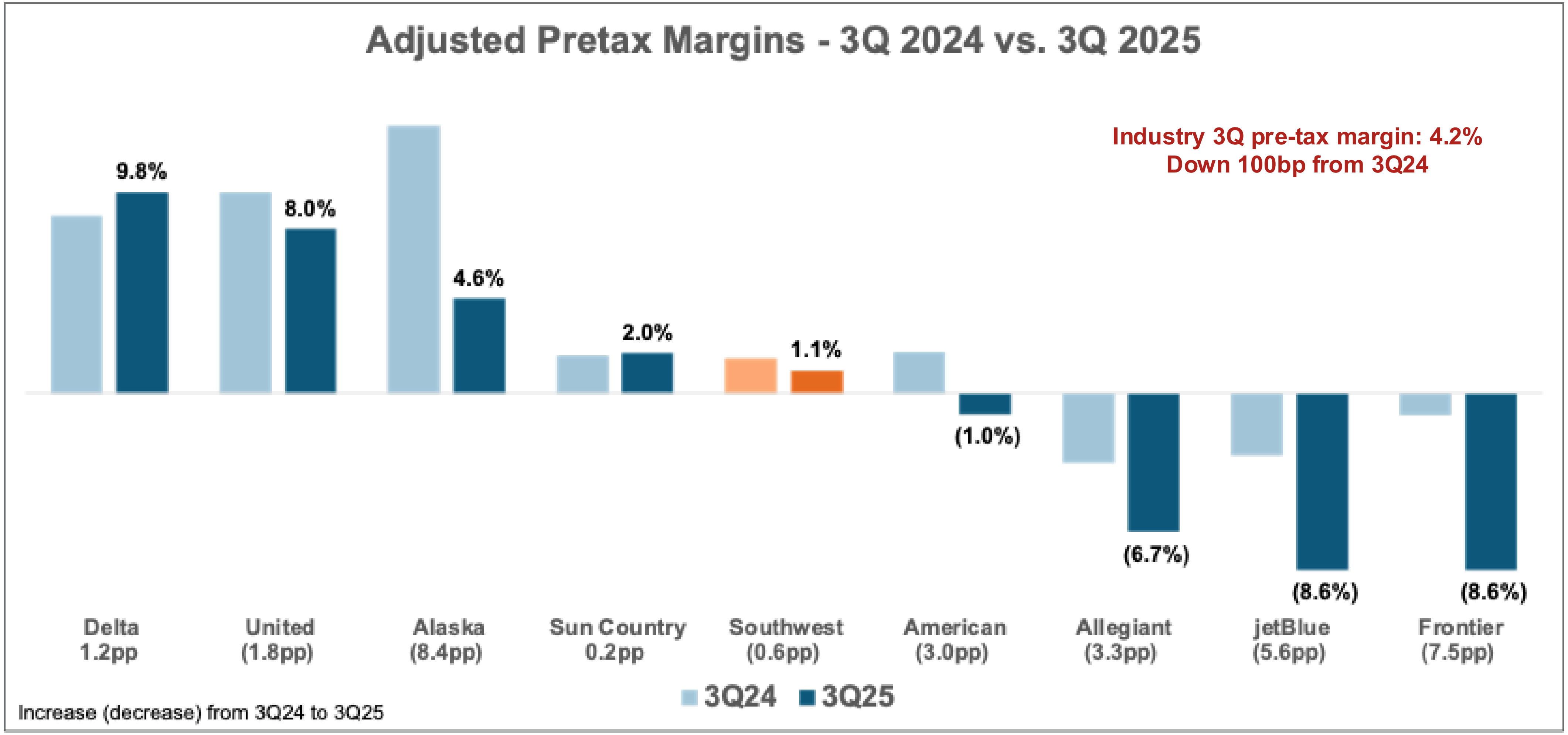
… so (again) industry RASM declined

Increased capacity correlated with lower RASM



3Q margins softened a bit

Weaker demand/pricing started in mid 1Q; continued into 2Q



Updated 4Q and FY 2025 Guidance

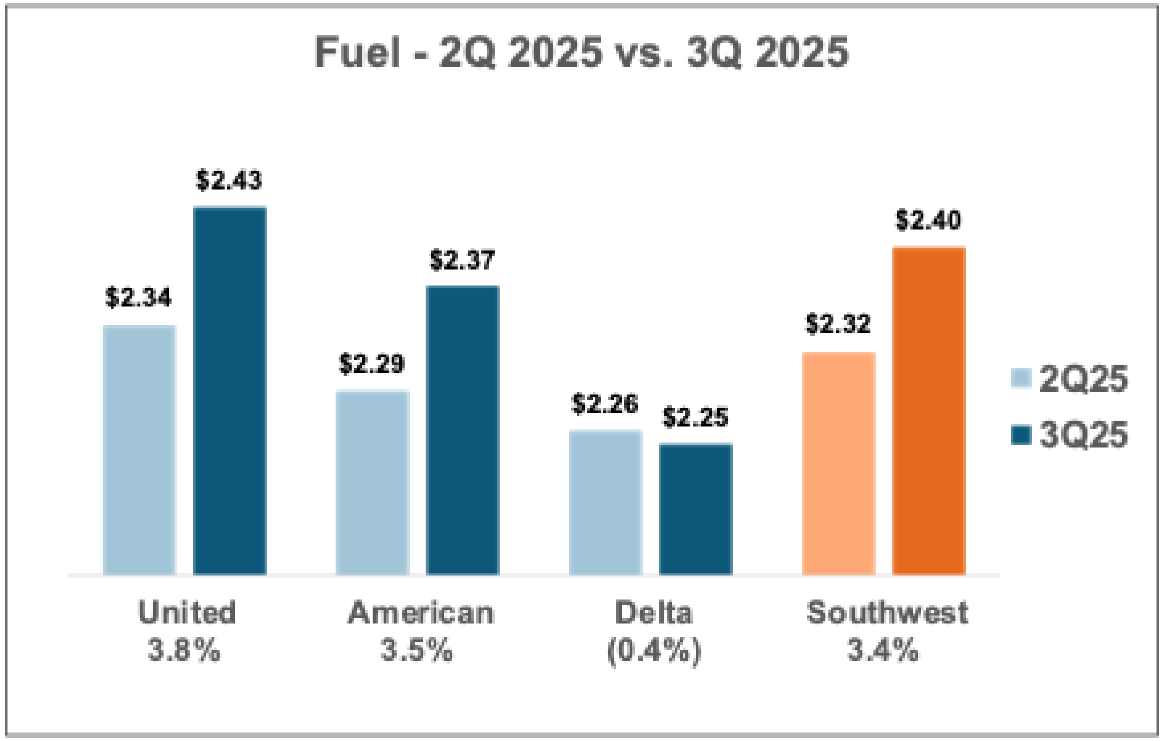
Carrier	4Q Guide	Updated FY25 Guide	Operating Margin
American	$0.45 - $0.75 EPS	$0.65 - $0.95 EPS	4Q Adj ~5%-7%
Delta	$1.60 - $1.90 EPS	$6.00 EPS	4Q Adj ~10.5%-12%
United	$3.00 - $3.50 EPS	$9.00 - $11.00 EPS	~
Southwest	Implied ~$0.65 - $0.95	EBIT from “initiatives”: $600M - $800M	~
Alaska	Implied ~$0.40+ EPS	Implied ~$2.40+	~
JetBlue	Implied ~$(0.37)	Implied ~$(1.50)	~
Frontier	$0.04 - $0.20 EPS	Implied $(0.63) - $(0.79)	~
Allegiant	$1.50 - $2.50 EPS	> $4.35 (airline)	4Q Adj ~10%-12%
Sun Country	None provided	None provided	4Q Adj ~5%-8%

Sources: Raymond James, company reports

Oil has been on a multi-year downward trend

WTI prices fall 16% since Jan 2025

Fuel ticked up sequentially from 2Q

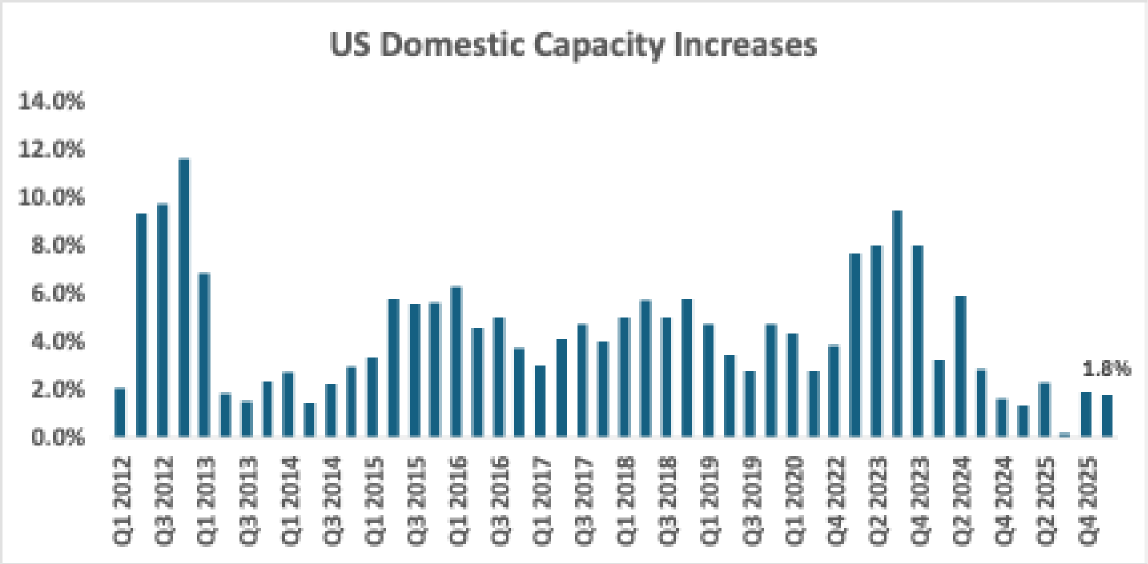


SWA 4Q estimate ~$2.25; could be pressured by high West Coast crack spreads

Industry domestic capacity control continues

Domestic capacity remains below GDP – should support higher pricing/2026 RASM gain

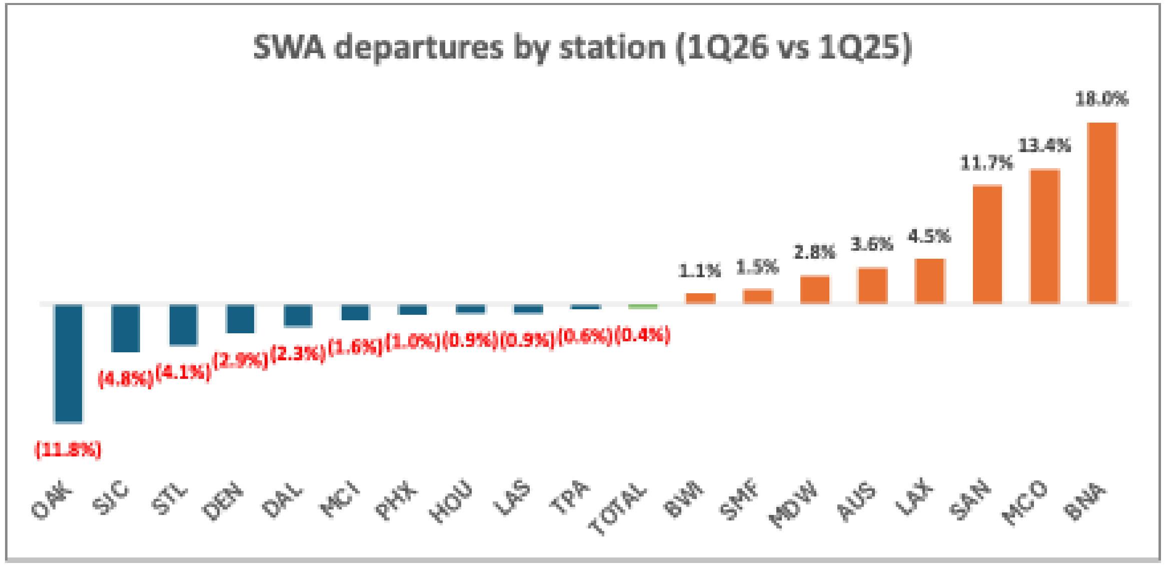
4Q growth only 1.9%; 1Q26 projects 1.8%



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

4Q: Big 3 +3.7%; SWA +5.7%; ULCCs cut 13.5%
1Q: Big 3 +5.1%, SWA +1.7%; ULCCs cut 17.1%

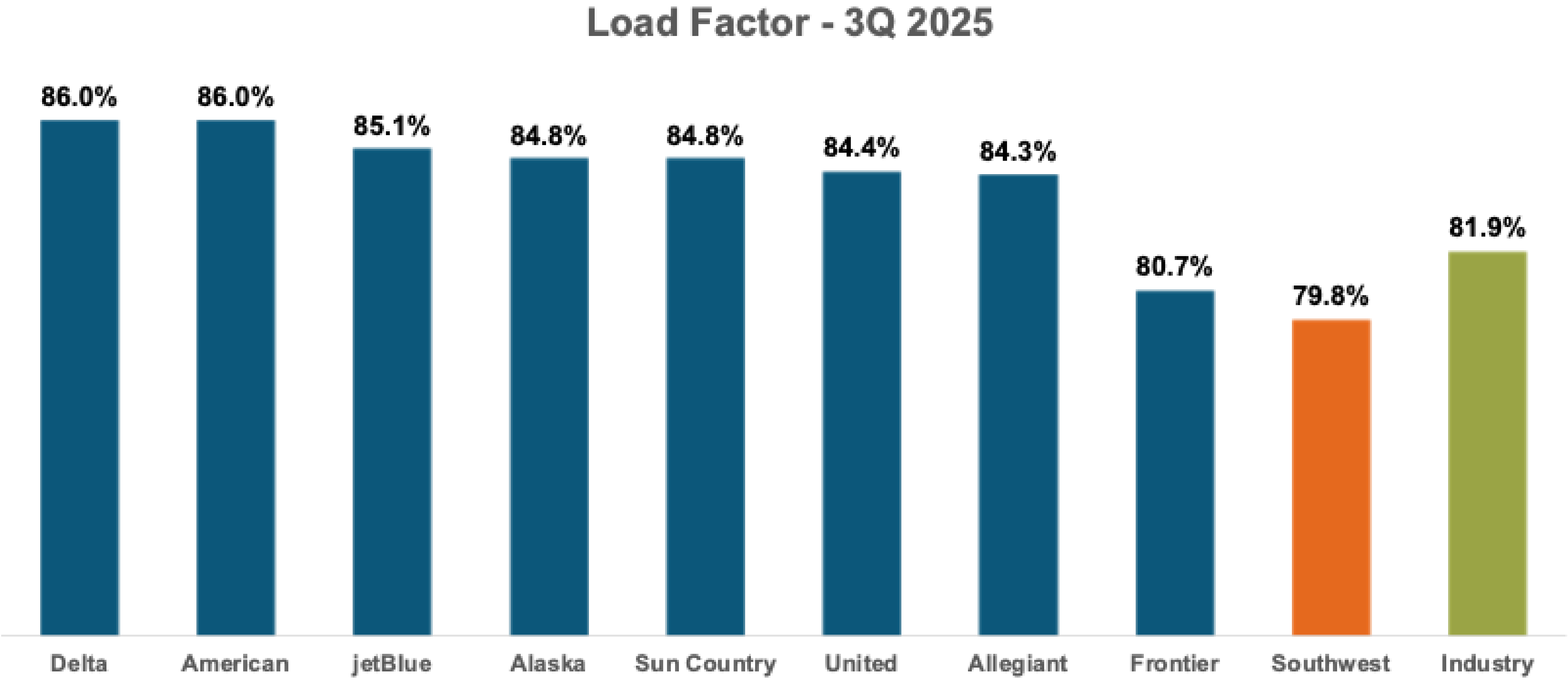
SWA flight activity will increase 0.4% in 1Q26



BNA, MCO, and SAN are stations seeing highest boost in 1Q departures

SWAPA

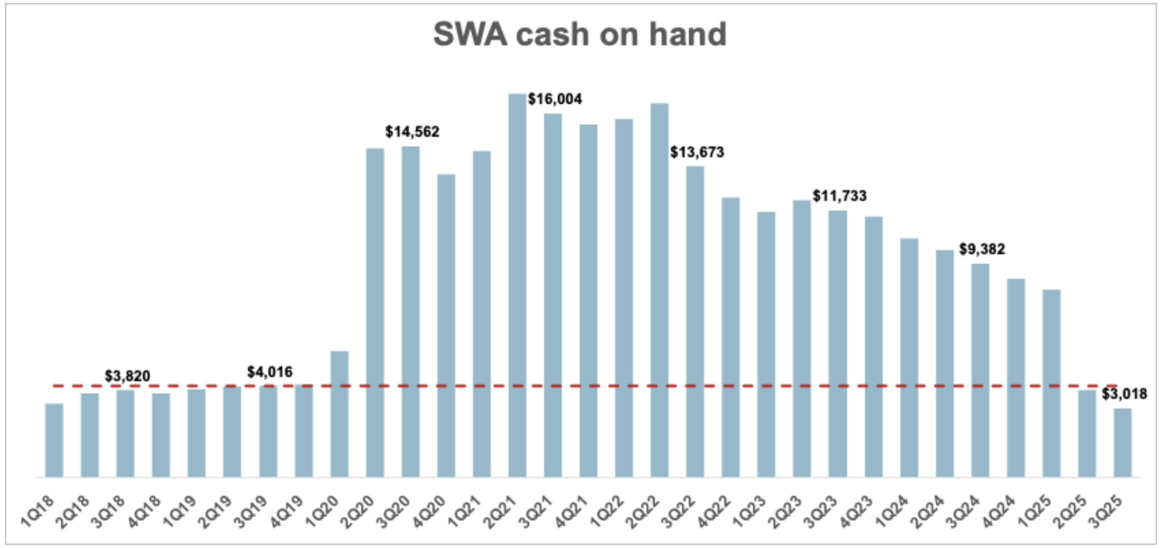
SWA still at the bottom of industry load factor



Sources: Diio.net, company reports

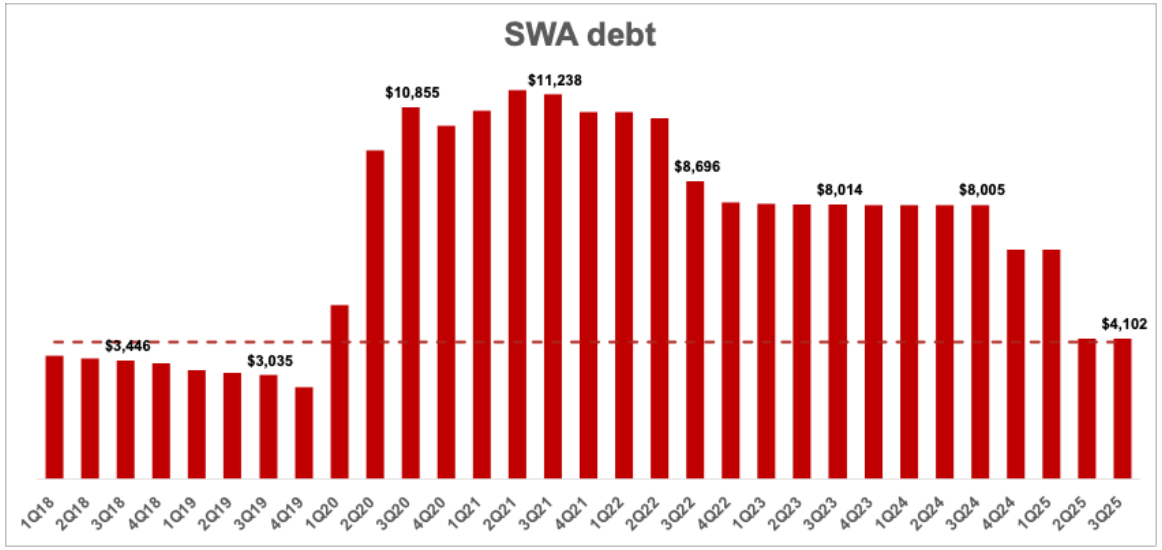
SWA's cash and debt profiles return to pre-2020 levels

Cash on hand slightly below at 2019 level



SWA 'liquidity' ~$4.5B including undrawn $1.5B revolver

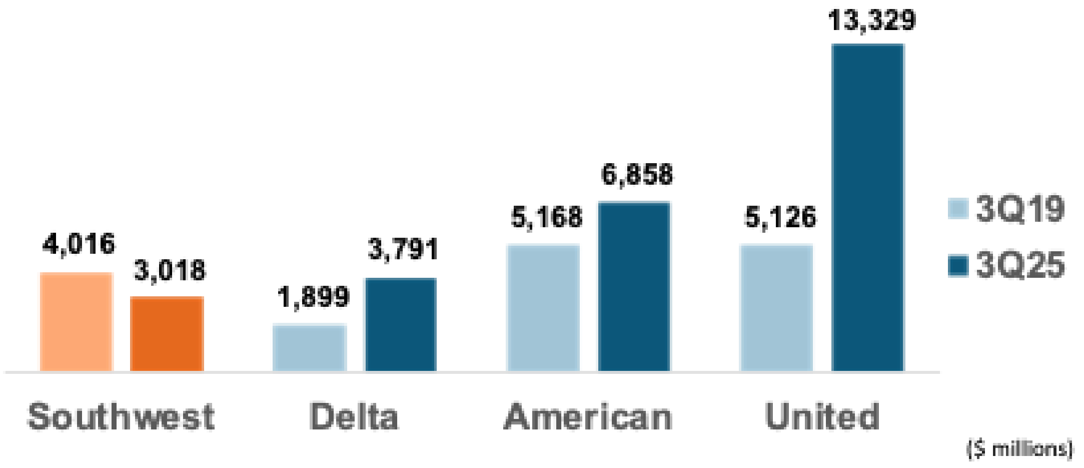
SWA net debt was $1.08B



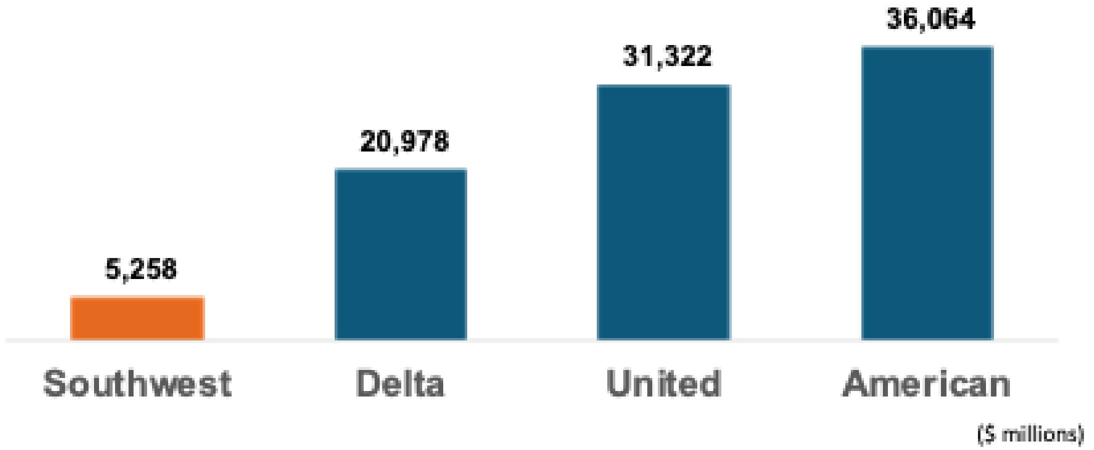
$1.08B of PSP2/3 notes wlll reset to higher rate in 2026;
$2.1B notes come due in 2027
SWA completed $1.5B loan offering for 2028/2035 notes

SWA's balance sheet returns to 2019 levels; still strongest of Big 4

Cash and Short-Term Equivalents – 3Q19 vs 3Q25

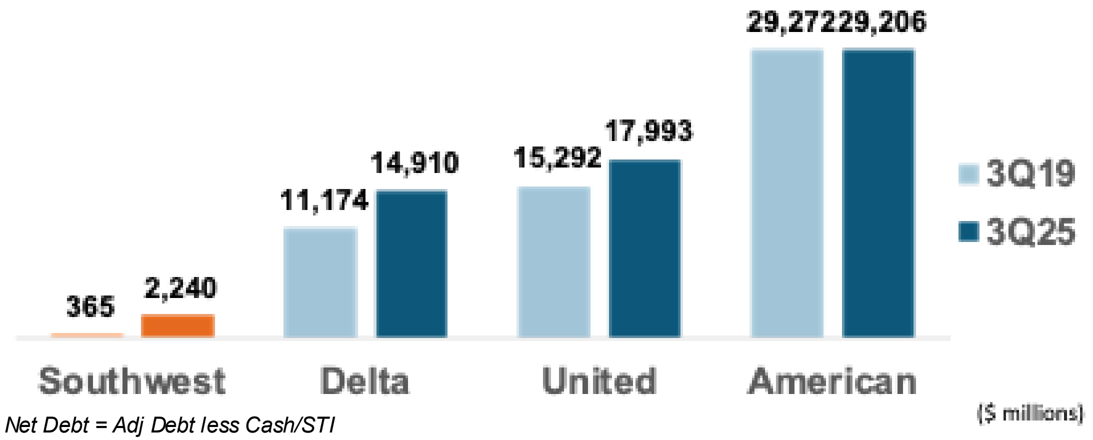


Total Adjusted Debt – 3Q25



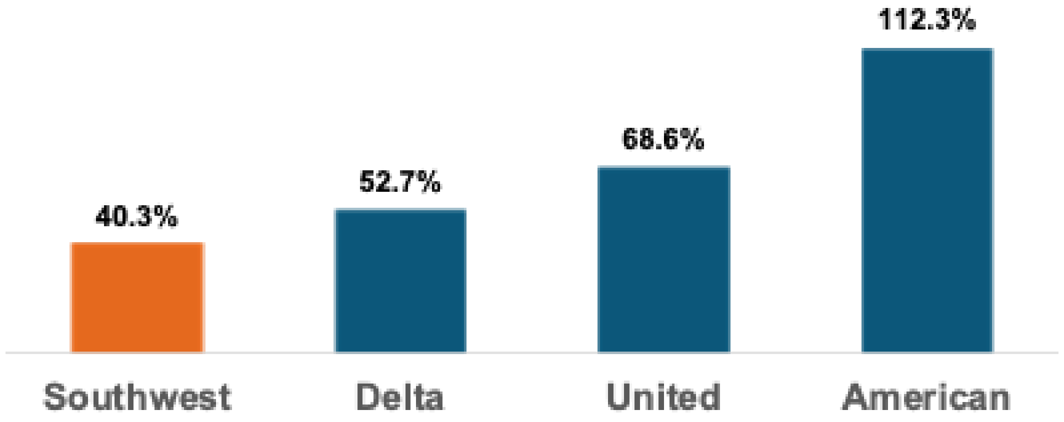
Adj Debt = Total debt + operating lease liabilities

Adjusted Net Debt - 3Q19 vs 3Q25



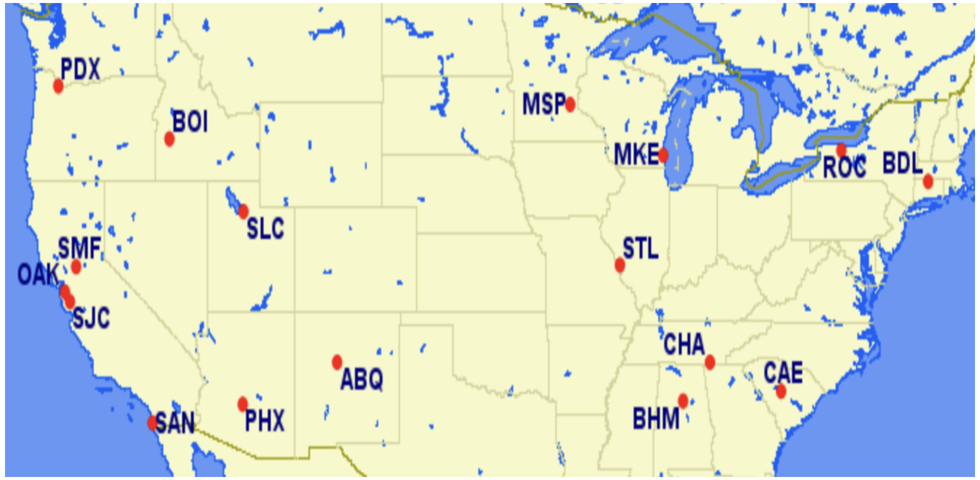
Adj Net Debt = Adj Debt less Cash/STI

Adjusted Debt-to-Capital Ratio – 3Q25



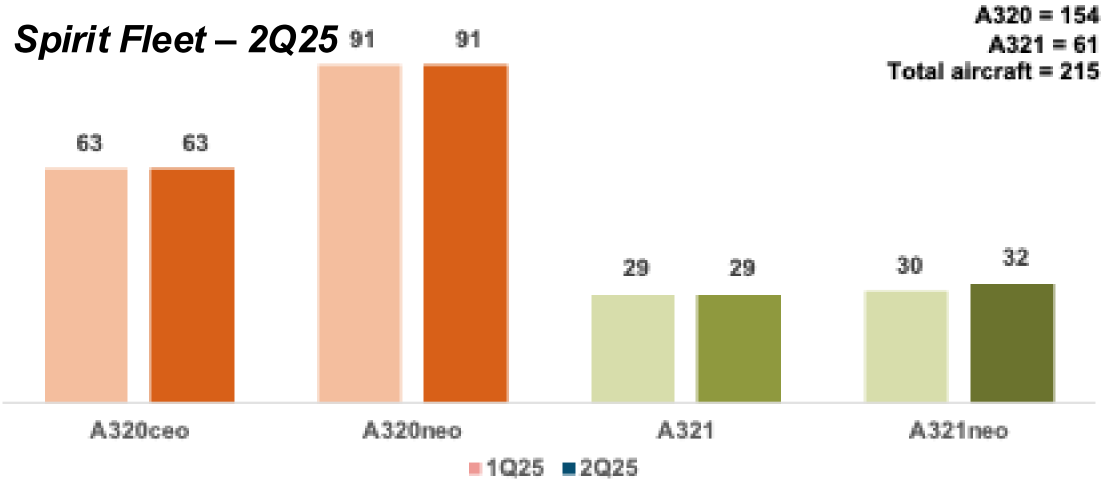
Spirit Airlines Update (Filed second bankruptcy 8/30/25)

Closed or will close 18 cities by January 2026

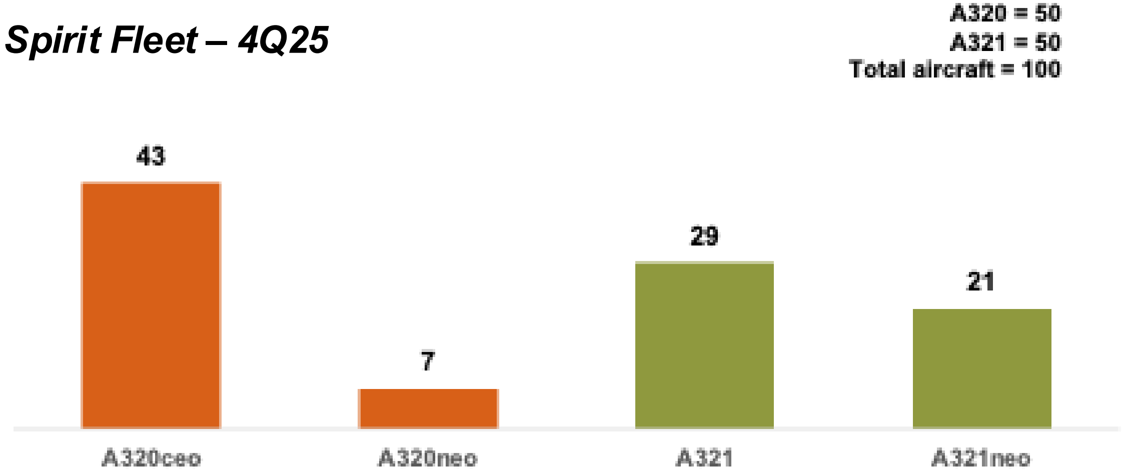


LAS Departures decline 54%

Spirit Fleet – 2Q25



Spirit Fleet – 4Q25



Spirit Airlines Bankruptcy Timeline

Nov 2024: Spirit files for Chapter 11 bankruptcy protection (first time) after reporting over $2 billion in losses since 2020. Furloughs 270 pilots and downgrades captains.

Feb 2025: Bankruptcy Court confirms reorganization plan.

March 2025: Emerges from Ch.11 after converting $795 million in debt and receiving $350 million in additional funding as a credit line.

April 2025: CEO Ted Christie steps down, replaced by Dave Davis of Sun Country Airlines.

August 2025: Issues notice of "going concern" in 10Q, reports losing $257 million since March. Borrows entire $275 million revolver credit line. On August 29th, files for bankruptcy protection for the second time citing unresolved cost issues, weak demand and heavy lease obligations.

September 2025: Announce capacity and network cuts, beginning in Oct/Nov (-25%) and the cessation of service at 11 airports. Additional pilot and flight attendant furloughs.

October 2025: Filed a regulatory notice estimating losses of over $800 million in 2025 and $145 million in 2026 but expect to post a $219 million profit in 2027.

November 2025: Cuts service to 6 additional U.S cities and one international city beginning in January. Received court approval for $475 million in DIP financing and the rejection of 27 aircraft leases. The carrier aims to cut 100 aircraft from its fleet as it downsizes operations. Pilots and Flight Attendants agree to concessions totaling ~$100 million. This is subject to bankruptcy court and membership approval.

Hiring and Pilot Supply Notes

- **American** has begun hiring again. Hired **981** pilots so far. Early 2026 forecasts show as many as **1500-2000** new hires in 2026.
- **Delta** hired **500** in 2025. Early forecast shows **500-1000** in 2026.
- **United** resumed aggressive hiring through 2026. Hired **1,035 t**hrough October, forecasting **2,400** in 2026.
- **Alaska** has begun interviewing and hiring for classes beginning in January. No 2026 numbers yet.
- **Hawaiian** hired **93** pilots through July. Class of **10** started in October. Additional hiring expected in 2026.
- **JetBlue** not hiring. **67** pilots accepted the VSP offer. No 2026 forecast yet.
- **Southwest** has hired only D225 pilots through October. Plans to hire **140** off-the-street pilots in November & December. Forecasting **300-500** in 2026.
- **Allegiant** has not hired through October. Latest information shows resumption of hiring mid-2026.
- **Frontier** is interviewing and hiring a mix of cadets and "off the street" pilots. Hired **131** through October.
- **Spirit** not hiring. Multiple rounds of furloughs and downgrades.
- **Sun Country** may hire in 2026 depending on attrition.
- **FedEx** not hiring. Still overstaffed by **200-400** by several estimates.
- **UPS** has hired **190** through October. Estimating **200-220** for 2025 to support new USPS contract.
- **Pilot Supply Notes**: **# of ATP's issued up 15% in October and up 16% YoY.** The number of Commercial and ATP's certificates granted continue to exceed 2019 levels by double-digit percentages. **The current oversupply is forecast to revert to a slight undersupply of pilots based on hiring forecasts and scheduled retirements through 2030.**

Global Network Carriers

American Airlines

DELTA

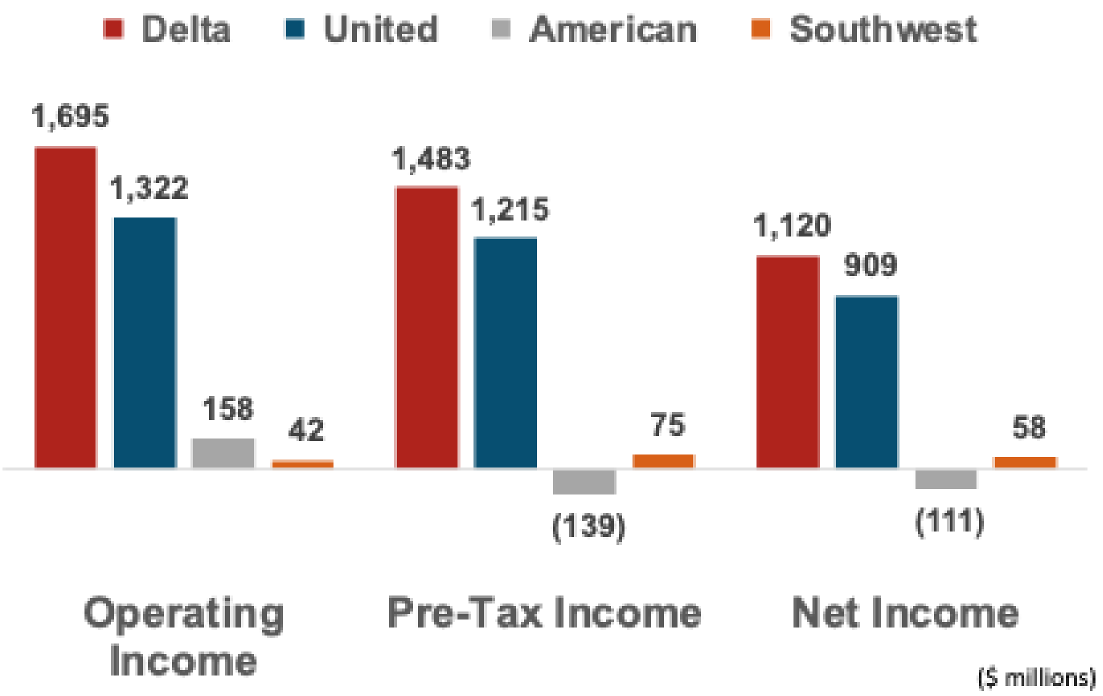
UNITED

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

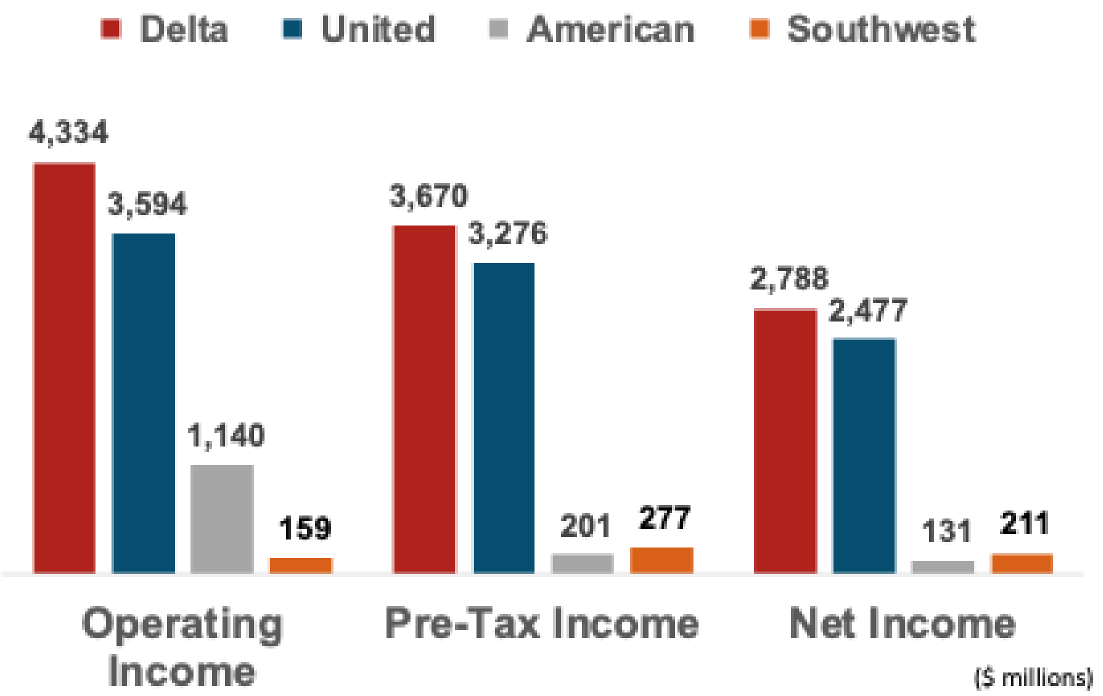
Key Financial Results

Global Network Carriers (Legacies) vs. Southwest

3rd Quarter 2025

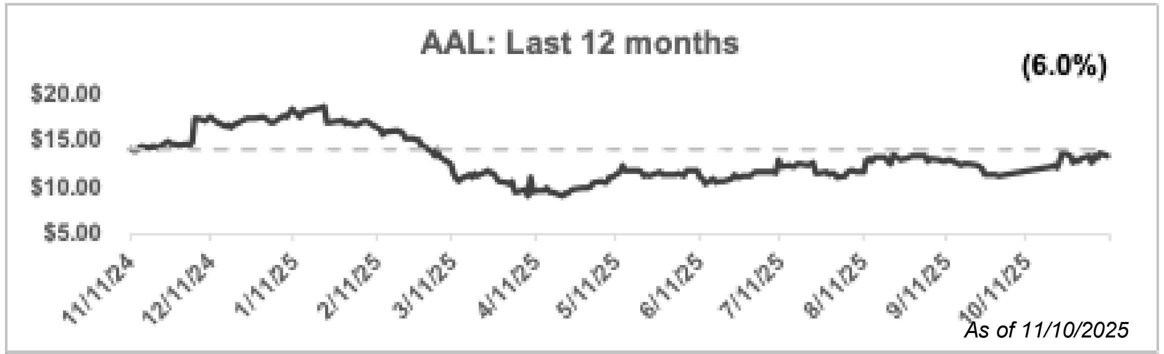


9 months 2025



Non-GAAP – excludes special items

American Airlines



American

3Q25 adj. pretax income (loss):($139M)

Management Commentary

- *We've built an airline position to excel over the long term and are focused on delivering for our shareholders, customers and team.* ***That said, we recognize there's significant revenue opportunity ahead of us and we're excited about the good work underway to accelerate our revenue growth and view that as considerable upside as we move into 2026.***
- *Our focus begins with sales and distribution, and we continue to build out our sales organization and are aggressively using our loyalty program to win back customers, especially in competitive markets.*
- *Performance continues to track in line with our expectations. This targeted expansion will continue through the fourth quarter and into 2026 as we add more cities and more frequencies to improve our offering for customers. Our ability to grow capacity in premium markets will be further supported as we take delivery of new aircraft and reconfigure our existing fleet.*
- *We are continuing our multiyear reengineering the business effort to utilize technology and streamline processes to enable an improved customer and team member experience while driving a more efficient business. Additionally, we continue to make progress in strengthening our balance sheet.*

Items of Interest

- Reported an adjusted loss in 3Q but was well above midpoint of earlier guidance.
- **Domestic year-over-year PRASM improved sequentially** each month and turned positive in September. While premium continued to outperform Main cabin, have seen improvement in the Main cabin since the low point in July.
- Atlantic region was most profitable, followed by Pacific then Latin. Premium continues to outperform, with unit revenues up 5% YoY. Nearly 50% of total revenue from premium spend. New Citibank co-brand to grow cash renumeration to $10B per year. Managed corporate revenues continue to recover, up 14% YoY.
- **Will continue to expand Premium products, including installing Flagship suites on the 787, new lounges and expanded food/drink offerings all part of the planned upgrades.**
- **$10.3B in liquidity, total debt $36B**. Will generate over $1B in FCF. $750M cost savings in 2025. Capex remains around $4B per year including aircraft deliveries.

Financial and Operating Statistics

American	3Q25	3Q24	3Q19	y/y	y/6y
Revenues	$13,691M	$13,647M	$11,911M	0.3%	14.9%
Adj Operating Income (EBIT)	$158M	$643M	$1,042M	(75.4%)	(84.8%)
Adj Operating Margin	1.2%	4.7%	8.7%		
Adj Pretax Income	($139M)	$271M	$835M	n.m.	n.m.
Adj Net Income	($111M)	$205M	$630M	n.m.	n.m.
Adj EPS	$1.09	$0.30	$1.42	263.3%	(23.2%)
Capacity (ASMs)	77.4 billion	75.7 billion	75.8 billion	2.3%	2.1%
Yield	18.73¢	19.12¢	16.95¢	(2.0%)	10.5%
TRASM	17.69¢	18.04¢	15.71¢	(1.9%)	12.6%
CASM	17.49¢	17.92¢	14.64¢	(2.4%)	19.5%
CASM-ex	13.91¢	13.39¢	11.07¢	3.9%	25.7%
Fuel (econ)	$2.37	$2.50	$2.05	(5.2%)	15.6%

Forward Guidance

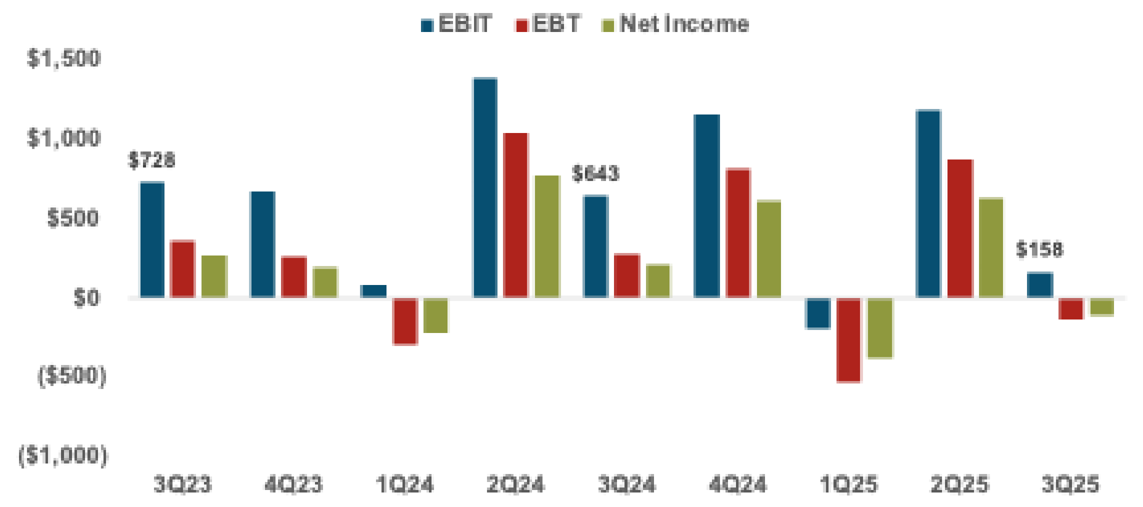
- **FY 2025**
  - EPS: $0.65-$0.95
- **4Q25**
  - EPS: $0.45-$0.75
  - Capacity: Up 3%-5%
  - Revenue: Up 3%-5%
  - CASM-ex: Up 2.5%-4.5%
  - Adjusted Operating Margin: 5%-7%

EFA takeaway: American is still measurably behind DAL/UAL in financial performance but with increased international flying and added premium products may be able to narrow the gap in 2026.

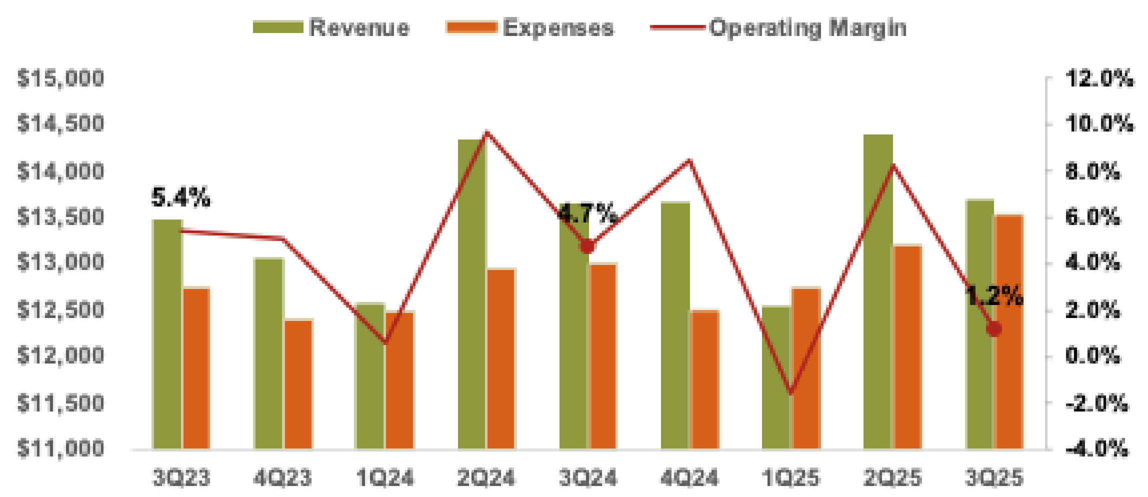
American - Financial Performance

American Airlines

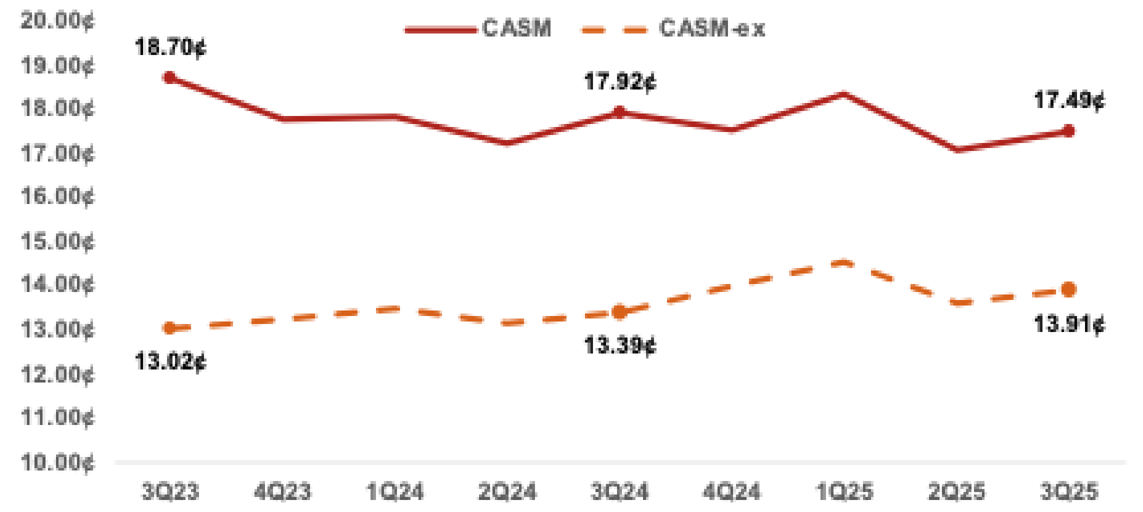
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



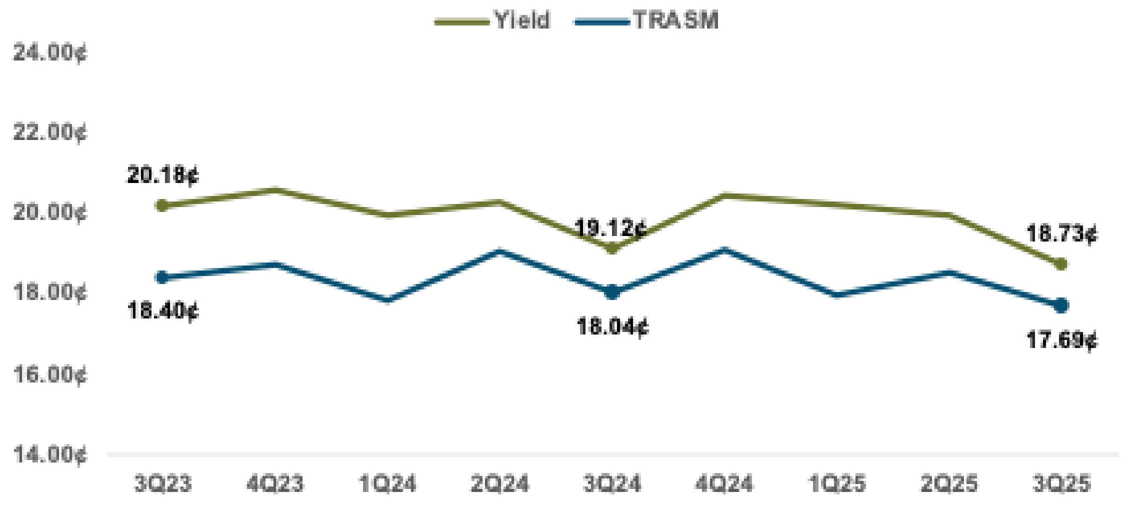
Quarterly Revenue, Expenses, Adj. Operating Margin



CASM & CASM-ex



Yields & TRASM



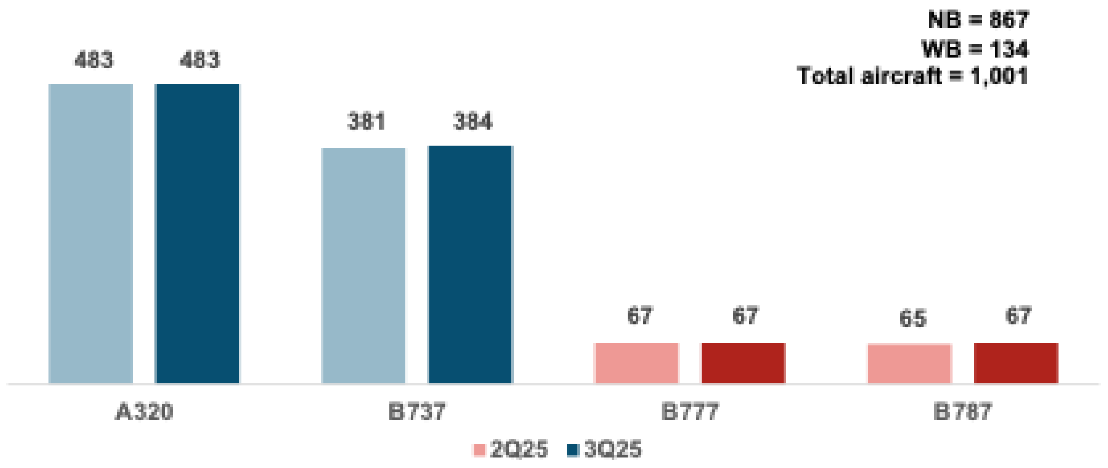
SWAPA

American – Network, Fleet, & Analyst Commentary

Network News and Notes

- Now expect 51 new aircraft deliveries in 2025, one delivery higher than original guidance. Took delivery of first A321XLR which will be outfitted with lie flat seats and a new seatback entertainment system.
- **Will retrofit 20 777-300's with expanded premium seating and grow first-class seating in A319/A320 by up to 50%.**
- Growing ORD to be third largest hub with over 500 mainline departures per day.
- Restarting JFK to Tel Aviv (TLV) in March 2026.
- **First route for A321XLR will be LAX-JFK** beginning in December. Initial international route will be PHL-Edinburgh, Scotland in March 2026.
- Will expand LGA flying starting in February 2026, with additional weekend flying to JAX, MYR and SAV. Summer service to Gunnison, CO and Jackson Hole, Wy from JFK as well as expanded service from PHX-ANC as Southwest enters the ANC market next year.

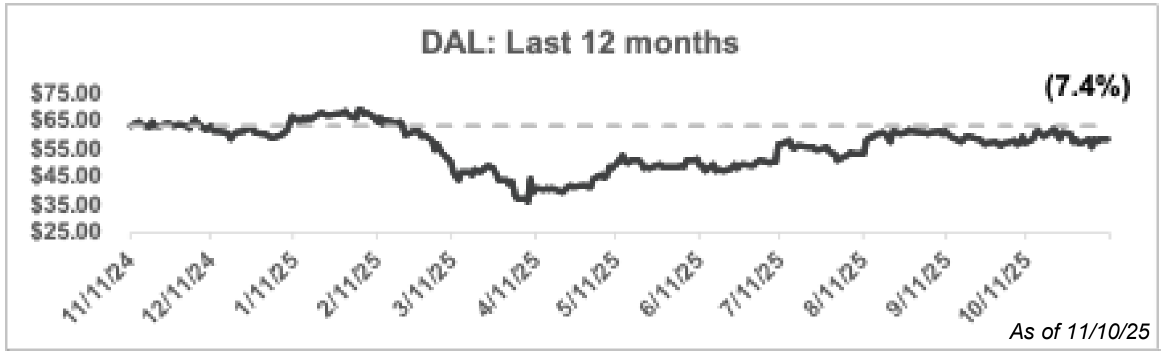
Mainline Fleet

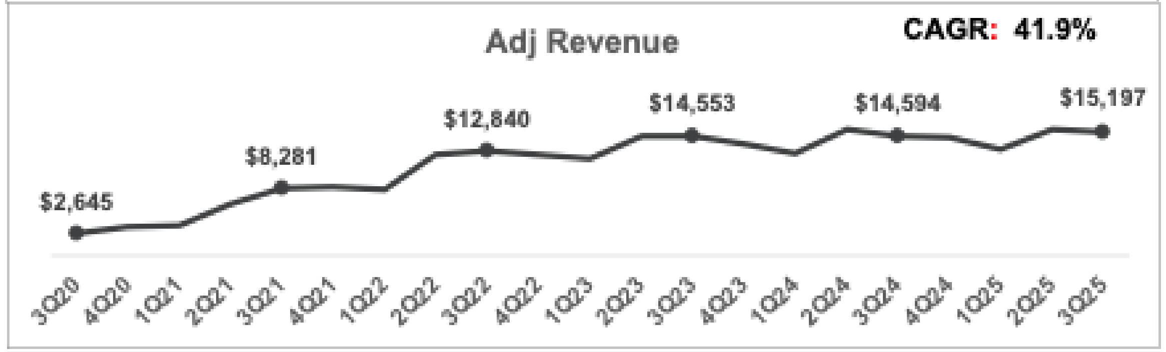


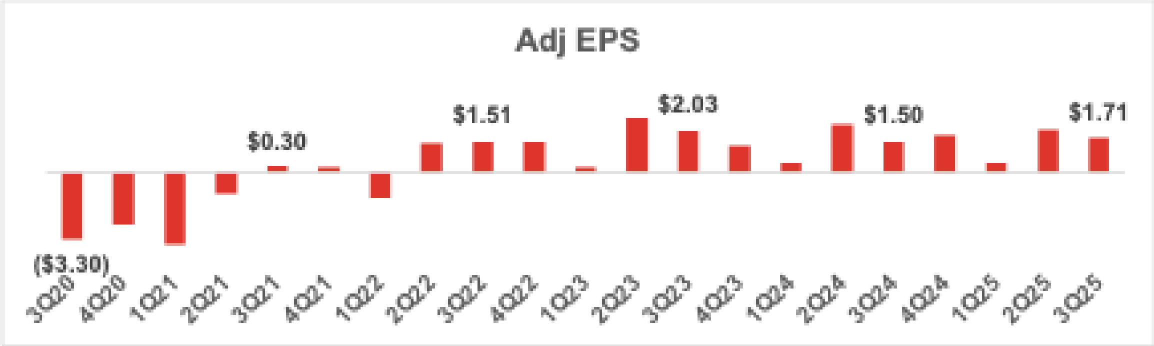
Analyst Commentary

- *After a challenging start to the summer, demand rebounded post-July with unit revenue (RASM) trends improving each month in the Sep Q. In fact, domestic passenger unit revenue (PRASM) turned positive in September.*
- *While management rightly emphasized ongoing strength in premium and loyalty program revenue, we think it's important to note that American's domestic main cabin revenue is projected to improve meaningfully in the Dec Q.*
- *There are three key drivers for American: **strong premium/loyalty with improving domestic main cabin revenue;** 2) commercial efforts should drive upside to 2026 earnings with indirect revenue share growth and new Citi co-branded credit card agreement; and 3) balance sheet de-leveraging supported by $1+ billion of free cash flow generation projected this year ($1.2 billion of incremental debt paydown in the Sep Q) with a goal to bring total debt < $35 billion by YE 2027).*
- *The 3Q print, although a loss, showed more resiliency and appears to be carrying through into 4Q. 4Q has potential to be a turning point as it was guided ahead by 88%.*
- ***When thinking about 2026, American has one of the easier setups as well as drivers related to the Citi CC deal turning on in Jan. The result is significant potential to drive margins and earnings higher above and beyond the industry.** Time for American to execute and take advantage of the setup.*
- *We think domestic improvement in corporate demand and American's specific share recapture in the sector is supporting the company's outlook for higher yields in the fourth quarter. Similar to other airlines, American expects stronger trans-Atlantic revenue outcomes in the fourth quarter as well.*
- ***A big part of the earnings call centered around AAL's focus on enhancing its product** (premium seat growth to be 2x main cabin seat growth), expanding lounges, and improving the customer experience. While much of the product investment comes from new aircraft capex, we believe AAL should grow its non-aircraft spend in the coming years to keep up with the product of its peers.*
- ***We still see a long road to closing the margin gap with its network peers while maintaining net leverage levels above the large US airlines.***

Delta Air Lines







Delta

3Q25 adj. pretax income: $1.5B

Management Commentary:

- *Since July, travel demand has strengthened, led by a rebound in business travel. The U.S. economy remains on solid footing, and our customer base is financially strong with rising preference for premium products and services.*
- *Structural change is taking hold across the industry as unprofitable flying is rationalized and carriers not earning their cost of capital adjust strategies to prioritize returns.* ***Against this backdrop, we expect to deliver a double-digit operating margin again in the December quarter.***
- ***Domestic unit revenue turned positive with sequential improvement as the quarter progressed.*** *This was supported by a Main Cabin inflection as industry supply moderated and demand improved materializing earlier than our initial expectations. Internationally, profitability across all entities was strong with premium continuing to bolster results.*
- *Our investments are focused on the customer experience, as Ed and Glen spoke about, and on driving efficiency through technology and our fleet.*
- ***We expect 60% of the overall industry profits to be driven by Delta. I expect the rest of it probably to be driven by United largely. And then you have everybody else.***

Items of Interest

- 3Q total revenue increased 4.1 percent over prior year to a record $15.2 billion, led by premium, corporate and loyalty. Adjusted total unit revenue (TRASM) growth improved 3.5 points sequentially, with 3Q up 0.3 percent over prior year.
- **Domestic passenger revenue grew 5 percent year-over-year**, with an acceleration in corporate sales, continued strength in premium cabins and an inflection in main cabin unit revenue growth. Domestic high-yield leisure travel is overtaking business travel in certain markets helping to turn unit revenues positive year-over-year.
- Loyalty, cargo, premium and Amex revenues all increased YoY, with **Amex growing 12% YoY to $2B for the third quarter.** On track for $8B in 2025.
- **Non-fuel costs roughly flat YoY** and up less than 2% for the year. Technology and efficiencies across the system will continue to mitigate costs through 2025.
- Liquidity of $6.9B. Paid down $2.4B of LT debt. Free cash flow $833M in Q and up to $4B for 2025. Fitch recently upgraded Delta from ”stable” to “positive”.

Financial and Operating Statistics

Delta	3Q25	3Q24	3Q19	y/y	y/6y
Adj Revenues	$15,197M	$14,594M	$12,554M	4.1%	21.1%
Adj Operating Income (EBIT)	$1,695M	$1,373M	$2,046M	23.5%	(17.2%)
Adj Operating Margin	11.2%	9.4%	16.3%		
Adj Pretax Income	$1,483M	$1,254M	$1,967M	18.3%	(24.6%)
Adj Net Income	$1,120M	$971M	$1,506M	15.3%	(25.6%)
Adj EPS	$1.71	$1.50	$2.32	14.0%	(26.3%)
Capacity (ASMs)	79.1 billion	76.2 billion	75.7 billion	3.8%	4.4%
Yield	19.97¢	19.77¢	17.06¢	1.0%	17.0%
TRASM	19.22¢	19.16¢	16.57¢	0.3%	16.0%
CASM	18.96¢	18.75¢	13.85¢	1.1%	36.9%
CASM-ex	13.35¢	13.30¢	10.15¢	0.4%	31.5%
Fuel (econ)	$2.25	$2.53	$1.96	(11.1%)	14.8%

Forward Guidance

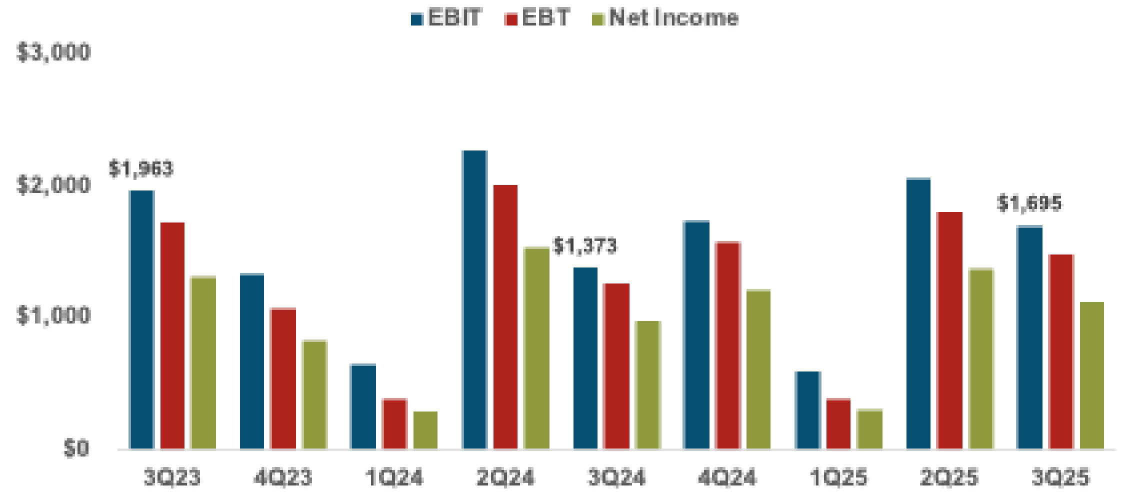
- **FY 2025**
  - Approximately $6 per share
  - Free Cash Flow (FCF) of $3.5 billion-$4 billion
  - Gross Leverage less than 2.5X
- **4Q25**
  - Total Revenue YoY: Up 2%-4%
  - Operating Margin: 10.5% - 12%
  - EPS: $1.60-$1.90

EFA takeaway: Delta continues to exceed expectations, as premium travel remains very strong. Though international travel slowed, gains in domestic and other revenue sources more than made up the difference.

Delta - Financial Performance

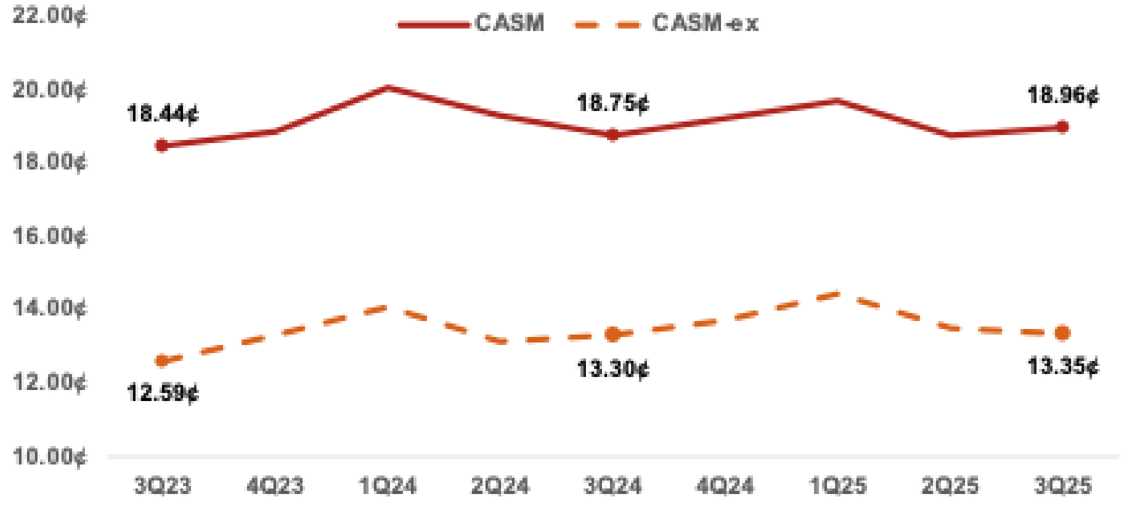
DELTA

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



Quarterly Revenue, Expenses, Adj. Operating Margin

CASM & CASM-ex



Yields & TRASM (adj)

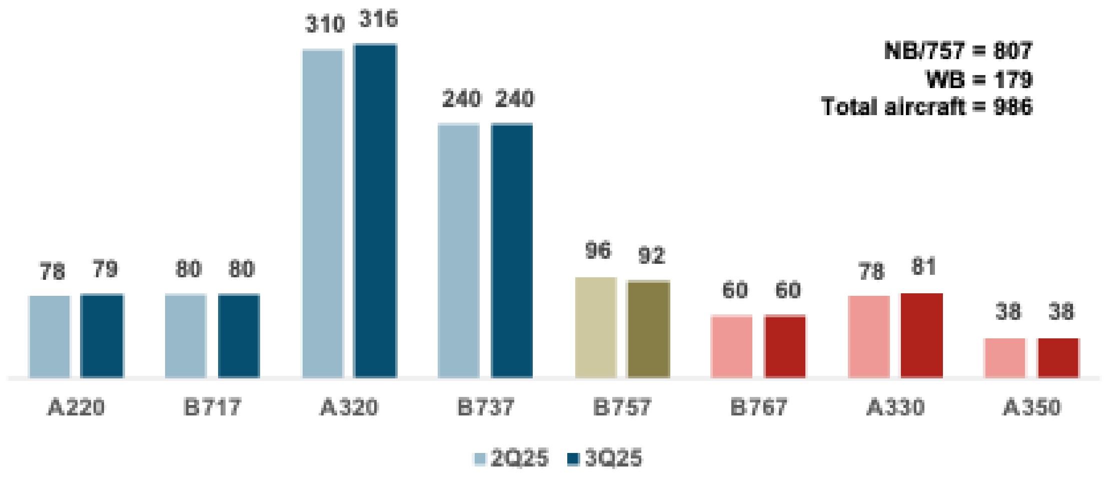
SWAPA

Delta – Network, Fleet, & Analyst Commentary

Network News and Notes

- Took delivery of 31 aircraft year-to-date and 12 in the September quarter, including the A330-900, A321neo and A220-300.
- Retired 6 aircraft during the September quarter, bringing the total to 20 retirements year-to-date.
- **Announced new and expanded service in Austin beginning in late 2025 and in the first half of 2026**, serving nearly 30 destinations and up to 120 daily flights.
- Beginning new routes from Boston to Madrid and Nice, increased service to Barcelona and Milan, and new direct flights from Seattle to Barcelona and Rome, begins May 2026. Resuming BOS/ATL-TLV in April. ATL-Riyadh, Saudi Arabia in 2026.
- Will start first ever non-stops from JFK to Porto, Portugal in May 2026. Beginning LAX-HKG (Hong Kong) in June 2026. **Also beginning service to Malta as the carrier will operate an average of 99 daily departures per day to 28 cities in Europe in July 2026.**

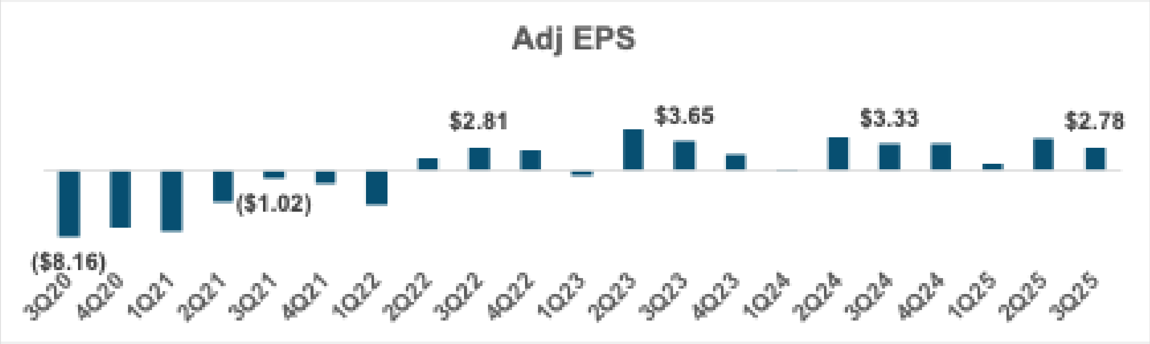
Mainline Fleet



Analyst Commentary

- *We reiterate our favorable rating on DAL shares as we think the company has demonstrated its structural, durable earnings power. The company has converted the many curveballs thrown its way (e.g., operational incidents, hiccups in demand, fuel volatility, etc.) into home runs.*
- ***The earnings call further reinforced our view that Delta's diverse, high-margin revenue streams not only differentiate the company's brand but are widening the structural, long-term, economic moat.***
- *Delta's coastal hubs (New York, Los Angeles, Boston, and Seattle) have experienced particularly strong demand driven by accelerating corporate travel and Delta's revenue share is simultaneously growing.*
- *Our conservative approach ahead of Delta's print – and by extension, earnings season in general – was clearly unwarranted, as evidenced by DAL's consensus-topping 3Q guide and restoration of a solid full-year guidance.*
- *We believe the phenomenon of full-service carriers (in the US) pulling ahead of single-cabin domestic entities is both permanent and irreversible. Doesn't mean the LMAs can't do better. It's just our view that they will never again be the best. Delta falls squarely in this this full-service carrier phenomenon.*
- *Simply put, we continue to view Delta as the industry leader among full-service airlines.* ***Post COVID, DAL has reclaimed its throne with industry-leading loyalty economics, international travel tailwinds, and robust premium product demand, trends we think will continue for the foreseeable future.***
- *We continue to believe Delta's balanced capital deployment strategy, structural advantages, and opportunity to grow higher-margin businesses should enable it to retain its relative operational and financial leadership vs. legacy peers.*
- We are encouraged by the composition of the improving demand outlook, with the domestic network, a laggard earlier in the year, expected to see another quarter of positive PRASM after inflecting in 3Q, and this quarter's worst performing entity, the transatlantic, expected to see a meaningful sequential improvement. This is driven by continued strength in premium cabins in addition to an inflection in corporate and main cabin revenue.

United Airlines



United

3Q25 adj. pretax income: $1.2B

Management Commentary

- *Our ability to grow earnings in the face of the macro issues is proof that the brand loyal United next strategy is resilient in tough times and a clear proof point on our path to solid double-digit margins.*
- *The major cost focus at United is to drive real cost efficiencies through our use of technology that can also improve the customer experience.*
- ***United's business model now has a more balanced demand levels across more of the year** as our increasingly optimal mix between leisure demand, premium leisure demand and business demand is yet another emerging advantage we have over commodity-based airlines.*
- *We've been investing over $1 billion annually over the last few years into improving our aircraft, clubs, food and Wi-Fi, and we expect to spend another $1 billion next year. We're doing this while delivering industry-leading cost performance.*
- *The momentum in the revenue environment continues, and we expect fourth quarter EPS to increase and that brings our full year EPS towards the upper half of our full year 2025 guidance. **This should position us to be the only airline to grow earnings this year.***

Items of Interest

- While total revenues increased on a mid-single digit increase in capacity, overall TRASM was down in the quarter. This was explained as capacity and demand being out of balance, as passengers are spreading international travel to 2nd and 4th quarters.
- **Premium revenues increased six percent and premium cabin revenues continue to outpace Main cabin.** Loyalty revenues and credit card renumeration were both up double-digits. Basic Economy revenues up 4% YOY as more BE seats are added.
- **Domestic gauge continues to increase as United brings on larger aircraft** and retires smaller Airbus and regional jet aircraft. These are higher margin aircraft and combined with new Starlink internet and seat-back TV, will command a premium, while lowering costs. $2B in additional enhancements to customer experience over next two years.
- Decreased CASM-ex YOY due to timing of maintenance and reduction of labor expense helped to mitigate the drop in RASM. Management headcount down 4%.
- Liquidity over $16B. $3B in free cash flow in 2025. **Loyalty program now unencumbered after paying bonds off, leaving a path to monetization at some point.**

Financial and Operating Statistics

United	3Q25	3Q24	3Q19	y/y	y/6y
Revenues	$15,225M	$14,843M	$11,380M	2.6%	33.8%
Adj Operating Income (EBIT)	$1,322M	$1,560M	$1,500M	(15.3%)	(11.9%)
Adj Operating Margin	8.7%	10.5%	13.2%		
Adj Pretax Income	$1,215M	$1,446M	$1,377M	(16.0%)	(11.8%)
Adj Net Income	$909M	$1,110M	$1,046M	(18.1%)	(13.1%)
Adj EPS	$2.78	$3.33	$4.07	(16.5%)	(31.7%)
Capacity (ASMs)	87.4 billion	81.5 billion	75.1 billion	7.2%	16.4%
Yield	18.73¢	19.50¢	16.22¢	(3.9%)	15.5%
TRASM	17.42¢	18.20¢	15.16¢	(4.3%)	14.9%
CASM	15.82¢	16.28¢	13.20¢	(2.8%)	19.8%
CASM-ex	12.15¢	12.26¢	9.80¢	(0.9%)	24.0%
Fuel (econ)	$2.43	$2.56	$2.02	(5.1%)	20.3%

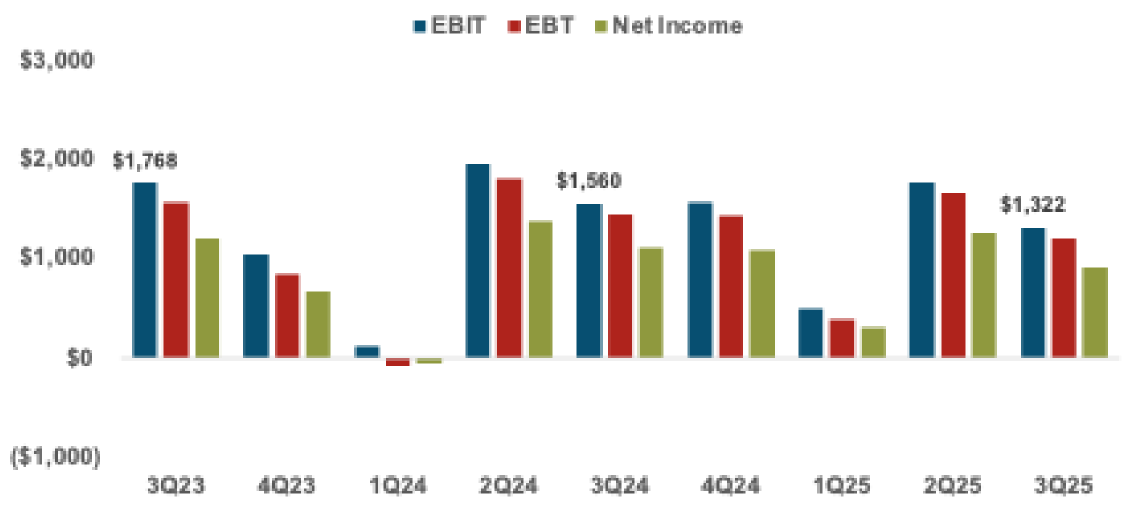
Forward Guidance

- **FY 2025**
  - Adjusted diluted earnings of $9.00-$11.00 per share
  - CAPEX: <$6.5B
- **4Q25**
  - Earnings per share: $3.00-$3.50

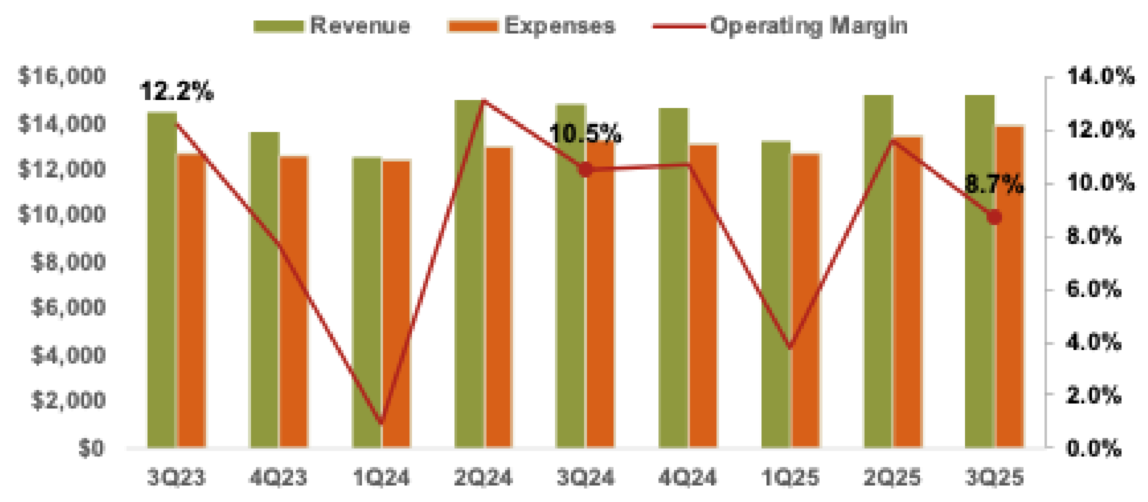
EFA takeaway: Continued investments in international and premium products are helping United to keep pace with Delta as both airline widen their outperformance gap over the rest of the industry.

United - Financial Performance

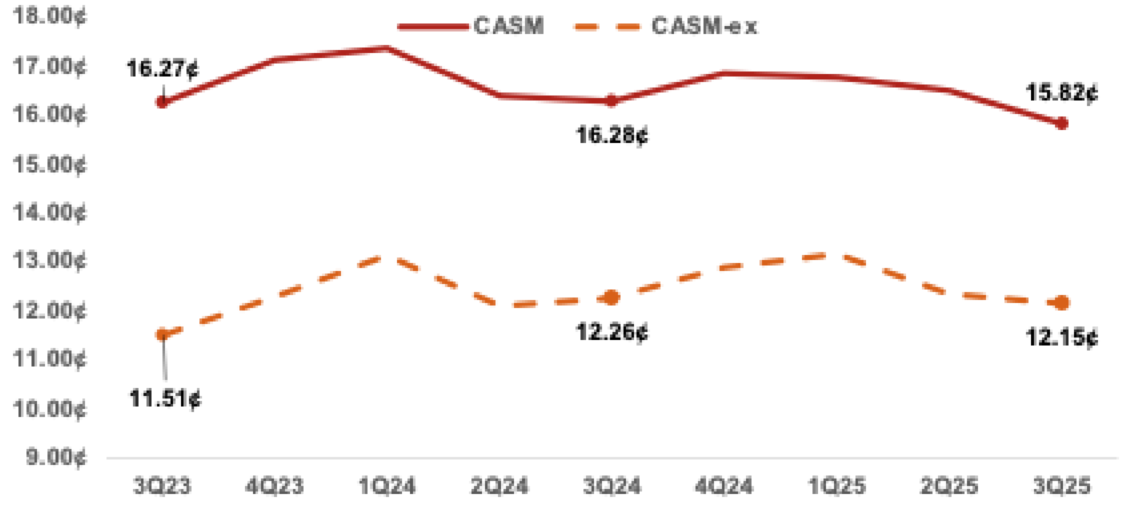
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



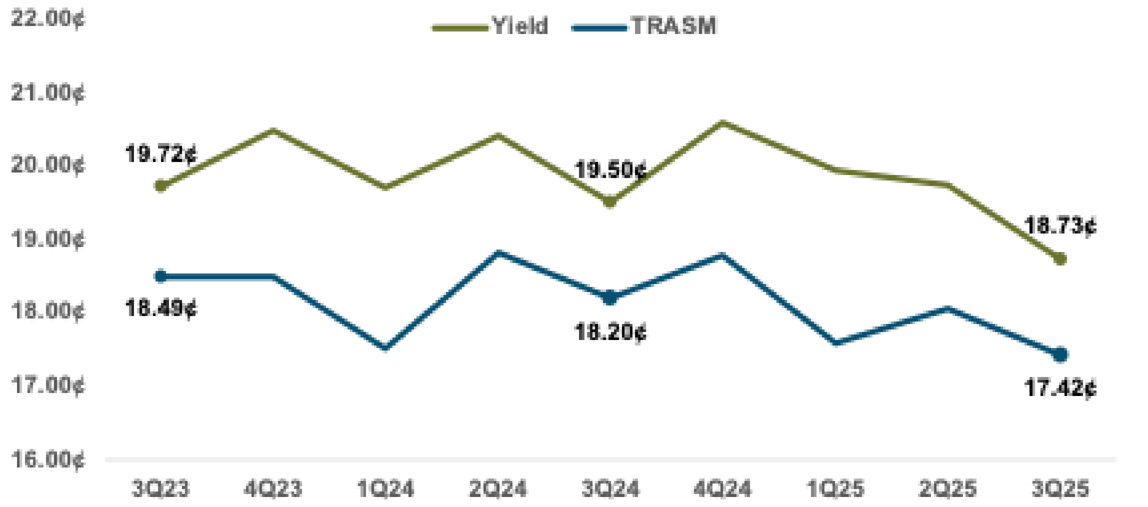
Quarterly Revenue, Expenses, Adj. Operating Margin



CASM & CASM-ex



Yields & TRASM

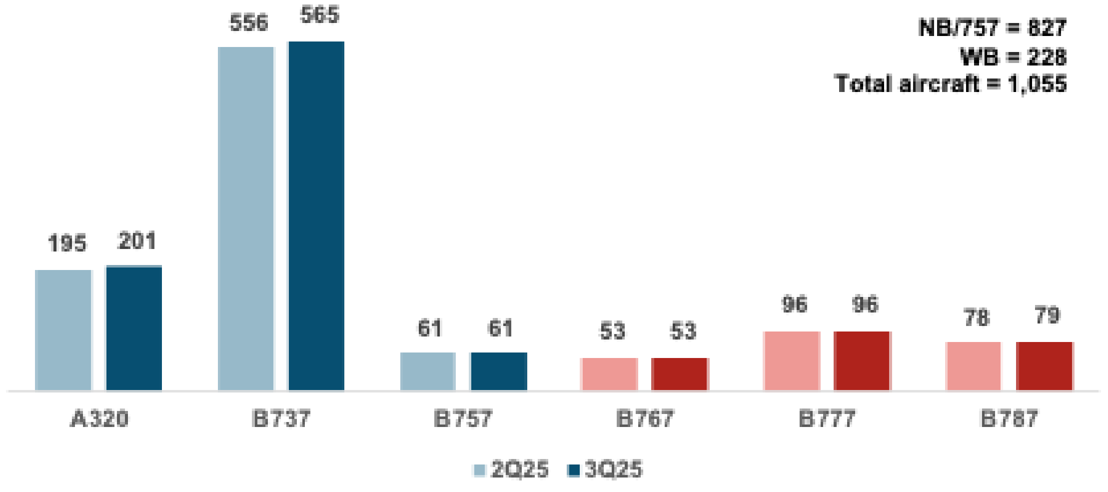


United - Network, Fleet and Analyst Commentary

Network News and Notes

- **Took delivery of 20 aircraft during the quarter, a mix of 737MAX-9's, A321neo's and one B-787**. Retired four A319/320 aircraft for a net fleet growth of 16 aircraft during the third quarter.
- Updated fleet plan for 2025 includes adding 21 aircraft in Q4, while retiring another 13 older A319/320 aircraft, **ending the year with 1,065 mainline aircraft**.
- **Announced additional Europe flying for the summer 2026 schedule**. Adding Newark to Split, Croatia, Bari, Italy, Glasgow, Scotland and Santiago de Compostela, Spain, with the latter two routes to be flown on the MAX-8 aircraft.
- Announced the launch of a codeshare program with ITA Airways, allowing access to booking one-way tickets to more Italian destinations.
- **Announced additional flights to 15 U.S. cities in United's winter schedule**, including two new routes from Newark to Columbia, South Carolina and Chattanooga, Tennessee and increased daily flying to warm-weather destinations like Orlando, Florida; Ft. Lauderdale, Florida and Las Vegas, Nevada.

Mainline Fleet



Analyst Commentary

- *United's unit revenue performance in 3Q prompted questions around United's capacity growth of 6-7% in 2H, while ignoring the fact that the company is now tracking above 2025 EPS with numerous one-offs impacting results.*
- *United's growth in the US domestic market is putting significant pressure on peers around them that have yet to reclaim consistent profitability.* ***The pressure United is applying is forcing the low end of the fare ladder to rationalize unprofitable flying, and if that is sustained it will accrete to United long term.***
- *United added mid to high-single digit capacity in all regions, weighing on unit revenue performance, but remains important to solidifying its long-term position as premium and loyalty continued as areas of strength.*
- ***United has executed well in narrowing its margin/cash flow gap vs. Delta, but a task that might become more challenging as market rate contracts are reached with non-pilot work groups and capex closes in on the original aggressive targets.*** *Conversely, while we had pondered if long-haul international was "as good as it gets", United (and Delta) noted the opportunity to improve margins in 2026 via better alignment of supply to demand patterns evident in the last couple of years.*
- ***United reiterated plans to expand margins by 1 ppt each year, which, if successful, would drive upside to our earnings forecast.*** *Key drivers include winning brand-loyal customers via product investments, doubling loyalty program EBITDA, and driving efficiencies through technology and increasing gauge.*
- *United's results and commentary added additional octane to pre-existing themes that most investors have grown accustomed to premium and loyalty returns continue to forge ahead, competitive moats continue to deepen, Newark's challenges are comfortably in the rearview mirror, and a decade of product investments continue to drive passenger preference.*
- ***United echoed Delta in identifying the increasingly elongated European summer, which has shifted demand from 3Q to 4Q. Coupled with 3Q's rocky start, this should contribute to the record setting 4Q that management expects,*** *with absolute 4Q TRASM emerging at its highest quarterly level of the year.*
- *Strong liquidity profile enables continued brand and product investment.*

Hybrid/Low-Cost Carriers

Alaska

jetBlue

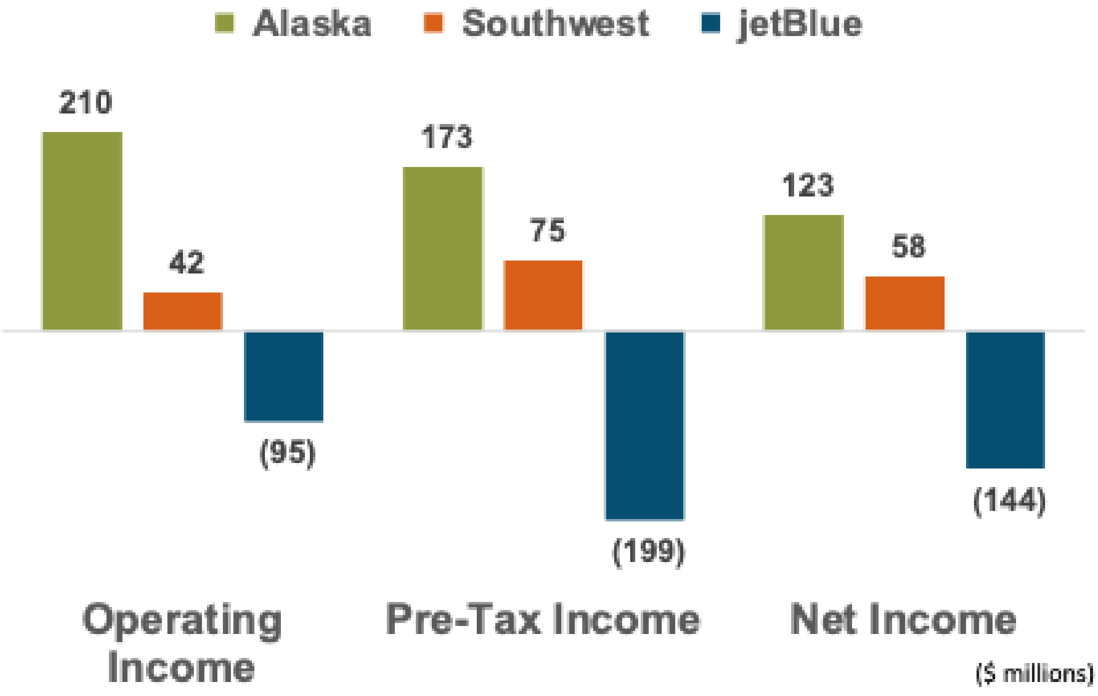
Southwest

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

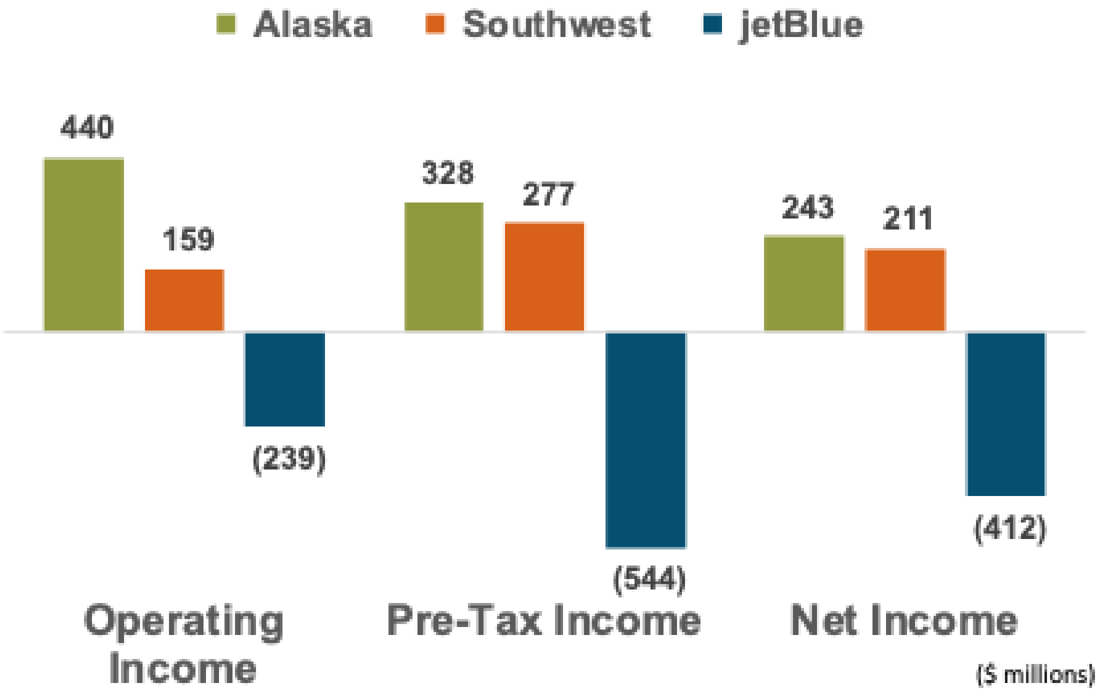
Key Financial Results

Hybrid/LCC vs. Southwest

3rd Quarter 2025

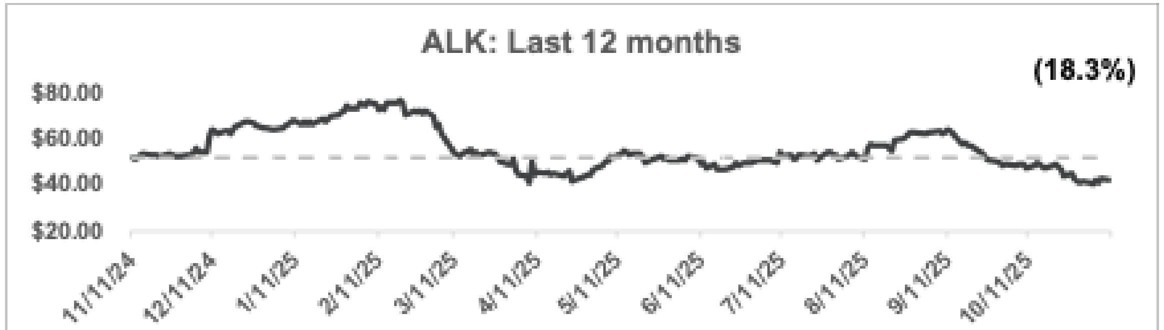


9 months 2025



Non-GAAP – excludes special items

Alaska Airlines



As of 11/10/25

Alaska/Hawaiian

3Q25 adj. pretax income: $173M

Management Commentary:

Due to an IT outage that affected operations on October 23rd, the planned third quarter conference call on October 24th was not held. Alaska decided not to reschedule the call.

Items of Interest

- **Adjusted EPS of $1.05 was in-line with lowered guidance from earlier in the quarter,** reflecting higher fuel and non-fuel pressure from an IT outage in July as well as several weeks of irregular operations.
- Unit revenues up 1.4% as the inflection in demand that began in July lasted throughout the quarter. Corporate traffic saw a significant rebound.
- Premium revenues up 5%, cash renumeration from co-brand card up 8% as new Atmos Card launched in late September. 48% increase in cardholders since launch. Starlink Wi-Fi free through new Atmos program.
- Cargo revenue increased 27% YoY. All 10 A330F's in service for Amazon.
- **Unit revenue gap has now closed to 83% of Network carriers**, **with further improvement expected in 2026** as the Alaska Accelerate program matures.
- CASM-ex increased almost 9% YoY, at the high end of prior guidance, due to recovery costs from the IT outage. Fuel costs were also higher than forecast.
- **Granted SOC with Hawaiian in Oct**. Single Passenger Service System expected to fully cutover in April 2026. Single Loyalty program October 1st.
- Repurchased $540M in stock this year. Generated $229M in operating cash flow in 3Q. Liquidity of $2.3B in unrestricted cash and securities end of 3Q.

Financial and Operating Statistics

Alaska	3Q25	3Q24	3Q19	y/y	y/6y
Revenues	$3,766M	$3,072M	$2,389M	22.6%	57.6%
Adj Operating Income (EBIT)	$210M	$411M	$427M	(48.9%)	(50.8%)
Adj Operating Margin	5.6%	13.4%	17.9%		
Adj Pretax Income	$173M	$399M	$421M	(56.6%)	(58.9%)
Adj Net Income	$123M	$289M	$326M	(57.4%)	(62.3%)
Adj EPS	$1.05	$2.25	$2.63	(53.3%)	(60.1%)
Capacity (ASMs)	24.4 billion	19.8 billion	17.5 billion	23.2%	39.5%
Yield	16.51¢	16.62¢	14.71¢	(0.7%)	12.2%
TRASM	15.41¢	15.48¢	13.64¢	(0.5%)	13.0%
CASM	14.80¢	13.76¢	11.23¢	7.6%	31.8%
CASM-ex	11.23¢	10.16¢	8.43¢	10.5%	33.2%
Fuel (econ)	$2.51	$2.61	$2.13	(3.8%)	17.8%

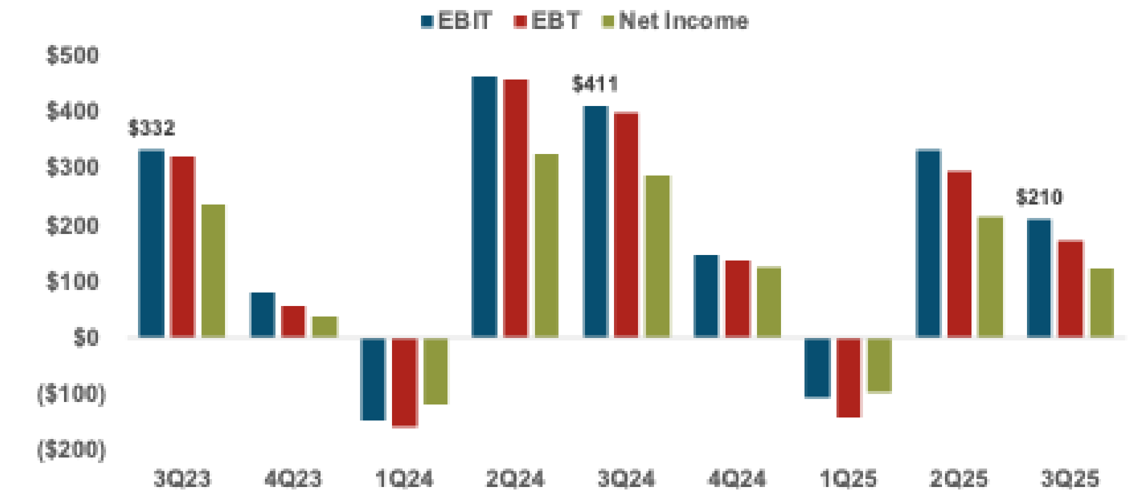
Forward Guidance

- **FY 2025**
  - RASM: Up low single digits — Adjusted EPS: At least ~ $2.40
  - Capacity: Up ~2%
  - CASM-ex: Up mid single digits
- **4Q25**
  - Capacity: Up 2%-3% — Adjusted EPS: At least ~ $0.40
  - RASM: Up low single digits
  - CASM-ex: Up low single digits

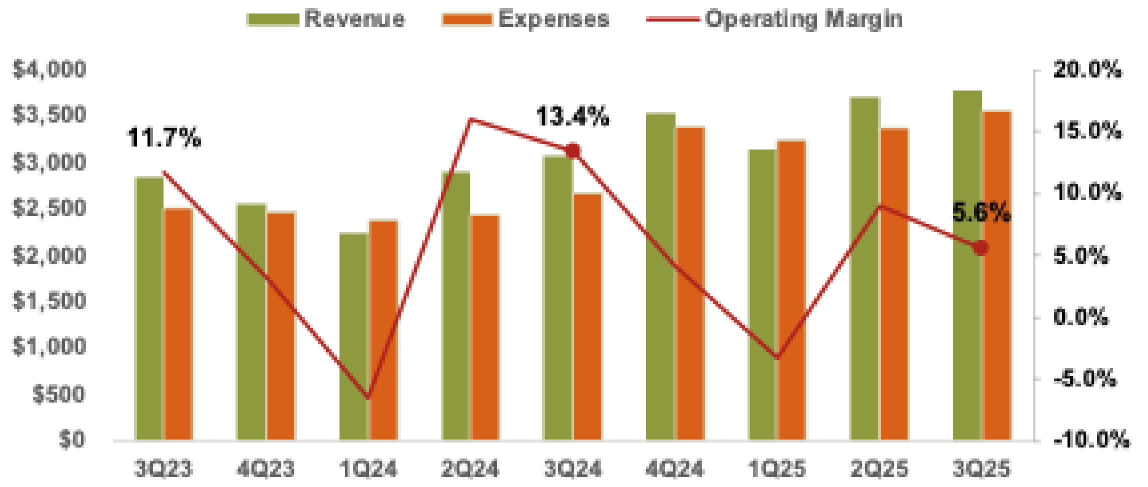
EFA takeaway: The merger with Hawaiian seems to be progressing well but several IT outages are affecting Alaska's financial performance this year. Nonetheless, the airline will be poised to compete with the "Big Three" once the merger is complete.

Alaska - Financial Performance

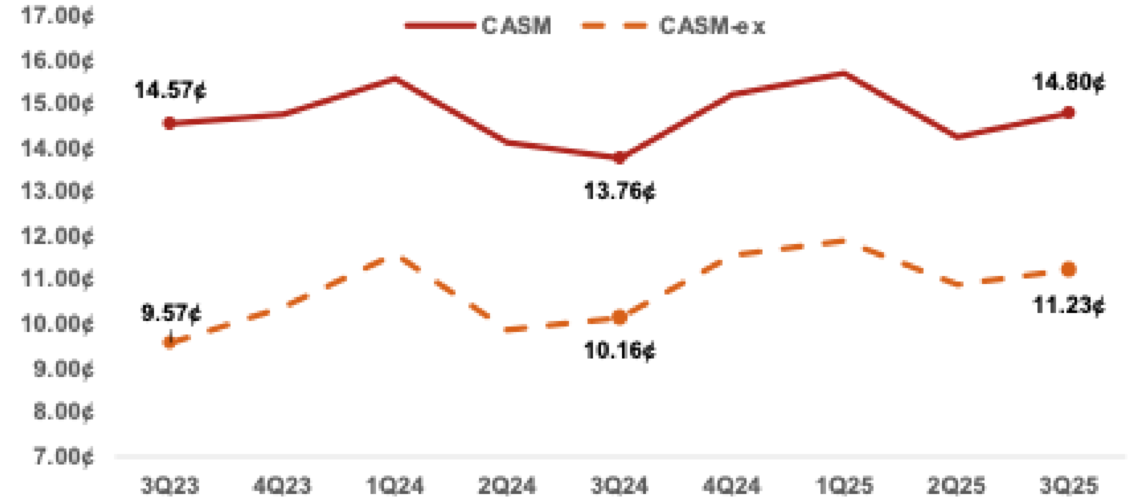
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



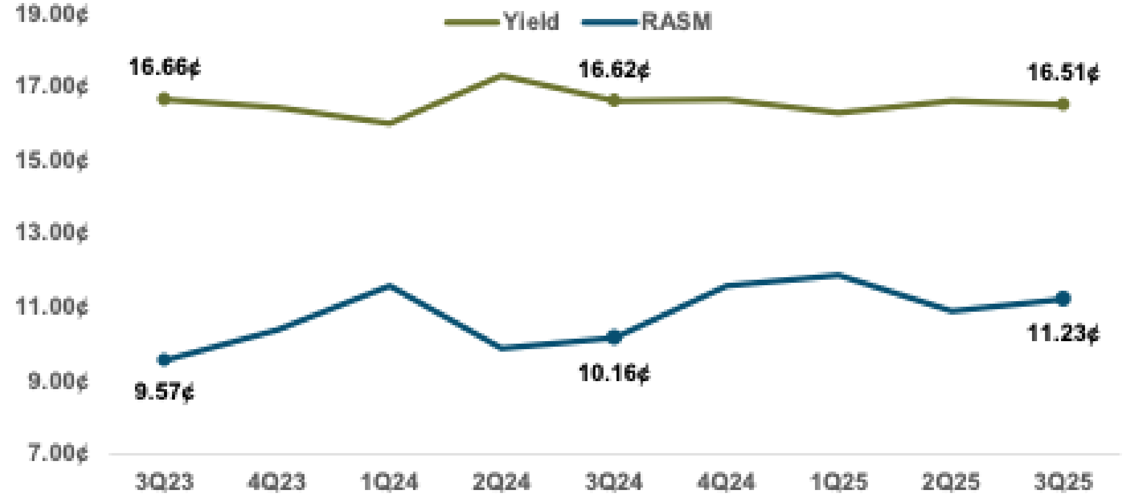
Quarterly Revenue, Expenses, Adj. Operating Margin



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



Yields & TRASM

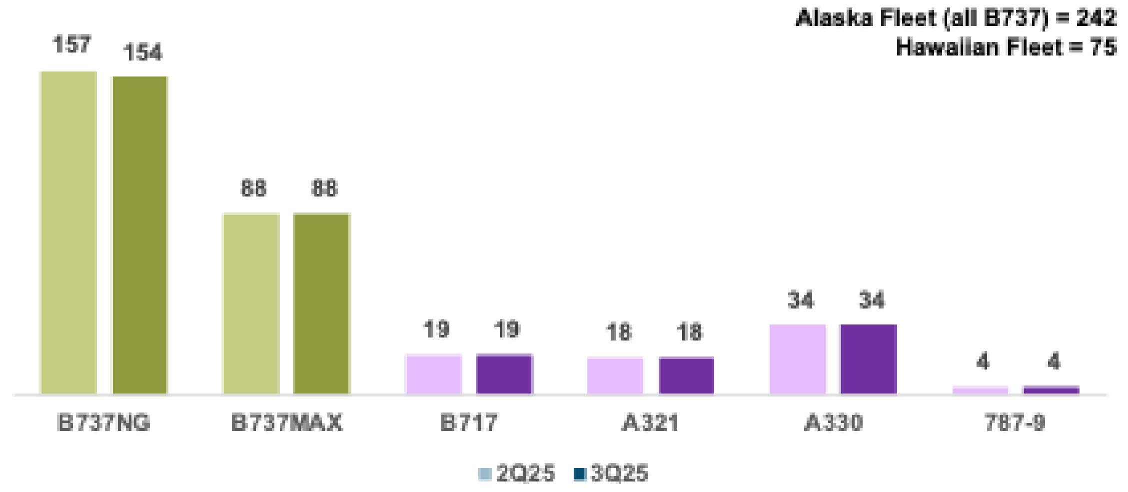


Alaska - Network, Fleet and Analyst Commentary

Network News and Notes

- Completed the sale of the final eight 737-900’s during the quarter.
- Announced seven new nonstop destinations connecting California and the Pacific Northwest, including new service from BUR, BOI, GEG, PSP and SAN starting Fall 2025.
- Expanded codeshare agreement with STARLUX Airlines to enhance connectivity to Taipei.
- **Making significant cuts at LAX and SFO to reallocate flying to new service at PDX and SAN**. Will end LAX-LAS, SFO-AUS, LAX-SJC, SFO-EWR, SFO-BOS among other routes. LAX and SFO daily departures down to 6—65 by April 2026.
- Will start PDX to BWI,PHL and STL in April 2026. Increasing SAN service in April as LAX/SFO reduces, with new service to DFW, OAK, RDU, SBA and TUL.
- **Starting summer service from BUR-HNL and possibly SNA-HNL as well.**

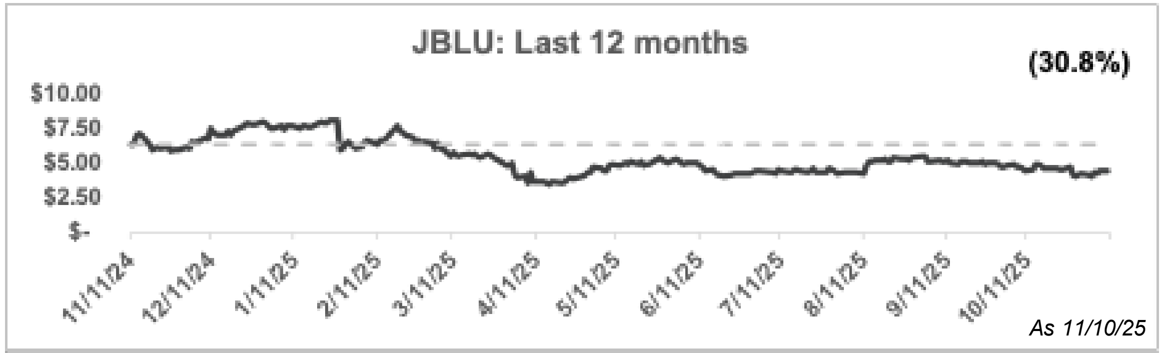
Mainline Fleet

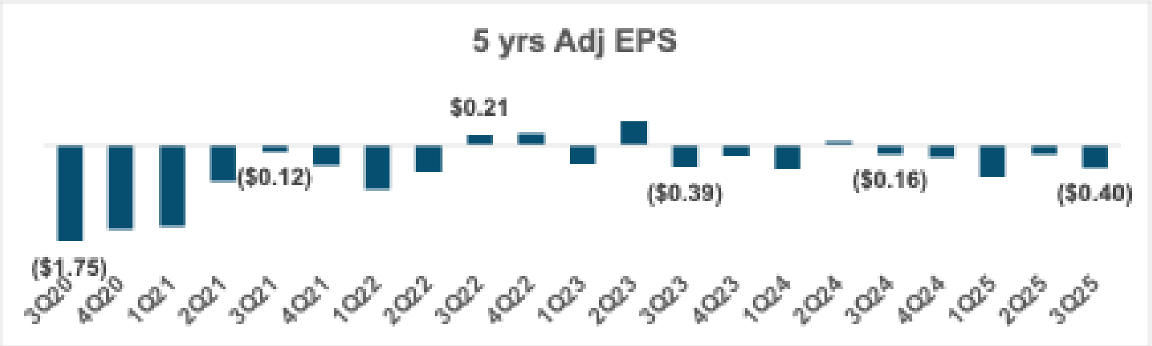


Analyst Commentary

- *It has been a string of bad news for Alaska since mid-September, starting with the 3Q guidance cut, fears of the H1B visa rule impacts, El Segundo refinery fire and the recent tech outage on the heels of a somewhat disappointing 3Q results. This all said, we believe the core trends still appear largely on track and remain encouraging.*
- *Alaska’s dominant market position at key airports (thus, better ability to control its destiny), idiosyncratic earnings drivers related to Alaska Elevate along with a long history of good execution, and a reasonably strong balance sheet make ALK an attractive option for long-term focused investors as industry leading margins are restored.*
- ***While risks remain related to increased complexity of the business model following the Hawaiian acquisition, particularly the widebody aircraft exposure, Alaska is taking a very measured approach to this risk.***
- *Alaska’s weaker than expected fourth quarter guidance comes on the heels of a second IT outage in as many quarters, making investors wait another three months for evidence of meaningful synergy realization from the prior Hawaiian acquisition.*
- *Given the likely temporary nature of elevated West Coast jet fuel prices and hopefully more resilient IT systems looking forward, we expect Alaska could show meaningful margin traction in 2026.*
- ***2025 has been a brutal year for airlines, particularly Alaska.*** *The reality is, however, is that 2025 was more about integration than it was about the numbers, and we would argue that this is a one-time event. We think there is a clear bridge to meaningful EPS growth in 2026.*
- ***The purchase of Hawaiian by Alaska gave the combined company (another) number one position in a large market. It also has unlocked the opportunity to reshape a combined network with true synergies we haven't seen since Delta and Northwest merged and fully integrated in 2010.***
- *Alaska's 3Q25 came in below expectations as operational disruptions and higher fuel offset improved demand. However, fourth quarter is clearly improving with corporate, loyalty and premium leading the way.*

JetBlue Airways





JetBlue

4Q25 adj. pretax income (loss): ($199M)

Management Commentary

- *We ended the period at the better end of our guidance ranges across all metrics, including unit revenues and costs, realizing meaningful margin improvement compared to initial expectations.*
- *Building on the progress since we've announced JetForward 5 quarters ago, our operational metrics and customer satisfaction scores continued to improve in the quarter.*
- ***Implementation of Blue Sky, our collaboration with United Airlines, is progressing as planned and has already begun delivering value to our customers**. Last week, we enabled point accrual and redemption across our loyalty ecosystems, enhancing the utility of each program.*
- *We continue to build on our decade-long commitment to premium and are progressing our plans to further capitalize on the demonstrated industry shift to the segment.*
- ***We plan to grow capacity in 2026 through new aircraft deliveries as well as the return of a sizable number of parked aircraft to service**. As we get back to growing once again, we're doing so with our balance sheet in mind by adding capacity despite reducing CAPEX.*

Items of Interest

- Operating revenue per available seat mile ("RASM") decreased 2.7% year-over-year, at the top half of our revised guidance range of a decrease of 4.0% to a decrease of 1.5%, driven by strong close-in demand.
- **Premium products up 6% vs. Core, with TrueBlue revenue up 12% YoY.** Managed corporate booking continue to improve, with yields up high single digits YoY.
- **JetBlue initiatives continue to ramp, with the "EvenMore" seating sales accelerating amid higher yields.** Co-brand card acquisition also strong as the BlueSky partnership with United progresses further. Will outfit 250 A/C domestic F/C.
- CASM-ex came in at midpoint of guidance after a shift in maintenance expenses and strong operational performance in August and September.
- Initial 2026 planning shows low single digit capacity growth and CASM-ex as a limited number of deliveries and return of parked aircraft to service.
- $2.9B in liquidity, 32% of 12-month revenue. CapEx below $1B next several years.

Financial and Operating Statistics

jetBlue	3Q25	3Q24	3Q19	y/y	y/6y
Revenues	$2,322M	$2,365M	$2,086M	(1.8%)	11.3%
Adj Operating Income (EBIT)	($95M)	($11M)	$247M	n.m.	n.m.
Adj Operating Margin	(4.1%)	(0.5%)	11.8%		
Adj Pretax Income	($199M)	($71M)	$239M	n.m.	n.m.
Adj Net Income	($144M)	($54M)	$176M	n.m.	n.m.
Adj EPS	($0.40)	($0.16)	$0.59	n.m.	n.m.
Capacity (ASMs)	16.6 billion	16.7 billion	16.3 billion	(0.6%)	2.1%
Yield	15.99¢	15.17¢	14.39¢	5.4%	11.1%
TRASM	14.17¢	14.13¢	12.80¢	0.3%	10.7%
CASM	14.13¢	14.35¢	11.29¢	(1.5%)	25.2%
CASM-ex	10.86¢	10.62¢	8.33¢	2.3%	30.4%
Fuel (econ)	$2.40	$2.67	$2.06	(10.1%)	16.5%

Forward Guidance

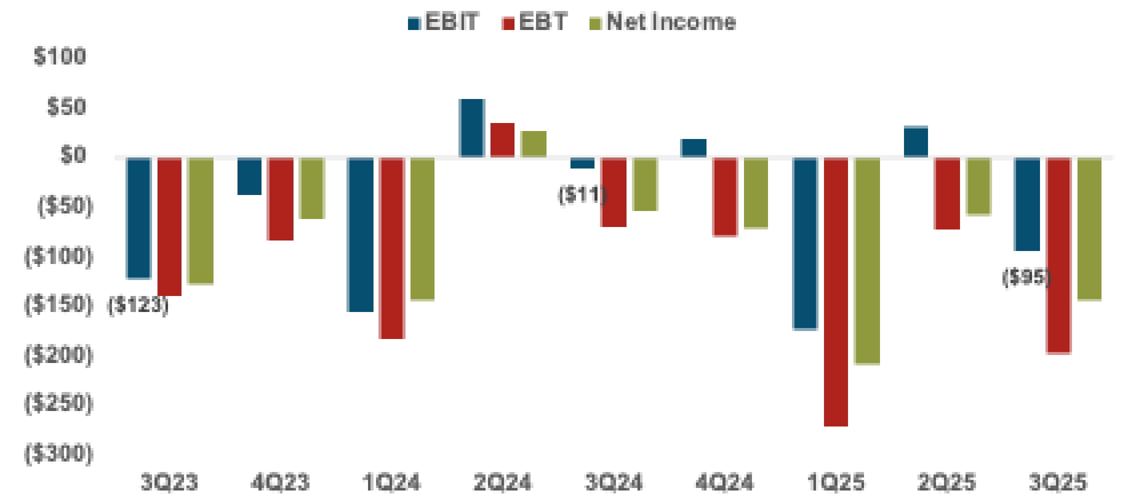
- **FY 2025**
  - ASM's: Down (2.0%)-(0.0%)
  - CASM-Ex: Up 5%-6%
  - Interest and Capex: $590M & $1.1B
- **4Q**
  - ASM's: (0.75%)-2.25%
  - RASM: (4.0%)-0.0%
  - CASM-ex: Up 3%-5%
  - Fuel: $2.33-$2.48

EFA takeaway: Still working through the JetForward Plan with some success but the Company is looking at a sixth straight year of losses. Wall St. seems to be getting impatient, but the Spirit reductions should help, at least in the short-term.

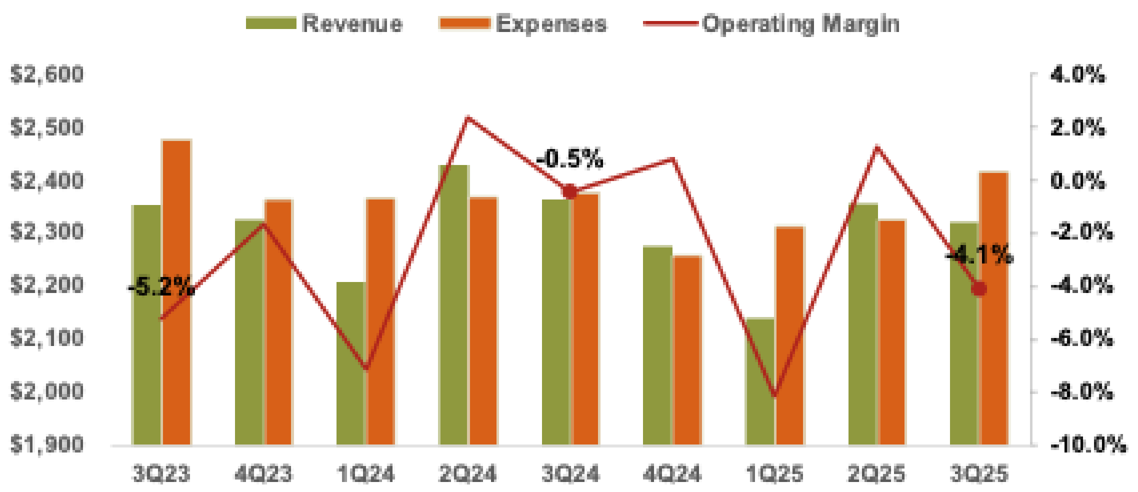
JetBlue - Financial Performance

jetBlue

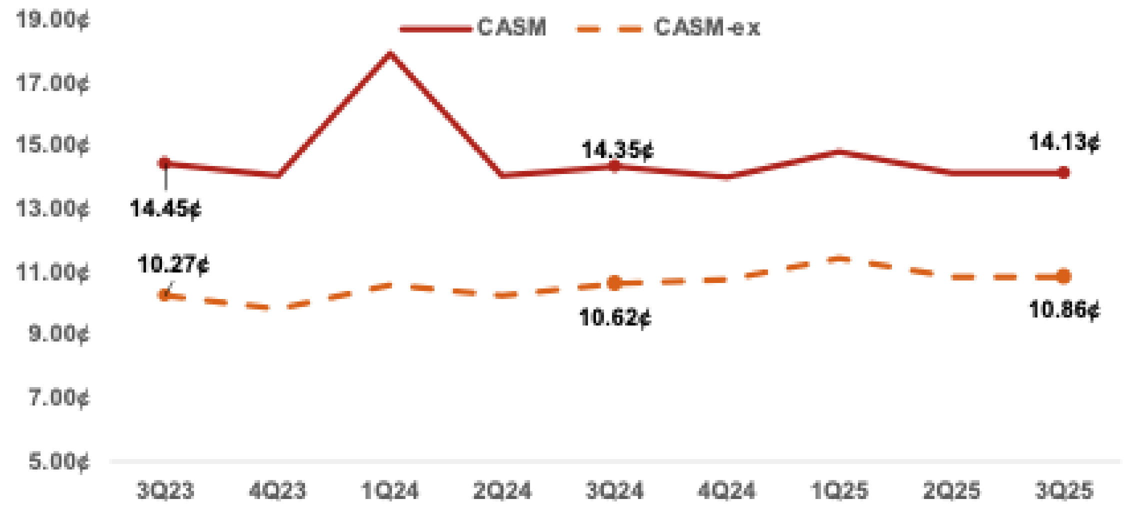
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



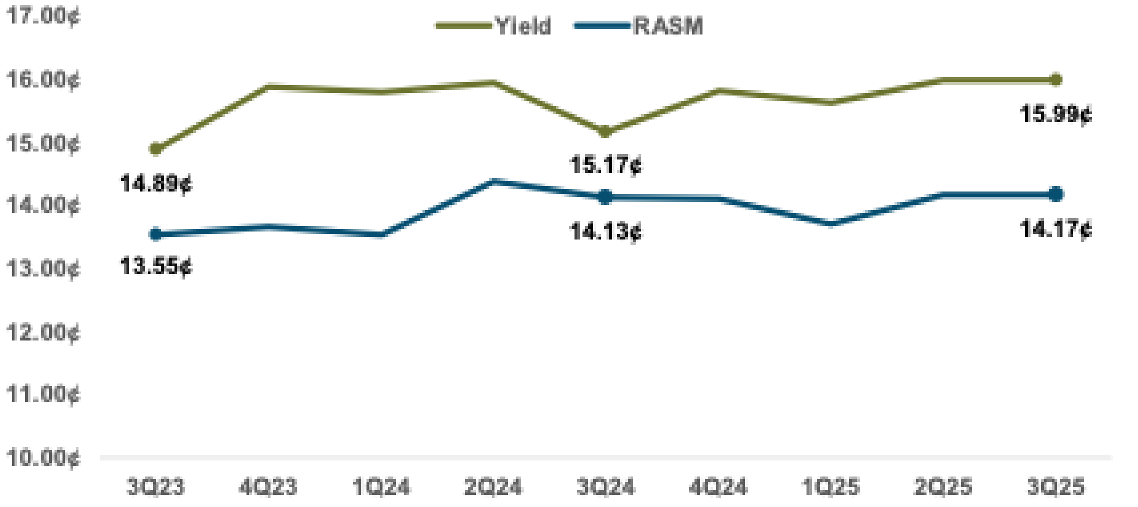
Quarterly Revenue, Expenses, Adj. Operating Margin



CASM & CASM-ex



Yields & TRASM



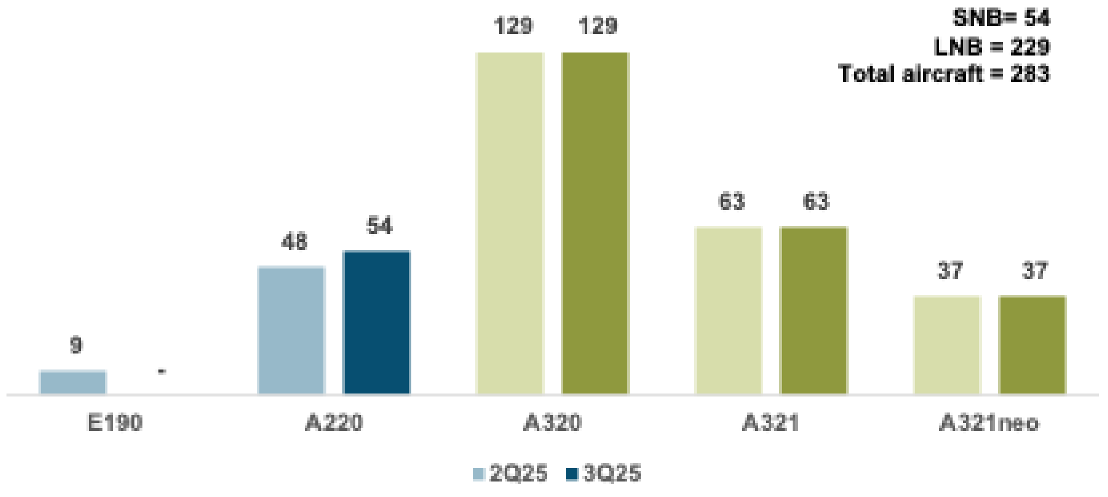
SWAPA

JetBlue - Network, Fleet and Analyst Commentary

Network News and Notes

- Took delivery of six aircraft during the third quarter, four A220's and two A321neo's.
- **Officially transitioned out of the E190 fleet** and anticipate further efficiency gains from an all-Airbus fleet (A220s represent ~25% unit cost improvement versus E190s).
- Will sell one A321XLR delivery in December as the carrier has deferred or canceled that specific fleet type.
- **Adding 17 new routes and increasing frequencies on 12 high-demand markets from FLL. Adding Mint service to LAS, LAX, PHX and SFO.**
- New international cities include Aruba, Cartegena, Grand Cayman, Guatemala City, and Liberia from FLL.
- New service from BOS/JFK to Vero Beach (VRB) and Daytona Beach (DAB). Will also fly ISP to RSW and TPA.
- Cross selling with United flights begins early 2026.

Mainline Fleet

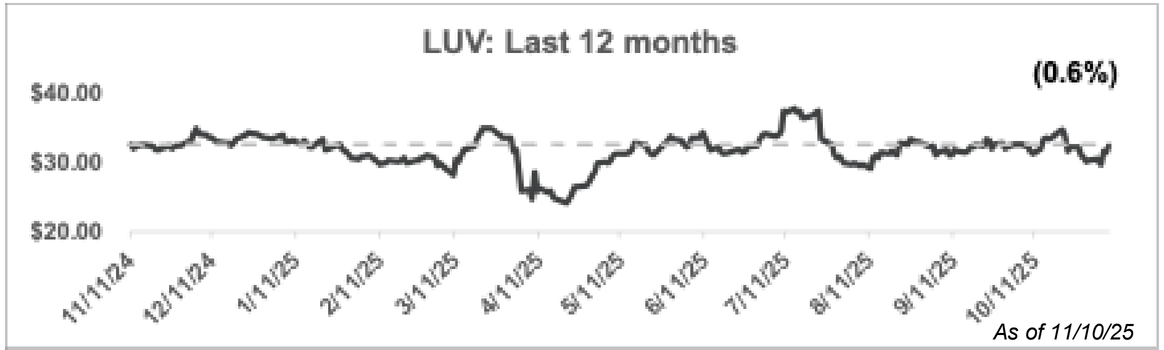


Analyst Commentary

- *BLU is targeting breakeven operating margin in 2026, supported by low to mid-single-digit capacity growth and low-single-digit unit cost ex-fuel growth. This target assumes further macro improvement, continued execution of JetForward initiatives, and efficient capacity growth enabled by new deliveries and fewer grounded planes.*
- *We continue to believe JetBlue is focusing on the right initiatives, notably fortifying its areas of strength (including focusing on high-value leisure demand), making strides on operational reliability, and tackling its cost structure.*
- *Following a lost two years of pursuing other strategies that were eventually blocked by the courts (Northeast Alliance, which we viewed favorably; Spirit acquisition, which had questionable merits), JetBlue has ended with a highly leveraged balance sheet with positive EPS/FCF not expected until 2027. While a strong unencumbered asset base provides a bulwark against shocks, it comes with the risk of further deepening leverage issues.*
- ***JetBlue is capitalizing on Spirit's cut-backs at FLL to capture access to international gates during the middle of the day**. Given JetBlue's FLL stronghold and given the new routes are largely to leisure destinations, we expect them to mature faster, with seasonality and a longer booking window likely to result in a much lower drag on 1Q26.*
- ***JetBlue needs to deliver a credible quarterly outcome for its turnaround ambitions to be taken more seriously by the equity market, in our view**. This is particularly true following Tuesday's allusion to high-single-digit RASM in 2026, an input we cannot comfortably embed in our model.*
- *A JBLU (3% of domestic seats) / UAL (13%) tie-up would only achieve parity to AAL and DAL's respective domestic market shares of 16%. A JBLU/ALK tie-up would result in a mere 7% market share, which would make it just the 5th largest domestic carrier.* ***A LUV/JBLU merger would grow LUV's current #1 domestic market share (19%) to 22%. To summarize, we think there could be another round of airline consolidation under the current administration (or the next one, perhaps) depending on the outcome in the rail space.***
- *JetBlue has a good plan, but the company needs to turn profitable at some point.*

Southwest Airlines

Southwest



Southwest

3Q25 adj. pretax income : $75M

Management Commentary:

- *Both costs and revenue finished meaningfully ahead of expectations and the rollout and impact of our initiatives remain firmly on track. Additionally, we have continued to launch new products and services showing our commitment to meeting the needs of our customers, and our ability to execute quickly.*
- *The demand environment inflected up in early July and sustained momentum throughout the quarter.* ***The improved demand environment and our execution of our initiatives contributed to our record third quarter revenue and to be in the midpoint of our third quarter guide.***
- *We continue to see broad-based cost discipline across the entire business. I should also emphasize that this is more about spending smartly than it is about simply cutting costs. We're simply pushing costs forward as evidenced by the customer, technology and operational investments being made across Southwest Airlines.*
- *We intend to continue opportunistically repurchasing shares based on market conditions. This reflects our continued confidence in our strategy and our commitment to returning value to shareholders.*
- ***We're also seeing great traction with our loyalty program and co-brand credit card enhancements, which align with our new product offerings*.**

Items of Interest

- Record third quarter revenues with RASM up 0.4% on capacity increase of 0.8% which was above the midpoint of earlier guidance. This was due to the improved demand environment and execution of some of the new initiatives.
- **Corporate travel increased sequentially from the second quarter**. Loyalty revenues increased 7% year-over-year, with double-digit growth in co-brand credit card acquisitions. Other revenue category up 3% YoY.
- Capacity will increase in 4Q due to shifting of -700 seat retrofit until January. This is expected to capture additional incremental revenue and no additional cost.
- **3Q CASM-ex increase was lower than forecast due to “cost discipline” across the organization.** Maintenance spend was down 10% YoY, with SWB up 5%.
- 3Q liquidity of $4.5B with adjust debt to EBITAR at a ration of 2.1, within guidance.
- Returned $439M to shareholders (Dividends/Buybacks) under the $2B share buyback plan. Unencumbered assets including aircraft nearly $17B.

Southwest

Financial and Operating Statistics

Southwest	3Q25	3Q24	3Q19	y/y	y/6y
Revenues	$6,949M	$6,870M	$5,639M	1.1%	23.2%
Adj Operating Income (EBIT)	$42M	$32M	$819M	31.3%	(94.9%)
Adj Operating Margin	0.6%	0.5%	14.5%		
Adj Pretax Income	$75M	$117M	$819M	(35.9%)	(90.8%)
Adj Net Income	$58M	$89M	$659M	(34.8%)	(91.2%)
Adj EPS	$0.11	$0.15	$1.23	(26.7%)	(91.1%)
Capacity (ASMs)	45.6 billion	45.2 billion	39.4 billion	0.8%	15.7%
Yield	17.36¢	17.01¢	15.90¢	2.1%	9.2%
TRASM	15.25¢	15.19¢	14.32¢	0.4%	6.5%
CASM	15.17¢	15.11¢	12.24¢	0.4%	23.9%
CASM-ex	12.21¢	11.91¢	9.11¢	2.5%	34.0%
Fuel (econ)	$2.40	$2.55	$2.07	(5.9%)	15.9%

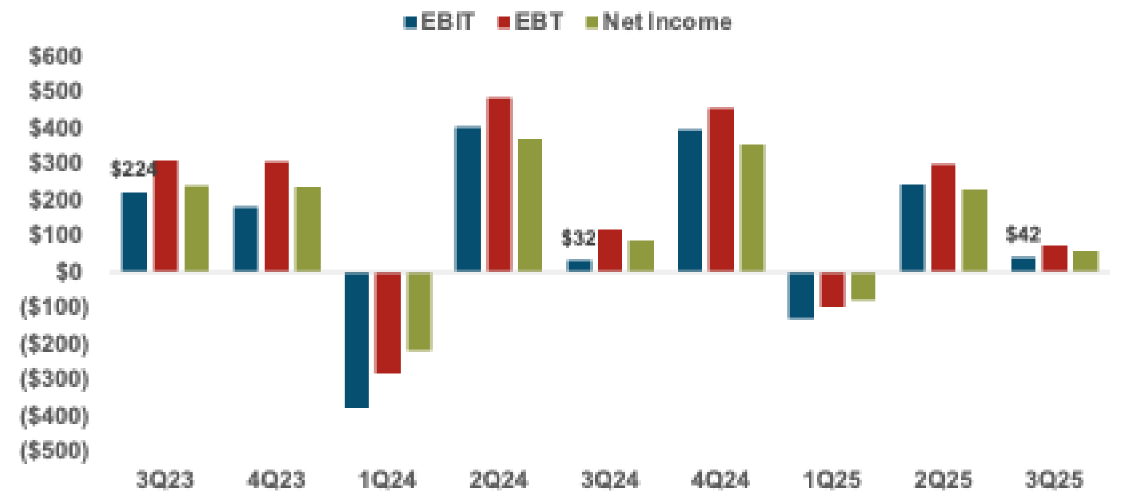
Forward Guidance

- **FY 2025**
  - EBIT: $600M-$800M.
  - Capacity: Up 1.5% YoY.
- **4Q25**
  - RASM: Up 1%-3% YoY.
  - Capacity: Up 6% YoY.
  - Fuel: $2.30-$2.40 per gallon
  - CASM-ex: Up 1.5%-2.5%.

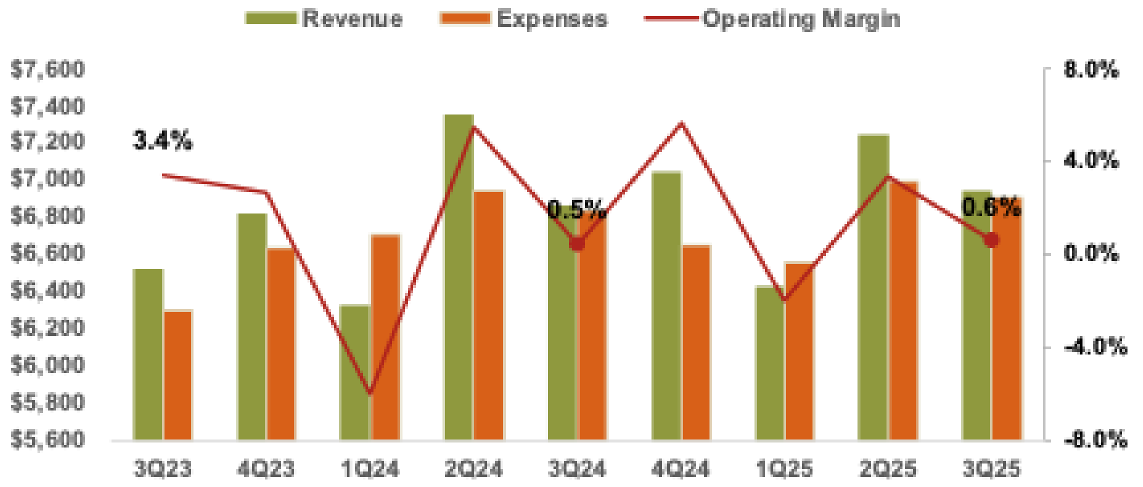
EFA takeaway: The importance of the next two quarters, particularly from a financial perspective, cannot be overstated. The Company has work to do to prove the initiatives will generate the returns they have forecast to Wall St.

Southwest - Financial Performance

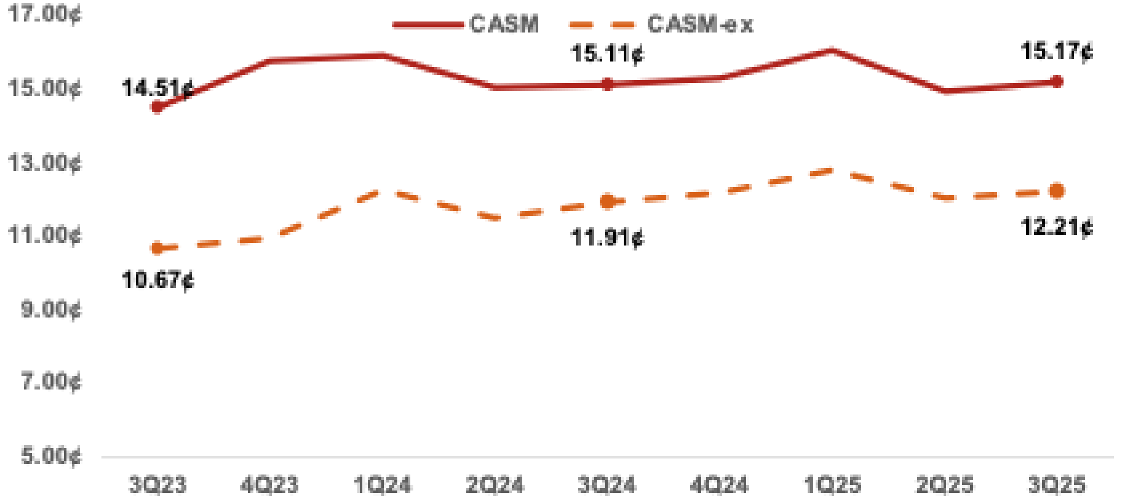
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



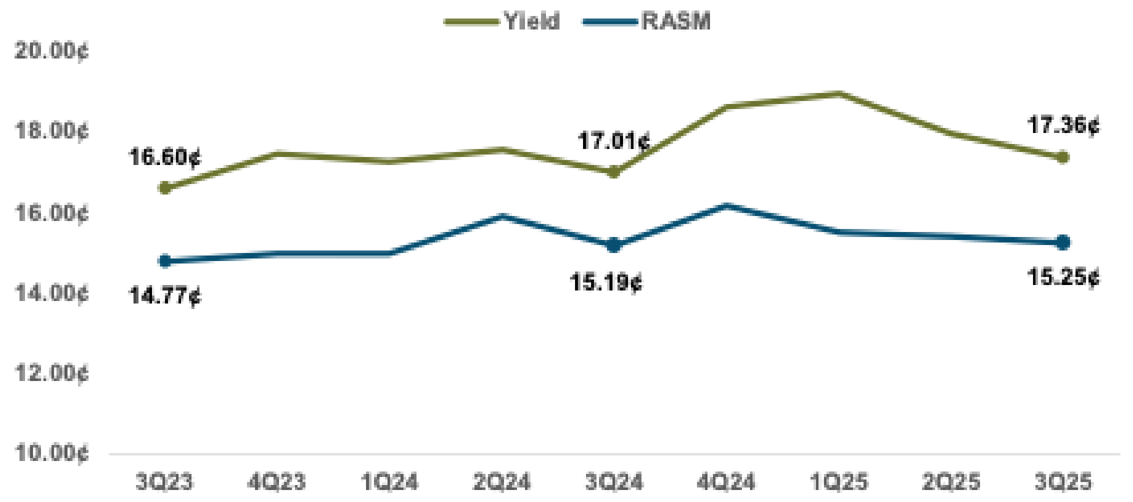
Quarterly Revenue, Expenses, Adj. Operating Margin



CASM & CASM-ex



Yields & TRASM

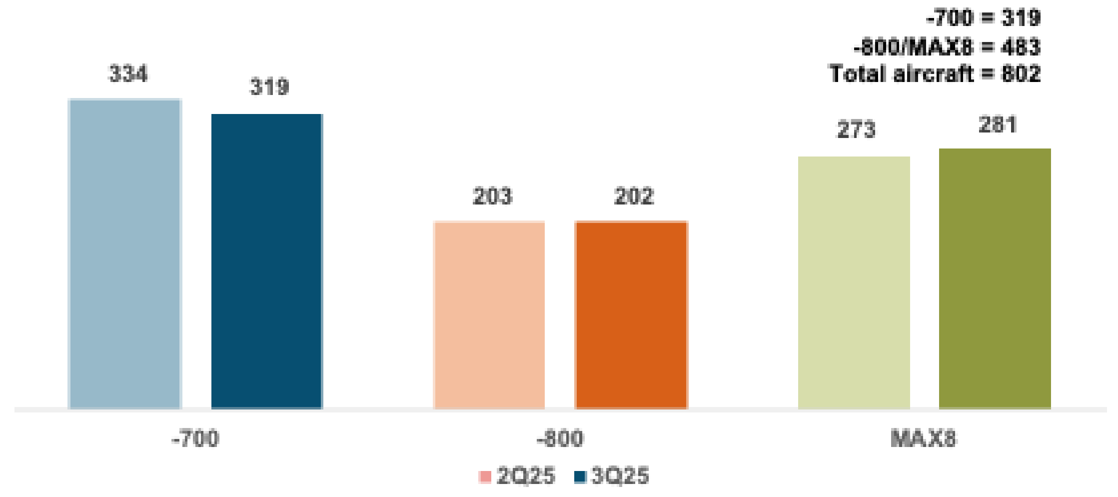


Southwest - Network, Fleet and Analyst Commentary

Network News and Notes

- Received 8 MAX -8 aircraft in 3Q and retired 16 aircraft (15 -700's and sale of one -800), ending quarter with 802 aircraft.
- Updated fleet plan to accept 53 -8 aircraft vs. earlier estimate of 47. Planning for 55 aircraft retirements in 2025, which includes the sale of four -800 aircraft in 4Q.
- **Over 400 aircraft have received the new seating retrofi**t.
- Announced new service to four airports (ANC, STS, SXM and TYS) during the quarter.
- EVA Air interline partnership is now live, with gateways in LAX, ORD, SEA and SFO.
- **Latest June 2026 schedule shows new international service to CUN, PVR and SJD from LAS and up to 55 redeyes flights per night, depending on day of week.**
- AUS, BNA, LAS and MCO will continue to see the most growth through the end of this year and into 2026.

Mainline Fleet



Analyst Commentary

- *Had management called out the historical RASM impact from prior gov't shutdowns, it might have helped investors understand why they embedded the level of conservatism that they did in their 4Q revenue guide (which we view as conservative given Thanksgiving and December holiday pricing trends today).*
- *Southwest reiterated its 2025 EBIT outlook of $600 to $800 mm, but getting there has changed, and investors continue to question the core business.* ***The prior plan was initiative / revenue heavy, and now costs are the driver.***
- *The new initiatives are ramping, but the underlying core business has struggled (again highlighting the need to adapt). It doesn't seem like many push back on Southwest needing to evolve, but rather the lofty ramp and assumptions being attributed to those changes.*
- *We think this is the "core" of the Southwest bear case narrative:* ***the company is playing catch-up with the industry in terms of tactical initiatives, which is highly commendable, in our view, but it's potentially masking an ongoing and broad-based deterioration elsewhere across the franchise.***
- *Once initiatives are lapped, we believe said issues may become more readily apparent, and margins may once again resume a longer-term trend of relative deterioration.*
- *The bottom line is that we are comforted by Southwest's establishment and reiteration of balance sheet targets which are consistent with low / mid BBB ratings. Nonetheless, we still believe that DAL (and likely UAL) can rise to higher credit standing in the eyes of the rating agencies and more importantly the market if current trends continue.*
- ***We expect the increased sense of urgency and planned seemingly sensible revenue and cost initiatives to return Southwest to generating among best-in-class margins*** *and returns over the next few years, much as it did back in 2013-14.*
- *We are encouraged by Southwest's consideration of enhancements to the product to meet evolving passenger preferences, particularly assigned seating — the lack of which seems to be a significant pain point for passengers.*

Ultra Low-Cost Carriers (ULCCs)

allegiant

FRONTIER AIRLINES

spirit airlines

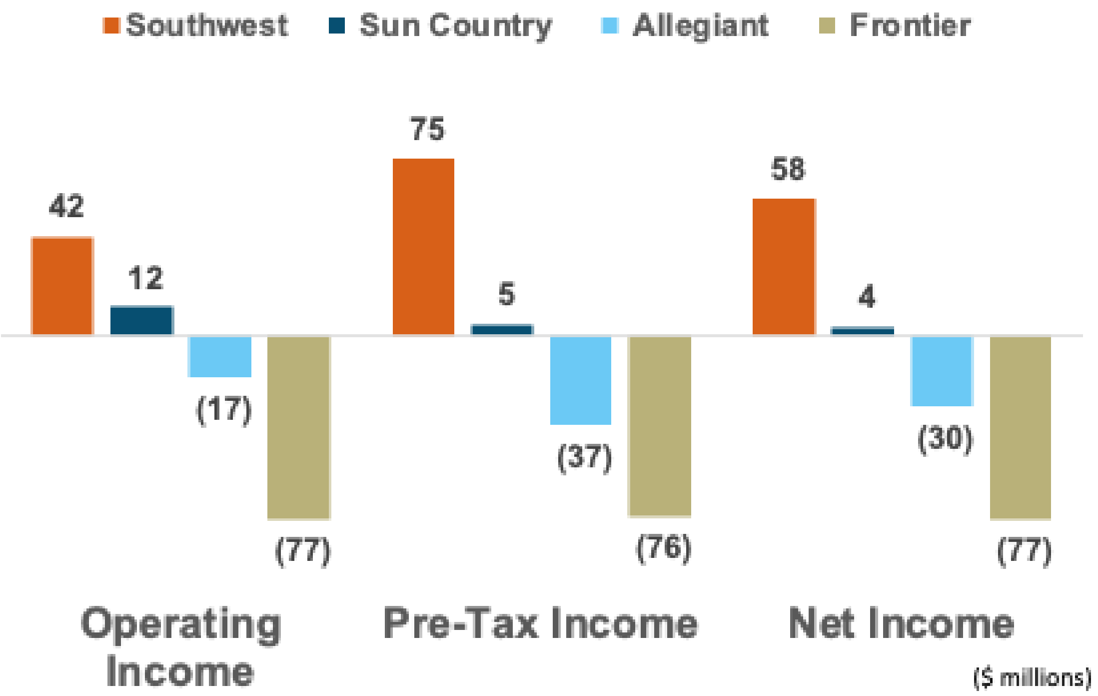
sun country airlines

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

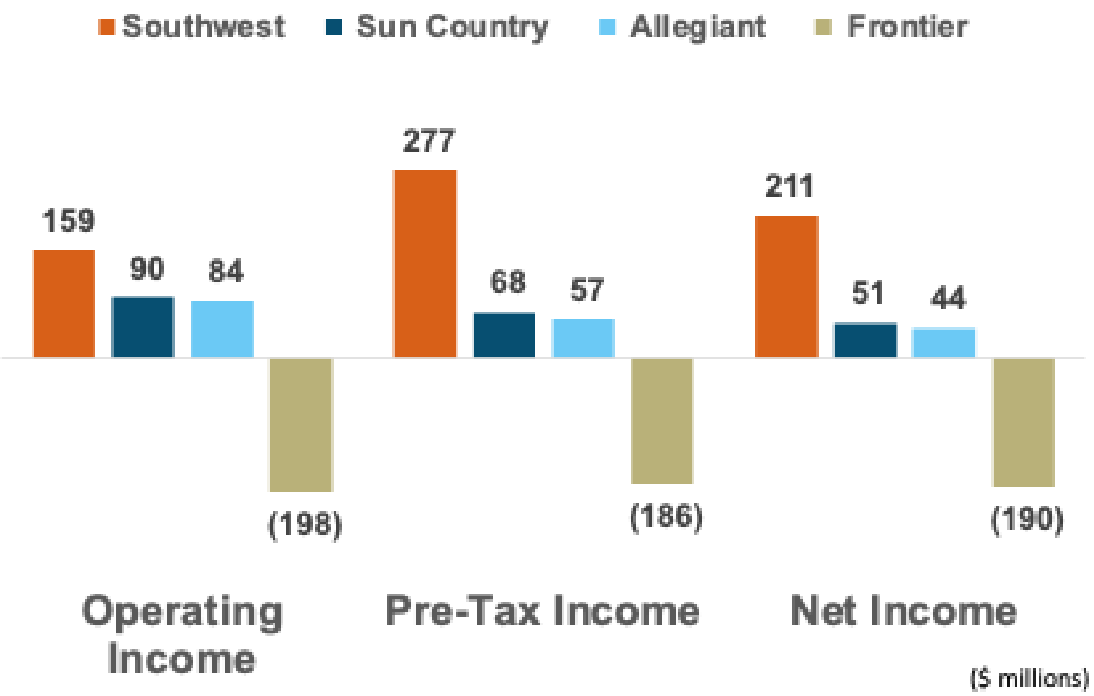
Key Financial Results

ULCCs vs. Southwest

3rd Quarter 2025

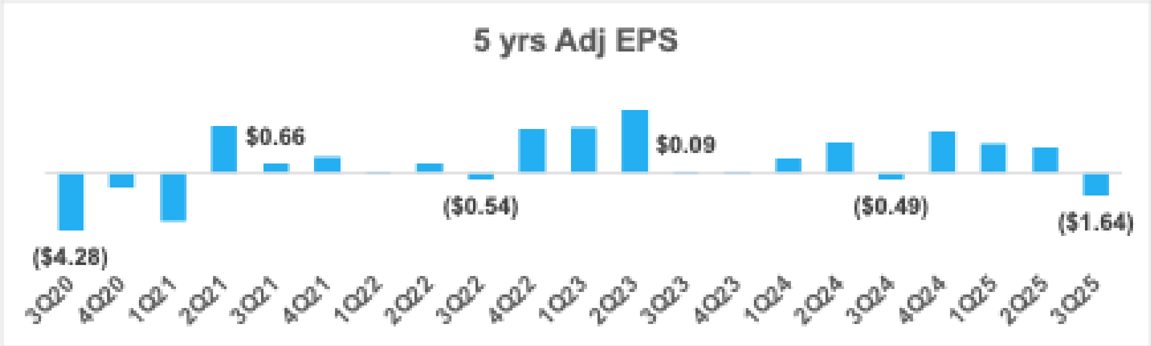


9 months 2025



Non-GAAP – excludes special items

Allegiant Travel Co.



Allegiant

3Q25 adj. pretax income (Loss): ($37M) (Airline only)

allegiant

Management Commentary:

- *We saw steady improvement in the demand environment, allowing us to outperform our initial forecast in both revenue and costs.* ***As expected, we reported a modest operating loss in what is typically our weakest period of the year, but it was at the better end of our guidance range.***
- *A hallmark of our success is that we are the leisure carrier of choice in the communities we serve by offering convenient non-stop flights at the lowest fares. This is reinforced by our net promoter scores, which remained near all-time highs, reaffirming the loyalty of our customer base and the strength of our brand.*
- *We continue to see demand trending closely to legacy commentary on main cabin performance as well as continued opportunity with our Allegiant Extra Cabin, our award-winning Allegiant Always co-branded credit card loyalty programs and beyond.*
- ***Notably, the sale of Sunseeker Resort closed on September 4, marking a significant milestone for the company, supporting balance sheet improvement and driving better consolidated earnings.***
- *We saw all 3 months produce better year-over-year unit revenue figures than any month in the second quarter, and the best load factor results for its prior year of any month year-to-date. We expect sequential improvement in the year-over-year TRASM results for the fourth quarter.*

Items of Interest:

- Airline only revenues up slightly, with average daily peak utilization per aircraft over 9 hours, near the highs of 2019. TRASM was down high single digits, consistent with Company expectations.
- **Allegiant Extra product now available on 70% of aircraft.** $34M in co-brand renumeration bringing the YTD total to $103M. Ended quarter with 21M co-brand card holders, a Company record.
- 51 new routes during Summer 2025, of which 85% contributed positively to 3rd quarter earnings**. Limited growth in 2026 with 20% of ASM's in new MAX aircraft.**
- Non-fuel cost performance better than expected, down nearly 5%. Full year capacity growth of 12% and reduced headcount will see CASM-ex down full year.
- Liquidity of $1.2B, 40% TTM revenue. $180M in debt prepayment. Capex $140M.

Financial and Operating Statistics

Allegiant	3Q25	3Q24	3Q19	y/y	y/6y
Airline Revenues	$553M	$549M	$431M	0.6%	28.2%
Adj Operating Income (EBIT)	($17M)	$1M	$77M	n.m.	n.m.
Adj Operating Margin	(3.1%)	0.1%	17.9%		
Adj Pretax Income	($37M)	($19M)	$62M	n.m.	n.m.
Adj Net Income	($30M)	($9M)	$50M	n.m.	n.m.
Adj EPS	($1.64)	($0.49)	$3.06	n.m.	n.m.
Capacity (ASMs)	4.8 billion	4.3 billion	3.7 billion	10.2%	29.3%
Yield	13.74¢	13.21¢	12.34¢	4.0%	11.3%
TRASM	11.19¢	12.21¢	11.10¢	(8.4%)	0.8%
CASM	11.59¢	12.35¢	9.37¢	(6.2%)	23.7%
CASM-ex	8.47¢	8.89¢	6.68¢	(4.7%)	26.8%
Fuel (econ)	$2.56	$2.69	$2.16	(4.8%)	18.5%

Forward Guidance

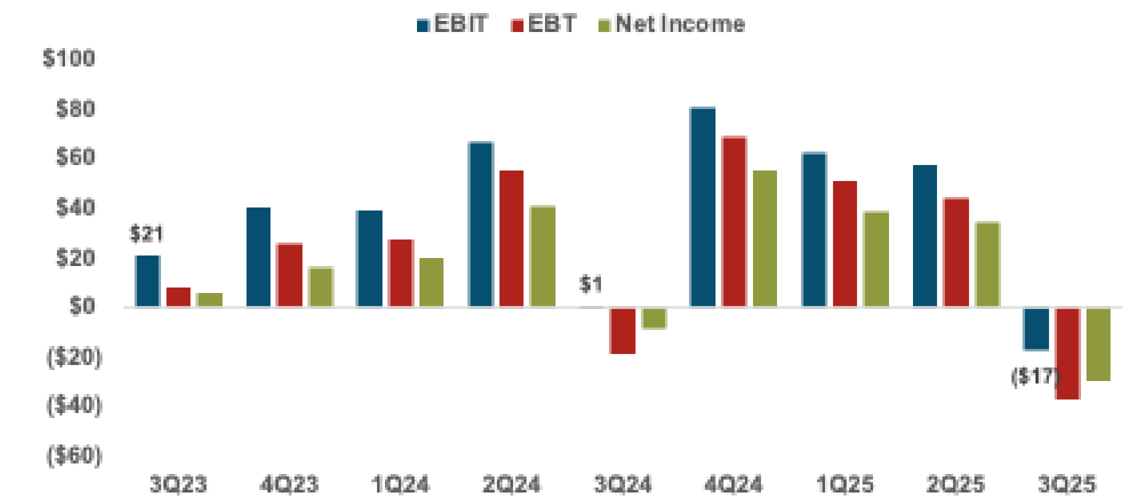
- **FY 2025**
  - Capacity: system ASM's up 12.5%
  - Aircraft CAPEX: $260M - $280M; other airline CAPEX $95M - $115M
- **4Q25**
  - Capacity: system up 9.5%
  - Fuel: $2.55
  - Operating margin: 10%-12%
  - Airline EPS: $1.50 to $2.50

EFA takeaway: Allegiant's renewed focus on airline only operations should return the carrier to profitability. However, can they regain the double-digit margins from the past in the changed airline environment of today?

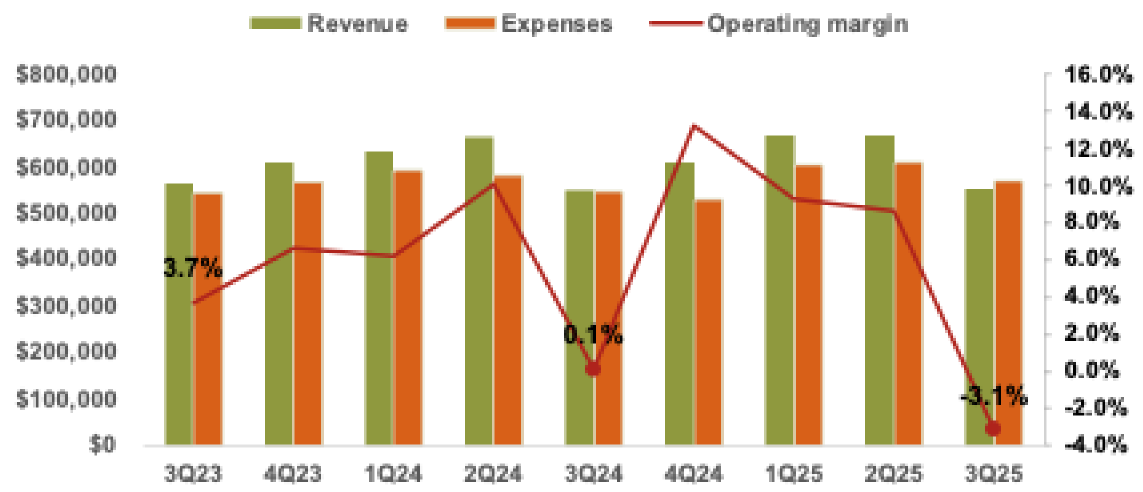
SWAPA

Allegiant - Financial Performance

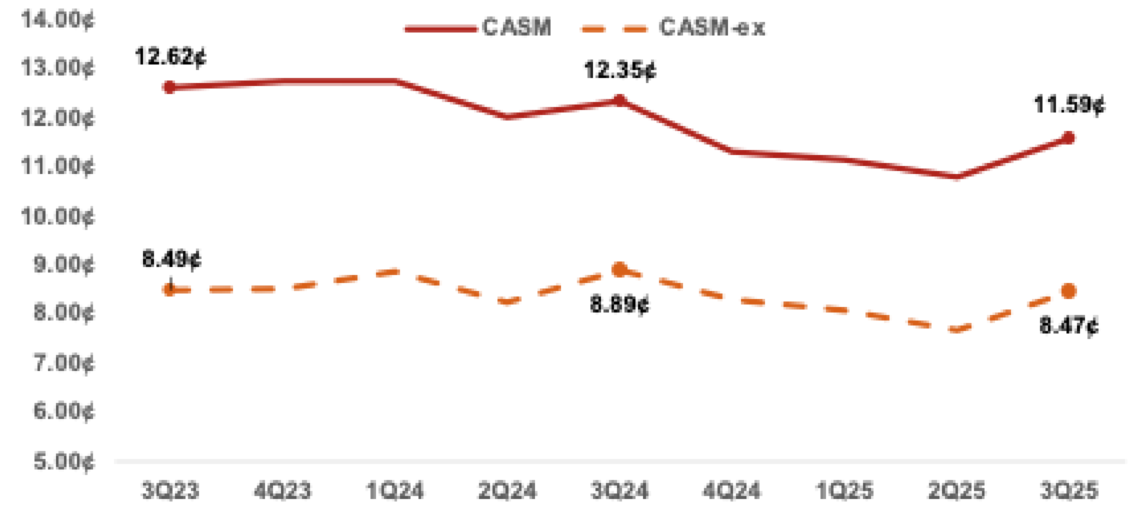
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



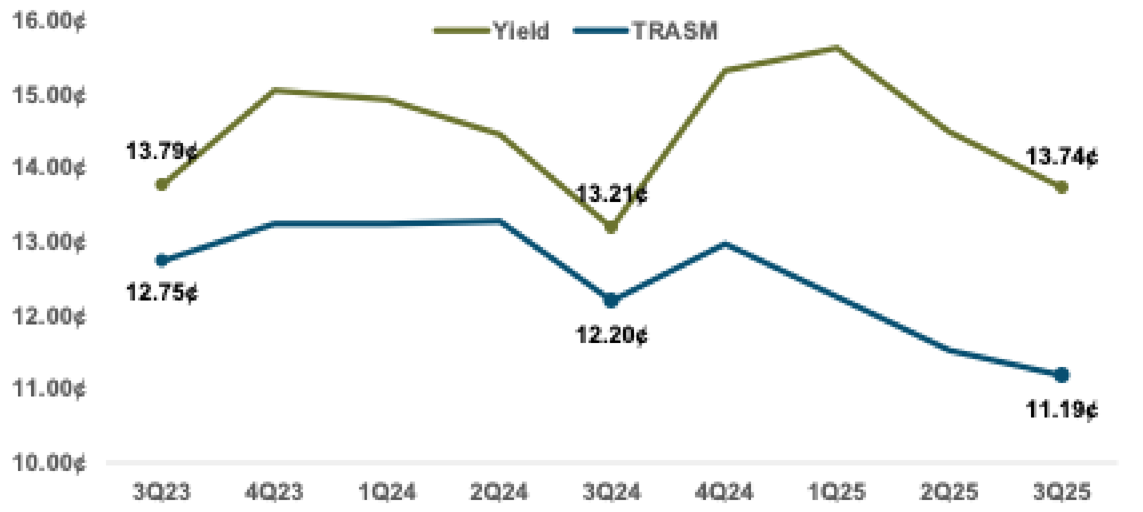
Quarterly Revenue, Expenses, Adj. Operating Margin



CASM & CASM-ex



Yields & TRASM

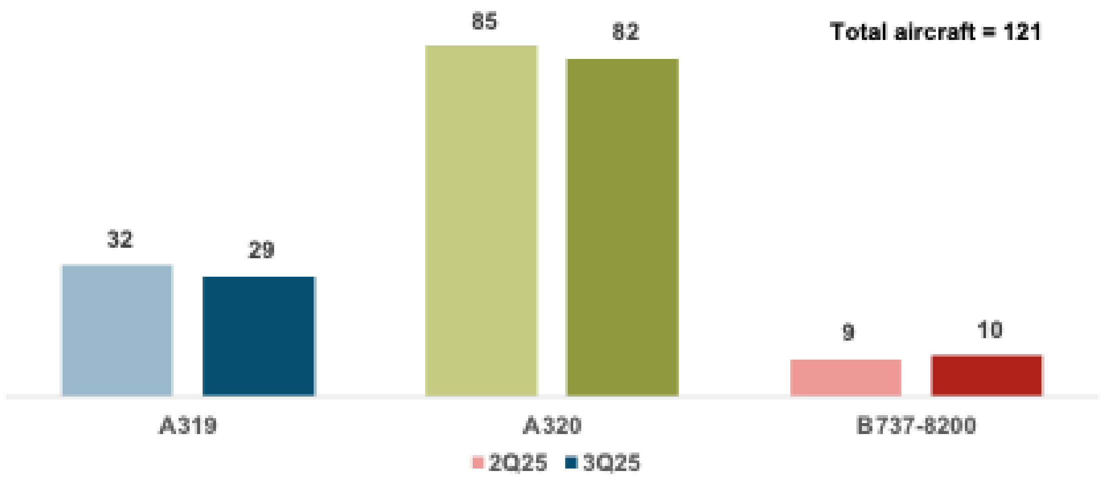


Allegiant - Network, Fleet and Analyst Commentary

Network News and Notes

- Ended third quarter with 121 aircraft, down from 126 at end of second quarter. Took delivery of three aircraft, one of which entered service while four leased aircraft exited the fleet and two other aircraft were sold to a third party.
- **Will induct six 737 MAX aircraft into service in fourth quarter while retiring four leased aircraft to end year with 123 aircraft.**
- Plan to accept 11 737 MAX in 2026, all will replace A319/A320 aircraft, resulting in flat fleet growth year-over-year.
- FLL will become the first MAX base, allowing for longer stage length operations.
- Expanded network by announcing 12 new nonstop routes during third quarter, and two new cities, ACY and BUR.
- 19 new routes to begin Thanksgiving to early spring, including new cities of RSW and HSV. Majority of new capacity will involve Florida cities.
- **Ending service at LAX after 17 years.**

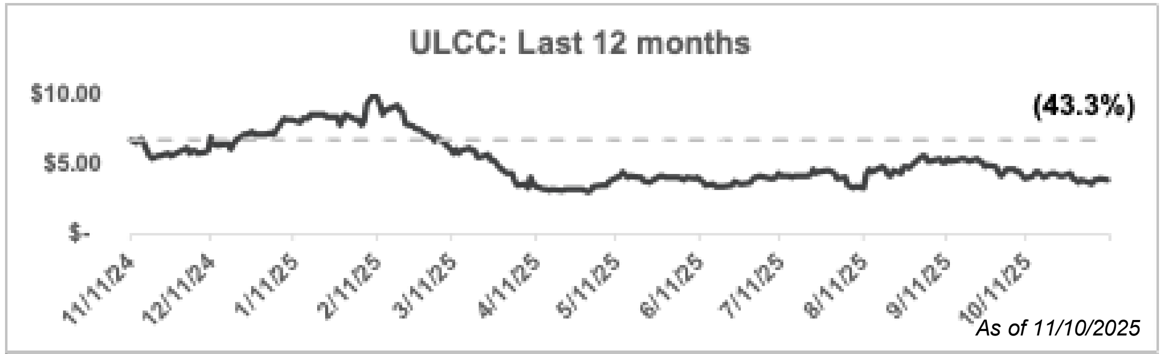
Mainline Fleet

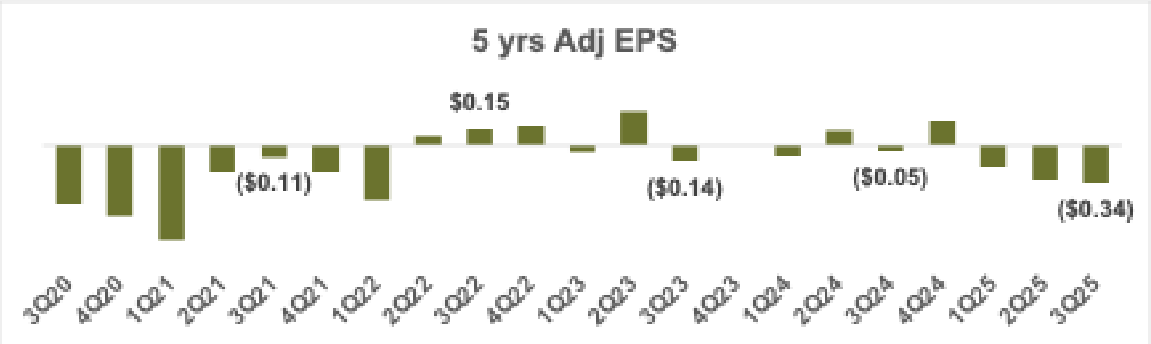


Analyst Commentary

- *While Allegiant's 3Q25 EPS missed, the 4Q25/2025 outlook beat, driven by booking strength and despite a fuel guide reflective of current trends (in contrast to many peers). Importantly, despite the myriad of negative headlines, Allegiant echoed other U.S. airlines in observing no meaningful bookings impact from the government shutdown so far.*
- ***In addition to continued cost execution, we are encouraged by progress on Allegiant's commercial initiatives**, albeit there doesn't appear to be any progress on pilot negotiations (likely 2H26 event at the earliest).*
- *We remain encouraged by Allegiant's continued execution on idiosyncratic 2025-26 margin recovery levers, which are helping offset macro headwinds in the near term and should lead to meaningful margin expansion longer term.*
- *Allegiant delivered an operating loss in the third quarter, but guidance for a 10-12% operating margin in the fourth quarter suggests a more positive end to what has been a challenging 2025.*
- ***With the Sunseeker sale now closed, we see Allegiant management fully focused on the core airline**, which should also benefit from lower industry growth and improved travel demand heading into 2026.*
- *Historically, Allegiant had consistently been one of the most profitable airlines within the US, with a focus on a low utilization model to play to the current demand environment. The Sunseeker saga from 2018 through sale in Sept '25 was a distraction. This held back the underlying potential of the company. But with the sale complete, **Allegiant has an opportunity to take command of the leisure segment** of the US airline market that has floundered in a post-COVID environment.*
- *The lack of growth will cause natural pressure on unit costs, but the hope is unit revenues continue to firm on the maturation of initiatives put in place this year.*
- *There is still work to be done on labor, with an open pilot contract still needed (in mediation) and potential for headwinds associated with the macro & gov't shutdown, but underlying trends are more favorable now than 6 months back.*
- *Allegiant sets up to return to its bread and butter: a true low-cost airline focused on low-cost airports, routes with minimal competition and high margins.*

Frontier Airlines





Frontier

3Q25 adj. pretax income (loss): ($76M)

Management Commentary

- *Looking ahead, the competitive landscape is shifting in our favor. With our largest low-fare competitor significantly reducing capacity, we anticipate a more balanced supply-demand environment. This positions us to accelerate key commercial initiatives aimed at driving RASM growth and reinforcing our competitive advantage.*
- ***We are leveraging enhancements to our loyalty program and upgraded product offerings, including the rollout of first-class seating by spring, an important milestone in elevating customer experience and revenue opportunities.***
- *We will continue to aggressively manage costs to preserve our industry-leading cost advantage, which is central to delivering sustainable margin improvement.*
- ***Importantly, competitive seat capacity is projected to decline by 2 percentage points, including significant reductions by Spirit Airlines**, which is exiting 36 overlapping routes and reducing frequencies by 30% across 41 others in December.*
- ***We expect to return to growth next year** given the developing competitive landscape, and we'll provide formal 2026 capacity guidance on our next earnings update. To capitalize on emerging opportunities, we announced 42 new routes launching through early 2026.*

Items of Interest

- RASM was 9.14 cents, while RASM on a stage adjusted basis to 1,000 miles was 8.76 cents, 2 percent higher compared to the corresponding 2024 quarter.
- Revenue per passenger rose to $106, up 1% from the prior year, supported by an 81% load factor, higher by 3% YoY. **Loyalty assets, including co-brand credit card, Frontier miles and "Go Wild" pass generated $7.50 in revenue per passenger in 3Q, up 40% YoY. Continued enhancements are expected to double the revenue stream over time.**
- Non-fuel operating costs were down sequentially driven primarily by sale-leaseback gains. CASM-ex higher due to a 15% reduction in A/C utilization. Fuel cost down, fuel efficiency higher due to more efficient aircraft added to fleet.
- Ended 3Q with $691M in total liquidity. Issued $105 in bond debt in 3Q, secured by A320 aircraft spare parts. Liquidity is 21% of TTM revenue. Two aircraft deliveries and six GE spare engines were financed with sale-leaseback transactions in 3Q. 10 A/C and 10 engines in 4Q.

Financial and Operating Statistics

Frontier	3Q25	3Q24	3Q19	y/y	y/6y
Revenues	$886M	$935M	$669M	(5.2%)	32.4%
Adj Operating Income (EBIT)	($77M)	($19M)	$88M	n.m.	n.m.
Adj Operating Margin	(8.7%)	(2.0%)	13.2%		
Adj Pretax Income	($76M)	($10M)	$92M	n.m.	n.m.
Adj Net Income	($77M)	($11M)	$72M	n.m.	n.m.
Adj EPS	($0.34)	($0.05)	$0.36	n.m.	
Capacity (ASMs)	9.7 billion	10.1 billion	7.5 billion	(3.8%)	29.8%
Yield	10.93¢	11.58¢	10.18¢	(5.7%)	7.3%
TRASM	9.14¢	9.28¢	8.96¢	(1.5%)	2.0%
CASM	9.95¢	9.10¢	7.49¢	9.3%	32.8%
CASM-ex	7.53¢	6.89¢	5.57¢	9.3%	35.2%
Fuel (econ)	$2.54	$2.67	$2.13	(4.9%)	19.2%

Forward Guidance

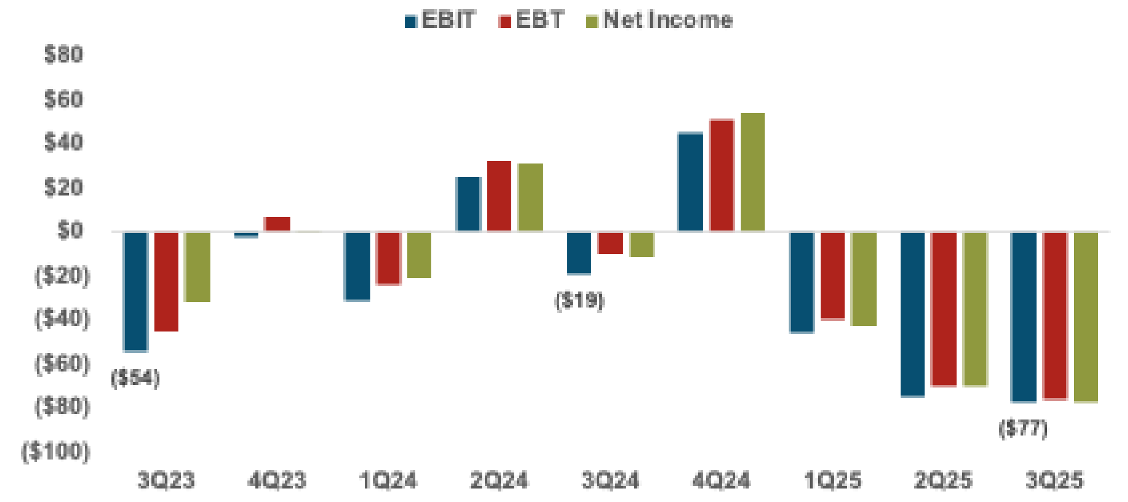
- **FY 2025**
  - No new guidance
- **4Q25**
  - EPS: $0.04-0.20
  - Fuel: $2.50
  - Capacity: Roughly flat

EFA takeaway: Spirit's network reductions and gains from sale-leaseback transactions are helping Frontier's financial profile. Will the product and network changes return the airline's core operation to profitability in 2026?

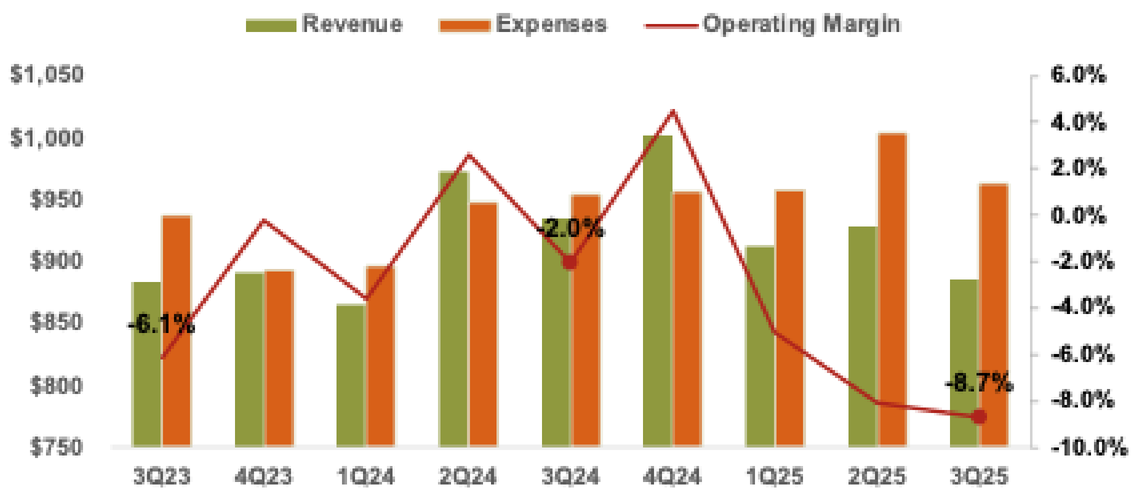
Frontier - Financial Performance

FRONTIER AIRLINES

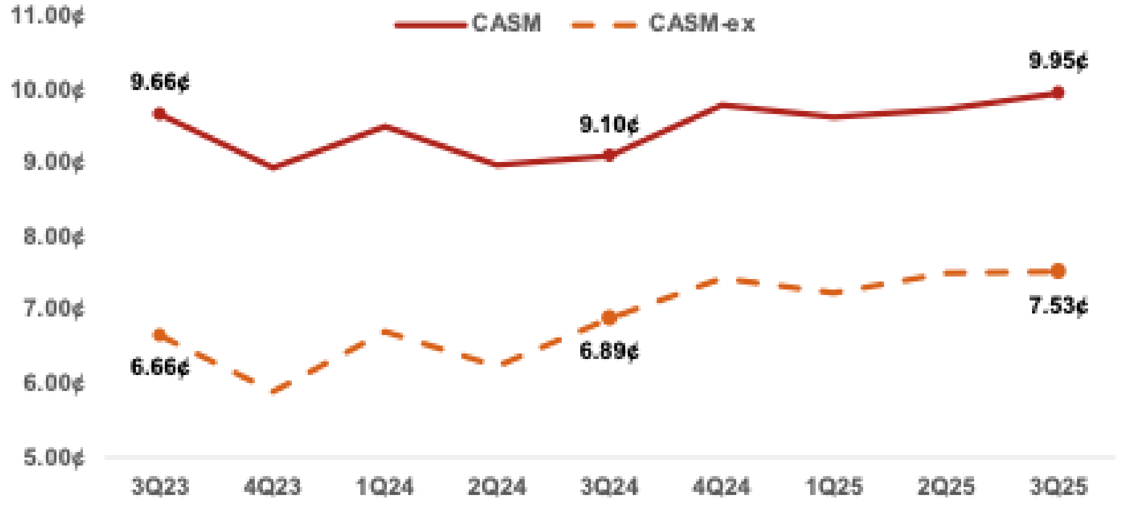
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



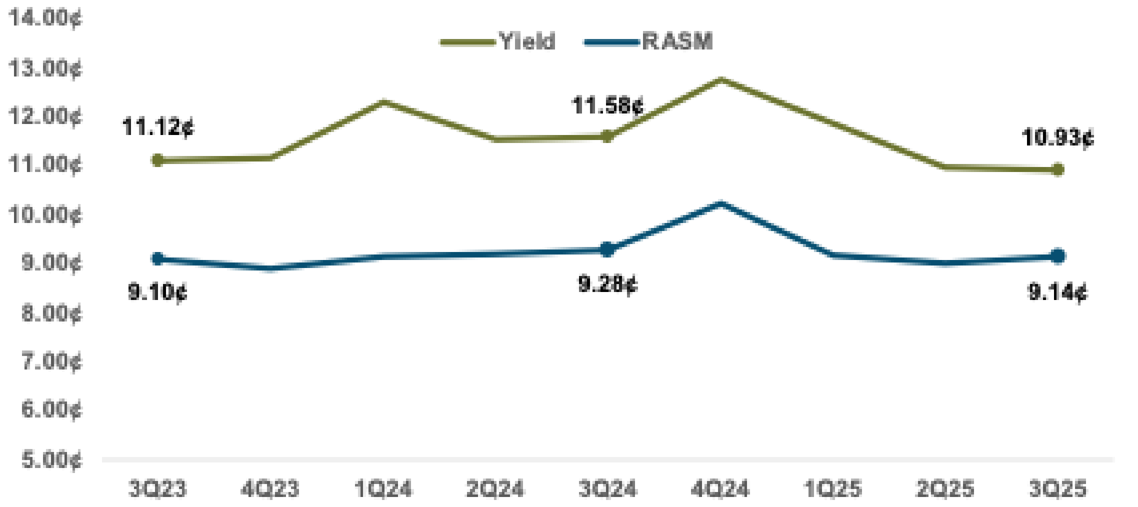
Quarterly Revenue, Expenses, Adj. Operating Margin



CASM & CASM-ex



Yields & TRASM



SWAPA

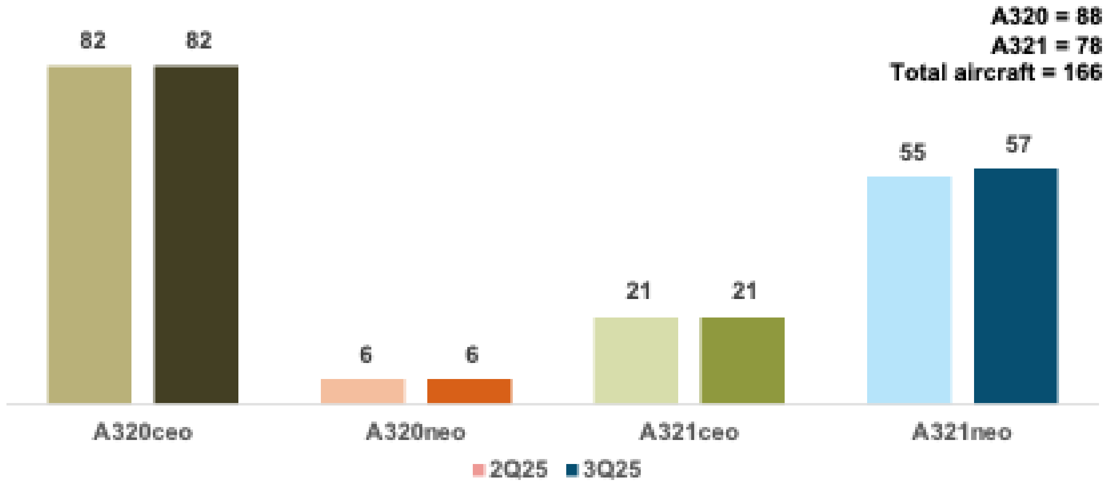
Frontier - Network, Fleet and Analyst Commentary

FRONTIER AIRLINES

Network News and Notes

- Took delivery of two A321neo's in the third quarter, ending with 166 aircraft.
- Plan to accept seven A320neo and three A321neo aircraft in the fourth quarter, all financed through sale-leaseback transactions.
- **Have committed to an additional 178 aircraft to be delivered through 2031,** 85% of which are A321neo's. Sale leaseback commitments run through the third quarter 2026.
- **Launching 42 new routes through early 2026, expanding operations in ATL, BWI, CLT, DFW, DTW, FLL, IAH and ORD.**
- New international destinations include the Bahamas, Guatemala, Honduras, Mexico and Turks & Caicos.
- Opened CRP in October and restarted service to TUL. Other new routes in October include SNA-SLC, DFW-TUS, PHX-SAT, TUS-CHS and ATL-OMA.

Mainline Fleet



Analyst Commentary

- *ULCC finished 3Q25 airline earnings season with EPS of slightly better than our estimate on higher sale-leaseback (SLB) gains, while revenues down -5.2% missed our -3.0% forecast and 4Q25 EPS guidance came in below our expectations. Trends have improved but we see higher underlying unit cost inflation driving margin pressure.*
- *With 90% of its revenues coming from the leisure consumer, Frontier is exposed to the fastest growing segment of the travel market.* ***That said, a tough domestic airline industry backdrop presents headwinds. While its low-cost structure allows the airline to generate profits at lower price points relative to other US airlines, market oversupply and weaker pricing threatens ULCC's margin-generating abilities.***
- *Frontier's path back to sustained profitability remains murky, and for the time being, still reliant on the recognition of SLB (sale leaseback) gains.*
- *We believe Frontier's continued aircraft/spare engine SLB transactions alongside the new $105M private placement note (secured by substantially all of its spare parts and tooling) suggest an effort to build liquidity and wait out Spirit.*
- *While Frontier's 3Q25 EPS was in-line with our forecast and slightly better than consensus, the earnings quality disappointed. Notably, SLA (stage length adjusted) RASM (unit revenue) of +2% y/y fell short of the mid- to high-single digit early-August guide.*
- ***We do not consider SLB a "4-letter word", however we believe it needs to be part of a more balanced strategy especially when considering lease return costs.*** *We also believe that earnings recovery is highly dependent upon a Spirit consolidation (via Chapter 7 or merger).*
- *But with 3Q airline results still seemingly under pressure, with little anticipated improvement in 4Q, we'll have to wait for January to get a sense of when and to what extent.*
- *Frontier realized $42mm of sale leaseback gains inclusive of two A321neo's and six engines.* ***We estimate that when backing out these gains, Frontier's EBIT margin was -16%.***

SWAPA

Sun Country Airlines

Sun Country

3Q25 adj. pretax income: $5M

Management Commentary:

- *As discussed on prior calls, in 2025, Sun Country is focused on cargo expansion as we execute on the planned growth of the cargo fleet to 20 aircraft. Today, all 20 aircraft are in operation.*
- *Consistent with our plans, cargo growth has displaced some scheduled service flying.* ***The year-on-year cuts in scheduled service were largest in 3Q, and we'll be focused on recovering those levels in the next several quarters.*** *I expect to be able to show positive year-on-year scheduled service growth by 3Q '26.*
- *In the backdrop of a strong -- of strong demand for charters, we're able to allocate surplus capacity into this segment. This helps offset some of the under flying of scheduled service. Our ability to flex capacity between charter and scheduled service continues to be a competitive advantage, especially in this environment.*
- *We remain in a transition period while we begin to annualize our cargo growth and then begin to grow back our passenger service business to the pre-2024 utilization and expand our passenger fleet to 50 aircraft by mid-2027. During this transition, we have remained profitable thus far.*

Items of Interest

- **Reported a thirteenth consecutive profitable quarter, while focusing on cargo and charter business while temporarily reducing scheduled service**. Cargo and charter accounted for 40% of total revenue in 3Q. Cargo block hours increased 34% in 3Q.
- Scheduled service TRASM increased 1.6% YoY while scheduled service decreased 10.2%. Third quarter cargo revenue was up 60% YoY, and the company expects up to 75% YoY by December, based on current schedules. Charter revenue grew 15% with 11% growth in block hours as ad hoc charter hours increased 31%
- Adjusted CASM[(4)] increased 5.2% on a 4% increase in total block hours. **Unit costs are expected to remain elevated throughout the remainder of this year** due to the reduction of scheduled service flying to allow for increased cargo flying.
- Total liquidity $298M. Repurchased $10M in stock with $15M remaining. Full year Capex of $80M-$90M. Net debt of $406M, down from $438M at beginning of year.
- Closed on term loan to refinance five aircraft and pay off higher interest 2023 loan.

Financial and Operating Statistics

Sun Country	3Q25	3Q24	3Q19	y/y	y/6y
Revenues	$256M	$249M	$171M	2.4%	49.0%
Adj Operating Income (EBIT)	$12M	$14M	$11M	(10.8%)	12.7%
Adj Operating Margin	4.9%	5.6%	6.4%		
Adj Pretax Income	$5M	$5M	$6M	11.1%	(17.3%)
Adj Net Income	$4M	$4M	$4M	5.7%	(6.9%)
Adj EPS	$0.07	$0.06	$0.09	16.7%	(20.3%)
Scheduled Capacity (ASMs)	1.37 billion	1.53 billion	1.49 billion	(10.2%)	(7.5%)
Yield	17.26¢	16.12¢	13.74¢	7.0%	25.6%
TRASM	11.54¢	11.15¢	9.26¢	3.5%	24.7%
CASM	13.87¢	12.58¢	8.66¢	10.3%	60.1%
CASM-ex	8.46¢	8.04¢	6.11¢	5.2%	38.4%
Fuel (econ)	$2.55	$2.69	$2.31	(5.2%)	10.2%

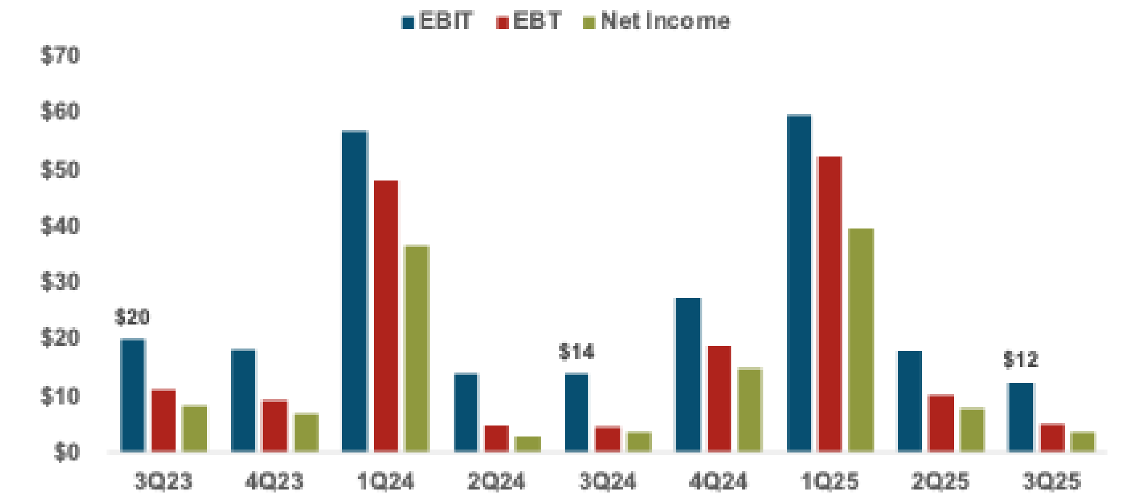
Forward Guidance

- **FY 2025**
  - No change
- **4Q25**
  - Revenue: $270M-$280M
  - Total system block hours-thousands: 39.5-40.5
  - Fuel: $2.50
  - Operating margin: 5%-8%
  - Effective tax rate: 23%

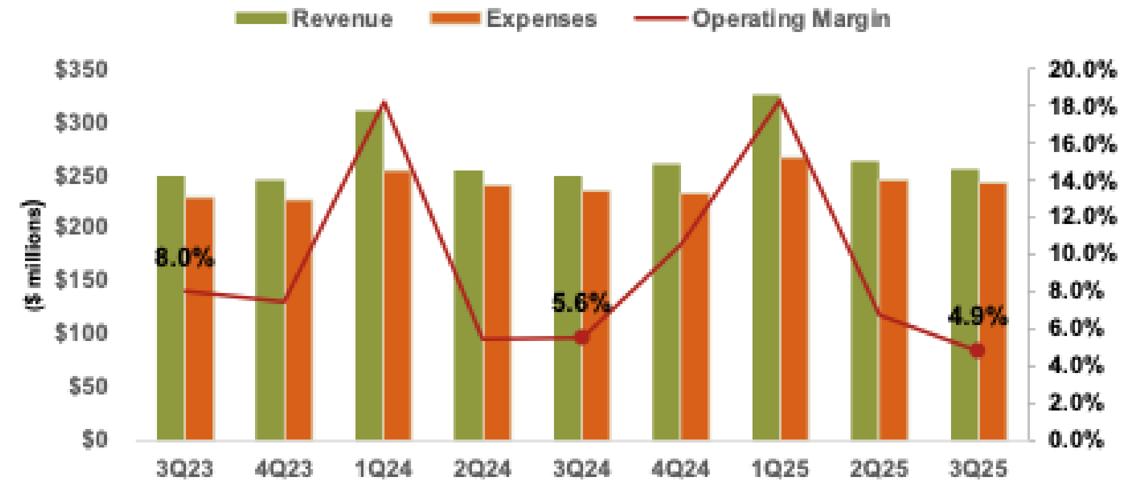
EFA takeaway: Sun Country's profitable niche operation rolls on, with the Company successfully mixing the different revenue sources. Cargo will be the focus for the next six months before scheduled passenger service resumes its growth.

Sun Country - Financial Performance

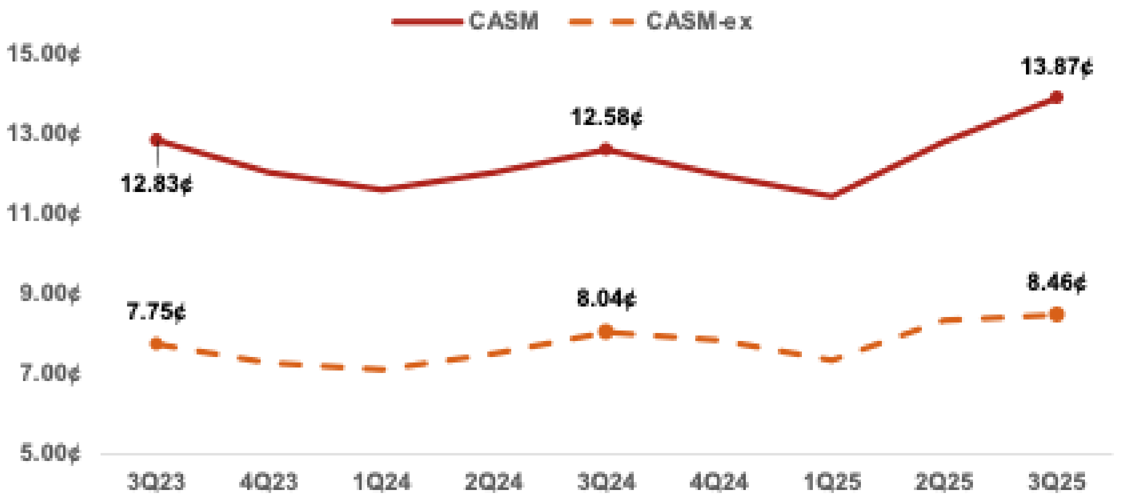
Non-GAAP Operating, Pre-Tax, and Net Income ($ mil)



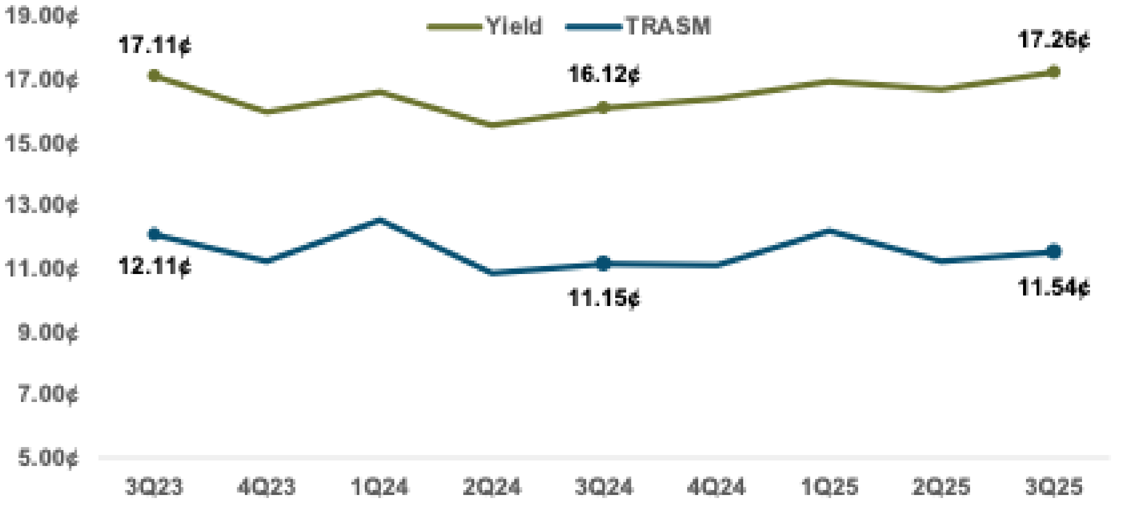
Quarterly Revenue, Expenses, Adj. Operating Margin



CASM & CASM-ex



Yields & TRASM

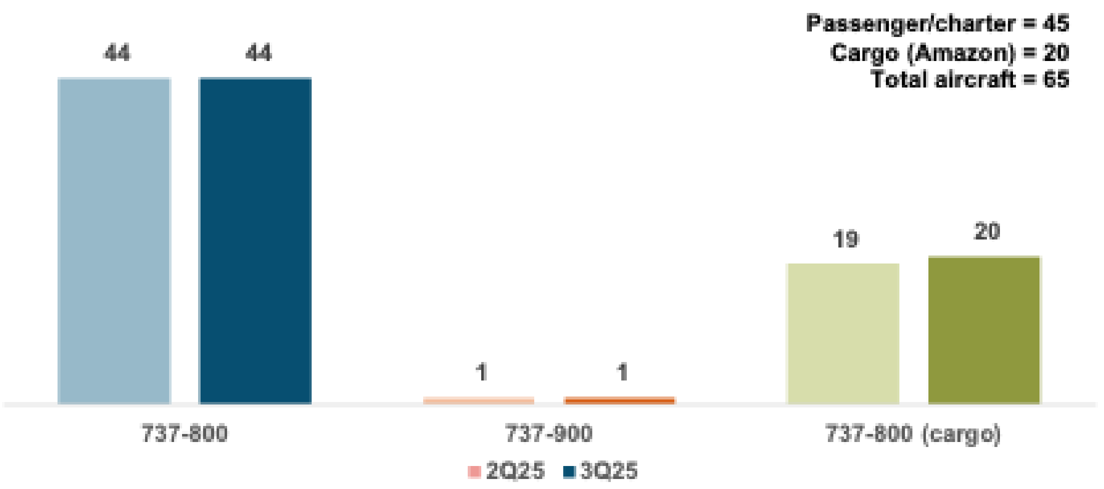


Sun Country - Network, Fleet and Analyst Commentary

Network News and Notes

- **With final delivery of eight cargo aircraft, fleet has leveled off at 65 total aircraft.** 45 passenger, 20 cargo and five aircraft on lease to unaffiliated airlines.
- Will deploy the newly acquired 737-900ER's (189 seat capacity) to major trunk routes from MSP to BOS, LAS, LAX, MCO, PHX, RSW and SEA.
- Scheduled service will recover previous levels by third quarter 2026 and grow into 2027 as the airline accepts five aircraft that are currently on lease.
- **Amazon freight network is mature at 20 aircraft.** There are no plans presently to add to that segment of the fleet.

Mainline Fleet



Analyst Commentary

- ***Sun Country's differentiated business model should drive a stronger earnings outcome in 2026 as recently elevated contracted flying for Amazon will be fully contributing to results****. With the operation of 20 freighter aircraft full spooling in 4Q25, Cargo segment margins should increase given higher pricing on the contract in 2026.*
- *Scheduled passenger TRASM is expected to be up roughly 6% year-over-year in 4Q25, from a HSD scheduled passenger capacity contraction, marking a more positive outlook relative to other low fare and low -cost carriers that have recently reported.*
- *Bookings in January were highlighted as "solid" with the airline already booked 30-35%, which is encouraging for what is traditionally the airline's peak period for demand.*
- *Given the increasing significance of its business being derived from its contracted charter and volume-independent Amazon cargo operations, we continue to find unparalleled earnings visibility through our forecast period within our coverage universe. Additionally, unlike other airlines, Sun Country's growth and path to expand margins next year appear wholly achievable without a remarkable uplift in RASM assumptions from additional premium seating or seat assignments.*
- *A sizable Charter and Cargo operation, a network with nearly half of its commercial flights departing from or flown to its base of Minneapolis, and a single fleet with no orderbook are just some of the unique aspects of Sun Country's business model. Most importantly, however, Sun Country breaks from its low-cost peers by not just sustaining profitability through the last two years, which has punished LCC competitors, but by posting industry-leading margins. We expect this to continue as the company ramps its Cargo operations in 2025. Considering its balance sheet strength, we see favorable risk/reward with unparalleled visibility to earnings.*
- ***The bottom line is that Sun Country remains one of the few low fare carriers to have "cracked the code" in maintaining consistent profitability, despite a "challenging environment".***

Economic and Financial Analysis Committee

Industry Financials

3rd Quarter 2025