# AUS Air Service Update

*January 8, 2025*

Austin-Bergstrom International Airport

# Air Service Development & Airline Industry Trends

Austin-Bergstrom International Airport

# Why Air Service Needs Development


Airlines are focused on **maximizing profits**

Aircraft are **moveable assets**

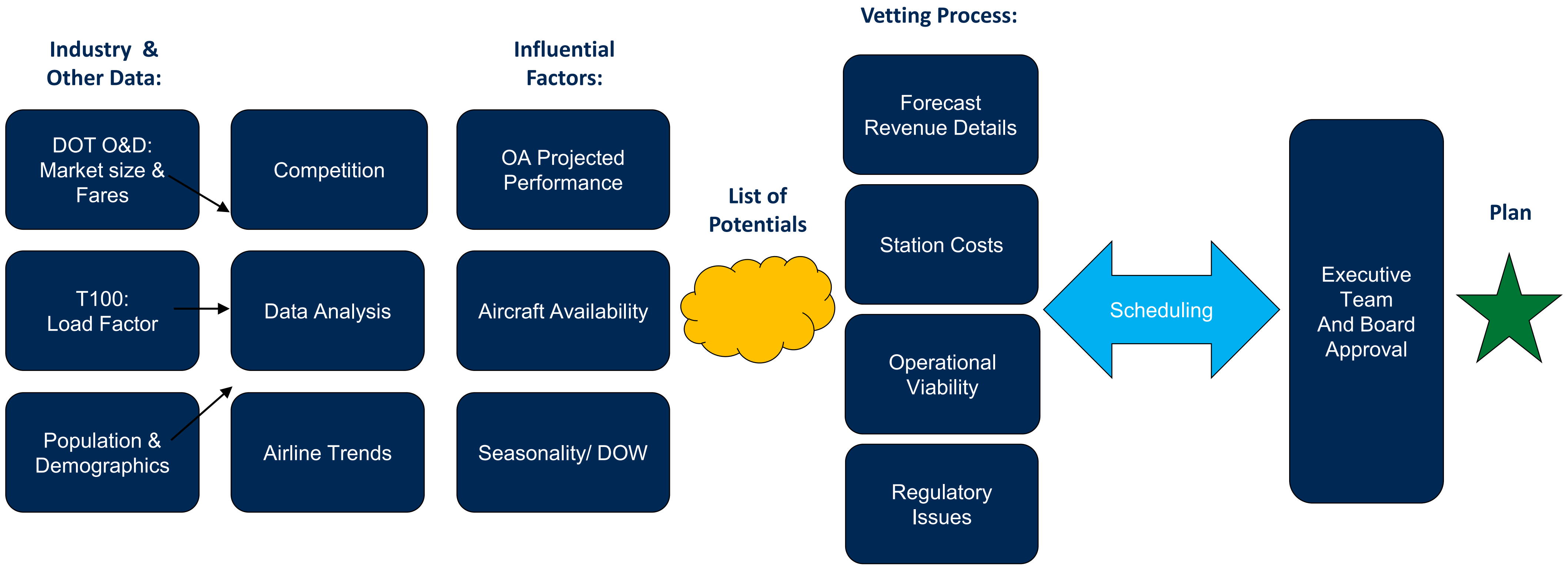
Identify **opportunities** for **growth** and **weaknesses** where an **action** may be **needed**

The **competition** is **global**

We're focused on what's best for the **air service needs of our community**

# Airlines Have Various Factors That Help Narrow Down Opportunities

Goal to maximize revenue and strategic priorities



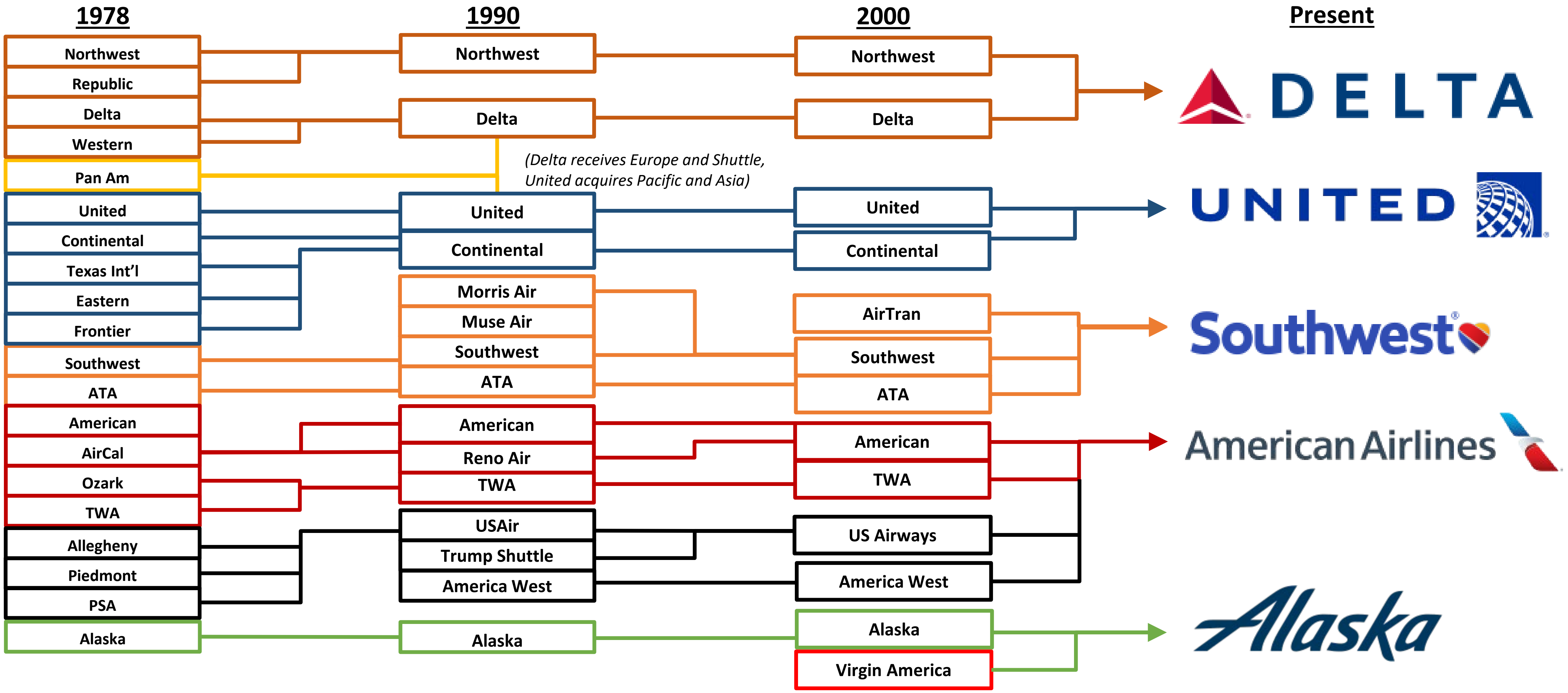

Austin-Bergstrom International Airport

# Functions of Network Planning

The planning team must always be balancing many various functions that all play an integral role in building a successful network.

# Significant Consolidation Since Deregulation

*Consolidations results in 80% of Domestic Capacity (ASMs) provided by five carriers*



# Recent Industry Trends

### Aircraft

- Pratt & Whitney GTF Engine issue/grounding
- Expansion of A321XLR & 737 MAX flying
- A220 flexibility
- 737-7 /10 MAX certification delays
- Premium economy
- Boeing strike

### Competition

- Overcapacity in domestic market?
- Types of revenue across competing network segments
- Alaska/Hawaiian Merger
- Spirit future?
- Fares and inflation
- Startup v. Startup
- Condor/Lufthansa agreement

### Relationships

- Alliances have covered for another partner, now can expand
- Joint Venture planning timeline
- Airline teams have changed
- Goals of interlining remain
- Codesharing

### Infrastructure

- Changes post pandemic (50 seaters)
- Access to slots at key airports challenging – even post pandemic (NY reductions)
- Airline gate squatting/grab
- CBP availability, hours

### Global

- Dublin capacity cap
- Japan's Outbound market
- Pace and recovery of China reopening
- Tourism flows
- Recent CAT 1 upgrade Mexico
- Regulatory constraints
- Safety oversight

### Economic

- Currency challenges (Yen, Euro, GBP)
- Currency fluctuations USD
- Latin recovery, volatility, government changes
- Cargo flow has declined

Austin-Bergstrom International Airport

# Airlines Continue to Face Challenges

### Aircraft Delays

Boeing's production delays due to slowed line output, supplier and labor issues, delays in certifications for Max 7, Max 10, and 777X.

Airbus facing strained supplier chain issues which is also slowing production.

### Increased Costs

High labor costs due to pilot and flight attendant demand, inflation, elevated jet fuel cost.

### Business Travel Trends

In 2023, the business travel industry had recovered approximately $675 billion of the $770 billion lost in 2020, according to GBTA BTI™ analysis, achieving 93% of the pre-pandemic peak of $1.43 trillion by the end of 2023 (Global Business Travel Association)

### Infrastructure

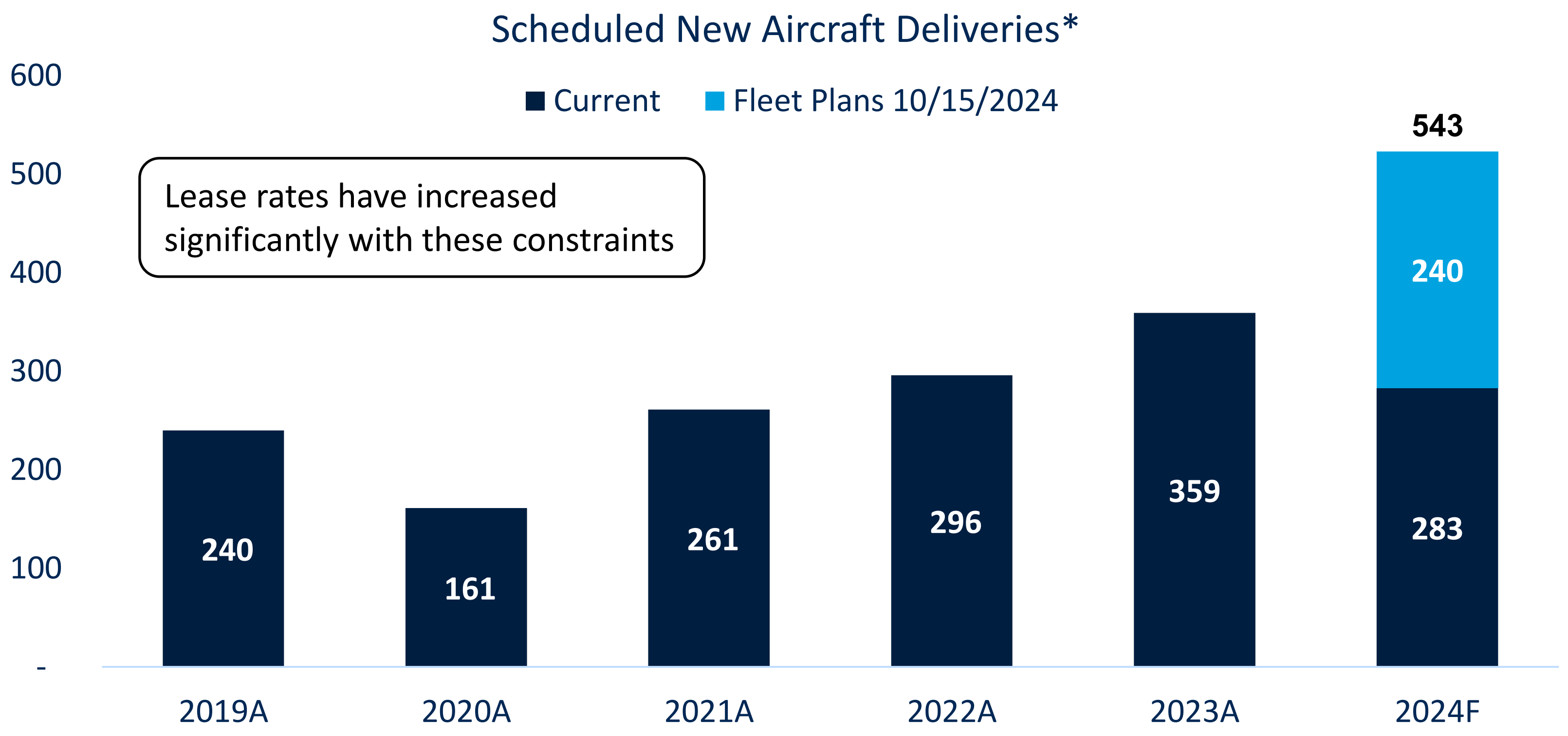
Limited real estate at some airports, access to prime banks, and slots may be difficult.

CBP availability and hours may also pose challenges.

Source: Cirium schedules.

# Production and Certification Delays Are Significantly Impacting Aircraft Deliveries

2024 now expect 46% fewer deliveries than expected



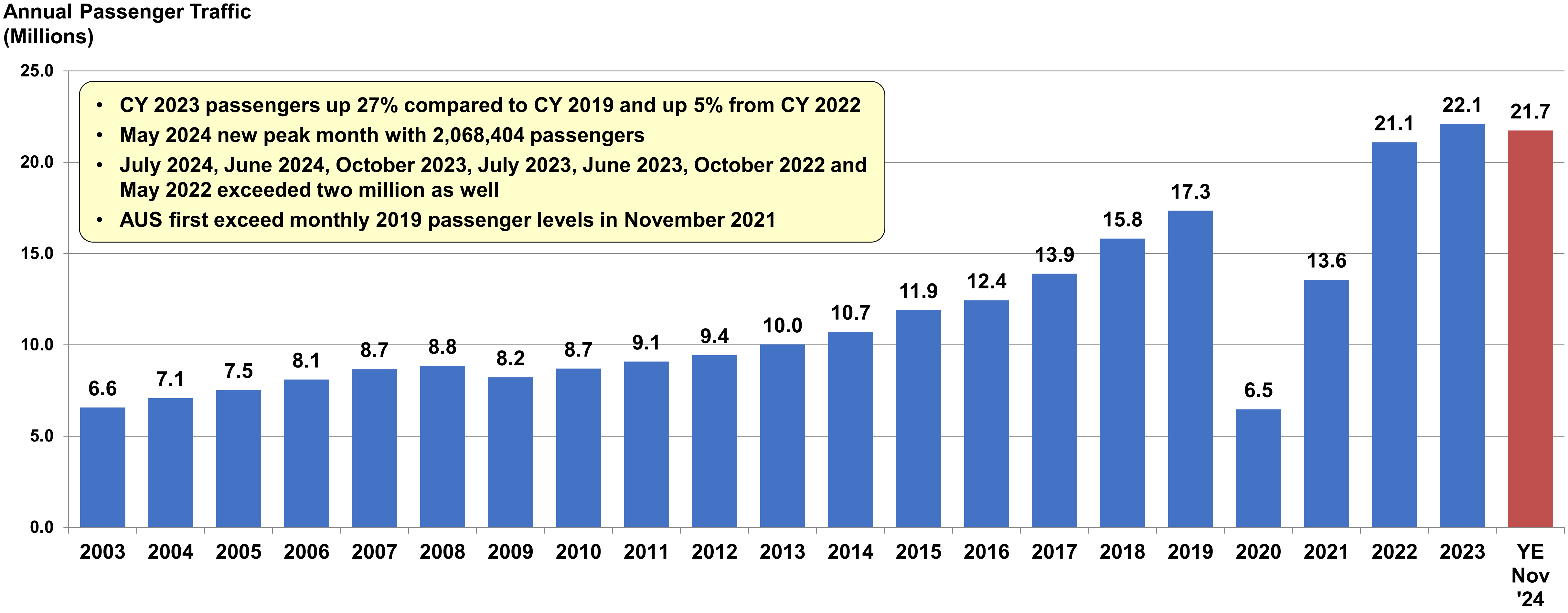

Note: Airlines included are Alaska, Allegiant, American, Breeze, Delta, Frontier, Hawaiian, JetBlue, Southwest, Spirit and United as of October 15, 2024
Source: A4A, 12/21/2024

Austin-Bergstrom International Airport

# AUS Air Service Overview

Austin-Bergstrom International Airport

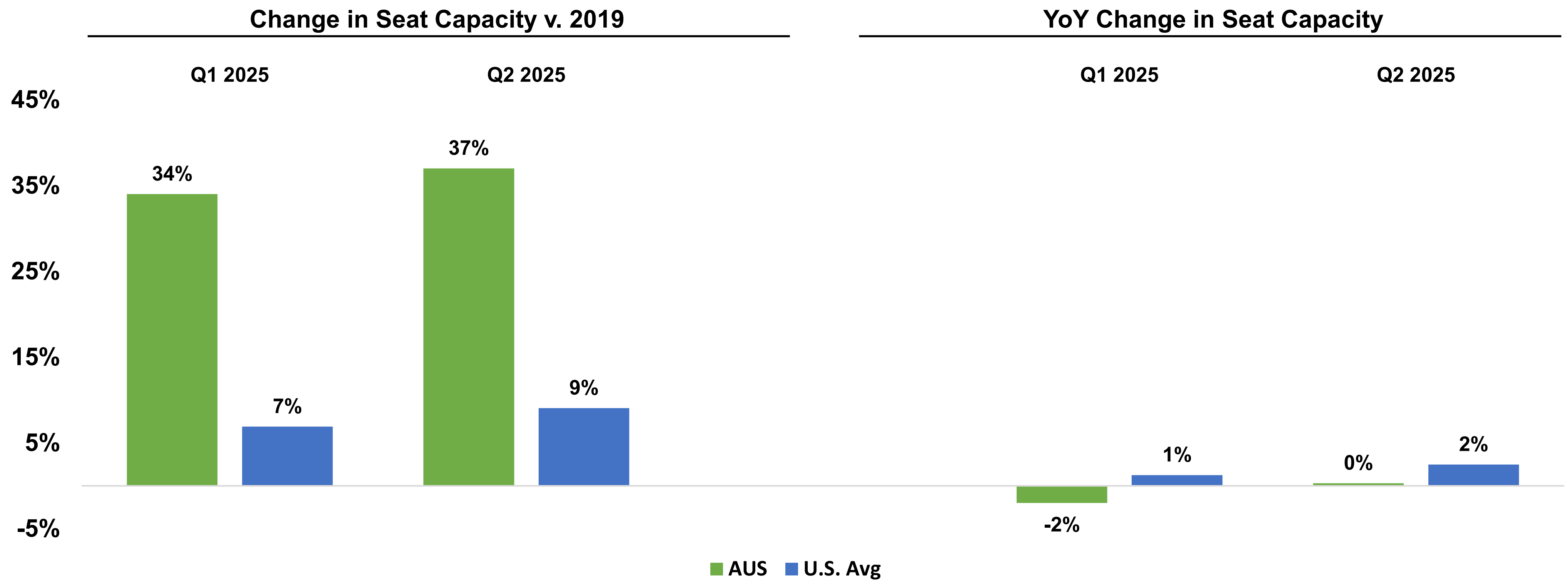
# AUS Continues to Achieve Near Record High Passenger Levels




Source: ABIA.

Austin-Bergstrom International Airport

# AUS Future Capacity is Well Above 2019 Levels But Slightly Below 2024 Levels




**CY2024 capacity was up 32% compared to CY2019 but down 6% YOY**

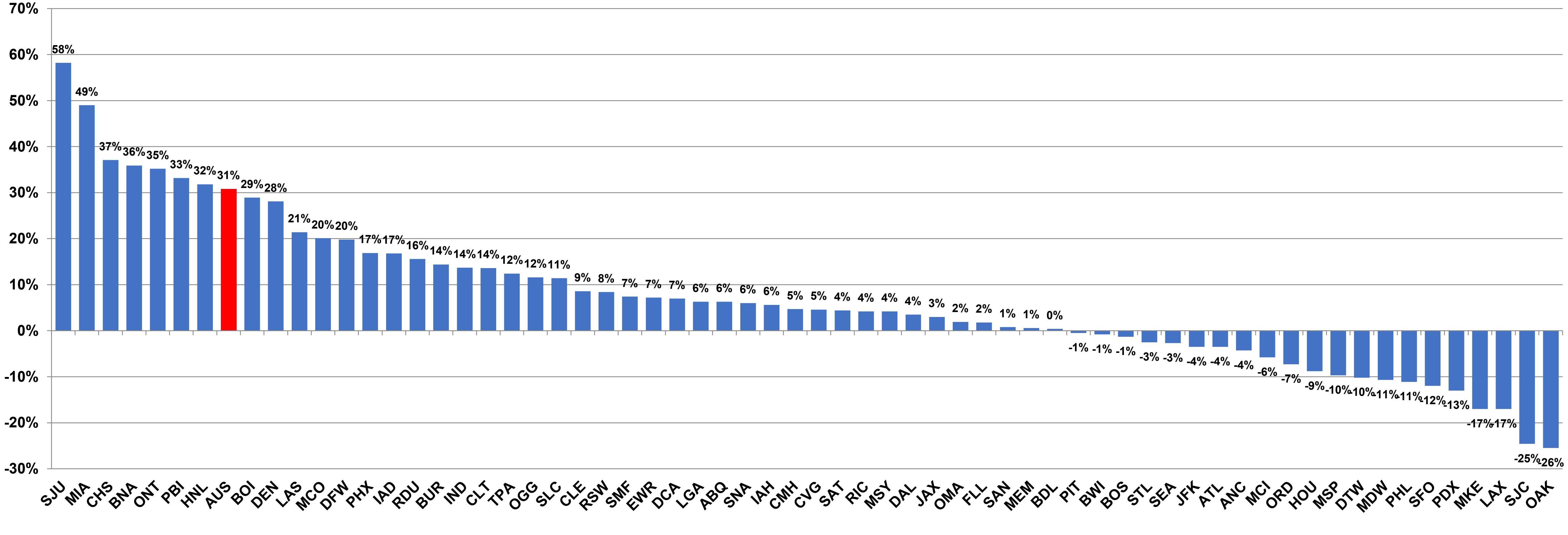
Note: Includes domestic and international capacity.

Source: Cirium schedules.

Austin-Bergstrom International Airport

# AUS is the 8th Fastest Growing Airport Among U.S. Large & Medium Hub Airports

% Change in Seats:
Q1 ‘25 v. Q1 ‘19



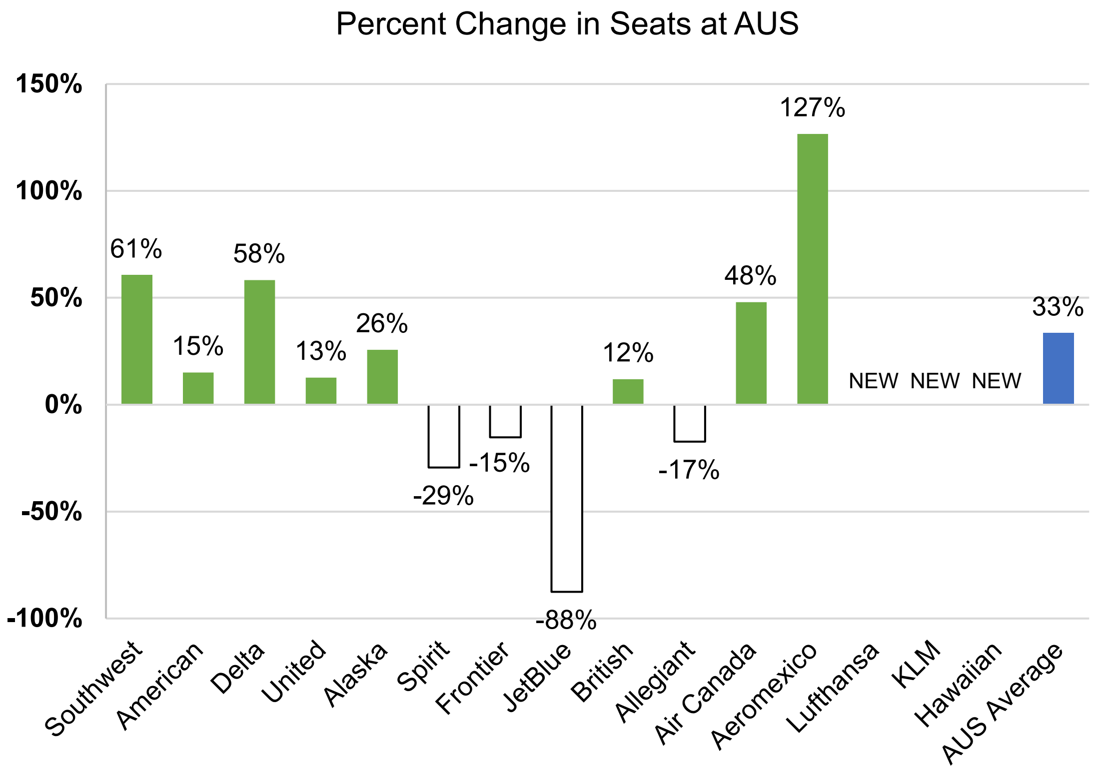

Source: Cirium domestic schedules (as of December 24, 2024).

Austin-Bergstrom International Airport

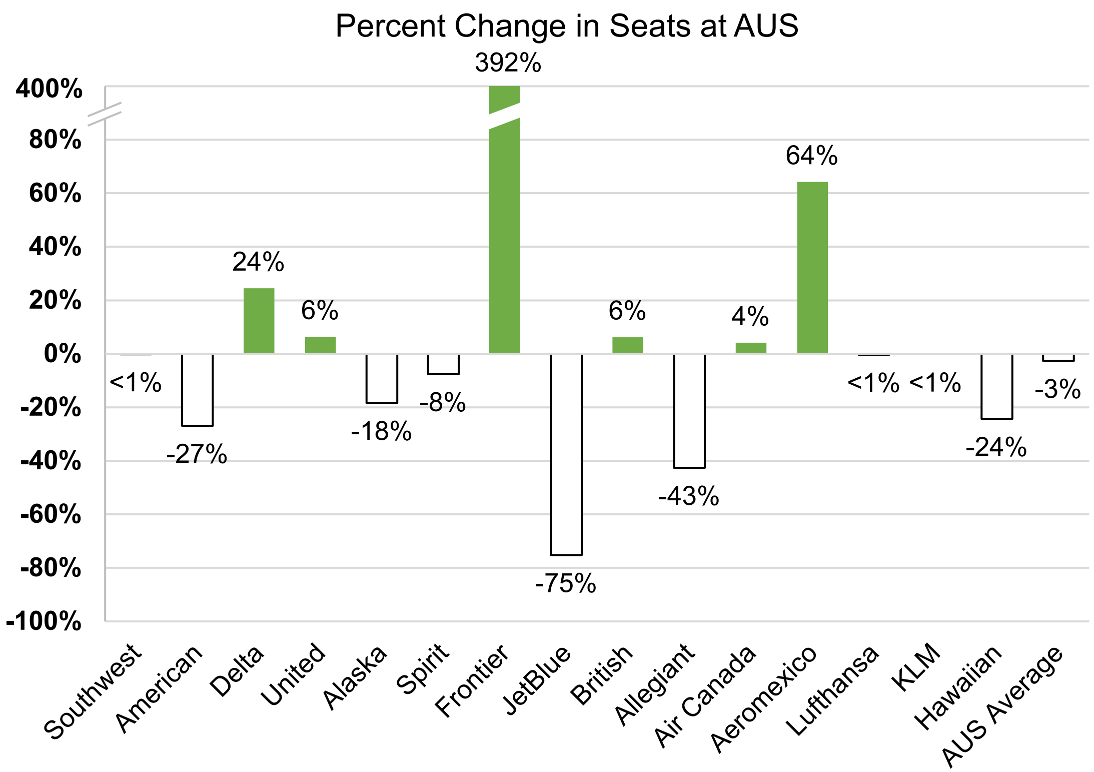
# AUS Change in Seats by Largest Airlines

Despite some recent seat reductions, AUS seats are still up 33% since 2019

## Q1 2025 vs. Q1 2019



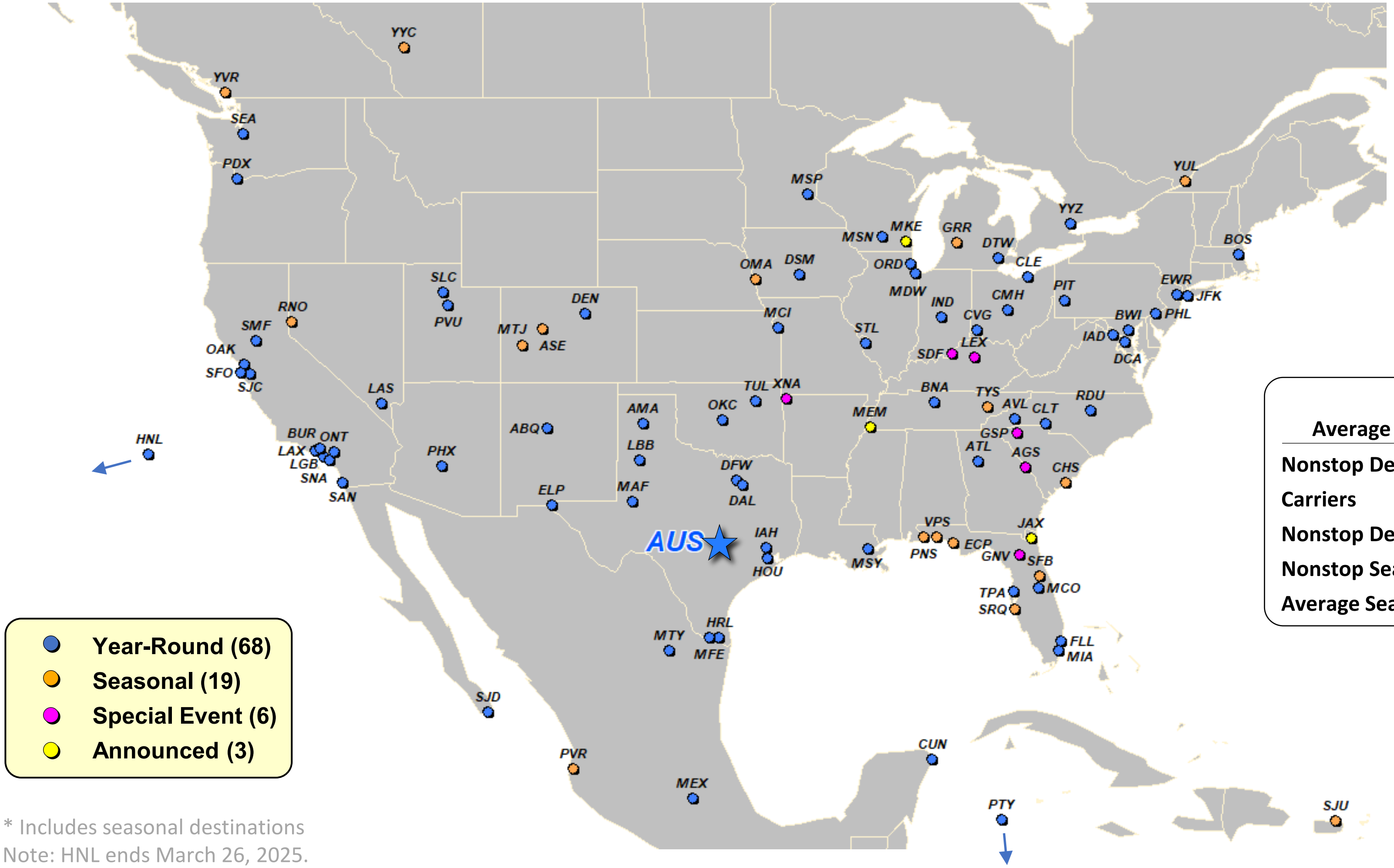

## Q1 2025 vs. Q1 2024

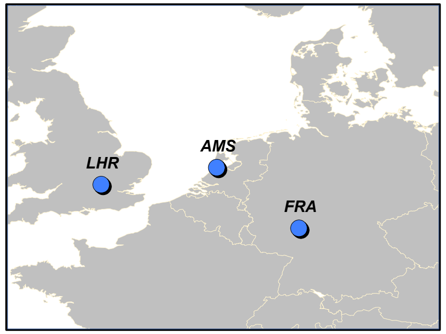



Note: Includes Top 15 Largest AUS Carriers. Shown by largest to smallest by seats Q1 2019, Q1 2024, and Q1 2025.
Source: Cirium schedule data as of 12/23/2024

Austin-Bergstrom International Airport

# AUS Has Nonstop Service to 96* Destinations From 19 Carriers



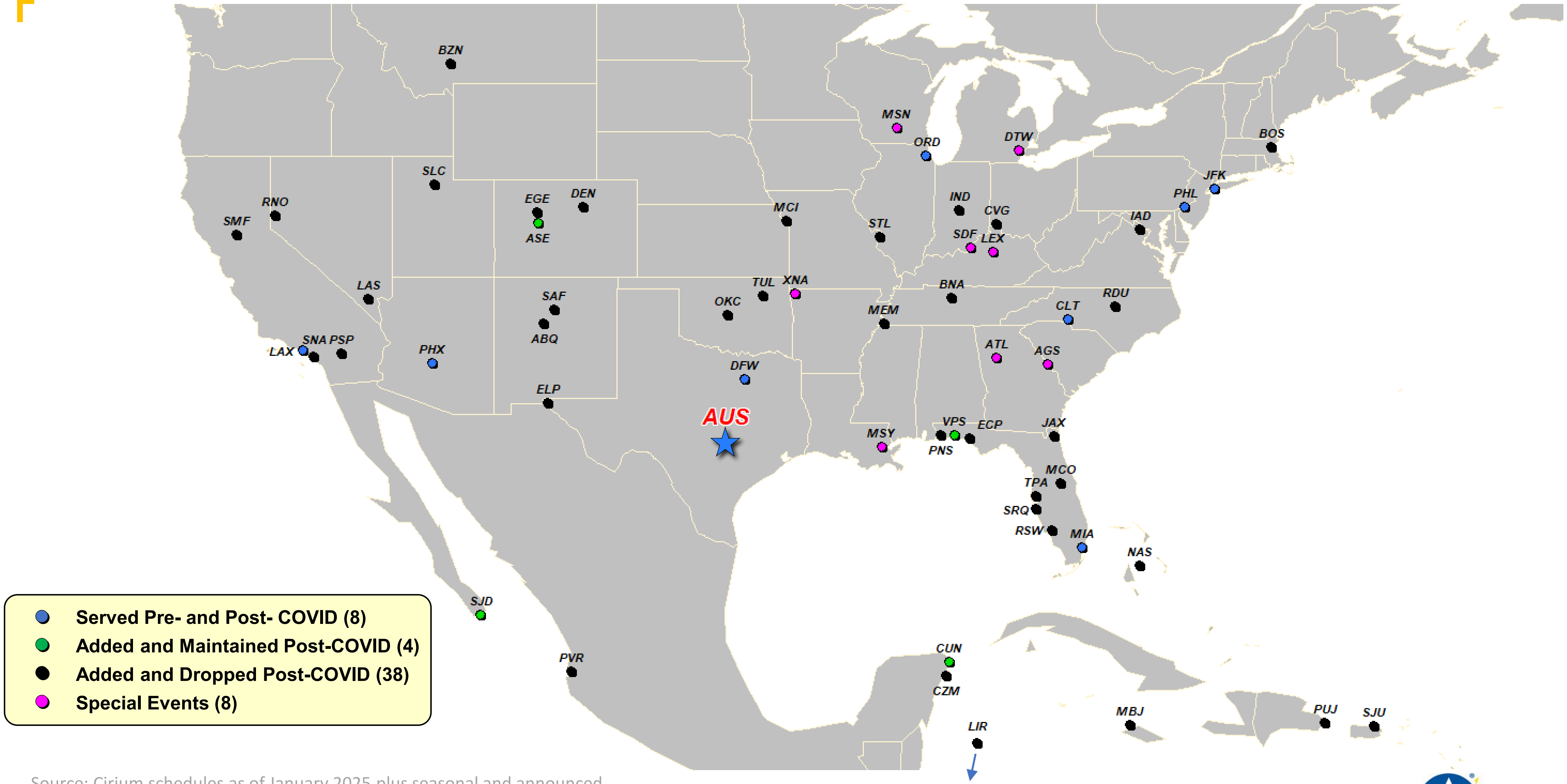




| Average Daily | Jan. 2024 | Jan. 2025 | Change | Change % |
|---|---|---|---|---|
| Nonstop Destinations | 84 | 76 | -8 | -10% |
| Carriers | 19 | 19 | n.c. | n.c. |
| Nonstop Departures | 229 | 207 | -21 | -9% |
| Nonstop Seat Departures | 34,365 | 31,365 | -2,417 | -7% |
| Average Seats/Aircraft | 150 | 154 | +4 | +3% |

* Includes seasonal destinations
Note: HNL ends March 26, 2025.
Source: Cirium schedules for January 2025 plus seasonal and announced.

Austin-Bergstrom International Airport

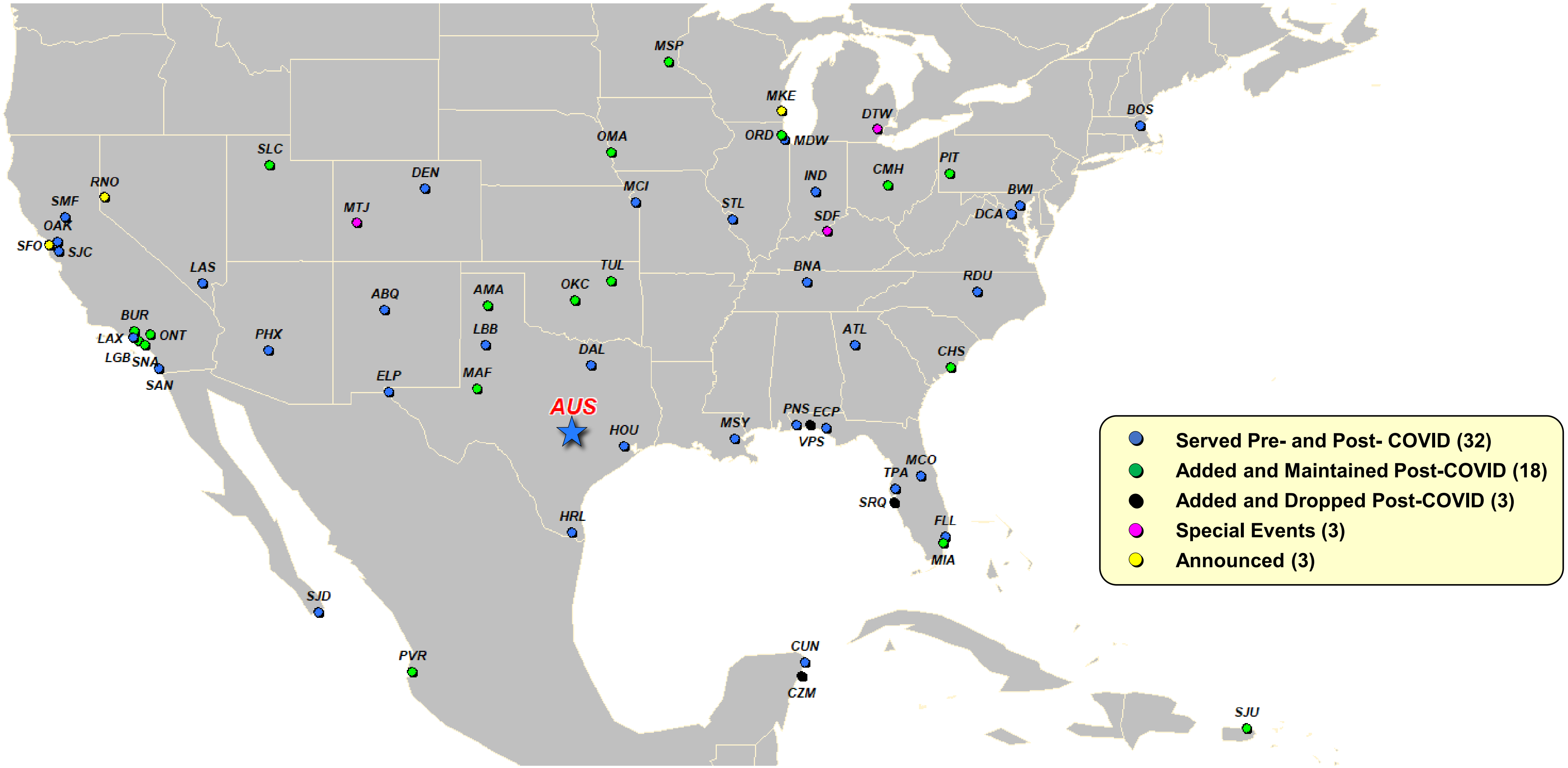
# Summary of AA Service Changes at AUS




Source: Cirium schedules as of January 2025 plus seasonal and announced.

Austin-Bergstrom International Airport

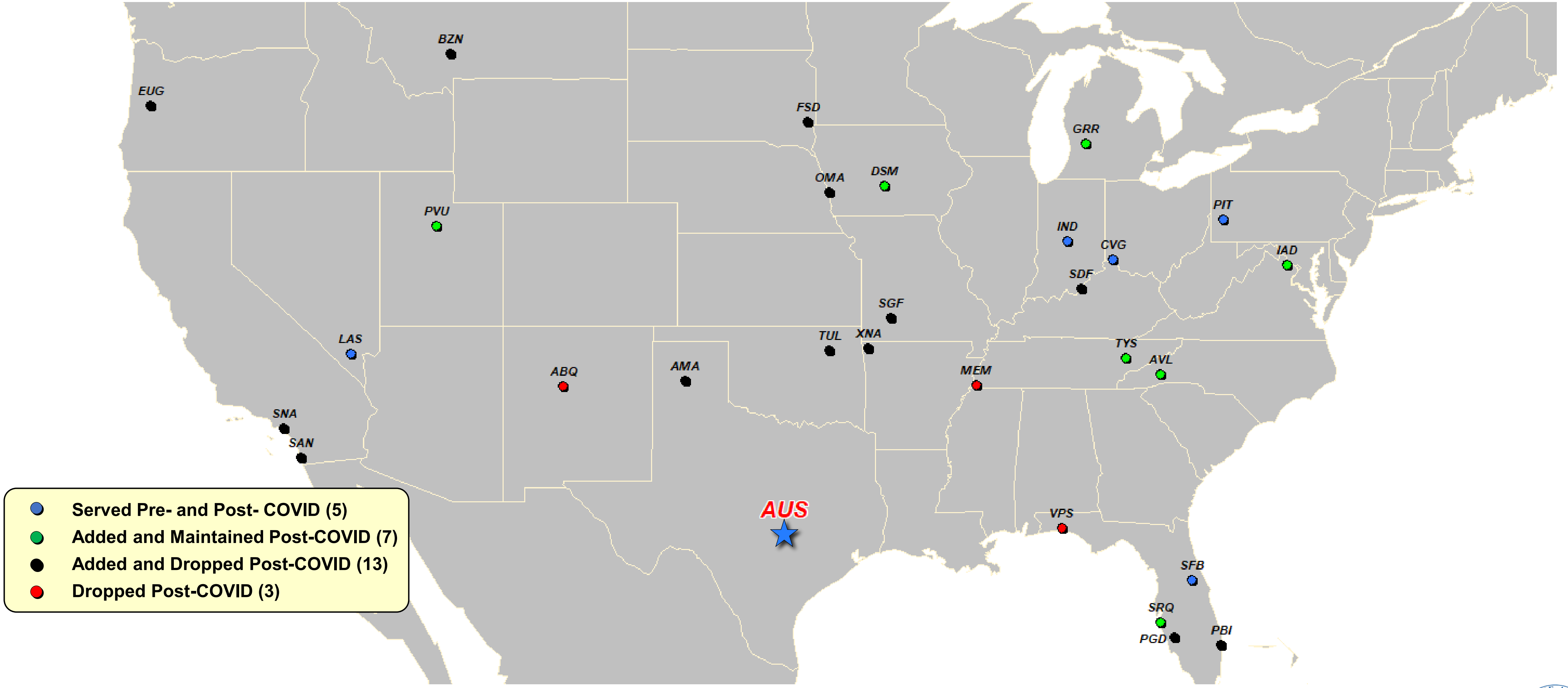
# Summary of Southwest Service Changes at AUS




Source: Cirium schedules as of January 2025 plus seasonal and announced.

Austin-Bergstrom International Airport

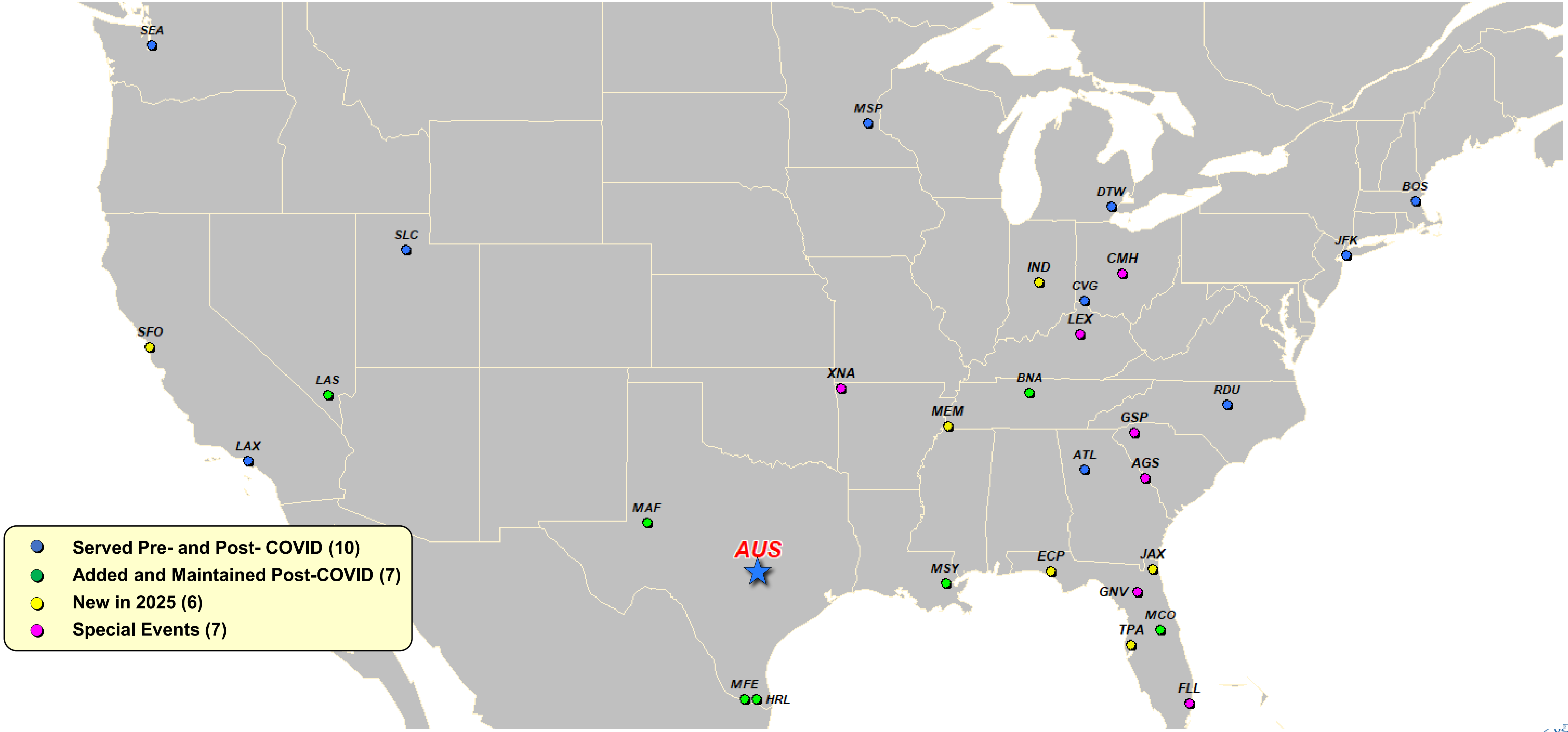
# Summary of Allegiant Service Changes at AUS




Source: Cirium schedules as of January 2025 plus seasonal and announced.

Austin-Bergstrom International Airport

# Summary of Delta Service Changes at AUS

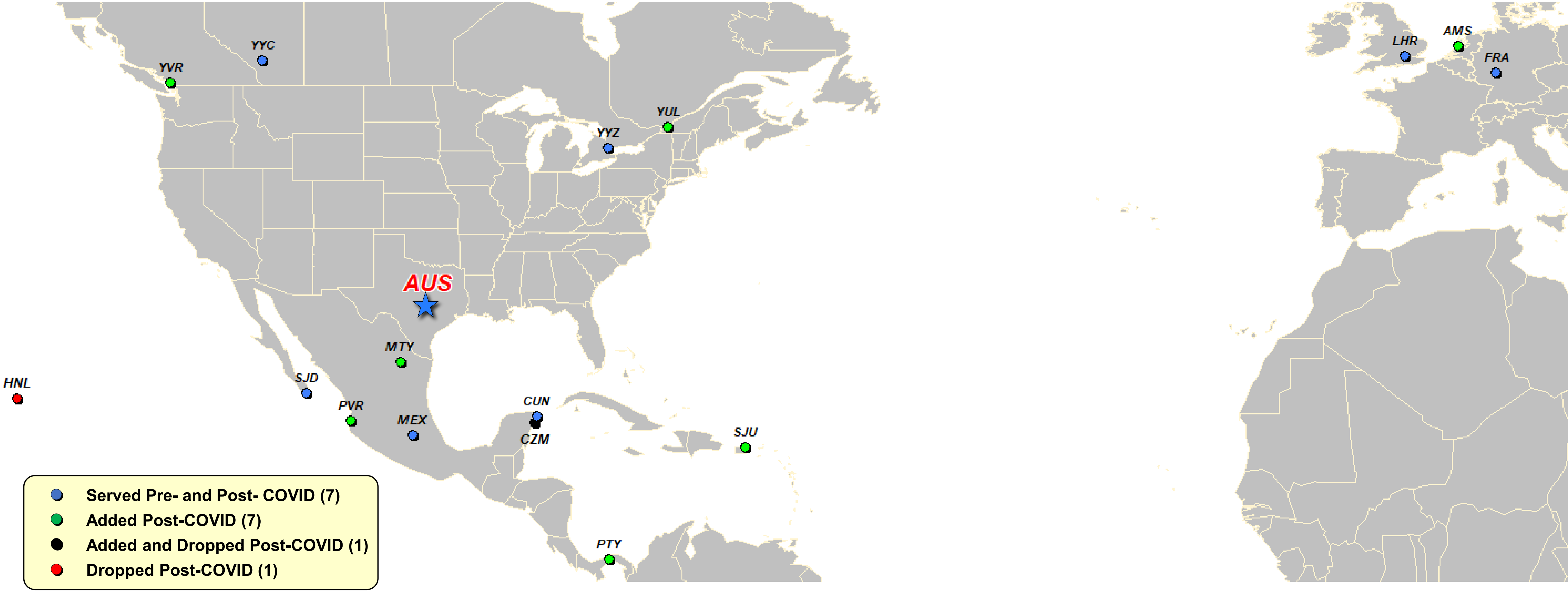



Source: Cirium schedules as of January 2025 plus seasonal and announced.

Austin-Bergstrom International Airport

# Summary of Service Changes at AUS

## (Non-AA, Outside 48 Contiguous States)




Notes: Excludes AA.
HNL ends March 26, 2025.
Source: Cirium schedules as of January 2025.

Austin-Bergstrom International Airport

# AUS Air Service Development Goals & Objectives—focus international

- Maintain and support all incumbent near international service, especially new service, and work with carriers to add days of the week and/or lengthen operating seasons
- Pursue new near intl. service to leisure, VFR and business focused markets from all carrier types
- Maintain and support all incumbent long haul international service and work with carriers to add days of the week and/or lengthen operating seasons
- Pursue new long haul intl. service, especially new geographies: Asia, Middle East and South America
- Continue to work with economic development, educational, political and tourism stakeholders to maximize air service utility for the Austin community
- Maintain and support all incumbent domestic air service, especially new service
- Work with incumbent and new carriers to replace recently discontinued service (where it makes sense)
- Pursue new nonstop domestic markets with incumbent and new carriers (both top unserved O&D markets and other strategic markets)
- Work with all carrier types (network, hybrid, LCC, ULCC) to maximize choice for AUS passengers

# AUS Air Service Update

*January 8, 2025*

Austin-Bergstrom
International Airport

CITY OF AUSTIN
FOUNDED 1839