Hawai‘i Air Service Overview

HTA Board Meeting
December 2024

CLEAR INSIGHTS,
SOARING RESULTS

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The Hawai‘i Air Service Cycle

Source: Ailevon Pacific Aviation Consulting Analysis

The Hawai‘i air service market has been destabilized for the past five years

COVID-19 had a devastating impact on passenger demand and seat supply

Southwest drove down fares, but didn’t stimulate enough traffic to fill the extra capacity

Hawaiian Airlines struggles drove it into the arms of Alaska Air Group

Maui wildfires upended the 2nd biggest Hawai‘i air market

The strength of the U.S. dollar is negatively impacting international demand

Air Service Development efforts should be focused on achievable results

Domestic

As Southwest and AS/HA adjust Hawai‘i operations, expect continued capacity reductions into 2025

ALL CARRIERS

LIH	Seat Change
West Coast	-0.8%
Other Domestic	-4.8%
Total Domestic	**-3.1%**

HNL	Seat Change
West Coast	-2.1%
Other Domestic	-6.7%
Total Domestic	**-4.8%**

OGG	Seat Change
West Coast	-9.9%
Other Domestic	-10.8%
Total Domestic	**-10.4%**

ITO	Seat Change
West Coast	N/A
Other Domestic	Flat
Total Domestic	**Flat**

KOA	Seat Change
West Coast	-2.2%
Other Domestic	-8.7%
Total Domestic	**-5.9%**

All HAWAI‘I	Seat Change
West Coast	-3.8%
Other Domestic	-7.1%
Total Domestic	**-5.8%**

Note: West Coast includes airports in California, Oregon and Washington as well as LAS and PHX

Source: Cirium schedule data via Diio Mi, June 2025 vs June 2024 as of December 16, 2024; Ailevon Pacific Aviation Consulting analysis

Southwest is reducing Hawai‘i capacity by 18.8% by June 2025, with OGG and KOA being impacted most

LIH	Seat Change
TPAC	-15.8%
Inter-Island	-16.3%
Total	**-16.2%**

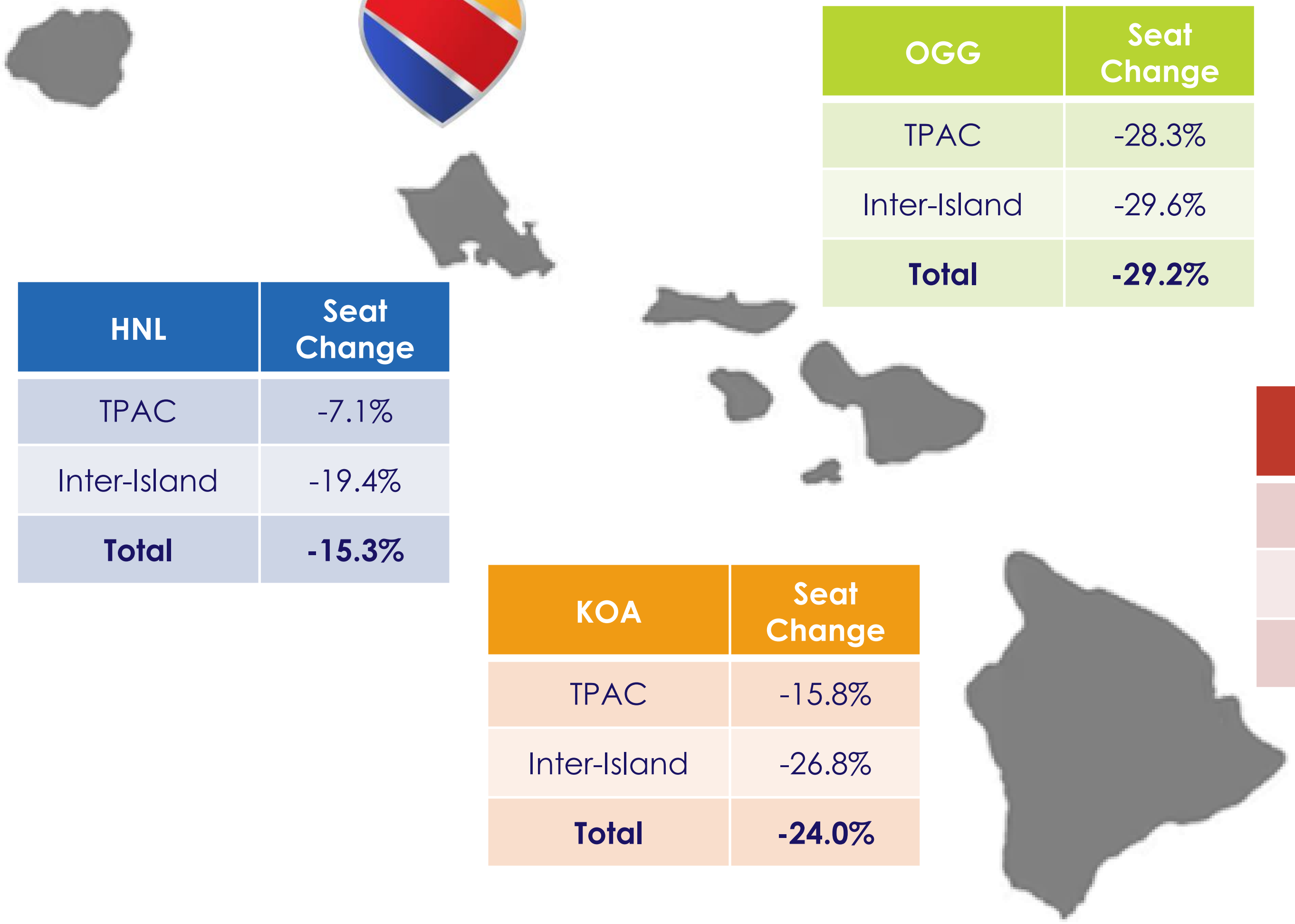
HNL	Seat Change
TPAC	-7.1%
Inter-Island	-19.4%
Total	**-15.3%**

OGG	Seat Change
TPAC	-28.3%
Inter-Island	-29.6%
Total	**-29.2%**

ITO	Seat Change
TPAC	N/A
Inter-Island	Flat
Total	**Flat**

KOA	Seat Change
TPAC	-15.8%
Inter-Island	-26.8%
Total	**-24.0%**

All HAWAI‘I	Seat Change
TPAC	-14.3%
Inter-Island	-20.7%
Total	**-18.8%**



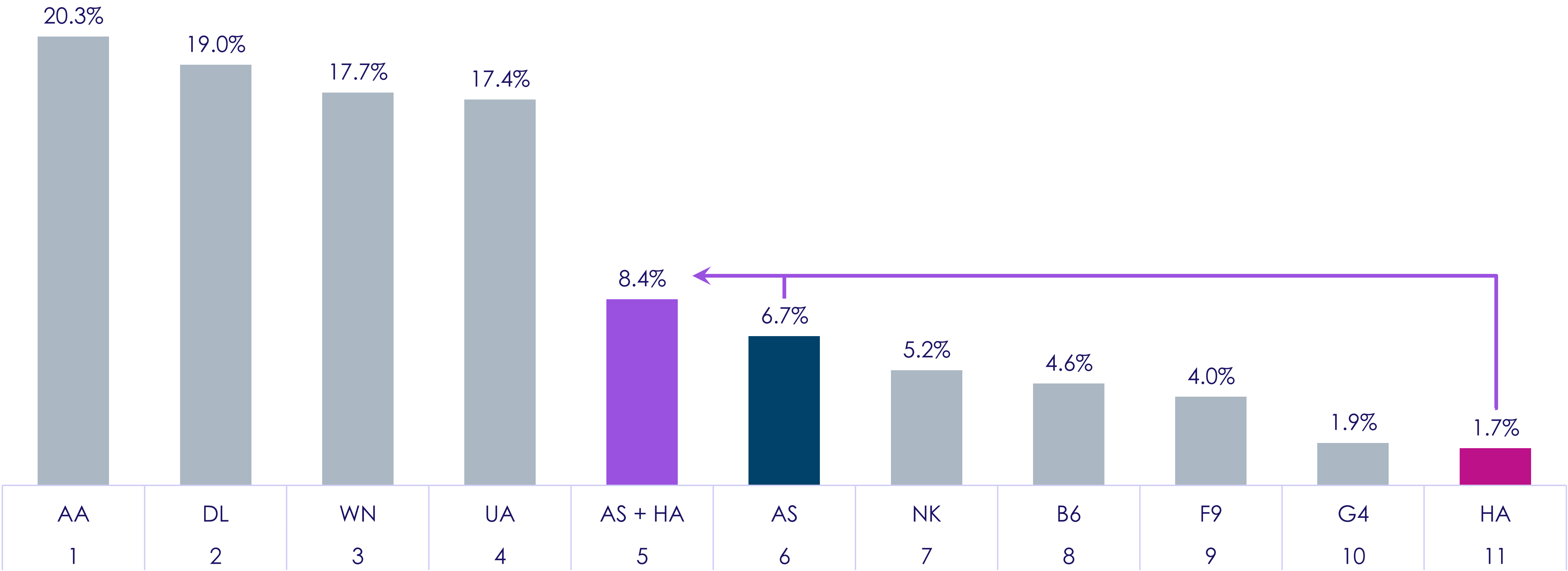
Source: Cirium schedule data via Diio Mi, June 2025 vs June 2024 as of December 11, 2024; Ailevon Pacific Aviation Consulting analysis

AS/HA Merger

The combined airline is the 5th largest U.S. carrier

US DOMESTIC MARKET SHARE PRE- AND POST- MERGER

ASM share by carrier; full year 2024

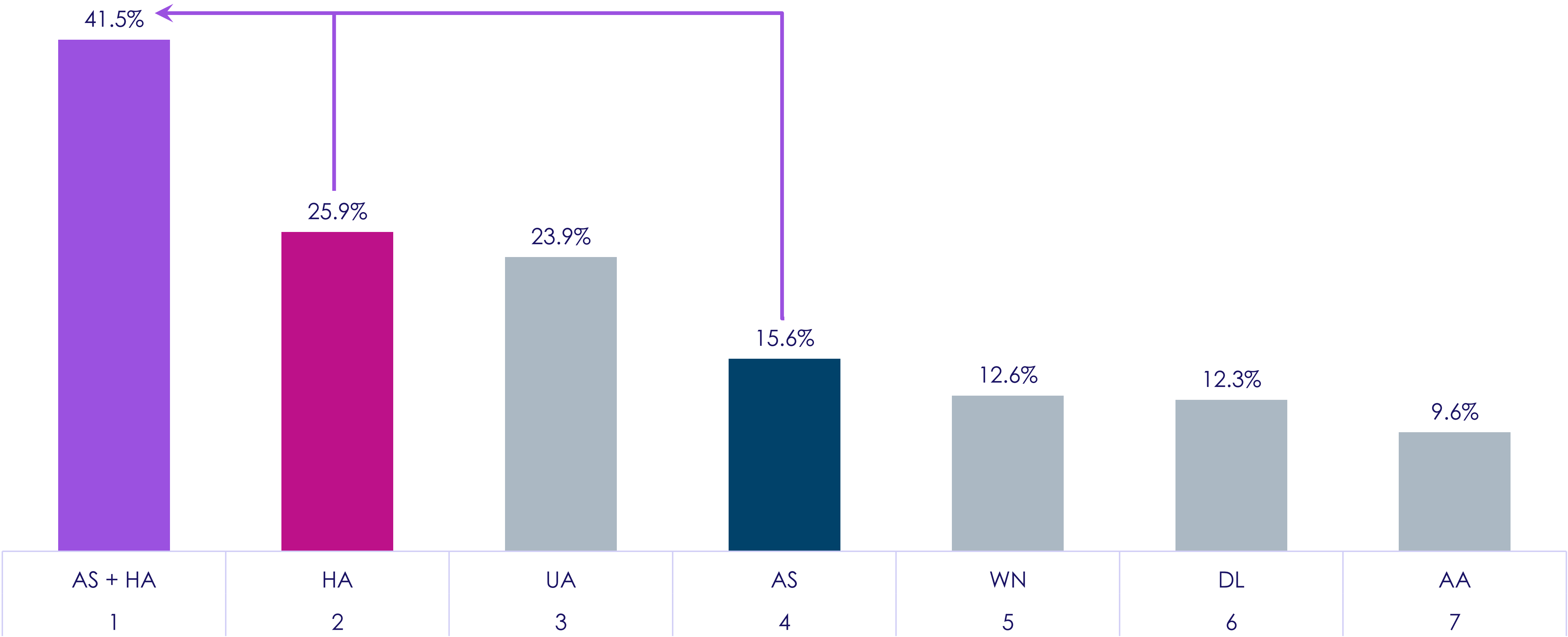


Source: Cirium schedule data via Diio Mi, full year 2024 schedule as of July 22, 2024; Ailevon Pacific Aviation Consulting analysis

AS + HA has over 40% of Hawai‘i-US Mainland seat share

HAWAI‘I-US MAINLAND MARKET SHARE PRE- AND POST- MERGER

Seat share by carrier; full year 2024



Source: Cirium schedule data via Diio Mi, full year 2024 schedule as of August 9, 2024; Ailevon Pacific Aviation Consulting analysis

AS/HA will reschedule Hawai‘i flying to maximize opportunity

Improved schedule options[1] to and from HI…

PDX ▶ HNL

Dept.	Arrv.	Gauge
08:05	11:00	Narrow
08:40	11:35	Wide

Dept.	Arrv.	Gauge
07:45	10:40	Narrow
10:30	13:25	Narrow
17:45	20:40	Narrow

OGG ▶ SAN

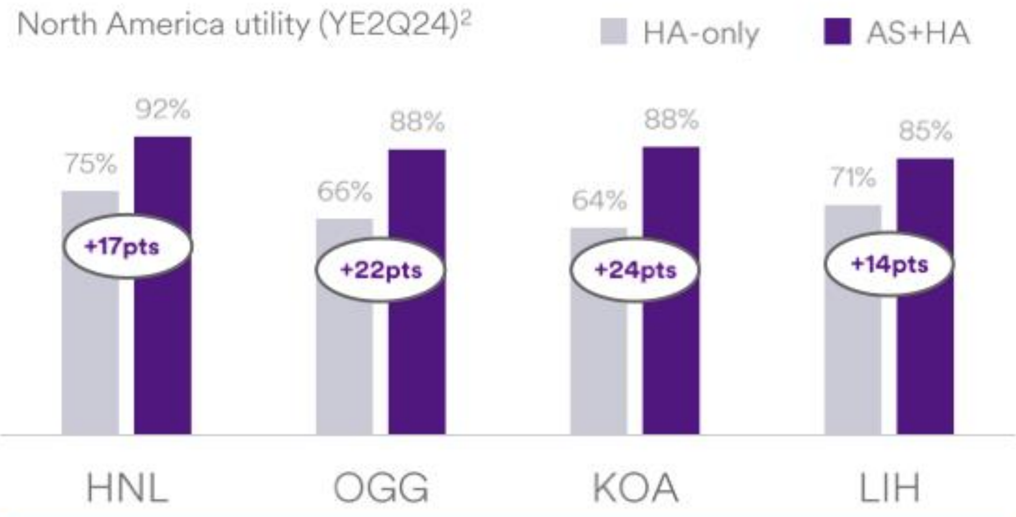
Dept.	Arrv.	Gauge
10:30	18:50	Narrow
10:40	18:55	Narrow

Dept.	Arrv.	Gauge
15:40	23:50	Narrow
22:20	06:40	Narrow

New time channels enable more connectivity

AS HA

…creates #1 utility to and from HI



Combined carrier can now serve ~90% of total Hawai‘i guests

Note: 4 million+ annual guests are total market passengers (bi-directional total) that could travel on a round-trip AS+HA itinerary, based on 7/21/2025 itineraries (representative peak day) as of 11/22/2024 with 40-minute minimum- and 120-minute maximum connect time; increase based on utility growth from HA pre-integration
1. Representative schedules; "Wingtip" departures (flights in approximately the same time channel) removed in 10 markets
2. North America utility YE2Q24 DB1B O&D demand; Utility is the demand-weighted amount of all O&D PDEW per airport that AS+HA could serve with nonstop/connecting service

Source: Alaska Air Group 2024 Investors Day Presentation

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AS/HA anticipates 1,500 additional daily seats in the Hawai‘i market in 2025

Source: Alaska Air Group 2024 Investors Day Presentation

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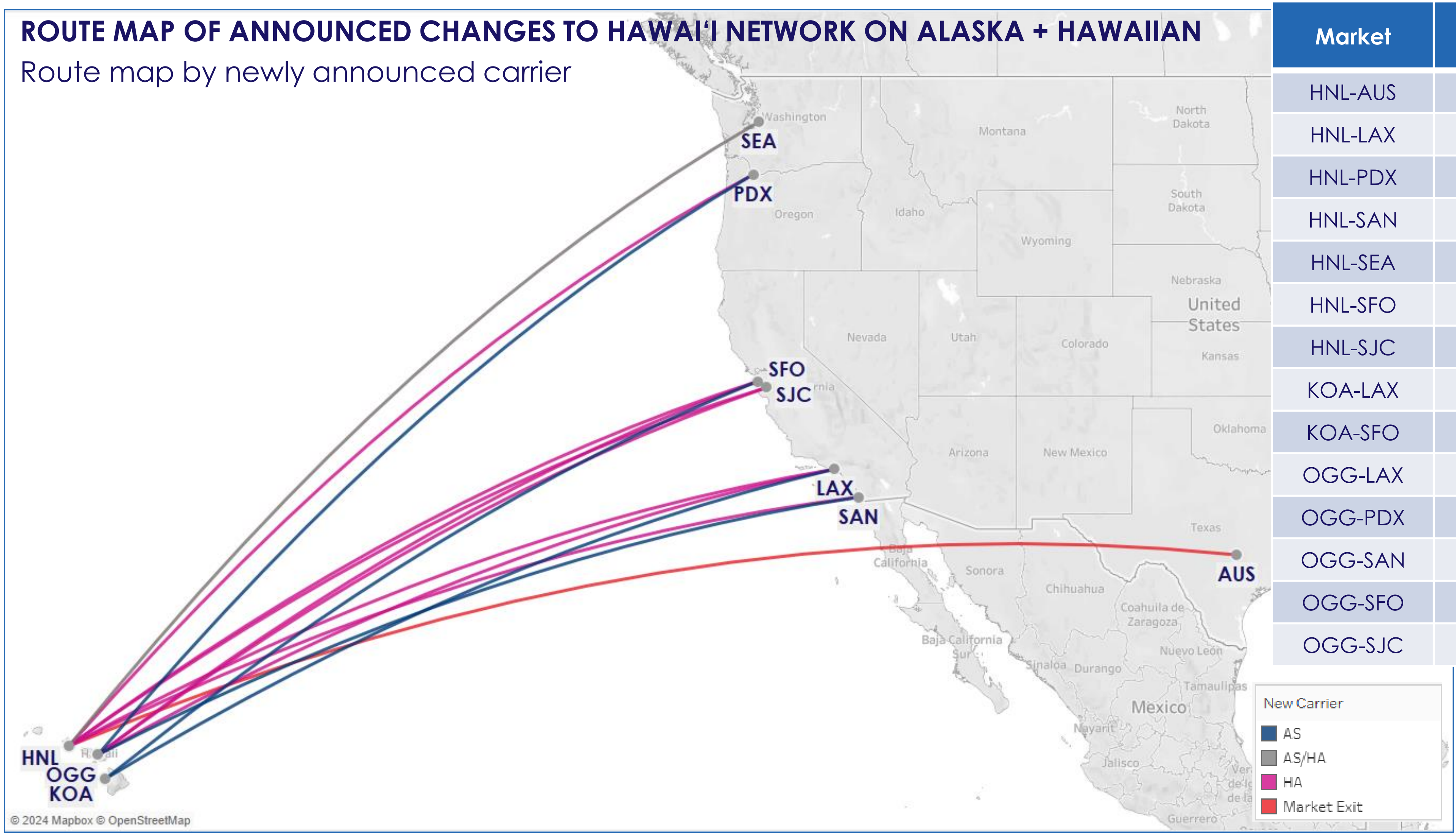
Significant network changes are already occurring

ROUTE MAP OF ANNOUNCED CHANGES TO HAWAI'I NETWORK ON ALASKA + HAWAIIAN

Route map by newly announced carrier



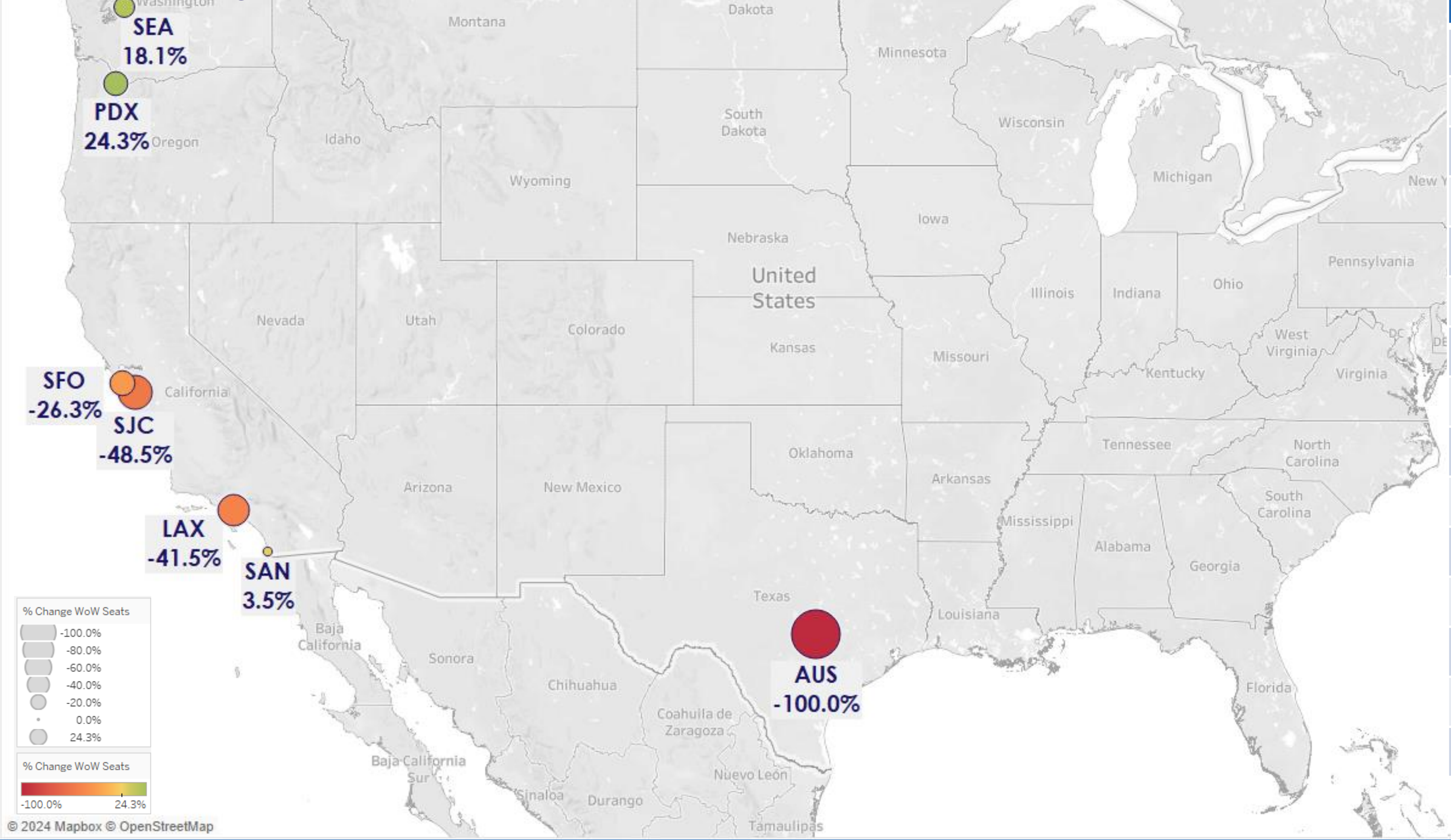
Market	New Carrier	Carrier Exit
HNL-AUS	MARKET EXIT	HA
HNL-LAX	HA	AS
HNL-PDX	HA	AS
HNL-SAN	HA	AS
HNL-SEA	AS/HA	N/A
HNL-SFO	HA	AS
HNL-SJC	HA	AS
KOA-LAX	AS	HA
KOA-SFO	AS	NEW MARKET
OGG-LAX	HA	AS
OGG-PDX	AS	HA
OGG-SAN	AS	HA
OGG-SFO	HA	AS
OGG-SJC	HA	AS

Source: Cirium schedule data via Diio Mi as of December 16, 2024; Ailevon Pacific Aviation Consulting analysis

SJC and LAX have lost the most seats with PDX, SEA and SAN gaining seats

SEAT CHANGE OF ANNOUNCED CHANGES TO HAWAIʻI NETWORK ON ALASKA + HAWAIIAN, JULY 2025

Percent change in week-over-week seats by destination



Market	WoW % Change Seats
HNL-AUS	-100.0%
HNL-LAX	3.9%
HNL-PDX	26.3%
HNL-SAN	5.8%
HNL-SEA	10.1%
HNL-SFO	-24.7%
HNL-SJC	-47.5%
KOA-LAX	-42.8%
KOA-SFO	100.0%
OGG-LAX	-7.4%
OGG-PDX	-5.0%
OGG-SAN	0.0%
OGG-SFO	-47.5%
OGG-SJC	-10.5%
TOTAL	**-6.6%**

Source: Cirium schedule data via Diio Mi as of December 16, 2024 for July 2025; Ailevon Pacific Aviation Consulting analysis

AS intends to reallocate some long-haul HA aircraft to Seattle, but there are risks to this strategy

We are launching SEA international service with two new routes:

Seattle ▶ Tokyo (Narita)

Beginning May 2025

Seattle ▶ Seoul (Incheon)

Beginning October 2025

International Gateway by 2030:

12+
Destinations around the World

$1.5B+
Intercontinental Revenue Contribution

Fully enabled by our **one**world partners

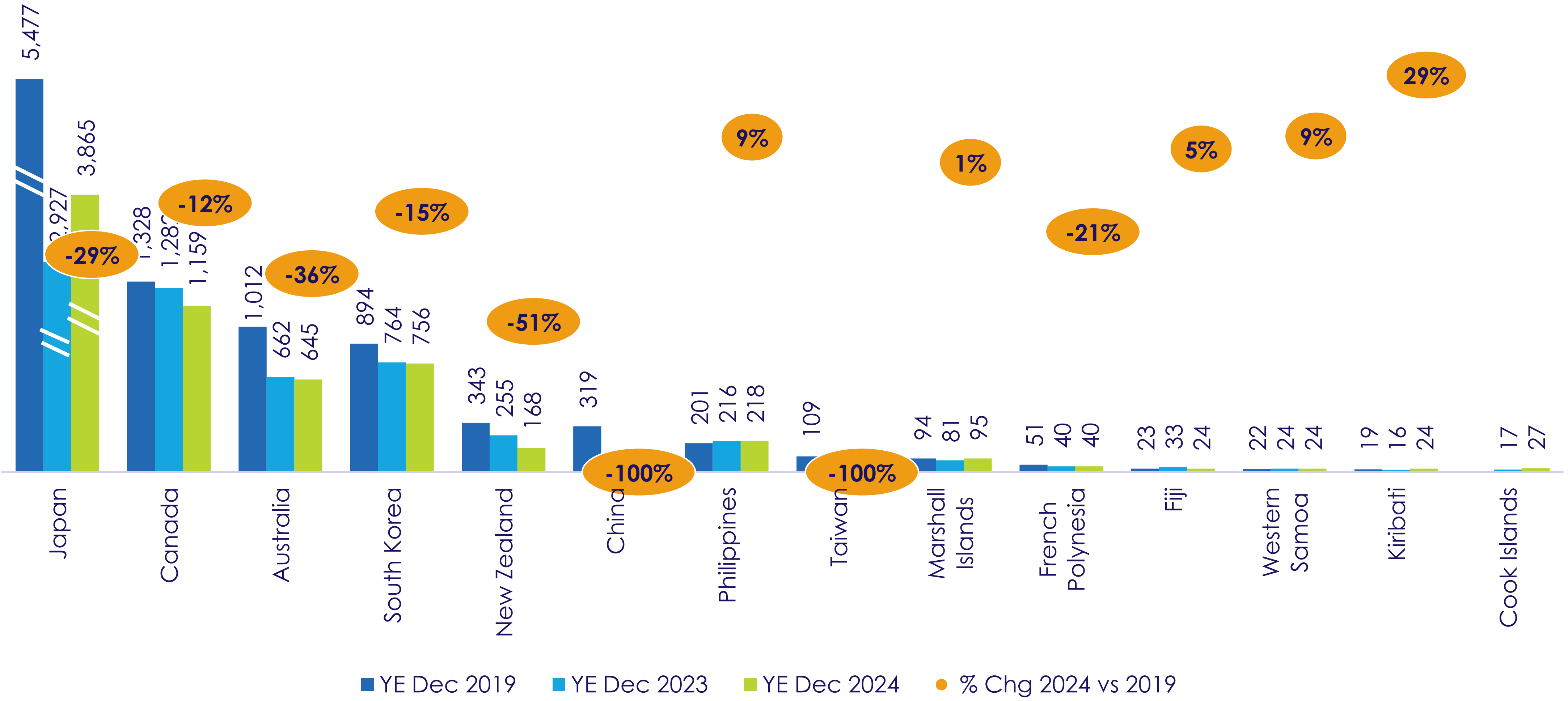
Source: Alaska Air Group 2024 Investors Day Presentation

International

Hawai'i-international seat capacity is down 29% from pre-pandemic levels

HAWAI'I-INTERNATIONAL CAPACITY TREND

Daily seats each way (bars), 2024 vs. 2019 percent change (bubbles)



Source: Cirium schedule data via Diio Mi; Ailevon Pacific Aviation Consulting analysis

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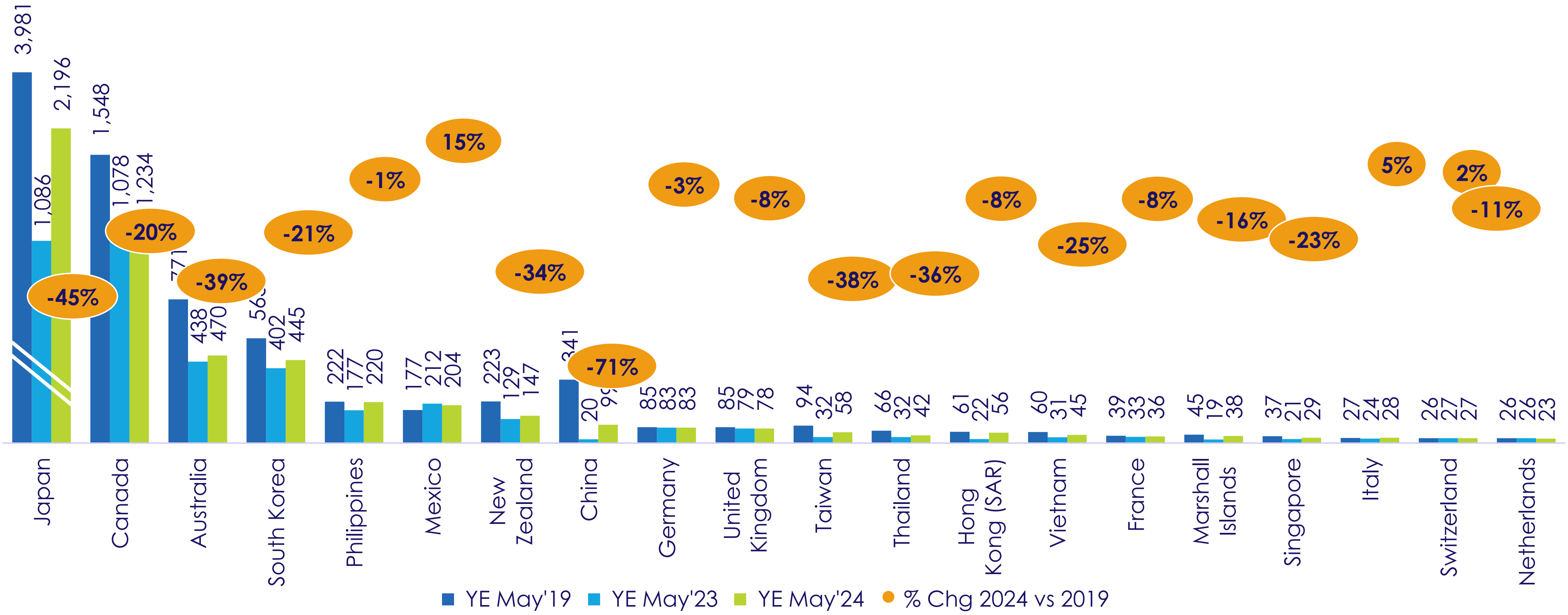
But international demand to Hawai‘i has dropped even further, 34% from pre-pandemic levels

HAWAI‘I-INTERNATIONAL DEMAND TREND

Daily passengers each way (bars), YE May 24 vs. YE May 2019 percent change (bubbles)



Source: FMTraffic via Diio Mi; Ailevon Pacific Aviation Consulting analysis

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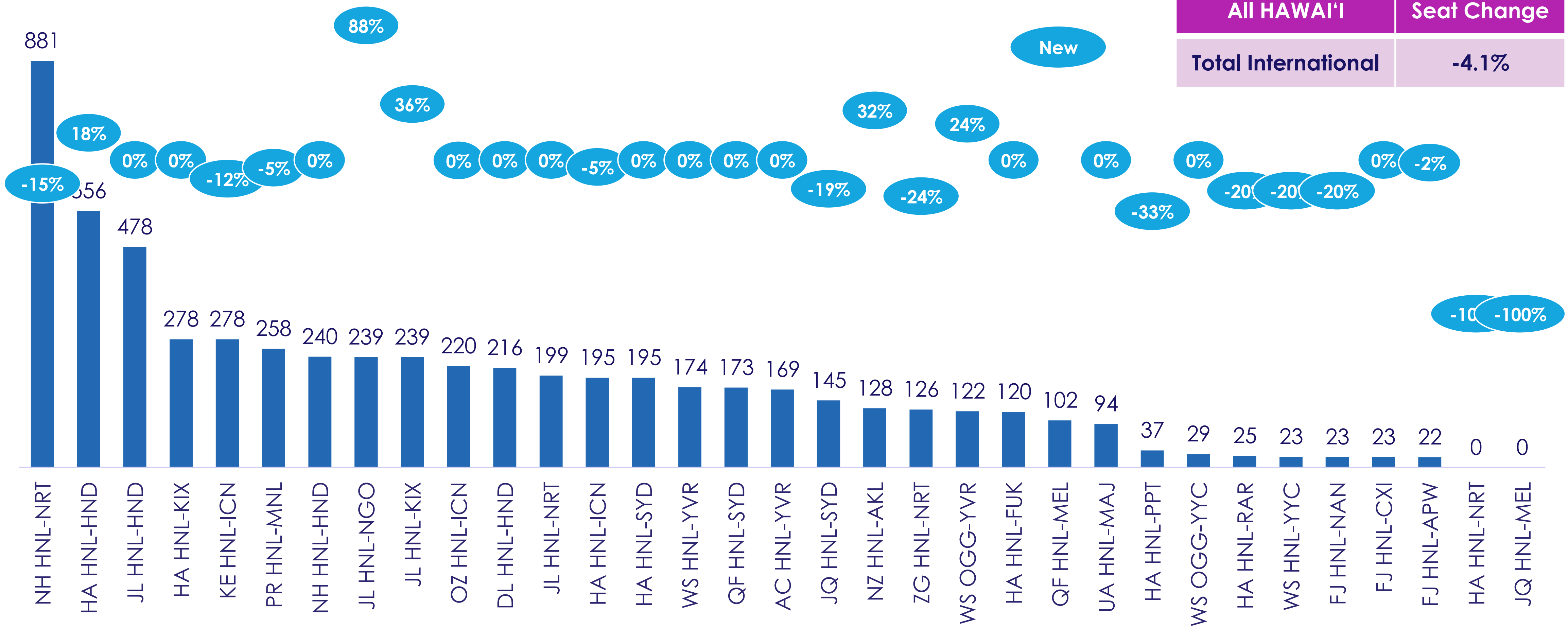
Summer 2025 International seats are expected to be down another 4.1% versus 2024

HAWAII - INTERNATIONAL DAILY SEATS AND YEAR-OVER-YEAR CHANGE BY CARRIER AND MARKET

Average daily one way seats (columns) and year over year percent change (dots), June 2025

All HAWAI‘I	Seat Change
Total International	-4.1%



Source: Cirium schedule data via Diio Mi, June 2025 vs June 2024 as of December 16, 2024; Ailevon Pacific Aviation Consulting analysis

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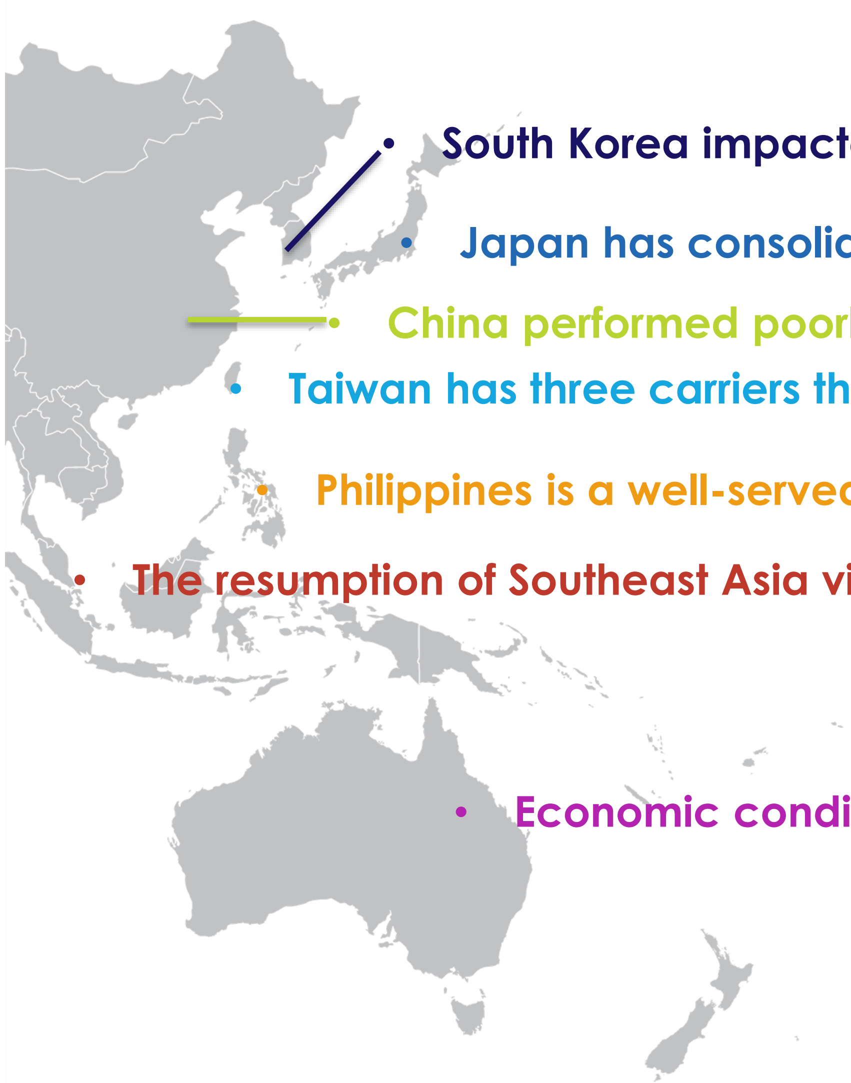
International growth unlikely to return in the near-term



- South Korea impacted by the merger of Korean and Asiana; and political instability
- Japan has consolidated to the primary carriers and busiest routes
- China performed poorly before the pandemic; geo-political issues
- Taiwan has three carriers that can potentially reestablish Taipei-Honolulu
- Philippines is a well-served VFR market
- The resumption of Southeast Asia via Osaka is not viable in current conditions
- Economic conditions are impacting demand, but the region still offers opportunity

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Air Service Development Recommendations

Near-Term (1-2 years)

- Open lines of communication with Network Planning teams
- Attend major route development events
- Airline conversations > prioritized ASD plan

Medium-Term (2-3 years)

- Develop targeted incentive programs for prioritized opportunities
- Begin hosting network planners in Hawai‘i in line with air service targets

International ASD Areas of Focus

South Korea: Maintain Korean/Asiana combined capacity, grow Air Premia

Japan: Maintain communication in anticipation of opportunity

China: Unlikely to be opportunity over next 2-3 years

Taiwan: Reestablishment if TPE service is viable, adds benefit of mainland China connectivity

Southeast Asia: ASD activity is currently unwarranted

South Pacific: Active ASD efforts should be directed at rebuilding Australia/NZ capacity

Thank You

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