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## THE MARKET MESSAGE IN 1Q2025 U.S. AIRLINES EARNINGS

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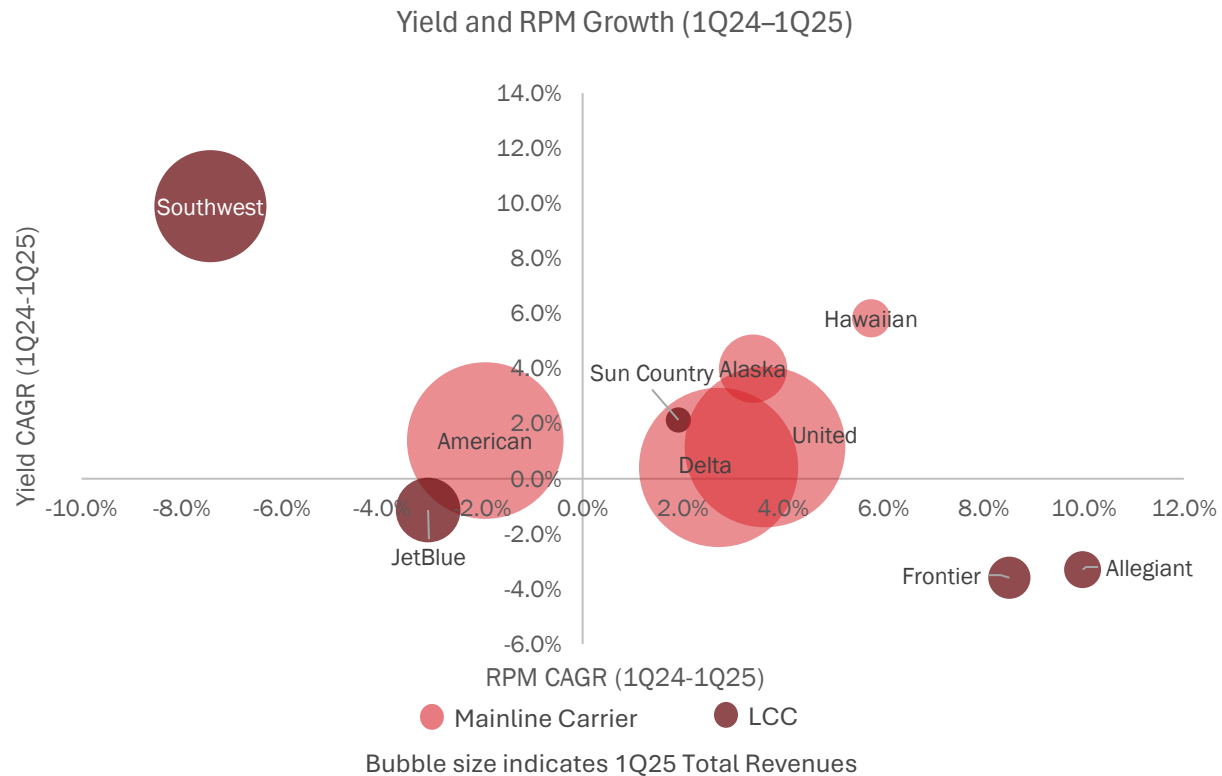
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## The Market Message in 1Q2025 U.S. Airlines Earnings

In the first quarter of 2025, most U.S. airlines' revenues continued to climb. mba Aviation has analyzed the major airlines' earnings releases to gain insight into the mainline carrier and low-cost carrier (LCC) services markets. In particular, the analysis looks at the strength of the international markets, premium products, and other revenue, as well as softening in the domestic non-premium market.



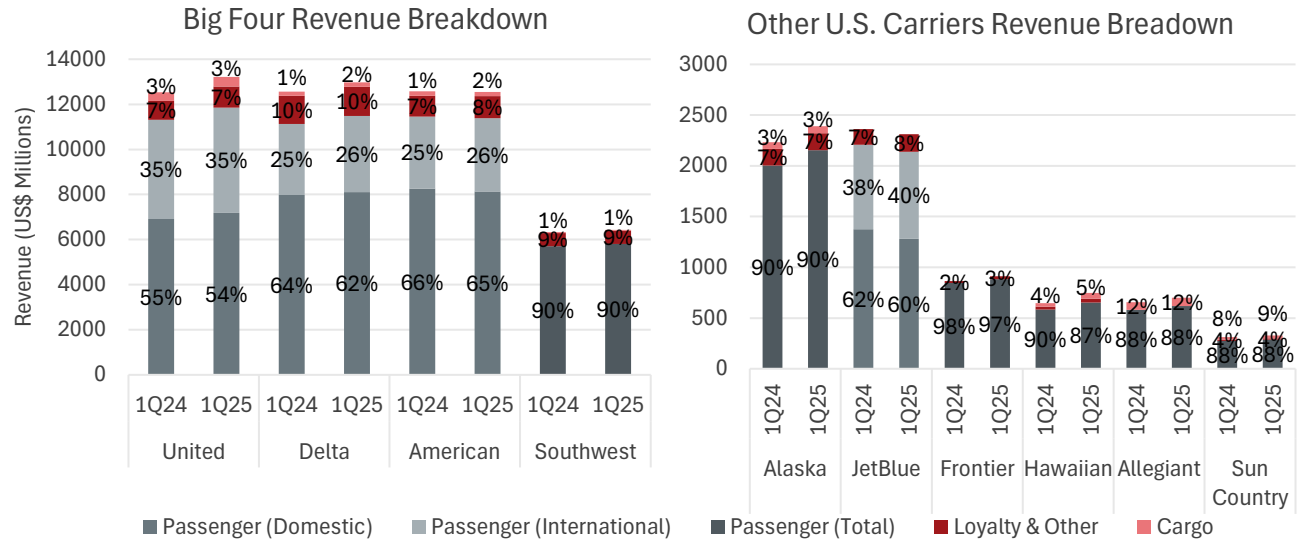
Source: Airlines' earnings releases; mba analysis.

Notes: RPM = Revenue Passenger Miles, an indicator of passenger traffic. Yield indicates passenger yield. Delta's revenue excludes revenues from its refinery operations. Comparisons for Alaska and Hawaiian are not exact, given that 1Q25 values are based on segment reporting for the combined entity, while 1Q24 values were standalone.

In the first quarter of 2025, most U.S. mainline carriers (except for American Airlines) continued to grow their revenues. Strong demand allowed carriers to grow traffic, even at higher average yields. LCCs' revenues (except for JetBlue's) also increased, but this was mostly achieved through a trade-off between traffic and yield. This contrast highlights the strength of the international markets and premium products that benefit mainline carriers and the saturated domestic, non-premium market that LCCs face.

While many U.S. carriers' domestic revenues increased, robust international travel demand remained a key driver for total revenue. Growth of loyalty programs and cargo operations further boosted their revenues.

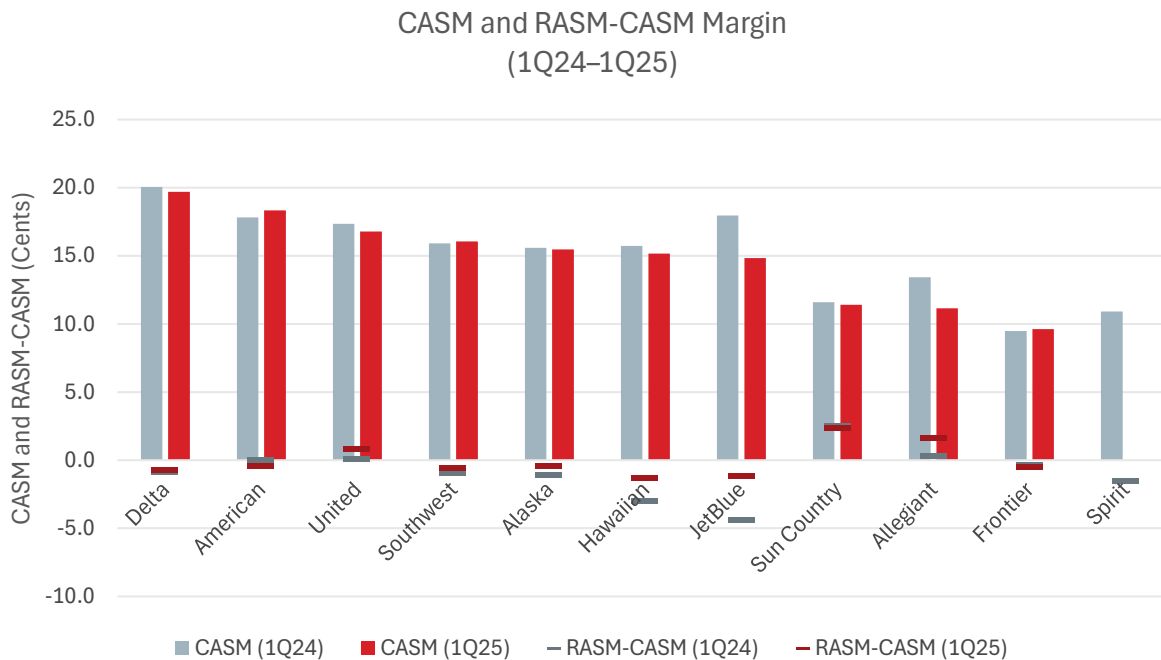
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Source: Airlines' earnings releases; mba analysis.

Notes: Passenger revenue across airlines includes a portion of loyalty revenues earned from ticket purchases. Passenger revenues for Allegiant include all loyalty and ancillary revenues as well. Delta's revenue excludes revenues from its refinery operations. Sun Country does not report loyalty revenue. JetBlue's domestic and international passenger revenues include loyalty revenues, but the loyalty has been shown as an additional item for the purpose of data visualization.

In most instances, airline average yields in 1Q2025 grew year-over-year despite fuel prices lowering, which drove lower unit operating costs, improving the unit margin. However, airlines continue to face pressures related to ex-fuel costs.



Source: Airlines' earnings releases; Bloomberg Analyst estimates; mba analysis.

Notes: Delta's figures exclude its refinery operations. Comparisons for Alaska and Hawaiian are not exact, given that 1Q25 values are based on segment reporting for the combined entity, while 1Q24 values were standalone.

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If you have any questions or would like to discuss any of mba's commentary above, please contact mba Aviation Airlines and Airports Team at [forecasting@mba.aero](mailto:forecasting@mba.aero).

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