

SALEM AIRPORT: PROGRESS AND STRATEGY

PREPARED BY VOLAIRE AVIATION CONSULTING • NOVEMBER 2024

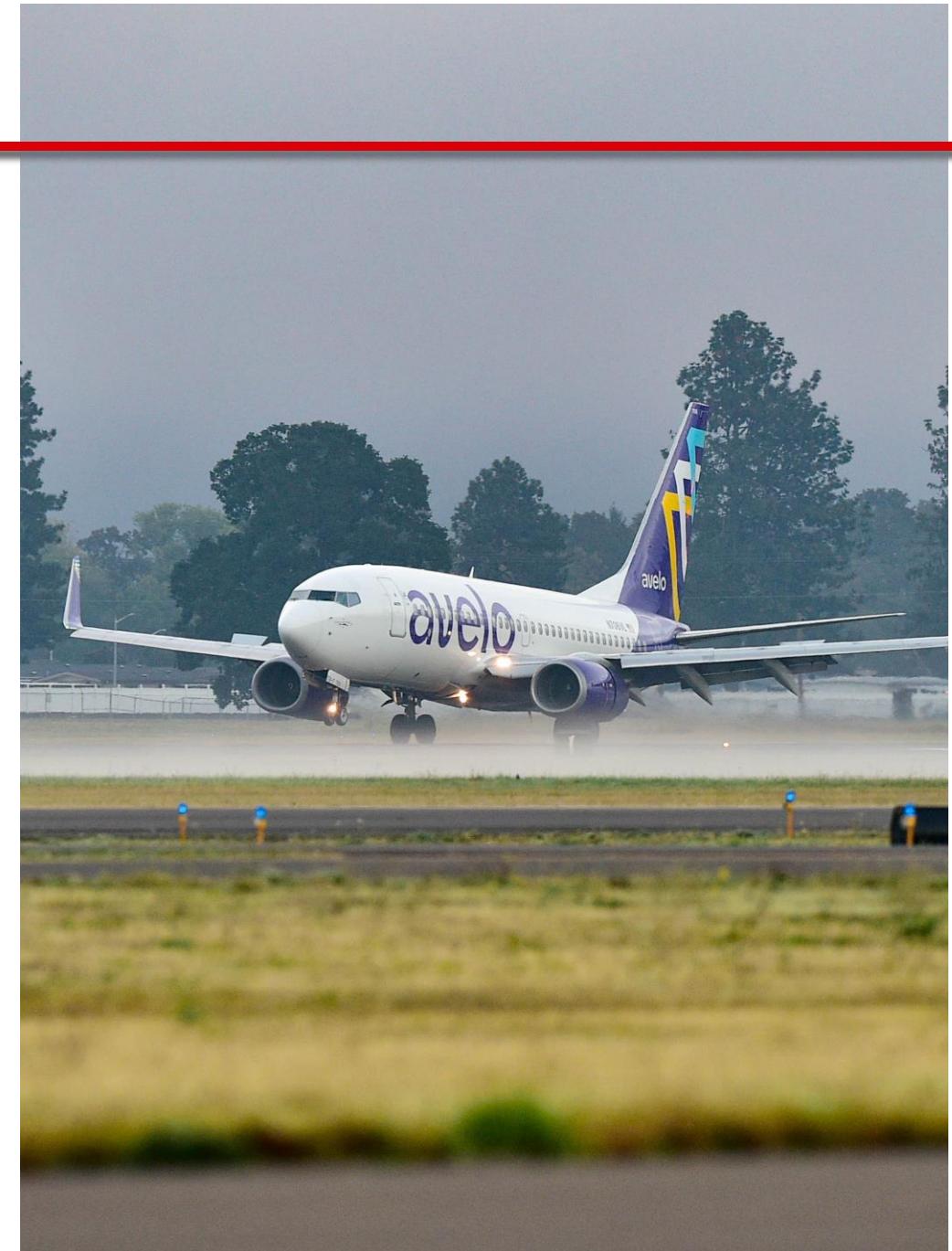




TEN TEAM MEMBERS
200+ YEARS COMBINED EXPERIENCE

AGENDA

- > **SALEM TODAY**
 - > PASSENGER RECORDS
 - > NEW VISITORS
 - > NEW ECONOMIC ACTIVITY
- > **INDUSTRY HEADWINDS**
 - > AIRCRAFT AND PILOT SHORTAGES
 - > INCREASING COSTS
- > **AIR SERVICE OUTLOOK**
 - > HOW WORK HAS CHANGED
 - > GROWING AIRLINES
 - > SALEM'S MARKET POSITION



TOPIC ONE

SALEM TODAY

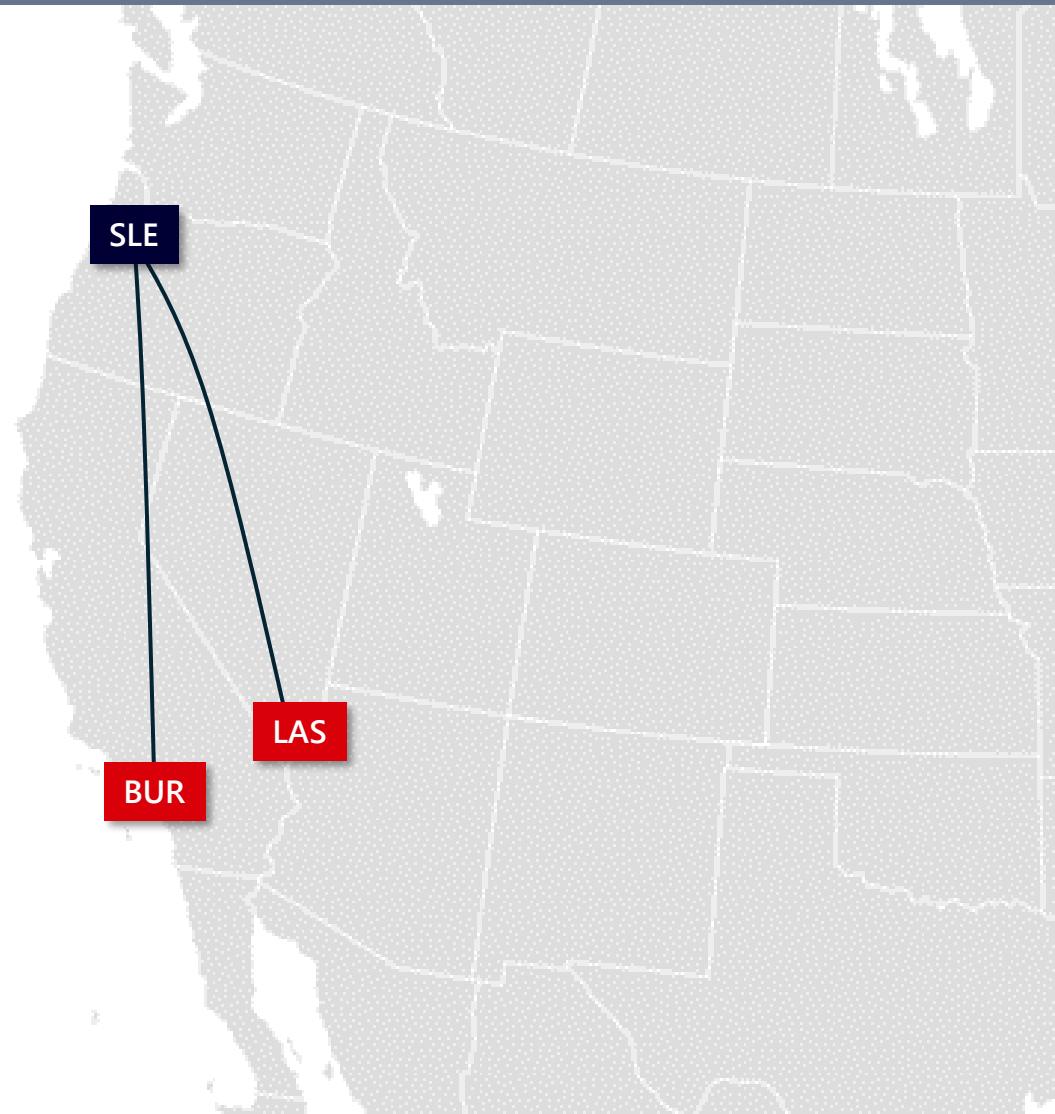


SALEM AVERAGES FOUR DEPARTURES PER WEEK

SALEM AIRPORT SCHEDULED FLIGHTS IN AVELO AIRLINES NONSTOP MARKETS

AS OF FALL 2024

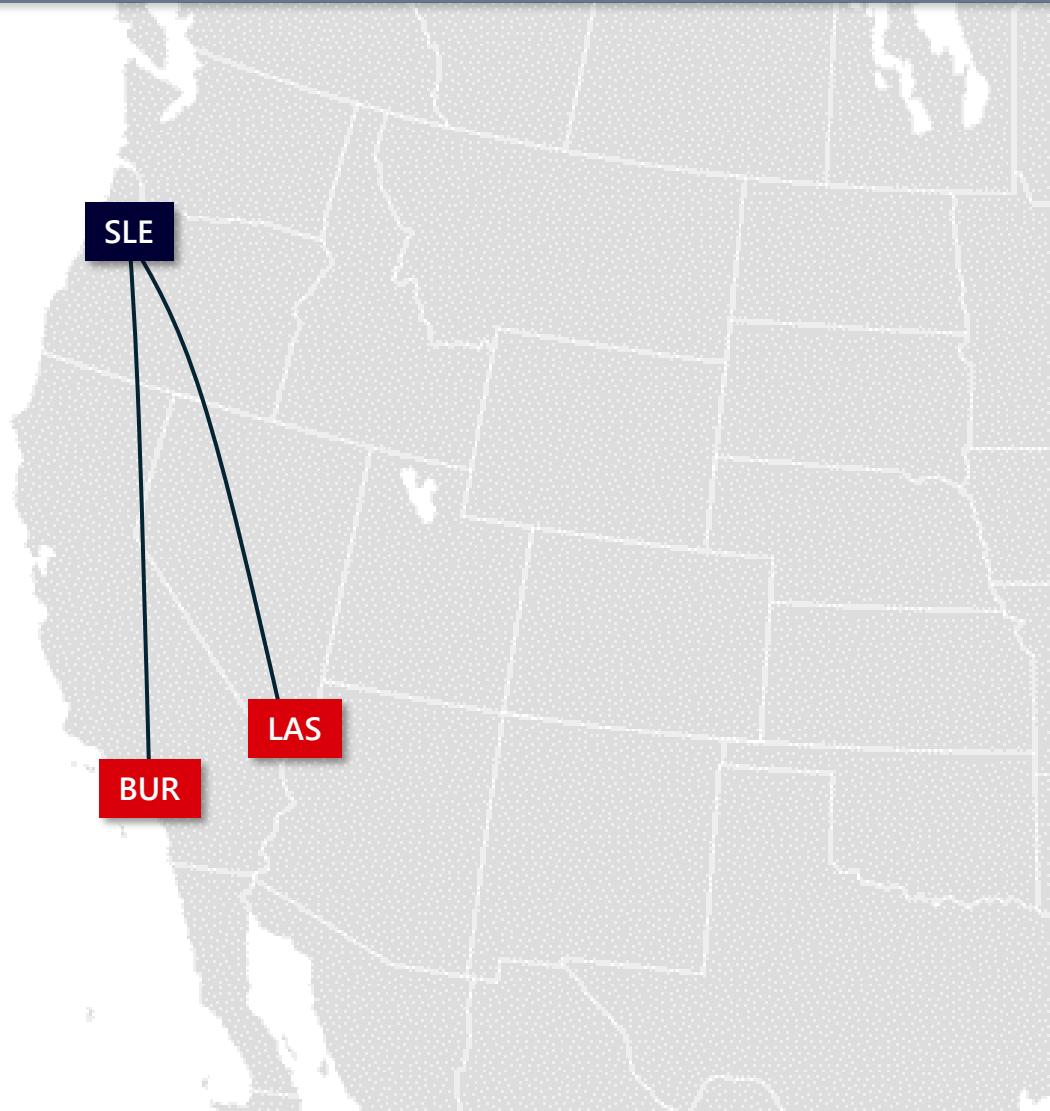
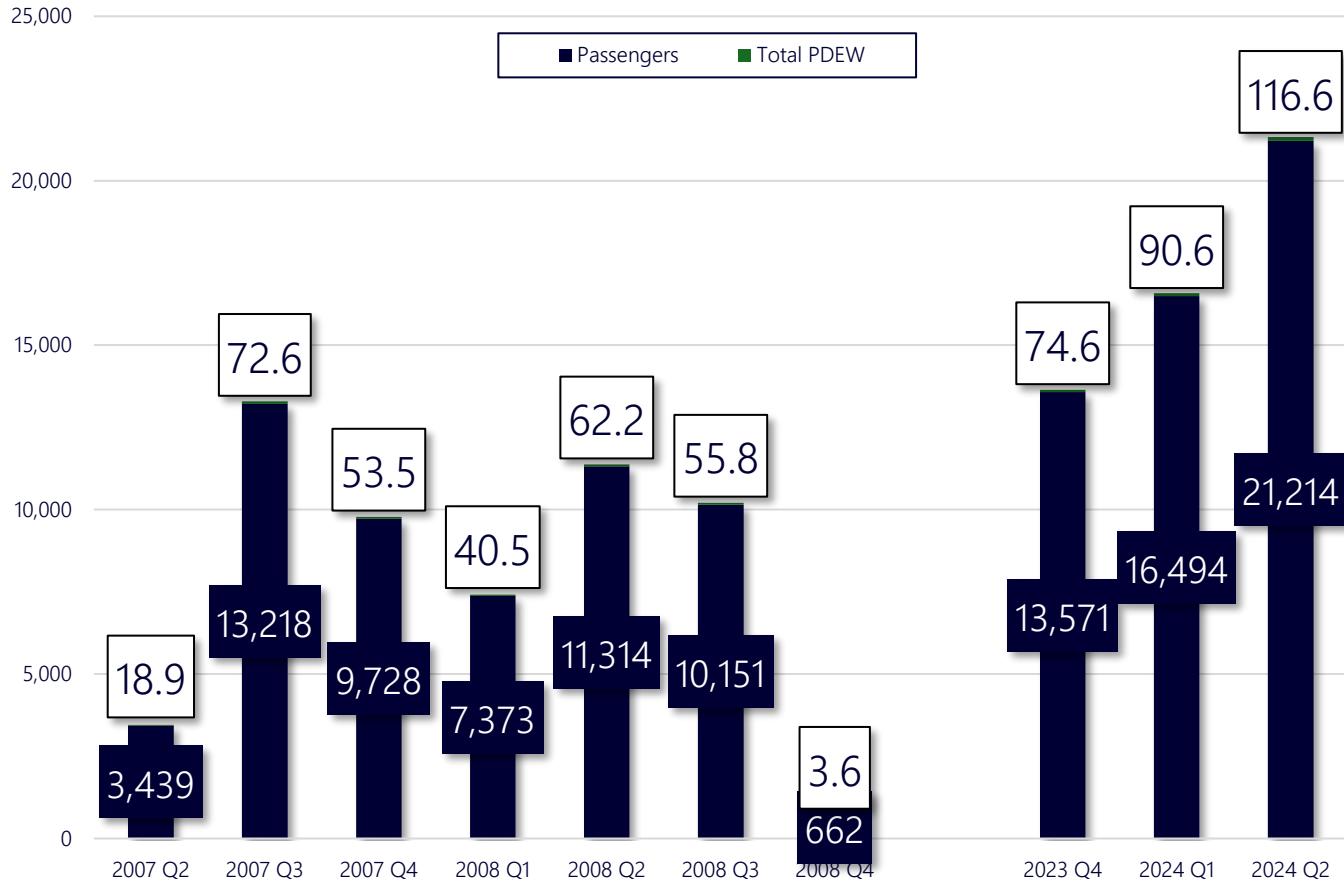
- > BURBANK: TWO ROUNDTRIPS
- > LAS VEGAS: TWO ROUNDTRIPS
- > EXTRA FLIGHTS DURING PEAK PERIODS



SALEM POSTED A NEW PASSENGER RECORD

PASSENGERS AT SALEM AIRPORT

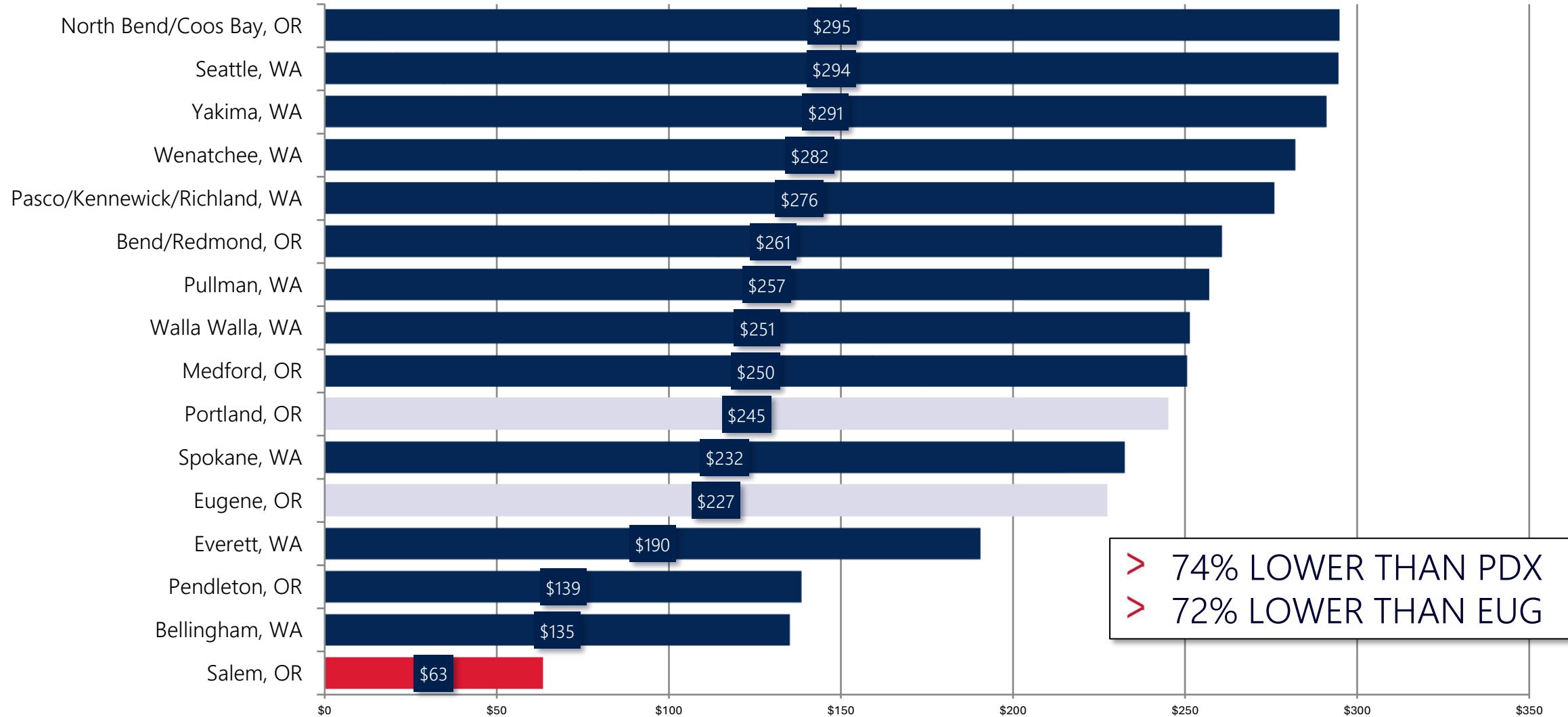
SECOND QUARTER 2007 – SECOND QUARTER 2024



SALEM HAS THE LOWEST FARE IN THE NORTHWEST

AVERAGE ONE WAY FARE IN PACIFIC NORTHWEST MARKETS

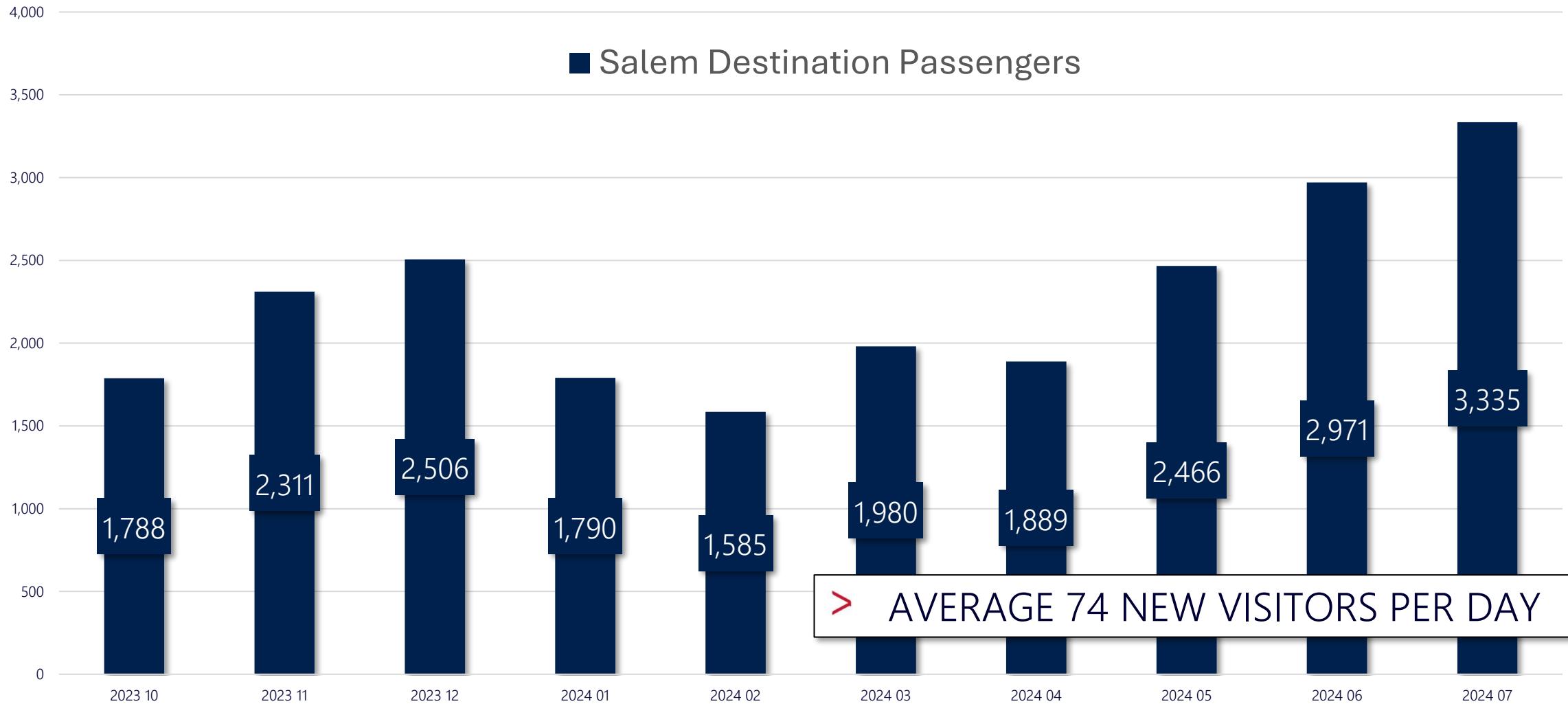
SECOND QUARTER 2024 (INCLUDES OREGON AND WASHINGTON AIRPORTS)



AVELO HAS BROUGHT SALEM 22,600 NEW VISITORS

AVELO AIRLINES SALEM DESTINATION PASSENGERS

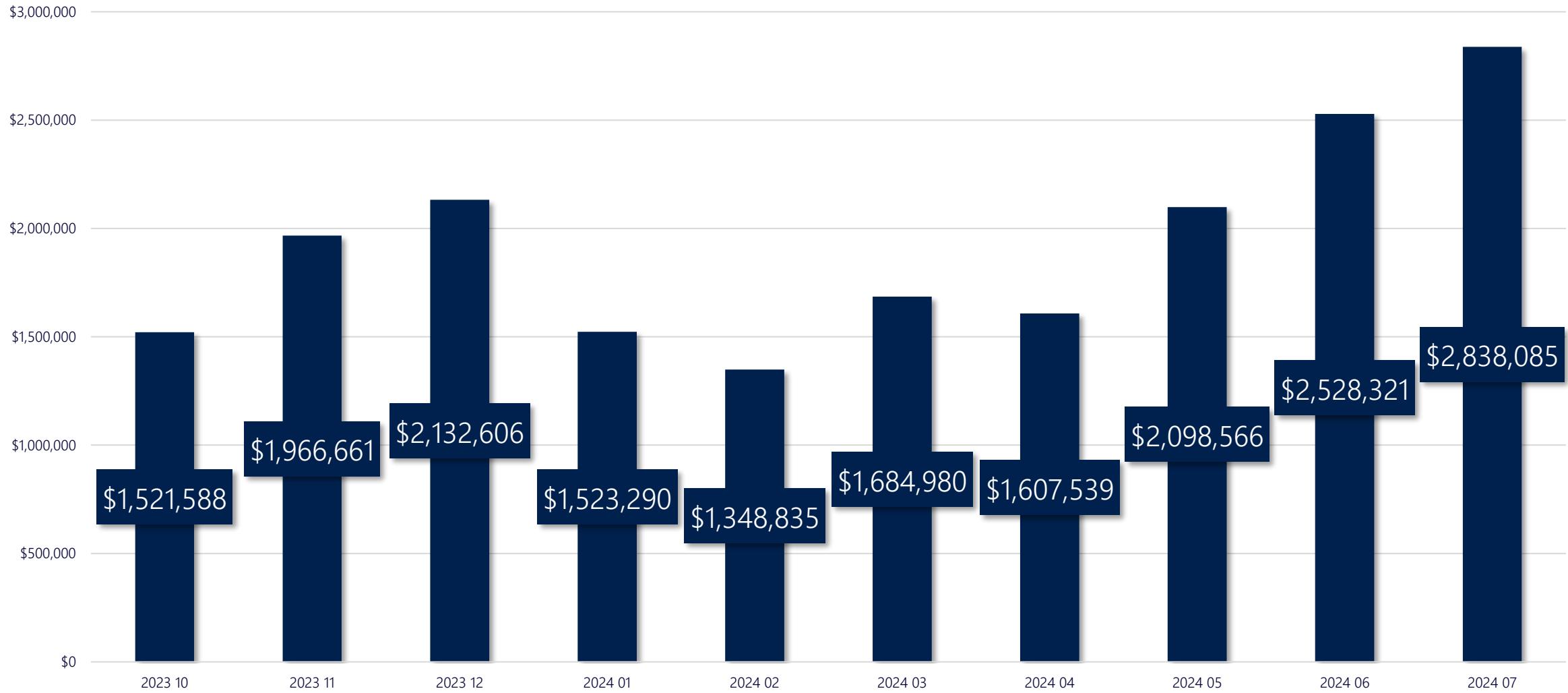
OCTOBER 2023 – JULY 2024



NEW PASSENGER SPEND: ~\$19.3 MILLION

PROJECTED NEW VISITOR SPENDING BY AVELO AIRLINES SALEM DESTINATION PASSENGERS

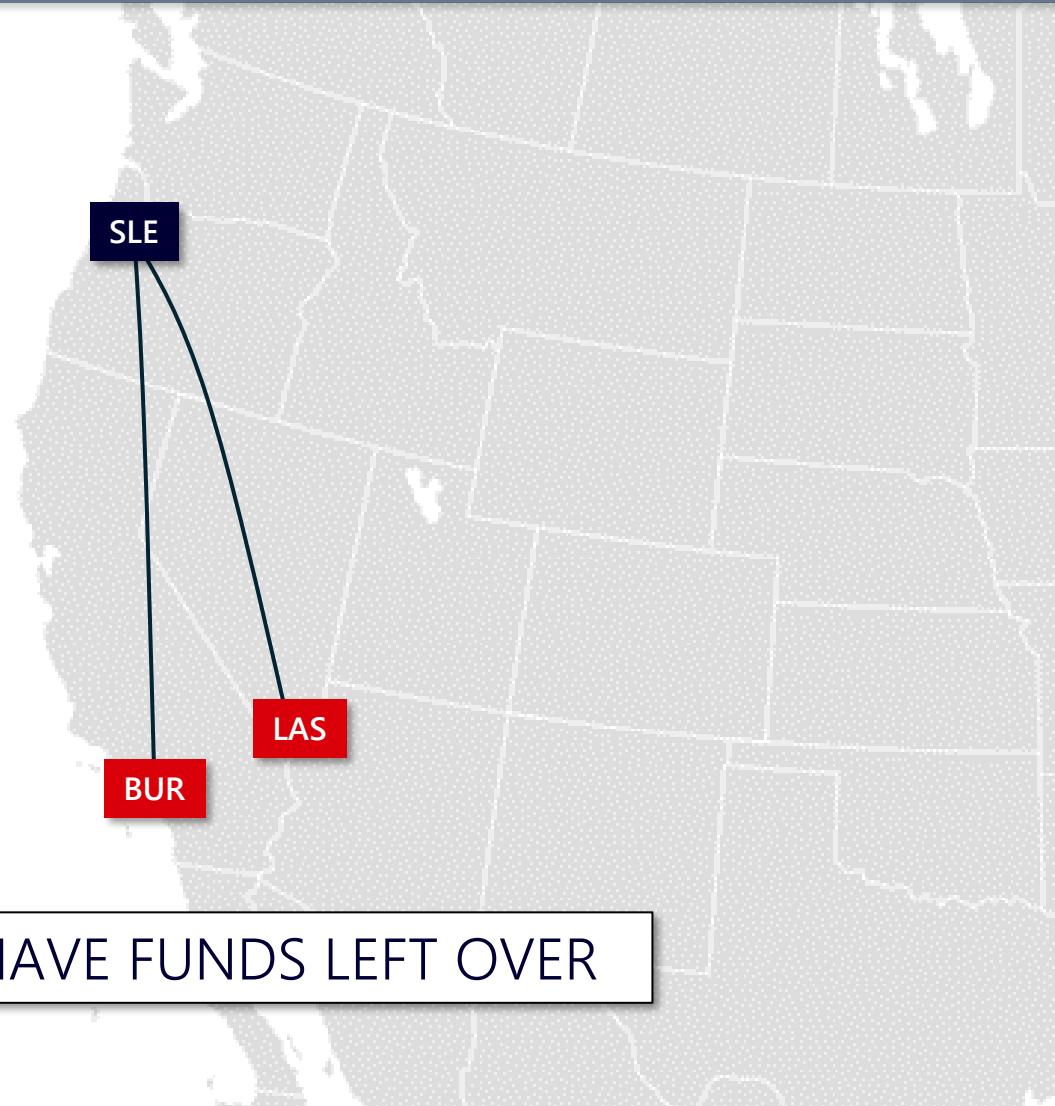
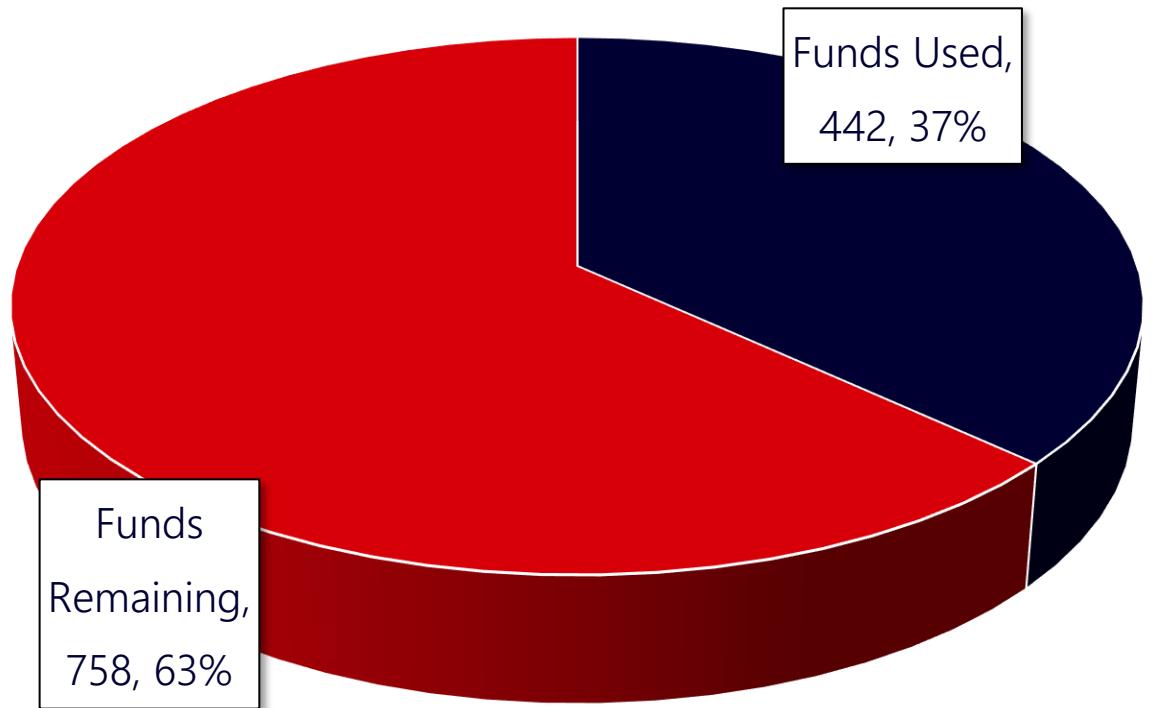
OCTOBER 2023 – JULY 2024



63% OF FUNDS REMAINING

MINIMUM REVENUE GUARANTEE (MRG) FUNDS USED TO DATE

AS OF SEPTEMBER 2024 (IN THOUSANDS)



> AT CURRENT BURN RATE, WILL HAVE FUNDS LEFT OVER

TOPIC TWO

INDUSTRY HEADWINDS



BOEING 737 MAX DELIVERIES SLOWED





AIRBUS ENGINE ISSUES

NOT ENOUGH PLANES



NOT ENOUGH PILOTS

TOPIC THREE

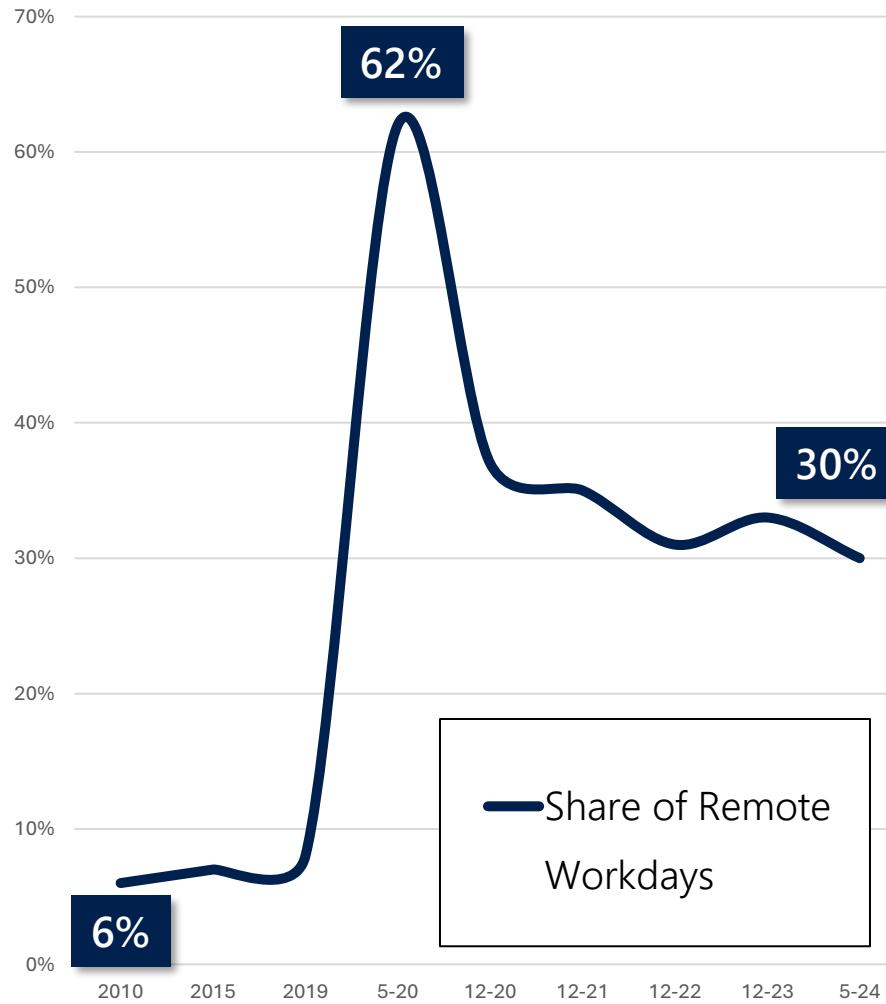
AIR SERVICE OUTLOOK



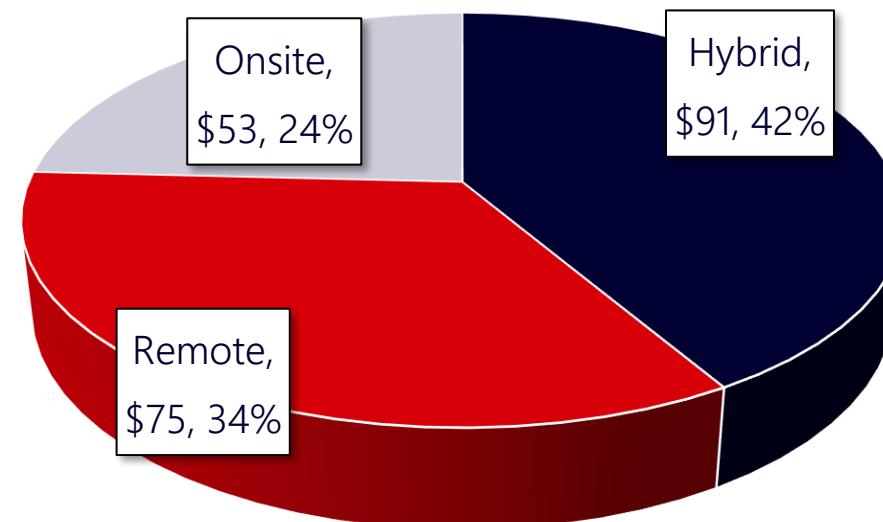
WORK HAS FUNDAMENTALLY CHANGED

SHARE OF PAID REMOTE WORKDAYS AND EARNINGS BY WORK ARRANGEMENT (IN BILLIONS)

AS OF FALL 2024



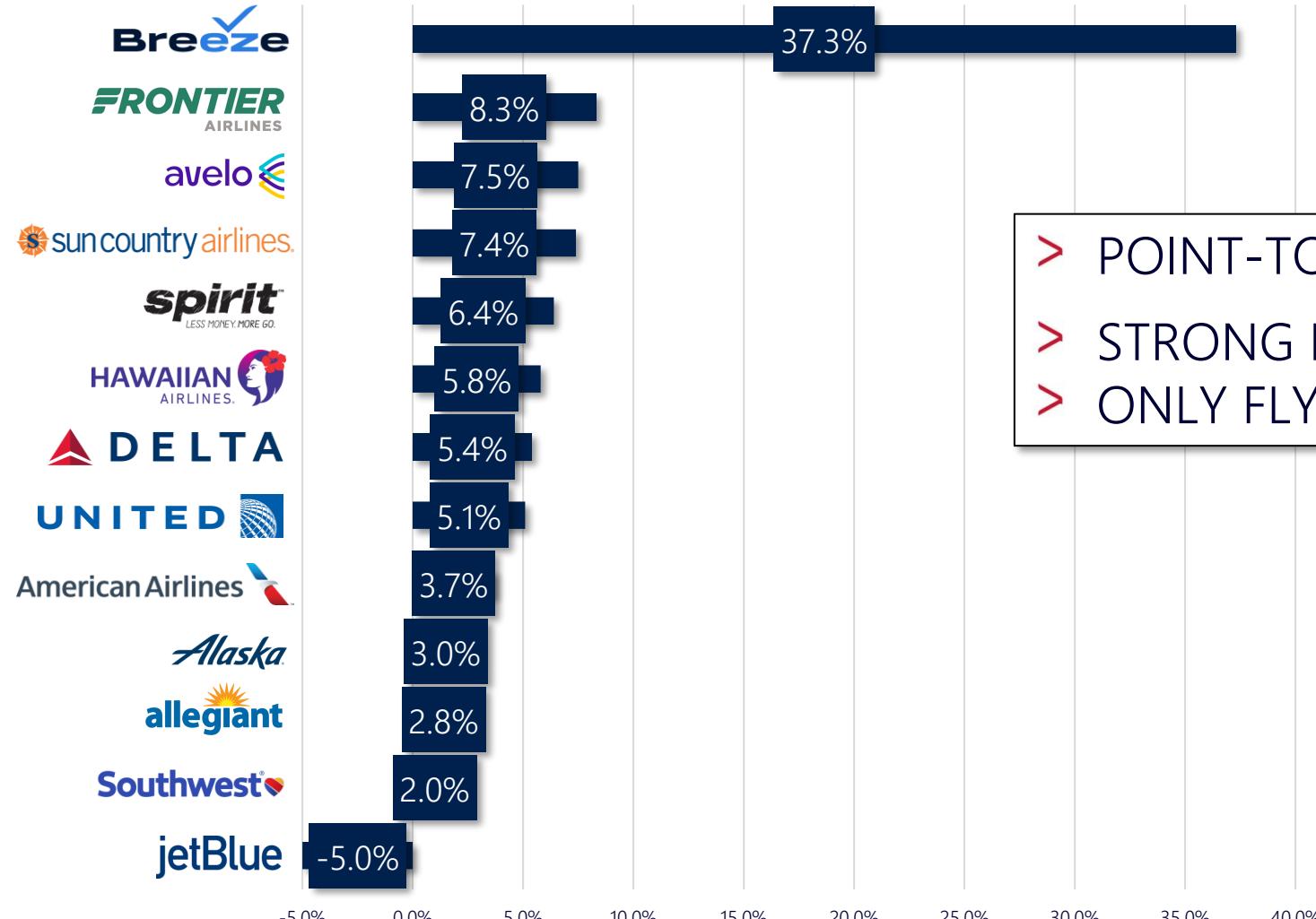
- 30% OF WORKDAYS STILL REMOTE
- 76% OF EARNINGS ARE REMOTE/HYBRID



ULTRA-LOW COST CARRIERS: RAPIDLY GROWING

CHANGE IN SYSTEMWIDE CAPACITY (AVAILABLE SEAT MILES, ASMs)

FOURTH QUARTER 2024 VS. FOURTH QUARTER 2023

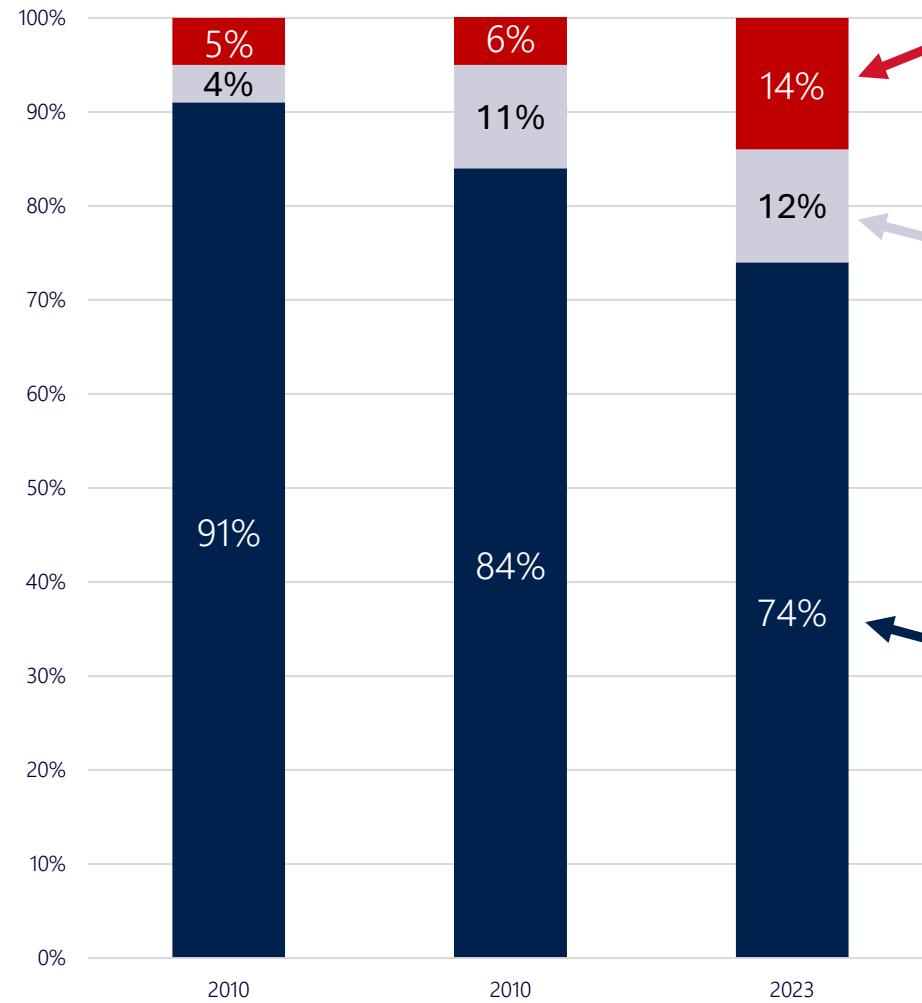


- > POINT-TO-POINT MODELS FAVORED
- > STRONG DEMAND WITH NEW TRAVEL TYPES
- > ONLY FLY ON PEAK DAYS

ULCCs NOW CARRY 14% OF ALL US PASSENGERS

PASSENGERS BY AIRLINE BUSINESS MODEL

CALENDAR YEAR 2000 – CALENDAR YEAR 2023

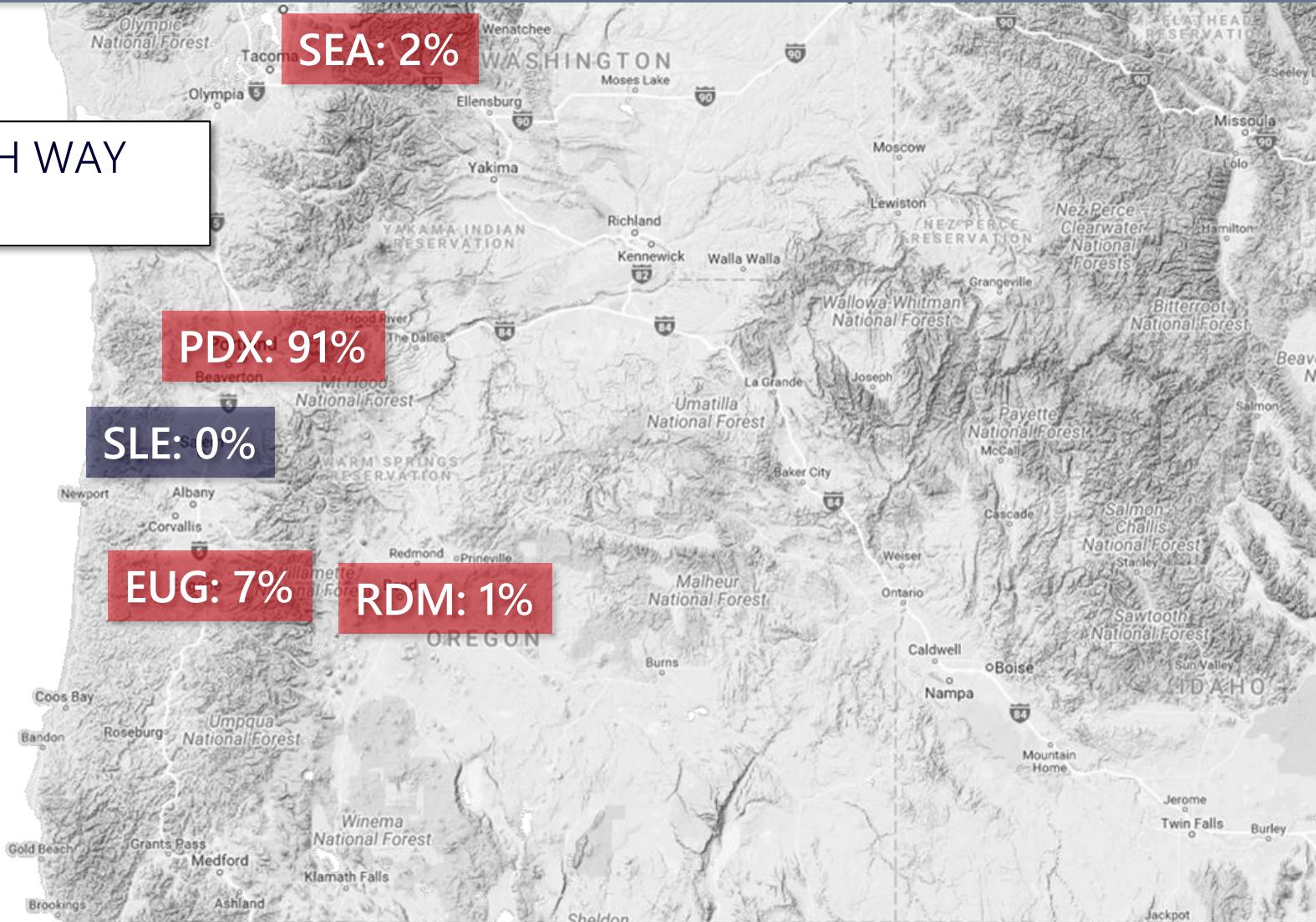


SALEM RETAINS JUST 5% OF THE 2019 MARKET

AIRPORTS USED BY SALEM CATCHMENT AREA PASSENGERS

CALENDAR YEAR 2019

- 75 PASSENGERS PER DAY EACH WAY
- 4.7% OF 2019 TOTAL: 1,586



TOP PRIORITIES: PHOENIX AND BAY AREA

TARGET RECRUITMENT MARKETS FOR SALEM AIRPORT

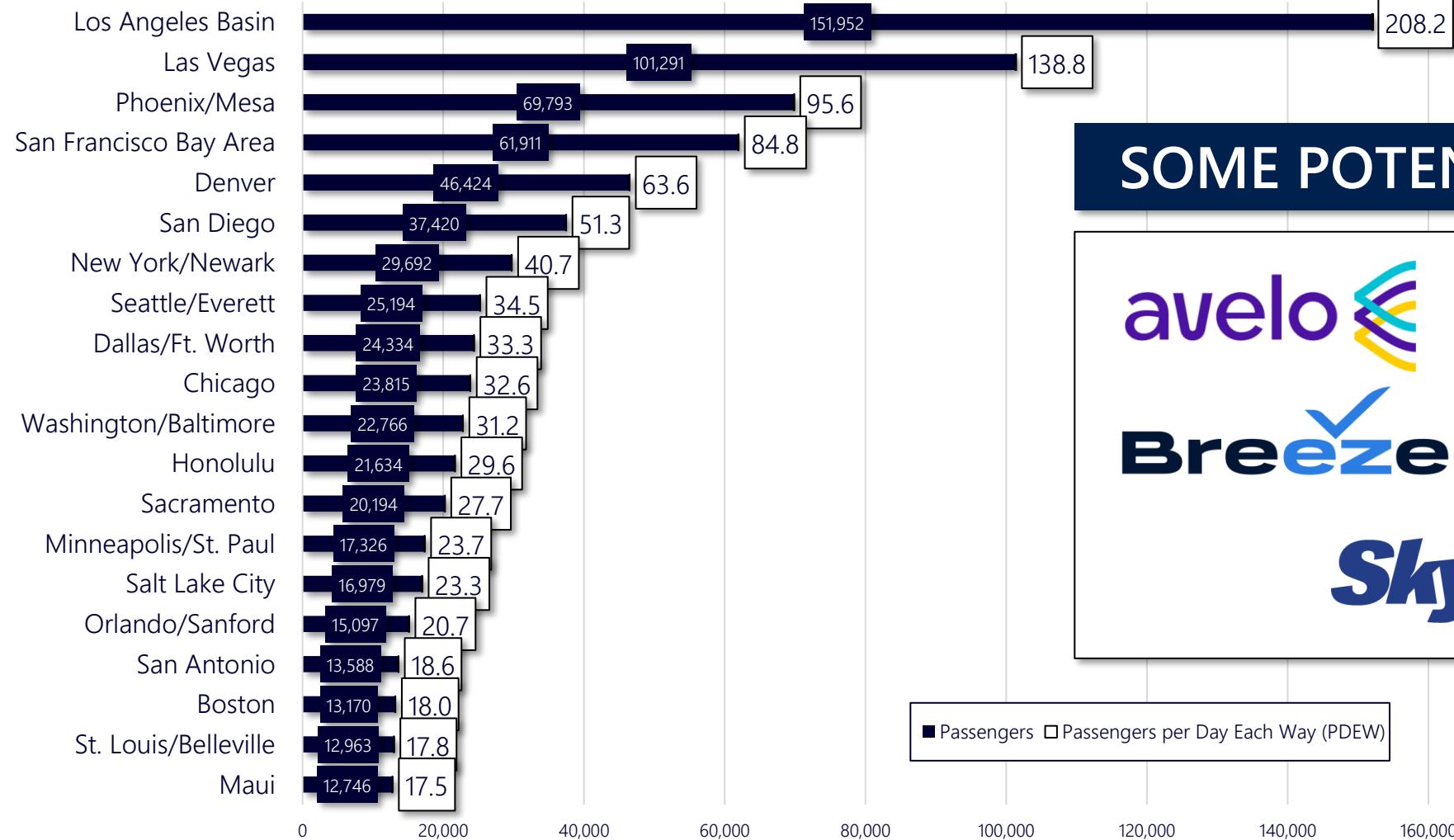
AS OF FALL 2024



MANY MARKETS COULD SUPPORT FLIGHTS

TOP 20 ORIGIN & DESTINATION PASSENGER MARKETS TO/FROM THE SALEM CATCHMENT AREA

STUDY PERIOD: CALENDAR YEAR 2019



SOME POTENTIAL PARTNERS



■ Passengers □ Passengers per Day Each Way (PDEW)

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