

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

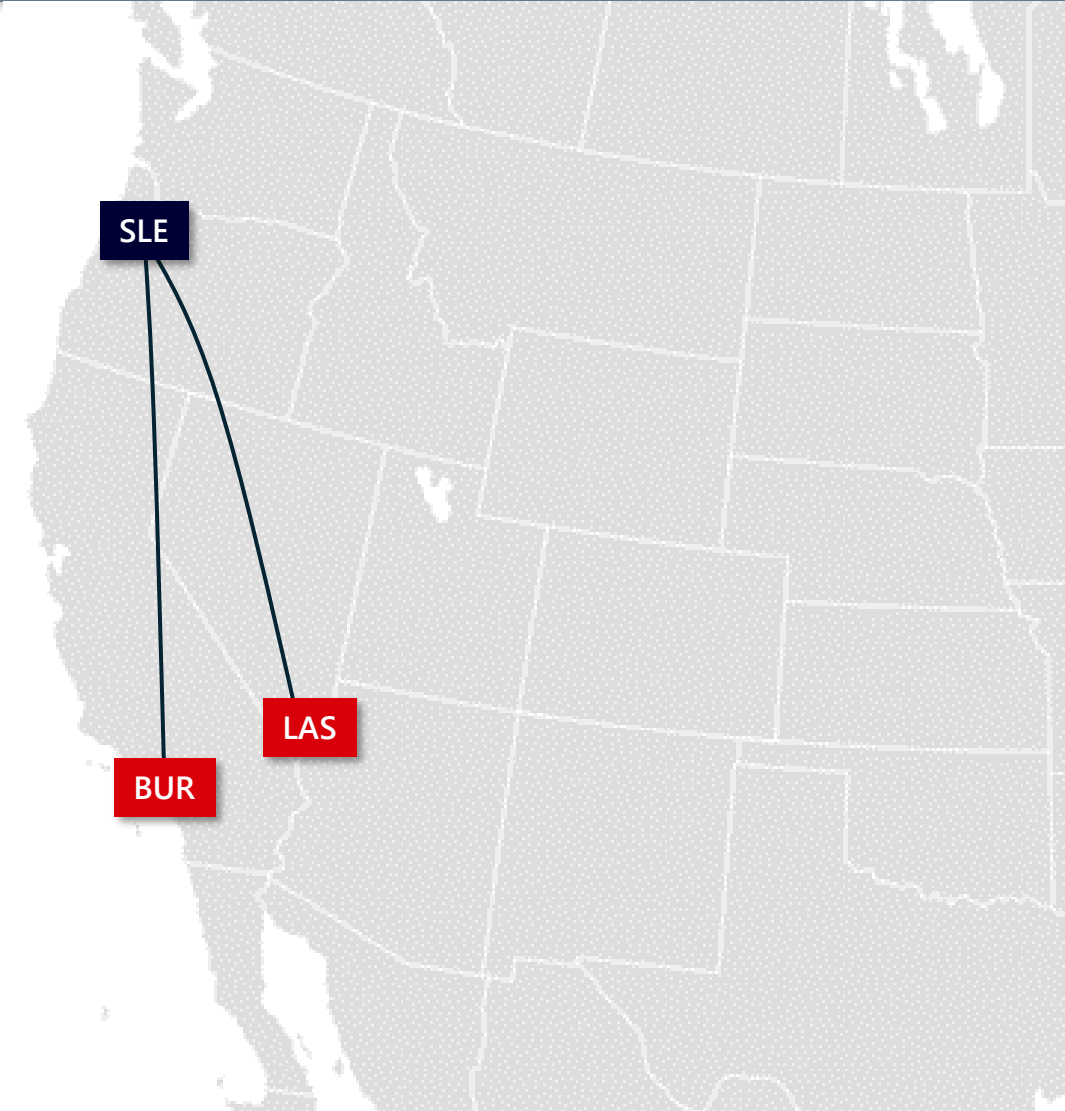


SALEM AVERAGES FOUR DEPARTURES PER WEEK

SALEM AIRPORT SCHEDULED FLIGHTS IN AVELO AIRLINES NONSTOP MARKETS

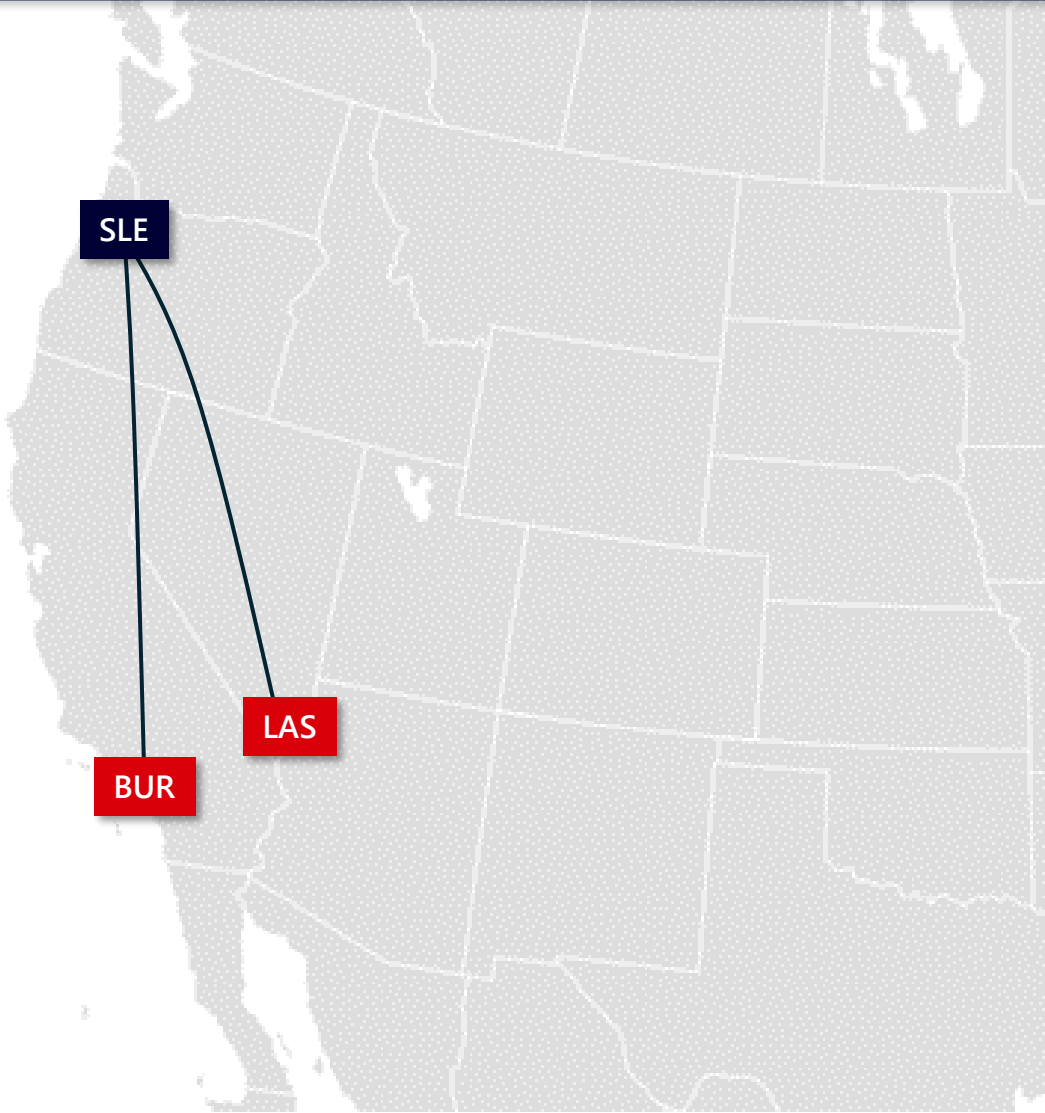
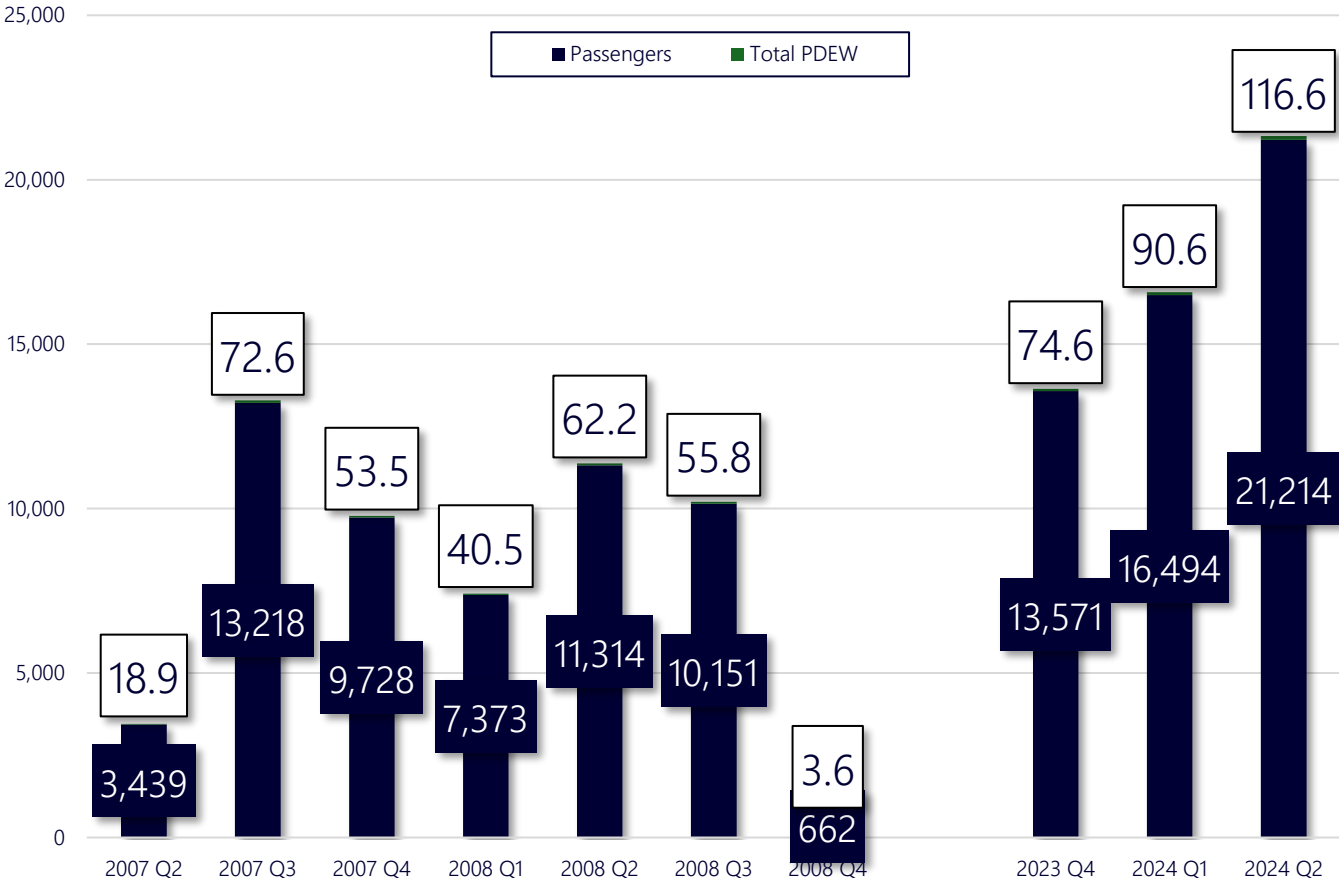
AS OF FALL 2024

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



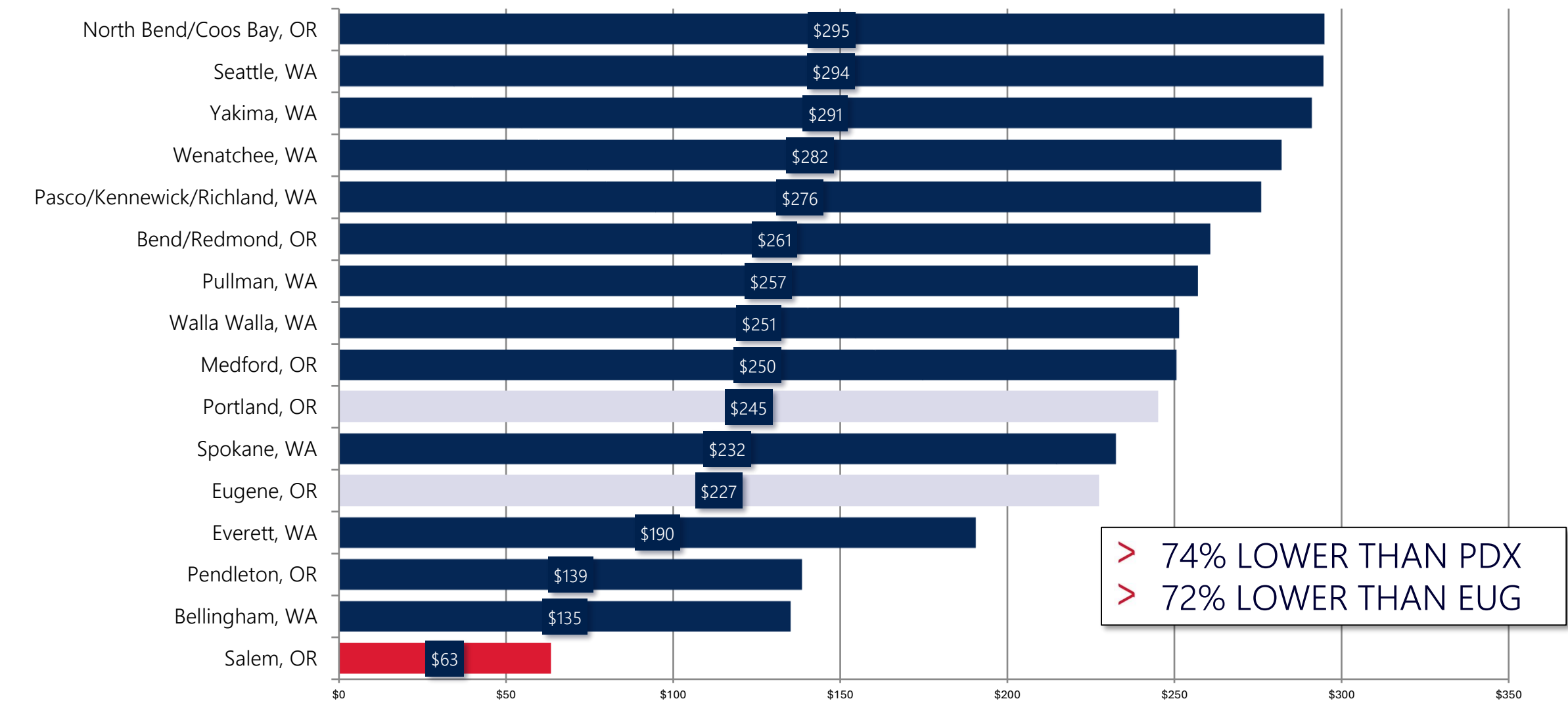
SALEM POSTED A NEW PASSENGER RECORD

PASSENGERS AT SALEM AIRPORT
SECOND QUARTER 2007 – SECOND QUARTER 2024



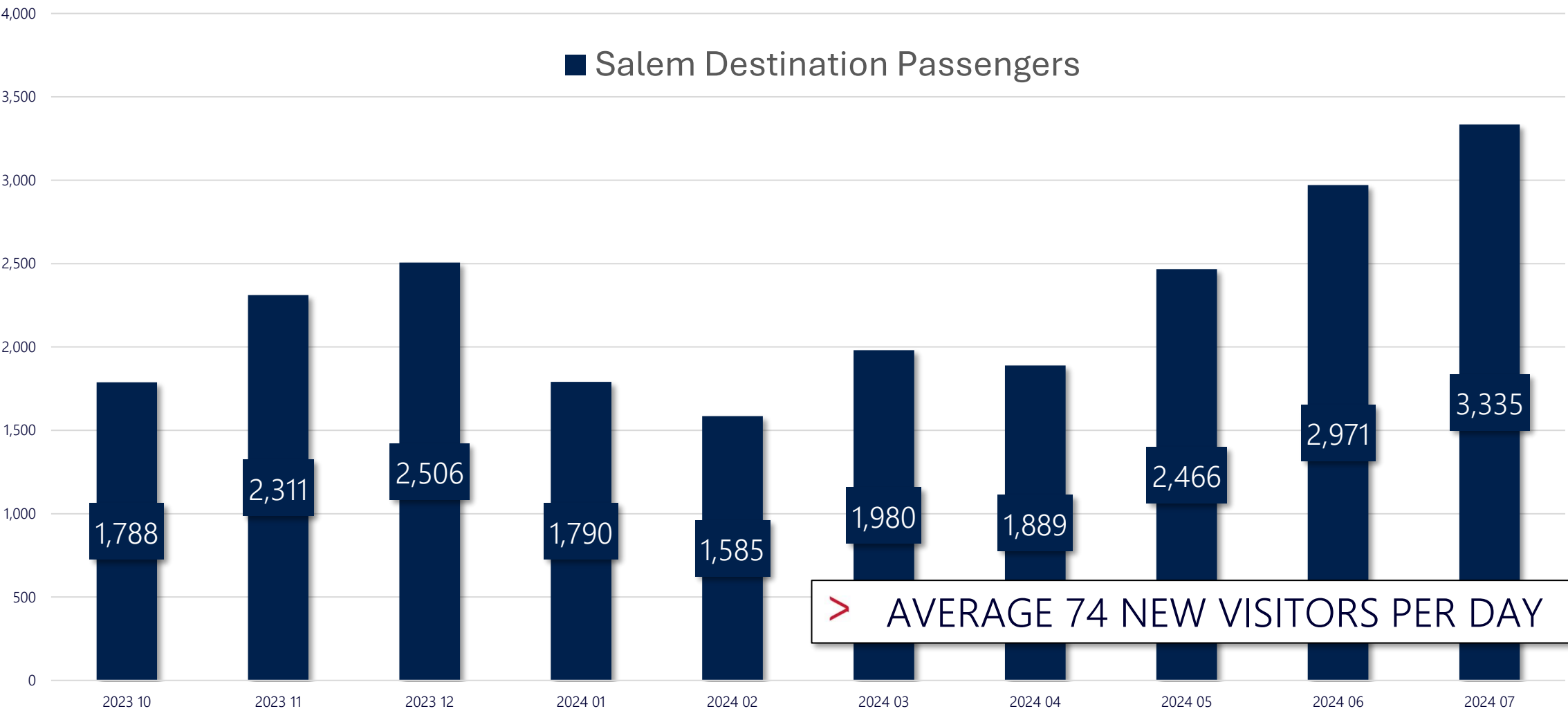
SALEM HAS THE LOWEST FARE IN THE NORTHWEST

AVERAGE ONE WAY FARE IN PACIFIC NORTHWEST MARKETS
SECOND QUARTER 2024 (INCLUDES OREGON AND WASHINGTON AIRPORTS)



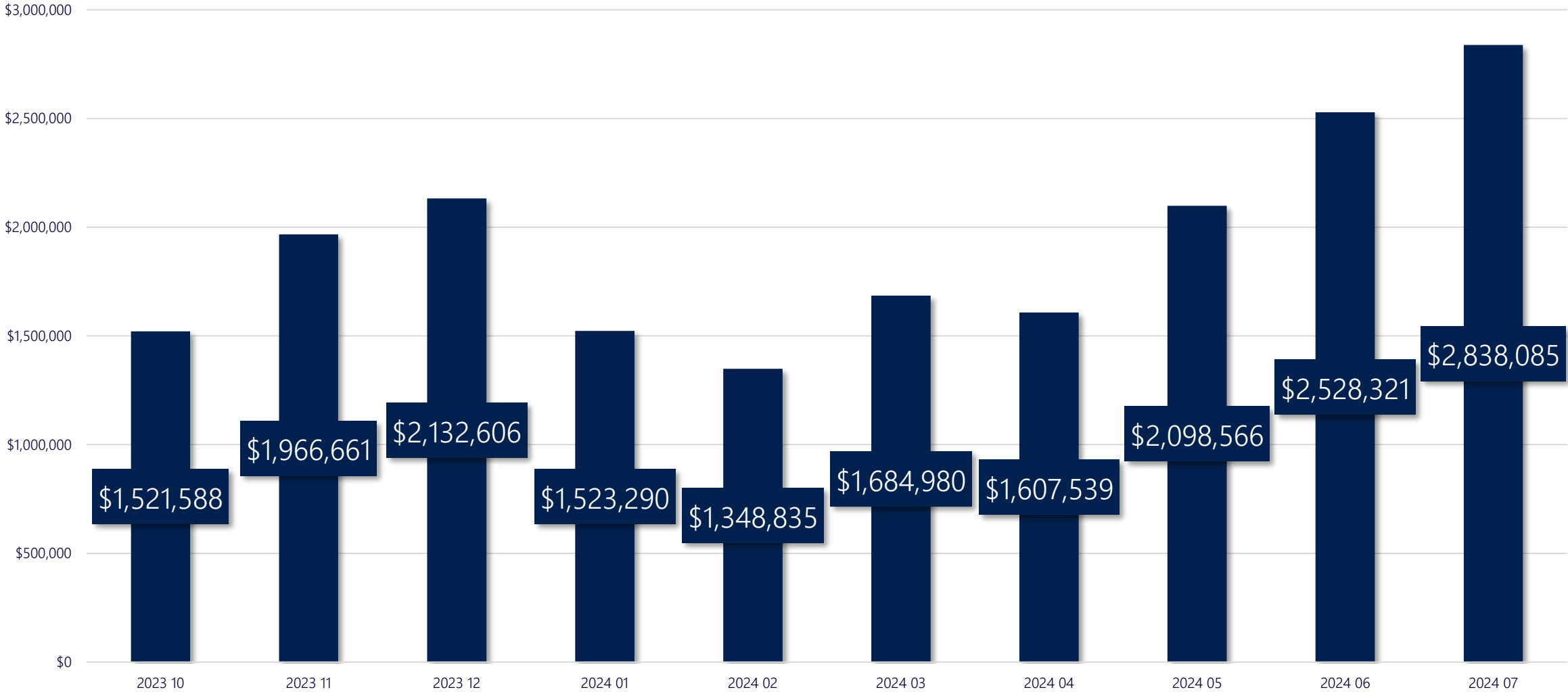
AVELO HAS BROUGHT SALEM 22,600 NEW VISITORS

AVELO AIRLINES SALEM DESTINATION PASSENGERS
OCTOBER 2023 – JULY 2024



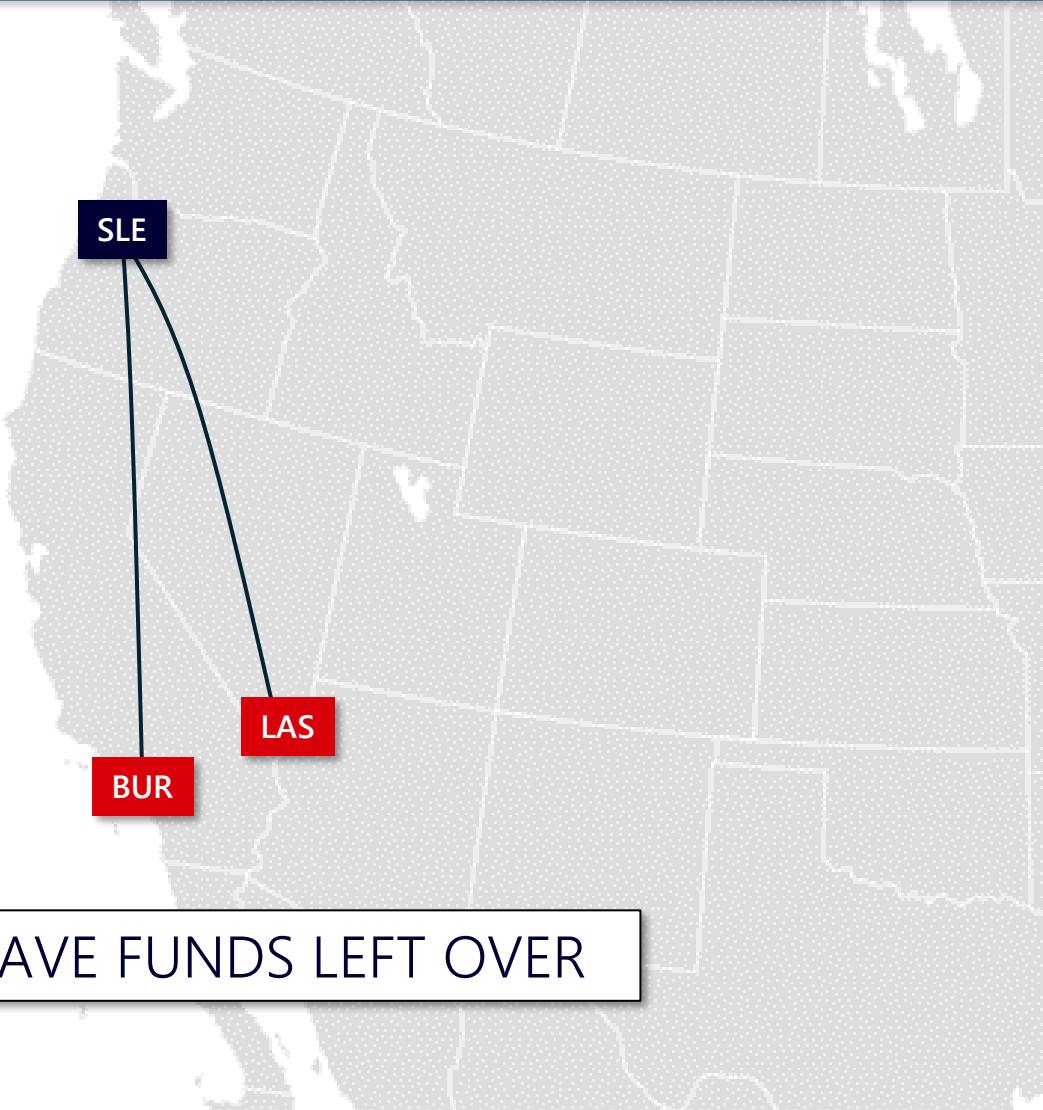
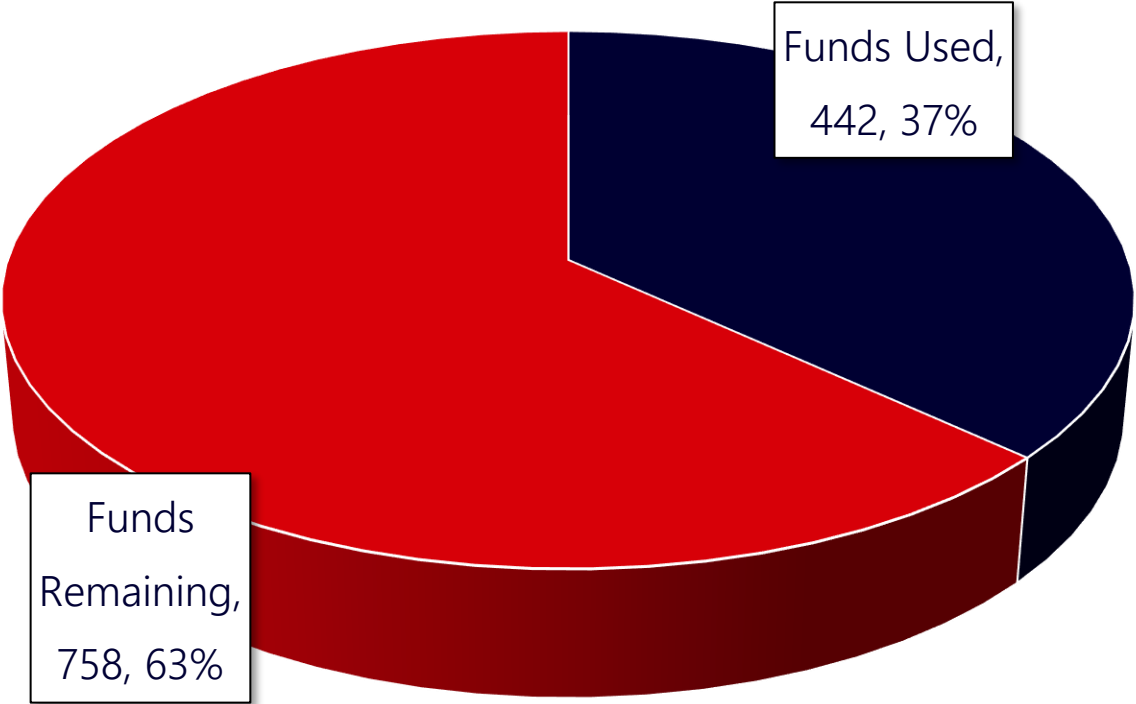
NEW PASSENGER SPEND: ~\$19.3 MILLION

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

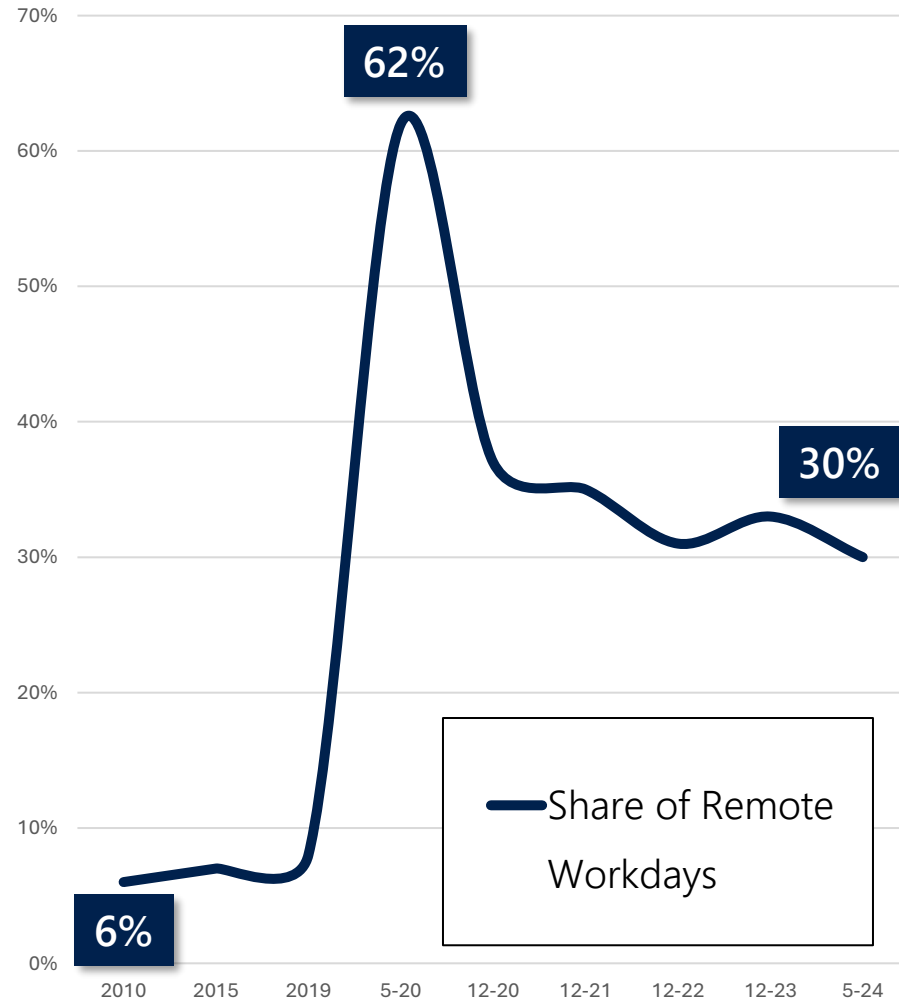
AIR SERVICE OUTLOOK



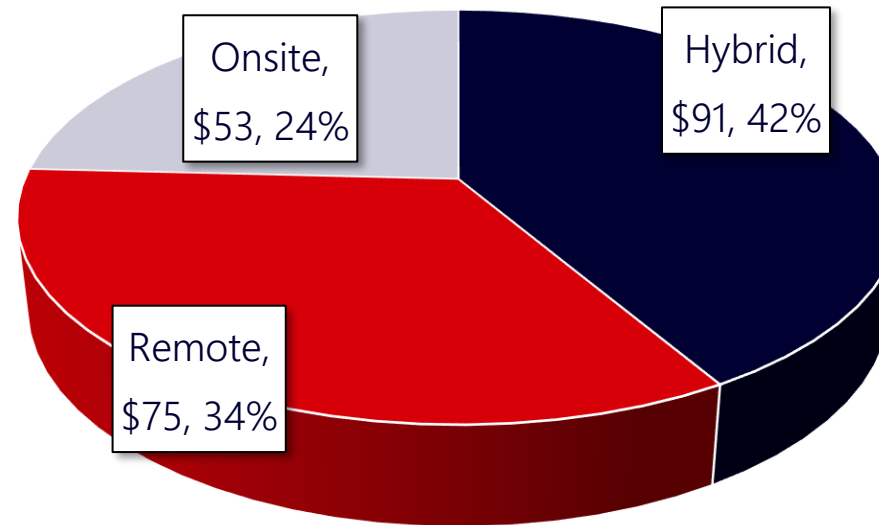
WORK HAS FUNDAMENTALLY CHANGED

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

AS OF FALL 2024

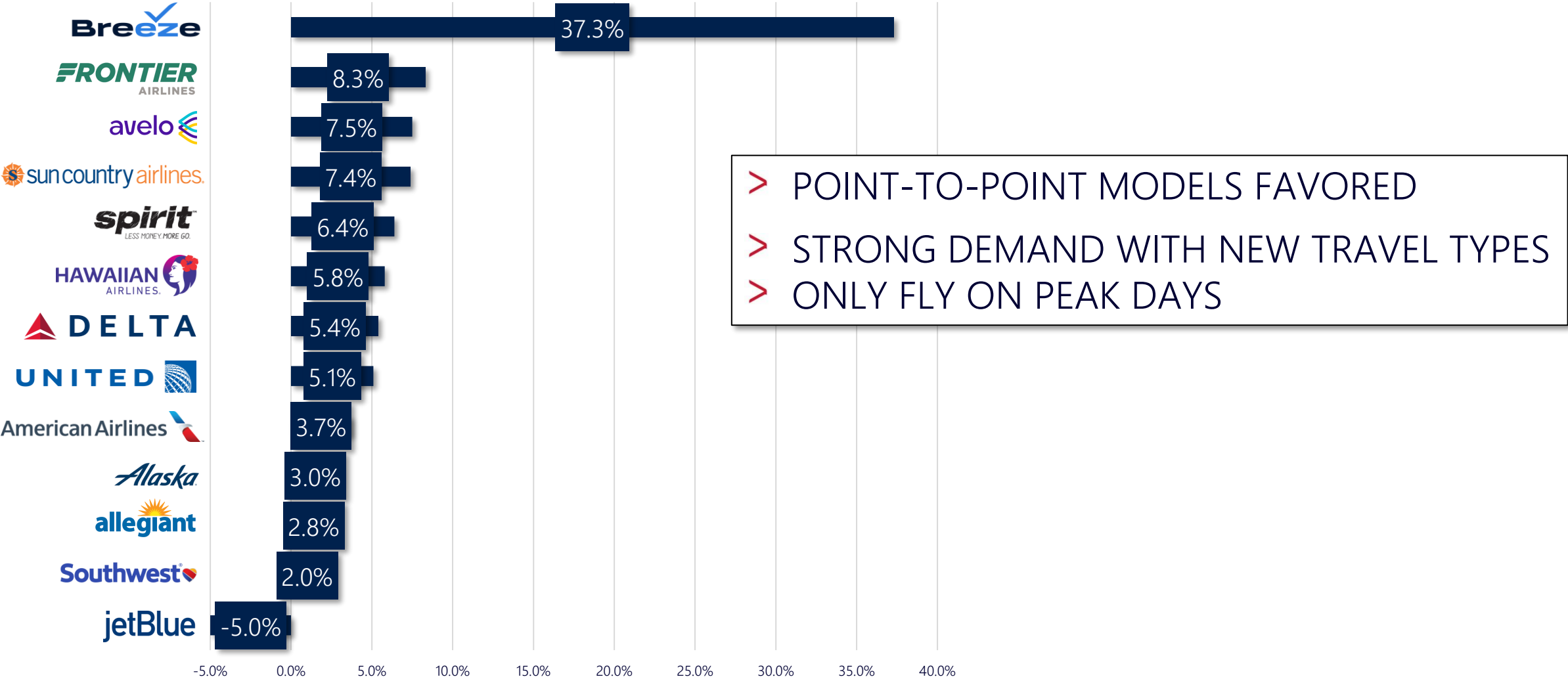


- > 30% OF WORKDAYS STILL REMOTE
- > 76% OF EARNINGS ARE REMOTE/HYBRID



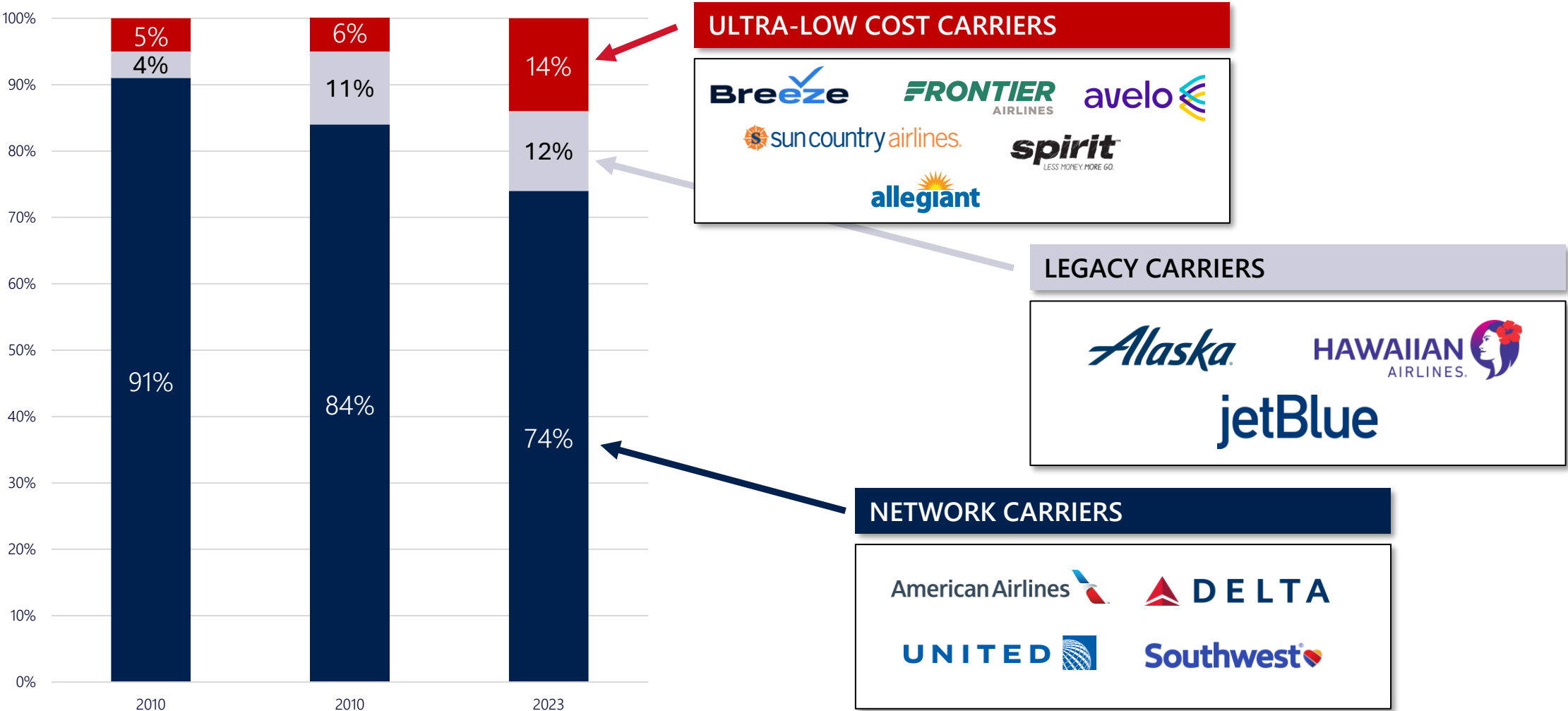
ULTRA-LOW COST CARRIERS: RAPIDLY GROWING

CHANGE IN SYSTEMWIDE CAPACITY (AVAILABLE SEAT MILES, ASMs)
FOURTH QUARTER 2024 VS. FOURTH QUARTER 2023



ULCCs NOW CARRY 14% OF ALL US PASSENGERS

PASSENGERS BY AIRLINE BUSINESS MODEL
CALENDAR YEAR 2000 – CALENDAR YEAR 2023

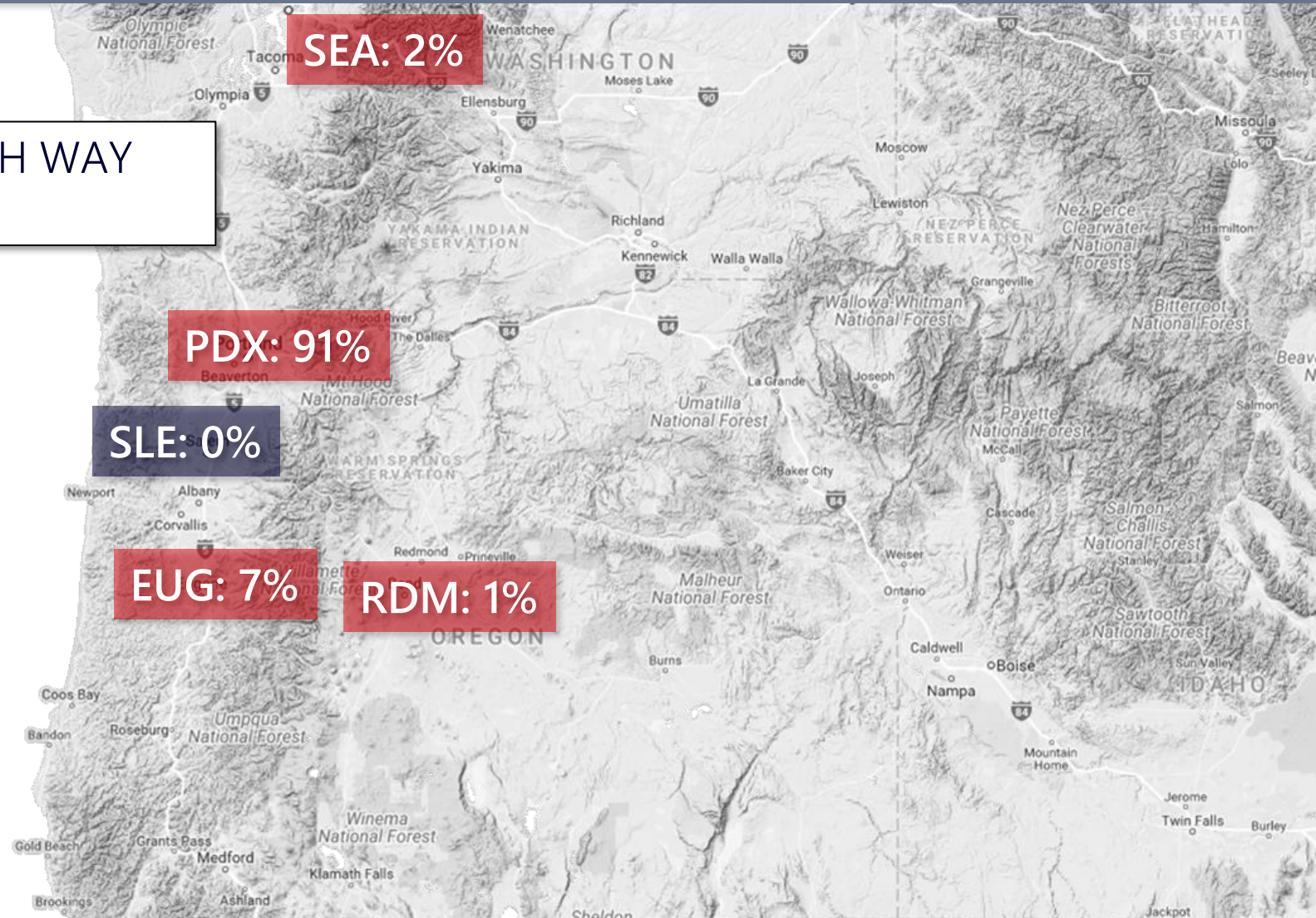


SALEM RETAINS JUST 5% OF THE 2019 MARKET

AIRPORTS USED BY SALEM CATCHMENT AREA PASSENGERS

CALENDAR YEAR 2019

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



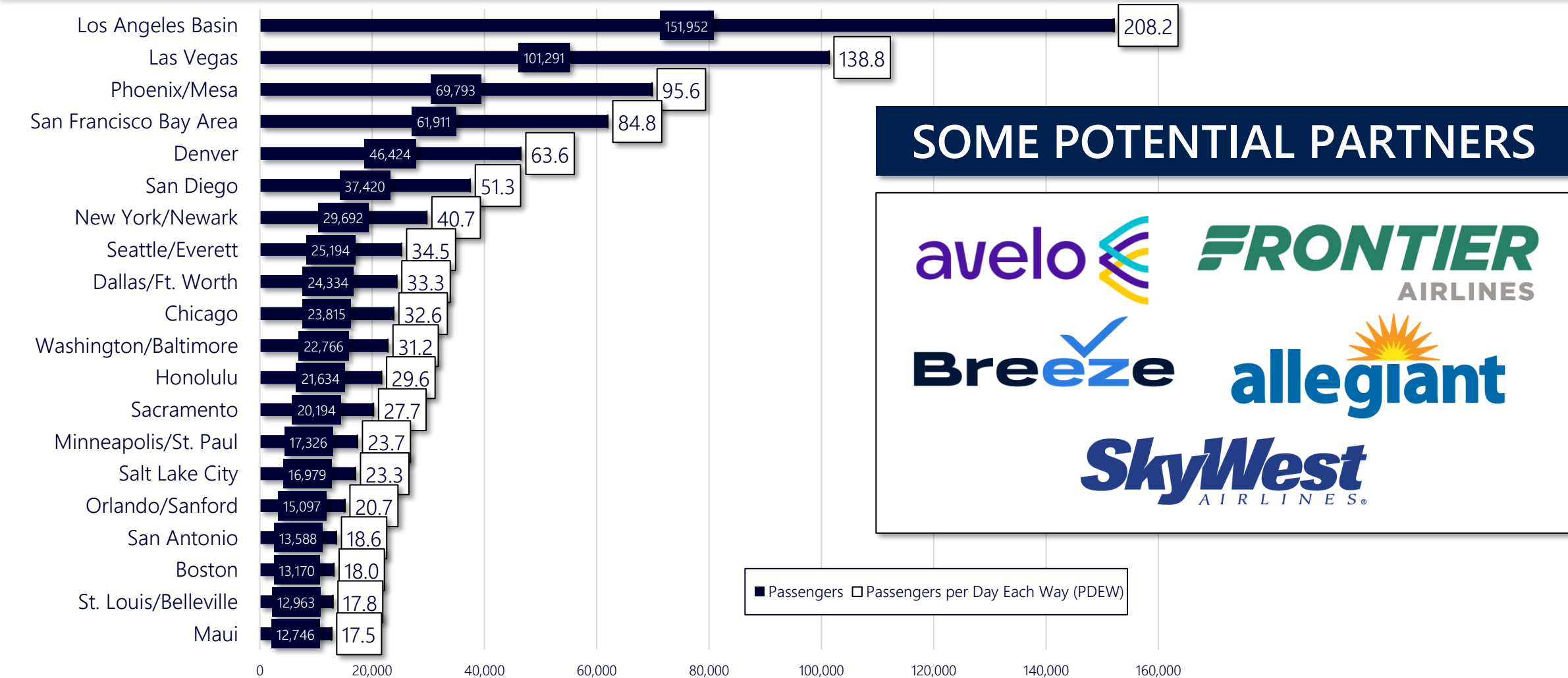
TOP PRIORITIES: PHOENIX AND BAY AREA

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



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