

Airline Industry Revenue - Cost Analysis

AirlineFinancials.com

Clicking tab at bottom will pull up data sheet for specific airline.

Note: To use the interactive functions will require the Excel version of this report.

User input changes to the yellow boxes will re-calculate historical metrics and provide projections for year 2010 and/or the next quarter. (Note: Plus or minus changes can be made).

General Information-

Unless noted, data is from parent company. Calculations do not consider unknown and potential changes to debt and financing metrics.

Moving the mouse over some labels and data will provide additional clarification.

The projections for year 2010 and current quarter are based on company guidance and estimates from AirlineFinancials.com.

The earnings per share summary provides estimates and projections that may or may not prove to be accurate.

Glossary of Terms-

[SEC--](#) U.S. Securities and Exchange Commission

[BTS--](#) Bureau of Transportation Statistics

ASM— Available Seat Mile. A measure of capacity. ASM's equal the total number of seats available for transporting passengers during a reporting period multiplied by the total number of miles flown during that period.

RPM— Revenue Passenger Mile. One revenue-paying passenger transported one mile. RPM's equal the number of revenue passengers during a reporting period multiplied by the number of miles flown by those passengers during that period, RPM's are also referred to as "traffic".

Yield— The amount of passenger revenue earned per RPM during a reporting period.

RASM— Operating Revenue per ASM. The amount of operating revenue earned per ASM during a reporting period. RASM is also referred to as "unit revenue."

PRASM— Passenger Revenue per ASM. The amount of passenger revenue earned per ASM during a reporting period. Passenger RASM is also referred to as "passenger unit revenue."

CASM— (Operating) Cost per Available Seat Mile. The amount of operating cost incurred per ASM during a reporting period, also referred to as "unit cost".

LF-- Passenger Load Factor — A measure of utilized available seating capacity calculated by dividing RPMs by ASM's for a reporting period.

Average fare-- Represents the average one-way fare paid per flight segment by a revenue passenger that is kept by the airline.

EBITDAR- Operating income ex special charges & before depreciation, amortization and aircraft rent.

[c] May be calculated or estimated from other data.

Disclaimer: Data source includes DOT41, SEC and Corporate Reports. Delta reports most of their data in consolidated form and as such may not be analogous with other carriers. Capital expenditures and debt servicing metrics are not reconciled in these charts. For analogous comparisons, some data may be estimated.

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Website AirlineFinancials.com		How to use this chart ** move mouse here **		Email boh@airlinefinancials.com								
SEC 10-K 2009	2010 Projection		Alaska		SEC 10-Q 2nd Qtr '09	SEC 10-Q 3rd qtr '09	SEC 10-Q 4th qtr '09	SEC 10-Q 1st Qtr '10	2nd qtr 2010 Projection			
\$312	\$354		Operating income/loss (million)(excludes special charges)		\$118	\$159	\$53	\$26	\$112			
\$1,192	\$1,279	4.0%	Unrestricted cash & equivalents (million)		\$1,122	\$1,230	\$1,192	\$1,171	\$1,230 5.0%			
\$836	\$1,564		Cash flow from operations (estimated daily average) (000)		\$1,216	\$1,974	-\$3	\$599	\$1,849			
	\$269	8.0%	Projected min cash (% of operating expenses)(million)									
-7.1%	-14.3%		Required breakeven fare increase percentage		-9.2%	-12.2%	-3.6%	-9.4%	-16.6%			
\$11.18	\$23.39		Avg profit (loss) per passenger		\$13.87	\$20.14	\$5.74	\$15.22	\$29.01			
			Revenues (million)									
\$2,439	\$2,701		Passenger		\$603	\$702	\$595	\$587	\$729			
\$96	\$102	6.0%	Cargo & freight		\$25	\$28	\$24	\$23	\$26 3.0%			
\$212	\$250	18.0%	Other		\$62	\$55	\$57	\$59	\$65 5.0%			
\$653	\$660	1.0%	Regional affiliate		\$155	\$183	\$172	\$161	\$156 1.0%			
\$3,400	\$3,712		Total consolidated operating revenue		\$844	\$967	\$846	\$830	\$975			
			Expenses (million)									
\$1,064	\$1,117	5.0%	Wages, salaries & benefits		\$255	\$270	\$273	\$257	\$294 15.0%			
\$658	\$889		Fuel & oil		\$128	\$200	\$173	\$207	\$214			
\$223	\$221		Other rentals/landing fees		\$54	\$57	\$57	\$56	\$57			
\$132	\$130		Commissions/booking fees, credit card & distribution		\$35	\$37	\$35	\$34	\$37			
\$219	\$217		Depreciation/amortization		\$54	\$56	\$57	\$56	\$56			
\$223	\$221	-1.0%	Maintenance materials/repairs		\$60	\$50	\$54	\$57	\$62 4.0%			
\$154	\$152		Aircraft rentals		\$39	\$38	\$38	\$37	\$41			
\$201	\$199		Food/contracted & purchased passenger services		\$12	\$13	\$51	\$52	\$13			
\$214	\$212		Other operating expenses		\$87	\$89	\$66	\$48	\$91			
\$628	\$672	0.0%	Capacity purchase & miscellaneous expense		\$142	\$155	\$166	\$167	\$161 18.0%			
\$3,088	\$3,358		Total consolidated operating expenses		\$726	\$809	\$793	\$804	\$863			
-\$65	-\$65	0.0%	Other non operating Income/expense		-\$19	-\$17	-\$11	-\$16	-\$18 -7.5%			
-\$81	-\$57	-30.0%	Other income/expense (taxes/misc)		-\$19	-\$55	-\$18	-\$5	-\$19 0.0%			
\$305	\$571		Cash flow from operations (million)		\$111	\$180	\$0	\$55	\$168			
			Operational data (mainline)									
115	114	-1.0%	Operating aircraft (mainline)		116	116	115	112	115 3.0%			
305	317	4.0%	Fuel consumption (gallons) (million)		77	80	75	72	79 3.0%			
\$2,050	\$2,358	15.0%	Fuel price/gallon		\$1,840	\$2,150	\$2,260	\$2,250	\$2,282 24.0%			
18,362	19,556	6.5%	RPM's (millions)		4,613	5,020	4,550	4,472	5,071 9.9%			
23,144	24,185	4.5%	ASM's (millions)		5,852	6,097	5,675	5,541	6,112 4.5%			
79.3%	80.9%		Load Factor		78.8%	82.3%	80.2%	80.7%	83.0%			
13.28	13.81	4.0%	Yield (cents)		13.06	13.98	13.07	13.13	14.37 10.0%			
11.74	15.35		RASM (operating unit revenue)(cents)		11.65	12.74	11.77	11.93	13.40			
10.54	11.17		PRASM (passenger unit revenue) (cents)		10.30	11.51	10.48	10.59	11.92			
10.78	10.52		CASM (unit cost)(cents)		10.67	10.62	11.05	11.50	10.83			
15,561	16,495	6.0%	Passengers (million)		3,983	4,240	3,765	3,641	4,171 4.7%			
\$156.73	\$163.74		Average one way passenger fare (revenue to airline)		\$151.27	\$165.57	\$157.90	\$161.22	\$174.68			
\$54.89	\$54.19		Average wage/salary/benefit expense per passenger fare		\$53.85	\$51.86	\$57.18	\$56.58	\$56.32			
\$40.17	\$45.32		Avg fuel expense per passenger fare		\$35.34	\$40.62	\$45.02	\$44.68	\$43.11			
\$145.55	\$140.35		Avg net expense per passenger		\$137.40	\$145.43	\$152.16	\$146.00	\$145.67			
			Miscellaneous									
\$4,985			Total assets (millions)		\$4,941	\$5,006	\$4,985	\$5,016				
\$1,699			Long-term debt and capital lease obligations (millions)		\$1,670	\$1,658	\$1,699	\$1,657				
\$507			Net debt (long term debt - cash/equivalents)		\$548	\$428	\$507	\$486				
\$366			Air traffic liability/Advance ticket sales (millions)		\$422	\$397	\$366	\$469				
[c] May be calculated or estimated												
SEC 10-K	2010 Estimates		Earnings & Projections by AirlineFinancials.com				SEC 10-Q	SEC 10-Q	SEC 10-Q	SEC 10-Q	2nd qtr 2010 Estimates	
2009	Airline Financials .com	Industry Analyst estimates	Alaska (millions except EPS)				2nd Qtr '09	3rd qtr '09	4th qtr '09	1st Qtr '10	Airline Financials .com	Industry Analyst estimates
\$3,400	\$3,712	\$3,780	Total consolidated revenue				\$843.9	\$967.4	\$846.1	\$829.9	\$975.3	\$966.3
\$3,234	\$3,480	\$3,548	Operating expense without special charges				\$763.1	\$881.0	\$822.0	\$824.6	\$899.2	\$892.4
-\$45			Special charges & one time items				-\$51.9	\$1.2				
\$3,278	\$3,480		Total consolidated expense				\$815.0	\$879.8	\$822.0	\$824.6	\$899.2	
\$121.6	\$232.6		GAAP income/loss				\$28.9	\$87.6	\$24.1	\$5.3	\$76.0	
\$3.36	\$6.52		GAAP earnings per share				\$0.79	\$2.46	\$0.67	\$0.15	\$2.13	
-\$33			Special charges & Impairment charge adjustment				-\$2.4	-\$4.6	-\$19.7	\$7.8		
36.2	35.7		Share count (diluted weighted average)				36.6	35.7	35.8	36.4	35.7	
\$88.7	\$232.6	\$232.1	Net income/loss (excludes special items/charges)				\$26.5	\$83.0	\$4.4	\$13.1	\$76.0	\$73.9
\$2.45	\$6.52	\$6.50	Earnings per share * (excludes special items and charges)				\$0.72	\$2.33	\$0.12	\$0.36	\$2.13	\$2.07
	+\$5.50 to +\$7.40		* Industry analysts EPS estimates and range as of 7/13/10								+\$1.48 to +\$2.35	

Below are calculated ratios as noted. Airlines may use different expense labels from what are listed

2009	2010 Projection	Alaska	2nd Qtr '09	3rd qtr '09	4th qtr '09	1st Qtr '10	2nd qtr 2010 Projection
9.18%	9.54%	Operating margin (excludes special charges)	14.03%	16.39%	6.24%	3.13%	11.51%
2.61%	6.27%	Net earnings margin (excludes special charges)	3.14%	8.58%	0.52%	1.58%	7.80%
\$603	\$723	EBITDAR (million) (excludes special charges)	\$154	\$248	\$130	\$126	\$209
17.7%	19.5%	EBITDAR Margin (excludes special charges)	18.2%	25.7%	15.4%	15.2%	21.4%
7.94	6.85	Unit costs ex-fuel (mainline) (cents)	8.48	7.35	8.01	7.76	7.33
3.34	2.23	Unit costs ex-fuel and ex-labor (mainline) (cents)	4.11	2.92	3.21	3.12	2.52

Year over year change

estimates		Financial			estimates	
-7.8%	10.7%	Passenger revenue	-6.5%	-1.3%	8.7%	20.9%
-7.4%	6.0%	Cargo & freight revenue	-9.2%	1.7%	18.6%	3.0%
4.2%	18.0%	Other revenue	-33.0%	40.9%	50.4%	5.0%
-8.3%	1.0%	Regional affiliate revenue	-9.3%	6.3%	11.9%	1.0%
-7.2%	9.2%	Total consolidated operating revenue	-9.2%	2.3%	11.8%	15.6%
-17.7%	8.8%	Total consolidated operating expenses	-30.2%	-13.5%	7.3%	19.0%
10.3%	5.0%	Wage, salary & benefit expense	13.3%	14.1%	0.7%	15.0%
-52.9%	35.1%	Fuel & oil expense	-65.3%	-51.9%	31.5%	66.7%
10.6%	7.3%	Unrestricted cash & short term investments	15.2%	10.7%	12.3%	9.6%
3.1%		Total assets	-1.2%	3.1%	5.0%	
-2.3%		Net debt = (long-term debt - cash & equivalents)	-21.6%	-2.3%	-15.6%	
-1.7%		Air traffic liability/Advance ticket sales	-13.9%	-1.7%	17.3%	
Operational (mainline)						
-8.7%	4.0%	Fuel consumption	-6.9%	-0.7%	-1.4%	3.0%
-31.7%	15.0%	Fuel price	-38.0%	-42.8%	25.0%	24.0%
-1.9%	6.5%	Revenue passenger miles (RPM's)	0.2%	5.8%	7.0%	9.9%
-4.4%	4.5%	Available seat miles (ASM's)	-3.3%	1.5%	0.4%	4.5%
2.6%	2.0%	Passenger load factor (LF)	3.5%	4.2%	6.6%	5.3%
-6.0%	4.0%	Passenger yield	-6.7%	-6.7%	1.6%	10.0%
-2.7%	30.7%	Unit revenue (RASM)	-1.3%	-0.1%	11.4%	15.0%
-3.5%	6.0%	Passenger unit revenue (PRASM)	-3.4%	-2.8%	8.3%	15.7%
-14.0%	-2.4%	Unit costs (CASM)	-28.0%	-16.9%	6.4%	1.5%
-7.4%	6.0%	Passengers	-6.4%	-0.2%	1.9%	4.7%
17.3%	-13.7%	Unit costs ex-fuel	30.9%	16.4%	-2.4%	-13.6%
20.1%	-33.3%	Unit costs ex fuel and ex-labor	59.2%	23.0%	-6.3%	-38.6%
-0.4%	4.5%	Average passenger fare (calculated by AF)	-0.1%	-1.1%	6.7%	15.5%
Line item ratio of total operating costs						
34.5%	33.3%	Wages, salaries & benefits	35.2%	33.4%	34.4%	32.0%
21.3%	26.5%	Fuel & oil	17.7%	24.7%	21.7%	25.8%
7.2%	6.6%	Other rentals/landing fees	7.5%	7.1%	7.2%	7.0%
4.3%	3.9%	Commissions/booking fees, credit card & distribution	4.9%	4.6%	4.3%	4.2%
7.1%	6.5%	Depreciation/amortization	7.4%	6.9%	7.2%	7.0%
7.2%	6.6%	Maintenance materials/repairs	8.2%	6.1%	6.8%	7.1%
5.0%	4.5%	Aircraft rentals	5.4%	4.7%	4.8%	4.7%
6.5%	5.9%	Food/contracted & purchased passenger services	1.7%	1.6%	6.5%	6.5%
6.9%	6.3%	Other operating expenses	12.0%	10.9%	7.0%	5.9%
20.3%	20.0%	Capacity purchase & miscellaneous expense	19.5%	19.1%	20.9%	20.8%
-2.1%	-1.9%	Other non operating Income/expense	-2.6%	-2.1%	-1.4%	-2.0%
-2.6%	-1.7%	Other income/expense (taxes/misc)	-2.6%	-6.8%	-2.3%	-0.6%
Line item ratio of total operating revenue						
31.3%	30.1%	Wages, salaries & benefits	30.3%	27.9%	32.2%	31.0%
14.9%		Net debt = (long-term debt - cash & equivalents) TTM*	15.8%	12.7%	14.9%	13.9%
1.77%	1.74%	Net interest expense ratio of total revenue	1.84%	1.67%	1.52%	1.83%
10.8%		Air traffic liability/Advance ticket sales TTM*	12.1%	11.7%	10.8%	13.4%

* TTM = Trailing twelve months