

Fiscal Year 2025-2026 Budget Update #2

LOS ANGELES WORLD AIRPORTS

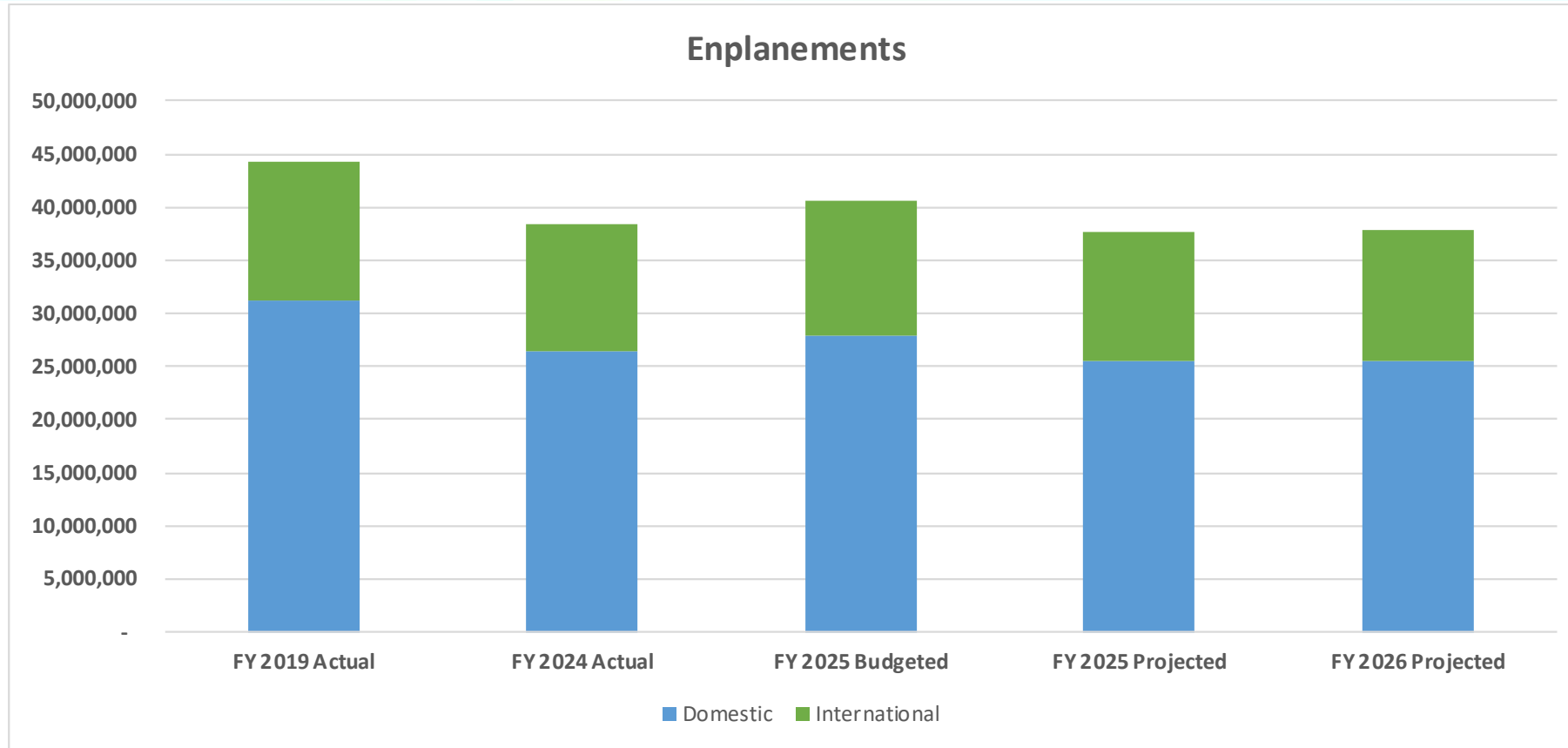
Board of Airport Commissioners,

April 17, 2025

LAWA | LAX VNY

This presentation contains forward-looking statements which may involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance and achievements to be different from future results, performance and achievements expressed or implied by such forward-looking statements. Actual results could differ materially from those set forth in the forward-looking statements.

LAX Actual and Projected Enplanements



(in millions)	FY 2019 Actual	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Projected	FY 2026 vs FY 2025 Projected		FY 2026 vs FY 2019 Actuals
						Difference	%	%
Domestic	31.2	26.5	28.0	25.5	25.5	0.0	0%	-18%
International	13.0	11.8	12.6	12.1	12.4	0.3	2%	-5%
Total	44.2	38.3	40.6	37.7	37.9	0.2	1%	-14%

All numbers are preliminary, unaudited, subject to change

LAWA FY 2025 Budget and Outlook and FY 2026 Preliminary Budget

(\$ in Millions)	FY2025 Budget	FY2025 Outlook	FY2026 Preliminary ¹	Increase / (Decrease) FY2025 Outlook vs FY2025 Budget		Increase / (Decrease) FY2026 Prelim. vs FY2025 Outlook	
				\$	%	\$	%
LAX Revenues	\$2,096	\$2,093	\$2,338	(\$3)	0%	\$245	12%
VNY and PMD Revenues	<u>28</u>	<u>28</u>	<u>28</u>	<u>0</u>	0%	<u>0</u>	0%
Total Operating Revenues	2,124	2,121	2,366	(\$3)	0%	245	12%
Operating Expenses	1,195	1,173	1,284	(22)	(2%)	111	9%
Operating Income	\$929	948	\$1,082	\$19	2%	\$134	14%
Net Debt Service ²	557	492	599	(65)	(12%)	107	22%
Net Revenues after Debt	\$372	\$456	\$483	\$84	23%	\$27	6%
Debt Service Coverage³	1.8x	1.9x	1.8x	0.1x	6%	(0.1x)	(5%)

¹Excludes operating costs of Automated People Mover and Consolidated Rental Car facility (ConRAC) (except for Avis Budget Group operations)

²Net Debt Service is net of Passenger Facility Charges

³Debt service coverage does not include non-operating pledged revenues

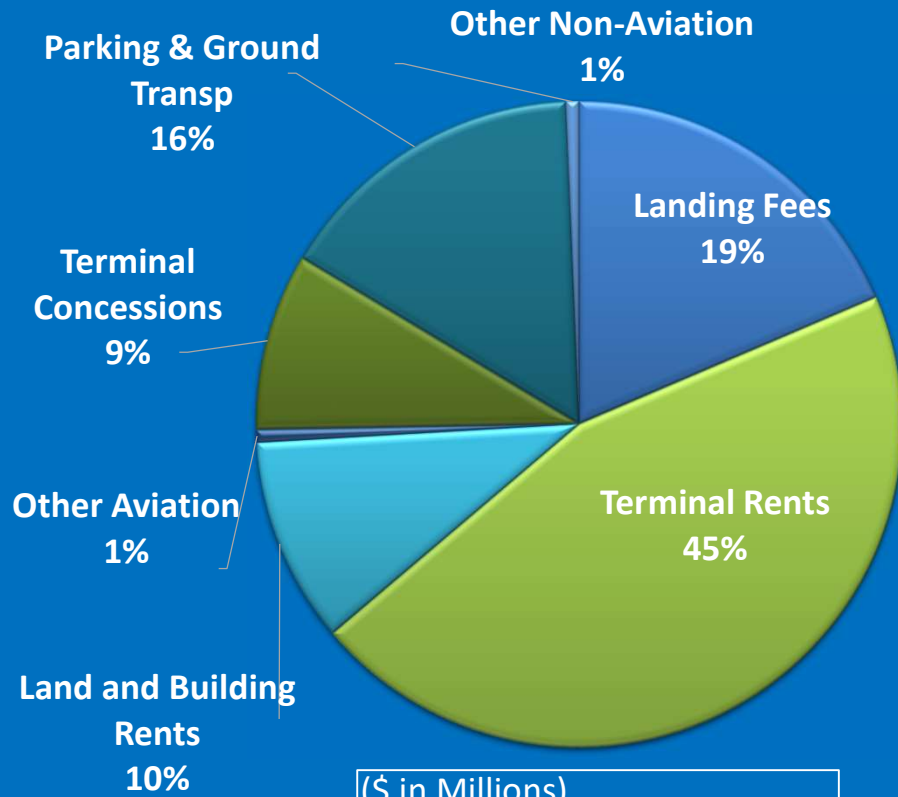
LAWA Actual and Projected Operating Revenues and Airline Cost per Enplanement

(\$ in Millions)	FY2019 Actual	FY2024 Actual	FY2025 Outlook	FY2026 Preliminary	Increase / (Decrease) FY2026 Prelim. vs FY2025		Increase / (Decrease) FY2026 Prelim. vs FY2019	
					\$	%	\$	%
LAX Aviation	\$1,003	\$1,407	\$1,564	\$1,819	\$255	16%	\$816	81%
LAX Non-Aviation	511	524	529	519	(10)	(2%)	8	2%
Other Revenues	25	34	28	28	0	0%	3	12%
Total Operating Revenues	1,539	1,965	2,121	2,366	245	12%	827	54%
LAX Enplanements (in millions)	44.2	38.3	37.7	37.9	0.2	1%	(6.3)	(14%)
Cost per Enplanement	\$16.5	\$28.0	\$34.0	\$39.3	\$5.3	16%	\$22.8	138%

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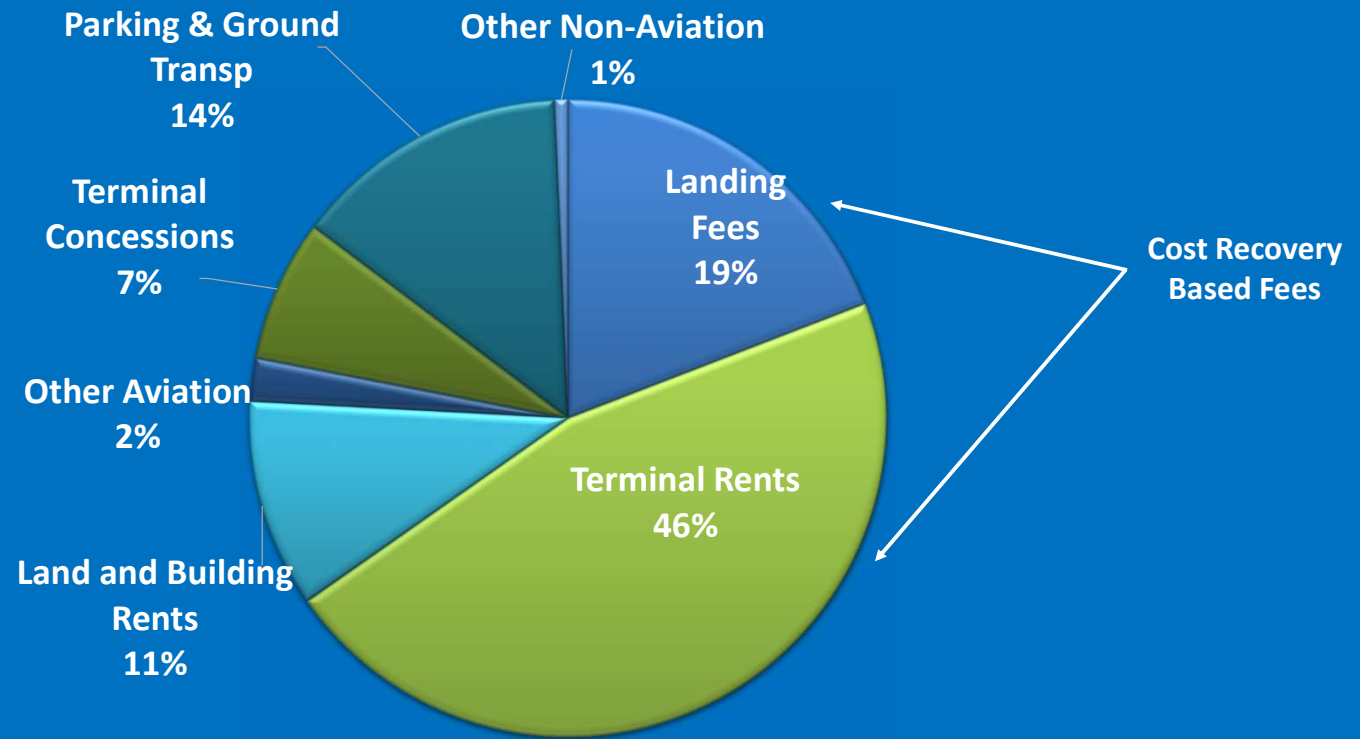
FY 2025 and FY 2026 LAX Preliminary Operating Revenues

FY 2025 Outlook



(\$ in Millions)	
Aviation	\$1,564 (74.7%)
Non-Aviation	529 (25.3%)
Total LAX Revenue	\$2,093

FY 2026 Prelim



(\$ in Millions)	
Aviation	\$1,819 (78.7%)
Non-Aviation	519 (21.3%)
Total LAX Revenue	\$2,338

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LAX Actual and Projected Aviation Revenues

(\$ in Millions)	FY2019 Actual	FY2024 Actual	FY2025 Outlook	FY2026 Preliminary	Increase / (Decrease) FY2026 Prelim. vs FY2025		Increase / (Decrease) FY2026 Prelim. vs FY2019	
					\$	%	\$	%
Building Rents	\$582	\$922	\$1,039	\$1,184	\$145	14%	\$602	103%
Landing Fees	296	344	389	456	67	17%	160	54%
Land Rents ¹	118	125	123	131	8	7%	13	11%
Other Aviation	7	16	13	48 ²	35	269%	41	586%
Total Aviation	1,003	1,407	1,564	1,819	255	16%	816	81%

¹ Includes ConRAC (Avis Only), ConRAC O&M (AVIS Only), Avis Credit, Skyview Center Parking

² Increase from fuel delivery permit

LAX Actual and Projected Non-Aviation Revenues

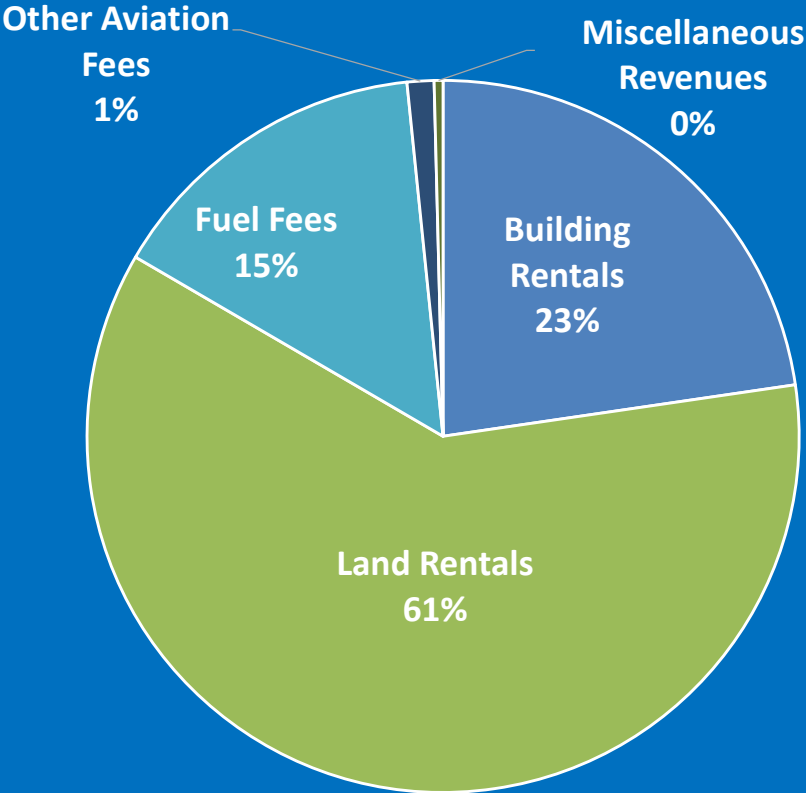
(\$ in Millions)	FY2019 Actual	FY2024 Actual	FY2025 Outlook*	FY2026 Preliminary*	Increase / (Decrease) FY2026 Prelim. vs FY2025		Increase / (Decrease) FY2026 Prelim. vs FY2019	
					\$	%	\$	%
Parking	\$104	\$162	\$181	\$185	\$4	2%	\$81	79%
Rental Car	83	83	81	80	1	1%	(3)	(4%)
TNC	60	39	36	35	(1)	(3%)	(25)	(42%)
Other Ground Transportation	26	30	31	32	1	3%	6	23%
Duty Free	85	67	59	50	(9)	(15%)	(35)	(42%)
Other Terminal Concessions	144	131	127	121	(6)	(5%)	(23)	(16%)
Other Non-Aviation	10	12	14	16	2	14%	6	60%
Total	\$546	\$524	\$529	\$519	(10)	(2%)	(27)	(5%)

* Terminal Concessions, Duty Free, TNC, and Rental Car estimates driven by lower enplanement in FY25 and FY26

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FY 2025 and FY 2026 VNY Preliminary Operating Revenues

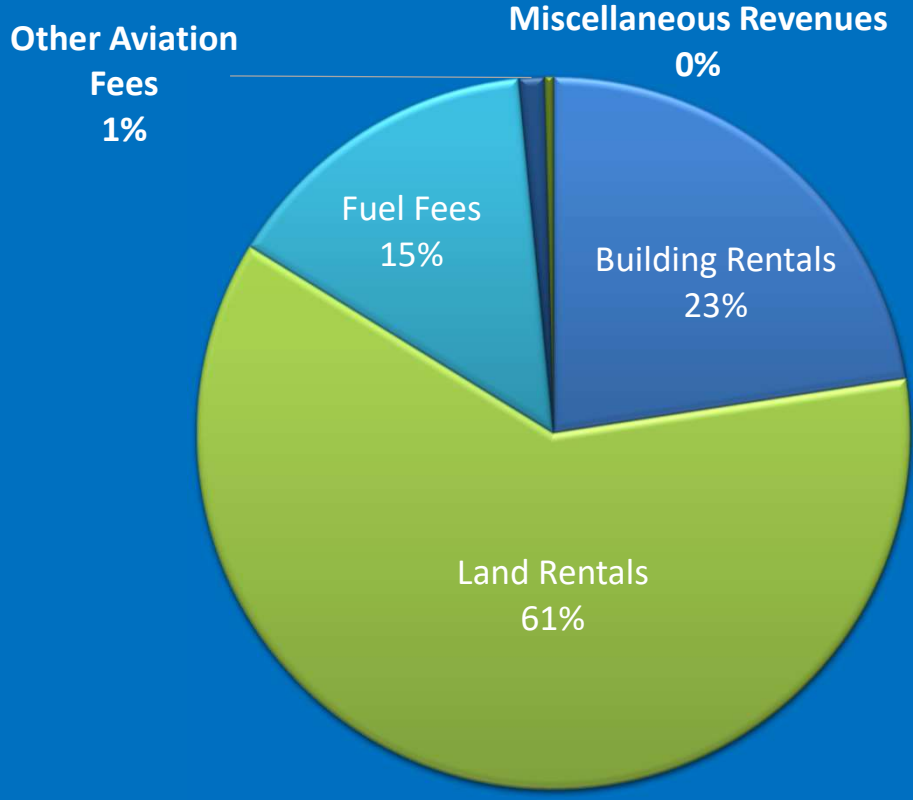
FY 2025 Outlook



(\$ in Millions)

Total VNY Revenue \$24.6

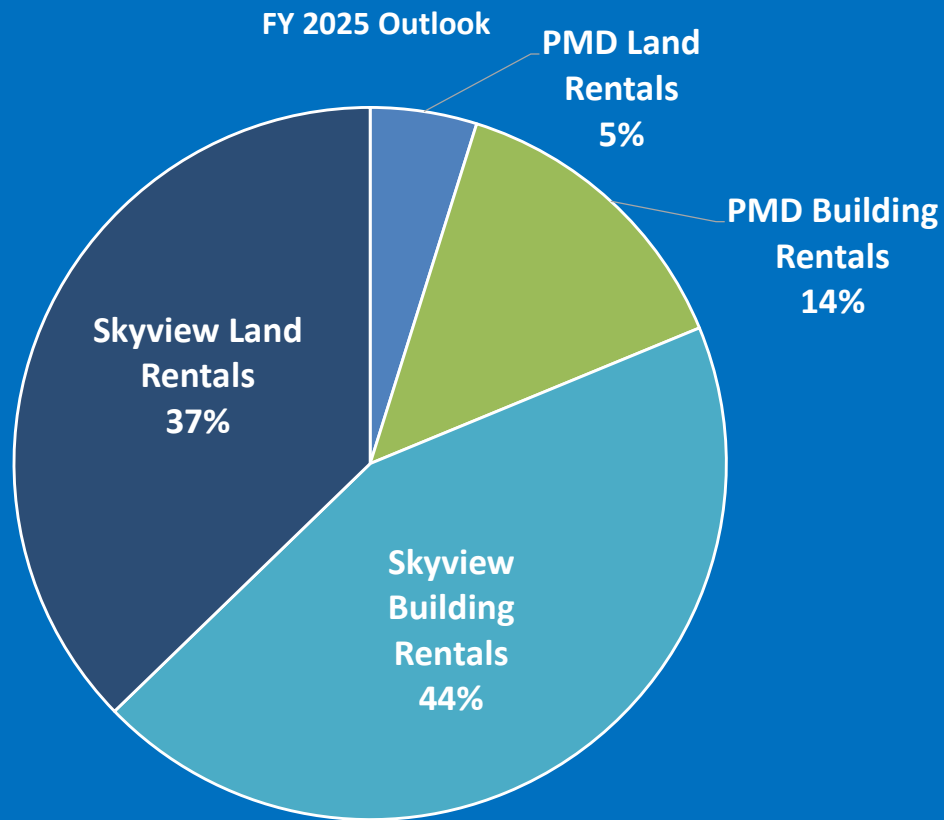
FY 2026 Prelim



Total VNY Revenue \$25.6

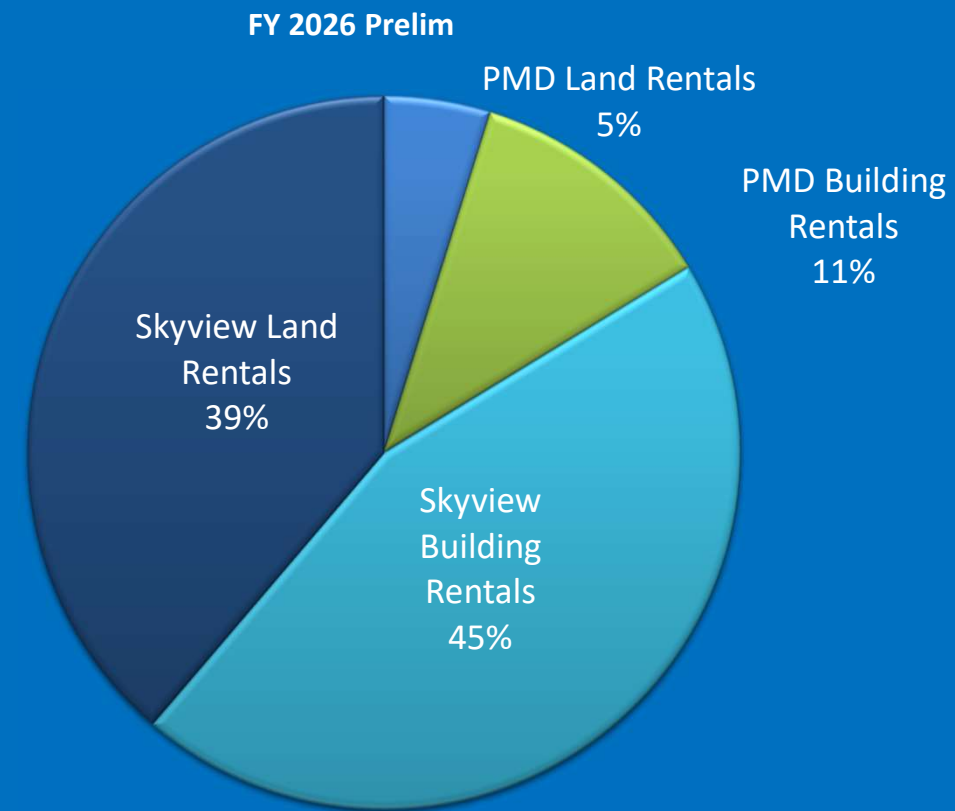
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FY 2025 and FY 2026 Skyview and PMD Real Estate Holdings Preliminary Operating Revenues



(\$ in Millions)

Skyview Building Rentals	\$7.6 (44%)
Skyview Land Rentals	6.4 (37%)
PMD Building Rentals	2.4 (14%)
PMD Land Rentals	0.8 (5%)

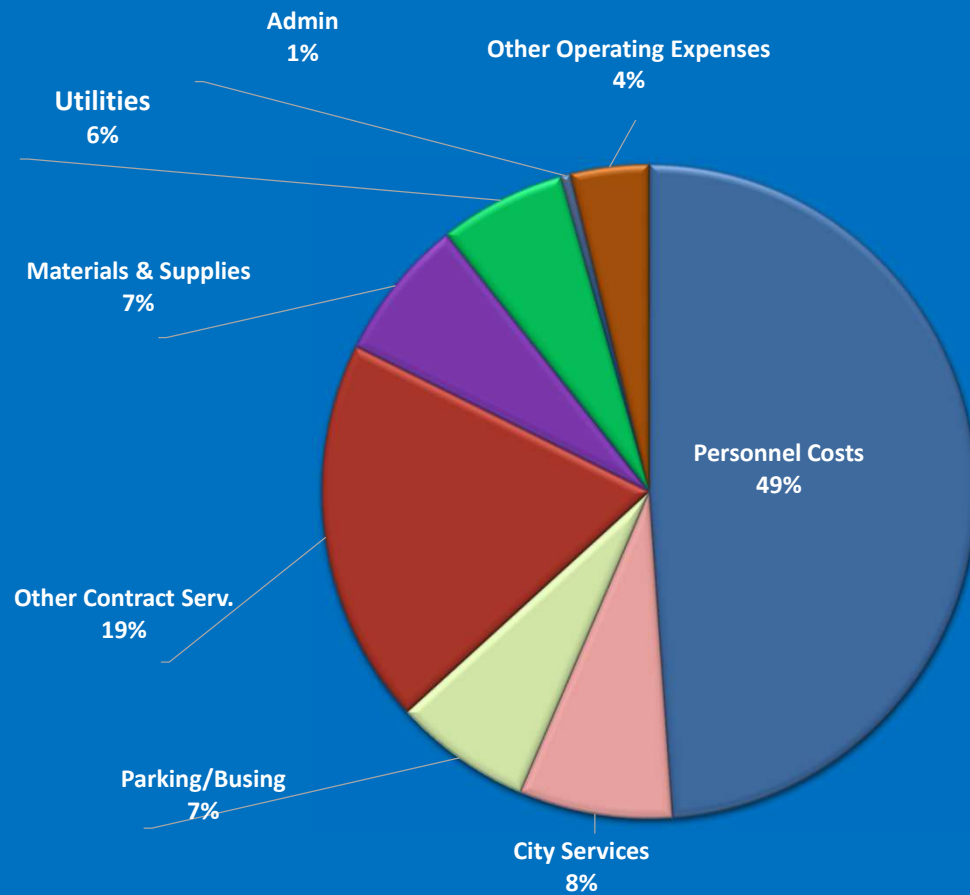


Skyview Building Rental	\$7.9 (45%)
Skyview Land Rentals	6.9 (39%)
PMD Building Rentals	2.0 (11%)
PMD Land Rentals	0.8 (5%)

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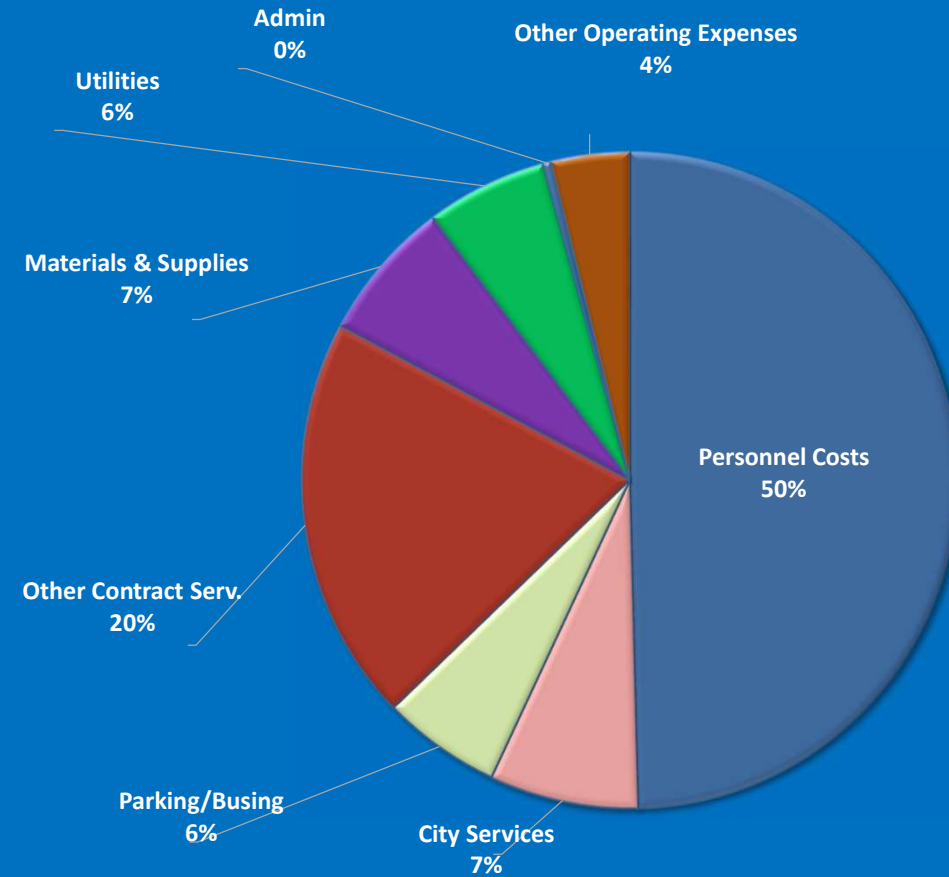
LAWA Operating Expense Components

FY2025 Adopted Budget



FY2025 Budgeted LAWA and City personnel costs - 57% of total

FY2026 Preliminary



FY2026 Preliminary LAWA and City personnel costs - 57% of total

All numbers are preliminary, subject to change

LAWA Actual and Projected Non-Personnel Expenses

(\$ in Millions)	FY2019 Actual	FY2024 Actual	FY2025 Outlook	FY2026 Preliminary	Increase / (Decrease) FY2026 Prelim. vs FY2025		Increase / (Decrease) FY2026 Prelim. vs FY2019	
					\$	%	\$	%
Contractual Services	\$229	\$314	\$392	\$427	\$35	9%	\$198	86%
Materials and Supplies	54	69	82	89	7	9%	35	65%
Utilities	47	63	74	77	3	4%	30	64%
Insurance, Lease, and Others	16	39	37	48	11	30%	32	200%
Administrative Services	4	5	5	5	0	0%	1	25%
Advertising and Public Relations	4	3	2	2	0	0%	(2)	(50%)
Non-Personnel Costs	\$354	\$493	\$592	\$648	\$56	9%	\$294	83%

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FY 2025-26 Preliminary – Cost Increases to Top Expenditures

Operating Expenses (\$ in millions)	FY 2025 Budget	FY 2026 Prelim	Increase / (Decrease) FY 2026 Prelim vs FY 2025 Budget	
			\$	%
City Services	\$84	\$90	\$6	7%
TBITEC	76	78	2	3%
Parking	69	72	3	4%
Electricity/Water/Gas	67	70	3	4%
Insurance Premiums	24	28	4	17%
LAX-IT / Shuttle & Lot Ops	11	16	5	45%
Total	331	354	23	7%

All numbers are preliminary, subject to change

FY 2025-26 Preliminary – New Budget Items and Additional Cost Drivers

Operating Expenses (\$ in millions)	FY 2026 Additional Costs
Information Technology and Cybersecurity	12
Strategy, Innovation & Experience	12
Landside Operations	5
Workers Comp	3
Human Resources	3
CBP	2
Body Worn Cameras Maintenance	2
Total	\$39

LAWA Actual and Projected Personnel Expenses

(\$ in Millions)	FY2019 Actual	FY2024 Actual	FY2025 Outlook	FY2026 ¹ Preliminary	Increase / (Decrease) FY2026 Prelim. vs FY2025		Increase / (Decrease) FY2026 Prelim. vs FY2019	
					\$	%	\$	%
Salaries	\$305	\$301	\$348	\$406	\$58	17%	\$101	33%
Overtime	31	38	40	20	(20)	(50%)	(11)	(35%)
Pension Contribution	86	99	127	135 ²	8	6%	49	57%
Other Benefits	55	68	66	76	10	15%	21	38%
Personnel Costs³	\$477	\$506	\$581	\$637	\$56	10%	\$160	34%
Headcount	3,638	3,004	3,294	3,912	618	19%	274	8%

¹ Includes LAMP security personnel

² Includes \$3.8 million Tier 6 transfer refund

³ Net of Year-end noncash GASB68 and OPEB accruals. Includes Capitalized Labor

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FY 2025-26 Preliminary – Costs Not in the Budget

Operating Expenses (\$ in millions)	FY 2026 Unfunded Preliminary
<u>Not in the Budget</u>	
LAMP/APM Non-Personnel ¹ (assuming April 1, 2026 activation)	\$21
LAMP/APM Personnel ²	4
Transfer LACERS Benefit Service to LAFPP Tier 6	56
Total	\$81

¹Excludes Capitalized Portion of Expenses

²Non-Security Personnel

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Next Steps – BOAC Budget Presentations

- **May 15: Incorporate Board feedback and present near-final revenues and expenses**
- **June 5: Present FY 2025-26 Budget for adoption**

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