

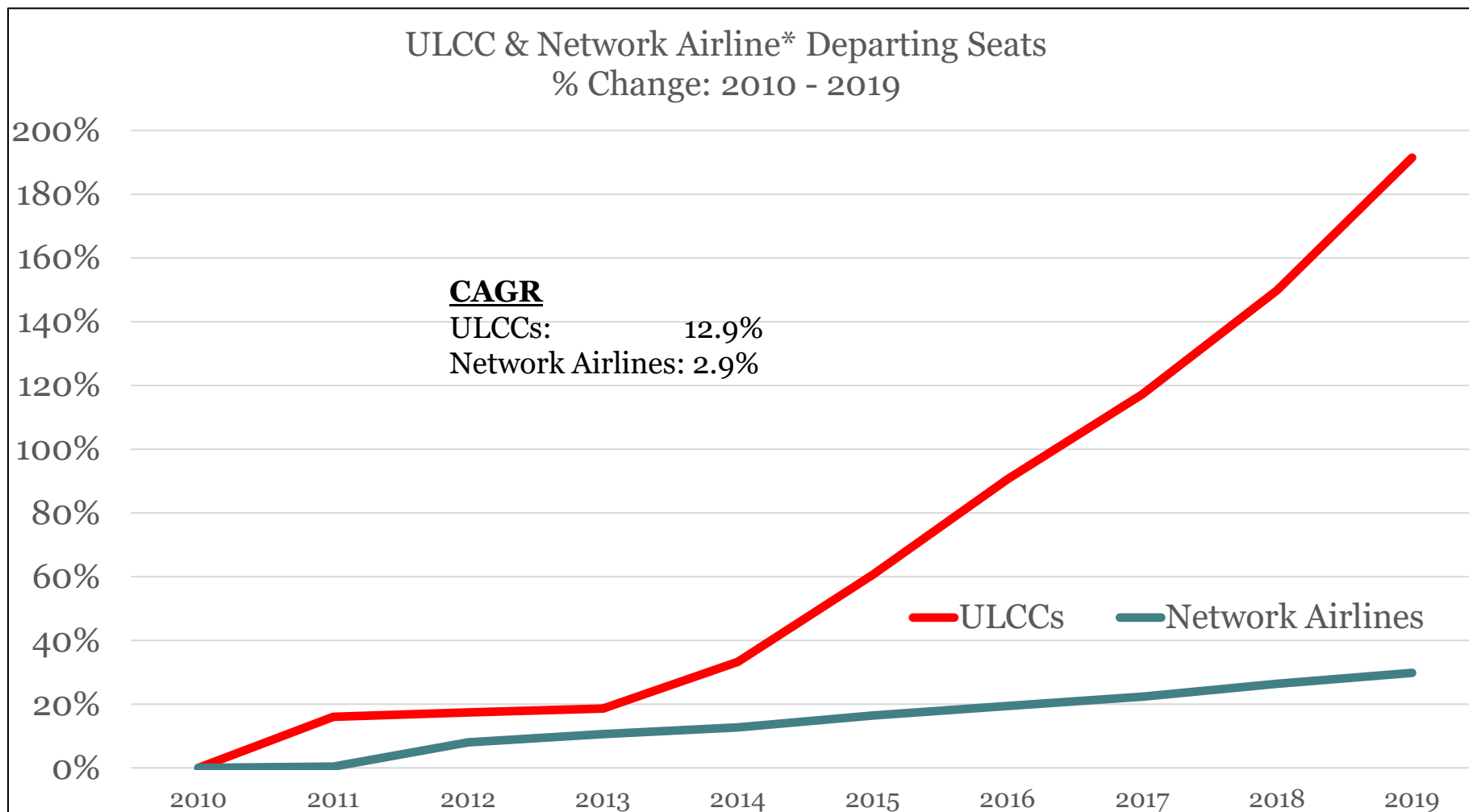


Monterey Regional Airport Presentation February 2026

Key Industry Trends

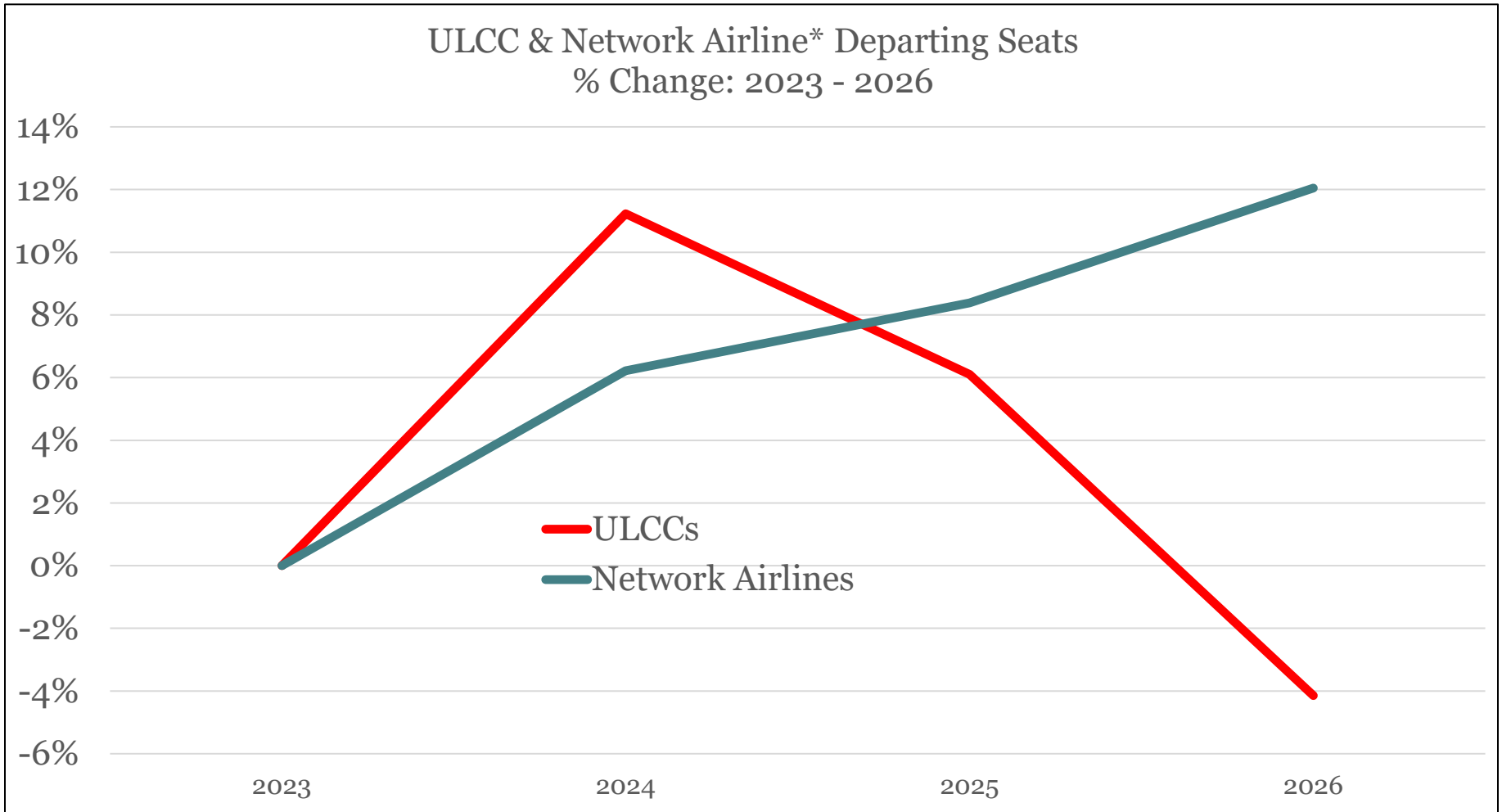
- Bifurcation of industry travel demand. Higher-end travel is strong; economy class travel is relatively weak.
- Industry seasonality has changed dramatically; now demand is more even across the year, with the fall being particularly good.
- Aircraft sizes have risen gradually over time but really picked up momentum post-COVID.
- Airline operating costs have risen substantially post-COVID making higher prices a necessity.

Nationally, historical airline growth was driven by low-cost carriers (ULCCs)



* ULCC: NK, F9, SY, & G4; Network Airline: AA, DL, UA, WN, B6 and AS. CAGR: Compounded Annual Growth Rate.

This changed dramatically starting in 2024

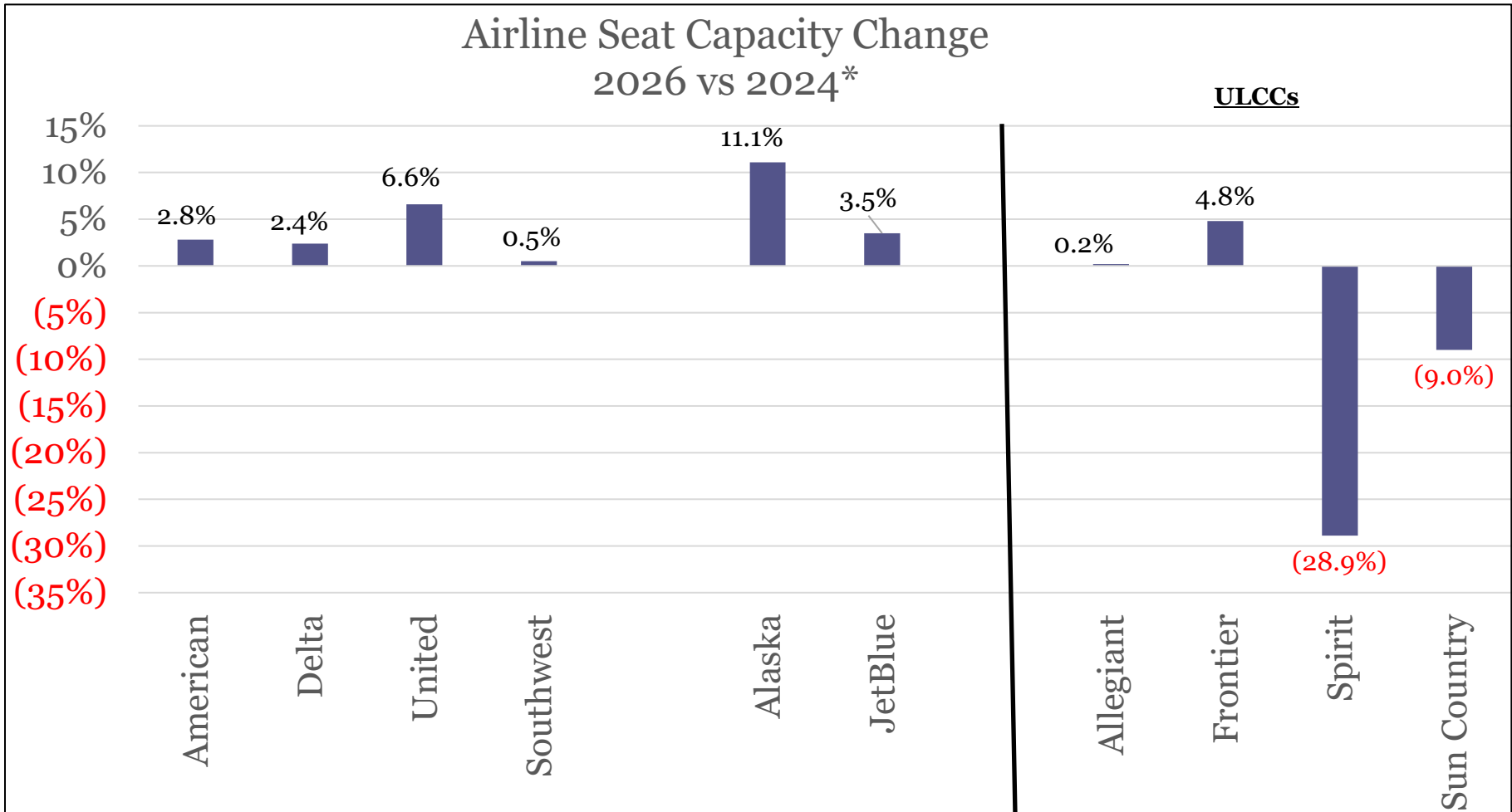


* ULCC: NK, F9, SY, MX & G4; Network Airline: AA, DL, UA, WN, B6 and AS.

* Source: Diio Mi – Year-ending July.

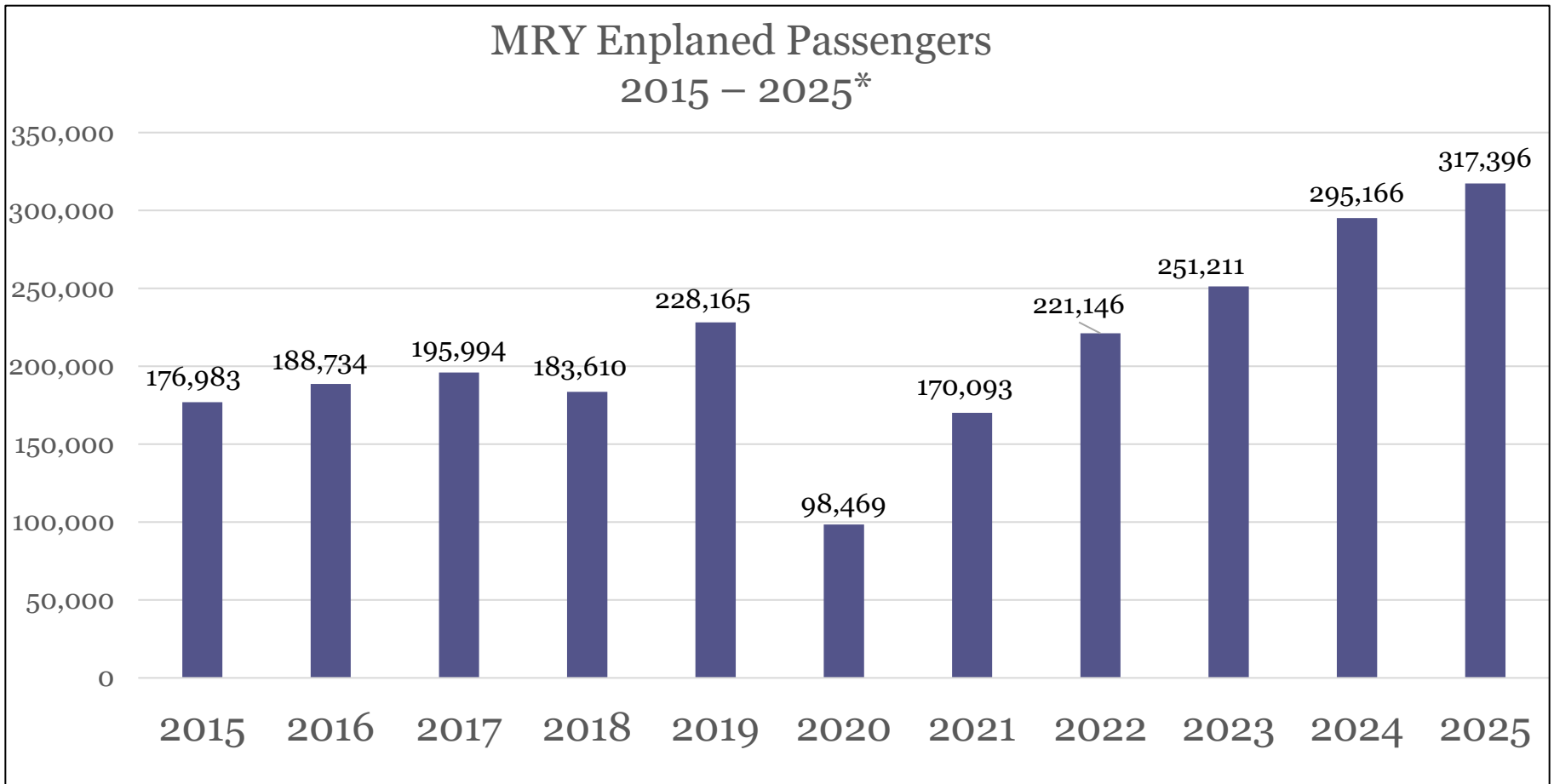
More recently, the fastest growing airlines have been mainline carriers, led by United and Alaska

Airline Seat Capacity Change
2026 vs 2024*



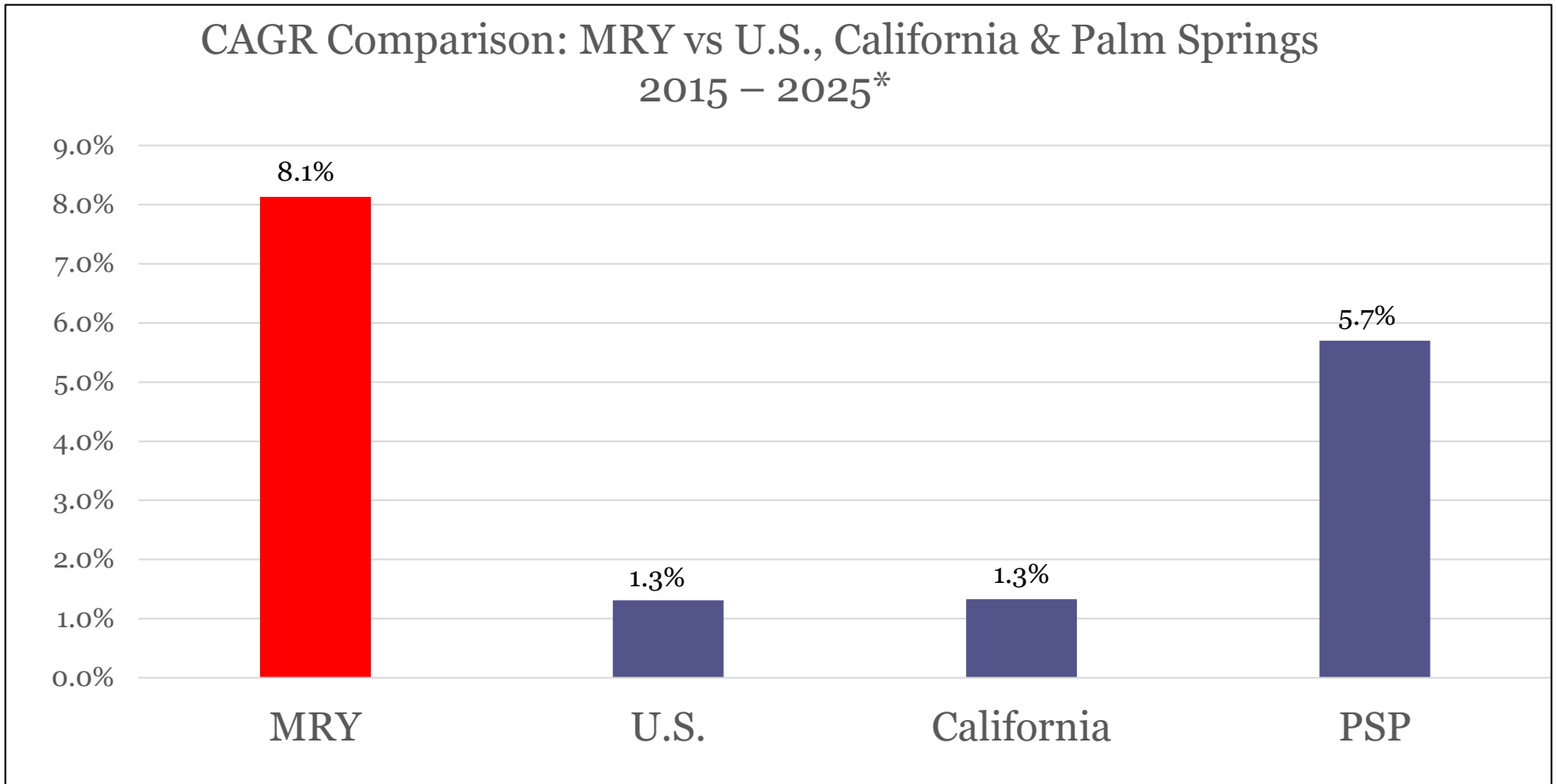
* Source: Diio M; year-ending July.

MRY passenger volumes: 8%+ CAGR since 2018



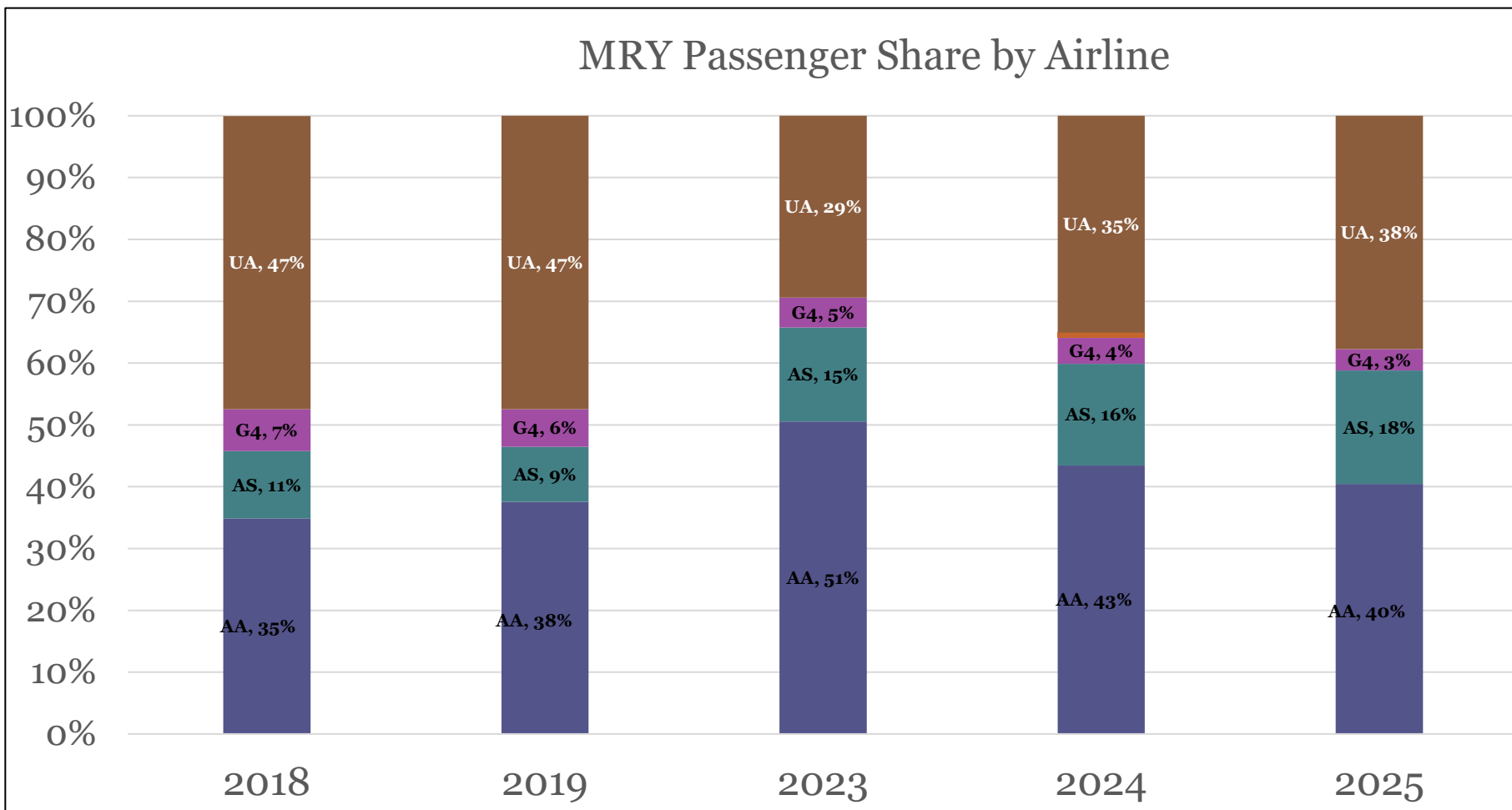
* Source: Diio Mi; year-ending November.

MRY growth has been much faster than most of the U.S.



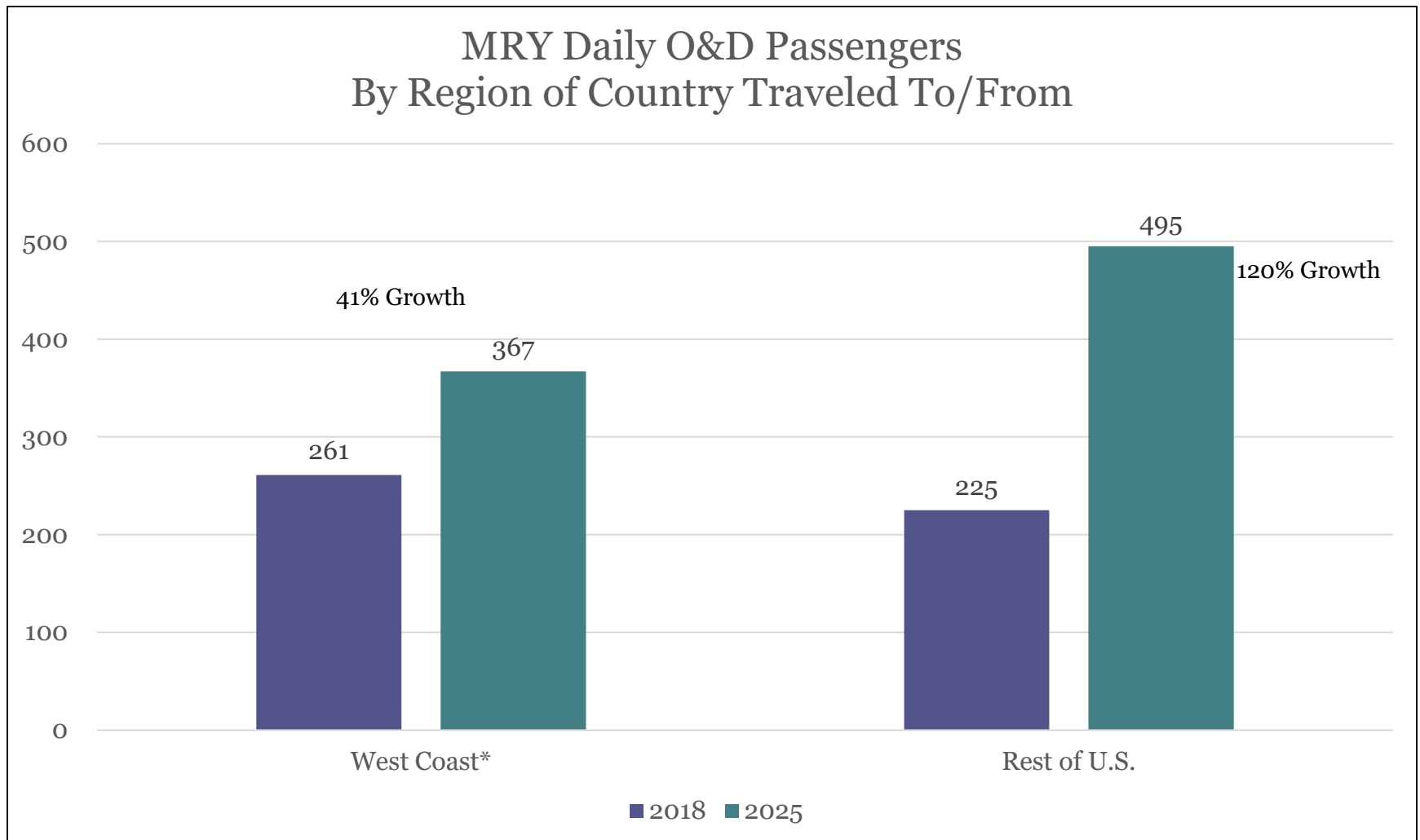
* Source: Diio Mi; year-ending November.

MRY traffic growth initially driven by Alaska (AS) and American (AA); more recent growth due to United (UA)



* Source: Diio Mi; year-ending November. Eliminated 2020 – 2022 due to COVID influence.

Most of MRY's growth has been driven by increased connectivity to the eastern 2/3 of the U.S.



* Source: Diio Mi; West Coast defined as the states of Washington, Oregon, California, Nevada and Arizona.

United and Alaska Airlines will likely be MRY's growth drivers over the next few years

- United Airlines. Continued up-gauging of Denver and LAX service, with Chicago eventually going daily on a year-round basis.
- Alaska Airlines. Looking at a variety of growth options, including Portland, Las Vegas and other select markets.
- Delta, Southwest and Breeze Airways are other potential growth options, although much harder to predict.

Closing Comments

- MRY has experienced very strong traffic growth over the past decade, far outpacing the U.S. and State of California growth.
- That growth has been driven by increased connectivity to the east.
- While MRY should see further growth going forward, it is likely that there will be a stabilization period over the next couple of years.
- Air Service Development remains a long-term effort and MRY is positioned well for longer-term growth.