



Fiscal Year 2023-2024 Budget Development
Update #3

Los Angeles World Airports
Board of Airport Commissioners
May 18, 2023

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.

LAWA FY2024 Preliminary Budget Compared to FY2023 Estimated and FY2019 Actual

(\$ in Millions)	FY2019 Actual	FY2023 Est.*	FY2024 Prelim*	Increase/ (Decrease) vs. FY2023E		Increase/ (Decrease) vs. FY2019	
				\$	%	\$	%
Operating Revenues	\$1,538	\$1,712	\$2,005	\$293	17%	\$467	30%
Operating Expenses**	<u>(836)</u>	<u>(966)</u>	<u>(1,099)</u>	<u>133</u>	14%	<u>263</u>	31%
Net Revenues	\$702	\$746	\$906	\$160	21%	\$204	29%
Net Debt Service	<u>(234)</u>	<u>(308)</u>	<u>(424)</u>	<u>116</u>	38%	<u>190</u>	81%
Remaining Balance, Available for Capital	\$468	\$438	\$482	\$44	10%	\$14	3%
LAX Debt Service Coverage***	3.4x	3.1x	2.2x	(0.9x)	(29%)	(1.2x)	(35%)
Passenger Airline Cost per Enplaned Passenger	\$16.5	\$24.3	\$28.1	\$3.8	16%	\$11.6	70%

* Preliminary, subject to change

** Includes Capitalized Labor. Before Depreciation and Amortization.

*** Calculated based on the LAX Bond Indenture provisions.

LAWA Actual and Projected Operating Revenues

(\$ in Millions)	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Est.*	FY2024 Prelim*	FY2024 vs FY2023 %	FY2024 vs. FY2019 %
LAX Aeronautical	\$1,003	\$954	\$881	\$1,009	\$1,258	\$1,484	18%	48%
LAX Non-Aeronautical	511	384	166	373	428	492	15%	(4%)
Other Revenues	<u>24</u>	<u>25</u>	<u>25</u>	<u>27</u>	<u>26</u>	<u>29</u>	<u>12%</u>	<u>21%</u>
Total Operating Revenues	\$1,538	\$1,363	\$1,072	\$1,409	\$1,712	\$2,005	17%	30%
<i>YOY Change</i>	6%	-11%	-21%	31%	22%	17%		
LAX Enplanements (in millions)	44.2	31.4	14.6	30.3	35.7	41.5	16%	(6%)
LAX Non-Aero Rev. per Enplanement	\$11.6	\$12.2	\$11.4	\$12.3	\$12.0	\$11.9	(1%)	3%

* Preliminary, subject to change

LAWA Actual and Projected Operating Expenses

(\$ in Millions)	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Est.*	FY2024 Prelim*	FY2024 vs FY2023 %	FY2024 vs. FY2019 %
Personnel Expenses**	\$482	\$536	\$459	\$453	\$484	\$541	12%	12%
Non-Personnel Expenses	354	368	299	379	482	558	16%	58%
Total Operating Expenses***	\$836	\$904	\$758	\$832	\$966	\$1,099	14%	31%
<i>YOY Change</i>		8%	-16%	10%	16%	14%		
LAX Enplanements (in millions)	44.2	31.4	14.6	30.3	35.7	41.5	16%	(6%)
Operating Expenses per Enplanement	\$18.9	\$28.8	\$51.9	\$27.5	\$27.1	\$26.5	(2%)	40%

* Preliminary, subject to change

** Net of Year-end noncash GASB68 and OPEB accruals (\$7.9 million, \$33.9 million, \$59.4 million, and -\$60.7 million in FY2019, 2020, 2021, and 2022, respectively). Includes Capitalized Labor.

*** Includes Capitalized Labor. Before Depreciation and Amortization.

LAWA Actual and Projected Debt Service

(\$ in Millions)	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Est.*	FY2024 Prelim*	FY2024 vs FY2023 %	FY2024 vs. FY2019 %
Debt Service	\$382	\$408	\$271	\$341	\$481	\$554	15%	45%
Less: Passenger Facility Charge Revenues	148	145	74	98	171	130	(23%)	(12%)
Less: COVID-19 Relief Grant Revenues	0	43	22	0	2	0		
Net Debt Service	\$234	\$221	\$176	\$244	\$308	\$424	38%	81%
<i>YOY Change</i>		-6%	-20%	39%	26%	38%		
LAX Enplanements (in millions)	44.2	31.4	14.6	30.3	35.7	41.5	16%	(6%)
Net Debt Service per Enplanement	\$5.30	\$7.04	\$12.05	\$8.05	\$8.62	\$10.21	18%	93%

* Preliminary, subject to change

Passenger Airline Cost Per Enplaned Passenger – International Gateways Comparison

	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Forecast	FY2024 Forecast
LAX	\$16.52	\$21.19	\$41.86	\$23.27	\$24.28	\$28.11
SFO	\$17.70	\$24.01	\$62.35	\$35.42	\$23.87	\$22.11
ORD	\$18.35	\$41.58	\$29.77	\$27.72	\$29.03	\$25.90
JFK	\$27.40	\$59.29	\$43.85	\$34.04	N/A	N/A
EWR	\$26.39	\$66.46	\$46.92	\$30.69	N/A	N/A
MIA	\$19.23	\$21.74	\$24.73	\$24.47	\$18.06	\$19.64

LAX and SFO - Fiscal Year ended June 30.

ORD, JFK, EWR - Fiscal Year ended December 31.

MIA - Fiscal Year ended September 30.

Sources include Annual Reports, Official Statements, FAA CATS and Airport projections

Next Steps

- June 1
 - Staff presents FY2023-24 Budget for Board adoption.

Legal Disclaimer

- GENERAL – The information contained in the attached presentation is provided as of the date shown thereon. If you are viewing this presentation after that date, there may have been events that occurred subsequent to such date that would have a material adverse effect on the information contained in this presentation, and the Department of Airports of the City of Los Angeles (“LAWA” or the “Department”) does not undertake any obligation to update this presentation. The information provided in this presentation is not warranted as to completeness or accuracy and is subject to change without notice. All numbers contained in this presentation are approximate.
- ADDITIONAL INFORMATION – For further information and a more complete description of LAWA and LAWA’s securities, readers are referred to (i) the Official Statements and Offering Memoranda of LAWA related to LAWA’s securities and (ii) LAWA’s reports of annual financial information available on LAWA’s investor relations website at <https://www.lawa.org/en/lawa-investor-relations> or <http://emma.msrb.org/>, all of which speak only as of their respective dates. This presentation is provided for your information and convenience only. Any investment decisions regarding LAWA’s securities should only be made after a careful review of an Official Statement or Offering Memorandum of LAWA, as applicable, related to such securities.
- NO OFFER OF SECURITIES – This presentation does not constitute a recommendation or an offer or solicitation for the purchase or sale of any security or other financial instrument, including any LAWA securities, or to adopt any investment strategy. Any offer or solicitation with respect to any LAWA securities will be made solely by means of an Official Statement or Offering Memorandum. In no event will LAWA be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, the information contained in this presentation and such information may not be relied upon by any party in connection with a decision to buy, sell or hold any security.
- FORWARD-LOOKING STATEMENTS – Certain statements included in this presentation constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget,” “project,” “maintain,” “achieve,” “forecast,” “will likely result,” “are expected to,” “will continue,” “is anticipated,” “intend” or other similar words. The forward-looking statements in this presentation are based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including airlines, customers, suppliers and competitors, among others, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Department and the Board of Airport Commissioners of the City (the “Board”). Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this presentation will prove to be accurate, and actual results, performance or achievements may differ materially from the expectations and forecasts described in this presentation. No assurance can be given that any future results discussed in this presentation will be achieved, and actual results may differ materially from the expectations and forecasts described in this presentation. All projections, forecasts, assumptions, expressions of opinion, estimates and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this presentation. LAWA may not issue any updates or revisions to those forward-looking statements if or when the expectations, or events, conditions or circumstances on which such statements are based, occur. Statements contained in this presentation which involve estimates, forecasts, or other matters of opinion, whether or not expressly so described in this presentation, are intended solely as such and are not to be construed as representations of fact. Further, forward-looking statements contained in this presentation are subject to change without notice and the delivery of this presentation will not, under any circumstances, create any implication that there has been no change in the affairs of LAWA. By providing the information in this presentation, LAWA does not imply or make any representation (a) that all information provided in this presentation is material to investors’ decisions regarding investment in any LAWA securities, (b) as to the completeness or accuracy of any financial, operational or other information not included in this presentation, (c) regarding any other financial, operating or other information about LAWA, or its outstanding securities, (d) that no changes, circumstances or events have occurred since the dated date of the information provided this presentation or (e) that no other circumstances or events have occurred or that no other information exists concerning LAWA, its outstanding securities or any contemplated transactions which may have a bearing on LAWA financial condition, the security for LAWA securities, or an investor’s decision to buy, sell, or hold any of LAWA’s securities.