

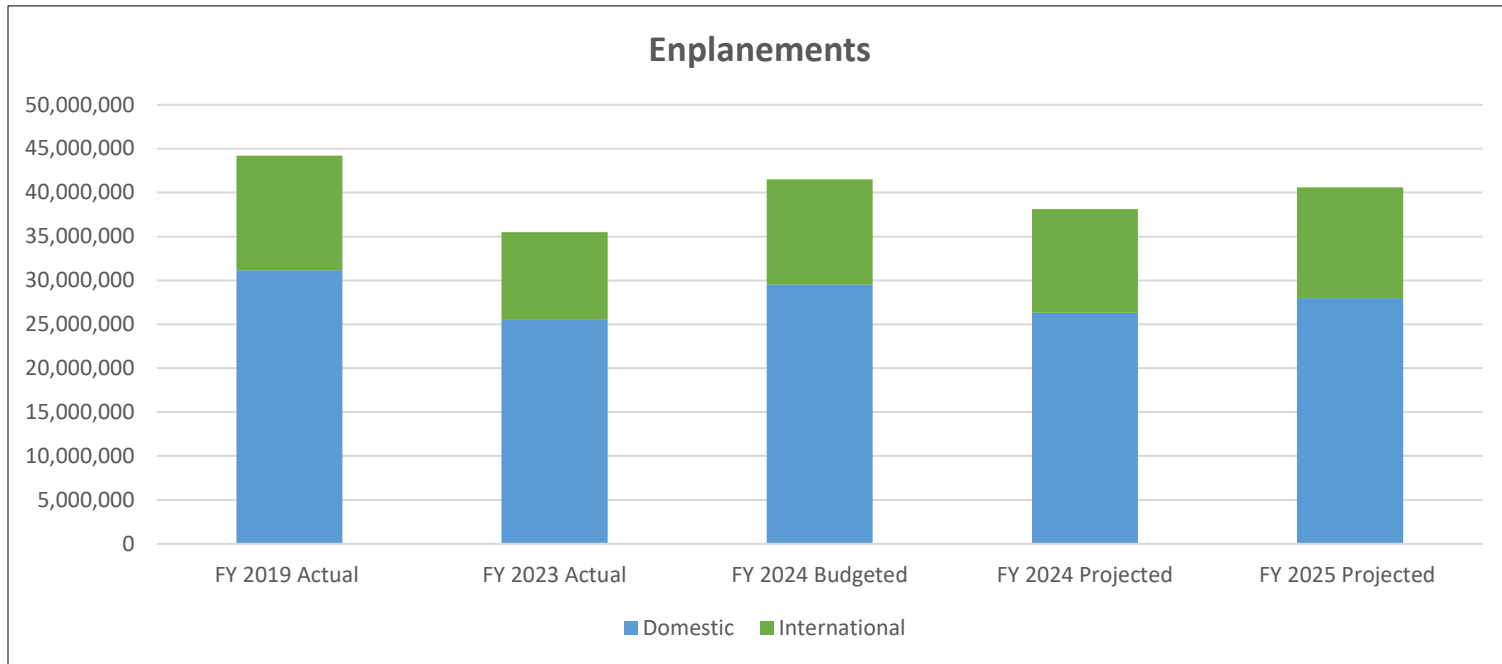


Fiscal Year 2024-2025 Budget Development
Update #2

Los Angeles World Airports
Board of Airport Commissioners
May 2, 2024

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 2023 Actual | FY2024 Budgeted | FY 2024 Projected | FY2024 Est vs FY2023 | FY2024 Est vs. FY2019 | FY 2025 Projected | FY2025 vs FY2024 Est | FY2025 vs FY2019 |
|---------------|----------------|----------------|-----------------|-------------------|----------------------|-----------------------|-------------------|----------------------|------------------|
| | | | | | % | % | | % | % |
| Domestic | 31.2 | 25.5 | 29.5 | 26.3 | 3% | -16% | 28.0 | 6% | -10% |
| International | 13.0 | 10.0 | 12.0 | 11.8 | 18% | -9% | 12.6 | 7% | -3% |
| Total | 44.2 | 35.5 | 41.5 | 38.1 | 7% | -14% | 40.6 | 7% | -8% |

LAWA FY2024 Estimated and FY2025 Preliminary Budget



| (\$ in Millions) | FY2024 Budget | FY2024 Est* | Increase/ (Decrease) FY2024E vs. FY2024B | | FY2025 Prelim* | Increase/ (Decrease) FY2025P vs. FY2024E | |
|--------------------------|----------------|----------------|--|-------------|----------------|--|-------------|
| | | | \$ | % | | \$ | % |
| LAX Revenues | \$1,939 | \$1,935 | (\$4) | (0%) | \$2,081 | \$146 | 8% |
| VNY and PMD Revenues | <u>30</u> | <u>29</u> | <u>(1)</u> | <u>(3%)</u> | <u>28</u> | <u>(1)</u> | <u>(3%)</u> |
| Total Operating Revenues | 1,969 | 1,964 | (5) | (0%) | 2,109 | 145 | 7% |
| Operating Expenses** | <u>(1,076)</u> | <u>(1,040)</u> | <u>(36)</u> | <u>(3%)</u> | <u>(1,188)</u> | <u>148</u> | <u>14%</u> |
| Operating Income | 893 | 924 | 31 | 3% | 921 | (3) | (0%) |

- FY2024 Operating expenses are forecasted lower mainly due to lower salary expenses caused by vacancies and attrition.

* Preliminary, subject to change

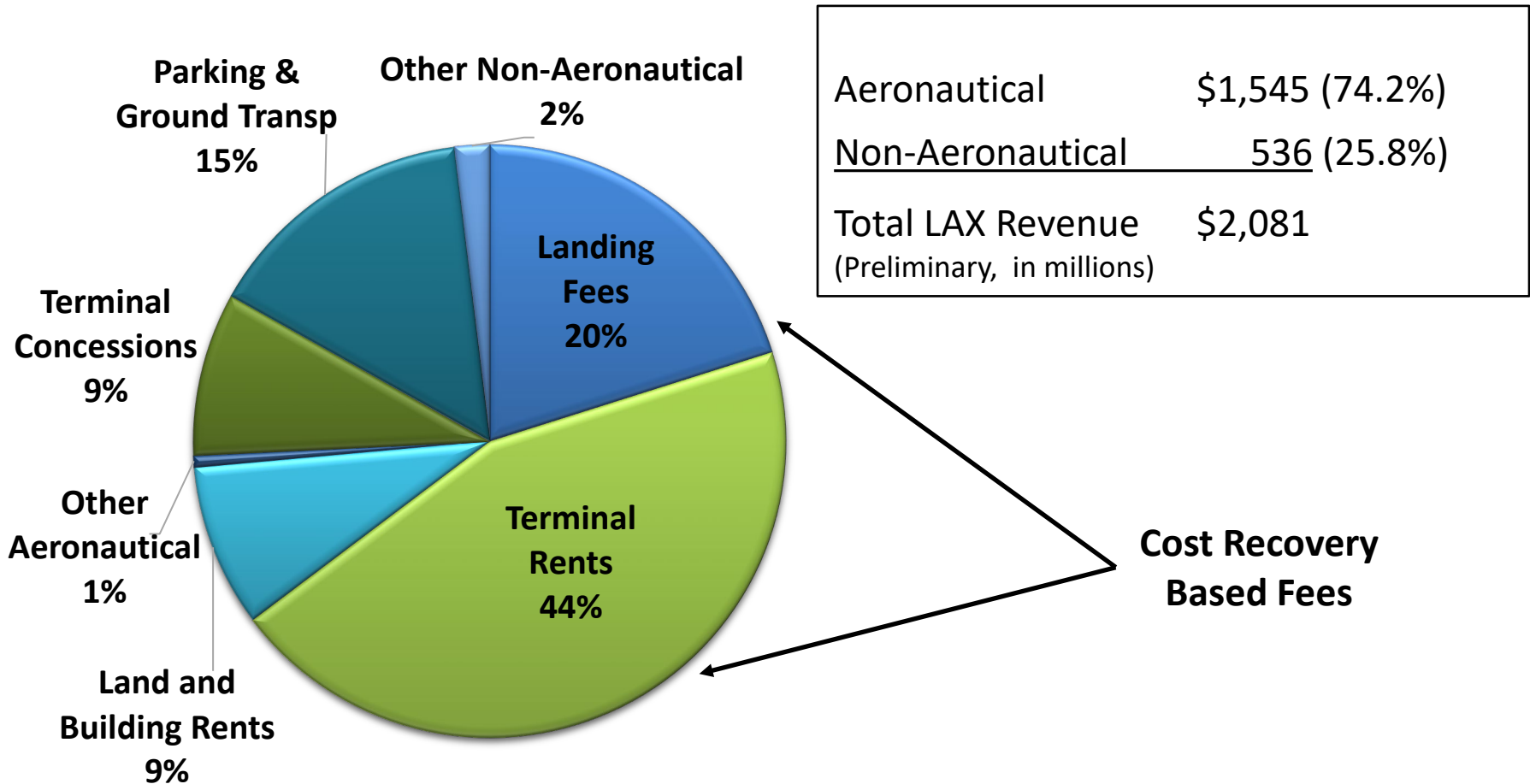
** Includes Capitalized Labor; Before depreciation and amortization.

FY2024-25 Preliminary - Key Revenue and Cost Drivers

- FY2025 Operating Revenues are \$145 million, or 7% higher than FY2024 Estimated Revenues due to higher aviation revenues:
 - \$145 million, or 10%, higher Aviation revenues due to increases in expenses and debt service, eligible to be recovered through the airline rates and charges.
- FY2025 Operating Expenses are \$148 million, or 14% higher than FY2024 Estimated Expenses, mostly due to salary increases, cost inflation, higher contractual rates and higher projected activity:
 - FY2025 Personnel cost are \$80 million, or 16% higher due to higher staffing and salary increases.
 - Contractual and Materials and Supplies are \$59 million higher due to:
 - Common Use Costs, Parking Contracts, Escalator/Elevator Maintenance, other Maintenance, IT costs, new LAMP Compliance & Performance Division.
 - Additional Employee Engagement Expenses (approx. \$4 million).
 - \$2 million increased Utilities, mostly due to higher electricity rates.

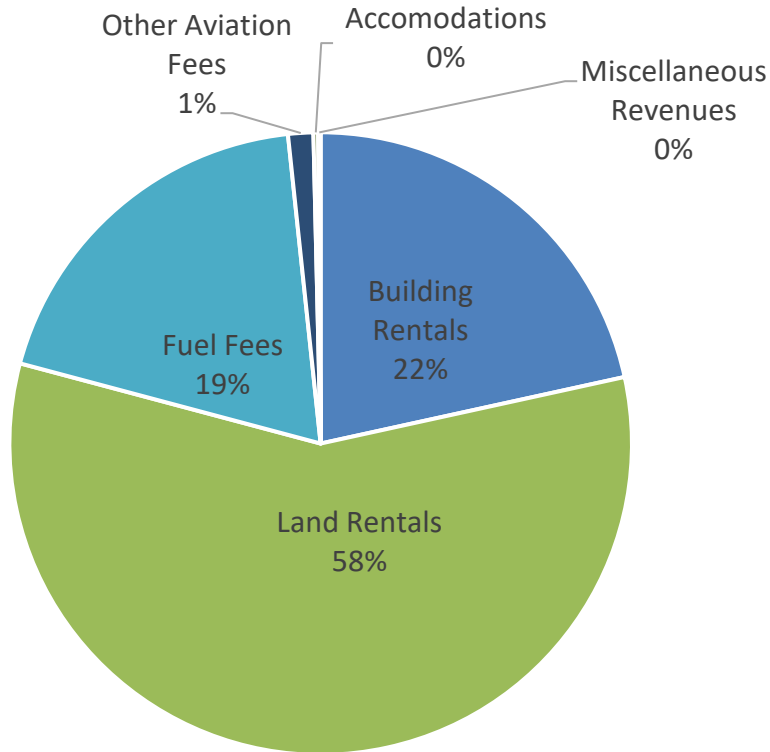
FY2025 LAX Preliminary Operating Revenues

FY2025 Preliminary Operating Revenue Distribution

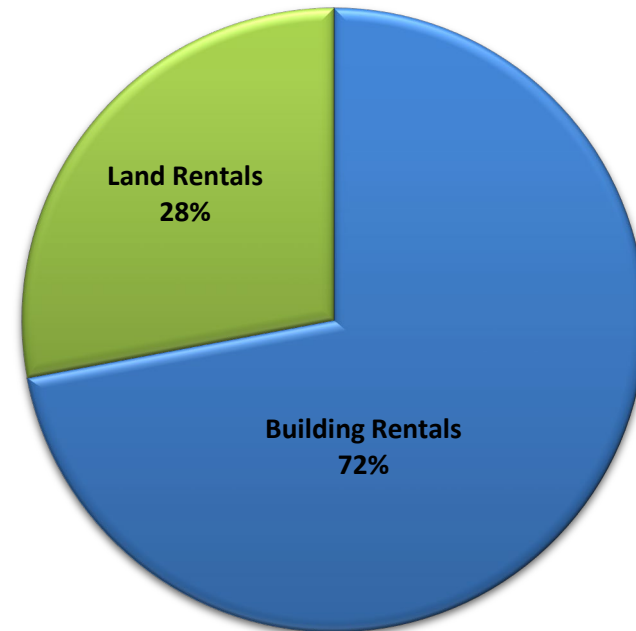


FY2025 VNY and PMD Preliminary Operating Revenues

FY2025 Preliminary Operating Revenue Distribution



| | |
|----------------------------|---------------|
| VNY Building Rentals | \$5.2 (22%) |
| VNY Land Rentals | 14.9 (58%) |
| VNY Other | 4.9 (20%) |
| Total VNY Revenue | \$25.0 |
| (Preliminary, in millions) | |



| | |
|----------------------------|--------------|
| PMD Building Rental | \$2.2 (72%) |
| PMD Land Rentals | 0.8 (28%) |
| Total PMD Revenue | \$3.0 |
| (Preliminary, in millions) | |

LAWA Actual and Projected Operating Revenues

| (\$ in Millions) | FY2019 Actual | FY2023 Actual | FY2024 Est* | FY2025 Prelim* | FY2025P vs FY2024E % | FY2025P vs. FY2019 % |
|------------------------------------|---------------|---------------|-------------|----------------|----------------------|----------------------|
| LAX Aeronautical | \$958 | \$1,237 | \$1,400 | \$1,545 | 10% | 61% |
| LAX Non-Aeronautical | 556 | 484 | 535 | 536 | 0% | (4%) |
| Other Revenues | <u>24</u> | <u>28</u> | <u>29</u> | <u>28</u> | <u>(3%)</u> | <u>17%</u> |
| Total Operating Revenues | \$1,538 | \$1,759 | \$1,964 | \$2,109 | 7% | 37% |
| <i>YOY Change</i> | | | 12% | 7% | | |
| LAX Enplanements (in millions) | 44.2 | 35.5 | 38.1 | 40.6 | 7% | (8%) |
| *LAX Non-Aero Rev. per Enplanement | \$12.6 | \$13.6 | 14.0 | \$13.2 | (6%) | 5% |

* Preliminary, subject to change

LAX Actual and Projected Aeronautical Revenues

| (\$ in Millions) | FY2019 Actual | FY2023 Actual | FY2024 Est* | FY2025 Prelim* | Increase/ (Decrease) 2025P vs. FY2024E | | Increase/ (Decrease) 2025P vs. FY2019 | |
|------------------------------------|---------------|----------------|----------------|----------------|--|------------|---------------------------------------|------------|
| | | | | | \$ | % | \$ | % |
| Building Rents | \$582 | \$815 | \$939 | \$1,018 | \$79 | 8% | \$436 | 75% |
| Land Rents | \$73 | \$89 | \$96 | \$96 | \$0 | 0% | \$23 | 32% |
| Landing Fees | \$296 | \$328 | \$349 | \$419 | \$70 | 20% | \$123 | 42% |
| Other Aeronautical | \$7 | \$5 | \$16 | \$13 | (\$3) | (19%) | \$6 | 86% |
| Total Aeronautical Revenues | \$958 | \$1,237 | \$1,400 | \$1,545 | \$145 | 10% | \$587 | 61% |

- LAX Aeronautical revenue increases are due to higher terminal rents, common use fees and landing fees.
- Higher rents and fees are driven by higher operating expenses and debt service.

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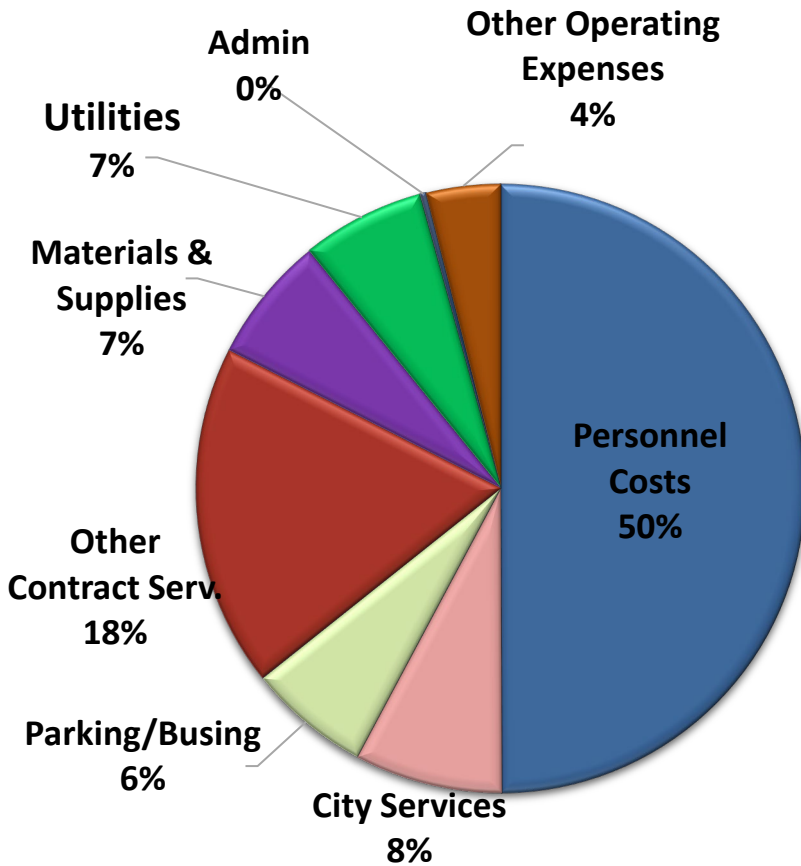
LAX Non-Aeronautical Revenues

| (\$ in Millions) | FY2019 Actual | FY2023 Actual | FY2024 Est* | FY2025 Prelim* | Increase/ (Decrease) 2025P vs. FY2024E | | Increase/ (Decrease) 2025P vs. FY2019 | |
|--------------------------------|------------------|------------------|----------------|-------------------|---|-----------|--|-------------|
| | | | | | \$ | % | \$ | % |
| Parking | \$104 | \$150 | \$156 | \$160 | \$4 | 3% | \$53 | 54% |
| Rental Car | 83 | 84 | 86 | 84 | (2) | (2%) | 1 | 1% |
| TNC | 60 | 35 | 38 | 38 | 0 | 0% | (22) | (37%) |
| Other Ground Transportation | 26 | 21 | 29 | 30 | 1 | 3% | 4 | 15% |
| Duty Free | 85 | 38 | 57 | 55 | (2) | (4%) | (30) | (35%) |
| Other Terminal Concessions | 144 | 116 | 124 | 130 | 6 | 5% | (14) | (10%) |
| Other Non- Aeronautical | 54 | 40 | 45 | 39 | (6) | (13%) | (15) | (28%) |
| Total | \$556 | \$484 | \$535 | \$536 | \$1 | 0% | (\$20) | (4%) |
| <i>YOY Change</i> | | | <i>11%</i> | <i>0%</i> | | | | |

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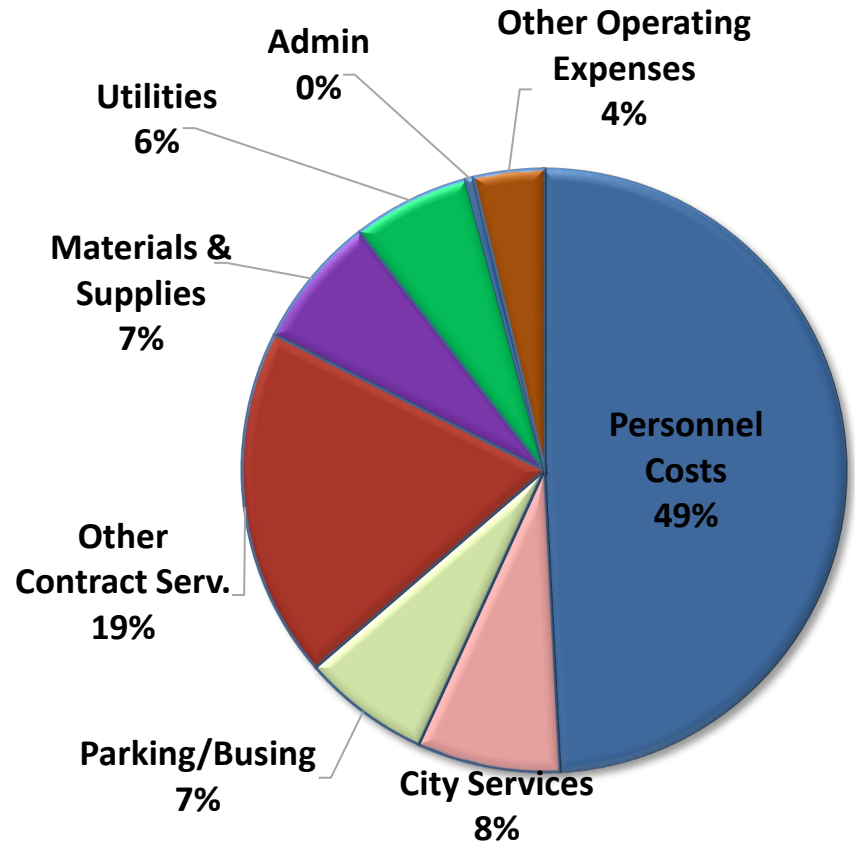
LAWA Operating Expense Components

FY2024 Adopted Budget



FY2024 Budgeted LAWA and City personnel costs - 58% of total

FY2025 Preliminary



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

LAWA Actual and Projected Personnel Expenses

| (\$ in Millions) | FY2019 Actual | FY2023 Actual | FY2024 Est* | FY2025 Prelim* | Increase/ (Decrease) FY2025 vs. FY2024E | | Increase/ (Decrease) FY2025 vs. FY2019A | |
|--------------------------|---------------|---------------|--------------|----------------|---|------------|---|------------|
| | | | | | \$ | % | \$ | % |
| Salaries | \$305 | \$289 | \$302 | \$364 | \$62 | 21% | \$59 | 19% |
| Overtime | 31 | 31 | 37 | 20 | (17) | (46%) | (11) | (35%) |
| Pension Contribution | 86 | 97 | 103 | 124 | 21 | 20% | 38 | 44% |
| Other Benefits | 55 | 55 | 63 | 76 | 13 | 21% | 21 | 38% |
| Personnel Costs** | \$477 | \$472 | \$504 | \$584 | \$80 | 16% | 107 | 22% |
| Headcount | 3,638 | 2,933 | 2,984 | 3,770 | 786 | 26% | 130 | 4% |

* Preliminary, subject to change

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

LAWA Actual and Projected Non-Personnel Expenses

| (\$ in Millions) | FY2019 Actual | FY2023 Actual | FY2024 Est* | FY2025 Prelim* | Increase/ (Decrease) FY2025E vs. FY2024E | | Increase/ (Decrease) FY2025E vs. FY2019 | |
|----------------------------|------------------|------------------|----------------|-------------------|---|------------|--|------------|
| | | | | | \$ | % | \$ | % |
| Contractual Services | \$229 | \$284 | \$350 | \$395 | \$45 | 13% | \$166 | 72% |
| Materials and Supplies | 54 | 43 | 70 | 84 | 14 | 20% | 30 | 56% |
| Utilities | 47 | 60 | 72 | 75 | 3 | 4% | 28 | 60% |
| Other | 24 | 22 | 40 | 50 | 10 | 25% | (14) | (58%) |
| Non-Personnel Costs | \$354 | \$410 | \$532 | \$603 | \$71 | 13% | \$249 | 70% |

- Contractual and Materials and Supplies cost increases are driven by inflation, higher contractual rates, new contracts and higher facility maintenance.
- Utilities are mostly due to higher rates.

* Preliminary, subject to change

Next Steps

- May 16
 - Incorporate BOAC feedback and present finalized revenues and expenses.
- June 6
 - Staff presents FY2024-25 Budget for adoption.

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