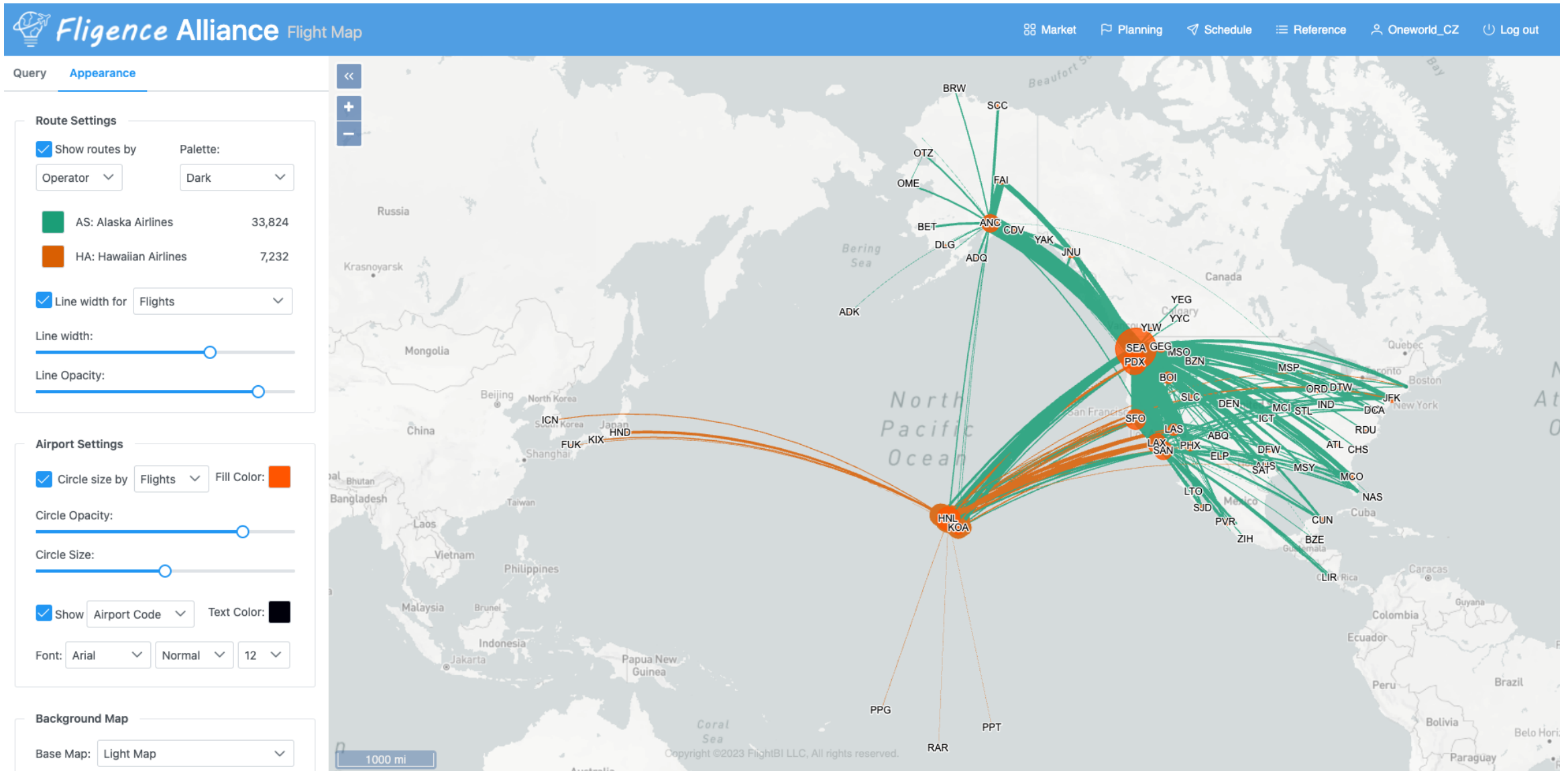December 2023

Impact of The Merger of Alaska (AS) and Hawaiian (HA)

FlightBI

What is happening?

- Alaska Airlines announced its acquisition of Hawaiian Airlines on Dec 3rd, 2023.

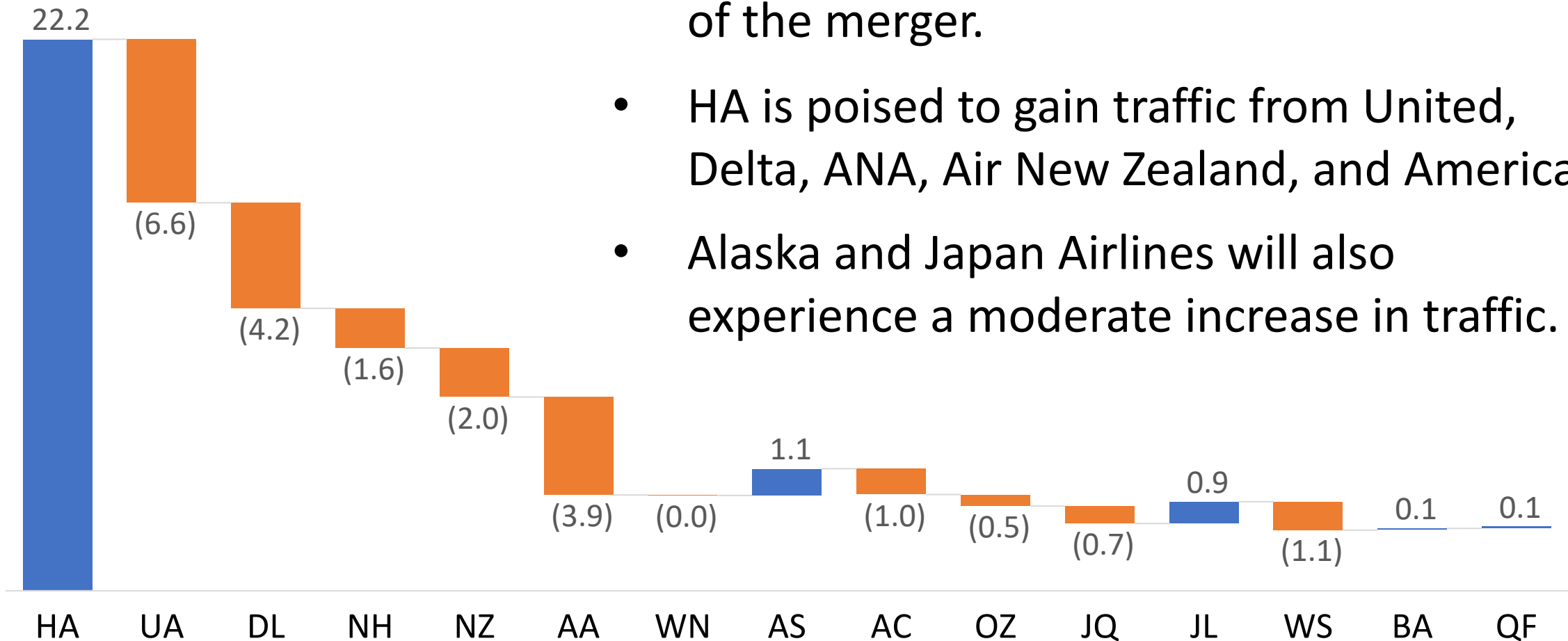- Following the merger, Hawaiian will become a part of the Oneworld Alliance.

How does the combined network look like?

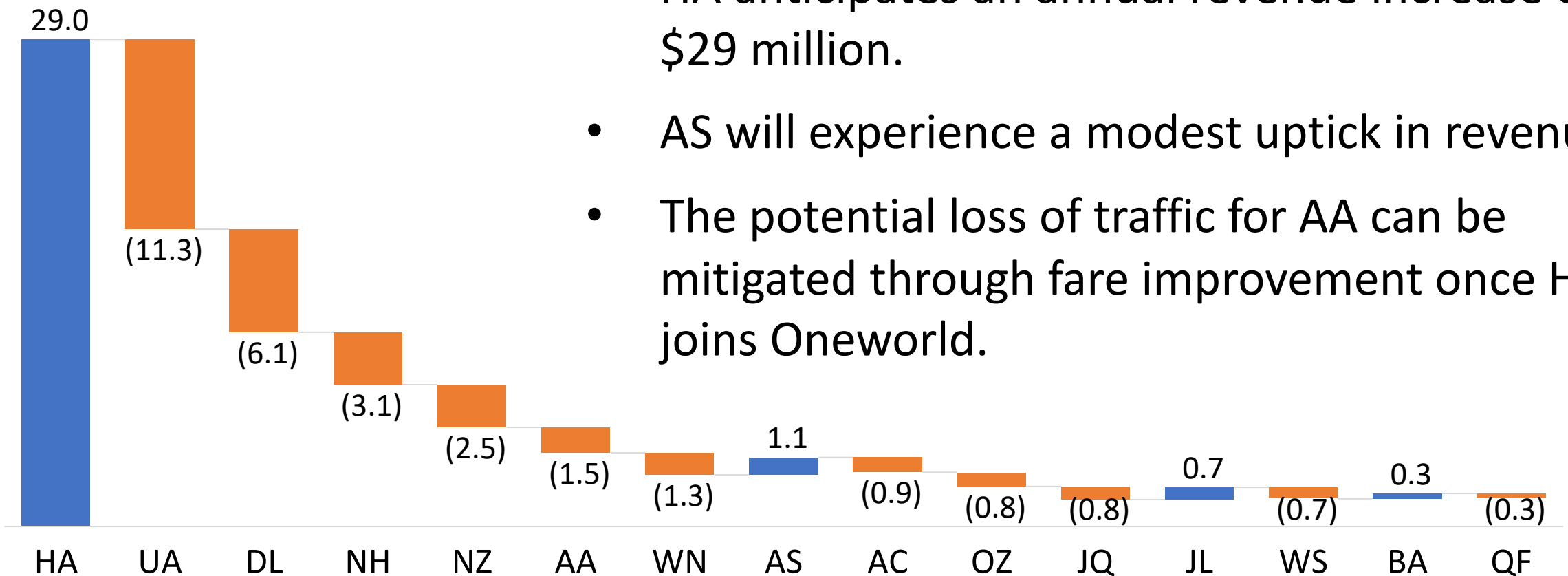# What is the annual traffic impact for Airlines?

Pax In thousands

- Hawaiian stands as the primary beneficiary of the merger.

- HA is poised to gain traffic from United, Delta, ANA, Air New Zealand, and American.

- Alaska and Japan Airlines will also experience a moderate increase in traffic.

Chart values:

HA	UA	DL	NH	NZ	AA	WN	AS	AC	OZ	JQ	JL	WS	BA	QF
22.2	(6.6)	(4.2)	(1.6)	(2.0)	(3.9)	(0.0)	1.1	(1.0)	(0.5)	(0.7)	0.9	(1.1)	0.1	0.1

# What is the annual revenue Impact?

Revenue in $ million

- HA anticipates an annual revenue increase of $29 million.

- AS will experience a modest uptick in revenue.

- The potential loss of traffic for AA can be mitigated through fare improvement once HA joins Oneworld.

What drives HA's revenue increase?

The primary source of contribution stems from improved connectivity and enhanced alliance presence within key cities.

HA Revenue Increase Breakdown

■ Increase ■ Decrease ■ Total

$10.8

$29.0

$18.2

$(0.1)

| Local | Connection | City Presence | Total |
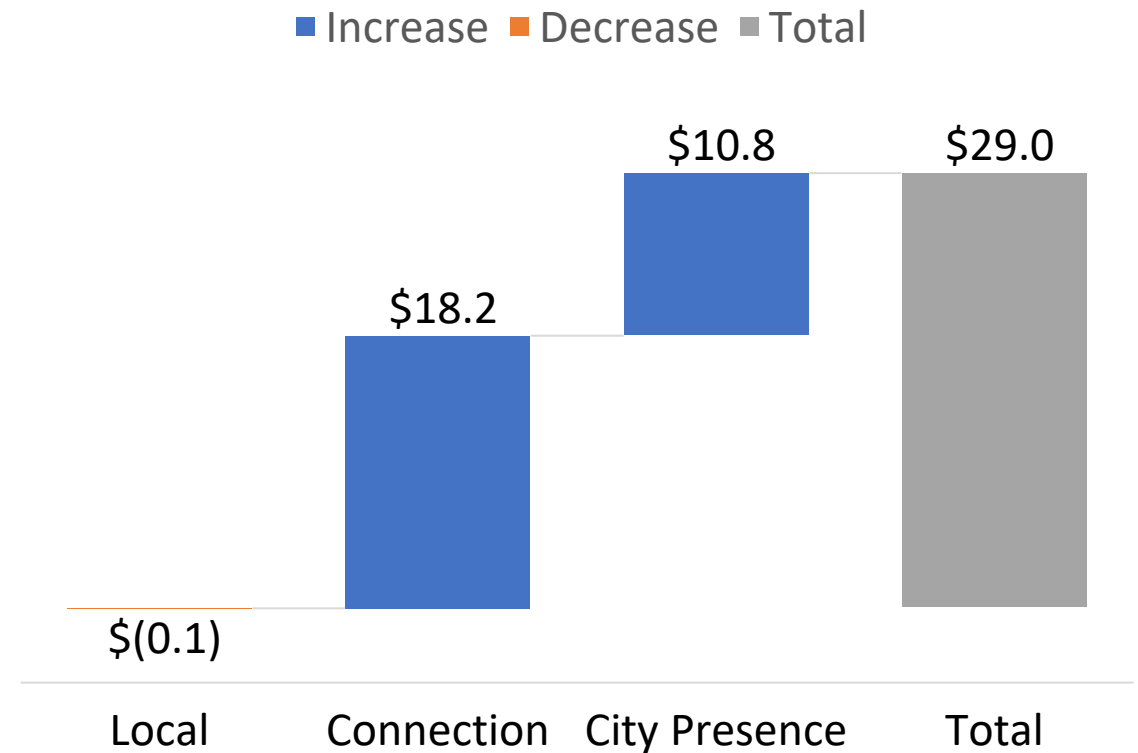
What are top markets with changes?

- HA expects to generate additional revenue through expanded connectivity in markets such as SYD-SFO, BZE-HNL, and HNL-SJD.

- HA also anticipates increased revenue resulting from improved fare structures and enhanced city presence in markets like LAX-HNL.

Annual Pax and Revenue Changes

Market	Airline	Pax	Revenue ($'000)
SYD - SFO	HA	63	106.4
BZE - HNL	HA	10	98.5
SJO - KOA	AS	17	83.0
SYD - SFO	UA	-40	-73.7
LAX - HNL	HA	0	68.7
HNL - SJD	HA	118	68.5

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What is the traffic Impact on alliances?

- Oneworld carriers are expected to capture an additional 20 thousands passengers per year.

- Among the major alliances, Star is set to incur the most significant passenger loss.

Annual Pax Change
(in Thousands)

20.1
-12.2
-4.4
-3.4

OneWorld   Star   SkyTeam   Non-Alliance
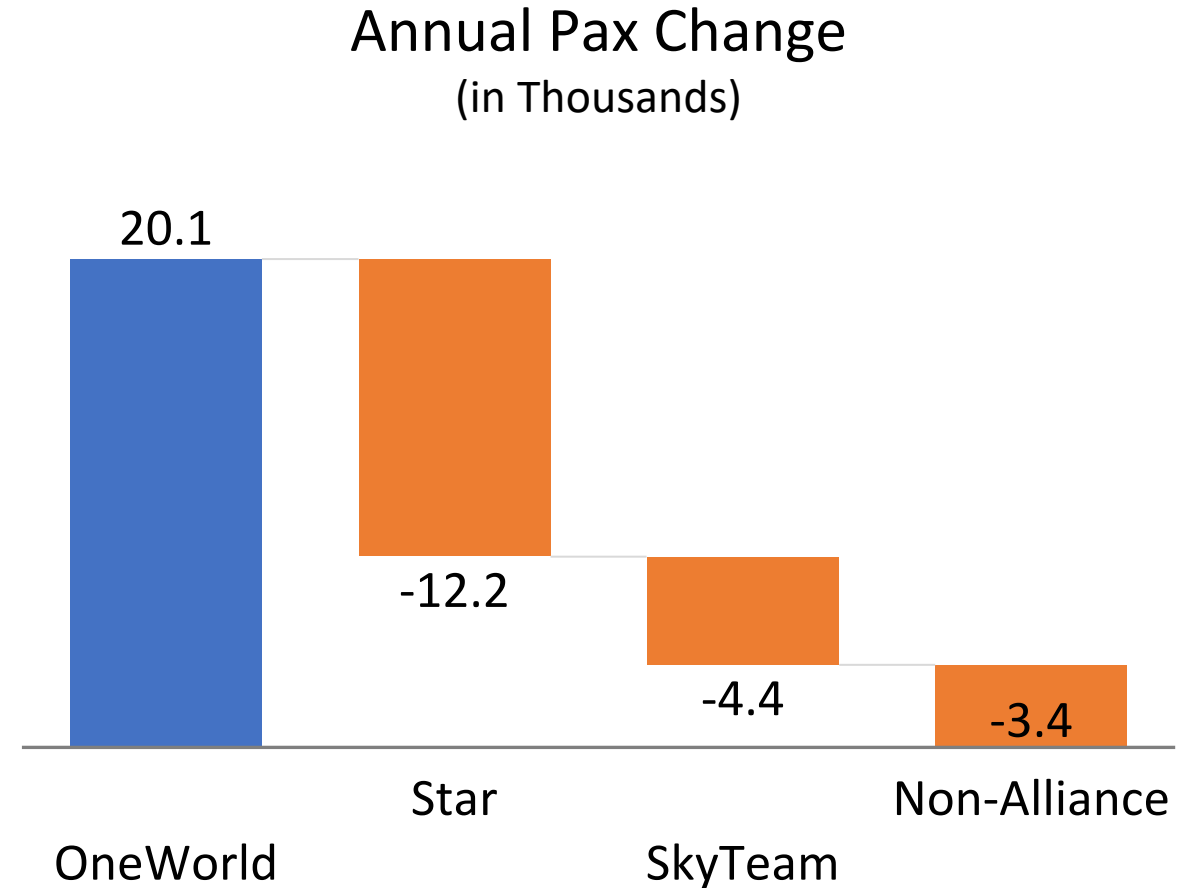
What is the revenue impact?

- Oneworld carriers may secure about $29 million in annual revenue increase.

- Other alliances and independent carriers will experience a greater overall loss in revenue.

Annual Revenue Change
(in $ Millions)

| OneWorld	Star	SkyTeam	Non-Alliance
29.0	(19.6)	(7.1)	(4.4)
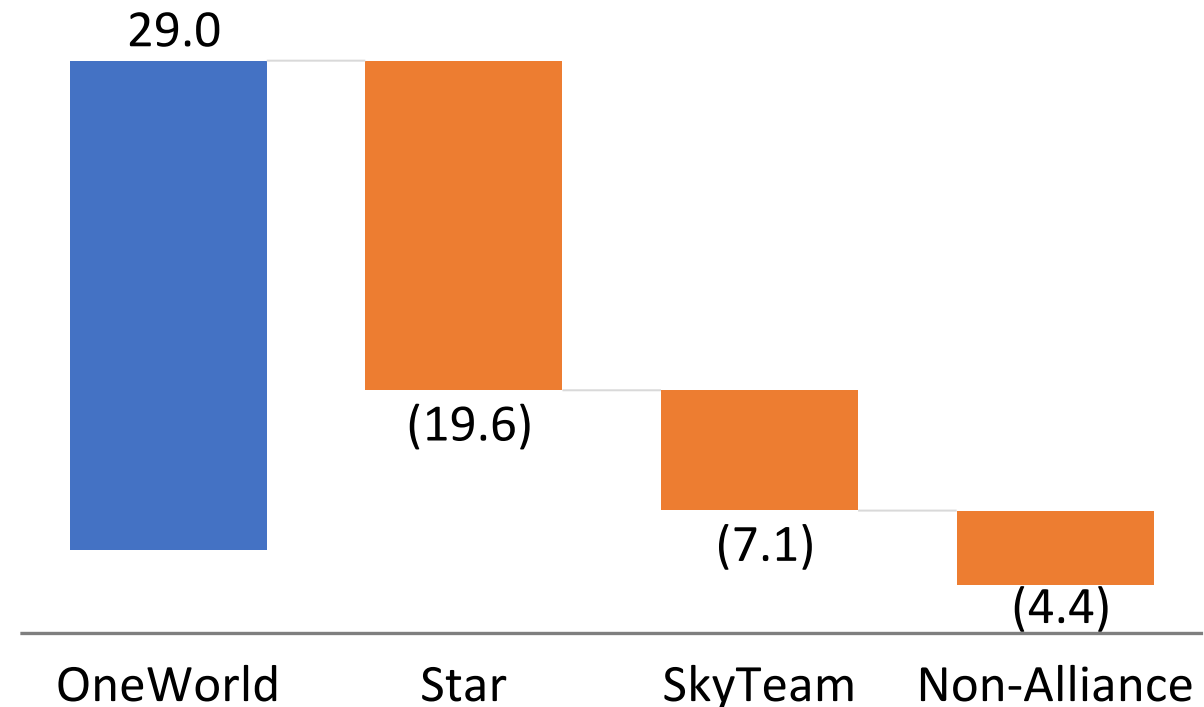
What assumptions?

- Assume no AS/HA schedule optimization, aircraft change, or drop of existing codeshares with UA, AA and B6.

- Assume connections within an alliance have 20% of the effectiveness of online connections.

- Assume alliances with a stronger presence in a city attract more traffic.

**Traffic Effects of
Alliance City Presence**

No. 1	No. 2	No. 3	No. 4	No. 5	Rest
1.0%	0.5%	0.0%	-0.5%	-1.0%	-1.0%
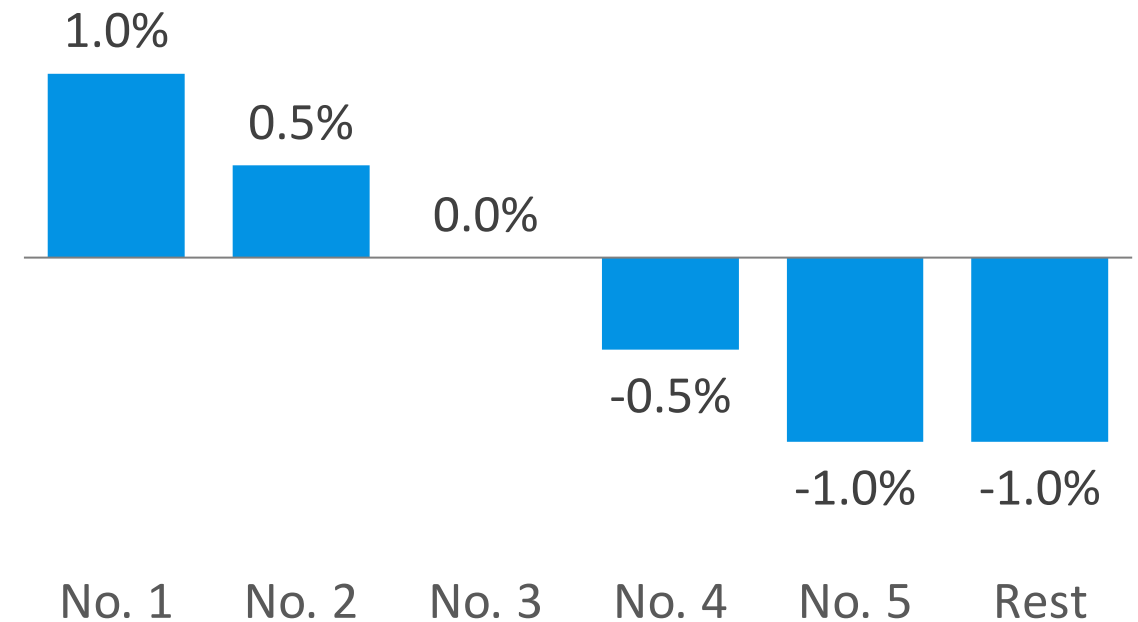
What tool is used?

Fligence Alliance is a revolutionary web-based solution designed to evaluate the impact of airline alliances, mergers, and codeshare relationships.
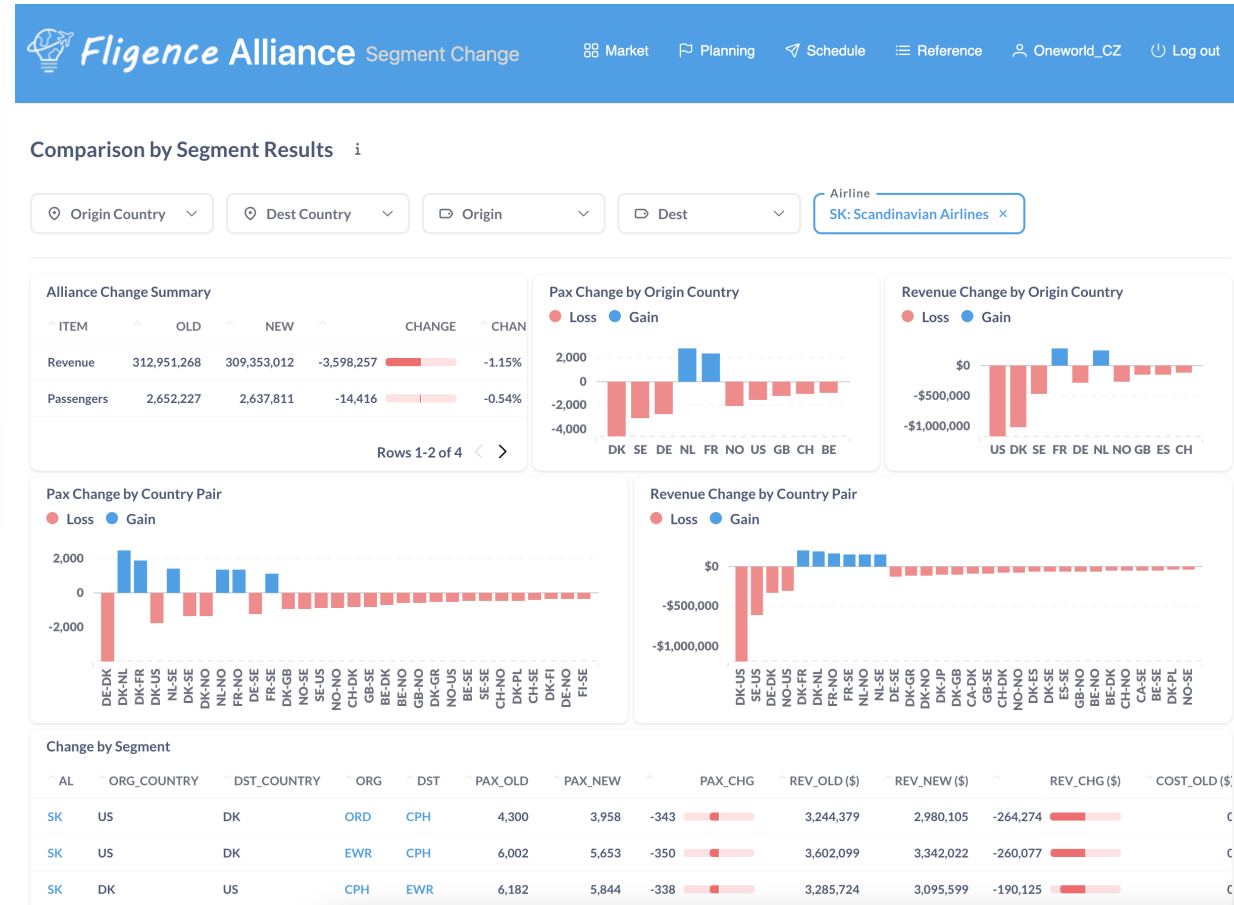
About FlightBI

Flight BI is a Business Intelligence (BI) solution provider for the global aviation industry. We build data warehouse products and web applications to help airlines, airports, OEMs, and other travel-related businesses make data-driven strategic and operational decisions intuitively.

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