



For Immediate Release:

Avelo Airlines Reports First-Ever Full-Quarter Profit

*Strong revenue growth, rigorous cost discipline and record December margins contributed to the airline's Q4 2023 earnings milestone
Avelo soars into 2024 with continued industry-leading reliability*

HOUSTON; February 22, 2024 — As Avelo Airlines approaches the third anniversary of its first flight, the company announced today it completed 2023 with strong year-over-year revenue growth, its first-ever profitable quarter, and one of the lowest cost structures in the U.S. airline industry.

Financial Highlights:

- In 2023, Avelo flew 2.3 million Customers, generating \$265 million in revenue - up 74% from 2022.
- Avelo concluded 2023 with a pre-tax fully allocated profit for its fourth quarter.
- Despite ongoing high fuel prices, Avelo's record monthly pre-tax margin in December 2023 contributed to the company's Q4 earnings milestone.
- For the full year 2023, Avelo improved its pretax margin by 15 percentage points compared to 2022.

Avelo Airlines Founder, Chairman and CEO Andrew Levy said, "Achieving our first profitable quarter is an exciting and significant milestone in Avelo's journey. I am confident Avelo's strong liquidity position, ongoing margin improvement, healthy revenue outlook, industry-leading reliability, and rigorous cost discipline will deliver our first profitable year in 2024. As we approach Avelo's third anniversary, I am very bullish about our future and the substantial opportunities ahead of us. I am especially appreciative of our dedicated 1,000 Avelo Crewmembers whose One Crew teamwork and friendly Customer focus will ensure Avelo continues to thrive in 2024 and beyond."

Avelo also said it is establishing the lowest cost structure of any U.S. airline. In Q3 2023, Avelo reported a 6.9 cents stage length-adjusted Cost per Available Seat Mile (CASM) excluding fuel – the lowest in the U.S. airline industry. This improved further in Q4 2023 to 6.6 cents, again one of the industry's best unit cost outcomes. Avelo achieved this unit cost outcome despite relatively low aircraft utilization of eight hours per day or less.

Avelo Airlines Chief Financial Officer Hunter Keay said, “Avelo achieved this profitable outcome – unadjusted and free of special items – despite a high fuel price in the period on the back of a strong demand environment and a low non-fuel cost structure that continues to improve. Avelo’s non-fuel unit costs are half of the U.S. airline industry average, and we see this gap widening in 2024. Low costs enable low fares, which is even more important to consumers in the current high-inflation environment.”

Sustained Industry-Leading Reliability

Avelo also reported today its January 2024 operating results. The airline ranked #1 in on-time performance and achieved the second lowest flight cancellation rate in the U.S. airline industry.

In January, Avelo earned its #1 on-time performance ranking with 78.81% of all Avelo flights arriving at their destinations within 15 minutes of their scheduled arrival time – the Department of Transportation’s (DOT) standard metric for reporting on-time performance in the U.S. airline industry known as A14. The industry average A14 among all U.S. carriers in January was 72.67% and the #2 airline trailed Avelo with an A14 of 77.8%.

Additionally, in January Avelo achieved the industry’s second-lowest flight cancellation rate of 1.08%, significantly better than the industry average flight cancellation rate in January of 3.51%.

Avelo’s strong January operating results, build on the airline’s 2023 full-year reliability leadership. For the 12-month period between January and December 2023, Avelo achieved the lowest flight cancellation rate (0.18%) in the U.S. airline industry and ranked #2 in on-time reliability (82.80%).

Avelo Airlines Chief Operating Officer Greg Baden said, “A cornerstone of the Customer-satisfying convenience distinguishing Avelo is the dependable reliability of our operation. Our Customers count on us to keep their lives on schedule by getting them where they want to go, on-time and with their bags. It is this smooth and seamless travel experience that is fueling our consistently high customer satisfaction scores.”

Avelo measures operational reliability regardless of weather-related challenges, a high standard that includes both controllable and uncontrollable factors. These results are based on Anuvu’s independent third-party data platform (the same company and platform utilized by *The Wall Street Journal* for the publication’s annual best and worst airline ranking, which excluded Avelo as well as other airlines in its coverage that did not meet the publication’s size threshold). Avelo posts Anuvu’s monthly reliability rankings and metrics at AveloAir.com.

America’s Most Convenient Airline

Avelo Airlines was founded to Inspire Travel by saving travelers time and money. Since taking flight on April 28, 2021, Avelo has flown more than 4 million Customers on more than 30,000 flights. Today, Avelo serves 48 destinations spanning 23 states and Puerto Rico.

Avelo currently operates 16 Boeing Next-Generation 737 jetliners (9 189-seat 737-800s and 7 149-seat 737-700s). The airline expects to take delivery of five additional 737s by the end of 2024.

Along the way, Avelo has unlocked a new era of convenience, choice and competition by flying unserved routes to primarily underserved communities across the country. On almost every route at least one airport is a small, easy to use airport. This makes every Avelo journey a smooth, easy and more enjoyable experience than contending with the crowds, congestion and long walks at larger airports.

Unlike most other airlines, Avelo Customers can always change or cancel their itineraries with no extra fees. Additionally, families can travel with ease knowing every child 13 and under will be automatically seated with an accompanying adult at no additional cost.

Additionally, Avelo offers advanced seat assignments for sale. One third of its seats are extra leg room seats, ranging from 32 inches to more than 36 inches, offering a more comfortable experience for Customers who value more space. In addition to advance seat assignments, Avelo offers several unbundled travel-enhancing options that give Customers the flexibility to pay only for what they value, including priority boarding, checked bags, carry-on overhead bags, and bringing a pet in the cabin.

About Avelo Airlines

Avelo Airlines was founded with a simple purpose — to *Inspire Travel*. The airline offers travelers time and money-saving convenience, everyday low fares, and a refreshingly smooth, caring and reliable travel experience. Operating a fleet of 16 Boeing Next-Generation 737 aircraft, Avelo serves 48 popular destinations across the United States, including its six bases at Los Angeles' Hollywood Burbank Airport (BUR), Southern Connecticut's Tweed-New Haven Airport (HVN), Orlando International Airport (MCO), the Philadelphia and Delaware Valley region's Wilmington Airport (ILG), Raleigh-Durham International Airport (RDU), and on May 1, 2024, Avelo will move its Las Vegas base at Harry Reid International Airport (LAS) to the Bay Area's Sonoma County Airport (STS). For more information visit AveloAir.com or the Avelo Newsroom at AveloAir.com/Newsroom.

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