



# UNITED AIRLINES 2020 AMENDMENT TO AIRPORT USE AND LEASE AGREEMENT

KIM DAY, CHIEF EXECUTIVE OFFICER  
GISELA SHANAHAN, CHIEF FINANCIAL OFFICER  
JANUARY 8, 2020

# UNITED NINTH AMENDMENT

- United Airlines, Inc. (United) will lease new and existing gates and support space on Concourses A and B
- This amendment adds additional gates to the existing leasehold of United's agreement through its current term of February 28, 2035
- United will increase its leasehold from 66 to 90 gates
  - Concourse B – 67 gates
  - Concourse A – 23 gates
- Other terms
  - United is subject to Denver's city contractor minimum wage requirements
  - United must meet gate utilization requirements on Concourse A
  - United is responsible for tenant finishes
  - United is subject to future changes to Airport Guideway Train System fees



# UNITED'S GROWTH AT DEN

- United continues to grow at DEN
  - Flight schedule will increase to 550 daily departures in summer 2020
  - New record set on June 7, 2019 with 500 daily departures
  - 2019 United passengers at DEN were up  $\approx 10\%$  over 2018
    - Overall DEN growth was up  $\approx 7\%$
- United recently started year-round nonstop flights to London and Frankfurt, and has announced new nonstop service to Nassau, Bahamas
- United's Tokyo flight celebrated 5+ years of successful service
- United's growth has been fueled by DEN's cost-conscious environment
  - Denver is emerging as the airline's "highest margin hub" (*Scott Kirby, United CEO's statement to investment analysts September 12, 2019*)

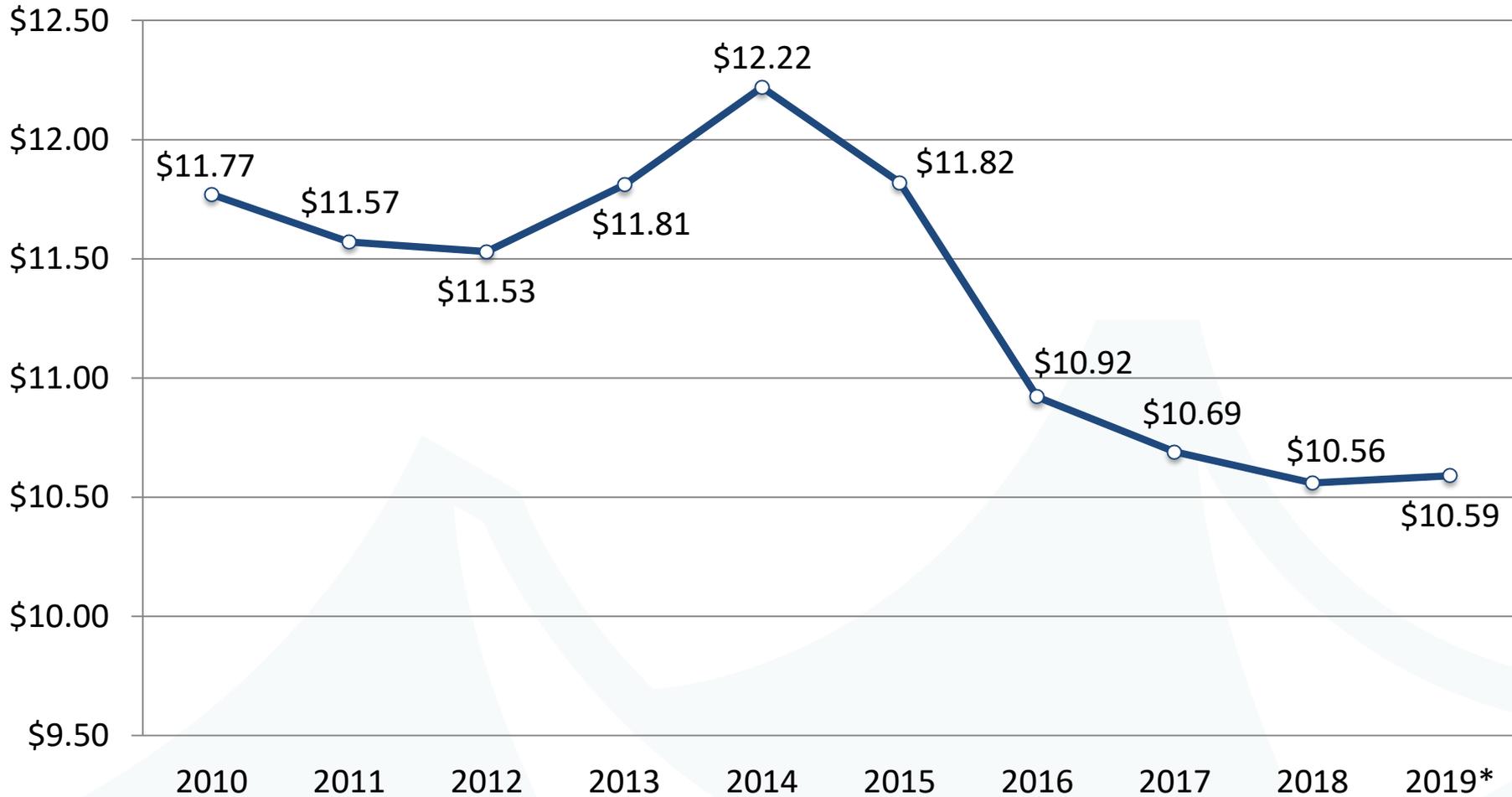


# UNITED OVER THE YEARS

- 1995 - United has been serving DEN since the new airport opened its doors
- 2010 - United merged with Continental
- 2014 - United agreement seventh amendment
  - DEN reduced cost through debt restructure and United's return of unused space
  - In return, United committed a minimum 9.1% of its global capacity to DEN
  - Extended their lease to 2035 (40 years)
  - Total passengers have increased by 44% as a result of the commitment
- 2018 - DEN became United's hub with highest revenues per passenger
  - Denver won bid for United's state-of-the art global flight training center
  - Largest single-site flight training center in the world
  - United invested \$150 million in renovation and \$40 million for expansion
- 2019 - United's overall market share at DEN is now approximately 45%

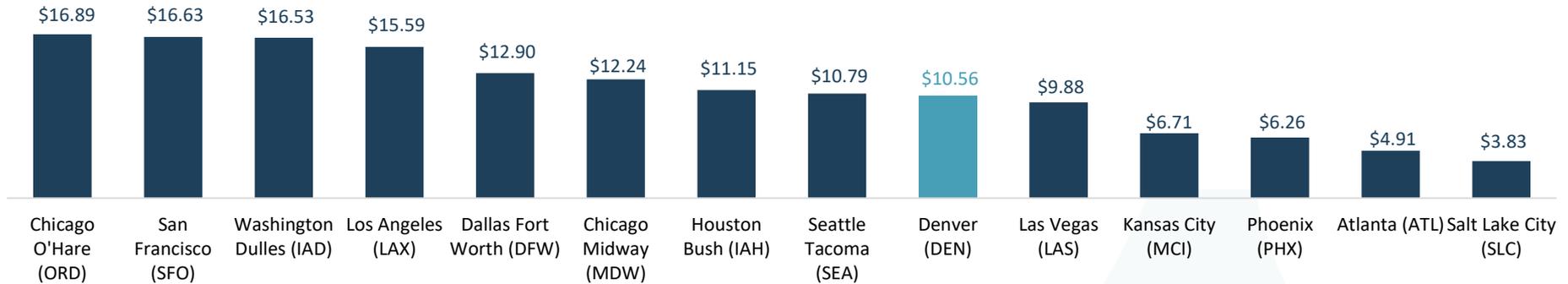


# DEN COST PER ENPLANED PASSENGER

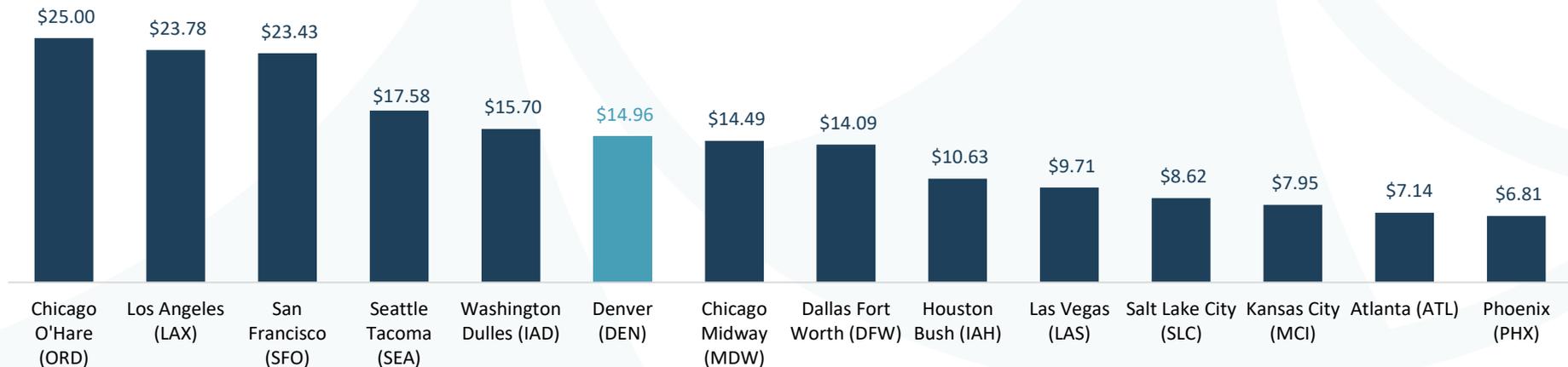


# COST PER ENPLANEMENT COMPARISON

## 2018 CPE Comparison



## Estimated 2022 CPE Comparison



# UNITED'S COMMITMENT TO DENVER

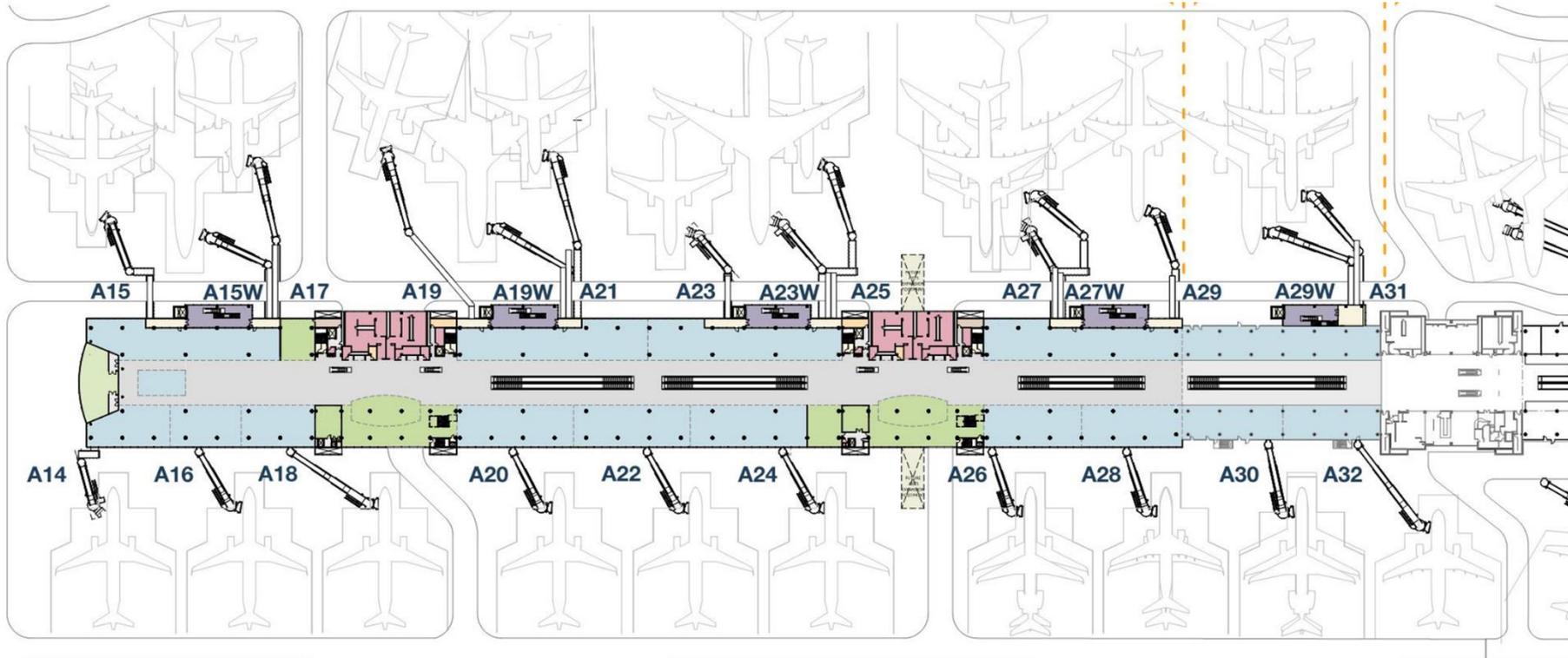


- United is the largest airline at DEN
  - The airline is one of the region's largest employers and economic drivers
  - United employs approximately 7,000 people in the metro area
- 2019 DEN milestones:
  - 32 new routes
  - 970 additional employees
  - 2,600 new connections
  - Fastest growing hub
- Sponsorships and good work in the community



# CONCOURSE A

- The A West expansion will add additional gates and support space; it is scheduled to be complete 4th quarter 2021
  - It adds 12 gates, 16 hold-rooms, 10,000 sq. ft. of concessions and an outdoor area
  - United will construct a new United Club on Concourse A

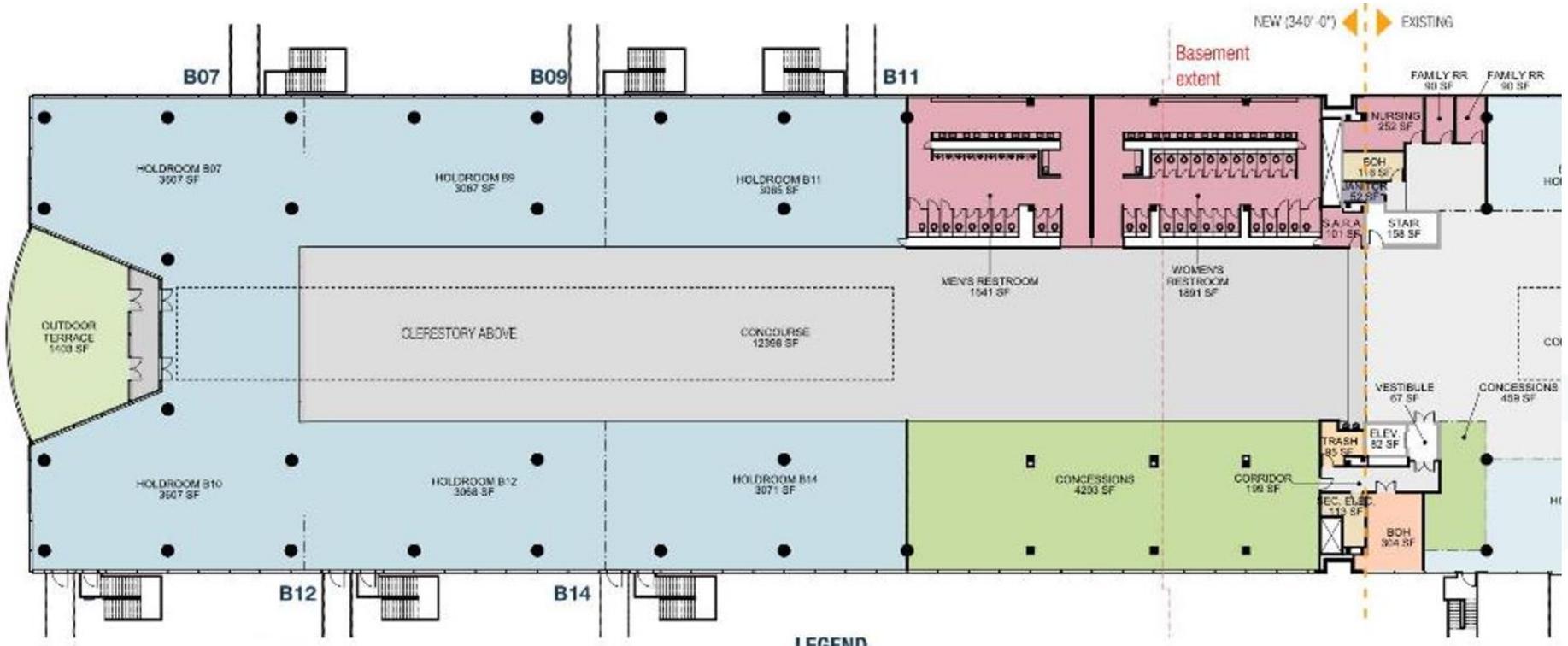


# A WEST OUTDOOR TERRACE



# CONCOURSE B – WEST

- The B West expansion will add gates, hold-rooms and support space; it is scheduled to be complete 4th quarter 2020
  - 4 new gates, 6 new hold-rooms, 5,000 sq. ft. concessions, and an outdoor area
  - United will update its club on Concourse B West



# B WEST EXPANSION

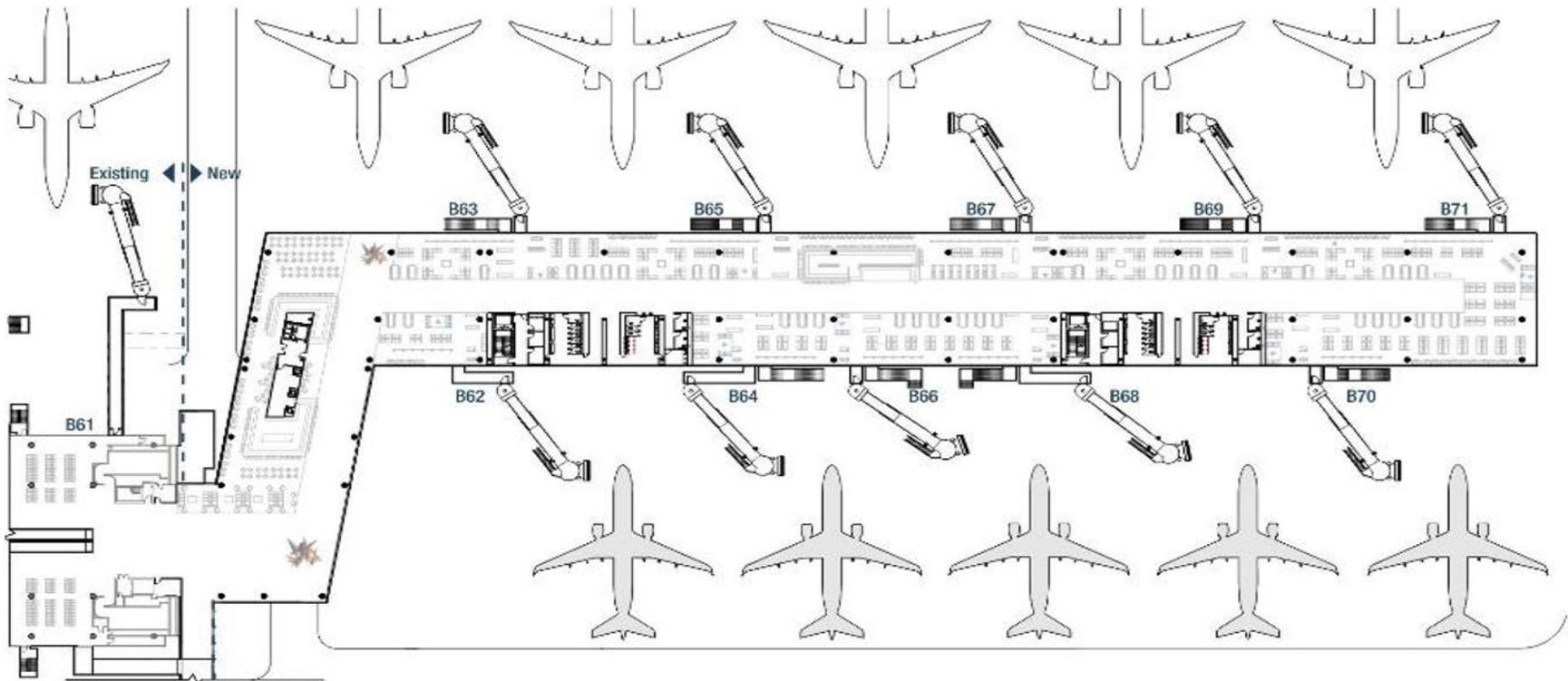


# B WEST TOPPING



# CONCOURSE B – EAST

- The B East expansion will add gates, hold-rooms and support space;  
it is scheduled to be complete 3rd quarter 2021
  - 5 new narrow body and 5 new regional jet gates and 6,000 sq. ft. of concessions
  - United will update its Club on Concourse B East



# CONCOURSE B – EAST



# TOTAL CONCOURSE EXPANSION PROGRAM

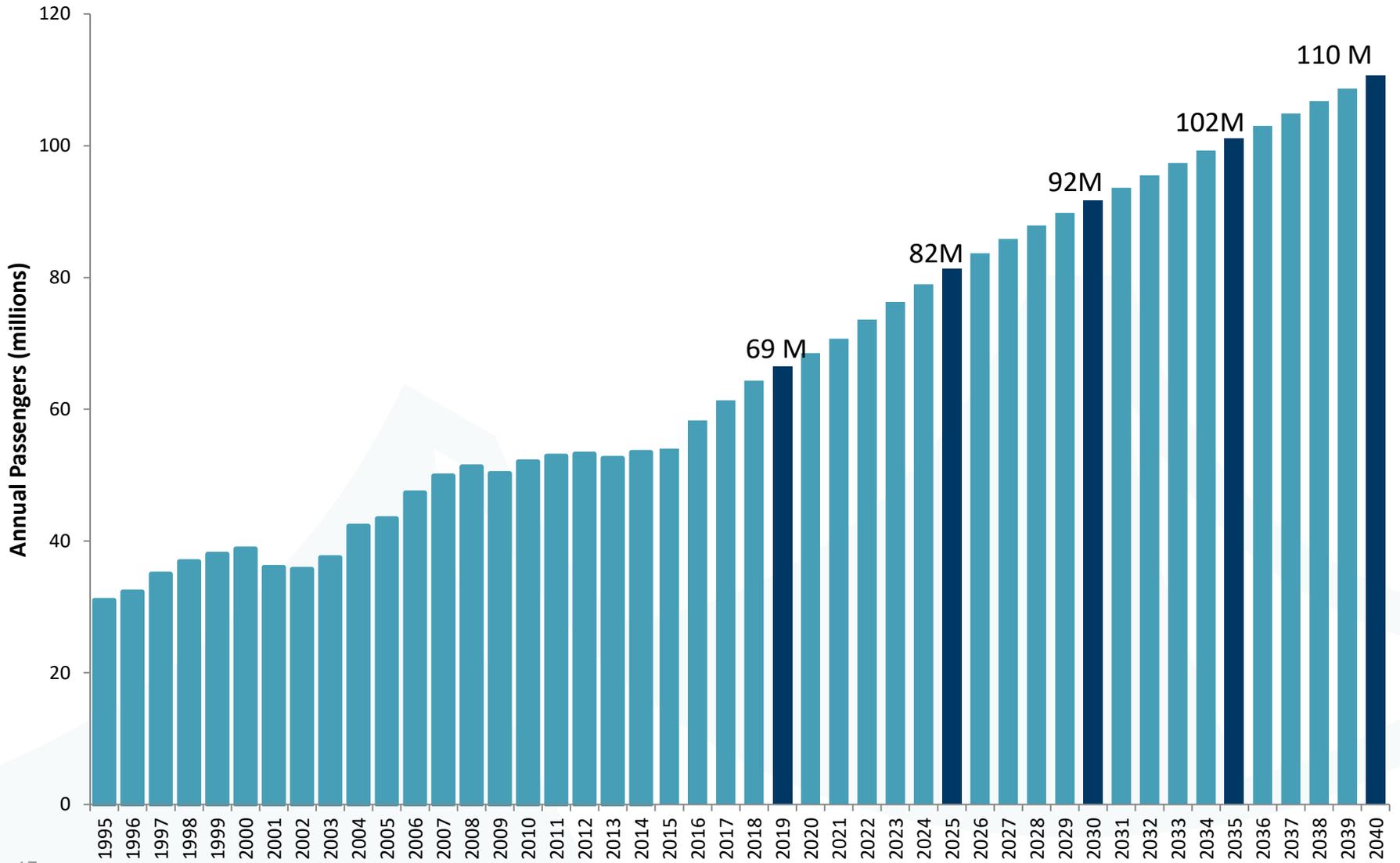


# TOTAL CONCOURSE EXPANSION PROGRAM



- Concourse expansion is DEN's largest project since new airport opened
  - Project is on budget (\$1.5 billion) and on time (full operations ≈ Q2 2022)
  - Work is approximately 25% complete
  - \$308 million invoiced to date (as of Nov 2019)
  - \$1.4 billion committed to date
  - ≈ \$40 million remaining contingency
- Total buildout of 39 new gates spread over all three concourses
  - ≈ 30% capacity increase
- New concessions and customer focused amenities
  - Innovative hold-room concept with new seating and expanded in-seat charging stations
  - New restrooms and signage
  - Sub-core concessions groupings with seating and views

# DEN'S PASSENGER TRAFFIC GROWTH



# BALANCED APPROACH TO GROWTH

- DEN's capital plan accommodates growth and balances elements of the airport so that there is no single “choke point”
- Currently, focused on four major projects:
  - Great Hall Project
  - Gate Expansion Program
  - DEN Real Estate
  - Peña Boulevard Phase One





DENVER INTERNATIONAL AIRPORT

**DEN**