WEBINAR

AVIATION STORIES OF 2023:

A REVIEW OF THE YEAR AND A LOOK AHEAD TO 2024

Wednesday December 6th, 2023

www.oag.com

SPEAKERS

OAG

CHIEF ANALYST

John Grant

Chief Analyst, OAG

With a wealth of experience across the global aviation industry, John provides expert commentary on market developments for OAG, making connections between what the data is telling us and the trends and events occurring in the sector.

GUEST SPEAKER

Eddy Pieniazek

Head of Advisory, Ishka

Eddy has supported thousands of aircraft transactions during his 35 years' career, advising leaders of the world's top aviation finance, investment and leasing companies, airlines and manufacturers. A respected and valued influencer. Eddy was one of the original pioneers of today's aircraft valuation and appraisal industry.

MODERATOR

Deirdre Fulton

Partner, MIDAS Aviation

Deirdre is a partner in an aviation consultancy providing meaningful insight and analysis to clients around the world. She works closely with OAG on their data analysis and publications.

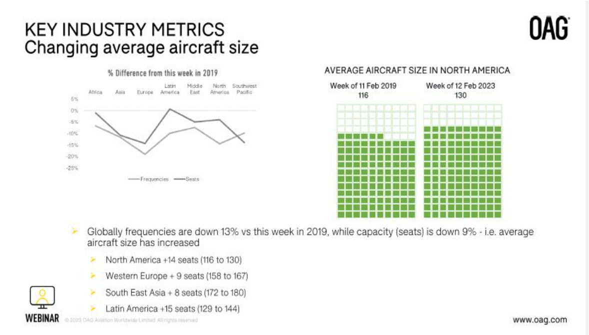
AVIATION STORIES OF 2023: A REVIEW OF THE YEAR AND A LOOK AHEAD TO 2024

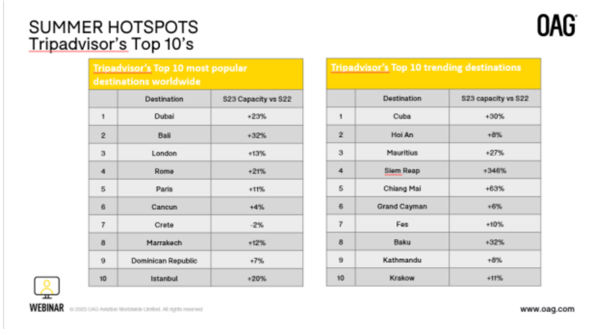
In this webinar we'll be looking at:

- Airline performance in 2023
- Recovery data: Which regions are back to or beyond 2019 capacity?
- Who made big orders this year and what is causing delays?
- What lies ahead for 2024?

We'll be taking questions as we go. Please use the chat function to ask your questions.

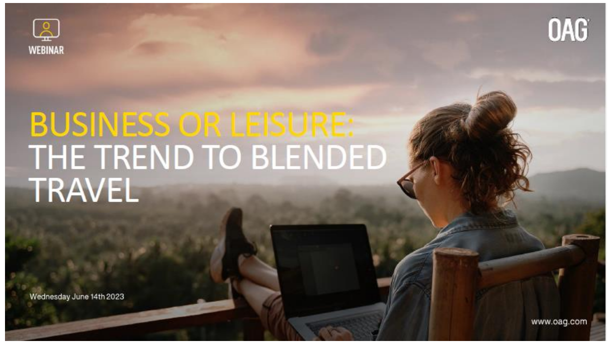
WEBINAR

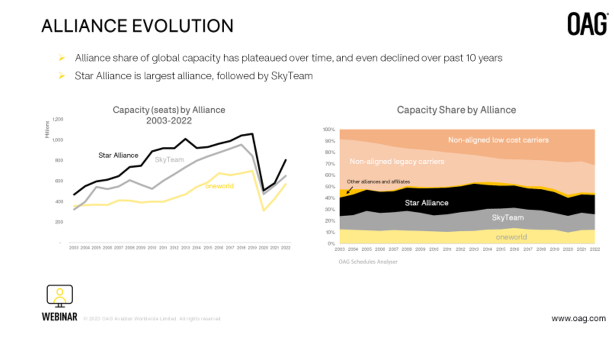


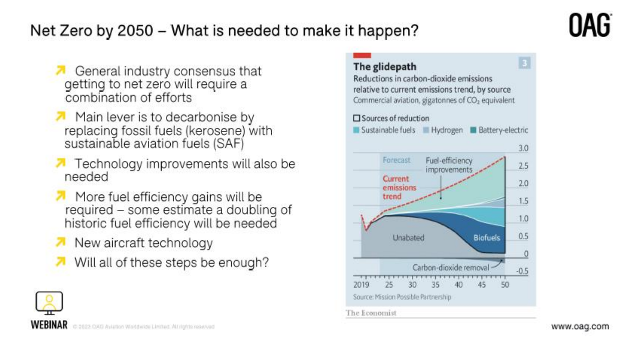


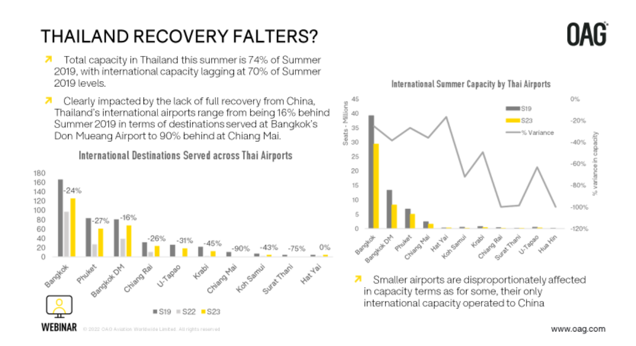
	Destination	S23 Capacity vs S22
1	Dubai	+23%
2	Bali	+32%
3	London	+13%
4	Rome	+21%
5	Paris	+11%
6	Cancun	+4%
7	Crete	-2%
8	Marrakech	+12%
9	Dominican Republic	+7%
10	Istanbul	+20%

	Destination	S23 capacity vs S22
1	Cuba	+30%
2	Hoi An	+8%
3	Mauritius	+27%
4	Siem Reap	+346%
5	Chiang Mai	+63%
6	Grand Cayman	+6%
7	Fes	+10%
8	Baku	+32%
9	Kathmandu	+8%
10	Krakow	+11%

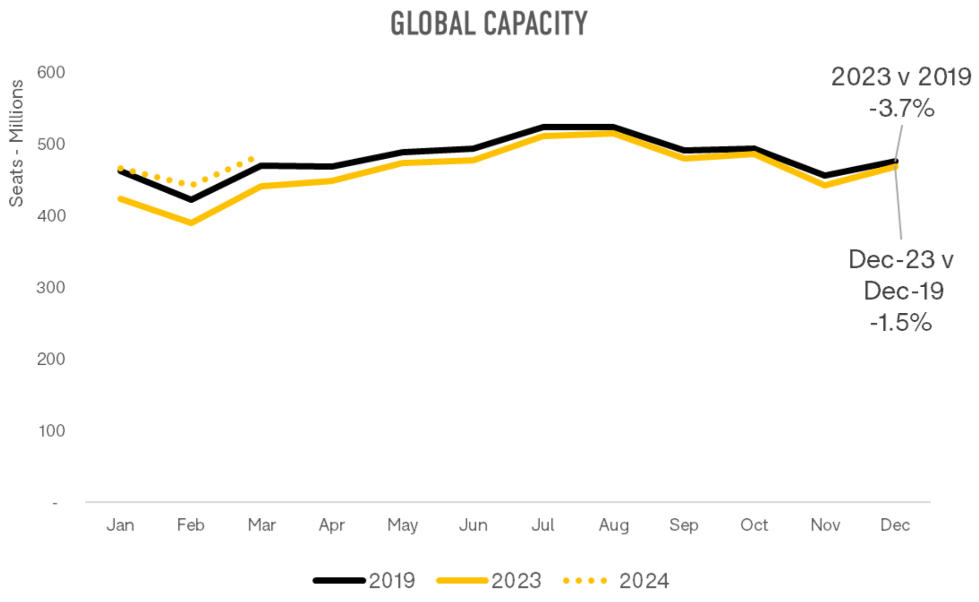


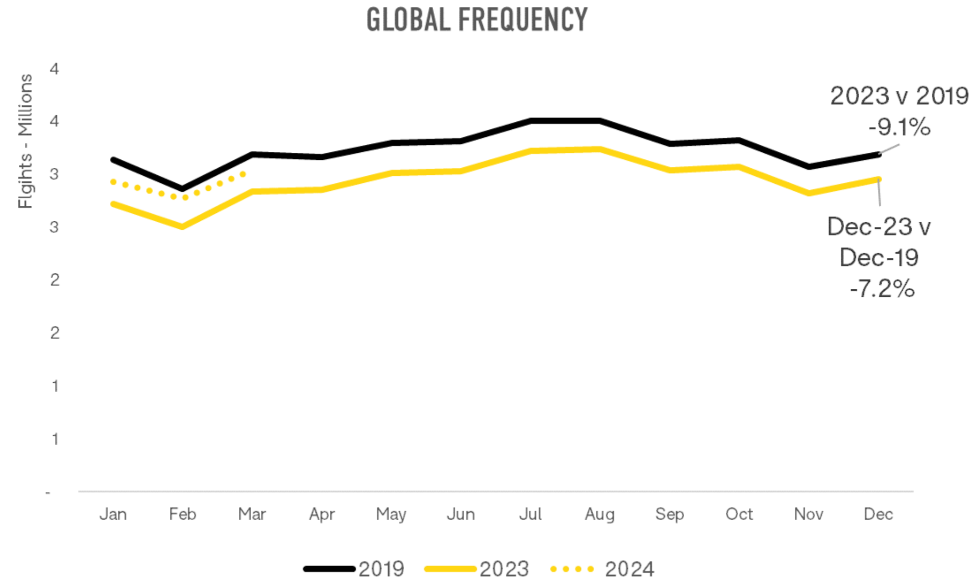


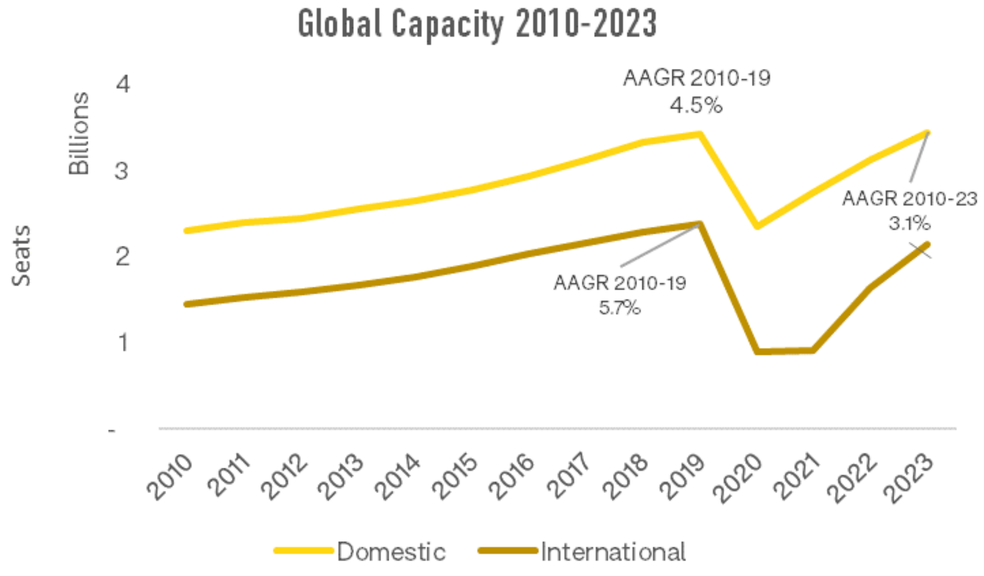




GLOBAL CAPACITY – LATEST PICTURE



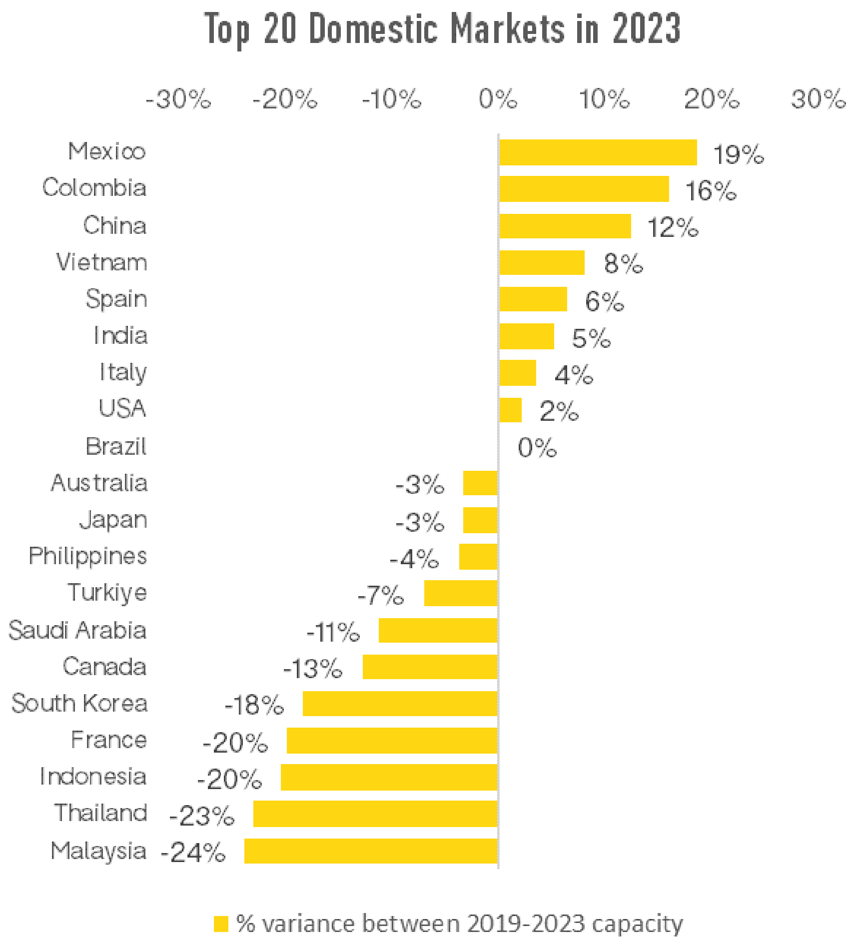


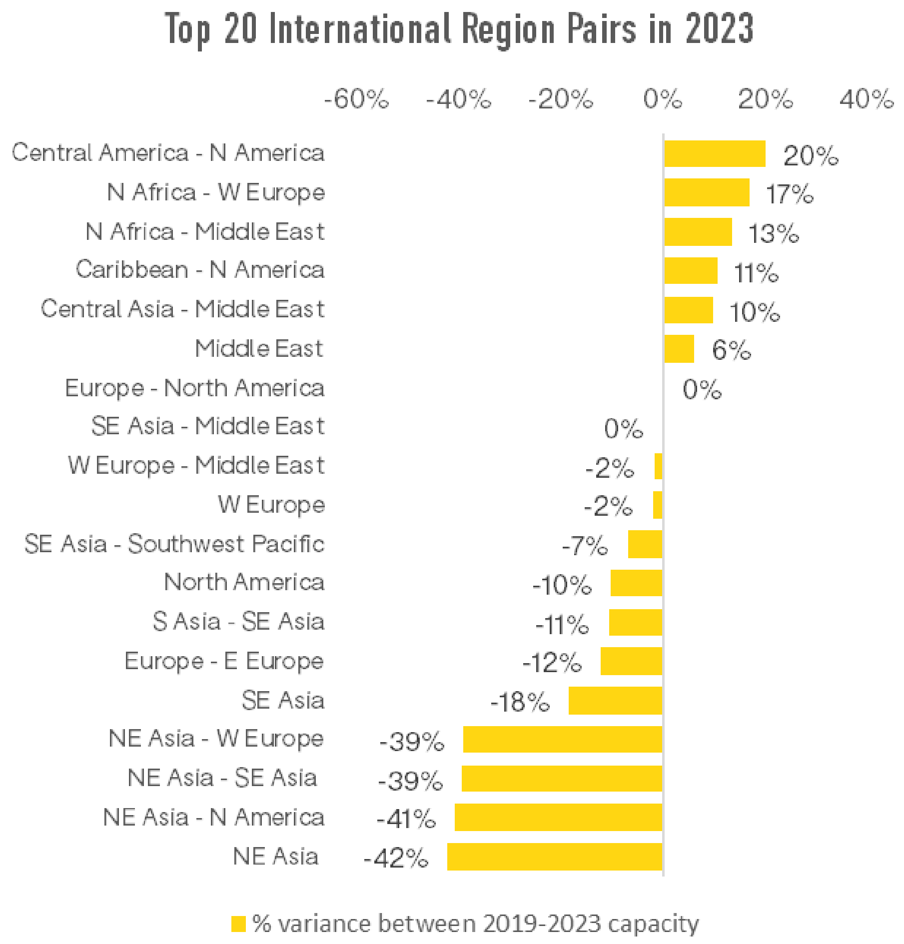


- Global capacity currently tracking just 1.5% below 2019 in December, with the full year position for 2023 3.7% behind 2019.
- Capacity for Q1 2024 estimated at 2.9% ahead of 2019, with domestic up +4.6% and international looking like it might reach 2019 levels
- Frequency for December 2023 is 7.2% behind, with the full year position 9.1% behind 2019.

2023 CAPACITY TRENDS

OAG





- Top 20 Domestic Markets are 88% of global domestic travel. 9 have reached 2019 levels.
- Top 20 International region pairs account for 80% of global international travel. 6 have reached 2019 levels

WEBINAR

AIRLINE PERFORMANCE

- Ryanair is a good news story this year, with strong earnings performance this quarter combined with the announcement that they will pay a dividend for the first time ever. They also set out their plans to be debt free within the next two years
- Half of the Top 10 highest performers are LCCs
- Six of the Top 10 are based in Europe
- However, the carriers lagging in Q3 are all US carriers, and predominantly LCCs..
- Is this a warning bell?

Q3 Earnings Scoreboard... So Far

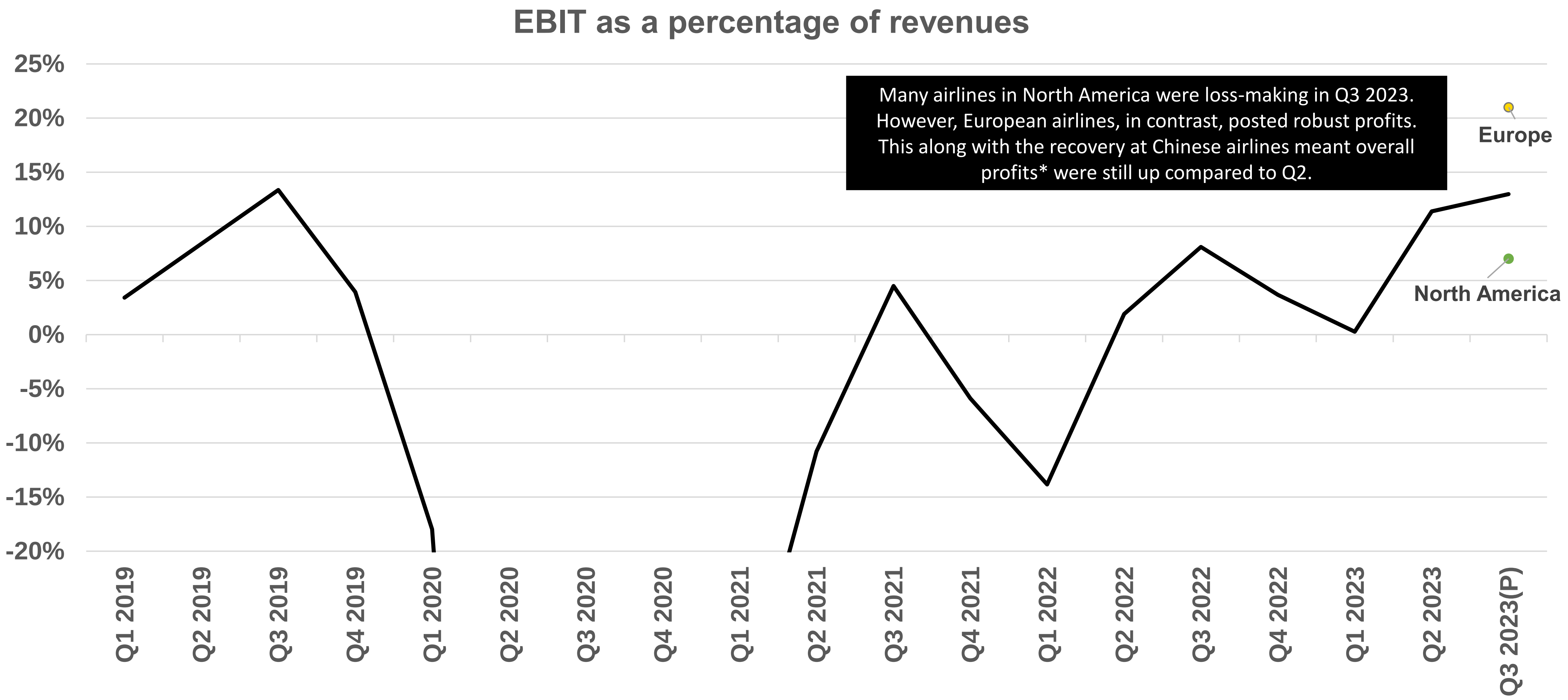
as of Tuesday, Nov. 21

		Q3 op margin			Q3 op margin
1	Ryanair	34.6%	34	Chorus/Jazz	13.7%
2	Spring Airlines	28.9%	35	AirAsia X	13.6%
3	Aegean	28.5%	36	Garuda	13.6%
4	Pegasus	26.3%	37	Korean Air	13.5%
5	Turkish Airlines	25.0%	38	LATAM	13.4%
6	Norwegian	24.8%	39	Japan Airlines	12.7%
7	Wizz Air	24.4%	40	Delta	12.7%
8	Copa	23.6%	41	United	12.2%
9	Air Canada	22.3%	42	Play	11.7%
10	Air Arabia	22.2%	43	Alaska	11.7%
11	Juneyao	22.2%	44	Finnair	11.5%
12	TAP Portugal	22.0%	45	China Southern	11.1%
13	easyJet	21.3%	46	China Eastern	10.6%
14	Thai Airways	20.9%	47	Air China	10.4%
15	IndiGo	20.7%	48	Cebu Pacific	10.2%
16	Bangkok Airways	20.6%	49	Jeju Air	10.2%
17	IAG	20.2%	50	Jin Air	10.1%
18	Icelandair	20.0%	51	T'way Air	9.7%
19	VivaAerobus	19.8%	52	Sun Country	8.0%
20	airBaltic	19.6%	53	Asiana	7.3%
21	Azul	19.4%	54	SkyWest	6.4%
22	Gol	17.7%	55	Canada Jetlines	6.0%
23	Singapore Airlines	17.1%	56	American	5.4%
24	Hainan Airlines	16.9%	57	China Airlines	5.2%
25	Avianca	16.5%	58	Norse Atlantic	5.0%
26	All Nippon	15.9%	59	Volaris	4.6%
27	Air France/KLM	15.5%	60	Southwest	3.4%
28	Skymark	15.4%	61	Allegiant	-3.1%
29	Philippine Airlines	15.4%	62	Frontier	-6.1%
30	EVA Air	14.8%	63	JetBlue	-6.5%
31	Lufthansa Group	14.3%	64	Hawaiian	-7.5%
32	Jazeera	14.2%	65	*JetBlue/Spirit*	*-8.4%*
33	Royal Jordanian	13.8%	66	Spirit	-14.2%

source: Airline Weekly analysis of company reports
all figures exclude special accounting items

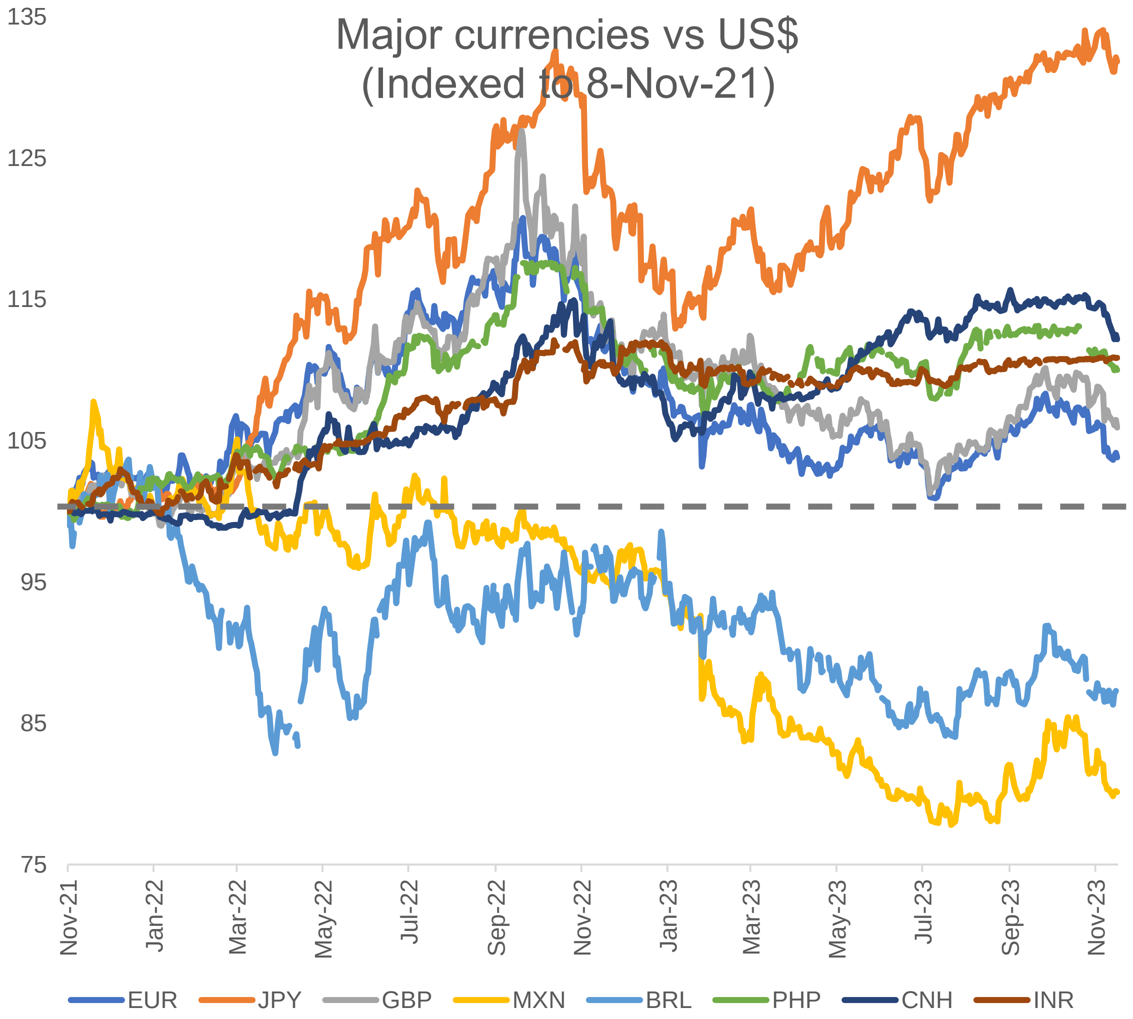
WEBINAR

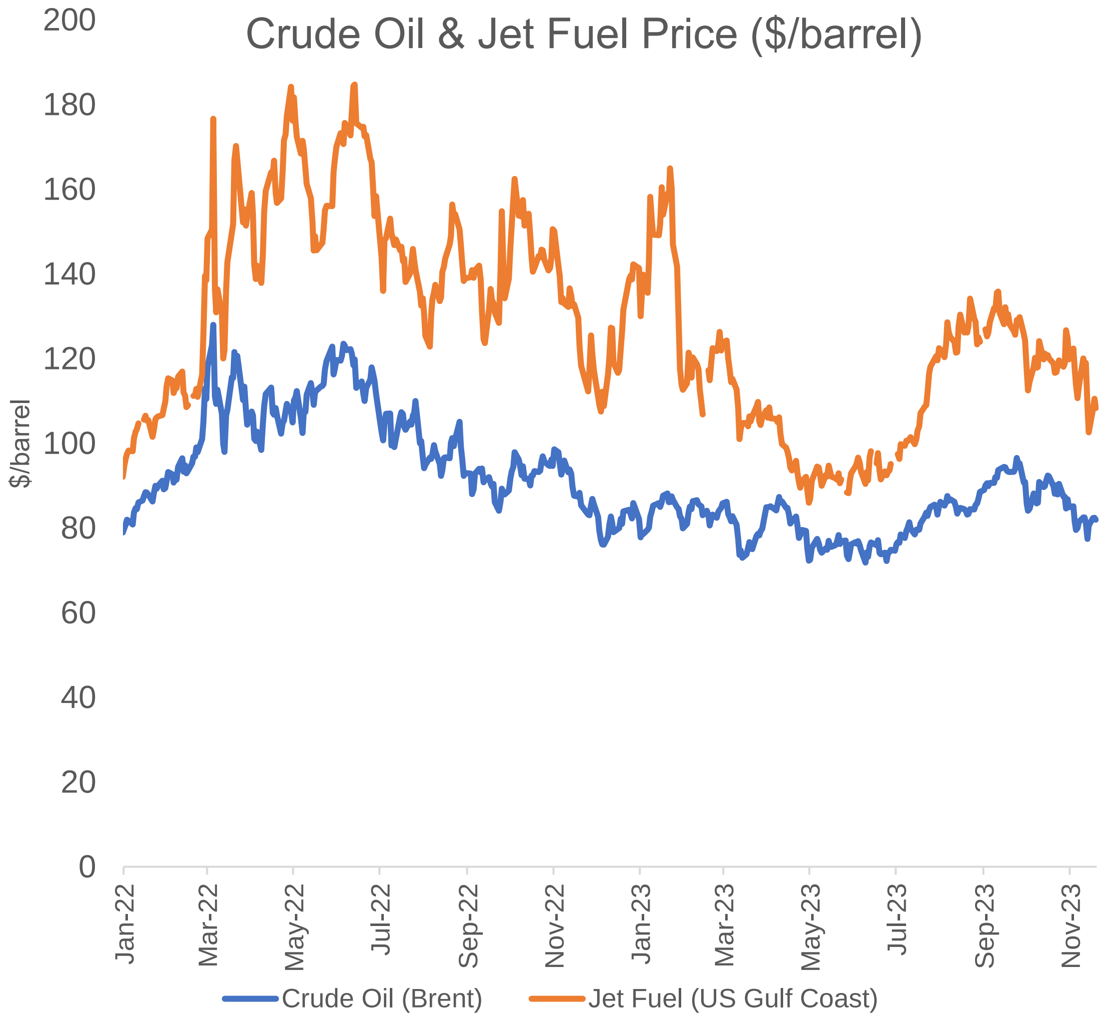
Profitability comes under pressure in some markets



Source: Bloomberg, Airline Credit Profiles and Ishka Calculations. Sample Size – 68 airlines. Sample size could vary by quarter marginally depending on airline disclosures. *Q3 2023 Preliminary Data – 57 airlines

Volatility continues in fuel price and currency

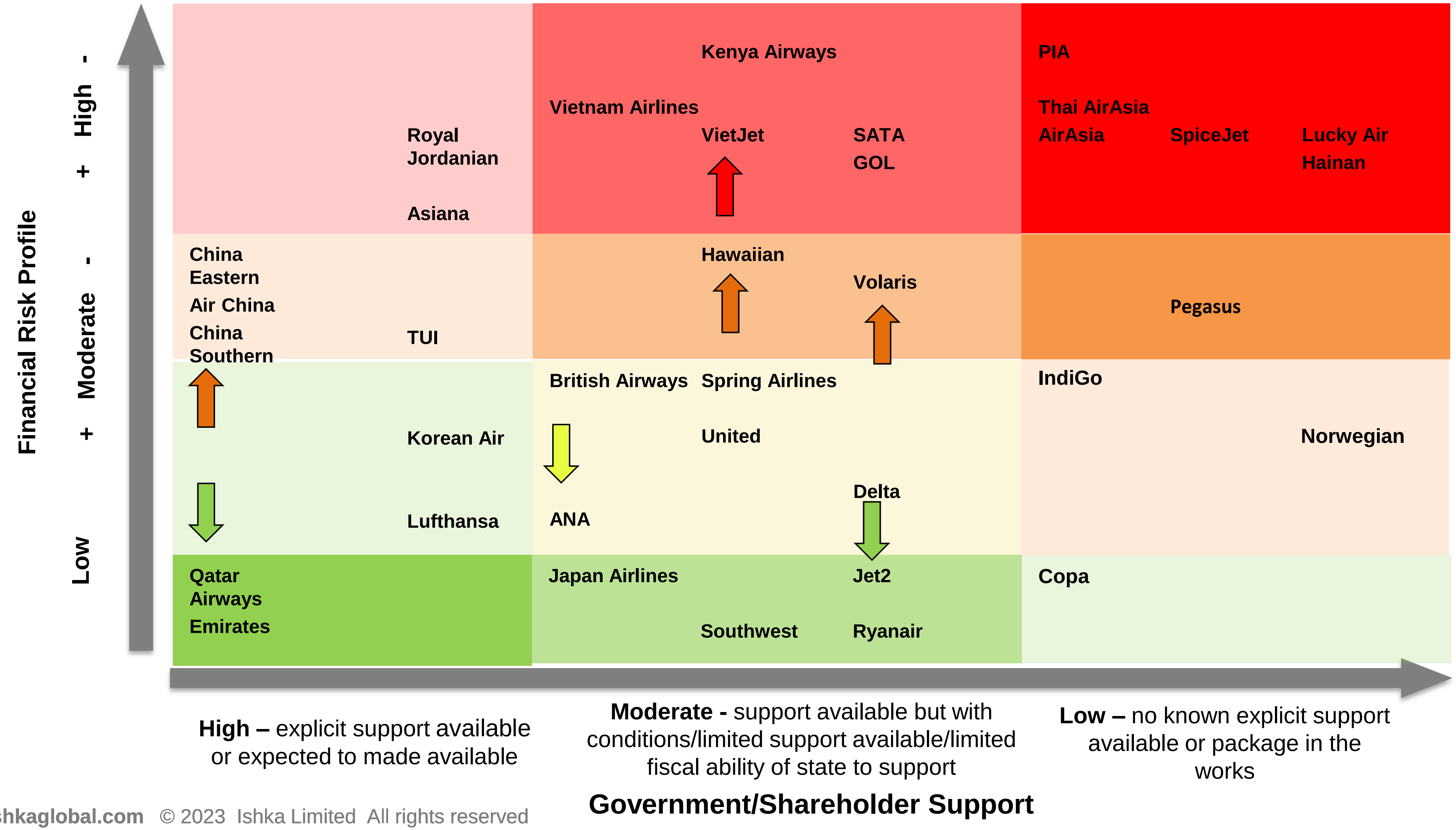




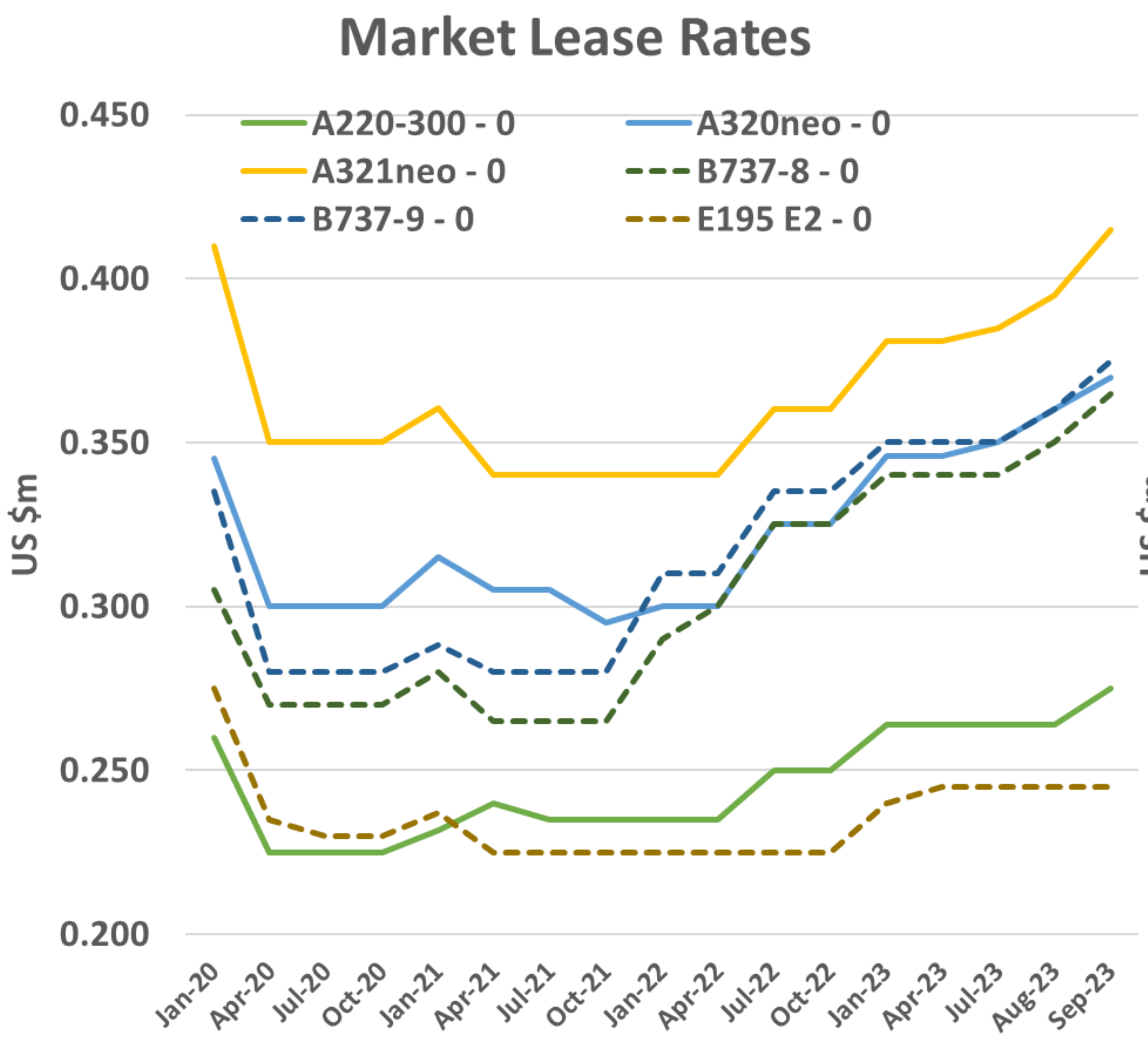
Source: Bloomberg

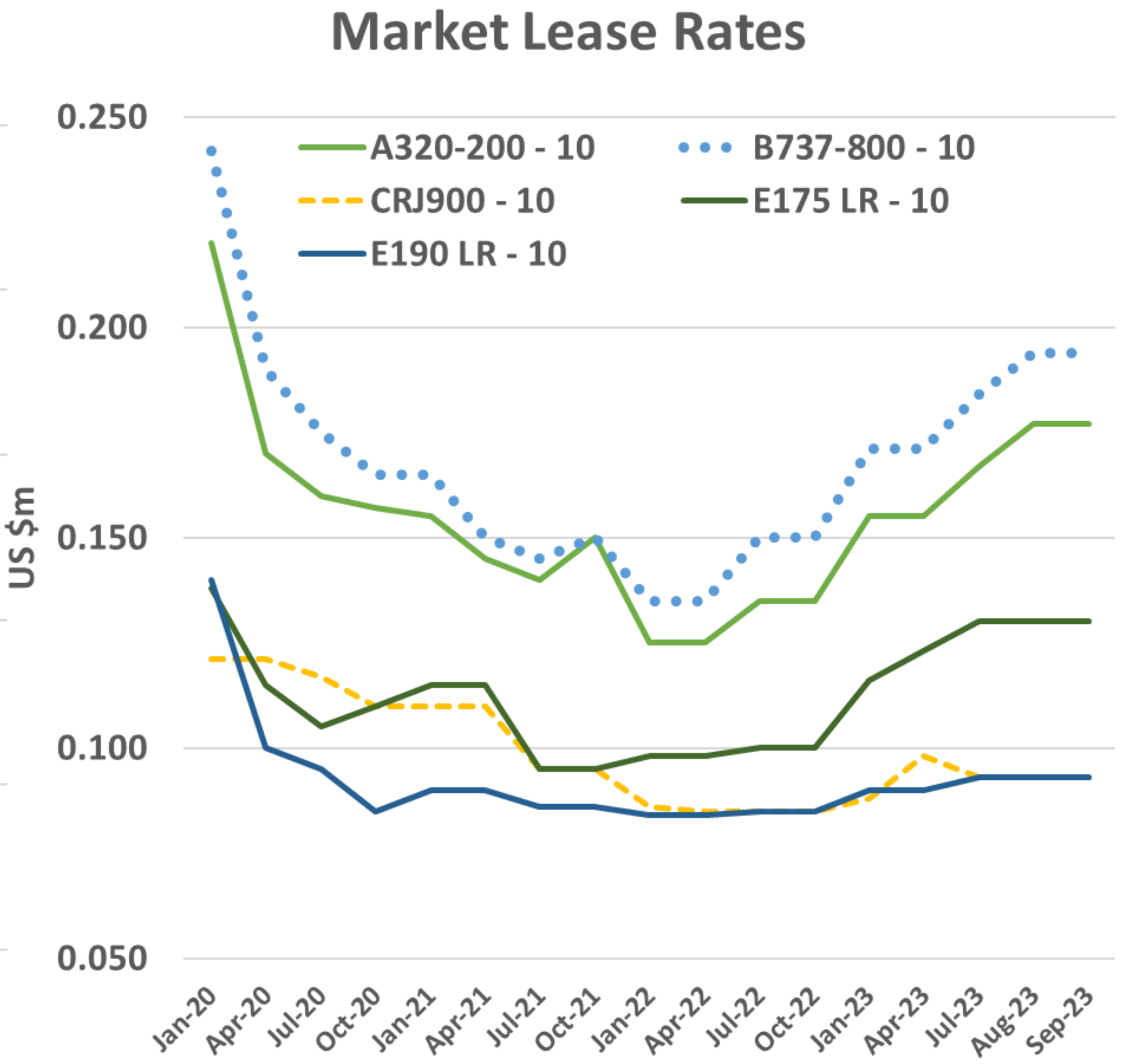
Ishka Airline Vulnerability Matrix – Highlights

Source: Ishka Airline Credit Profiles & Ishka Insights. To be read in conjunction with the full airline credit profiles. Airlines will move across these blocks if and when circumstances change e.g. if they secure external support or if their financial health deteriorates or improves. Information as of Week of 27th November 2023.



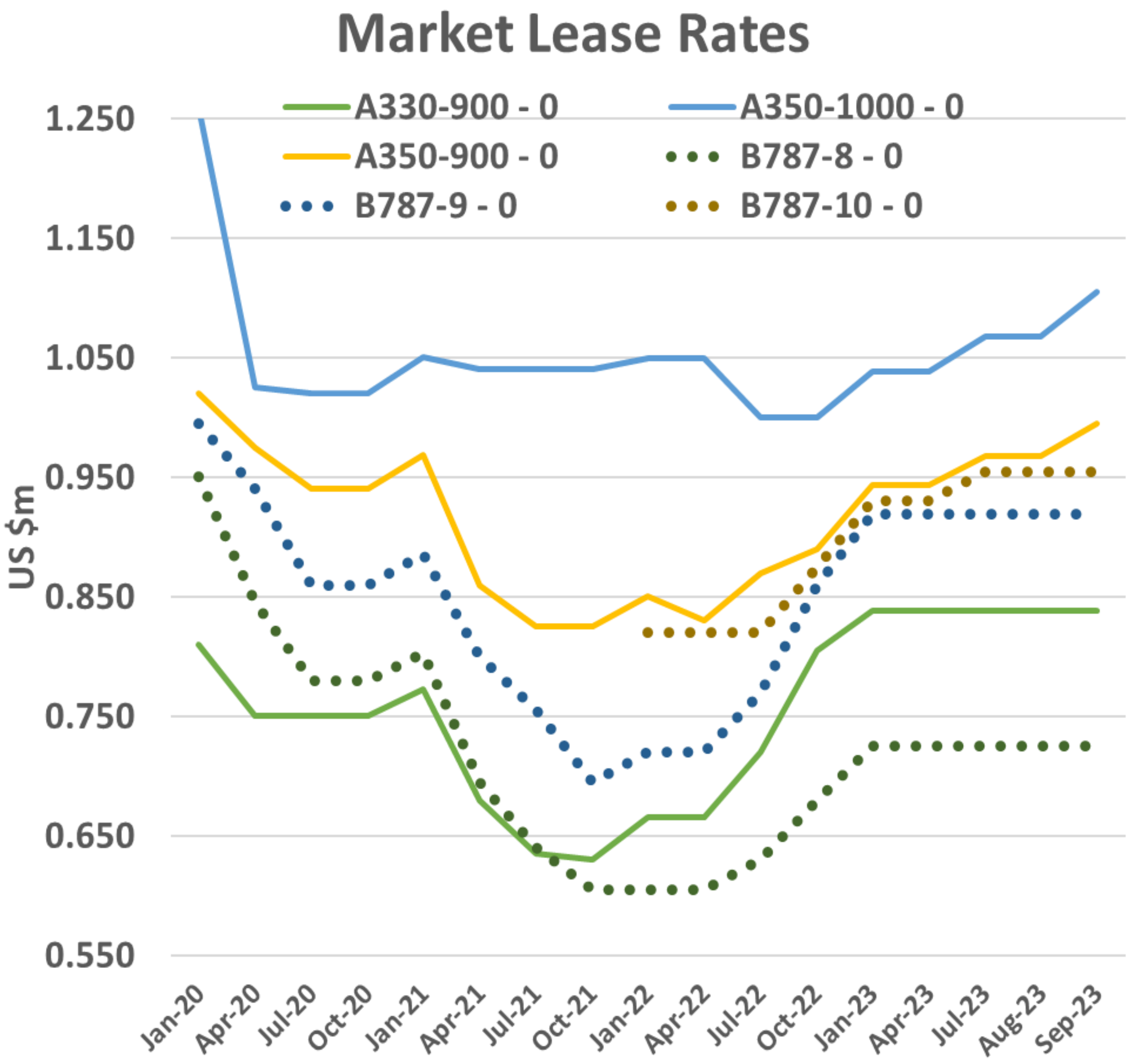
Narrowbody benefits from production disruption

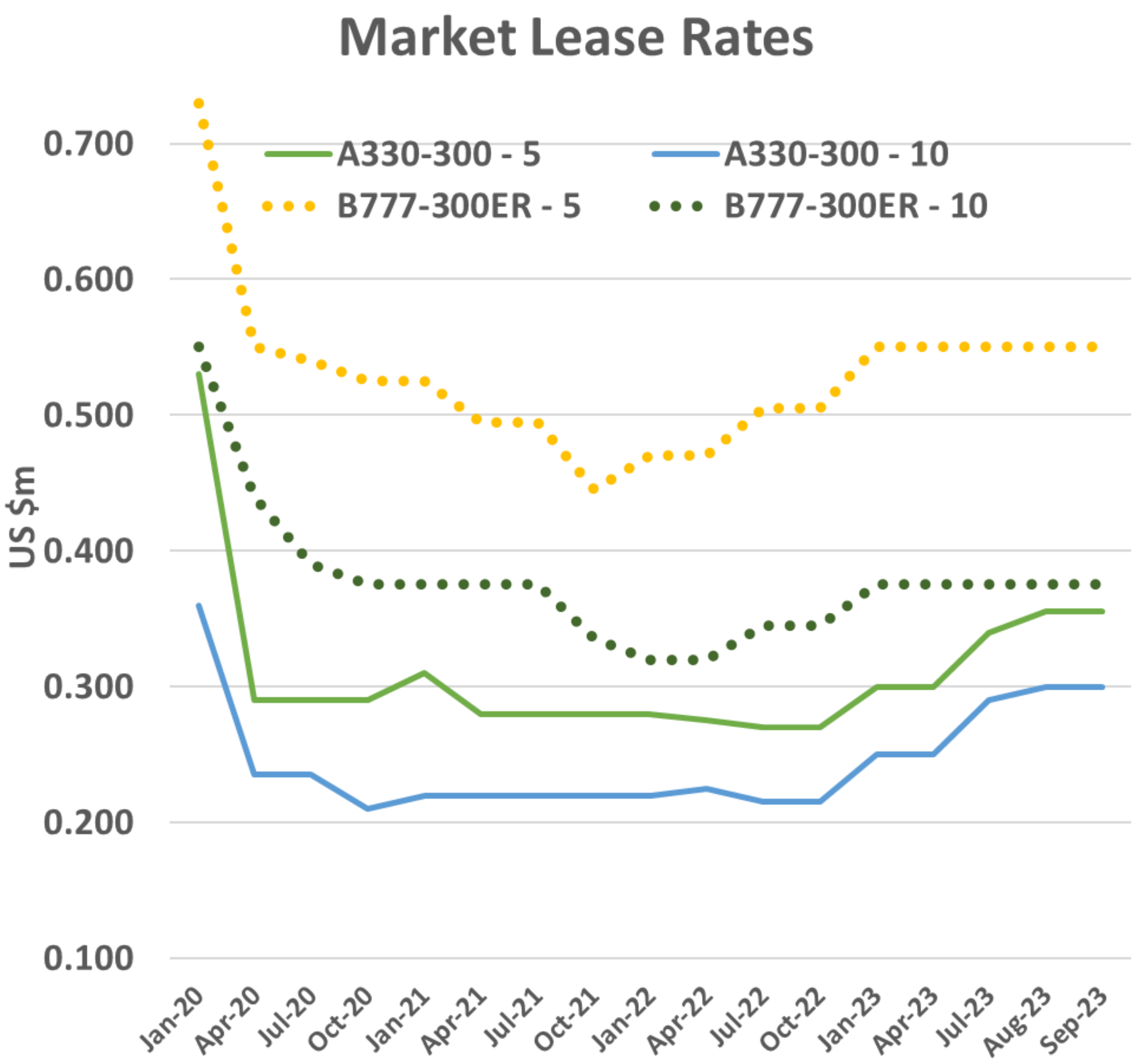




Source: Ishka Transaction Economics

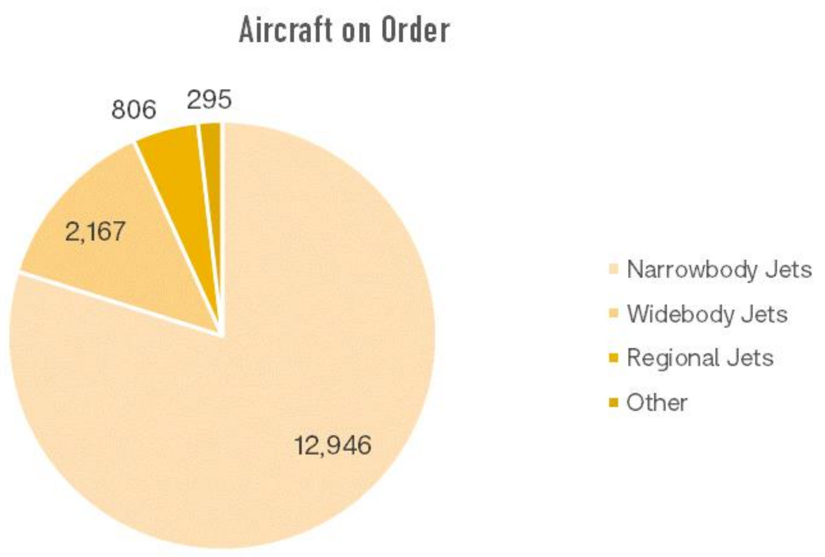
Widebody – recovery is lagging but improving

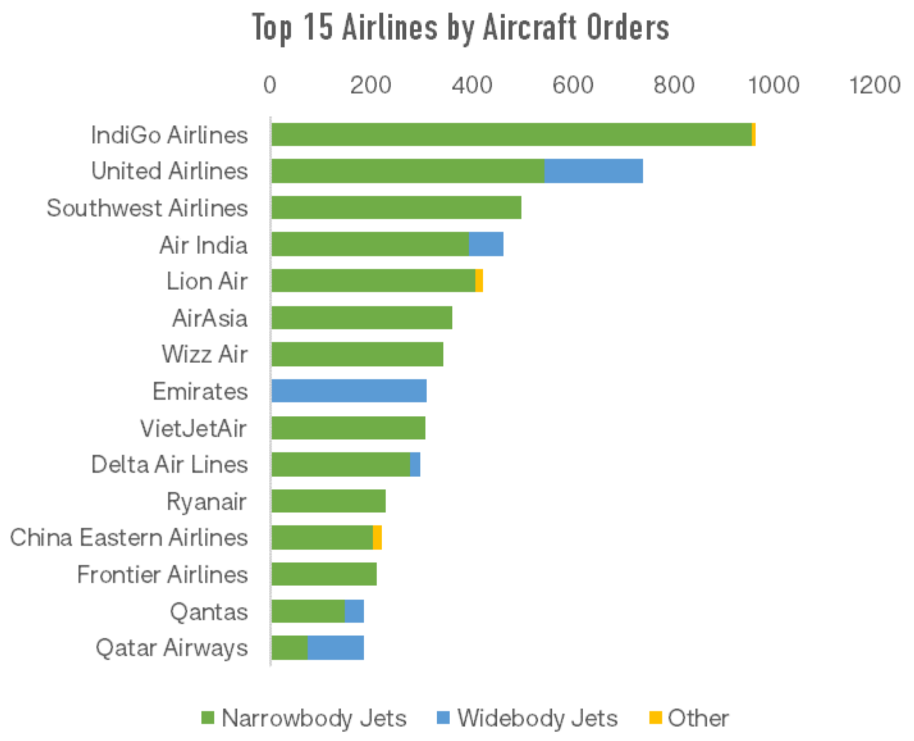




Source: Ishka Transaction Economics

AIRCRAFT ORDERS AND DELIVERIES





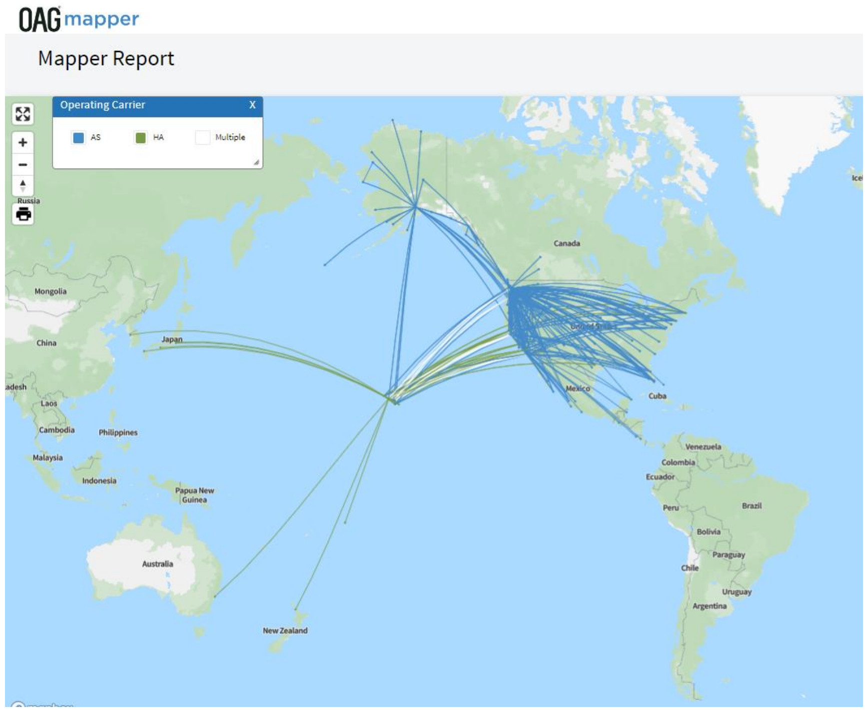
- 80% of the aircraft on order are narrowbodies, with nearly 13,000 orders placed. The A320 series (A320,A321) accounts for 52% of all narrowbody orders, and the B737MAX a further 36%.
- Indigo have by far the larger order, of any aircraft type, with their mixed order of almost 1,000 A320/A321s
- AirAsia and Wizz also have significant order books of this aircraft type at 362 and 343 respectively

WEBINAR

Order data sourced from CH Aviation as of 28 November 2023

MERGERS AND ACQUISITIONS

- This week brought the news that Alaska Airlines had agreed a deal to buy Hawaiian Airlines for $1.9bn.
- Alaska capacity in 2023 was 60.45m, Hawaiian 12.4m
- Combined they would move from 8th and 14th respectively to 6th largest, after a combined Jetblue/Spirit
- Both carriers have extensive domestic networks (97% and 95% of their capacity respectively), there is little overlap in their route network – just 12 domestic routes currently.

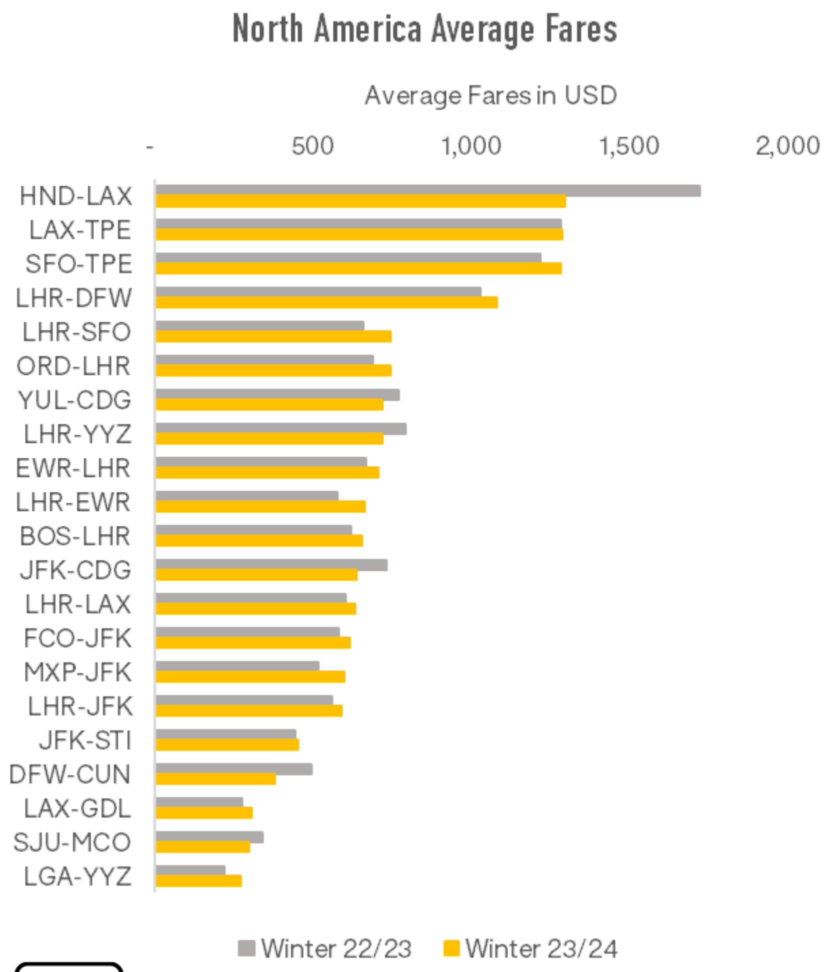


Data from Swiss airline intelligence provider ch-aviation

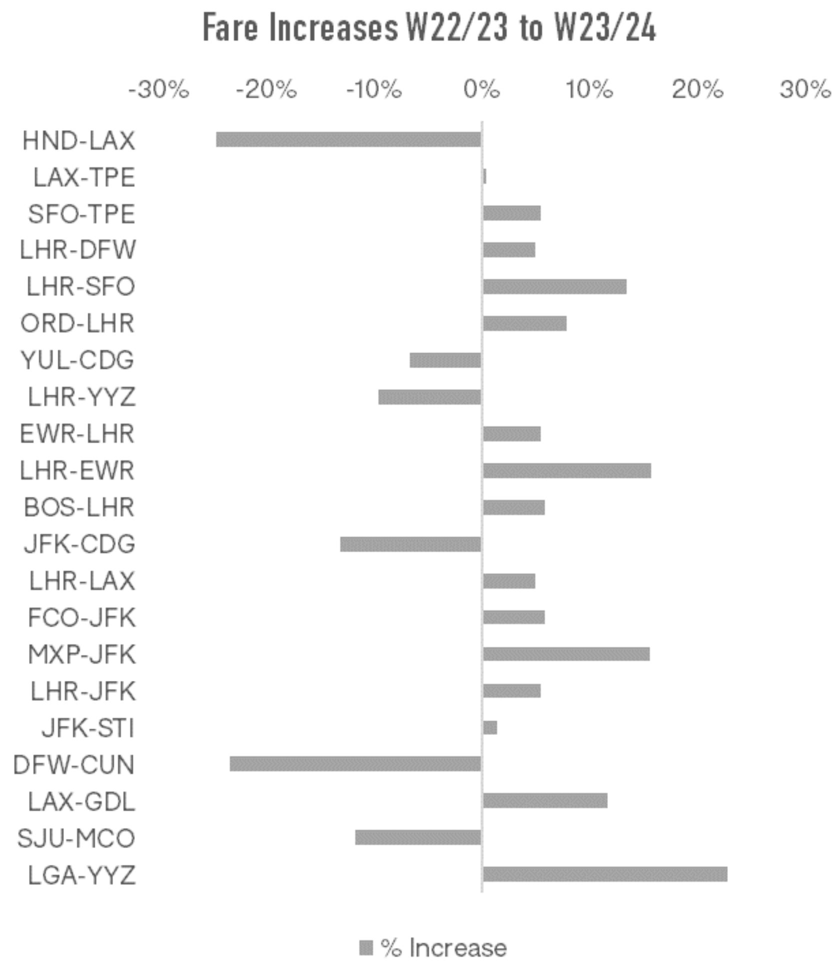
Rank	Carrier	2023 Seats		2023 Adjusted
1	Southwest Airlines		Southwest Airlines	
2	American Airlines		American Airlines	
3	Delta Air Lines		Delta Air Lines	
4	United Airlines		United Airlines	
5	Spirit Airlines		Jetblue & Spirit Airlines	
6	SkyWest Airlines		Alaska & Hawaiian	
7	JetBlue		SkyWest Airlines	
8	Alaska Airlines		Frontier Airlines Inc.	
9	Frontier Airlines Inc.		Republic Airways	
10	Republic Airways		Allegiant Air LLC	

WEBINAR

TOP 20 BUSIEST INTERNATIONAL ROUTES FARE TRENDS – NORTH AMERICA



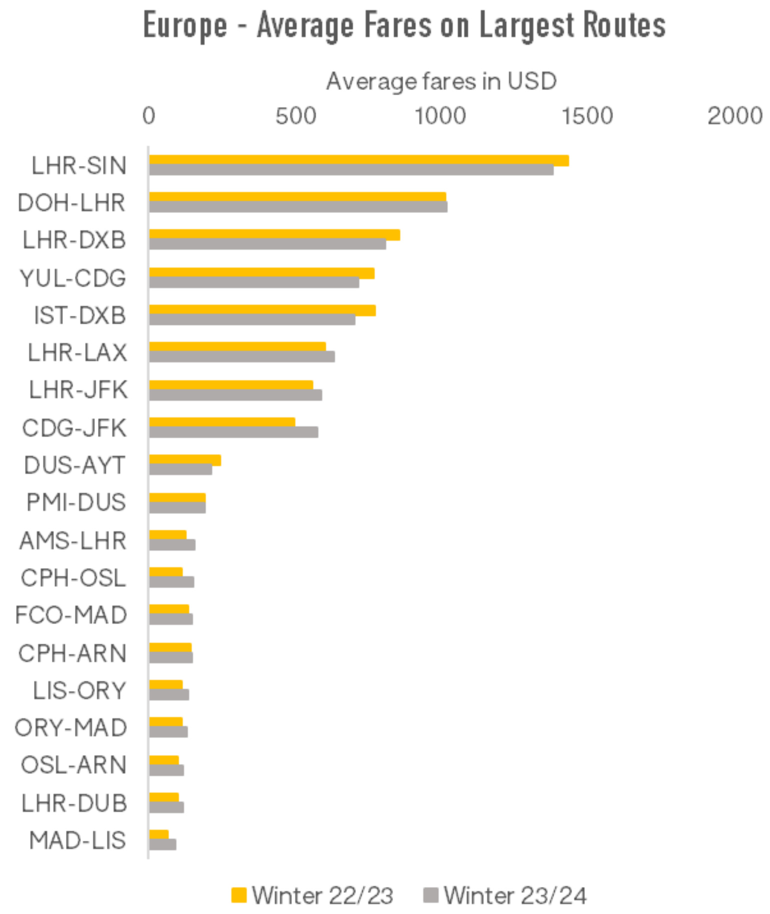
- New York La Guardia – Toronto has seen the greatest price increase this winter v's last year with average fares up by 23%
- A number of other New York routes have seen significant increases, London Heathrow – Newark which is +16%; Milan to New York JFK +16% and Rome to New York JFK +5%.
- Fares have fallen on some key transatlantic trunk routes however including London Heathrow – Toronto by -10%, New York JFK to Paris by -13%



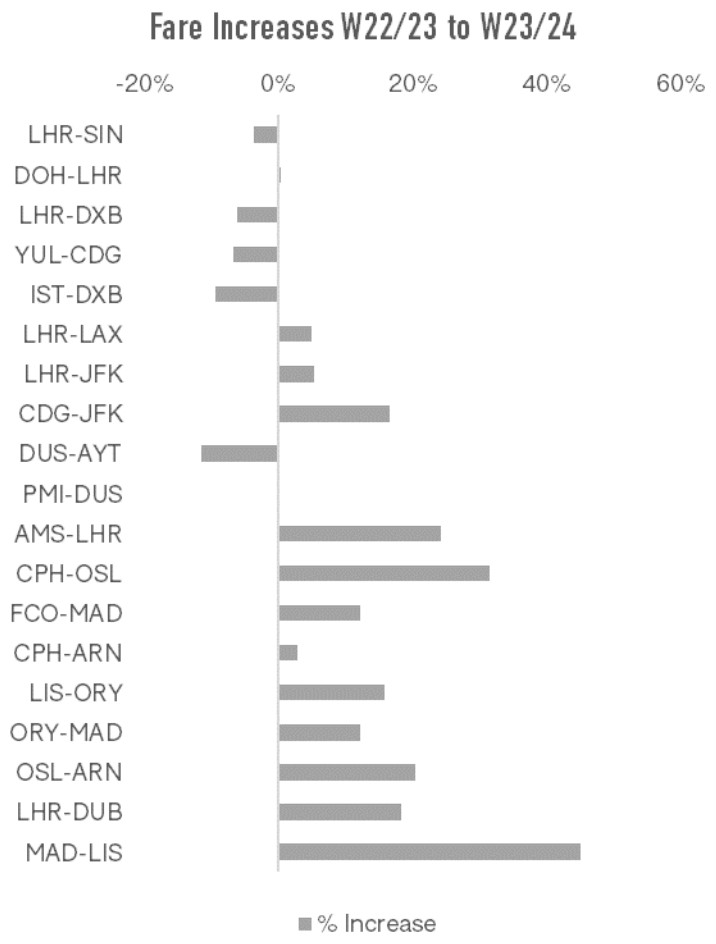
Fare data sourced from INFARE and is for winter departures (December, January, February). Prices observed 4 months prior departure (ECO, RT, Direct) and are average two way economy fares. Prices are in collected in local currency but displayed in USD

WEBINAR

TOP 20 BUSIEST INTERNATIONAL ROUTES FARE TRENDS – EUROPE



- Routes currently seeing fare increases this winter are short haul e.g. Heathrow – Dublin, Madrid – Lisbon, Copenhagen - Oslo
- On average fares across the Top 20 in Europe increased by 9%
- London Heathrow – Dubai is down this winter by 6% and another key Dubai route, from Istanbul is also down by 9% this winter.



Fare data sourced from INFARE and is for winter departures (December, January, February). Prices observed 4 months prior departure (ECO, RT, Direct) and are average two way economy fares. Prices are in collected in local currency but displayed in USD

WEBINAR

STAY INFORMED

- SIGN UP TO OUR BLOG
  www.oag.com/blog

- REGULAR UPDATES ON OUR TRAVEL RECOVERY PAGE
  www.oag.com/coronavirus-airline-schedules-data

- e: contactus@oag.com | www.oag.com

WEBINAR