



FLEETS, FINANCES AND FORECASTS:

HOW ARE AIRLINES DOING?

THURSDAY 29TH MAY



WEBINAR



SPEAKERS

**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**



Siddarth Narkhede

Head of Airline Analysis, Ishka

Sid has over eight years' experience in aviation research and analysis. He has a strong background in airline financial research and strategic analysis and has written many business and credit research reports on airlines and other industries alike.

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.



TODAY'S DISCUSSION

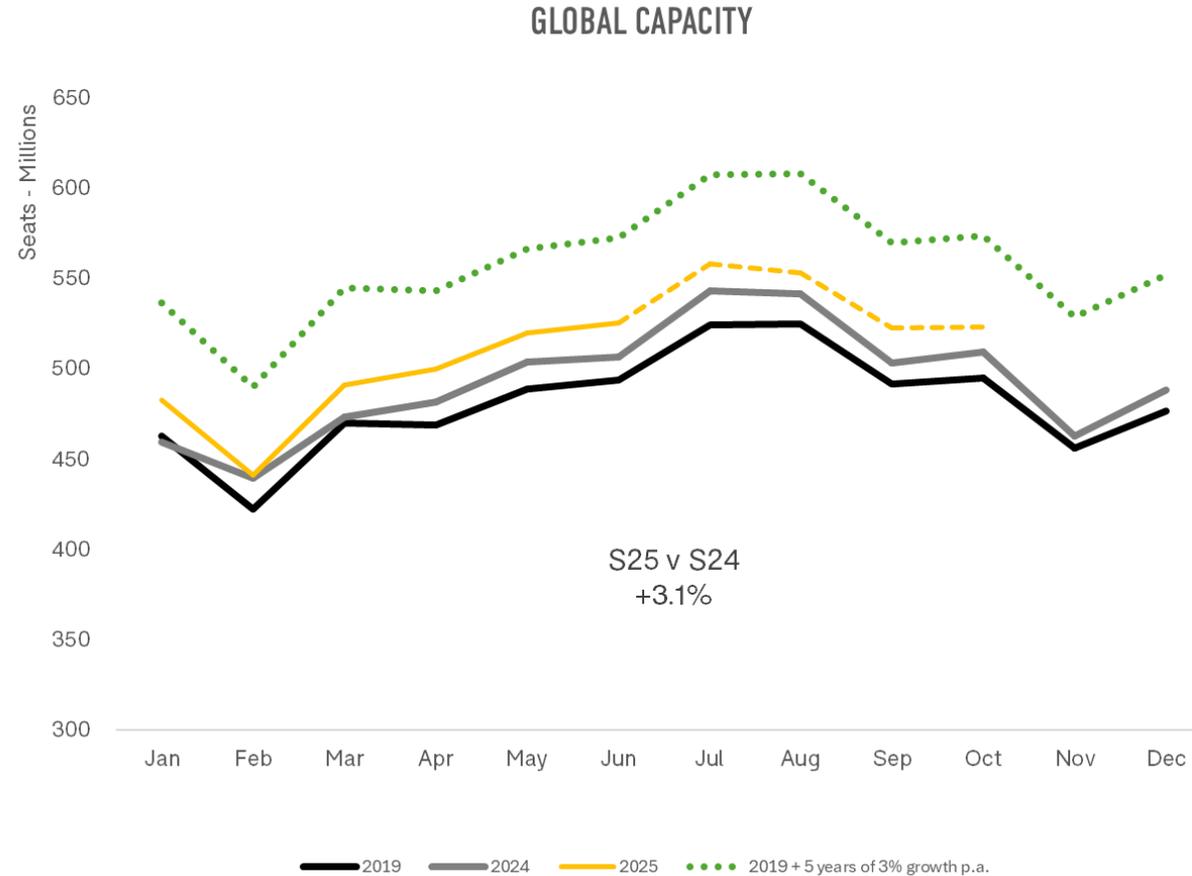
Join us as we investigate the current operating environment for airlines.

- With some recent big orders, how are airline fleets evolving?
- Who is leading in terms of growth, and where?
- How will future orders shape global fleets going forward?
- Can airlines accurately forecast demand in the current era of tariffs and geopolitical turmoil?
- Is lack of investment in infrastructure holding airlines back?

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



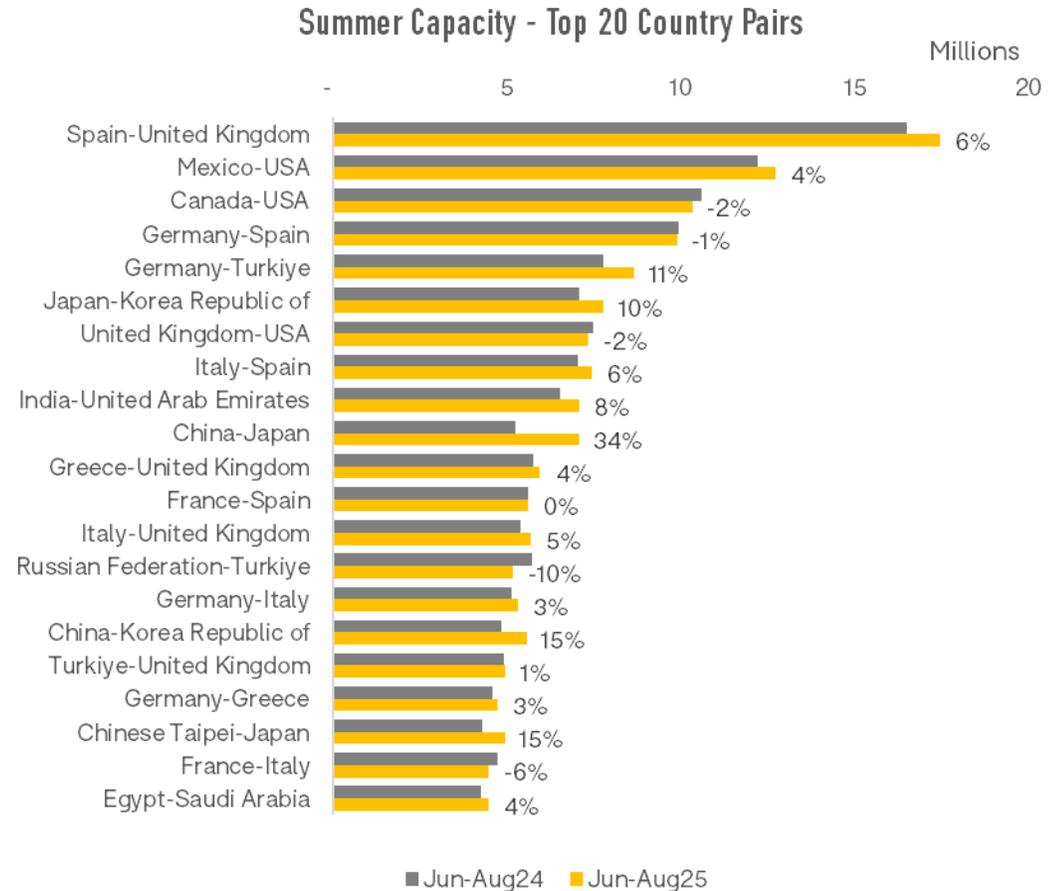
GLOBAL GROWTH TRENDS



- Capacity for this summer is expected to be 3.1% ahead of 2024, a little slower than we expected last month.
- For the year to date so far (Jan-May25), capacity is 3.3% ahead of the same months in 2024.

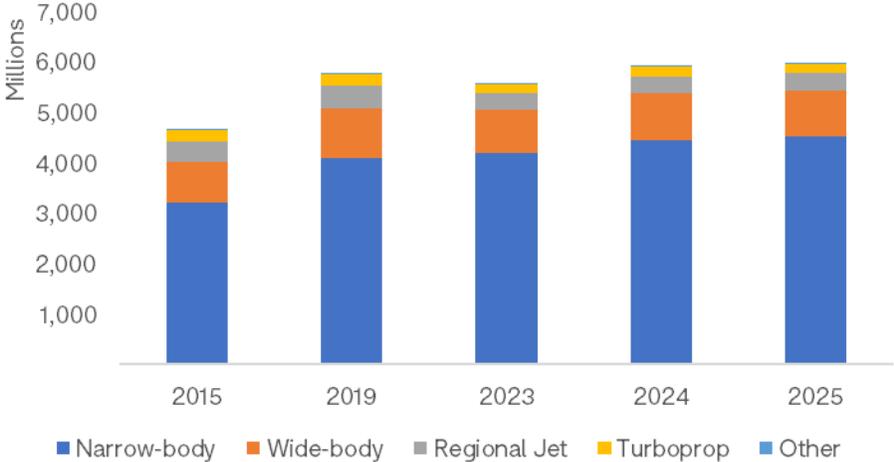
GLOBAL GROWTH TRENDS – TOP 20 COUNTRY PAIRS

	Jun-Aug24	Jun-Aug25	Change
Spain-United Kingdom	16,496,619	17,445,771	6%
Mexico-USA	12,214,589	12,719,199	4%
Canada-USA	10,599,626	10,338,823	-2%
Germany-Spain	9,950,914	9,888,774	-1%
Germany-Turkiye	7,771,199	8,664,196	11%
Japan-Korea Republic of	7,080,057	7,769,389	10%
United Kingdom-USA	7,475,125	7,346,739	-2%
Italy-Spain	7,057,005	7,451,484	6%
India-United Arab Emirates	6,544,799	7,071,193	8%
China-Japan	5,269,223	7,071,769	34%
Greece-United Kingdom	5,754,497	5,965,736	4%
France-Spain	5,622,730	5,621,855	0%
Italy-United Kingdom	5,407,676	5,682,163	5%
Russian Federation-Turkiye	5,746,848	5,177,377	-10%
Germany-Italy	5,144,707	5,324,366	3%
China-Korea Republic of	4,859,855	5,574,795	15%
Turkiye-United Kingdom	4,930,511	4,965,373	1%
Germany-Greece	4,605,904	4,727,146	3%
Chinese Taipei-Japan	4,297,408	4,956,414	15%
France-Italy	4,747,680	4,486,524	-6%
Egypt-Saudi Arabia	4,282,777	4,468,933	4%

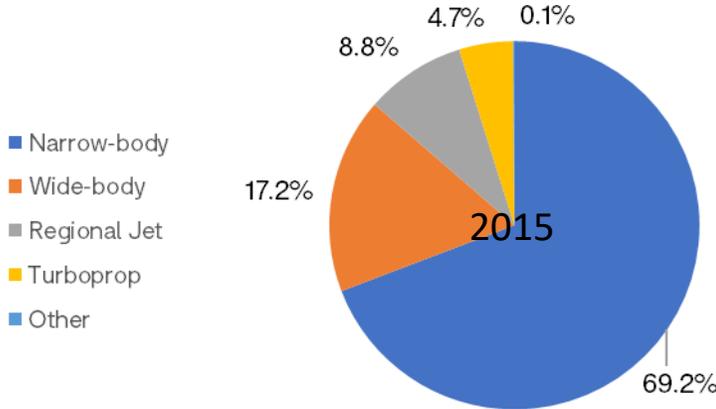


NARROWBODIES INCREASINGLY DOMINATE GLOBAL FLEETS

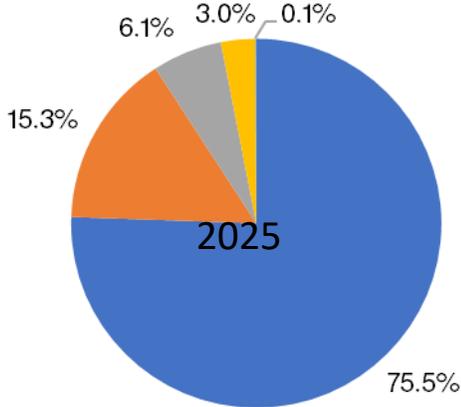
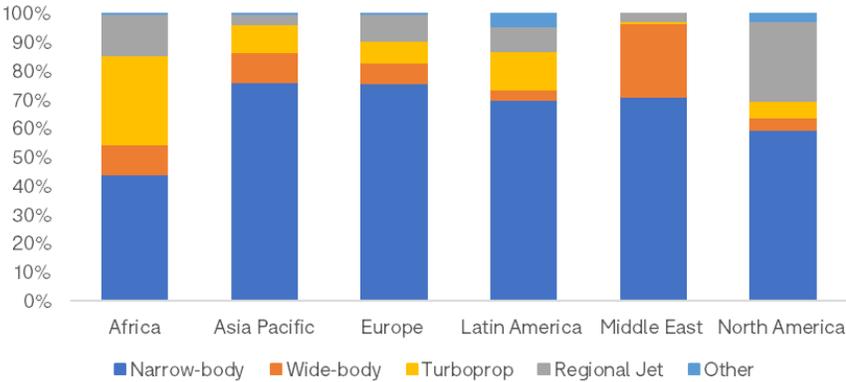
Seats by Aircraft Type



Aircraft Type by Group



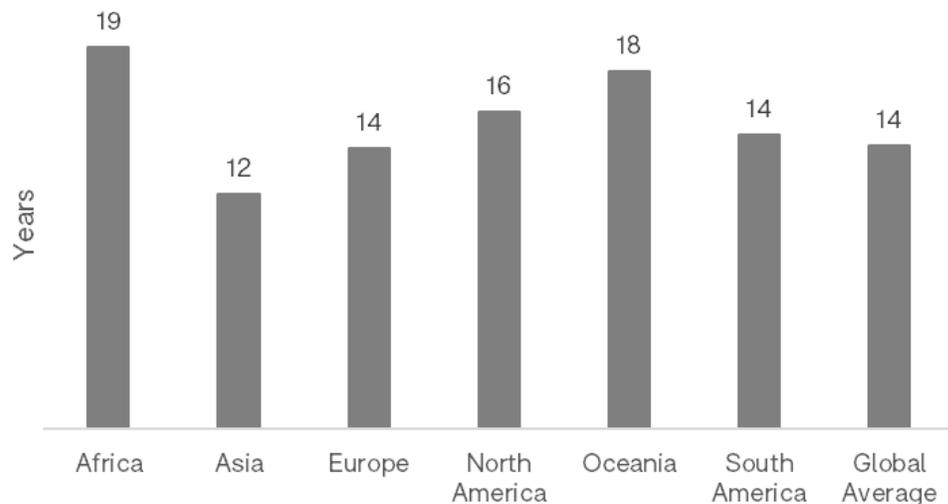
Frequency by Region by Aircraft Type in 2025



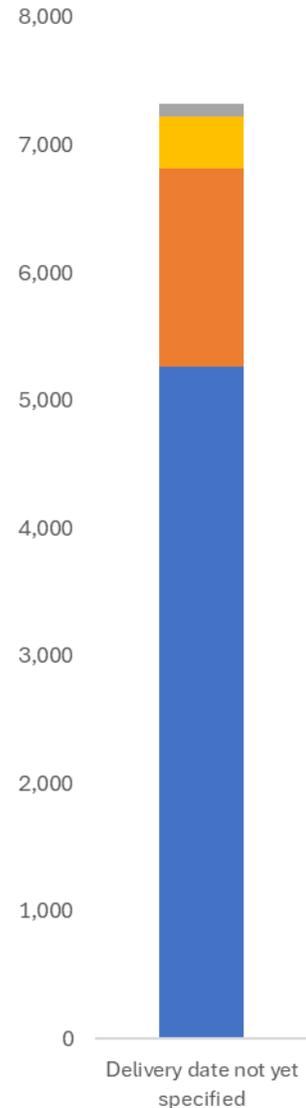
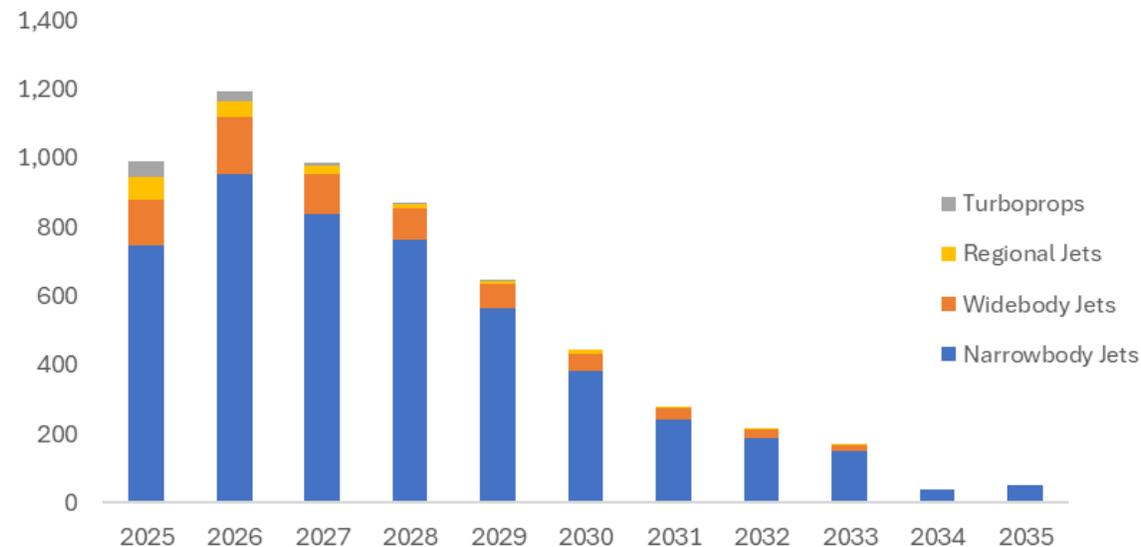
HOW WILL TODAY'S ORDERS SHAPE TOMORROW'S FLEETS?

- Asia has the largest fleet currently, accounting for a third of all aircraft
- It also has the youngest fleet – with an average aircraft age of 12 years – meaning that more of the aircraft on order will facilitate growth rather than fleet replacement
- For North America and Oceania, many more of the aircraft on order will be for replacement

Average Aircraft Age

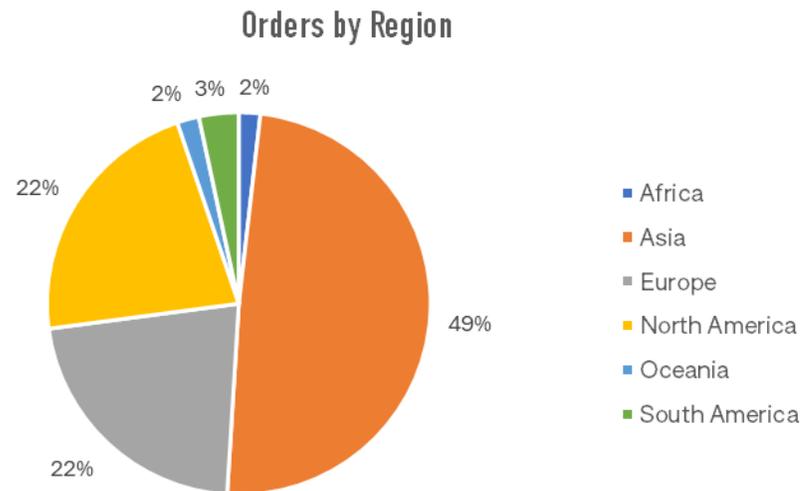


Aircraft on Order by Type



HOW WILL TODAY'S ORDERS SHAPE TOMORROW'S FLEETS?

- Of the aircraft on order as of today, 49% of these are attributable to operators/lessors based in Asia

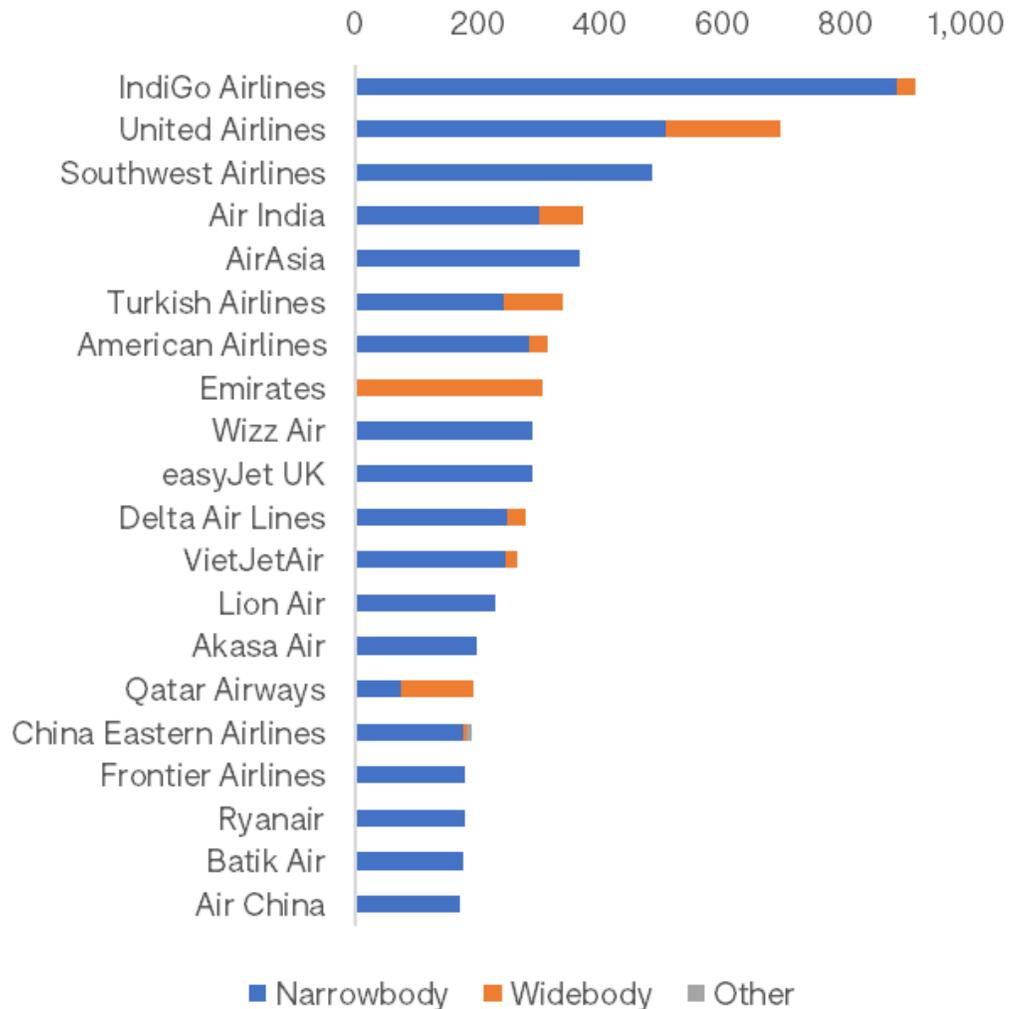


Country	Orders
India	1761
China	1369
Indonesia	514
Malaysia	432
Singapore	409
Viet Nam	346
Korea (the Republic of)	210
Hong Kong	184
Japan	169
Taiwan (Province of China)	142
Philippines (the)	121
Thailand	55



WHO IS DRIVING FLEET GROWTH?

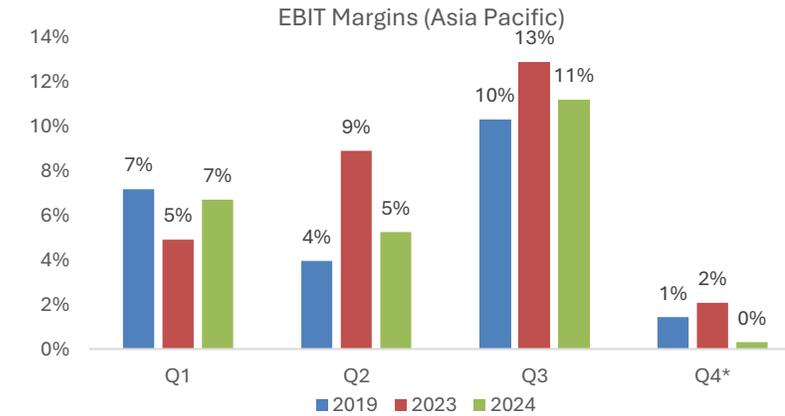
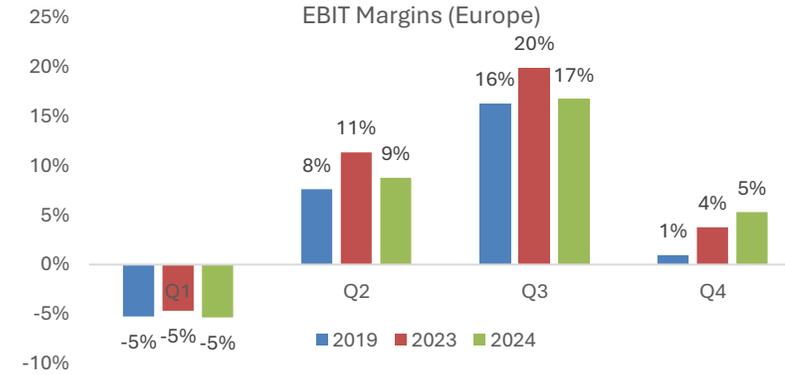
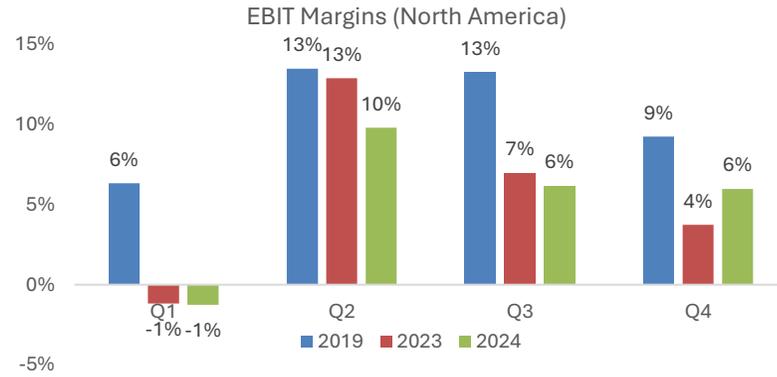
Top 20 Largest Aircraft Orders by Carrier



The last two months have seen a flurry of widebody aircraft orders:

- Saudia group – 20 A330neos
- IAG – 53 widebody aircraft (32 B787s and 21 A330-900s) ordered for the group carriers – BA, EI, IB
- Qatar – 160 widebody aircraft orders (Boeing’s largest ever wide body aircraft order) with 130 B787 Dreamliners and 30 B777X’s, and options for a further 50 aircraft. With an average fleet age of 10.5 years across their fleet, this order gives room for growth and fleet replacement
- Vietjet – 20 widebody A330neos ordered

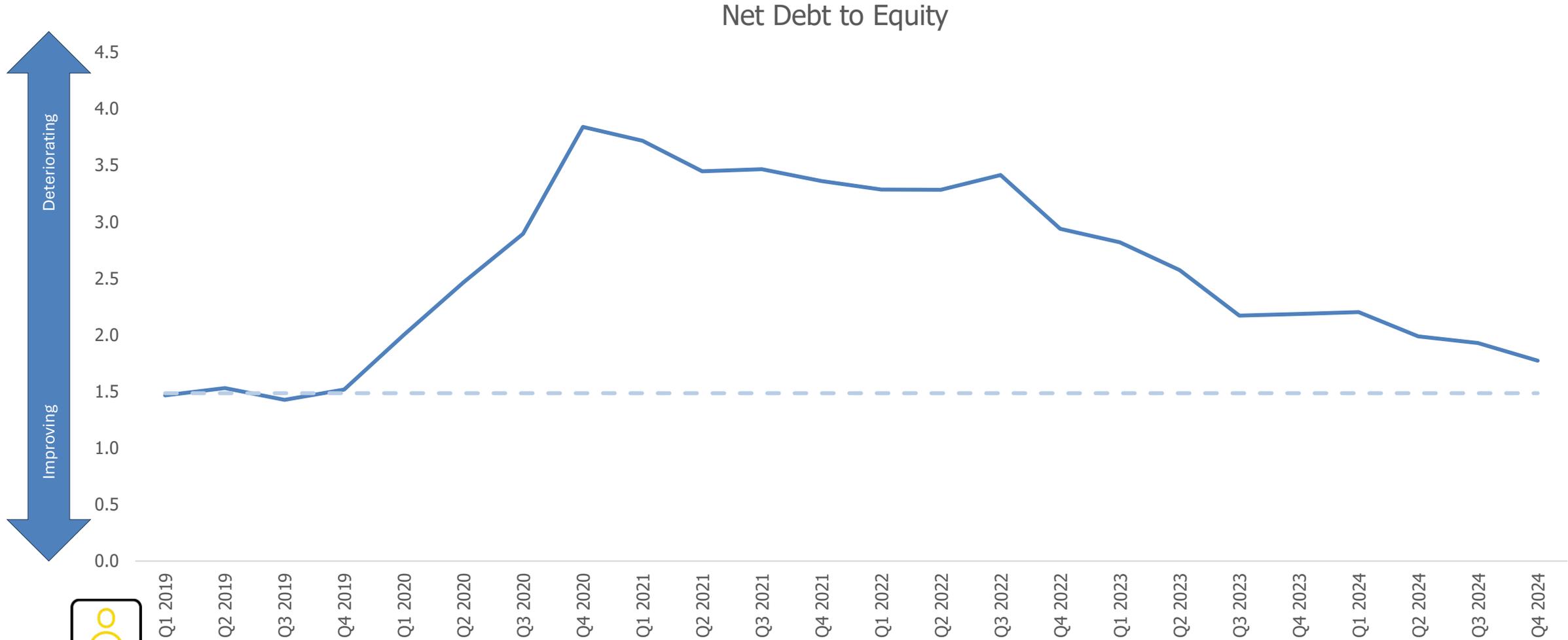
Margins Moderate as Costs Outpace Revenues



Source: Bloomberg, Airline Credit Profiles and Ishka Calculations. Sample size varies between 67-70 airlines. Sample size could vary by quarter marginally depending on airline disclosures.



Debt levels have come down but remain elevated

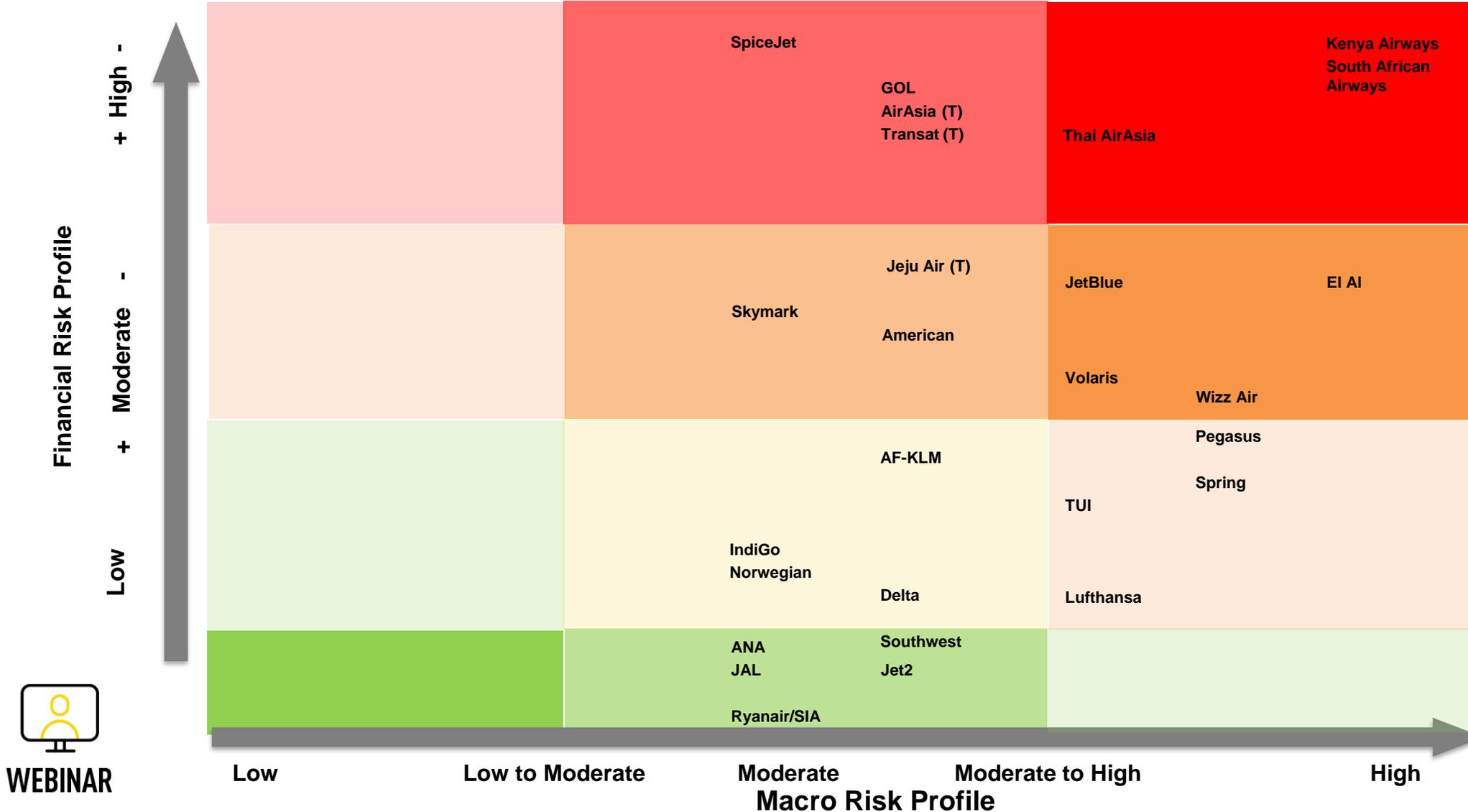


Source: Bloomberg, Ishka Airline Credit Profiles and Ishka Calculations. Sample size – 63 airlines. Sample size could vary by quarter marginally depending on airline disclosures.



Highlights - Ishka Airline Vulnerability Matrix Macro Risk Profile

Source: [Ishka Airline Credit Profiles](#). To be read in conjunction with the full airline credit profiles. Airlines will move across these blocks if and when circumstances change. Information as of Week of 19 May 2025. ^Estimate T - In Transit - position likely to remain volatile

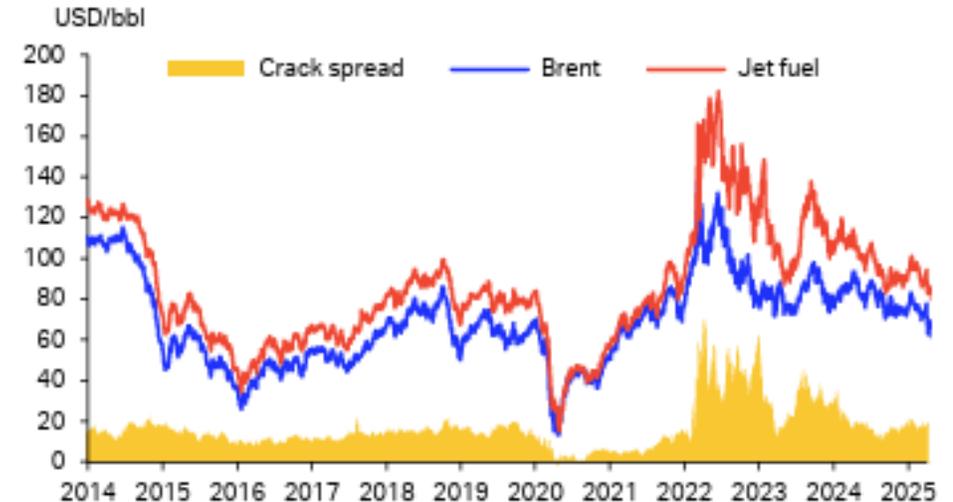


Exposure to exogenous risk factors such as FX, economic conditions, internal politics/geopolitical situation and infrastructure

FORECASTS: IS RECESSION LOOMING?

- IATA Report in Q1 2025 that GDP is holding steady at just above 3%, but now likely to slow to 2.5% in 2025, and US GDP will drop to 1.5%. IATA don't believe a global recession is imminent
- Whilst US imposed tariffs are impacting global trade, they are levied on goods rather than services. Services account for 67% of the global economy meaning the impact is less potentially
- The price of oil is currently low – USD 64 per barrel as of 9 May 2025, down from USD 75.7 per barrel in Q1 2025.
- Based on an average daily consumption of 7.5m barrels of oil a day across the airline industry, that fall saves the industry on average USD 87.75m a day...

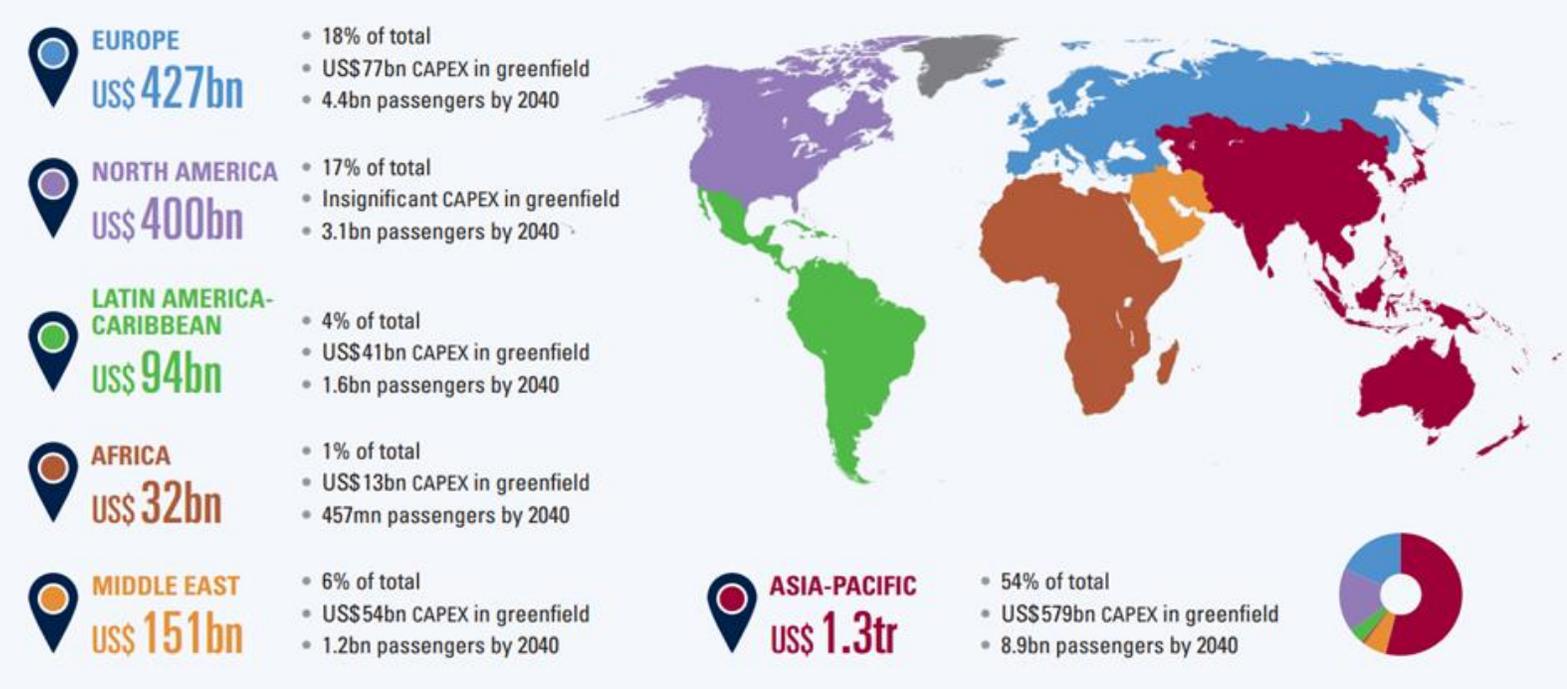
Chart 3: Brent crude oil, jet fuel, and crack spread, USD per barrel



Source: IATA Sustainability and Economics, using data from S&P Global Commodity Insight.



INFRASTRUCTURE BOTTLENECKS – AIRPORT CAPEX NEEDS BY REGION



Source: Global Outlook of Airport Capital Expenditure ACI/Oxford Economics report via CAPA

There are some key infrastructure investment challenges emerging:

- Lack of ATC Controllers – in the US the FAA faces a shortage with around 3,500 vacancies as of March 2025
- Lack of investment in ATC infrastructure and technology – recent issues at Newark and Paris Orly underscore the importance of ensuring ATC receives adequate investment and has capacity to grow
- Eurocontrol’s latest forecast (Dec 2024) predicted that by 2050 7% of the demand (i.e. 1.1 million flights) won’t be met because of movement limitations due to airport constraints.



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