Industry Outlook: Energy in Crisis

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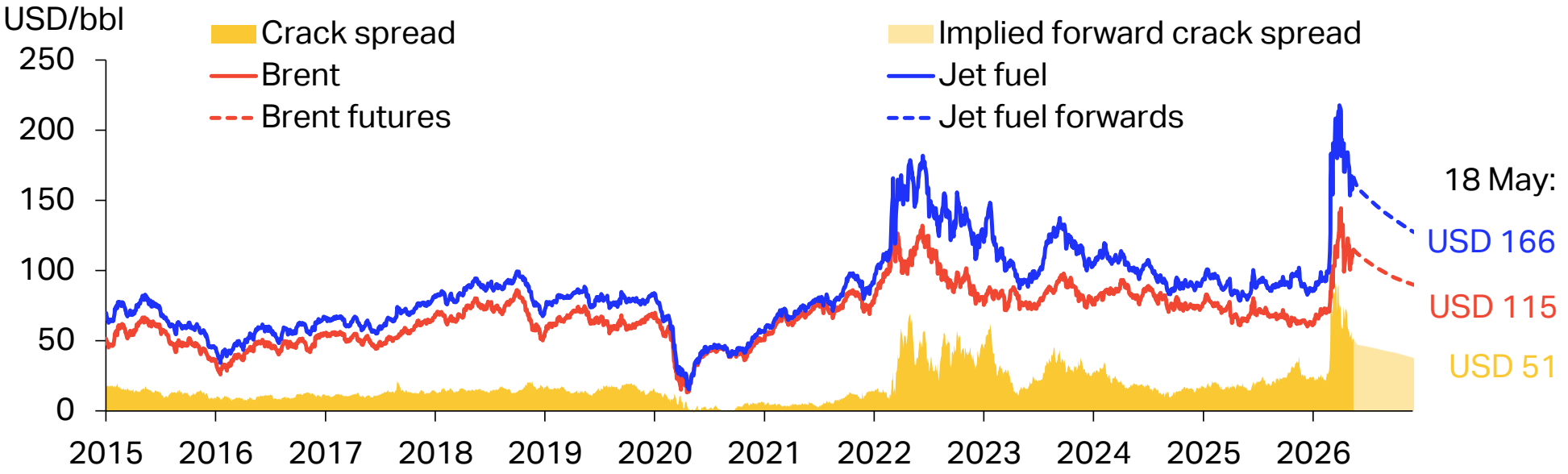
Oil and refining shock brings record-high jet fuel price

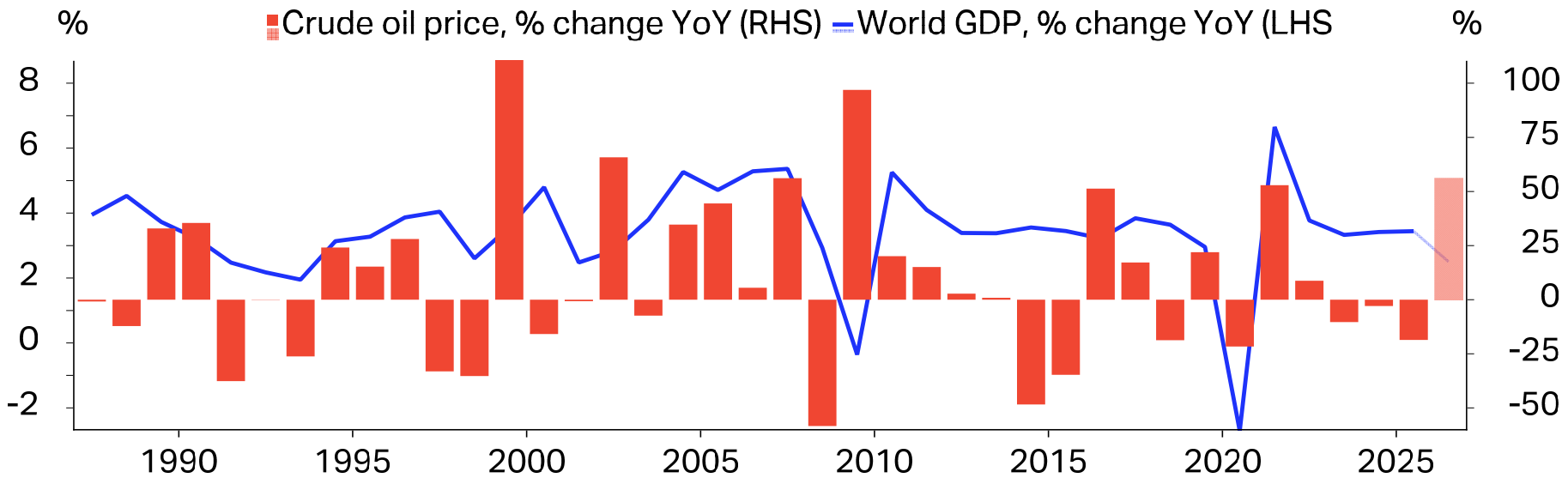
Jet fuel price, crude oil price, and the spread between the two (crack spread), USD per barrel



Source: IATA Sustainability and Economics, S&P Global Energy Platts.

High oil prices dampen global GDP growth

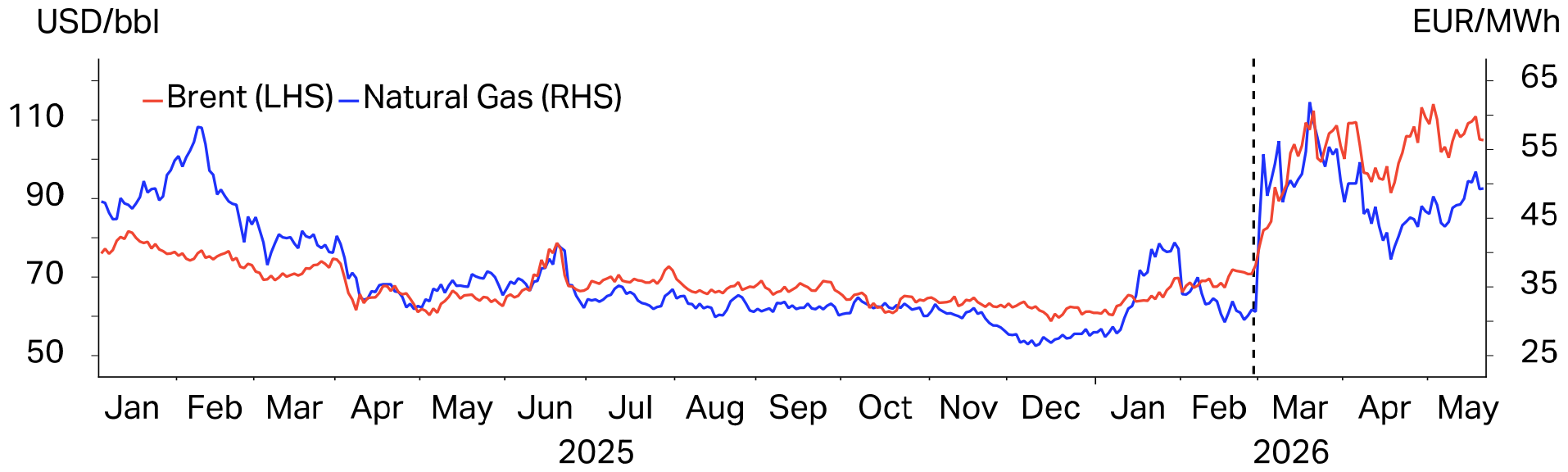
Brent crude oil price, % YoY, and global GDP, % YoY



Source: IATA Sustainability and Economics, IMF, Macrobond.

Higher energy prices will weigh on real incomes

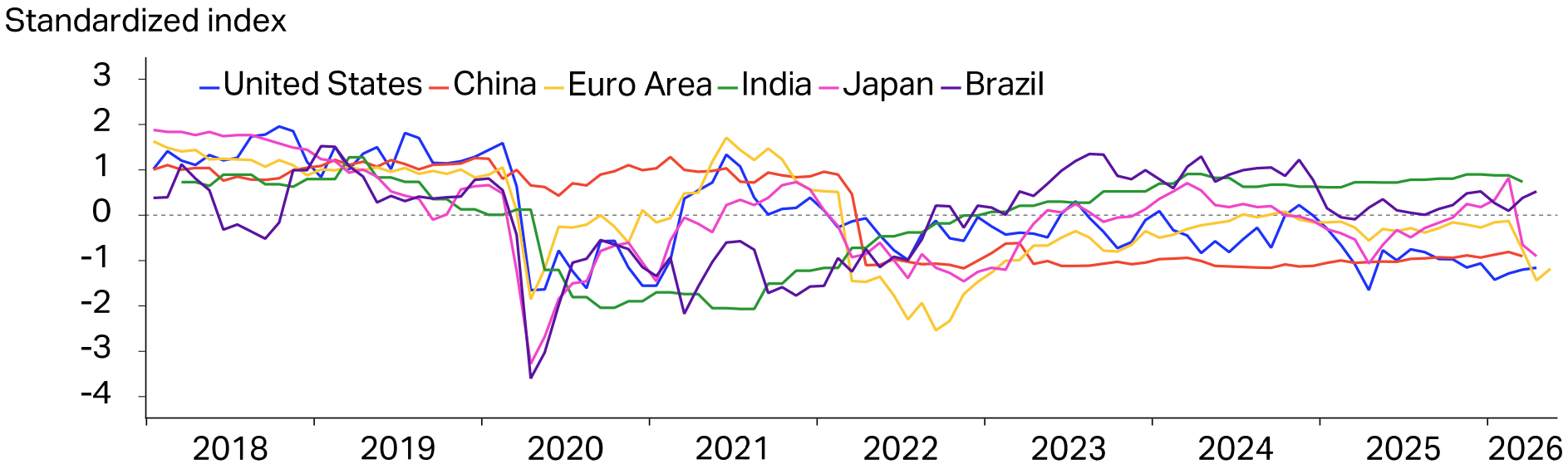
Oil and natural gas prices since the start of the Iran war



Source: IATA Sustainability and Economics, Macrobond.
Note: Vertical dashed line indicates the start of the war in Iran (28th February)

Consumer confidence is weak and deteriorating

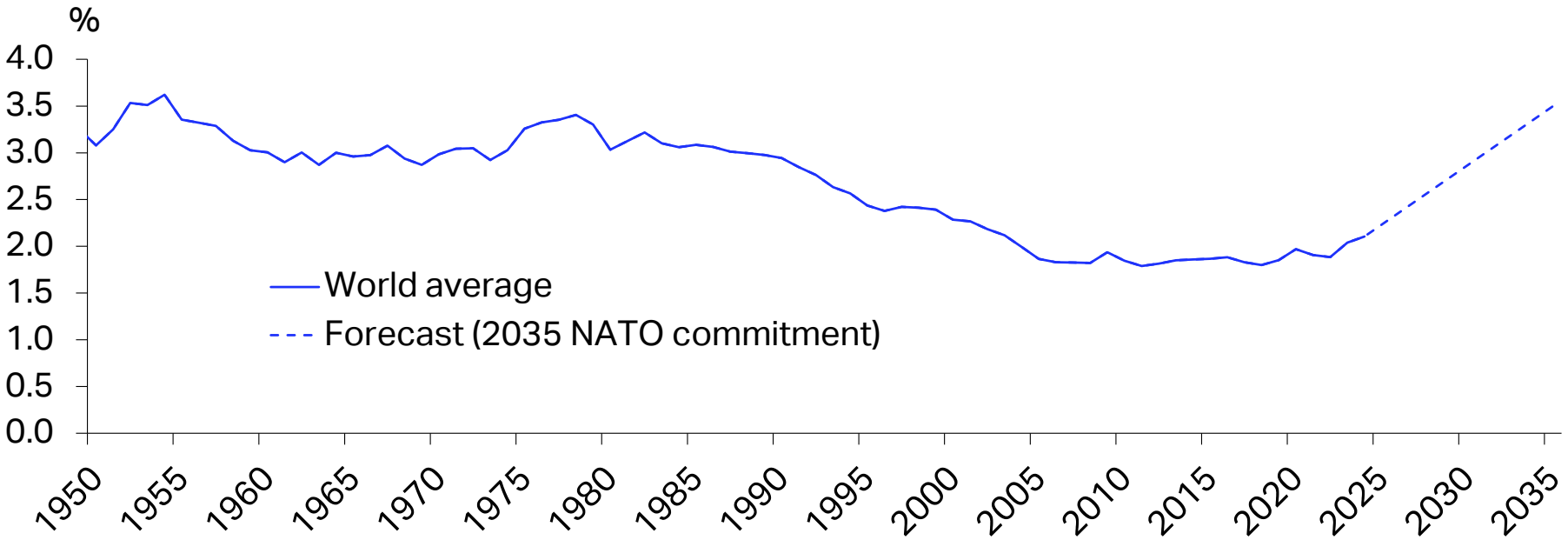
Consumer confidence indices, standardized



Source: IATA Sustainability and Economics, Macrobond.
Notes: Series are standardized. A negative value indicates consumer confidence below the sample average.

Defense spending is on the rise

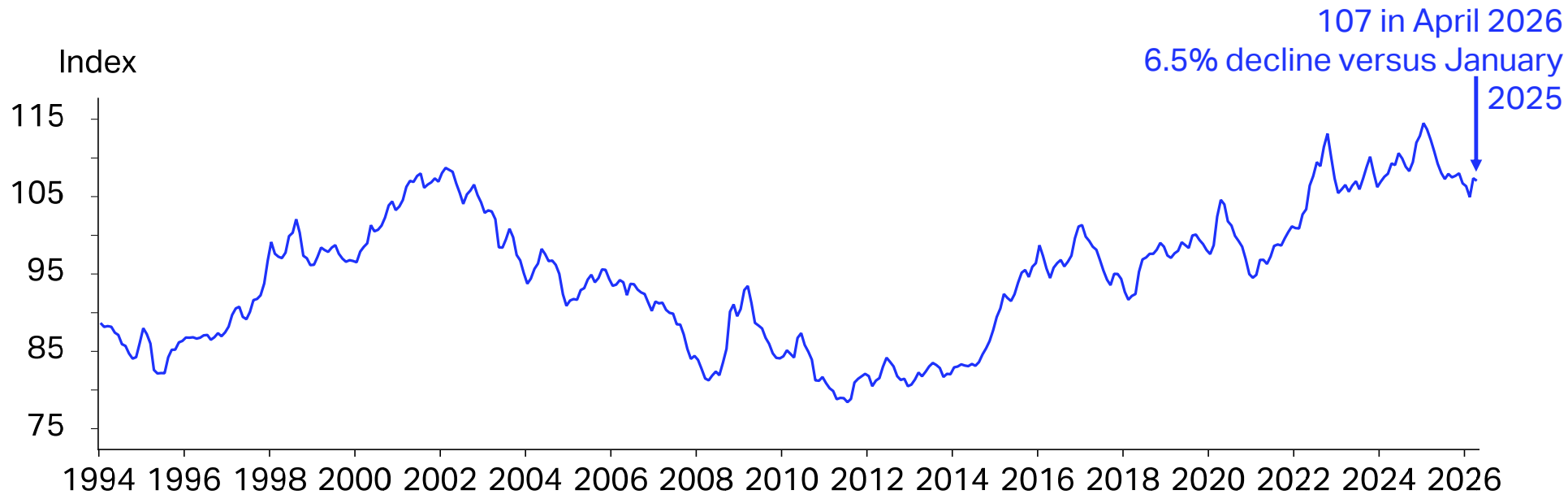
World defense spending as a share of global GDP, %



Source: IATA Sustainability and Economics, IMF.

The USD is not the safe-haven it used to be

Real Broad Effective Exchange Rate, index, January 2019 = 100

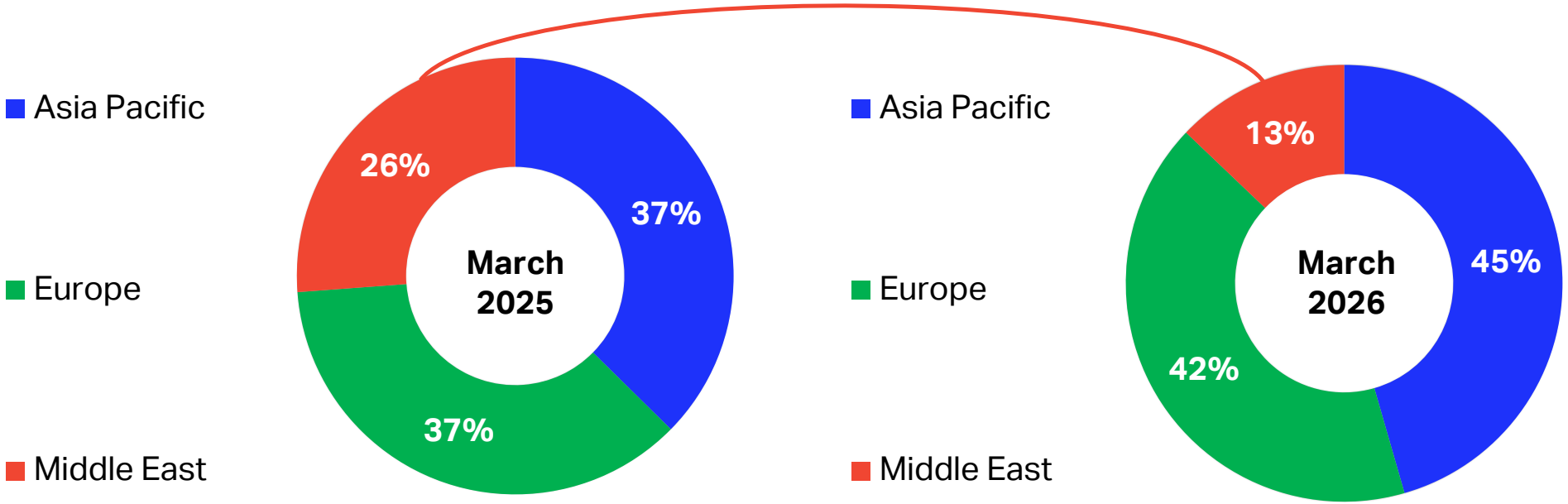


Source: IATA Sustainability and Economics, Bank for International Settlements, MacroBond.

The Middle East impact on the global network

Asia Pacific and European carriers have offset the traffic lost by Middle Eastern airlines on the Asia Pacific-Europe route

Passenger share on Asia Pacific-Europe by airline region, % of total PAX, March 2025 and 2026

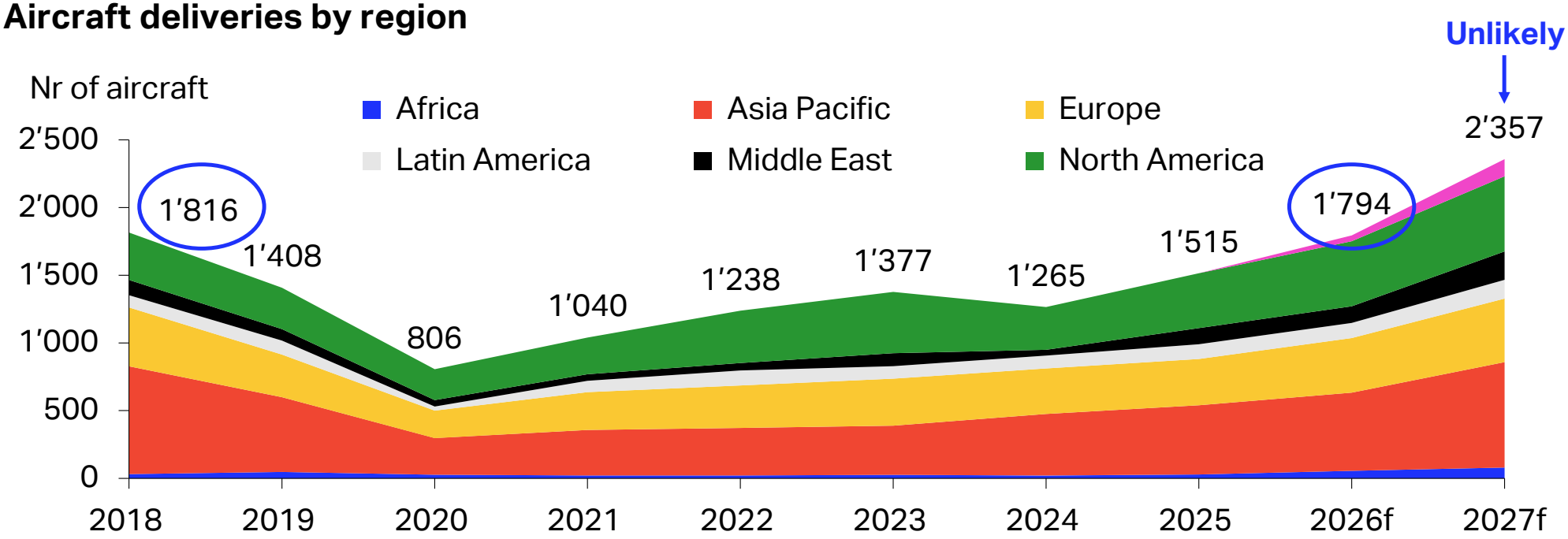


Source: IATA Sustainability and Economics, DDS

The other supply-chain disruption

Production still below 2018 record-high

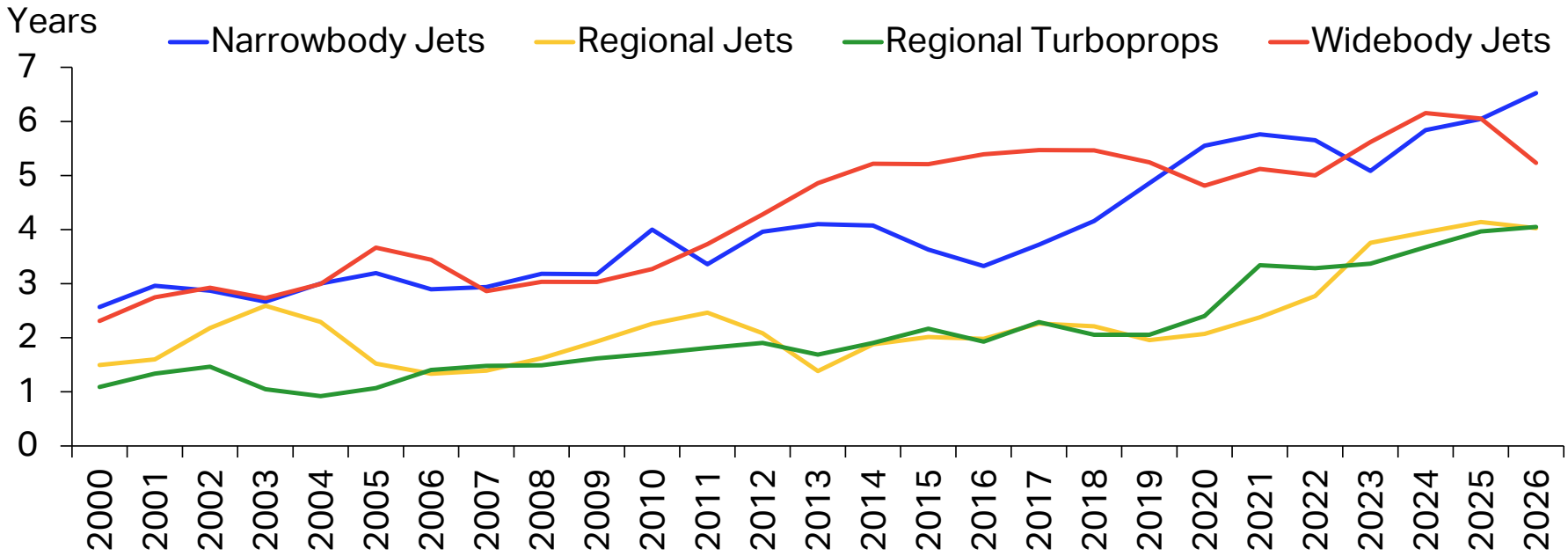
Aircraft deliveries by region



Source: IATA Sustainability and Economics, Cirium Fleets Analyzer. * May 2026 update

Airlines need to plan with longer horizon than ever

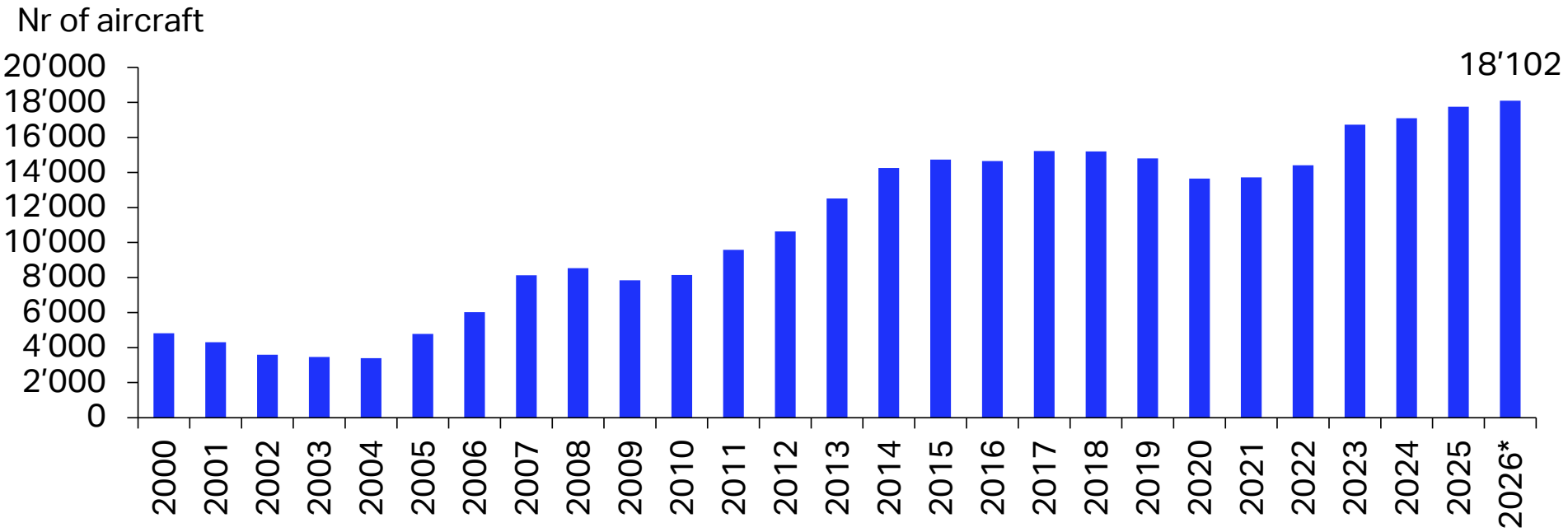
Aircraft waiting time (period between order and delivery date), by the year of delivery, years



Source: IATA Sustainability and Economics, Cirium Fleets Analyzer.

The backlog caps efficiency gains

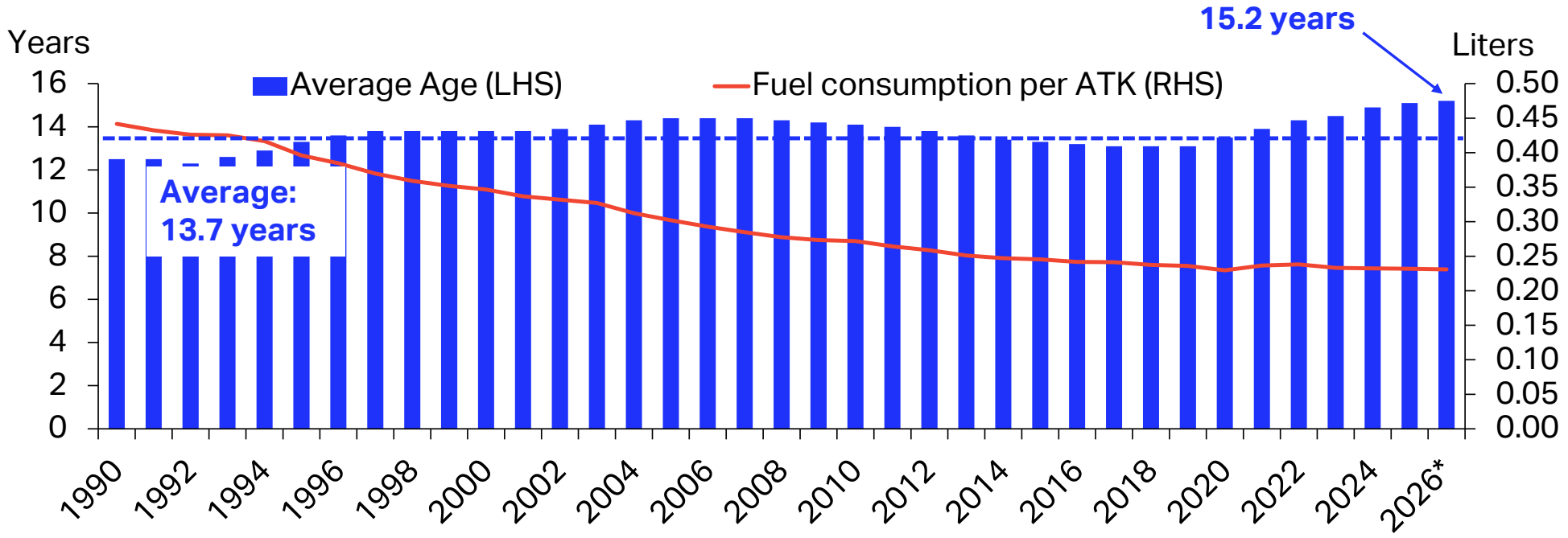
Global aircraft backlog (total number of outstanding orders)



Source: IATA Sustainability and Economics, Cirium Fleets Analyzer. * May 2026

Slower deliveries halt decline in fuel consumption

Average age of global fleet and average fuel consumption per ATK, USD cents

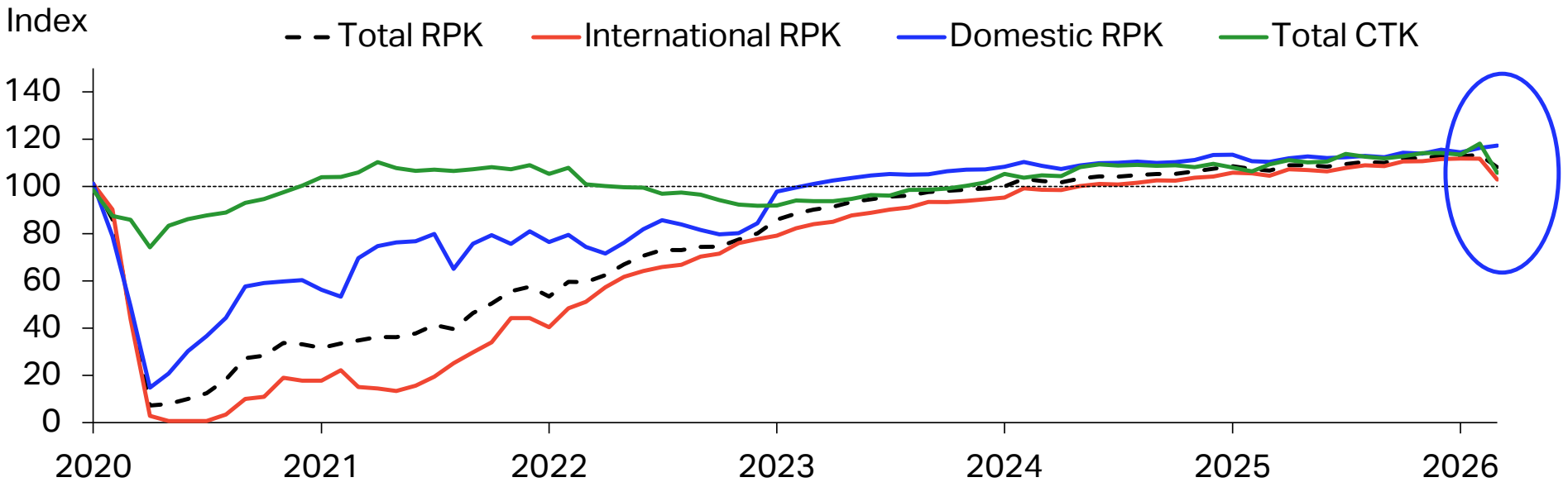


Source: IATA Sustainability and Economics, Cirium Fleets Analyzer. * May 2026

Traffic

Traffic growth is dampened

Industry RPKs and CTKs, Seasonally Adjusted, Indexed to average 2019 = 100

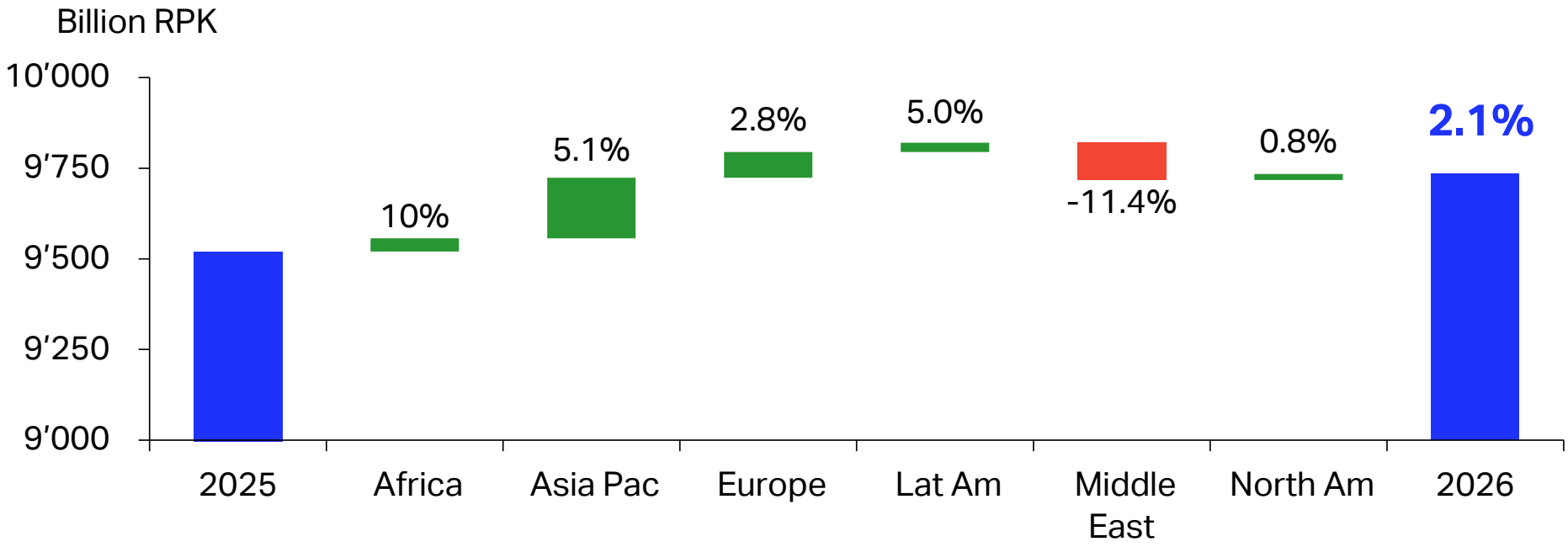


RPK: Revenue Passenger-Kilometers; CTK: Cargo Tonne-Kilometers

Source: IATA Sustainability and Economics using data from IATA Information and Data – Monthly Statistics

Asia-Pacific to generate most of the pax growth

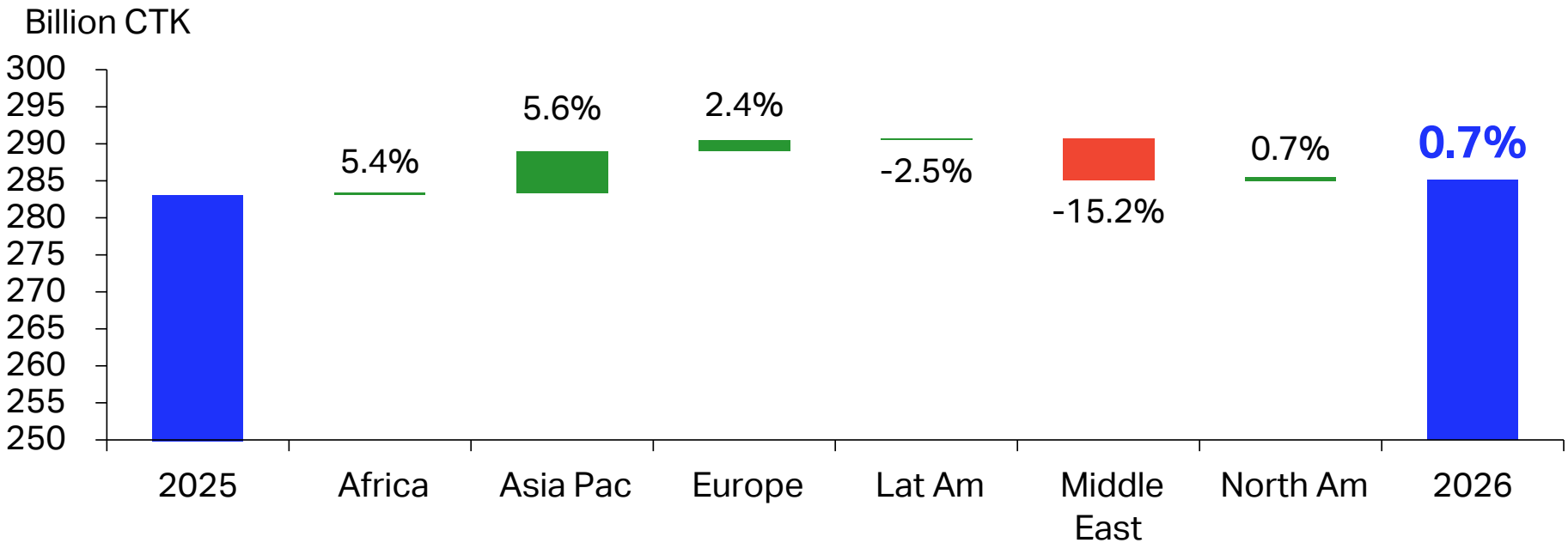
Contribution to passenger traffic growth by region, billion RPK, and annual growth, % YoY



Source: IATA Sustainability and Economics.

Asia-Pacific to generate most of the cargo growth

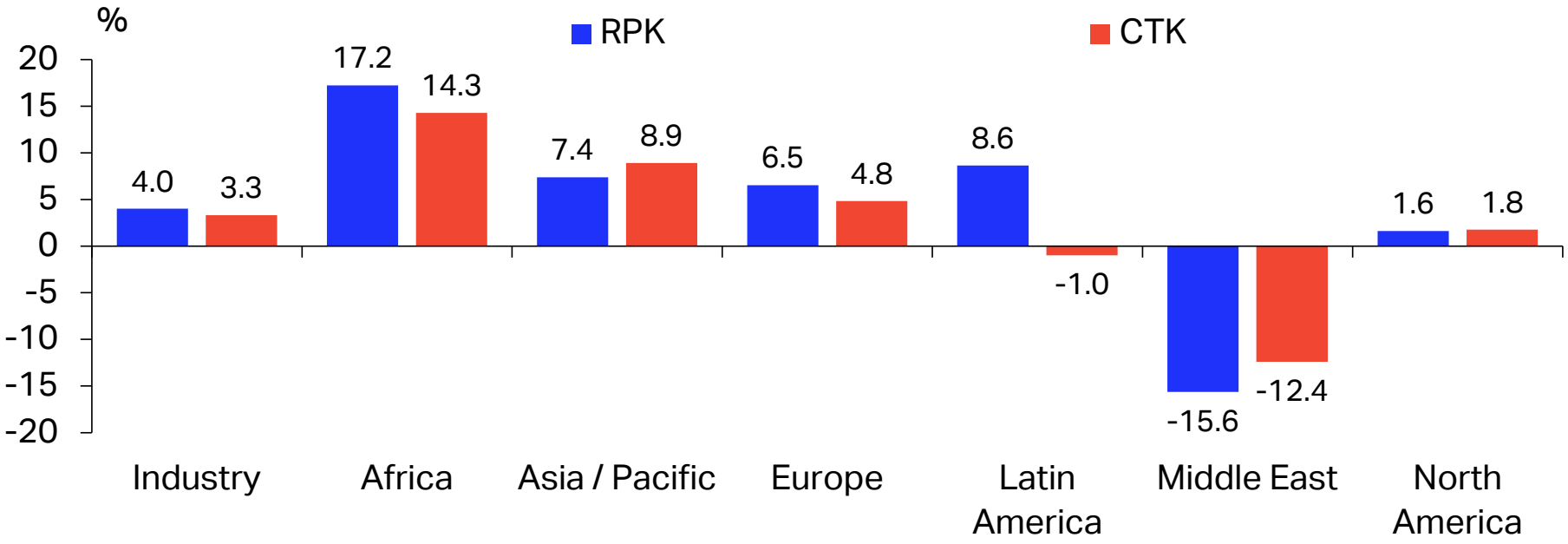
Contribution to cargo traffic growth by region, billion CTK, and annual growth, % YoY



Source: IATA Sustainability and Economics, IATA Information and Data – Monthly Statistics.

Pax and cargo growth per region

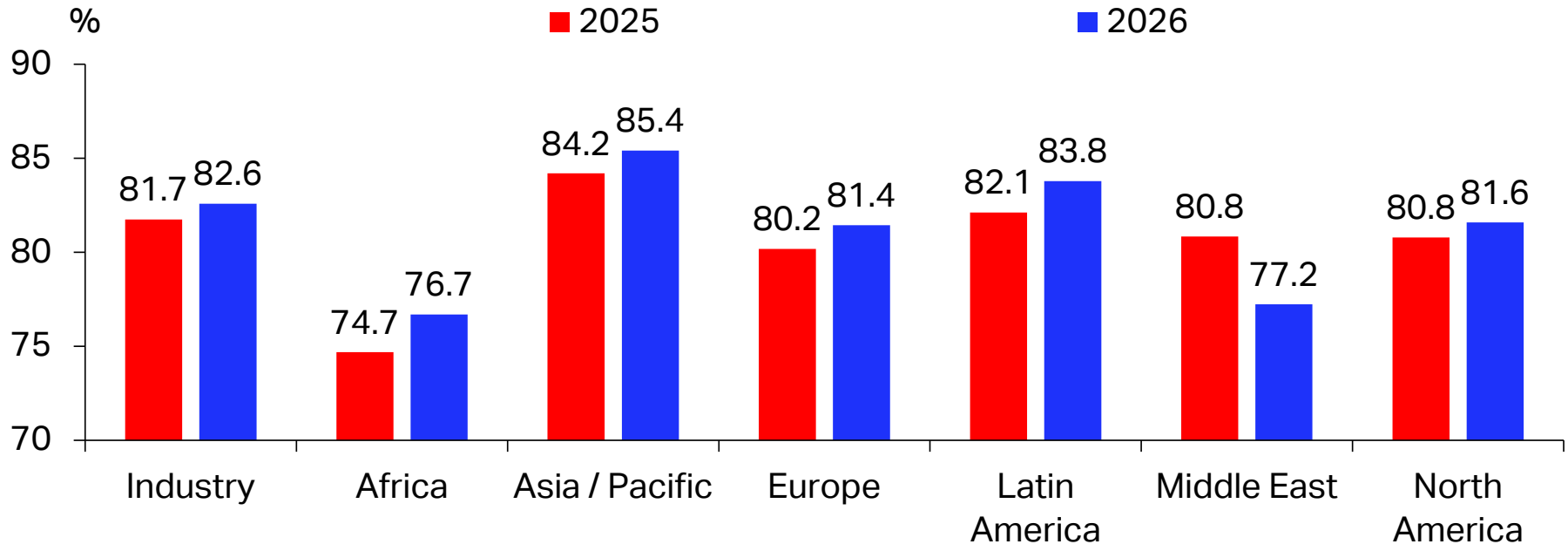
Growth in total RPK and CTK by airline region of registration, YTD (Jan-Mar) 2026, %



Source: IATA Sustainability and Economics, IATA Information and Data – Annual Statistics.

Industry load factors are at all time high

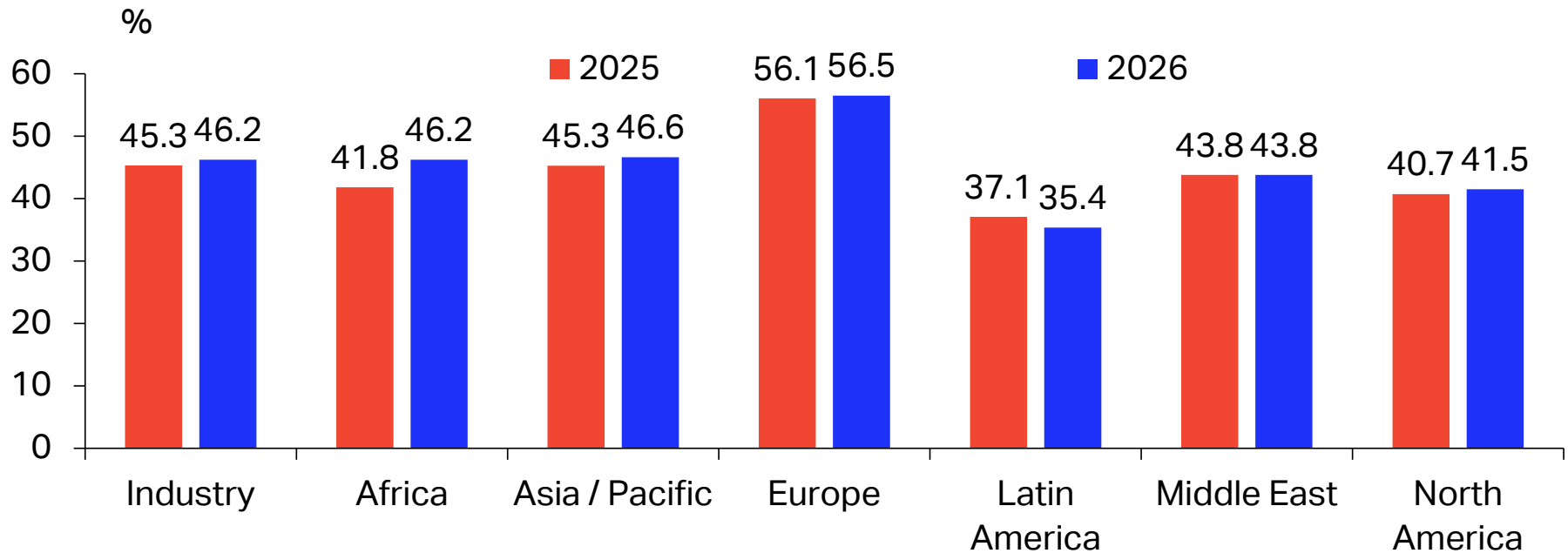
Passenger load factors by region, YTD (January-April), % of ASK



Source: IATA Sustainability and Economics, IATA Information and Data – Monthly Statistics.

Cargo load factors highest since 2022

Cargo load factors by region, YTD (January-April), % of ASK

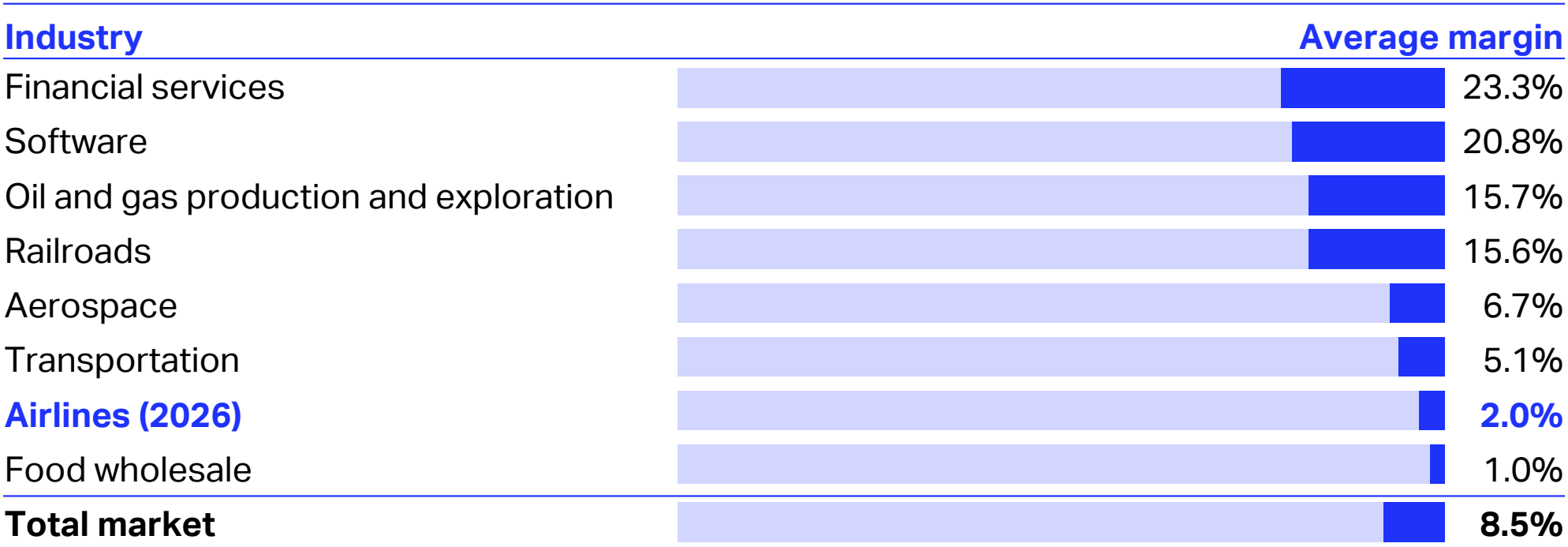


Source: IATA Sustainability and Economics, IATA Information and Data – Monthly Statistics.

Financial performance

Aviation earns much less than other industries

Selected average net profit margins across industries, 2025

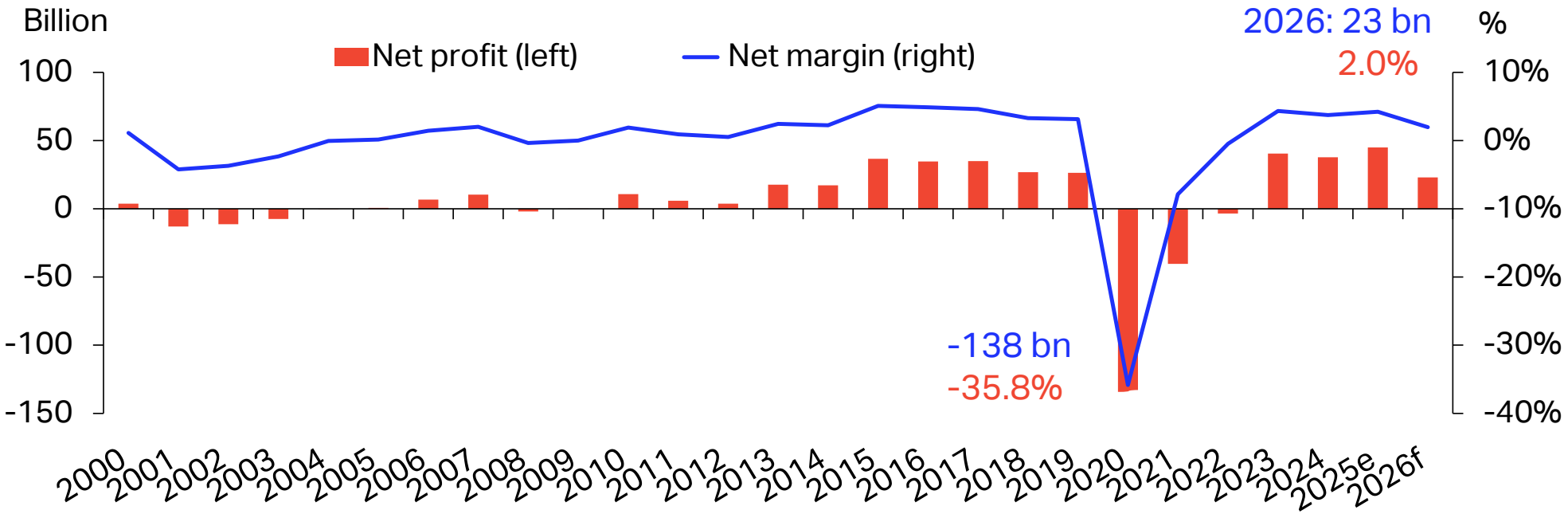


Industry	Average margin
Financial services	23.3%
Software	20.8%
Oil and gas production and exploration	15.7%
Railroads	15.6%
Aerospace	6.7%
Transportation	5.1%
Airlines (2026)	**2.0%**
Food wholesale	1.0%
Total market	**8.5%**

Source: IATA Sustainability and Economics, NYU Stern, 2025.

Industry net profit in 2026: USD 23 bn, 2.0% net margin

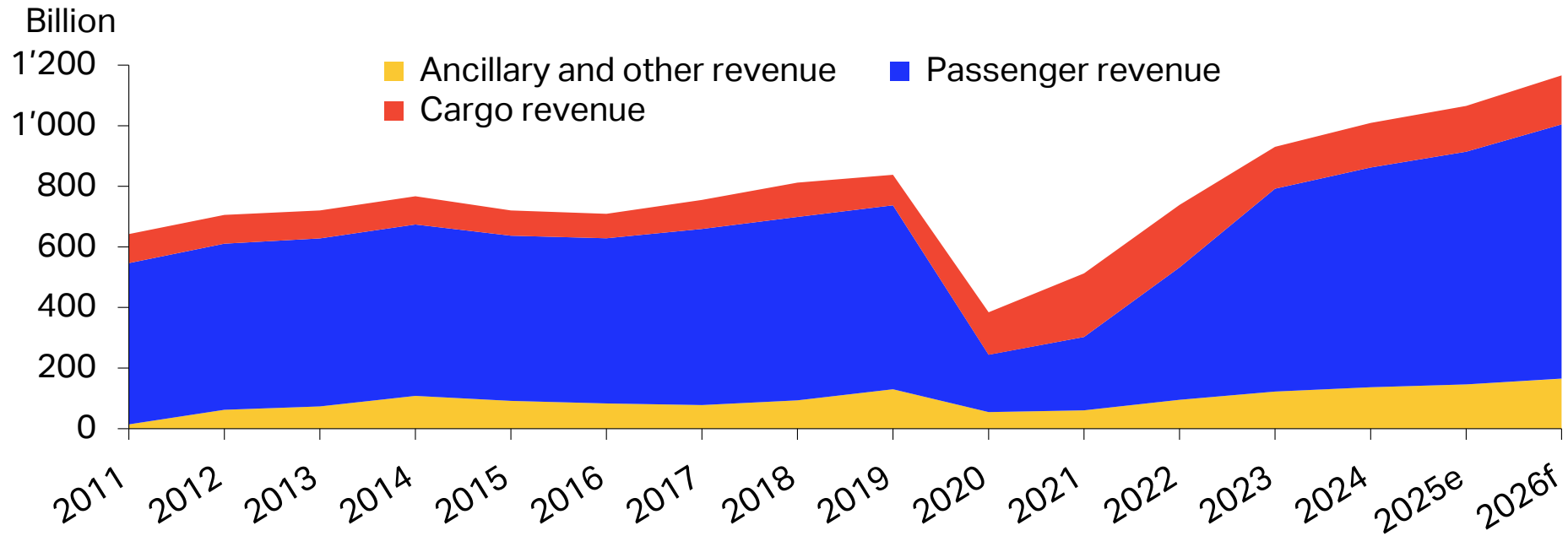
Global airline net profit, USD billion, and net margin, % of revenue



Source: IATA Sustainability and Economics using data from Airfinance Global.

Revenue growth is on the passenger side

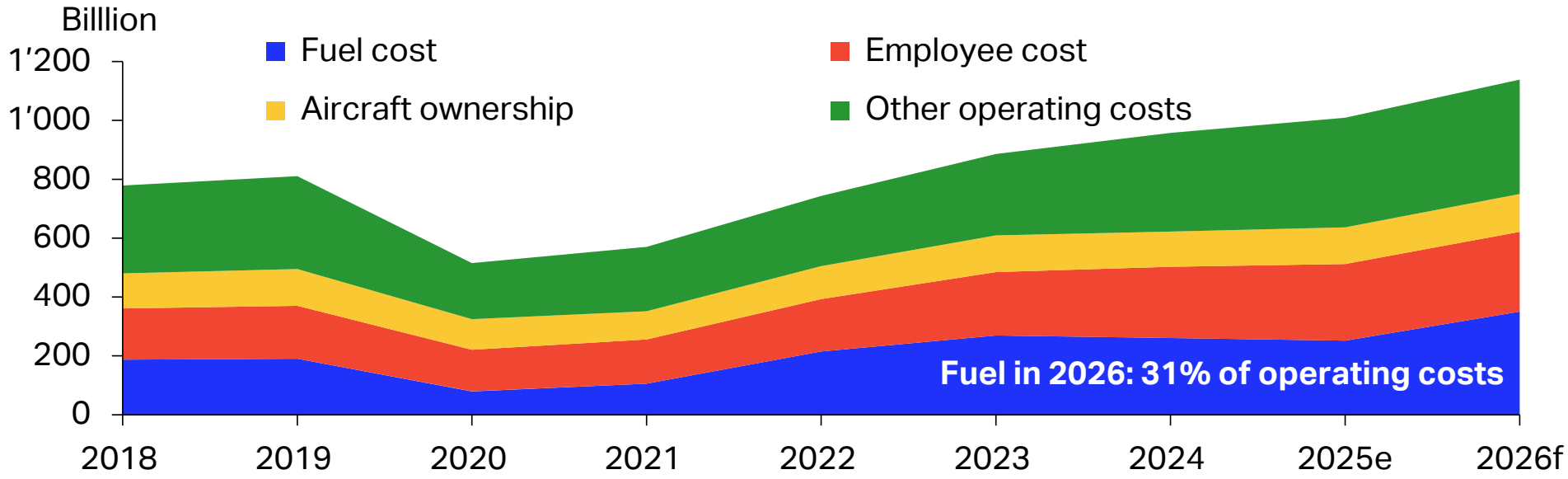
Airline passenger, cargo, and ancillary and other revenue, USD billion



Source: IATA Sustainability and Economics using data from Airfinance Global.

Fuel cost share at 31% of total, up from 25% in 2025

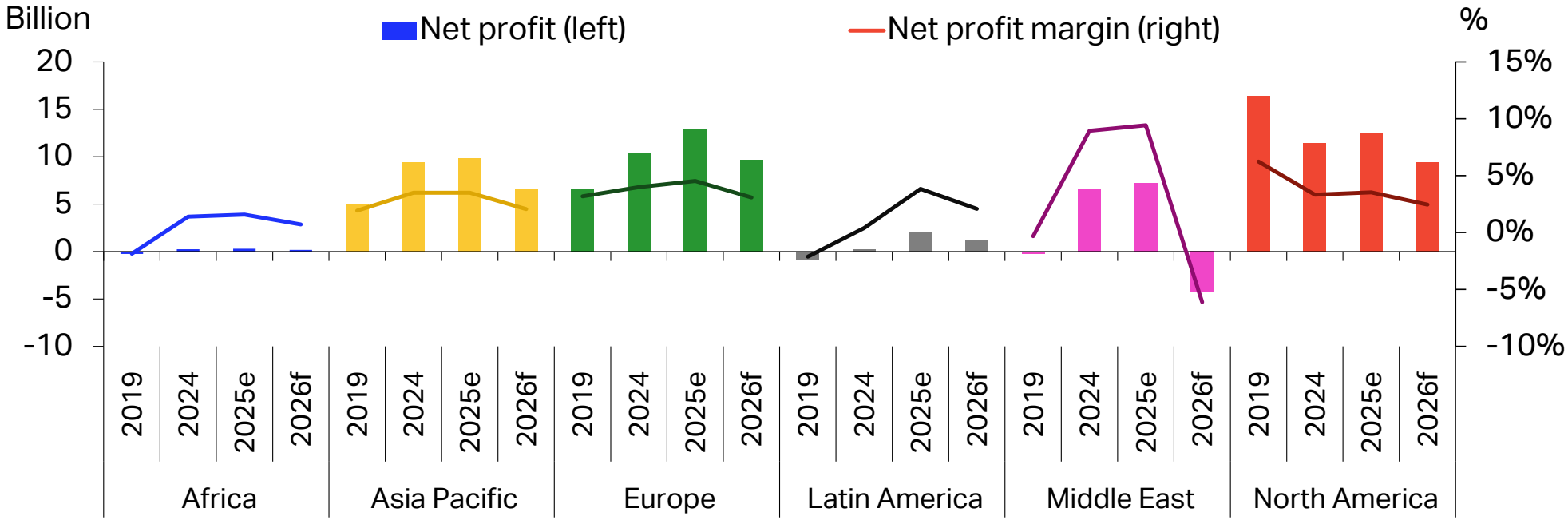
Breakdown of costs, pre-tax level, USD billion



Source: IATA Sustainability and Economics using data from Airfinance Global.

Profit forecast per region in 2026

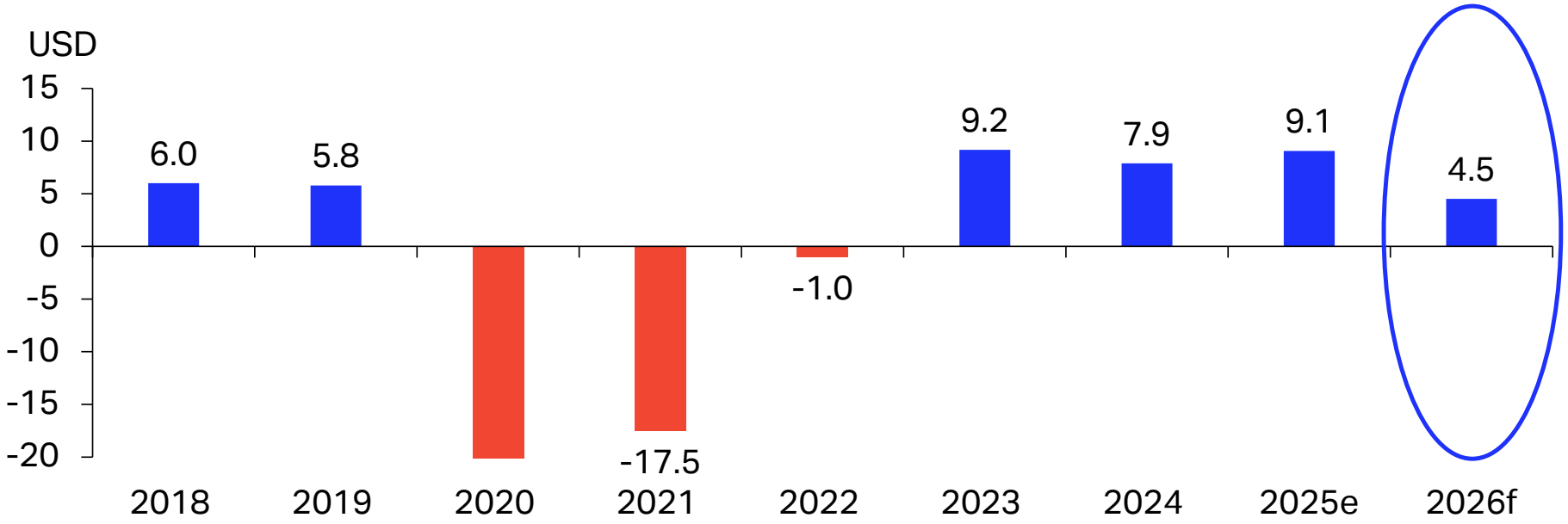
Airline net profit per region, USD billion, and net margin, % of revenue



Source: IATA Sustainability and Economics using data from Airfinance Global.

USD 4.5 = One "pao de queijo" + a bottle of water in Rio

Net profit, USD per passenger



Source: IATA Sustainability and Economics using data from Airfinance Global.

Airline financial performance

	2023	2024	2025E	2026F
REVENUES, USD billion	**930**	**1,009**	**1,065**	**1,166**
% change YoY	*26.0%*	*8.4%*	*5.6%*	*9.5%*
Passenger revenue	669	726	768	839
Cargo revenue	139	147	151	162
Other revenue	122	137	146	165
EXPENSES, USD billion	**-864**	**-938**	**-989**	**-1,118**
OPERATING PROFIT, USD billion	**66**	**71**	**76**	**48**
% margin	*7.1%*	*7.0%*	*7.2%*	*4.1%*
NET PROFIT, USD billion	**40**	**38**	**45**	**23**
% margin	*4.3%*	*3.7%*	*4.2%*	*2.0%*
per departing passenger, USD	9.2	7.9	9.1	4.5

Source: IATA Sustainability and Economics.

- **Jet fuel is expected to average USD 152 per barrel in 2026**
- **SAF:** We expect 2.4 Mt production in 2026 and a blended global price of USD 2,872 per tonne.
- **CORSIA:** We expect 59-82 Mt to be offset under CORSIA in 2026, costing airlines around USD 1.2-1.7 billion.

Summary of industry statistics

Global airline industry	2019	2020	2021	2022	2023	2024	2025E	2026F
Segment passengers, million	**4,560**	**1,779**	**2,304**	**3,452**	**4,414**	**4,781**	**4,967**	**5,085**
O-D passengers, million	3,974	1,570	2,017	2,960	3,782	4,100	4,260	4,343
Flights, million	37.5	19.7	24.2	29.5	35.3	37.3	38.9	38.7
Passenger growth, RPK, % YoY	4.1%	-65.8%	21.8%	64.9%	36.8%	10.6%	5.3%	2.1%
Cargo growth, CTK, % YoY	-3.2%	-9.9%	18.8%	-8.1%	-1.7%	11.4%	3.4%	0.7%
Capacity growth, ATK, % YoY	2.9%	-44.5%	16.4%	22.1%	22.4%	8.5%	4.6%	0.5%
Total load factor, % ATK	70.1%	59.8%	61.9%	67.2%	68.7%	70.1%	70.3%	71.2%
Passenger load factor, % ASK	82.6%	65.2%	66.9%	78.7%	82.2%	83.4%	83.5%	84.0%
World economic growth, real, % YoY	2.9%	-2.7%	6.6%	3.8%	3.3%	3.4%	3.4%	2.5%
World trade volume, %	0.1%	-5.4%	9.0%	2.3%	-0.9%	2.7%	4.6%	1.9%
CPI, world, % YoY	3.6%	3.3%	4.7%	8.7%	6.7%	5.8%	4.1%	5.0%
Revenues, USD billion	**838**	**384**	**513**	**738**	**930**	**1,009**	**1,065**	**1,165**
% change YoY	*3.2%*	*-54.1%*	*33.4%*	*44.1%*	*26.0%*	*8.4%*	*5.6%*	*9.4%*
Passenger, USD billion	607	189	242	437	669	726	768	839
Cargo, USD billion	101	140	210	206	139	147	151	162
Ancillary and other, USD billion	130	55	61	95	122	137	146	165
Passenger ticket yield, % YoY	-3.7%	-9.1%	4.9%	9.7%	12.0%	-2.0%	0.5%	7.0%
Passenger total yield, % YoY	-1.4%	-1.4%	2.0%	7.4%	8.8%	-1.6%	0.7%	7.5%
Cargo yield, % YoY	-8.2%	54.7%	25.9%	7.0%	-31.7%	-4.9%	-0.5%	6.5%
Revenue per ATK, USD cents	54	45	51	61	63	62	63	69
% change YoY	*0.3%*	*-17.4%*	*14.6%*	*18.0%*	*2.9%*	*0.0%*	*0.9%*	*8.8%*

Global airline industry	2019	2020	2021	2022	2023	2024	2025E	2026F
Expenses, USD billion	**-795**	**-495**	**-556**	**-727**	**-864**	**-938**	**-989**	**-1,117**
% change YoY	*3.8%*	*-37.7%*	*12.3%*	*30.8%*	*18.9%*	*8.6%*	*5.4%*	*13.0%*
Fuel, USD billion	-190	-80	-106	-215	-269	-261	-252	-350
% of expenses	*23.9%*	*16.1%*	*19.0%*	*29.6%*	*31.2%*	*27.8%*	*25.4%*	*31.4%*
Labor, USD billion	-180	-141	-150	-178	-215	-242	-260	-271
% of expenses	*22.6%*	*28.5%*	*27.0%*	*24.5%*	*24.9%*	*25.8%*	*26.3%*	*24.2%*
Crude oil price, Brent, USD/barrel	65	42	71	101	83	81	69	95
Jet fuel price, USD/barrel	80	47	78	139	112	99	90	152
Fuel consumption, billion gallons	96	52	62	76	92	99	104	104
Non-fuel, USD billion	-605	-415	-450	-512	-595	-678	-737	-767
Cost per ATK excl. fuel, USD cents	39	49	45	42	40	42	44	45
% change YoY	*1.6%*	*23.7%*	*-6.8%*	*-6.9%*	*-5.1%*	*5.0%*	*4.0%*	*3.5%*
EBITDAR, USD billion	**152.8**	**-26.9**	**37.6**	**106.6**	**169.3**	**171.5**	**180.7**	**156.3**
% EBITDAR margin	*18.2%*	*-7.0%*	*7.3%*	*14.4%*	*18.2%*	*17.0%*	*17.0%*	*13.4%*
EBIT, USD billion	**43.1**	**-110.9**	**-43.5**	**11.3**	**66.1**	**70.7**	**76.4**	**48.0**
% operating margin	*5.1%*	*-28.8%*	*-8.5%*	*1.5%*	*7.1%*	*7.0%*	*7.2%*	*4.1%*
Net profit, USD billion	**26.4**	**-137.7**	**-40.4**	**-3.5**	**40.5**	**37.7**	**45.0**	**23.0**
% net profit margin	*3.1%*	*-35.8%*	*-7.9%*	*-0.5%*	*4.3%*	*3.7%*	*4.2%*	*2.0%*
per departing passenger, $	5.8	-77.4	-17.5	-1.0	9.2	7.9	9.1	4.5
Return on invested capital, %	**5.8%**	**-19.3%**	**-8.0%**	**2.0%**	**6.9%**	**6.9%**	**6.6%**	**4.3%**

Source: IATA Sustainability and Economics.

Thank you.