

**CAPA**

**Airline Leader Summit**

World & Awards for Excellence

# CAPA Outlook: State of the Industry

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**AVIATION WEEK**  
NETWORK

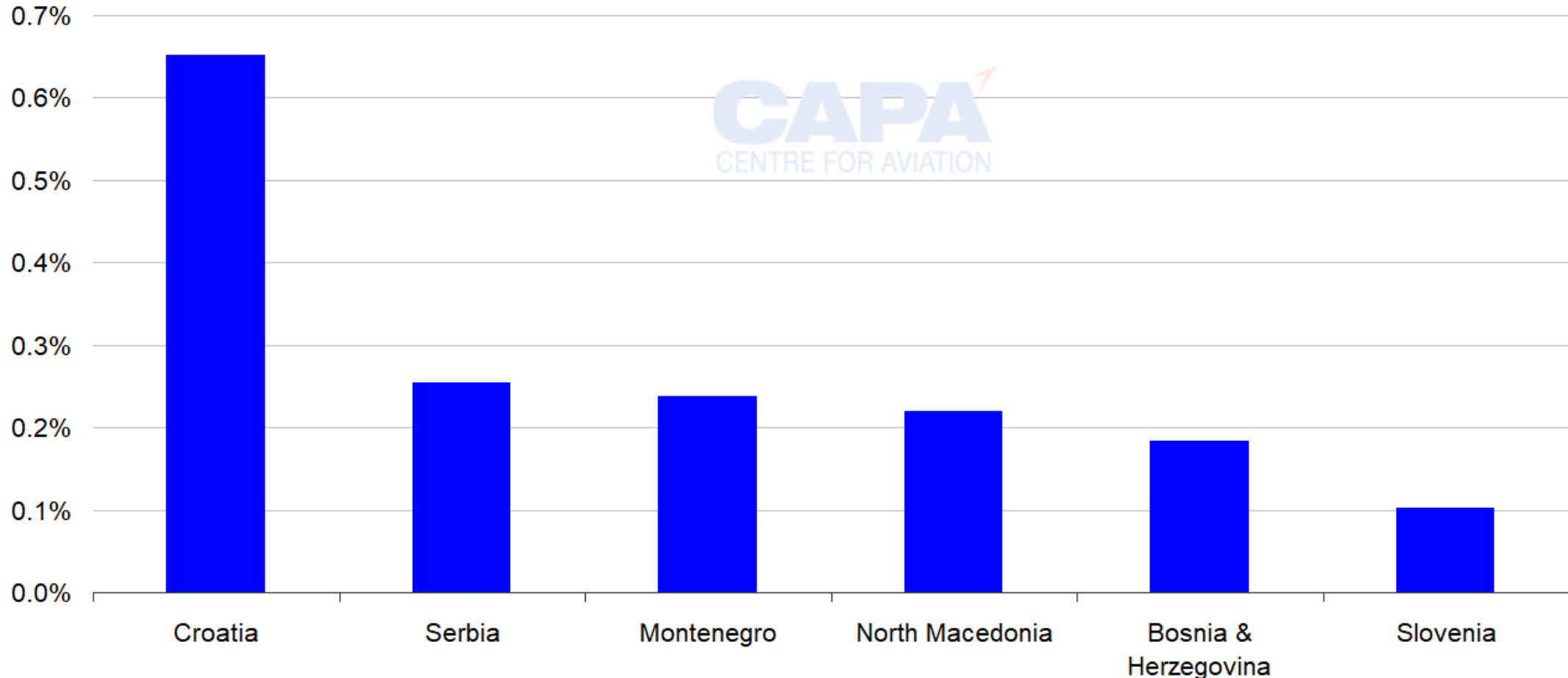
# State of the industry: agenda

- North Balkan region snapshot
- **20** numbers in **20** minutes



# North Balkan region: small...

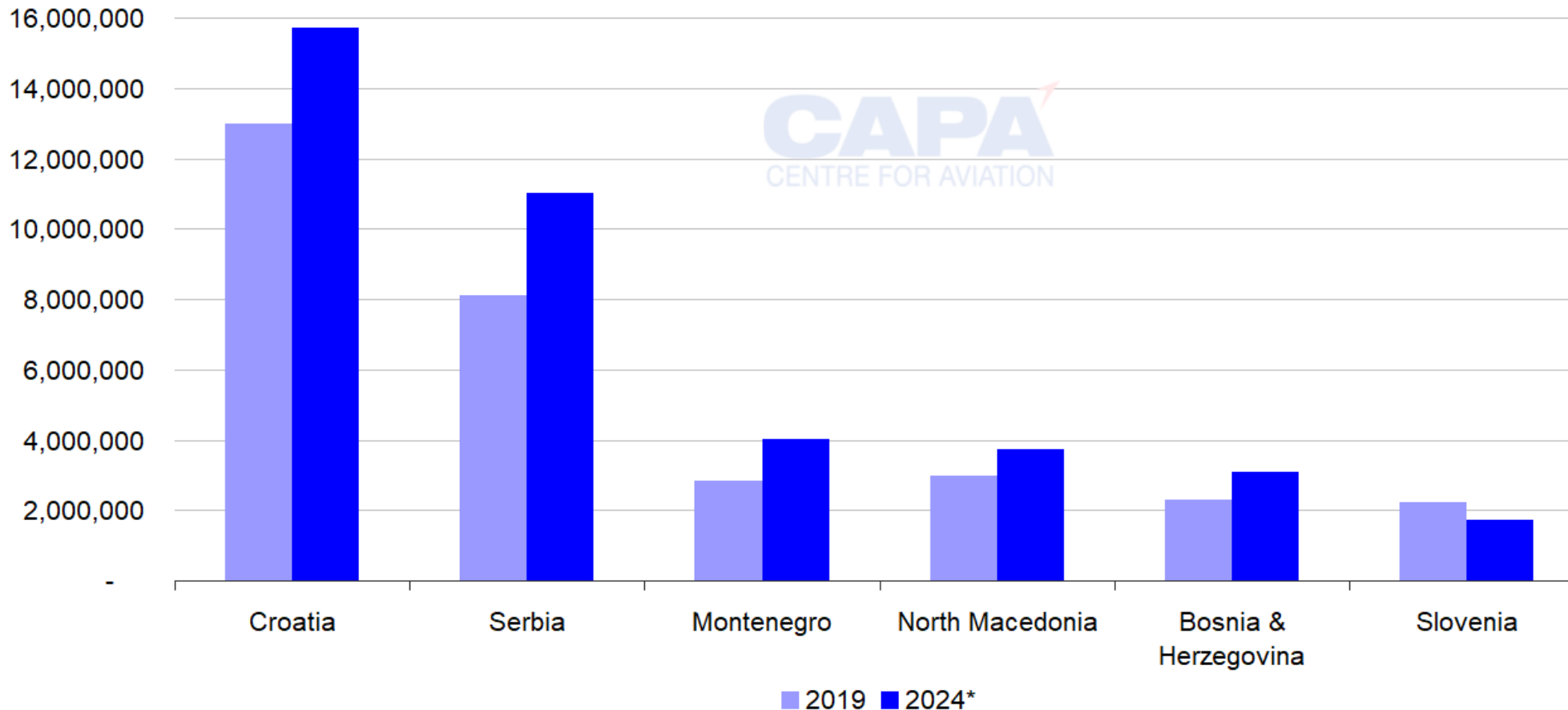
Share of Europe seat capacity, 2024\*



\*includes projected data from 11-Nov-2024  
Source: CAPA - Centre for Aviation, OAG

# North Balkan region: ...but dynamic

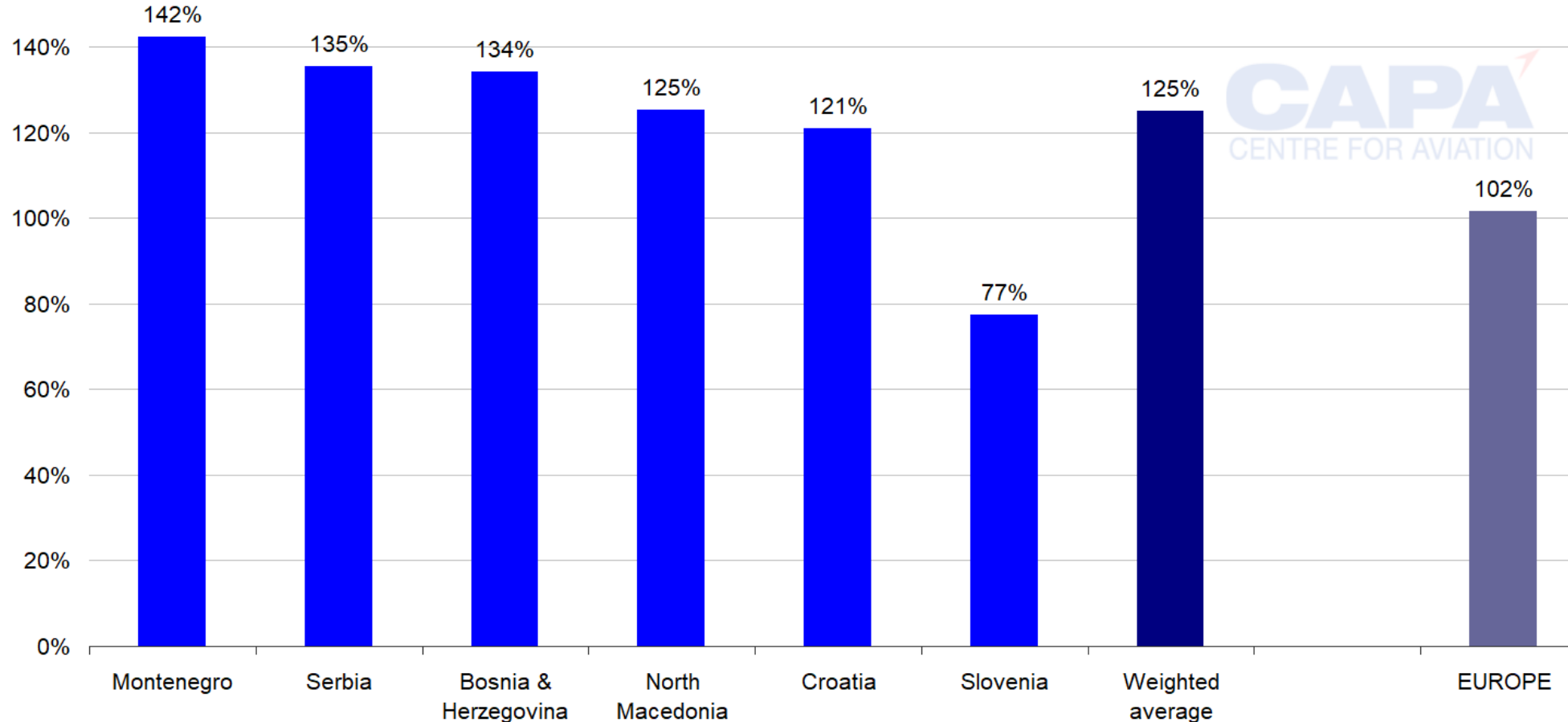
Annual seats, 2019 and 2024\*



\*includes projected data from 11-Nov-2024  
Source: CAPA - Centre for Aviation, OAG

# North Balkan region: outpacing Europe's recovery

2024\* annual seats as a percentage of 2019



\*includes projected data from 11-Nov-2024  
Source: CAPA - Centre for Aviation, OAG

# Croatia, Serbia leading airlines

## Croatia:

Top 10 airlines, week of 11 Nov 2024

<u>Rank</u>	<u>Airline</u>	<u>Seats</u>	<u>Seat share</u>	<u>% of 2019</u>
1	Croatia Airlines	27,826	46.2%	92.9%
2	Ryanair	13,494	22.4%	-
3	Lufthansa	2,934	4.9%	97.8%
4	Turkish Airlines	2,614	4.3%	116.1%
5	KLM	1,676	2.8%	279.3%
6	Eurowings	1,519	2.5%	36.8%
7	Qatar Airways	1,400	2.3%	66.9%
8	flydubai	1,190	2.0%	166.2%
9	Trade Air	1,088	1.8%	-
10	LOT Polish Airlines	951	1.6%	71.0%

## Croatia LCC seat share

2019: 42.8%

2024: 58.7%

## Serbia:

Top 10 airlines, week of 11 Nov 2024

<u>Rank</u>	<u>Airline</u>	<u>Seats</u>	<u>Seat share</u>	<u>% of 2019</u>
1	Air Serbia	47,624	51.0%	150.0%
2	Wizz Air*	15,530	16.7%	194.3%
3	Lufthansa	3,926	4.2%	94.9%
4	Turkish Airlines	3,663	3.9%	149.0%
5	FlexFlight	2,436	2.6%	-
6	Air Montenegro	2,436	2.6%	-
7	flydubai	2,398	2.6%	267.9%
8	SWISS	2,256	2.4%	126.7%
9	Austrian Airlines	2,088	2.2%	119.6%
10	AJet	1,533	1.6%	-

## Serbia LCC seat share

2019: 27.5%

2024: 28.5%

\*Wizz Air incl Wizz Air Malta & Wizz Air UK

Source: CAPA - Centre for Aviation, OAG

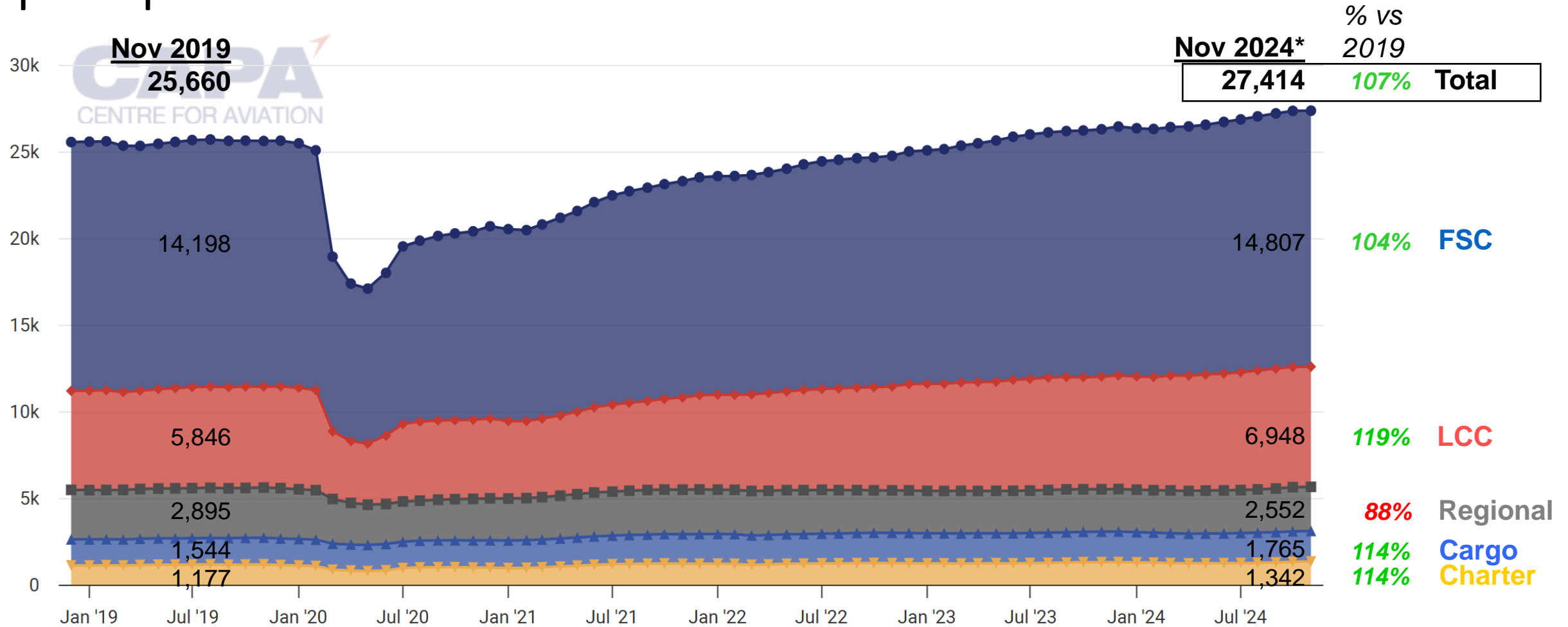


# 20 numbers in 20 minutes

## Topics included

- Aircraft in service
- Capacity
- Traffic
- Air fares
- LCC share, cost advantage
- Industry profits
- Recruitment needs
- Airspace constraints
- Aircraft order backlog
- Leasing
- Airport groups
- Artificial Intelligence
- Fuel costs
- Green transition

# Jets in service at 107% of pre-pandemic numbers

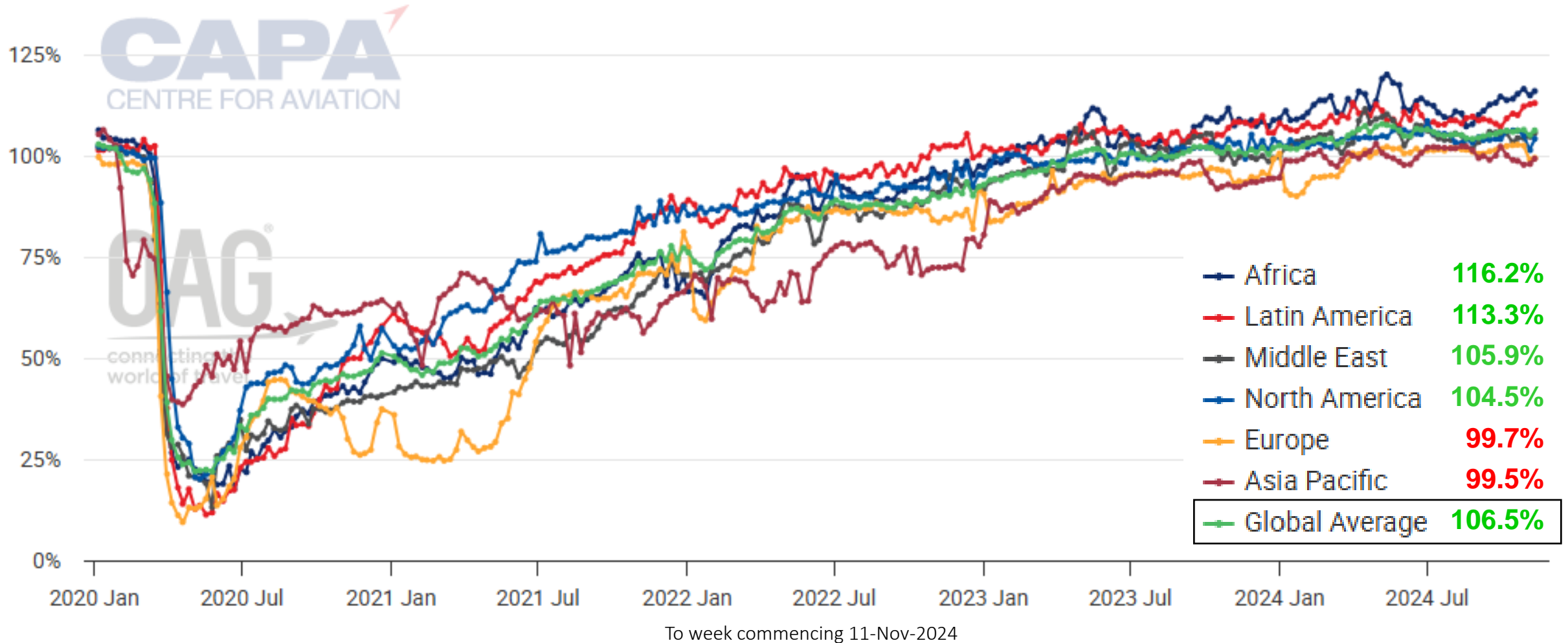


■ Full Service Carrier
■ Low Cost Carrier
■ Regional/Commuter
■ Cargo
■ Charter

\*As at 11 Nov 2024  
 Source: CAPA Fleet Database



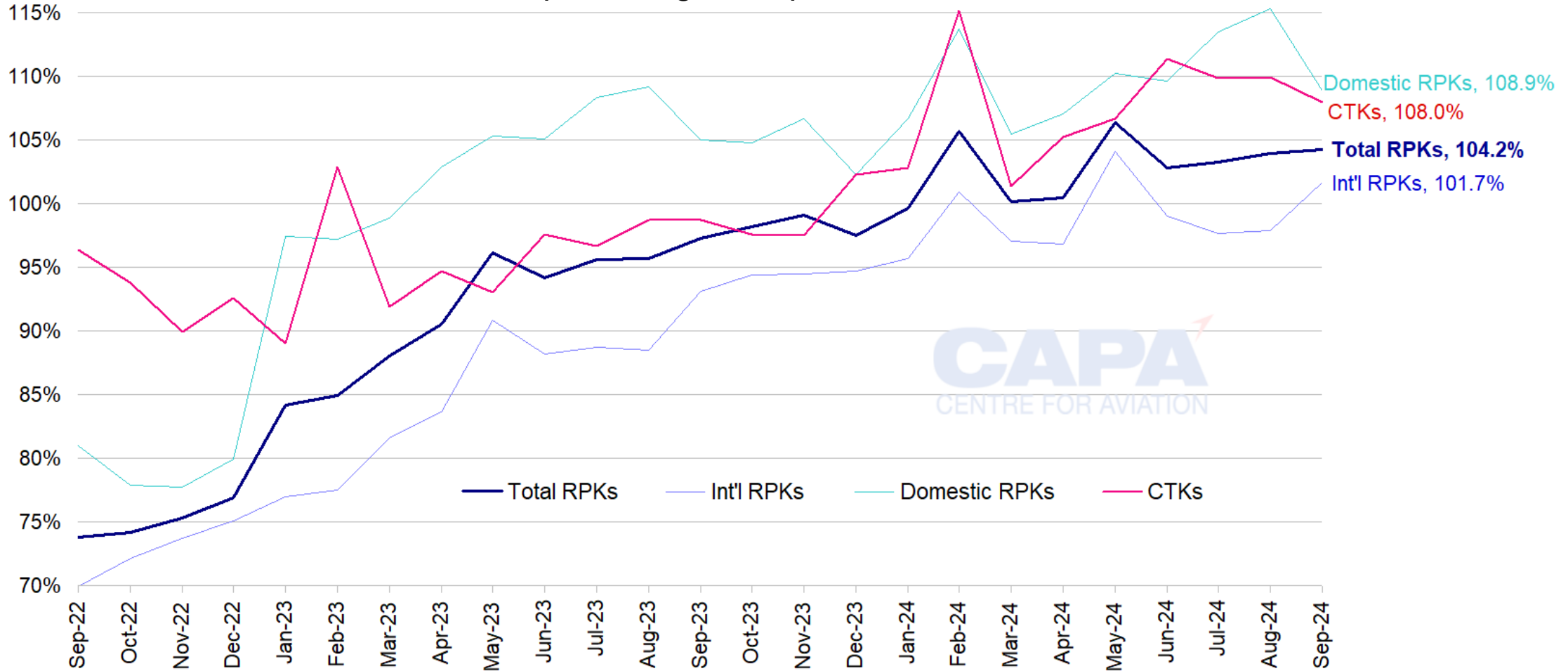
# Seat capacity 107% of 2019 level



# Sep-2024 traffic vs Sep-2019:

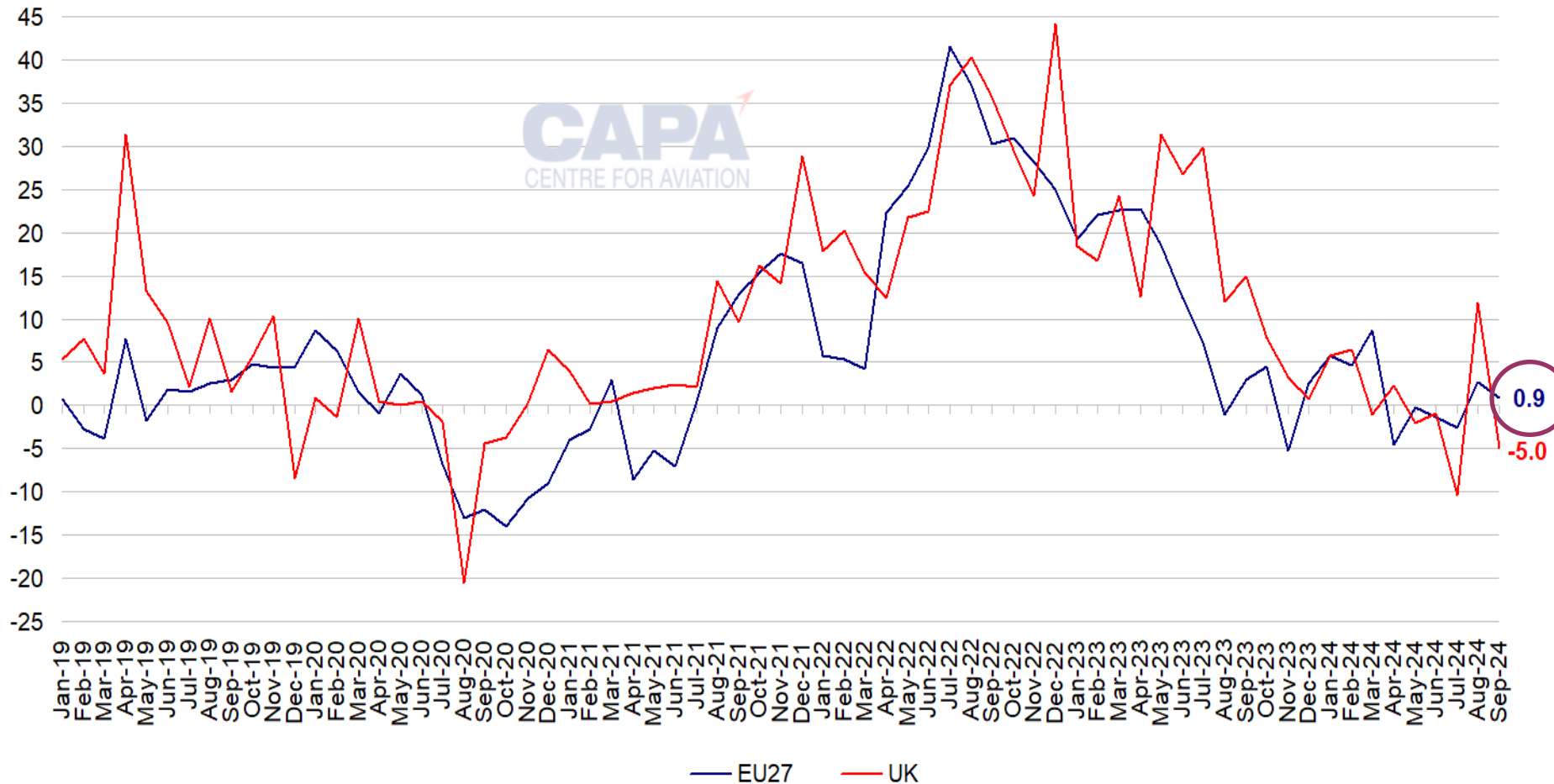
# Pax 104%, Cargo 108%

World airline traffic volumes as a percentage of equivalent month of 2019



# EU air fare inflation slowed to **0.9%**

Passenger air transport prices, year on year change, %



**Sep-24 price increase**

**+0.9%** yoy in EU27

*Double digit rates of increase for much of 2021, 2022 & 2023.*

Slowed in 2024

Similar pattern in UK.

**Sep-24 vs Sep-19 prices**

**EU: +34%**

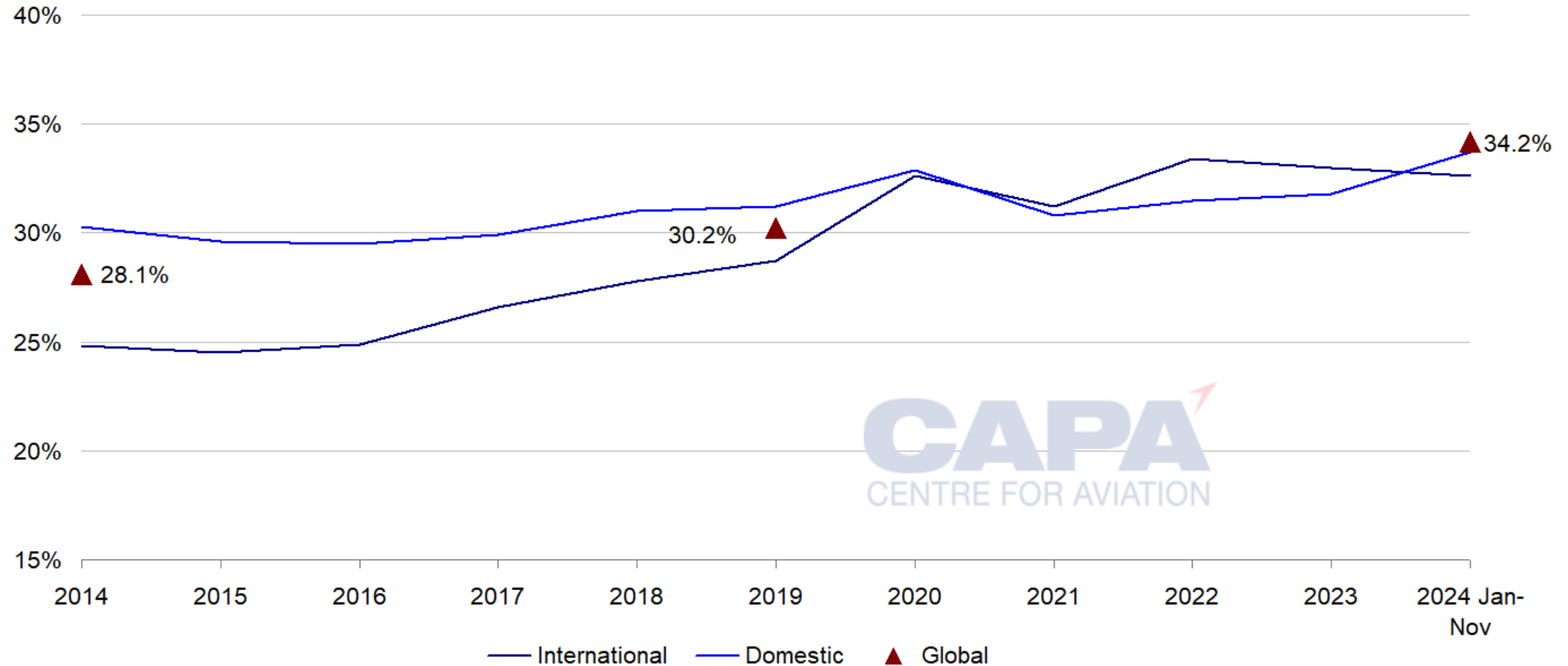
**UK: +55%**

Source: Eurostat, Office for National Statistics, CAPA - Centre for Aviation

# 2024 LCC seat share 34% globally vs 30% in 2019

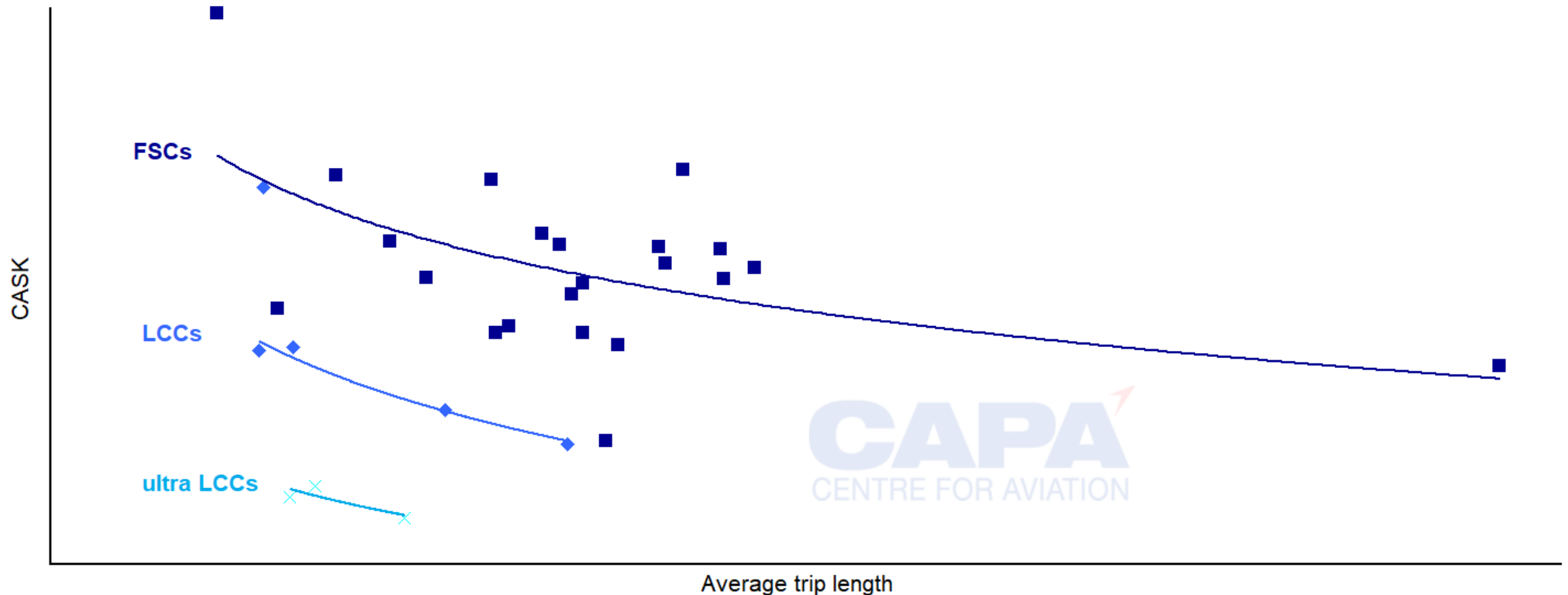
## globally vs 30% in 2019

Global low cost carrier seat share



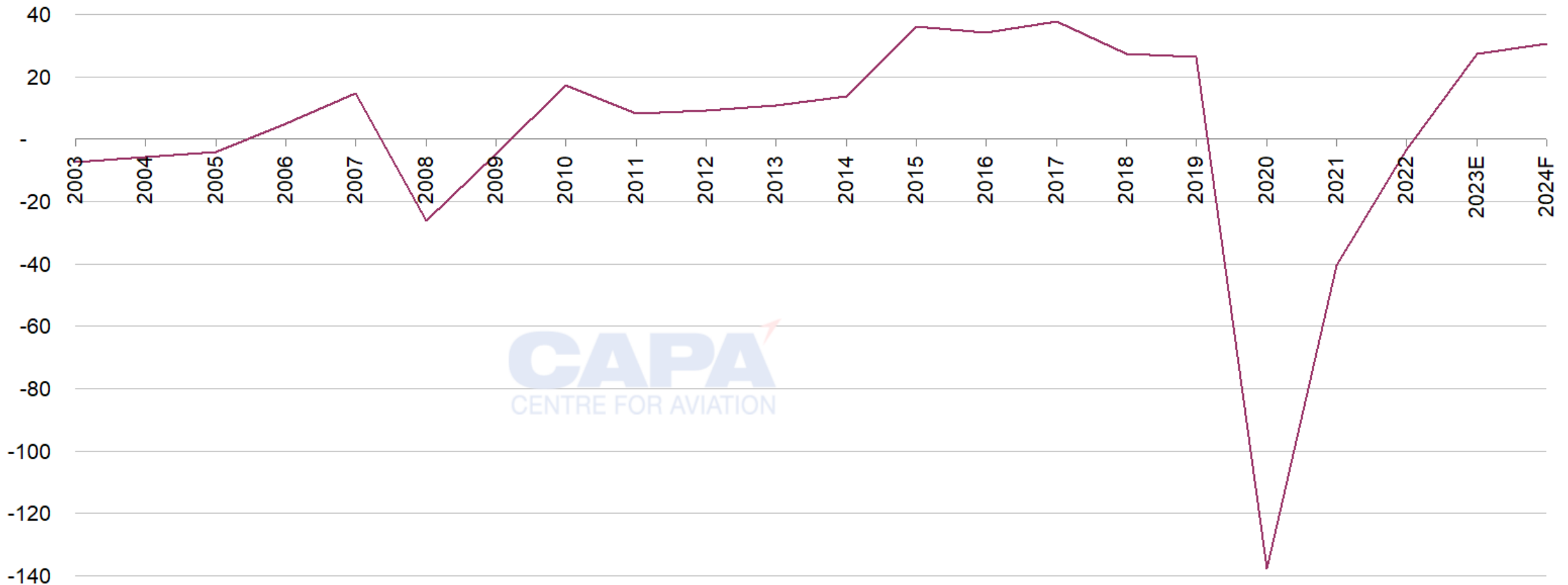
# LCC and ULCC unit cost 33% and 54% lower than FSC

Europe: unit cost (cost per available seat km, CASK) and average trip length



# USD 30.5bn net profit forecast 2024

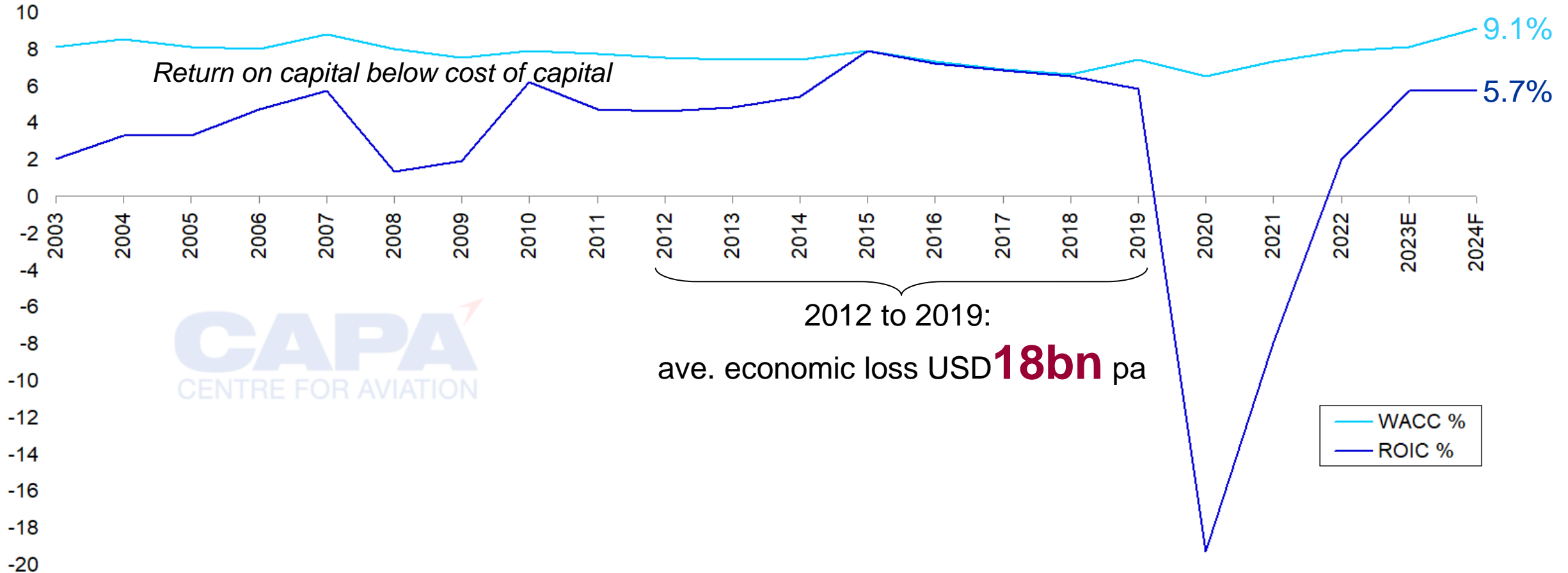
Airline industry annual net profit (USD billion)



Source: IATA Economics

# Ave USD **18bn** pa economic loss in the good years

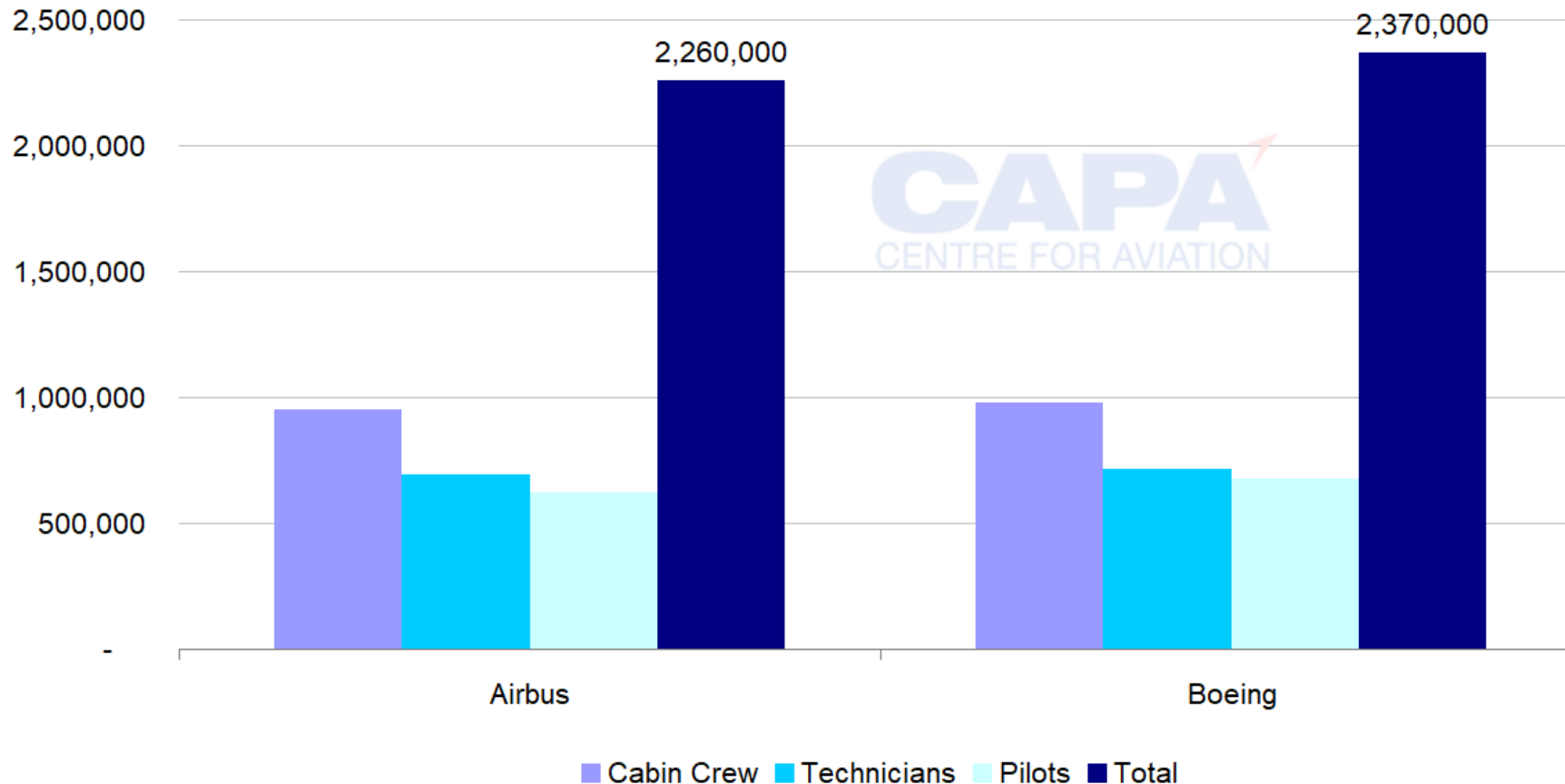
Airline industry Return on Invested Capital (%) and Weighted Average Cost of Capital (%)



Source: IATA Economics, McKinsey

# c.2.3m new aviation personnel needed globally to 2043

New workforce required 2024 to 2043



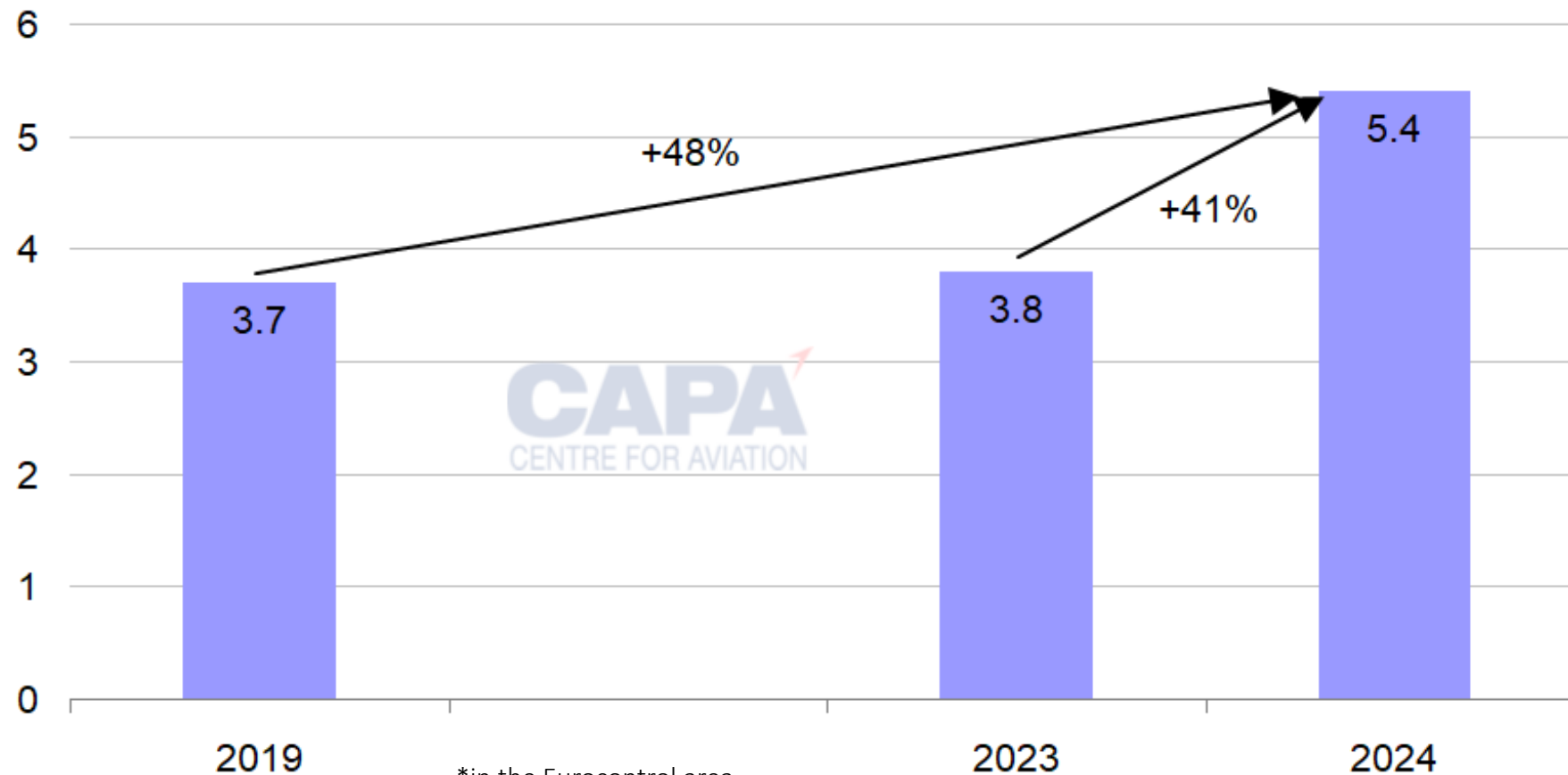
Airbus forecast: 2.26m

Boeing forecast: 2.37m



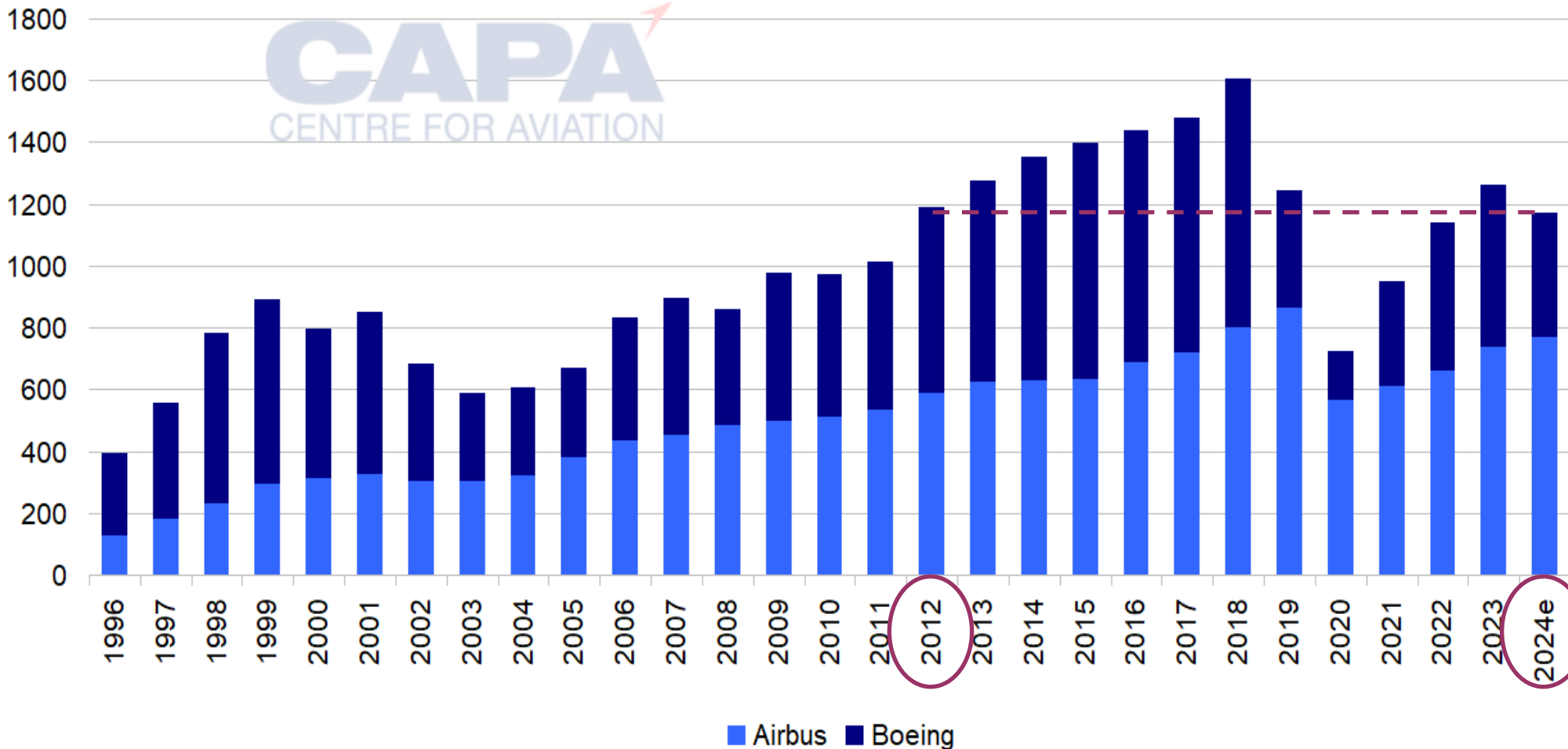
# Europe **ATFM delays** per flight Jun-Aug 2024: **+48%** vs 2019

European\* air traffic flow management delays, minutes per flight: Jun, Jul, Aug 2024



\*in the Eurocontrol area  
Source: Eurocontrol

# Boeing, Airbus **deliveries** are at 2012 levels: **12** years lost



**2023 deliveries**  
 Total 1,263, close to c.10 yrs earlier

**Boeing 529**  
 (level of between 2011 and 2012)

**Airbus: 735**  
 (level of 2017)

**2024e deliveries**  
 Total ?1,170, close to c.**12** years ago

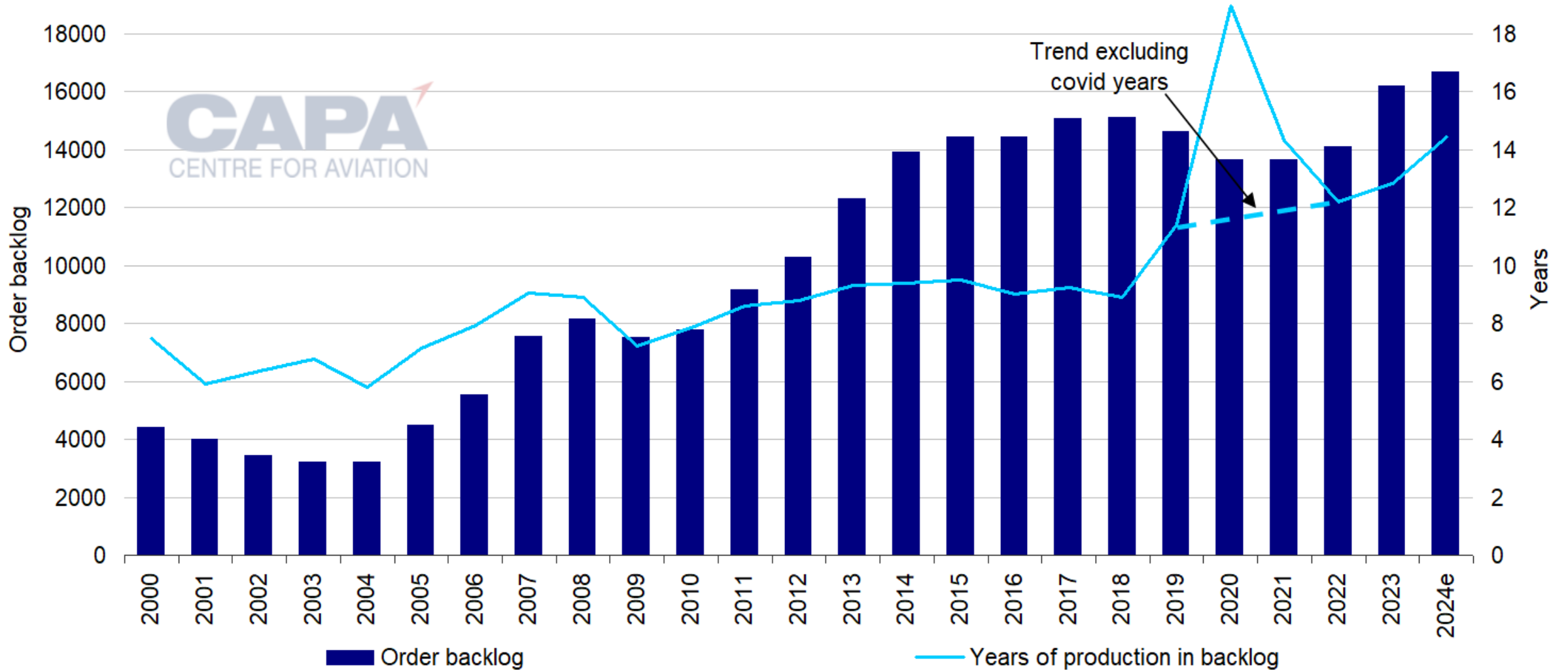
**Boeing ?400**  
 (level of between 2008 and 2009)

**Airbus: 770**  
 (level of between 2017 and 2018)

Source: Boeing, Airbus, CAPA - Centre for Aviation

# 2024 year end backlog: 14 years

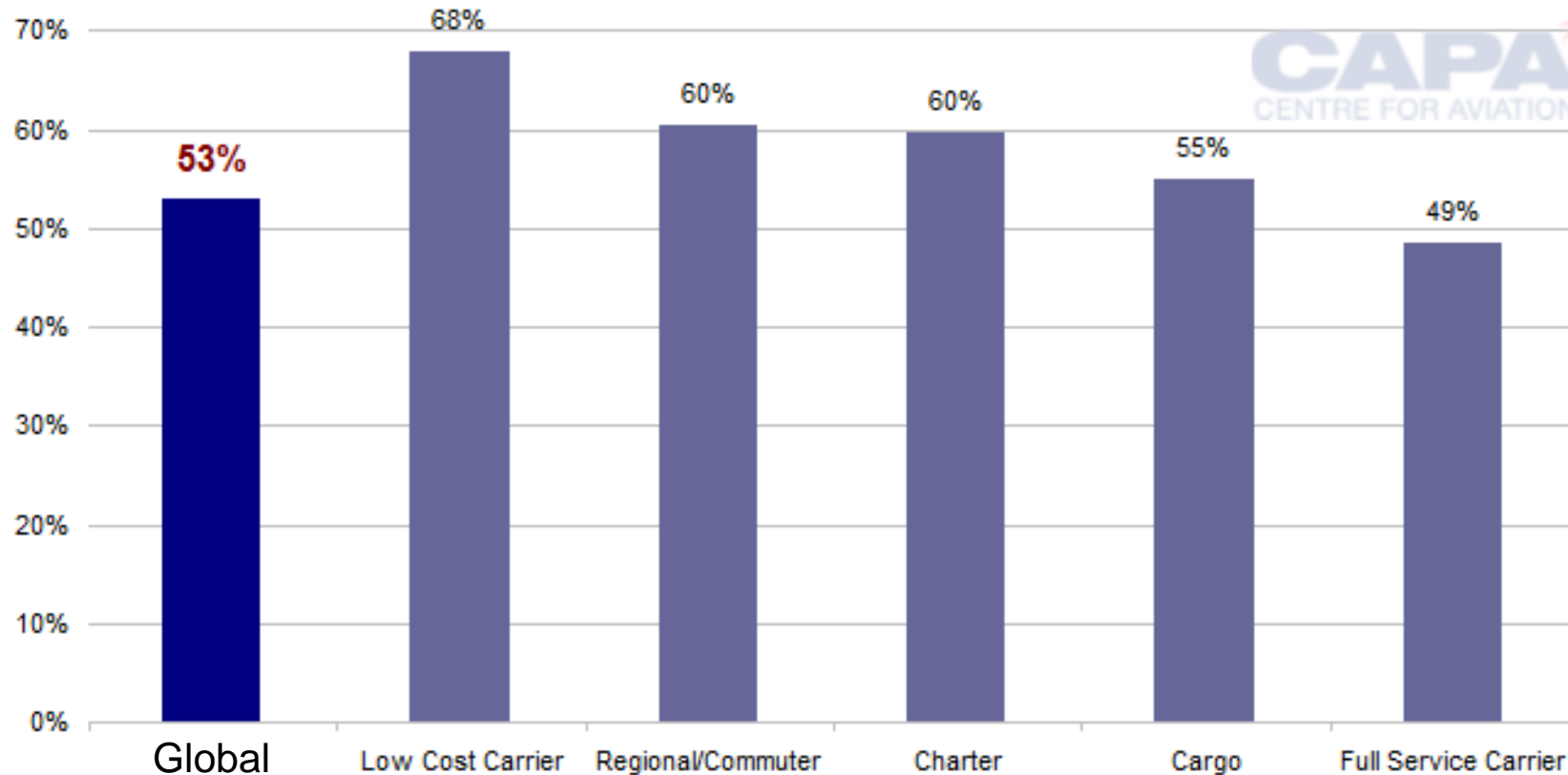
Global orders backlog for commercial passenger aircraft



Source: CAPA - Centre for Aviation

# Leasing accounts for 53% of global commercial aircraft current fleet...

Percentage of aircraft that are leased



At 5-Feb-2024

Source: CAPA - Centre for Aviation, OAG

Investor owned airport  
companies:

**33%** of global airport  
revenue in **2023**, vs  
**27%** in **2019**

### The increasing significance of the Airport Group

Analysis



Source: CAPA - Centre for Aviation

**82%** of aviation leaders see a key role for **Artificial Intelligence...**

...BUT

Only **30%** of respondents have AI on their **boardroom agenda**

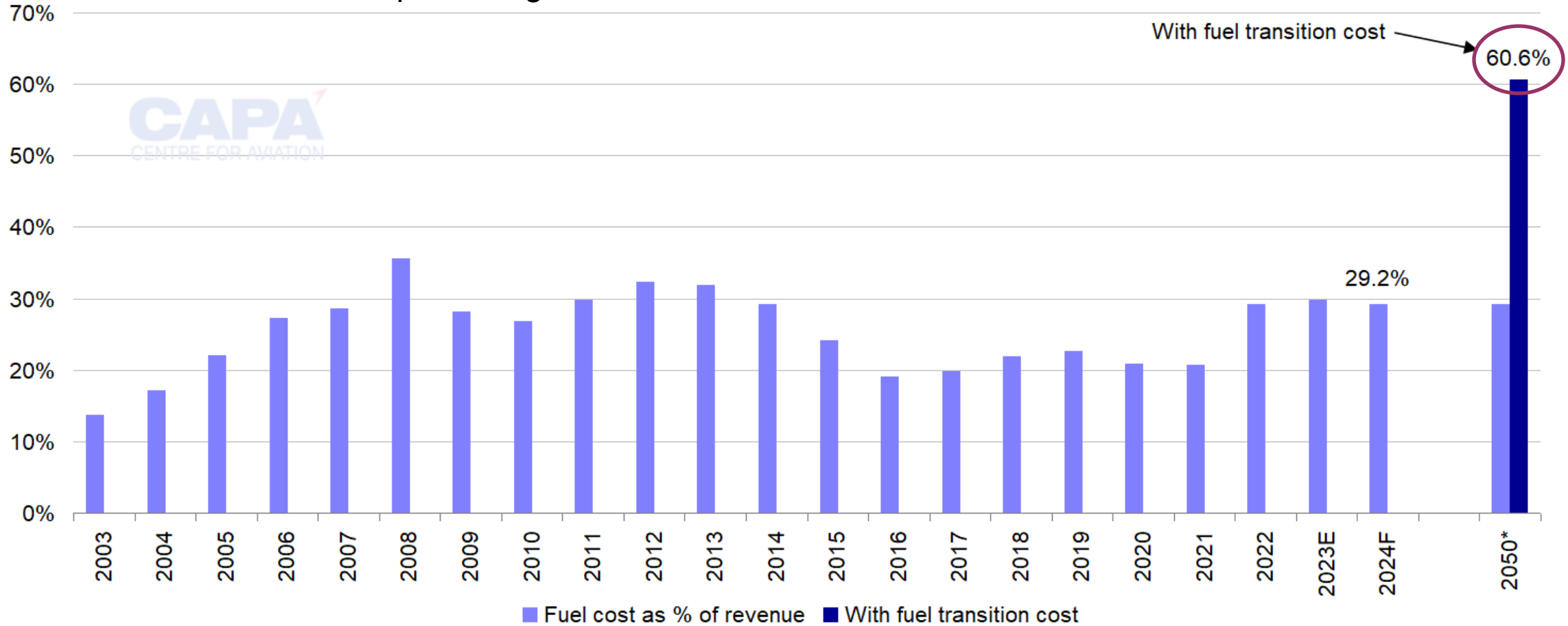
Only **48%** have it on the **agenda for management** meetings

*“AI is a hot potato that lacks a specific owner”*

Source: Alumni Global, 2024 survey of aviation CEOs, COOs and CPOs

# Fuel cost could rise from 29% of revenue in 2024 to 61% in 2050

World airline fuel cost as a percentage of revenue



■ Fuel cost as % of revenue ■ With fuel transition cost

\*2050 illustrative scenario

Source: CAPA - Centre for Aviation, IATA



Two more numbers:

**26** years to net **zero**



**26** years to achieve ICAO's Long Term Aspirational Goal of net **zero** by **2050**

This goal **must** be reached before **26** runs down to **zero**!



# The 20 numbers A recap:

- Jets in service at **107%** of 2019 levels
- Seat capacity at **107%**
- Cargo traffic at **108.0%**, RPKs at **104.2%**
- EU air fare inflation Sep-2024 at **0.9%**
- LCC seat share **34%**
- LCC and ULCC unit cost **33%** and **54%**
- Airline industry USD**30.5bn** net profit forecast in 2024e
- Average USD**18bn** pa economic loss *in the good years*
- **c2.3m** new aviation personnel needed to 2043
- Europe AFTM delays Jun-Aug 2024 **+48%** vs 2019
- Boeing, Airbus deliveries: **12** years lost
- Aircraft order backlog has **14** years of production
- Leasing accounts for **53%** of global fleet
- Investor owned airports **33%** of revenue 2023, **27%** 2019
- **82%** of aviation leaders see key role for AI
- Fuel cost **61%** of revenue in 2050? (vs **c29%** now)

**26** years to achieve net **zero**