

2024 Fleet & MRO Forecast Asia Pacific Focus | AWIN Market Analysis

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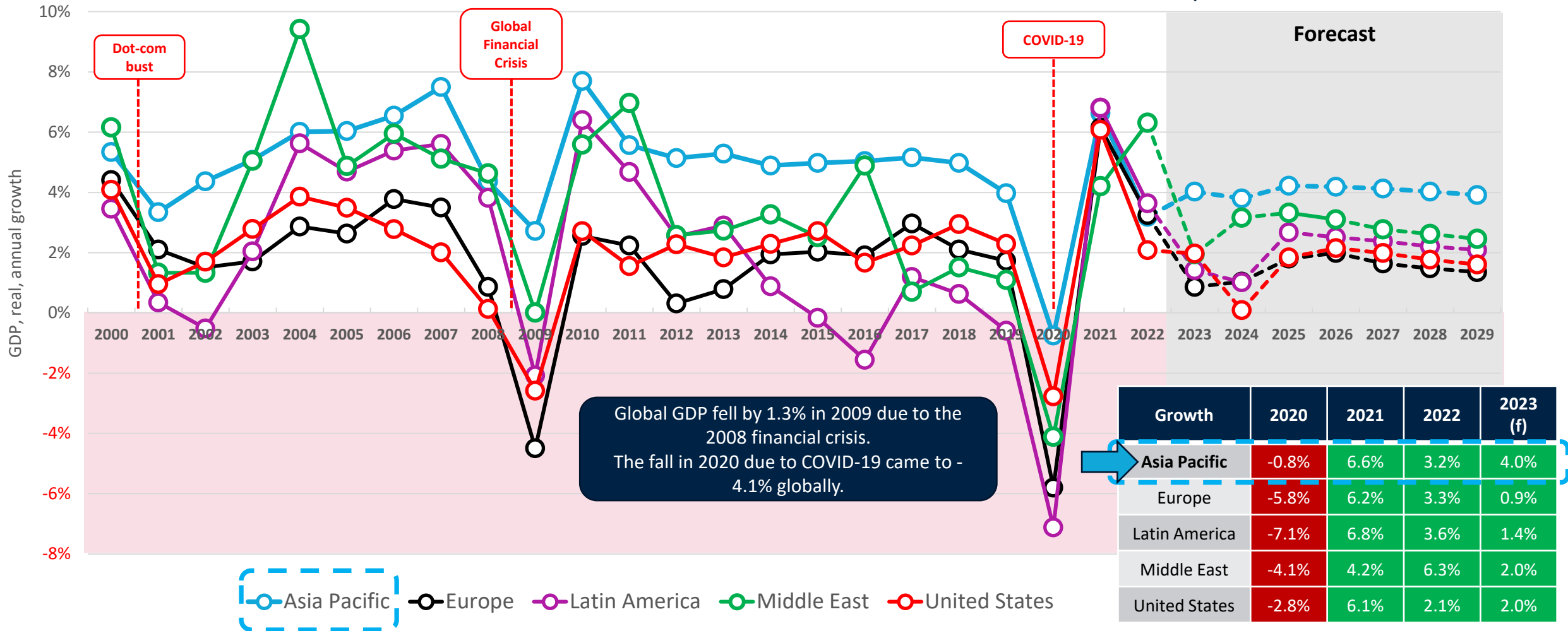
Day, Month, 2023

ASIA PACIFIC
FOCUS
2024 FORECAST
OUTLOOK

Market Trends, Drivers & KPIs

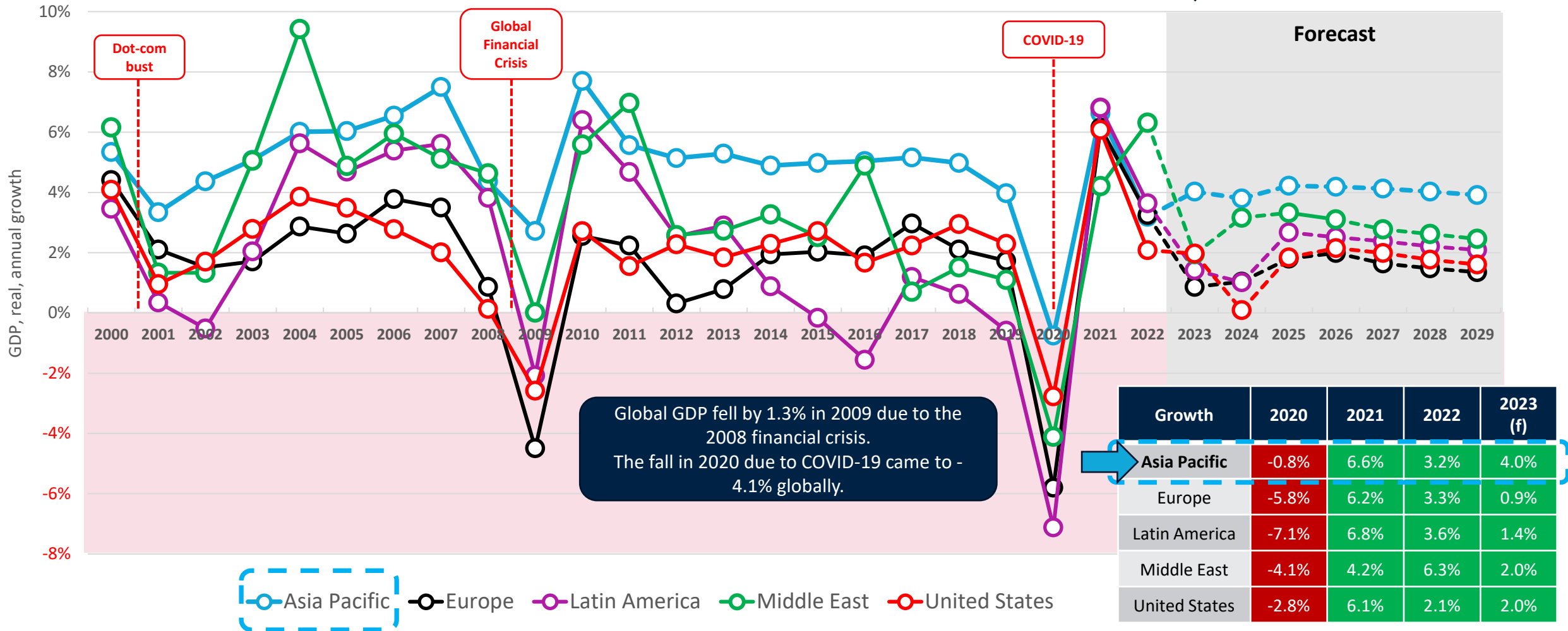
GDP & Recent Economic Shocks

2023



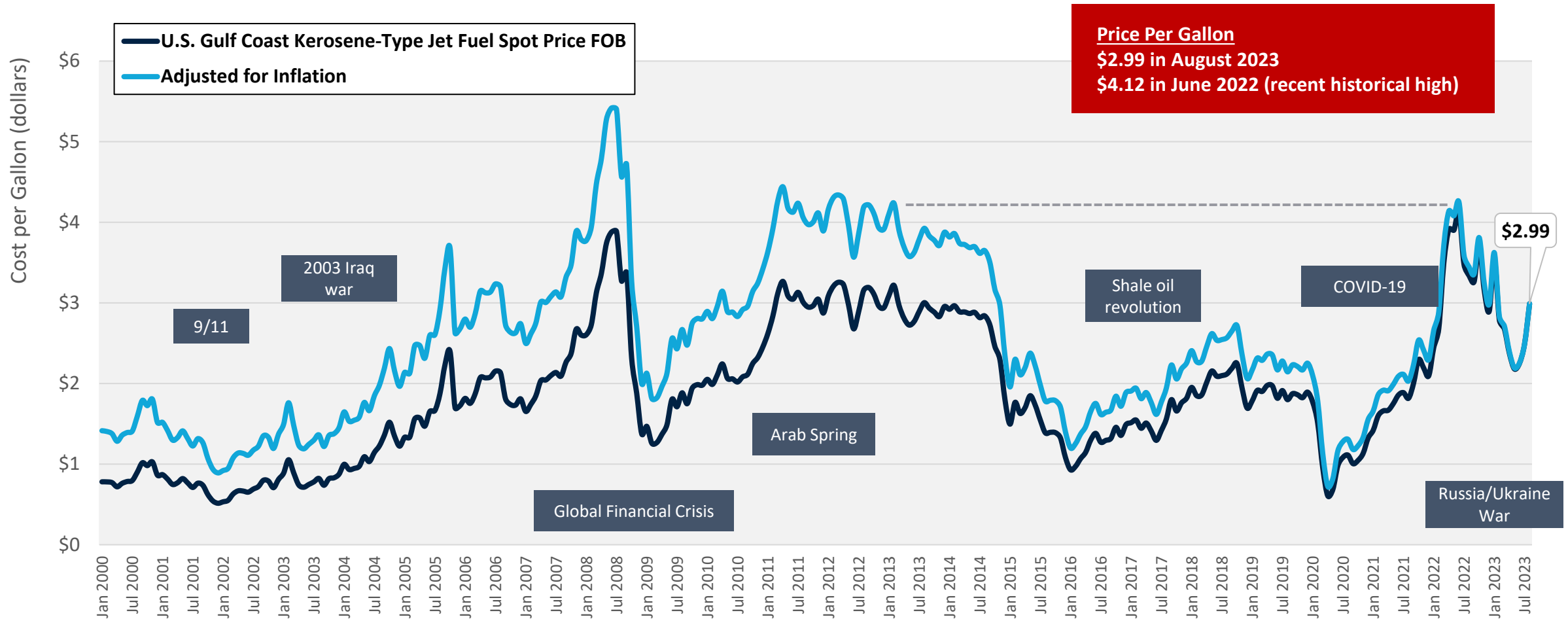
GDP & Recent Economic Shocks

2023



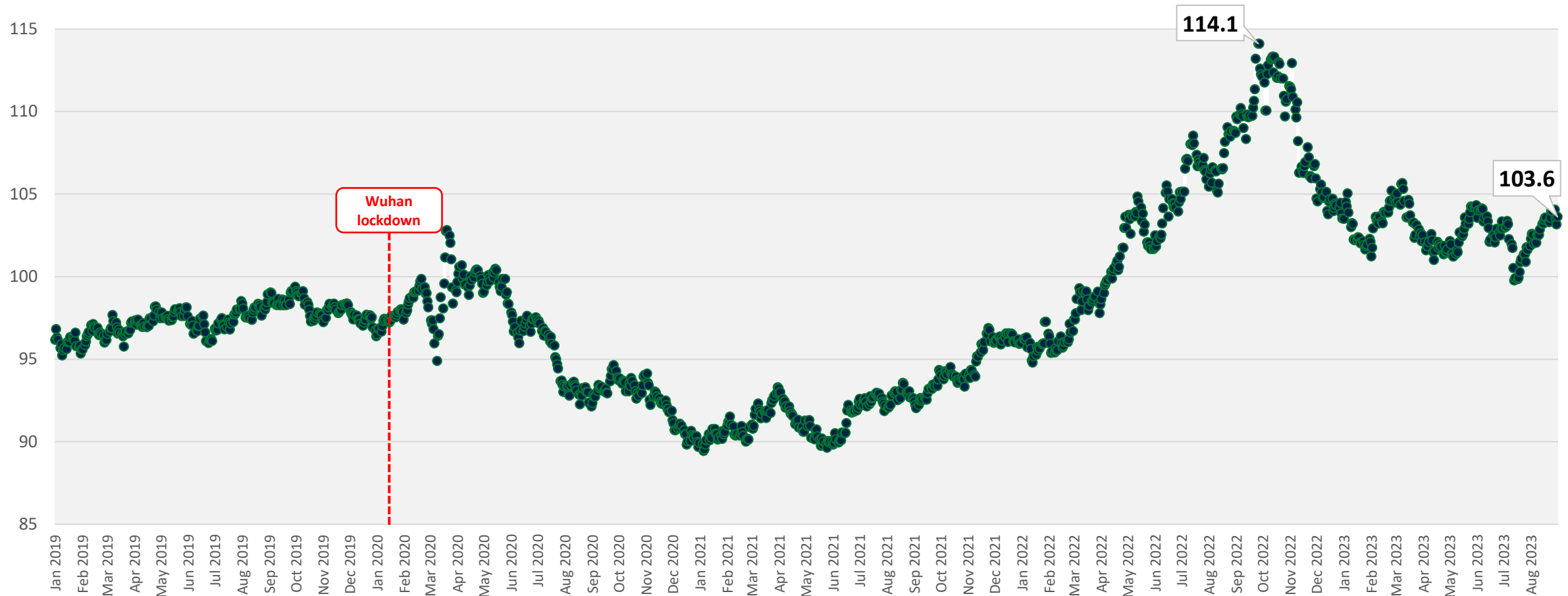
Jet Fuel Price and Inflation Adjusted

U.S. CPI-adjusted in latest month's price



U.S. Dollar Index (DXY)











USD vs. 16 other national currencies



Source: WSJ U.S. Dollar Index (DXY).

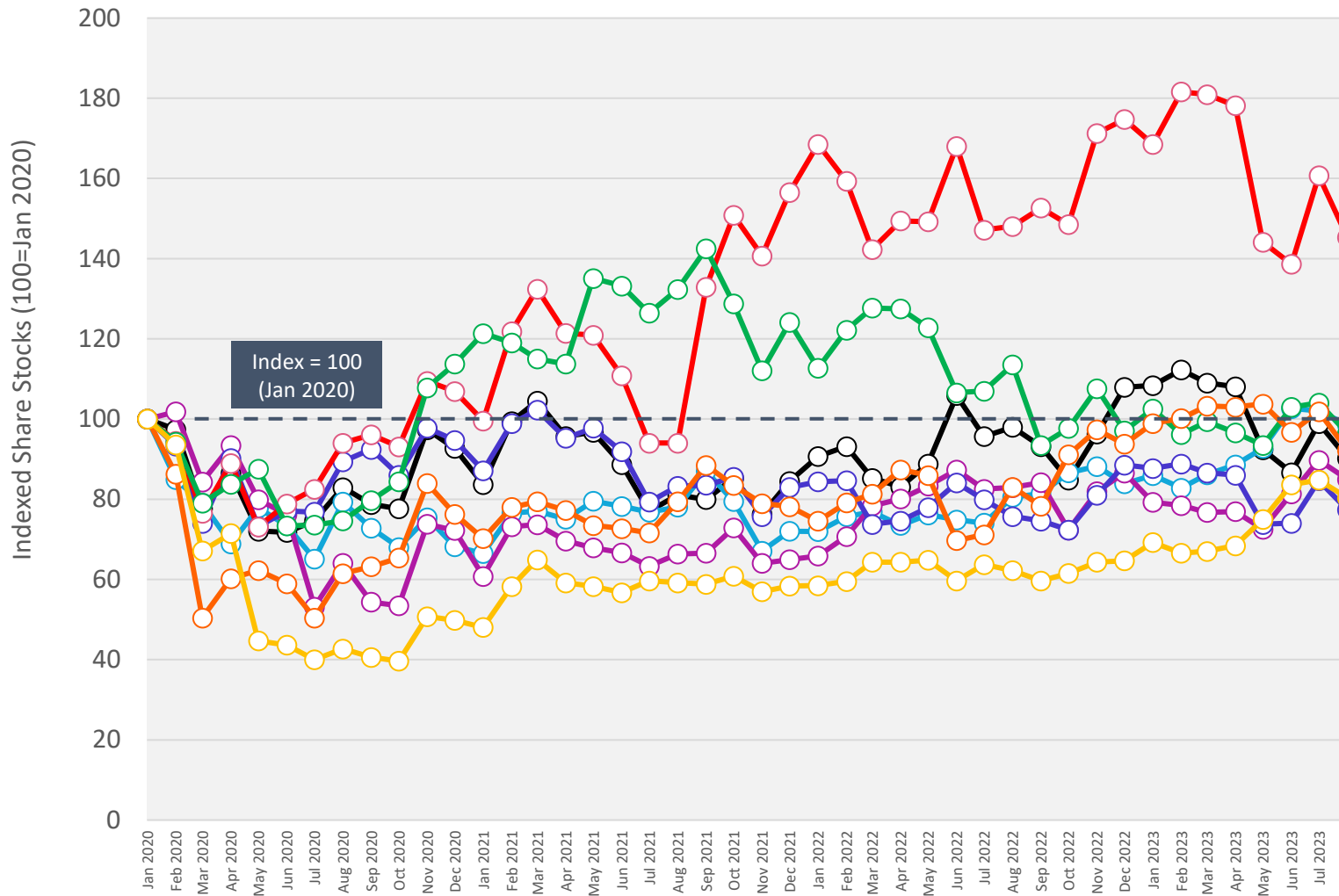
Note: Index measures U.S. currency against a basket of 16 other currencies.

Top 10 Asian Airline Groups by Traffic, 2022 v. 2021 – Uneven Recovery

Rank 2022	Airline/Group	Country	RPK (m)			ASK (m)			Load Factor		Passengers (thousands)		
			2022	2021	Change	2022	2021	Change	2022	2021	2022	2021	Change
1	 中国南方航空 CHINA SOUTHERN	China	102,078	152,426	-33%	153,848	213,926	-28%	66%	71%	62,636	98,505	-36%
2	 SINGAPORE AIRLINES	Singapore	91,747	11,756	+680%	118,893	56,273	+111%	77%	21%	20,735	2,163	+859%
3	 IndiGo	India	80,737	43,522	+86%	100,013	60,919	+64%	81%	71%	75,313	45,941	+64%
4	 中國東方航空 CHINA EASTERN	China	61,272	108,787	-44%	96,180	160,800	-40%	64%	68%	42,528	79,055	-46%
5	 AIR CHINA	China	60,354	104,627	-42%	96,196	152,452	-37%	63%	69%	38,607	69,048	-44%
6	 AIR INDIA	India	45,029	29,625	+52%	56,150	44,585	+26%	80%	66%	17,917	13,093	+37%
7	 ANA	Japan	44,107	14,021	+215%	72,070	35,899	+101%	61%	39%	29,188	11,685	+150%
8	 JAL JAPAN AIRLINES	Japan	41,382	13,001	+218%	65,901	34,717	+90%	63%	37%	29,838	12,582	+137%
9	 QANTAS	Australia	34,363	18,557	+85%	50,633	29,374	+72%	68%	63%	21,257	15,866	+34%
10	 海南航空 HAINAN AIRLINES	China	33,515	62,616	-46%	49,520	83,839	-41%	68%	75%	21,074	41,299	-49%

Source: AWIN and annual reports. Note: Results for Qantas are for year ending 21 June 21.

Indexed Stock Price Change – Leading Airlines in Asia



Year-on-Year Change

		31-Aug-23	31-Aug-22	Change
	Air China	5.81	6.31	-7.9%
	ANA	3,290.00	2,687.50	22.4%
	Cathay Pacific	8.36	8.16	2.5%
	China Eastern Airlines	2.77	2.71	2.2%
	China Southern Airlines	6.32	6.44	-1.9%
	Korean Air Lines	22,800.00	26,850.00	-15.1%
	Qantas Airways	5.91	5.32	11.1%
	Singapore Airlines	6.87	5.32	29.1%

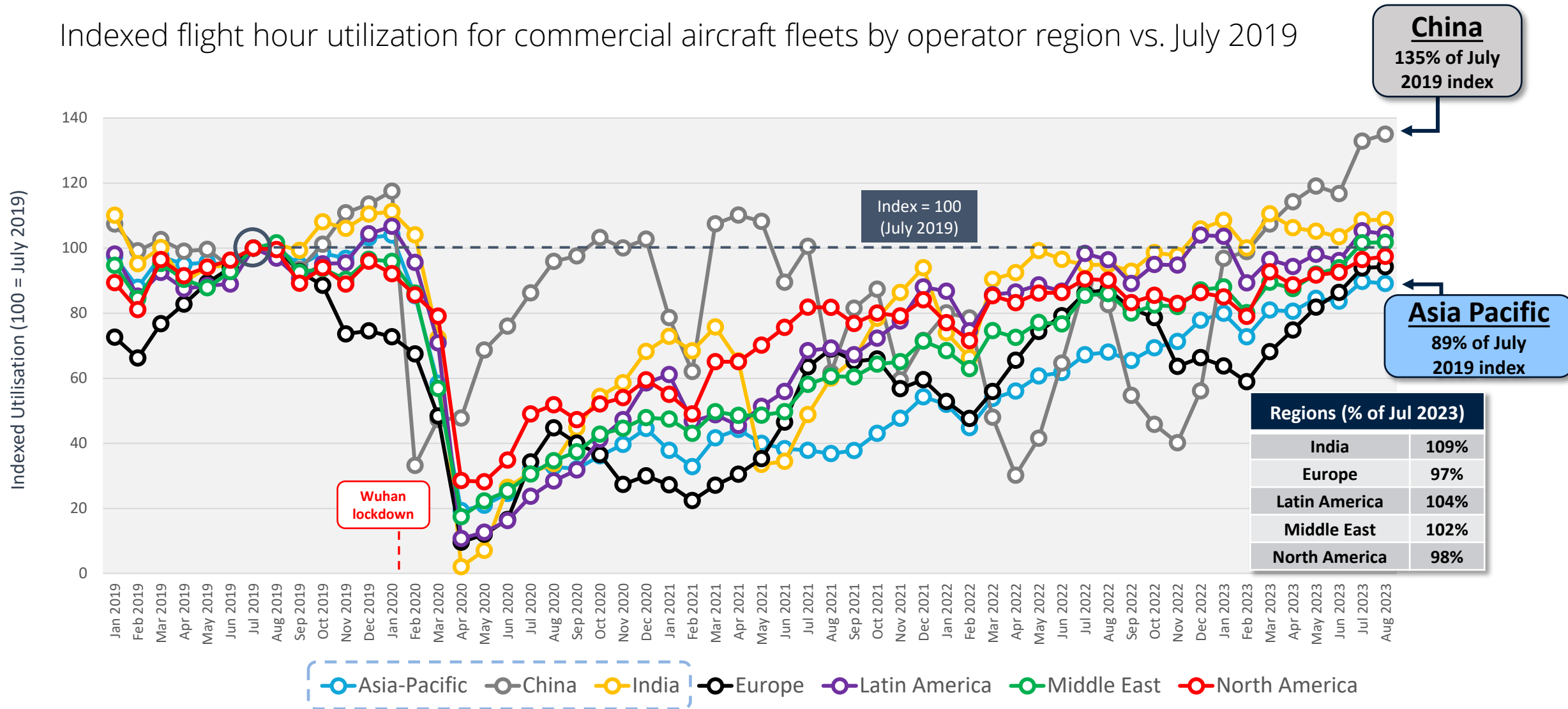
Note: Figures in local currency.



Credit: Nigel Howarth, Aviation Week Network

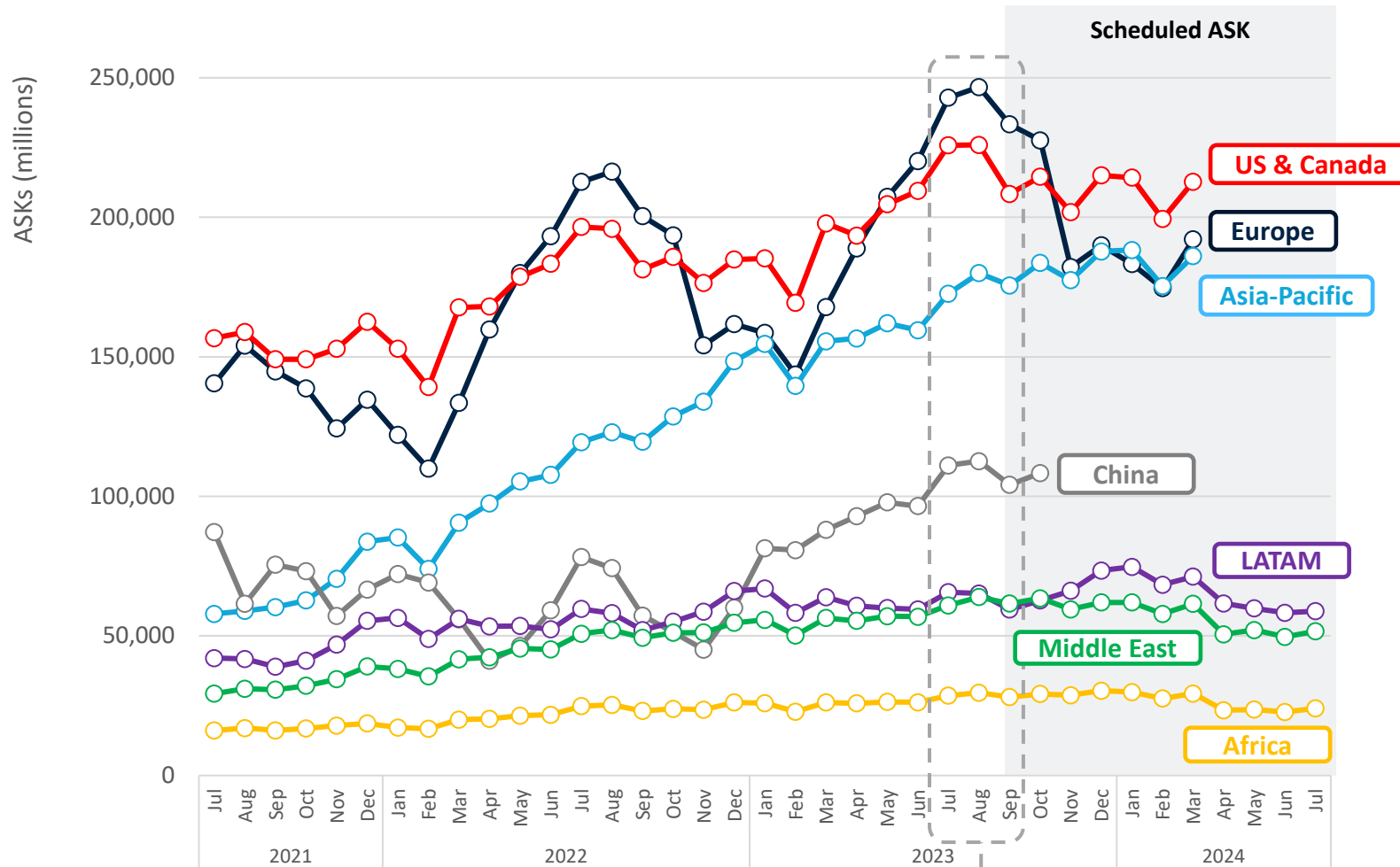
Utilization Change – Region

Indexed flight hour utilization for commercial aircraft fleets by operator region vs. July 2019



Scheduled & Historic Available Seat Kilometres – By Region

Scheduled airline capacity (updated 8 Sept 2023)

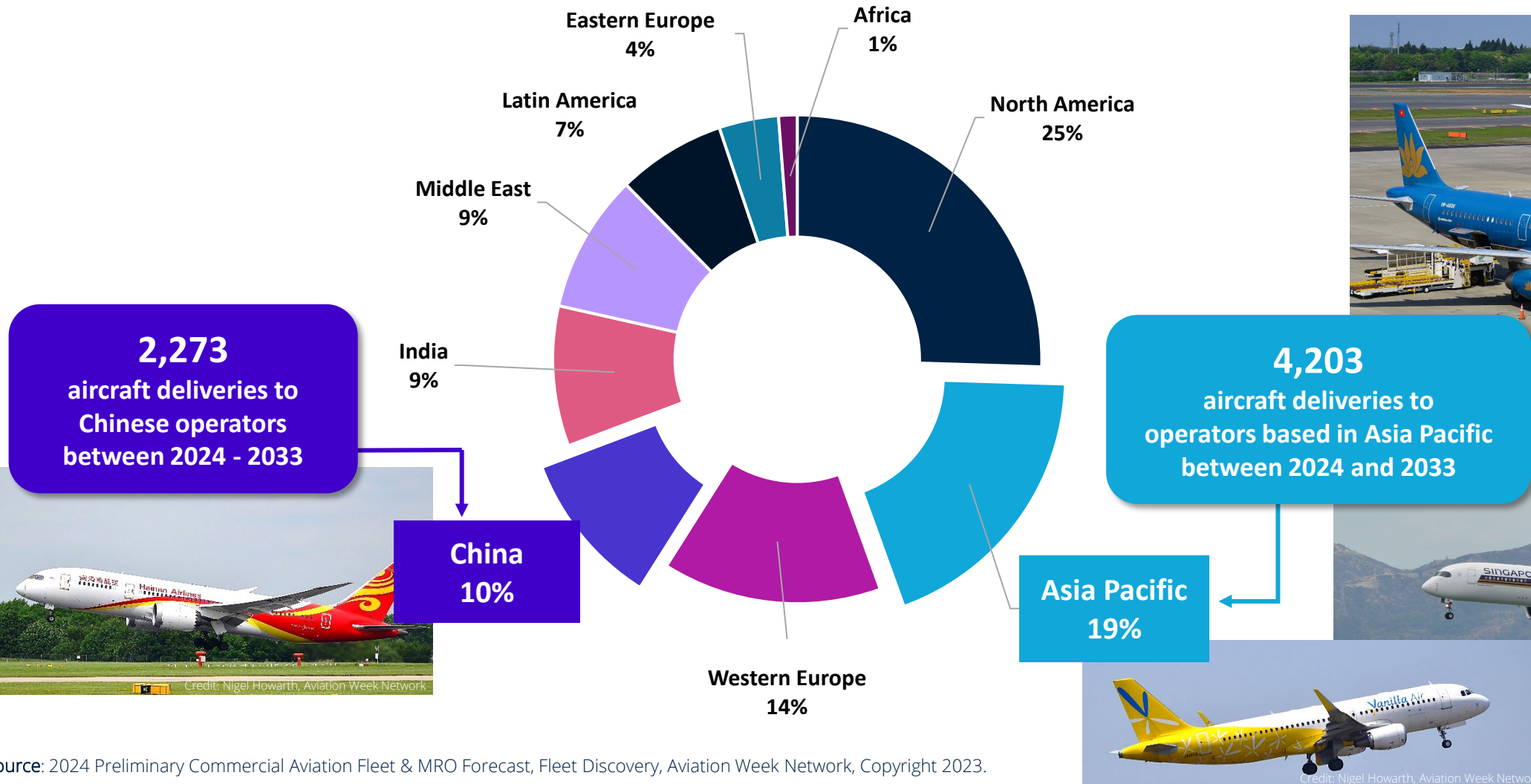


Region	Q3 2023 vs. 2022 % Change	H1 2023 vs. 2022 % Change
Europe	+15%	+21%
U.S. & Canada	+15%	+17%
Asia-Pacific	+46%	+66%
China	+56%	+56%
LATAM & Caribbean	+12%	+15%
Middle East	+22%	+34%
Africa	+18%	+31%

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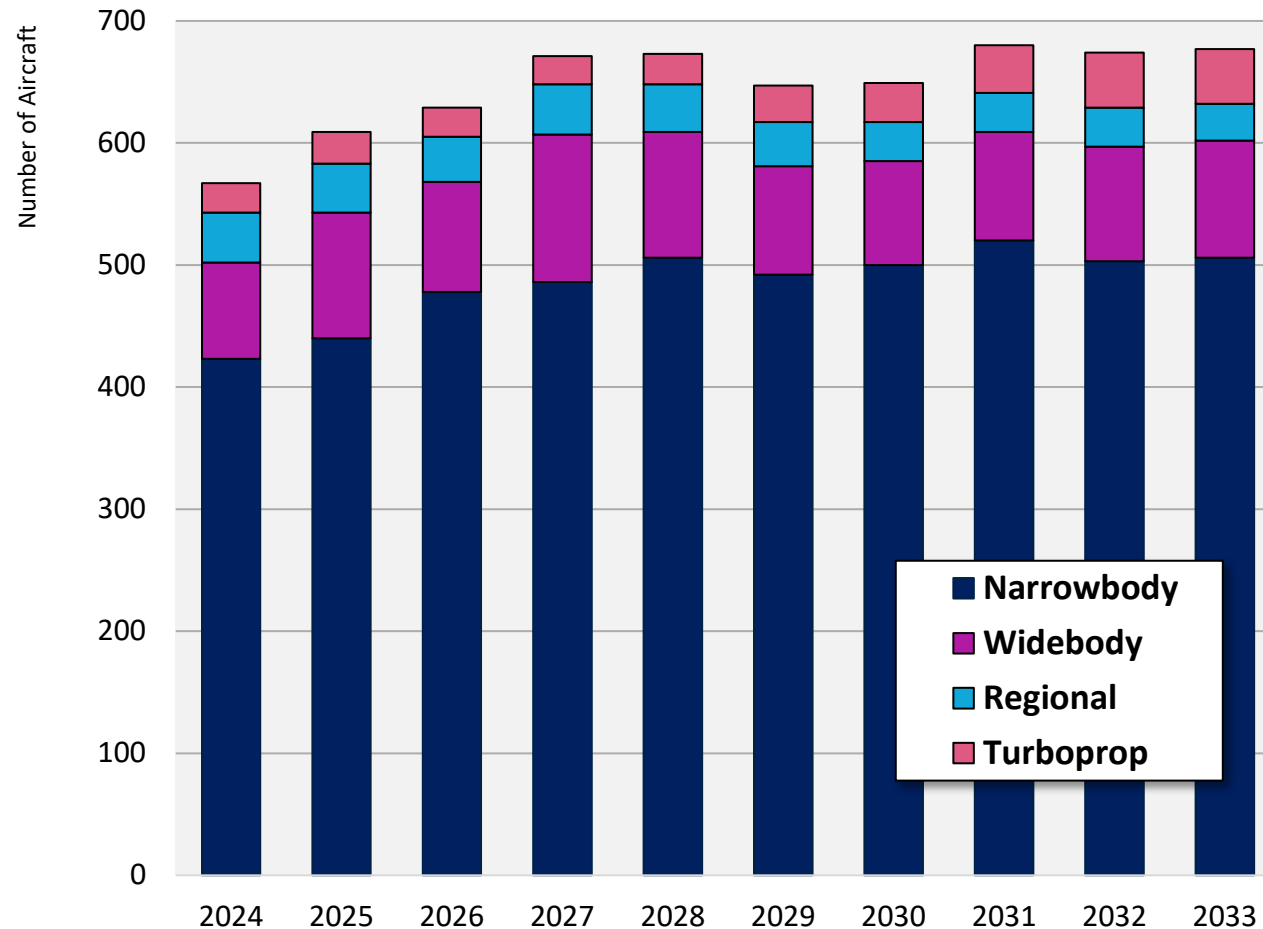
Preliminary Forecast 2024-2033

Forecast: New Aircraft Deliveries by Region (2024-33)



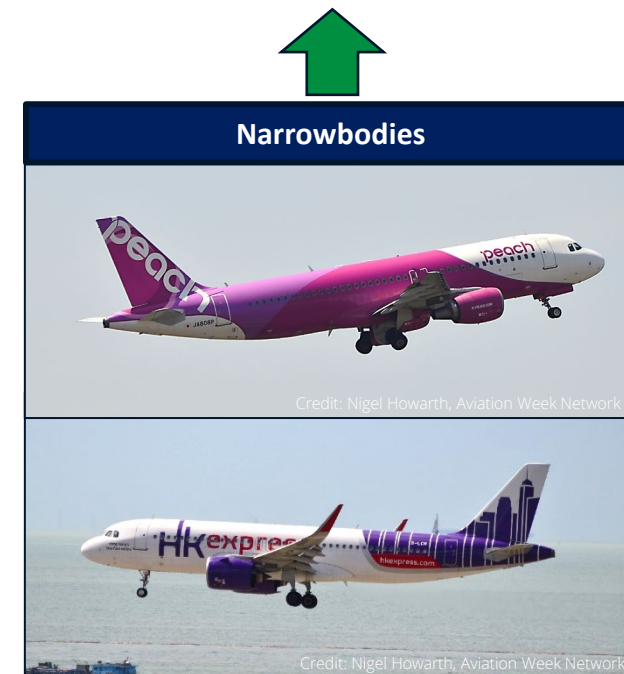
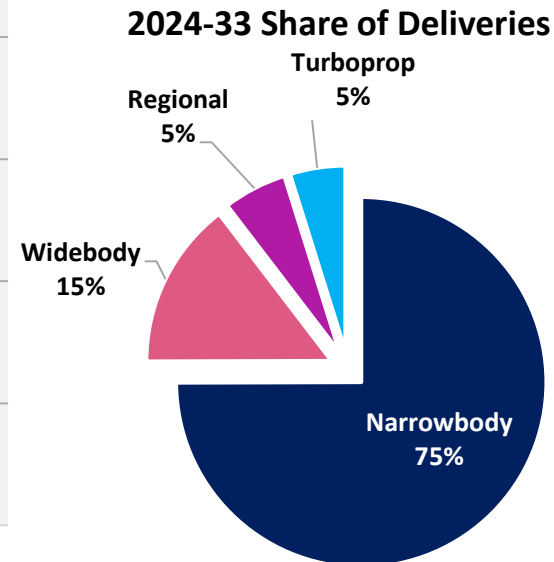
Forecast: Trends in Commercial Deliveries (APAC & China)

Preliminary forecasted annual new build deliveries



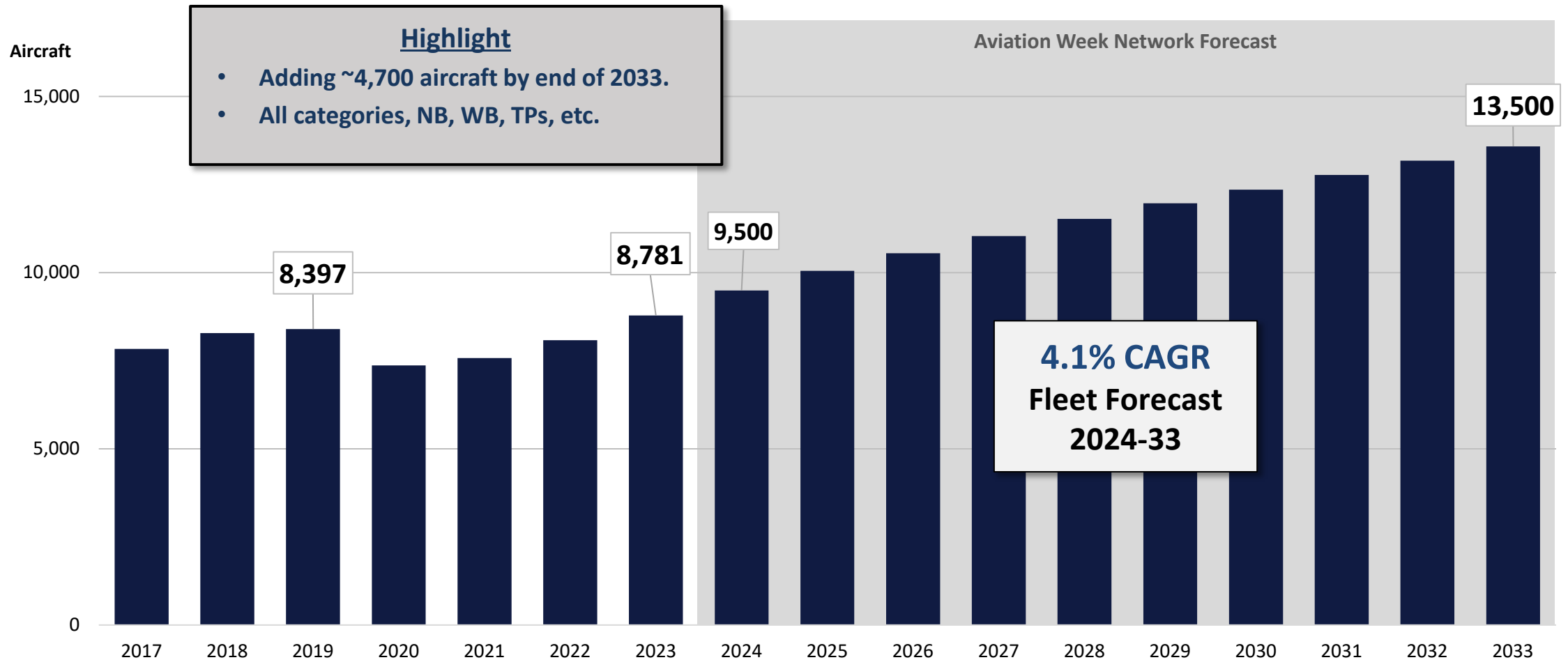
Highlights

- 6,400+ new deliveries, Asia Pacific & China
- 75% narrowbody share
- 44% Airbus, 42% Boeing, 10% COMAC
- 12,900+ new engine deliveries

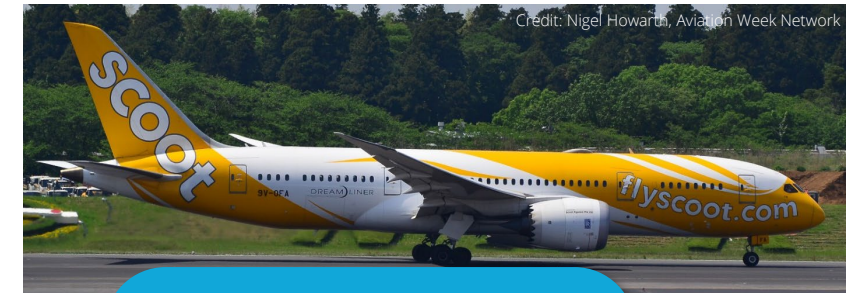
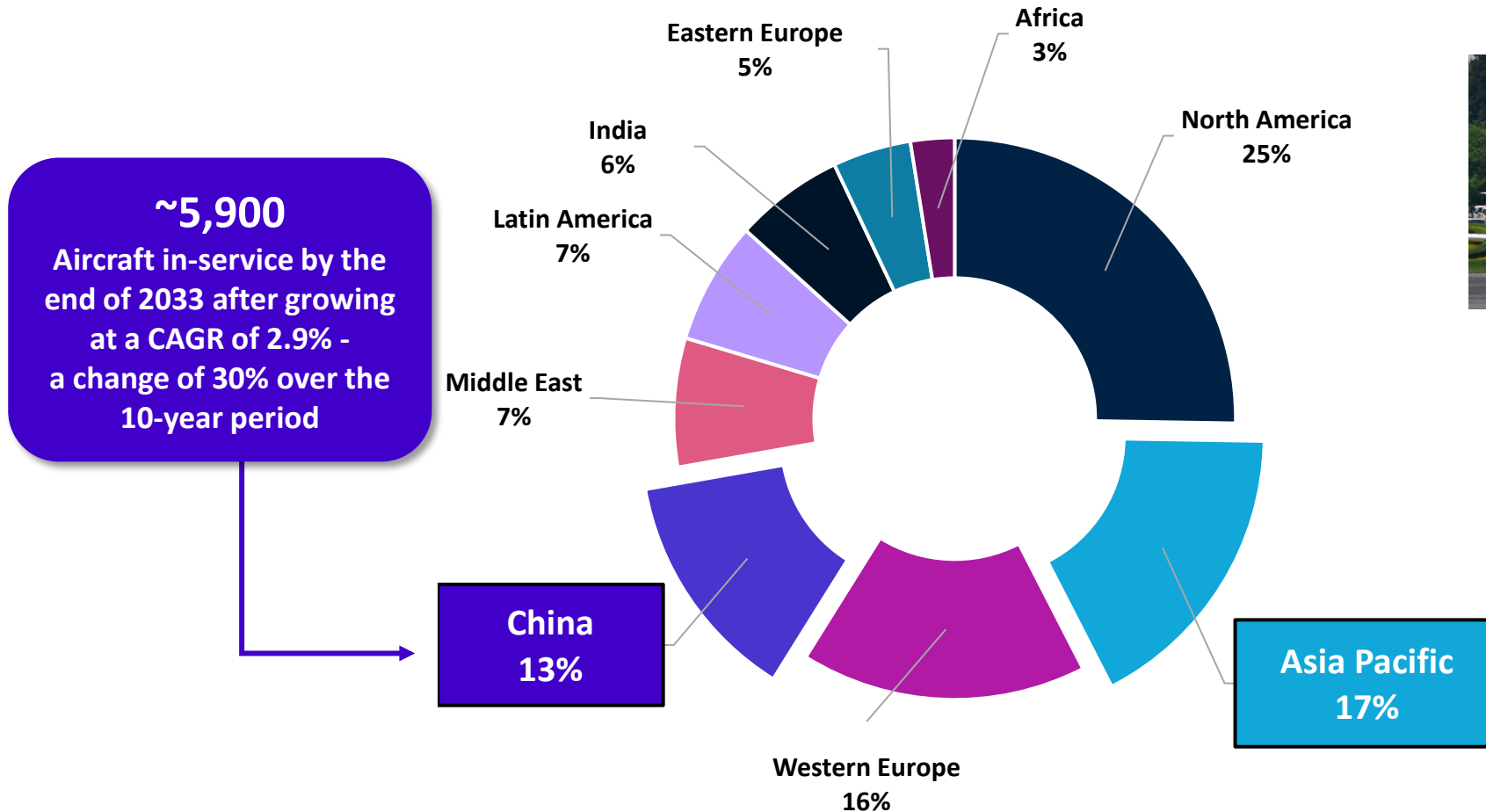


Forecast: In-Service Commercial Aircraft Fleet – APAC & China

Preliminary forecasted active commercial aircraft, historical & forecasted



Preliminary Forecast: Aircraft In-Service by Region (2033)

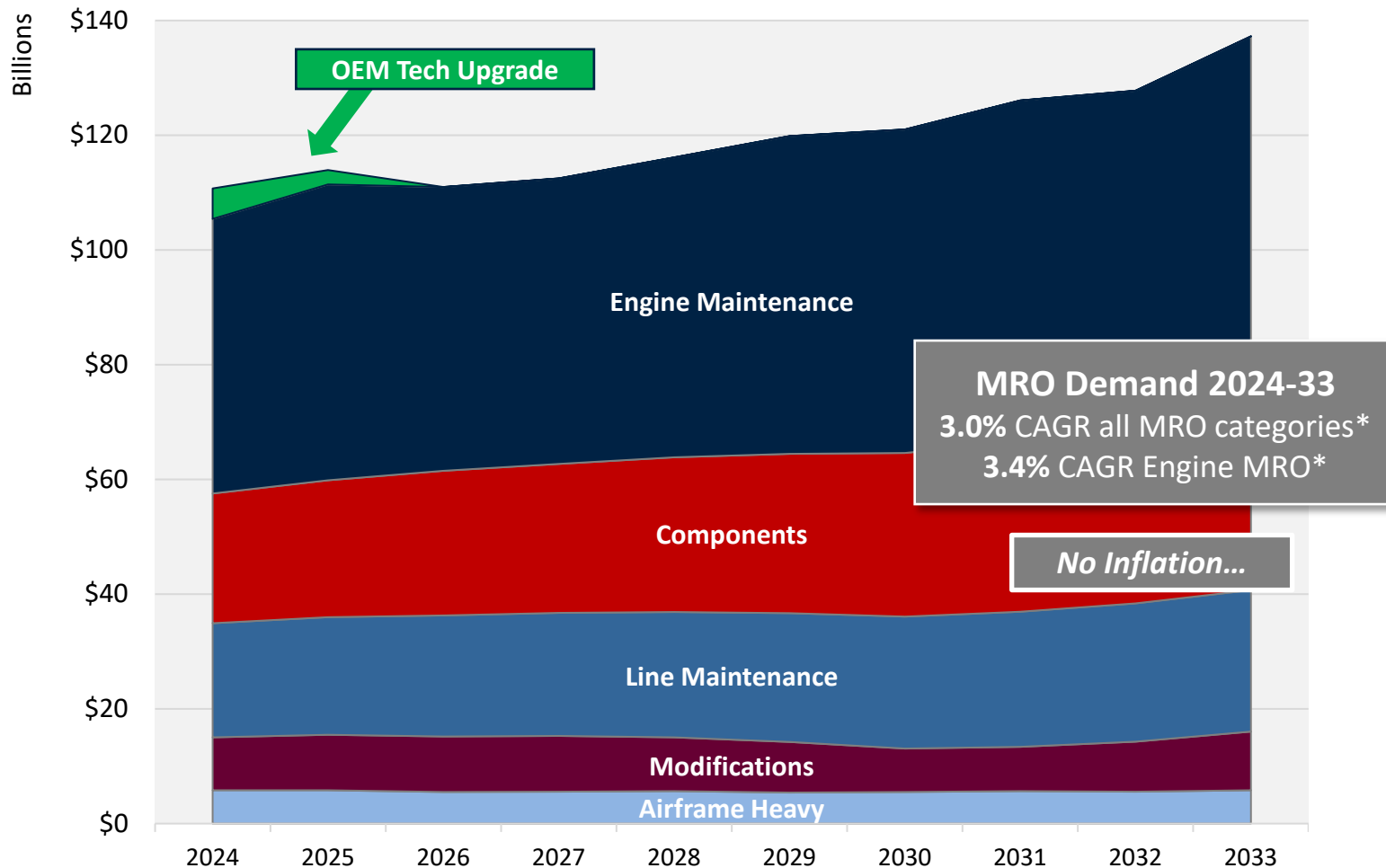


~7,600
Aircraft in-service by the end of 2033 after growing at a CAGR of 5.0% - a change of 56% over the 10-year period

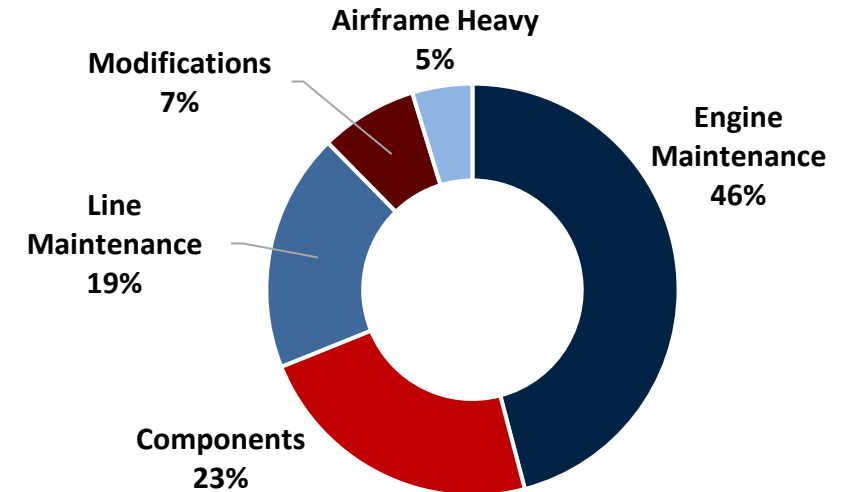


Preliminary Forecast: MRO Demand Overview

Global MRO aftermarket by category, constant US dollars

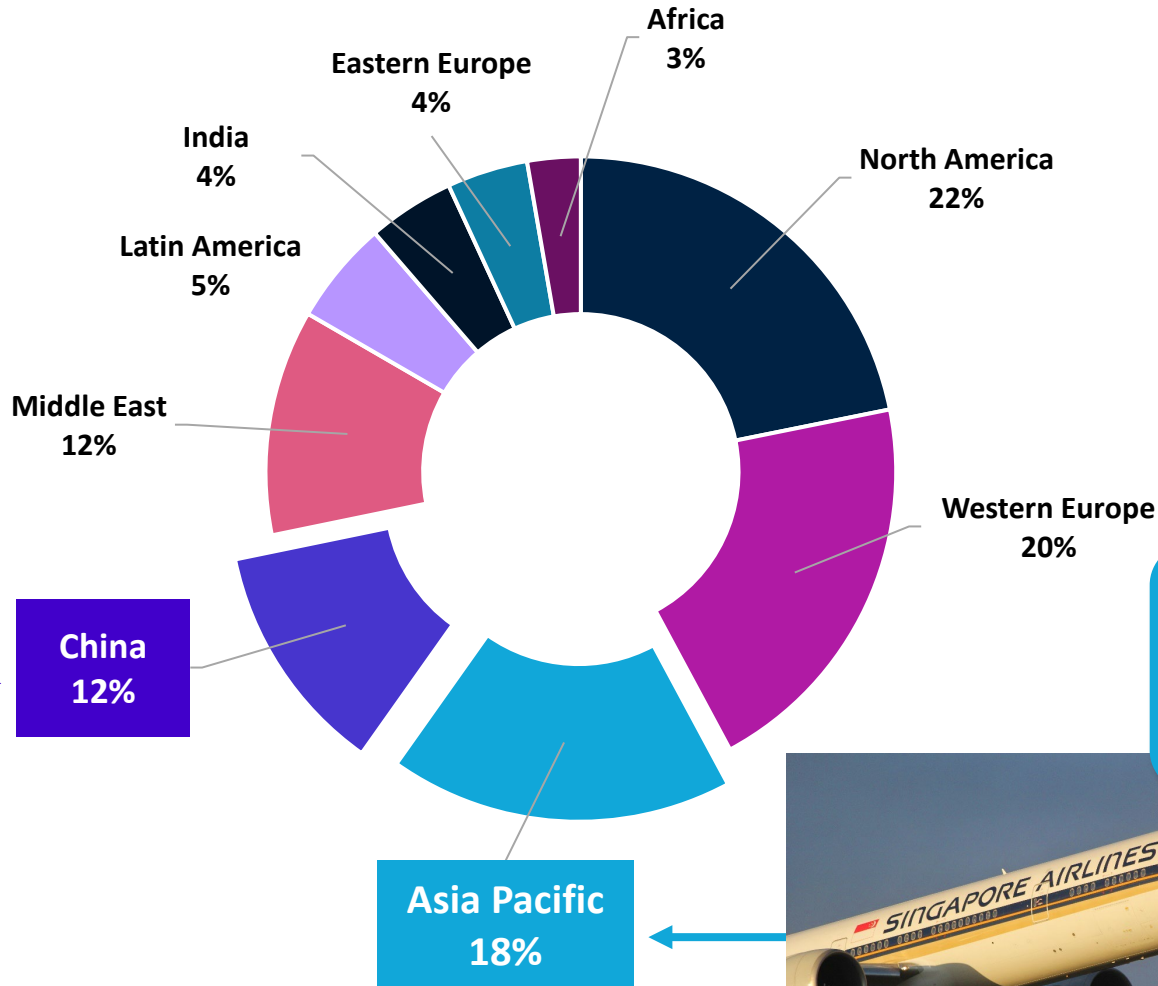


MRO Demand 2024-33 \$1.2 Trillion



Forecast: Regional MRO Demand, \$1.2 Trillion (2024-33)

1.7% CAGR
MRO demand;
Over 31,500 events by
the end of 2033



2.8% CAGR
MRO demand;
Over 39,500 events by
the end of 2033



Source: 2024 Preliminary Commercial Aviation Fleet & MRO Forecast, Fleet Discovery, Aviation Week Network, Copyright 2023.
Notes: 2024/205 new generation engine technical upgrades not included.

Engine “Hospital Visits” - Preliminary

\$7.8 billion MRO aftermarket impacts for Pratt & Whitney GTF & CFM LEAP

Issues:

- GTF combustion/heat exchanger
- GTF HPT #1 and #2, HPC (2015-21 year of manufacture)
- LEAP fuel nozzle

“Pratt & Whitney Bulletin Details Population Of PW1100Gs...”

Source: Aviation Daily, Aviation Week Network (August 25, 2023)

“Revamped PW1100G Inspection Timing Could Ground 650 A320neos In Early 2024...”

Source: Aviation Daily, Aviation Week Network (September 11, 2023)

“Alaska Gains Insight To Leap Issues From Inherited A321s...”

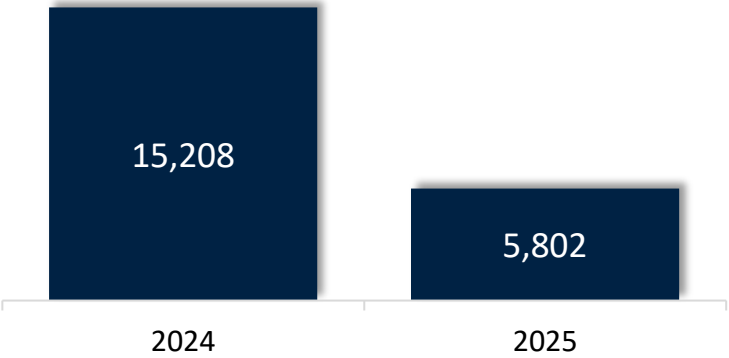
Source: Aviation Daily, Aviation Week Network (June 21, 2023)

Aircraft/engine retrofits/fixes 2024/25

Commercial Aircraft	Engine Model
737 Max 7/8/9/10	LEAP-1B
A220-100/300	PW1500G
A319/320/321neo	LEAP-1A
A319/320/321neo	PW1100G-JM
C919	LEAP-1C
E190/195-E2	PW1900G

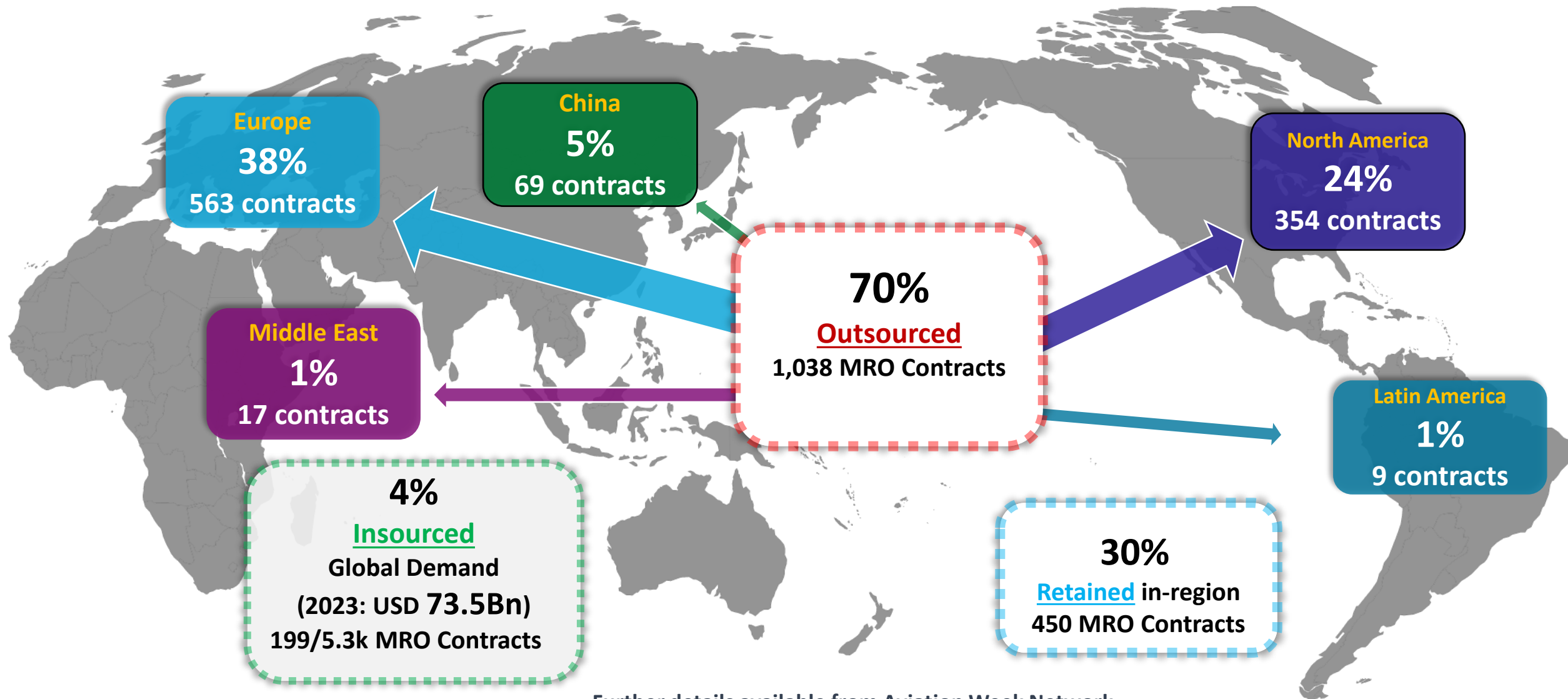


Potential Hospital Visit Events



MRO Contracts Outsourced By Asia-Pacific Operators

All MRO service types; ~4,400 commercial fleet ✈️ 🔧



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THAT DRIVES RESULTS



Fleets, Trends
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MRO Future
Demand



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of Market Share

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2024 Fleet & MRO Forecast
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Thank You

Articles cited:

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<https://aviationweek.com/air-transport/aircraft-propulsion/revamped-pw1100g-inspection-timing-could-ground-650-a320neos>

<https://aviationweek.com/air-transport/airlines-lessors/alaska-gains-insight-leap-issues-inherited-a321s>

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2024 FLEET & MRO PRELIMINARY FORECAST

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