



# Commercial Market Outlook

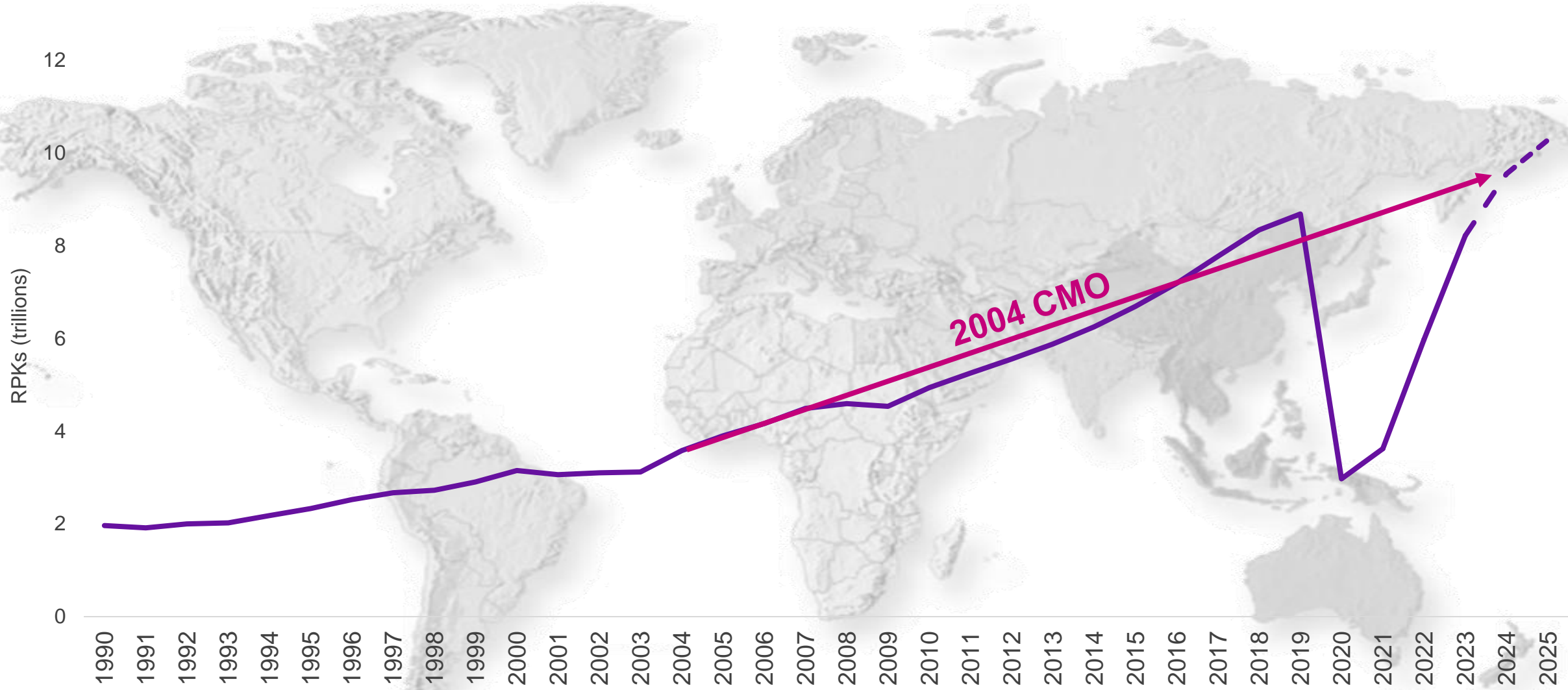
Darren Hulst  
Vice President, Commercial Marketing

July 16, 2024

The statements contained herein are based on good faith assumptions and are to be used for general information purposes only. These statements do not constitute an offer, promise, warranty or guarantee of performance.



# Believe it or not, traffic is where it was projected

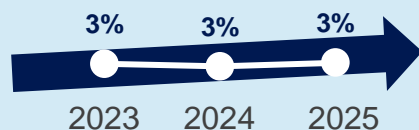


RPKs = Revenue Passenger Kilometers  
SOURCES: S&P Global Market Intelligence, Boeing Analysis

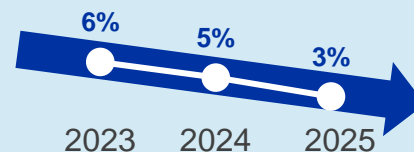


## Macro-fundamentals remain supportive

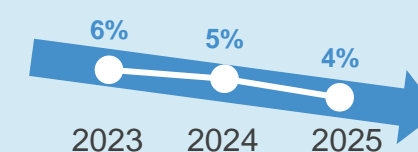
### GDP growing steadily



### Inflation decelerating



### Interest rates falling





# Travel remains a top priority



84% will  
**prioritize**  
travel in their budget

66% will travel  
**more**  
than pre-pandemic

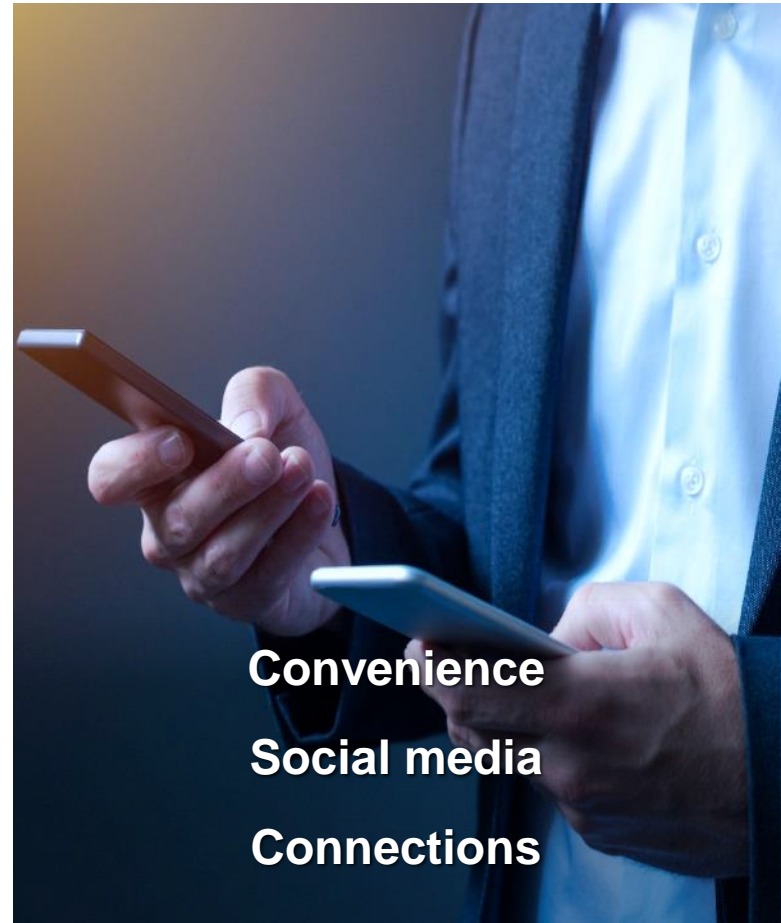
Trip lengths will be 1-day  
**longer**  
than before 2020

# Aviation is an enabler in an increasingly connected world

2003 **40 million** **1.9 billion**  
Websites



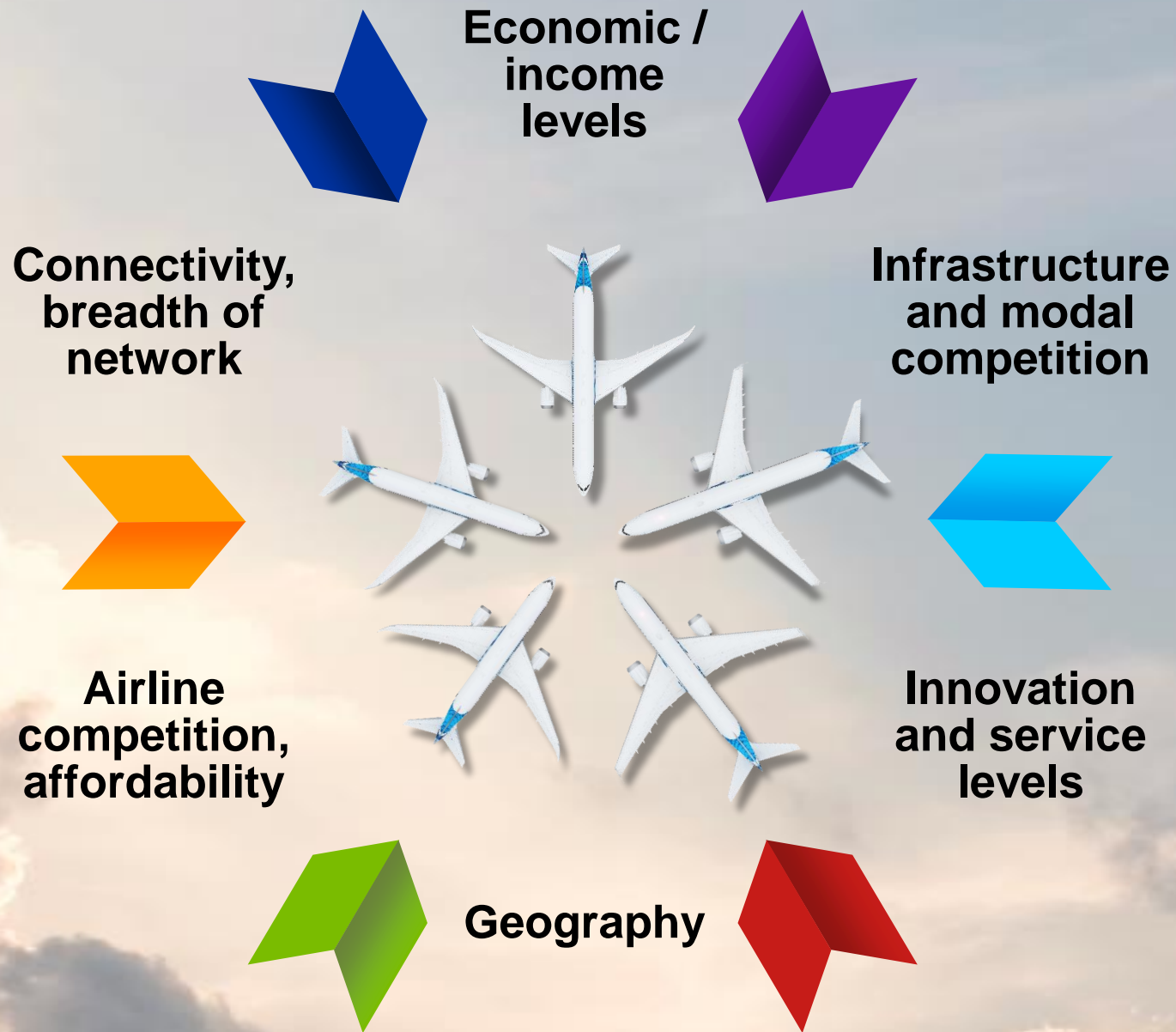
1.4 billion **8.9 billion**  
Smartphones



\$215 billion **~\$850 billion**  
Global remittances





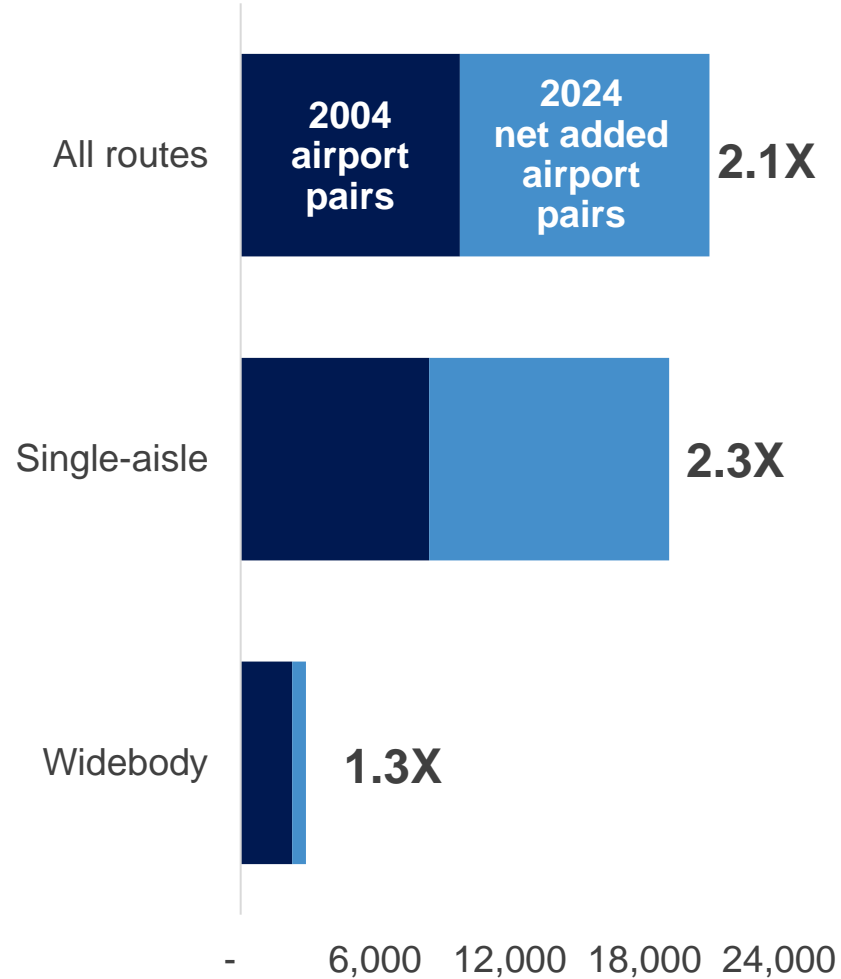


# Multi-speed passenger traffic growth

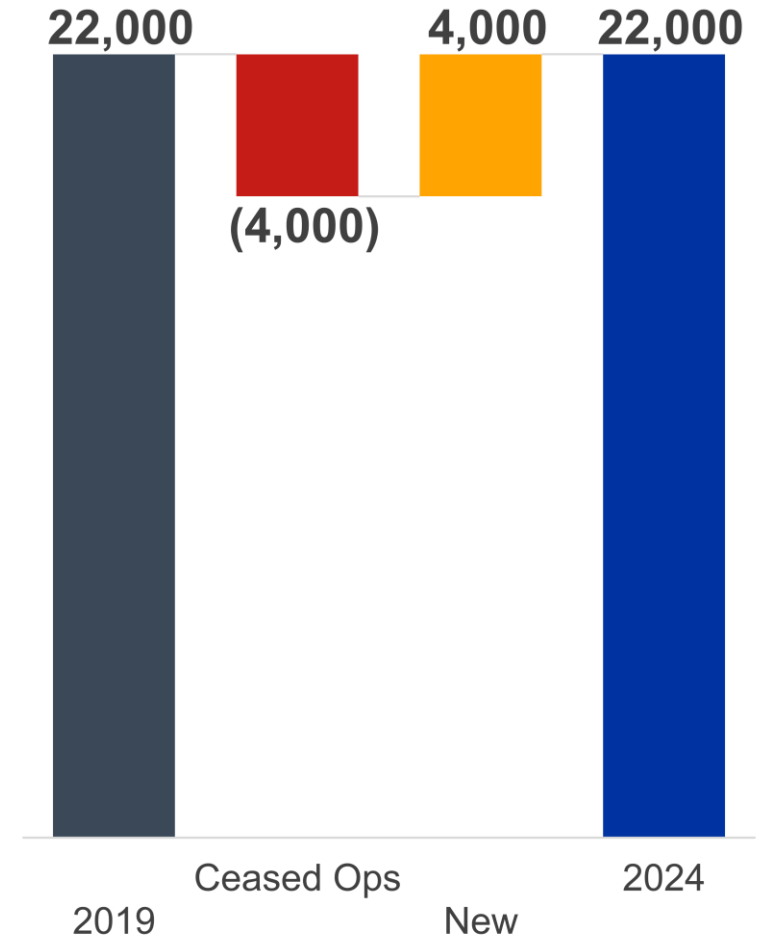


# Global network has doubled since 2004, remains dynamic

Total industry routes



Total industry routes (thousands)

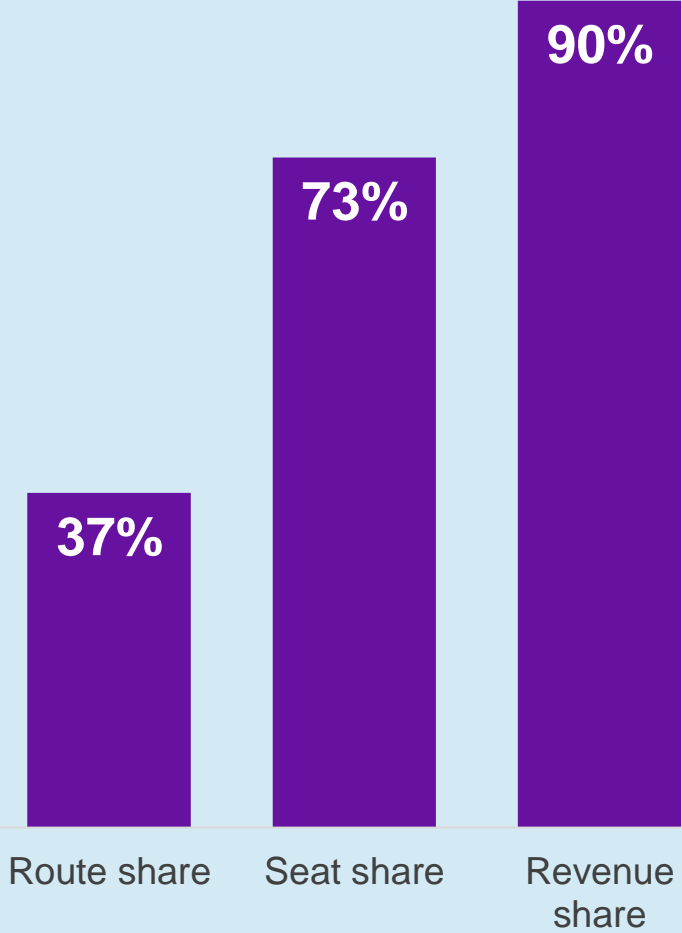


# 90% of routes have competition



SOURCES: Schedules via Cirium Diio, DDS (IATA), Boeing Analysis

Routes served by two or more airlines

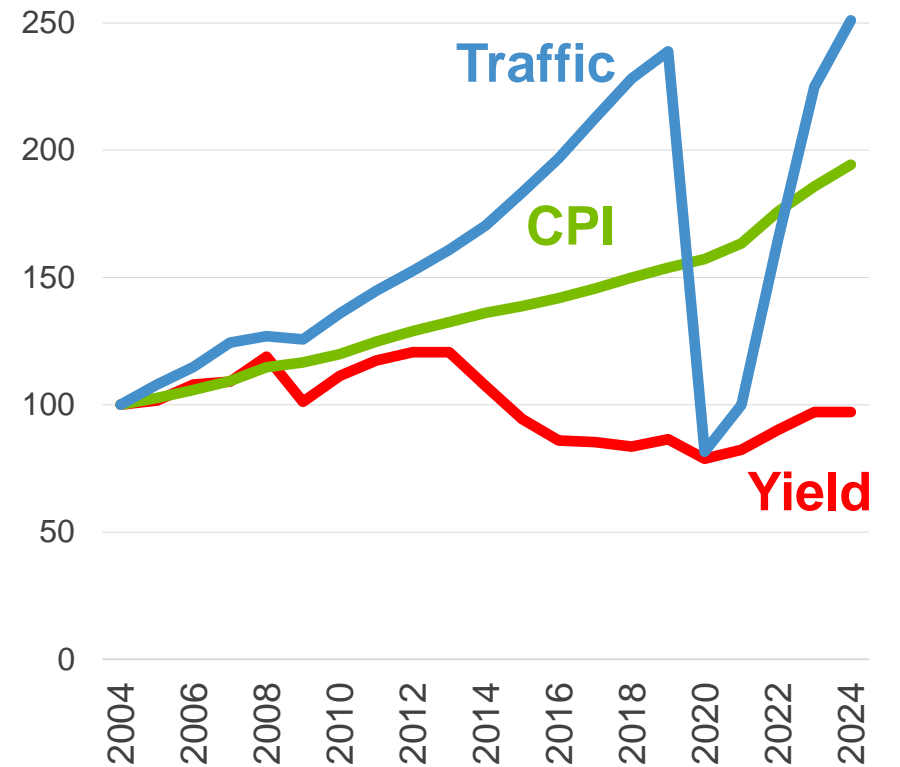




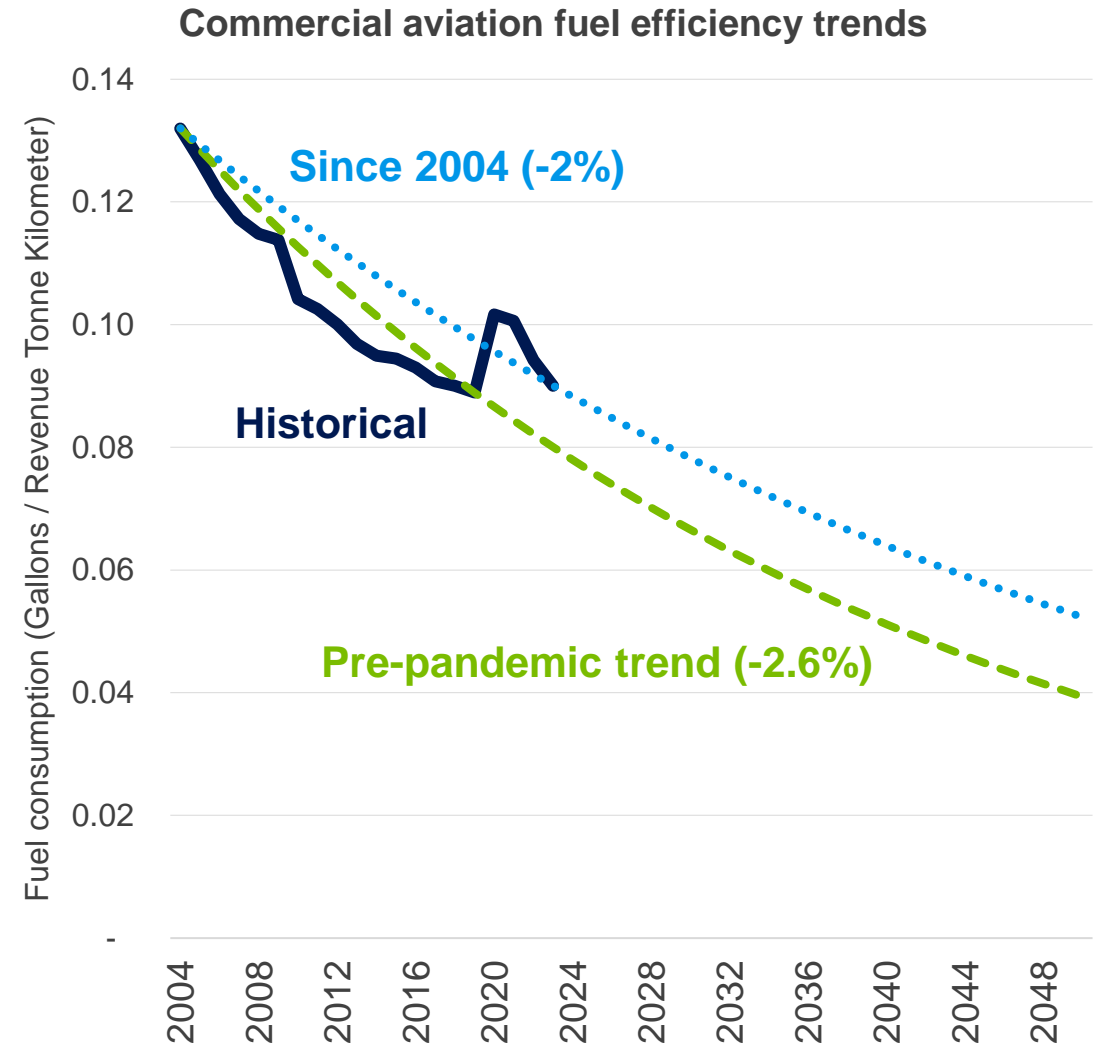


## Air travel remains affordable

Passenger yields vs. global consumer prices (2004 = 100)

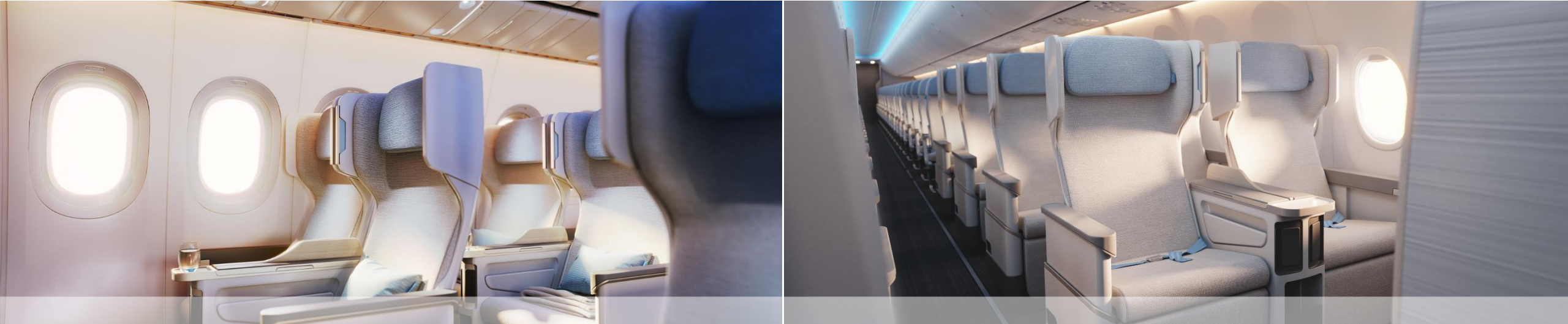


# Fleet efficiency continues to improve

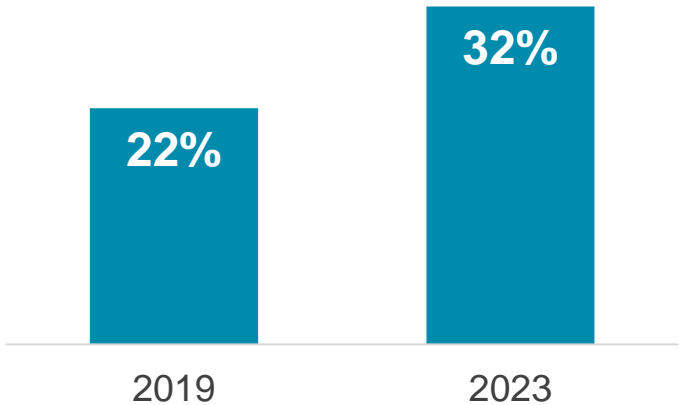




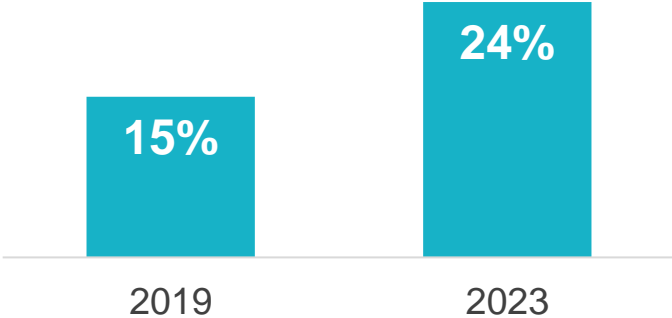
# Differentiation increasing: premium economy seat share up 10% on major long-haul flows



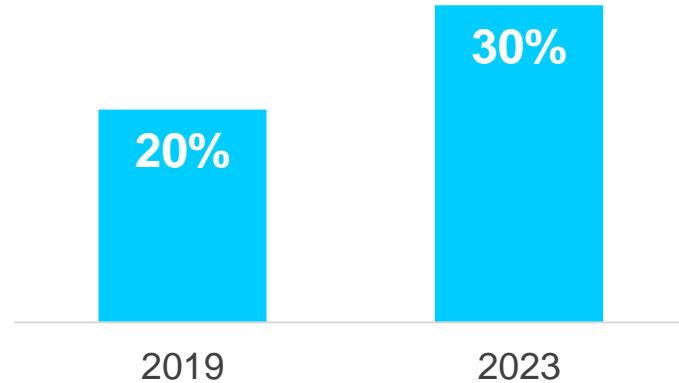
Transatlantic



Europe-Asia

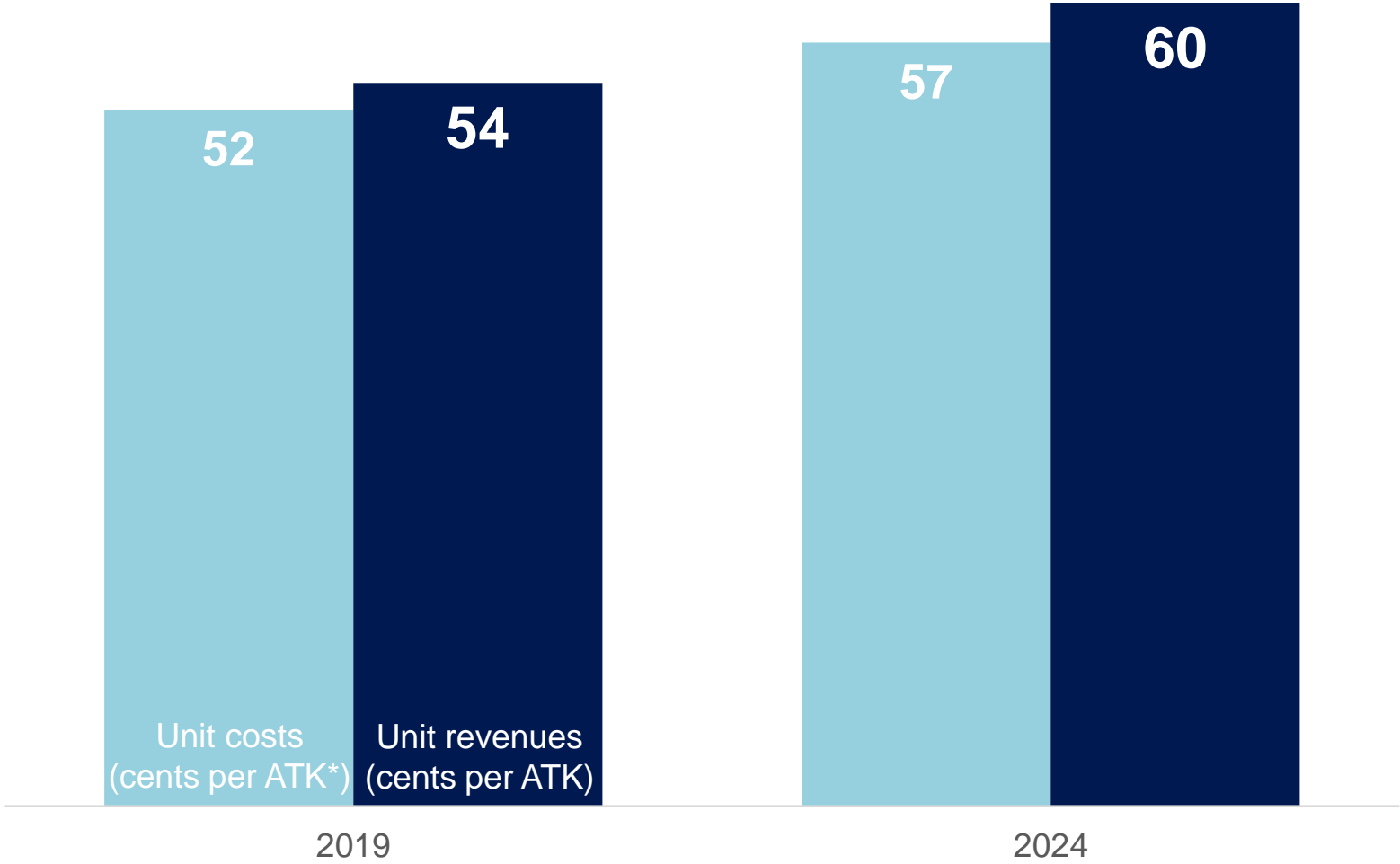


Transpacific



SOURCES: 2023 Cirium Diio FMTraffic, Cirium Diio, Cirium Fleets Analyzer, Boeing analysis  
Premium economy seat share, premium cabins only

# Airlines managing profitability in volatile market



\*ATK: Available Tonne Kilometers  
SOURCE: IATA Industry Outlook, June 2024



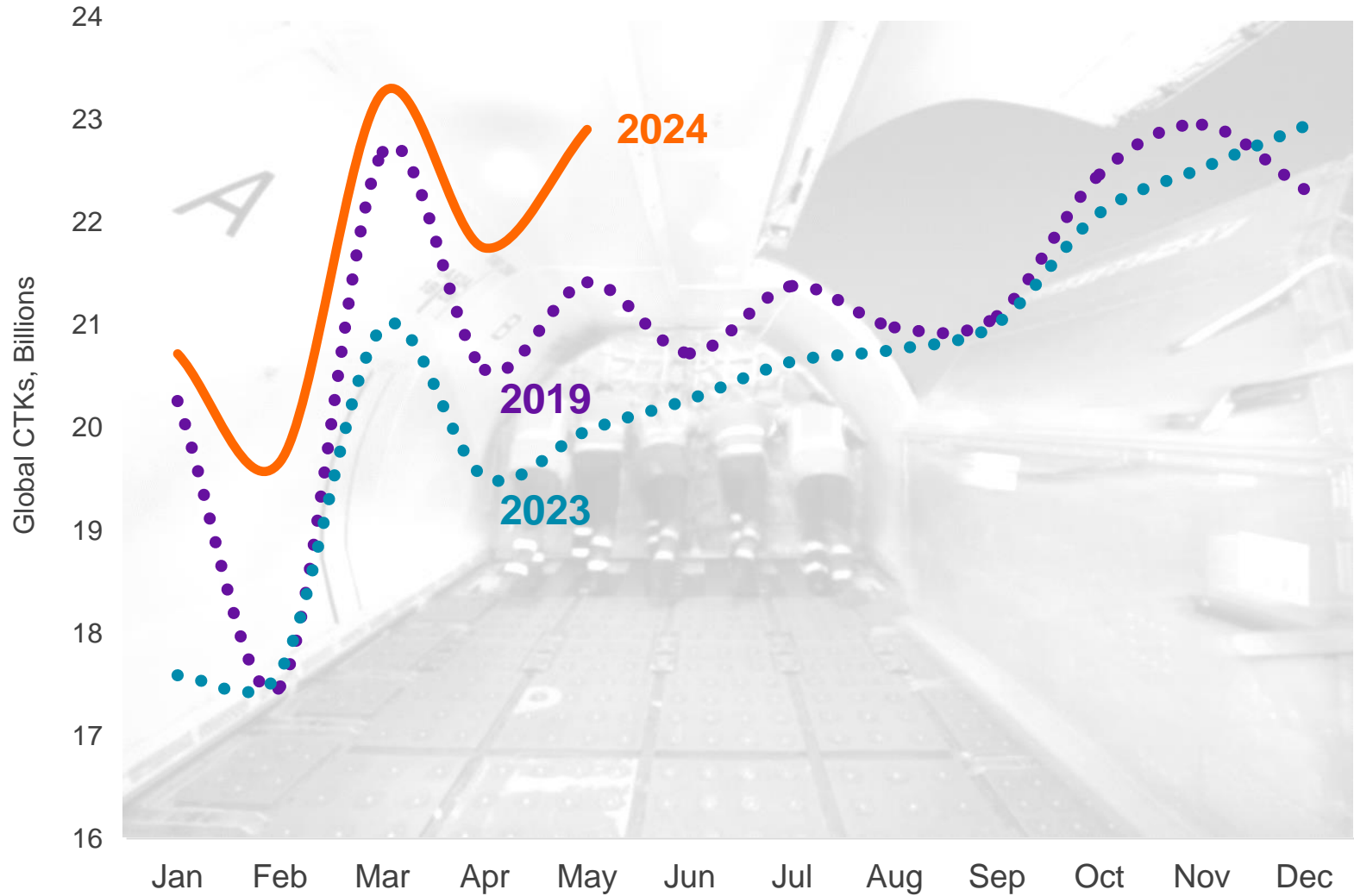
Operating profit:  
**+\$17 billion**

Net profit:  
**+\$4 billion**

Profit per passenger:  
**+6%**



# Global air cargo traffic continuing strong recovery



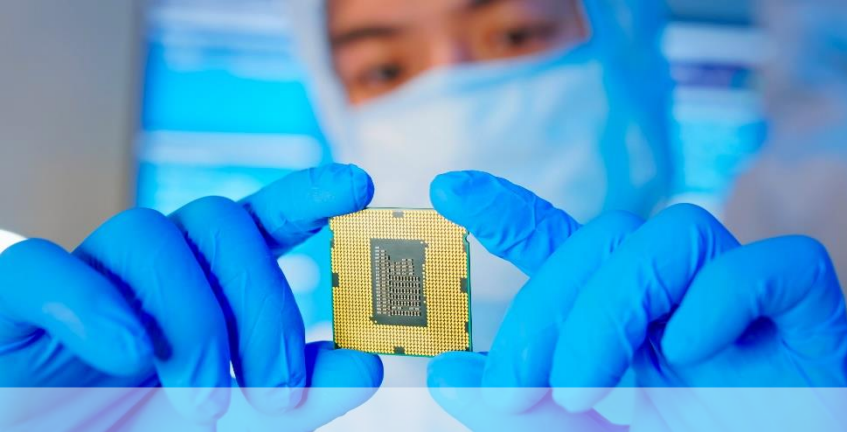
**+13%**

Year to date vs. 2023

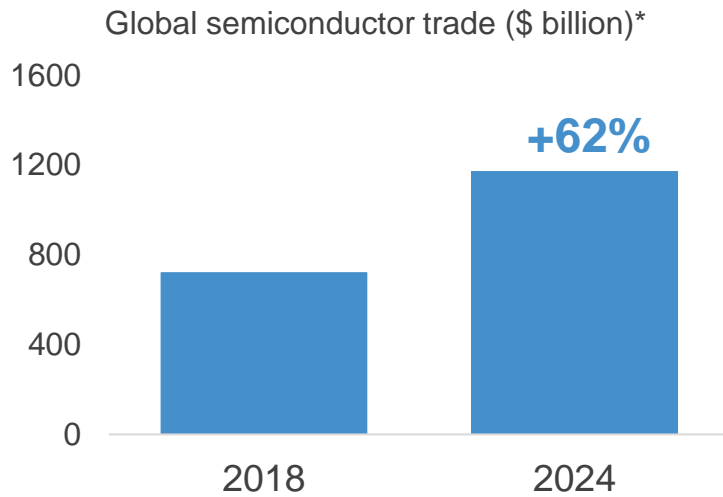
- Trade growth recovering
- Semiconductor demand rising
- Inventories normalizing
- E-commerce growth
- Maritime shipping disruptions

SOURCE: IATA Monthly Statistics, May 2024

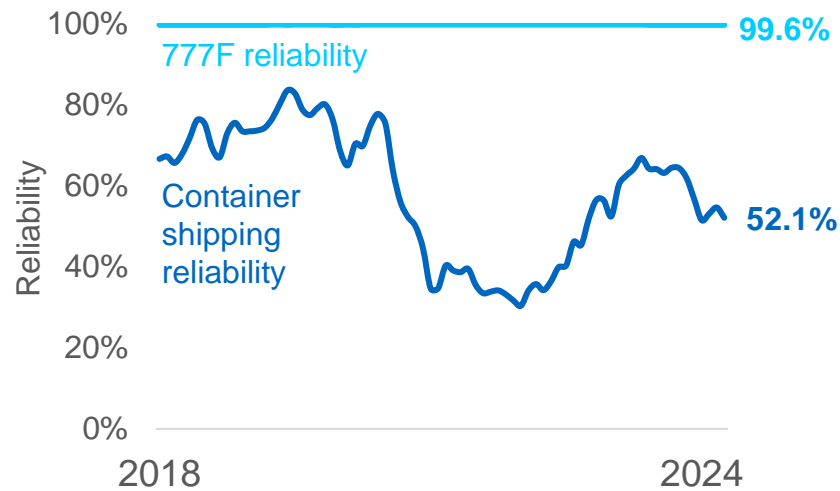
# Key drivers supporting air cargo momentum



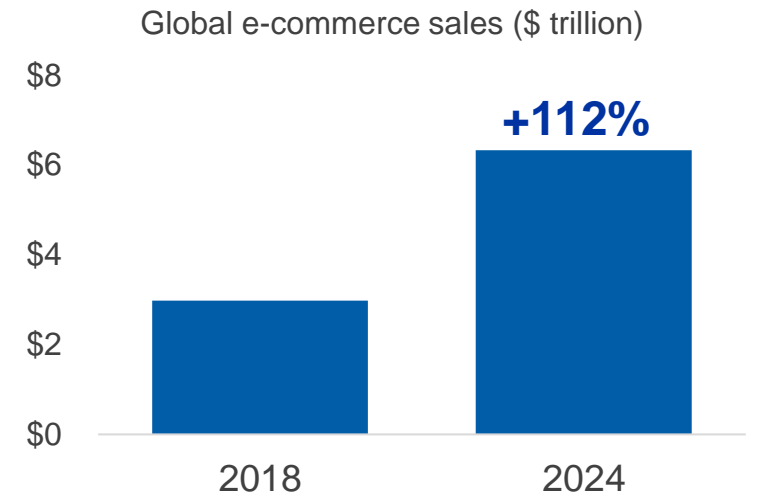
## Trade, manufacturing up



## Supply chain resilience



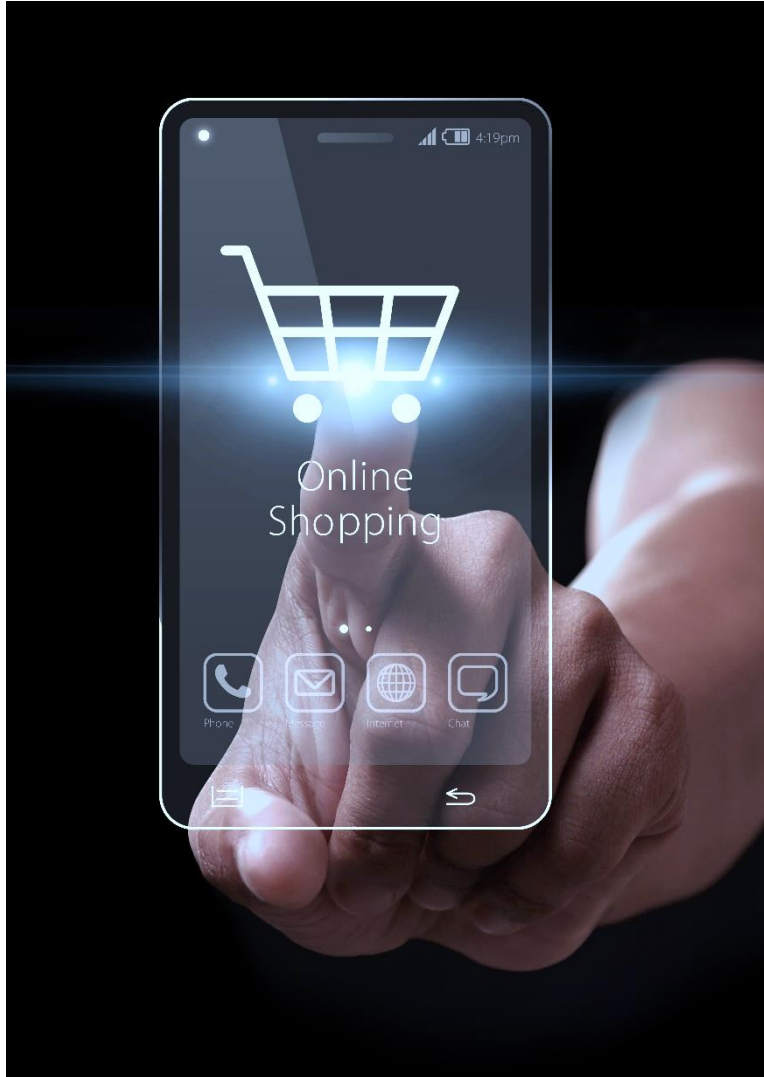
## E-commerce boosting growth



SOURCES: S&P GTAS Forecasting, www.sea-intelligence.com, Boeing ACTD; IATA; eMarketer; Digital Commerce 360; Boeing analysis  
 \*Note: semi-conductor trade is real value of trade in electronic valves, tubes, semiconductors and other electronic components.



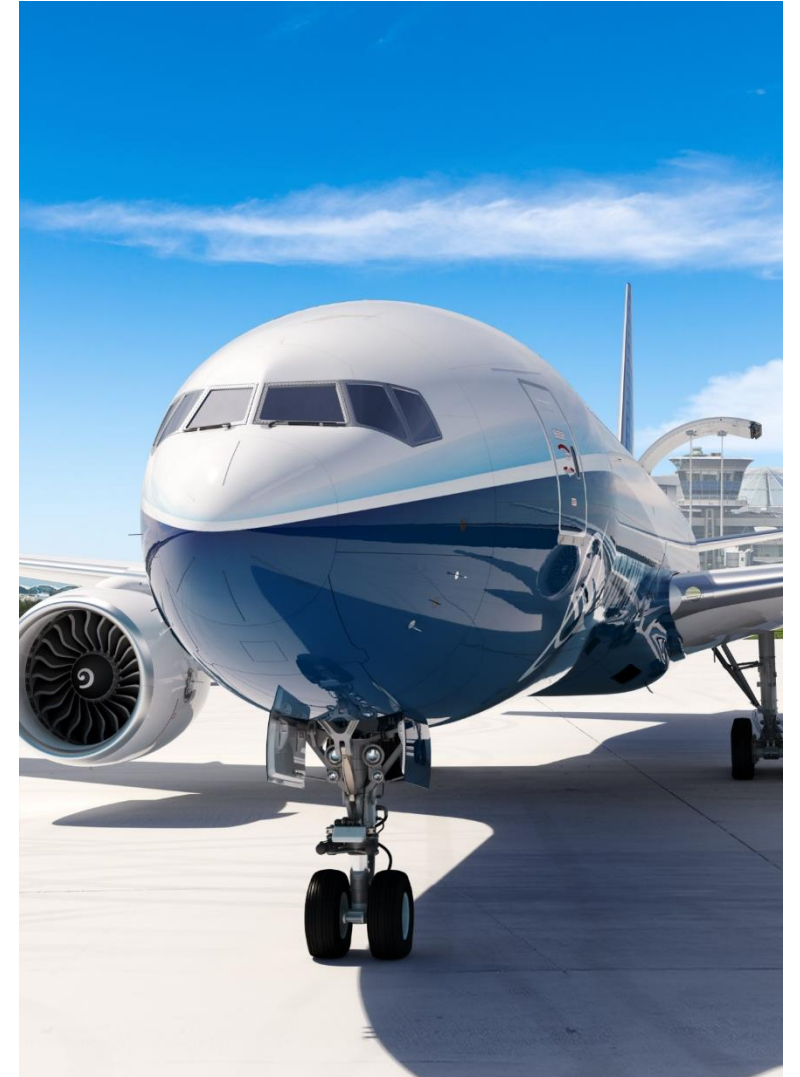
# E-commerce boosting air cargo demand



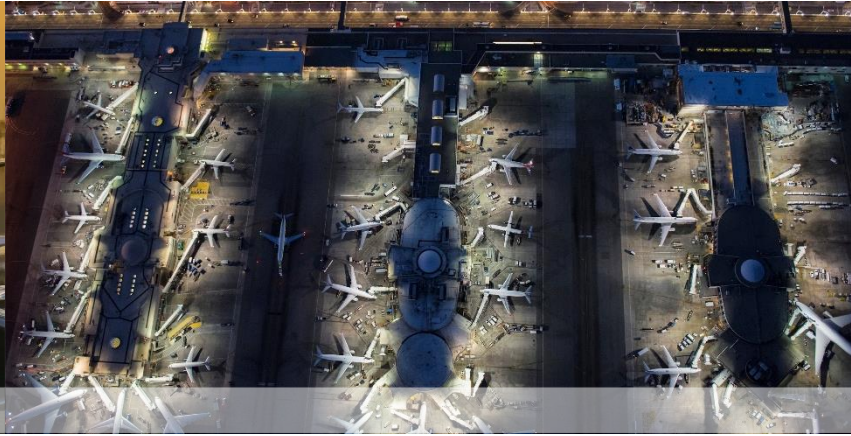
Emerging platforms  
shipping

**10,000+**  
tonnes per day

Equivalent to  
**100 777Fs**  
daily



# Global fleet is progressing along road to recovery



Current

**Constrained**

**Delayed**

**Extended**

**Aging**

**Returning**

**Capacity**

**Retirements**

**Leases**

**Fleets**

**Productivity**

End of decade

**Increasing**

**Normalizing**

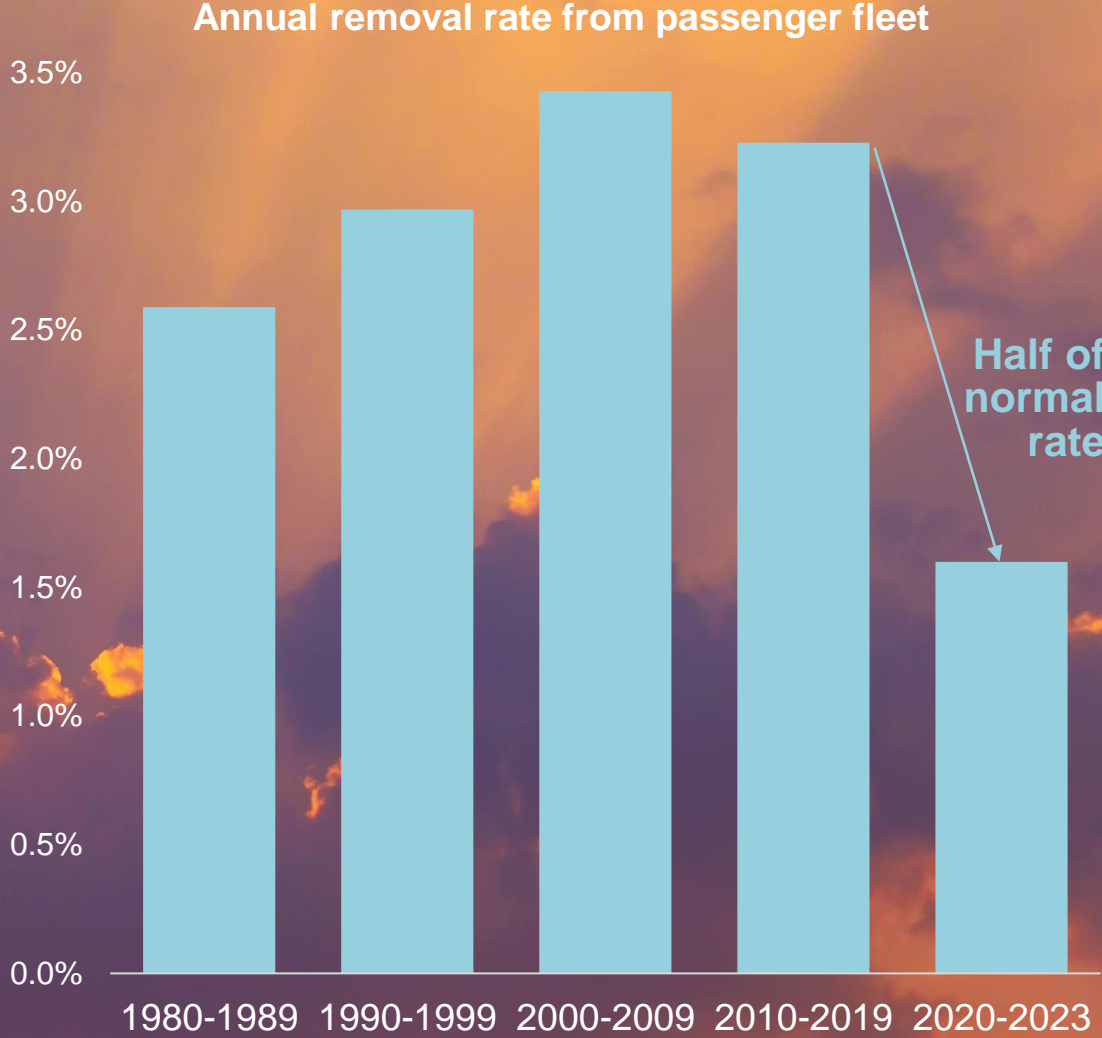
**Transitioning**

**Renewing**

**Growing**



# Airplane supply temporarily constraining retirements



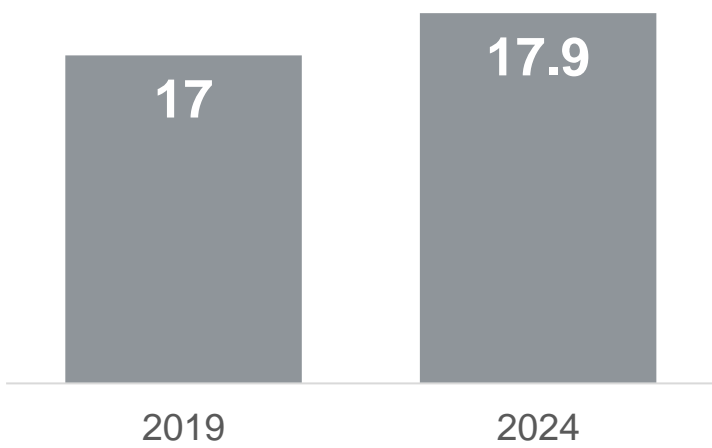
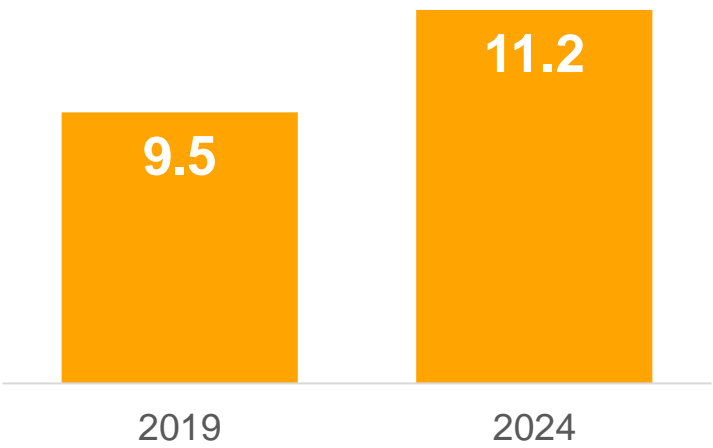
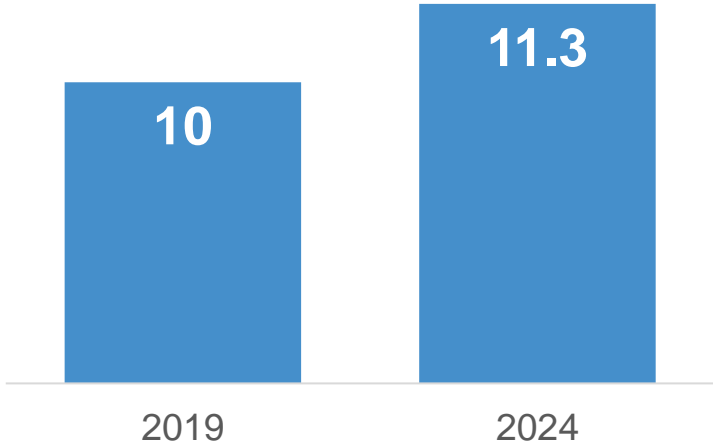
# So average fleet age is rising



Single-aisle passenger

Widebody passenger

Widebody freighter



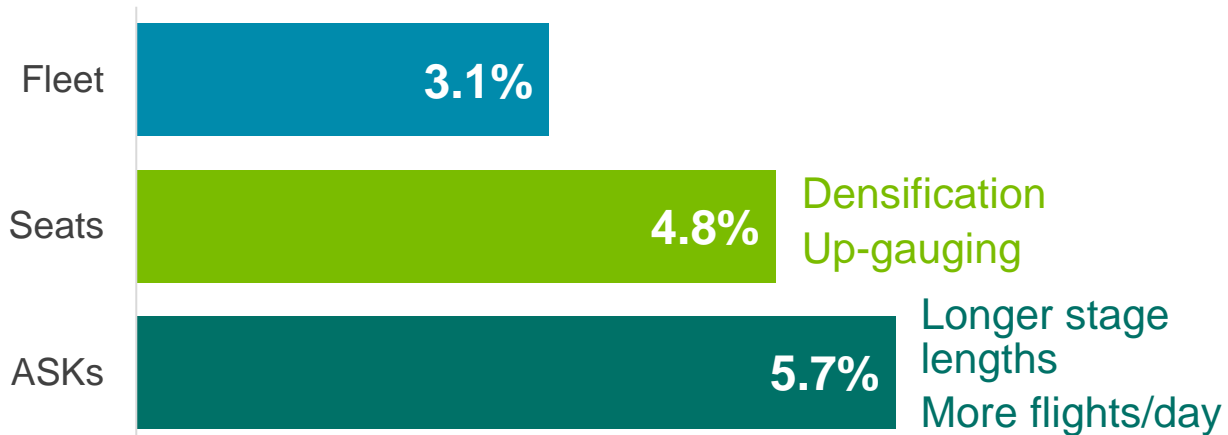
SOURCE: Cirium, June data



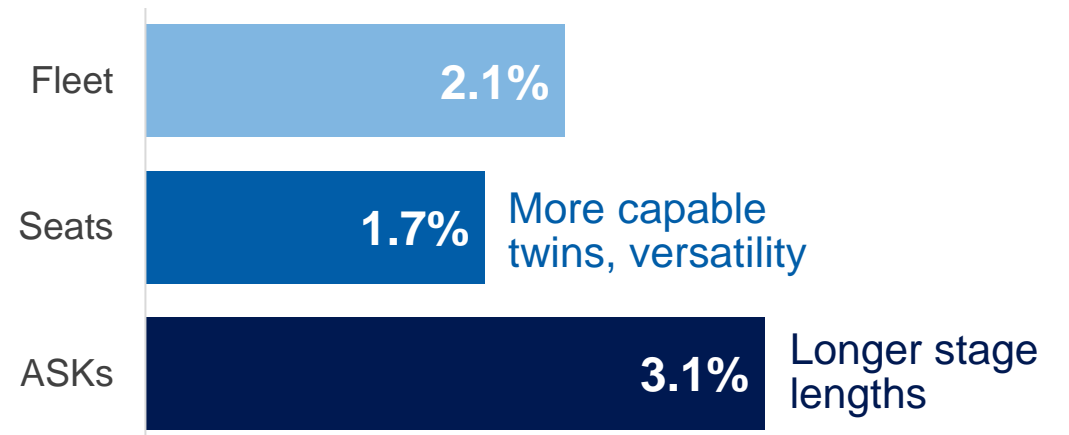
# Fleet productivity rising, dynamics similar but different



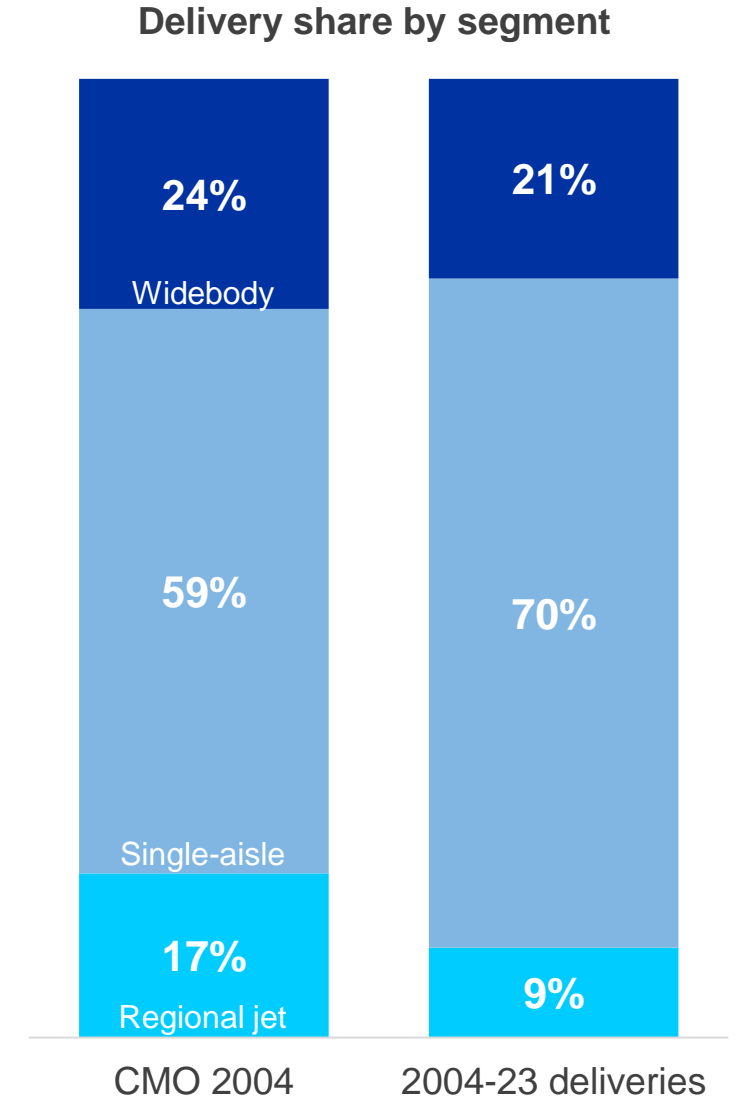
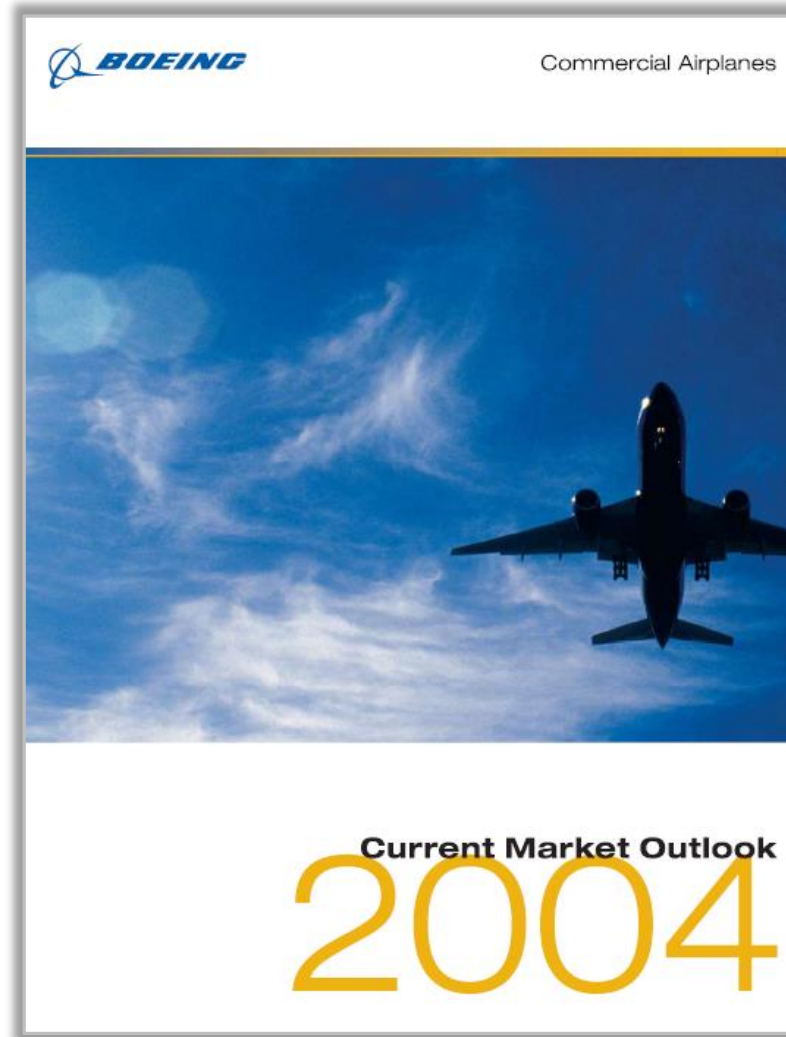
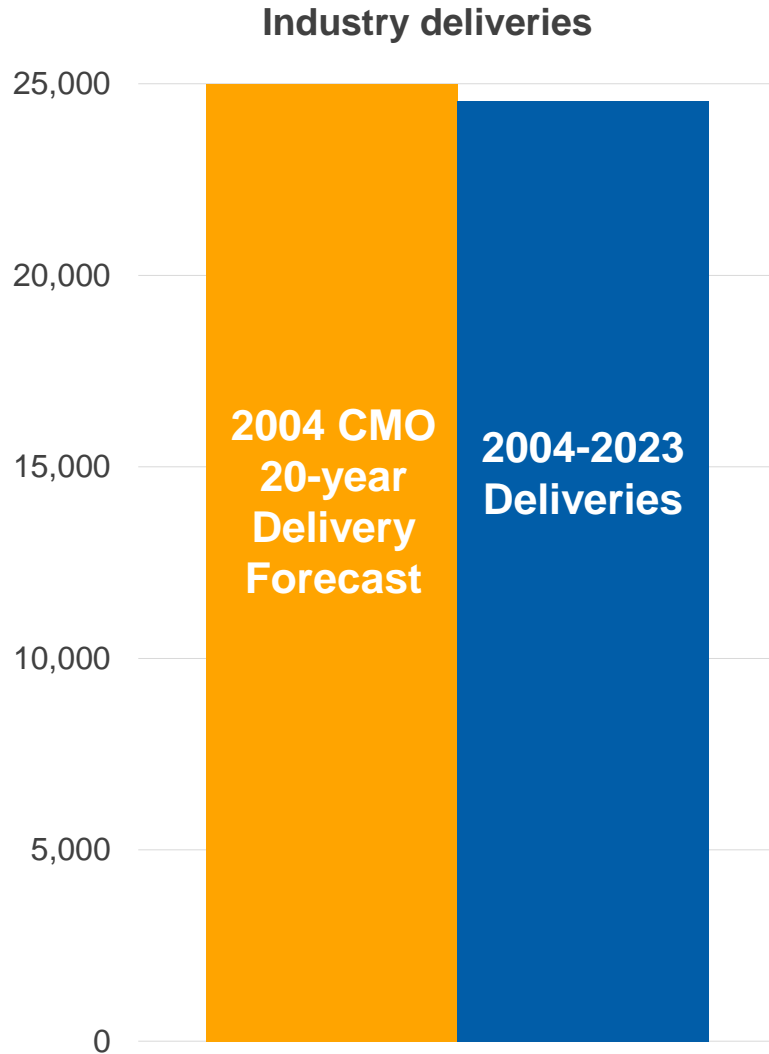
## Single-aisle annual growth (2003-2023)



## Widebody annual growth (2003-2023)



# Remarkably accurate forecast

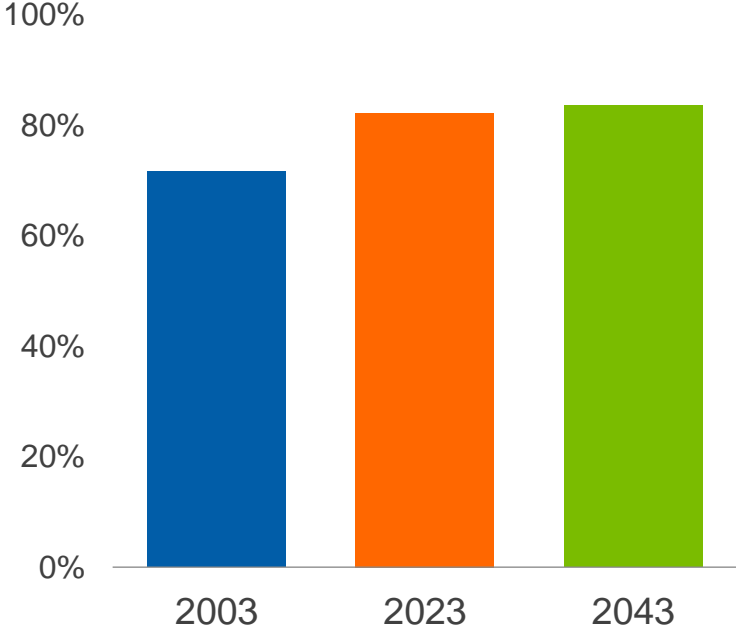




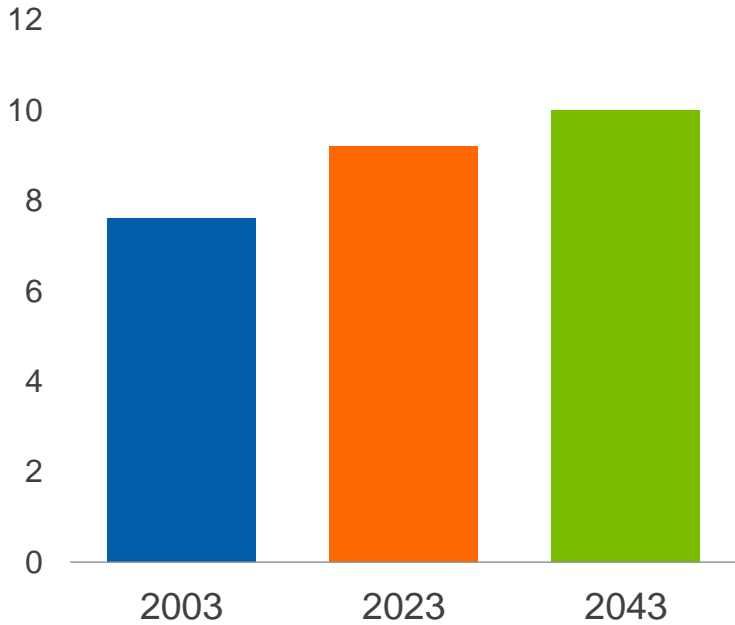
# Going forward, productivity gains likely to slow



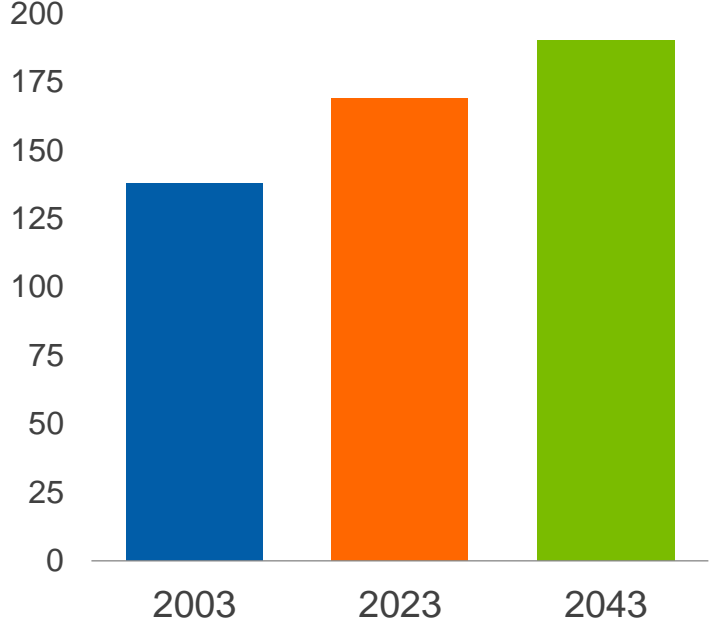
**Passenger Load Factor**



**Airplane Utilization (hours / day)**



**Average Seats / Airplane**



SOURCES: ICAO, IATA, Boeing

# Steady long-term forecast driven by fundamentals



**World economy**  
(GDP)  
**2.6%**

**Passenger traffic**  
(RPK)  
**4.7%**  
*3.6% vs. 2019*

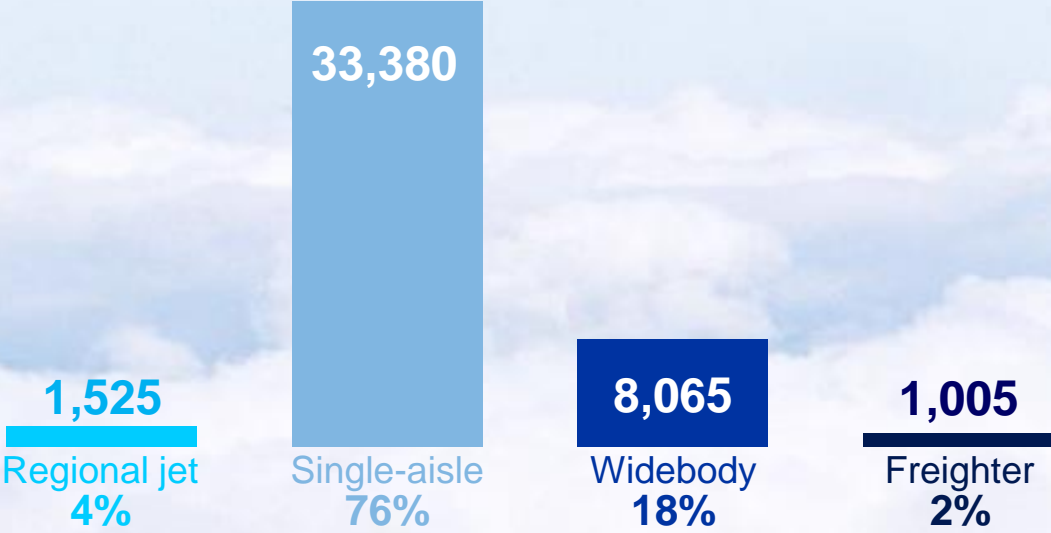
**Cargo traffic**  
(RTK)  
**4.1%**

**Fleet growth**  
(Jets)  
**3.2%**

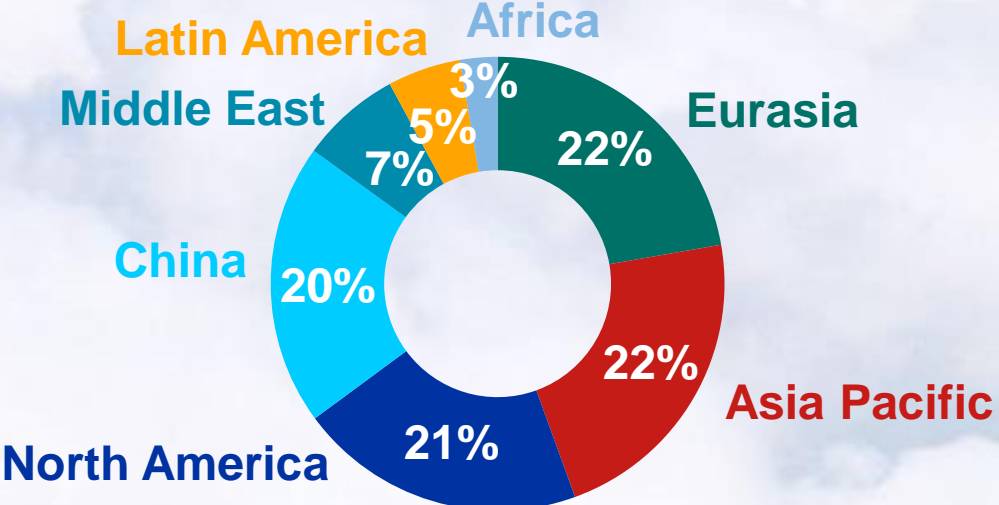


# Airlines will need 43,975 new airplanes over 20 years

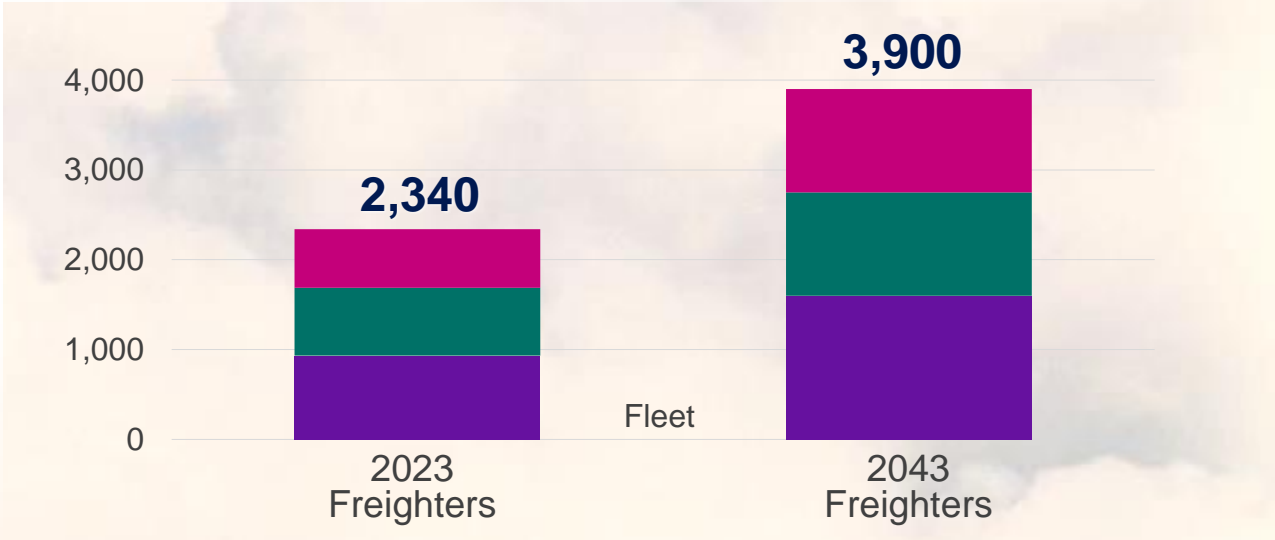
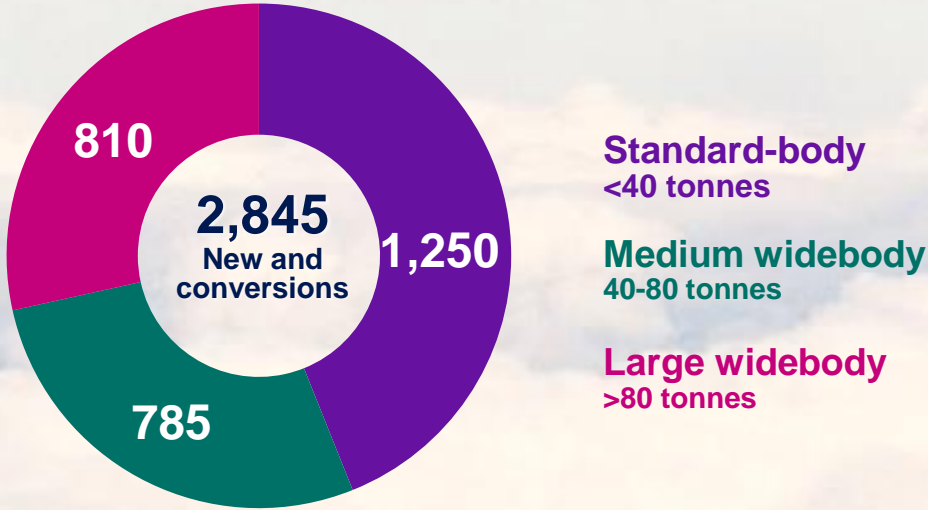
By type



By region



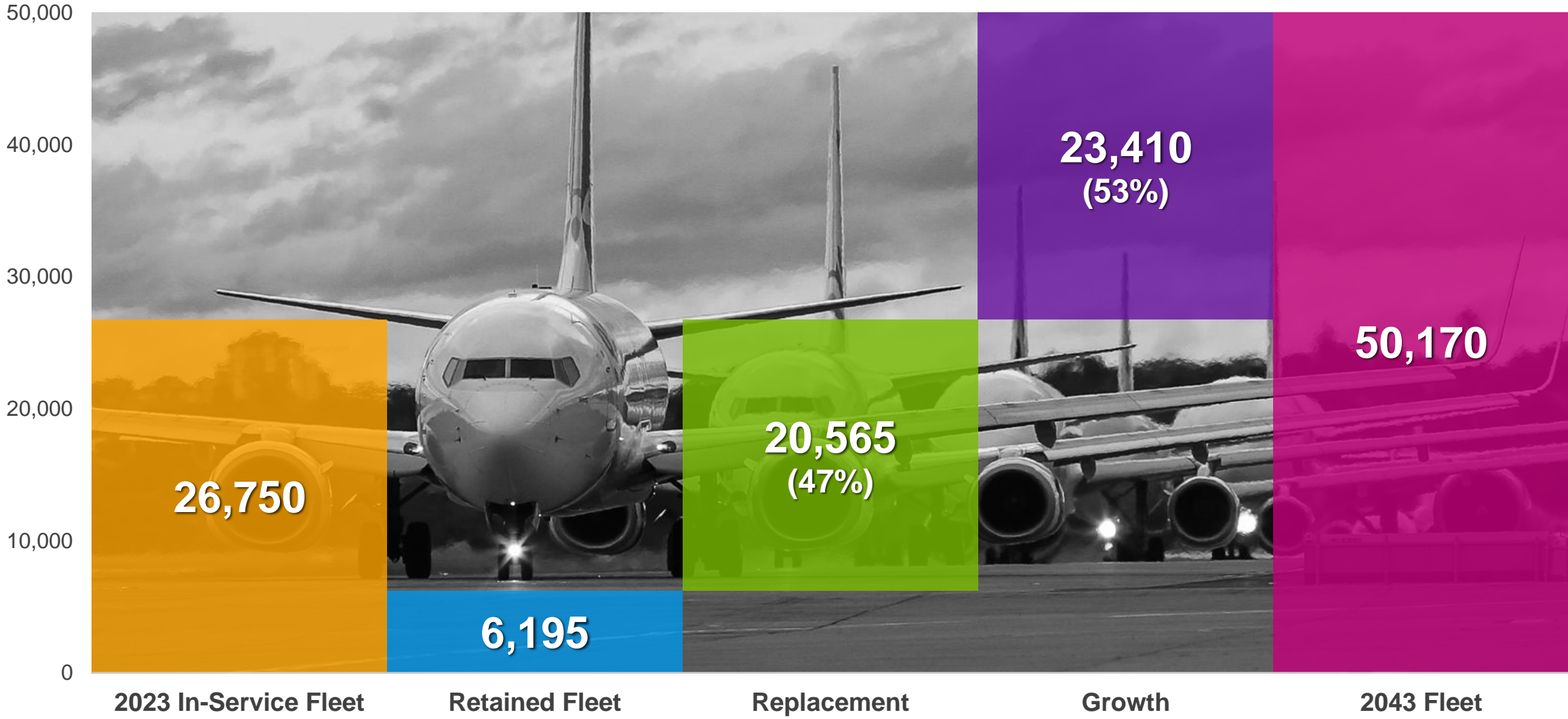
# World air cargo market to demand more than 2,800 freighters by 2043



SOURCE: Boeing Commercial Market Outlook July 2024, Forecast period 2024-2043



# Global fleet will double, nearly half of deliveries for replacement



# Decarbonizing aerospace

## FLEET RENEWAL



## OPERATIONAL EFFICIENCY



## RENEWABLE ENERGY



## ADVANCED TECHNOLOGY



## MARKET-BASED MEASURES



CORSIA





# Commercial services are critical to the aviation eco-system



Today

**43M**  
**People**

**310M**  
**Maintenance hours**

**100K**  
**Heavy and line events**

## Digital Solutions & Analytics

- Freighter Conversions
- Engineering & Modifications
- Engine Maintenance
- Component Maintenance
- Airframe Maintenance
- Parts & Distribution Services
- Training Services

In 20 years

**85M**  
**People**

**565M**  
**Maintenance hours**

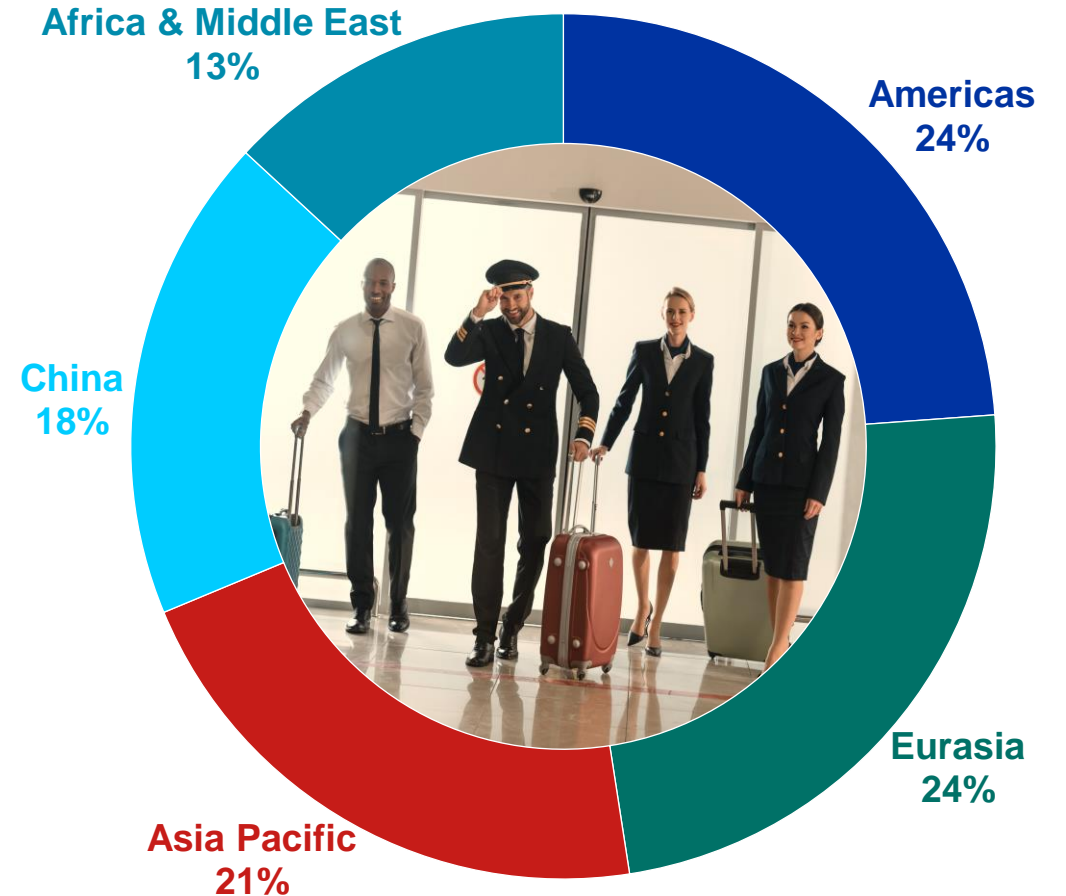
**215K**  
**Heavy and line events**

# Growth and replacement drive services and labor needs

## \$4.4T in Services



## 2,370,000 New Personnel





# Summary

Market is resilient



Industry is recovering



Long-term growth



**Designed for efficiency  
& sustainability**



**Offering the most  
capability & productivity**



**Delivering versatility  
for a dynamic market**





