Global Aerospace

Data Tracker & Forecast Guide

Q2 data support a broader commercial aerospace investment case rather than a rotation away from the aftermarket.

Our analysis suggests that engine aftermarket fundamentals remain robust, while growing WB backlogs and higher production rates are creating a compelling second leg of the cycle in OE.

Key Q2 themes to highlight

- **Engine aftermarket still has room to run.** Civil aftermarket revenues grew +19% YoY in Q2, driven by engine aftermarket up +24.1% YoY (Fig 16). While the Q2 growth rate is unlikely to be sustained indefinitely as comparisons become more demanding, engine fleet ageing, low near-term retirements and unresolved MRO capacity constraints should continue to support workscope.

- **OE leading indicators remain strong.** Q2 gross orders reached 762 aircraft, the highest quarterly total since Q4 2023; while Airbus and Boeing recorded no delivery deferrals. **Wide-body OE offers the clearest incremental upside, in our view**. Wide-body backlog has increased 5.6% YTD. Airbus is assessing A350 production beyond rate 12. This provides a visible multi-year growth opportunity for OE suppliers with wide-body content.

- **Investment conclusion: The next leg of the cycle is OE, not the end of aftermarket.** We do not believe investors should rotate away from aftermarket exposure. Engine aftermarket remains supported by ageing fleets, low retirements, mandatory maintenance requirements and a growing population of engines approaching heavier shop visits. However, we think the relative earnings growth differential is likely to narrow. Aftermarket growth should moderate from current exceptional levels, while OE growth accelerates as Airbus and Boeing raise production. We believe the better investment approach is therefore to retain exposure to differentiated aftermarket franchises while adding selective OE exposure, particularly where production growth, wide-body content and operational leverage are not already fully reflected in valuation.

Key data points referenced in this note:

- **Civil aftermarket growth:** +19% YoY in Q2 26; engine AM +24.1% YoY (Fig 15-18)
- **No deferrals** for Airbus and Boeing in H1 (Figure 119).
- **Orders:** 762 combined gross orders in Q2 represented the highest quarterly order flow since Q4 23; YTD gross book:bill at 2.0x (Fig 33–36)
- **WB backlog:** +5.6%
- **A350:** Airbus evaluating production beyond rate 12

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Completed: 04-Sep-26, 19:47 GMT Released: 07-Sep-26, 03:00 GMT Restricted - External

- **Parking continues to decline:** LCA parking stands at 11% of the fleet vs ~9% pre-pandemic (Figure 156)
- **Retirements:** Aircraft retirements remain well below historical averages (Figure 204)

Selected Previous Publications:

- Aero Engines: Time to Rotate | 07 Aug 2026
- Airbus From Climb to Cruise: PT Raised to €260 | 03 Aug 2026



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IATA Global Traffic

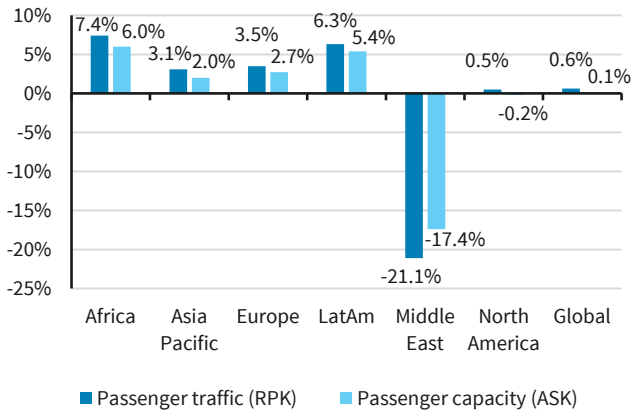
IATA trims RPK growth forecast to +2.1% in 2026 (vs +4.9% earlier)

- Global passenger traffic saw a YoY decline of 2.4% in Q2 26, reflective of headwinds from the Middle Eastern conflict. On a YTD basis through July, RPKs have seen modest +0.6% growth while ASKs have grown +0.1%. Domestic and international RPKs have grown +1.0% and +0.4% YTD, respectively. Middle Eastern RPKs have declined 21.1% on a YTD basis.

- IATA's revised forecasts for 2026 now project a YoY RPK growth of +2.1%, a downward revision from the +4.9% estimate earlier. The change primarily reflects the impact of the Middle Eastern conflict, with RPKs in the region expected to see a 11.4% YoY decline driven by airspace restrictions. With traffic being rerouted through Asia and Africa, RPKs in these regions will see a tailwind. IATA also expects total segment passengers to exceed 5 billion in 2026, a 2.4% YoY increase, while total aircraft departures are estimated to see a marginal 0.5% YoY decline. These divergent trends imply an improvement in the load factors.

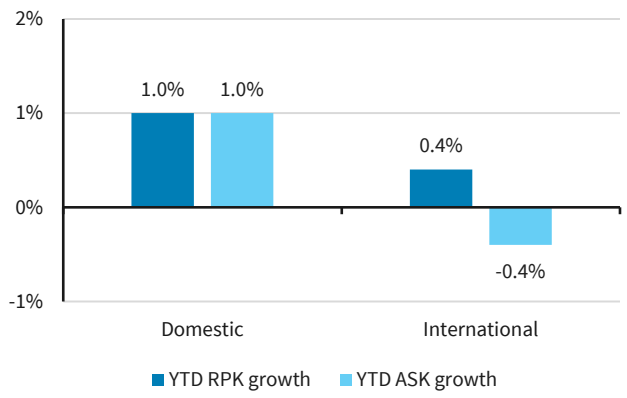
- IATA cautioned that the medium-term air travel demand outlook will depend on multiple trends - energy prices remaining elevated, further deterioration of consumer confidence and materialization of economic contractions in Europe and parts of Asia.

FIGURE 1. Reflective of headwinds from the Middle East, global passenger traffic has grown just +0.6% YTD



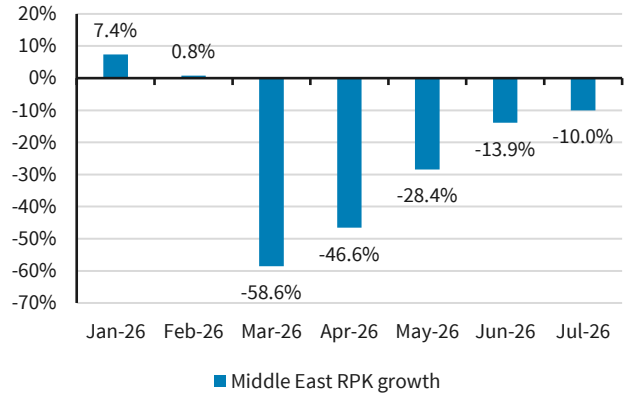
Source: IATA, Barclays Research

FIGURE 2. Domestic traffic has grown +1.0% YTD while international traffic has grown +0.4%



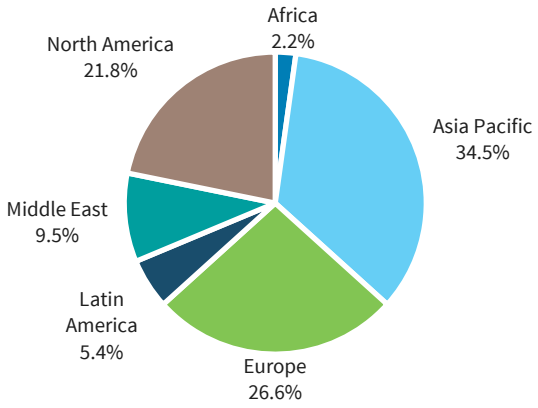
Source: IATA, Barclays Research

FIGURE 3. Middle Eastern RPKs declined ~30% YoY in Q2 26 with the YTD decline at ~21%



Source: IATA, Barclays Research

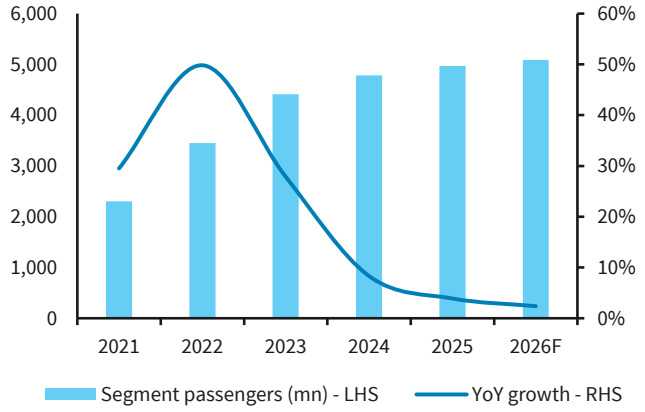
FIGURE 4. Middle East represented a 9.5% share of industry RPKs in 2025



Source: IATA, Barclays Research

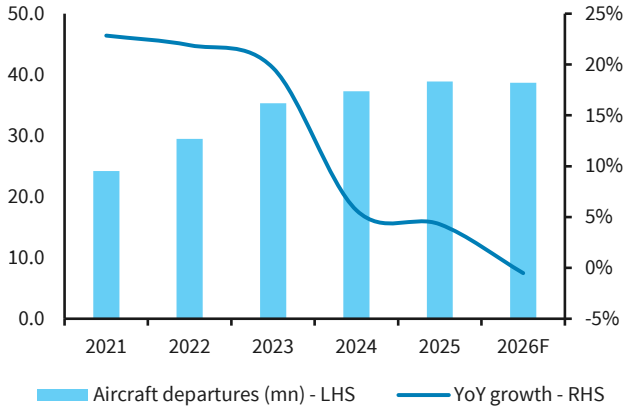
IATA Traffic

FIGURE 5. **IATA expects total segment passengers to exceed 5bn in 2026, a 2.4% YoY increase...**



F = IATA forecasts
Source: IATA, Barclays Research

FIGURE 6. **...while aircraft departures are expected to see a marginal 0.5% YoY decline**



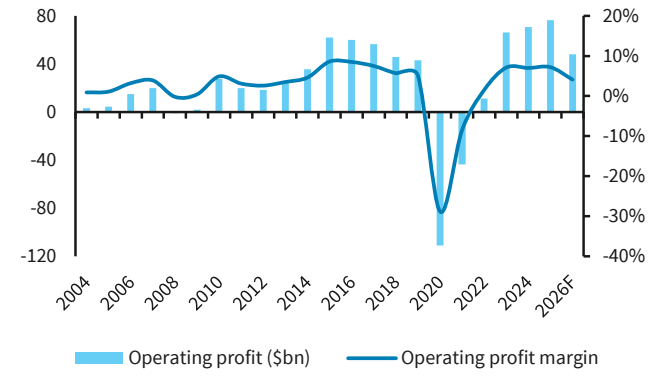
F = IATA forecasts
Source: IATA, Barclays Research

FIGURE 7. **Factoring in the impact from the Middle Eastern conflict, IATA now forecasts RPK growth of +2.1% in 2026 (vs prior forecast of +4.9% and vs +5.3% in 2025). ASK growth is now estimated at +1.6% (vs prior forecast of +4.7% and vs +5.2% in 2025)**

	RPK growth						ASK growth					
	2021	2022	2023	2024	2025	2026F	2021	2022	2023	2024	2025	2026F
Africa	17.0%	84.3%	36.5%	12.7%	9.8%	10.0%	18.5%	51.4%	35.6%	10.0%	8.7%	7.7%
Asia Pacific	-12.8%	32.3%	95.9%	17.5%	7.7%	5.1%	-6.1%	15.5%	75.0%	13.1%	6.6%	3.6%
Europe	27.5%	103.9%	20.3%	8.7%	5.3%	2.8%	29.8%	69.6%	16.0%	8.1%	5.2%	1.3%
LatAm	40.5%	62.9%	16.8%	7.8%	7.2%	5.0%	37.3%	54.4%	14.4%	7.2%	7.6%	3.3%
Middle East	8.5%	144.4%	32.4%	9.7%	6.8%	-11.4%	21.2%	67.2%	24.7%	8.5%	5.9%	-4.4%
North America	74.6%	45.7%	15.1%	4.6%	0.4%	0.8%	41.1%	28.7%	14.0%	4.7%	2.0%	0.3%
Global	**21.8%**	**64.9%**	**36.8%**	**10.6%**	**5.3%**	**2.1%**	**18.7%**	**40.1%**	**31.1%**	**8.9%**	**5.2%**	**1.6%**

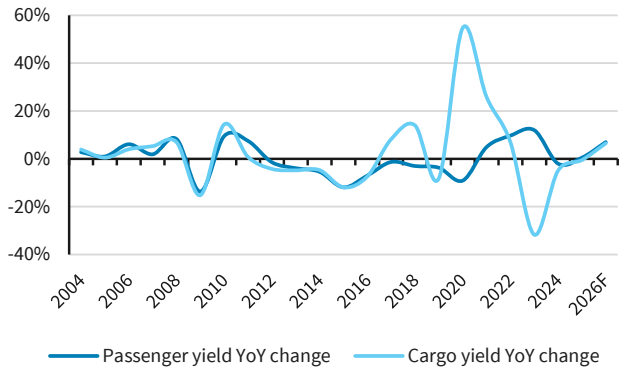
F = IATA forecasts
Source: IATA, Barclays Research

FIGURE 8. **Airline operating profit margin is expected to be at 4.1% on average in 2026, lower than the ~ 7% margin seen over the last three years**



F = IATA forecasts
Source: IATA, Barclays Research

FIGURE 9. **Passenger yields are supported by industry capacity constraints while cargo yields are expected to benefit from network disruptions in the Middle East**



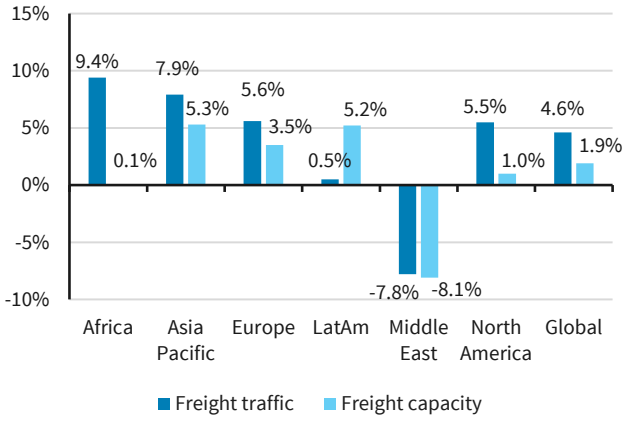
F = IATA forecasts
Source: IATA, Barclays Research

IATA Freight Traffic

Cargo traffic now expected to see modest growth of +0.7% YoY in 2026

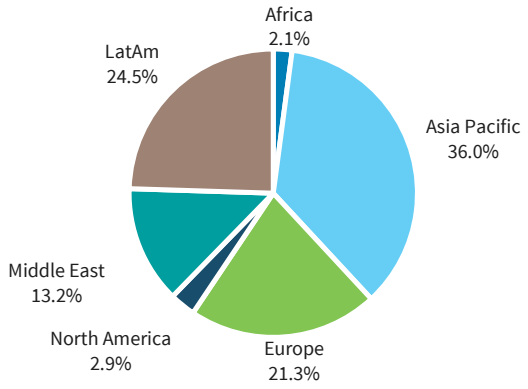
- Freight traffic grew +6.2% YoY in Q2, with capacity growing +2.0% YoY on average during the quarter. Through July, the YTD freight traffic growth stands at +4.6%, supported by strong +7.9% growth in Asia and +9.4% growth in Africa, with both regions benefiting from cargo route diversions post the Middle Eastern conflict. Freight traffic in the Middle East, which represented a 13.2% share of the global CTKs in 2025, is down 7.8% YTD.
- IATA mentioned that the macro backdrop continued to remain supportive of air cargo demand, with manufacturing output and export orders expanding while global trade volumes continued to strengthen.
- With the impact of the Middle Eastern conflict curtailing effective capacity and disrupting hub connectivity, IATA now expects freight traffic to grow a modest +0.7% YoY in 2026 (vs prior forecast of +2.6% and vs +3.4% in 2025). Cargo yields are expected to see strong +6.5% YoY growth with the capacity shortages, especially in passenger aircraft belly-hold, tightening the market towards higher yields rather than expansion of volumes.

FIGURE 10. Freight traffic has seen a YTD growth of +4.6%, well above the annual growth forecast of +0.7%



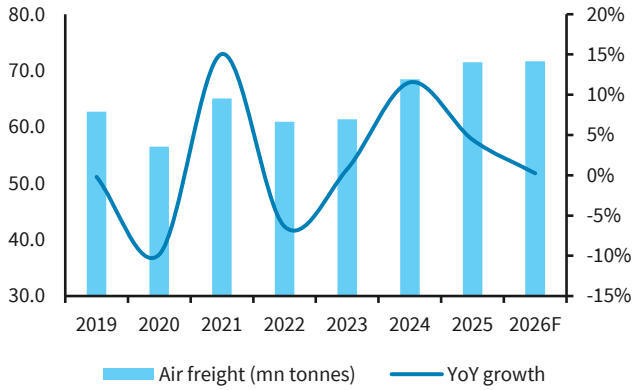
Source: IATA, Barclays Research

FIGURE 11. The Middle East represented a 13.2% share of industry CTKs in 2025



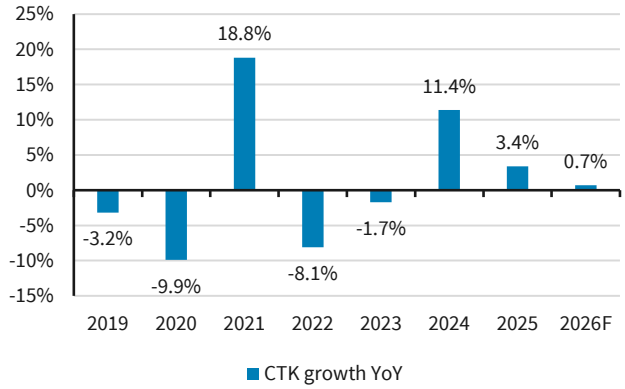
Source: IATA, Barclays Research

FIGURE 12. IATA forecasts the total air freight to reach 71.7mn tonnes in 2026, a marginal 0.2% YoY increase...



F = IATA forecasts
Source: IATA, Barclays Research

FIGURE 13. ...with freight traffic CTKs expected to see a modest 0.7% YoY increase



F = IATA forecasts
Source: IATA, Barclays Research

Traffic and Capacity growth snapshot

FIGURE 14. A snapshot of the monthly traffic and capacity growth trends YoY

Region	Metric	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Africa	RPK growth	8.9%	6.1%	8.8%	12.6%	12.8%	17.9%	11.9%	20.6%	2.8%	6.6%	3.8%	5.2%
	ASK growth	6.6%	6.9%	8.3%	9.1%	14.1%	16.3%	13.1%	10.3%	2.0%	7.0%	4.7%	7.3%
	Load Factors	80.2%	74.9%	73.9%	75.1%	75.6%	77.0%	75.0%	76.2%	77.7%	73.7%	73.9%	75.1%
Asia	RPK growth	6.1%	5.3%	8.1%	7.8%	6.3%	1.4%	9.1%	11.5%	1.7%	-1.4%	-2.0%	1.0%
	ASK growth	5.5%	4.0%	6.6%	6.8%	6.1%	1.8%	9.0%	6.0%	0.7%	-2.4%	-2.1%	0.3%
	Load Factors	85.9%	83.6%	85.1%	85.4%	83.6%	83.9%	85.5%	87.2%	85.1%	84.3%	83.1%	83.7%
Europe	RPK growth	4.2%	2.9%	6.7%	6.1%	7.6%	6.0%	4.9%	7.5%	0.8%	2.7%	0.8%	2.1%
	ASK growth	4.2%	3.3%	5.4%	5.4%	7.3%	5.1%	4.3%	3.3%	0.4%	1.8%	1.4%	2.3%
	Load Factors	87.9%	86.2%	87.0%	86.0%	86.7%	80.2%	76.9%	82.1%	85.4%	85.9%	87.5%	87.7%
Latin America	RPK growth	7.5%	5.4%	6.1%	3.9%	6.8%	8.3%	9.2%	8.4%	5.0%	6.1%	1.5%	6.1%
	ASK growth	5.9%	5.4%	5.8%	3.9%	6.8%	6.0%	6.2%	5.5%	4.3%	4.6%	3.9%	6.6%
	Load Factors	85.0%	83.6%	84.6%	84.2%	83.1%	85.3%	84.0%	83.1%	82.9%	83.4%	81.2%	85.3%
Middle East	RPK growth	8.4%	6.2%	10.5%	9.5%	9.6%	7.4%	0.8%	-58.6%	-46.6%	-28.4%	-13.9%	-10.0%
	ASK growth	7.0%	6.3%	8.1%	9.2%	8.3%	8.0%	3.9%	-54.7%	-37.2%	-23.9%	-11.3%	-6.2%
	Load Factors	83.8%	81.8%	82.4%	81.5%	81.5%	83.3%	79.5%	68.3%	70.6%	75.9%	76.1%	80.7%
North America	RPK growth	0.5%	-0.1%	2.5%	0.1%	-0.1%	0.8%	2.8%	2.3%	-0.3%	-0.8%	-1.1%	-1.2%
	ASK growth	1.6%	1.8%	3.6%	1.4%	2.0%	0.1%	1.1%	0.4%	0.3%	0.1%	-1.1%	-1.8%
	Load Factors	85.6%	81.2%	82.9%	80.3%	82.9%	80.2%	80.3%	83.7%	81.5%	82.8%	86.1%	87.3%
Global	RPK growth	4.6%	3.6%	6.6%	5.7%	5.6%	3.8%	6.1%	2.1%	-3.4%	-2.2%	-1.7%	0.2%
	ASK growth	4.5%	3.7%	5.8%	5.4%	5.9%	3.5%	5.6%	-1.7%	-2.9%	-2.3%	-1.3%	0.3%
	Load Factors	86.0%	83.4%	84.6%	83.7%	83.7%	82.0%	81.4%	83.6%	83.1%	83.5%	84.2%	85.2%
Global Freight	FTK growth	4.1%	2.9%	4.1%	5.5%	4.3%	5.6%	11.2%	-4.8%	4.0%	6.0%	8.5%	3.9%
	AFTK growth	3.7%	3.0%	5.1%	4.7%	4.5%	3.6%	8.5%	-4.7%	-0.4%	1.9%	4.4%	1.7%

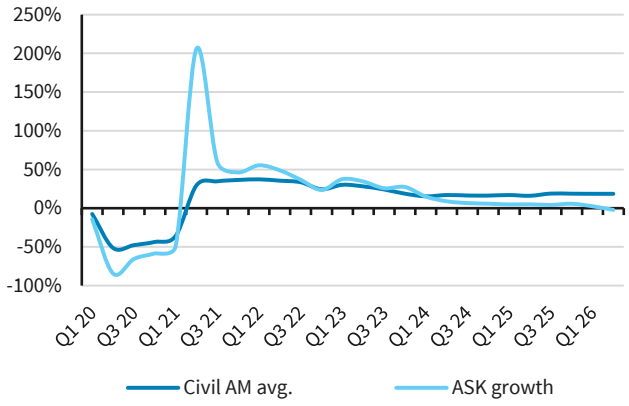
Source: IATA, Barclays Research

Aftermarket

Aftermarket growth continued to be robust in Q2

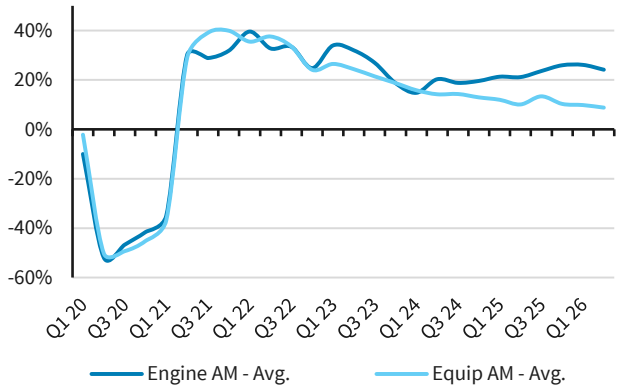
- Civil aftermarket revenues remained robust with growth of +19% YoY on average in Q2. The strong momentum during the quarter was driven mainly by engine aftermarket which grew +24.1% YoY while equipment (any non-engine related) aftermarket grew +8.8%.
- Several key players upgraded their growth expectations for FY 26: GE now expects CES Services revenue growth in the low twenties % range (vs mid-teens % earlier) while Safran now expects both Spares and Services growth in the mid-twenties % range (earlier guidance was for mid-teens % range growth in Spares and ~20% growth in Services). TransDigm further upgraded its outlook to low double-digit % growth in FY 26 (vs initial guidance of HSD growth).
- Improved material availability has driven a higher mix of heavy CFM56 shop visits in H1. Safran's base case assumes stable workscopes going forward, although further material supply improvement could provide upside.

FIGURE 15. **Civil aftermarket revenues grew +19% YoY in Q2 26**



Source: Company data, Barclays Research

FIGURE 16. **Engine aftermarket has outperformed the equipment aftermarket significantly over the past 9 quarters**



Source: Company data, Barclays Research

FIGURE 17. **Aftermarket guidance summary**

	FY 26 Prior Guidance	FY 26 Revised Guidance
MTU (spares)	Spares revenues up low to mid-teens %	Spares revenues up low to mid-teens %
Safran	Spare parts revenue growth in the mid-teens % range, Services revenues up ~20%	**Spare parts revenues up mid-twenties %, Services revenues up mid-twenties %**
Rolls-Royce	Large EFHs expected between 115-120% of 2019 levels. Total shop visits expected in the 1,480 - 1,550 range	Large EFHs at the lower end of range of 115-120% of 2019 levels. Total shop visits expected in the 1,480 - 1,550 range
Pratt	AM revenue growth in the HSD % range	No change announced to prior guidance
GE Aviation	CES Services revenue growth in the mid-teens % range	**CES Services revenue growth in the low twenties % range**
TransDigm *	AM growth in the HSD - LDD % range	**AM growth in the LDD % range**
Collins	AM revenue growth in the HSD % range	No change announced to prior guidance

Source: Company data * TransDigm has FY ending at September 30

FIGURE 18. Aftermarket growth by quarter

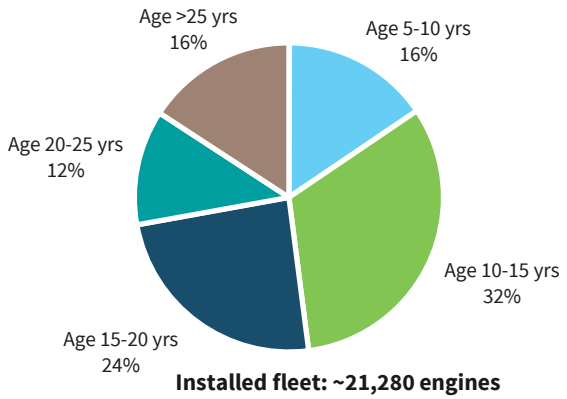
	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26
Meggitt	-46%	10%	44%	58%	37%	34%																
MTU (spares)	-38%	50%	14%	40%	19%	13%	20%	17%	35%	10%	19%	18%	-5%	14%	18%	19%	15%	5%	17%	13%	10%	19%
Melrose (RRSP portfolio) *									56%	56%	24%	24%	N/A	N/A	N/A	N/A	25%	25%	15%	15%	18%	18%
Rolls-Royce *	10%	10%	2%	2%	16%	16%	35%	35%	30%	30%	21%	21%	27%	27%	29%	29%	19%	19%	22%	22%	26%	26%
Safran - civil AM	-53%	55%	44%	54%	53%	41%	36%	4%	38%	35%	39%	21%	27%	32%	20%	21%	22%	21%	21%	30%	35%	31%
- o/w Spare parts													13%	23%	11%	26%	25%	19%	16%	12%	29%	27%
- o/w Services													56%	53%	39%	12%	18%	25%	24%	56%	43%	38%
Europe AM - avg.	**-32%**	**31%**	**26%**	**39%**	**31%**	**26%**	**30%**	**19%**	**40%**	**33%**	**26%**	**21%**	**17%**	**25%**	**23%**	**23%**	**20%**	**18%**	**19%**	**20%**	**22%**	**24%**
Barnes Group	-48%	-2%	46%	45%	34%	55%	55%	27%	27%	18%	7%	12%	23%	19%	27%							
Boeing	-36%	32%	32%	37%	40%	31%	26%	15%	19%	14%	13%	14%	10%	7%	3%	5%	-1%	3%	7%	0%	2%	0%
GE comm. spares rate	-51%	15%	34%	36%	73%	57%	52%	34%	36%	39%	44%	20%										
GE aero services	-40%	50%	46%	37%	37%	68%	47%	28%	35%	31%	31%	23%	12%	14%	10%	12%	17%	29%	28%	31%	39%	26%
Honeywell	-34%	53%	38%	16%	28%	19%	24%	22%	22%	27%	22%	19%	17%	17%	8%	17%	15%	7%	19%	13%	3%	8%
Heico	-9%	32%	28%	30%	23%	25%	22%	25%	20%	19%	20%	12%	12%	15%	12%	13%	14%	13%	16%	12%	19%	
Collins Aero	-43%	24%	38%	47%	39%	25%	25%	21%	24%	29%	30%	23%	14%	12%	9%	12%	13%	13%	13%	13%	7%	10%
Pratt & Whitney	-35%	41%	56%	28%	37%	26%	23%	11%	14%	26%	21%	18%	9%	15%	13%	17%	28%	19%	23%	21%	19%	25%
Parker Aerospace												25%	26%	18%	33%	21%	18%	18%	14%	17%	14%	
TransDigm	-39%	33%	41%	49%	46%	44%	36%	31%	38%	32%	27%	22%	8%	11%	8%	9%	13%	6%	11%	7%	14%	17%
Woodward	-42%	11%	23%	31%	40%	44%	34%	47%	28%	28%	21%	9%	18%	19%	22%	19%	23%	30%	39%	50%	36%	24%
US AM- avg.	**-38%**	**29%**	**38%**	**36%**	**40%**	**39%**	**34%**	**26%**	**26%**	**26%**	**24%**	**18%**	**15%**	**15%**	**15%**	**14%**	**16%**	**15%**	**19%**	**18%**	**17%**	**16%**
Civil AM avg.	**-36%**	**29%**	**35%**	**36%**	**37%**	**36%**	**34%**	**24%**	**30%**	**28%**	**24%**	**19%**	**15%**	**17%**	**16%**	**16%**	**17%**	**16%**	**19%**	**19%**	**19%**	**19%**

Source: Company data, Barclays Research. * Rolls-Royce and Melrose provide half-year data. Barclays does not cover Barnes Group, Boeing, GE, TransDigm, Woodward, Heico, Collins Aero, Meggitt or Pratt & Whitney.

Engine fleet age: implications for shop visit mix/work-scope

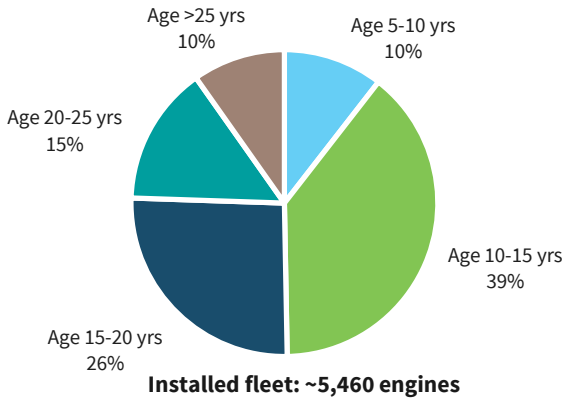
- Management commentary from aero engine OEMs indicated that aftermarket activity remained resilient during the Middle Eastern conflict. There was no evidence of a significant change in airline behaviour, with induction plans and retirement decisions unchanged, shop visit volumes holding up and maintenance schedules unaffected.
- Instead, the key swing factor for earnings sits in work-scope, where fleet age profiles matter: the revenue-rich phase typically falls in the 6-15-year age window, particularly around the second shop visit (SV2) when LLP replacement drive heavier content.
- A prolonged period of elevated fuel prices or macro pressure could ultimately influence airline cash allocation through work-scope decisions - there has not been any evidence of this during the ME conflict.

FIGURE 19. CFM56 installed fleet by age category



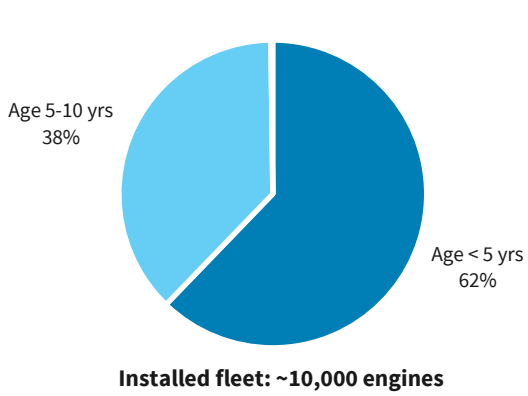
Source: Cirium, Barclays Research

FIGURE 20. V2500 installed fleet by age category



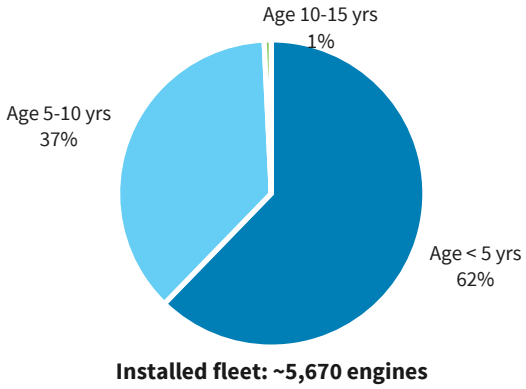
Source: Cirium, Barclays Research

FIGURE 21. LEAP installed fleet by age category



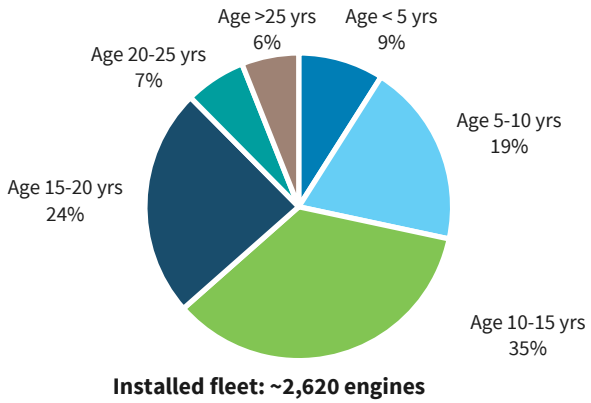
Source: Cirium, Barclays Research

FIGURE 22. GTF installed fleet by age category



Source: Cirium, Barclays Research

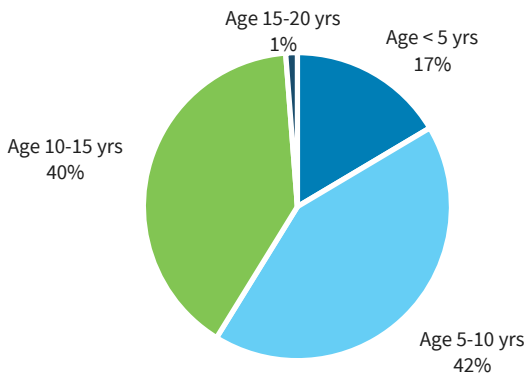
FIGURE 23. GE90 installed fleet by age category



Installed fleet: ~2,620 engines

Source: Cirium, Barclays Research

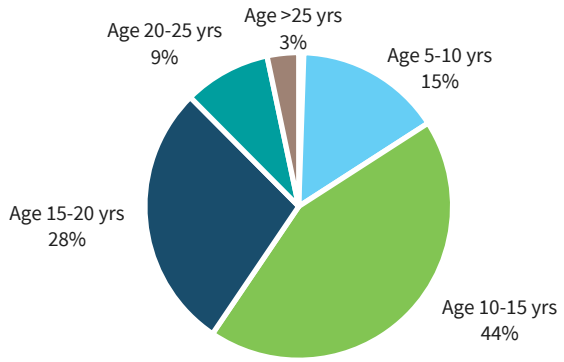
FIGURE 24. GEnx installed fleet by age category



Installed fleet: ~2,300 engines

Source: Cirium, Barclays Research

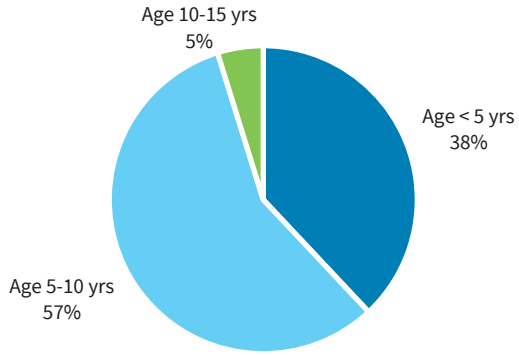
FIGURE 25. Trent 700 installed fleet by age category



Installed fleet: ~1,510 engines

Source: Cirium, Barclays Research

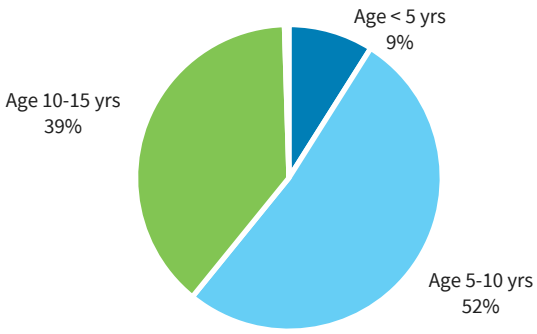
FIGURE 26. Trent XWB installed fleet by age category



Installed fleet: ~1,460 engines

Source: Cirium, Barclays Research

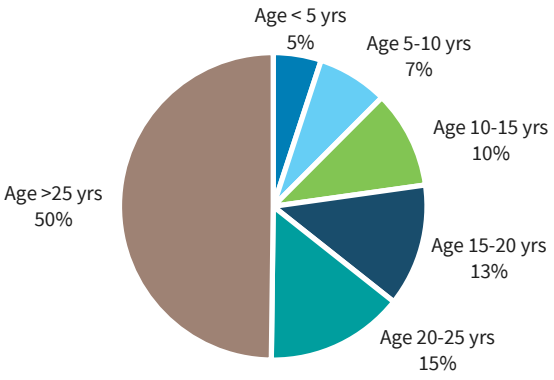
FIGURE 27. Trent 1000 installed fleet by age category



Installed fleet: ~850 engines

Source: Cirium, Barclays Research

FIGURE 28. CF6 installed fleet by age category

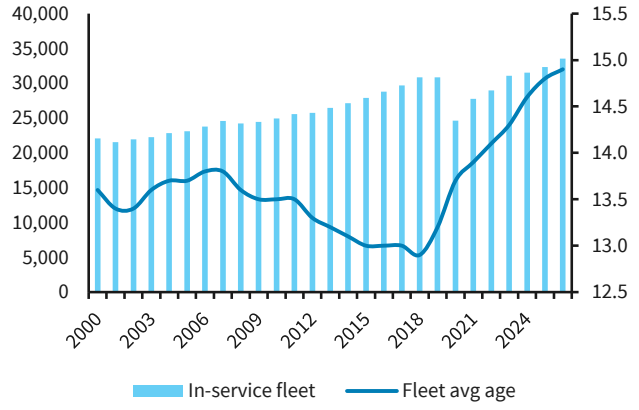


Installed fleet: ~3,010 engines

Source: Cirium, Barclays Research

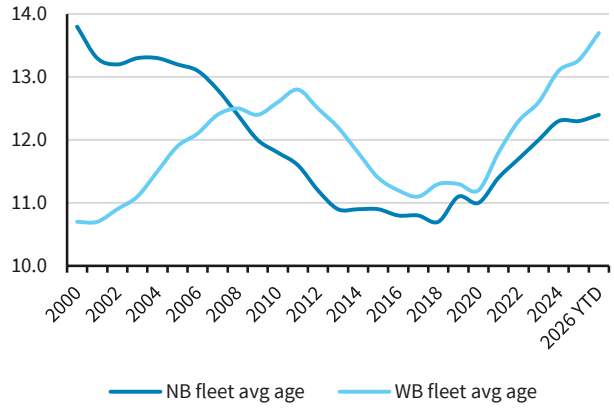
An overview of aircraft fleet age trends

FIGURE 29. Commercial aircraft in-service fleet age - the delays in new aircraft deliveries and ongoing durability issues have led airlines to rely on their older fleets to cater to the demand...



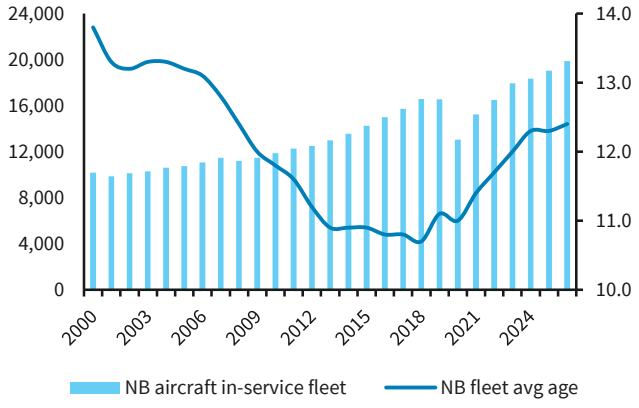
Source: Cirium, Barclays Research

FIGURE 30. ... resulting in a significant increase in the average fleet age across narrow-body and wide-body aircraft



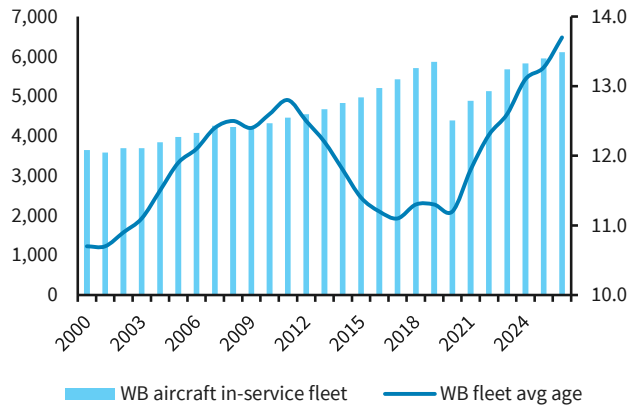
Source: Cirium, Barclays Research

FIGURE 31. The average age of the narrow-body in-service fleet now stands at 12.4 years, compared to 10.7 years at the end of 2018



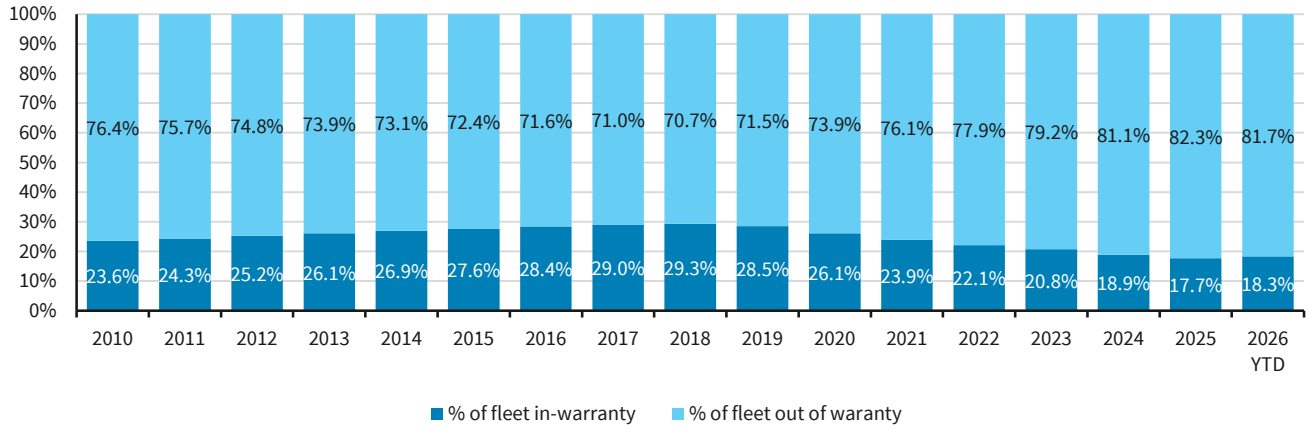
Source: Cirium, Barclays Research

FIGURE 32. The wide-body in-service fleet average age is now at 13.7 years, compared to 11.1 years at end 2017



Source: Cirium, Barclays Research

FIGURE 33. The out-of-warranty fleet now represents a ~82% share of the total commercial installed fleet



Source: Cirium, Barclays Research

Order Intake Analysis

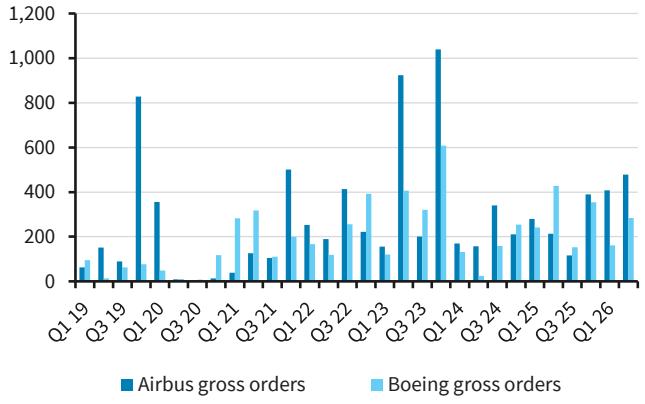
Q2 26 saw the highest quarterly order flow since Q4 23

- Airbus and Boeing won 478 and 284 gross orders, respectively, in Q2 26. The 762 combined orders in Q2 represented the highest quarterly order flow since Q4 23 and led to a H1 gross order intake of 1,331 aircraft (vs 1,162 in H1 25). Airbus and Boeing received a further 204 and 38 gross orders, respectively, in July, helped by the timing of the Farnborough Air Show.

- Wide-body aircraft represent 13% and 36% of Airbus and Boeing's YTD gross order flow. The 20% combined share is in line with the annual order share over the past decade. The 869 wide-body orders received annually in 2025 had represented an order share of ~40%.

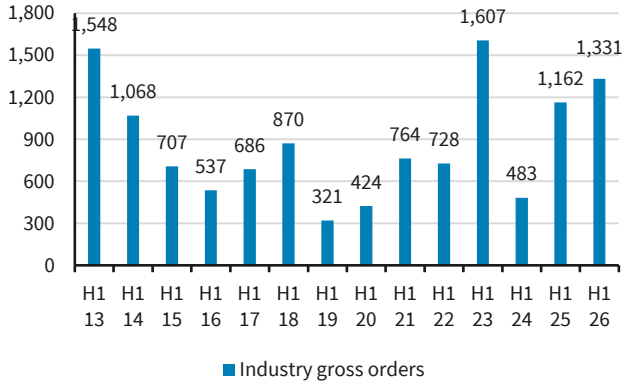
- Airbus' major orders in Q2 included an order from AirAsia for 150 A220-300 aircraft while China Southern Airlines ordered 102 A320neo family aircraft. Boeing won orders for 10 787-9 aircraft from Lufthansa while Biman Bangladesh Airlines ordered 10 787 and 4 737 MAX aircraft. Lessor SMBC Aviation Capital ordered 100 A320neo family aircraft at Farnborough in July while AerCap ordered 15 787-9 aircraft.

FIGURE 34. Airbus and Boeing won 478 and 284 gross orders, respectively, in Q2



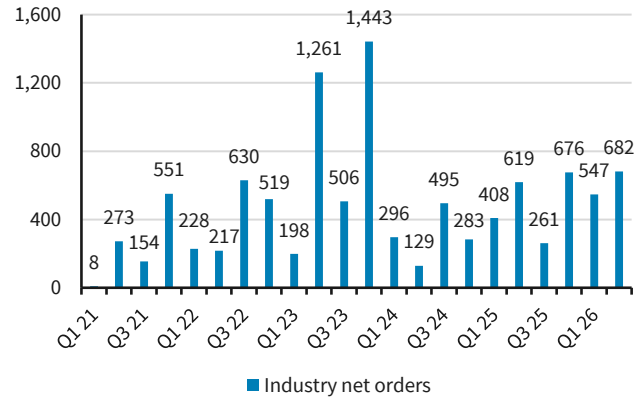
Source: Airbus, Boeing, Barclays Research

FIGURE 35. The combined orders in H1 26 stood at 1,331 aircraft, an increase of 15% YoY



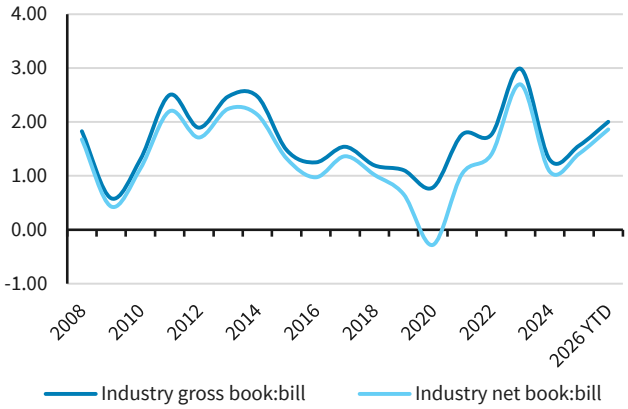
Source: Airbus, Boeing, Barclays Research

FIGURE 36. Industry net orders stood at 682 aircraft in Q2 26 and 1,229 aircraft in H1 26



Source: Airbus, Boeing, Barclays Research

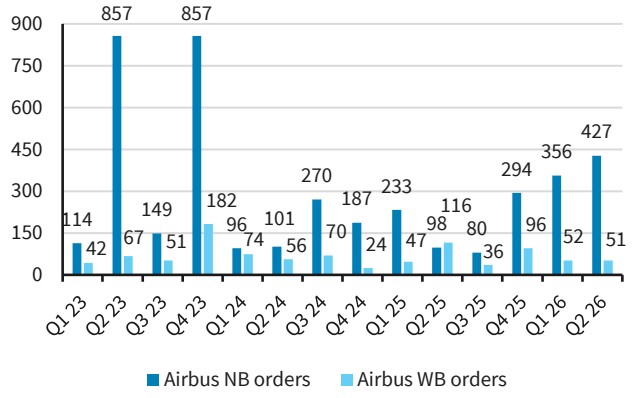
FIGURE 37. The YTD industry gross and net book:bill stands at 2.0x and 1.9x, respectively



Source: Airbus, Boeing, Barclays Research

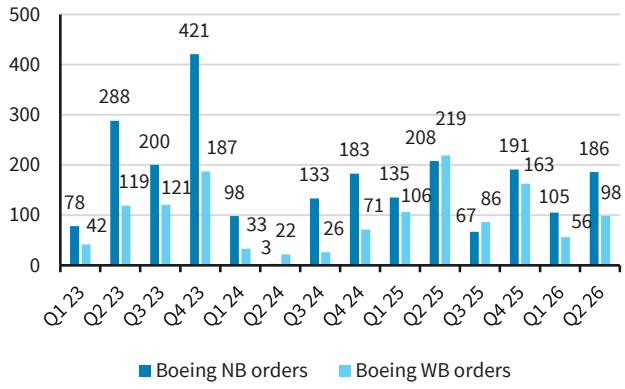
Order Intake by Aircraft Type

FIGURE 38. WB aircraft represented a 11% share of Airbus' Q2 orders...



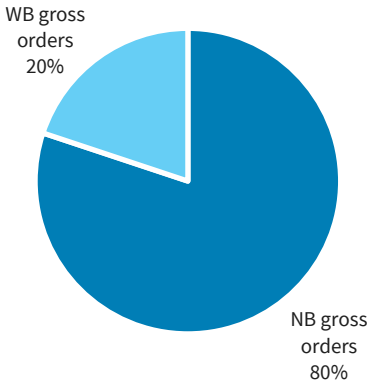
Source: Airbus, Barclays Research

FIGURE 39. ... and a 35% share of Boeing's Q2 orders



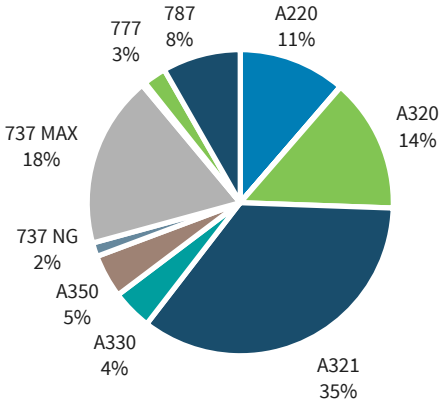
Source: Boeing, Barclays Research

FIGURE 40. Wide-body aircraft represent a 20% share of the YTD industry order flow



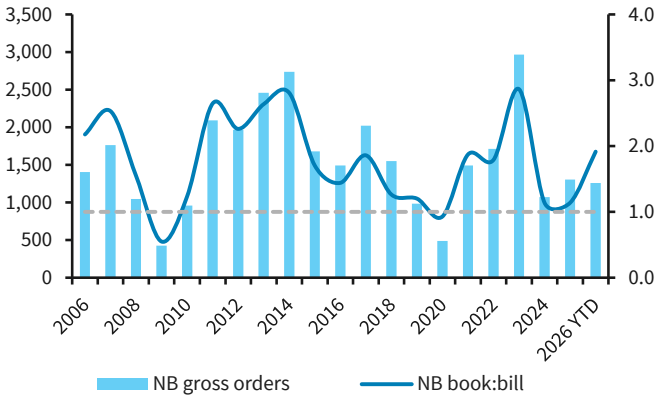
Source: Airbus, Boeing, Barclays Research

FIGURE 41. The A320 family accounts for a 49% share of YTD orders, while the 737 MAX represents a 18% share



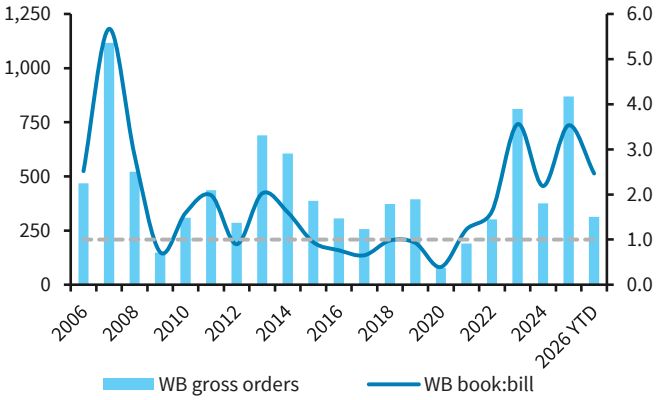
Source: Airbus, Boeing, Barclays Research

FIGURE 42. The 1,260 NB orders YTD have led to a NB book:bill of 1.9x



Source: Airbus, Boeing, Barclays Research

FIGURE 43. The 313 WB orders YTD have led to a WB book:bill of 2.5x



Source: Airbus, Boeing, Barclays Research

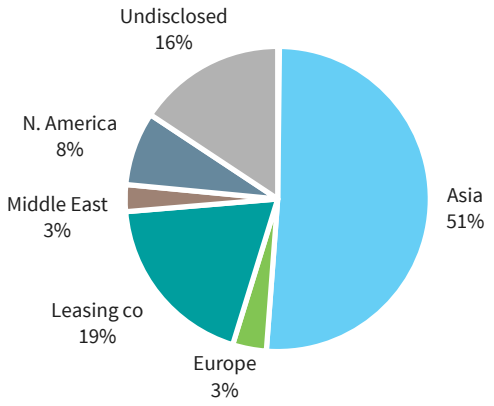
Order Intake by Region

- Leasing companies represent a 19% and 15% share of Airbus and Boeing's YTD order flow, respectively. Airbus's major lessor orders YTD include NAS Aviation Services' and SMBC Aviation Capital's orders for 100 A320neo family aircraft each. Boeing has received orders from Aviation Capital Group for 56 737 MAX aircraft, while AerCap has ordered 15 787-9 aircraft. Leasing companies had represented a 19% share of industry orders in 2025 and a 14% share in 2024.

- Asian airlines represent a significant 51% share of the Airbus order flow YTD, boosted by multiple large orders. AirAsia placed an order for 150 A220-300 aircraft while China Eastern Airlines and China Southern Airlines have ordered a total of 126 and 102 aircraft, respectively. Asia accounts for 11% of Boeing's YTD order tally, driven mainly by Air India's order for 20 737 MAX and Biman Bangladesh Airlines' order for 10 787 and 4 737 MAX aircraft.

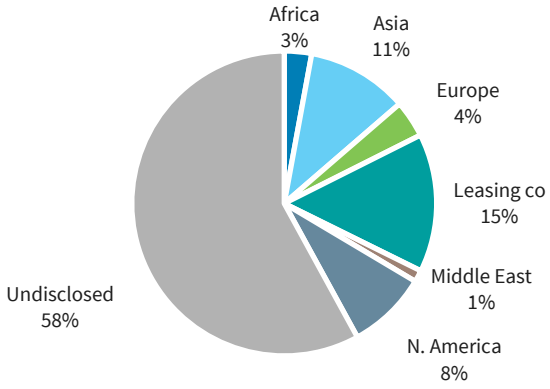
- Orders from undisclosed customers account for 29% of the total YTD order flow while Europe and North America represent modest 4% and 8% shares, respectively.

FIGURE 44. Asia represents a 51% share of Airbus' YTD order intake while 19% of the order flow is from leasing companies



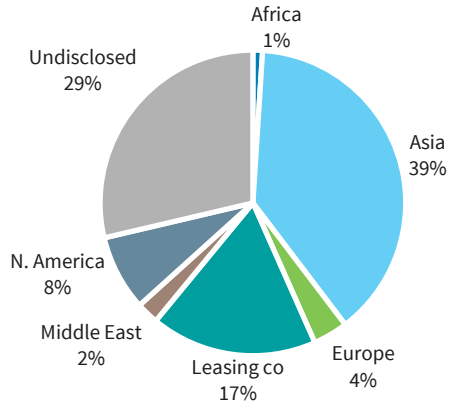
Source: Cirium, Barclays Research

FIGURE 45. A significant 58% share of Boeing's YTD order flow is from undisclosed customers while leasing companies represent a 15% share



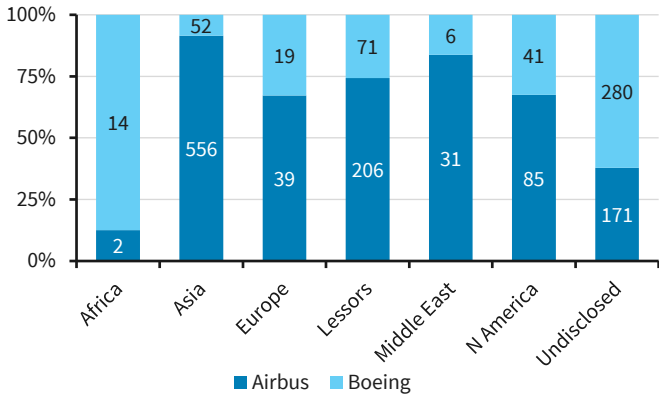
Source: Cirium, Barclays Research

FIGURE 46. At an industry level, Asia and lessors account for 39% and 17% of YTD gross orders, respectively



Source: Cirium, Barclays Research

FIGURE 47. Airbus has been the preferred OEM choice across most regions YTD



Source: Cirium, Barclays Research

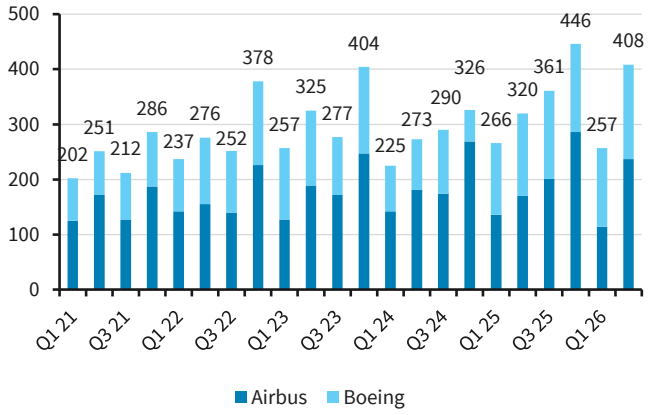
Deliveries

Phasing effect due to headwinds in Q1 led to record Airbus deliveries in Q2

- Airbus delivered 237 aircraft in Q2 26 (vs 114 in Q1 26 and 170 in Q2 25). The deliveries during the quarter represented a record tally for Q2 - helped by several deliveries being pushed to the right from Q1 into Q2 due to the fuselage panel related rework and the admin issues in China. Inclusive of July data, Airbus's delivery count stands at 418 aircraft, representing 48% of the company's annual target of "around 870" deliveries in 2026 (vs 793 in 2025). Encouraged by the delivery recovery in Q2, Airbus management expressed confidence in meeting the company's annual target while also flagging that GTF engine supplies from Pratt continued to remain constrained.

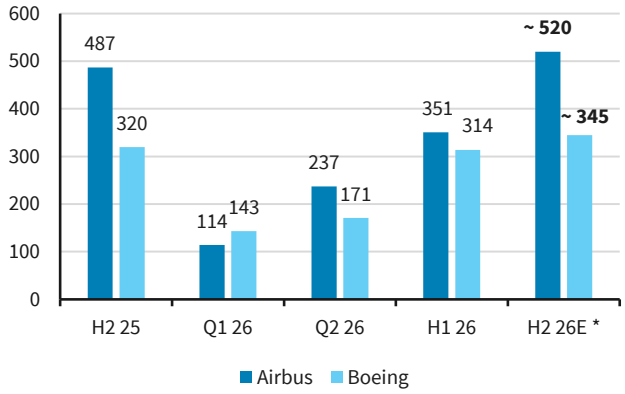
- Boeing delivered 171 aircraft in Q2 26 (vs 143 in Q1 26 and 150 in Q2 25). The company delivered a further 53 aircraft in July, leading to a YTD delivery tally of 367 aircraft. Boeing announced in July that it was in the process of moving to rate 47 on the 737 MAX with factory roll-outs expected to reach rate 47 per month during the summer months. Boeing reiterated on its Q2 call that it remained on track to deliver ~500 737 MAX aircraft in 2026 while 787 deliveries are expected in the range of 90-100 aircraft.

FIGURE 49. Airbus and Boeing delivered 237 and 171 aircraft respectively, in Q2 26



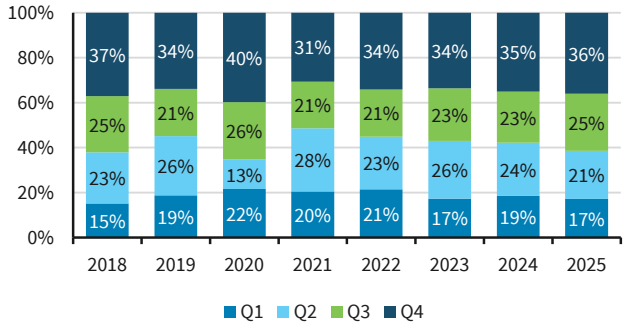
Source: Airbus, Boeing, Barclays Research

FIGURE 50. Airbus needs to deliver ~520 aircraft in H2 to meet its annual delivery target



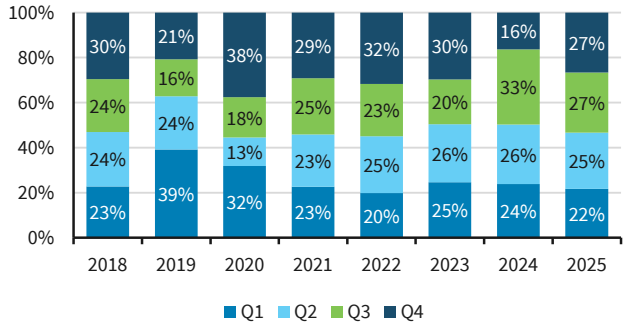
BARC estimates used for Airbus annual deliveries, Bloomberg consensus estimates used for Boeing annual deliveries
Source: Airbus, Boeing, Bloomberg, Barclays Research

FIGURE 51. Since 2018, Airbus on average has delivered ~42% of its annual deliveries in H1



Source: Airbus, Barclays Research

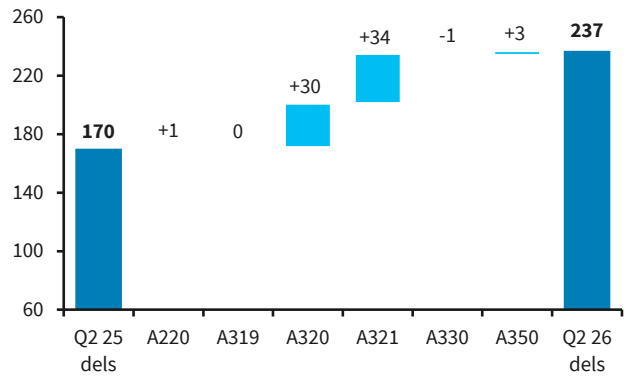
FIGURE 52. Boeing's delivery weightage across quarters has remained more volatile due to the MAX and 787 disruptions



Source: Boeing, Barclays Research

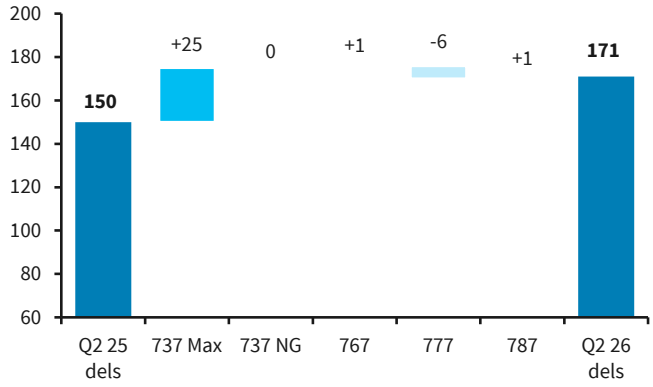
Deliveries by Aircraft Type

FIGURE 53. Airbus's YoY delivery increase in Q2 by program



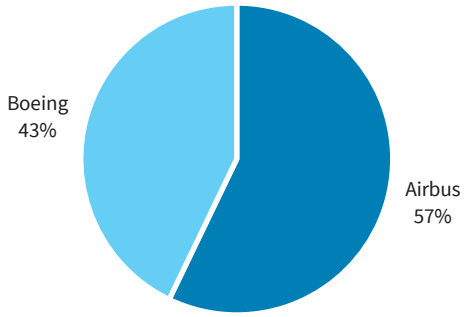
Source: Airbus, Barclays Research

FIGURE 54. Boeing's YoY delivery increase in Q2 by program



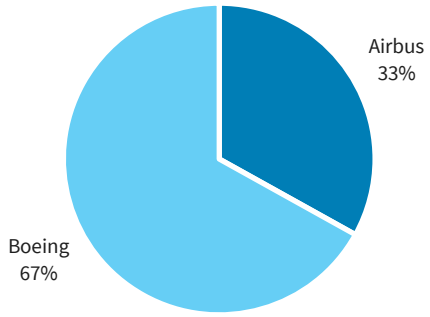
Source: Boeing, Barclays Research

FIGURE 55. Airbus represents a 57% share of YTD narrow-body deliveries...



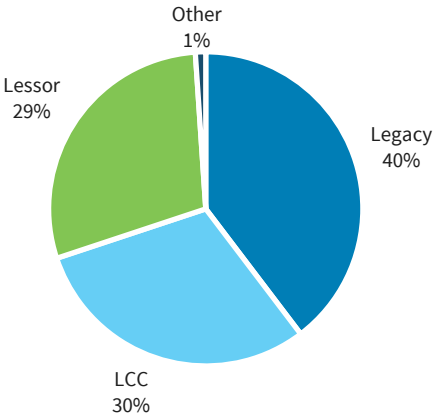
Source: Airbus, Boeing, Barclays Research

FIGURE 56. ... and a 33% share of wide-body deliveries YTD



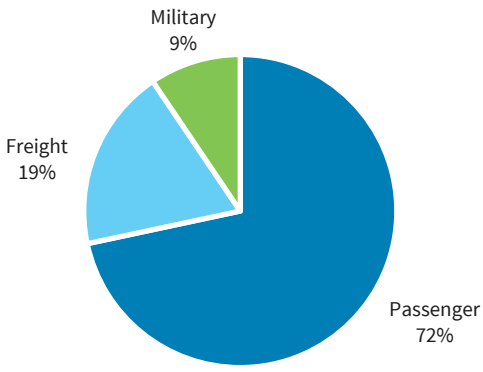
Source: Airbus, Boeing, Barclays Research

FIGURE 57. Almost 40% of narrow-body deliveries YTD have been received by legacy airlines



Source: Airbus, Boeing, Barclays Research

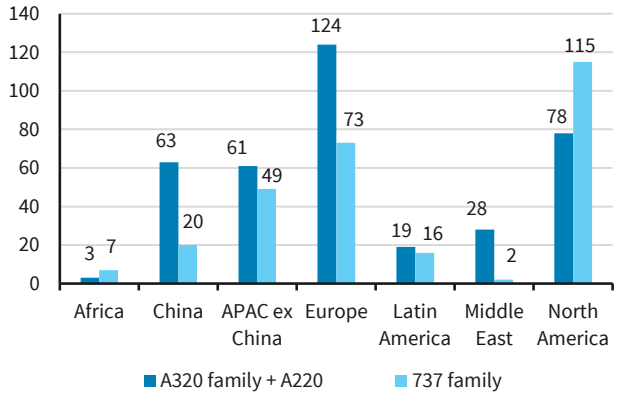
FIGURE 58. Freighters have represented a 19% share of wide-body deliveries YTD



Source: Cirium, Barclays Research

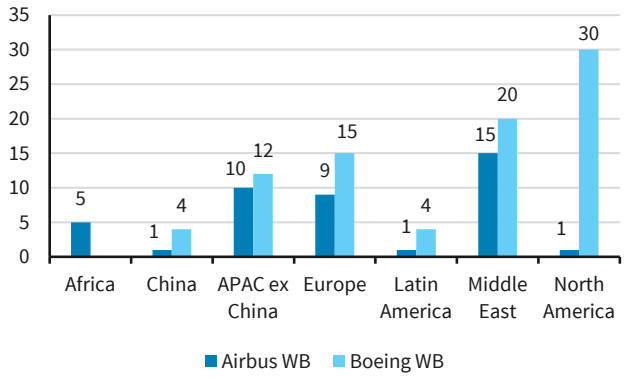
Deliveries by Region

FIGURE 59. Asia (incl China) and Europe each account for ~30% of NB deliveries YTD



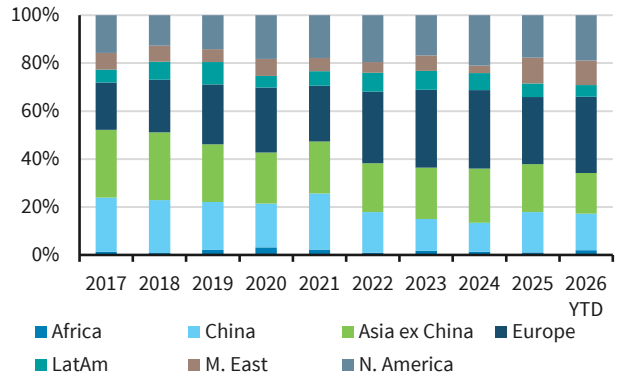
Source: Cirium, Barclays Research

FIGURE 60. The Middle East accounts for a ~28% share of WB deliveries YTD while North America represents a ~24% share



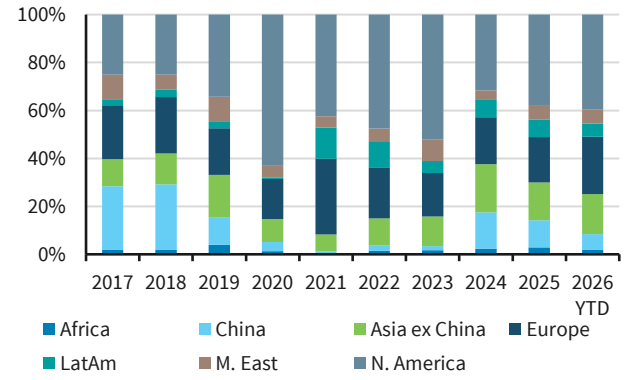
Source: Cirium, Barclays Research

FIGURE 61. Regional mix of Airbus deliveries – Asia (incl China) has represented ~42% of Airbus annual deliveries over the past decade



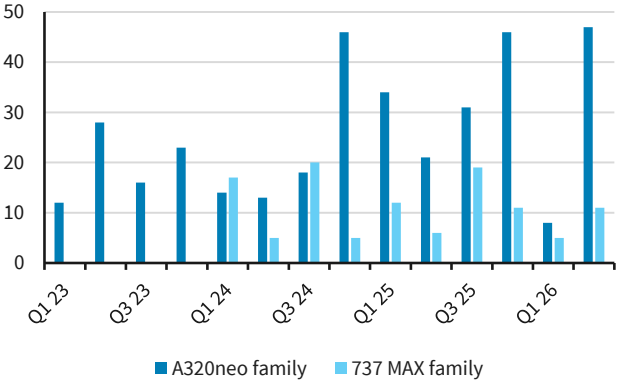
Source: Cirium, Barclays Research

FIGURE 62. Regional mix of Boeing deliveries – over the past 10 years, North America has accounted for ~38% of Boeing's annual deliveries



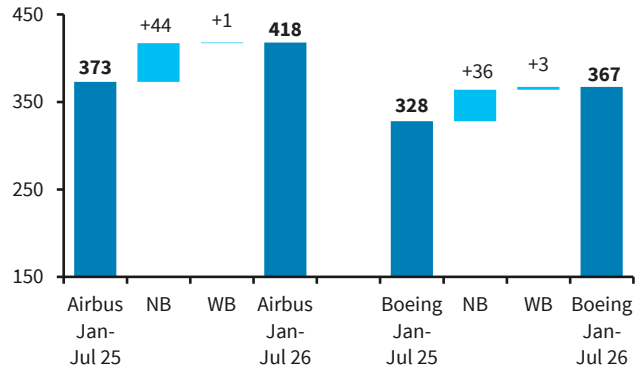
Source: Cirium, Barclays Research

FIGURE 63. Following the resolution of the admin issues, Airbus delivered 47 A320neo family aircraft to China in Q2 26 (vs just 8 in Q1 26)



Source: Cirium, Barclays Research

FIGURE 64. Inclusive of July data, Airbus and Boeing's YTD deliveries have each seen a +12% YoY increase

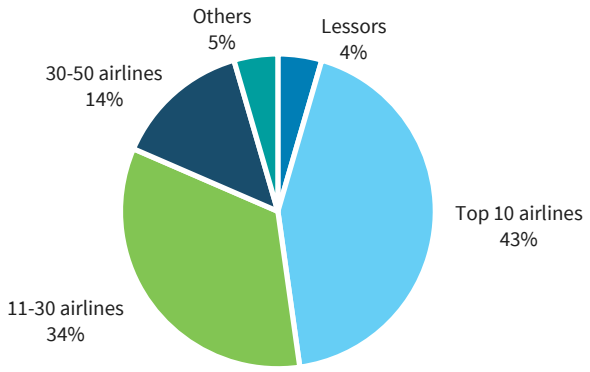


Source: Cirium, Barclays Research

A closer look at the GTF engine delivery profile

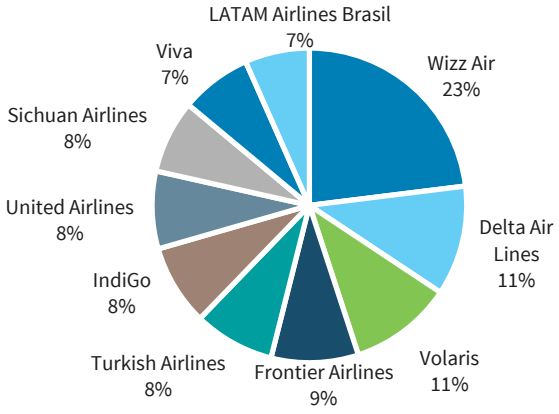
- To assess the potential OE delivery disruption caused by the GTF powder metal issue, we look at the delivery profiles of the A320neo aircraft powered by the GTF engine.
- Following the 62% share of deliveries in Q1 (81 A320 family aircraft in total), the GTF engine accounted for a much lesser ~35% share of deliveries in Q2 (190 aircraft in total). At the H1 stage, the GTF share of A320neo family deliveries stood at 43%. Inclusive of July deliveries, the GTF and LEAP share of A320neo family deliveries YTD stands at 41% and 59%, respectively. The GTF-powered A320neo family aircraft deliveries YTD represent a 6.4% YoY increase.
- RTX mentioned that the GTF fleet management plan remained well on track with Aircraft on Ground (AoG) seeing a ~25% decline YTD. This was driven primarily by the strong +43% increase in GTF MRO output leading to a ~23% reduction in turnaround times. RTX mentioned that it expected the AoG count to keep trending lower throughout H2. The recent ceasing of Spirit Airlines' operations is also expected to ease the GTF spare engine shortage - the airline currently has >40 GTF-powered A320neo family aircraft in its fleet.

FIGURE 65. The top 10 airline operators of the GTF-powered A320 family represent ~43% of the installed fleet



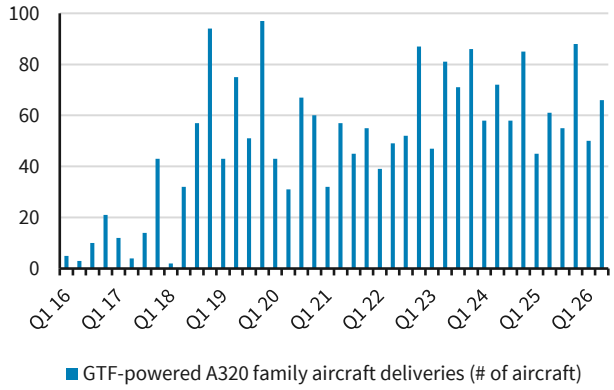
Source: Cirium, Barclays Research

FIGURE 66. Top 10 operators of the GTF-powered A320neo family



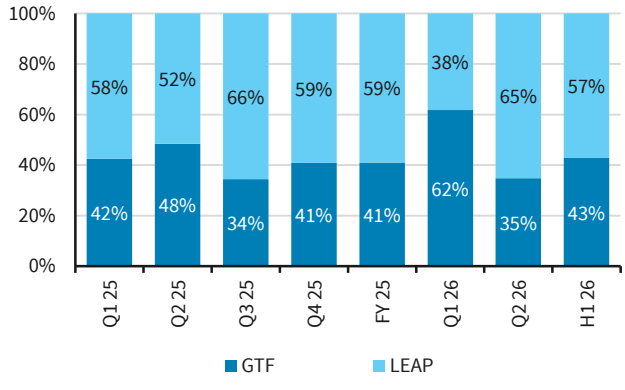
Source: Cirium, Barclays Research

FIGURE 67. A total of 66 GTF-powered A320neo family aircraft were delivered in Q2 26, a 8.2% YoY increase



Source: Cirium, Barclays Research

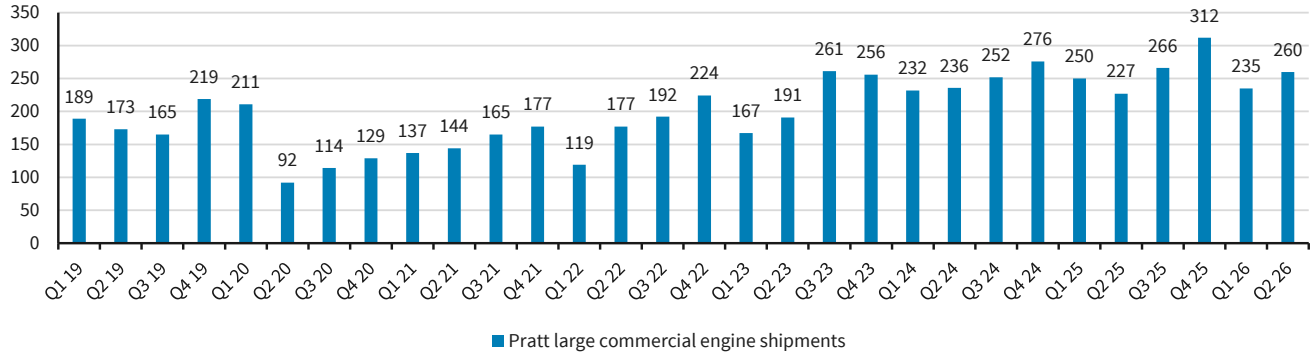
FIGURE 68. The GTF engine powered ~35% of the A320neo family aircraft delivered in Q2 26



Source: Cirium, Barclays Research

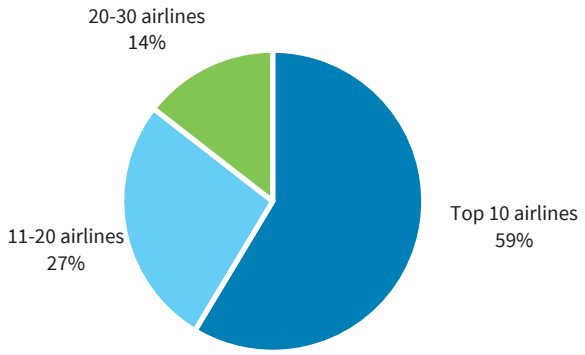
A closer look at the GTF engine delivery profile

FIGURE 69. Quarterly large commercial engine shipments of Pratt & Whitney – this indicator can be considered a proxy for the GTF engine, which represents a dominant share of the overall delivery tally



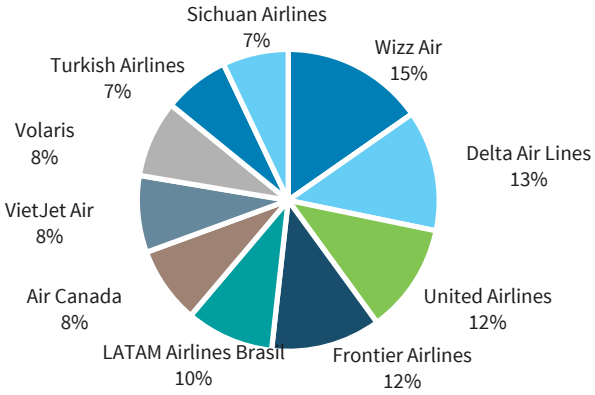
Source: RTX, Barclays Research

FIGURE 70. Of the GTF-powered A320neo deliveries scheduled in the remainder of 2026, the top 10 airlines represent a 59% share



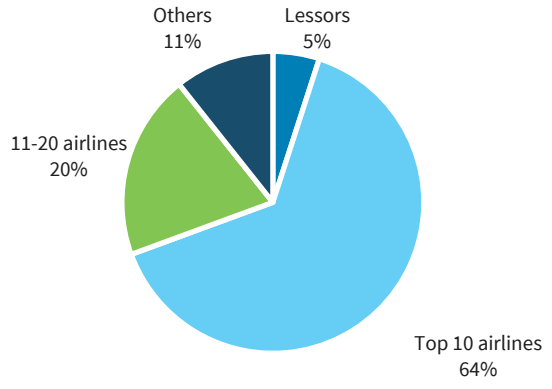
Source: Cirium, Barclays Research

FIGURE 71. Top 10 airlines scheduled to receive GTF-powered A320 family deliveries in the remainder of 2026



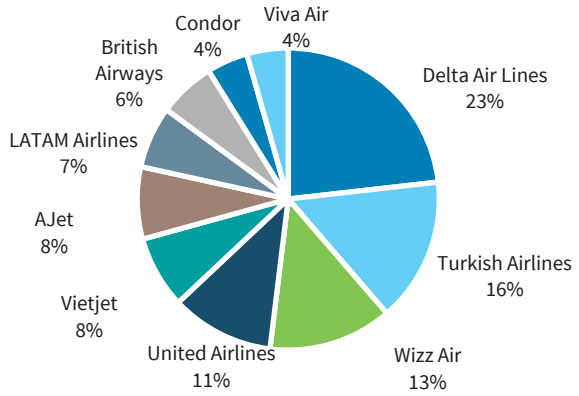
Source: Cirium, Barclays Research

FIGURE 72. The top 10 airlines are expected to receive 64% of GTF-powered A320neo aircraft deliveries in 2027



Source: Cirium, Barclays Research

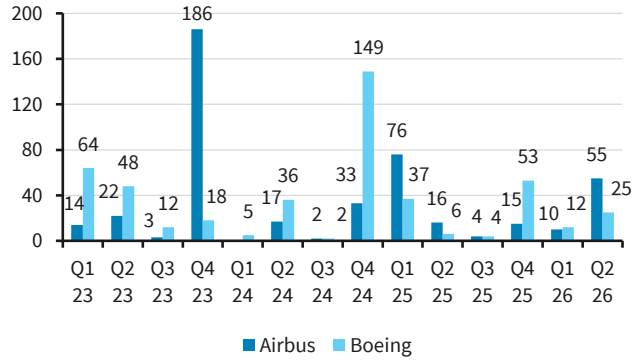
FIGURE 73. Top 10 airlines scheduled to receive GTF-powered A320 family deliveries in 2027



Source: Cirium, Barclays Research

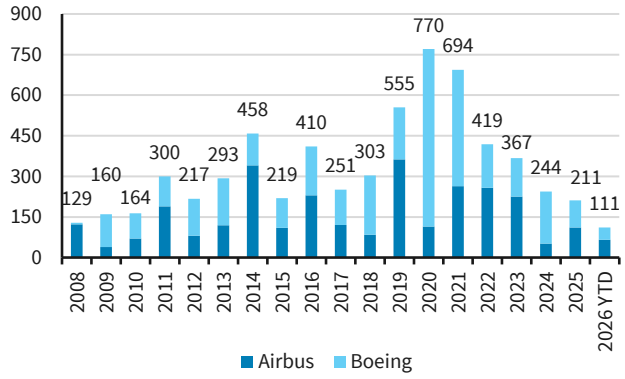
Cancellations

FIGURE 74. Airbus and Boeing faced 55 and 25 cancellations, respectively, in Q2 26



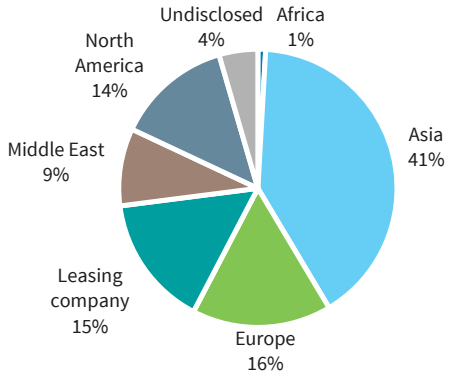
Source: Airbus, Boeing, Barclays Research

FIGURE 75. The YTD cancellation tally for Airbus and Boeing stands at 66 and 45 aircraft, respectively



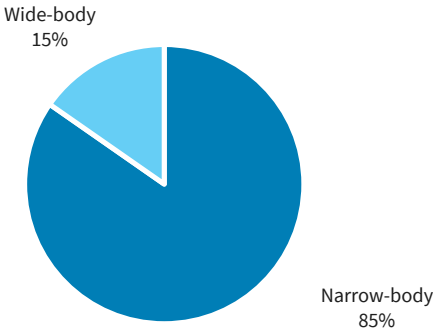
Source: Airbus, Boeing, Barclays Research

FIGURE 76. The Asian region, led by AirAsia, has accounted for >40% of the 111 cancellations YTD



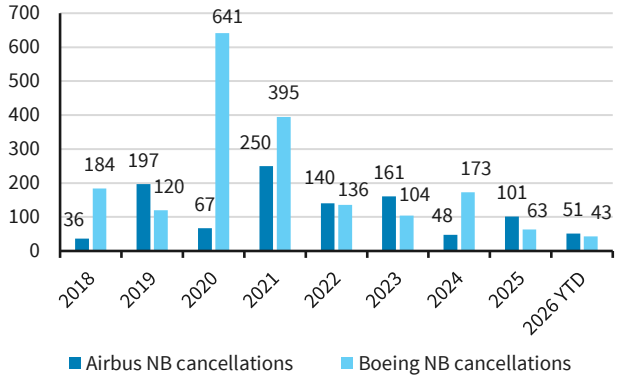
Source: Cirium, Barclays Research

FIGURE 77. Narrow-body aircraft have represented a dominant 85% share of the YTD cancellations



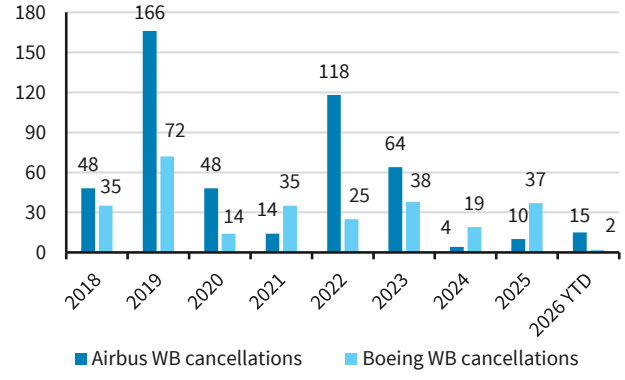
Source: Airbus, Boeing, Barclays Research

FIGURE 78. The 94 narrow-body cancellations YTD represent just 0.8% of the NB backlog...



Source: Airbus, Boeing, Barclays Research

FIGURE 79. ... while the 17 WB cancellations represent 0.6% of the WB backlog



Source: Airbus, Boeing, Barclays Research

FIGURE 80. YTD cancellations by operator and aircraft variant

Aircraft OEM	Operator	Operator Region	Aircraft Type	Aircraft Count
Airbus	Odyssey Airlines	Europe	A220-100	10
Airbus	Azorra	Leasing company	A220-300	6
Airbus	Macquarie AirFinance	Leasing company	A220-300	4
Airbus	TAAG Angola Airlines	Africa	A220-300	1
Airbus	SaudiGulf Airlines	Middle East	A320neo	10
Airbus	AirAsia	Asia	A321neo	20
Airbus	AirAsia X	Asia	A330-900neo	15
Airbus Total				**66**
Boeing	WestJet	North America	737 MAX 10	15
Boeing	Jeju Air	Asia	737 MAX 8	8
Boeing	Air Europa	Europe	737 MAX 8	5
Boeing	TUI Airways	Europe	737 MAX 8	2
Boeing	BOC Aviation	Leasing company	737 MAX 8	1
Boeing	Aviation Capital Group	Leasing company	737 MAX	6
Boeing	Enter Air	Europe	737 MAX	1
Boeing	Undisclosed customer	Undisclosed	737 MAX	5
Boeing	Air Niugini	Asia	787-8	2
Boeing Total				**45**
Total				**111**

Source: Cirium, Barclays Research

FIGURE 81. A summary of order swaps which do not represent "genuine" cancellations in the OEM order books

Customer - Cancellation	Cancelled aircraft	Aircraft count	Customer - New order	Ordered aircraft	Aircraft count
Azorra	A220-300	6	Azorra	A220-300	6
AirAsia Group	A321neo + A330neo	20 + 15	AirAsia Group	A220-300	150
WestJet	737 MAX 10	15	WestJet	737 MAX + 787-9	3 + 2
Aviation Capital Group	737 MAX	6	Aviation Capital Group	737 MAX	6
TUI Airways	737 MAX 8	2	TUI Travel Aviation Finance Ltd	737 MAX	1

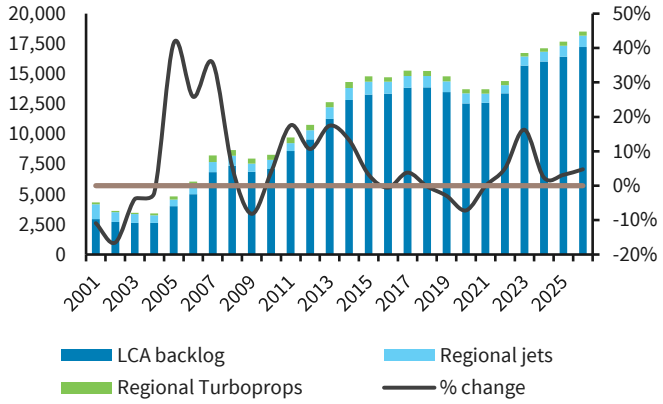
Source: Cirium, Barclays Research

Backlog Levels

Strong orders drive +7% increase in Airbus backlog YTD

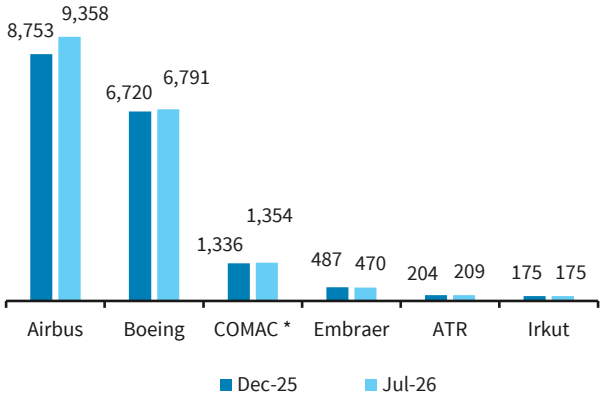
- The total commercial aircraft backlog now stands in excess of ~18,500 aircraft, a +4.8% increase compared to the backlog levels at end 2025. Large Commercial Aircraft (LCA) backlog (93% of total) has seen +5.0% growth while regional aircraft backlog has seen +1.4% growth.
- Driven by the 1,090 gross orders YTD, Airbus's backlog has seen a significant +6.9% increase YTD with 9,358 aircraft on order as of end July. Boeing's backlog has seen +1.1% growth YTD ending July with 6,791 aircraft in its order books.
- Narrow-body backlog has seen a +4.1% increase YTD while wide-body backlogs have increased +5.6%. The narrow-body backlog increase has been driven by the +22.9% increase on the A220. On wide-bodies, the A330 and A350 programs of Airbus have seen backlog growth of +14.0% and +4.8%, respectively, while the 777 and 787 programs of Boeing have seen +3.2% and +7.2% growth, respectively.

FIGURE 82. The total commercial aircraft backlog stands in excess of ~18,500 aircraft, a +4.8% increase vs end 2025 levels



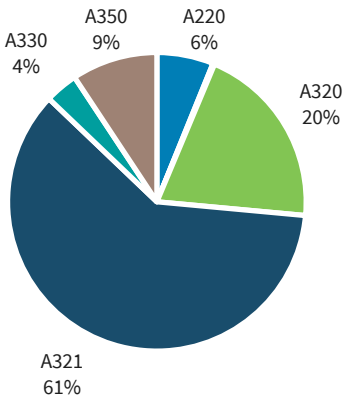
Source: Cirium, Barclays Research

FIGURE 83. Airbus backlog has seen +6.9% growth YTD while Boeing backlog has grown +1.1%



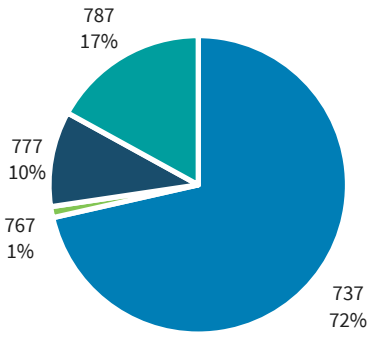
Note: COMAC's backlog comprises 962 C919 NB jets and 392 C909 (ARJ21) regional jets
Source: Cirium, Barclays Research

FIGURE 84. Airbus backlog by program – the A321 aircraft variant represents ~61% of the total Airbus backlog



Source: Airbus, Barclays Research

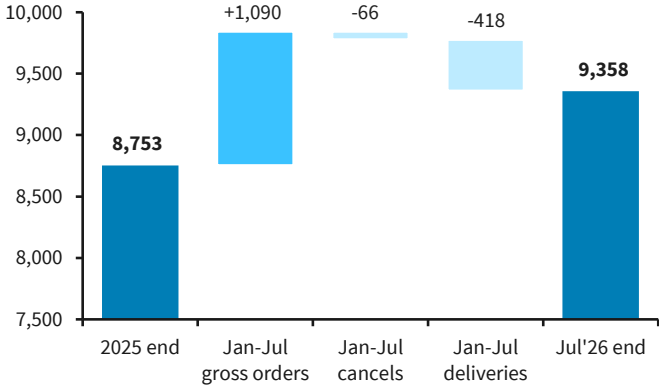
FIGURE 85. Boeing backlog by program – the 737 family accounts for 72% of Boeing's backlog while the 787 accounts for a 17% share



Note: Boeing's data reflects Unfilled orders prior to ASC 606 adjustment
Source: Boeing, Barclays Research

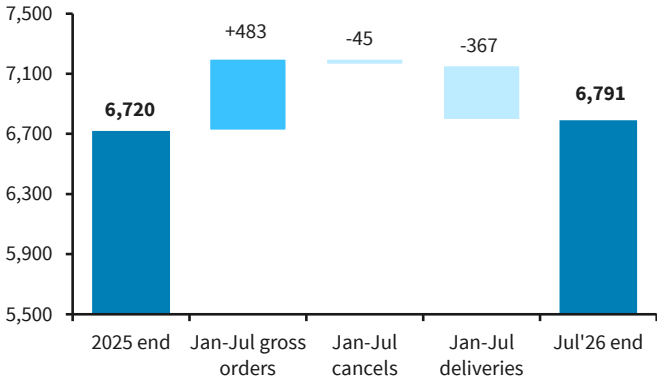
Backlog Levels Change

FIGURE 86. Airbus's backlog is at 9,358 aircraft, an increase of +6.9%



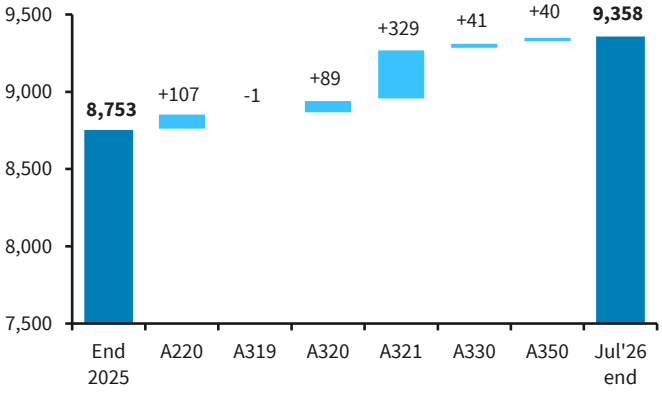
Source: Airbus, Barclays Research

FIGURE 87. Boeing's backlog is at 6,791 aircraft, an increase of +1.1%



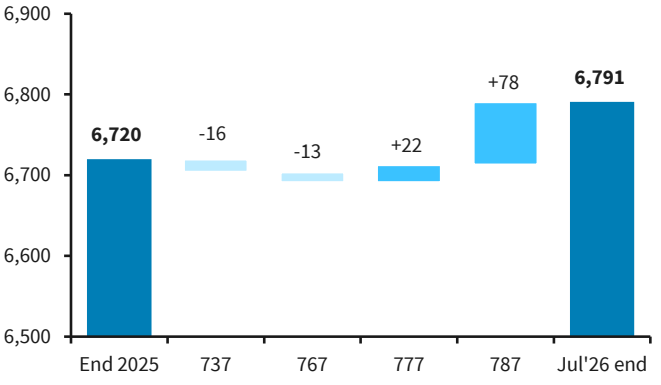
Note: Boeing's data reflects unfilled orders prior to ASC 606 adjustment
Source: Boeing, Barclays Research

FIGURE 88. Barring the A319, backlog levels have increased YTD across Airbus programs



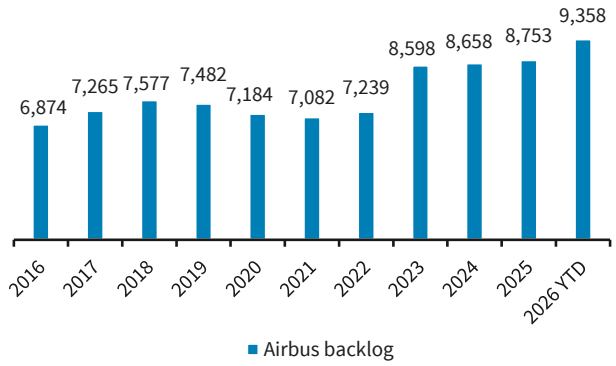
Source: Airbus, Barclays Research

FIGURE 89. The 787 has been the main driver of the backlog increase at Boeing YTD



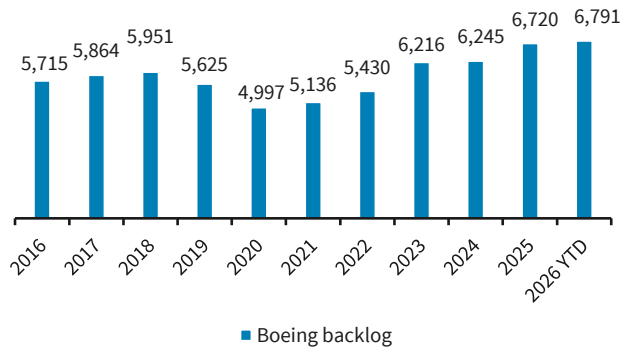
Note: Boeing's data reflects Unfilled orders prior to ASC 606 adjustment
Source: Boeing, Barclays Research

FIGURE 90. Airbus's backlog over the past decade



* 2018 backlog includes the A220 program backlog
Source: Airbus, Barclays Research

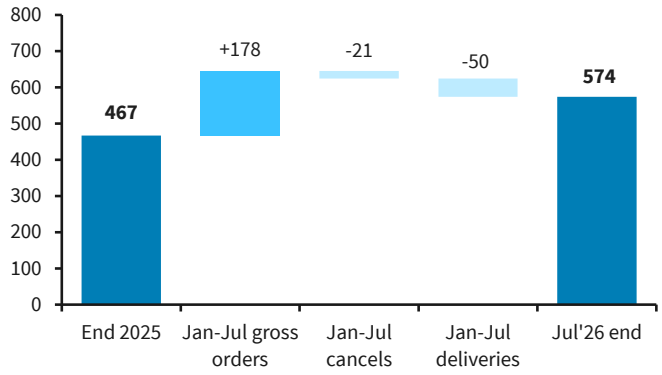
FIGURE 91. Boeing's backlog over the past decade



Source: Boeing, Barclays Research

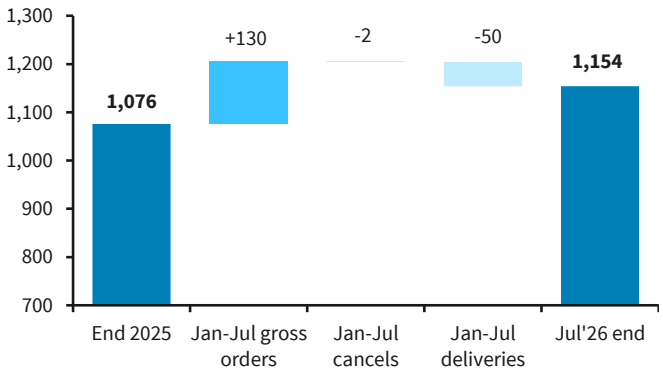
Backlog Levels Change

FIGURE 92. A220 backlog increased +22.9% YTD...



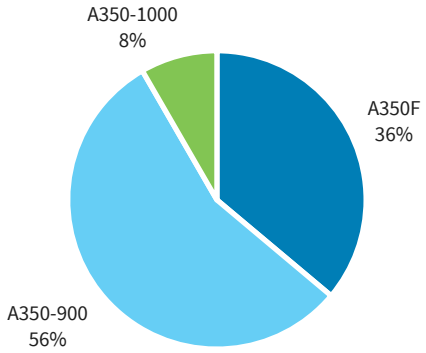
Source: Airbus, Barclays Research

FIGURE 93. ...while the 787 backlog grew +7.2%



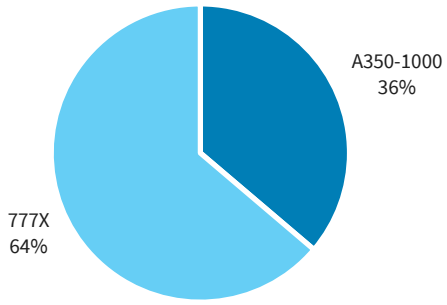
Note: Boeing's data reflects Unfilled orders prior to ASC 606 adjustment
Source: Boeing, Barclays Research

FIGURE 94. A350 orders YTD by aircraft variant



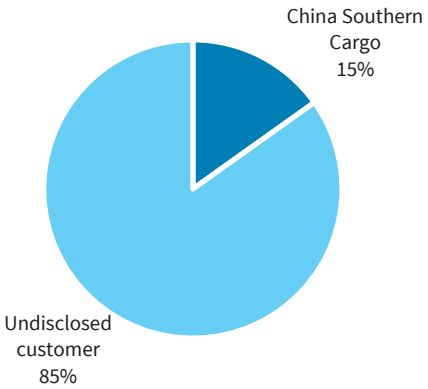
Source: Airbus, Barclays Research

FIGURE 95. On a cumulative order basis, the 777X continues to remain well ahead of the A350-1000



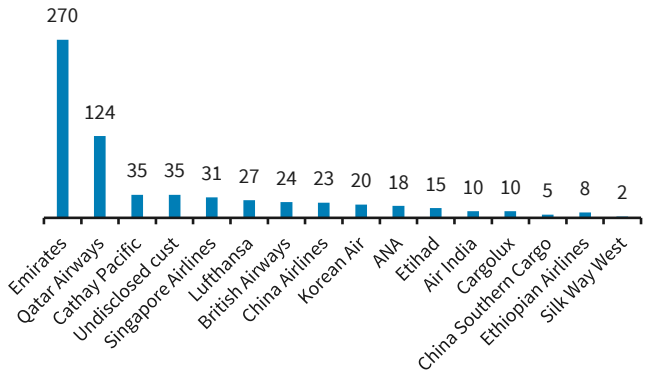
Source: Airbus, Boeing, Barclays Research

FIGURE 96. 777X has received a total of 33 orders YTD - these include 5 freighter variant orders from China Southern Cargo



Source: Boeing, Barclays Research

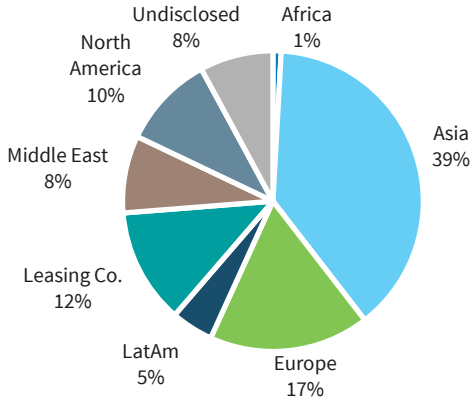
FIGURE 97. Almost 62% of the current 777X backlog is held by Middle Eastern airlines



Source: Boeing, Barclays Research

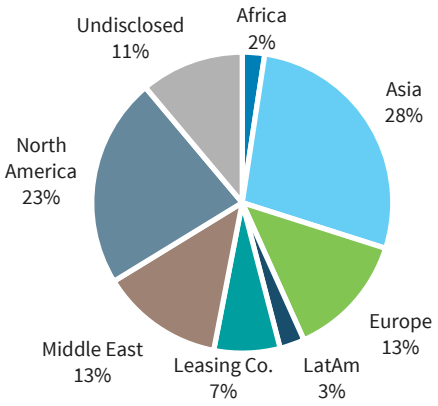
Backlog Share by Region and Aircraft Category

FIGURE 98. Asia represents 39% of Airbus's backlog while Europe holds a 17% share



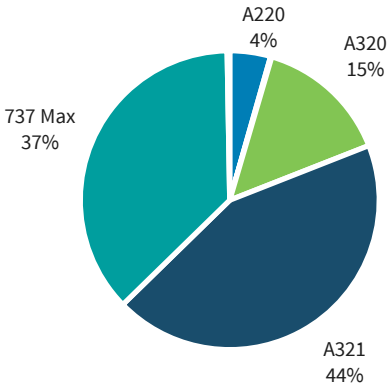
Source: Cirium, Barclays Research

FIGURE 99. Asia and North America account for 28% and 23% of Boeing's backlog, respectively



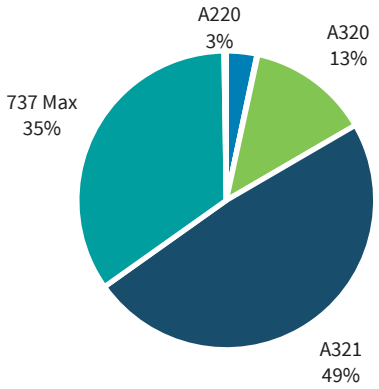
Source: Cirium, Barclays Research

FIGURE 100. Airbus holds a dominant 63% share in the NB market on an aircraft unit basis



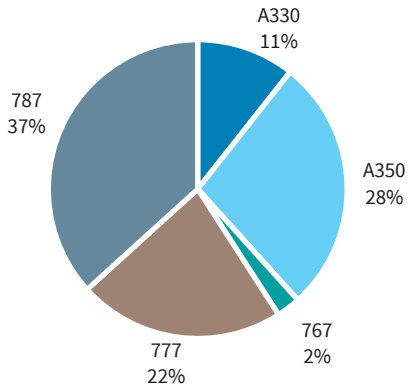
Source: Cirium, Barclays Research

FIGURE 101. The share increases to 65% on a seat count basis, which factors in the larger A321 program



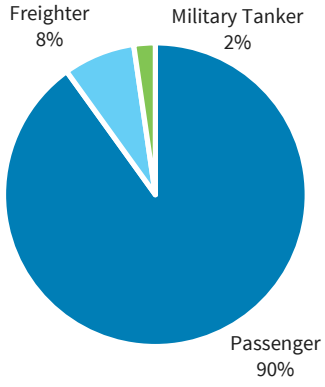
Source: Cirium, Barclays Research

FIGURE 102. Boeing leads the WB market with a 61% share of backlog



Source: Cirium, Barclays Research

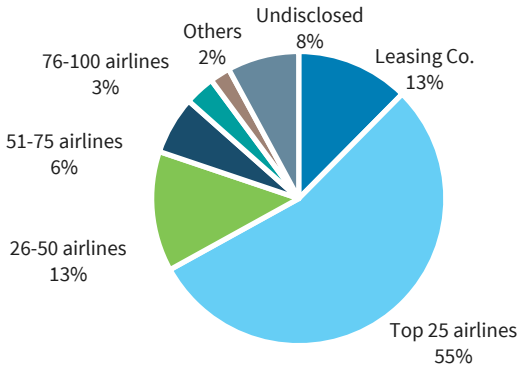
FIGURE 103. ~8% of the WB backlog is for freighter variants



Source: Cirium, Barclays Research

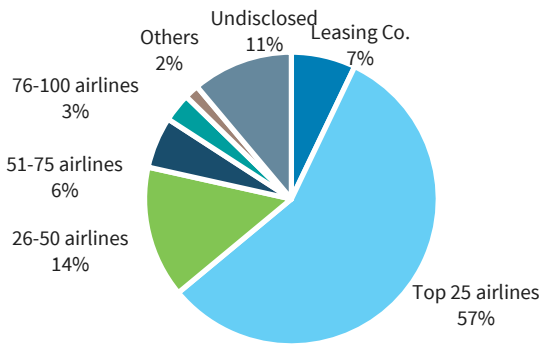
Backlog Levels by Operator Type

FIGURE 104. Airbus's top 25 airline customers hold a 55% share of firm backlog



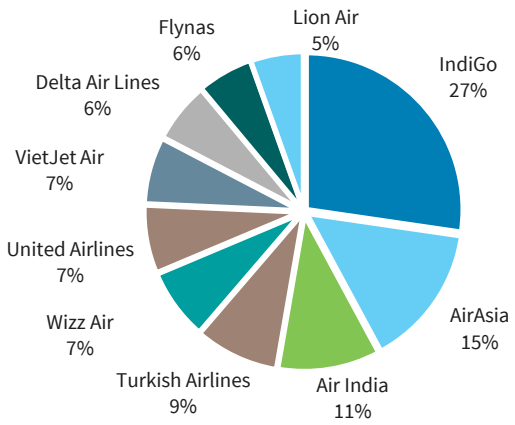
Source: Cirium, Barclays Research

FIGURE 105. Almost 57% of Boeing's unfilled orders are held by its top 25 airline customers



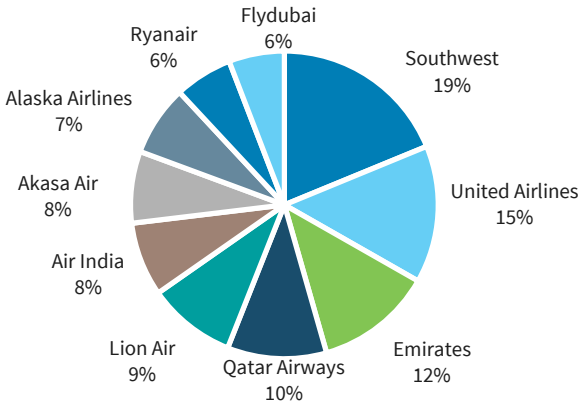
Source: Cirium, Barclays Research

FIGURE 106. Airbus's top 10 airline customers account for 36% of the company's firm order books



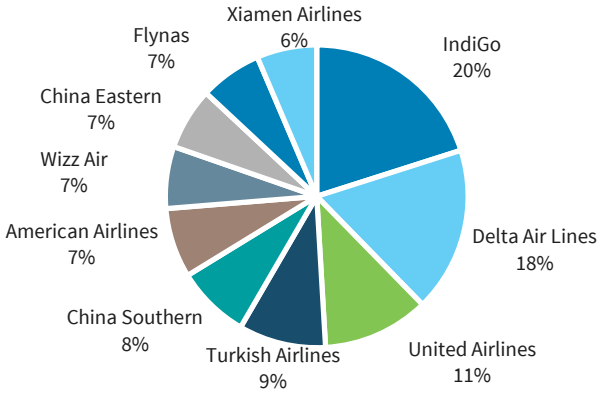
Source: Cirium, Barclays Research

FIGURE 107. Top 10 airline customers in Boeing's unfilled order tally hold a 36% share



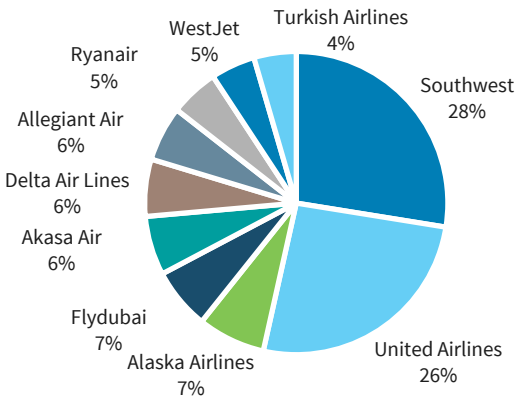
Source: Cirium, Barclays Research

FIGURE 108. Among Airbus's deliveries through 2027, the top 10 airline customers account for 32%



Source: Cirium, Barclays Research

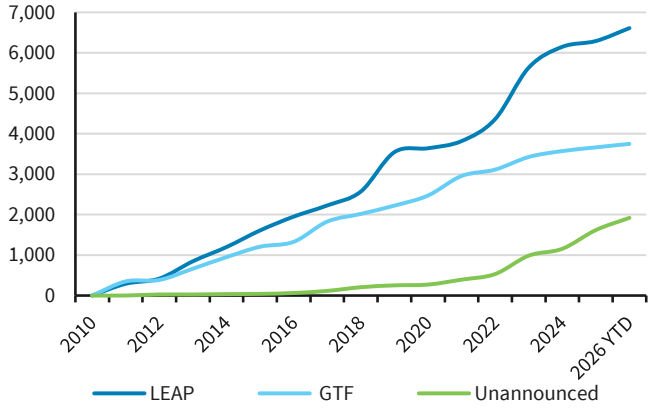
FIGURE 109. For Boeing's deliveries until end 2027, the top 10 airline customers account for a 39% share



Source: Cirium, Barclays Research

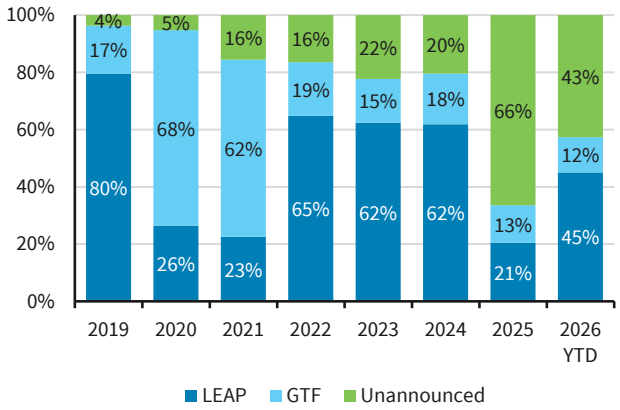
Backlog Share by Engine

FIGURE 110. Cumulative A320neo family orders with engine selections (# of aircraft) – LEAP holds a 54% cumulative share with GTF at 31%



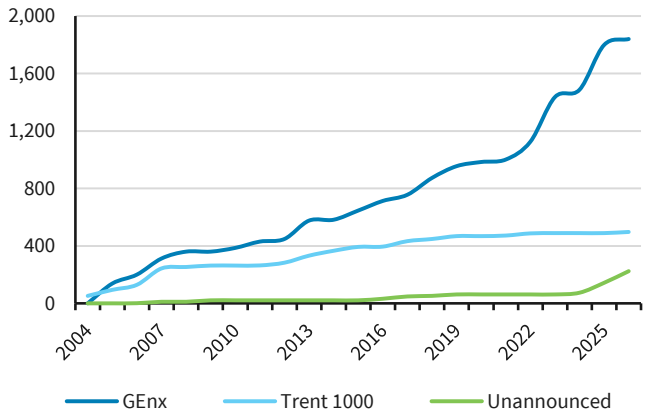
Source: Cirium, Barclays Research

FIGURE 111. Since 2023, LEAP has been selected to power ~78% of A320neo on which engine selections have been made



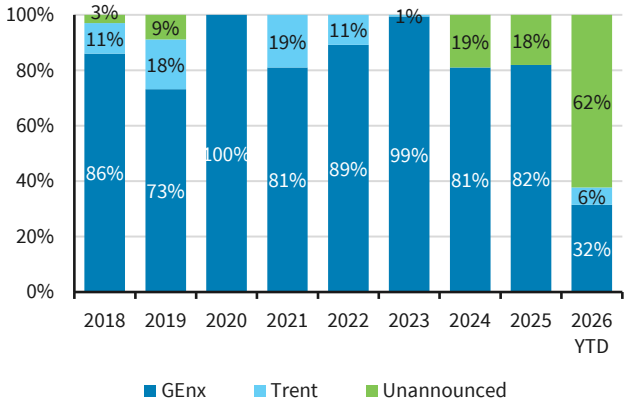
Source: Cirium, Barclays Research

FIGURE 112. Cumulative 787 orders with engine selections (# of aircraft). The GEnx engine maintains a dominant 72% share on all 787 orders, while the Trent 1000 engine has a 19% share



Source: Boeing, Barclays Research

FIGURE 113. The share of the GEnx engine on annual 787 orders between 2018-2022 stood at ~85%. The share was even higher at 90% between 2020-2022



Source: Boeing, Barclays Research

FIGURE 114. Delivery schedules showing engine shares by aircraft type (based on aircraft count)

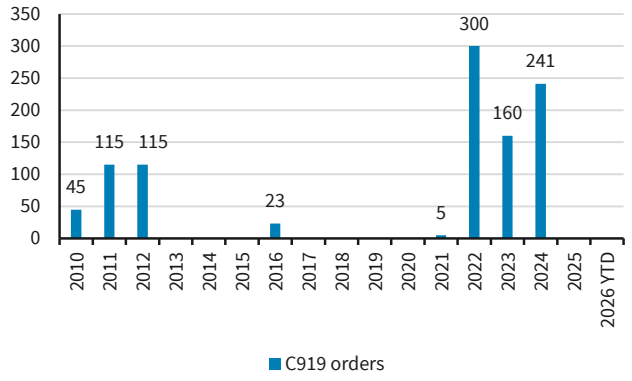
	2026 rem	2027	2028	2029	2030
A320neo	**96**	**239**	**192**	**161**	**126**
LEAP	69%	75%	68%	68%	78%
GTF	31%	17%	20%	19%	10%
Unannounced	0%	8%	12%	13%	13%
A321neo	**262**	**531**	**566**	**526**	**526**
LEAP	53%	57%	50%	49%	53%
GTF	45%	41%	40%	34%	29%
Unannounced	2%	2%	10%	17%	18%
A320neo + A321neo	**358**	**770**	**758**	**687**	**652**
LEAP	57%	62%	55%	54%	58%
GTF	41%	34%	35%	30%	25%
Unannounced	2%	4%	10%	16%	17%
787	**51**	**120**	**118**	**117**	**111**
Trent 1000	16%	5%	6%	0%	0%
GEnX	84%	95%	92%	94%	88%
Unannounced	0%	0%	2%	6%	12%

Source: Cirium, Barclays Research

A snapshot of the COMAC C919

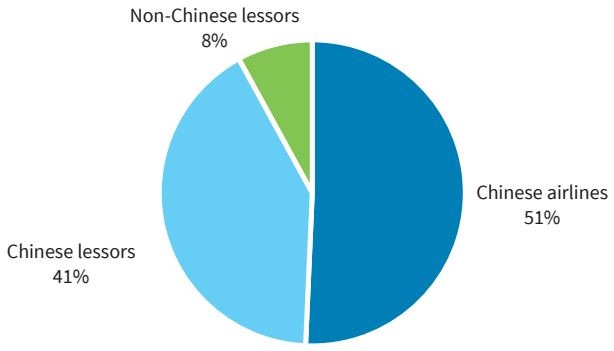
- The commercial aerospace industry has long been a duopoly between Airbus and Boeing with the high entry barriers being a tough hurdle for new entrants. The closest competitor to the duopoly is Chinese state-owned manufacturer COMAC, whose narrow-body aircraft C919 competes directly with the A320 family of Airbus and the 737 family of Boeing.
- The C919, powered by the LEAP engine of CFM International (GE-Safran JV), has won over 1,000 orders to date, with ~92% of the demand coming from Chinese airlines and lessors. The European Union Aviation Safety Agency (EASA) commenced C919 certification test flights in November 2025 with reports suggesting that test activity and regulatory engagement were currently accelerating. EASA had earlier mentioned that the C919 certification was expected to take between 3-6 years, thereby implying late 2028 as the earliest timeline. Approvals from western regulators would enable the C919 to compete in new markets thereby opening up significant new opportunities.
- COMAC also manufactures the C909 regional jet (formerly known as the ARJ21), which has received ~580 orders to date. The OEM is also in the process of developing its first wide-body aircraft, named the C929.

FIGURE 115. COMAC has received in excess of 1,000 C919 narrow-body orders since the program launch in 2008



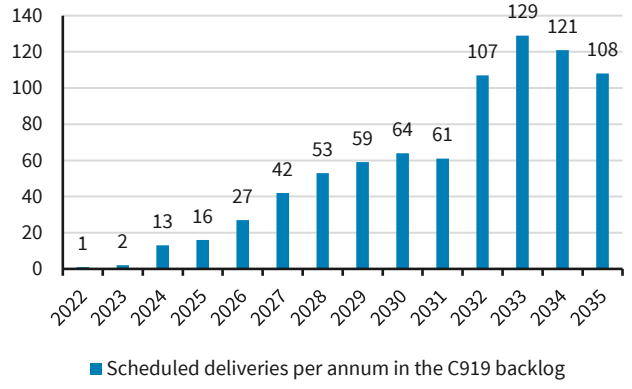
Source: Cirium, Barclays Research

FIGURE 116. ~92% of the C919 orders have been from Chinese airlines and leasing companies



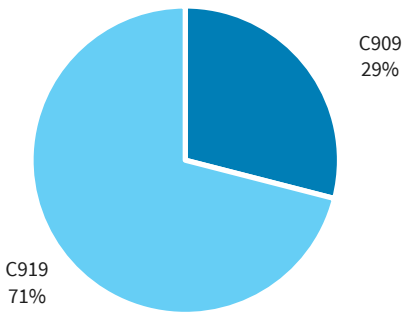
Source: Cirium, Barclays Research

FIGURE 117. C919 deliveries are expected to ramp until beyond the end of the decade



Source: Cirium, Barclays Research

FIGURE 118. COMAC's portfolio also comprises the C909 (ARJ21) regional jet, which accounts for a 29% share of the OEM backlog

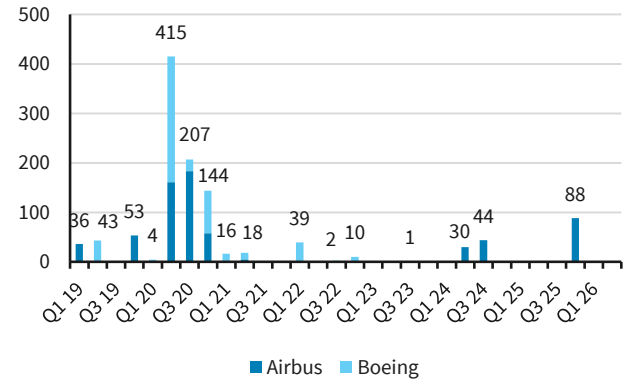


Source: Cirium, Barclays Research

Deferrals

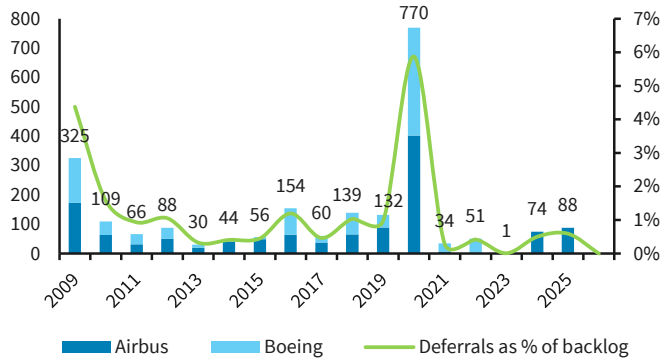
- Following the 88 A320neo family deferrals in Q4 25, Airbus did not face any deferrals in H1 26. Boeing too did not face any deferrals during Q2, continuing its streak of 14 consecutive quarters without a deferral.
- Despite the Middle East uncertainty in H1, airlines refrained from deferring aircraft deliveries. While the duration of such disruptions remains key in determining the potential impact on global demand, the limited delivery slot availability, especially on narrow-body aircraft, implies an existing order deferral would result in a delivery date well into the next decade.
- In the current market constantly threatened by economic and geopolitical volatility, airlines have mentioned that deferring aircraft deliveries is one of the mitigation options available. Deferring deliveries to a later date would entail that the escalation clause will remain in effect for the duration of the extended time-frame, but this would also enable airlines to adapt their capacity levels to the revised demand environment in the context of a potential economic slowdown.

FIGURE 119. Airbus faced 88 A320neo family deferrals in Q4 25 while Boeing has not faced a deferral since end 2022



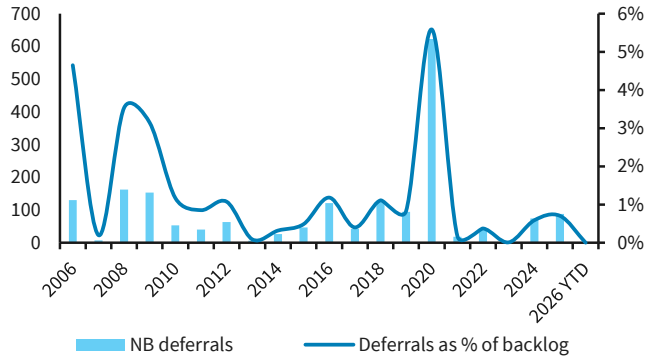
Cirium categorizes the 88 deferrals in Q4 25 as routine delivery adjustments - deferral data sourced from Wizz Air press release
Source: Cirium, Wizz Air, Barclays Research

FIGURE 120. Deferrals peaked at ~770 aircraft in 2020 as airlines looked to conserve cash and manage capacity amidst the crisis



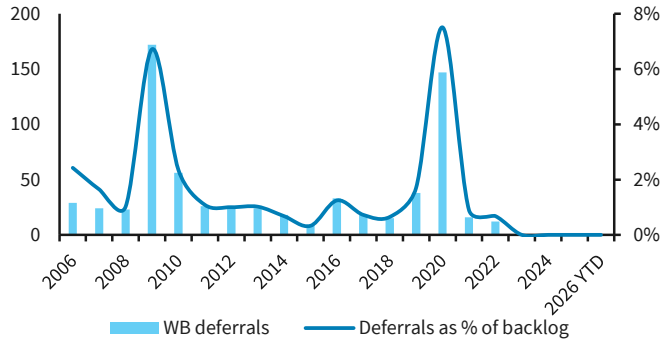
Source: Cirium, Wizz Air, Barclays Research

FIGURE 121. The 88 narrow-body deferrals in 2025 represented just 0.7% of the NB backlog at the start of the year



Source: Cirium, Wizz Air, Barclays Research

FIGURE 122. The industry has not faced any wide-body deferrals since 2022



Source: Cirium, Barclays Research

Production Rates

Airbus exploring A350 production beyond current target of rate 12

- Airbus reiterated that it continues to target producing between 70 and 75 A320 family aircraft by end 2027, expecting to stabilize thereafter at rate 75. The constrained supply of GTF engines from Pratt & Whitney continues to remain the key pacing item of the A320 family ramp-up trajectory for both 2026 and 2027. Pratt had earlier guided to MSD -HSD growth in large commercial engine shipments in 2026 (vs 1,055 units in 2025). CFM's LEAP program deliveries are now expected to increase in the high-teens % range (vs ~15% guidance earlier), helping partially offset the supply bottleneck on the GTF engines.

- Airbus confirmed the revised A220 ramp trajectory to target rate 13 in 2028. The adjustment, announced in February, primarily reflected the impact of the Spirit AeroSystems work package integration as well as the supply demand balance.

- Airbus continues to target monthly rates of 5 aircraft on the A330 in 2029 and 12 aircraft on the A350 in 2028. The company mentioned at its Business Update in July that it could go higher on wide-body production rates in order to meet the strong demand and that it was currently exploring the possibility of increasing A350 production "well beyond" the current target of rate 12. On the A350F freighter variant, the first test flight is expected later this year with certification and service entry expected by end 2027.

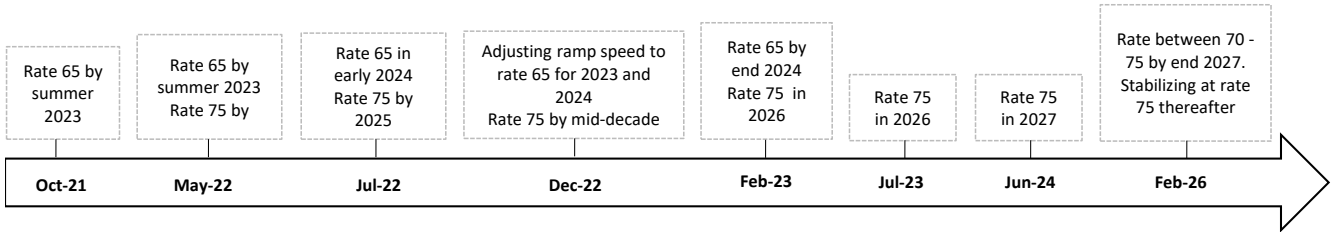
- For the A350 and A220 programs, the Spirit work package acquisition brings major production work in-house at Airbus, thereby removing a significant previous bottleneck.

FIGURE 123. Production rates announced by Airbus for its aircraft programs

						Airbus scenarios			
	2019	End 2022	2023	2024	2025	2026	2027	2028	2029
A220	4	6						Rate 13	
A320 family	60	45					Rate between 70 - 75 by end 2027	Stabilizing at rate 75	
A330	4	3	3		4				Rate 5
A350	10	6	6				A350F service entry	Rate 12	

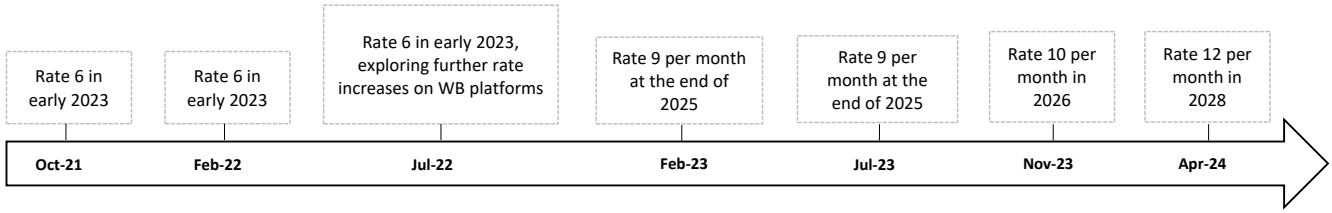
Source: Airbus, Barclays Research

FIGURE 124. A320 family production ramp-up plans



Source: Airbus, Barclays Research

FIGURE 125. A350 family production ramp-up plans



Source: Airbus, Barclays Research

Boeing in the process of transitioning to rate 47 on the MAX

- Boeing announced in July that it was in the process of ramping to a monthly rate of 47 aircraft on the 737 MAX with factory roll-outs expected to reach the targeted rate during the summer months. The subsequent hike, which aims to move production to rate 52, would be enabled by the activation of the new North Line at Everett, which commenced operations in July at a low rate of initial production. The MAX 7 variant received Type Certification from the FAA earlier in August with the MAX 10 variant expected to be certified in the coming months - the first deliveries of both variants are expected in 2027.

- Boeing announced at its Q2 release that the 787 program production stabilized at a monthly rate of 8 aircraft despite deliveries during the quarter facing headwinds from the supply chain. The company slowed down production for several days in April to allow portions of the supply base to recover. Boeing had earlier announced a monthly target rate of 10 aircraft on the program later in 2026.

- Boeing continues to anticipate the first delivery of the 777X aircraft in 2027 having received the FAA approval for the next phase of testing called the Type Inspection Authorization (TIA) 4B.

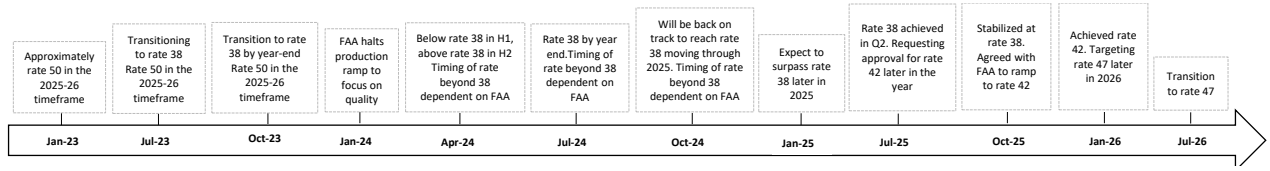
- Boeing had earlier announced that production of the 767 commercial freighter program would conclude in 2027. Production of the KC-46A tanker is expected to continue.

FIGURE 126. Production rates announced by Boeing for its aircraft programs

						Boeing scenarios	
	2019	**End 2022**	**2023**	**2024**	**2025**	**2026**	**2027**
737	52/ 42	31	Rate 38 by year-end		Increased to rate 42	Rate 47 in summer 2026	
787	14	"low rate"	Transitioning to rate 5	Exited 2024 at rate 5	Stabilized at rate 7	Stabilized at rate 8. Rate 10 later in 2026	
767	3	3					End of commercial freighter production
777/ 777X	5	2	777X production to see a temporary pause in 2023		Rate 4 in 2025 / 2026		777X entry into service
747	0.5	End of production					

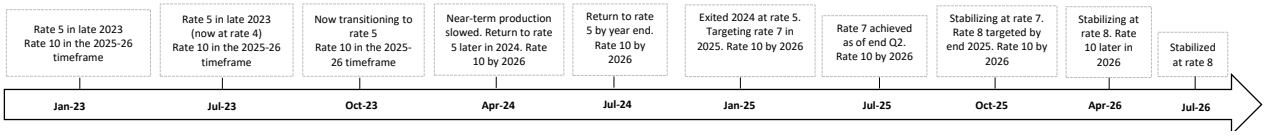
Source: Boeing

FIGURE 127. 737 family production ramp-up plans



Source: Boeing

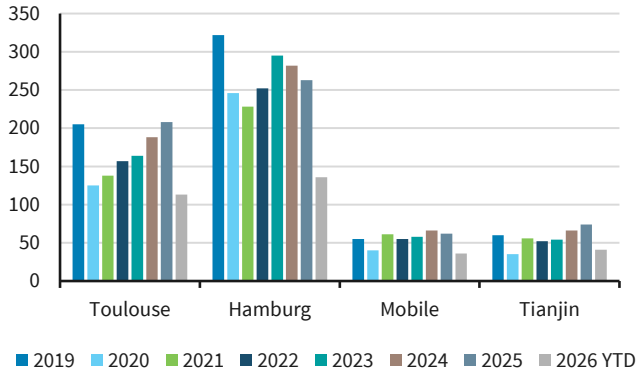
FIGURE 128. 787 production ramp-up plans



Source: Boeing

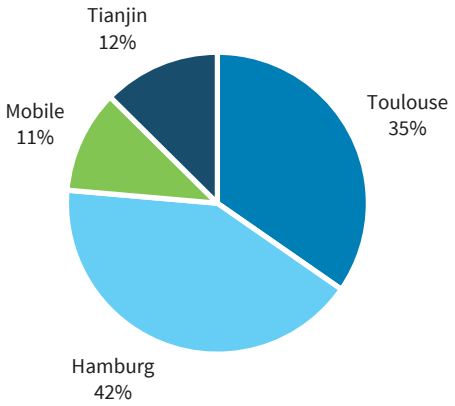
Assessing A320 family deliveries from key production sites

FIGURE 129. A320 family aircraft deliveries by build location



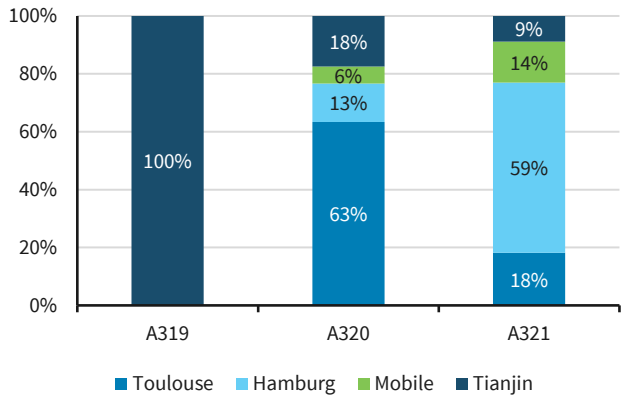
Source: Cirium, Barclays Research

FIGURE 130. Hamburg, which is the main hub for A321 production, has accounted for ~42% of A320 family aircraft delivered YTD



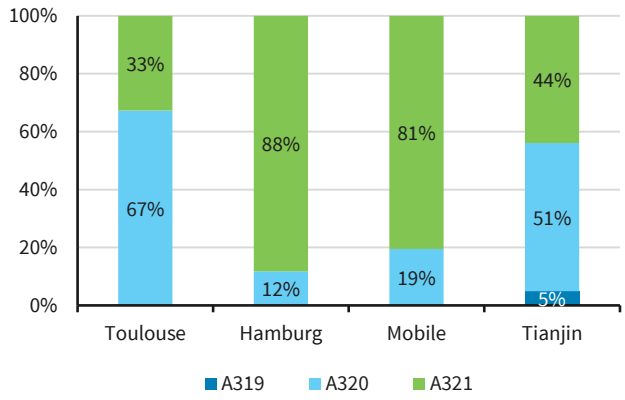
Source: Cirium, Barclays Research

FIGURE 131. Toulouse and Hamburg have accounted for 63% and 59% of A320 and A321 aircraft delivered YTD, respectively



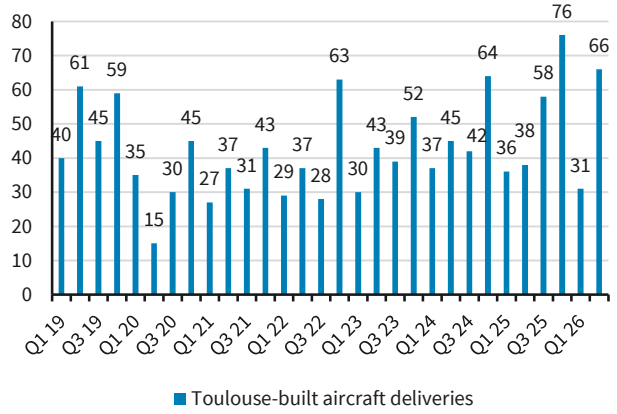
Source: Cirium, Barclays Research

FIGURE 132. YTD split of deliveries by aircraft variant at each of the A320 family FAL locations



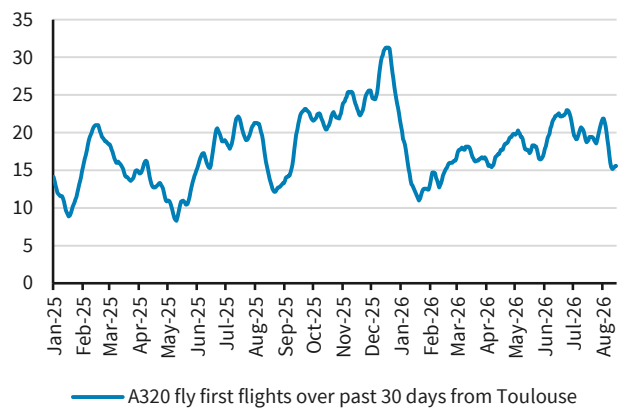
Source: Cirium, Barclays Research

FIGURE 133. Quarterly A320 family deliveries from Toulouse



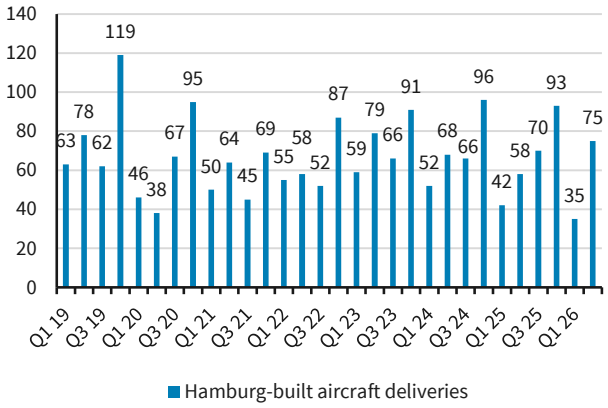
Source: Cirium, Barclays Research

FIGURE 134. A320 family first flight trends in Toulouse



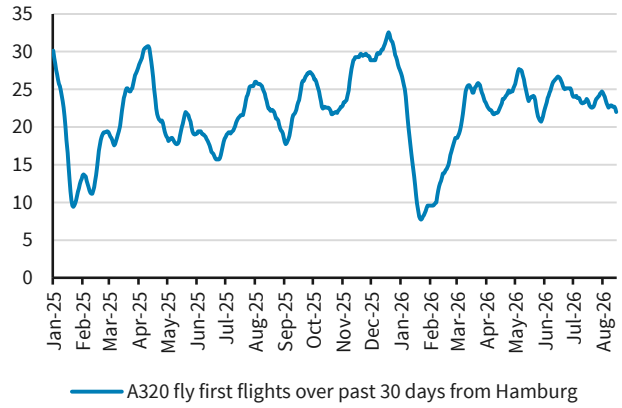
Source: Cirium, Barclays Research

FIGURE 135. Quarterly A320 family deliveries from Hamburg



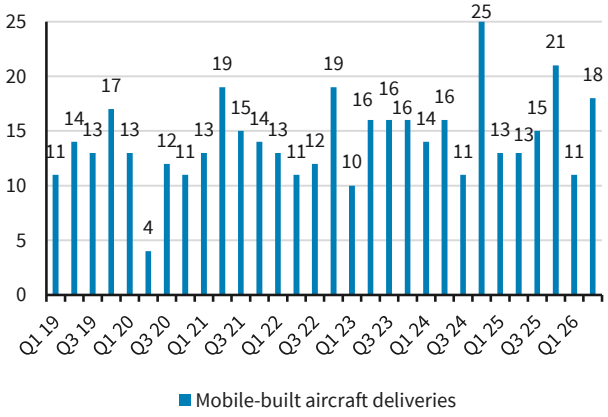
Source: Cirium, Barclays Research

FIGURE 136. A320 family first flight trends in Hamburg



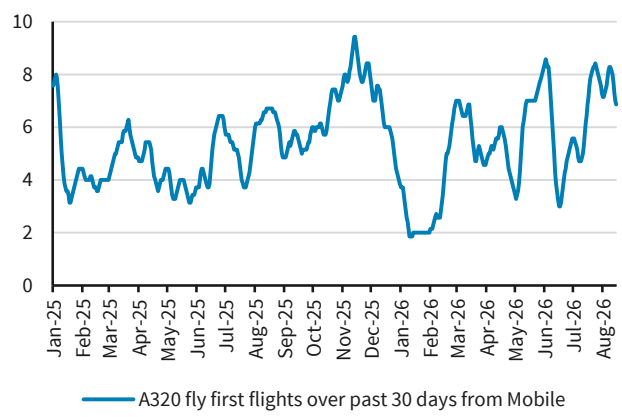
Source: Cirium, Barclays Research

FIGURE 137. Quarterly A320 family deliveries from Mobile, Alabama



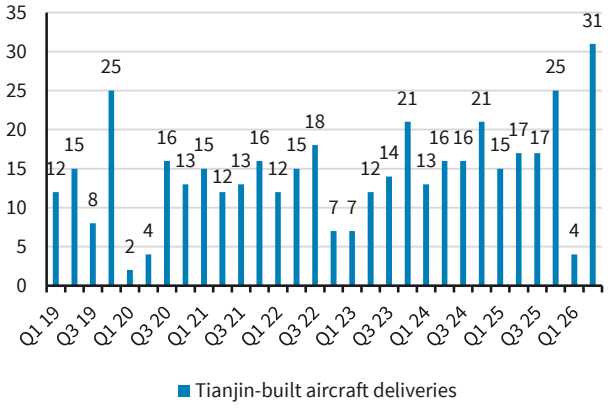
Source: Cirium, Barclays Research

FIGURE 138. A320 family first flight trends in Mobile, Alabama



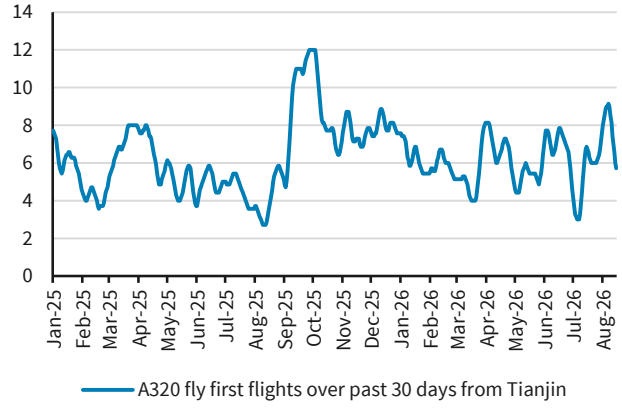
Source: Cirium, Barclays Research

FIGURE 139. Quarterly A320 family deliveries from Tianjin, China



Source: Cirium, Barclays Research

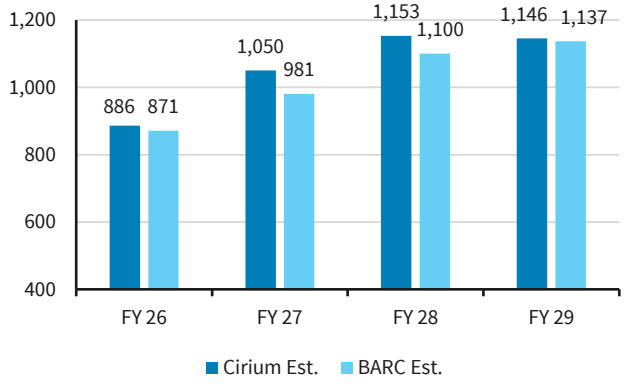
FIGURE 140. A320 family first flight trends in Tianjin, China



Source: Cirium, Barclays Research

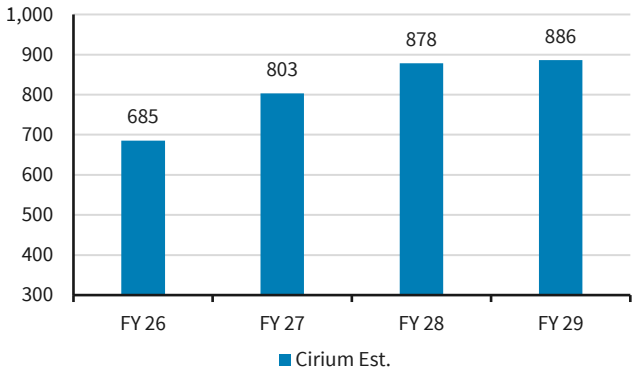
Annual Delivery Estimates by Program

FIGURE 141. Airbus deliveries by year - Cirium vs BARC estimates



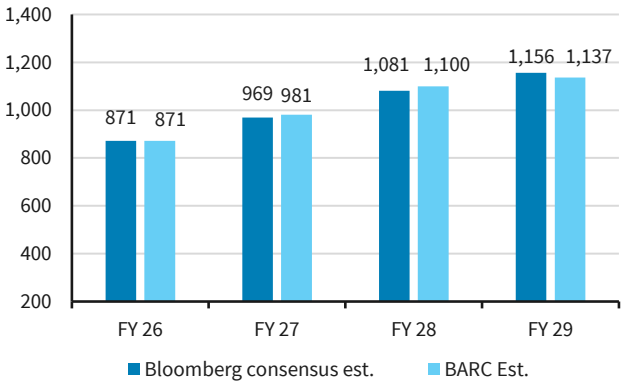
Source: Cirium, Barclays Research estimates

FIGURE 142. Boeing deliveries by year - Cirium estimates



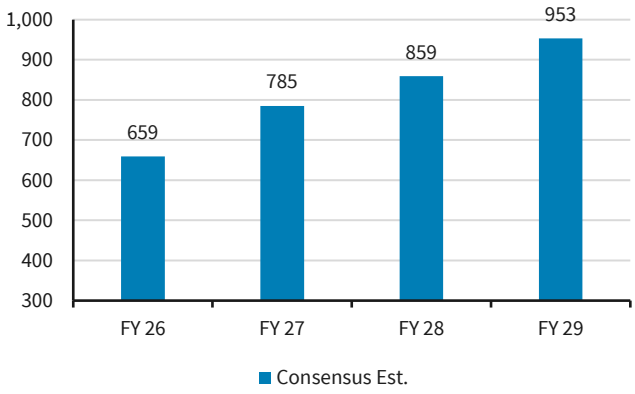
Source: Cirium

FIGURE 143. Airbus deliveries by year – our estimates are 1-2% higher vs consensus for 2027-2028



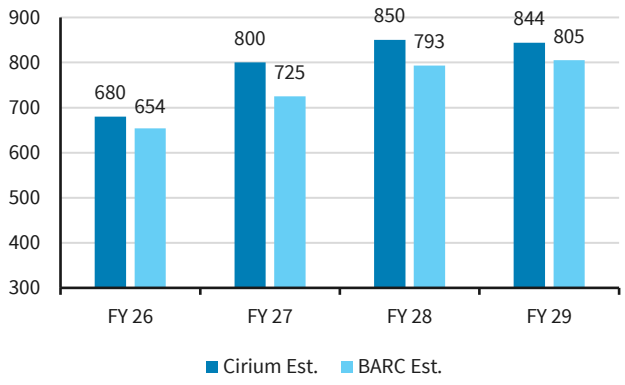
Source: Bloomberg, Barclays Research estimates

FIGURE 144. Boeing deliveries by year – consensus estimates



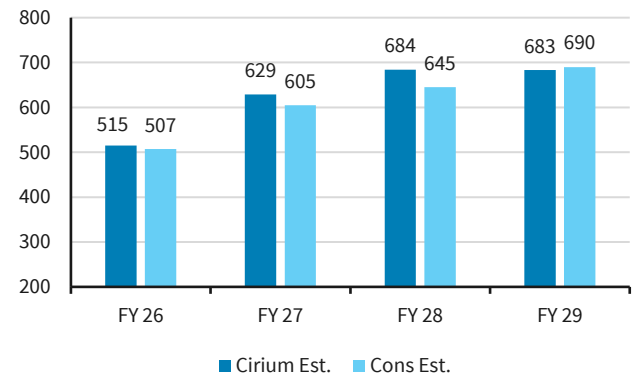
Source: Bloomberg

FIGURE 145. A320 family deliveries by year – our estimates are 9% and 7% lower vs Cirium for 2027 and 2028, respectively



Source: Cirium, Barclays Research estimates

FIGURE 146. 737 deliveries by year – consensus expects >500 737 deliveries in 2026 with a rise to ~645 deliveries by 2028



Source: Cirium, Bloomberg

Annual Delivery Estimates by Program

FIGURE 147. A350 deliveries by year – our estimates are ~17% lower on average vs Cirium for 2026-29



FIGURE 148. 787 deliveries by year – consensus expectation is marginally lower vs Cirium for 2026-27

Annual Delivery forecast summary

FIGURE 153. Airbus annual delivery forecasts - BARC estimates

Airbus	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
A220	48	38	50	53	68	75	93	111	129	147	156	156
A319	6	3	4	6	7	9	15	7	7	0	0	0
A320	430	256	258	246	247	232	205	209	203	198	201	207
A321	206	187	221	264	317	361	387	438	515	595	604	621
A330	53	19	18	32	32	32	36	40	44	50	55	55
A350	112	59	55	60	64	57	57	66	83	110	121	132
A380	8	4	5	0	0	0	0	0	0	0	0	0
Airbus Total	**863**	**566**	**611**	**661**	**735**	**766**	**793**	**871**	**981**	**1,100**	**1,137**	**1,171**

Source: Company data, Barclays Research estimates

FIGURE 154. Boeing annual delivery forecasts - consensus estimates

Boeing	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
737 NG	70	16	18	13	9	4	7	0	0	0	0	0
737 MAX	57	27	245	374	387	261	440	507	605	645	690	739
747	7	5	7	5	1	0	0	0	0	0	0	0
767	43	30	32	33	32	18	30	30	21	19	17	17
777	45	26	24	24	26	14	35	28	28	40	44	50
787	158	53	14	31	73	51	88	96	118	132	144	158
Boeing Total	**380**	**157**	**340**	**480**	**528**	**348**	**600**	**659**	**785**	**859**	**953**	**1,053**

*The sum of individual aircraft program deliveries may not match the total deliveries as each of the numbers are individual estimates
Source: Company data, Bloomberg

Aircraft Parking

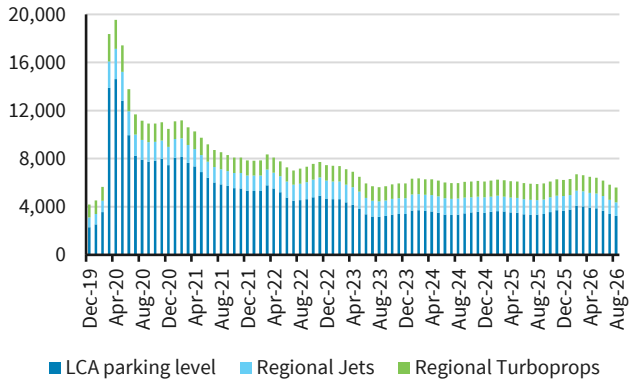
Parking pressure eases in the Middle East

- The total commercial parking now comprises ~5,600 aircraft, a 71% decline vs peak levels and representing ~14% of the installed fleet. Large Commercial Aircraft (LCA) parks represent 11% of the installed fleet (vs 59% at peak and ~9% pre-pandemic), while the regional parks represent a higher 24% share (vs 47% at peak and ~18% pre-pandemic).

- Commercial aircraft parking in the Middle East peaked at ~39% of the installed fleet at end February in the aftermath of the conflict. Parking levels in the region have now returned to more normalised levels and currently represent a ~19% share (vs ~17% at end 2025). Narrow-body parking in the region is currently at ~17% of the installed fleet (vs ~16% at end 2025) while wide-body parking is at ~10% (vs ~12% at end 2025).

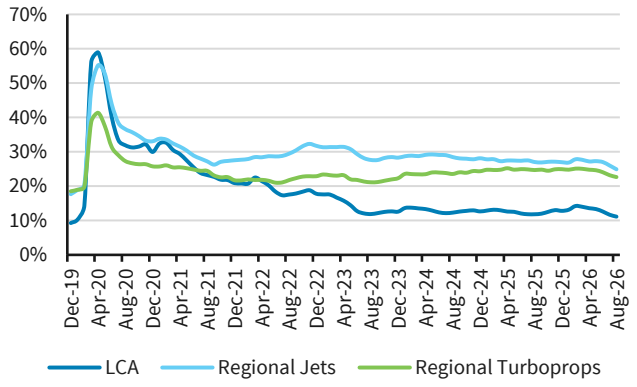
- Airbus's parked fleet is currently at 1,634 aircraft, average age 14.1 years, and representing a ~78% decline vs peak. A total of 531 GTF-powered A320neo family aircraft are currently grounded (vs ~720 at peak in October). Boeing's parks of 1,556 aircraft have an average age of 28.2 years, with the current parked fleet ~78% lower vs peak levels.

FIGURE 155. Commercial parked fleet now comprises ~5,600 aircraft – Large Commercial Aircraft (LCA) represent a 58% share



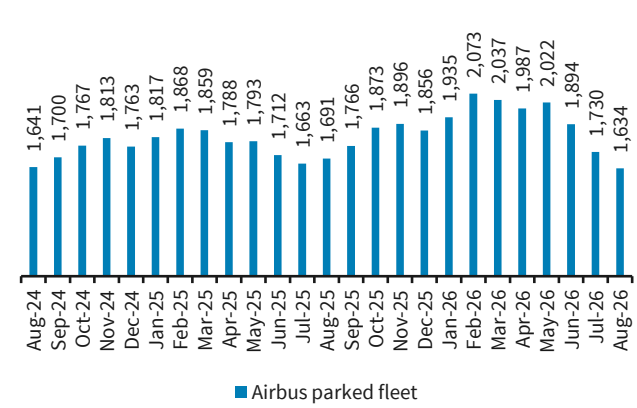
Source: Cirium, Barclays Research

FIGURE 156. The current LCA parking represents 11% of the installed fleet while regional parking represents a higher 24% share



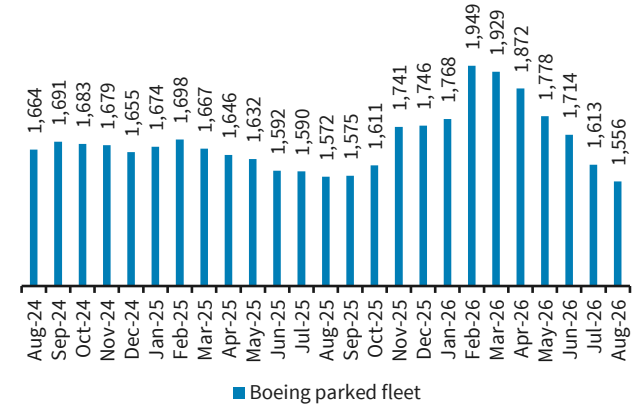
Source: Cirium, Barclays Research

FIGURE 157. Airbus now has 1,634 aircraft in storage, representing 11.5% of its installed fleet



Source: Cirium, Barclays Research

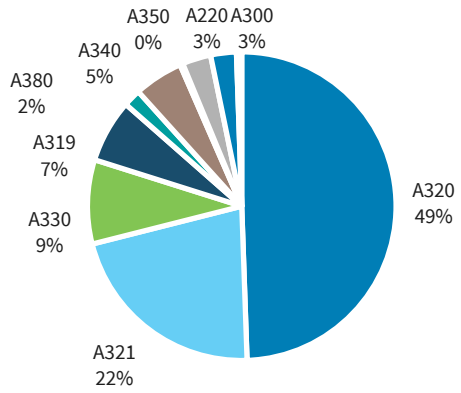
FIGURE 158. Boeing's parked fleet currently comprises 1,556 aircraft representing 10.7% of fleet



Source: Cirium

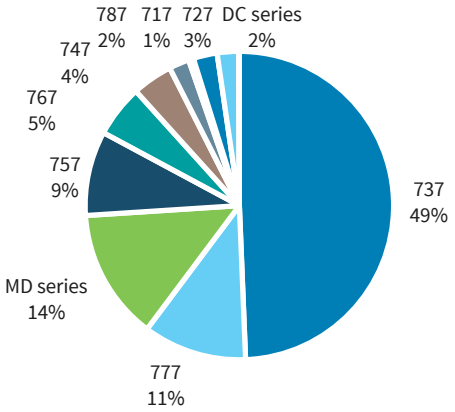
Parking by Aircraft Category

FIGURE 159. The A320 family accounts for 78% of Airbus parking. The 4-engined A340 and A380 together represent 7%



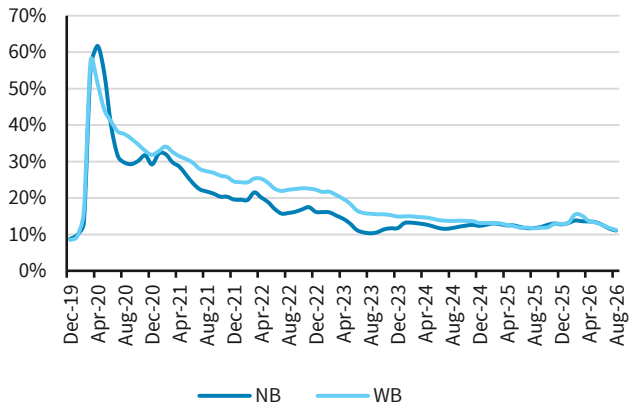
Source: Cirium, Barclays Research

FIGURE 160. The 737 family now represents 49% of Boeing parking while the 777 accounts for a 11% share



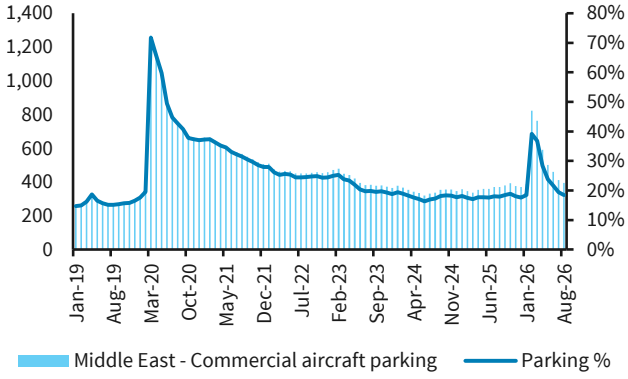
Source: Cirium

FIGURE 161. NB and WB parking now represent 11.0% and 11.2% of fleet, respectively



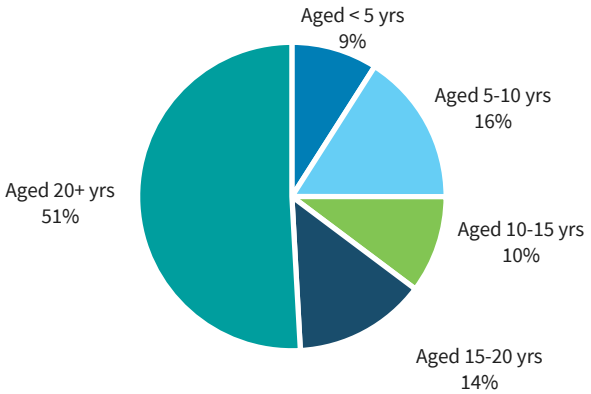
Source: Cirium, Barclays Research

FIGURE 162. Middle Eastern parking now represents ~19% of the installed fleet (vs 39% in February)



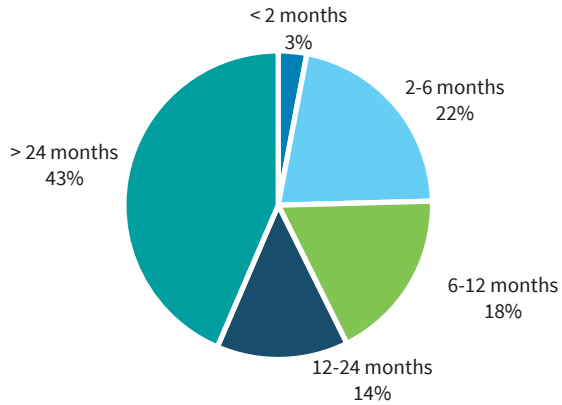
Source: Cirium, Barclays Research

FIGURE 163. ~51% of the parked fleet is aged above 20 years and is unlikely to return to service



Source: Cirium, Barclays Research

FIGURE 164. Almost 43% of the parked LCA fleet has been in storage for more than two years



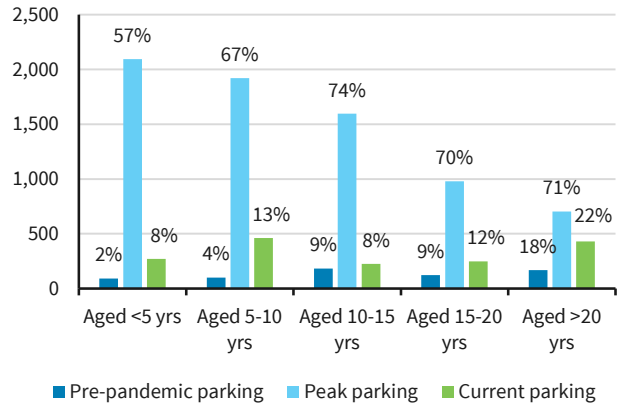
Source: Cirium, Barclays Research

Return to Service by Aircraft Type and Age Category

FIGURE 165. **Parked vs Returned status – fleet by category**

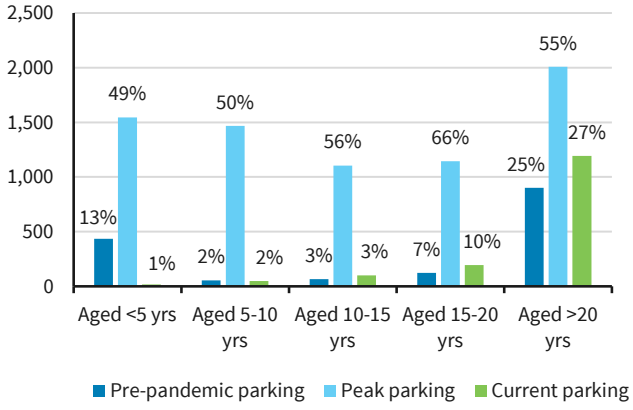
FIGURE 166. **Parked vs Returned status – fleet by region**

FIGURE 171. Parked vs Returned status – Airbus fleet by age category



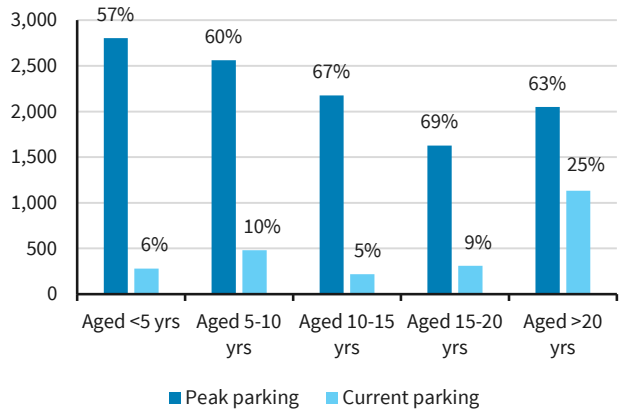
Source: Cirium, Barclays Research / Data labels represent % of installed base

FIGURE 172. Parked vs Returned status – Boeing fleet by age category



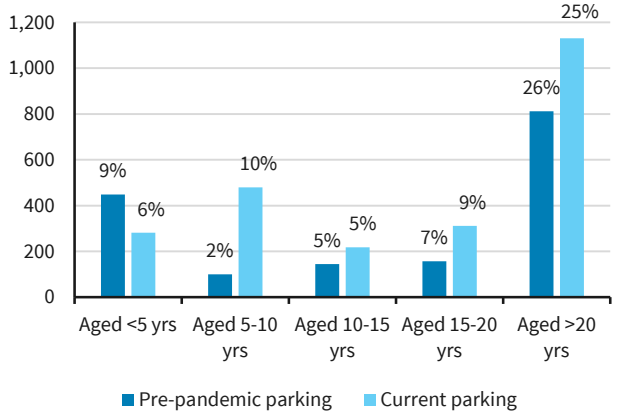
Source: Cirium, Barclays Research / Data labels represent % of installed base

FIGURE 173. Parked vs Returned status – NB fleet by age category



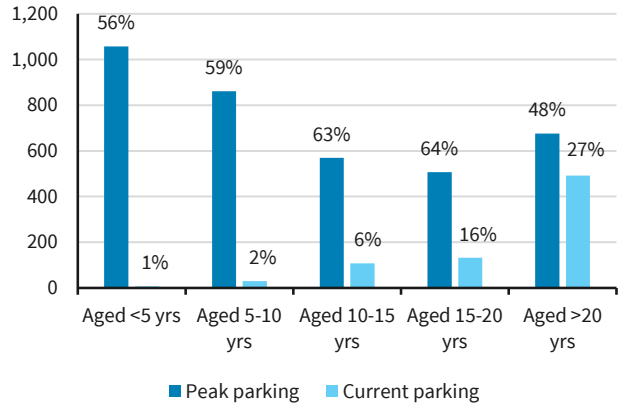
Source: Cirium, Barclays Research / Data labels represent % of installed base

FIGURE 174. Parking vs pre-pandemic levels - NB fleet by age category



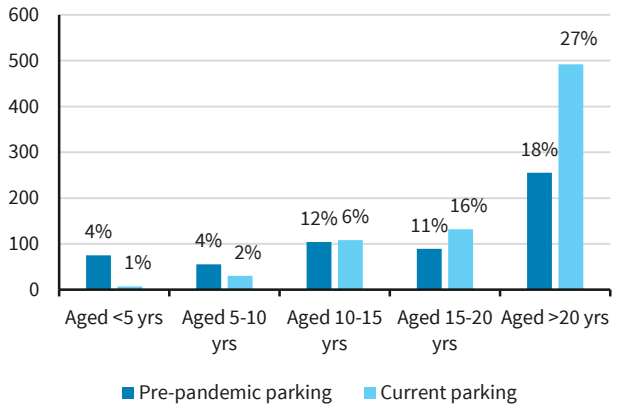
Source: Cirium, Barclays Research / Data labels represent % of installed base

FIGURE 175. Parked vs Returned status – WB fleet by age category



Source: Cirium, Barclays Research / Data labels represent % of installed base

FIGURE 176. Parked vs Returned status – WB fleet by age category



Source: Cirium, Barclays Research / Data labels represent % of installed base

Market commentary on the GTF grounding

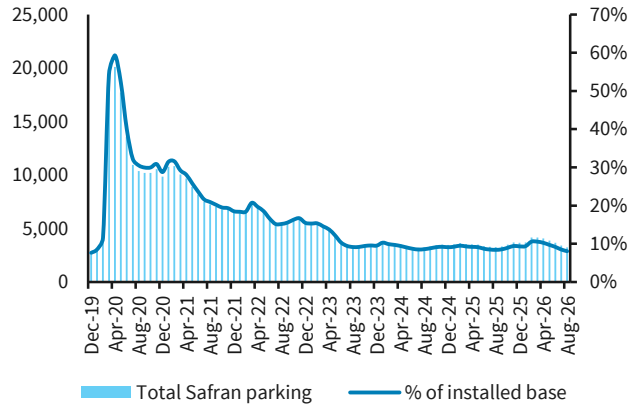
FIGURE 177. Market commentary on the current GTF fleet management and grounding situation

Company	Timing	Comments
RTX	**Q2 26 results - Jul 23rd 2026**	**Aircraft on Ground (AoG) down 25% YTD - expect AoGs to keep trending lower throughout H2. Improvement was driven by MRO output, which was up >40% YoY, supported by a 23% reduction in turnaround time. Financial and technical outlook of the GTF fleet management plan remains on track**
	Q1 26 results - Apr 21st 2026	Aircraft on Ground (AoG) saw a ~15% decline in Q1 compared to end 2025 levels. This was primarily driven by the strong +23% increase in GTF MRO output in the quarter while turnaround times improved by ~20%. Material supplies continued to improve - structural castings were up 10% YoY in Q1 while isothermal forging supplies improved 18% YoY.
	Q4 25 results - Jan 27th 2026	GTF MRO output was up 39% in Q4 25 and 26% in FY 25. Saw a 16% reduction in turnaround time and a significant increase in repair volume. Positioned to grow MRO output in 2026 at a similar level as in 2025.
	Q3 25 results - Oct 21st 2025	Isothermal forging up 16% YoY in Q3, structural castings up 29% YoY in Q3 - GTF MRO output up 9% in Q3 and up 21% YTD - well placed to deliver ~30% MRO output growth in FY 25. Average turnaround time of 110 days on heavy work-scope SVs
	Q2 25 results - Jul 22nd 2025	Isothermal forging output up 12% YoY in Q2 and 10% sequentially - led to a 22% YoY improvement in GTF MRO output in Q2. GTF MRO output on track for over 30% improvement YoY in FY 25. Improvements seen in shop turnaround times. Expect AoGs to come down meaningfully in H2 .
	Q1 25 results - Apr 22nd 2025	Pleased with MRO output, continuing to see improvements in turnaround time. Isothermal forging output up over 10% YoY. While seeing the material flowing, will see turn times coming down substantially.
MTU	**Q2 26 results - Jul 30th 2026**	**GTF management plan progressing well - AoGs down 25% YTD, expect the AoG rate to continue to trend downwards. GTF MRO output up >40% YoY. Powder-metal related AoGs expected to be resolved by end 2026. A220 and E2 AoGs expected to be fully eliminated by end 2026. MTU's share of GTF AoG compensation amounted to $110mn in H1 26 - will be settled by end 2026.**
	Q1 26 results - Apr 30th 2026	GTF management plan is well on track operationally and financially, and AOGs are trending down. MRO outputs increased by 23% in Q1. Turnaround times continue to benefit from improved supply chain. Airlines confirm easing AoG numbers.
	Q3 25 results - Oct 23rd 2025	In Q3 25, we observed an increase in shop visits and higher material content, resulting in a GTF MRO share of 48% for the quarter. Supply chain has now stabilized on GTF materials - will help to drive down the AoG situation during the course of the next coming month.
	Q2 25 results - Jul 24th 2025	GTF MRO output is back-end loaded. Possible to decrease AoGs significantly towards the end of the year. Material availability going up, turnaround times coming down. Risk will mainly be material supplies.
	Q1 25 results - May 06th 2025	GTF fleet management program remains on track. Aircraft on Ground (AoG) on track to come down from H2 25.
Wizz Air	**Q1 27 results - Aug 06th 2026**	**27 aircraft currently grounded (vs 41 aircraft a year ago). Plans in place to fully unground the GTF fleet by end of calendar year 2027 - currently tracking according to plan.**
	Q3 26 results - Jan 29th 2026	GTF engine recovery continues to unfold. We are now grounding 33 aircraft (vs 40 a year ago). The plan is to uplift the aircraft completely by the end of calendar year 2027. We are on track.
	Q1 26 results - Jul 24th 2025	Getting compensation from Pratt, but it does not cover all the costs of grounding and the opportunity cost of grounding. The latest engine selection agreement has a very heavy component around current engine recovery. Putting a plan in place to make sure the entire fleet of Wizz Air is in the air before the high summer season in '27, as opposed to 2028.
	Q3 25 results - Jan 30th 2025	Peak of GTF issues is now behind us. While this issue will continue to drag, the impact on the business is going to be less and less. About 40 aircraft or so are grounded due to the GTF issues and will be lifted back in the air at one point.
JetBlue	Q4 25 results - Jan 27th 2026	AoG situation has improved year-over-year. Averaged 9 aircraft on ground from GTF-related issues in 2025, and we expect that number to be in the mid-single digits in 2026. Did take a slight step backwards over the last few weeks. We thought we would be in low-single digits in terms of AoG this year. We got a recent update from Pratt and they continue to struggle on the A321 fleet type with supply chain and shop capacity.
	Q3 25 results - Oct 28th 2025	GTF challenges have improved. The average AoG count for 2025 is going to be 9. We currently have 6 on the ground today. 2025 is the peak in terms of AoG - the number will come down next year. The projected AoG in 2026 is low to mid single-digits.
	Q2 25 results - Jul 29th 2025	GTF AoG forecast has improved and we now expect to cycle through groundings much faster. Expect to average fewer than 10 AoGs this year and believe that 2025 represents the peak with the number set to reduce as we progress into 2026 and fully resolve by the end of 2027. The improved AoG forecast is primarily driven by the extension of required maintenance intervals due to better-than-expected GTF durability performance and aggressive self-help undertaken to source spare engines.
	Q1 25 results - Apr 29th 2025	We have seen improvement from Pratt & Whitney - actually only have 10 aircraft on the ground. So there are 2-3 drivers to that improvement. First, engines are just staying on wing longer. Number two, Pratt supply chain is improving. Number three, the actual turn time once the engine goes into the shop is slightly improving. While we are seeing some signs of improvement, we're still working through AoGs for 2026 and beyond.
IndiGo	Q2 26 results - Nov 04th 2025	AoGs remain stable in the range of 40s. Based on the latest guidance as received from the OEM, the number of grounded aircraft is expected to remain range-bound at the current levels till the end the year.
	Q1 26 results - Jul 30th 2025	AoG numbers have been declining - it was in the mid-70s, has already moderated down to the 40s.
Turkish Airlines	**Q2 26 results - Aug 05th 2026**	**Currently we have around 40 aircraft still grounded - towards the end of the year, it will go up to about 50-55 aircraft. Hopefully, we will be able to have an improvement on the induction rate of our engines by next year.**
	Q1 26 results - Apr 30th 2026	Currently we have around 120 GTF-powered neo aircraft and about close to 40 of these are parked and by the end of the year it could go up to 50.
	Q3 25 results - Nov 07th 2025	Of the 100 GTF-powered neo aircraft we have in the fleet, 40 of them are parked and this seems to be continuing around 40, it will go up to 50, come down a little bit, all throughout '26 as well.
	Q1 25 results - Apr 29th 2025	Currently, roughly 40 aircraft are grounded and we expect this number to go down to 30 by the end of this year. Next year, we'll keep getting new neos, we'll keep grounding some of our old neos. We don't expect this number to improve significantly, but not to deteriorate by large numbers as well. So this will be probably the number of grounded aircrafts throughout '25 and '26 as well.
Air New Zealand	**Q4 26 results - Aug 28th 2026**	**Worked with Pratt & Whitney to return grounded aircraft to service - availability improved by the end of the FY. Entering 2027 in a considerably more reliable fleet position than we had in the last 2-3 years**

Source: Company data

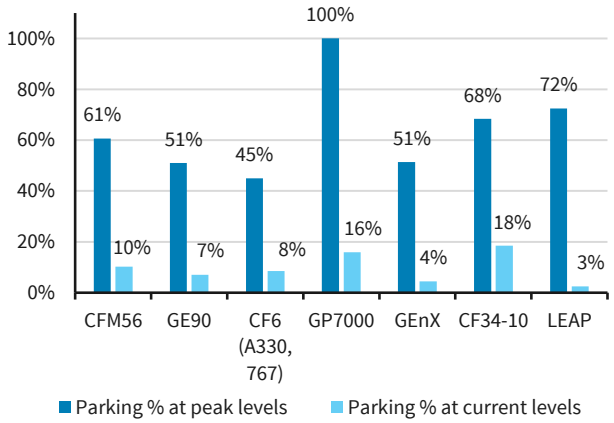
Safran – CFM56 parking ~12% lower vs end 2025 levels

FIGURE 178. Safran's parked engine fleet currently stands at ~3,230 engines, representing 8.1% of the installed base (vs ~6.9% pre-pandemic)



Source: Cirium, Barclays Research

FIGURE 179. Parked vs Returned status for Safran's engine programs



Note: Data labels represent % of installed base
Source: Cirium, Barclays Research

FIGURE 180. Safran's absolute parked fleet by engine type over the last 12 months

Total In Storage	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
CFM56	2,190	2,326	2,508	2,474	2,518	2,734	2,748	2,714	2,568	2,438	2,268	2,170
GE90	212	208	216	212	216	268	260	220	212	196	192	186
CF6 (A330 / B767)	162	166	172	186	192	228	212	198	184	172	166	154
GP7000	76	72	72	68	68	80	108	100	104	108	76	68
GEnX	80	96	100	112	108	172	154	120	114	108	104	102
CF34-10	310	326	334	332	320	308	316	322	332	338	320	300
LEAP	294	300	288	284	270	376	372	386	348	308	278	252
Total Safran parking	**3,324**	**3,494**	**3,690**	**3,668**	**3,692**	**4,166**	**4,170**	**4,060**	**3,862**	**3,668**	**3,404**	**3,232**

Source: Cirium, Barclays Research

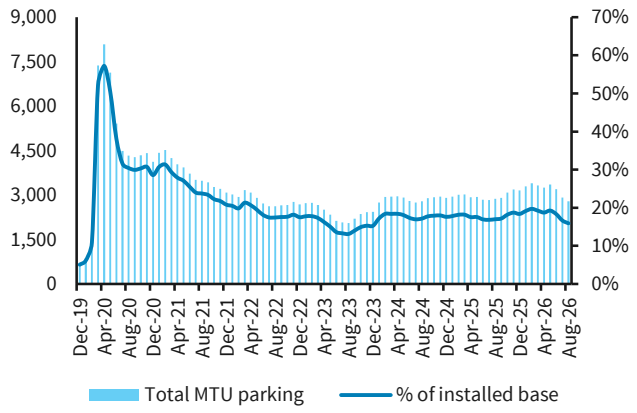
FIGURE 181. Safran's parked fleet by engine type and as a percentage of the installed base

% of installed base	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
CFM56	10.1%	10.8%	11.6%	11.5%	11.7%	12.7%	12.8%	12.7%	12.0%	11.4%	10.7%	10.2%
GE90	8.2%	8.0%	8.3%	8.1%	8.3%	10.3%	10.0%	8.4%	8.1%	7.5%	7.3%	7.1%
CF6 - A330, 767	8.9%	9.1%	9.4%	10.2%	10.5%	12.5%	11.6%	10.9%	10.1%	9.5%	9.1%	8.5%
GP7000	17.6%	16.7%	16.7%	15.7%	15.7%	18.5%	25.2%	23.4%	24.3%	25.2%	17.8%	15.9%
GEnX	3.7%	4.4%	4.5%	5.0%	4.8%	7.7%	6.9%	5.3%	5.0%	4.7%	4.5%	4.4%
CF34-10	19.0%	20.0%	20.5%	20.3%	19.6%	18.9%	19.4%	19.7%	20.3%	20.7%	19.7%	18.5%
LEAP	3.4%	3.5%	3.3%	3.1%	3.0%	4.1%	4.0%	4.1%	3.6%	3.1%	2.8%	2.5%
Total	**8.6%**	**9.0%**	**9.4%**	**9.3%**	**9.4%**	**10.6%**	**10.6%**	**10.3%**	**9.7%**	**9.2%**	**8.5%**	**8.1%**

Source: Cirium, Barclays Research

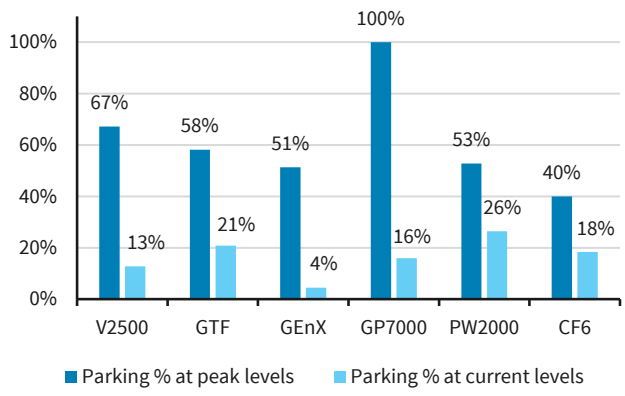
MTU Parking – V2500 parking increase YTD driven by Spirit Airlines

FIGURE 182. The MTU parked fleet now comprises ~2,790 engines, representing 15.9% of the installed base (vs ~4.5% pre-pandemic)



Source: Cirium, Barclays Research

FIGURE 183. Parked vs Returned status for engines on which MTU is a partner



Note: Data labels represent % of installed base
Source: Cirium, Barclays Research

FIGURE 184. MTU's absolute parked fleet by engine type over the last 12 months

Total In Storage	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
V2500	490	540	586	602	696	708	644	690	804	788	726	696
GTF	1540	1654	1602	1538	1554	1522	1502	1458	1490	1390	1250	1188
GEnX	80	96	100	112	108	172	154	120	114	108	104	102
GP7000	76	72	72	68	68	80	108	100	104	108	76	68
PW2000	122	126	130	132	132	132	134	132	120	120	122	122
CF6	540	539	642	646	672	724	718	686	656	626	579	554
PW4000 - B777	56	58	56	58	62	60	66	64	64	62	62	62
Total MTU parking	**2,904**	**3,085**	**3,188**	**3,156**	**3,292**	**3,398**	**3,326**	**3,250**	**3,352**	**3,202**	**2,919**	**2,792**

Source: Cirium, Barclays Research

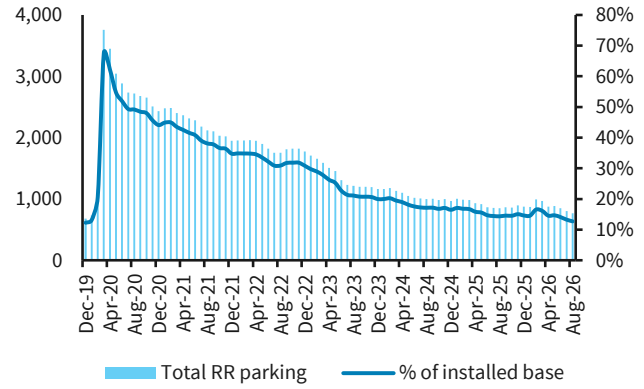
FIGURE 185. MTU's parked fleet by engine type and as a percentage of the installed base

% of installed base	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
V2500	8.9%	9.8%	10.6%	10.9%	12.7%	12.9%	11.7%	12.6%	14.7%	14.4%	13.3%	12.8%
GTF	30.6%	32.4%	31.0%	29.0%	29.2%	28.3%	27.6%	26.6%	26.8%	24.7%	22.1%	20.8%
GEnX	3.7%	4.4%	4.5%	5.0%	4.8%	7.7%	6.9%	5.3%	5.0%	4.7%	4.5%	4.4%
GP7000	17.6%	16.7%	16.7%	15.7%	15.7%	18.5%	25.2%	23.4%	24.3%	25.2%	17.8%	15.9%
PW2000	25.4%	26.4%	27.3%	27.7%	27.7%	27.7%	28.3%	27.8%	25.9%	26.0%	26.4%	26.4%
CF6	17.7%	17.7%	21.1%	21.3%	22.1%	23.9%	23.7%	22.7%	21.7%	20.8%	19.2%	18.4%
PW4000 - B777	26.2%	27.4%	26.7%	27.6%	29.8%	29.1%	32.0%	31.4%	31.7%	31.0%	31.3%	31.3%
Total	**17.2%**	**18.2%**	**18.7%**	**18.4%**	**19.1%**	**19.7%**	**19.2%**	**18.7%**	**19.3%**	**18.3%**	**16.7%**	**15.9%**

Source: Cirium, Barclays Research

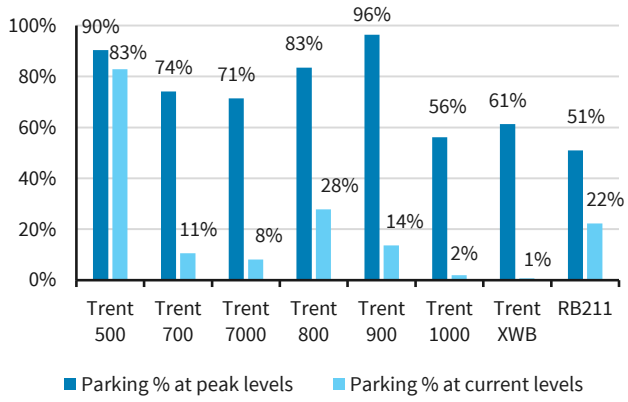
Rolls-Royce – Trent 1000 parking declines further with improved operational performance

FIGURE 186. Rolls-Royce's parked fleet is ~770 engines representing 12.7% of the fleet (vs ~10.2% pre-pandemic) – the parking is 80% less vs peak – a slower return due to the WB mix



Source: Cirium

FIGURE 187. Parked vs Returned status for Rolls-Royce's engine programs



Note: Data labels represent % of installed base
Source: Cirium

FIGURE 188. Rolls-Royce's absolute parked fleet by engine type over the last 12 months

Total In Storage	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Trent 500	192	192	200	196	192	204	204	192	216	216	212	212
Trent 700	184	186	176	174	178	192	204	204	202	188	166	160
Trent 7000	24	24	24	24	24	42	42	34	36	34	32	32
Trent 800	100	96	98	96	104	106	100	100	98	98	94	90
Trent 900	84	76	84	76	72	76	80	68	72	64	60	52
Trent 1000	52	52	60	58	48	62	58	42	30	30	22	16
Trent XWB	26	28	28	28	32	94	74	28	22	20	18	10
RB211	200	206	224	222	221	215	205	207	209	201	197	195
Total RR parking	**862**	**860**	**894**	**874**	**871**	**991**	**967**	**875**	**885**	**851**	**801**	**767**

Source: Cirium

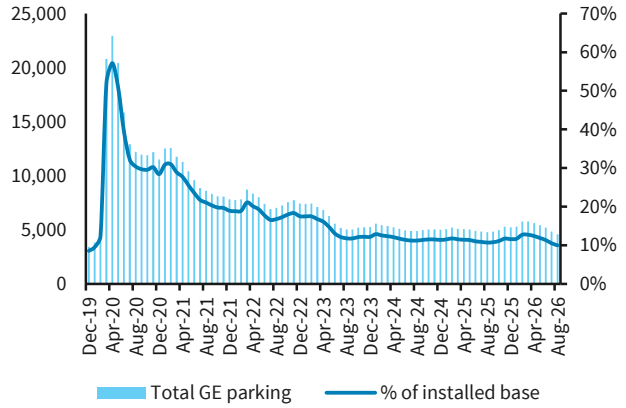
FIGURE 189. Rolls-Royce's parked fleet by engine type and as a percentage of the installed base

% of installed base	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Trent 500	70.6%	70.6%	73.5%	73.1%	72.7%	77.3%	78.5%	73.8%	83.1%	83.1%	82.8%	82.8%
Trent 700	12.1%	12.3%	11.6%	11.5%	11.7%	12.7%	13.5%	13.5%	13.3%	12.4%	11.0%	10.6%
Trent 7000	6.9%	6.8%	6.6%	6.3%	6.3%	11.2%	11.0%	8.8%	9.1%	8.6%	8.1%	8.1%
Trent 800	30.3%	29.3%	29.9%	29.4%	31.7%	32.3%	30.7%	30.7%	30.1%	30.1%	28.8%	27.8%
Trent 900	21.4%	19.6%	21.6%	19.6%	18.6%	19.8%	20.8%	17.7%	18.8%	16.8%	15.8%	13.7%
Trent 1000	6.4%	6.4%	7.4%	7.0%	5.8%	7.5%	6.9%	5.0%	3.6%	3.6%	2.6%	1.9%
Trent XWB	1.9%	2.1%	2.0%	2.0%	2.3%	6.7%	5.2%	2.0%	1.5%	1.4%	1.2%	0.7%
RB211	22.2%	23.0%	25.0%	24.9%	24.8%	24.2%	23.2%	23.4%	23.7%	22.8%	22.5%	22.3%
Total	**14.6%**	**14.5%**	**15.0%**	**14.6%**	**14.5%**	**16.5%**	**16.1%**	**14.5%**	**14.7%**	**14.1%**	**13.3%**	**12.7%**

Source: Cirium

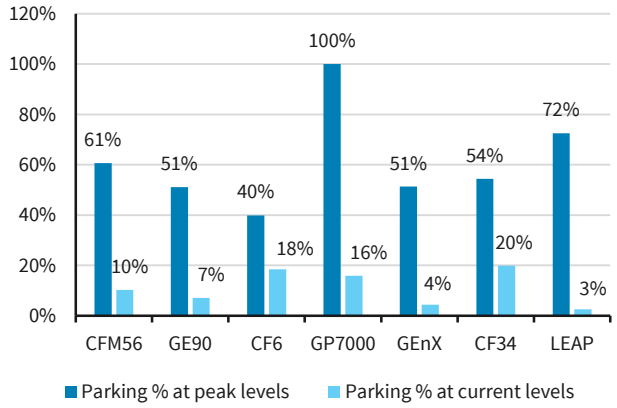
GE Aerospace – GE90 parking ~12% lower vs end 2025

FIGURE 190. GE currently has ~4,600 engines in parking, which represent a 10.0% share of the installed fleet (vs ~7.9% pre-pandemic)



Source: Cirium

FIGURE 191. Parked vs Returned status for GE's engine programs



Note: Data labels represent % of installed base
Source: Cirium

FIGURE 192. GE Aerospace's absolute parked fleet by engine type over the last 12 months

Total In Storage	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
CFM56	2,190	2,326	2,508	2,474	2,518	2,734	2,748	2,714	2,568	2,438	2,268	2,170
GE90	212	208	216	212	216	268	260	220	212	196	192	186
CF6	540	539	642	646	672	724	718	686	656	626	579	554
GP7000	76	72	72	68	68	80	108	100	104	108	76	68
GEnX	80	96	100	112	108	172	154	120	114	108	104	102
CF34	1,446	1,452	1,462	1,450	1,442	1,426	1,422	1,416	1,422	1,414	1,338	1,264
LEAP	294	300	288	284	270	376	372	386	348	308	278	252
Total GE parking	**4,838**	**4,993**	**5,288**	**5,246**	**5,294**	**5,780**	**5,782**	**5,642**	**5,424**	**5,198**	**4,835**	**4,596**

Source: Cirium

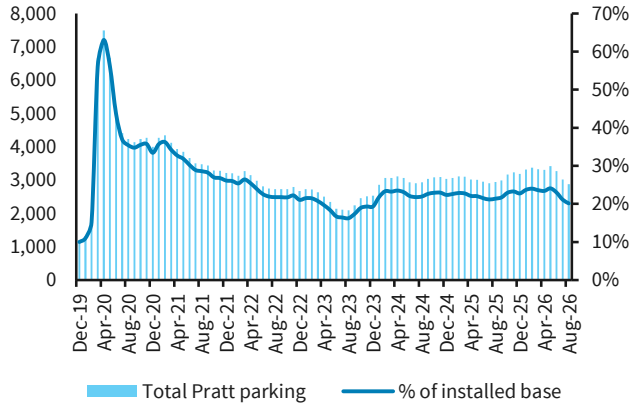
FIGURE 193. GE Aerospace's parked fleet by engine type and as a percentage of the installed base

% of installed base	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
CFM56	10.1%	10.8%	11.6%	11.5%	11.7%	12.7%	12.8%	12.7%	12.0%	11.4%	10.7%	10.2%
GE90	8.2%	8.0%	8.3%	8.1%	8.3%	10.3%	10.0%	8.4%	8.1%	7.5%	7.3%	7.1%
CF6	17.7%	17.7%	21.1%	21.3%	22.1%	23.9%	23.7%	22.7%	21.7%	20.8%	19.2%	18.4%
GP7000	17.6%	16.7%	16.7%	15.7%	15.7%	18.5%	25.2%	23.4%	24.3%	25.2%	17.8%	15.9%
GEnX	3.7%	4.4%	4.5%	5.0%	4.8%	7.7%	6.9%	5.3%	5.0%	4.7%	4.5%	4.4%
CF34	22.8%	22.9%	23.1%	22.9%	22.8%	22.5%	22.5%	22.4%	22.4%	22.3%	21.1%	19.9%
LEAP	3.4%	3.5%	3.3%	3.1%	3.0%	4.1%	4.0%	4.1%	3.6%	3.1%	2.8%	2.5%
Total	**10.8%**	**11.1%**	**11.7%**	**11.6%**	**11.7%**	**12.8%**	**12.7%**	**12.4%**	**11.9%**	**11.3%**	**10.5%**	**10.0%**

Source: Cirium

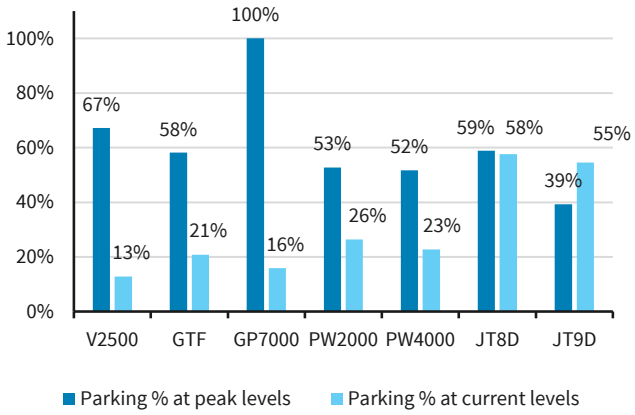
Pratt & Whitney – GTF parking continues to decline

FIGURE 194. Pratt's parked fleet now comprises ~2,880 engines, a ~38% increase since the powder metal announcement - the parking represents 20.1% of installed fleet (vs ~9.6% pre-pandemic)



Source: Cirium

FIGURE 195. Parked vs Returned status for Pratt & Whitney's engine programs



Note: Data labels represent % of installed base
Source: Cirium

FIGURE 196. Pratt & Whitney's absolute parked fleet by engine type over the last 12 months

Total In Storage	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
V2500	490	540	586	602	696	708	644	690	804	788	726	696
GTF	1,540	1,654	1,602	1,538	1,554	1,522	1,502	1,458	1,490	1,390	1,250	1,188
GP7000	76	72	72	68	68	80	108	100	104	108	76	68
PW2000	122	126	130	132	132	132	134	132	120	120	122	122
PW4000	275	286	353	353	369	375	383	387	369	354	340	320
JT8D	458	462	454	459	470	522	520	506	494	478	464	447
JT9D	32	32	32	32	32	36	36	36	36	36	36	36
Total Pratt parking	**2,993**	**3,172**	**3,229**	**3,184**	**3,321**	**3,375**	**3,327**	**3,309**	**3,417**	**3,274**	**3,014**	**2,877**

Source: Cirium

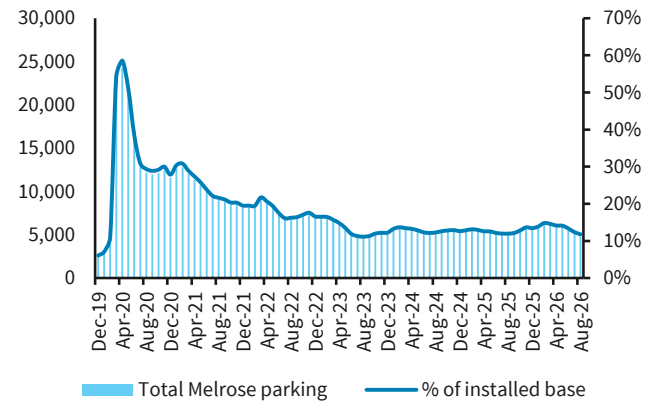
FIGURE 197. Pratt & Whitney's parked fleet by engine type and as a percentage of the installed base

% of installed base	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
V2500	8.9%	9.8%	10.6%	10.9%	12.7%	12.9%	11.7%	12.6%	14.7%	14.4%	13.3%	12.8%
GTF	30.6%	32.4%	31.0%	29.0%	29.2%	28.3%	27.6%	26.6%	26.8%	24.7%	22.1%	20.8%
GP7000	17.6%	16.7%	16.7%	15.7%	15.7%	18.5%	25.2%	23.4%	24.3%	25.2%	17.8%	15.9%
PW2000	25.4%	26.4%	27.3%	27.7%	27.7%	27.7%	28.3%	27.8%	25.9%	26.0%	26.4%	26.4%
PW4000	19.1%	19.9%	24.6%	24.7%	25.9%	26.3%	26.9%	27.3%	26.1%	25.1%	24.1%	22.8%
JT8D	57.2%	58.1%	57.1%	58.5%	59.8%	66.4%	66.7%	64.9%	63.5%	61.4%	59.6%	57.6%
JT9D	43.2%	43.2%	43.2%	43.2%	43.2%	48.6%	54.5%	54.5%	54.5%	54.5%	54.5%	54.5%
Total	**21.7%**	**22.9%**	**23.3%**	**22.8%**	**23.7%**	**24.0%**	**23.6%**	**23.4%**	**24.1%**	**23.0%**	**21.1%**	**20.1%**

Source: Cirium

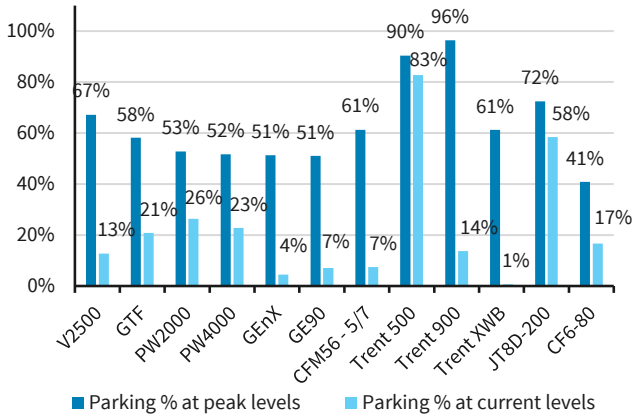
Melrose Parking – Parking levels down YTD across most platforms

FIGURE 198. The ~5,080 parked Melrose engines represent 11.8% of the installed fleet (vs ~4.9% pre-pandemic)



Source: Cirium, Barclays Research

FIGURE 199. Parked vs Returned status for engines on which Melrose is a partner



Data labels represent % of installed base
Source: Cirium, Barclays Research

FIGURE 200. Melrose's absolute parked fleet by engine type over the last 12 months

Total In Storage	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
V2500	490	540	586	602	696	708	644	690	804	788	726	696
GTF	1540	1654	1602	1538	1554	1522	1502	1458	1490	1390	1250	1188
PW2000	122	126	130	132	132	132	134	132	120	120	122	122
PW4000	275	286	353	353	369	375	383	387	369	354	340	320
GEnX	80	96	100	112	108	172	154	120	114	108	104	102
GE90	212	208	216	212	216	268	260	220	212	196	192	186
CFM56 - 5/7	1,440	1,568	1,742	1,716	1,736	1,860	1,890	1,878	1,780	1,666	1,536	1,460
Trent 500	192	192	200	196	192	204	204	192	216	216	212	212
Trent 900	84	76	84	76	72	76	80	68	72	64	60	52
Trent XWB	26	28	28	28	32	94	74	28	22	20	18	10
JT8D-200	240	231	233	233	253	311	307	295	283	269	255	247
CF6-80 A/C/E	479	474	565	565	589	635	631	597	576	549	506	481
Total Melrose parking	**5,180**	**5,479**	**5,839**	**5,763**	**5,949**	**6,357**	**6,263**	**6,065**	**6,058**	**5,740**	**5,321**	**5,076**

Source: Cirium, Barclays Research

FIGURE 201. Melrose's parked fleet by engine type and as a percentage of the installed base

% of installed base	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
V2500	8.9%	9.8%	10.6%	10.9%	12.7%	12.9%	11.7%	12.6%	14.7%	14.4%	13.3%	12.8%
GTF	30.6%	32.4%	31.0%	29.0%	29.2%	28.3%	27.6%	26.6%	26.8%	24.7%	22.1%	20.8%
PW2000	25.4%	26.4%	27.3%	27.7%	27.7%	27.7%	28.3%	27.8%	25.9%	26.0%	26.4%	26.4%
PW4000	19.1%	19.9%	24.6%	24.7%	25.9%	26.3%	26.9%	27.3%	26.1%	25.1%	24.1%	22.8%
GEnX	3.7%	4.4%	4.5%	5.0%	4.8%	7.7%	6.9%	5.3%	5.0%	4.7%	4.5%	4.4%
GE90	8.2%	8.0%	8.3%	8.1%	8.3%	10.3%	10.0%	8.4%	8.1%	7.5%	7.3%	7.1%
CFM56 - 5/7	7.2%	7.8%	8.7%	8.6%	8.7%	9.4%	9.5%	9.5%	9.0%	8.4%	7.8%	7.4%
Trent 500	70.6%	70.6%	73.5%	73.1%	72.7%	77.3%	78.5%	73.8%	83.1%	83.1%	82.8%	82.8%
Trent 900	21.4%	19.6%	21.6%	19.6%	18.6%	19.8%	20.8%	17.7%	18.8%	16.8%	15.8%	13.7%
Trent XWB	1.9%	2.1%	2.0%	2.0%	2.3%	6.7%	5.2%	2.0%	1.5%	1.4%	1.2%	0.7%
JT8D-200	54.5%	52.9%	53.3%	54.1%	58.7%	72.2%	72.2%	69.4%	66.9%	63.6%	60.3%	58.4%
CF6-80 A/C/E	16.3%	16.2%	19.3%	19.3%	20.1%	21.7%	21.6%	20.5%	19.8%	18.9%	17.4%	16.6%
Total	**12.1%**	**12.8%**	**13.7%**	**13.4%**	**13.9%**	**14.8%**	**14.6%**	**14.1%**	**14.1%**	**13.3%**	**12.4%**	**11.8%**

Source: Cirium, Barclays Research

Aircraft Retirements

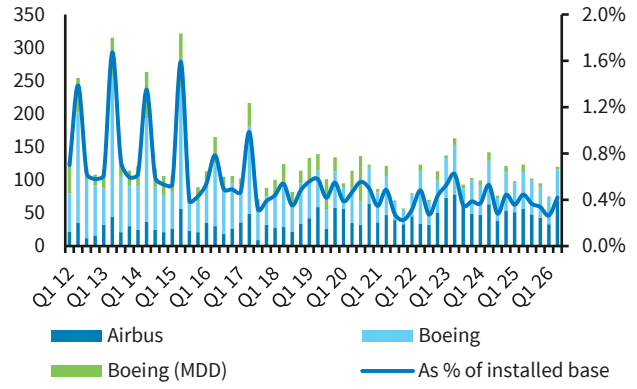
United Airlines anticipates steep rise in retirements in 2027

- Commercial aircraft retirements stood at 146 aircraft in Q2 26 (vs 98 in Q1 26, 139 in Q4 25, 139 in Q3 25 and 195 in Q2 25). On a YTD basis, commercial retirements currently stand at 308 aircraft (vs 604 annual retirements in 2025). We note that our historical retirement data is often revised higher retroactively as additional scraps are disclosed.

- A total of 132 Airbus aircraft have been retired YTD (69 in Q2 26), at an average age of 20.7 years. Boeing's YTD retirement tally stands at 118 aircraft (51 in Q2 26), average age 25.7 years. Airbus' YTD retirements include 13 GTF-powered A320neo aircraft, retired at an average age of just 6.2 years. Of these, 8 aircraft were retired by the now-defunct Spirit Airlines, average age 5.4 years.

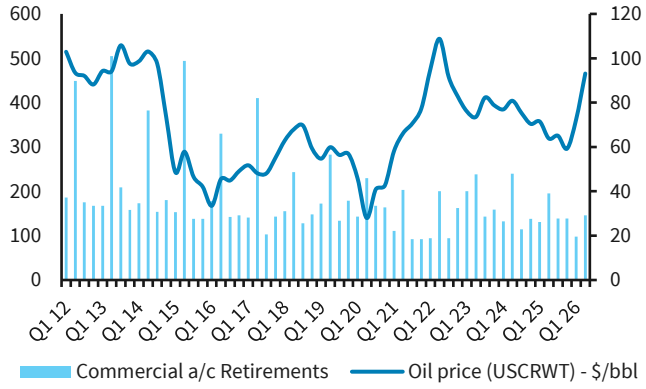
- Retirements YTD do not reflect signs of the much anticipated acceleration, attributable to delays in new deliveries and higher parking due to quality issues forcing airlines to use their older fleet to bridge the capacity gap. However, airline commentary is indicative of a significant step-up in the coming years - United Airlines mentioned that it expects to retire at least 80 aircraft in 2027 alone, representing almost half of the total retirements by the airline in the past decade.

FIGURE 202. Airbus and Boeing saw 69 and 51 retirements, respectively, in Q2 26



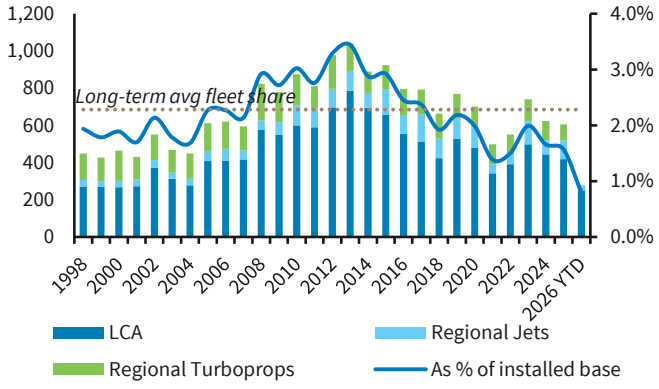
Source: Cirium, Barclays Research

FIGURE 203. Airlines are expected to accelerate retirements of older aircraft in a sustained high fuel price environment



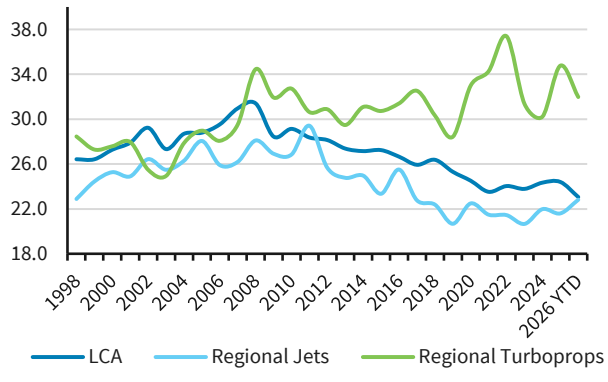
Source: Cirium, Bloomberg, Barclays Research

FIGURE 204. Commercial retirements YTD stand at 308 aircraft - the data will likely be revised higher as more scraps are disclosed



Source: Cirium, Barclays Research

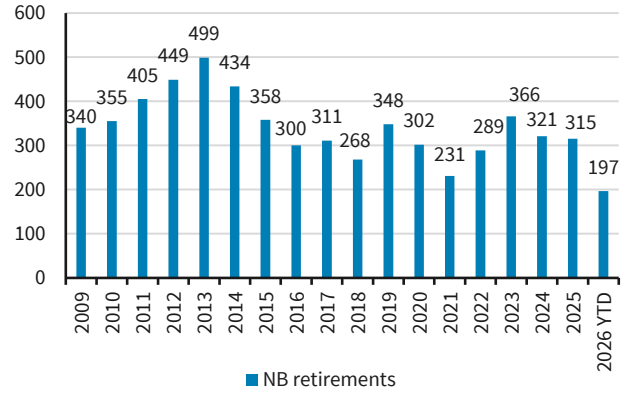
FIGURE 205. Average retirement age saw initial signs of an inflection point in 2024 after declining over the past decade



Source: Cirium, Barclays Research

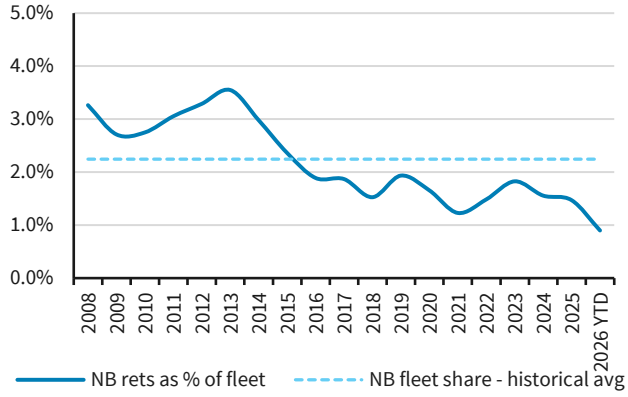
Retirements by Aircraft Type

FIGURE 206. The current data set suggests a total of ~316 narrow-body retirements over the last 12 months, compared to the long-term annual average of ~350 aircraft



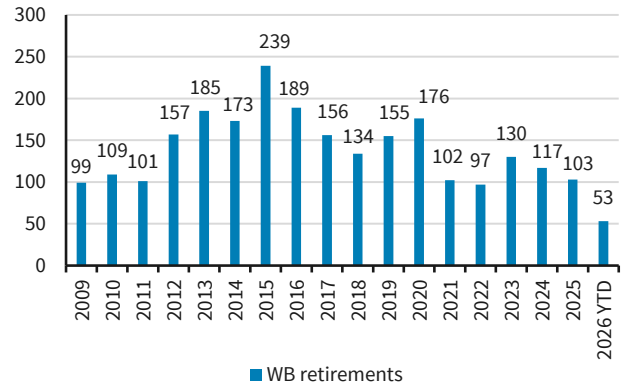
Source: Cirium, Barclays Research

FIGURE 207. Narrow-body retirements on an annual basis have represented an average 2.2% share of the respective installed fleet since 2008



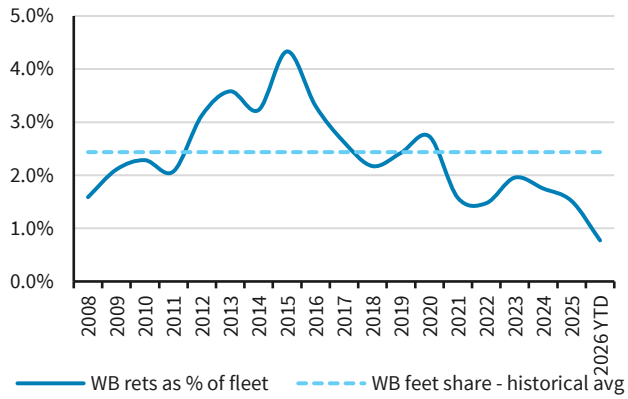
Source: Cirium, Barclays Research

FIGURE 208. Wide-body retirements were at ~80 aircraft over the last 12 months compared to the 15-year annual average of ~150 scraps



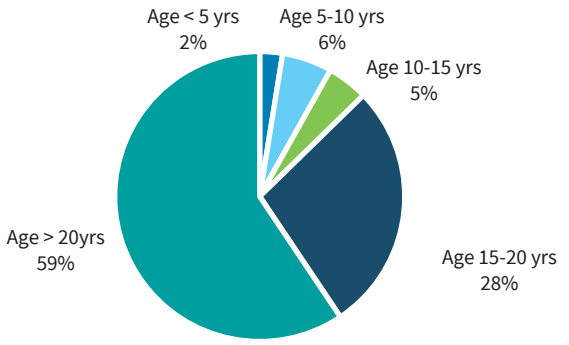
Source: Cirium, Barclays Research

FIGURE 209. Annual wide-body retirements have represented an average 2.4% share of the installed fleet over the last 15 years



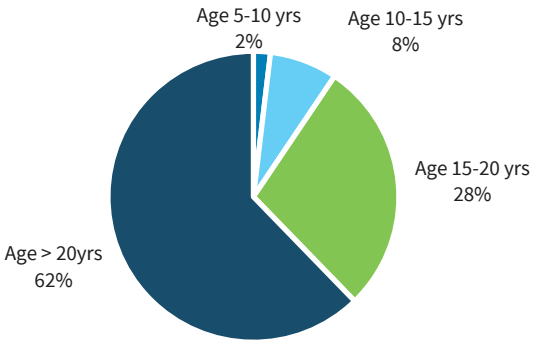
Source: Cirium, Barclays Research

FIGURE 210. Age distribution of narrow-body retirements YTD



Source: Cirium, Barclays Research

FIGURE 211. Age distribution of wide-body retirements YTD



Source: Cirium, Barclays Research

Market commentary on aircraft retirement trends

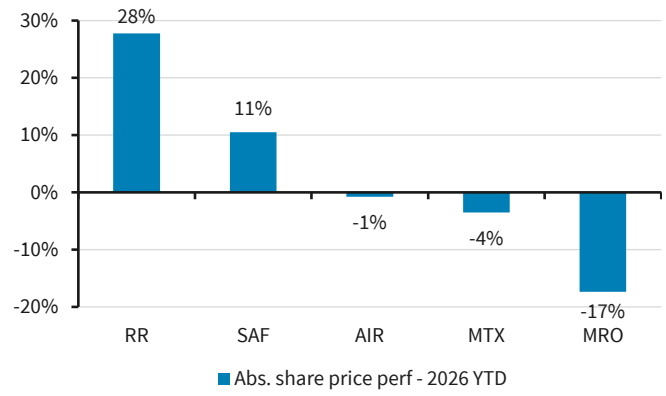
FIGURE 212. Recent market commentary on aircraft retirement and used serviceable material (USM) dynamics

Company	Timing	Comments
RTX	**Q2 26 results - Jul 23rd 2026**	**Retirement activity on the V2500 platform has been pretty low - will continue to be a very strong contributor to the overall Pratt aftermarket.**
	Q1 26 results - Apr 21st 2026	Aircraft retirement rates remain below historical levels, with V2500 retirements in line with our expectations. Planning for 1-2% retirement rate on the V2500.
	Q4 25 results - Jan 27th 2026	V2500 seeing low levels of retirement
	Q3 25 results - Oct 21st 2025	Aircraft retirements have remained low, with only 1.5% of the V2500 fleet retired so far this year.
	Q2 25 results - Jul 22nd 2025	V2500-powered fleet has seen a 1% retirement rate YTD
	Q4 24 results - Jan 28th 2025	Retirements are very low, and we expect that to continue for the next several years, at least.
GE Aerospace	**Q2 26 results - Jul 16th 2026**	**CFM56 work-scopes should remain stable from now until 2028-29 as there are hardly any used materials in the market and retirements are low.**
	Q1 26 results - Apr 21st 2026	CFM56 retirements in Q1 26 were lower than in Q4 25. CFM56 retirement rates assumed for 2026 are in the 2% range (Q1 was <1%). As we get into 2027, assumed that retirements increase to 3% to 4%.
	Q4 25 results - Jan 22nd 2026	CFM56 retirements in 2025 were consistent with 2024 levels - annual retirements represented ~1.5% of the fleet. Now expecting ~2% retirement share in 2026 compared to expectations of 2-3% in July.
	Q2 25 results - Jul 17th 2025	- On the CFM56, sustained demand is resulting in fewer retirements. We expect retirements of around 1.5% in 2025, rising to 2% to 3% in '26 before normalizing at 3% to 4%. - Retirements in the last couple of years have been really low. H1 25 retirements for CFM56 have been running below where we were in '24 and '24 was below '23. So, the retirements have been trending extremely low.
Safran	**Q2 26 results - Jul 28th 2026**	**CFM continued to drive spare parts perfromance with the fleet benefiting from a low level of retirement combined with very strong aftermarket demand**
	Q1 26 results - Apr 23rd 2026	44 CFM56 powered aircraft retired in Q1, 1.5% of fleet. Airlines do not envision to accelerate retirements, confident that it will remain low. Don't expect that to pick up in 2027. On CFM56, we firmly believe that retirement will be below 2% this year - retirements will not be significantly different than in 2025 (143 aircraft, 1.5% of fleet).
	Q2 25 results - Jul 31st 2025	Retirements on the CFM56 fleet have been very low – below 50 aircraft at end May – lower than pre-covid levels
	Q1 25 results - Apr 25th 2025	Industry situation is such that airlines are starving from receiving new aircraft. Hence do not expect acceleration of aircraft and engine retirements.
AAR Corporation	**Q4 26 results - Jul 22nd 2026**	**- The USM margin has been constrained because asset availability has been constrained, and therefore we've had to pay more for assets, and the spread at which we buy assets and sell assets in USM has narrowed. So you did see sales growth in USM, but it came at a lower margin. As we think about FY '27, we have a very conservative expectation for USM.**
	Q2 26 results - Jan 06th 2026	- We saw about the same level of activity in USM this quarter as we did last quarter. And I would say there's been no material change in the market in terms of availability. - Our team in the USM business has been able to continue to source CFM material out in the market to basically make up for the lack of volume with FTAI.
	Q1 26 results - Sep 23rd 2025	- We did start to see a loosening of supply in Q4 and that continued through Q1. That did drive a meaningful growth in our USM business for Q1. It still remains a dynamic environment, but we definitely are encouraged by the additional assets that we see coming to market that match our criteria. - Looking back through last fiscal year and even in Q1, margin in USM has actually been depressed. Historically, it's one of our higher-margin activities, but the supply, even though it's loosening up, is still actually quite tight.
	Q4 25 results - July 16th 2025	- In USM, we once again saw modest growth due to the constraints in asset availability. We anticipate the USM market will remain dynamic during FY '26. - Whole asset transactions are part of the USM business, and the margin varies depending on the cost. We hadn't seen many whole asset transactions throughout the year because that material was not available. We were happy to get a few of those across the finish line in Q4.
Southwest Airlines	**Q2 26 results - Jul 23rd 2026**	**23 retirements in H1 26, 37 retirements expected in H2 26. Have north of 450 737 NGs that we'll be retiring for years and years to come, well into the next decade. It might be a little lumpy by quarter. Q3 26 is going to be a little bit elevated versus Q1 and Q2 and then Q4 probably looks a lot like Q1 and Q2.**
	Q1 26 results - Apr 23rd 2026	No change to the expectation of 60 retirements in 2026 - Retirements that we have are very much tied to the aircraft deliveries that are coming in.
	Q4 25 results - Jan 29th 2026	Retired 55 aircraft in 2025. Anticipate retiring 60 aircraft in 2026.
United Airlines	**Q2 26 results - Jul 16th 2026**	**We will adjust capacity when necessary rather than operate flying that does not make economic sense. In 2027, we plan to retire at least 80 aircraft as we continue to renew and up-guage our fleet - a step up from the last few years. Some of the aircraft would have been retired sooner if there hadn't been so many OEM delays**
	Q3 25 results - Oct 16th 2025	Will retire smaller, lower-margin A319 and A320 aircraft from our fleet by 2030.
	Q1 25 results - April 16th 2025	Looking out to Q3 and beyond, we've already taken action to pull down our less profitable flying, aided by accelerating the retirement of 21 aircraft.

Source: Company data

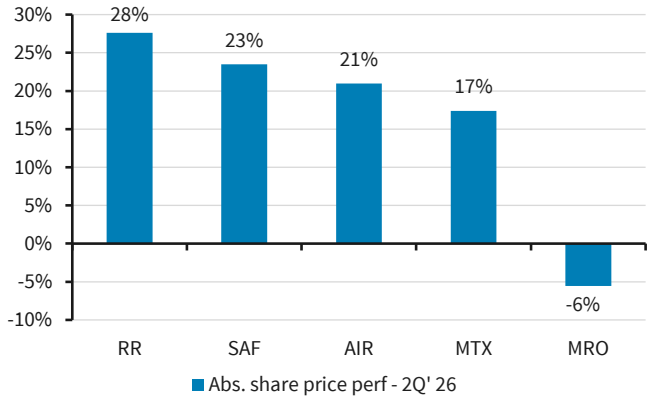
Stock Performance

FIGURE 213. European commercial aero stock performance YTD in 2026



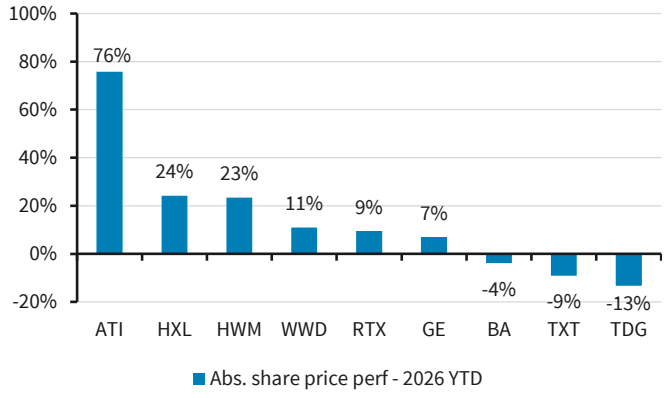
Market close share price as of Sep 02, 2026 / SXXP Index perf during period: +9.1%
Source: Bloomberg

FIGURE 214. European commercial aero stock performance in Q2 26



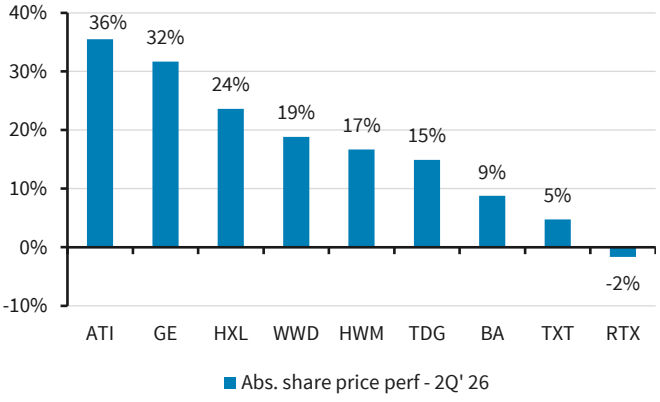
SXXP Index perf during period: +10.0%
Source: Bloomberg

FIGURE 215. US commercial aerospace stock performance YTD in 2026



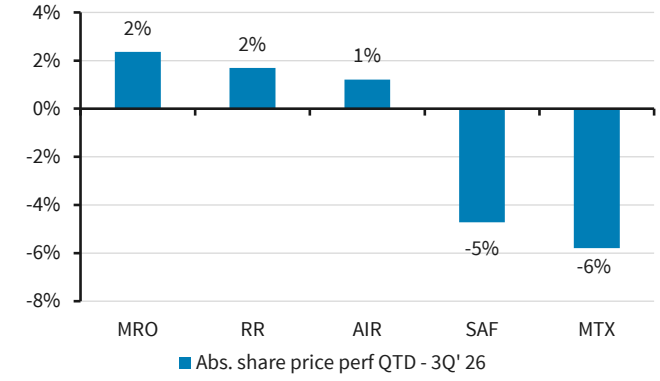
Market close share price as of Sep 02, 2026 / SPX Index perf during period: +12.0%
Source: Bloomberg

FIGURE 216. US commercial aerospace stock performance in Q2 26



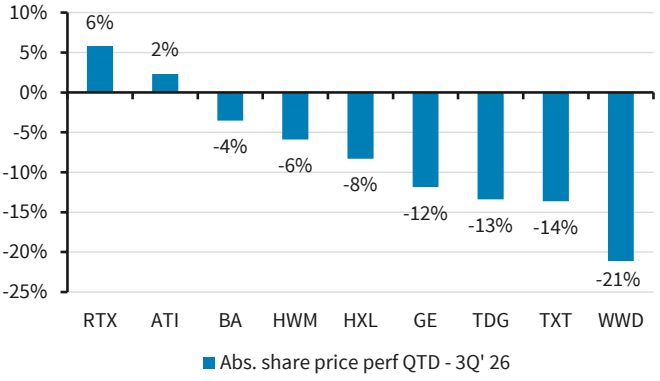
SPX Index perf during period: +14.9%
Source: Bloomberg

FIGURE 217. European commercial aerospace stock performance QTD



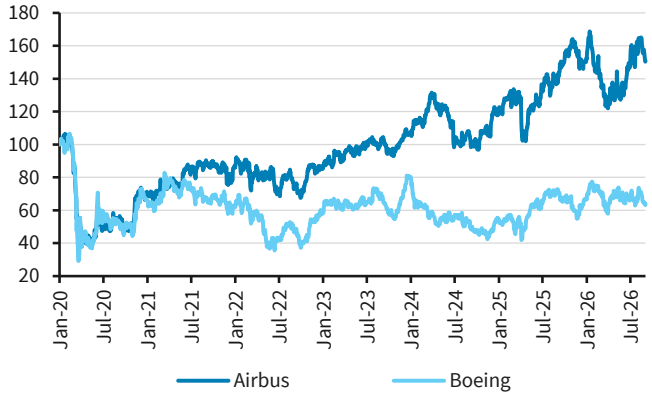
Market close share price as of Sep 02, 2026 / SXXP Index perf during period: +0.7%
Source: Bloomberg

FIGURE 218. US commercial aerospace stock performance QTD



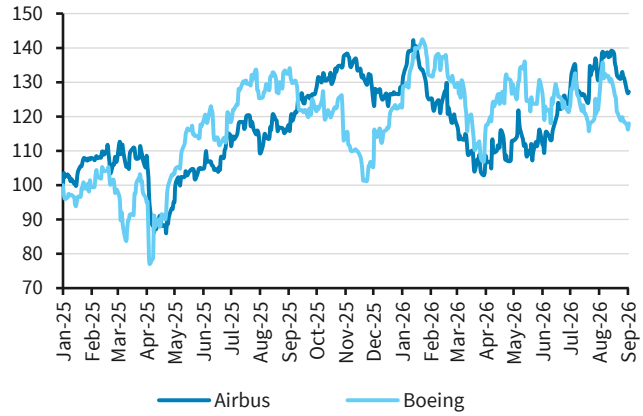
Market close share price as of Sep 02, 2026 / SPX Index perf during period: +2.2%
Source: Bloomberg

FIGURE 219. Airbus relative performance vs Boeing - indexed in January 2020



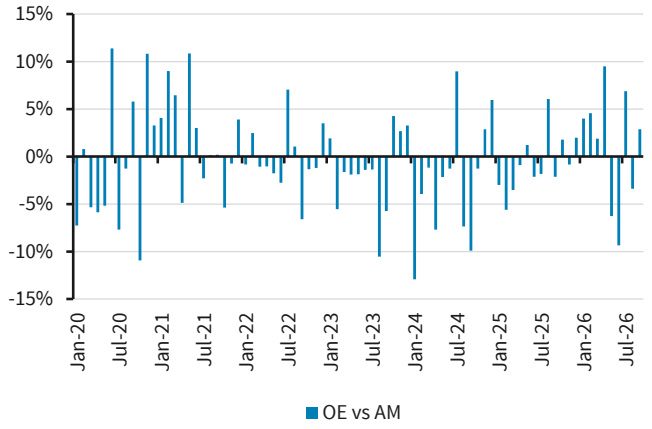
Market close share price as of Sep 02, 2026 / SPX Index perf during period: +137.3%
Source: Bloomberg

FIGURE 220. Airbus relative performance vs Boeing - indexed in January 2025



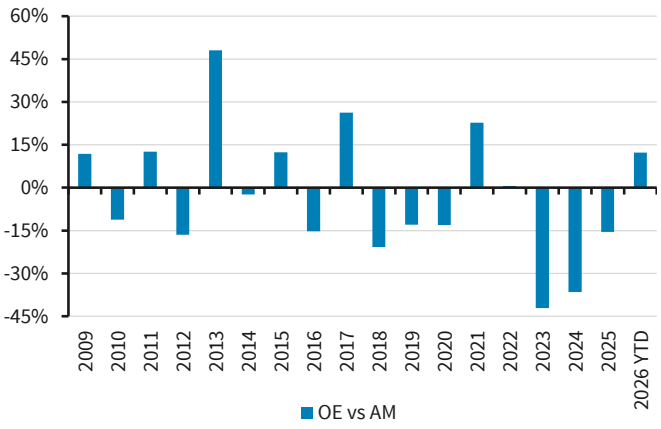
Market close share price as of Sep 02, 2026 / SPX Index perf during period: +30.3%
Source: Bloomberg

FIGURE 221. OE monthly relative stock performance vs aftermarket



Market close share price as of Sep 02, 2026 / SPX Index perf during period: +137.3%
Source: Bloomberg

FIGURE 222. OE annual relative stock performance vs aftermarket



Market close share price as of Sep 02, 2026 / SPX Index perf during period: +748.8%
Source: Bloomberg

The authoring research analysts would like to thank Mario Monteiro for his assistance in preparing this report.

APPENDIX

FIGURE 223. Quarterly shipments of engines and aircraft components by key suppliers

	Q1 19	Q2 19	Q3 19	Q4 19	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26
P&W Large Commercial engines	189	173	165	219	167	191	261	256	232	236	252	276	250	227	266	312	235	260
P&W Canada engines	524	593	607	631	499	507	500	557	496	474	521	587	518	521	516	571	497	522
Safran engines																		
CFM56	153	105	69	64	15	9	14	14	12	16	13	19	12	14	15	11	12	10
Leap	424	437	455	420	366	419	389	396	367	297	365	378	319	410	511	562	520	510
High thrust	118	116	126	129	37	46	58	49	56	35	51	53	48	59	55	72	57	78
Safran Landing gear																		
A350	23	18	21	20	12	11	11	12	15	11	11	11	13	10	9	10	12	11
787	41	43	42	39	-	10	6	14	11	9	14	7	16	14	18	17	22	20
A320neo	-	-	-	-	123	-	153	-	167	137	142	155	171	149	166	171	154	161
Safran Nacelles																		
A380	4	8	4	8	-	-	-	-	-	-	-	-	-	-	-			
A320neo	120	160	157	165	135	140	126	178	135	162	159	166	155	152	186	224	204	197
A330neo	24	27	25	16	8	18	12	16	16	13	13	20	20	16	14	19	11	19
Biz & regional jets	153	151	147	184	134	136	137	105	121	275	169	189	181	180	195	179	187	206
Safran Aerosystems																		
Emergency slides A320	1,223	1,175	1,155	1,368	779	678	1,165	1,328	1,080	882	1,256	1,223	1,186	946	1,186	1,215	1,329	992
Power distribution system 787	277	284	285	208	61	66	65	90	88	81	86	89	88	105	97	111	128	172
Safran Aircraft Interiors																		
A350 Lavatories	170	230	180	191	106	114	99	95	81	112	139	116	51	112	126	134	154	155
Spaceflex A320	77	120	92	80	-	-	-	-	-	-	-	-	-	-	-			
Business class seats	1,328	1,209	1,487	1,610	324	112	174	373	242	508	592	1,140	704	534	428	966	634	648
Spirit Aero shipsets																		
737	152	147	154	153	95	74	83	104	44	27	64	133	127	113	90			
747	1	2	2	1	-	-	-	-	-	-	-	-	-	-	-			
767	8	8	9	8	8	9	7	9	5	9	6	5	2	9	8			
777	13	16	15	12	7	7	9	9	8	8	9	3	7	8	11			
787	42	42	40	42	6	10	9	11	13	14	9	19	9	22	17			
A220	8	10	8	14	13	14	16	20	15	22	19	26	22	28	20			
A320 family	178	172	160	172	142	152	129	150	153	179	135	181	186	157	172			
A330	9	9	9	8	9	9	8	9	7	9	11	9	10	12	10			
A350	28	30	23	30	12	13	12	17	16	15	13	15	18	17	15			
A380	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Business/Regional Jet	13	13	17	12	54	54	59	69	46	53	66	66	48	64	49			
Leonardo																		
787 Fuselage	40	42	41	41	10	8	9	12	18	5	14	12	15	15	21	20	16	23
787 Stabilisers	16	25	21	30	8	8	7	9	12	7	6	3	16	12	11	2	23	16

Source: Company data, Barclays Research

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Materially Mentioned Stocks (Ticker, Date, Price)
Airbus (AIR.PA, 03-Sep-2026, EUR 197.00), Overweight/Neutral, A/CD/D/J/K/L/M/N

MTU Aero Engines (MTXGn.DE, 03-Sep-2026, EUR 344.50), Underweight/Neutral, CD/J

Melrose Industries PLC (MRON.L, 03-Sep-2026, GBp 497), Overweight/Neutral, E/J/K/L/M/N

Safran (SAF.PA, 03-Sep-2026, EUR 331.50), Overweight/Neutral, CD/E/J/K/L/M/N

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Our coverage analysts use a relative rating system in which they rate stocks as Overweight, Equal Weight or Underweight (see definitions below) relative to other companies covered by the analyst or a team of analysts that are deemed to be in the same industry (the "industry coverage universe").

In addition to the stock rating, we provide industry views which rate the outlook for the industry coverage universe as Positive, Neutral or Negative (see definitions below). A rating system using terms such as buy, hold and sell is not the equivalent of our rating system. Investors should carefully read the entire research report including the definitions of all ratings and not infer its contents from ratings alone.

Stock Rating
Overweight - The stock is expected to outperform the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

Equal Weight - The stock is expected to perform in line with the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

Underweight - The stock is expected to underperform the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

Rating Suspended - The rating and target price have been suspended temporarily due to market events that made coverage impracticable or to comply with applicable regulations and/or firm policies in certain circumstances including where the Investment Bank of Barclays Bank PLC is acting in an advisory capacity in a merger or strategic transaction involving the company.

Industry View
Positive - industry coverage universe fundamentals/valuations are improving.

Neutral - industry coverage universe fundamentals/valuations are steady, neither improving nor deteriorating.

Negative - industry coverage universe fundamentals/valuations are deteriorating.

Below is the list of companies that constitute the "industry coverage universe":

European Aerospace & Defence

Airbus (AIR.PA)	Avon Technologies PLC (AVON.L)	Babcock International Group (BAB.L)
BAE Systems (BAES.L)	CSG NV (CSG.AS)	Hensoldt AG (HAGG.DE)
Kongsberg Gruppen (KOG.OL)	Leonardo (LDOF.MI)	Melrose Industries PLC (MRON.L)
MTU Aero Engines (MTXGn.DE)	Qinetiq Group PLC (QQ.L)	RENK Group (R3NK.DE)
Rheinmetall (RHMG.DE)	Saab AB (SAABb.ST)	Safran (SAF.PA)

Thales (TCFP.PA)		

UK Capital Goods		
Bodycote (BOY.L)	Halma (HLMA.L)	IMI (IMI.L)
Morgan Advanced Materials (MGAMM.L)	Renishaw (RSW.L)	RHI Magnesita (RHIM.L)
Rosebank Industries PLC (ROSE.L)	Rotork (ROR.L)	Smiths (SMIN.L)
Spirax Group (SPX.L)	Vesuvius (VSVS.L)	Weir PLC (WEIR.L)

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Barclays Equity Research has 1787 companies under coverage.

52% have been assigned an Overweight rating which, for purposes of mandatory regulatory disclosures, is classified as a Buy rating; 47% of companies with this rating are investment banking clients of the Firm; 65% of the issuers with this rating have received financial services from the Firm.

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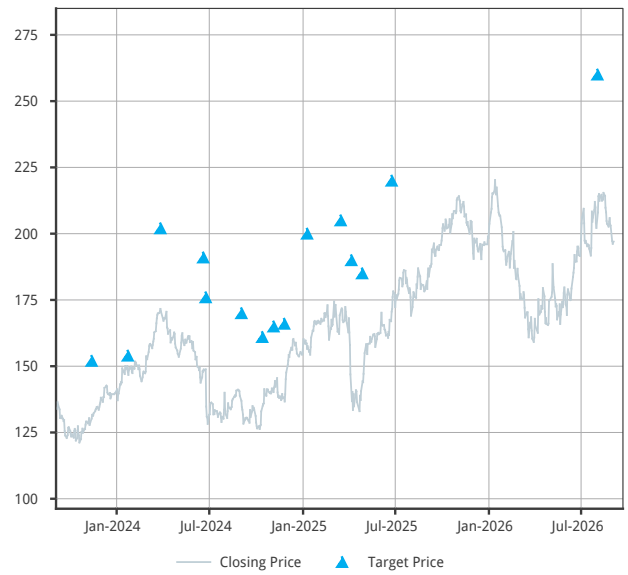
Airbus (AIR FP / AIR.PA)

Stock Rating: **OVERWEIGHT**

Industry View: **NEUTRAL**

Closing Price: **EUR 197.00** (03-Sep-2026)

Rating and Price Target Chart (as of 03-Sep-2026)



Source: LSEG Data & Analytics, Bloomberg, Barclays Research

Link to Barclays Live for interactive charting

Publication Date	Closing Price*	Rating	Adjusted Price Target	Currency
02-Aug-2026	204.00		260.00	EUR
24-Jun-2025	170.60		220.00	EUR
27-Apr-2025	140.60		185.00	EUR
06-Apr-2025	158.02		190.00	EUR
16-Mar-2025	169.20		205.00	EUR
09-Jan-2025	156.58		200.00	EUR
25-Nov-2024	137.94		166.00	EUR
04-Nov-2024	140.28		165.00	EUR
13-Oct-2024	132.92		161.00	EUR
02-Sep-2024	138.82		170.00	EUR
24-Jun-2024	148.78		176.00	EUR
19-Jun-2024	148.12		191.00	EUR
27-Mar-2024	170.12		202.00	EUR
23-Jan-2024	148.00		154.00	EUR
13-Nov-2023	128.48		152.00	EUR

On 04-Sep-2023, prior to any intra-day change that may have been published, the rating for this security was Overweight, and the adjusted price target was 151.00 EUR.

Source: Bloomberg, Barclays Research

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Historical stock prices and price targets may have been adjusted for stock splits and dividends.

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Valuation Methodology: We value European commercial aerospace stocks based on the midpoint of a relative EV/EBIT and FCF yield applied to our 2029E forecasts. We then include the discounted dividend stream over 2025-28. While in our forecasts we assume the €:$ spot rate for year 1 and use the forward rate for future years (which shows a 2-3 cent annual deterioration versus the current spot rate) to reflect the group's actual economic value, our approach is to mark to market the earnings and FCF and then adjust the out-of-the-money hedge book value at the current spot rate when computing the Enterprise Value. For Airbus, we use a 15x EV/EBIT multiple (a discount to the multiple we apply to commercial aero aftermarket suppliers) and a 6% FCF yield.

Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Downside risk specific to Airbus could come from failure to execute on the manufacture of aircraft on schedule and/or costs.

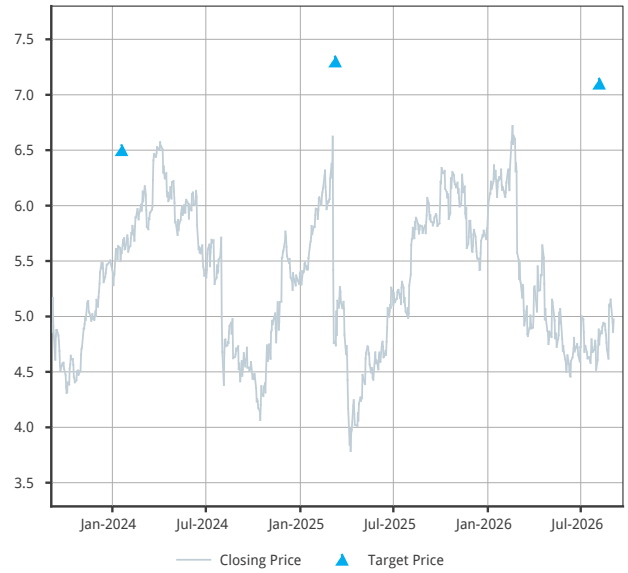
Melrose Industries PLC (MRO LN / MRON.L)

Stock Rating: **OVERWEIGHT**

Industry View: **NEUTRAL**

Closing Price: **GBp 497** (03-Sep-2026)

Rating and Price Target Chart (as of 03-Sep-2026)



Source: LSEG Data & Analytics, Bloomberg, Barclays Research

Link to Barclays Live for interactive charting

Publication Date	Closing Price*	Rating	Adjusted Price Target	Currency
06-Aug-2026	4.77		7.10	GBP
10-Mar-2025	4.89		7.30	GBP
19-Jan-2024	5.79		6.50	GBP

On 04-Sep-2023, prior to any intra-day change that may have been published, the rating for this security was Overweight, and the adjusted price target was 5.75 GBP.

Source: Bloomberg, Barclays Research

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Valuation Methodology: We base our valuation on a relative FCF yield methodology applied to our 2029 estimates and discounted back at a 10% cost of equity. We apply a 6.0% FCF yield, reflecting the group's mix of aftermarket revenues and OEM activities. We prefer an FCF-based valuation over an earnings-based approach, as accounting treatment of long-term aftermarket contracts on the engine side varies across engine exposed stocks. Cash flow provides a more comparable measure of underlying economic performance and shareholder value creation, while avoiding differences arising from revenue recognition and contract accounting methodologies.

Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: General industry risks include the health of the aerospace cycle, which could drive upside to both our forecasts and valuation multiples. Risks specific to our Overweight on Melrose include: (1) stronger-than-expected aftermarket demand, (2) a weaker USD/GBP than assumed, (3) worst-than-expected durability of the GTF engine, (4) a slower-than-expected OEM production ramp-up, particularly on the A350 programme, and (5) execution risks at Garden Grove, including the pace of operational recovery

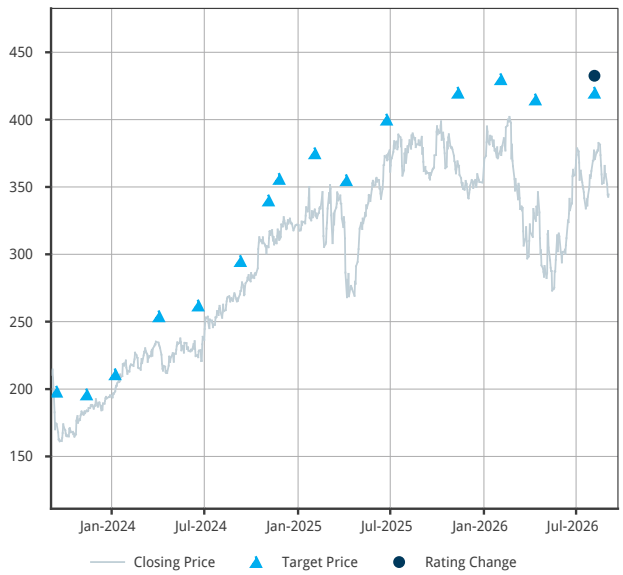
MTU Aero Engines (MTX GY / MTXGn.DE)

Stock Rating: **UNDERWEIGHT**

Industry View: **NEUTRAL**

Closing Price: **EUR 344.50** (03-Sep-2026)

Rating and Price Target Chart (as of 03-Sep-2026)



Source: LSEG Data & Analytics, Bloomberg, Barclays Research

Link to Barclays Live for interactive charting

Publication Date	Closing Price*	Rating	Adjusted Price Target	Currency
06-Aug-2026	373.70	Underweight	420.00	EUR
12-Apr-2026	330.60		415.00	EUR
03-Feb-2026	376.70		430.00	EUR
11-Nov-2025	369.00		420.00	EUR
24-Jun-2025	373.50		400.00	EUR
06-Apr-2025	311.80		355.00	EUR
03-Feb-2025	330.70		375.00	EUR
25-Nov-2024	318.40		356.00	EUR
04-Nov-2024	305.30		340.00	EUR
10-Sep-2024	272.70		295.00	EUR
19-Jun-2024	225.00		262.00	EUR
03-Apr-2024	233.00		254.00	EUR
08-Jan-2024	196.30		211.00	EUR
13-Nov-2023	182.05		196.00	EUR
15-Sep-2023	174.70		198.00	EUR

On 04-Sep-2023, prior to any intra-day change that may have been published, the rating for this security was Equal Weight, and the adjusted price target was 237.00 EUR.

Source: Bloomberg, Barclays Research

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Valuation Methodology: We base our valuation on a relative FCF yield methodology applied to our 2029 estimates. The resulting value is then discounted back to the present using a 9% discount rate. We apply a 5.5% FCF yield, representing only a modest discount to the long-term average FCF yield of OEM engine peers. This reflects the group's slightly lower cash conversion, driven by MRO activities accounting for a larger share of revenue and requiring higher capital employed. We prefer an FCF-based valuation over an earnings-based approach, as accounting treatment of long-term aftermarket contracts varies across engine exposed stocks. Cash flow provides a more comparable measure of underlying economic performance and shareholder value creation, while avoiding differences arising from revenue recognition and contract accounting methodologies. For our forecasts, we assume the current EUR/USD spot rate in year one and forward rates thereafter, which imply an annual 2-3 cent depreciation versus the current spot rate. In our valuation, however, we mark-to-market future FCF at the current spot rate and separately adjust for the out-of-the-money hedge book at current exchange rates. We believe this approach best reflects the group's underlying economic value.

Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: General industry risks include the health of the cycle, which could lead to upward revisions to our forecasts and to the multiples applied. Risks specific to MTU depend on (1) stronger aftermarket demand than we assume, (2) a weaker $ vs. € than we assume, and (3) performance issues with the GTF engine.

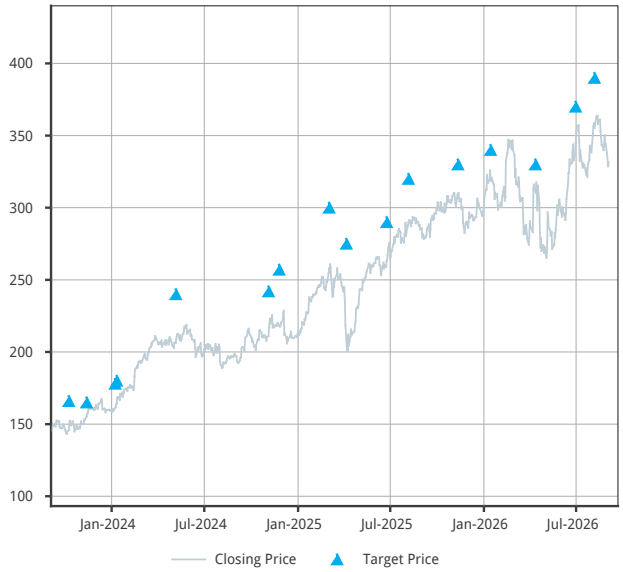
Safran (SAF FP / SAF.PA)

Stock Rating: **OVERWEIGHT**

Industry View: **NEUTRAL**

Closing Price: **EUR 331.50** (03-Sep-2026)

Rating and Price Target Chart (as of 03-Sep-2026)



Source: LSEG Data & Analytics, Bloomberg, Barclays Research

Link to Barclays Live for interactive charting

Publication Date	Closing Price*	Rating	Adjusted Price Target	Currency
06-Aug-2026	355.20		390.00	EUR
30-Jun-2026	336.50		370.00	EUR
12-Apr-2026	316.00		330.00	EUR
14-Jan-2026	325.80		340.00	EUR
11-Nov-2025	309.00		330.00	EUR
06-Aug-2025	287.50		320.00	EUR
24-Jun-2025	263.10		290.00	EUR
06-Apr-2025	233.20		275.00	EUR
03-Mar-2025	250.10		300.00	EUR
25-Nov-2024	220.10		257.00	EUR
04-Nov-2024	210.90		242.00	EUR
06-May-2024	206.40		240.00	EUR
11-Jan-2024	163.62		180.00	EUR
08-Jan-2024	159.54		178.00	EUR
13-Nov-2023	153.08		165.00	EUR
09-Oct-2023	143.22		166.00	EUR

On 04-Sep-2023, prior to any intra-day change that may have been published, the rating for this security was Overweight, and the adjusted price target was 159.00 EUR.

Source: Bloomberg, Barclays Research

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Valuation Methodology: For Safran, our price target is based on the midpoint of 20x 2029E EV/EBIT and a ~4% FCF yield-based valuation, a premium to OE commercial aero peers to reflect Safran's aftermarket bias (~50% of group sales). We then include the discounted dividend stream over 2026-28E. While in our forecasts we assume the €:$ spot rate for year 1 and use the forward rate for future years (which shows a 2-3 cent annual deterioration vs. the current spot rate), to reflect the group's actual economic value our approach consists of marking to market earnings and FCF and then adjusting the hedge book at the current spot rate when computing Enterprise Value.

Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: General industry risks include concerns around the health of the cycle, which could lead to downward revisions to forecasts and compress the multiples applied. Risks specific to Safran relate to (1) weaker-than-expected aftermarket demand, (2) a weakening $ versus €, and (3) performance issues with the Leap engine.

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BRND2026