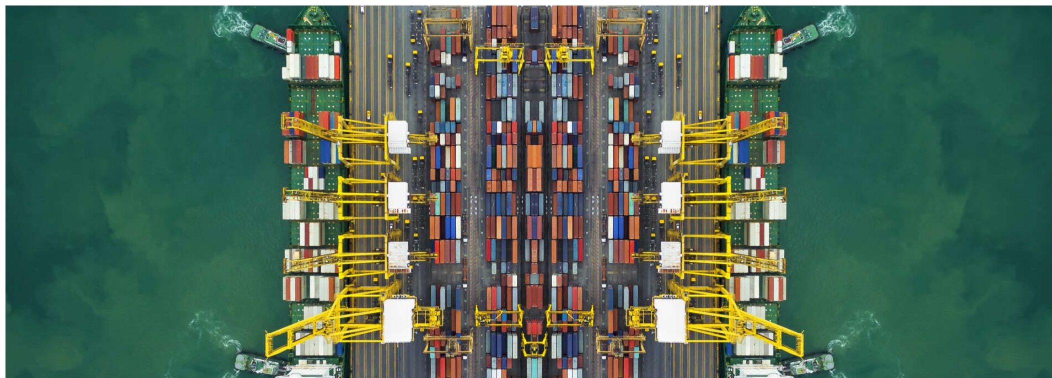
S&P Global Ratings

Transportation

High fares and rates cover high costs, for now

January 14, 2025

This report does not constitute a rating action.



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What's changed?

Geopolitical tensions worsened. The protracted Russia-Ukraine conflict and current conflicts in the Middle East brought greater unpredictability and disruption to supply chains.

Structurally higher labor costs. Given tight labor markets and wage agreements ratified in 2024.

Container shipping freight rates surged. Continued attacks on commercial ships in the Red Sea and robust trade volumes supported maritime freight rates well above our previous forecasts.

What are the key assumptions for 2025?

Sturdy consumer spending. Forecast robust global economic expansion of 3%, underpinned by resilient labor markets and easing inflation, should support demand.

Oil prices will remain relatively high. This comes after prices shifted downward in 2024.

Sluggish aircraft deliveries. Persistent new order delays and engine issues will continue to affect airlines' capacity growth and defer operating efficiency improvements.

What are the key risks around the baseline?

Geopolitical tensions spillover. Supply chains could be further disrupted, oil prices could be even more volatile, and the demand for travel could be diminished.

Mixed effects from a second Trump term. Increased tariffs on all goods imported to the U.S. could dampen trade volumes on key trade routes. Short-term inflation could increase and negatively affect consumer spending. Stimulation of U.S. oil production could cut fuel costs.

Softening airfares. A small decline in yields could have a significant effect on airline earnings given the high operating leverage inherent in the industry.

Ratings Trends: Transportation

Chart 1

Ratings distribution by region

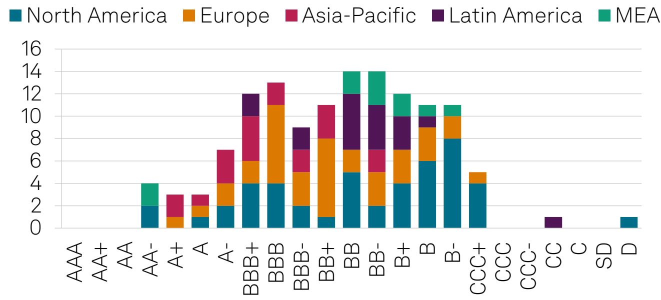


Chart 2

Ratings distribution by subsector

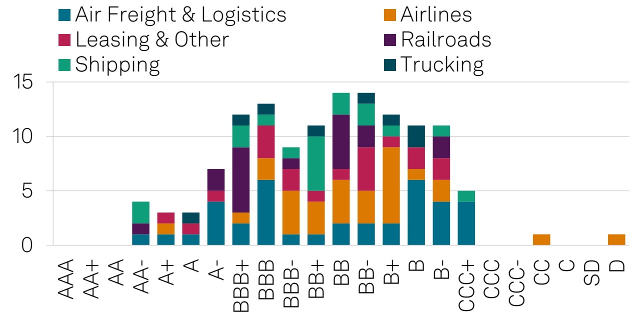


Chart 3

Ratings outlooks by region

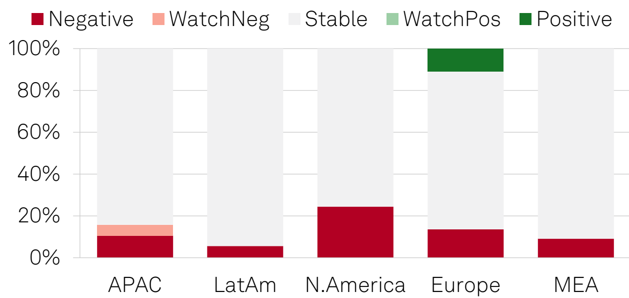


Chart 4

Ratings outlooks by subsector

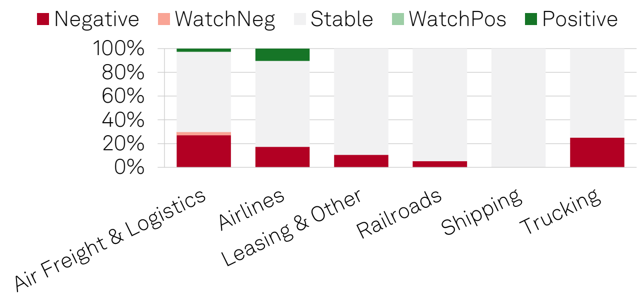


Chart 5

Ratings outlook net bias by region

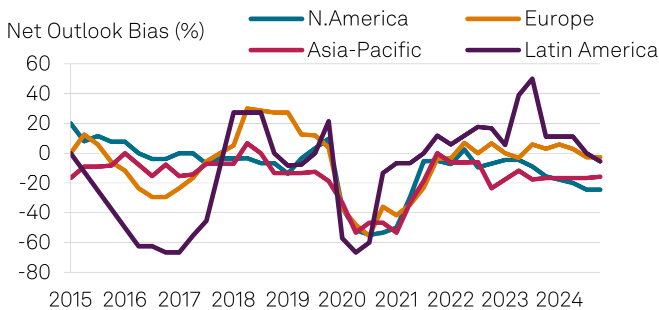
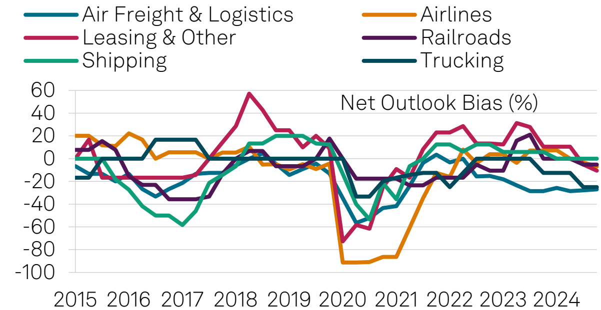


Chart 6

Ratings net outlook bias by subsector



hart 7

Ratings outlooks

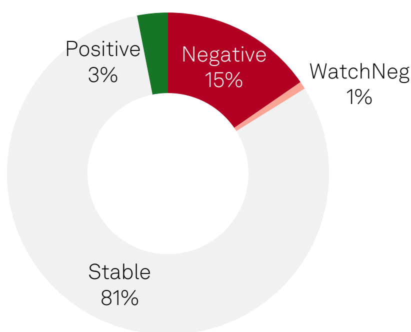
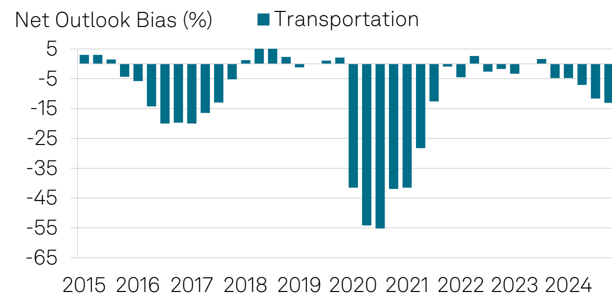


Chart 8

Ratings net outlook bias



Source: S&P Global Ratings. Ratings data measured at quarter-end.

Industry Outlook: Airlines

Ratings trends and outlook

We think air passenger demand will remain healthy. This will drive continued revenue growth in 2025. Demand for leisure travel will endure, particularly in the premium leisure segment. We think that cost inflation—particularly on the labor and maintenance side—will be compensated by passenger growth and flat to modestly higher ticket prices for the most part. However, profit margins could come under pressure if yields soften as additional capacity comes online. The Boeing Co. delivery delays, which have lasted longer than we had previously anticipated, are likely to result in some further deferral of the heavy capital expenditure (capex) we had forecast for the sector in 2025. This will limit the pace of expansion for some and present a source of near-term incremental cash flow adding to financial flexibility for others. Furthermore, fleet renewal toward more fuel-efficient aircraft brings substantial future cost savings. We also expect airlines to continue shifting their product offerings toward more profitable premium seats, a trend that appears now to be structural.

A relatively upbeat credit outlook should support airlines. Consumer spending is forecast to rise, with a bias toward experiences, like travel, rather than goods. However, high geopolitical uncertainty presents a potential earnings headwind, alongside unpredictable oil and jet fuel prices, which trended lower in 2024. As such, we expect a relatively measured approach to rating actions in 2025.

Main assumptions about 2025 and beyond

1. Strong growth in air passenger volumes.

We think air passenger demand will continue to increase, led by strong momentum from the Asia-Pacific and Latin America regions, with Europe and the U.S. also showing positive trends. We note that international traffic operated by Asia-Pacific airlines demonstrate extraordinary growth but is still recovering (it was about 10% below 2019 levels in September 2024 as per the International Air Transport Association [IATA]). This contrasts with the impressive expansion from Latin American carriers (up over 14% in September 2024 compared with 2019 as per the IATA).

2. Structurally high labor costs.

Labor cost inflation was higher than expected in 2024 and has added pressure to margins. Many airlines have settled wage agreements, which should constrain further wage pressure in 2025, but labor costs will remain high. We currently forecast stable oil prices for 2025 and beyond of $75 per barrel (/bbl) for Brent and $70/bbl for West Texas Intermediate. The crack spread (the difference between crude oil and jet fuel prices) has also reduced (to below $20/bbl). However, jet fuel prices could become more volatile, particularly for airlines that do not hedge, given elevated geopolitical tensions.

3. Sluggish aircraft deliveries.

We expect the effect of new aircraft delivery delays (from Boeing, and, to a lesser extent Airbus SA) to persist in 2025 affecting carriers' capacity and related operating efficiency improvements. Increased expenses will also stem from additional leasing of aircraft and older aircraft utilization. Conversely, delays in spending could defer cash outflows and lead to slightly better issuer credit metrics in 2025.

Growth of air passenger traffic in Asia-Pacific will decelerate in 2025. This is because of the higher base. A surge in domestic travel demand in China drove most of the increase in traffic for the Asia-Pacific region in 2024. Capacity will continue to increase, despite supply chain constraints for new aircraft. Growing competition among local and regional peers, alongside high labor and fuel costs could pressure profitability.

We anticipate rational markets and healthy growth in Latin America for 2025. Growth should moderate but remain healthy after strong expansion in 2024, particularly in international traffic. In general, domestic and international traffic has comfortably surpassed pre-pandemic levels but the region remains underserved and underpenetrated, which should drive mid to high single-digit growth in capacity in the main economies of the region in the next couple of years. Delays in aircraft manufacturer deliveries and issues with engines ensure a rational market but could eventually be a downside risk to our growth prospects. In Brazil, two of the largest players (Gol Linhas Aereas Inteligentes S.A. and Azul S.A.) are still in the process of straightening up their capital structures and have a strong focus on enhancing cash flows, further reducing risks of aggressive competition.

Diversification remains helpful to earnings' stability. Airlines with significant operations outside of the passenger airline business benefit from diverging market trends. We expect maintenance and repair businesses to remain in demand in 2025 and report strong results. Air cargo demand continues to increase and air cargo yields were almost 50% above 2019 levels by the end of September 2024, driven by booming e-commerce and some shippers switching from sea to air transport because of maritime freight rate increases (as per IATA).

Credit metrics and financial policy

Credit metrics to show a modest improvement in 2025. After a remarkable recovery in the years after the COVID-19 pandemic (as demonstrated in the graphs in this report), there were clear regional differences in airlines' performance. European carriers showed better growth in 2024 than those in North America, and operators' performance in Asia-Pacific and Latin America improved even more. Historically low-cost airlines in the U.S. also struggled to generate positive earnings, as sharply higher cost bases (notably linked to labor) outpaced unit revenues and contributed to negative rating activity (including one airline filing for creditor protection in the region). However, airlines with established premium offerings (namely multiple seat classes), established loyalty programs, and international exposure have outperformed the broader industry. We expect this dynamic to persist in 2025. In Europe, there were some market indications of softening consumer sentiment and ticket pricing during 2024, particularly in the second quarter of the year, but trends improved as the year progressed.

Returns to shareholders are not yet widespread. Share repurchases and dividends have been announced by higher rated (typically 'BB' and higher) carriers. Continuing strength in demand and lower-than-previously assumed aircraft capex (stemming from original equipment manufacturer delivery delays) that facilitates growth in positive free cash flow could prompt more shareholder friendly activity in 2025. However, we think that most higher-rated issuers will remain focused on keeping ample cushion in their credit metrics, to guard against unexpected market pressure in this volatile industry.

Key risks or opportunities around the baseline

1. Spillover of geopolitical tensions.

Fuel prices will remain airlines' biggest operating expenses, and small fluctuations can have an outsized effect on airline earnings and cash flow. Jet fuel prices eased through much of 2024, but we assume prices will remain volatile and a potential headwind to profitability (particularly given the risk of further spillover effects related to the Russia-Ukraine war and the conflicts in the Middle East). Most European and Asia-Pacific carriers have softened the volatility with fuel hedges (compared with most carriers in the U.S. which typically do not hedge fuel). Furthermore, escalation of geopolitical tensions could also deter demand for travel.

2. Operating cost inflation.

Labor costs (typically the largest component of operating expenses) are now structurally higher following various agreements ratified mostly in 2024 (notably with pilots and other collective labor agreements) and expected to steadily increase annually. In addition, skilled labor shortages will likely persist, contributing to higher maintenance costs—particularly amid delayed new aircraft deliveries that require prolonged utilization of older aircraft. As capacity growth eases for many airlines, fixed cost absorption becomes more challenging. Foreign exchange volatility has exacerbated in emerging markets in recent months and could also add to cost and margin pressures, as a large share of costs are dollar-linked.

3. Softening ticket prices.

We will cautiously monitor any potential downside to airline ticket prices, as a small decline in yields could have a significant effect on earnings given the high operating leverage inherent in the industry. We assume flat or perhaps a modest improvement in prices through 2025 for most airlines, and this follows positive unit revenue guidance revisions by several airlines for the fourth quarter of 2024. That said, visibility beyond the next couple of months is typically low, particularly against the backdrop of geopolitical uncertainty. Even short periods of overcapacity can add outsized pressure to airfares. Airlines with the lowest debt leverage, or highest exposure to premium, loyalty, and international revenues are generally best positioned to withstand downside to prices but are not immune.

Carbon costs are ramping up for European airlines. Climate transition planning for airlines is still developing and relies heavily on the increased use of sustainable aviation fuels (SAF) and carbon regulations. The ReFuelEU aviation directive's requirements are much stricter than elsewhere, and mandates that all airlines use a 6% SAF blend for flights departing from EU airports by 2030 (the U.K. has set a 10% target). However, supply is extremely limited and so the current price of SAF is prohibitive. The cost of the EU's Emissions Trading System will increase again in 2025, as free allowances continue to be phased out (to zero by 2026). We think the increased cost will largely be passed onto consumers in higher airfares. Regulations outside of Europe are currently much less burdensome.

The effect of a second Trump term will likely be mixed. Given the president-elect has proposed universal tariffs on all goods imported to the U.S., as well as significantly higher charges on all goods (particularly from China), inflation could be pushed higher at least in the short term. This could affect consumer spending. Conversely, stimulation of U.S. oil production could temper oil prices and jet fuel costs, which could reduce costs. It will likely mean fewer environmental demands on U.S. airline businesses.

Cyber incidents affecting transportation groups have risen markedly. The risk of cyber attacks has been aggravated by heightened political tensions, which have provided states (and their proxies) with a fresh impetus to target transportation systems in support of military aims or in

the hope of financially damaging geopolitical rivals. As such, although rated transportation companies have averted substantial credit quality damage from cyber incidents so far, we think this risk will continue to increase in the future, particularly for those with weak cyber hygiene.

Industry Outlook: Container Shipping

Ratings trends and outlook

Container shipping freight rates have surprised to the upside over 2024. Rates have surpassed 2023 levels, the pre-pandemic averages, and S&P Global Ratings' expectations. The unexpected outperformance can be traced back to a handful of factors, including, most importantly, the persisting rerouting of containerships away from the Red Sea, and stronger-than-anticipated global trade volumes and port congestion. These factors have offset both this year's record-high increase in containership capacity, which we had expected to weigh on rates in 2024, and the incremental cost of diverting ships around the southern tip of Africa.

The resultant market strength boosts operators' profitability. This includes an acceleration in rate increases in the third quarter of 2024. Rated container liners A.P. Moller-Maersk A/S (Maersk), Hapag-Lloyd AG, and CMA CGM S.A., have exceed our earlier EBITDA expectations for 2024. This is positive for their creditworthiness, which we expect will likely remain robust in 2025. Consequently, we hold on to our stable rating outlooks in the sector based on the assumption that circumventing the Red Sea and healthy global trade volumes will largely cushion the effect from new tonnage deliveries in 2025. We also factor in industry players' stringent capacity-management discipline when the Red Sea disruptions and port congestions eventually ease (releasing capacity into the network), which may not happen in 2025.

Main assumptions about 2025 and beyond

1. The Suez Canal route may not return in 2025.

The attacks on commercial vessels in the Red Sea by Houthi rebels will continue, with no signs of a sustained resolution to the geopolitical conflicts.

2. Freight rates will moderate due to additions of new tonnage.

After higher-than-expected freight rates in 2024 on the back of persisted Red Sea disruptions, robust demand, and port congestion, freight rates will likely diminish in 2025. This is because growth in global container demand will not likely match sizable new containership tonnage that is due to come online in 2025.

3. Financial health remains robust entering an uncertain 2025.

Despite record high shareholder returns and discretionary spending on acquisitions, funded from unprecedented gains, container shipping companies' balance sheets remain solid. Credit quality will likely remain within current rating thresholds in 2025, as Red Sea disruptions continue to support freight rates, notwithstanding new tonnage additions.

Traffic through the Suez Canal has reduced since mid-November 2023. This is because of attacks by Yemen-based Houthi rebels on maritime shipping in the Red Sea area. The Suez Canal is the shortest maritime route between Asia and Europe. Containership tonnage traversing the Red Sea was down 90% in the January-November 2024 period compared to the first half of December 2023, according to Clarksons Research. Most of the missing Red Sea container liner traffic is being rerouted around the Cape of Good Hope in South Africa, increasing average transit

times by at least 10 days. There are no signs that a return to the shorter route is imminent. However, this may not be bad news for freight rates or container ship operators. The longer transit time boosts ton-mile demand (the distance of the trading route multiplied by the volume transported) and, along with the unexpectedly robust global container trade, ongoing port congestions have alleviated the pressure from new containership deliveries (which intensified in second-half 2024) and the capacity they add.

We expect freight rate levels to moderate. This will be because of sizable additions of new tonnage continuing in 2025. Our base case for container liners incorporates a reduction in their average freight rate of 5%-10% in 2025, noting that more pronounced, yet temporary seasonal or event-driven swings in rates throughout the year are possible. Furthermore, new vessel order books remain elevated—due to a surge in contracting in summer-2024 and despite a glut of deliveries in 2024—currently accounting for 25% of the total global fleet, compared to an all-time low of 8% in October 2020, according to Clarksons Research. Their data suggests that containerships' total capacity will increase by approximately 5% in 2025, all else being equal, following a surge of nearly 10% in 2024.

Credit metrics and financial policy

A resilient 2024 allowed rated container liners to preserve solid balance sheets. This is on the back of elevated rates. Maersk and Hapag-Lloyd have kept their net cash positions as of Sept. 30, 2024, while CMA CGM's balance sheet has returned to a net debt position as of the same date—although the net debt level remains well below the 2018-2020 levels. Companies also maintained substantial liquidity reserves as of 2024-end.

Our base-case scenario anticipates a decrease in earnings and cash flows in 2025. This is in line with moderating freight rates as significant new tonnage continue to come online. Credit metrics will remain within our rating thresholds, but with diminished headroom. Industry conditions remain volatile given the looming capacity oversupply that has been delayed rather than solved. Our forecast remains subject to uncertainty of future normalized freight rates, notably once the transit via the Suez Canal resumes (releasing tonnage into the network). This diminishes the predictability of credit-ratio projections and increases the risk that EBITDA could underperform, or that financial leverage could overshoot what can be reasonably built into our base case.

Key risks or opportunities around the baseline

1. Red Sea disruptions will decrease markedly.

The resultant release of containership tonnage into the network would see freight rates falling and container liners' results come under significant pressure. Although, this is not our base-case assumption for 2025.

2. Additional tariffs may drag on trade volumes.

Trump's second term poses a threat to global trade and may disrupt supply chains, with U.S. imports accounting for about 13% of global seaborne container trade as measured in TEU twenty-foot equivalent unit terms, according to Clarksons Research.

3. Large capex requirements will weigh on cash flows.

Container liners continue the environmental upgrade of their fleets in line with their decarbonization goals and to comply with increasingly tighter emission standards.

The economic outlook for 2025 will be marked by uneven recovery patterns. This follows the lingering effects of the COVID-19 pandemic and geopolitical instability. Interest rates are set to stay higher for longer as nations continue to struggle to contain inflationary pressures. New President-elect Donald Trump further complicates the macroeconomic outlook, as he has vowed to impose hefty tariff increases for example on all imports from Canada and Mexico and an additional increase in tariffs on goods from China and the EU. Such measures will likely suppress trade volumes on key routes as importers seek to minimize exposure to heightened costs.

The IMO's 2023-strategy is to reduce the industry's greenhouse gas emissions. The target for the International Maritime Organization (IMO) is net zero by or around 2050, which necessitates lumpy investments in new vessels, requires alternative and greener technologies and fuels, and involves higher running costs. Shipping companies are getting on board. Many are exploring the use of carbon-neutral fuels (green ammonia and green methanol) or liquefied natural gas (LNG) technology—which we view as a transitional solution. Larger players have also initiated green fleet renewal programs, for example by stipulating that newbuilds will be methanol-enabled and dual-fuel capable. There is room for improvement, however. Clarksons Research noted in its November 2024 report that 6.6% of the current global fleet can use alternative fuels, up from 5% in 2023 and 4% in 2022, and this should continue increasing. About 77% of orders (in global fleet tonnage terms) will be capable of using alternative fuels or propulsion, including LNG (about 51% of the orderbook) and methanol (about 26%), %), according to Clarksons Research.

Industry Outlook: Railroads

Ratings trends and outlook

Earnings growth and financial policies will support continued ratings stability. U.S. real GDP (2.0%) and consumer spending (2.3%) growth expectations in 2025 in the U.S. underpin our assumption for carload growth in 2025. In addition, railroads should continue to achieve prices at or above inflation, offsetting higher wages expected from new labor agreements currently being negotiated and support earnings growth. The broad diversification of railroad freight shipments is a key source of earnings stability that we assume will continue. Moreover, consistency in financial policies is anticipated to preclude appreciable change in credit metrics and we assume ratings stability in 2025.

Main assumptions about 2025 and beyond

1. Class 1 revenue expected to benefit from growth in carloads and prices.

We assume Class 1 railroad revenues will increase by about 1%-3% in 2025, following a relatively subdued 2024. We believe that carloads will increase to a modest extent, led by trend-level economic growth (in the U.S.) but still sluggish freight environment. Improvement is likely to be broadly diversified across several end markets. We also assume relatively flat surcharges and steady growth in revenue per carload (prices).

2. Reliable service has railroads primed to take share from trucks.

Service levels deteriorated during the pandemic, but increased staffing in 2023 mostly addressed service level issues by the end of 2023, with 2024 service levels remaining strong. We think that railroads are now better positioned to compete with trucks, which have gained share namely on shorter-haul routes in recent years. That said, trucking remains competitive and a material shift in transportation modes is unlikely in the absence of higher trucking rates from current near-trough spot levels.

3. No protracted work stoppages or port diversions.

On Jan. 8, 2025 the International Longshoremen's Association (ILA; which briefly went on strike in October 2024) and the U.S. Maritime Alliance reached a tentative agreement on a new contract in advance of the current Jan. 15, 2025 deadline. Both sides have agreed to continue working under the current contract until the proposed contract has been voted on. While ratification of the proposed contract seems likely, this is not a foregone conclusion (Boeing workers rejected initial contract offers agreed to by their union representation). In the event of a potential and protracted strike would lead to port diversions and reduced port capacity that could disrupt rail shipments.

Intermodal and merchandise carload will increase. Growth will be supported by stable consumer and industrial spending. We estimate an increase in carloads by about 1% to 3% in 2025, which would represent a consecutive year of growth (mid to high single-digit growth in 2024) following a weak 2023 (5% decline) linked mainly to inventory destocking after the pandemic. We expect steady industrial production and consumer demand to be key drivers of carload growth, which we assume for both intermodal and merchandise segments. In our view, lower inflation and a declining interest rate environment are notable contributors. At the same time, we do not anticipate truck prices to materially change from current low levels during the 2025 bid cycle, which likely limits the extent of truck to railroad conversions as a source of intermodal expansion (but also intermodal pricing). Excess trucking capacity has persisted longer

than we had anticipated and will need to be addressed for prices to sustainably increase. For merchandise carloads—namely automotive, agriculture, fertilizer, construction products, chemicals, and other industrial commodities—we expect growth generally in line with U.S. real GDP.

Large stockpiles and low LNG pricing continue to weigh on coal carloads. We expect coal shipments to remain a headwind to railroad shipments and earnings in 2025, but not to an extent that negatively affects ratings. Lower coal volumes had an outsized effect on the western U.S.-based rails in 2024 (down about 20% year over year), but the eastern rails were also affected (down by mid-single digits). For 2025, we continue to assume lower coal shipments, but at a moderating rate of decline (particularly in the western U.S.). Moreover, while speculative, policies adopted by the incoming Trump administration could potentially result in an increased usage and higher shipments of coal.

Modest rail price appreciation to continue in 2025. We expect railroads will continue to achieve price increases at least in line with operating expense inflation, contributing to modestly higher revenues and earnings in 2025. Rail is a comparatively more cost-efficient means of transporting long-haul shipments, with limited alternatives to move certain commodities (like coal and grain) since most commodities are shipped in bulk. We assume revenue per carload (excluding fuel surcharges, which are effectively a pass-through) to increase in the low single-digit percentage area on average for the Class 1 issuers. However, railroad pricing power is comparatively weaker in intermodal (which competes with trucks) and coal (a function of benchmark coal prices) relative to merchandise shipments, which is embedded in our forecasts.

Potential labor disruptions are not expected to materially affect railroad credit profiles. The ILA agreed to compensation terms in early October 2024, with workers receiving around a 60% wage increase over six years. Automation efforts by port operators remained the larger issue, though the tentative agreement indicates a compromise has been made that satisfies both parties (details have yet to be disclosed). We think that normal allocation of freight between west and east/gulf ports has not resumed, with shippers still leery of another disruption. In the event of a protracted work stoppage (which we view as unlikely), we believe declines in total container volumes would be limited (and potentially beneficial for railroads due to a longer length of haul).

Credit metrics and financial policy

In 2025, we expect credit metrics to remain stable. These metrics are well positioned for current ratings. We expect the Class 1 railroads on average to generate low single-digit percentage growth in earnings in 2025. Relatively steady earnings should translate to another year of significant free operating cash flow (FOCF), which provides financial flexibility. FOCF has historically been allocated almost exclusively to shareholder returns, with discretionary free cash flow deficits and large partly debt-funded share repurchases. We assume this will continue but expect that any shortfall in earnings and operating cash flow will reduce (or eliminate) share repurchases to an extent that preserves credit measures at levels we view as commensurate with their respective ratings. For 2025, we estimate most of the Class 1 rails will generate funds from operations to debt and adjusted debt to EBITDA firmly in line with their respective ratings.

Financial policies are expected to remain unchanged. We believe the Class 1 railroads will remain focused on preserving their stated leverage targets. For most, this has afforded a high degree of historical ratings stability. During periods of earnings weakness, the rails have demonstrated a willingness to pause or reduce shareholder distributions to limit downside to credit measures. This was most recently demonstrated by certain U.S. railroads starting in 2023 (including Union Pacific, the largest Class 1 railroad by revenue) and Norfolk Southern (due to its well-documented derailment).

Key risks or opportunities around the baseline

1. Truck capacity could exit the market quicker than expected.

Truck overcapacity has remained stubbornly higher (and longer) than we (and the industry) had expected, and we continue to think prevailing prices are unsustainable. The supply/demand balance will eventually normalize, and prices will improve as many trucking companies are struggling to operate profitably. However, this industry dynamic has diverged in duration from past cycles, and uncertainty remains high. In the event of a near-term and meaningful price inflexion, we would expect certain volumes moving to the railroads more than our current expectations and benefit earnings and cash flow.

2. Coal production may expand from possible EPA regulatory challenges.

Trump expressed support for the coal industry during his first term, and a repeal or softening of certain U.S. Environment Protection Authority (EPA) regulations could lead to an increase in coal usage and carloads. Low LNG prices have since made LNG a viable fuel alternative to coal, and utilities have also reduced coal usage to follow EPA regulations.

3. Trump policies may undermine nearshoring efforts.

Mexico has benefited from ongoing nearshoring trends with expanded manufacturing capacity and is a notable source of rail shipments to/from the U.S. While speculative, the potential for tariffs to be applied to goods crossing the border—a Trump election platform—could negatively affect the cost of goods and, in turn, reduce demand and the amount of carloads moved by railroads.

Labor disruptions, if they occur, are manageable. The national collective bargaining process began on Nov. 1, 2024. However, certain railroads began negotiations with local unions before this, already reaching tentative agreements (some ratified) with numerous unions. This approach varies from past negotiation rounds whereby the railroads jointly negotiated at the national level. For now, negotiations do not appear to be as contentious as they were in December 2022, when Congress intervened and imposed a contract between the railroads and unions (which expires at the end of 2024). With the progress made thus far, it is likely that remaining unions will come to agreeable terms. If not, we would not rule out another Congress-imposed contract to avert a shutdown.

Related Research

- Transportation Companies Face Increasing Cyber Risks, Dec. 12, 2024
- ESG Credit Brief: Airlines, Dec. 4, 2024
- Global Credit Outlook 2025: Promise And Peril, Dec. 4, 2024
- India Aviation: Funding Needs Will Soar, Oct. 15, 2024
- Rating Airline Debt And EETCs, Sept. 3, 2024
- North American Airlines On Slow Climb To Improved 2025, Aug. 19, 2024
- Sustainability Insights: Biofuel Regulations Stoke Demand, Volatility Hits Brakes, July 17, 2024
- Global Airlines Outlook: Clear Skies, For Now, April 30, 2024
- Sustainability Insights: E-fuels: A Challenging Journey To A Low-Carbon Future, March 25, 2024
- CreditWeek: How Will The Red Light In The Red Sea Affect Supply Chains And Inflation?, Jan. 18, 2024

Industry Forecasts: Transportation

Chart 9

Revenue growth (local currency)

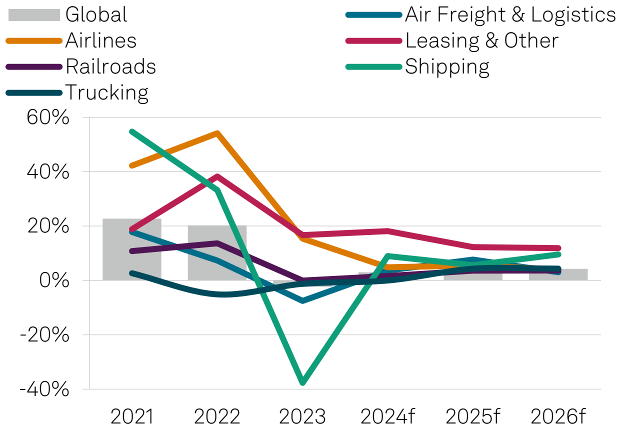


Chart 10

EBITDA margin (adjusted)

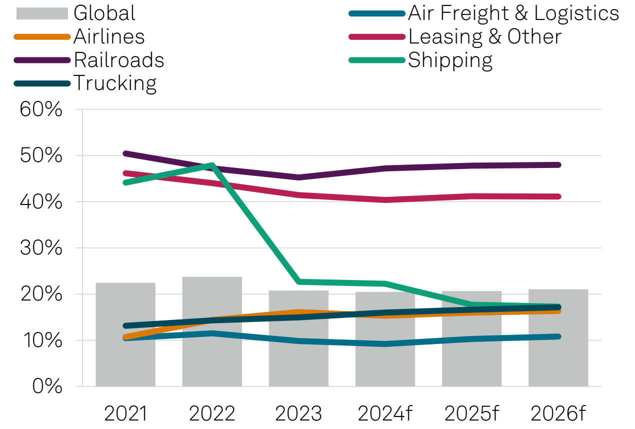


Chart 11

Debt / EBITDA (median, adjusted)

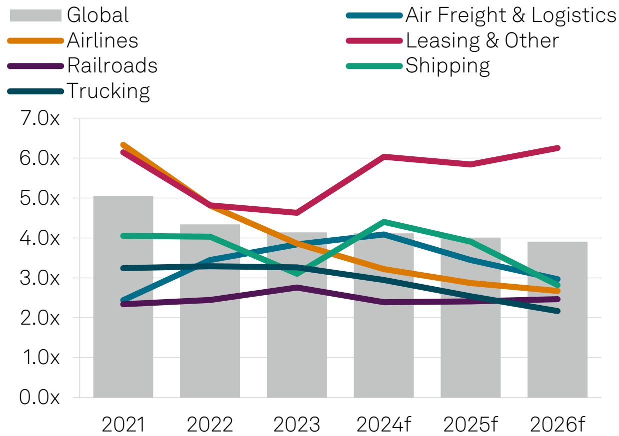
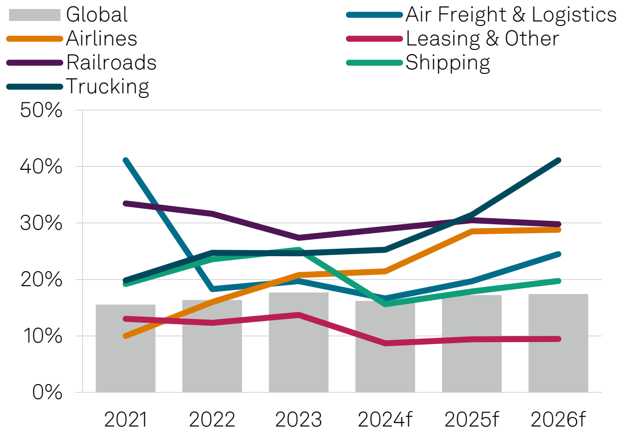


Chart 12

FFO / Debt (median, adjusted)



Source: S&P Global Ratings. f = Forecast.
Revenue growth shows local currency growth weighted by prior-year common-currency revenue share. All other figures are converted into U.S. dollars using historic exchange rates. Forecasts are converted at the last financial year-end spot rate. FFO—Funds from operations.

Cash, Debt, And Returns: Transportation

Chart 13

Cash flow and primary uses

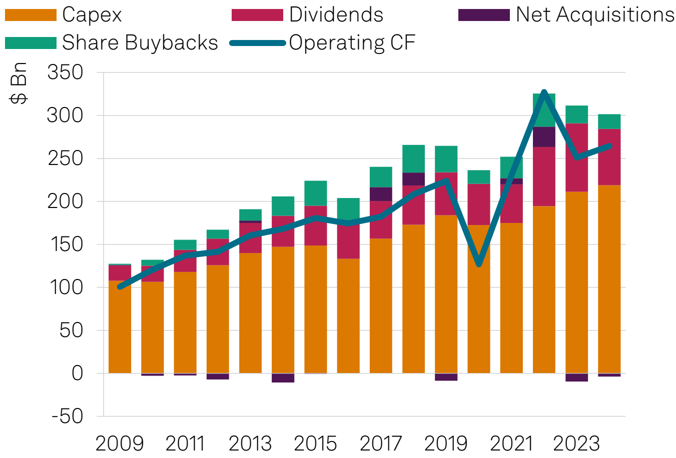


Chart 14

Return on capital employed

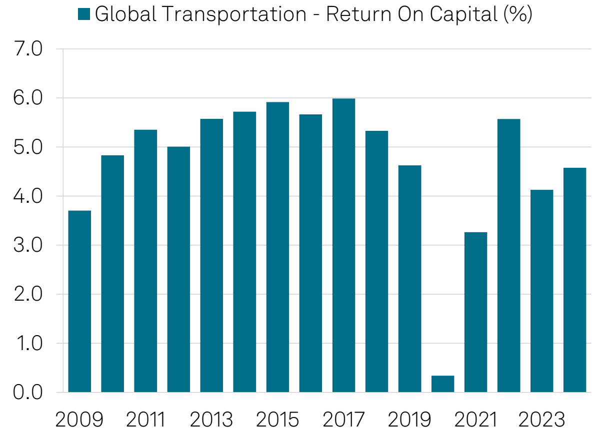


Chart 15

Fixed- versus variable-rate exposure

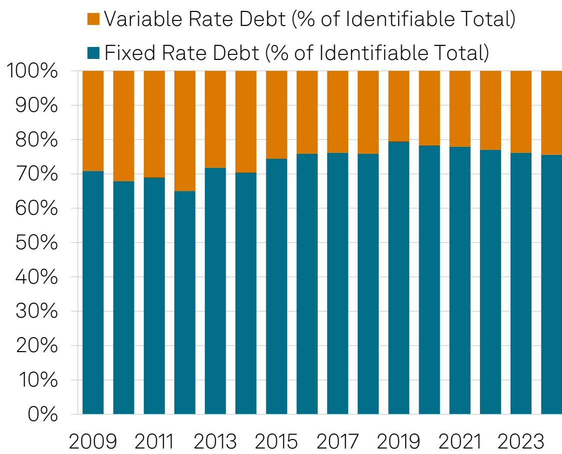


Chart 16

Long-term debt term structure

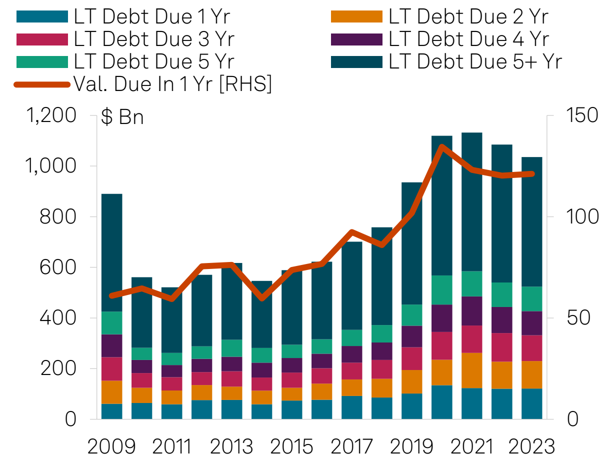


Chart 17

Cash and equivalents / Total assets

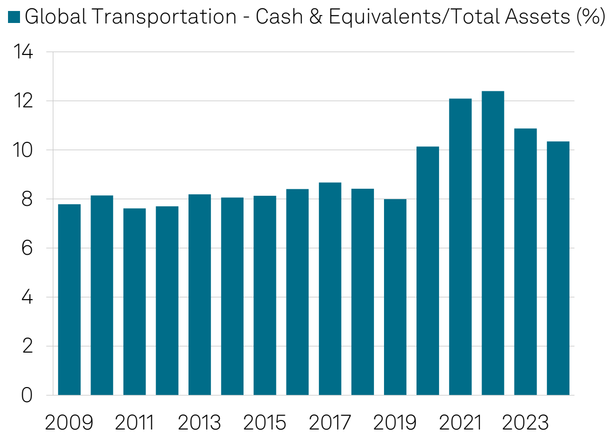
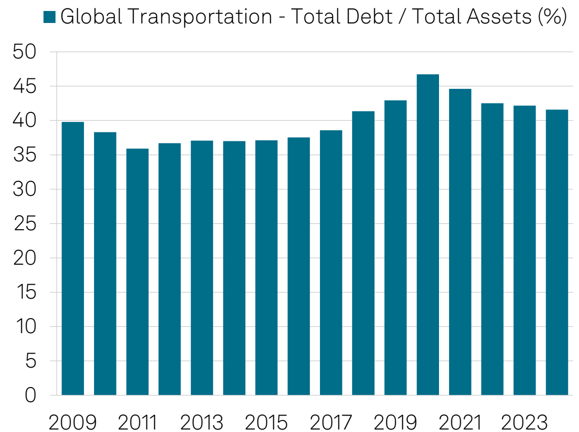


Chart 18

Total debt / Total assets



Source: S&P Capital IQ, S&P Global Ratings calculations. Most recent (2024) figures use the last 12 months' data.

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