

# Atlas Air Market Update

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# Atlas Air Worldwide – At a Glance

## OVERVIEW



HEADQUARTERS  
White Plains, NY

EMPLOYEES  
5,000

2023 REVENUE  
\$4.6 Billion

## VALUED CUSTOMER PARTNERS

SHIPPERS

**BOEING**

DEPARTMENT OF DEFENSE

hp

**INDITEX**

ECOMMERCE

**amazon**

**CAI N!AO**

**TEMU**

**SHEIN**

LOGISTICS AND TRANSPORTATION

**m sc** CMA CGM

**DB SCHENKER**

**DHL**

**DSV AWET**

**flexport.**

KUEHNE+NAGEL

**Apexlogistics**

INTERMODAL LOGISTICS

AIR CHARTER SERVICE

**New Transport**

AIR PARTNER

chapman freeborn

**GEODIS JAS**

EXPRESS

**DHL**

**FedEx Express**

中国邮政速递物流  
CHINA POSTAL EXPRESS & LOGISTICS

**(SF) EXPRESS**  
顺丰速运

**ups**

**YunExpress**

AIRLINES

**AIRFRANCE**

**AeroLogic**

**ASL AIRLINES**

**Ethiopian**

**ICELANDAIR**

**NCA**  
Nippon Cargo Airlines

**QANTAS FREIGHT**

**QATAR**  
AIRWAYS

SPORTS AND ENTERTAINMENT

**USA SOCCER**

**JACKSONVILLE JAGUARS**

**SEAHAWKS**

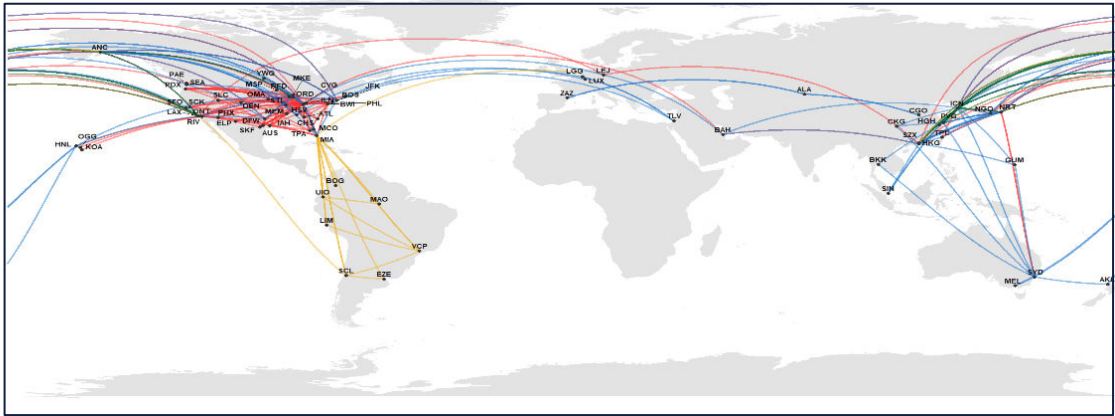
**Taylor Swift**

**COLDPLAY**

## Operating Fleet: 100 (by Dec '24)

747	777	767	737
65 Boeing 747	18 Boeing 777	17 Boeing 767	8 Boeing 737
17 747-8F	10 777-200Fs	10 767-300F	8 737-800F
39 747-400F	3 777-200Fs (order)	5 767-300 Passenger	
5 747-400 Passenger	5 777-200Fs Titan		
4 Large Cargo Freighters (LCF)			

## 2023 GLOBAL OPERATING NETWORK

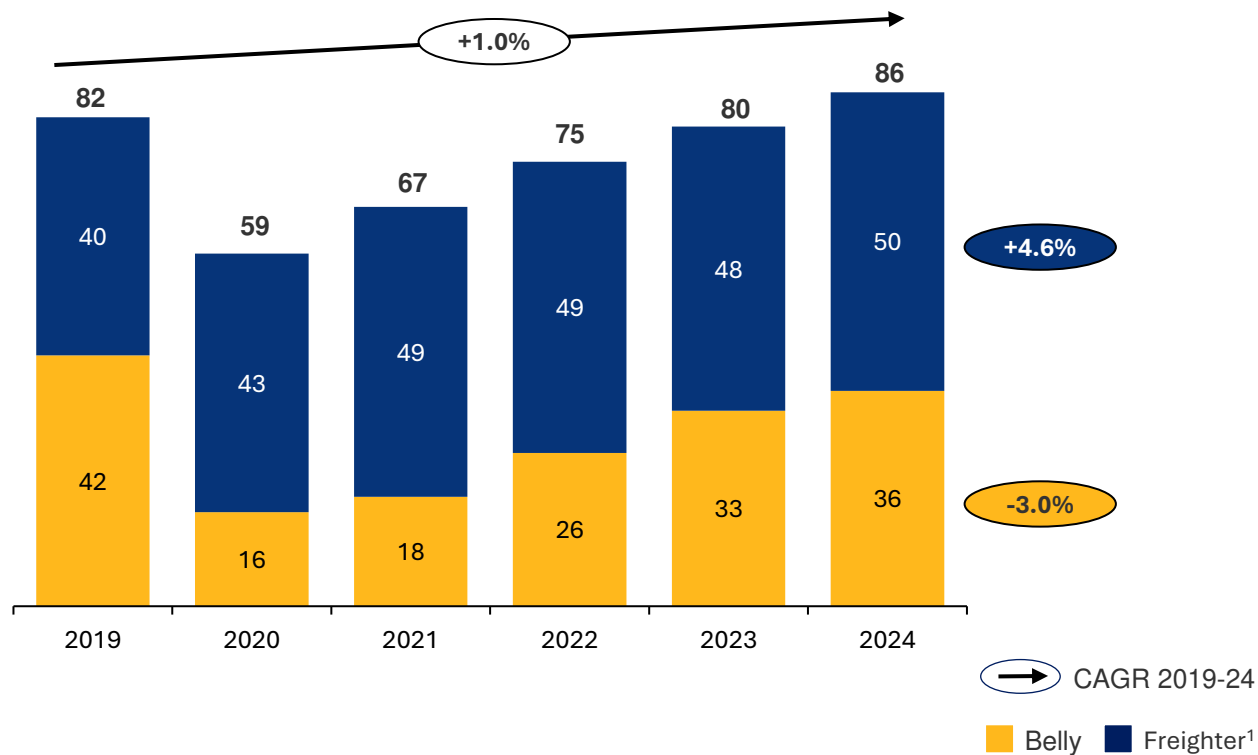


+63,000 Flights

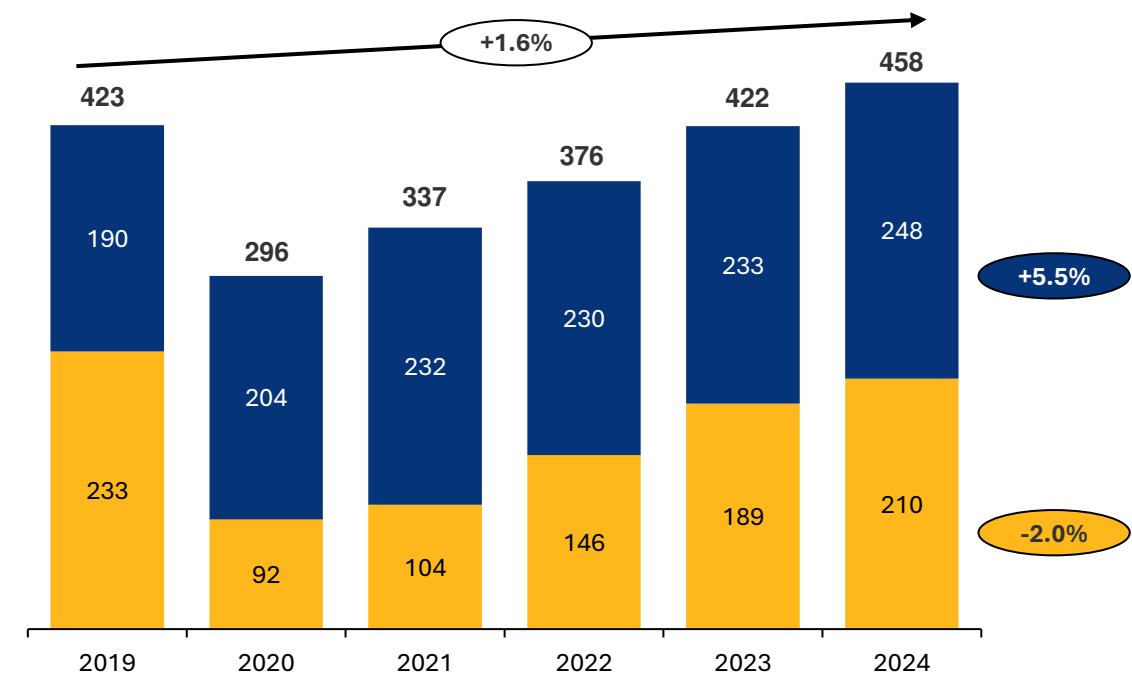
+3,000 Charters Completed

# 3% p.a. historic growth in cargo capacity set for slower growth in the future

Total air cargo capacity<sup>1</sup>, tons in million, 2019-24



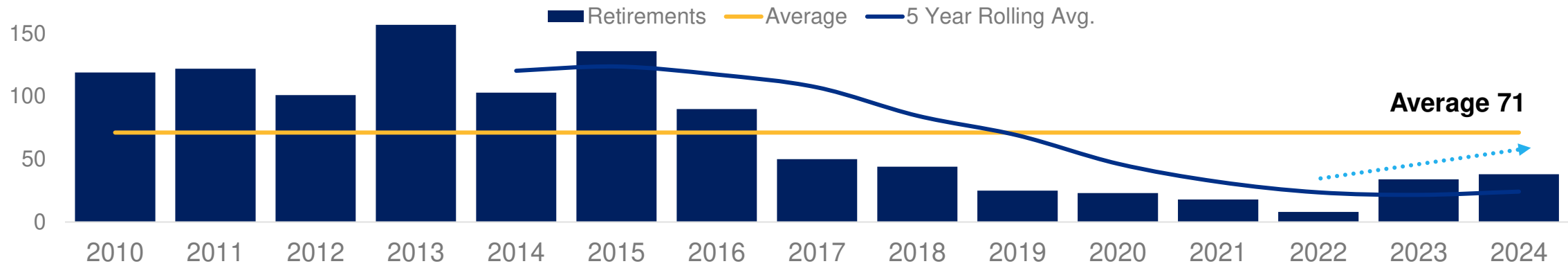
Total air cargo capacity<sup>1</sup>, ATKs in billion, 2019-24



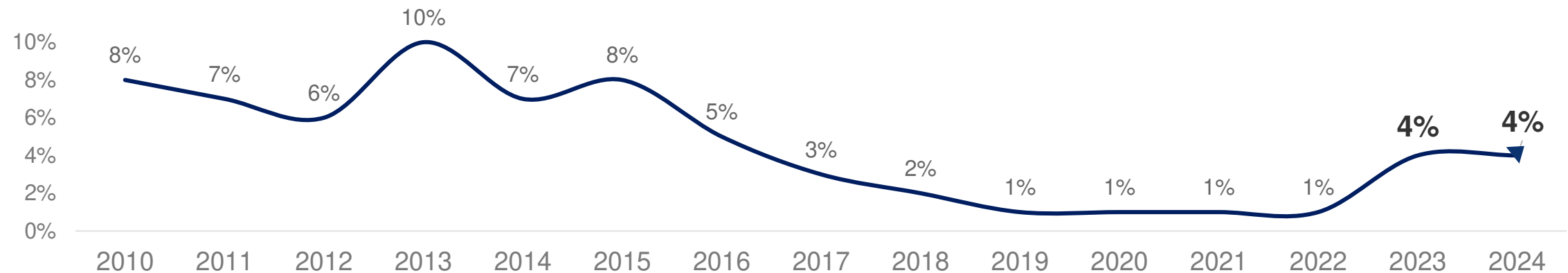
<sup>1</sup> Includes freighters (narrowbody + widebody) and widebody passenger capacity; International flights only, and flights to/from ANC counted as international;  
Source: Aevean analysis (January 2025).

# Freighter retirements continue on an upward trajectory

**Freighter retirements per year (number of aircraft)**



**Freighter retirements share (% of in-service fleet)**



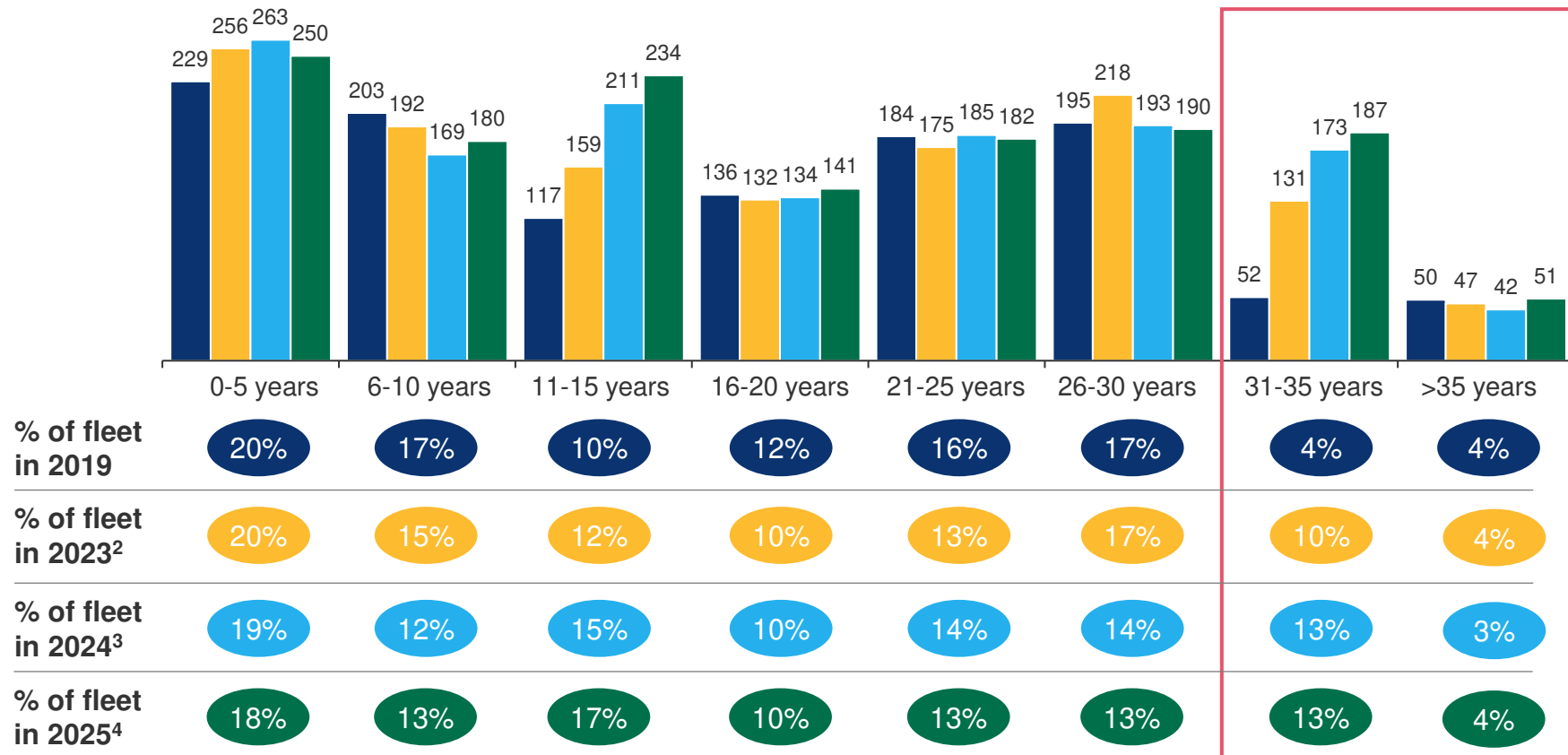
Source: Cirium; IATA; Team analysis

# Increased retirements and parking events likely in coming years

Preliminary

## In-service freighter<sup>1</sup> fleet by age bracket

■ 2019 ■ 2023 ■ 2024 ■ 2025



A combination of low retirements levels and high number P2F conversions has caused an inflation in freighters **age 30 or above, which increased from 8% to 16% of fleet since 2019** (8%-pt increase)

Increase in ageing freighters will limit utilization levels and impact operational reliability

Any reduction in yields will quickly force **~5-6% of the freighter capacity to retire** as it will no longer be economically viable

Source: Cirium; team analysis

1. Excluding narrowbody freighters

2. As of Jun 2023

3. As of May 2024

4. As of Jan 2025

# Global wide body freighter fleet is only projected to grow at ~1% annually

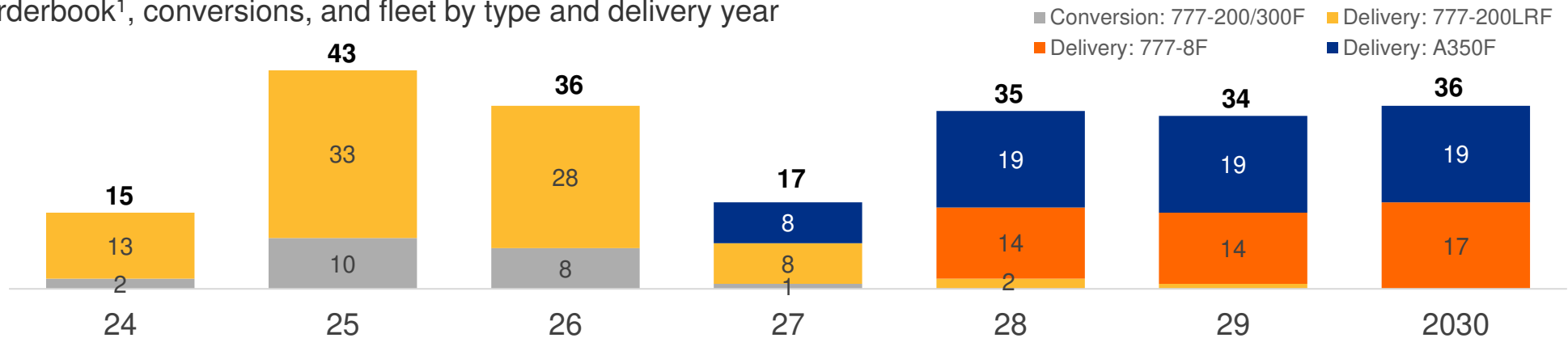
...if planned entries into service of new aircraft types do not delay any further

Preliminary

Large WB freighter orderbook<sup>1</sup>, conversions, and fleet by type and delivery year

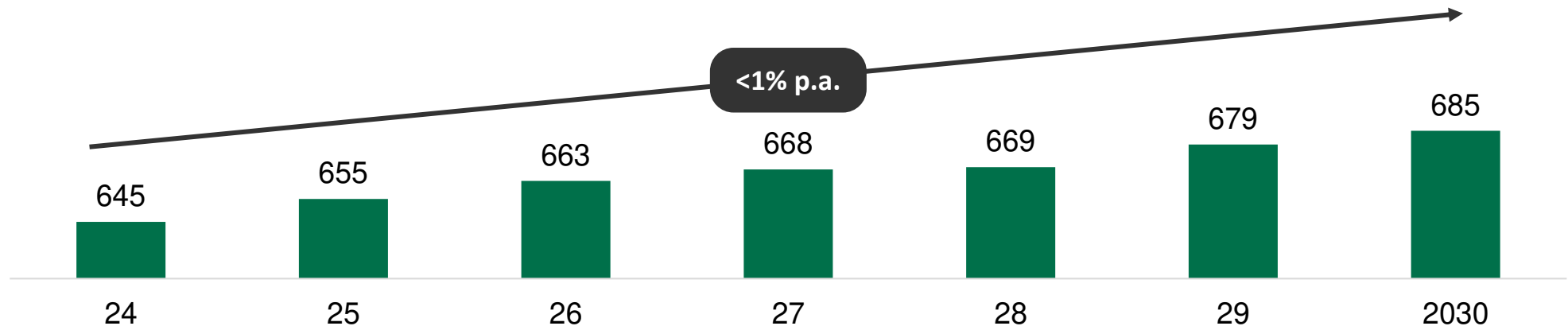
**Current order book and committed conversions<sup>2</sup>**

# of aircraft



**Net large wb freighter projection**

# of aircraft



1. As of January 2025, incorporates estimated Boeing delays and 777-300ERSF conversions

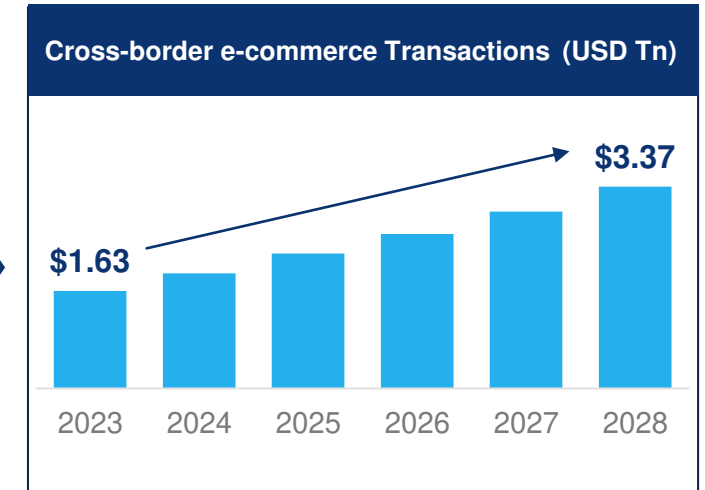
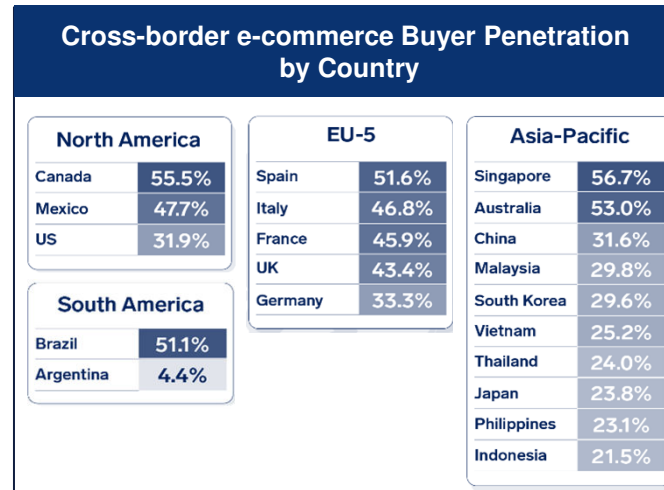
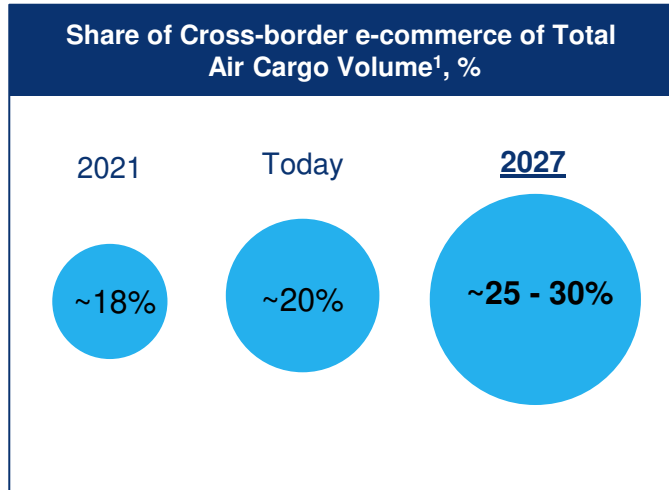
2. Note that these numbers do not reflect future but currently unannounced conversions

Source: Cirium; Team analysis



# Cross-border e-commerce is set to continue powering airfreight, despite tariff threat

Estimate



**~ 80% of cross-border e-Commerce is transported by air<sup>2</sup>**

- Current growth trajectory of cross-border e-commerce will lead to **over 25% of total air cargo volumes coming from e-commerce by 2027.**
- **Ample opportunities** for further e-commerce penetration across regions.
- Increased cross-border e-commerce activity globally likely to drive a **more than doubling of transactions by 2028**

## General sentiment on Cross-border e-commerce outlook remains positive



**79%**

N American organizations expecting growth over the next 24 months.



**73%**

Europe organizations expecting growth over the next 24 months.

**83%**

MEA organizations expecting growth over the next 24 months.



**80%**

Asia Pacific organizations expecting growth over the next 24 months.

1. Total order volume regardless of shipping and fulfillment method, i.e., incl. mail volumes, bulk injections etc.; McKinsey & Company; 2 IATA.  
Source: : McKinsey X-Border Flow Analysis, [Emarketer'23](#), [Juniper Research '23](#), [IATA Jun'22](#), [Rotante](#), [Reuters Avalara 2023](#).

# Current tariff proposals will not make cross border ecommerce unviable

## Rising costs may impact cross-border eCommerce pricing and competitiveness...



### Tariffs

#### Cross-border small packages

- Tariffs could lead to **price hikes of 15%-20%**

#### Overseas warehouse fulfillment

- Standard trade tariffs **+10% new surcharge** will increase prices by 3%-4%



### Customs Fees

#### Processing fees

- A fixed processing fee for cross border eCommerce would limit impact on volumes to the US

#### Fulfillment delays

- Customs process may increase transit times but **players that can provide all requested data, may not be significantly impacted**

## but the overall impact is likely manageable – Example:

	China eCommerce		Amazon
	T1	T86	-
<b>Initial Price</b>	\$40.00	\$40.00	\$67.00
<b>Fulfillment Cost</b>	\$14.00	\$14.00	
<i>Taxable Value</i>	\$26.00	\$26.00	\$20.00
<b>Duties</b>	\$7.80	\$0.00	\$2.00
<b>Customs Processing Fees</b>	\$2.62	\$2.50	
<b>New Price</b>	\$50.42	\$42.50	\$69.00
<b>Price Increase</b>	26.1%	6.3%	3.0%

Tariff increases from 20% to 30%, plus fulfillment costs

Price gap **could** narrow from **40%** to **28%**

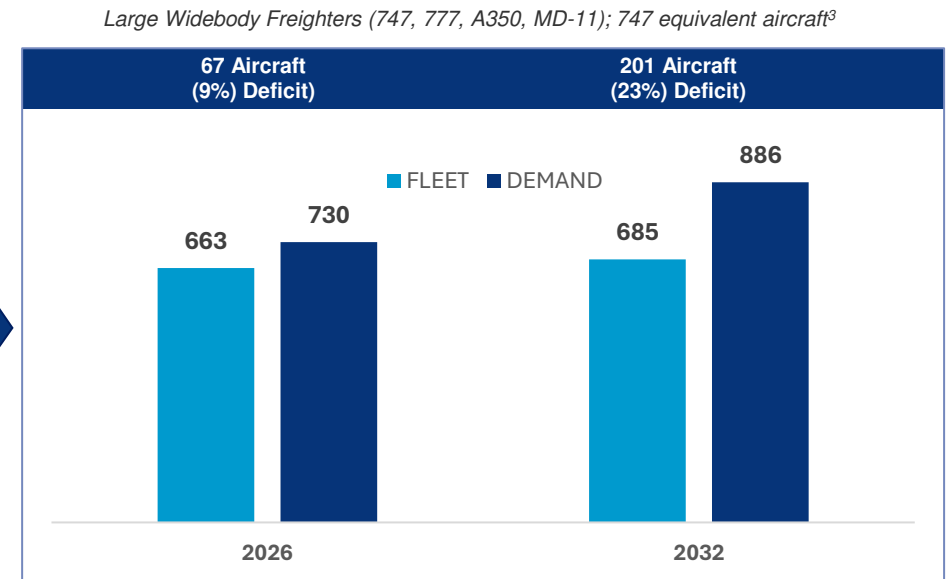
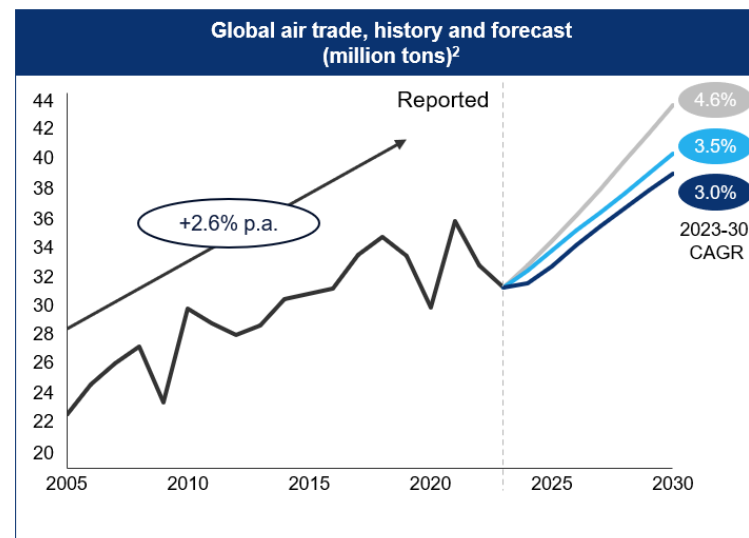
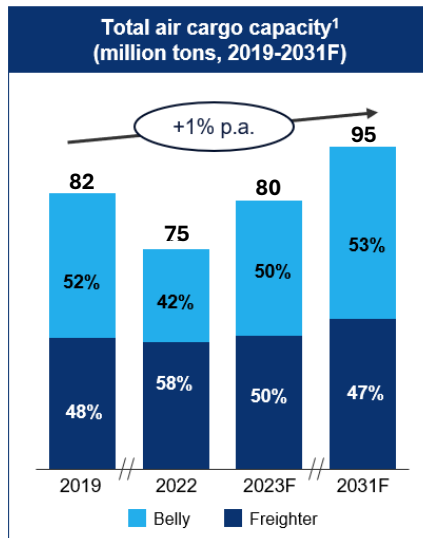
China eCommerce advantage reduced **but not lost**

1. Amended from Chinesellers.substack.com



# Long-term air cargo supply / demand fundamentals remain unchanged

## Significant supply / demand imbalance looks set to continue...



- **Widebody freighter capacity expected to be relatively flat through 2031 due to retirements and slowing addition of new capacity<sup>1</sup>**
  - Belly capacity to/from large cargo markets has recovered at a much slower rate than leisure destinations
  - China – US belly capacity still below pre-COVID levels and not expected to fully recover for several years
- Phase-out of **aging widebody freighters will leave a gap in the large widebody segment**

## NEXT- GEN FREIGHTERS NOT EXPECTED BEFORE 2027

1) Source: McKinsey, Atlas Team Analysis. Reflects international air cargo capacity, excluding narrowbody freighters.

2) Source: McKinsey, IATA, World Bank, Atlas Team Analysis.

3) Source: Airbus/Boeing websites, Fleet counts from Oliver Wyman Fleet and MRO Forecast. Presented on payload-adjusted equivalency basis – includes 747s, 777s, A350s, MD-11s and DC-10s.

**Thank you**

