NAVEO
CONSULTANCY

Air Transport Fleet & MRO Update

ASA AVIATION SUPPLIERS ASSOCIATION
AFRA

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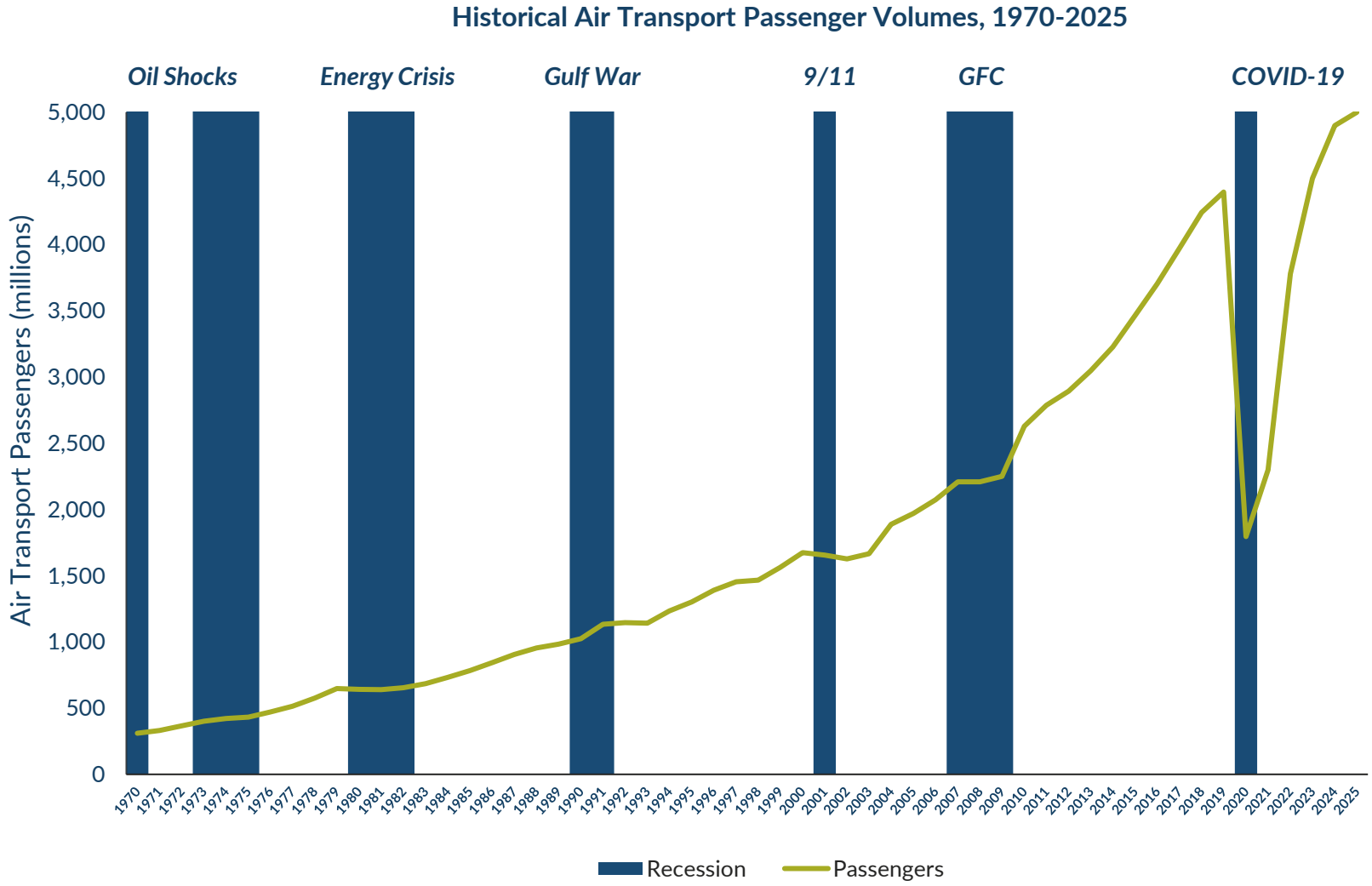
Richard Brown
Naveo Managing Director

richard@naveo.com

Contents

Air travel has structurally recovered, reinforcing the durability of aftermarket demand

- The COVID-19 downturn was the deepest demand shock in modern aviation history, but not a permanent reset in passenger demand
- Historical traffic data shows repeated resilience following major external shocks, including oil crises, war, 9/11, the global financial crisis, and the pandemic
- By 2025, passenger volumes had recovered to above pre-pandemic levels, confirming the durability of underlying air travel demand
- The recovery has been led by a return of aircraft utilization, particularly across short-haul and narrowbody networks
- While the industry remains exposed to economic and geopolitical shocks, prior downturns have typically delayed demand rather than destroyed it
- This recovery provides the volume foundation for the next phase of fleet activity, aircraft utilization, and aftermarket demand



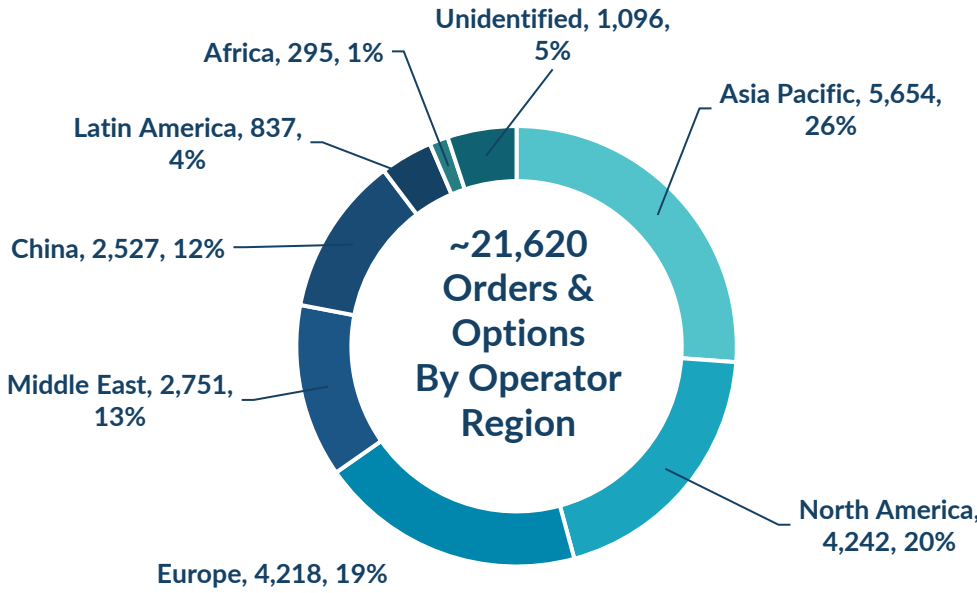
Source: IATA. Naveo analysis

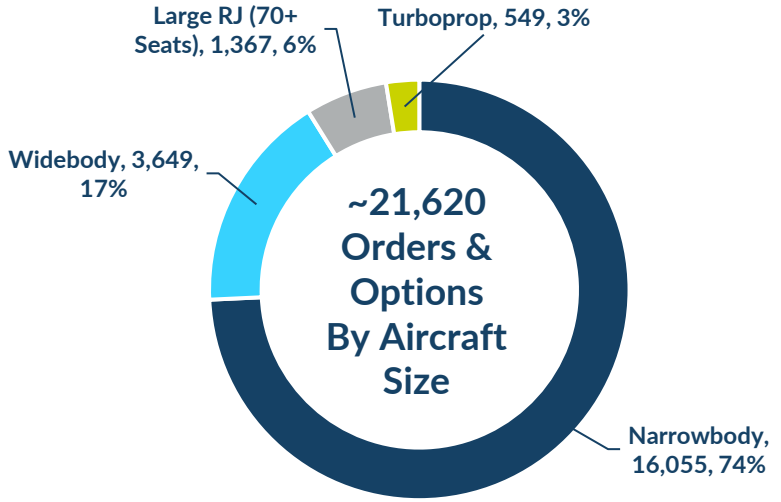
Jet fuel spiked to its highest level since 2022, but has eased from recent highs

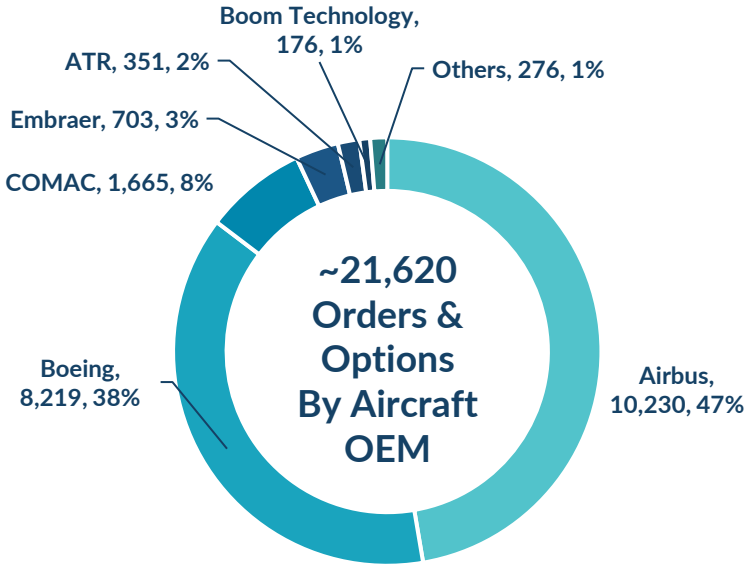
- Jet fuel prices remain highly volatile, reflecting changing oil markets, refinery margins, supply disruption, and geopolitical risk
- Spring 2026 saw the highest U.S. Gulf Coast jet fuel prices since April 2022, with prices moving above $4.00 per gallon
- Current prices remain elevated versus a year ago: early June 2026 was around 75% higher than early June 2025
- The recent spike has partly unwound, with prices falling from around $4.15 per gallon in May to approximately $3.37 per gallon in early June
- Fuel price volatility remains a key influence on airline fleet decisions, aircraft utilization, and the relative economics of older versus newer aircraft

Source: https://www.eia.gov Naveo analysis

The commercial aircraft orderbook remains elevated, with ~21,620 aircraft orders and options



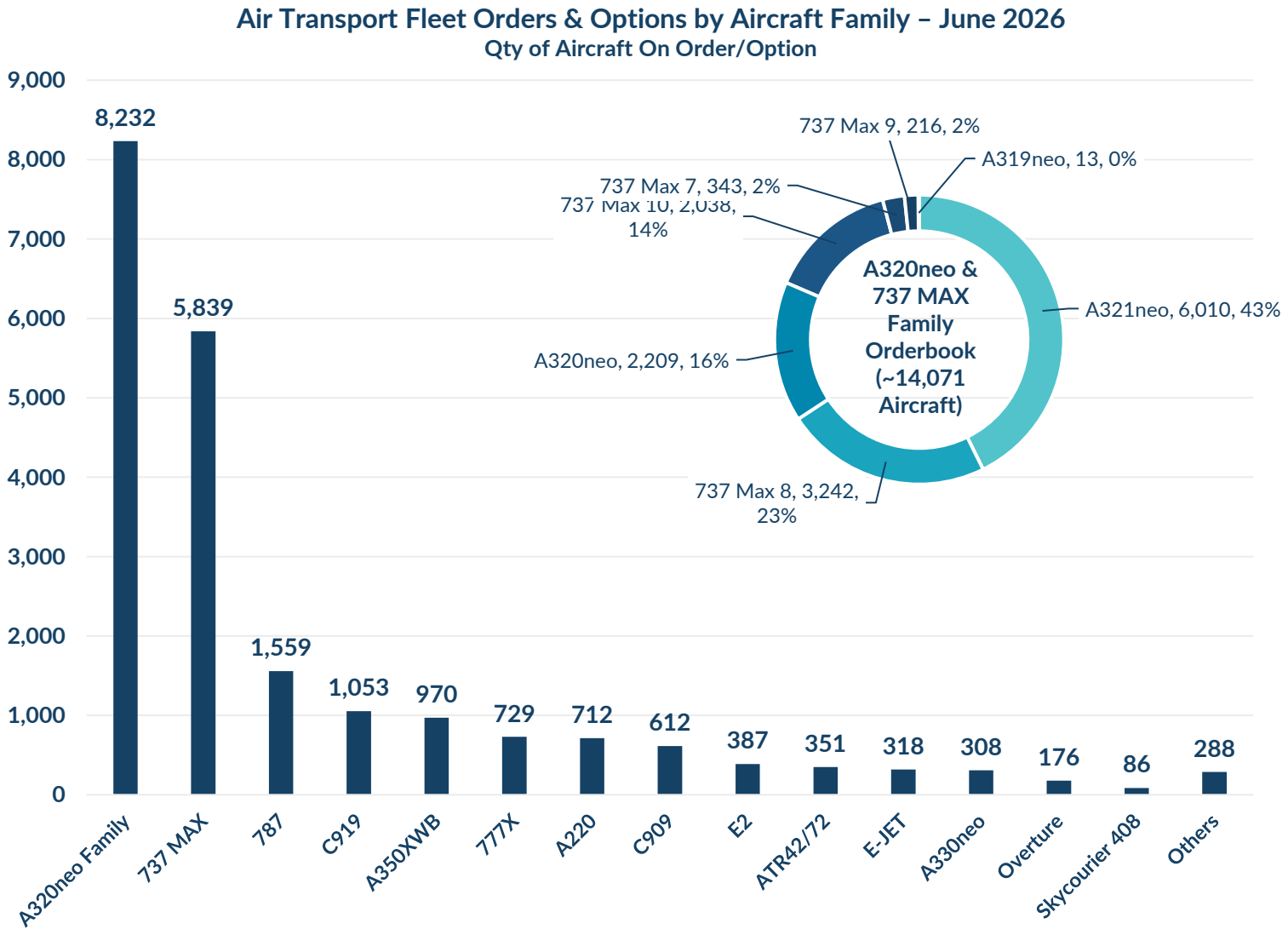




- The global commercial aircraft orderbook totals ~21,620 aircraft orders and options as of June 2026
- The orderbook is equivalent to ~59% of the current in-service fleet, providing strong visibility on future fleet growth and replacement demand
- Narrowbody aircraft account for ~74% of the orderbook, reflecting airline preference for lower-risk, flexible, high-utilization aircraft
- Asia-Pacific and China together represent ~38% of total orders and options, reinforcing the importance of Asian growth markets
- Airbus and Boeing continue to dominate the orderbook, while COMAC has become a meaningful third OEM by volume
- The issue for the industry is not demand visibility, but the ability of OEMs and the supply chain to deliver aircraft on time

Source: Aviation Week Fleet Discovery. Naveo analysis

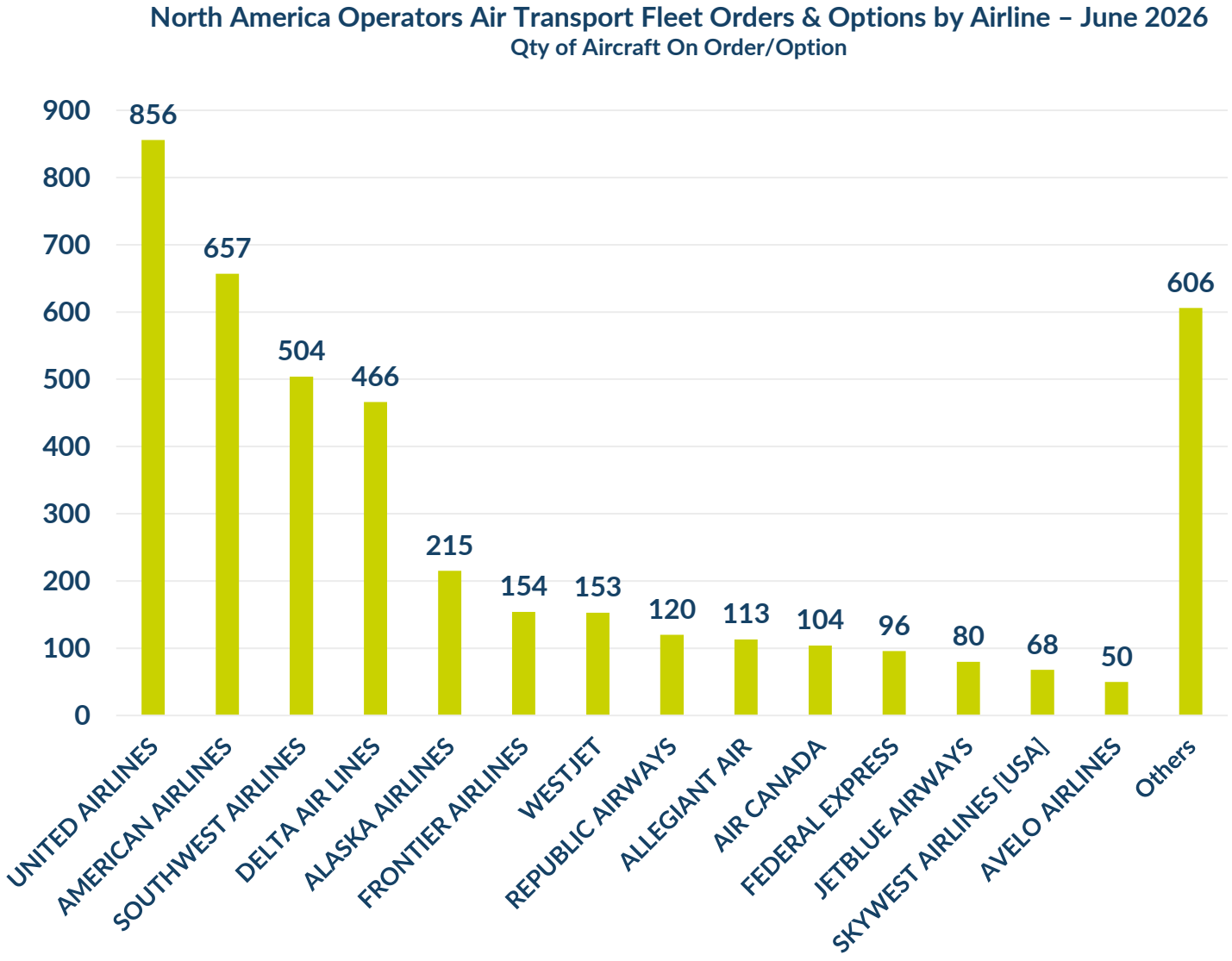
A320neo and 737 MAX aircraft dominate the orderbook, accounting for ~65% of orders and options

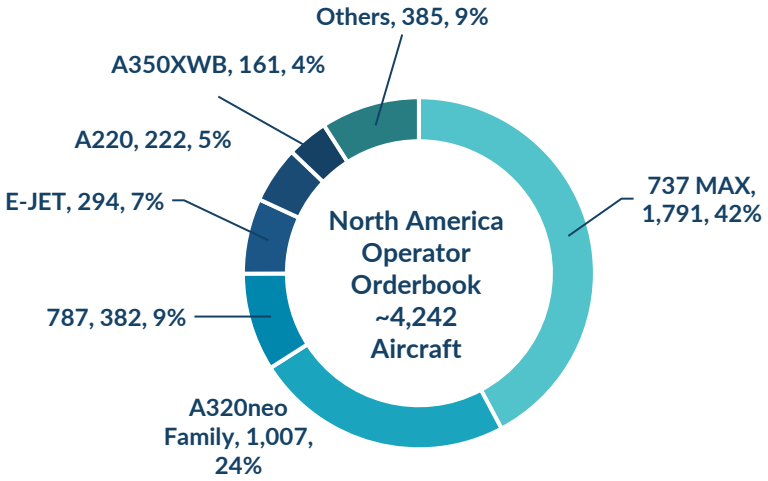


- The ~21,620 aircraft orderbook is highly concentrated in next-generation narrowbodies, with the A320neo family and 737 MAX representing ~65% of total orders and options
- The A321neo is the single largest variant on order, accounting for ~43% of the combined A320neo / 737 MAX orderbook
- The 737-8 and A320neo remain the core volume variants, while the A321neo and 737-10 highlight continued up-gauging within narrowbody fleets
- Widebody orders remain meaningful but secondary, led by the 787 and A350, reflecting more measured long-haul capacity growth
- COMAC is now visible in the orderbook, led by the C919, although Airbus and Boeing remain the dominant global OEMs by order volume
- The orderbook mix points to continued fleet growth around high-utilization, single-aisle aircraft

Source: Aviation Week Fleet Discovery. Naveo analysis

North American airline orderbooks are concentrated in major carriers and narrowbody fleet renewal

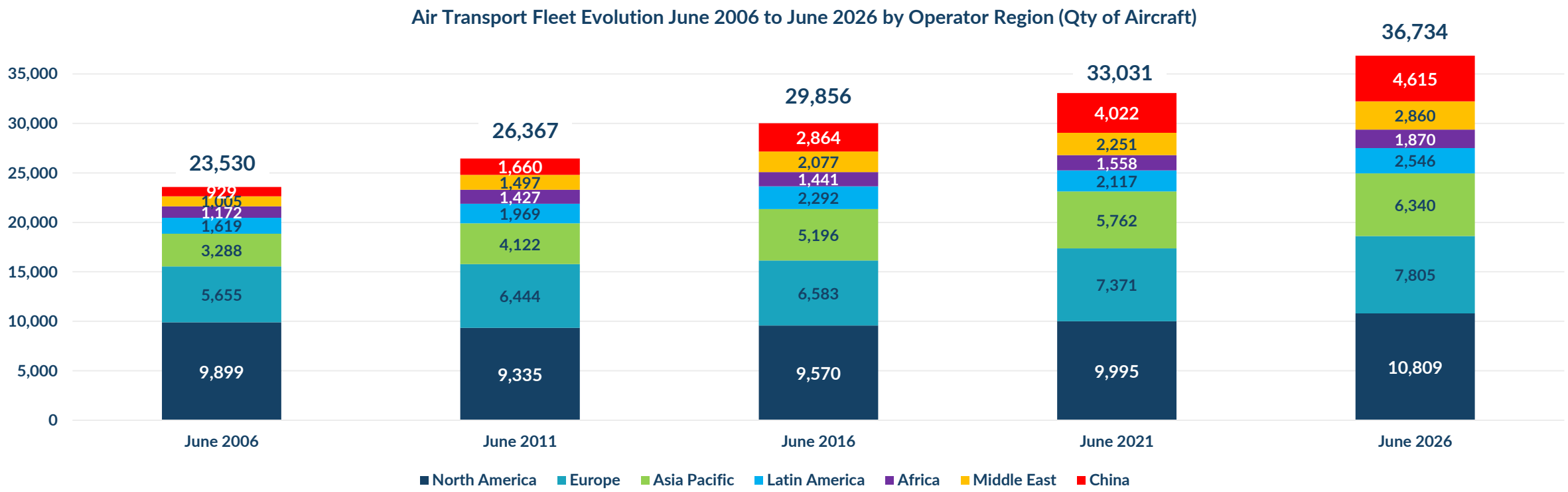




- North American operators account for ~4,242 aircraft orders and options, equal to ~20% of the global orderbook
- United, American, Southwest and Delta represent nearly 60% of the regional orderbook
- The 737 MAX and A320neo family dominate, accounting for approximately two-thirds of North American orders and options
- Boeing exposure is high, with the 737 MAX representing ~42% of the regional orderbook
- Widebody orders are meaningful but secondary, led by the 787 and A350 for long-haul replacement and growth

Source: Aviation Week Fleet Discovery. Naveo analysis

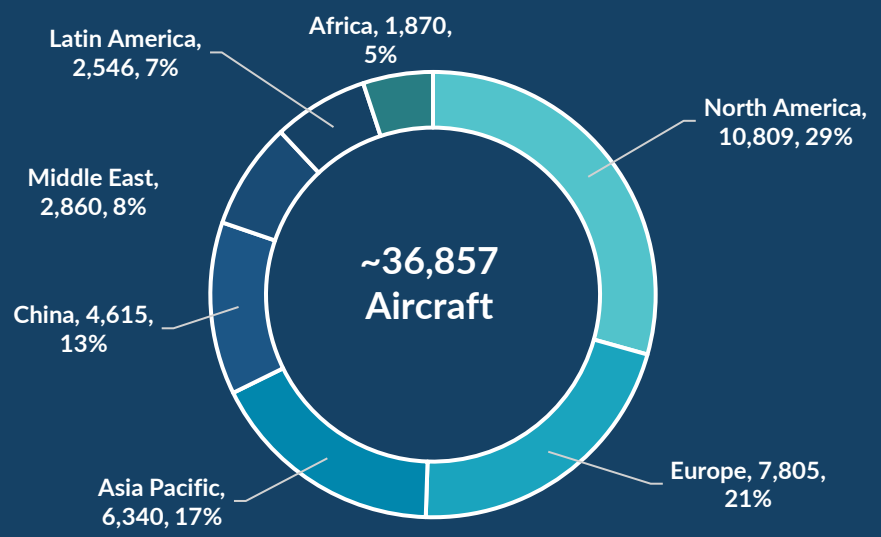
Global fleet growth has shifted toward emerging markets, while North America's share has declined



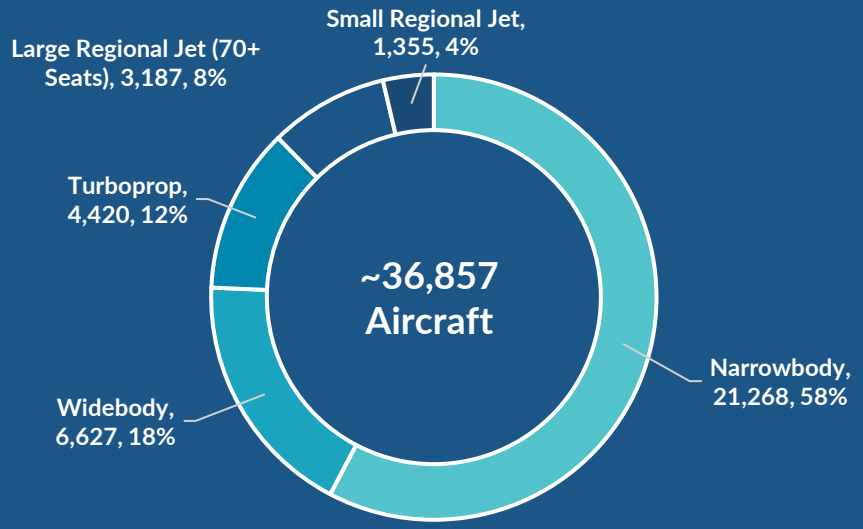
- The global fleet grew from ~23,530 aircraft in 2006 to ~36,734 in 2026, a ~2.3% CAGR
- North America remains the largest region, but barely grew over the period: ~9,899 to ~10,809 aircraft, or just ~0.4% CAGR
- North America's share of the global fleet fell materially, from ~42% in 2006 to ~29% in 2026
- Growth has shifted toward emerging regions, especially Asia-Pacific and China: Asia-Pacific rose from ~14% to ~17% of the fleet, while China increased from ~4% to ~13%
- The Middle East also gained share, rising from ~4% to ~8%, reinforcing the increasing importance of emerging aviation markets

Source: Aviation Week Fleet Discovery. Naveo analysis

Air Transport Fleet By Operator Region
(Qty of Aircraft In-Service, Parked & Stored) – June 2026

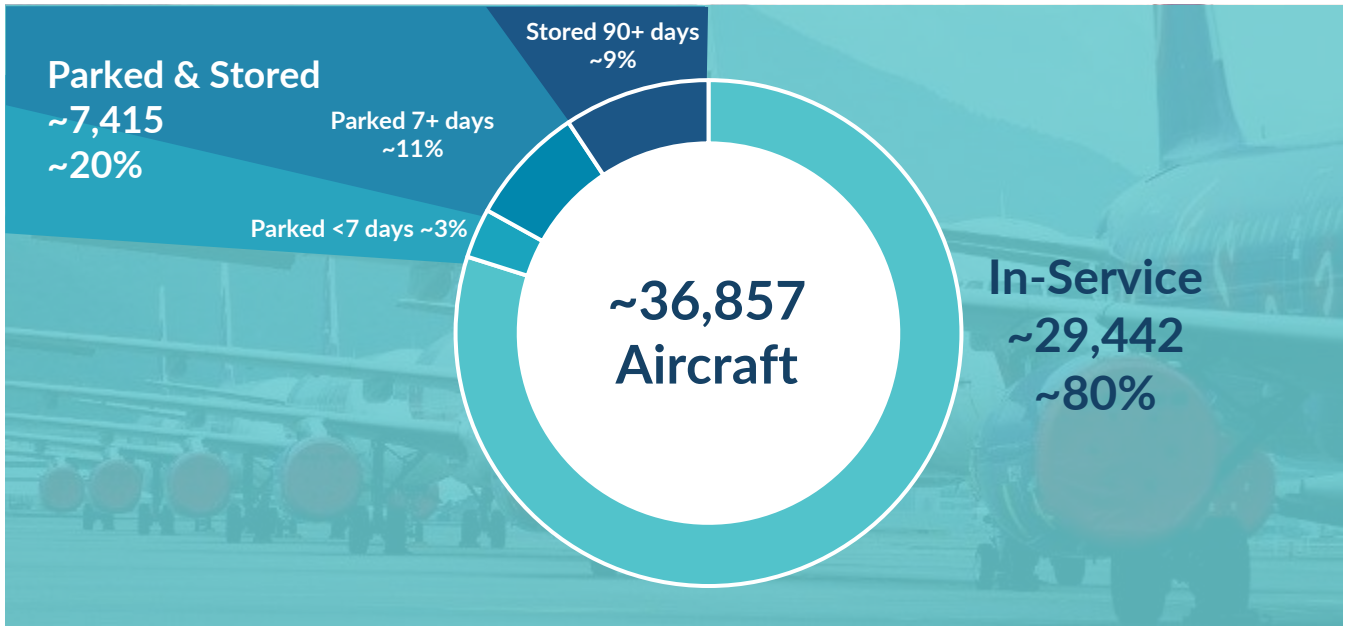


Air Transport Fleet By Size
(Qty of Aircraft In-Service, Parked & Stored) – June 2026



~80% of the global air transport fleet is in active service, and ~20% is parked/stored

Air Transport Fleet Status June 2026
(Qty of Aircraft In-Service and Parked/Stored)

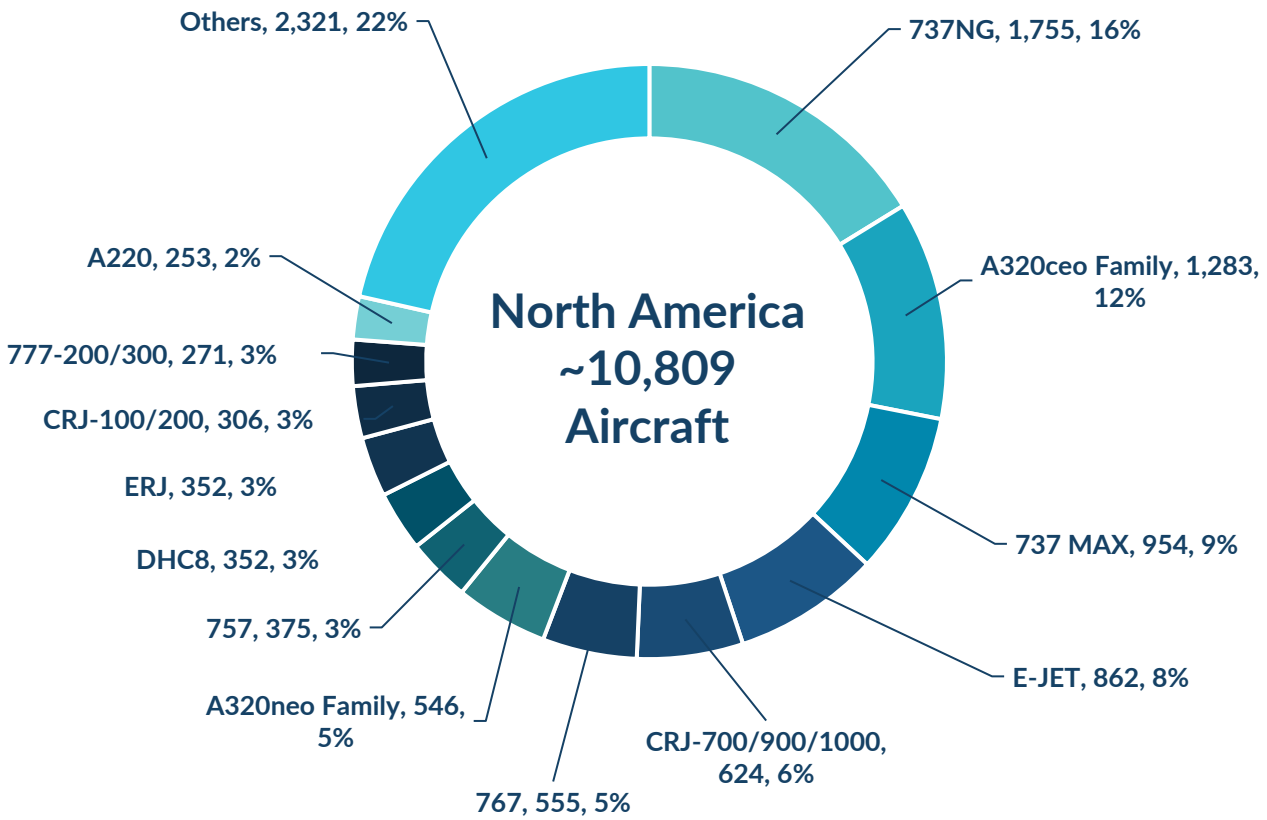


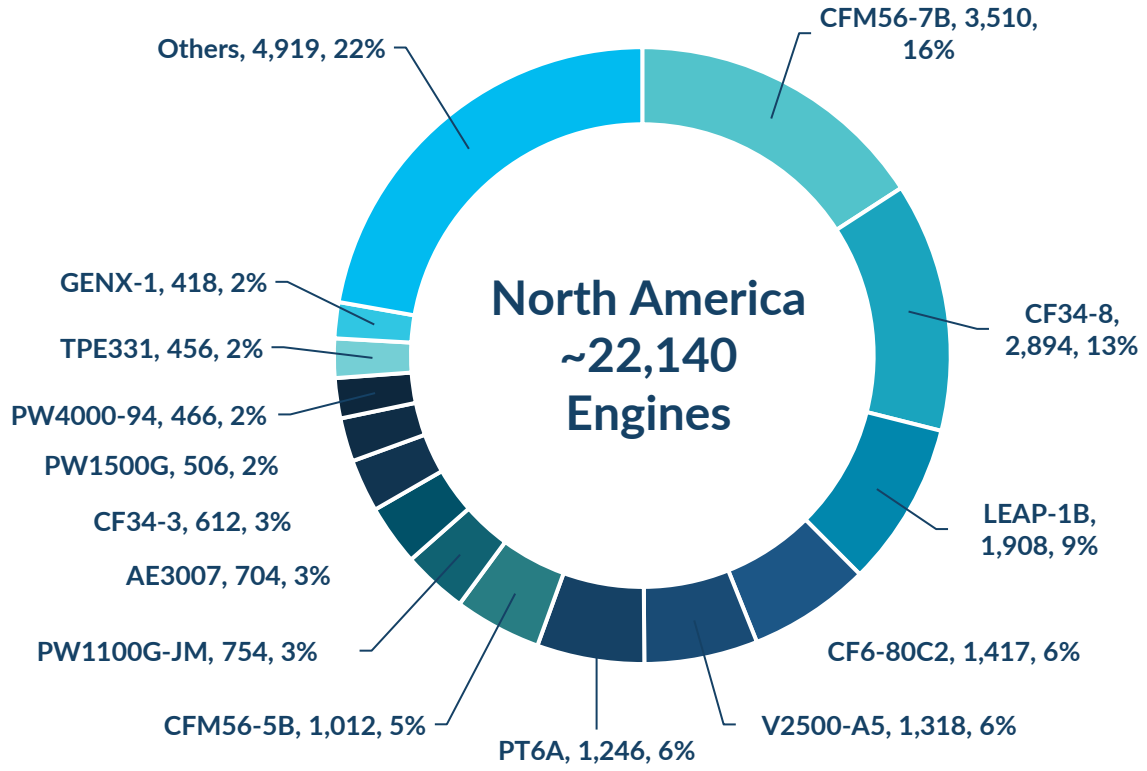
- ~80% of the air transport fleet is in active service (~29,442), and ~20% (7,415) are parked or stored
- This is up 2% on April and the same as ~80% in-service in February. It is the same active % as achieved in June 2025
- There are many short-term aircraft parked for less than seven days (~1,171), and a further ~2,803 aircraft are parked for more than seven days and less than 90 days
- There are ~3,441 aircraft that have been stored for longer than 90 days. This is slightly up on the 3,337 aircraft stored back in June 2025
- North America is the largest region for aircraft, with ~10,809 aircraft (29% of the fleet). Narrowbodies comprise 58% of the global fleet (~21,268 aircraft)

Source: Aviation Week Fleet Discovery. Naveo analysis

North America's installed fleet remains heavily exposed to mature narrowbody and regional aircraft platforms

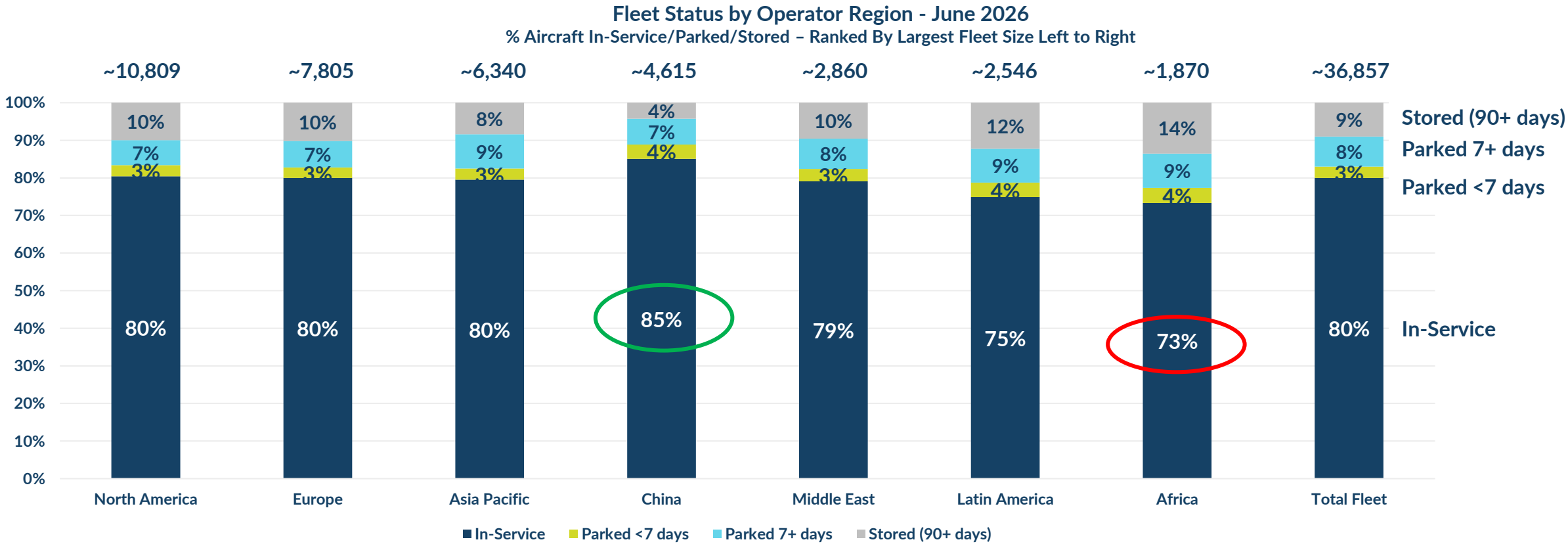
North America Air Transport Fleet





Source: Aviation Week Fleet Discovery. Naveo analysis

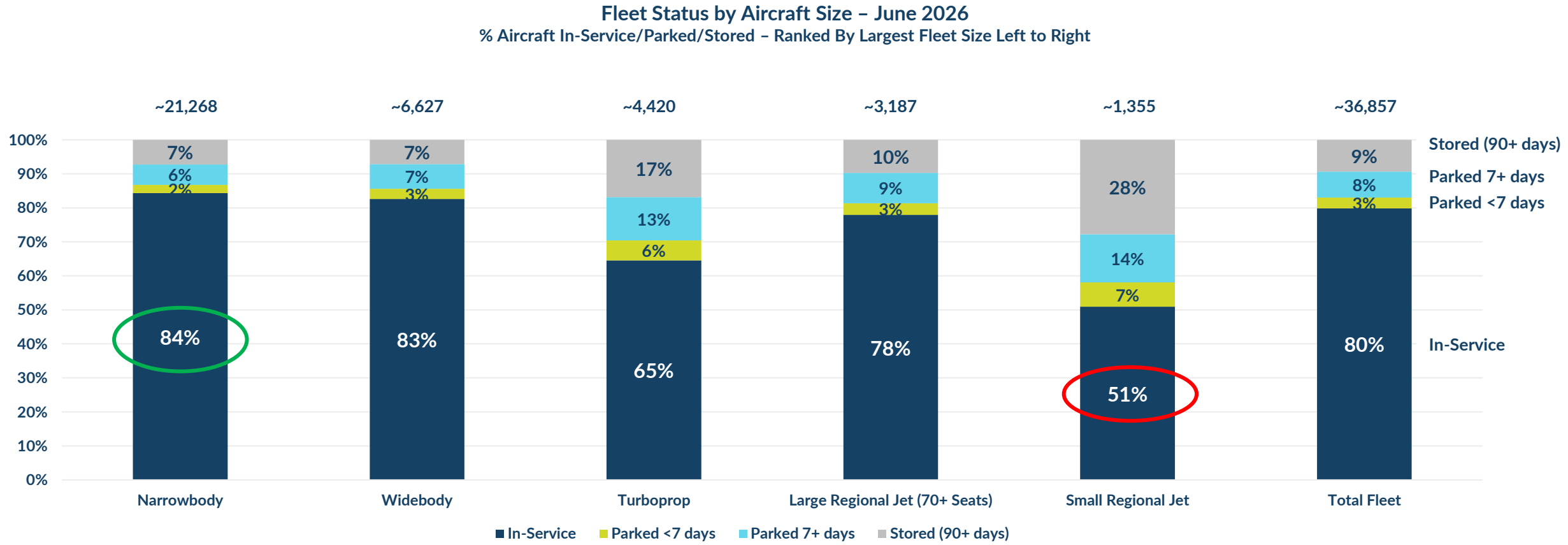
Global fleet activity has normalized at ~80%, although regional recovery remains uneven



- ~80% of the global air transport fleet is in active service, up from ~78% in April 2026
- North America, Europe and Asia-Pacific are broadly aligned, each with ~80% of their fleets active
- China continues to show the highest active fleet share among major regions at ~85%
- Latin America and Africa remain below the global average, with active fleet shares of ~75% and ~73%, respectively
- Stored aircraft remain most visible in Africa, Latin America, North America and Europe, reflecting a mix of older aircraft, maintenance events and operator-specific fleet decisions

Source: Aviation Week Fleet Discovery. Naveo analysis

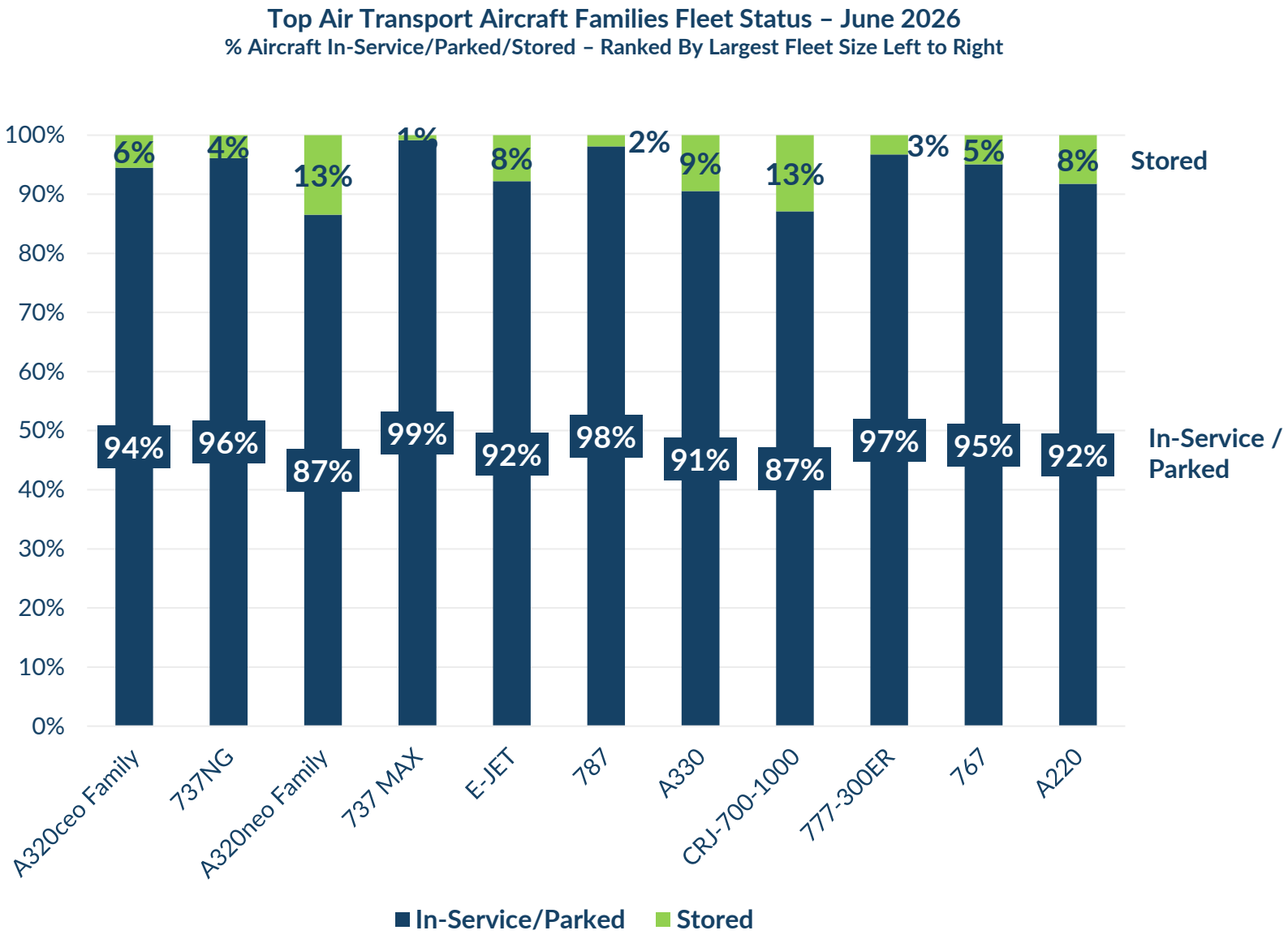
Narrowbody aircraft continue to lead the traffic recovery, with ~84% actively flying



- Narrowbodies remain the most active fleet segment, with ~84% in service in June 2026
- Widebodies have also recovered strongly, with ~83% in service, broadly in line with narrowbody activity
- Turboprops remain well below the global average, with only ~65% in service and ~17% stored
- Small regional jets continue to lag materially, with only ~51% in service and ~28% stored
- Overall fleet activity improved from April 2026, with the total in-service share rising from ~78% to ~80%

Source: Aviation Week Fleet Discovery. Naveo analysis

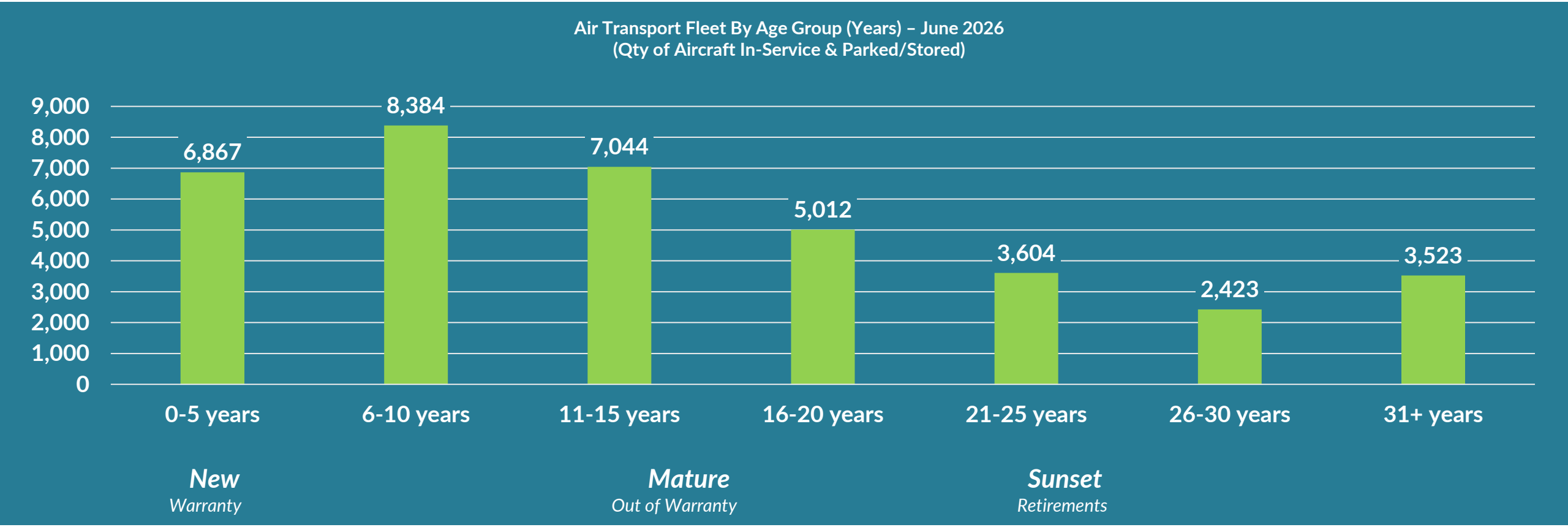
737 MAX and 787 fleets show the lowest stored exposure among major aircraft families



- Most major aircraft families are now substantially active, with stored aircraft generally representing less than 10% of the fleet
- The 737 MAX and 787 show especially low stored exposure, with only ~1–2% of each fleet stored
- Mature workhorse platforms also remain highly active, including the 737NG, 777-300ER and 767
- The A320neo family remains an outlier among large narrowbody fleets, with ~13% stored, reflecting continued pressure from engine durability and availability constraints
- Regional aircraft show more mixed fleet status, with the CRJ-700/900/1000 also showing relatively high stored exposure at ~13%
- Compared with 2025, the overall picture has improved, but aircraft family performance remains uneven

Source: Aviation Week Fleet Discovery. Naveo analysis

A mature 15.4-year average fleet age supports sustained maintenance and USM demand



E.g. A220, A320neo, A350, 737 MAX, 787 GEnx, Trent XWB, GTF, LEAP

- Warranty
- Hospital visits
- OEM modifications / SBs / ADs

E.g. A320ceo, A330, A380, 737NG, 777 V2500-A5, CFM56-5B, CFM56-7B, Trent, GE90

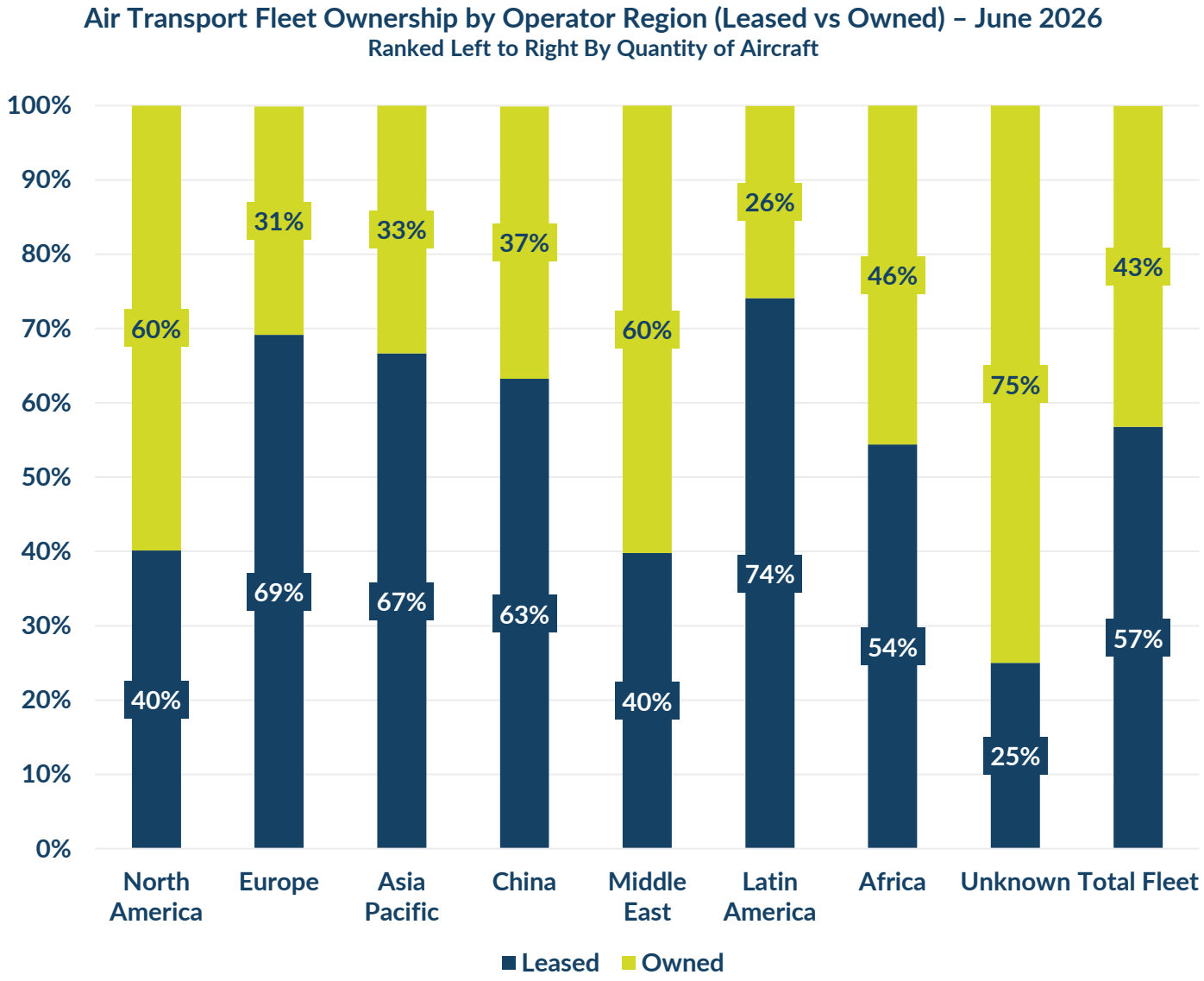
- Cargo conversion
- Engine shop visits
- C / D checks
- Interior retrofits
- Used Serviceable Material (USM)/Surplus Parts

E.g. 737 Classics, 747, 757, 767, A300, A310 CFM56-3, CF6-80C2, PW2000, PW4000, RB211

- Retirement planning
- Reduced Workscopes
- Used Serviceable Material (USM)/Surplus Parts
- Time and material

Source: Aviation Week Fleet Discovery. Naveo analysis

Leased aircraft represent ~57% of the fleet, increasing lessor influence over aftermarket decisions



- ~57% of the global air transport fleet is leased, making lessors a major influence on fleet maintenance, records and redelivery standards
- Leasing penetration is highest in Latin America, Europe, Asia-Pacific and China, where leased aircraft represent the majority of the fleet
- North America and the Middle East remain markets with lower leasing penetration, reflecting larger owned fleets among major airline groups
- For suppliers, leased aircraft place added importance on traceability, documentation quality, repair records and material acceptability
- Lessors may be more restrictive than operators on PMA parts and DER repairs, especially where residual value, remarketing or end-of-lease return conditions are affected

Source: Aviation Week Fleet Discovery. Naveo analysis

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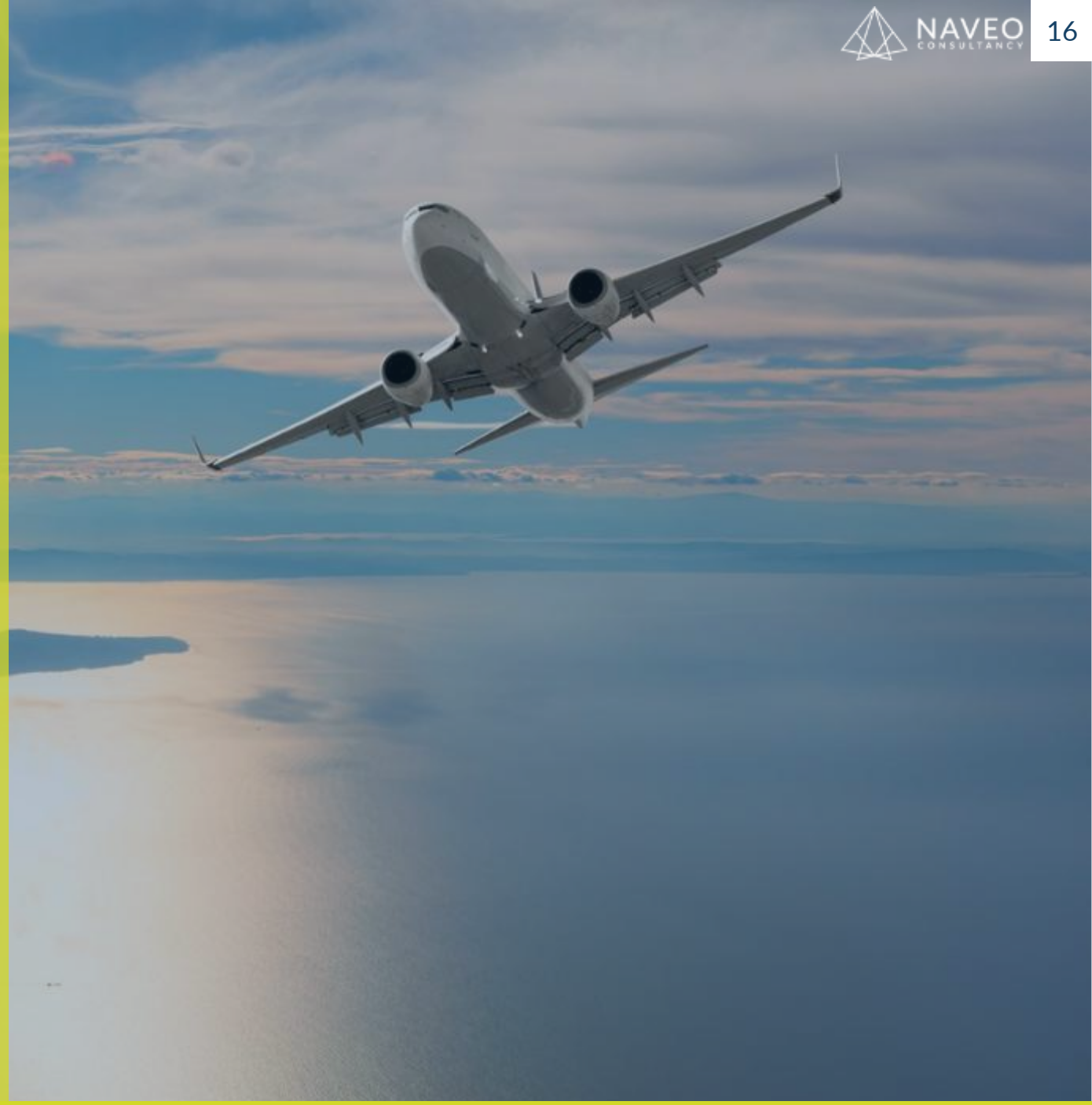
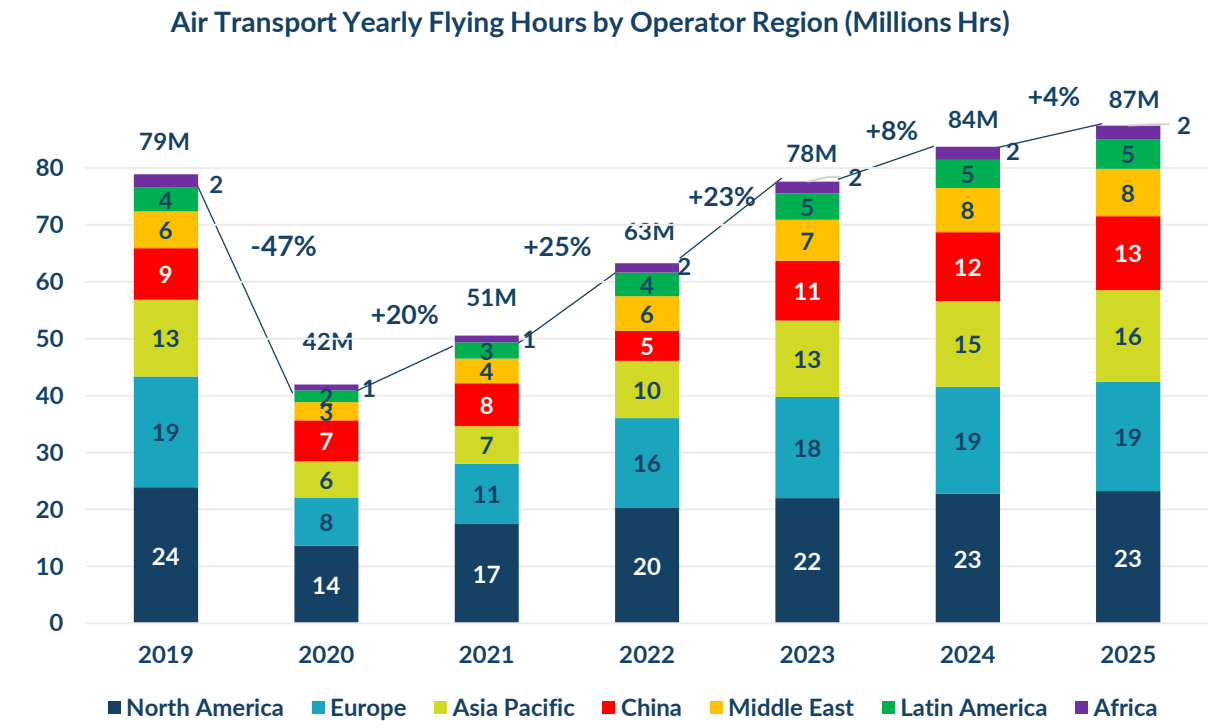
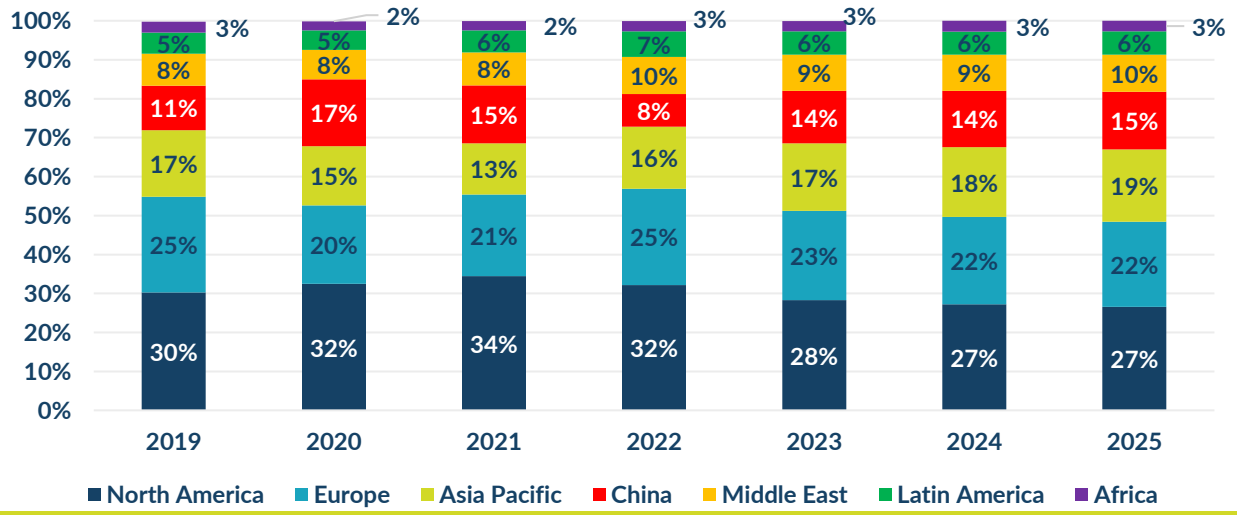






Global air transport total flying hours for 2025 were up ~4.5% compared to 2024

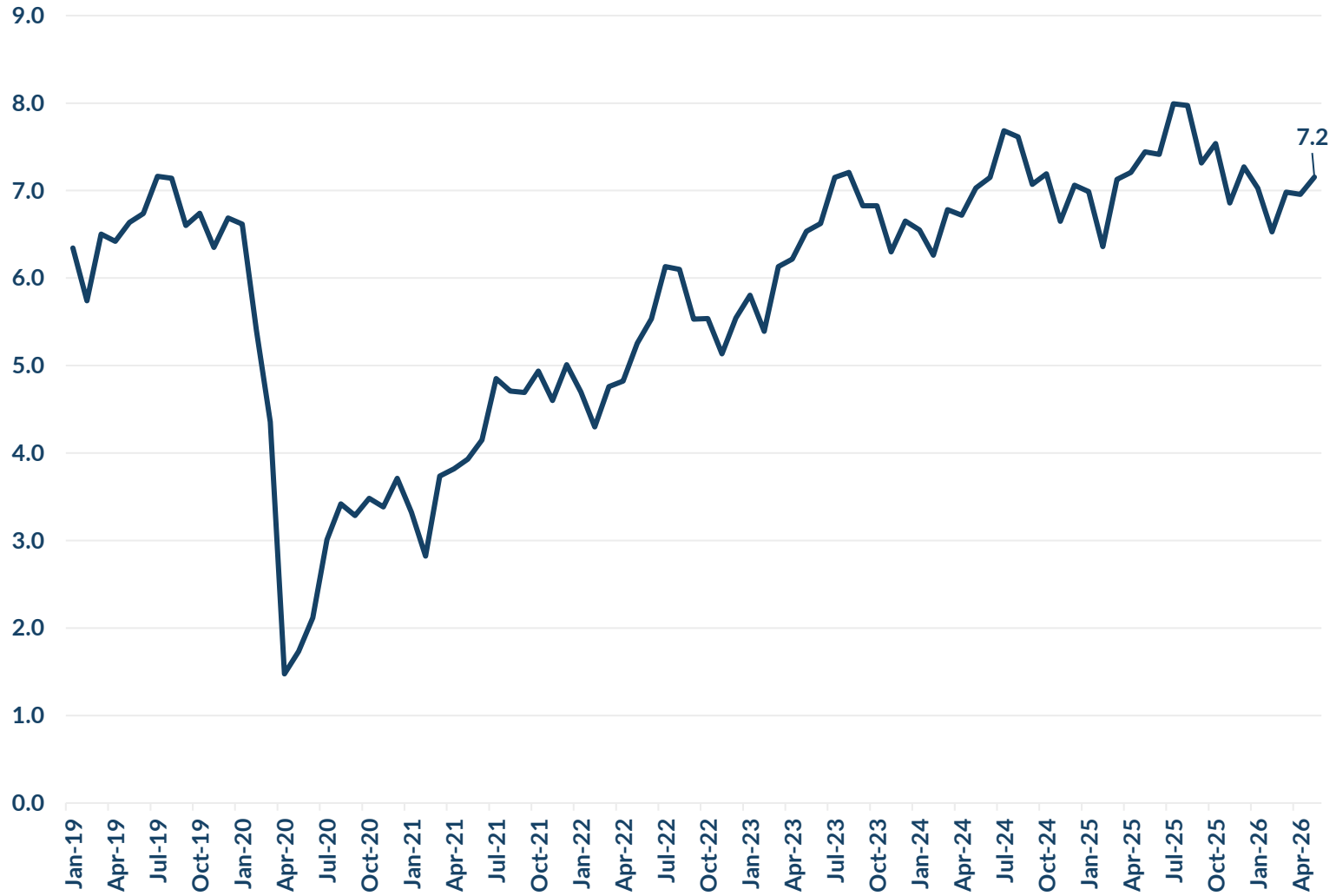
- 2024 global flying hours were ~6% above 2019 flying hours. 2025 continued the recovery with 2025 hours ~11% above 2019
- Comparing 2024 total hours with 2023, flying hours were up 8%, meaning that 2024 was the year that exceeded pre-COVID flying hours. 2025 hours were up 4.5% on 2024
- However, there are regional differences, with some regions having recovered faster than others
- European operator flying hours in 2025 were ~98% of 2019 hours, so, not technically yet above pre-COVID hours, but they were 2% greater than 2024
- North American operator flying hours in 2025 were ~97% of 2019 hours, so they haven't yet exceeded pre-COVID levels. However, 2025 hours were up ~2% on 2024
- Hence, we are still waiting to see yearly flying hours from North American and European operators exceed pre-COVID hours
- Asia Pacific flying hours (excluding China) in 2025 were 20% higher than 2019 hours. Hours in 2025 were up ~8% on 2024 Asia Pacific operator hours
- China operator flying hours in 2025 were up 43% on 2019 and 7% larger than 2024
- Note also how North America's share of global flying hours has declined from ~34% in 2021 to ~27% in 2025. China and Asia Pacific have picked up share, with China's share in 2025 at 15% of global flying hours, up from ~11% in 2019

Source: Aviation Week Fleet Discovery. Naveo analysis

May 2026 flying hours were down 4% on May 2025

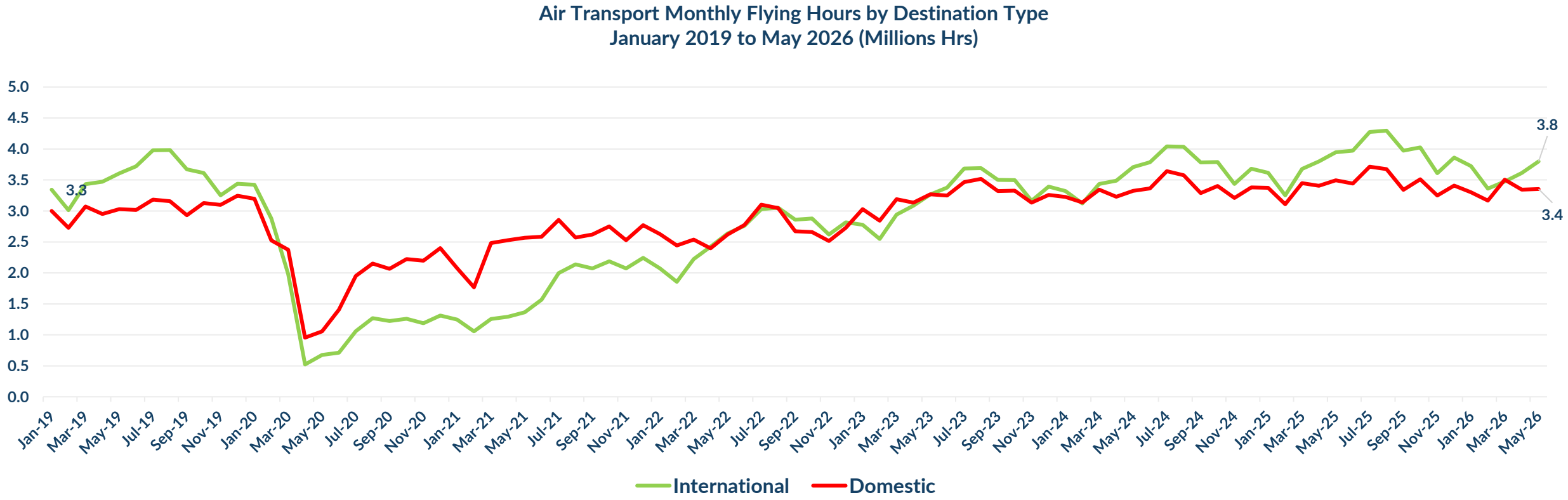
- It took five years, but 2024 was the first full year where air transport fleet flying hours were above 2019 (pre-COVID levels) every month
- Since July 2023, air transport flying hours have been at or very close to 2019 levels
- In 2024, monthly flying hours were 102-109% of 2019 flying hours
- 2024 total flying hours were 106% of 2019, and 2024 flying hours were up 8% on 2023 (and 2024 was itself up 32% on 2022 total flying hours)
- 2025 flying hours were up 4.4% on 2024, and 10.6% higher than 2019
- Due to the Iran war, May 2026 flying hours were down 4% on May 2025
- Total flying hours for the first five months of 2026 (Jan-May) were down 1.4% versus Jan-May 2025

Global Air Transport Aircraft Utilization 2019 to May 2026 (Millions Flying Hours per Month)



Source: Aviation Week Fleet Discovery. Naveo analysis

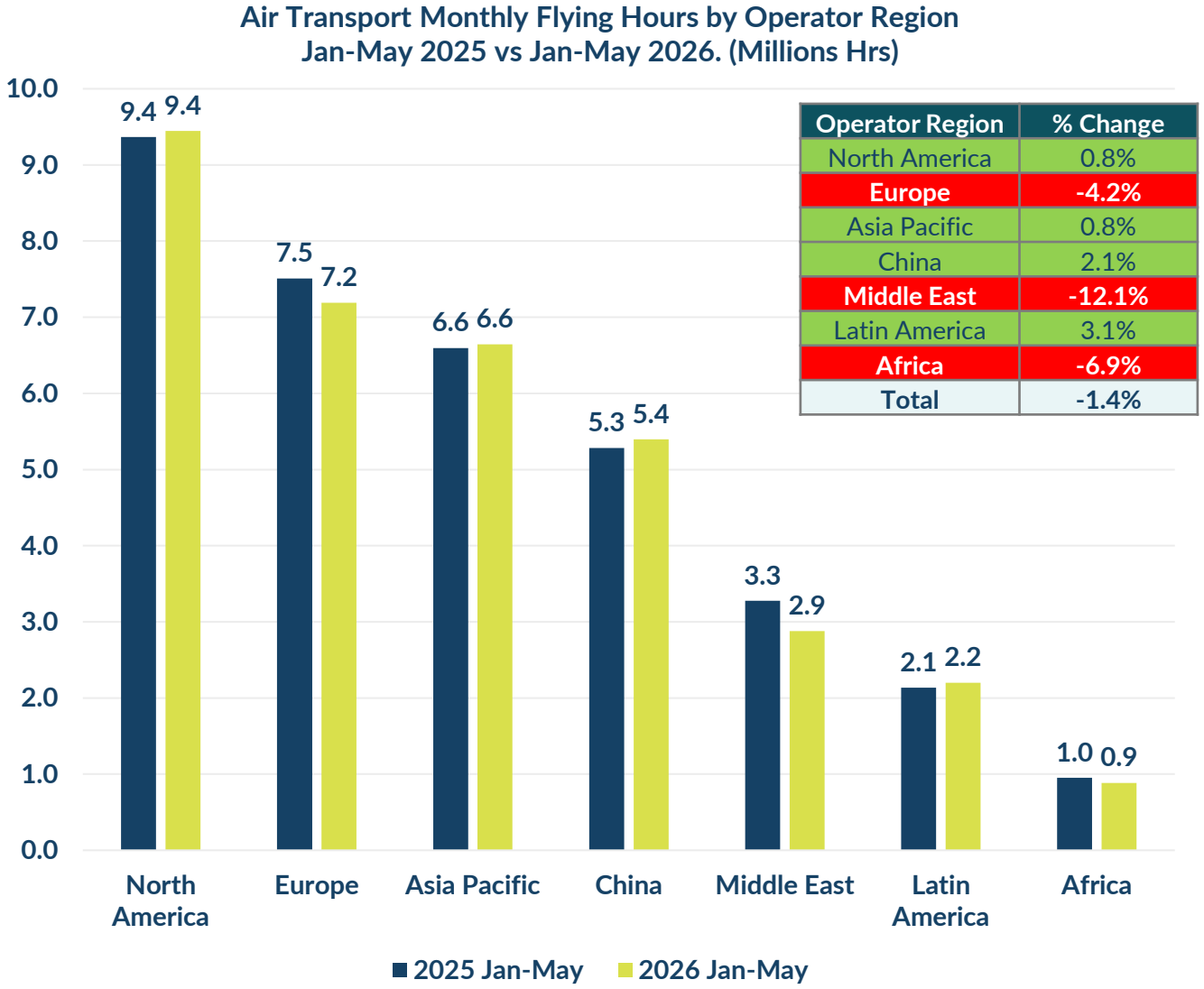
International flying hours in May 2026 were down 3.7% on May 2025. Domestic flying hours were down 4.1% compared to May 2025



- Before COVID-19, international flying hours were above domestic hours. This flipped during COVID-19, as it was easier to fly domestically (fewer travel restrictions due to COVID-19)
- International flying hours are back to being greater than domestic flying hours. However, in March, Iran-related airspace disruption reduced international flying, leaving international hours only ~1% above domestic hours
- It took until February 2024 (with the extra Leap Day) and March 2024 for international flying hours to exceed the pre-COVID hours for the same months in 2019
- Domestic flying hours returned to pre-COVID levels one year earlier, in January 2023
- Jan to May 2026 domestic flying hours are down 1% and international flying hours are down 1.8% compared to Jan to May 2025

Source: Aviation Week Fleet Discovery. Naveo analysis

2026 Global flying hours are slightly lower year-on-year, with geopolitical disruption impacting regions unevenly

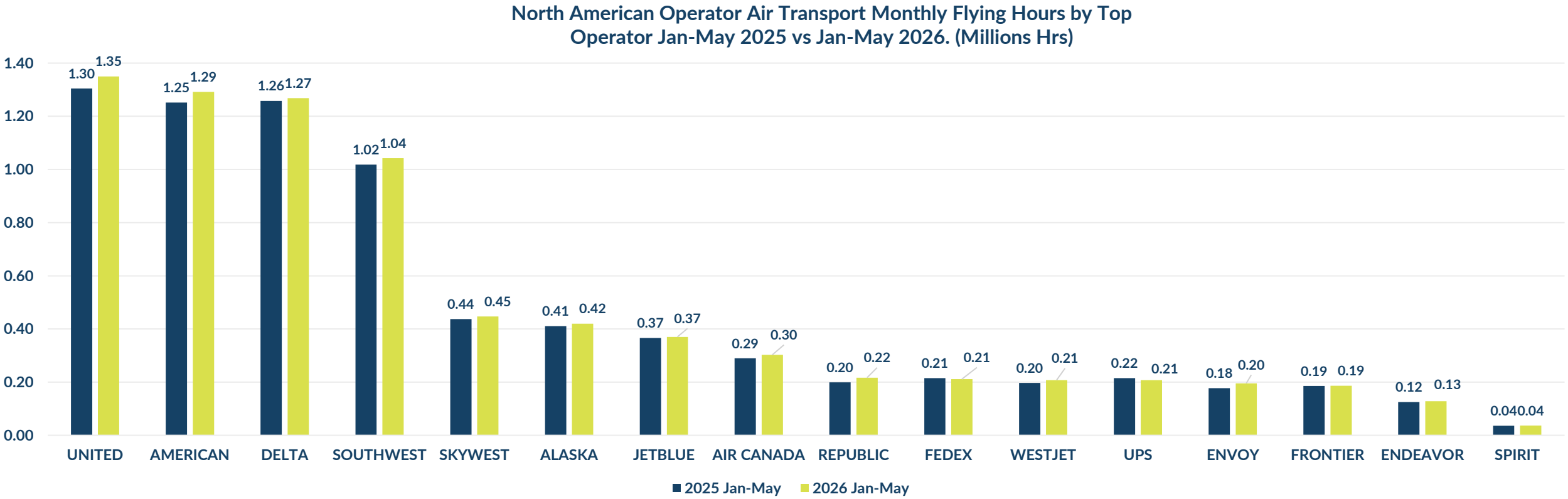


Operator Region	% Change
North America	0.8%
Europe	-4.2%
Asia Pacific	0.8%
China	2.1%
Middle East	-12.1%
Latin America	3.1%
Africa	-6.9%
Total	-1.4%

- Global air transport flying hours were down ~1.4% year-on-year in Jan-May 2026
- North America and Asia-Pacific were broadly flat, while China and Latin America recorded modest growth
- The Middle East was the clear outlier, with flying hours down ~12% versus Jan-May 2025
- Europe also declined, down ~4%, reflecting wider exposure to disrupted long-haul flows and regional uncertainty
- The data highlights that traffic recovery is no longer uniform; regional geopolitics and airspace disruption are now shaping utilization patterns

Source: Aviation Week Fleet Discovery. Naveo analysis

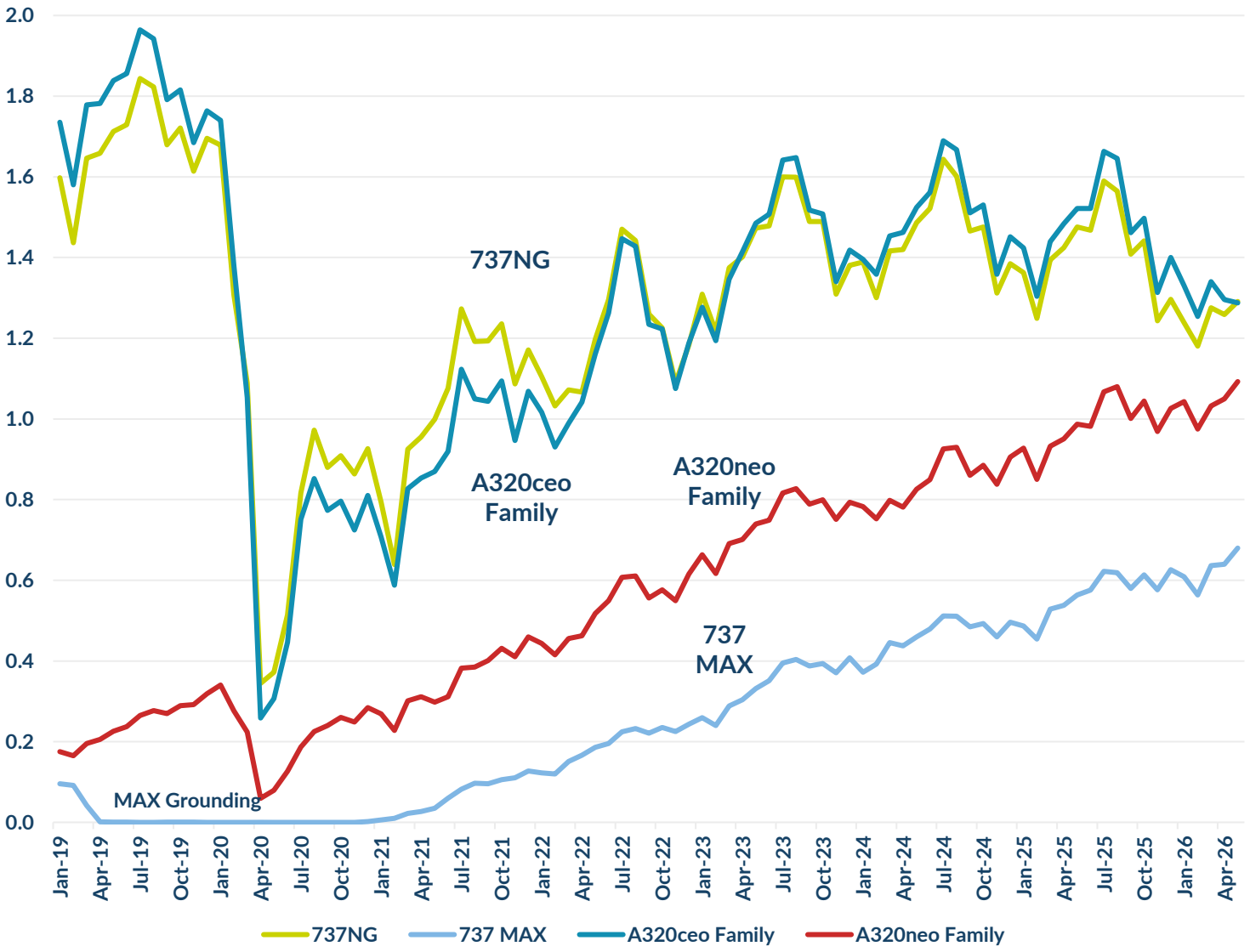
North American flying hours remain stable, with activity concentrated among the largest operators



- North American flying hours were broadly stable year-on-year, with the largest operators showing modest growth in Jan-May 2026
- United, American, Delta and Southwest account for the majority of flying hours among the operators shown
- United is the largest operator by flying hours, followed closely by American and Delta
- Regional and feeder operators remain material, with SkyWest, Republic, Envoy and Endeavor together representing a meaningful share of activity
- Spirit's bankruptcy is high-profile, but its flying-hour footprint is small relative to the broader North American market

Source: Aviation Week Fleet Discovery. Naveo analysis

Global A320ceo/neo family, 737NG & 737 MAX Monthly Flying Hours
January 2019 – May 2026 (Millions Hours)



- The 737NG and A320ceo family, the backbone of the air transport fleet, are vital in-service narrowbodies driving the recovery. They account for ~34% of the current air transport fleet (12,380 aircraft)
- There are ~5,263 Boeing 737NGs and ~5,381 Airbus A320ceo family aircraft in active service (excluding parked/stored) in June 2026
- Neither the 737NG nor the A320ceo family have reached pre-COVID hours. Since neither is in air transport production, and retirements have occurred since 2019, 737NGs and A320ceo family hours are below pre-COVID and will remain so
- A320ceo family aircraft flew ~70% of pre-COVID hours (May 2019) in May 2026, and 737NGs flew 75%
- The May 2026 flying hours for the A320ceo family were down ~15% on May 2025. 737NG flying hours were down 13% on May 2025. Retirements account for part of the difference.
- A320neo family hours in May 2026 were up ~11% on May 2025, and 737 MAX flying hours were up ~21%, both driven by new aircraft deliveries
- The A320neo family fleet, due to a larger fleet (~3,686 in active service excluding parked/stored) compared to the 737 MAX (~2,205 in-service aircraft), flew ~1.6X the total hours of the 737 MAX fleet in May 2026
- The A320ceo family flew 1.2x as many hours as the A320neo family in May 2026, but as more A320neo family aircraft are delivered and A320ceo family aircraft retire, the gap will continue to close

Source: Aviation Week Fleet Discovery. Naveo analysis

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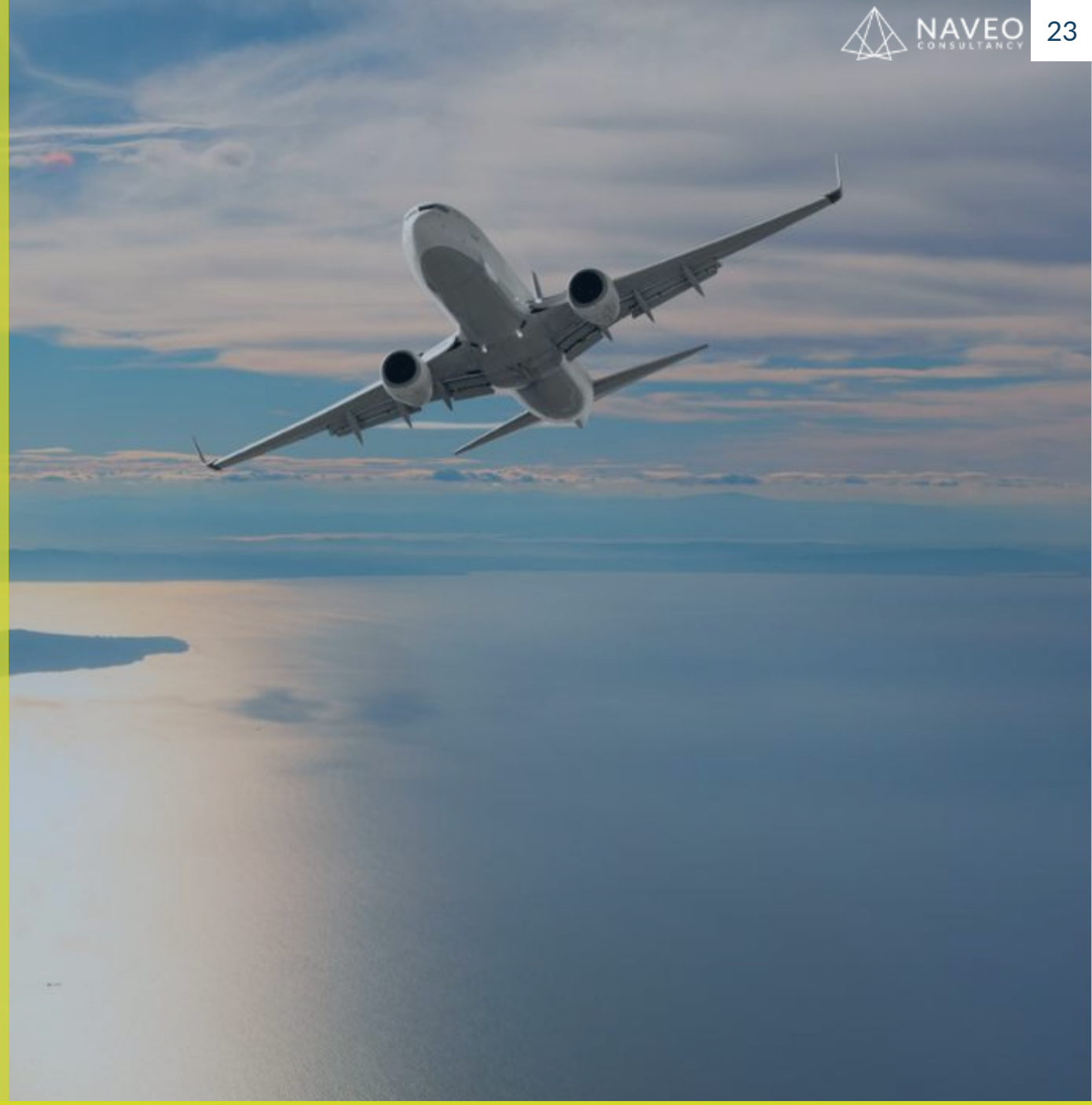
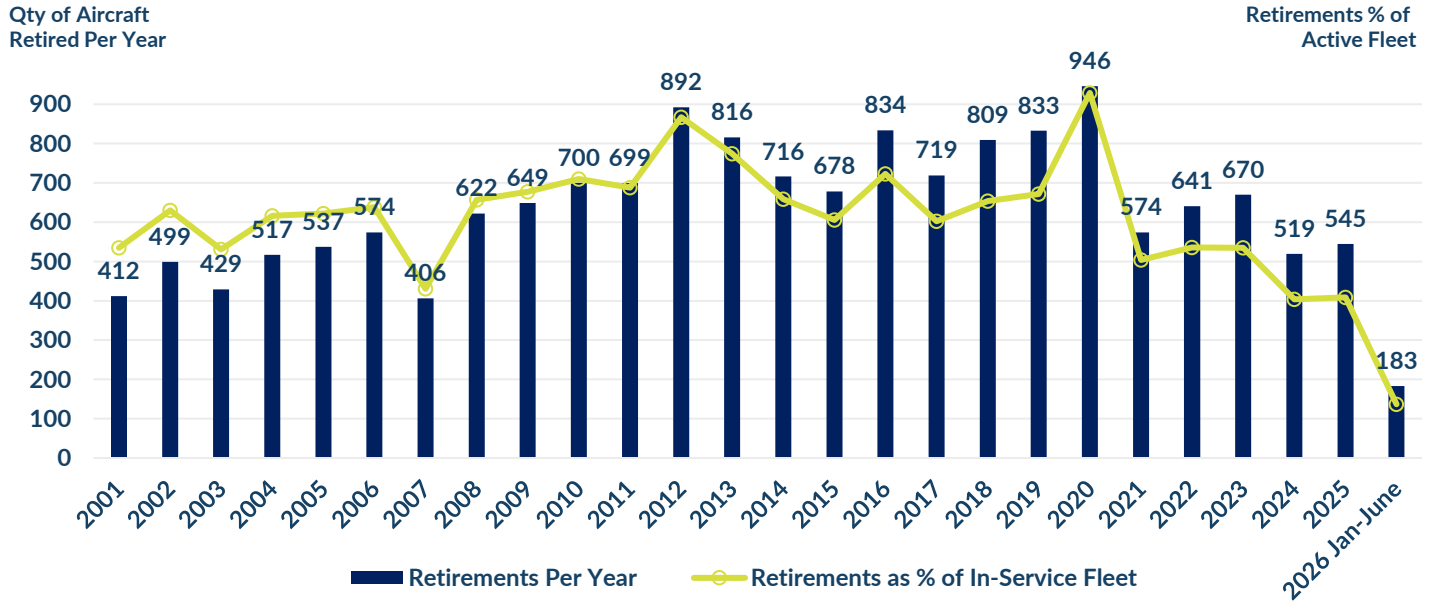
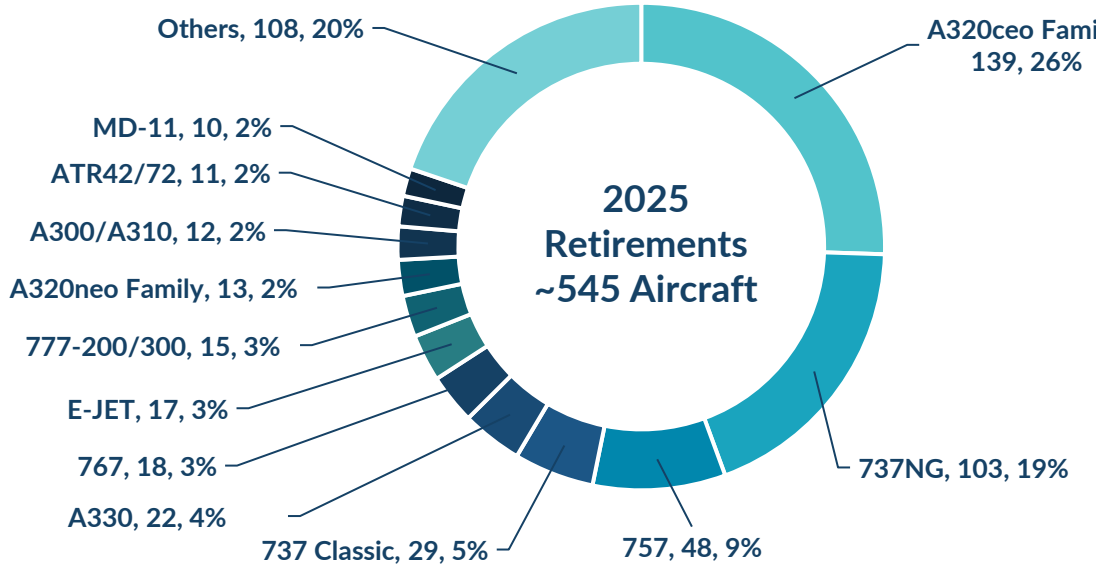


~545 air transport aircraft have been identified as having retired in 2025

- Approximately 670 air transport aircraft were retired in 2023. This is up on the ~641 aircraft that retired in 2022, but still below the ~946 aircraft that retired in 2020
- Identified retirements declined modestly to ~519 aircraft in 2024 and ~545 in 2025, reflecting continued fleet life extension dynamics
- There is a lag in the data, so some aircraft described as “parked/stored” will likely already have been retired, and the total number for 2025 will increase as the data catches with actual retirements
- Strong traffic demand, delivery delays, and latest-generation engine durability issues have collectively extended in-service life across portions of the narrowbody fleet
- As production stabilizes and fleet renewal resumes, retirement activity is expected to trend upward toward historical norms
- Historically, annual retirements have ranged from ~1.7% to ~3.5% of the active fleet (avg. ~2.5%); recent levels (~1.5–1.6%) remain below mid-cycle norms
- Lower near-term retirements have constrained USM availability, supporting pricing and repair demand in the current environment
- As retirements normalize over time, increased teardown feedstock should expand the addressable material pool for independent component repair and exchange providers

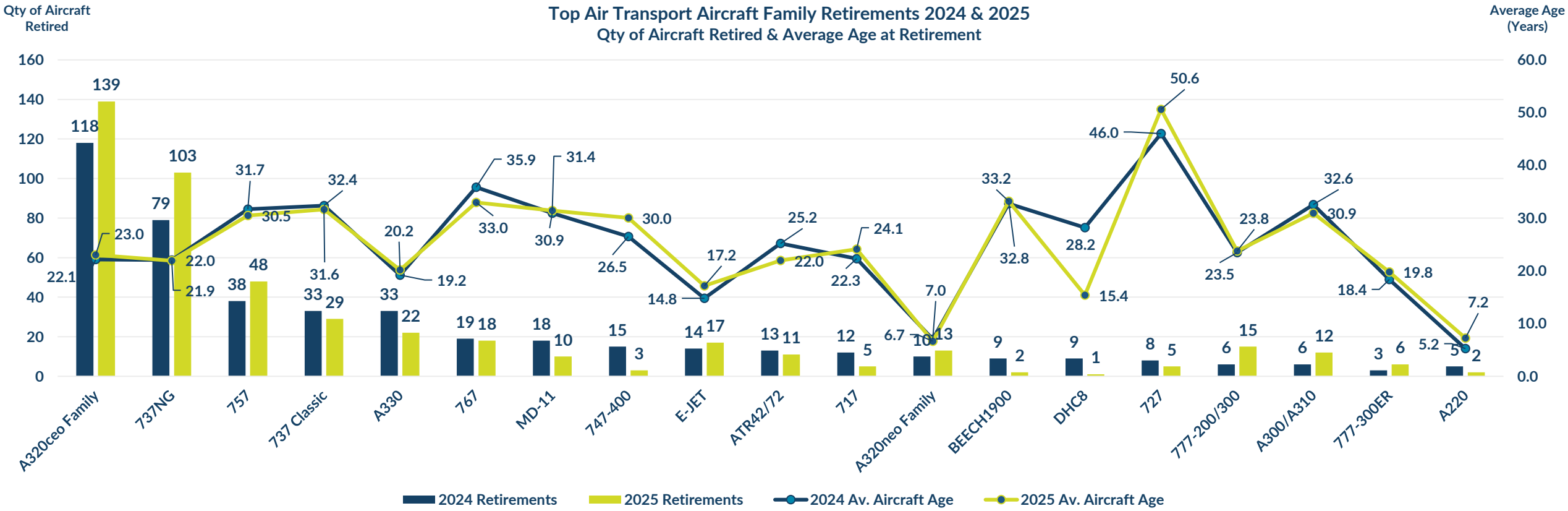
Air Transport Global Identified Aircraft Retirements 2001 to June 2026





Source: Aviation Week Fleet Discovery. Naveo analysis

The average age of air transport aircraft retired in 2024 was ~26.0 years, and in 2025, it was 25.9 years



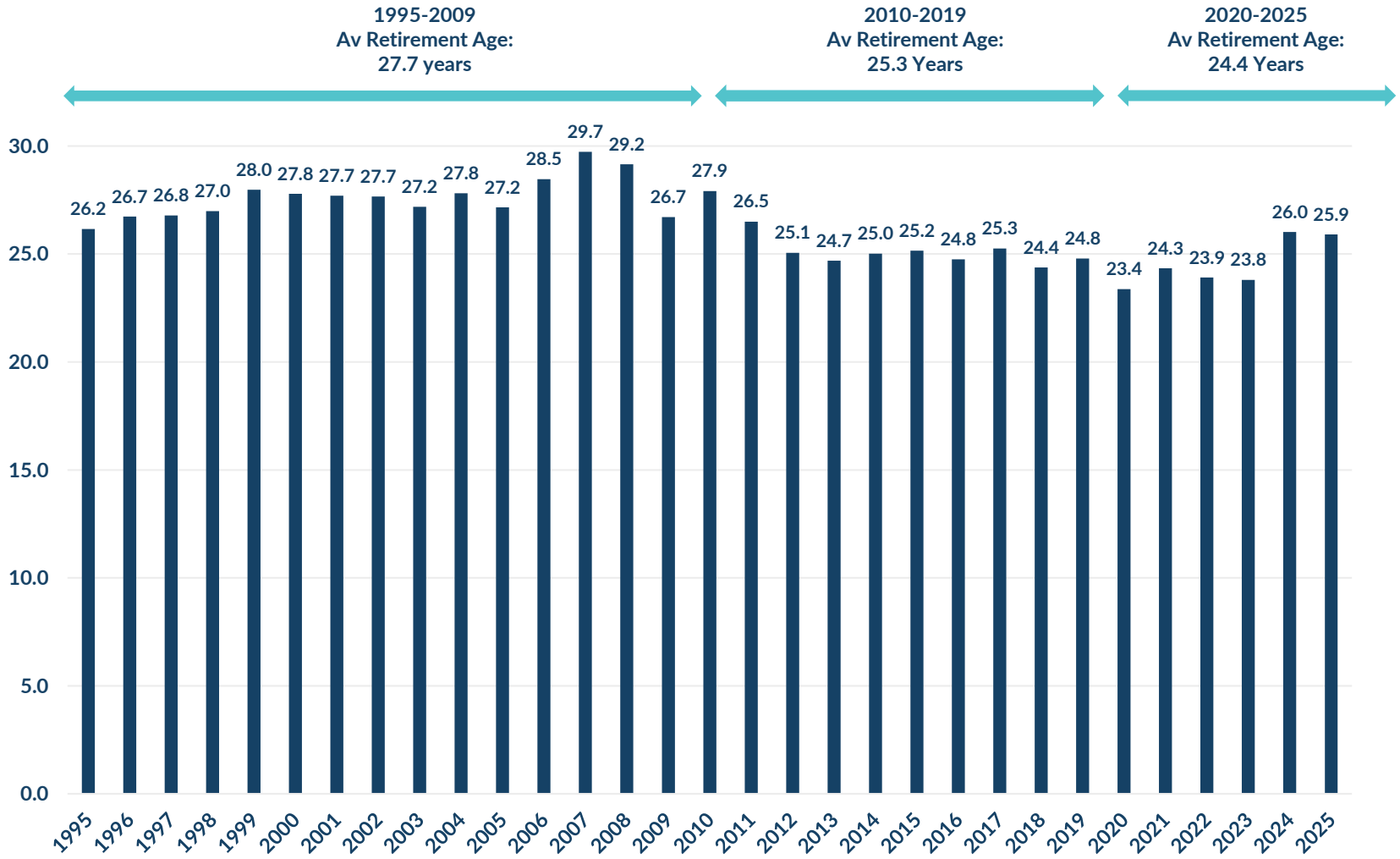
- Average retirement age remained stable: ~26.0 years in 2024 and ~25.9 years in 2025
- A320ceo family and 737NG aircraft were the largest sources of retirement feedstock in both years with average retirement age of ~22-23 years for A320ceo and ~22 years for 737NGs
- Mature platforms such as the 757, 767 and 737 Classic continue to retire at much older ages, generally around 30+ years
- Widebody retirements remain lower-volume, led by selected A330, 747-400, 767 and 777 retirements
- Early A320neo retirements remain limited and operator-specific, rather than evidence of a broad next-generation retirement cycle

Source: Aviation Week Fleet Discovery. Naveo analysis

Retirement age has trended younger over time, but recent supply constraints have delayed aircraft exits

- Since 1995, approximately 17,920 air transport aircraft have retired from the global fleet
- Average retirement age has moved around by cycle, peaking at ~29.7 years in 2007 before trending lower through the 2010s
- The average retirement age declined from ~27.7 years in 1995–2009 to ~25.3 years in 2010–2019, reflecting fleet renewal, fuel burn economics and changing aircraft mix
- Since 2020, average retirement age has been ~24.4 years, but this period includes COVID-19 retirements and several younger aircraft exits, including A380s and selected newer-generation aircraft
- In 2024 and 2025, average retirement age increased again to ~26.0 years as supply chain constraints, delivery delays and engine durability issues encouraged airlines to keep aircraft flying longer

Average Age of Air Transport Retired Aircraft 1995 to 2025



Source: Aviation Week Fleet Discovery. Naveo analysis

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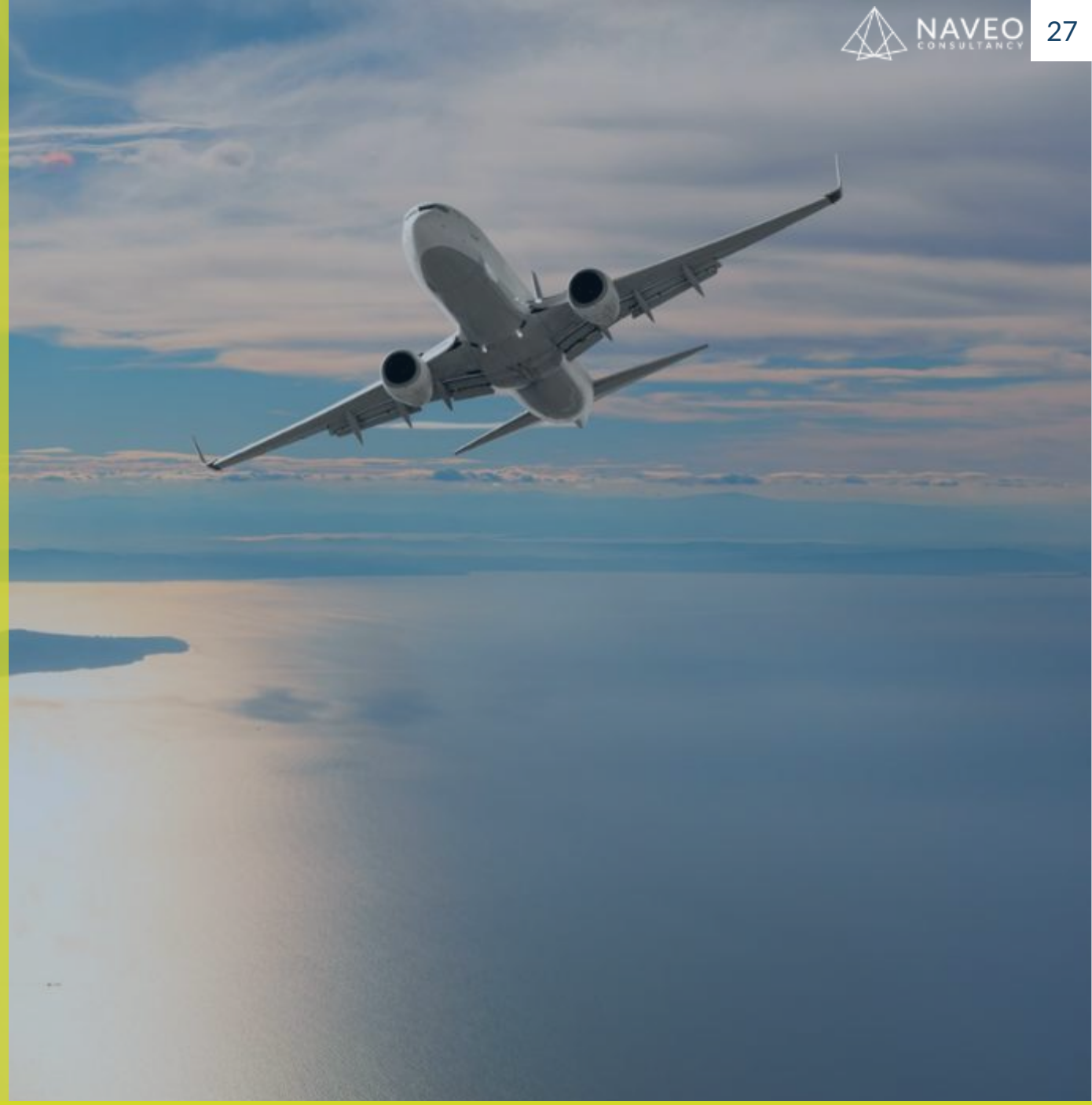
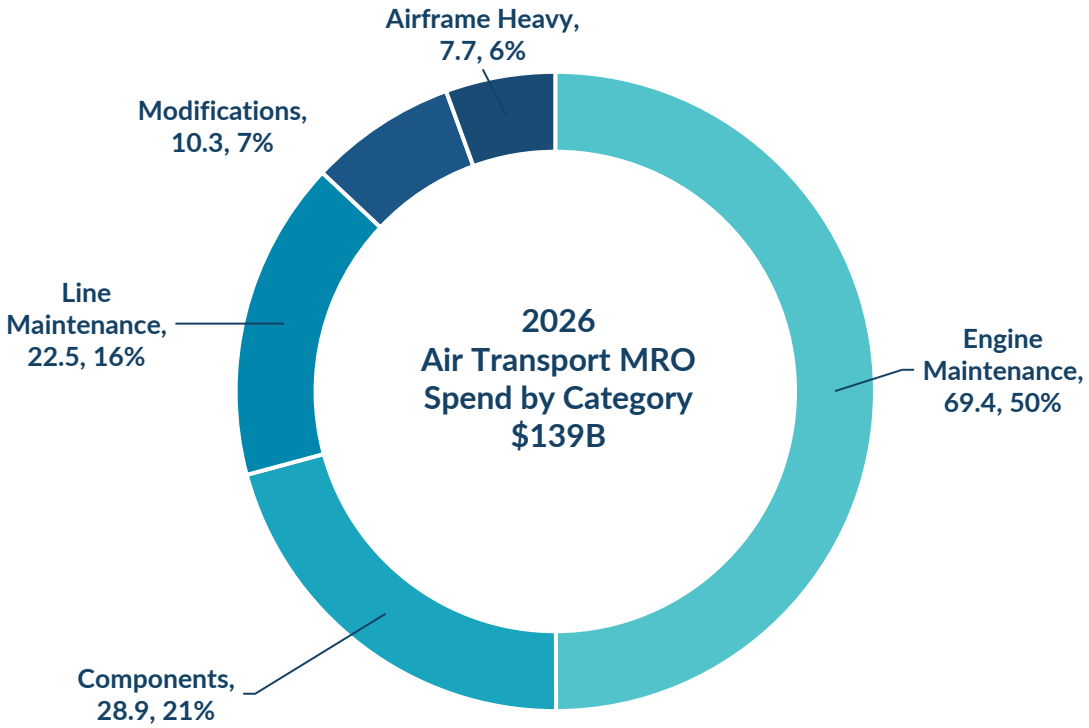
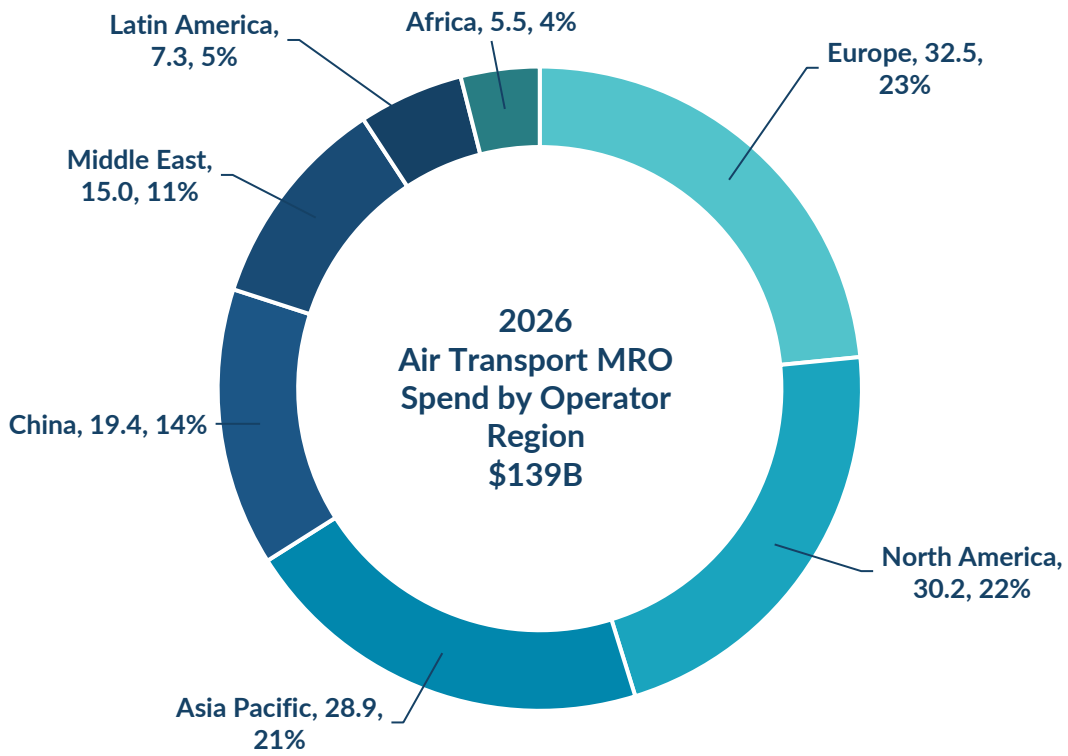


2026 air transport MRO spend is forecast at ~$139B, with engines and components representing ~70% of the MRO market

Air Transport MRO Market Spend 2026 US $B





- Engine maintenance (~$69B) remains the largest MRO segment, followed by component maintenance (~$29B), which represents a more fragmented and independently served market
- Europe and North America together represent nearly half of global MRO demand
- Asia-Pacific continues to represent a large and growing MRO demand pool, supporting longer-term international expansion optionality
- Component maintenance represents a sizable and recurring segment with meaningful participation from independent repair providers

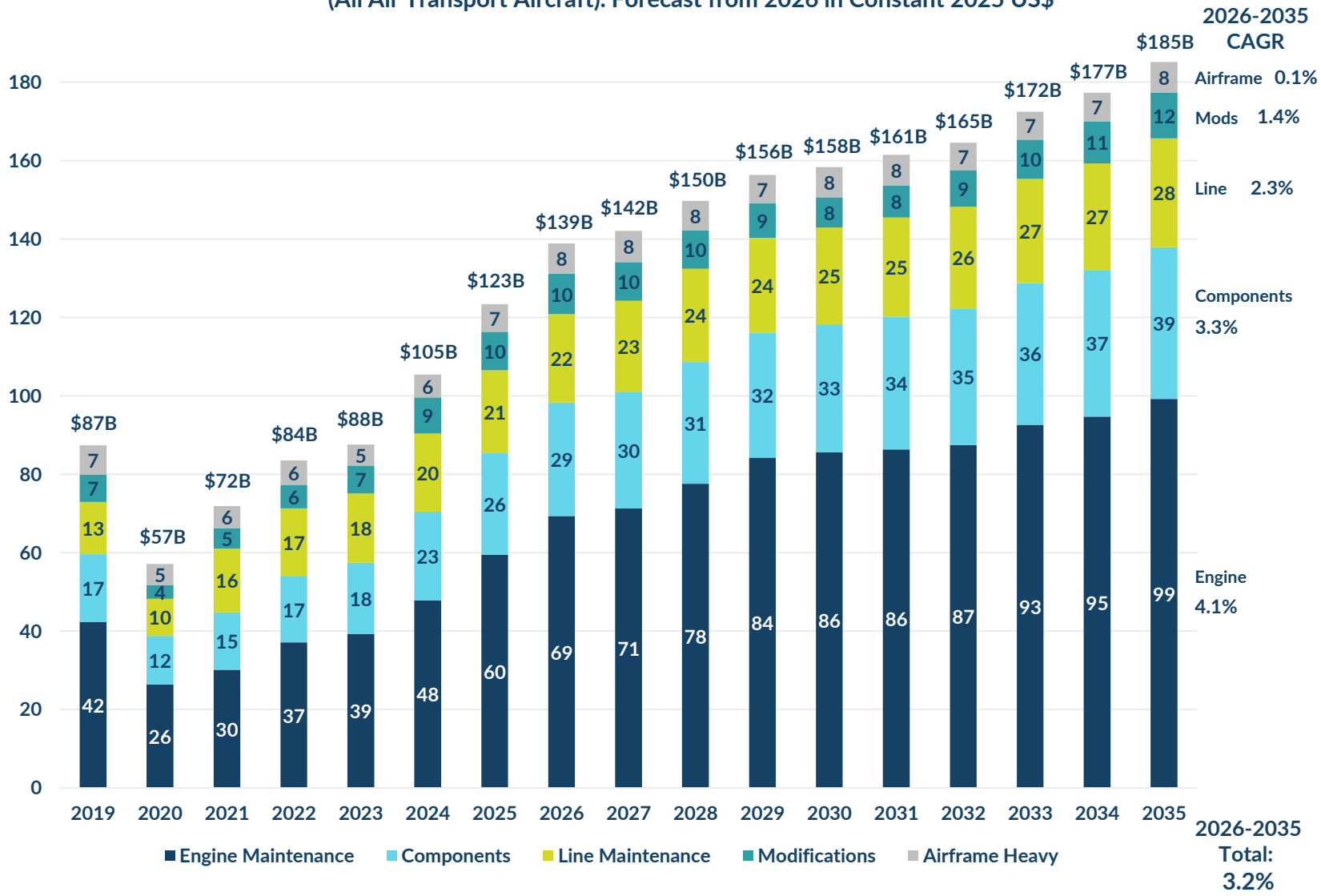
Source: Aviation Week. Naveo analysis

Air transport MRO demand has recovered and is forecast to reach ~$185B by 2035, supporting sustained aftermarket activity

- The air transport MRO market is forecast to exceed 2019 levels in 2026 and continue expanding to ~$185B by 2035 (constant $), reflecting sustained fleet utilization and aging dynamics
- 2026–2035 constant-dollar CAGR is projected at ~3.2%, indicating steady long-term aftermarket growth
- Engine maintenance remains the largest spend category, while component maintenance represents the second-largest and more fragmented segment
- Airframe heavy maintenance is forecast to show minimal growth as newer aircraft require fewer heavy checks
- Line maintenance is forecast to grow at ~2.3%, broadly tracking fleet utilization trends
- Engine maintenance is projected to grow fastest (~4.1%), with component maintenance also demonstrating attractive growth (~3.3%) supported by recurring repair demand

Air Transport MRO Market Forecast, 2019-2035 By MRO Category

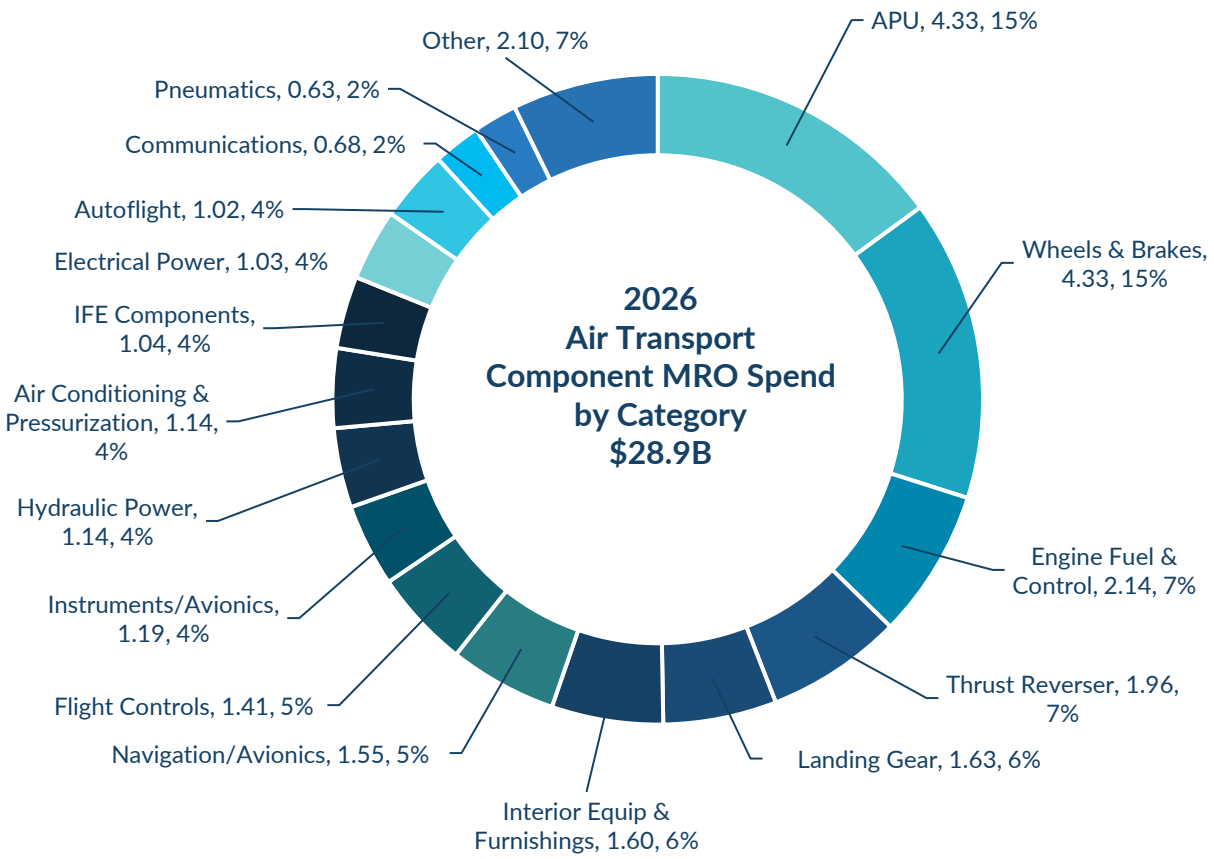
(All Air Transport Aircraft). Forecast from 2026 in Constant 2025 US$



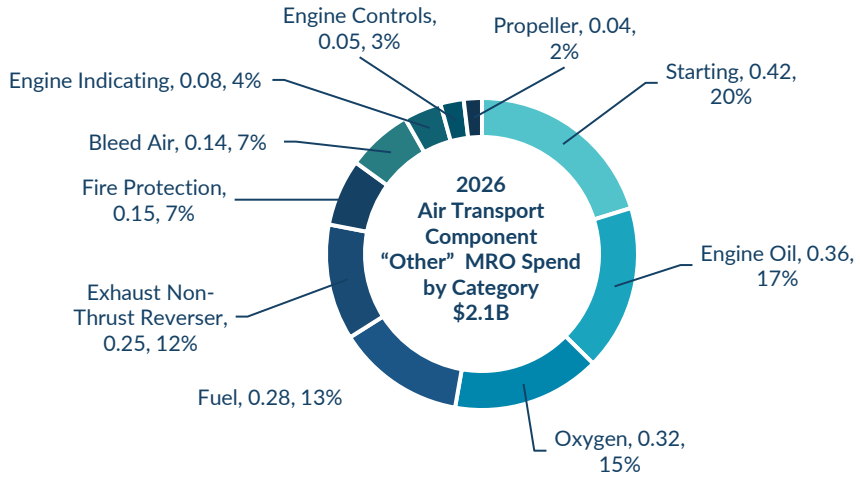
Source: ICF, Aviation Week. Naveo analysis. Constant US$. Forecast from 2024 in 2023 $, 2025 is in 2024 $.

2026 air transport component MRO spend is forecast at ~$29B, concentrated in high-frequency electro-mechanical categories

Air Transport Component MRO Market Spend 2026 $B



- Component MRO spend is concentrated in APU ($4.3B), Wheels & Brakes ($4.3B), and key electro-mechanical ATA chapters, which together represent a significant share of recurring repair demand
- ATA 27 (Flight Controls) represents a ~$1.4B segment characterized by high repair frequency and independent MRO participation
- ATA 29 (Hydraulic Power) represents a ~$1.1B segment with attractive repeat repair dynamics across the installed fleet
- The ~$2.1B “Other” category spans multiple niche component families, many of which exhibit fragmented competitive dynamics favorable to independent providers



Component MRO spend is heavily weighted toward repeat-driven electro-mechanical categories where independent providers can compete effectively

Source: Aviation Week. Naveo analysis

Demand for USM, repairs and cost-conscious workscopes is increasing

- COVID-19 reinforced airline and MRO focus on cash conservation, avoiding maintenance expenses where they can
- As MRO recovers from COVID, Naveo expects that MRO sourcing practices will continue to evolve and take into account:
  - Cost-conscious workscopes, module swaps, alternatives to new OEM material
  - More repair rather than replace (e.g., part repair, DER, approved repairs)
  - Evaluation of USM surplus parts and PMA (where allowed) as alternatives to new OEM material for restocking inventory and as substitutes for repair
  - Whether their current MRO contract makes sense (e.g., long-term flight-hour contract vs. fixed price vs. time and material)
  - Deferral of non-essential maintenance (e.g., cabin upgrades) until airline revenue recovers
- These changes impact OEM profitable new part sales, and USM substitution for repair can impact component and engine MRO providers, particularly on older platforms

#1 Surplus Parts (USM)

- Used Serviceable Material (USM) is aircraft/engine parts that have been previously used by operators, MROs or OEMs
- The majority of USM is sourced from retired aircraft/engines. Excess inventory is the remaining source
- Naveo estimates the air transport USM market, for USM material consumed by airlines and MROs, is ~$7B in 2025
- Naveo forecasts the USM market to grow to ~$11.8B by 2034. The 2024-2034 CAGR is ~6.2%

#2 Part Repair

- OEM-approved or DER-approved repairs to aircraft and engine parts – where a repair can be actioned rather than substitution by a new part
- DER refers to Designated Engineering Representatives, FAA approved engineers who can approve technical data for repairs and modifications outside the CMM
- Design Organization Approval (DOA), is a blanket approval for an MRO organization to develop internal repairs

#3 PMA Parts

- PMA (Parts Manufacturer Approval) is FAA approval granted to a non-OEM manufacturer of aircraft parts
- There are two types of PMA: Licensed & Competitive
- Many airlines and lessors prohibit use of PMA parts in flight-critical parts of the aircraft and engine without authorization
- PMA growth has been strong in non-flight critical areas such as the cabin, particularly in areas touched by passengers

Source: Naveo analysis

Structural supply constraints are reshaping the competitive landscape across production and MRO

Structural Constraints Across Aerospace Production and Aftermarket

Skilled Labor as a Structural Bottleneck

Skilled technician availability has become a binding constraint across OEM and independent MRO capacity

COVID accelerated the loss of experienced mechanics while training pipelines remain slow to rebuild

As a result, available shop throughput — not demand — is increasingly the binding industry constraint
Suppliers with established, stable workforces are structurally advantaged

Capacity, not Demand, Is the Limiter

Parts availability and repair capacity remain structurally misaligned with demand
Shortages across castings, engines, and key electro-mechanical components are extending turnaround times

Operators are increasingly prioritizing suppliers that can provide inventory-backed support and rapid repair response

Durability and Compliance Driving Unplanned Demand

Engine durability challenges and regulatory pressures are increasing unplanned maintenance activity

Elevated removals and shop visits are tightening global MRO capacity beyond original planning assumptions
This dynamic is supporting sustained demand for responsive component repair providers
Providers with strong AOG responsiveness and flexible workscope capability are benefiting

Financial Stress Propagating Through the Supply Chain

Tighter financing conditions and working-capital pressure are propagating through the aerospace supply chain

Higher interest rates, inflation, and extended payment terms are increasing supplier fragility

Smaller or undercapitalized suppliers face rising execution risk

Well-capitalized platforms with disciplined inventory management are better positioned to navigate volatility

Taken together, these structural constraints are increasing the strategic importance of capacity, responsiveness, and execution discipline across the MRO ecosystem

Source: Naveo analysis

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Thank you!

Get in touch

M +44 (0)7718 893 833
T +44 (0)207 867 3782
E richard@naveo.com
W naveo.com

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Founded in 2019, Naveo is a focused, independent aerospace consultancy advising senior leaders, boards, and investors across the global aviation ecosystem

Naveo combines deep aerospace domain expertise with rigorous, data-driven analysis and practical transaction experience to help clients navigate complexity and make high-stakes strategic decisions

We support revenue growth, value creation, and business optimization across the aerospace value chain—from raw materials and OEMs to operators, MROs, lessors, and financiers—and across the full aircraft lifecycle, from entry into service through retirement and part-out

In a fast-moving, structurally constrained industry, Naveo provides clear, independent insight to help clients assess risk, identify opportunities, and shape long-term strategy

Naveo is led by aerospace advisor Richard Brown

- Over 25 years' experience in aerospace, including 19 years in strategy and advisory consulting across OEMs, MROs, airlines, lessors, and investors
- Formerly led the ICF Aerospace consulting practice, with leadership roles in London, New York, Boston, and Singapore
- Extensive experience advising boards, executives, and investors on strategy, transactions, aftermarket dynamics, and supply-chain risk
- Recognized industry voice with deep expertise in OE and aftermarket strategy, aircraft and engine manufacturing, MRO economics, and lifecycle value
- Regular conference chair, moderator, and speaker at leading industry events, including Aviation Week, Aero-Engines Europe, and Middle East MRO forums
- Frequently quoted by industry media for insight on aviation markets, supply chains, and structural industry trends
- BSc, International History & Economics — London School of Economics
- MSc, Air Transport Management — Cranfield University

Naveo supports strategic, investment, and transaction decisions across global aerospace markets

STRATEGY, MARKETS & VALUE CREATION

- Corporate and growth strategy development
- Market entry, expansion, and portfolio optimization
- Aftermarket and lifecycle value strategy (e.g. MRO, USM, PMA, parts repair)
- OEM and supplier production, capacity, and supply-chain strategy
- Aircraft, engine, and component market forecasting and scenario analysis
- Customer economics, value propositions, and go-to-market strategy
- Competitive positioning and industry benchmarking
- Digital, data, and advanced manufacturing implications for aerospace strategy

Focused on long-term value creation and competitive positioning

INVESTMENT, M&A & TRANSACTION ADVISORY

- Commercial due diligence for buy-side and sell-side transactions
- Market sizing, demand outlooks, and risk assessment
- Independent revenue, margin, and cost-structure analysis
- Competitive positioning and strategic fit assessment
- Acquisition screening and bolt-on opportunity identification
- Value creation planning and post-transaction strategy
- Exit readiness and divestiture support

Focused on disciplined investment and transaction outcomes

Naveo combines independent analysis, deep aerospace domain expertise, and real-world transaction experience to support critical board-level decisions.

Sector experience across commercial, business, defense, and rotary aviation

Air Transport *Business Aviation* *Rotary Wing* *Military Aviation*

Naveo provides analysis covering a broad range of topics including…

Air transport traffic forecasts

Available Seat Kilometers (ASK) capacity forecasts and analysis against historical data by key geographic region.

Air transport & business aviation flight hours/cycles analysis

Hours/cycles flown by aircraft type, engine type, operator region.

Aircraft production forecast

Forecast of new aircraft production, systems, raw materials.

Aircraft retirement forecasts

Forecast of aircraft retirements and analysis against historical data.

Maintenance, Repair and Overhaul (MRO) forecasts

Forecast of MRO spend by type of maintenance (e.g. engine, component, airframe, line, modifications), type of aircraft/engine, region, etc.

Used Serviceable Material (USM) forecast

Forecast of USM market ($) by key part types (e.g. engine, components, airframe), aircraft, engine, etc.

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Naveo is an independent aerospace consultancy advising senior leaders, boards, and investors across the global aviation ecosystem

We combine deep aerospace domain expertise, proprietary research, and real-world transaction experience to support critical decisions across aircraft production, aftermarket services, and the full aircraft lifecycle — from entry into service through retirement and part-out

- Deep, singular focus on aerospace — not diluted across sectors
- Trusted advisor to global blue-chip aerospace clients, including OEMs, operators, MROs, and investors
- Independent, data-driven insight grounded in proprietary research and real-world engagements
- End-to-end lifecycle perspective across air transport, business aviation, rotary, and defense

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NAVEO
CONSULTANCY

Richard Brown
Managing Director
richard@naveo.com

Get in touch

M +44 (0)7718 893 833
T +44 (0)207 867 3782
E richard@naveo.com
W naveo.com