



I Letter from François Robardet Aviation in France, Europe, and around the world

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Editorial

The weekly newsletter

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Air France takes delivery of an A220 with the world's first SAF certification

KLM CEO Marjan Rintel warns politicians against further contraction of the aviation sector: "We are the only country affected."

Lufthansa centralizes all decisions concerning its subsidiaries, including ITA Airways, in Berlin

Boeing brings forward deliveries to Ryanair

Boeing continues to dominate the long-haul market ahead of Airbus

Air France-KLM successfully places bonds worth €500 million

> Air France takes delivery of an A220 with the world's first SAF certification

(source: Air Journal) August 27, 2025

My comment: The announcement of the first delivery of an A220 using 50% sustainable aviation fuel gives me the opportunity to review some of the advantages and disadvantages of this type of fuel.

One advantage is the reduction in contrails, whose impact on the climate could be of the same order of magnitude as kerosene.

Sustainable aviation fuel can reduce the formation of these trails in several ways, mainly due to its distinct chemical and physical properties compared to conventional fossil fuel (aviation kerosene). Here's why:

1. Reduction in soot emissions:

Aircraft engines burn fuel, and this combustion produces soot particles. These small particles are a key element in the formation of contrails, as they serve as freezing nuclei around which water vapor condenses.

Sustainable aviation fuel, being produced from biomass or organic waste, generally burns cleaner than fossil fuels. This reduces the amount of soot and other pollutants entering the atmosphere, and therefore the formation of the freezing nuclei necessary for the creation of contrails.

2. Less sulfur:

Sustainable aviation fuel generally contains less sulfur than traditional fossil fuels. The sulfur in traditional aviation fuels can form sulfuric aerosols, which, when mixed with moisture in the air, promote cloud and contrail formation. By reducing sulfur, sustainable aviation fuel helps to reduce this potential source of contrails.

A disadvantage

Sustainable aviation fuel, although chemically similar to traditional jet fuel, may differ in composition, density, viscosity, and low-temperature stability. These characteristics can affect aircraft engine performance and safety, especially at high altitudes where temperatures are very low.

To remedy this, additives are added to increase density, adjust viscosity, or improve the thermal and oxidative stability of sustainable aviation fuel.

On the engine side, adjustments to injection and filtration systems or improvements to fuel heating systems in the aircraft can be implemented.

Read the article:

On August 25, an Air France Airbus A220 made its delivery flight from the Airbus site in Mirabel to Paris, fueled by sustainable aviation fuel (SAF), marking a new milestone for Airbus Canada: for the first time, the aircraft manufacturer has delivered official sustainability certificates for SAF directly to a customer.

This historic flight not only **confirms Airbus' ability to provide proof of sustainability (PoS) directly to customers and operators**, but also supports the industry's commitment to decarbonization. Thanks to PoS credits for a 50% SAF blend applied through the mass balance process, this ferry flight, operated by Air France's 46th A220-300, named "VAISON-LA-ROMAINE," achieved a reduction of more than 25 tons of greenhouse gas (GHG) emissions over the entire life cycle compared to fossil fuels.

"Fleet renewal and the use of sustainable aviation fuel are the two main levers for decarbonizing aviation. Combining the two makes sense, and **Air France-KLM is proud to be part of this important milestone for Airbus with the delivery of one of our A220s**. Air France-KLM is one of the world's largest buyers of sustainable aviation fuel (SAF). **Receiving SAF directly upon delivery is a game changer, increasing transparency and driving progress in the industry,**" said Blaise Brigaud, Senior Vice President of Sustainable Development for the Air France-KLM Group.

Since the announcement of the first delivery of sustainable aviation fuel (SAF) to the Airbus site in Canada, enabling the Mirabel teams to use SAF for the production of the A220, customer acceptance and test flights, this achievement consolidates Airbus' commitment to using SAF for its internal operations as well as for customer ferry flights at all its commercial aircraft assembly sites and delivery centers worldwide.

(...)

Like all Airbus aircraft, the A220 can already operate with up to 50% sustainable aviation fuel (SAF).

Airbus aims to have all its aircraft capable of operating with up to 100% SAF by 2030 . According to the ICAO-approved CORSIA sustainability certification system's Proof of Service (PoS), **the SAF received by Airbus in Mirabel is certified to reduce GHG emissions by 85% over its life cycle compared to fossil fuels.** This substantial reduction is essential to the aviation industry's progress toward decarbonization by 2050.

SAF management at Mirabel is carried out using mass balance, a traceability chain model in which a company accounts for certified product volumes by considering the volumes entering the operation and the equivalent volume of products leaving it, minus processing losses. SAF is blended with conventional aviation fuel (Jet A-1) in accordance with established industry standards and verifiable accounting.

(...)

> KLM CEO Marjan Rintel warns politicians against further contraction of the aviation sector: "We are the only country affected."

(source: Luchtvaartnieuws, translated with Deepl) August 26, 2025

My comment: In the Netherlands, early elections will be held on October 29, 2025. It should be noted that no party has won an election with an absolute majority in the Netherlands since 1894.

The CEO of KLM is fulfilling her role by encouraging the leaders of the various parties to express their positions on the future of KLM and Amsterdam Schiphol Airport.

Read the article:

The Dutch aviation sector will be in trouble if airports have to further reduce their activities. This was stated on Tuesday by Marjan Rintel, CEO of KLM, on the Sven op 1 program broadcast on WNL Radio 1. GroenLinks-PvdA (currently second in the polls) is calling for the closure of Rotterdam-The Hague Airport and the elimination of flights at Schiphol. Several small left-wing parties share this opinion.

Mr. Rintel describes GroenLinks-PvdA's plans as "castles in the air." **Frans Timmermans' party wants to limit air traffic in the Netherlands, in particular to free up space for housing construction.** According to him, limiting the number of flights would free up space for housing at Rotterdam-The Hague Airport and around Schiphol. According to Timmermans, Maastricht Aachen Airport should also make way for housing and nature.

"This will not solve the housing problem," responded the CEO of KLM in Sven op 1. "We need to focus on the real issues: permits and nitrogen."

The Netherlands needs both housing and aviation, says Rintel. "Why should we trade one for the other?" Aviation and infrastructure are essential. If you give them up, you'll never get them back. Look at the competition around you! It stimulates the Dutch economy and prosperity. Let's focus on sustainability, for example through sustainable aviation fuels."

The number of flights at Schiphol will be limited from November onwards. From that date, only 478,000 flights per year will be allowed, compared to half a million before the coronavirus crisis.

(...)

The KLM boss points out that the Netherlands is the only country to experience a reduction in air traffic. "What are other countries doing? Some countries already want to fly to the Netherlands but are not allowed to and claim that the distribution is unfair. A further reduction would lead to retaliation. It would be a kind of revenge."

Ms. Rintel has a message for political parties: "Recognize Schiphol as critical infrastructure. Include this in your program. Let's make it possible to produce sustainable fuel (SAF, editor's note) made in Holland. Air travel must remain affordable for everyone. We can certainly push back the boundaries, but that would simply shift the problem without making it more sustainable."

In addition, Rintel hopes that more action will be taken at the European level. **"In terms of regulation and taxation. We are facing competition. In ten minutes, we left the Netherlands."**

> Lufthansa centralizes all decisions concerning its subsidiaries, including ITA Airways, in Berlin

(source: Tradingview, translated with Deepl) August 27, 2025

My comment: To understand the consequences for Lufthansa's subsidiaries, it is necessary to examine the organizational differences between the Lufthansa and Air France-KLM groups.

- *The Air France-KLM Group is not an airline but a holding company that manages airlines. Air France and KLM are subsidiaries of the holding company.*

The other airlines (HOP!, Transavia France, KLM Cargo, KLM Cityhopper, Transavia Netherlands, Martinair Holland) are subsidiaries of Air France or KLM.

- *The Lufthansa Group is an airline (Lufthansa).*

The other airlines in the group (Austrian, Brussels Airlines, Eurowings, Eurowings Discover, Swiss) are subsidiaries of the airline Lufthansa.

In terms of governance, this difference in organization is fundamental. It allows Lufthansa to impose its decisions on its airline subsidiaries.

Another important point is that the main subsidiaries (Austrian, Swiss, Brussels Airlines, ITA Airways) are all headed by a German CEO.

For ITA Airways, this loss of autonomy is anything but a surprise.

Here is what I wrote in [my letter No. 894 in early January 2023](#):

- *What will happen to ITA Airways if it is integrated into the Lufthansa Group? Will the Italian government be able to retain a say in the strategy of its future former national airline, as it wishes? The recent example of Brussels Airlines leaves room for doubt.*

Read the article:

Another change. Once again. **ITA Airways is preparing for a new internal reorganization**, this time driven by purely industrial (rather than political) logic, **simply following the strategic decisions of its parent company, Lufthansa**. According to revelations in the business daily Handelsblatt, starting in 2026, the German group, which currently owns 41% of ITA Airways (59% is still owned by the Mef), will revolutionize its organizational structure.

In simple terms, **Frankfurt will take charge of almost everything: from route planning to purchasing, from marketing to sales. The subsidiaries, including Austrian, Swiss, Brussels, and, of course, ITA Airways, will only be responsible for organizing flights and a few other tasks.** This confirms that the center of gravity for decision-making will increasingly shift to Germany. There will no longer be much room for maneuver in the various countries. There will be only one beating heart: Frankfurt.

For ITA Airways, the prospect is clear: to definitively enter a system where **major decisions will no longer be made in Rome, but in Berlin**. For Italian travelers, this will have certain advantages, including more connections with the extensive Lufthansa network, integrated offers, and easier access to international loyalty programs. But there is also a downside, as pointed out by Joerg Eberhart, appointed as the new CEO of ITA last January: **less autonomy for Italy and less influence in strategic decisions**.

Intercontinental routes and investment priorities will not be decided based on the Italian market, but in favor of "group logic." In other words: what suits Lufthansa also suits ITA, but not necessarily vice versa. Admittedly, promises of growth have been made: revenue rising from \$2.5 billion to over \$4 billion by 2027, a fleet growing from 71 to 94 aircraft, and up to 5,500 new employees. But the question remains: are these really measures designed to strengthen Italy's role in European aviation, or simply to integrate ITA as a piece in Frankfurt's puzzle? ITA Airways has not yet responded to our request for comment on this matter.
(...)

> Boeing brings forward deliveries to Ryanair

(source: Journal de l'Aviation) August 27, 2025

My comment: *There is no denying that Ryanair is one of Boeing's favorite airlines.*

This comes as no surprise, since Ryanair (920 aircraft) is, alongside Southwest (800), one of the main operators of the B737.

These two airlines each have almost twice as many aircraft as United (550) or American (400).

Ryanair is a strategic customer for Boeing, which skillfully manages to take advantage of difficult periods to obtain substantial discounts.

Read the article:

Ryanair welcomed Boeing's decision to accelerate deliveries of some of its 737 MAX aircraft. According to Reuters, which attended a press conference with Michael O'Leary in Brussels, 25 737-8200s will be delivered in the fall of 2025, instead of the spring of 2026.

The Ryanair Group CEO said that this would enable the airline to strengthen its winter schedule, which is particularly important during the holiday season, and that the additional capacity would be sold through lower fares. He added that bookings are at a good level, slightly up on last year.

He also praised the quality of the aircraft currently being delivered.

> Boeing continues to dominate the long-haul market ahead of Airbus

(source: La Tribune) August 26, 2025

My comment: *Last week, there was talk of Airbus' superiority over Boeing in the single-aisle aircraft market.*

The situation is reversed in the long-haul market, where Boeing dominates,

Read the article:

Long-haul flights are back on the rise... and as is often the case, Boeing is reaping the benefits. After an already successful first half of the year in this area, the American manufacturer has just secured another huge order. It has announced an agreement with Korean Air for no fewer than 103 aircraft, more than half of which are wide-body aircraft. The firm contract has yet to be finalized, with an estimated value of \$35 billion for the Korean national airline, but 2025 is already shaping up to be a great year for the American group.

With this order from Korean Air, as well as those from Gulf Air and Cathay Pacific, Boeing's gross order book will soon include no fewer than 405 long-haul aircraft, 777s and 787s, for the current year alone. And that's not even counting the options. This is more than the medium-haul 737 MAX over the same period, which is the aircraft manufacturer's best-seller.

Boeing is thus well on its way to surpassing its already impressive 2023 score. The historic score of 2007 still seems far away, even unattainable with 548 units, but who knows with the Dubai Airshow at the end of the year... With very few cancellations and favorable accounting operations, the number of net orders also looks set to be spectacular.

Enough to see beyond 2030

Based on the production rates planned for the coming years, Boeing has secured at least two full years of production for its 787 and 777X aircraft in a single financial year. Deliveries to Korean Air, for example, will be spread out until 2030. These new aircraft are in addition to a well-filled order book, which allows the company to look ahead to the next decade. It still has more than a thousand 787s to deliver, around 650 777s and a hundred 767s. This represents just over a quarter of its total order book.

These are significant figures, but they will require the manufacturer to redouble its efforts to ramp up its industrial capacity. It currently delivers only five 787s per month, with a target of reaching ten next year—compared to 14 before the crisis—and has still not certified its 777X.

Airbus relegated to second place

Without detracting from its achievements, Airbus is far from the mark. For the current year, the European manufacturer is currently performing half as well as its American competitor, with around 100 A330s and almost as many A350s. Taking its entire order book into account, it still has just over a thousand aircraft to deliver. This ensures production until 2032, taking into account the ramp-up. Long-haul aircraft thus represent only a dozen percent of its order book.

The European aircraft manufacturer can nevertheless console itself with the fact that its A320 family (all generations combined) is about to become the most produced commercial aircraft in history, with 12,151 units, surpassing the 737. The latter now has only a 20-unit lead. Given the difference in production rates, this will soon be achieved. Not to mention that Airbus's medium-haul aircraft could also one day become the best-selling commercial aircraft in history. It still has a few hundred aircraft to catch up with the 737, but with a career that started twenty years later.

Stock market press review

> Air France-KLM successfully places bonds worth €500 million

(source: Cercle Finance) August 28, 2025

My comment: The transaction is advantageous for Air France-KLM. The coupon rate is about 3% lower than the rates at which the group borrowed to overcome the Covid crisis.

Read the article:

Air France-KLM announces the successful issuance of €500 million in bonds as part of its EMTN program

The bonds have a maturity of five years and **offer a fixed annual coupon of 3.75%** (yield of 3.866%).

This transaction allows the Group to take advantage of current favorable market conditions and extend the average maturity of its debt.

The proceeds from the issue will be used for the Group's general financing needs.

The Group's long-term debt is rated BB+ by Standard & Poor's and BBB- by Fitch Ratings.

End of press review

> Air France-KLM share price performance

Air France-KLM shares closed at **€13.295** on Friday, August 29. Over the week, they **fell sharply (-10.95%) after doubling in two months.**

It was:

- €13.60 on January 1, 2024,
- on July 1, 2024 at €8.23,
- €7.604 on January 1, 2025,

- on July 1, 2025 at €9.08,

The average (consensus) of analysts' 12-month forecasts for AF-KLM shares is €10.12 (it was €17.50 at the beginning of January 2024). The highest target price is €14.25, and the lowest is €5.70.

I only take into account analysts' opinions issued after July 1, 2023.

You can find [details of the analyst consensus](#) on my blog.

Below is the share price performance over the last five years.



My comment: The share price has fallen significantly by 11% in one week, a decline that should be put into perspective as it follows a doubling of the price in two months.

It should be noted that the share price is well above (+30%) the analysts' consensus, which is rare.

> Fuel price trends this week

The price of a barrel of jet fuel in Europe is down slightly (-\$1) to \$90. It was \$94 at the end of June 2023 and \$79 before the outbreak of war in Ukraine.

The price of a barrel of Brent crude oil (North Sea) is stable (+\$0) at \$68.

From mid-February 2022 to the end of July 2022, it fluctuated between \$100 and \$120. Since then, it has fluctuated between \$75 and \$99.

My comment: Oil has fallen significantly by 10% over the past two weeks.

> FCPE management

When you invest money in one of Air France's FCPE funds, you obtain shares in these funds. You do not directly hold any shares.

The funds are managed and decisions are made by the supervisory boards, which you elected in July 2021 for a five-year term.

The Partners for the Future, Aeroactions, Majoractions, and Concorde funds only hold Air France shares.

The Horizon Épargne Actions (HEA), Horizon Épargne Mixte (HEM), and Horizon Épargne Taux (HET) funds manage portfolios of various shares.

My comment: If you would like more information on the management of the various Air France [employee investment funds](#), please visit [my website navigation](#), under the heading [Air France-KLM employee share ownership](#).

Details

This information is provided for informational purposes only and does not constitute an offer to sell or a solicitation to buy Air France-KLM shares.

You can respond to this press review or send me any information or comments that will help me to keep you better informed.

Please feel free to send me any questions you may have about the Air France-KLM group or employee share ownership.

See you soon.

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|François Robardet

At the forefront of more responsible European aviation, we bring people together to build the world of tomorrow.
(Air France-KLM's raison d'être)

**I represented Air France-KLM employees and former employees.
You can find me on my Twitter account @FrRobardet and on LinkedIn.**

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