CRANE WORLDWIDE LOGISTICS

AIR MARKET UPDATE

CURRENT STATE

Global Demand Momentum: Air cargo demand (CTK) increased 4.3% YoY, reflecting resilient and targeted freight flows concentrated in specific regions and trade lanes rather than a broad-based global trade acceleration.

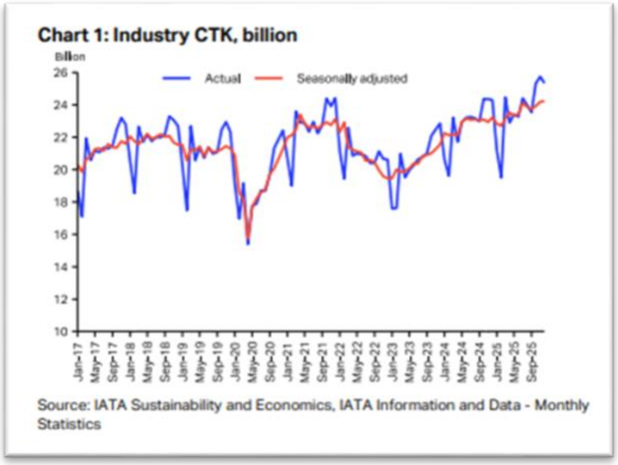
Regional Performance Divergence: International CTK rose 5.5% YoY, led by Asia Pacific (+10.7%) and Africa (+10.1%), the only regions achieving double-digit growth, while the Americas experienced contraction.

Capacity & Load Factors: Global cargo capacity (ACTK) expanded 4.5% YoY, with load factors stable at 47.1%, indicating disciplined fleet deployment and uneven capacity absorption across markets.

Fuel & Yield Trends: Jet fuel prices declined 3.1% YoY (ninth annual drop in 2025), narrowing the Brent–jet fuel crack to USD 23.9; however, cargo yields continued to soften (-2.6% YoY) for the eighth consecutive month, despite relatively stable month-on-month rates (-0.4%).

Source: IATA.com

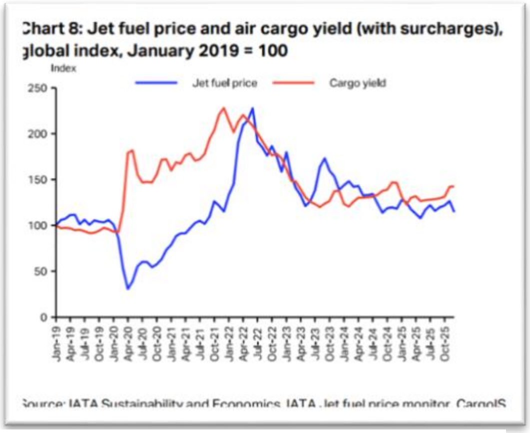
Chart 1 – Industry CTK (in billion)



JET FUEL DEVELOPMENTS

Energy & fuel dynamics: In December 2025, Brent crude averaged USD 62.7 per barrel, down 15.3% year-over-year and marking the 17th consecutive month of annual decline, the lowest December level since 2020. Persistent oversupply conditions, with global production exceeding demand, continued to exert downward pressure on prices.

Yield impact: Although refineries increased throughput ahead of scheduled maintenance in early 2026, weak refining margins—particularly across Europe—indicated subdued demand for refined products. Rising stockpiles following November's sharp build further reinforced oversupply concerns, contributing to continued price softness.



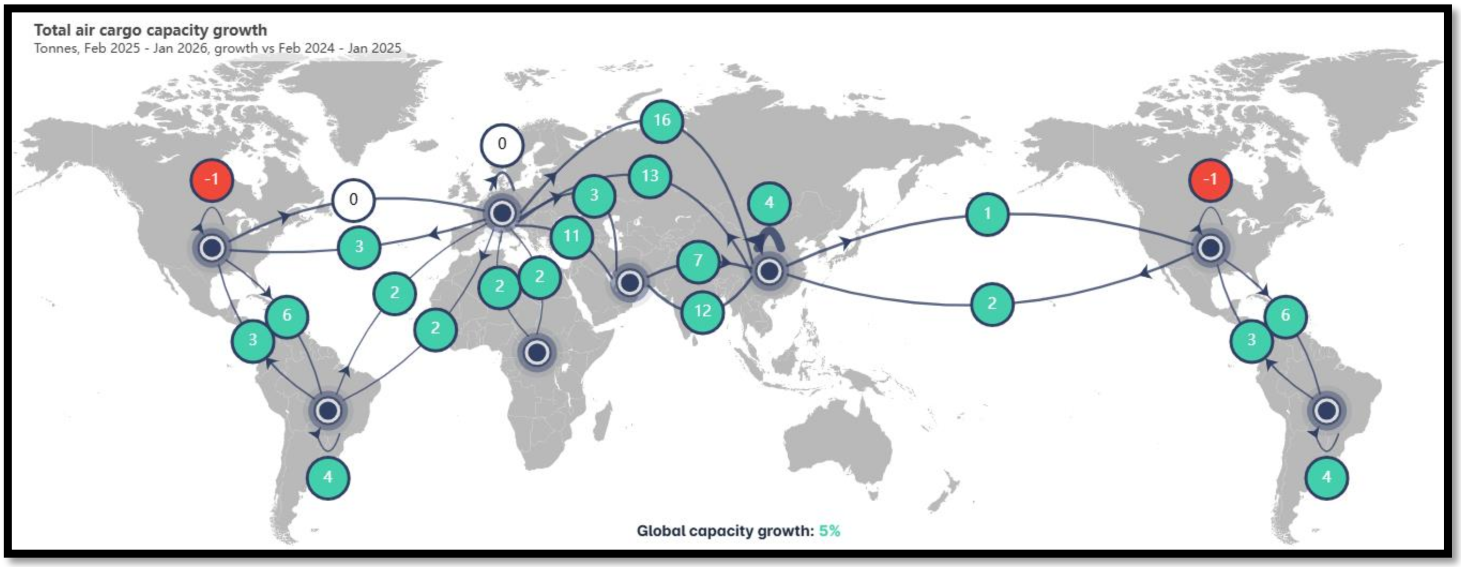
DEMAND & CAPACITY

ORIGINS

	AMERICAS	LATAM	EMEA	INDIA	N. ASIA	S. ASIA
AMERICAS	Green	Green	Green	Green	Green	Green
LATAM	Green	Green	Green	Green	Green	Green
EMEA	Green	Green	Green	Green	Green	Green
INDIA	Green	Green	Green	Green	Green	Green
N. ASIA	Yellow	Yellow	Yellow	Green	Green	Red
S. ASIA	Yellow	Yellow	Yellow	Green	Green	Yellow

Red	Demand exceeded capacity available. Rates increased.
Yellow	Demand higher and or capacity is limited. Rates increasing
Green	Both demand & capacity are at normal levels.

AIR CARGO CAPACITY GROWTH (last 12 months):



MARKET HIGHLIGHTS

- **Regional Variances in Growth**
    - **Asia:**
        - Strongest major growth region: +9.4% YoY (Dec) | +8.4% FY2025
        - International demand surged +10.7% YoY
        - Benefiting from e-commerce, intra-Asia trade and "China+1" supply chain diversification
        - Gained +1.6pp international market share.
    - **Europe:**
        - Solid, stable growth: +4.9% YoY (Dec) | +2.9% FY
        - Strong Europe-Asia and transatlantic flows
        - Highest regional load factor: 56%+.
    - **Middle East:**
        - Moderate growth: +4.2% YoY (Dec) | +0.3% FY
        - Hub-driven long-haul connector
        - Capacity growth outpaced demand → pressure on load factors.
    - **North America and Latin America trends:**
        - Weakest major region: -2.2% YoY (Dec) | -1.3% FY
        - Asia–North America corridor softness
        - Market share declined, demand stabilizing at lower levels.

- **International flows driving growth** (+5.5% YoY), now larger share of total market.
- **Belly capacity leading expansion,** freighter redeployment away from policy-exposed lanes.
- **Corridor rotation evident:** Europe-Asia & intra-Asia outperform; Asia-North America under pressure.
- **Capacity largely absorbed** → balanced market entering 2026.
- **Lower fuel prices easing cost pressure but** yields still down YoY.
- Market increasingly shaped by **trade policy, network flexibility, and regional diversification**.