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AVIATION / TRADE / INVESTMENT

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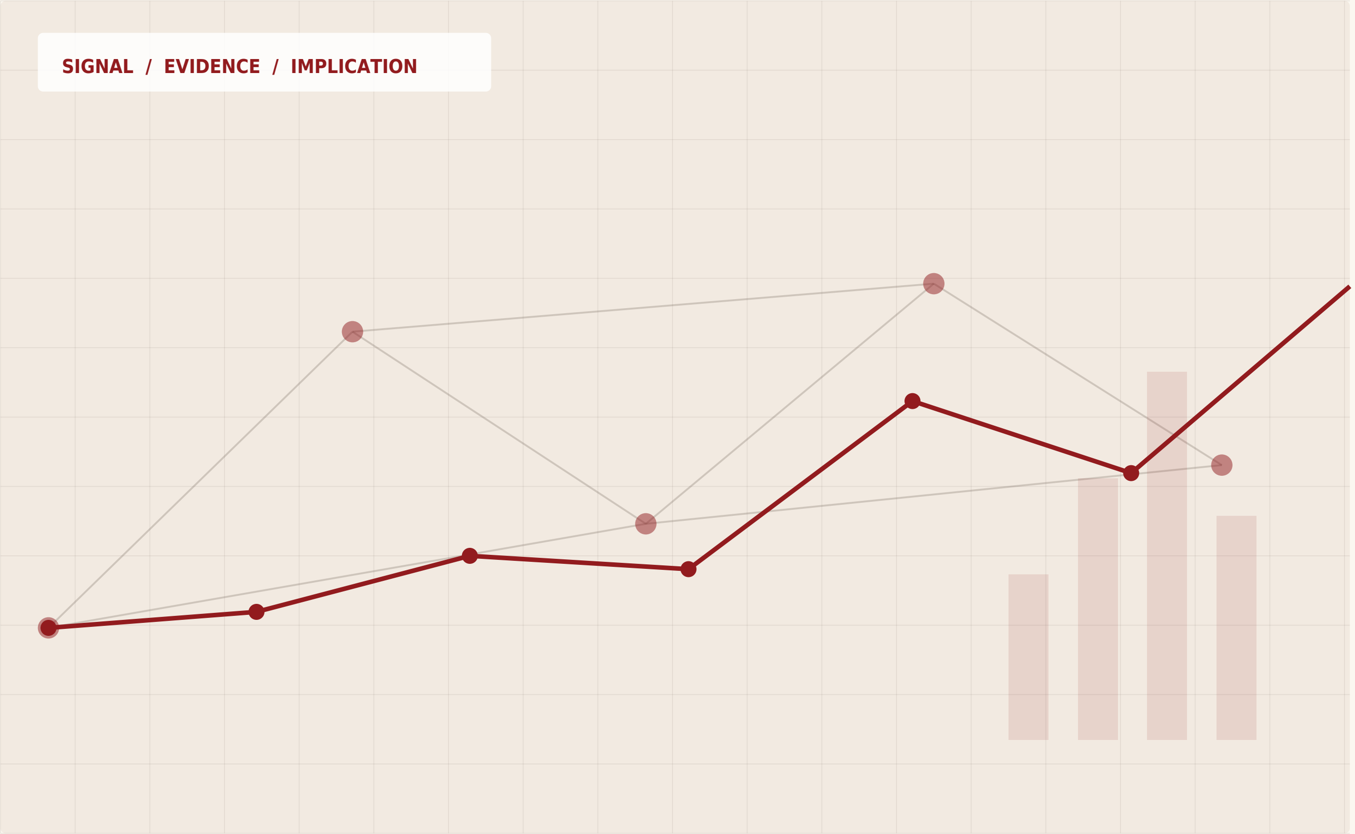
Ethiopian Airlines in a Different Category

The Performance Record, Addis Ababa Hub, Cargo Advantage, and Vision 2035



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KEY INDICATORS AT A GLANCE

$7.6B **Revenue FY2024/25** *8% YoY; CEO Mesfin Tasew, Addis Standard Aug 2025*	**19M** **Passengers FY2024/25** *15.2M international + 3.9M domestic; same source*	**$4.4B** **Revenue H1 FY2025/26** *14% YoY; 2% above target; Fana Media Feb 10, 2026*	**10.64M** **Passengers H1 25/26** *11% YoY increase; same source*
785k t **Cargo FY2024/25** *Africa's largest cargo operator; 140+ destinations*	**451k t** **Cargo H1 FY2025/26** *4% above half-year target; Fana Media Feb 10, 2026*	**147** **Fleet (direct ops)** *Plus 23 at partner airlines; 170 total; same source*	**$25B** **Vision 2035 target** *Revenue; 271 aircraft; 207 destinations; 65M pax*

DATA INTEGRITY NOTE *Kenya Airways 2024 revenue approximately $1.46B (KShs 188.5B at KShs 129/USD year-end rate; Annual Report 2024). USD revenue figures for EgyptAir and South African Airways are not independently verifiable from primary sources and have been excluded from this brief. All ET figures are from CEO Mesfin Tasew's direct statements to media, confirmed by Fana Media Corporation, Addis Insight, and Addis Standard.*

01 THE PERFORMANCE RECORD

$7.6 Billion in FY2024/25. The Numbers That Explain Why ET Operates in a Different Category.

Ethiopian Airlines Group CEO Mesfin Tasew announced in August 2025 that the airline transported more than 19 million passengers and earned $7.6 billion in revenue during FY2024/25, marking an 8% increase from the prior year. The airline added 13 new aircraft during the year and launched six new international routes, per the same statement. In February 2026, the H1 FY2025/26 results confirmed the growth trajectory: $4.4 billion in revenue, 14% above the prior year's H1 figure and 2% above ET's own internal target, on 10.64 million passengers and 451,000 tonnes of cargo, the latter 4% above the half-year cargo target.

- **THE PEER CONTEXT: VERIFIED DATA ONLY** Kenya Airways, the only other publicly listed major sub-Saharan African carrier with independently audited accounts readily available, reported revenue of KShs 188.5 billion for calendar year 2024, equivalent to approximately $1.46 billion at the year-end exchange rate of KShs 129 per USD. Kenya Airways carried 5.23 million passengers in 2024 and recorded its first net profit since 2012, at approximately $41.7 million (KShs 5.4 billion). USD revenue figures for EgyptAir and South African Airways are not independently verifiable from publicly available primary sources and have been excluded from this comparison. The analytical point holds without them: ET at $7.6 billion is operating at more than five times the revenue of the next largest sub-Saharan African carrier with verified published accounts. The appropriate peer comparison is no longer continental: Turkish Airlines, Singapore Airlines, and the Gulf carriers are the relevant benchmarks.
- **WHAT THE H1 FY2025/26 NUMBERS SAY** The $4.4 billion H1 figure exceeded ET's own internal target by 2%, which matters because ET sets targets based on its internal planning model. A 14% year-on-year increase sustained into a new fiscal year, following 8% growth in FY2024/25, indicates structural rather than cyclical momentum. CEO Mesfin Tasew described the performance as resilient specifically because it occurred despite visa ban disruptions affecting passenger traffic, tariff war headwinds affecting

cargo, and active conflicts in Sudan and the DRC affecting route operations in East and Central Africa.

- **CARGO AS THE STRUCTURAL ANCHOR** Ethiopian Cargo and Logistics Services is Africa's largest air cargo operator. The airline carried 785,323 tonnes in FY2024/25 and operates across more than 140 cargo destinations. In March 2026, the cargo division joined the Freightos booking platform, extending digital booking and interlining capabilities across its network. The Africa-China corridor positioning is a strategic differentiator: ET operates to 11 Chinese destinations and the Urumqi cargo route, added in 2025, positions it on the Africa-Central Asia corridor that very few African carriers can serve at this frequency.

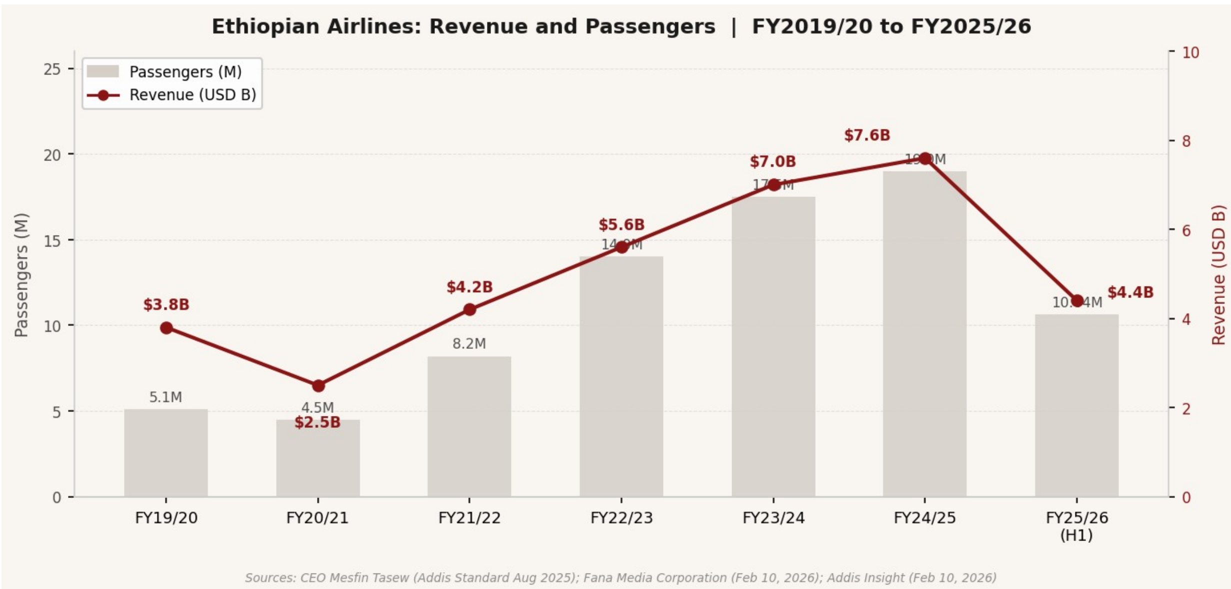

Figure 1: Ethiopian Airlines Revenue and Passengers | Sources: CEO Mesfin Tasew (Addis Standard Aug 2025); Fana Media Corporation (Feb 10, 2026); Addis Insight (Feb 10, 2026)

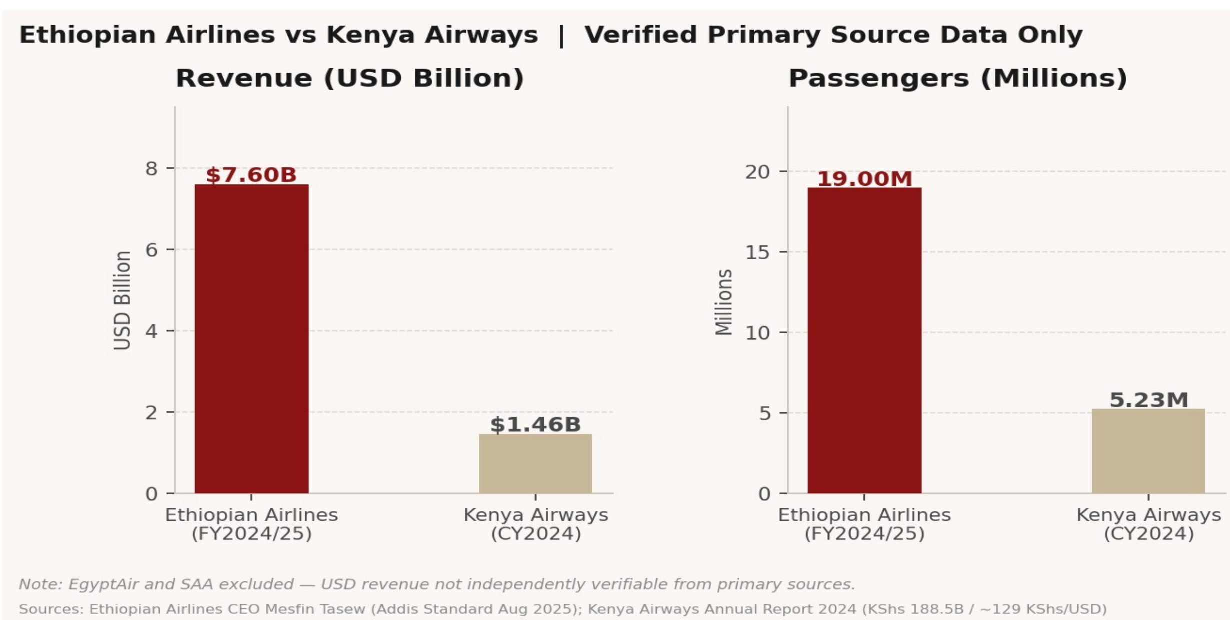

Figure 2: Ethiopian Airlines vs Kenya Airways | Verified primary source data only. EgyptAir and SAA excluded: USD revenue not independently verifiable from primary sources. | Sources: Ethiopian Airlines CEO Mesfin Tasew (Aug 2025); Kenya Airways Annual Report 2024

02 THE HUB MODEL AND WHY ADDIS ABABA IS IRREPLACEABLE

Geography as Competitive Advantage: The Structural Case for Bole and Why Bishoftu Is the Long-Term Answer

Ethiopian Airlines operates a hub-and-spoke model centred on Addis Ababa Bole International Airport. This is not simply an operational choice: it is a structural competitive advantage that no other African carrier can replicate at equivalent scale. No other African capital sits at Addis Ababa's geographic position relative to the world's primary traffic flows. Addis is equidistant from Europe and Asia in flight time, sits on the primary Africa-Europe arc, and provides the most efficient connection point for passengers moving between East and West Africa.

- **THE TRANSFER TRAFFIC LOGIC** The 145 international destinations ET serves are calibrated to maximise connections through Bole, turning short-haul African feeder traffic into long-haul intercontinental revenue. This is the Lufthansa Group of Africa model, a phrase the former CEO Tewolde GebreMariam used, and it is an accurate description of the structural logic. When a passenger flies Lagos to Bangkok, or Dar es Salaam to Seoul, or Accra to Mumbai, the most efficient connection almost always routes through Addis. ET has built its network to serve precisely these origin-destination pairs.
- **BOLE AT CAPACITY** Bole International Airport is operating close to its design limits. Expansion at the existing site has physical constraints. ET is managing this through fleet gauge increases, larger aircraft on high-frequency routes, but the fundamental constraint remains. A capacity-constrained hub limits the number of connections the airline can offer, which limits transfer traffic, which is the ceiling on the revenue model.
- **BISHOFTU: THE LONG-TERM INFRASTRUCTURE ANSWER** The African Development Bank and Ethiopian Airlines Group signed a mandate letter in August 2025 to finance the Bishoftu International Airport project. Located 40 kilometres south of Addis Ababa, the airport is designed to begin operations at 60 million passengers annually and expand to 110 million, which would place it among the busiest airports in the world at full capacity. The total investment is $12.5 billion. The timeline from mandate letter to operational airport is measured in decades, not years. It is the structurally correct long-term answer and it does not resolve the Bole constraint in the near term.
- **STAR ALLIANCE MEMBERSHIP** ET's Star Alliance membership provides access to interline agreements, code-sharing, and shared frequent flyer recognition across 26 member airlines. This is a competitive differentiator no other sub-Saharan African carrier matches. A passenger booked on United Airlines from Chicago to Nairobi via Addis Ababa appears in United's system as a through-ticket with ET as the connecting carrier. Code-share yield is materially higher than independently booked segments, and Star Alliance access makes ET an attractive transfer option for passengers who would otherwise route through Dubai, Doha, or Istanbul.

03 THE PAN-AFRICAN STRATEGY: SUBSIDIARIES, SETBACKS, AND WHAT WORKS

Four Active Partnerships, Two Named Setbacks, One Validated Model

Ethiopian Airlines has pursued a pan-African ownership and management model across multiple African carriers. The model uses ET's operational expertise, training systems, and capital to build affiliated airlines that function as regional feeders and local brands with ET's technical backbone. ET CEO Mesfin Tasew has described the strategy as building the 'Lufthansa Group of Africa.' The evidence is mixed: one clear success, two developing partnerships, one complex situation, and two failures worth naming directly.

- **ASKY: THE VALIDATED MODEL** ASKY Airlines, based in Lome, Togo, is the flagship success. ET holds 27% of ASKY and manages the airline, per CEO Tasew's statement to AeroTime in December 2022. ASKY operates 25 destinations within West Africa and is profitable. It demonstrates the model's logic: a regional airline with a West African identity, ET's technical and operational backbone, and a mandate to channel premium traffic onto ET's intercontinental network.

- **MALAWI AND ZAMBIA** ET holds a 49% stake in Malawi Airlines and manages the carrier. ET also holds a partnership stake in Zambia Airways in Lusaka. Both are developing. CEO Tasew described Malawi Airlines as 'performing well' in December 2022. Neither airline's revenue or profit figures are available from primary public sources.
- **AIR CONGO** The JV with the Democratic Republic of Congo to establish Air Congo was finalised and operations commenced. The DRC is a market of significant potential and considerable operational complexity. CEO Mesfin Tasew cited conflict in eastern DRC as a specific headwind affecting route operations in ET's February 2026 H1 briefing.
- **NIGERIA AND ERITREA: TWO FAILURES NAMED** The Nigeria Air venture reached what ET described as the 'final phase of negotiation' and was subsequently cancelled by the Nigerian government. Nigeria is the largest aviation market in sub-Saharan Africa by population; the failure to establish a national carrier under the ET management model is the most significant missed opportunity in the pan-African strategy. Separately, ET suspended flights to Asmara in September 2024 after the Eritrean government froze the airline's bank account. CEO Mesfin Tasew confirmed in August 2025 that the funds remain unrecovered and that the resolution is 'a political decision,' outside ET's commercial control. Both cases illustrate the specific exposure that state-to-state relationships create when you are a state-owned airline operating in state-managed markets.

Ethiopian Airlines Pan-African Network: Subsidiaries, Partnerships, and Setbacks

SUBSIDIARY/PARTNER	LOCATION / STAKE	STATUS / NOTE
ASKY Airlines **27% stake + management**	Lome, Togo	25 destinations in West Africa; profitable; flagship subsidiary
Malawi Airlines **49% stake + management**	Lilongwe	Regional connectivity; ET management model; growing routes
Zambia Airways **Partnership stake**	Lusaka	Regional Southern Africa hub; partnership since 2021
Air Congo **JV established**	Kinshasa, DRC	Central Africa gateway; JV finalised; operations commenced
Nigeria Air **Negotiations collapsed**	Abuja	Final-phase deal abandoned; Nigerian government cancelled
Eritrea flights **Suspended Sept 2024**	Asmara	Frozen bank account unrecovered; CEO: 'a political decision'

Sources: Ethiopian Airlines corporate communications; Addis Standard (Aug 2025); AeroTime (Dec 2022); AllAfrica; CEO Mesfin Tasew

Figure 3: Ethiopian Airlines Pan-African Network: Subsidiaries, Partnerships, and Setbacks | Sources: Ethiopian Airlines corporate press releases; Addis Standard Aug 2025; AeroTime Dec 2022; CEO Mesfin Tasew

04 VISION 2035: THE TARGETS, THE PROGRESS, THE HEADWINDS

$25 Billion by 2035: The Targets, Where ET Stands, and What the Timeline Risk Actually Is

Vision 2035 sets out an ambition to become one of the top 20 most competitive aviation groups in the world. CEO Tasew stated the specific targets in December 2022: $25 billion in revenue, 271 aircraft, 207 destinations, 65 million passengers, and 3 million tonnes of cargo annually. At FY2024/25 performance: 30% of the revenue target, 54% of the fleet target, 70% of the destination target, 29% of the passenger target, and 26% of the cargo target. The destination target is closest to completion because routes are easier to launch than aircraft to acquire or passengers to grow.

- **THE REVENUE COMPOUND REQUIREMENT** Getting from $7.6 billion to $25 billion in nine years requires compounding revenue at approximately 14% annually. ET delivered 8% in FY2024/25 and 14% in H1 FY2025/26. If 14% is sustained, $25 billion is mathematically reachable by 2035. The structural risk is that several of the current growth drivers, post-pandemic recovery demand, first-mover route launches, and cargo expansion on the Africa-China corridor, are partially one-time gains. The post-2028 growth engine has not been publicly described.
- **BOEING SUPPLY CHAIN RISK** ET operates Boeing 777s, 787s, and 737s alongside Airbus A350s. Boeing's delivery delays, documented publicly since 2019 and compounded by the 2024 production quality crisis, have affected global airline fleet plans. The Ethiopian Business Review reported in 2025 that multiple ET aircraft were grounded awaiting parts and new deliveries were running behind original schedules. Vision 2035 requires growing the fleet from 147 to 271 aircraft. Boeing delivery reliability is a material variable in whether that target is achievable on the stated timeline.
- **THE BISHOFTU TIMELINE DEPENDENCY** Vision 2035 implicitly depends on Bishoftu contributing capacity before 2035, because Bole's constraints limit the hub traffic growth the revenue model requires. The AfDB mandate letter signing represents real progress. The distance between a financing mandate and 60 million passenger annual operational capacity is a construction and commissioning timeline that, in large infrastructure projects globally, regularly extends beyond initial projections.

THE HONEST ASSESSMENT

$25 billion by 2035 is mathematically achievable if current growth rates hold and the Bishoftu project contributes capacity on schedule. The Boeing supply chain, the Bole capacity constraint, and the post-2028 revenue growth engine are the three unknowns that determine whether the trajectory holds. Ethiopian Airlines will almost certainly not reach $25 billion by 2035 precisely. It will almost certainly be the dominant aviation institution on the continent by any measure when 2035 arrives. The distinction between the two outcomes is a function of variables outside ET's direct control, not of operational capability.

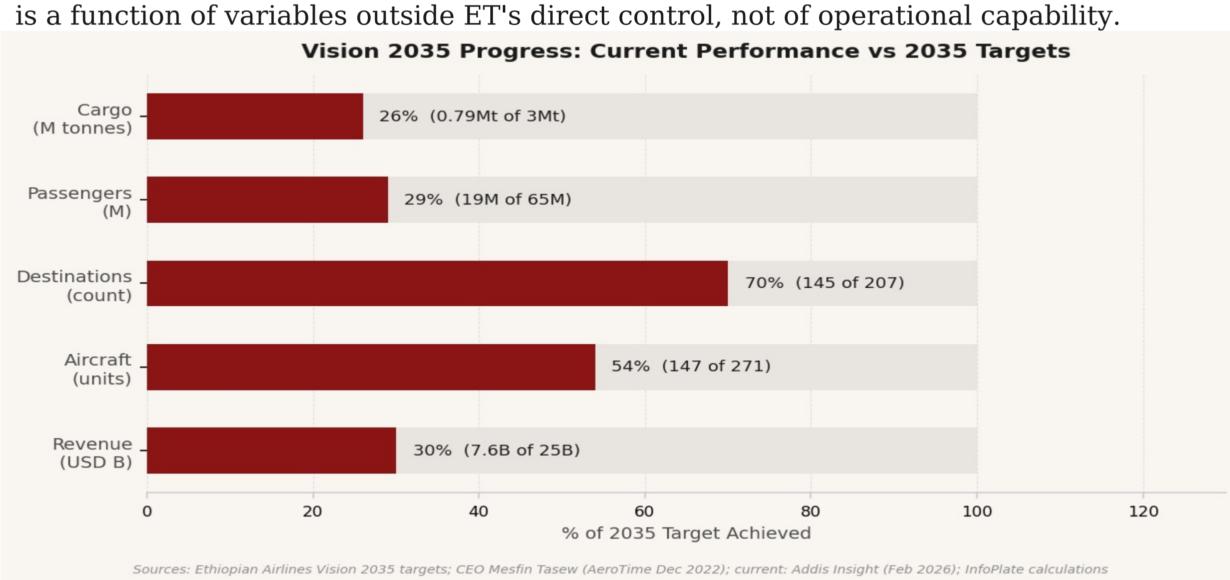

Figure 4: Vision 2035 Progress | Sources: Ethiopian Airlines Vision 2035; CEO Mesfin Tasew (AeroTime Dec 2022); Addis Insight Feb 2026; InfoPlate calculations

05 STATE OWNERSHIP: WHAT IT PROTECTS AND WHAT IT RISKS

Why the Most Commercially Successful Airline in Africa Is 100% Government-Owned

Ethiopian Airlines is wholly owned by the Ethiopian government. It is profitable, growing, and structurally sound. This confounds the expectation that state-owned airlines in Africa are financial liabilities. The reason it confounds that expectation is commercial discipline enforced through a management culture built over eight decades, not inherited from a privatisation event. The question worth asking in 2026 is not whether ET is an exception to the state-ownership rule. It is what state ownership specifically provides that private ownership could not, and what it leaves exposed that private ownership would manage differently.

- **WHAT STATE OWNERSHIP PROVIDES** Guaranteed debt access for fleet financing at rates reflecting sovereign backing rather than airline credit risk. Protection from short-term shareholder pressure to cut routes, reduce workforce, or distribute capital at the expense of long-term network investment. Freedom to serve unprofitable domestic routes as a policy mandate without institutional investor resistance. And diplomatic market access: when ET needs a new landing right, the Ethiopian Ministry of Foreign Affairs is the negotiator. In Africa's aviation market, where bilateral air service agreements are still managed at state level, this is a structural competitive advantage.
- **WHAT STATE OWNERSHIP RISKS** The Eritrea situation is the clearest example available from primary sources. The frozen bank account remains unrecovered because the resolution requires political agreement between governments, not commercial negotiation between companies. The Nigeria Air collapse was a sovereign government decision. State ownership means ET's worst operational surprises come from geopolitics rather than markets. In the Horn of Africa and Central Africa, where ET's pan-African strategy is concentrated, that is not a theoretical risk. It has occurred twice in the past two years in ways that directly affected ET's revenue.
- **THE PARTIAL PRIVATISATION QUESTION** The government has indicated that a partial listing of Ethiopian Airlines on the Ethiopian Securities Exchange remains a long-term option. Partial privatisation would introduce market discipline on financial reporting, provide a capital raise for fleet investment, and create a mechanism for the sovereign wealth fund to realise value without losing control. It would also introduce quarterly earnings pressure and institutional investor expectations on short-term performance metrics. Given ET's demonstrated commercial track record, the case for privatisation is primarily about deepening Ethiopia's capital market rather than improving ET's operational management.

Ethiopian Airlines: What Protects the Model and What the State Owns

WHAT PROTECTS ET's MODEL

Commercial discipline
Profit targets; board accountability; no government bail-out track record

Star Alliance membership
Global interline, code-share access, and yield premiums vs peers

Fleet modernity
Average aircraft age among Africa's lowest; A350-1000 in service

Vertical integration
MRO, catering, training, cargo, hotel — all in-house revenue

Hub geography
Addis at intersection of Africa-Europe-Asia trade routes

RISKS THE STATE OWNS

Political exposure
Eritrea frozen funds; Sudan conflict disruption; DRC complexity

Boeing supply chain
737 MAX delays and 787 delivery shortfalls constrain capacity growth

FX and repatriation
Global USD revenues vs local cost base; emerging market FX risk

Bole airport capacity
Operating near limit; Bishoftu $12.5B airport still years away

Domestic cross-subsidy
ET mandated to serve unprofitable domestic routes by policy

Sources: Ethiopian Airlines; Addis Standard (Aug 2025); Ethiopian Business Review (2025); CEO Mesfin Tasew; Star Alliance member data

Figure 5: Ethiopian Airlines: What Protects the Model and What the State Owns | Sources: Ethiopian Airlines; Addis Standard Aug 2025; Ethiopian Business Review; CEO Mesfin Tasew; Star Alliance member data

05 EDITOR'S OUTLOOK

THE BOTTOM LINE

Ethiopian Airlines earned $7.6 billion in FY2024/25 and is on track for over $8 billion in FY2025/26 based on H1 data. Every major performance figure in this brief is sourced directly from CEO Mesfin Tasew's public statements, confirmed by Fana Media Corporation and Addis Insight. The peer comparison uses only Kenya Airways, the one sub-Saharan African carrier with independently audited accounts in USD-convertible form; EgyptAir and South African Airways have been excluded because their USD revenue figures cannot be verified from primary sources. The analytical conclusion stands regardless: Ethiopian Airlines operates at more than five times the revenue of the next verified peer. The Boeing supply chain, the Bole capacity constraint, and the geopolitical exposure of a state-owned airline in the Horn of Africa and Central Africa are the three material risks to the Vision 2035 timeline. The institutional quality is not one of them.

For informational purposes only. Not investment advice. EgyptAir and South African Airways revenue figures excluded: no independently verifiable primary USD source available. All ET performance figures sourced directly from CEO Mesfin Tasew statements confirmed by named Ethiopian media. Primary sources: CEO Mesfin Tasew, Addis Standard (August 6, 2025); Fana Media Corporation (February 10, 2026); Addis Insight (February 10, 2026); Africanews (February 10, 2026); Pan African Visions (May 2026); Ethiopian Airlines / African Development Bank press release (August 11, 2025); Freightos / Ethiopian Cargo press release (March 12, 2026); AeroTime (December 2, 2022); Ethiopian Business Review (2025); AllAfrica (July 2025; August 2025); Kenya Airways Annual Report 2024; Airspace Africa (March 25, 2025); Star Alliance member data; Ethiopian Airlines corporate press releases 2025-2026 | Published May 25, 2026