

# Lufthansa signals shift in fleet strategy

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Lufthansa Group is preparing for one of the largest fleet renewal cycles in its history as it looks to roughly double its EBIT margin to 8-10% between 2028-2030 compared with a 2024 margin of 4.4%, chief financial officer Till Streichert said during an investor day presentation.

The European airline group expects around 100 new aircraft to be delivered over the next two years, creating a “gross capex peak” scenario, Streichert said.

Aircraft capital expenditure remains by far the largest share of group investment, alongside projects in customer product, digitalisation, cargo and its MRO division, Lufthansa Technik.

The company noted though that net capex would be actively managed to preserve cash flow, even during heightened delivery activity.

This approach is also reshaping Lufthansa’s stance on fleet financing, according to Streichert.

Historically, the group has focused on ownership, but it now plans to increase the proportion of leased aircraft to roughly one third of the fleet.

Streichert said leasing provides flexibility to adjust capacity up or down in line with demand cycles, enhances capital efficiency since lease costs sit below Lufthansa’s own cost of capital, and smooths out cash flow during peak investment years.

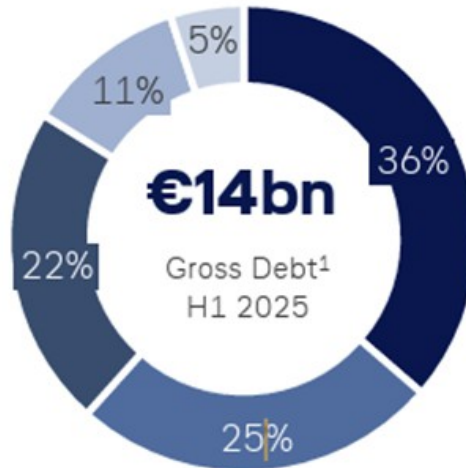
“In the past, outright ownership of most of our aircraft was a key principle, and we continue to believe that ownership is an important principle to keep, however, it is equally time to evolve our strategy towards more leasing, to make greater use of the strategic benefits of leasing,” he stated.

Lufthansa pointed to a diversified debt structure, with no single funding instrument making up more than a third of its financing and a balance between fixed and floating-rate exposure.

## Funding mix

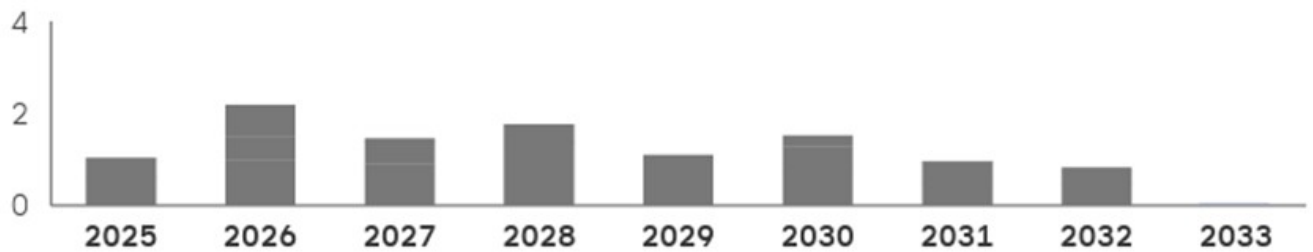
in %

- Senior Bonds
- Aircraft financing / JOLCO
- Leases
- Convertible / Hybrid Bonds
- "Schuldschein" loan / Other



## Maturity profile

in €bn



1. Financial debt only (without pension liabilities)

**Source:** Lufthansa Group Capital Markets day

Successful transactions in 2025 reflected its continued access to capital markets at favourable terms, Streichert highlighted, pointing to a balanced maturity profile, with only €1-2 billion in repayments due annually, which limits refinancing risk.

It recently [launched an offering of unsecured and unsubordinated convertible bonds](#) due 2032 in an aggregate principal amount of €600 million, which will be used to partly refinance an issuance that matures in the fourth quarter of 2025.

Next year [more than €2.1 billion worth of Lufthansa debt is maturing](#). Those include a €1 billion bond, a €500 million hybrid bond as well as more than €400 million worth of aircraft secured deals maturing.

The company is targeting a buffer of €8-10 billion, a level it considers prudent given industry volatility, according to Streichert.

The group is targeting more than €2.5 billion in free cash flow annually in its medium-term outlook, even as it works through the investment-heavy period of 2026 and 2027.

The group, which was the first European airline to regain an investment grade rating after the pandemic, said it now holds solid investment grade ratings across all agencies and aims to move one notch higher in the medium term.

That ambition comes even as the carrier prepares to consolidate Italy's ITA Airways into its accounts, which will increase its overall debt load, Streichert noted.

"Our goal is to move forward as quickly as we can... it is a clear assumption to have ITA fully integrated in our target time horizon," he continued.

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