

# Identify investment opportunities and isolate areas of potential risk with IBA's Operator Score Index.

IBA's Operator Score Index provides an overview of risk and operations for over 120+ airlines. Updated every six months, we combine financial health with operational efficiency, access to capital, jurisdictional risk and, IBA's proprietary intelligence on the operator's performance as a Lessee.

Benchmark Lessee performance both in relative and absolute terms

IBA Operator Score Index		IBA Score			
OPERATOR	OPERATOR REGION	Latest Available	Previous Score	Latest Score	
France-KLM	Europe & CIS	Dec 2017	76.0% 4C	76.8%	4C
Air New Zealand Group	Asia Pacific	Jun 2018	88.9% 2A	88.9%	2A
Jet Airways	Asia Pacific	Mar 2018	67.5% 5C	59.3%	6D
SAA Group (South African Airways)	Africa	Mar 2017	58.8% 7C	58.6%	7C
Vietjet Aviation JSC	Asia Pacific	Dec 2017	72.6%		4B

Finance											
IBA Score	Latest FY Revenue (USD M)	Revenue YOY Δ (USD M)	Latest FY Net Income (USD M)	Net Income YOY Δ	Adj. D/E ratio	Adj. D/E Ratio YOY Δ	EBITDAR Margin	EBITDAR Margin YOY Δ	Fixed Charge Cover	Fixed Charge Cover Δ	
71%	29,077	1,596	(309)	-1,185	9.6	-12.9	17%	2%	3.3		
87%	3,917	280	278	7	3.3	-0.1	24%	-1%	4.3		
49%	3,907	301	(98)	-313	-5.2	-0.4	12%	-10%	0.9	-0.7	
46%	2,310	212	(408)	-306	-3.1	-1.1	6%	0%	0.4	-0.1	
76%	1,861	624	223	111	5.2	-3.3	25%	-2%	2.1	0.1	

Identify, monitor and track marketing opportunities for margin with riskier operators

Access to Funds			Fleet				Operational Efficiency			Jurisdiction		IBA Outlook			
IBA Score	Cash as % of Liabilities	Cash as % of Liabilities YOY Δ	IBA Score	Fleet Size	Fleet Size YOY Δ	% fleet owned	No. of aircraft types	No. of Aircraft on Order (as at Nov.2018)	IBA Score	Load Factor	Load Factor YOY Δ	IBA Score	EODB	Cape Town	Outlook
81%	22%	4%	87%	550	12	35%	28	40	96%	87%	1%	59%	77.3	No	Yellow
88%	24%	-3%	85%	108	4	78%	7	23	91%	83%	0%	100%		Yes	Green
67%	2%	-1%	76%	119	8	0%	6	139	94%	84%	2%	74%			Red
48%	9%	-1%	72%	56	5	29%	6	0	84%	75%	0%				Red
71%	33%	15%	76%	51	9	16%	3	223	93%	88%	0%				Green

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## IBA Airline Score Definitions

IBA's airline rankings are intended to provide interested parties with a broad assessment on the risk ranking of an airline across six areas.

Our ranking places importance on operational statistics including access to credit, fleet make up, traffic trends, HQ jurisdiction and IBA's lease management overview. Airlines are then awarded a score from 0% to 100% as a result of several factors, both qualitative and quantitative in nature.

The ranking assessment of each airline is based on publicly available information and discussions with our broad network.

The following scales reflect IBA's assessment of where an airline sits amongst its peer group. We rank airlines through tiers 1 to 10, with 1 being least risky, i.e. strong financials, a track record of excellence as a Lessee and often government-backed.

Tier	Percentage	Generalisation
1	89% and over	Established legacy carrier or LCC.
2	88.9%-83%	
3	82.9%-77%	
4	76.9%-71%	Emerging player or established airline with a riskier profile.
5	70.9%-65%	
6	64.9%-59%	As above, but typically with poorer financials, access to credit or operations.
7	58.9%-53%	
8	52.9%-47%	Openly challenged airline, or one with little information available.
9	46.9%-41%	
10	Less than 40.9%	

Suffix	Generalisation
A	Outstanding combination of efficiency, expertise and Lessor engagement.
B	Demonstrably efficient, particularly around redeliveries, maintenance or records.
C	No immediate concerns or red flags – or we have no direct information.
D	Concerns raised around operations, records, Lessor engagement or redeliveries.
E	Multiple examples of the above, demonstrating a poor track record for leasing.
N	No experience with airline.