

United Airlines makes its largest ever jet order and replace aircraft due to retire

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United Airlines is making its largest ever plane order, plans to buy 270 Boeing and Airbus planes as well as retrofitting some of its existing narrowbody fleet.

The Chicago-based airline said that it will purchase 200 of Boeing 737 MAX jets and 70 larger Airbus SE A321neos, a deal valued at more than \$30 billion at list prices before customary discounts. United is looking to replace most of its 50-seat jets and other smaller, older aircraft with these larger planes that can carry more passengers and allow it to sell more premium seats.

The order—the largest by a U.S. airline since American Airlines Group Inc. ordered 460 new aircraft from Boeing and Airbus in 2011—is the latest sign of U.S. airlines’ growing confidence that travel is on course to snap back after being decimated by the coronavirus pandemic last year.

United lost more than \$7 billion last year and accepted billions of dollars in government aid to continue paying workers. Now the airline expects to make money in July on an adjusted pretax basis, which would be its first profitable month since January 2020, the airline said in a separate filing Monday.

A year ago, airlines were parking planes in deserts and hunkering down for protracted pullback in travel. While many business travelers have yet to return and many lucrative international routes have yet to reopen, airline executives have said in recent months that the fast rebound in domestic leisure travel has given them confidence to restart hiring plans and start adding to their fleets.

United began laying the groundwork for its order last summer, when executives met in a United Club at Chicago’s O’Hare International Airport, according to United Chief Executive Scott Kirby. Though the airport was still largely empty at the time, the executives began discussing how to position United to emerge from the pandemic. They decided, for example, not to permanently retire any aircraft types as some rivals had done.

“In a way, my what a difference a year makes. But in another way, this is about where we expected to be,” Mr. Kirby said.

Combined with orders already on its books, United has 500 new narrow-body planes set to arrive in the coming years—a rapid influx of jets that will help it increase flying by 4% to 6% annually, Chief Commercial Officer

Andrew Nocella said. United said that about 200 of the new planes will represent new growth while 300 will replace aircraft that are due to retire, including about two-thirds of its 50-seat jets.

United's move follows recent jet orders from carriers including Southwest Airlines Co. and Alaska Air Group Inc. The recovery has helped Boeing clear most of its inventory of unclaimed MAX jets. United had previously unveiled plans to buy an additional 25 MAX jets and to accelerate delivery of dozens more to meet near-term demand, but the carrier said the orders unveiled Tuesday are part of a more detailed post-pandemic strategy.

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