Flying Abroad, Paying for Fuel: China Southern Airlines in 2025-2026

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Summary. China Southern Airlines, China's largest airline by fleet with 973 aircraft, returned to profit in 2025: RMB855 million for shareholders, after losses in 2023 and 2024. Most of the growth came from international routes, whose revenue rose from RMB35 billion in 2023 to RMB58 billion in 2025. In the first half of 2026 fuel cost 38% more and the airline lost RMB3.7 billion. It flies up to 29 times a week to Almaty and Astana and on 30 October 2026 signed a joint venture with Air Astana.

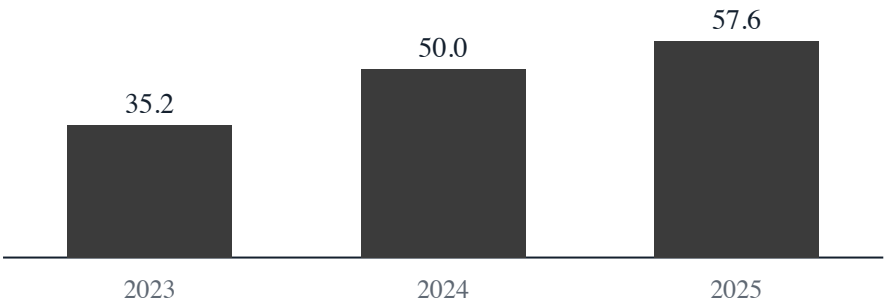
1. Data

All figures come from China Southern's IFRS annual results for 2024 and 2025 and its Interim Report 2026 [1-3]. Money is in Chinese yuan. Profit is attributable to equity shareholders.

2. Results for 2023-2025

Revenue rose from RMB159.9 billion in 2023 to RMB182.3 billion in 2025. Profit to shareholders moved from a loss of RMB4.14 billion to a loss of RMB1.77 billion and a profit of RMB0.86 billion [1, 3]. Domestic revenue was flat in 2025 and the domestic yield fell 4%, while international revenue grew from RMB35.2 billion in 2023 to RMB57.6 billion and international passengers from 9.1 million to 21.1 million.

Figure 1. Revenue from international routes, RMB billion



Sources: [1], [3].

Table 1. China Southern key figures, RMB billion

	2023	2024	2025	1H 2025	1H 2026
Operating revenue	159.9	174.2	182.3	86.3	94.7
Profit to shareholders	-4.14	-1.77	0.85	-1.53	-3.70
Jet fuel costs		55.0	52.5	25.3	34.9

Sources: [1]-[3].

3. The first half of 2026

Revenue rose 9.7%, to RMB94.7 billion, and international passenger revenue 27%. Jet fuel costs rose 38%, to RMB34.9 billion, and the loss to shareholders widened from RMB1.5 billion to RMB3.7 billion [2]. Liabilities were 84% of assets at the end of 2025, and no dividend was paid for 2025.

4. Kazakhstan

China Southern flies up to 29 weekly return flights from Urumqi, Beijing, Guangzhou and Xi'an to Almaty and Astana and signed a joint venture with Air Astana on 30 October 2026, building on a codeshare covering 50 weekly flights.

5. Valuation

At the Hong Kong price of HK$2.72 on 30 October 2026, applied to all 18.1 billion A and H shares, the market value was about RMB42 billion: 49 times 2025 profit and 1.17 times book value.

6. Risks

Fuel is the largest cost and cannot be hedged effectively in China, domestic fares are falling, debt is high and large aircraft orders will need more borrowing. This note is not investment advice.

References

1. China Southern Airlines, Annual results announcement for the year ended 31 December 2025 (HKEXnews, 30 March 2026). https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0330/2026033003754.pdf
2. China Southern Airlines, Interim Report 2026 (HKEXnews, 28 August 2026). https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0828/2026082803260.pdf
3. China Southern Airlines, Annual results announcement for the year ended 31 December 2024 (HKEXnews, 26 March 2025). https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0326/2025032602068.pdf

Figures are taken from the sources listed.