Interview with Ed Bastian, CEO, Delta Air Lines, on "Squawk Box"
CNBC TV
17 March 2026

Transcript

Andrew Ross Sorkin: Welcome back the JPMorgan's Industrials Conference is taking place in Washington today. And that's where we find our Phil LeBeau with a business update from Delta Air Lines CEO Ed Bastian. Good morning to you, Phil.

Phil LeBeau: Good morning, Andrew. Ed, thank you very much for joining us today ahead of the presentation that you'll make in a few minutes at the JPMorgan Industrials Conference. Let's talk about your guidance for Q1. Given jet fuel prices, everybody has been assuming that all the airlines will cut their guidance. But you're not cutting your guidance. What are you seeing for Q1?

Ed Bastian: Well, it's been an interesting quarter. First of all, jet fuel prices have almost doubled just since the start of the quarter. And that's a fairly significant hit for us, about $400 million in the quarter. That said, the demand strength has been really, really great. We're looking at somewhere around three points of higher revenue growth above what we guided for originally in the quarter.

So the higher revenue is offsetting the cost of not just the fuel, but we've also had a pretty tough winter season in terms of storms, and we lost about two points of capacity there as well. So, you put that all together, we're expecting to come in within the original guidance of $0.50 to $0.90 EPS, which is still healthy growth on top of that over the prior year.

Phil LeBeau: Let's talk about that demand because I think some people are listening and they're saying, wait a second, given all the uncertainties about the economy, the stock market, what's going to be happening over the next six months, given all that uncertainty, why are you still seeing this strong demand right now? And where is that demand coming from?

Ed Bastian: Well, our consumer is really healthy. We live at the top end of that K that people talk about, the premium end of the K. Over 90% of our revenue is sourced from that group of folks. They want to travel. They're investing in themselves. They're investing in the experience economy.

We've seen eight of the top ten sales days in our history this quarter, and five of those just within the last two weeks, within the last week of March. Even with fuel prices, even with the war going on, our revenues and our bookings are up 25% year over year.

Now, part of that also, we're lapping the first quarter a year ago, which was soft because of tariff noise and uncertainties around that. But we've more than overcome that and made a significant step forward as well.

Phil LeBeau: Any difference between corporate and leisure demand?

Ed Bastian: They're all going high. Corporate is up double digits across almost every sector that we cover, and leisure demand, particularly in the premium cabins, is doing well. Domestic is doing well. Main cabin, which has been a source of consternation, we're looking at our unit revenues being up somewhere in the mid single-digit range year over year. So the revenue side is really strong. The cost side, though, we're having to cover it.

Phil LeBeau: On the revenue side, you're raising fares. All airlines are raising fares. You have to offset what's happening with jet fuel. When do you start to see that resistance? I know you can't predict exactly, but are you getting close to that point yet?

Ed Bastian: I don't think so. There's been a number of fare increases just in the last two weeks. Delta's brand is really strong, and when you have that level of resilience and strength of demand, customers understand if fuel prices are up, you need to cover the cost of business.

It's incumbent upon us to figure out ways to recover that. As you go down the food chain in the airline industry, you've got a number of carriers that still haven't returned their cost of capital and are still losing money even since Covid. They have no choice but to find ways to cover that fuel quickly.

Phil LeBeau: The energy secretary just a couple of days ago said we may be in for a couple of weeks of higher gas prices, and we're not sure when we might see oil drop down and ultimately jet fuel prices drop. What happens to the airline industry and to demand if we see oil prices at this level, say two months from now?

Ed Bastian: Two months is still a relatively short time. But if we find a new, higher level for a period of months, then I think you'll see business plans starting to be significantly altered on the lower end of the spectrum. The guys that are doing well, such as Delta, strong get stronger.

Phil LeBeau: And you think corporate travel hangs in even if we do have extended high fares and high fuel prices, causing fares to go up?

Ed Bastian: I think it will stay strong. It's hard to speculate based on what the impact the economy is going to have relative to fuel in general. But when the world has changed, corporates can't sit back and cut travel when you have so many things moving around with technology, geopolitical tensions, and shifting consumer dynamics.

That's where we've seen across the board that people need to be out with their customers and in their markets. I don't see that changing.

Phil LeBeau: DHS funding, we've talked about this before. You and all the other CEOs wrote a letter saying, "Pay these people." Are you starting to notice an impact on operations in terms of hot spots around the country, causing delays and missed flights?

Ed Bastian: We certainly are. It tends to be more on the weekends, more in the South. This weekend we saw it in Atlanta for the first time, extended lines. We also had winter weather come through Atlanta, which exacerbated the situation.

It's inexcusable that our security agents, front-line workers central to what we do, are not being paid. It's ridiculous to see them used as political chips. We're outraged. Over 90% of the American public supports these people getting paid. Ask our folks in Washington to do their job and get our people paid.

Phil LeBeau: What percentage of your customers have missed flights because of TSA staffing issues?

Ed Bastian: There's been some. We do our best to hold flights where we can. It's not a massive issue. I'm not worried about it from a line perspective. We'll figure that out.

It's fairness. These people missed paychecks just a few months ago, and they're missing them again. It's outrageous. We have a war going on. Let's get our people who are essential to our security paid quickly.

Phil LeBeau: I want to ask you about the Wall Street Journal report that the SEC is preparing a proposal to drop the requirement for quarterly financial reporting. Would you prefer reporting every six months instead?

Ed Bastian: We'll evaluate it. We'll need to talk to our investors and get a sense. I think long-term investors may prefer it, while short-term oriented investors may not. We'll get a pulse of our investor community and talk to our board. I hope we get the opportunity to make that decision.

Phil LeBeau: Ed Bastian, CEO of Delta, good to be with you here in D.C. Guys, we'll send it back to you.

###