

Budget airline Norwegian says profits grounded by fuel, expansion costs

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Low-cost carrier Norwegian flew into the red last year

Low-cost airline Norwegian Air Shuttle said on Thursday that rising fuel prices and the cost of replacing aircraft and opening up new routes pushed it into the red last year.

Norwegian, Europe's third largest low-cost carrier after Ryanair and Easyjet, said in a statement it flew into a loss of nearly 300 million kroner (nearly 31 million euros, \$38.7 million) in 2017 from [net profit](#) of 1.14 billion kroner the year before.

The numbers sent the airline's [share price](#) into a tailspin and it nosedived by more than nine percent on the Oslo stock exchange.

"Significant costs related to increased [fuel prices](#), wet lease and passenger care affect the results," Norwegian said, adding that it had carried out "major investments in 2017 to prepare for future growth".

Nevertheless, faced with a lack of personnel, Norwegian had to cancel many flights last summer while having multiple delays.

At an underlying or operating level, the carrier booked a loss of two billion kroner in 2017, while revenues rose by 19 percent to nearly 31 billion kroner.

Even though the year-end is generally a weak one for airliners, Norwegian said its results came in well below expectations.

"We are not at all satisfied" with the figures, said CEO Bjorn Kjos.

"However, the year was also characterised by global expansion driven by new routes, high load factors and continued fleet renewal," he said.

This year, Norwegian wants to boost its offer by 40 percent. The group said it has been licenced to operate up to 152 domestic and international routes in Argentina.

The carrier is to add 24 Boeing 737-800 and 11 Boeing 787 Dreamliner jets to its fleet.

Norwegian is also to receive five Airbus 320neos, which will immediately be leased to Hong Kong's low-cost airline HK Express.

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