Higher fuel costs clip Lufthansa's wings in third quarter

October 30 2018

Higher fuel costs took a bite out of third quarter profits for German airline Lufthansa

German airline giant Lufthansa reported falling profits in the third quarter, hit by higher fuel costs and the pricey integration of defunct competitor Air Berlin.

Between July and September, net profit at the Frankfurt-based group fell

10 percent year-on-year, to 1.07 billion euros ($1.2 billion).

Despite the drop, that was still better than a 983 million euros forecast from analysts surveyed by Factset.

Operating, or underlying profit adjusted for some one-off items—the company's preferred measure of its performance—also fell, shedding 10.8 percent to 1.35 billion euros.

Revenues grew 1.5 percent to 9.96 billion euros.

In a statement chief executive Carsten Spohr hailed "the second-best nine-month result in our history" as the group reported adjusted operating profit of 2.4 billion euros between January and September.

Boosted by a an all-time high of 108.5 million passengers in the first three quarters, the strong performance came despite an increase in fuel costs amounting to 536 million euros so far in 2018.

Lufthansa was also burdened by costs related to delays and cancellations as well as to the integration of chunks of Germany's former second-largest airline Air Berlin, which went bankrupt last year.

So far this year the absorption—mostly by the low-cost Eurowings division—has cost 170 million euros, the group said.

Lufthansa confirmed its full-year objective for an adjusted operating profit "slightly lower" than in 2017.

© 2018 AFP

Citation: Higher fuel costs clip Lufthansa's wings in third quarter (2018, October 30) retrieved 24 April 2024 from https://phys.org/news/2018-10-higher-fuel-lufthansa-wings-quarter.html

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.