



NORWEGIAN THIRD QUARTER RESULTS HEAVILY IMPACTED BY COVID-19

News / Airlines, Finance



Norwegian reported its third-quarter 2020 results. As anticipated, these were heavily impacted by the COVID-19 pandemic with a net loss of NOK 980 million. Norwegian carried approximately one million customers, a decrease of 91 percent compared to the same period last year showing a slight improvement on the previous Q2 decrease of 99 percent. Norwegian continued to successfully convert debt and implement a series of cost-reduction measures throughout the third quarter. Demand was severely affected by changing travel restrictions and a secondary wave of reported COVID-19 infections across our key markets which led to fluctuating and decreasing demand. Approximately 25 short-haul aircraft were operational during the third quarter out of a current total fleet of 140. A significant financial restructuring process has been ongoing since the pandemic hit, reaching several new milestones during the third quarter of 2020. Further conversion of lease liabilities and vendor debt to equity as well as the power-by-the-hour arrangements had a combined positive equity effect of NOK 2.9 billion in the quarter. Year to date, the restructuring improved equity by NOK 18.2 billion.

Jacob Schram, CEO of Norwegian, said: “Our third-quarter results clearly show that the effects of the global COVID-19 pandemic continue to heavily impact our operations and financial position. Changing government travel advice and further restrictions as a result of a second wave of infections seen in many countries have further contributed to a decrease in customer confidence and certain routes becoming once again unviable leading us to rapidly adapt our network. We continue to work tirelessly to make sure that we can emerge from this crisis as a stronger company, well-positioned for future competition, and thank our creditors, bondholders, and shareholders who have shown us strong support throughout.”

During the third quarter, approximately one million customers traveled with Norwegian, compared with 10.53 million during the same period the previous year. Production (ASK) was down 94 percent and passenger traffic (RPK) decreased by 96 percent. The load factor was 60.6 percent, a decrease of 30.6 percentage points compared to the third quarter of 2019.

Punctuality, share of flights departing on schedule, was 97.4 percent in the third quarter of 2020, increased by 22.7 percentage points compared to 74.7 percent in the third quarter of 2019.

11 NOVEMBER 2020

ARTICLE LINK:

<https://ut.50skyshades.com/news/finance/norwegian-third-quarter-results-heavily-impacted-by-covid-19>