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Norwegian delivered a record strong operating profit of NOK 2,232 million for 2023

Norwegian today reported its fourth quarter and preliminary full-year results for 2023. For the full-year of 2023, Norwegian delivered an operating profit (EBIT) of NOK 2,232 million, the highest operating profit in company history. The liquidity position improved through the quarter to NOK 9.5 billion at year-end. The figures demonstrate Norwegian's ability to deliver strong results by reducing capacity when moving into the quieter winter period. The airline remained among the best carriers in Europe on punctuality and regularity.

For the full year of 2023, the operating margin was 9 percent, also a record high for the company. For the fourth quarter of 2023, the company delivered an operating profit (EBIT) of NOK 328 million. Profit before tax (EBT) amounted to NOK 1,804 million for the full-year of 2023 and NOK 208 million for the quarter. The Norwegian fleet comprised 87 aircraft at year-end, of which 20 aircraft were latest technology 737 MAX 8 aircraft.

“I am thrilled to announce that Norwegian achieved all-time high profits for 2023. Our loyal customer base continued to grow, and we are grateful for their trust in us. Colleagues across the entire company have worked tirelessly to ensure operational excellence, ranging from the planning of our network and services to everyday execution,” said Geir Karlsen, CEO of Norwegian.

More passengers, higher load factor

Norwegian had 4.7 million passengers in the quarter, up from 4.6 million passengers in the fourth quarter of 2022. Production (ASK) was 7.1 billion seat kilometres, while passenger traffic (RPK) was 6.0 billion seat kilometres. Compared to the previous quarter, capacity was down 32 percent as the company reduced its production to match seasonally lower demand during the winter period. The quarterly load factor was 84.4 percent, up three percentage points from the same period the previous year.

Punctuality, share of flights departing on schedule, was 81.5 percent, down from 82.3 percent in the same period the previous year. While punctuality fell in December as winter weather condition impacted operational performance at key airports, the airline managed through relentless efforts to ensure that close to all passengers made it home for the festive period. Cirium, the global aviation consultancy named Norwegian Air Shuttle (DY) Europe's most on-time airline in October and the fifth most punctual airline for 2023. It also ranked the airline as Europe's top performer on regularity.

Widerøe acquisition completed

In January, Norwegian completed the acquisition of Widerøe, a regional carrier in Norway with a fleet of 48 aircraft, predominately turboprops. The acquisition of Widerøe will enable the linking of complementary route networks, create significant operational synergies, and provide Norwegian with additional diversification through Widerøe's substantial public service obligation (PSO) operations.

“We are now in the process of onboarding Widerøe as part of the Norwegian group. I very much look forward to exchange decades of experience between the two airlines. This will enable us to go to the market with an improved and more comprehensive offering to our customers,” said Karlsen.

Dividend and outlook

The Board of Directors intends to propose a dividend of NOK 0.60 per share for 2023 to the annual general meeting in 2024. Distribution of the dividend is subject to approval from holders of the company’s debt instruments. If such approval is not obtained, the Board proposes to set aside the dividend amount in a fund for later distribution.

Current booking trends are encouraging, and the duration of the booking curve has improved compared to the two previous years, giving improved visibility. For the full-year of 2024, Norwegian forecasts an overall production (ASK) of around 36,000 million seat kilometres, corresponding to a growth of approximately 12 percent from 2023. The company projects profits for 2024 to improve and is currently expecting an operating profit (EBIT) to be in the range of NOK 2.5 to 3.2 billion, given certain assumptions.

Norwegian's customers highly value the airline's strong punctuality and the attractive and growing route network. The acquisition of Widerøe will further ensure that Norwegian remains a preferred travel partner throughout the Nordics.

For the remainder of the winter season, Norwegian will keep a reduced capacity level that matches the seasonally lower demand. From March and onwards, the company will ramp-up capacity into the busy travel season. The company is growing its fleet to approximately 90 aircraft for the peak summer 2024 season

About Norwegian

The Norwegian group is a leading Nordic aviation company, headquartered at Fornebu outside Oslo, Norway. The company has over 8,200 employees and owns two of the prominent airlines in the Nordics: Norwegian Air Shuttle and Widerøe’s Flyveselskap. Widerøe was acquired by Norwegian in 2024, aiming to facilitate seamless air travel across the two airline’s networks.

Norwegian Air Shuttle, the largest Norwegian airline with around 4,700 employees, operates an extensive route network connecting Nordic countries to key European destinations. In 2023, Norwegian carried over 20 million passengers and maintained a fleet of 87 Boeing 737-800 and 737 MAX 8 aircraft.

Widerøe's Flyveselskap, Norway's oldest airline, is Scandinavia's largest regional carrier. The airline has more than 3,500 employees. Mainly operating the short-runway airports in rural Norway, Widerøe operates several state contract routes (PSO routes) in addition to its own commercial network. In 2023, the airline had 3.3 million passengers and a fleet of 48 aircraft, including 45 Bombardier Dash 8's and three Embraer E190-E2's. Widerøe Ground Handling provides ground handling services at 41 Norwegian airports.

The Norwegian group has sustainability as a key priority and has committed to significantly reducing carbon emissions from its operations. Among numerous initiatives, the most noteworthy is the investment in production and use of fossil-free aviation fuel (SAF). Norwegian strives to become the sustainable choice for its passengers, actively contributing to the transformation of the aviation industry.

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