



Oct 26, 2022 06:00 BST

Norwegian delivers solid results in busy travel season – business travellers returning

Norwegian reported its results today for the third quarter of 2022. The figures demonstrate Norwegian's ability to deliver robust financial results and strong operations in the busiest travel season of the year. Business travel has picked up after the summer, and travellers in this segment are now back to 2019 levels on the most popular domestic routes in Norway.

Operating profit (EBIT) in the third quarter amounted to NOK 1,032 million, impacted positively by record-high unit revenue for the company, but

negatively by the high fuel price and strong USD this quarter. Profit before tax (EBT) amounted to NOK 910 million. Continued liquidity discipline led the company to improve its cash position to NOK 8.2 billion. At quarter-end, Norwegian's fleet comprised 69 aircraft.

Many customers have longed to travel to Norwegian's holiday destinations, creating strong pent-up demand for the peak summer travel season and the third quarter as a whole. The load factor in July was close to 95 percent, the highest in many years, while the quarterly unit revenue reached a historic high. Norwegian had over 6 million passengers in the third quarter, and despite record-high congestion and industry challenges across European airports, nearly all scheduled flights were operated.

“This quarter has demonstrated that we are the reliable Nordic option for customers travelling on their holidays, to visit friends and family, or for business purposes. Many corporate customers choose to fly with Norwegian, and the number of business travellers is now on par with pre-pandemic levels for our most popular domestic business routes. Demand is expected to soften as we enter the winter trading period, but Norwegian is well prepared for this through flexible fleet arrangements, rigorous route planning and sound collaboration with our colleagues and unions,” said Geir Karlsen, CEO of Norwegian.

The co-operation agreement between Norwegian and Widerøe was finalised in September and will provide corporate and leisure travellers with additional choice and flexibility. Under this agreement the two companies will co-operate on key strategic initiatives, including ticket sales, enabling passengers to travel seamlessly across the entire route network of both airlines.

On 1 September, Norwegian celebrated its 20-year anniversary. The first Boeing 737 took off in 2002, marking the start of affordable flying in Norway. Since then, Norwegian has expanded to new markets, carried more than 300 million passengers, and received more than 60 awards and recognitions. In September, Skytrax named Norwegian the 'Best Low-Cost Airline in Northern Europe'. At the Danish Travel Awards in October, the airline was voted 'Best European Airline'.

In the third quarter of 2022, Norwegian carried 6.1 million passengers, up from 2.5 million in the third quarter of 2021 and 5.0 million passengers in the

previous quarter. Production (ASK) was 8.9 billion, while passenger traffic (RPK) was 7.9 billion. The load factor increased to 88.8 percent, up from 73.1 percent in the same period last year and 81.2 percent in the previous quarter.

Regularity, share of flights taking place, was unchanged from the previous quarter at a solid 99.4 percent. Punctuality continued to be heavily impacted by capacity constraints at European airports but showed signs of improvement towards the end of the quarter. Share of flights departing on schedule was 73.6 percent, compared to 91.0 in the same period last year and 78.8 percent in the previous quarter.

Well prepared for winter season and solid positioning for 2023

“While demand for air travel may be impacted by the current macro-economic and geopolitical uncertainty, booking trends remain encouraging with an increasing number of passengers choosing to fly with Norwegian”, said Karlsen.

For the upcoming winter months, Norwegian will utilise the flexible lease agreements by reducing capacity by approximately 25 percent. For the summer of 2023, Norwegian plans for a fleet increasing to 85 aircraft. The summer schedule was recently released with an extended offering to popular city and beach destinations across Europe. With its strong operational performance and not least a growing and attractive route network that is well received by customers, Norwegian is ready to further strengthen its position as a leading Nordic airline.

About Norwegian

Norwegian was founded in 1993 but began operating as a low-cost carrier with Boeing 737 aircraft in 2002. Since then, our mission has been to offer affordable fares for all and to allow customers to travel the smart way by offering value and choice throughout their journey.

Norwegian has been voted Europe’s Best Low-Cost airline by Skytrax for six consecutive years and won Airline Program of the Year Europe & Africa at the Freddie Awards for four consecutive years. Since 2012, Norwegian has won over 55 awards for our service, product, and innovation in the industry.

We were the first airline in the world to join the UN Climate Secretariat's climate action-initiative in 2019, pledging to work systematically to become carbon neutral by 2050.

Norwegian operates a short haul network across the Nordics and to key European destinations providing customers with excellent quality at affordable fares.

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