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Norwegian reports strong results in the second quarter 2023

Norwegian delivered an operating profit (EBIT) of NOK 651 million in the second quarter, which was characterised by strong operational performance amidst ramping-up into the busy summer travel season. Furthermore, Norwegian and Strawberry's new loyalty company today announced that Avida has been selected as the preferred financial partner. Together with Norwegian's recently announced agreement to acquire Widerøe, these new partnerships will contribute to offering even better and seamless travel experiences.

For the second quarter of 2023, Norwegian delivered an operating profit (EBIT) of NOK 651 million. Profit before tax (EBT) amounted to NOK 538 million. The liquidity position improved through the quarter with cash and cash equivalents exceeding NOK 9.3 billion. At quarter-end, Norwegian's fleet comprised 81 aircraft.

High load factor and operational excellence

Norwegian had 5.6 million passengers in the quarter, up from 5.0 million passengers in the second quarter of 2022. Production (ASK) was 8.7 billion seat kilometres, while passenger traffic (RPK) was 7.3 billion seat kilometres. Production was up 44 percent from the previous quarter as Norwegian ramped up capacity ahead of the busy summer travel season. The quarterly load factor was 84.4 percent, up from 81.2 percent in the same period last year.

“This quarter has demonstrated our ability to ramp up capacity and deliver a superb operational performance to become one of the top airlines in Europe. These results have been made possible thanks to over 4,700 of our colleagues working tirelessly to ensure our passengers arrive at their destinations as smoothly as possible. By solely flying with our own aircraft and crew, we can deliver “the Norwegian way” to all our customers. Our seamless customer experience has made us one of the most loved airlines in the Nordics,” said Geir Karlsen, CEO of Norwegian.

Punctuality, share of flights departing on schedule, was 81.5 percent in the quarter, up from 78.8 percent in the same period last year. Regularity, share of flights taking place, was 99.5 percent. Cirium, the global aviation consultancy, named Norwegian the most on-time European airline in May. In April, June, and July, Norwegian finished among the top three European airlines.

“The summer season of 2023 will be one of the best in our history, and I am happy that forward bookings remain strong with business travel returning and others planning their autumn holidays,” said Karlsen.

Sustainable growth through significant partnerships

In April, Norwegian announced a landmark partnership with Norsk e-Fuel to

build the world's first full scale e-fuel plant in Mosjøen, Norway. The plant will produce sustainable aviation fuels (SAF). The partnership is estimated to secure approximately 20 percent of Norwegian's total demand for SAF by 2030. In addition, Norwegian will invest more than NOK 50 million for a minority equity stake in the company.

In June, Norwegian announced a new partnership with Strawberry, formerly Nordic Choice Hotels, to establish a joint loyalty company, offering a shared ecosystem for loyalty programmes. The loyalty company today reached its next milestone with the announcement that KKR owned Avida Finans AB will become the preferred financial partner, developing next generation financial services to more than 7 million members. Upon completion, which is subject to certain closing conditions and regulatory approval, Norwegian and Strawberry will hold equal ownership in the loyalty company, while Avida will acquire a stake of close to 2 percent. Norwegian expects to record an associated non-recurring gain of approximately NOK 800 million upon final closing, expected to take place in the fourth quarter of 2023.

In addition, Norwegian recently won an exclusive contract with the Norwegian Armed Forces, demonstrating once more the airline's attractive offering. Norwegian was among other things awarded the contract based on its concrete measures to reduce emissions and its ability to meet the Armed Forces high standards on providing more sustainable solutions.

Widerøe and Norwegian to deliver a better offering

In July, Norwegian announced that it had entered into an agreement to acquire Widerøe, the regional Norwegian carrier, for a cash consideration of NOK 1,125 million, subject to certain closing conditions. The transaction will create an improved customer offering with better connectivity and seamless end-to-end experience. In addition, the acquisition will be accretive to shareholders through linking the complimentary route networks together and realising significant operational synergies. Closing of the transaction, which is subject to approval by the Norwegian Competition Authority, is expected by the end of the fourth quarter of 2023.

Norwegian's customers highly value the airline's strong operational performance and the attractive and growing route network. The acquisition of Widerøe and the development of a shared ecosystem for loyalty programmes with attractive partners will further ensure that Norwegian remains a

preferred travel partner throughout the Nordics.

Capital structure

Ensuring that Norwegian has a capital structure fit-for-purpose is a key priority for the Board of Directors of Norwegian. Having undergone a successful transformation since the reconstruction, Norwegian is today a strong business able to adapt to an ever-evolving trading landscape. The Board has initiated a process to ensure that the company's capital structure reflects this, a process that also looks to enable for a potential dividend distribution. As part of this process, it has been concluded to exercise the call option to redeem the NAS13 bond.

About Norwegian

Norwegian is the largest Norwegian airline and one of Europe's leading low-cost carriers. The company has around 4,500 employees and offers a comprehensive route network between Nordic countries and destinations in Europe. Since 2002, more than 300 million passengers have flown with Norwegian. The most important task has been to offer affordable plane tickets to all and to offer more freedom of choice along the journey.

Norwegian is a driving force for sustainable solutions and the transformation of the aviation industry. The company's goal is to reduce its CO2 emissions by 45 percent within 2030. To this means, the company is renewing its fleet, promoting sustainable aviation fuel, reducing its waste, and using wind and weather data to calculate the most efficient fuel-saving flights routes. Norwegian wants to become the sustainable choice for its passengers.

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