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Norwegian second quarter results: Positive effect of completed reconstruction process and steady uplift of demand

Norwegian today reported its second quarter results and published the H1 2021 financial report. The results continued to be impacted by COVID-19 and travel restrictions in all markets. However, following the successful completion of the reconstruction process and the subsequent NOK 6 billion equity raise, the company is now well positioned for future growth and to respond to increased customer demand.

Geir Karlsen, CEO of Norwegian, said: “The H1 financial report and Q2 results mark a clear improvement in both the financial situation, due to lower operating costs and the successful completion of the reconstruction process of the company, and the gradual ramp up of our operations in response to increased passenger demand.”

Profit before tax (EBT) was NOK 1,590 million in the first half of 2021, compared with a loss of NOK 4,792 million in the same period in 2020. For the first half of 2021, production (ASK) was reduced by 94 percent compared to the same period last year. Total revenue in the first half of 2021 was NOK 591 million, compared with NOK 7,138 million in the same period last year, a decrease of 92 percent. Unit revenue increased by 22 percent following a yield increase of 93 percent and a decreased load factor by 28.8 percentage points. Average sector length decreased by 62 percent. At the end of first half of 2021, the total fleet comprised 51 aircraft. Up to 32 aircraft were operational during the first half of 2021 due to travel restrictions and lower demand.

In the second quarter of 2021, the company successfully exited the examinership and reconstruction process which improved equity by NOK 10.7 billion.

Norwegian has committed to be a price leader in the Nordic markets, offering affordable fares and a reliable service to more than 250 routes across its European network. The company value simplicity when travelling and thanks to the Norwegian Travel Assistant app and the award-winning loyalty programme ‘Norwegian Reward’, which counts over four million members, passengers can easily control every aspect of their journey. Onboard, Norwegian continues to offer a modern and comfortable flying experience with free WiFi available for all passengers.

”The results continue to be heavily impacted by international travel restrictions. However, Norwegian is now in a much stronger financial position and is able to plan for the future with renewed confidence and focus. Forward bookings continue to increase in response to the relaxation of travel restrictions and the roll out of international vaccination programmes. We expect to see this trend continue in the remaining months in 2021 and through 2022,” Karlsen continued.

Cash and cash equivalents were NOK 7,475 million at the end of first half of

2021, an increase of NOK 4,808 million compared with the end of 2020. Norwegian now has a fully reconstructed balance sheet with close to zero net interest-bearing debt, a strong cash position and a rightsized business.

For detailed information, please see attached PDF

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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