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Norwegian's fourth quarter results are heavily impacted by COVID-19 and travel restrictions

Norwegian today reported its fourth quarter results. As expected, the results were heavily impacted by COVID-19 and travel restrictions in all markets. The net loss was NOK 16.6 billion, including impairment of NOK 12.8 billion. The operating expenses before leasing and depreciation were reduced by 82 percent compared to the same quarter last year. In 2020, the company reduced net interest-bearing debt by NOK 18 billion. The examinership process in Ireland and the reconstruction process in Norway that were initiated in the fourth quarter are on track.

The pandemic continues to have a negative impact on the aviation industry. Demand was severely affected by changing travel restrictions and the continued spread of COVID-19 across Norwegian's key markets. Out of a current fleet of 131 aircraft, an average of 15 were operational during the fourth quarter, mainly on domestic routes in Norway. Norwegian carried 574,000 customers, a decrease of 92 percent compared to the same period in 2019. Production capacity (ASK) was down 96 percent and passenger traffic (RPK) decreased by 97 percent. The load factor was 52.4 percent, a decrease of 32.5 percentage points compared to the fourth quarter of 2019.

Jacob Schram, CEO of Norwegian, said: "2020 was an exceptionally difficult year for the aviation industry and for Norwegian. Consequently, the fourth quarter results are as expected. Unfortunately, many of our employees are furloughed or have lost their jobs, partly due to the company's decision to cease long-haul operations. Despite the difficulties the pandemic has caused, there is a great fighting spirit and engagement within the company, and together we will build new Norwegian when we exit the reconstruction processes. Now, we are doing everything we can to emerge as a more financially secure and competitive airline with an improved customer offering, and as soon as Europe begins to reopen, we will be ready to welcome more customers on board."

In the fourth quarter of 2020, Norwegian entered an examinership process in Ireland and a reconstruction process in Norway. Both processes are progressing as planned and are on track. The purpose of the processes is to reduce debt, reduce the size of the fleet and make the company financially attractive to secure new capital. Norwegian targets to reduce its debt significantly to around NOK 20 billion and to raise NOK 4 - 5 billion in new capital. In 2020, the company reduced net interest-bearing debt by NOK 18 billion, mainly through conversion to equity. Going forward, Norwegian will focus on a strong and profitable Nordic and European network. The company plans to serve these markets with approximately 50 narrow body aircraft in 2021. However, the ramp-up is dependent on the development of the pandemic, travel restrictions and government advice in key markets.

Norwegian operated 90.1 percent of its scheduled flights in the fourth quarter, whereof 94.1 percent departed on time.

For detailed information, please see pdf attached.

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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