

# Qantas Airways profits lower after oil prices rise

August 22 2019

---



Qantas said the outlook for the airline was 'mixed', with weakness in the domestic tourism market and flat corporate travel demand

Qantas Airways posted a 6.5-percent fall in annual net profit Thursday, attributing the slide in earnings to higher oil prices and a weaker Australian dollar.

Despite record revenues, the Australian flag carrier said its after-tax

profit fell to Aus\$891 million (US\$604 million), down from Aus\$953 million the previous year.

The 99-year-old airline was hit by an Aus\$614 million fuel bill increase and Aus\$154 million in foreign exchange impacts.

But Qantas CEO Alan Joyce was upbeat about the results, which came on the back of healthy profits the previous year.

"Even with headwinds like [fuel costs](#) and foreign exchange, we remain one of the best-performing airline groups in the world," he said.

In the 12 months to June 30, underlying [profit](#) before tax—the airline's preferred measure that strips out one-off costs—was down 17 percent at Aus\$1.3 billion.

Qantas declared a final dividend of 13 cents per share and announced an off-market buyback of up to 79.7 million shares.

It will also hand its workers travel bonuses worth Aus\$32 million.

Joyce said the outlook for the airline was "mixed", with weakness in the domestic tourism market and flat corporate travel demand.

Nevertheless, he said the airline was "confident" about the year ahead due in large part to being in a "strong financial position".

© 2019 AFP

Citation: Qantas Airways profits lower after oil prices rise (2019, August 22) retrieved 13 March 2024 from <https://techxplore.com/news/2019-08-qantas-airways-profits-oil-prices.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private

study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.