

ANA slashes profit forecast by 71% because of pandemic

April 20 2020



Japanese carrier ANA has sharply downgraded its profit forecasts over the coronavirus pandemic

Japanese airline ANA Holdings on Monday slashed its annual net profit forecast by 71 percent over massive falls in demand and major

cancellations caused by the coronavirus pandemic.

For the past fiscal year to March 2020, the firm said it now expects a [net profit](#) of 27 billion yen (\$194 million), down from an earlier projection of 94 billion yen.

Operating profit is now seen at 60 billion yen, compared with an earlier expectation of 140 billion yen. Sales are now projected to fall to 1,970 billion yen, compared with 2,090 billion yen.

The company is scheduled to officially release its full-year earnings later this month.

The downgrade was forced by "entry restrictions in various countries and reduced domestic travel in Japan due to the spread of the coronavirus during the [fourth quarter](#)", the company said, with travel demand declining especially sharply in March.

The company was expecting [strong sales](#) but also [higher costs](#) as it prepared to expand services in the greater Tokyo region ahead of the 2020 Olympics.

But the pandemic has forced the Games to be delayed by a year and severely damaged Japan's tourism sector, while many countries have cancelled or limited international and domestic travel.

The announcement was made shortly after Tokyo's Stock Exchange closed. Shares in ANA ended 0.47 percent higher at 2,483 yen.

© 2020 AFP

Citation: ANA slashes profit forecast by 71% because of pandemic (2020, April 20) retrieved 3 May 2024 from <https://techxplore.com/news/2020-04-ana-slashes-profit-pandemic.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.