

Norwegian enters 'hibernation' to ride out virus crisis

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Hibernating in May

Norwegian Air Shuttle said on Thursday it was now in "hibernation", hoping to ride out the devastation inflicted on aviation by the coronavirus pandemic which pushed the low-cost carrier deeper into

loss.

Norwegian had predicted a weak quarter and posted a loss of 3.28 billion kroner (302 million euros, \$333 million) for the three months to March, compared to a loss of 1.98 billion a year earlier.

Sales dropped 19 percent to 6.5 billion kroner.

The earnings report comes only weeks after shareholders approved a rescue plan that would enable it to receive state aid and continue to operate.

Under the [rescue plan](#), Europe's third-biggest low-cost carrier is to convert into shares around 10 billion kroner of debt held by bondholders and leasing companies and raise between 300 and 400 million kroner in fresh capital via the issue of new shares.

Failure to obtain the funds would have resulted in bankruptcy for the airline, which has already cut 4,700 staff.

"Norwegian has gone into hibernation after taking drastic measures to preserve liquidity," Norwegian said in a statement Thursday.

"Our goal is to ensure that Norwegian has a strong position in the future airline industry with a clear direction and strategy," CEO Jacob Schram said in the statement.

"As soon as the world returns to normalcy, we will be prepared to return with improved service to our customers," he said.

Out of Norwegian's 147 aircraft only seven are currently flying and 80 percent of the carrier's staff are on short-time work.

Even before the virus pandemic, Norwegian's [financial position](#) had been increasingly precarious as the pioneer of long-distance low cost flights paid the price for an ambitious expansion gamble that has left the company with substantial debt.

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