

Virus-hit Air New Zealand posts US\$300 million loss

August 27 2020

Flag carrier Air New Zealand on Thursday announced a roughly US\$300 million annual net loss after demand plummeted due to the coronavirus pandemic.

The virus-driven decline spelled a NZ\$454 million (US\$300 million) hit, including the cost of redundancies and the mothballing of its fleet while international borders remained closed.

Passenger revenues plunged 74 percent in the final quarter of the financial year.

"The airline has responded to this crisis with urgency, including securing additional liquidity, (and) structurally reducing its cost base" it said.

The airline said the loss recorded over the 12 months to June 30, which compares to a NZ\$276 million profit for the previous year, was driven by one-off [costs](#).

Air New Zealand has previously said at least one-third of its 12,500 workforce are expected to lose their jobs due to pandemic-related cutbacks.

It said "cash burn" averaged approximately NZ\$175 million a month from April to June but efforts were underway to reduce the monthly figure to NZ\$65 million.

The carrier said the uncertainty surrounding [travel restrictions](#) meant it was unable to provide specific earnings guidance for the coming financial year.

"However, each of the scenarios we are currently modelling suggest we will make a loss in 2021," it said.

© 2020 AFP

Citation: Virus-hit Air New Zealand posts US\$300 million loss (2020, August 27) retrieved 2 May 2024 from <https://techxplore.com/news/2020-08-virus-hit-air-zealand-us300-million.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.