

Lufthansa flies into another quarterly loss on virus woes

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Lufthansa on Thursday lowered its expectations for a travel rebound in 2021 despite optimism about vaccines, as the coronavirus pandemic pushed the German airline giant into another quarterly loss.

The group reported a 1.0 billion (\$1.2 billion) euro net loss over the January to March period, slightly beating analyst expectations.

The result was also much improved on the 2.1 billion euro loss it booked over the same period a year earlier, when the first COVID-19 wave upended air travel and left planes grounded worldwide.

"The first quarter was still completely dominated by the pandemic. Thanks to consistent cost savings, we were nevertheless able to achieve better results than in the previous year," said chief executive Carsten Spohr in a statement.

Group revenues reached 2.6 billion euros, down 60 percent on the first quarter of 2020 whose early days were still unaffected by the pandemic.

Looking ahead, Europe's largest airline said it expected to operate at 40 percent of pre-crisis capacity this year, lowering its ambitions from a previously announced 40 to 50 percent.

Lufthansa flew at just 21 percent capacity in the first quarter of 2021, carrying three million passengers—10 percent of the level reached in pre-COVID 2019.

"The evolution of the [pandemic](#) is causing continued travel restrictions in almost all parts of the world. Therefore, demand is expected to only recover gradually in the [second quarter](#)," the group said.

Spohr however was upbeat about the later months of the year, citing vaccine progress and the prospect of vaccinated Americans being allowed to fly into Europe.

"Given the foreseeable major advances in vaccination rates, we expect demand to rise sharply from the summer onwards," he said.

Lufthansa, which also includes Austrian, Swiss and Brussels Airlines, was saved from bankruptcy last June by a German government bailout.

The company is in the throes of a painful restructuring to slash costs that will include thousands of job cuts.

By the end of the [first quarter](#) of 2021, Lufthansa had around 110,000 employees globally, 19 percent fewer than a year ago.

As part of the recovery plan, the group's current fleet of 800 aircraft will be slashed to 650 by 2023.

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