

United Airlines sees 2023 profit jump amid tight capacity

January 18 2023



United Airlines Chief Executive Scott Kirby signed a contract with Boeing last month to receive more planes.

Eyeing another year of strong travel demand and limited airline industry capacity, United Airlines projected a big jump in 2023 profits Tuesday

after releasing fourth-quarter earnings that topped expectations.

The big US carrier [forecast](#) 2023 profits of between \$10 and \$12 per share, which is more than four times the level from last year.

United reported profits of \$843 million for the fourth quarter, compared with a loss of \$646 million in the year-ago period.

Revenues rose 51 percent from a year ago to \$12.4 billion.

United called the post-pandemic airline environment an "unprecedented opportunity," according to a company PowerPoint presentation.

The airline's forecast includes a skeptical appraisal of the industry's ability to increase capacity in 2023, calling the targets "unachievable, similar to 2022," the presentation added.

Limited air industry capacity has boosted airplane ticket prices and airline profits, as consumers seek out travel after the pandemic grounded many people.

Key constraints on capacity include a continued pilot shortage, along with delays in the manufacturing and delivery of new planes from Boeing and Airbus.

Another factor is the fact that airlines and US air traffic control have "outgrown tech infrastructure," the company said.

The United [presentation](#) characterized elevated flight cancellations as "proof of the real-world constraints on growth."

Shares of United jumped 2.3 percent to \$52.38 in after-hours trading.

© 2023 AFP

Citation: United Airlines sees 2023 profit jump amid tight capacity (2023, January 18) retrieved 3 May 2024 from <https://techxplore.com/news/2023-01-airlines-profit-tight-capacity.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.