

Delta reports profit jump but lowers earnings forecast

January 12 2024



Delta Air Lines reported higher profits in the final quarter last year, but trimmed earnings expectations going forward.

Delta Air Lines saw its profits more than double in the fourth quarter last year, helped by strong travel demand, even as it trimmed its earnings

expectations for 2024, the US carrier said Friday.

The company reported net income of more than \$2 billion for the October to December period, up from \$828 million for the same period in 2022.

Its revenue jumped to \$14.2 billion for the quarter, helped by "the highest holiday travel volumes in its history."

"In 2024, demand for air travel remains strong and our customer base is in a healthy financial position with travel a top priority," said Delta chief executive Ed Bastian in a statement.

But in its earnings report, Delta lowered its full-year earnings forecast for 2024 slightly—from over \$7 per share projected in 2022, to \$6 to \$7 per share now.

In an earnings webcast, company executives said volatile energy prices, along with lingering supply chain costs and issues, have caused them to be slightly cautious and prudent in making the earnings guidance.

Delta shares slumped by more than eight percent around midday on Friday, while rival United Airlines saw its shares plunge by 9.4 percent.

For the first quarter this year, Delta expects its revenue to rise by three to six percent, and anticipates earnings per share of between 25 cents and 50 cents.

This should come on the back of strong international travel demand and "a positive inflection in the domestic environment," said Delta president Glen Hauenstein.

For all of 2023, Hauenstein added that the company delivered a record

\$54.7 billion in revenue, 20 percent above 2022.

On Friday, the company also announced a deal with Airbus to buy 20 A350-1000 widebody aircraft, with deliveries set to begin in 2026.

The company said it currently operates 28 A350-900s, and the latest announcement is set to bring its A350 fleet to over 60 by the end of the decade.

"The aircraft will primarily be operated in long-haul markets and international hubs in support of Delta's international expansion," Delta said in a separate notice.

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