

Hong Kong's Cathay unveils deal to buy up to 60 aircraft

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Hong Kong carrier Cathay Pacific said Wednesday it would buy at least 30 Airbus A330-900 aircraft in a deal valued at \$11 billion.

Hong Kong carrier Cathay Pacific said Wednesday it would buy up to 60 Airbus A330-900 aircraft as it looks to build on a post-COVID recovery and reach pre-pandemic passenger numbers in the new year.

The firm made the announcement as it reported a drop in profit in the first half of the year, having moved into the black for the first time in four years in 2023 thanks to a pick-up in post-COVID demand.

Cathay did not disclose the total purchasing price but said it had received "significant price concessions" on the basic value of approximately HK\$85.8 billion (US\$11 billion) from the European planemaker.

"(Cathay Pacific) has agreed to purchase and Airbus SAS has agreed to sell 30 Airbus A330-900 aircraft," it said in a filing with the Hong Kong stock exchange, adding that the airline has also "secured the right to acquire 30 additional Airbus A330-900 aircraft".

The new planes are expected to be delivered by the end of 2031, and "will progressively replace the Company's existing fleet of mid-size widebody aircraft and enable future growth," the filing said.

Cathay already has a fleet of more than 230 mostly [passenger aircraft](#).

The purchase would also account for "the largest portion" of a HK\$100 billion (\$12.83 billion) investment pledge over the next seven years, according to the company's chief financial officer Rebecca Sharpe.

It reported that profit attributable to shareholders slipped 15 percent on-year US\$463 million in the first half, adding that costs had increased from operating more flights.

However, total revenue in the period increased nearly 14 percent to US\$6.4 billion, driven by the pick-up in travel demand and a strong cargo business.

Cathay also announced that its passenger count had reached 80 percent of its pre-pandemic levels and it was "on track to reach 100 percent"

within the first quarter of 2025.

Cathay had earlier vowed to return to 100 percent pre-pandemic passenger flight levels by the end of 2024, but in March pushed back the target by up to three months.

Pilots demand

Compared to regional rivals like Singapore Airlines, Cathay has been slow to catch up and is racing to rebuild its capacity while suffering from a manpower crunch.

Chief executive Ronald Lam said Wednesday the airline needed 300 more pilots in order to reinstate its pre-pandemic flight level by next year.

"Some of these pilots are already in training and will be commissioned to service in the coming few months," Lam said.

The drive comes after Cathay saw a spate of flight cancellations during the Christmas and New Year holidays, which it attributed to underestimating the pilot levels needed during the seasonal flu peak in Hong Kong.

The firm also said it had completed the repurchase of HK\$19.5 billion (\$2.5 billion) in preference shares from the government last month, which was lent to keep the company afloat during the pandemic.

It had "provided a return on that investment in the form of HK\$2.44 billion in total preference share dividends, reflecting the success of our 18-month rebuilding journey," Cathay said.

Chairperson Patrick Healy also said the company would continue to

adopt a "cautious and prudent approach to financing and liquidity" in the face of potential risks of geopolitical tensions and interest rate cuts.

"We ensure that we build in a degree of flexibility so that... we are able to flex our plans accordingly, and not be locked into plans which causes difficulties in the future," Healy said.

By the close of Wednesday's trade, the share price of Cathay had slipped more than two percent.

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