AIRASIA BERHAD POSTS $64 MILLION 2Q NET PROFIT

News / Airlines

Malaysian low-cost carrer AirAsia Berhad reported second-quarter net profit of MYR243 million ($64.3 million), a 43.7% year-over-year (YOY) drop from the MYR367.2 million the company posted in the June 2014 quarter. AirAsia said the drop in profit was due to unrealized foreign-exchange losses on borrowings and one-off costs related to the company's sale and leaseback of aircraft during the quarter.

AirAsia's second-quarter revenue grew 1.1% YOY to MYR1.32 billion, despite "an absence of marketing activities in the first quarter due to the [Dec. 28, 2014]QZ8501 incident which affected forward sales in 2Q15," the company said.

Operating expenses rose 1.1% YOY to MYR1.08 billion; The carrier posted an operating profit of MYR243.5 million, up 39.8% YOY.

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The carrier saw 6.7% YOY passenger growth, to 5.95 million passengers, during the quarter. Traffic increased 6.8% YOY to 7.26 billion RPKs, capacity rose 6.6% YOY to 9.1 billion ASKs, and the passenger load factor for the quarter came to 79.8%.

AirAsia's RASK during the second quarter fell 5.3% YOY to [USD] 3.96¢, a drop of 0.22¢. CASK was down 10.8% YOY, to 3.24¢—CASK excluding fuel was up 2.3% YOY, to 1.81¢. AirAsia's average fuel price per barrel fell 25.4% YOY during the quarter, from $114 to $85.

"As seen in 2Q15, we are beneficiary of the low fuel price," AirAsia Group CEO Tony Fernandes said. "As of now, the Group has hedged 50% of its fuel requirements for 2015 at an average cost [USD] $88 per barrel on jet kero and remains unhedged for 2016."

Among AirAsia Berhad's associate/affiliate airlines, Thai AirAsia reported a swing to profitability, with a second-quarter net result of THB374 million ($11 million), marking a YOY increase of MYR692 million. Traffic on Thai AirAsia grew 25.2% YOY to 3.57 billion RPKs as capacity increased 20.3% YOY to 4.41 billion ASKs. The airline's resulting passenger load factor for the quarter came in at 81%.

Indonesia AirAsia's quarterly net loss deepened to IDR486.4 billion ($36.4 million), compared to the carrier's IDR340.3 billion loss in the 2014 June quarter. Indonesia AirAsia traffic fell 4% YOY to 2.2 billion RPKs; capacity was up 1.8%YOY to 3 billion ASKs; passenger load factor for the quarter was 73.4%.

AirAsia Philippines' net loss lessened YOY to PHP777 million ($17.2 million), an improvement over 2Q 2014 by PHP555 million. Traffic on the airline increased 3.5% YOY to 894 million RPKs, capacity decreased 8.1% YOY to 1.15 billion ASKs, and the resulting passenger load factor for the quarter came to 77.6%.

Start-up low-cost subsidiary AirAsia India saw a net loss of INR441.5 million ($6.92 million) for the quarter, but posted operating revenue of INR1.15 billion. Second-quarter traffic was reportedly 332 million RPKs, capacity was 398 million ASKs, and the airline’s passenger load factor was 83.4%.

24 AUGUST 2015

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