

Emirates records first ever USD 3.8b half-year loss in over 30 years

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Dhaka: The Emirates Group comprising Emirates airline, dnata and others, on November 12 announced its half-year results for the 2020-21 financial year ending on September 30, 2020, recording the first ever net loss of USD 3.8 billion in over 30 years.

Group revenue was USD 3.7 billion for the first six months of 2020-21, down 74 per cent from USD 14.5 billion during the same period last year. This dramatic revenue decline was due to the COVID-19 pandemic which brought global air passenger travel to a halt for many weeks as countries closed their borders and imposed travel restrictions.

As part of pandemic containment measures, Emirates and dnata's hub in Dubai also suspended scheduled passenger flights for eight weeks during April and May.

The Group is reporting a 2020-21 half-year net loss of USD 3.8 billion. The group's cash position on September 30, 2020 stood at USD 5.6 billion, compared to USD 7.0 billion as at March 31, 2020.

Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive, Emirates Airline and Group, said, “We began our current financial year amid a global lockdown when air passenger traffic was at a literal standstill. In this unprecedented situation for the aviation and travel industry, the Emirates Group recorded a half-year loss for the first time in over 30 years.”

Emirates airline in the first half of the 2020-21 financial year incurred a loss of USD 3.4 billion, compared to last year’s profit of USD 235 million. Emirates revenue, including other operating income, of USD 3.2 billion was down 75 per cent compared with the USD 12.9 billion, recorded during the same period last year. This result was due to severe flight and travel restrictions around the world relating to the COVID-19 pandemic.

Emirates carried 1.5 million passengers between April 1 and September 30, 2020, down 95 per cent from the same period last year. The volume of cargo uplifted at 0.8 million tonnes has decreased by 35 per cent while yield has more than doubled by 106 per cent.

This reflects the extraordinary market situation for air freight during the global COVID-19 crisis, where drastically reduced passenger flights led to limited available capacity while airfreight demand rose strongly.

Emirates operating costs reduced by 52 per cent against the overall capacity decrease of 67 per cent. Fuel costs were 83 per cent lower compared to the same period last year.

Overall loss for the other major concern of dnata is USD 396 million, compared to last year’s profit of USD 85 million. dnata’s revenue, including other operating income, was USD 644 million, a 68 per cent decline compared to USD 2.0 billion last year.

dnata’s businesses in ground handling, catering and travel services were heavily impacted by the COVID-19 pandemic as customer airlines cut their flight schedules and service requirements or suspended operations entirely, and dynamic border restrictions around the world curbed travel demand and bookings.

The Emirates Group’s employee base, compared to March 31, 2020, is substantially reduced by 24 per cent to an overall count of 81,334 as at September 30, 2020.