Turkish posts first quarterly loss since 2021 amid inflation, operational setbacks

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Dhaka: Turkish Airlines reported an operating loss of USD 76 million and a net loss of USD 44 million in the first quarter of 2025, marking its first quarterly loss since early 2021. The results, announced during an earnings call on April 29, reflect a combination of domestic economic challenges and operational disruptions.

Despite a 2.5% year-on-year increase in revenue to USD 4.9 billion—the slowest growth rate since the pandemic recovery began—the airline faced mounting cost pressures. High inflation in Turkey and a weakening lira significantly elevated personnel and operational expenses. Additionally, a snowstorm in Istanbul during February dealt a USD 50 million blow to the carrier's earnings.

Turkish Airlines maintained that the first-quarter results were in line with internal forecasts. The timing of Easter and Ramadan, both falling in the second quarter, is expected to help the airline catch up with its 2024 performance by mid-year. Softer fuel prices are also projected to support recovery in the coming months.

The airline is continuing a share buyback program aimed at mitigating investor concerns around inflation, political instability, and currency volatility in Turkey. It warned, however, of emerging global risks, particularly those tied to U.S. trade policies, which are compounding existing industry issues such as aircraft production delays, engine reliability concerns, and broader geopolitical tensions.

Turkish Airlines is holding its guidance for full-year passenger capacity growth at 6–8%, with flat yields. The carrier currently has 40 aircraft grounded due to Pratt & Whitney GTF engine issues, though it expects this number to decrease to 30 by year-end and stabilize in 2026.

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