

# REPORT: AIRLINES: EUROPE

## What you need to know

February 2023

This report presents a roundup of what's been happening to Europe's airlines over the last month.

## Major network airlines

### Air France-KLM

#### Profits return in Q4 on strong revenue growth

Air France-KLM reported a **47%** rise in fourth quarter revenue to €7.13 billion, with passenger revenue rising by an even stronger **65%** to €5.87 billion. The company improved on 2021's €127 million fourth quarter net loss to record a €496 million net profit.

#### New Ottawa route announced

Air France will launch a new route from Paris Charles de Gaulle airport to Ottawa, Canada, on **June 27**. It will offer **five-weekly** flights and will be the only airline offering non-stop flights to Ottawa from Europe. Air France will also restart seasonal **thrice-weekly** flights from Paris to Quebec City on **May 2**.

Sister airline KLM will this summer operate **13 weekly** flights from Amsterdam to Toronto, **seven** per week to both Calgary and Vancouver, **five** per week to Montreal and **four** per week to Edmonton.

### IAG

#### Profits return in Q4 on strong revenue growth

Fourth quarter revenue at IAG increased by **81%** year-over-year to €6.39 billion, which was also **3%** higher than in the same period in 2019. After reporting a €278 million operating loss in 2021, IAG returned a €486 million profit for the final quarter of 2022.

#### IAG to take over Air Europa, considering TAP

Globalia has agreed to sell its remaining **80%** interest in Spanish airline Air Europa to IAG, giving it 100% of the carrier's equity. IAG had previously acquired a 20% stake in August 2022. IAG will pay €400 million for the remaining shares. It expects regulatory and other approvals to take up to **18 months**. IAG CEO Luis Gallego has not ruled out making a move for TAP Air Portugal, whose plans for privatization should be revealed in the coming months.

#### British Airways resuming mainland China services

On **April 23**, British Airways will restart **daily** flights from London Heathrow to Shanghai. A **four-times** weekly service to Beijing Daxing airport will follow on **June 3**.

#### BA agrees new South African codeshare

Following the demise of South African franchise partner Comair, British Airways has signed a codeshare deal with Airlink to boost connectivity between the U.K., Europe, North America and 18 points across Southern Africa. BA passengers will be able to connect over Cape Town or Johannesburg onto Airlink services to destinations including Durban, Port Elizabeth and Skukuza in South Africa, and Walvis Bay and Windhoek in Namibia.

### Knock gets Heathrow connection

IAG-owned Aer Lingus will on **March 26** switch its existing London Gatwick operation from Kock in western Ireland to London Heathrow. It will operate the route **daily**.

### Lufthansa Group

#### Lufthansa launches new Green Fares

Lufthansa is launching new Green Fares, which will enable passengers to offset the CO<sub>2</sub> emissions of their flights. Customers will pay more for their tickets, with 80% of the price premium contributed to climate protection projects and 20% used to cover the cost of using sustainable aviation fuel (SAF). As an incentive, the fares will offer additional status miles and a free rebooking option.

#### Swiss to resume Shanghai services

Lufthansa Group-owned Swiss will resume flights from Zurich to Shanghai from **March 3**. It will initially offer a **weekly** service, rising to **three** per week from April. During the summer, Swiss will also add a **sixth** weekly flight to Hong Kong.

#### Eurowings partnering with Volotea

Lufthansa-owned low-cost carrier Eurowings has signed a memorandum of understanding to enter into a sales partnership with Spanish low-cost carrier Volotea. The cooperation will cover more than 140 European routes operated by the two airlines without overlap.

## Other network airlines

### Aeroflot

#### Kazakh operation expanded

On **February 1**, Aeroflot restarted flights from Moscow to three destinations in Kazakhstan. It will operate up to **double daily** services to Astana and up to **three daily** services to Almaty. Aeroflot will initially offer **two weekly** flights to Atyrau, with a **third** weekly service added in **March**.

#### Tunisia services announced

Aeroflot will start regular flights from Moscow to Enfidha-Hammamet International airport from **May 30**. It will offer **three weekly** flights on the route.

### Air Serbia

#### Tel Aviv service starting

From **April 6**, Air Serbia will restart **thrice-weekly** flights from Belgrade to Tel Aviv, after a break of almost three years.

#### Lisbon service starting

From **April 15**, Air Serbia will start **twice-weekly** flights from Belgrade to Lisbon.

### Azerbaijan Airlines

#### Three European services starting

Azerbaijan Airlines will resume flights from Baku to Barcelona on **May 2**. It will offer **twice-weekly** services. On the same day, it will also launch **twice-weekly** services to Vienna. Earlier, on **March 18**, low-cost division Buta Airways will start **twice-weekly** flights from Baku to Sochi in Russia.

### Two new Russian routes

Azerbaijan Airlines is planning to launch two new Russian routes from Ganja. **Thrice-weekly** services to Moscow will start on **March 17** and will be followed by **weekly** flights to St Petersburg on **March 19**. Both services will originate in Baku.

### Finnair

#### Profits return in final quarter of 2022

In the final quarter of 2022, Finnair increased revenue by **66%** year-over-year to €687.3 million. It was profitable for a second quarter, recording a €38 million operating profit, having delivered a €60 million loss in the corresponding period in 2021. The airline's net profit amounted to more than €53 million.

### Icelandair Group

#### Profits return on strong revenue growth

Annual revenue at Icelandair Group increased by **116%** in 2022 to nearly US\$1.27 billion. Transport revenue rose by **149%** to \$1.13 billion. The company rebounded from 2021's \$136 million operating loss to record a \$18.9 million profit in 2022.

### SAS

#### Losses widen in latest quarter

During its November 2022-January 2023 quarter, SAS made an operating loss of SKr2.63 billion (US\$253 million), which was deeper than the SKr1.33 billion loss incurred during the same period a year ago.

#### Significant increase in January traffic

SAS posted an **89%** year-over-year increase in passenger numbers to 1.43 million in January. Revenue passenger kilometers (traffic) grew by 68% on a 22% rise in capacity, lifting the airline's load factor by 18.5 points to **68%**.

### Virgin Atlantic

#### Shanghai route reopening

Virgin Atlantic will restart **daily** services from London Heathrow to Shanghai on **May 1**, its final route to be restored since the start of the pandemic.

#### Pakistan services suspended

Following a review of its entire network, Virgin Atlantic has decided to suspend its services to Pakistan. Flights from London Heathrow to Lahore will end on **May 1** and flights to Islamabad will cease from **July 9**.

## Low-cost carriers

### Norse Atlantic Airways

#### More U.S. routes from Gatwick

Norse Atlantic Airways will start flights from London Gatwick to Fort Lauderdale and Orlando in late **May**. The **four-times weekly** services, which may only operate during the summer, will join the airline's existing daily Gatwick-New York service that began in August 2022.

From **June 1**, Norse Atlantic will also start a **six-times weekly** service to Washington DC, which will be followed on **June 30** with **daily** flights to Los Angeles. The airline is also planning services to Boston and San Francisco.

## Pobeda

### New Middle East services starting

Aeroflot's low-cost Division Pobeda has started a [daily](#) service from Moscow's Vnukovo airport to Dubai. From March 8, it will also launch a new [twice-weekly](#) service to Istanbul from Volgograd. Pobeda is also planning to start flights to the Turkish city from Kazan, Makhachkala and Vladikavkaz.

## Ryanair

### January passengers soar

The number of passengers carried by Ryanair in January soared by 69% to 11.8 million from 7 million a year earlier. The airline operated with a 91% load factor.

## Wizz Air

### Passengers up by almost three-quarters in January

January passenger numbers at Wizz Air increased by [73%](#) to 4.15 million. With available seats increased by 60%, the airline improved its seat factor to [86%](#).

## Regional carriers

### Air Baltic

#### New European routes from Tampere

Latvian regional carrier Air Baltic is to launch two new European routes from Tampere in Finland. [Twice-weekly](#) flights to Nice will start on [May 2](#), with twice-weekly services to Milan following on [May 4](#). Air Baltic already flies from Tampere to Amsterdam, Copenhagen, Malaga, Munich, Riga and Rhodes.

## Start-up airlines and airline failures

### Flyr

#### Airline files for bankruptcy

Norwegian start-up carrier Flyr filed for bankruptcy on February 1. The airline had warned of a critical short-term liquidity situation following failed efforts to raise funding. It had been seeking NOK 330 million (US\$32 million) to finance the summer ramp-up of its operations, improve its cash situation and pay emissions trading fees due in April.

### Hans Airways

#### Sole aircraft returned

U.K.-based start-up Hans Airways has relinquished the sole aircraft in its fleet. With its launch hindered by the stringent financial criteria set by the regulators, the company is now looking for new investors to support its plans to start low-cost flights from Birmingham to secondary cities in India.

The information presented in this report represents the latest view as at February 28, 2023. We have carefully researched and checked the information contained. However, we do not guarantee or warrant the correctness, completeness or topicality of this article and do not accept any liability for any damage or loss as a result of the use of the information contained within this article.

If you have any questions or comments regarding this report, please email [mike.eggleson@bcdtravel.co.uk](mailto:mike.eggleson@bcdtravel.co.uk) to share your thoughts.