



Delta Air Lines posts USD 5.4b loss in Q3

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Dhaka: As the airline industry continues to struggle amid the ongoing coronavirus pandemic, Delta Air Lines, on October 13, posted a USD 5.4 billion loss in the third quarter after spending billions on buyouts for employees and restructuring its fleet.

Delta's third-quarter revenue was USD 3 billion, down from USD 12.5 billion in the same period last year.

The carrier added its losses related to the coronavirus pandemic—including those buyouts and fleet changes—totalled USD 4 billion.

Delta further said its daily cash burn in September averaged USD 18 million per day.

Shares of Delta fell 1 per cent in premarket trading Tuesday morning, and the stock is down more than 46 per cent for the year.

USD 6.5 billion is how much Delta said it would borrow in a new debt deal last month, backed by its SkyMiles frequent-flyer programme. The company said it would use the money to shore up liquidity during the pandemic.

“While it may be two years or more until we see a normalised revenue environment,” Glen Hauenstein, President, Delta, said in a statement, adding, “by restoring customer confidence in travel and building customer loyalty now, we are creating the foundation for sustainable future revenue growth.”

Lawmakers in Washington have been struggling for weeks to reach an agreement on the next round of federal coronavirus aid legislation. In March, the USD 2.2 trillion CARES Act included a USD 25 billion bailout plan for the beleaguered airline industry, which has seen passenger demand plummet as the coronavirus crisis keeps travellers at home.

In early October, Doug Parker, CEO, American Airlines, warned of further service cuts if Congress is unable to deliver more federal aid. American has already cut routes to more than a dozen cities during the pandemic, and it furloughed 19,000 employees when the aid programme under the CARES Act expired at the beginning of October. United has also furloughed 13,000 employees.