

Comair rewards its shareholders

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Comair, the operator of the budget airline kulula.com and the southern African franchisee of British Airways, rewarded its shareholders with a 40% higher interim dividend.



Comair declared a 7c interim dividend, up from the matching period's 5c, after more than doubling after tax profit to R199m for the six months ended-December from R84m in the year-earlier period.

Interim revenue grew 5.7% to R3.1bn. But this came from raising ticket prices, not from increasing its passenger numbers.

"We continue to see surplus capacity in the market, resulting in occupancy levels that remain low by international standards," CEO Erik Venter said in the result statement.

Rising share price

The airline operator's share price rose 1.9% to R4.89 after it released its results.

Comair suffered a R71m loss in the previous year's interim results due to a bad bet of fuel prices. It has taken no more fuel hedges since the end of 2015 and was fortunate in that oil prices remained relatively stable over 2016.

During the reporting period, Comair took delivery of one new Boeing 737-800 aircraft and one leased Boeing 737-800 aircraft to replace the Boeing 737-400 aircraft in its British Airways fleet.

"This contributed to further operating efficiency and enhancement of the customer experience," the company said in its results statement.

It will be making pre-delivery payments of US\$9.7m during the remainder of this financial year towards its first deliveries of Boeing 737-8 Max aircraft in 2019.

Source: BDpro

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