Record profits for Mango

Mango has announced record profits for the year ending 31 March 2014, with a nett profit of R40 million and a before-tax profit of R56.1 million.

The airline also increased its revenue by 42% as a consequence of capacity growth of 25.62% and an average load factor hike to 82.35% along with tightened yield management. Mango also increased its market share in which it operates from 28.1% (4% growth) and in the domestic universe to 16.6% (3.2% growth). During the period in review, the Airports Company South Africa (ACSA) reported a market decline of 0.4% domestically.

Mango's continuous focus on growth, innovation and effective business processes led the carrier to continue production on instruments that enhance accessibility to consumers, all driven by commercial impetus.

During the period in review Mango:

- Launched scheduled operations to its first international destination with twice-weekly flights between Joburg and Zanzibar;
- Launched three weekly frequencies between Joburg and George with a fourth added in early 2014;
- Increased and optimised capacity on Golden Triangle routes following the introduction of;
- Fleet additions of two Boeing 737-800 aircraft as well as additional wet-leased capacity leveraged during peak periods and to stop-gap maintenance impacted capacity shortfalls;
- Created the first mobile app across all major platforms (Android, Apple, Blackberry 10), which allows users to book and pay for flights and manage travel. Mango remained the only African airline to offer this during the period in review;
- Commenced acceptance of Voyager Miles to purchase Mango flights with positive commercial impact for the business while reducing overall Group liability significantly;
- Mango leads the aviation sector with a BBBEE Level 4 achievement during the period in review; and
- Continued its leadership in people productivity and on-time performance while maintaining what is said to be the lowest cost base in the domestic aviation sector.

A fantastic year

"It has been a fantastic year for Mango," said CEO Nico Bezuidenhout. "The narrative of our business case, as set down in 2006, continues to bear fruit as Mango achieves its second successive profitable fiscal and sixth profitable full fiscal out of seven completed." However, he cautioned that the current fiscal indicates an economic hangover as a consequence of ongoing fuel price and currency fluctuations. "This year will see greater challenges and increased pressure on margins and," he added, "with a new market entrant on the horizon both load factors and revenue across the sector will be under pressure."

Bezuidenhout said that Mango's continued investment in technology and innovation across process, distribution and commercial aspects of the business will, however, continue to pay dividends. "The business is driven by a culture of constant and never-ending improvement and is led by a performance desire." The carrier has grown by 100% in capacity over the past three completed fiscals with 75% network expansion.

"Mango is a sustainable asset to South Africans and continues to fulfil its dual mandate of economic enablement and social development." During the period in review Mango's Youth Development Career Days and other social investment initiatives reached more than 50,000 South Africans. "While not everyone will fly with us," said Bezuidenhout, "there is no reason why Mango cannot touch their lives."