

Lessor dues remain priority for Cebu Pacific

Dominic Lalk

07/09/2021

Manila-listed Cebu Pacific has used PHP504 million (\$10.1 million) from the proceeds of its March 2021 PHP12.5 billion stock rights offering (SRO) to settle operating lease bills.

In an exchange filing the airline confirmed that the balance of the SRO proceeds was PHP2.81 billion as of 31 August.

In April, Cebu raised \$250 million from the sale of convertible bonds to International Finance Corporation (IFC), IFC Emerging Asia Fund and Indigo Philippines, the local affiliate of Indigo Partners, the US firm behind airlines including Frontier and Wizz Air.

Cebu Pacific is the Philippines' largest airline; its passenger numbers have exceeded those of flag carrier Philippine Airlines (PAL) for many years.

PAL entered Chapter 11 protection earlier this week and plans to return 22 aircraft to aircraft leasing companies.

Cebu Pacific plans to accept eight new aircraft deliveries in 2021.

It has outstanding orders with Airbus for 22 additional A321neos and 16 additional A320neos, alongside 16 widebody A330-900s. From ATR it is due three more ATR72-600s.

The carrier recently requested financing proposals, including for sale and leaseback, for its incoming fleet, including for the first A330neo slated for handover later this year.

Covid-19 continues to severely curtail the airline's operations as scheduled international arrivals into the Philippines remain banned and a recent spike in infections also has prompted domestic flight cancellations.

Thank you for printing this article from Airfinance Global, your essential intelligence resource for aviation finance. If you have been given this article by a subscriber, you can contact us through email at accountmanager@airfinanceglobal.com or call us on +44 (0)20 7779 8015 to discuss our subscription options.