

Cebu Pacific returns to profitability

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Cebu Pacific Air Group recorded revenues amounting to PHP20.88 billion (\$380 million) for the three months ended 31 March 2023, 211.2% higher than the PHP6.71 billion generated in the same period last year.

The overall increase in revenues was primarily driven by a significant increase in passenger volume and flight activities.

In the three months to 31 March, passenger revenues went up by PHP11.12 billion or 351.9% to PHP14.29 billion, from PHP3.16 billion in the same months in 2022.

Cargo revenues decreased by PHP715.3 million or 38.7% to PHP1.13 billion for the January-March period, from PHP1.85 billion the previous year.

Ancillary revenues increased by PHP3.76 billion or 221.1% to PHP5.46 billion in the first three months of 2023, up from PHP1.7 billion generated in the same period last year.

The Cebu Pacific group, however, incurred operating expenses of PHP19.64 billion in this year's first quarter, up by 63% on-year. This was mostly a result of increased operations, Cebu says, since a material portion of its expenses are based on flights and flight hours. Another factor for its higher operating expenses was the weakening of the Philippine peso against the U.S. Dollar.

Aircraft and engine lease expenses increased by PHP412.66 million to PHP442.169 million for the three months ended 31 March.

As a result of the aforementioned, the group closed the quarter with an operating income of PHP1.24 billion, reversing a PHP5.34 billion operating loss incurred during the same period last year.

Net income for the three months ended 31 March amounted to PHP1.08 billion, reversing a PHP7.6 billion net loss sustained in the year-ago quarter.

[For the full year 2022](#), the group reported a PHP14 billion net loss versus PHP24.9 billion the previous year, while operating loss was reduced to PHP11.4 billion, about half of the previous year.

As of 31 March, Cebu Pacific group airlines operated 73 aircraft, comprising 20 Airbus A320s, seven A321s, nine A320neos, 10 A321neos, four A330s, four A330neos, five ATR72-500s and 14 ATR72-600s.

Last month, Airfinance Journal's exclusively revealed that San Francisco-based Jackson Square Aviation (JSA) was behind [Cebu Pacific's latest A320neo delivery as sale and leaseback \(SLB\) partner](#).

Last week, Airfinance Journal reported that Aerdragon Aviation Leasing had acquired and delivered an A330-900 on lease to Cebu Pacific. Nord LB and MUFG provided financing for the [aircraft purchase from JLPS](#).

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