



Mar 23, 2018 14:51 CET

Lufthansa Cargo closes 2017 financial year with excellent result

Recovery in the global air cargo market and successful cost management brought Lufthansa Cargo back on track to success last year.

Sales of Lufthansa Cargo rose by 21.1 per cent over the previous year to EUR 2.5 billion with 8,886 million FTKT sold. Average revenues, especially in the express business, went up considerably. Total operating income increased by 21.2 per cent to a total of EUR 2.6 billion. Adjusted EBIT improved by EUR 292 million to EUR 242 million over the difficult previous year. EBIT improved by EUR 304 million to EUR 240 million.

“2017 developed into one of the most successful years in the history of Lufthansa Cargo,” said Peter Gerber, CEO and Chairman of the Executive Board of Lufthansa Cargo AG. “Lufthansa Cargo has achieved impressive

earnings. In the volatile logistics business, our team demonstrated high professionalism and passionate commitment. For the current year, we will therefore remain focused on pursuing our efficiency programme and investing in our future. At present, these are mainly investments in ground infrastructure for highly profitable special business and in digitisation,” Gerber continued.

The result was achieved in a challenging market environment. In addition to a strong focus on cost optimization, high-performance products and flexible capacity management, Lufthansa Cargo's sales strength also made a significant contribution.

The strategic efficiency programme adopted in 2016 already having an effect in its current stage of implementation Sales and other areas were streamlined at the beginning of 2017, reducing the headcount. More efficient processes and the cost advantage sought through making sustainable savings of EUR 80m make it possible to respond flexibly during periods of overcapacity, as in 2016. They also pave the way for a rapid response to market opportunities, such as those arising in 2017.

The CEO of Europe's leading cargo airline added with a view to the coming years: "Air freight is and will remain a growth market. For certain goods, air freight is the only choice. Above all, export-strong regions such as Germany are an excellent long-term basis for the air freight business".

Freighter fleet to be further optimized

Lufthansa Cargo has reduced the size of its MD-11F fleet to twelve aircraft by selling two aircraft. A MD-11F was reactivated in November 2017 because of the sharp rise in demand in time for the industry's usual peak season at the end of the year, so that Lufthansa Cargo operated a total of 17 cargo aircraft including five B777F freighters at the end of 2017. In addition, there is the capacity of approx. two 777 from the Aerologic joint venture.

Increasing digitalisation brings many advantages for customers

In the years ahead, the company intends to digitalise its relationships with all

of the players in the transport chain, from bookings to deliveries. In the long run, customers will benefit from greater transparency, higher speeds, better quality and more flexibility as well as greater efficiency. In 2017, Lufthansa Cargo modernised its revenue management to enable greater differentiation. The response times in sales were further improved by a significant reduction in the number of manual processes. At the same time, Lufthansa Cargo is working closely with start-ups as part of its strategic Cargo Evolution programme, in order to make its business more customer-friendly along the entire transport chain. The first step in 2017 was for Lufthansa Cargo to invest in the start-up Fleet Logistics, founded in 2014 as a neutral online marketplace for brokering international seafreight and airfreight services, which takes care of all payment processing.

Further modernisation of ground infrastructure

The freight centre in Frankfurt is being continually modernised. Further improvements were made to the entire infrastructure of the Cool Center. A new service, Road Feeder Service Cool, was also introduced. A special thermal foil was included in the service portfolio and the range of container services was expanded again.

Lufthansa Cargo AG

Lufthansa Cargo ranks among the world's leading air freight carriers. In the 2017 business year, the airline transported around 1.6 million tonnes of freight and mail and sold 8.9 billion revenue tonne-kilometres. The company currently employs about 4,500 people worldwide. Lufthansa Cargo focuses on the airport-to-airport business. The cargo carrier serves around 300 destinations in more than 100 countries with its own fleet of freighters, the belly capacities of passenger aircraft operated by Lufthansa, Austrian Airlines and Eurowings, and an extensive road feeder service network. The bulk of the cargo business is routed through Frankfurt Airport. Lufthansa Cargo is a wholly owned Lufthansa subsidiary of Deutsche Lufthansa AG.

Contacts



Nicole Mies

Press Contact

Head of Communications & Corporate Social Responsibility

press@lufthansa-cargo.com



Lufthansa Cargo Media Hotline

Press Contact

press@lufthansa-cargo.com

+49 69 696 72435



Katharina Stegmann

Press Contact

Spokesperson

katharina.stegmann@dlh.de

+49 69 696-72508



Julia Leukel

Press Contact

Spokesperson

julia.leukel@dlh.de

+49 69 696-660138



Jan Paulin

Press Contact

Spokesperson

jan.paulin@dlh.de

+49 69 696 10274