

# Fastjet PLC

10:32 30 May 2017

## Fastjet on steadier footing after retrenchment says chief executive

African non-frills airline Fastjet PLC (LON:FJET) took more heavy losses as new chief executive Nico Bezuidenhout retrenched after the previous 'over-ambitious' expansion plans.

Routes were cut back and the fleet shrunk, but revenues rose by 5% to US\$68.5m in 2016, with passenger numbers also up slightly at 783,317.

Costs rose by 29% caused by setting up new routes in 2016, which also lead to a cash outflow of US\$52.3m.

Most of these were axed when Bezuidenhout took over in August.

Fastjet cut capacity by 25% and the cost base will significantly reduce by the third quarter of 2017 with a cash flow break even position by the fourth quarter of 2017.

"Since the year-end, fastjet has completed a US\$28.8m fundraising, entered into a strategic and operational partnership with Solenta, and significantly strengthened our Board.

"With these initiatives building on the benefits of the Stabilisation Plan, and although a number of challenges remain, fastjet is now close to being sufficiently stable and well positioned to be able to consider disciplined growth opportunities in our target African markets."

Losses for the year after tax were US\$48m (US\$21.9m).

Broker Liberum added that a large loss was expected as the group deals with problems inherited from the previous management team and challenging trading conditions.

Although the demand backdrop does not appear to have improved significantly, management's actions on costs, fleet and network are having the anticipated effects.

The group has secured a deal to return its remaining Airbus A319 aircraft to the lessor before the end of 2017E. Where the switch to smaller aircraft has been implemented, the anticipated reductions in cost and improvements in load factors and unit revenues have come through.

By the end of 2017E, management expects to have a fleet to two 100-seat E190 aircraft on dry leases deployed from Tanzania and two 50-seat E145 aircraft on wet lease from strategic partner Solenta deployed from Zimbabwe.

-- adds broker comment--

**Price:** 1.625p

**Market Cap:** £61.76M

### 1 Year Share Price Graph



June 2018 December 2018 June 2019

### Share Information

**Code:** FJET

**Listing:** AIM

**52 week High Low**  
9.93p 1.00p

**Sector:** Transportation

**Website:** www.fastjet.com

### Company Synopsis:

*fastjet PLC is a Pan-African airline holding company which is focused on becoming Africa's most successful and recognisable low-cost carrier. It's main bases of operation at present is in Tanzania and Zimbabwe with a smaller market presence in South Africa and Zambia.*

### Author:

**Proactive Investors Ltd**

**+44 (0)207 989 0813**

**action@proactiveinvestors.com**

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

### No investment advice

Proactive Investors is a publisher and is not registered with or authorised by the Financial Conduct Authority (FCA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.