

BUSINESS COMMENTARY *Alistair Osborne*



Challenge to fly straight and true

Airlines specialise in delays. So maybe it's no big shock that Easyjet's so late with its announcements. It's just declared that it'll be laying off a third of its workforce, 4,500 people. And all on top of Tuesday's news that finance chief Andrew Findlay was climbing out of the cockpit.

So, here's a question. Shouldn't both those issues have been disclosed before last Friday's investor meeting: the one called by revolting shareholder **Sir Stelios Haji-Ioannou**? The carrier's founder, with 34 per cent of the shares, was trying to sack four directors. So, whatever the pantomime, it was still a vote of confidence in the Easyjet management, not least chief executive Johan Lundgren, chairman John Barton and Mr Findlay. Shouldn't they have come clean about their plans?

True, employee shareholders only count for 2 per cent of the shares, so wouldn't have swung the vote: a 58:42 win for the board. But the voting staff might have liked to know they were about to get sacked. And, instead of the Findlay farce of surviving the vote and then quitting five days later, Mr Barton should have demanded that each director disclose any plans to leave. Did the chairman forget to ask? Or was he distracted by his looming new pandemic job chairing Ted Baker?

Whatever, announcing the job cuts now looks sneaky: bad news held back until after the vote, not least with the update not even saying how many people faced the

chop. Yes, Mr Lundgren says Easyjet waited until it had "as much transparency as we could get about the demand environment", while both the EGM and a data hack affecting nine million customers were "distractions". And "no" the staff vote didn't worry him.

But, in that case, he's well off the pace. British Airways said it was axing up to 12,000 jobs on April 28. Days later Ryanair and Virgin Atlantic revealed plans to cut 3,000 each. Easyjet's nearly a month behind. And there's nothing magical in Mr Lundgren's view that flying won't be back to 2019 levels "until 2023". All airlines have been saying similar things.

To boot, the delay simply invited another cheap shot from Stelios, claiming "Easyjet staff are getting to carry the can" for its refusal to cancel Airbus's contract for 107 new planes. It's baloney, of course. Job cuts were inevitable anyway: the sorry price of a structurally smaller airline industry. And a fight with the carrier's fleet supplier would only make a bad situation worse. If required, Mr Lundgren can cut the fleet from 335 aircraft to 281 by 2023 without tearing up the Airbus contract. And if that's not enough, he would "renegotiate".

Yet, fronting up the job cuts early would have helped get the Stelios sideshow over. Now he's inviting "staff losing their jobs" to "blow the whistle" on "dealings" between Easyjet executives and a Swiss lawyer: ones so far existing only in his febrile imagination. "A reward of up to £5 million could be yours,"

trumpets Stelios. Please note the "up

to" and "could". Instead of these antics, Mr Lundgren should be focused on his plans for a return to 30 per cent flying in the July to September quarter. Being straight with the staff would help.

