Former RBS boss lands at Easyjet to plot course out of Covid turbulence

by Francesca Washtell

EASYJET has hired one of the City’s most experienced bosses to help steer it out of the Covid crisis.

Stephen Hester will take over as chairman at the budget airline in December.

Hester made his name as the chief executive of RBS – now known as Natwest – in the wake of the financial crisis.

The 60-year-old also successfully turned around insurance giant RSA, which he left in May this year after it was taken over by two foreign groups in a £7.2bn deal.

Hester will replace John Barton, who has been at the firm for more than eight years and had already signalled that Easyjet would be looking for a successor.

Hester will need to guide the FTSE 250 airline through a crisis that saw it lose £3.5m a day between April and June alone.

It raised £420m from shareholders last year as well as securing new loans – but bosses have hinted that it might need to tap the market for more cash.

Hester also need to repair relations between the board and Easyjet’s outspoken founder, Sir Stelios Haji-Ioannou.

“The directors and Stelios were locked in a bitter spat for much of last year over a huge order Easyjet had placed for new Airbus planes, which Stelios wanted them to cancel.

Hester – who will be paid £314,568 a year as chairman – has 35 years of experience across a range of business sectors, including at commercial landlord British Land and Credit Suisse. But he is best known for running the part-nationalised RBS for five years between 2008 and 2013, bringing it back from the brink of collapse to a partial recovery. The father-of-two described his time there as ‘bruising and difficult’ and was forced out with a payoff worth at least £1.6m.

Barton said Hester’s experience and ‘outstanding strategic thinking’ would serve the airline well during the pandemic recovery.

Hester (pictured) said he was a ‘long-standing admirer of Easyjet’. He added: ‘I see so many opportunities for this iconic brand in the coming years, all underpinned by its proven business model, unrivalled network and loyal customer base.

Easyjet, however, was thrown into turmoil when the pandemic broke out and flights were grounded for months on end during the first lockdown.

But it reported a surge in ticket sales this summer as rules relaxed for travel to European countries such as France, Germany and Norway.

It expects to fly 60pc of its 2019 flight schedule this summer, but is preparing for it to take until 2023 to get back to 100pc.

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