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FINANCE

Edited by
GRAHAM
HISCOTT



Airline takeover offer grounded

WIZZ LINK TO FAILED BID FOR EASYJET

EASYJET has rejected a takeover bid rumoured to be from rival Wizz.

The airline said the approach “fundamentally undervalued” it.

It added that the un-named bidder had since confirmed it was no longer considering an offer.

The board’s snub came as easyJet revealed plans to tap shareholders for £1.2billion.

Bosses said the extra money would be used as a war chest for expansion, to reduce its debt mountain and to cope with further potential Covid costs.

Luton-based easyJet refused to reveal who was behind the takeover approach – but financial news service Bloomberg claimed it was Hungarian carrier Wizz.

Johan Lundgren, easyJet’s boss, said the board considered whether the bid was good value for shareholders.

“This wasn’t even close to that,” he

added. The £1.2bn of extra cash, to be raised through a rights issue, is on top of £5.5bn already raised in funding since the beginning of the pandemic.

The airline said the additional money would boost its balance sheet should the downturn drag on.

And it will also allow it to take advantage of an expected recovery by, for example, buying more slots and planes.

“I believe this is really a once in a lifetime opportunity,” said Lundgren.

News of the rights issue saw easyJet’s share price slump more than 10% yesterday.

It is understood founder Sir Stelios Haji-loannou and his family will not take part in the rights issue – diluting their stake in the company even further.

They currently own a little over 25% - but their holding in the airline, founded in 1995, will shrink to just over 15% by now



FOUNDER
Stelios
Haji-loannou

