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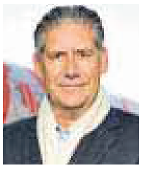
Weak rivals will fall away, says easyJet's chief

By **Oliver Gill**

THE boss of easyJet has predicted a wave of consolidation in the industry and believes larger airlines are poised to prosper as their weaker rivals "disappear".

With airlines facing rising costs over the traditionally lean winter months, Johan Lundgren warned that the less strong carriers "are heading into difficult times".

Mr Lundgren, who took over as easyJet chief a year ago, said Brexit had led to "no drop in demand" for bookings next year.



Johan Lundgren, easyJet chief said it currently had no interest in Flybe

His comments came as annual pre-tax profits rose 15.6pc to £445m, in line with City expectations.

"The year has been particularly successful if you see that it is against a backdrop of a number of airlines that have struggled," he said.

Flybe, Britain's largest regional carrier, put itself up for sale and warned over its future last week. Mr Lundgren said that while easyJet was "keeping an eye out for strategic opportunities", there was "no interest in Flybe at the moment".

He added: "Weaker airlines that do not have the financial strength; that don't have the protection from a strong balance sheet; that suffer from inefficient models; that do not have the brand strength – they are heading into difficult times, as has been seen in 2018. We, on the other hand, have excelled in 2018. Our performance sets us apart from any other airline."

Meanwhile, the easyJet boss brushed off fears that planes could be grounded under a no-deal Brexit. He said the airline was confident any difficulties could be managed.

The airline reported that revenue per seat grew 6.4pc to £61.94 and raised its dividend by 43pc to 58.3p a share. Passenger numbers grew 10pc to 88.5m in the period. Exceptional costs totalled £133m.

Shares in the FTSE 100 carrier, however, fell by 5.5pc on fears it may not have a grip on rising costs.

Investec analyst Alex Paterson said costs per seat were "marginally higher than we expected".