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EasyJet: Brexit will be smooth

AVIATION

Joanna Bourke

THE chief executive of easyJet today pledged there “won’t be any disruption” at his budget airline once Britain leaves the EU, as he gave an update on its Brexit preparations.

Johan Lundgren discussed plans alongside revealing that pre-tax profits soared 41% to £578 million in the year to September 30.

He told the Standard: “We are prepared for any [Brexit] scenario and are confident that our flights will operate as normal after March 2019.”

His FTSE 100 firm expects to increase European ownership of the airline from 47% to over 50% before Britain exits the bloc, which will allow it to comply with ownership rules and continue to operate within the EU.

George Salmon, equity analyst at Hargreaves Lansdown, said: “Brexit remains a concern... the group will need to persuade investors over the Channel to join the shareholder register.” However, Lundgren said he did not think it would be a problem.

EasyJet, founded by Sir Stelios Haji-Ioannou who owns a 33.73% stake, has also taken a £7 million hit for Brexit-linked costs. That includes registering new planes in Austria.

Lundgren said it has been an “event-

ful” period for him since joining the carrier last December, taking over from Carolyn McCall.

This year has seen the industry grapple with higher fuel costs and waves of air traffic controller strikes.

A number of smaller airlines have failed. Despite these headwinds, profits rose at easyJet, which last year swooped to buy part of collapsed Air Berlin’s operations.

It carried a record 88.5 million passengers, which was up 10.2% from the previous year.

The company raised its dividend by 43% to 58.6p.

Looking ahead, Lundgren said he has no interest in buying struggling airline Flybe, which is on the market.

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All bases covered: Johan Lundgren

