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Easyjet cashes in on Thomas Cook collapse

by ***Francesca Washtell***

EASYJET is on track for a strong winter after it cashed in on the collapse of Thomas Cook in the run-up to Christmas.

More than 22m people flew on its planes between October and December, an increase of 2.8pc compared with the same period a year earlier.

Turnover rose 10pc to £1.4bn as it raked in around £100m a month from add-ons such as allocated seats and extra luggage space. Total ancillary revenues over the three months were 11pc higher than a year earlier, at £301m.

Easyjet benefited from the loss of its major competitor after 178-year-old Thomas Cook collapsed in September.

It has also stepped up a strategy to analyse data from ticket sales so that it can decide when to offer cheaper or more expensive fares.

This has helped it fill its planes more effectively, with the percentage of seats occupied up by 1.6 percentage points to 91.3pc.

Analysts praised the results, but criticised mounting expenses as the cost of maintenance, ground handling and new aircraft grew.

Will Ryder, at Hargreaves Lansdown, said: 'Frustratingly, costs per seat excluding fuel increased again, and while investors will recognise the mitigating factors, higher costs are becoming a pattern.'

The airline expects its new package holiday business to break even this year. Chief executive Johan Lundgren said the flexibility of its flights to Mediterranean beach destinations meant 60pc of customers were choosing to book breaks that were not just seven or 14-day trips, as most package holiday providers offer.

■Under-fire plane maker Boeing last night said that it expected its troubled 737 Max jets to return to service later this year. They have been grounded since last March after crashes in Indonesia and Ethiopia killed 346 people.

STELIOS' BOARD PROTEST

EASYJET'S founder Sir Stelios Haji-Ioannou will cast a 'token vote' against the company's chairman John Barton at its annual meeting next month.

Stelios, who is Easyjet's largest shareholder, said his vote against Barton is meant as 'constructive criticism' and represents his opposition to the budget airline's strategy since 2017 when he challenged its plans to expand its fleet.

He claimed that by 2021 it will have 352 planes, but that these will generate less profit per share than when it had 241 planes in 2015.

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