

EasyJet says revenue leap was boosted by the fall of Thomas Cook

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EasyJet has reported a leap in revenues for the last quarter of 2019, boosted by the demise of Thomas Cook. Passenger numbers grew by 2.8% year on year, despite widespread disruption from strikes in France, during which 871 flights were cancelled between October and December.

The airline said that revenue per seat “flown” increased almost 8.8%. It said only one-fifth of that growth was due to the collapse of Thomas Cook last September.

EasyJet struggles to make money through the winter months, but said it was on target for losses “better than 2019” in the first half of the financial year, despite an increased fuel bill.

Johan Lundgren, easyJet’s chief executive, said the airline had “made a strong start to the year with continued positive momentum”. EasyJet shares rose 5%, making it the top riser on the FTSE 100 yesterday.

The results gained approval from the company’s founder and main shareholder, Sir Stelios Haji-Ioannou. In a letter to shareholders he said that the slow growth in numbers of seats flown had led to higher revenues. “I’m pleased to see in today’s Q1 results that my theory about airline economics remains true.”

However, he added that the airline’s dividend payout should have been significantly higher, so he would cast a “token vote” against the re-election of the chairman, John Barton, at the firm’s annual meeting.

Lundgren said easyJet had benefitted from its decision to offset carbon emissions from all flights since November. “Nine million customers

have flown net-zero carbon flights with us, and our offsetting programme has been received very positively by customers, staff and other stakeholders.” He said that, according to easyJet’s research, customers who were aware of the offsetting policy had reported more overall satisfaction with their flights.

The airline has also partnered with Airbus and Wright Electric to develop “sustainable” aircraft. He said Wright hoped to develop an electric passenger plane within 10 years. “The aim is for a 150-seater short-haul plane to be on the market by the end of the 2020s, based on the acceleration of battery technology ... we’re working with Airbus to see how planes will work in the kind of fleet we have [and with the airport infrastructure].”