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Stelios has lost the plot of Wild West shoot-out

Jim Armitage



COMMENT

STELIOS has been watching too many bad westerns. Specifically, those corny ones where the bad guys take a gringo hostage and threaten that if the money doesn't show up, first they'll cut off a finger, then a toe, and who knows what next.

Today, he demands the board scrap its contract to buy new Airbuses or every seven weeks he'll shoot a non-executive director. Well, not exactly, but he'll demand an EGM to have them offed, one by one.

Chief executive Johan Lundgren seems the Clint Eastwood character in all this, facing down the nasty dude in the black hat.

It's a movie we've seen before. Stelios has been demanding easyJet stop buying new planes since 2011. He has, until now, been totally wrong.

EasyJet's expansion has made it one of the biggest, most profitable airlines in Europe. It has paid £1.7 billion in dividends, £600 million of it to Stelios.

It's true that, in the crisis easyJet now faces, a smaller fleet would have meant lower overheads, but it may also have left the company with a weaker balance sheet to weather the storm.

Of course the Airbus orders should be put on hold, but this is best done by negotiation, not war. Plane orders are flexible. They roll for years, with opt outs along the way. Clearly, Lundgren will already be in detailed talks to put deliveries on hold for now.

Having said that, if Lundgren's smart, he'll be using Stelios's

threat as a negotiating tool. A sort of "Do me a deal or you have to negotiate with *that* guy".

Good-cop bad-cop would be a better genre for this plotline.

@ArmitageJim

