

Stelios steps up row with Easyjet's 'wildly optimistic' directors

Robert Lea Industrial Editor

Sir Stelios Haji-ioannou has upped the ante in his battle with Easyjet's board by warning that he will try to oust its finance director and criticising its house broker for "wildly optimistic" financial forecasts.

Easyjet's founder said yesterday that he would demand the removal of two of the airline's directors in a new requisition — Andrew Findlay, 50, the finance director, and Andreas Bierwirth, 48, a non-executive director. "This is the best way to stop [Mr Findlay] writing billion-pound cheques to Airbus every year," Sir Stelios, 53, said.

A move by Sir Stelios last week to remove Mr Bierwirth, a former Luft-hansa director, through a company meeting was rejected by the Easyjet board on a technical clerical point.

The row between Sir Stelios and Easyjet revolves around a £4.5 billion order with Airbus for 107 new aircraft, which will increase the airline's 350-strong fleet. With Johan Lundgren, 53, chief executive, talking of accessing government or Bank of England loans to see the company through the summer, Sir Stelios has said that Easyjet should ditch the order with the European aerospace group and launch a fundraising with existing shareholders. Easyjet's directors have rejected his demand.

Even before international Covid-19 travel restrictions led to the grounding of Easyjet's aircraft, Sir Stelios had argued for a cut in the carrier's fleet to make the business more sustainably profitable.

Sir Stelios, 53, who founded the airline in the 1990s, retains a 34 per cent shareholding but has not sat on the board for a decade. He has said that he will call

extraordinary meetings to remove all 11 of the company's directors in coming weeks.

The billionaire entrepreneur said that he believed the Easyjet board was hiding behind the estimates of Credit Suisse, its house broker, to justify buying the Airbus aircraft. Credit Suisse's forecasts indicate that Easyjet will run out of money by August and will have burnt its way through more than £1.4 billion of cash by the end of its financial year in September.

The broker estimates £500 million of losses this year, but Neil Glynn, its analyst, is forecasting a bounce in the 2020-21 next financial year in which he thinks the budget airline will make £470 million in annual profits, even more than the £430 million that Easyjet made last year.

Sir Stelios believes that this assumption is "wildly optimistic" because any recovery in the aviation market later in the year will come when airlines are going into their traditionally loss-making winter season. Instead, he argues that a more realistic outcome is £1 billion of losses before the airline returns to break-even.

"Terminating the Airbus contract is the only chance current shareholders have to maintain any value in their shares. If Easyjet terminates the Airbus contract then it does not need loans from the taxpayer," he said.

Easyjet said: "The board is managing the unprecedented challenges facing the airline and the aviation sector as a whole. We believe that holding a general meeting would be an unhelpful distraction from tackling the many immediate issues our business faces."



Sir Stelios Haji-ioannou was always against the Airbus deal

