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# FINANCE

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# Divis given the lockdown chop

## EMBATTLED BIG FIRMS SCRAP PAYOUTS

**MORE than 40% of big firms have now scrapped shareholder payouts as they batten down the hatches in the virus crisis.**

Aircraft engine maker Rolls Royce yesterday became one of the latest to axe its final dividend – the first time since 1987.

Ditching them is an emergency move by firms to conserve cash.

But it is a blow to investors, including small shareholders and pension funds, who have already been hit by a slump in share prices in recent weeks.

Covid-19 has hit Rolls as airlines are grounded, denting both orders and engine maintenance.

Boss Warren East said it was



cutting costs and had secured an extra £1.5 billion from lenders. Sofa chain ScS announced yesterday it was suspending its interim dividend, while chief executive David Knight has delayed his retirement.

Bosses at a growing number of other firms are taking pay cuts while “furloughing” staff – temporarily suspending them on reduced pay.

They include Andy Hornby, the ex-head of HBOS and now CEO of Wagamana owner The Restaurant Group, whose salary has been reduced by 40%.

Meanwhile, budget airline easyJet said it expects to have cash reserves of £2.3 billion after raising new funds.

The announcement came as founder and major shareholder Sir Stelios Haji-loannou called for easyJet’s finance boss to be sacked in a row over an aircraft order with Airbus.

