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Alex Brummer

CITY EDITOR

Cheat sheet

CONTRAST the behaviour of activist investor Edward Bramson in his dealings with Barclays and Stelios Haji-Ioannou at Easyjet.

Bramson doesn't much like the way Barclays chief executive Jes Staley has been behaving, but accepts that the middle of a health emergency is not the right time to unsettle leadership at a major global bank.

As founder and biggest investor at Easyjet, Stelios shows no such restraint. The airline has unveiled a sensible strategy for survival in the age of coronavirus by securing funding which should see it safely through the year, reining back on expansion and setting out a social distancing strategy for when the lockdown eases. This includes removing middle seats, a move which would feed straight through to lower profits unless the pricing model is tweaked.

The Stelios response is to label chief executive Johan Lundgren and chairman John Barton scoundrels and demand their removal. His beef is that too much cash will flow to Airbus, flying half-empty planes will burn cash and the fleet of 337 Airbus planes is too large.

Maybe. But with costs suppressed by lower oil prices and a third (not one half) of seats empty, turning a profit, even if smaller than in the past, should be possible. Holding capacity steady – rather than cutting operations during a managed recovery – can hardly be considered deceptive or rash.

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