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easyMoney for easyJet

£400M LOAN TO COVER 9MTHS ON GROUND

EASYJET says it would survive a shutdown of more than nine months after building up a £3billion cash buffer.

The airline yesterday said it had taken out a new non-government loan of £400million amid the “worst time

ever” for the industry. The move gives it total reserves of £3.3billion. It has already drawn on the Bank of England’s emergency financing.

CEO Johan Lundgren said that, while he does not expect easyJet’s fleet to be grounded for nine months,

the firm would remain cash-positive if it did.

Among “prudent” steps he is taking are deferral of new plane orders, non-renewal of leases and the sale of six aircraft.

Russ Mould of **AJ BELL** financial services commented: “On this measure, shareholders in budget airline easyJet appear to have at least some grounds for encouragement.” EasyJet

says winter bookings are well up on the same stage last year. Mr Lundgren expects “pent-up demand” for holidays as people emerge from lockdown.

He reckons domestic flights will resume first, when it is safe to do so.

However, many airlines are locked in a battle for survival after lockdowns and travel bans around the world brought the sector to a virtual standstill.



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