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EasyJet 'may need to raise £1bn cash'

A TOP City airline analyst has told investors that easyJet may have to raise up to £1 billion through a rights issue.

Last week, Mark Manduca, of investment bank Citigroup, told institutional clients there was a 'high' probability that easyJet would have to tap

By **Ben Harrington**

investors for money by issuing shares in the next few months. He said it was likely that easyJet would have to raise between £700 million and £1 billion.

Although fund manag-

ers expect easyJet to raise fresh equity, Manduca warned that several things 'could worsen this outcome'. They include a second wave of coronavirus cases in the winter, a probable price war, and Sir Stelios Haji-Ioannou, easyJet's founder and largest shareholder,

deciding against supporting a rights issue by not taking up his share allocation. Sir Stelios has fallen out with the firm's chairman and chief executive, and has threatened that if easyJet does not cancel a £4.5 billion order from Airbus, he will not support a capital raising.

