

After racking up its third year of losses in a row...

Holiday boom boosts Easyjet

By John-Paul Ford Rojas

EASYJET racked up a third year in the red despite enjoying a 'record bounce-back' over the summer after pandemic restrictions eased.

The budget airline reported a loss of £178m for the year to the end of September, after a £1.14bn shortfall in 2021 and a loss of £835m in 2020.

But chief executive Johan Lundgren predicted it would outmuscle rivals in the months ahead as the cost of living squeeze bites, and bookings for winter holidays are back at pre-Covid levels.

'We see strong demand for Christmas, for new year, for the ski season', he said. 'Consumers will protect their holidays but look for value and Easyjet will be the beneficiary as customers vote with their wallets.'

The full-year bottom line was dented by Omicron, the war in Ukraine and disruption as travel demand returned.

It notched up £205m of compensation costs following cancellations and delays caused by staff shortages. But an underlying measure of earnings over the summer hit £674m, its best ever, with planes 92pc full.

Lundgren hailed a 'billion-pound recovery'. For the year, revenues rose nearly fourfold to £5.77bn while passenger numbers climbed from 20.4m to 69.7m.

Lundgren said: 'Easyjet has achieved a record bounce-back this summer with a performance which underlines that our transformation is delivering.'

He was bullish about the year ahead despite a squeeze on con-

sumers' finances and pressure on its costs, with fuel prices around 50pc higher than last year.

Rising wages and a stronger dollar are also taking their toll. 'Easyjet does well in tough times,' Lundgren said, adding that he believed legacy flag carriers loaded with billions of pounds of debt would struggle. He said Easyjet stood to benefit as cost-conscious holidaymakers 'gravitate towards value'.

Bookings for peak periods this winter, such as October half-term and Christmas week, were back to normal levels. 'Yields' on those sales – a measure of profit – were strengthening as it seeks to recover some of its higher costs through pricier tickets.

But the airline is still having to boost demand for off-peak periods with attractive price deals.

It is also seeing fuller planes and higher yields for Easter but said it was too early to judge the outlook for next summer.

Lundgren said there was strong demand for destinations in Turkey, Egypt and Greece. He expressed confidence in Easyjet's growth outlook – and did not rule out taking over struggling rivals.

He said: 'There will be a number of airlines that will struggle... and don't have the resource to go through uncertainty.' But he has been sceptical about a Europe-wide wave of consolidation.

Analysts expect Easyjet to return to profit next year. But experts at Citi said its comments

on prices were 'softer' than rivals. Liberum's Gerald Khoo said guidance on capacity was 'slightly more cautious' than expected.

Shares fell 2.6pc, or 10.1p, to 382.9p, and are 38pc lower for the year to date.

JOB APPLICATIONS SURGE

EASYJET has had 19,000 applications for just 2,000 cabin crew roles for next summer.

The carrier is trying to guard against a repeat of the chaos that crippled the aviation industry this year as holiday demand surged following the end of pandemic restrictions.

It began preparing for 2023 this summer, two months ear-

lier than normal. Chief executive Johan Lundgren said 1,500 staff had now been hired but workers are in short supply around its Gatwick hub.

'We have a huge amount of applications from northern parts of the UK so of course you could have people that work in Gatwick - but that's not the plan at this moment.'

