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BUSINESS COMMENTARY *Alistair Osborne*

EasyJet uplift

Finally, a sunnier view from the easyJet cockpit window. Ask the boss, Johan Lundgren, how he's doing and he says "absolutely amazing": proof, maybe, of what record fourth-quarter underlying earnings can do. After a spate of cancelled flights, the summer three months saw smoother flying, with earnings before tax and other one-offs up to £674 million — versus just £82 million in 2021's fourth quarter.

True, that failed to stop a third successive full year of pre-tax losses, even if last time's £1.04 billion were cut to £208 million. But after a 242 per cent leap in passengers to 69.7 million, Lundgren is at least shooting for a return to pre-Covid capacity for next summer, already signing up 1,500 of a target 2,100 extra cabin crew to avoid any rerun of staff shortages (report, page 42). His survey of 2,000 consumers is probably right, too, that a recession won't stop people going on holiday.

The heat has been on Lundgren after two big refuellings: June 2020's £419 million at 703p and a £1.2 billion rights issue at 410p in September last year. But post-Covid he's also built a more flexible operation — some pilots only flying nine months a year, with 21 planes located at lower-cost bases — and grabbed share in key markets, including Gatwick, Lisbon and the Greek islands. As he puts it: "Our main competitor is the legacy airlines." He also expects an uplift of at least 20 per cent in passenger revenue per seat in the first quarter.

Up from 285p in six weeks, the shares slipped 2.6 per cent to 383p. And one good quarter is no proof easyJet won't mess up again. But at last things look less turbulent.

