

EasyJet says losses narrow on sales boost

May 15 2018



EasyJet hailed an "excellent performance" in the first half of the group's financial year

British low-cost airline EasyJet slashed its first-half losses as a collapse of rivals boosted passenger numbers, but the performance was weighed down by integration costs from Air Berlin assets.

Losses after tax shrank to £54 million (\$73 million, 61 million euros) in the first half of the group's financial year or six months to March, EasyJet said in a trading update.

That compared with a deeper loss of £192 million in the same period of the previous year.

Sales surged by a fifth to £2.2 billion as it reaped the benefits from the collapse of European rivals including Alitalia and Monarch, and a flight cancellations crisis at Ireland's Ryanair.

Passenger numbers leapt three million to 36.8 million, helped by extra customers from the purchase of Berlin's Tegel Airport from bankrupt German carrier Air Berlin.

Stripping out Tegel integration costs, EasyJet added that pre-tax profit hit £8.0 million in the first half. That contrasted sharply with a [loss](#) of £212 million last time around.

"EasyJet has delivered an excellent performance reporting a profit of £8.0 million, one of our best results ever in the winter trading period," said newly-installed chief executive Johan Lundgren.

"Our [performance](#) was helped by the reductions in capacity from other airlines but was also driven by the strength of the easyJet brand," added Lundgren, who took the reins last December from Carolyn McCall.

Lundgren, the former deputy of TUI travel group, added that EasyJet will plough more investment into its holidays business.

Many airlines usually post losses over the period because it covers the winter months, when demand is traditionally weak.

© 2018 AFP

Citation: EasyJet says losses narrow on sales boost (2018, May 15) retrieved 9 April 2024 from <https://phys.org/news/2018-05-easyjet-losses-narrow-sales-boost.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.