

UK airline easyJet cuts losses on strong demand

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Inflation-squeezed consumers are prioritising holiday travel, which should help easyJet return to profit for its financial year.

British airline easyJet said Thursday it had slashed first-half net losses on strengthening demand from holidaymakers as the aviation sector

recovers from COVID.

The group faced a loss after taxation of £307 million (\$382 million) in the six months to the end of March, a results statement said.

That compared with a loss of £431 million in the same period a year earlier, when the sector was hobbled by staff shortages as demand rebounded after the lifting of COVID restrictions.

The [carrier](#), which is based in Luton north of London, added that revenues soared 80 percent to £2.7 billion on higher ticket prices and increased capacity, and gave a bright summer outlook.

Costs, however, leapt 52 percent to £3.1 billion on a "significantly" increased jet fuel bill and "industry-wide" inflationary pressures.

"EasyJet's optimized network combined with the strong demand seen for flights and [holidays](#), enhanced revenue capabilities and operational resilience, means we enter the summer with confidence," said chief executive Johan Lundgren.

"Recent research has shown that travel is the number one priority for household discretionary spend with customers safeguarding their holidays and increasingly opting for low-cost airlines and brands which provide great value."

The results come after easyJet upgraded its annual profit forecast twice earlier this year, as holidaymakers shrug off Britain's cost-of-living crisis.

EasyJet said last month that pre-tax profit will beat expectations of £260 million for its current financial year that runs to September.

The carrier had already been expected to rebound into the black as the industry recovers from COVID fallout, having logged three annual losses in a row.

The [aviation sector](#) is flying high after a tumultuous period sparked by the coronavirus crisis, which erupted in early 2020 to ground flights, sparking massive job cuts and huge losses.

Investors gave a initial welcome to Thursday's results, but shares turned flat in early afternoon deals on London's rising stock market.

"EasyJet appears well-positioned to deliver a full year profit in 2023," said CMC Markets analyst Michael Hewson.

"The airline is confident that it can continue to grow its business in the coming years, as demand for air travel remains strong."

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