



EASYJET'S FOUNDER SAYS WOULD OPPOSE ACQUISITIONS AFTER MONARCH REPORTS

News / Airlines, Personalities



European low-cost airline easyJet's founder and biggest shareholder Stelios Haji-ioannou would oppose any move by the company to make an acquisition, he said on Tuesday, following media reports that it was looking at making a bid for smaller rival Monarch.

The Sunday Times newspaper said that easyJet was eyeing Monarch Airlines, one of a number of stories about Monarch to emerge in recent days.

Another media report said that Monarch, the former holidays airline restructured by private equity investor Greybull Capital as a low-cost scheduled carrier after rescuing it in 2014, was looking at buying other European airlines.

Haji-ioannou, better known as Stelios, who founded the airline in 1995 and whose family still holds a 34 percent stake, said easyJet should stay clear of takeovers.

"My personal view as a shareholder is that easyJet should not do any acquisitions," he said in an emailed statement.

"They usually destroy shareholder value."

Stelios added, however, that as the owner of the "easy" brand, which includes hotels, buses and car hire, he would benefit from anything that increased easyJet's revenues because it would mean increased royalties for easyGroup, which he owns.

EasyJet declined to comment.

Since he quit easyJet's board in 2010 after a row over strategy, Stelios has been vocal in his criticism of the airline's plans, including fleet expansion, executive pay and dividend policy.

easyJet, Europe's second biggest budget airline behind Ryanair, had earlier declined to comment on the Monarch rumours.

Monarch, with just over 30 aircraft, would be a small deal in comparison to the 240-plus fleet of easyJet.

Cantor analyst Robin Byde said talk of the potential tie-up was plausible. He expected an offer for Monarch to have an enterprise value of about 400 million pounds, but warned that any deal would be scrutinised by competition authorities.

RBC analyst Damian Brewer added that easyJet may want to get its hands on Monarch to strengthen its position at London Gatwick, easyJet's biggest base, although Monarch's main base is London Luton.

"Monarch's Gatwick (runway) slots offer potential opportunity for easyJet if the company did not overpay," he said.

Any easyJet takeover of Monarch may or may not need shareholder approval depending on whether the deal was classified as a class 1 or class 2 transaction under UK rules.

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