

EasyJet expected to report profit rise

If its forecasts are right, easyJet should report a hike in profit as it updates shareholders on its performance during the financial year on Thursday.

Investors, who have cheered the meteoric share price over the last year, will not only look to see if the airline hits its targets for the year, they will also be keen to know what targets it will aim for next year, analysts said.

Looking at the share price it could easily look like easyJet has enjoyed little but smooth sailing over the last 12 months.

But the 52% increase in its price hides moments of worry, not least a series of problems over the summer with National Air Traffic Services (Nats).

Dozens of flights were hit by [Nats](#) failures in August and September, prompting easyJet boss Johan Lundgren to say Nats had "let down customers".

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“While trends are encouraging, investors can’t rule out disruption from air traffic control constraints due to strike action,” said Sophie Lund-Yates, lead equity analyst, Hargreaves Lansdown.

“The extent of the damage to the bottom line here will be important to understand but shouldn’t be seen as a long-term indicator of the group’s health.

“More important will be how booking momentum’s looking as we head into the new financial year. With cost-of-living pressures still very much alive and kicking, analysts will wonder how much longer the travel sector’s resilience has left to run.”

Many of those pressures have been caused by energy prices, and a slow but steady increase in oil prices in recent months could be why easyJet’s shares have given back about 10% of their value in the last half year, despite rising rapidly earlier.

“That loss of altitude may be due to the resurgence in oil prices, since fuel is a key input cost and higher energy prices could also crimp consumer spending, and comes despite an upbeat third-quarter trading update from chief executive Johan Lundgren back in June,” said [AJ Bell](#) investment director Russ Mould.

He added: “Of just as much interest will be any profit forecast for the 12 months to September 2024, should Mr Lundgren feel able to give one, although he may prefer to wait until the actual full-year results in late November for that.

“The current analysts’ consensus forecast is looking for a further increase in pre-tax profit to £552 million.

“That would still be below 2015’s all-time high of £686 million, which may be why the shares are still well below the peak seen back then.”