

# On The Beach swings to loss as boss says Omicron and new testing regime hitting travel demand

Holiday retailer On The Beach has reported swinging to a [loss](#) as its [chief executive](#) said the new [Omicron](#) variant has “dampened appetite to book holidays”.

The £500 million [company](#) reported an adjusted pre-tax loss of £18.4 million for the year to September 30, down from a £0.6 million [profit](#) in the prior year.

[Revenues](#) were down 37%, which the company put down in part to weak [consumer confidence](#) “due to complex and inconsistent [rules](#) coupled with prohibitively expensing testing costs”.

The London-listed firm had missed out on key summer holiday revenues after suspending bookings between May and early September. It took the decision after the Government’s traffic-light travel system was unveiled in May, fearing 2020-style cancellations.

Chief executive Simon Cooper told the Standard: “Since the news of Omicron came in, it has dampened consumer confidence, dampened appetite to book holidays.

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“And now we’re back in a place where to travel to most destinations you need three or four tests, and the costs, inconvenience and potential inconvenience of taking all of those tests puts people off.”

“It depends which way Omicron now goes,” he said. “The question is how effective are the vaccines? More restrictions means fewer people are booking holidays.

“The key booking window comes post-Christmas, and if those bookings don’t come in, then sales will quickly drop back behind where they would normally be... It’s what happens between now and summer 2022 that remains key.”

The chief executive added: “We’re in a very different position to many in travel. We have cash, no debt, we have access to debt if we want it, we have low fixed cost base, and flexibility.”

The UK government has reintroduced pre-departure testing and PCR test-to-release on return from holidays as Omicron spreads.

Holidaymakers’ fears of having to pay for hotel quarantine – which costs around £2285 per person – and of spending Christmas alone after being “pinged” after a flight have led many to cancel or postpone festive season travel plans.

Similar trends are being seen around Europe as restrictions tighten, to the detriment of hospitality and travel firms which are hugely reliant on busy holiday trade to see them through fallow periods. Ski season and winter sun revenues are

also much-needed after a year of on-off lockdowns.

Cooper's comments come a day after Tui, Europe's biggest holiday company, warned that Omicron fears have already hit winter bookings.

The German-owned tour operator told investors that the emergence of the new, highly-transmissible variant and "increased media coverage of rising incident rates" has weakened previously positive momentum, "particularly for winter".

Tui had planned to ramp up capacity over the winter holidays and reach up to 80% of pre-Covid volumes, but on Wednesday said if current trends continue it will strip this back to around 60%.