

Stobart Air-owner to raise £120m from airport stake sale to Carlyle

The struggling parent company of Stobart Air, which collapsed at the weekend, is in advanced talks to raise £120m from the sale of a stake in London Southend Airport.

Sky News has learnt that Esken Group has agreed a deal to sell a 30% interest in the Essex airport to Carlyle, the private equity giant.

City sources said that the deal would be structured as a bond that would convert into equity over a period of several years.

Southend Airport is served by carriers including Ryanair and WizzAir, although it was dealt a blow last year when easyJet said it would cease operations there.

[Listen to "Covid-19 restrictions, online car auctions and the rise in restaurant meal kits".](#)

In a statement to the London stock market on Monday, Esken said it was close to concluding the talks about a transaction but did not disclose the identity of the investor or the terms.

Advertisement

"Over the last nine months Esken has been in discussions with a strategic financial partner in relation to the development of LSA as aviation recovers from the pandemic," it said.

"This partner has significant investment experience in the airport sector globally and will deploy its resources alongside the operational management team at LSA through the [COVID-19](#) recovery phase and future development of the Airport."

More from Business

COVID-19: Businesses plead for taxpayer aid to be extended set to be rejected

COVID news live: Boris Johnson press conference at 6pm with announcement on lockdown easing delay expected

Carlos Ghosn escape: Special forces veteran and son admit role in Japan flight

COVID roadmap delay, online car auctions and the rise in restaurant meal kits

COVID-19: Ted Baker puts brave face on pandemic sales slump

Lobbying ban for ministers of up to five years recommended in wake of Greensill affair

The deal with Carlyle is a material one in the context of Esken's market capitalisation of just £195m.

[Stobart Air's collapse](#) came after talks aimed at saving the carrier as a going concern.

Before the pandemic, it operated close to 1000 flights each

week on 30 European routes.

Esken's shares slumped by close to 20% on Monday as investors digested the news of its latest travails.

Both Esken – which was previously called Stobart Group – and Carlyle declined to comment.