

## Trading Update for year ended 30 September 2021

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easyJet PLC  
12 October 2021

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**easyJet plc**  
('easyJet')

### **easyJet Trading Update for the year ended 30 September 2021**

#### **easyJet sharply improves YoY headline loss in the quarter with a positive operating cash flow and forward booking momentum**

- Q4 headline losses decreased by more than half YoY with positive operating cash generated
- Headline loss before tax for the year ended 30 September 2021 is expected to be between £1,135 million and £1,175 million compared to consensus of £1,175 million.
- easyJet sees positive momentum carried into FY22 with H1 bookings double those of the same time last year.

#### **Summary**

During its fourth quarter easyJet flew 17.3 million seats, operating 58% of FY19 capacity with a stronger performance on intra-European and UK domestic routes, whilst demand for international routes from the UK continued to be impacted by UK Government travel restrictions.

easyJet has maintained its disciplined approach to capacity and cash management which resulted in the generation of c. £40 million of operating cash during Q4. Net debt has reduced to c.£0.9 billion from £2.0bn at Q3, following the successful £1.2 billion rights issue, of which £90 million was received after 30 September 2021, coupled with Q4 operating cash generation. The capital raise also provides the airline with a solid platform for growth.

Capacity is now expected to be up to 70% of 2019 levels in Q1. While intra-European demand led the recovery over the summer, the recent UK Government announcement to remove and relax restrictions and testing has created positive booking momentum into Q1. In response, the airline has added 100,000 seats for Q1, with particularly strong demand for winter sun destinations. easyJet expects capacity to continue to grow throughout FY22 and we will take quick and decisive action to capture additional opportunities alongside planned organic growth.

#### **Johan Lundgren, CEO of easyJet, said:**

*"During the quarter easyJet significantly ramped up its flying which meant we were the second largest airline operating in Europe this summer while also halving our Q4 losses versus last year. We are encouraged to see positive booking momentum into FY22 which has led us to increase our capacity plans for Q1 to fly up to 70% of 2019 levels."*

*"It is clear recovery is underway. Business travel is returning to easyJet with corporates and SMEs attracted by our value, network and approach to sustainability. We have seen city breaks beginning to return alongside growing demand for leisure travel from customers looking for flights and holidays to popular winter sun destinations including Egypt and Turkey. October half term bookings have been strong, particularly to the Canary Islands where we have increased our capacity to c.140% of FY19 levels."*

*"Having successfully completed our rights issue and strengthened the balance sheet, we will take advantage of strategic investment and growth opportunities to deliver strong shareholder value."*

#### **Revenue, Cost and Cash burn**

Total group revenue and headline costs for the fourth quarter is expected to be around £1,000 million and around £1,140 million respectively. easyJet's continued focus on cost has delivered c.£510 million of savings in FY21, of which almost half will be sustainable. The sustainable benefits will help partially mitigate inflationary pressures and cost headwinds in ownership

costs and navigation charges. easyJet is c.55% hedged for fuel in the financial year ending on 30 September 2022 at c.US\$500 per metric tonne with the spot price as at 11 October 2021 being US\$760.

Our disciplined approach has resulted in c.£40 million of positive operating cash generation during the fourth quarter. Cash burn on a fixed costs plus capex basis during the quarter was c.£36 million per week on average, coming in under the guidance of £40 million per week.

### **Capacity**

During Q4 easyJet flew 58% of FY19 capacity, a significant ramp up from the 17% of FY19 volumes which easyJet flew in Q3. In Q4, domestic traffic in UK and intra-European flying was 77% of FY19 levels, whereas UK International travel was just 32% of FY19 levels.

Continental European load factors were 83.0%, in the quarter, which accounted for 62% of capacity. In comparison, UK international travel was significantly impacted by the UK governments onerous and expensive travel restrictions, resulting in load factors of 63.2%.

	<b>July 2021</b>	<b>August 2021</b>	<b>September 2021</b>	<b>Q4 2021</b>	<b>FY 2021</b>
Number of flights	27,704	36,043	32,135	95,882	155,664
Peak operating aircraft	225	259	259	259	259
Passengers (thousand) <sup>1</sup>	3,690	5,126	4,538	13,354	20,425
Seats flown (thousand)	4,989	6,503	5,778	17,270	28,177
Load factor <sup>3</sup>	74.0	78.8	78.5	77.3	72.5%

We have delivered dynamic schedule updates, with a two to four-week lead time, to capitalise on all available demand. Given the current competitive landscape, yield continues to remain under pressure.

### **Liquidity**

As at 30 September 2021 easyJet has unrestricted access to c.£4.4 billion of liquidity. The next debt maturity is £300 million of commercial paper, issued under the CCFF scheme, which is due to be repaid in November 2021. easyJet has no other debt maturities until the 2023 financial year.

As at 30 September 2021 our net debt position was c.£0.9 billion (30 September 2020: £1.1 billion) including cash and cash equivalents of c.£3.5 billion. Due to the proximity of the rights issue completion to the year end, c.£90 million was receivable at 30 September 2021. This has been fully received during the first week of October.

### **Rights issue**

On 28 September easyJet successfully completed the 31 for 47 rights issue. This capital raise strengthened easyJet's balance sheet and accelerates its post-COVID 19 recovery plan. This allows easyJet to emerge from the pandemic with renewed strength, positioned as a structural winner in this rapidly evolving sector.

The Company will provide an update on the level of EU ownership following the completion of the rights issue as part of the Full Year results.

### **Outlook**

easyJet expects to report a group headline loss before tax in the range of £1,135 million and £1,175 million for the financial year 2021. A non-headline gain of around £90 million is expected to be recognised in the financial year 2021.

In line with easyJet's dividend policy and considering the expected loss, the board will not be recommending the payment of a dividend in respect of the year to 30 September 2021. Full results for the year ended 30 September 2021 will be reported on 30 November 2021.

Based on current travel restrictions in the markets in which we operate, easyJet expects to fly up to 70% of FY19 planned capacity for Q1 FY22. Visibility remains limited as customers continue to book closer to their travel date.

At this stage, given this continued level of short-term uncertainty, it would not be appropriate to provide any financial guidance for the 2022 financial year.

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A copy of this Trading Statement is available at <http://corporate.easyjet.com/investors>

**Notes:**

1. Represents the number of earned seats flown. Earned seats include seats that are flown whether or not the passenger turns up as easyJet is a no-refund airline, and once a flight has departed a no-show customer is generally not entitled to change flights or seek a refund. Earned seats also include seats provided for promotional purposes and to staff for business travel.
2. Capacity based on actual number of seats flown.
3. Represents the number of passengers as a proportion of the number of seats available for passengers. No weighting of the load factor is carried out to recognise the effect of varying flight (or "sector") lengths.
4. The 308 Fleet number excludes 12 aircraft at 30 September 2021 which are in storage and on a zero-rent operating lease and only incur rental if flown.
5. All numbers in this statement are provisional and are subject to audit.

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