AGM Statement

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easyJet PLC (the 'Company')
Chairman's 2019 AGM Statement, including update on Brexit preparations

easyJet plc held its 2019 Annual General Meeting at 10am this morning at which the Company's Chairman, John Barton, made the following statement.

"The first thing I would like to do today is review a few of the highlights of how your company performed over the financial year and the major events that have affected it.

Our headline profit before tax increased by 41% - meaning our underlying profit, excluding acquisitions, was a record for the business. Revenue increased by 17% with both passenger and ancillary revenue performance being very strong while we at the same time delivered £107 million in savings this year.

Our brand recognition has continued to increase and we have been recognised as the Best Value Short Haul airline by Skyscanner. This was also evident in the record number of passengers we flew in 2018, which was up 10.2% to 88.5m (FY 2018). We have made progress on our strategic priority of being number 1 in primary airports, adding seven to the list of airports in the last year. We successfully integrated the Air Berlin acquisition, taking us to #1 in Germany's biggest market. We effectively established an airline the size of Monarch in a matter of weeks.

We also made significant progress on our strategic initiatives focused on holidays, business travellers and loyalty, as well as in data, where we have an ambition to be the most data driven airline in the world.

During the year easyJet reviewed and refreshed its strategic framework, which was launched at the beginning of the current financial year, which is now called 'Our Plan'. This plan includes our new Purpose 'Seamlessly connecting Europe with the warmest welcome in the sky', five Priorities and 'Our Promise' to our stakeholders. The five Priorities are: Network - number one or number two in primary airports; Winning our customers' loyalty; Value by efficiency; The right people and Innovating with data.

Our focus on the customer, even in the face of significant disruption, has seen satisfaction increase for yet another year and as a result of the outstanding financial performance this board has recommended a 43% increase in the ordinary dividend to shareholders.

Over the last two years, as we have outlined in our recent financial updates, we have undertaken significant preparations for Brexit and we remain confident of our ability to continue flying whatever the Brexit outcome. These preparations have included: putting in place our new operating airlines in Austria and the UK; ring-fencing those operations so that there is no reliance on existing EU traffic rights by the UK airline; transferring over 1,000 pilots, re-issuing 3,300 cabin crew licences and re-registering 133 aircraft from the UK to Austria; putting in place the relevant safety certificates in Austria; and creating a second spare parts "hub" in the EU to limit exposure to any logistical supply chain risks between the EU and the UK.

We have also been focused on ensuring that the right to fly remains between the EU and the UK, so that both our UK and Austrian operating airlines are able to operate between the UK and the EU. We remain confident that this will be the case in a "no deal" Brexit situation, following the draft proposals from the European Commission, and given the UK's stated intention not to put in place any restriction on flights to the UK from the EU.

To allow us to continue flying within Europe after Brexit, we are required to ensure ongoing compliance with EU ownership and control requirements. To this end, our active investor relations programme continues to focus on Europe and we have now increased our EU ownership (Note 1) to 49%. This level of EU ownership is only marginally below the 50% plus 1 share that would be required if there is a "no deal" Brexit and there is no adjustment period for compliance with EU ownership requirements.

If the EU does not give airlines any adjustment period to comply with the applicable EU ownership and control regulations, the Board stands ready to activate existing provisions of our Articles of Association to ensure that the Company will comply following Brexit. This would be achieved by exercising the Company's existing powers to suspend shareholders' voting rights, in respect of a small number of shares. For the period of any such suspension, the relevant shareholders would not be permitted to attend, speak or vote at shareholder meetings in respect of the shares subject to the suspension.

Given the current level of EU ownership, any suspension of voting rights should only apply in relation to a small percentage of shares and would be applied on a last in first out basis, meaning it would affect shares most recently acquired by UK and non-EU nationals first. A suspension of voting rights would apply only while EU ownership is below 50% plus 1 share. Further information regarding the possible suspension of voting rights can be found on easyJet's website at: http://corporate.easyjet.com/investors/shareholder-services/eu-share-ownership

We expect to keep the position under review following Brexit. If EU ownership remained below the required level over time, we retain the right to activate the provisions of our existing Articles, which permit the Company to compel non-EU shareholders to sell their easyJet shares to EU nationals.

While we are operationally well prepared, as we get closer to Brexit we remain focussed on the broader external risks that could emerge, in particular in the event of a "no deal" Brexit. These risks may be sector and/or non-sector specific and their impact is, by definition, less certain. This would include any impact on consumer confidence or the potential cost and operational impacts arising from increased friction in travel between the EU and the UK. Our focus remains on monitoring any such risks and being as ready as possible to put in place scenario plans to address them.

And finally, as stated in our trading update of 21 January, easyJet has made a good start to the 2019 financial year."

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Note 1: EU ownership refers to ownership by nationals of one of the member states of the EU (not including the UK), Switzerland, Norway, Iceland or Liechtenstein