

## Trading Update for year ended 30 September 2022

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### easyJet plc (‘easyJet’)

#### easyJet Trading Update for the year ended 30 September 2022

**Strong performance in the quarter with EBITDAR between £665m-£685m, in line with Q4 FY19**

- **Q4 headline EBIT expected to be between £525 million and £545 million as easyJet’s transformation continues to deliver**
  - o Network optimisation driving demand as Q4 load factors recover to 92%
  - o Step-changed ancillaries continuing to deliver with Q4 airline ancillary RPS 52% above FY19
- **Actions taken improved operational performance from the beginning of July with on the day cancellations in Q4 below Q4 FY19**
- **Resilient full year performance despite external headwinds**
  - o FY22 Group headline loss before tax of between £170 million and £190 million, which includes a c.£64 million non-operating, non-cash FX loss from balance sheet revaluations together with c.£75 million of incremental disruption costs<sup>1</sup> vs FY19, mainly from operational issues experienced across the industry in Q3.
  - o FY22 Group headline EBIT expected to be break even
  - o easyJet holidays generated FY22 profit before tax in excess of £35 million
- **Q1 FY23 Outlook**
  - o Capacity up 30% year on year to around 20m seats, c.83% of FY19
  - o Booked load factors ahead of same point in FY19
  - o Yields remain robust

#### Summary

During its fourth quarter easyJet flew 26.3 million seats, operating 88% of FY19 capacity. EBITDAR in the quarter was in line with the same period in 2019 as proactive management actions drove improvement. Load factors have risen, ending the quarter at 92%, with strong yields, as demand for easyJet’s leading network remains solid.

easyJet expects its FY22 Group headline loss before tax to be between £170 million and £190 million which includes a c.£64 million FX loss from balance sheet revaluations and incremental disruption costs of c.£75 million, mainly from operational issues experienced across the industry in Q3. The impact of Omicron, war in Ukraine and the industry wide issues experienced this summer all affected operational performance during the financial year. Despite this, demand has been strong for easyJet’s optimised primary airport network which continues to deliver alongside step-changed ancillary revenue and the rapid growth of easyJet holidays.

Operations have significantly improved as a result of management actions to mitigate the disruption that the whole airline ecosystem experienced through Q3. Since the start of July, easyJet’s operations normalised, with Q4 on the day cancellations being below 2019 levels. Some specific areas of the wider European airline industry continue to have some ongoing challenges outside of easyJet’s control, for example air traffic control.

easyJet expects to fly around 20 million seats in Q1 of FY23. This is more than 30% up year on year with UK capacity during the peak travel periods, such as October half term and Christmas week, back to pre-pandemic levels. Bookings continue to progress well with load factors ahead of the same point in FY19 and yields remain robust. This flying schedule retains resilience but also provides a platform to prepare for the Summer 23 ramp up.

easyJet is well hedged with c.69% hedged for fuel in H1 of FY23 at c.\$802 per metric tonne and c.44% hedged for fuel in H2 of FY23 at c.\$897 per metric tonne. The spot price on 12 October 2022 was around \$1,100. easyJet is currently c.78% hedged for USD in H1 of FY23 at 1.29 and c.47% hedged for USD in H2 of FY23 at 1.26. The spot price on 12 October 2022 was around 1.11. US Dollar lease payments remain hedged for the next three years.

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

"easyJet achieved a record bounce back this summer with Q4 operating profit<sup>2</sup> expected to be between £525m and £545m and passenger numbers almost doubling versus last summer to 24 million with a load factor of 92%, as demand for our leading network and services remains strong.

"Our step change in ancillary revenue has continued to deliver, alongside easyJet holidays making a profitable contribution in its first full year of operations. This was alongside our operational performance<sup>3</sup> being ahead of the same period in 2019 while customer satisfaction indicators also exceeded pre-pandemic levels over the peak summer.

"Our summer 23 season went on sale last week and we were filling the equivalent of more than four A320 aircraft a minute in the opening hours demonstrating the continued demand.

"easyJet is Europe's largest operator at primary airports with one of the strongest balance sheets in the aviation industry. We face the uncertain macro-economic environment with many strengths through our brand, network and business model which enable us to provide low fares to millions despite the rising cost of living."

**Revenue, Cost and Liquidity**

Total group revenue and headline EBIT costs for the fourth quarter are expected to be around £2,515 million and around £1,980 million respectively. Revenue continued to benefit from strong demand for easyJet's leading network, the continued outperformance of ancillary products and easyJet holidays. Costs were incurred during the quarter as a result of additional resilience built into the schedule impacting crew, airports and wet lease costs.

Financing costs were impacted by the strengthening USD which has driven a non-operating, non-cash FX loss of £30 million from balance sheet revaluations in the fourth quarter.

As at 30 September 2022 easyJet had c.£3.6 billion of cash and money market deposits and net debt of c.£0.7 billion.

**Capacity**

During Q4 easyJet flew 88% of FY19 capacity<sup>4</sup>, a significant increase on the same period last year where easyJet flew 58% of FY19 capacity. Load factor was 92% (Q4 FY21: 77%), due to increased customer demand post travel restrictions easing.

Passenger<sup>5</sup> numbers in the quarter increased to 24.3 million (Q4 FY21: 13.4 million).

	July 2022	August 2022	September 2022	Q4 2022	FY 2022
Number of flights	49,286	50,343	48,585	148,214	456,124
Peak operating aircraft	318	319	318	319	319
Passengers (thousand) <sup>5</sup>	8,137	8,310	7,824	24,271	69,707
Seats flown (thousand)	8,747	8,928	8,624	26,299	81,549
Load factor <sup>6</sup>	93%	93%	91%	92%	85%

**Sustainability**

During the quarter, easyJet released its net zero pathway setting out its ambitious targets to 2050. This roadmap incorporates recent partnerships with Rolls Royce, pioneering hydrogen combustion engine technology, and Airbus, to support the development of carbon removal technology. Further information on this can be found on our corporate website at <https://corporate.easyjet.com/corporate-responsibility/net-zero-pathway>.

**Outlook**

easyJet expects to report a Group headline loss before tax in the range of £170 million to £190 million for the 2022 financial year.

In line with easyJet's dividend policy and considering the expected result, the Board will not be recommending the payment of a dividend in respect of the year to 30 September 2022.

easyJet expects to fly around 20 million seats in Q1 of FY23, up more than 30% year on year. Load factors are currently ahead of the same point in FY19 and yields remain robust.

**Fuel & FX Hedging:**

Jet Fuel	H1'23	H2'23	USD	H1'23	H2'23
Hedged position	69%	44%	Hedged position	78%	47%
Average hedged rate (\$/MT)	802	897	Average hedged rate (USD/GBP)	1.29	1.26
Current spot (\$/MT) at 12.10.22	c. 1,100		Current spot (USD/GBP) at 12.10.22	c. 1.11	

Full results for the year ended 30 September 2022 will be reported on 29 November 2022.

**Summary financial data**

(£'m)	Low	High
Q4 Group headline EBITDAR range	£665	£685

Q4 Group headline EBIT range			£525	£545
Q4 Group headline profit before tax range			£470	£490
FY22 Group headline EBITDAR range			£560	£580
FY22 Group headline EBIT range			£(10)	£10
FY22 Group headline loss before tax range			£(190)	£(170)
FY22 Company compiled consensus - Group headline loss before tax			£(183)	
	<b>Q4'22</b>	<b>Q4'21</b>		<b>FY22</b>
				<b>FY21</b>
Group revenue (£'m)	c.2,515	1,005		c.5,770
Group headline EBIT costs (£'m)	c.1,980	1,075		c.5,770
				2,494
Non-operating FX gain/(loss) from balance sheet revaluations (£'m)	c.(30)	(13)		c.(64)
				9
Cash and money market deposits (£'bn)	-	-		c.3.6
				3.5
Net debt (£'bn)	-	-		c.0.7
				0.9

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

**Notes:**

1. Disruption costs for FY22 c.£200 million vs FY19 of £126 million
2. Operating profit = EBIT.
3. Operational performance relating to cancellations on the day.
4. Capacity based on actual number of seats flown.
5. 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.
6. 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.

All numbers in this statement are provisional and subject to audit.

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