

EASYJET TRADING UPDATE, 6 OCTOBER 2017

- **easyJet delivers record passenger numbers and load factors in summer 2017**
- **Headline profit before tax for FY 17 expected to be at the upper end of guidance range, reflecting a continuing improving revenue performance**
- **Headline cost per seat excluding fuel and at constant currency expected to be in line with guidance**
- **Investment in resilience drives operational improvement**

easyJet's leading European network and customer proposition continued to drive passenger and load factor growth in the three months ending 30 September 2017. Passenger numbers for the three months were a record 24.1 million driving a record load factor of 95.6%. Passengers have benefitted from low summer fares across the network, particularly on beach markets from the UK. This is reflected in a year-on-year reduction in revenue per seat at constant currency of 3.7% during the fourth quarter and reduction of 1.4% in the second half, which is slightly better than guidance due to high load factors and strong ancillary revenue performance.

easyJet has grown capacity by 8% in the final quarter compared to prior year, continuing to build market share and number one and number two positions at key airports.

Headline cost per seat excluding fuel at constant currency is expected to increase by around 1% for the full year, in line with guidance. Headline cost per seat at constant currency including fuel is expected to decrease by 4.4%. Non-headline costs are expected to be c.£23 million¹. easyJet remains focused on cost and has continued to drive structural improvements, such as longer-term capacity-related deals with Airports. Planned investment in resilience in operations in the summer months has delivered operational improvement, particularly at Gatwick Airport.

Exchange rate movements resulted in a net adverse impact on the Group. Foreign exchange rate movements are now expected to have around a £100 million adverse impact on headline profit before tax compared to the financial year to 30 September 2016.

easyJet's unit fuel² bill for the financial year to 30 September 2017 is expected to decrease by between £230 million and £235 million compared to the financial year to 30 September 2016.

easyJet's full year headline profit before tax is expected to be between £405 million to £410 million for the year to 30 September 2017, at the upper end of the previously guided range.

Net cash on the 30 September 2017 is expected to be £357 million³, reflecting a continued strong balance sheet as the business enters a year of significant investment in new aircraft.

Outlook

easyJet continues to see the current market environment as an opportunity to build and strengthen its network and customer proposition for the long term. easyJet plans to grow capacity by around 6% for the financial year ending 30 September 2018. Whilst revenue momentum continues to improve, we expect continued pressure on yields reflecting ongoing market capacity growth that is currently forecast to be around 5% in the first quarter.

Based on today's fuel prices unit fuel costs for the year to 30 September 2018 are expected to benefit easyJet by between £125 million and £145 million⁴ as a result of easyJet's advantaged hedging position.

The total expected foreign exchange impact for the year to 30 September 2018, is expected to be a headwind of around £20 million⁵.

easyJet will publish its full year results on 21 November 2017 when it will provide further details on its performance in the twelve months to 30 September 2017 and outlook for financial year 2018.

Carolyn McCall, easyJet Chief Executive, commented:

"easyJet has finished the year with continued positive momentum delivering both a strong final quarter and a strong second half. Passenger numbers and load factor in the final quarter set new records and the second half profit was over £100m higher than summer 2016.

"The market continues to be challenging and easyJet has had to absorb a significant currency impact of £100m in the year. However, easyJet continues to operate Europe's strongest network and the current turmoil in the sector provides easyJet with opportunities to capitalise on its strong customer proposition and grow and strengthen our positions in Europe's leading airports still further.

"Our people have as always made a huge difference, with a customer focused approach wherever they work. This commitment and positive attitude to our passengers has resulted in passengers flying with us in greater numbers and with greater loyalty than ever before. Our profit before tax outlook of £405 million to £410 million represents a good performance in a rapidly evolving and consolidating market."

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1. Non-headline costs are in line with previous disclosure: Sale and leaseback (£16m), Brexit costs (£2m), Organisational review (£6m), Other (£-1m)
2. Unit fuel calculated as the difference between latest estimate of FY 17 fuel costs less FY16 fuel cost per seat multiplied by FY'17 seat capacity
3. Excluding restricted cash of £7m
4. Assumes a jet fuel trading range of between \$560/tonne and \$580/tonne during the year
5. The expected foreign exchange impact of £20m assumes the Sterling rate against the US dollar at 1.27, against the Euro at 1.11 and against the Swiss Franc at 1.25

	Fuel requirement	US Dollar requirement	Euro surplus	CHF surplus
Full year ending 30 September 2017	86%	86%	75%	89%
	\$611 / metric tonne	\$1.49	€1.35	CHF1.39
Full year ending 30 September 2018	75%	73%	73%	80%
	\$514 / metric tonne	\$1.36	€1.24	CHF1.31