

easyJet plc
Trading statement for the six months ended 31 March 2022

H1 losses reduced year on year, ahead of market expectations, driven by improved trading and boosted by self-help measures

- **Summer plans to reach near 2019 capacity unchanged**
- **Strong, sustained recovery in trading since the relaxation of travel restrictions, reflecting the pent-up demand coming out of the pandemic**
- **64% of H2 fuel hedged at \$571 per metric tonne, reducing exposure to current fuel price**
- **Outperformed H1 expectations despite challenges from Omicron and rising fuel prices**

Summary

First half losses have reduced year on year, outperforming expectations, as self-help measures including network optimisation, ancillary products, and a continued cost focus deliver. This result is despite ongoing challenges from Covid-19, rising fuel prices, the removal of furlough support and incremental costs associated with ramping up operations.

easyJet has ramped up capacity throughout the quarter, operating at 80% of FY19 capacity in March. Since the announcement to remove UK travel restrictions on 24 January, we have seen a strong and sustained recovery in trading. Summer bookings for the last six weeks have tracked ahead of the same period in FY19 as customers book closer to departure.

Everyone at easyJet has been deeply shocked and saddened by the Russian invasion of Ukraine and we have looked at the best ways we can directly support those affected. We have been working closely with the UN refugee agency UNHCR, to provide seats on flights across our network as well as working with our charity partner UNICEF to support their work on the ground as part of the response effort.

easyJet has very little exposure in Eastern Europe, with no routes into Ukraine, Russia or Belarus. Our nearest network points are Budapest in Hungary and Krakow in Poland which only account for 1.4% of our total capacity. Additionally, due to our geographical footprint, none of our flight routes need to operate into Ukrainian, Belarusian or Russian airspace, and therefore we are not exposed to re-routing and increased fuel burn.

Commenting, Johan Lundgren, easyJet Chief Executive said:

“easyJet’s performance in the second quarter has been driven by improved trading following the UK Government’s decision to relax testing restrictions with an extra boost from self-help measures which saw us outperform market expectations.

“Since travel restrictions were removed, easyJet has seen a strong recovery in trading which has been sustained, resulting in a positive outlook for Easter and beyond, with daily booking volumes for summer currently tracking ahead of those at the same time in FY19.

“We remain confident in our plans which will see us reaching near 2019 flying levels for this summer and emerge as one of the winners in the recovery.”

Bookings

Since the announcement to remove UK travel restrictions on 24 January, we have seen a strong and sustained recovery resulting in the proportion of bookings between the UK and EU now being broadly equal, which is where we would expect it to be based on our capacity allocation, compared to last year when the split reached around 70:30 EU vs UK with the strictest restrictions in place within the UK.

We continue to see strong demand for Q4, especially on leisure routes where easyJet will be the biggest it has ever been. This has been boosted by the addition of a further five aircraft worth of slots in Greece. easyJet will be the largest carrier into the main Greek Islands this summer.

easyJet holidays also continues to strengthen its position as a significant player in the holidays market, with over 70% of the programme already sold and at significantly stronger margins compared to 2019.

Capacity

During Q2 easyJet flew 67% of FY19 capacity in line with our expectations. Our capacity forecasting has been accurate and disciplined throughout the pandemic.

Load factor for Q2 was 78%, due to the impact that Omicron had on customers' confidence and ability to travel during the early part of the quarter. Load factor has built back during the second quarter as travel restrictions eased across the network.

Passenger¹ numbers in Q2 increased to 11.5 million (Q2 FY21: 1.2 million).

	January 2022	February 2022	March 2022	Q2 FY22	Q2 FY21
Number of flights	18,857	26,709	36,681	82,247	11,672
Peak operating aircraft	223	223	272	272	161
Passengers (thousand) ¹	2,301	3,904	5,340	11,545	1,228
Seats flown (thousand) ²	3,398	4,831	6,615	14,844	2,062
% of FY'19 capacity flown	50%	68%	80%	67%	9%
Load factor ³	68%	81%	81%	78%	60%

Financials

Total group revenue and headline costs for the first half are expected to be around £1,500 million and around £2,050 million respectively. Pricing remained competitive during the first half, although easyJet's ancillary products continue to deliver, with revenue per seat sold of £19.56 (£12.47 in H1'19), demonstrating the continued success of easyJet's ancillary products.

easyJet continues to have one of the strongest, investment grade, balance sheets in European Aviation. As at 31 March 2022 our net debt position was c.£0.6 billion (30 September 2021: £0.9 billion) including cash and cash equivalents and money market deposits of c.£3.5 billion.

Sale and leaseback

easyJet has entered into sale and leaseback transactions for 10 A319s, generating total gross cash proceeds of \$120 million and a loss of c.£20 million during the six months to 31 March. easyJet entered into these transactions as part of the ongoing strategy to manage residual value risk.

Current operations

easyJet has flown 94% of the planned schedule in the last seven days with daily flight volumes around 1,500 per day being 4x higher than the same point last year. This is despite the recent increase in the number of crew testing positive for Covid-19, together with normal operational disruption such as weather and ATC delays. We have proactively managed this in advance by making pre-emptive cancellations as early as possible, enabling the majority of our customers to rebook onto flights departing the same day.

Outlook

easyJet expects to report a group headline loss before tax in the range of £535 million and £565 million for the six months ended 31 March 2022.

easyJet expects Q3 capacity to be c.90% of Q3 2019 levels. Q4 FY22 capacity on sale remains at near Q4 2019 levels.

easyJet achieved an average effective fuel price in H1 FY22 of c.US\$599 per metric tonne.

easyJet is currently c.64% hedged for fuel in H2 of FY22 at c.US\$571 per metric tonne, c.42% hedged for H1 FY23 at c.US\$654 and c.15% hedged for H2 FY23 at c.US\$766. The spot price on 11 April 2022 was around US\$1,100.

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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.