

24 January 2024

**easyJet plc**  
**('easyJet')**

**easyJet Trading Update for the quarter ended 31 December 2023**

*easyJet's performance has improved year on year, with booking trends giving a positive outlook for the remainder of the financial year. Underlying trends in Q1 were strong, although headline results were impacted by the conflict in the Middle East.*

- **Q1 headline loss before tax £126 million (Q1'23 £133 million loss)**
  - Passenger growth +14% YoY
  - RPS +3% YoY
    - Load factor -1ppt YoY
    - Ticket yield +2% YoY
    - Ancillary yield +6% YoY
  - CPS ex fuel reduced 3% YoY
  - easyJet holidays delivered £30 million profit (Q1'23 £13 million profit)
    - Customer growth +48%
- **Winter FY24 improvement:**
  - Expect H1 loss to reduce YoY, despite a c.£40 million direct impact<sup>1</sup> from the Middle East conflict
    - Expect Q2 RPS to be up by mid-single digits
    - H1 CPS ex fuel to be broadly flat YoY
- **Remain on track to deliver disciplined capacity growth of c.9% in FY24**
  - H1'24 c. 42m seats, +11% YoY
  - H2'24 c. 59m seats<sup>2</sup>, +8% YoY
- **Positive outlook for summer:**
  - Strong turn of year bookings with seats sold and yield ahead YoY
  - H2 RPS remain well ahead YoY
    - Yields and loads both ahead in Q3 & Q4
  - Expect H2 CPS ex fuel to be up low single digits YoY
  - easyJet holidays continues to expect >35% customer growth YoY in FY24

**Summary**

easyJet's financial performance in the first quarter showed year-on-year improvement at a headline level, with underlying progress stronger still. The onset of conflict in the Middle East on 7 October had short term impacts from a pause in flights to Israel and Jordan (which currently remains in place) and a temporary slowdown in flight bookings for the wider industry. Demand and bookings have recovered strongly from late November. easyJet holidays had another strong quarter, with customer numbers increasing by 48% compared to the same period last year, and a profit of £30 million, a 131% increase year-on-year.

easyJet's seasonal winter loss for the first half of FY24 is also expected to improve year-on-year despite a direct impact<sup>1</sup> of c.£40 million (and further indirect impacts) from the conflict in the Middle East. This improvement comes as a result of disciplined capacity growth where demand is strongest, alongside

productivity benefits. easyJet expects cost per seat excluding fuel to remain broadly flat in the first half of 2024, with fuel costs c.7% higher.

Although still early, bookings for summer 2024 are building well, with the turn of the year bookings period showing an increase in both volume and pricing compared to the same period last year. Demand for easyJet’s primary airport network remains strong, with RPS for the second half of FY24 currently well ahead year-on-year. This positive momentum is also evident in the holidays business, where we continue to expect customer growth to exceed 35% year-on-year.

**Johan Lundgren, CEO of easyJet, commenting on the results said:**

“We delivered an improved performance in the quarter which is testament to the strength of demand for our brand and network. The popularity of easyJet holidays also continues to grow, with 48% more customers in the period.

“We see positive booking momentum for summer 2024 with travel remaining a priority for consumers. Flight and holidays bookings took off strongly during the traditional busy turn of year sales period, as customers opted to secure their summer holidays to firm favourites like Spain and Portugal alongside destinations further afield like Greece and Turkey.

“easyJet remains focused on delivering for our customers in the coming months, while also expecting to deliver continuing performance gains”

**Capacity**

During Q1 easyJet flew 23.0 million seats. In the same period last year easyJet flew 20.2 million seats. Load factor was 86% (Q1 FY23: 87%).

Passenger<sup>4</sup> numbers in the quarter increased to 19.8 million (Q1 FY23: 17.5 million).

	<b>October 2023</b>	<b>November 2023</b>	<b>December 2023</b>	<b>Q1 FY24</b>	<b>Q1 FY23</b>
Number of flights	51,604	34,518	42,150	128,272	112,892
Peak operating aircraft	317	266	277	317	313
Passengers <sup>4</sup> (thousand)	8,066	5,324	6,452	19,842	17,481
Seats flown (thousand)	9,210	6,199	7,585	22,994	20,159
Load factor <sup>5</sup>	88%	86%	85%	86%	87%

**Fleet**

On 19 December 2023, shareholders approved the purchase of 157 Airbus A320neo family aircraft, scheduled for delivery between FY29 and FY34. On 31 December 2023, easyJet finalised an agreement to purchase engines from CFM, securing the company's long-term strategy of fleet modernisation and disciplined growth. easyJet expects the delivery of 16 aircraft in the current financial year as planned.

## Revenue, Cost and Liquidity

Revenue continued to benefit from strong demand for easyJet's leading network through October where RPS was +12% year on year. However, the onset of the conflict in the Middle East on 7 October had short term impacts from a pause in flights to Israel and Jordan (which currently remains in place) and a temporary slowdown in flight bookings for the wider industry. Demand and bookings have recovered strongly from late November.

The airline's increased productivity and utilisation led to a 3% year-on-year reduction in non-fuel unit costs. Rising fuel prices resulted in a 15% (£2.92) per seat increase in fuel costs compared to the same period last year.

Financing costs benefitted from a decrease in gross debt and a rise in the interest rate on floating-rate cash. However, foreign exchange movements over the quarter resulted in a non-operational, non-cash FX loss of £4 million from balance sheet revaluations.

In Q1 of FY24, easyJet repaid a €500 million Eurobond which matured in October 2023.

	Q1'24	Q1'23	Variance
Passenger revenue (£'m)	1,133	975	16%
Airline ancillary revenue (£'m)	486	406	20%
Holidays revenue <sup>3</sup> (£'m)	181	93	95%
<b>Group revenue (£'m)</b>	<b>1,800</b>	<b>1,474</b>	<b>22%</b>
Fuel costs (£'m)	(516)	(393)	(31)%
Airline headline EBITDAR costs (£'m)	(1,057)	(959)	(10)%
Holidays EBITDAR costs <sup>3</sup> (£'m)	(153)	(80)	(91)%
<b>Group headline EBITDAR costs (£'m)</b>	<b>(1,726)</b>	<b>(1,432)</b>	<b>(21)%</b>
<b>Group headline EBITDAR (£'m)</b>	<b>74</b>	<b>42</b>	<b>76%</b>
Group depreciation & amortisation (£'m)	(191)	(164)	(16)%
<b>Group LBIT (£'m)</b>	<b>(117)</b>	<b>(122)</b>	<b>4%</b>
Financing costs excluding balance sheet revaluations (£'m)	(5)	(24)	79%
Balance sheet FX revaluations (£'m)	(4)	13	(131)%
<b>Group headline LBT (£'m)</b>	<b>(126)</b>	<b>(133)</b>	<b>5%</b>
Airline passenger revenue per seat (£)	49.26	48.35	2%
Airline ancillary revenue per seat (£)	21.13	20.12	5%
<b>Total airline revenue per seat (£)</b>	<b>70.39</b>	<b>68.47</b>	<b>3%</b>
Airline headline cost per seat ex fuel (£)	(54.80)	(56.21)	3%
Airline fuel cost per seat (£)	(22.42)	(19.50)	(15)%
<b>Airline headline total cost per seat (£)</b>	<b>(77.22)</b>	<b>(75.71)</b>	<b>(2)%</b>
Cash and money market deposits (£'bn)	1.9	3.0	(37)%
Net debt (£'bn)	0.5	1.1	55%
Average Sector Length (km)	1,182	1,212	(2)%

**Fuel & FX Hedging (as at 31 December 2023)**

Jet Fuel	H1'24	H2'24	H1'25
Hedged position	80%	55%	29%
Average hedged rate (\$/MT)	866	821	821
Current spot (\$/MT) at 23.01.24	c.895		

USD	H1'24	H2'24	H1'25
Hedged position	78%	58%	32%
Average hedged rate (USD/GBP)	1.22	1.24	1.25
Current spot (USD/GBP) at 23.01.24	c.1.27		

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1) Direct impact of £40 million relates to the lost contribution in H1'24 from pausing flying to Israel and Jordan alongside the demand softness seen in Egypt following the onset of the conflict in the Middle East on 7 October.

2) Represents on sale capacity for H2 of FY'24.

3) easyJet holidays numbers include elimination of intercompany airline transactions

4) Represents the number of earned seats flown. Earned seats include seats which 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.

5) 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.

This announcement may contain statements which constitute 'forward-looking statements'. Although easyJet believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.