easyJet FY25 Results- Transcript

Hello and welcome to easyJet's full year results presentation for the period ending 30th September 2025.

Slide 2 – Another year of progress

FY25 has been another year of positive progress for easyJet both financially and operationally.

We achieved a profit before tax of £665 million which is a 9% increase YoY, building further on the last two years of improved profits. At an EBIT level it was an 18 percent improvement.

As a result of proactive investments into resilience across the business, we were able to achieve strong operational performance and improved punctuality, despite a continued challenging external operational environment, particularly across French airspace.

This improvement has in turn helped strengthen our brand through enhanced customer satisfaction – currently at the highest level in over a decade, with 71% of our customers now returning to travel with easyJet within two years. This investment in resilience has also driven disruption costs to be materially reduced year on year.

Our owned asset book value has grown by over half a billion pounds in the year and is set to further increase as we continue to build and modernize our fleet.

easyJet holidays has delivered early on its ambitious target, set just two years ago, and now enters its next phase of growth with a new target of £450m profit before tax by FY30 launched today.

A focus on capital allocation has meant that we have achieved a ROCE of 18% a 2 percentage point improvment YoY, in line with our medium term target of high-teen returns on capital.

Critically, many of the key levers for achieving even stronger returns are ahead of us and I remain confident in our ability to deliver over 1 billion pounds in profit before tax in the medium term.

Slide 3 – Building momentum for long-term success

I would like to take this opportunity to step back and look at the significant progress we have made over the last two years, since setting our medium term targets.

We have expanded our network and now provide more route choices for our customers, flying them to more places and further than ever before.

Increasingly, our customers are choosing easyJet as their package holiday provider alongside attracting new customers from competitors – demonstrated through doubling our UK market share from 5% to 10% over the past 2 years.

We have also increased customer satisfaction to record levels and are building brand loyalty over the long term through our continued focus and targeted actions to provide an easy and efficient customer experience.

Financially, over the last two years, we have made strong steps forward in terms of our profitability, with EBIT improving 48%, driving return on capital employed to be in line with our medium term targets while also strengthening our owned assets value to 4.8 billion pounds.

So, I am pleased with the improved performance we have achieved over the last two years – but also remain extremely focused on capitalising on the unique opportunities we have ahead of us.

Now I will hand over to Jan to take you through the FY25 financial performance in detail.

Thanks Jan.

Slide 5: Summary Financials:

- Thanks Kenton

- I am very happy to present you all for the first time in my 10 months at easyJet the full year results of the company

- Let me start with a summary of the FY25 financial results

- As mentioned by Kenton, 2025 was marked by the 3rd consecutive profit growth of the company post pandemic, and marks another step towards our medium-term target of reaching a Profit Before Tax of more than 1 billion

- Group headline EBIT reached 703m, 18% up vs prior year, with the airline going forward by 50m, and holidays going forward by 56m.

  Group Headline PBT amounted to 665m pound, an increase of 55m vs. prior year which is an increase of 9% vs PY

- The increase in PBT was less pronounced than the EBIT increase as the airline saw lower interest income on its cash balance, with interest rates falling, and higher net finance charges due to the annualization of the €850 million bond issued in March 2024 and the settlement of a €500 million bond which had a lower interest rate payable than the cash deposits used to repay it. This was alongside increased lease interests, and an adverse balance sheet revaluation movement YoY

- Group PBT per seat increased by 5% to 6 pounds 39, getting closer to the 7 to 10 pounds per seat range target we set 2 years ago

- As a result, our Return on Capital Employed improved 2ppts to 18%, in line with our medium term target of a high teen ROCE

- Next to that, 2025 saw a further strengthening of easyJet's balance sheet, with net cash position increasing by 421m versus prior year to 602m pounds and owned assets on the balance sheet increasing by 506m to 4.8bn pounds

Slide 6: Key Performance Indicators:

- In 2025 we continued with our disciplined capacity growth, increasing our fleet by 9 aircraft to 356, which is up 3% vs PY

- As we focused on schedule optimisations and flying longer sectors, especially in winter, we were able to increase aircraft utilisation by 3% YoY to an average of ten hours per day

- Gauge increased only slightly as there were no A319 retirements this year, with biggest part of the upgauging still being ahead of us.

- Resulting seat capacity grew by 4%, which combined with our focus on longer sectors, saw ASKs increase by 9 percent year on year.

- Our network remains balanced, with 55% of our ASK's being attributed to leisure destinations, up 2%pts vs PY, the remaining 45% to City & Domestic destinations

- Capacity growth this year was mainly focused on longer leisure destinations, mostly during the winter season, with beach destinations growing 12% and non-EU destinations even 36%, supporting the continued growth of easyJet holidays.

- City destinations, with their 37% share, remains an important part of our network, growing 5% year on year, gradually progressing back towards pre-covid levels.

- Domestics routes saw an 8% reduction in capacity following two years of investments, resulting in positive unit revenue trends this year.

Slide 7: Airline Revenue:

- Moving onto airline revenue

- Demand for our primary airport network remained positive. We carried 4 percent more passenger's year on year with a load factor of 89.8 percent, improving by 0.5 percentage points.

- Total airline revenue increased by 6 percent, ahead of seat capacity growth.

- Total RASK was 3 percent lower for the financial year, with H1 down 6% and H2 down 1%.

- The reduction in RASK includes a c.3 percentage point impact from the sector length increase as we naturally see some dilution on an ASK basis from flying further – with corresponding efficiencies seen within CASK.

- RASK decrease of 3% in the year was also impacted by the winter capacity investments, recovering from the capacity gap versus 2019 created since the Covid pandemic. Given the size of the capacity growth, this required some price stimulation, impacting RASK. We expect to see revenue benefits over the coming years as these investments embed themselves into our route network and mature, as we have seen this year following the rationalisation of domestic capacity.

Slide 8: Airline Cost:

- Now let's move onto the CASK bridge.

- We saw a strong cost performance over the financial year, with total CASK reducing 3 percent year on year.

- Fuel CASK improved by 7 percent thanks to fuel efficiencies as well as a favourable effective US dollar and Jet fuel prices. These positive factors more than mitigate the impact of the free ETS allowances that are being phased out and the introduction of SAF mandates.

- Our CASK ex fuel has improved by 1 percent which is a positive achievement given the current inflationary cost environment.

- Solid CASK results were achieved as asset productivity increased thanks to flying longer sectors, the positive effect of the proactive resilience measures put in place delivering a significant step forward in reducing disruption costs, as well as through our continued focus on cost efficiencies leveraging technology and automation across the business.

- Alongside taking nine new NEO aircraft into ownership, we also had the opportunity during the year to repurchase eight young, leased aircraft, taking them back into ownership, giving us more control on these strategic assets. This will deliver structural cost efficiencies going forward through reduced ownership costs. This resulted in a non-cash accounting release of £54 million mainly within ownership costs. This one-off benefit is partially offset by other one-off items and FX balance sheet revaluations

- Further details are included in the appendix along a slide which provides further detail by line item.

- Having been here now for 10 months, I can only say I am convinced there are further cost efficiencies to be achieved at easyJet as we are catching up from the lower investment of the last decade in both the fleet and in our digital capabilities, leveraging our low cost DNA which has been a core element in the existence of easyJet since 30 years

Slide 9: easyJet holidays

- Moving onto easyJet holidays
- I must say, it has been impressive to see the progress made by easyJet holidays over the last years.
- After the successful growth of these last years, easyJet Holidays grew its profit even further by an additional 32%, reaching a PBT of 250m pound, delivering already now its medium target launched only 2 years ago.
- This was driven by a 20% customer growth and continued healthy margins, delivering a PBT margin of 13%, up 1ppt vs prior year.
- Attachment rate increased to 7% across all beach and city flights, leading to market share of 10% in the UK.
- We still see an important opportunity to grow PBT going forward considering the still overall low attachment rate, the relative small size of the city offering into the holidays overall results, as well as the still limited revenues generated outside of the UK.
- With the early delivery of our medium-term target, the easyJet holidays target has been upgraded to 450 million pounds PBT achievable by FY30.

Slide 10: Cashflow

- Cash generation throughout the year remained strong, with cash balance at year end amounting to 3.5 billion sterling, an increase of 67m pound, whilst making important aircraft purchases and debt reimbursements throughout the year.
- The positive cash movement in the year was mainly driven by the 1.4 billion EBITDA as well as positive unearned revenue movements.
- This inflow exceeded the 1.3 billion gross capex which includes lease payments, pre-delivery payments, the final delivery payments for nine new A320neo family aircraft and the repurchase of eight leased aircraft during the year.
- At the same time the company fulfilled the repayment of a 500 million Eurobond and paid out the FY24 dividend of 91 million pounds.

Slide 11: Balance sheet:

- Now moving to the balance sheet
- In 2025 easyJet's investment grade balance sheet further strengthened

- Net book value of owned assets increased to 4.8 billion pounds, driven by 17 aircraft coming into ownership, with 85% of the neo aircraft now owned. The net book value of owned assets is set to increase to greater than 7.5 billion by FY28.

- Our net cash position including leases was 602 million pounds, an increase of 421 million pounds vs prior year.

- Our current liquidity balance stands at 4.8 billion pounds, representing 2.3 billion pounds in excess of our policy to hold liquidity to the value of unearned revenue plus 500 million sterling. This excess de-risks future capital expenditure, prefunding over 30% for the next 3 years or over 50% of the next two years.

- easyJet has one of the best investment grade credit ratings in the global aviation industry. Standard & Poor's upgraded our rating to triple B plus with a stable outlook, and Moody's continue to rate us as B double A 2 with a stable outlook.

Slide 12: Our Fleet

- Our fleet contains 356 Airbus A320 family aircraft, all powered by CFM engines.

- We have an order book to 2034 comprising an additional 290 A320neo family aircraft, plus a further 100 purchase rights.

- Our future aircraft deliveries will drive our upgauging journey and enhance cost efficiencies, as we move from our current average gauge of 181 to 191 by 2028.

- The future delivery schedule and our base fleet plan remains aligned with our guidance last year and at half year. All 17 aircraft scheduled for delivery in FY26 are expected to be delivered according to that plan and taken directly into ownership.

- This will take our neo-ownership percentage to 87 percent.

- Confidence in the Airbus updated delivery profile is growing, helping to integrate timelines for upgauging efficiencies into our plans.

- The rise in our gross capital expenditure over the coming years is driven by increasing aircraft deliveries as we retire the less efficient A319 aircraft to structurally improve long-term returns.

- It's important to note that the gross capex doesn't account for any potential financing options available to us.

- With currently 85 percent of our NEOs owned, above our target of maintaining neo-ownership at over 75 percent, we have sufficient financing flexibility in the future via sale and leasebacks, JOLCOs, as well as the debt market.

- We anticipate elevated aircraft deliveries over the coming years, driven by our fleet modernisation programme. This will expand our fleet to 395 aircraft by FY28. At a steady-state level, maintaining the fleet would require delivery of approximately 17 aircraft per year.

- This steady state renewal rate implies a gross annual capex of approximately £1.5 billion, which is below the 1.7 billion operational cash generated in the year, excluding capex. We also retain flexibility in financing to lower net capex if needed, by for example the use of the debt market, JOLCO financing structures and the use of sale and leasebacks.

- We remain focused on driving stronger earnings and cash generation in coming years, which will support future attractive through-cycle free cash flow generation.

Slide 13 – Focus on Capital Allocation

- Capital discipline remains central to our strategy, and we are focused on maximizing the return on our capital, reflected through the 18% ROCE we delivered this year.

- Our capital allocation focus firstly goes to the investments in our fleet, focusing on a disciplined capacity growth of up to 5% in the coming years, whilst at the same time modernizing the fleet which will deliver the upgauging, fuel efficiency and sustainability benefits as well as lower ownership costs. We remain however cautious keeping sufficient flexibility in our fleet sizing in case of a potential downside.

- Secondly towards remaining disciplined when it comes to allocating capacity to those bases where highest profits are or can be made. We continue to be however strict when it comes to closing bases that are not delivering the required profitability or don't have enough perspective to increase their profitability.

- The chart on the right gives an anonymized view of the profitability of our bases in 2024 and reflects our capacity allocation decisions. The bars in red represent our Venice & Toulouse bases which were closed given they were loss-making and had no perspective of delivering profit. The bars in green show where we have allocated both the capacity of the closed bases and the additional aircraft that entered the fleet.

- Aircraft were allocated to those bases already delivering highest return, or to those with strong prospects of profitable growth

- These capacity allocation decisions taken for 2025 were done alongside the decision to open our three new bases Southend, Linate & Fiumincino.

- A similar process was followed in 2025 for the allocation of new capacity in 2026

- We are continually reviewing the financial and operational performance of our bases and we implement improvement plans for those not delivering the required return on capital. At the same time we look to drive further enhancements to those that are already delivering strong returns, making them even stronger.

- A third focus goes to investments into capabilities we believe are strategic for the future, for instance, last year we purchased our first maintenance facility in Malta, insourcing approximately 25% of our heavy base maintenance needs. In the coming months and years we will continue to look out for further opportunities to insource these maintenance capabilities or any other capability we deem to be of a strategic nature or that could support the further improvement of easyJet's results.

- Finally we continue to invest in our digital capabilities, further developing the holidays platform as well as investing in the future digitalisation of key commercial, operational & enterprise processes

Slide 14: FY26 Outlook:

- Turning to the outlook – easyJet continues to be well positioned to capture growth opportunities over the coming years as we progress towards our medium term targets.

- easyJet holidays still has significant growth ahead

- Visibility and confidence over our aircraft delivery profile is improving – helping to firm up timelines for the upgauging benefits that are ahead of us.

- Although winter loss reduction has been somewhat more challenging to improve than initially anticipated, our actions have been the right ones, as they drive productivity and utilisation benefits, while ensuring that the airline is well prepared for the key summer season. We need however to be mindful that this is the first winter season operating the remedy routes out of Milan Linate and Rome Fiumicino which will require a c. £30 million investment on top of the £20 million investment already incurred this summer.

- We are confident that revenue will mature over the coming years as these investments embed themselves into our route network

- Looking to the detailed guidance for FY26;

- Seat capacity is expected to grow by circa 3%, and ASK's by around 7%, with more growth in H1 than H2 as our investment in FCO and LIN will year round in winter, alongside continuing to look to improve asset utilisation over winter with some further winter maturity needed on new routes.
- easyJet holidays has entered its next phase and we expect to see customer growth of up to 15 percent in FY26, with City customers having a lower absolute margin.
- Our forward booking position is slightly up vs. last year and we expect Q1 RASK to continue the trend seen over H2'25
- Full year CASK is expected to be modestly up year on year as market wide inflationary pressures continue, partially offset by continued efficiency and fuel benefits.

Now I will hand back to Kenton.

Slide 16: Our Strategy:

We remain committed to our strategy which you will be very familiar with.

Our purpose of making low-cost travel easy is underpinned by four strategic pillars

- Building Europe's best network
- Strengthening revenue
- Delivering ease and reliability; and
- Driving our low cost model

Ultimately, progress on these strategic priorities will drive the delivery of our medium term targets.

Slide 17: Delivered by Our People:

None of this is possible without our people – their warmth and professionalism truly set us apart!

We employ nearly 20,000 people and over 80% of them interact with our customers every day delivering a great travel experience.

We have high engagement levels, and our attrition rate continues to decrease, reflecting the commitment and calibre of our people who are essential to providing excellent customer service.

easyJet and easyJet holidays have been named as a Top workplace by Glassdoor and the Sunday Times for the second and third year running respectively. Both are great accolades to all our people who are collectively creating Europe's most loved place to work.

Slide 18 : For our Customers:

We have invested in both our people and technology to ensure that we are providing the warmest welcome in travel.

These investments have delivered a 4 percentage point improvement in our overall Airline customer satisfaction score, reaching 80% which is the highest level we have acheived in over a decade.

Over 5,000 of our ground staff have completed a new enhanced training program focused around delivering great customer service. And we have rolled out real-time operational information tools, powered by AI, to ensure they can easily access the right information, to enable fast and accurate real time responses to customers, to solve queries in the moment.

This focus on customer service on the ground has resulted in a 5 percentage point year on year improvement in Boarding and Bag drop CSAT scores.

When disruption does occur, we are continuing to enhance how we support our customers through these situations. We communicate through our informed front line staff and the airport customer experience specialists. Due to a new ground crew app they are now more able to provide on-the-spot assistance and a more personalised service for our customers throughout the airport.

This supports our leading self-service disruption management tool, embedded within the app. 78% of our customers now self serve in times of disruption and we will continue to enhance the ease of self service management over the coming months and years.

We are the number one low cost carrier for experience across our key markets and we continue to drive loyalty and brand awareness with 71% of our bookings this year made by our returning customers.

Slide 19: Our Medium-Term Targets:

We have continued to make progress on our targets this year.

We are moving towards our goal of a PBT per seat of £7-10 having reached £6.39, an increase of 30% from £4.91 since we set these targets in FY23. It is also pleasing to have delivered an 18% ROCE, up from 13% in FY23, in line with our medium term target.

There are still many key opportunities ahead of us which will drive our financial performance and are unique to easyJet;

- We are focused on driving productivity and utilisation during the winter period having made important strategic investments which we are confident will see route maturity over the coming years as they embed.
- Our airline profit performance, particularly over winter, has been harder to improve at the rate we wanted. We are working hard to reposition our route network and deliver a multitude of detailed improvements to revenues, costs and capabilities to support our future profit growth ambitions. We are also mindful that this coming winter is the first operating out of Linate and Fumincino – a great long term opportunity, however there will be a further investment of around 30 million pounds this winter.
- Nearly all of the £3 per seat cost savings that will be realised from upgauging are ahead of us, as aircraft deliveries ramp up over the next three years. The average gauge will increase from 181 as at the end of this financial year into the low 190s by FY28.
- And there are significant growth opportunities to come within easyJet holidays as our new target illustrates
    - Garry and the holidays team will provide full details of this next phase of growth in the seminar on 28th November.

As well as these key levers that are unique to easyJet we also have many other initiatives across the business that we continue to focus on driving customer loyalty, optimising revenue and continuing to deliver cost efficiencies.

Slide 20: Building Europe's Best Network:

With constrained short haul capacity growth continuing to be seen across Europe, as both OEMs remain sold out until the early 2030s, we remain focused on adding targeted growth where we see the best returns and demand is strongest.

We opened bases in Milan Linate and Rome Fiumicino, which have excellent profit and growth potential and demonstrates our focus on taking advantage of strategic opportunities as they arise. This summer was impacted by a £20m investment as we were late to market due to the delayed timing of the European Commission approval, alongside the time needed to mature both remedy and new routes. We will see this investment continue into our first winter of operation, with sequential improvements expected thereafter.

Our base in Southend performed really well in its first summer of operation, already in line with network average returns. This is underpinned by particularly high demand for easyJet holidays, which accounted for 19% of the passengers.

In addition to closing underperforming bases in Venice and Toulouse we have also been optimising the network by adapting our routes, with 13% amended for the summer 2025 season.

Looking ahead to next year, two new bases will open for summer 2026 – Newcastle and Marrakech.

Newcastle is expected to be another strong performer with over 100,000 customers already booked for FY26.

Marrakesh will be our first base in North Africa, opening in summer 2026. It is currently our largest network point without based aircraft so the new base will enable us to better serve existing markets and customers.

We will continue our focus on network optimisation and expect c 10% of this summer's routes to be further optimised moving into summer 26.

Slide 21: Strengthening Revenue:

Starting with easyJet holidays

Our unique business model of providing brilliant holidays, digitally delivered at unbeatable prices has seen another year of significant growth

The early delivery of the target of £250 million profit before tax is a great achievement and we have upgraded our target which is now set at £450m profit by FY30.

Significant growth opportunits remain, including increasing our attachement rate on core UK beach routes, EU expansion via growing our German, Swiss and French customer base and transforming city breaks through our new flight plus hotel proposition.

Additionally we recently launched the Luxury collection, which comprises around 100 high end hotels. Bookings to date have been positive with an average booking value of greater than 5,700 pounds

Moing onto the airline, now we have full ownership of our app, we are able to develop its capabilities at speed to drive enhanced conversion as well as delivering new service features and commercial products.

We also launched a new ancillary product for the airline, called Flex Pass. This add-on enables customers to change a flight up to two hours before the departure without a fee.

We continue to focus on enhancing our pricing algorithms. For example, we have started to group some routes by behavior types as opposed to the traditional route type profile.

Slide 22: Delivering Ease and Reliability:
As we celebrate our 30th birthday this month, ease and reliability remains as core to our brand and our purpose today as it did 30 years ago.

We have already touched on the improvements in customer satisfaction, but I want to reiterate that improvements have been made across all touchpoints of the customer journey thanks to the fantastic efforts that our people have made throughout the business.

On-time performance has improved by 3ppts over the year, and we improved our turn time by 9% which is a significant step change. This shows that the actions we put in place and our use of data insights are paying off.

Our customers are now better informed as a result of the enhancements to our app. An example, is a home and locked screen widget that provides passengers with check in and gate information to help them navigate their journey.

We have also recently launched an enhanced automated service recovery for passengers experiencing disruption to their flight. The initial use will be for pre-emptive cancellations but once fully implemented it will be able to serve customers with a recommended solution which can be accepted in just two clicks.

These enhancements make our service smoother and more dependable for our customers.

Slide 23: Delivering Low-Cost Travel:
As you know, we are fully committed to delivering low-cost travel

And while our cost advantage on primary airport networks is clear, the gap has widened due to easyJet achieving a flat CASK ex fuel for the past two years,

We have been driving efficiencies across the business with the use of advanced technology integration and automation.

For example our AI-enabled customer communication tools have enabled us to respond to our customers much quicker. Delivering a 39% productivity uplift and a 29% cost reduction, as well as delivering a strong increase in customer satisfaction scores.

We have rolled out multiple initiatives on fuel efficiencies this year, such as light weight paint, FANS- C data to optimise flight paths, as well as the ongoing integration of the NEO fleet.

The whole business remains focused on driving further cost efficiencies in the years to come.

Slide 24: Summary:

So, in summary.

We are confident that executing on our strategy, supported by our disciplined approach to capital allocation, will provide attractive shareholder returns.

Our investment grade balance sheet is one of the best in the industry and we will continue to increase ownership levels as our fleet modernisation program accelerates over the next few years.

This fleet renewal will deliver the material upgauging benefits which are a crucial lever to improving operational efficiency, generating higher operational cashflow and enhancing margins, alongside further sustainability benefits. The asset light easyJet holidays model remains another key driver of earnings growth for the group, with an upgraded financial target to deliver profits of £450m as it enters its next phase of growth.

The actions taken this year mean easyJet is in a structurally stronger position for the future and we remain resolutely focused on our target of delivering sustainable profits of greater than one billion pounds.

Thank you for watching this presentation of our full year 2025 results.