easyJet holidays

ANALYST SESSION

Garry Wilson – easyJet holidays CEO

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LOW-RISK, STAND OUT BUSINESS

Strategic rationale

> Europe's best leisure network
> Millions of customers already taking holidays on easyJet seats

Uniquely positioned business model

> <5% fixed cost base offering highly competitive prices to our customers, whilst maintaining strong margins
> Digital first technology
> Converting holidays margin from existing easyJet airline customers

Current trading & targets

> Fastest growing major holiday company in the UK
> FY22 profit expected to be in excess of £35m
> Targeting +30% customer growth for FY23
> On track to deliver £100m+ PBT in the medium term



BUSINESS MODEL THAT CANNOT BE REPLICATED

Europe's best leisure network
- Leveraging easyJet's high frequency network
- Captive airline audience reducing marketing spend

Low overheads
- 95%+ Variable cost base
- Simplified pricing model

Digitally delivered
- Low operational headcount e.g. no tour reps
- 88% of bookings through unpaid channels – OTAs cannot replicate

Agile product
- No hotel commitments
- Technology platform allow us to quickly pivot our proposition to changes in demand
- Ability to expand into European source markets

Long term strategic relationships
- Hotels, DMC, Trade, Tourist Boards to drive lower costs and avoid commitments
- 60% bookings for directly contracted hotels, represents 20% of portfolio

Leading customer proposition

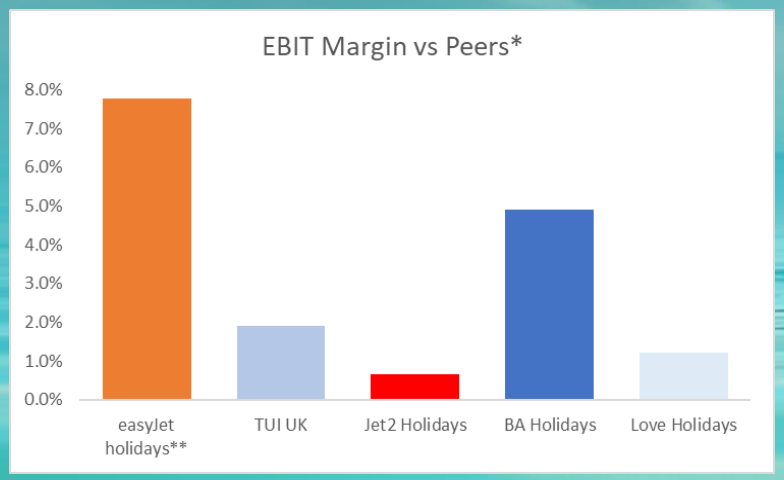
> Unrivalled flexibility

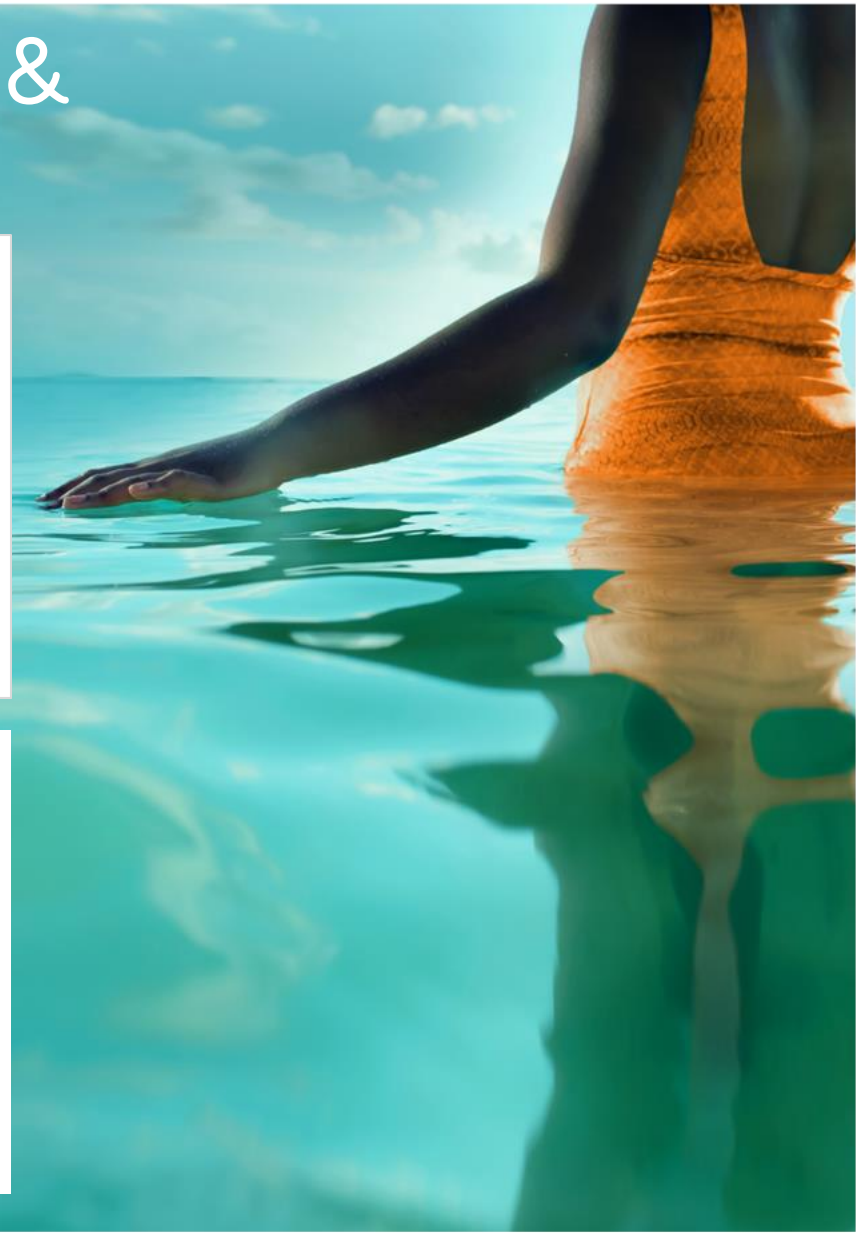
> Unbeatable prices

> Europe's most loved hotels

FASTEST GROWING, LOWEST COST & HIGHEST MARGIN







- Competitors took over 10 year to reach size we will achieve in year one
- Market leading margins in first year of operations
- Underpinned by low cost business model

- UK Package Travel Market 22.6m return passengers (source: 2022 ATOL reports)
- c3.1m (14%) Third party UK packages using easyJet seats
- 1.1m (5%) easyJet holidays customers (up from 0.3m (1%) in FY19)

*peer performance based on pre pandemic financials
**Includes airline seat revenue. Excluding this results in EBIT margin of c.10% "Group contribution".

DELIVERING OUR BUSINESS

- FY22 profit expected to be in excess of £35m
- Will deliver 1.1m passengers in FY22, despite disruption challenges
- Passenger growth will continue into FY23 +30%
- Journey to £100m+ PBT underway and on track for the medium term

Current financials	Q3'22	YTD
Holidays passengers (000's)	372	604
Holidays revenue contribution (£'m)	117	172
Holidays cost contribution (£'m)	(101)	(161)
Holidays profit (£'m)	16	11

Group accounts;

- Holidays revenue ➡ Ancillary revenue
- Holidays operating costs ➡ Airports, ground handling and other operating costs
- Holidays marketing costs ➡ Selling and marketing
- Other holidays costs ➡ Other costs



Roadmap to £100m+ PBT in the medium term

Yield optimisation / digital distribution
Dynamic pricing will optimise revenue and unlock richer margins

Building on our strengths
Investment in brand awareness to drive increased holidays conversion

City breaks
Utilising easyJet's unrivalled network - offering convenience, flexibility and the protection

Ancillaries
Introducing targeted products to attract new segments and increase average spend

Digital first
Enhancements to personalisation of content and targeted promotions

Future enhancements

Source markets
Selectively entering new markets that complement the easyJet network

New products
Ski & Villa



easyJet holidays

Q&A

easyJet holidays

APPENDIX

HEADLINE GROUP INCOME STATEMENT

£m	Airline	Holidays	Intra-group transactions	Group
Passenger revenue				
Ancillary revenue				
Total revenue				
Fuel				
Airports, ground handling and other operating costs				
Crew				
Navigation				
Maintenance				
Selling and marketing				
Other costs				
Other income				
EBITDAR				
Aircraft dry leasing				
Depreciation				
Amortisation of intangible assets				
Operating (loss)/profit				
Net finance charge				
(loss)/profit before tax				
Tax				
(loss)/profit after tax				

PROFORMA FY'22 PRESENTATION