easyJet

Q3 2023

20 July 2023



SUMMER 2023

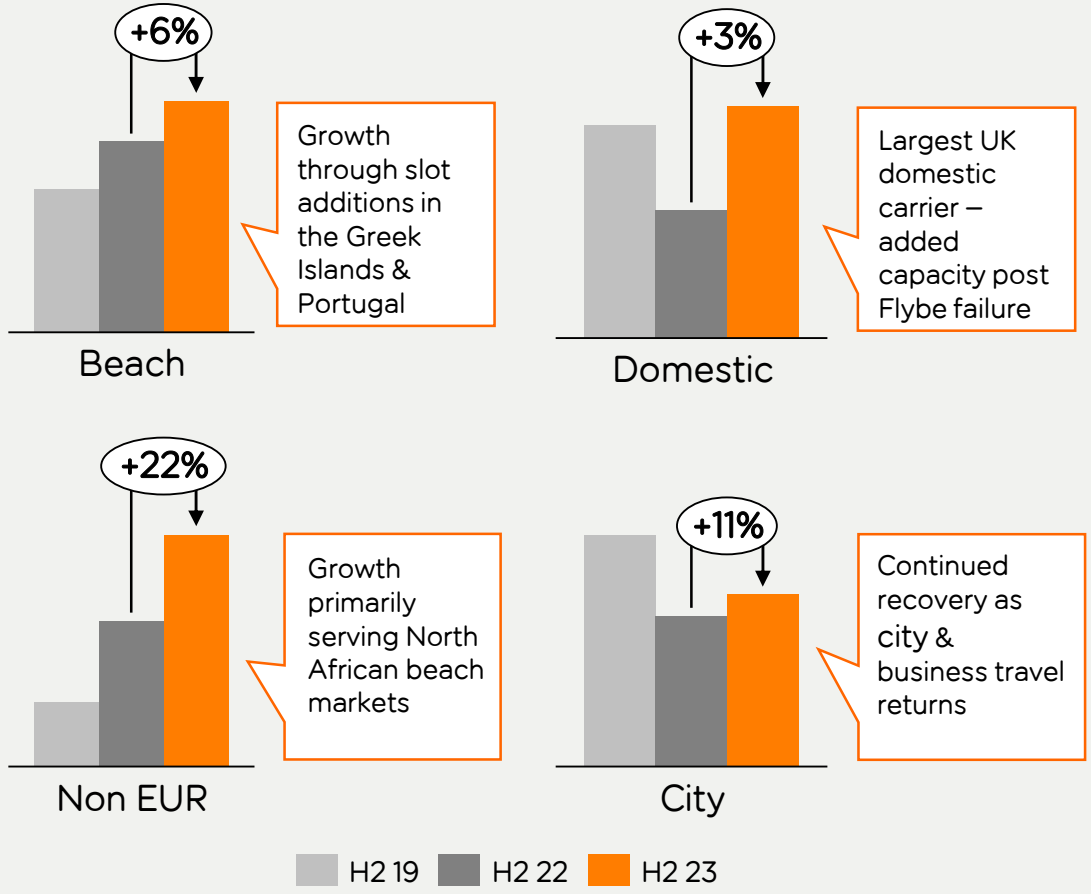
Record Q3 PBT - £317m YoY improvement in PBT

- Passenger growth +7% YoY
- RPS +23% YoY
  - Load factor +2 ppts YoY
  - Ticket yield +22% YoY
  - Ancillary yield +20% YoY (+87% vs Q3 FY19)
- CPS ex Fuel reduced 2%
- easyJet holidays delivers £49 million profit (Q3 22 £16 million profit)

Q4 Outlook

- Capacity c.29m seats
- Revenue per seat up around 10% YoY
- H2 Headline CPS ex fuel broadly flat YoY
- easyJet holidays to deliver £100m+ PBT target for FY23

Capacity



European consumer demand continues to be strong

Q3 2023 KEY STATS

	Q3'23	Q3'22	Var
Passengers (000s)	23,454	22,001	7%
Seats flown (000s)	26,177	24,936	5%
Load factor	90%	88%	2ppt
Airline passenger revenue per seat (£)	*57.33*	*46.20*	*24%*
Airline ancillary revenue per seat (£)	*23.75*	*19.47*	*22%*
Total airline revenue per seat (£)	81.08	65.67	23%
Airline headline cost per seat ex fuel (£)	*(52.86)*	*(54.19)*	*2%*
Airline fuel cost per seat (£)	*(22.35)*	*(16.71)*	*(34)%*
Airline headline total cost per seat (£)	(75.21)	(70.90)	*(6)%*
Airline headline profit/(loss) before tax (£ million)	154	(130)	*218%*
Holidays headline profit before tax[1] (£ million)	49	16	206%
Group profit/(loss) before tax (£ million)	203	(114)	*278%*

1) Holidays numbers include elimination of intercompany airline transactions

FINANCIAL PERFORMANCE

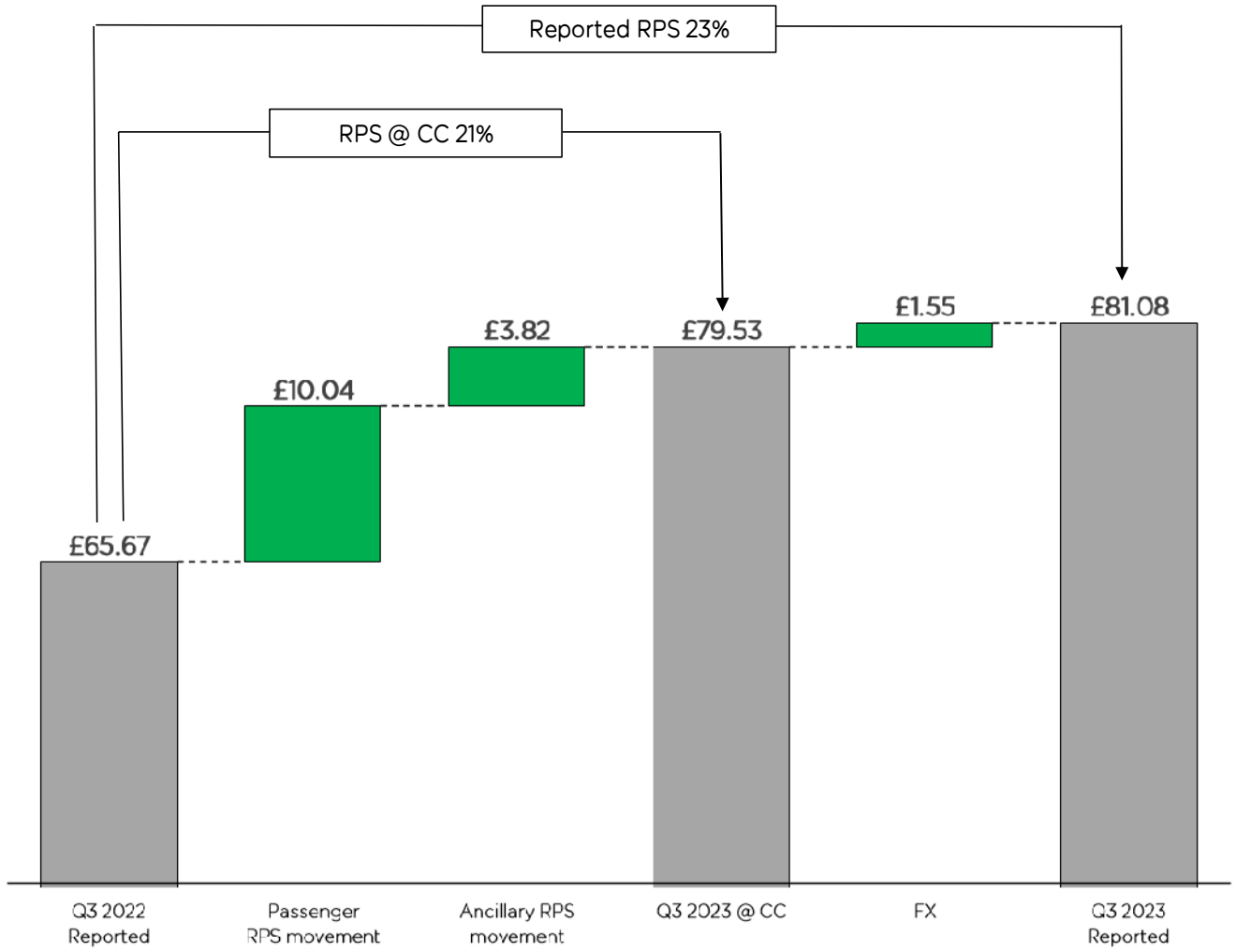
	Q3'23 £m	Q3'22 £m	Change[1]
Passenger revenue	1,501	1,152	30%
Ancillary revenue	622	486	28%
Holidays revenue[2]	237	117	104%
Group revenue	**2,360**	**1,755**	**34%**
Fuel costs	(585)	(417)	(40)%
Airline EBITDAR costs ex fuel	(1,210)	(1,135)	(7)%
Holidays EBITDAR costs[2]	(193)	(100)	(93)%
Group headline EBITDAR costs	**(1,988)**	**(1,652)**	**(20)%**
Group headline EBITDAR	**372**	**103**	**261%**
Group depreciation & amortisation	(171)	(150)	(14)%
Group headline EBIT	**201**	**(47)**	**528%**
Group interest & other finance charges & income	(8)	(31)	74%
Group balance sheet revaluations	10	(36)	128%
Group headline profit/(loss) before tax	**203**	**(114)**	**278%**

1) Favourable/(adverse) 2) Holidays numbers include elimination of intercompany airline transactions

AIRLINE REVENUE PER SEAT

	Q3'23	Q3'22	vs. Q3'22	Q3'19	vs. Q3'19
Passenger Yield[1]	£63.98	£52.37	22%	£52.56	22%
Ancillary Yield[2]	£26.51	£22.07	20%	£14.20	87%
Total Yield	£90.49	£74.44	22%	£66.77	36%

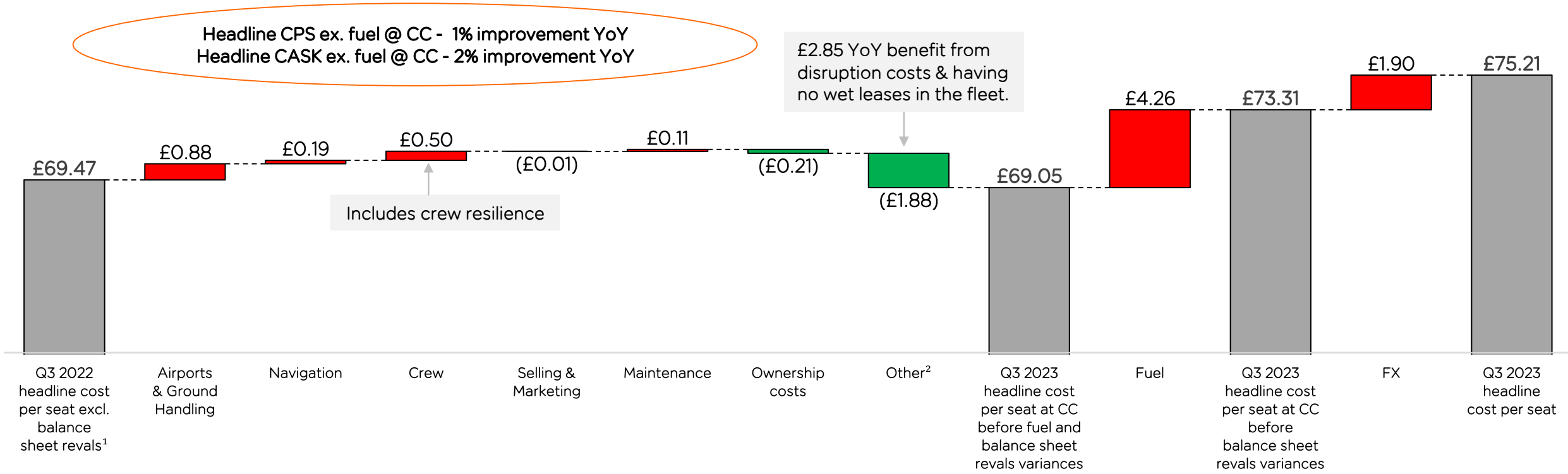
- Primary network delivers ticket yield uplift +22% YoY, demonstrating:
  - Strength of network
  - Aircraft reallocation delivering
- Ancillary yield continues to outperform, +20% YoY
- Total yield up 22% YoY, which when coupled with LF gives RPS +23%
- RPS +21% at constant currency, RASK +19% at constant currency



1) Ticket Yield: Airline passenger revenue per seat sold 2) Ancillary Yield: Airline ancillary revenue per seat sold 3) CC: Constant currency – excludes the impact of foreign exchange from results

AIRLINE HEADLINE COST PER SEAT

	Q3'23	vs Q3'22	vs Q3'19
Available seat kilometres (m)	32,266	7%	0%
Average sector length (km)	1,233	2%	10%



1) Q3'22 headline CPS (£70.90) + balance sheet revaluation gain £1.43 = Q3'22 headline cost per seat excl. balance sheet revaluations (£69.47).
2) Other includes disruption, other costs and other income.

OPERATIONS UPDATE

Proactive management action

> Fully crewed for pilots and cabin staff

> Supply chain challenges
  - Resilience provided from spare parts pool
  - Mid life aircraft additions

Mitigating disruption

> Additional resilience added into Gatwick through flight consolidation
  - 95% of customers on those flights have been rebooked.
  - 85% reduction in cancellations post consolidation

Future fleet order

> We are now running a process to secure additional firm order positions for our longer term fleet plan

> Enables easyJet to replace older aircraft with additional options to deliver future growth

Macro environment - Far from ordinary

> ATC strike days to date +40% vs 2019

> ATC Flow rate restrictions being implemented

> Congestion within airspace easyJet operates within



easyJet holidays

Further upgrade to deliver £100m+ PBT in FY23

- +75% customer growth YoY
- >175% profit growth YoY

Forward Bookings

- Winter 23/24 momentum continued with significant volume growth YoY
- Summer 24 holidays now on sale from Birmingham providing further growth opportunities



Continues to be the fastest growing, lowest cost, highest margin travel business in the UK

SUMMARY AND OUTLOOK

Q3

- Q3 headline PBT £203m - £317m YoY improvement
- Q3 RPS +23% YoY
- Q3 CPS ex fuel reduced 2%
- Holidays delivers £49m PBT
- $950 million of debt repaid during Q3 – c.£1.2bn debt retired during this financial year

Outlook

- easyJet holidays to deliver £100m+ PBT in FY'23
- Q4 RPS up around 10% YoY
- H2 headline cost per seat ex fuel broadly flat YoY
- Momentum continues: Q1 FY24
  - Capacity up >15% YoY
  - Ticket yield & booked position ahead YoY
  - Headline CPS to reduce YoY

Expect to accelerate delivery of medium term targets

Mid teen EBITDAR Margin

Low to mid teen ROCE

Holidays £100m+ PBT contribution

Grow capacity back to 105m

Positioned to deliver strong shareholder returns

easyJet

APPENDIX



FUEL & FX HEDGING

Jet Fuel	Q4'23	H1'24	H2'24
Hedged position*	77%	58%	29%
Average hedged rate ($/MT)	877	858	804
Current spot ($/MT) at 20.07.23		c.820	

*easyJet fuel hedging is via a mix of swaps and options

USD	Q4'23	H1'24	H2'24
Hedged position	83%	65%	34%
Average hedged rate (USD/GBP)	1.23	1.22	1.24
Current rate (USD/GBP) at 20.07.23		c.1.29	

Lease payments and Capex

> US dollar lease payments remain hedged for the next three years @ 1.30
> Capex hedged for the next 12 months in underlying currency (EUR or USD)

Carbon Update

> Obligations covered including free allowances
  - CY23: 100% covered at €43/MT



Q3 PASSENGER STATISTICS

April	2023	2022	Change
Passengers ('000)	7,295	6,932	5%
Load Factor	89%	86%	3ppt

May	2023	2022	Change
Passengers ('000)	7,985	7,424	8%
Load Factor	89%	86%	3ppt

June	2023	2022	Change
Passengers ('000)	8,174	7,645	7%
Load Factor	91%	92%	(1)ppt

ADDITIONAL FINANCIAL INFORMATION

Reducing gross debt

$950 million of debt repaid during Q3 – c.£1.2bn debt retired during this financial year

- During the quarter, easyJet signed a new undrawn five-year sustainability linked term loan facility of $1.75 billion underwritten by a syndicate of banks and supported by a partial guarantee from UK Export Finance under their Export Development Guarantee scheme. The Export Development Guarantee scheme for commercial loans is available to qualifying UK companies and does not carry preferential rates or require state aid approval.
- The new term loan facility replaces easyJet's previous $1.77 billion term loan facility, where easyJet fully repaid the drawn balance of $950 million, which incurred interest at a floating rate. This facility has now been cancelled, resulting in no aircraft currently being encumbered within the Group. The new five-year sustainability linked facility will be undrawn initially. This new facility extends easyJet's debt maturity profile, whilst maintaining available liquidity and reduces the group net financing costs.