

Q1 2017
ANALYST AND INVESTOR
PRESENTATION

Tuesday 24 January 2017

Q1 performance – Overview

1. Improving revenue per seat trend in a high growth market

- Resilient demand across Europe
- Good forward bookings outlook

2. Strong cost control

- Q1 cost per seat excluding fuel (@cc) in line with expectations: +1.1%¹
- easyJet lean continues to deliver
- Making good progress on cost focused initiatives

3. Continuing to deliver successful strategy

- Continue to develop network – purposeful capacity growth of 8.6%
- Solid operational performance
 - OTP performance stable in Q1 but impacted by weather

1) Headline cost per seat excluding fuel

Trading in Q1

	Q1 '17	Q1 '16	Change
Passengers (m)	17.4	16.1	1.3
Load factor (%)	90.0	90.3	(0.3ppt)
Seats (m)	19.3	17.8	1.5
Average sector length (km)	1,074	1,072	2
Seat revenue (£m)	977	914	63
Non-seat revenue (£m)	20	16	4
Total revenue (£m)	997	930	67
Total revenue per seat (£)	51.64	52.28	(0.64)
@ constant currency (£)	48.01	52.28	(4.27)
RPS @ constant currency (%)			(8.2)

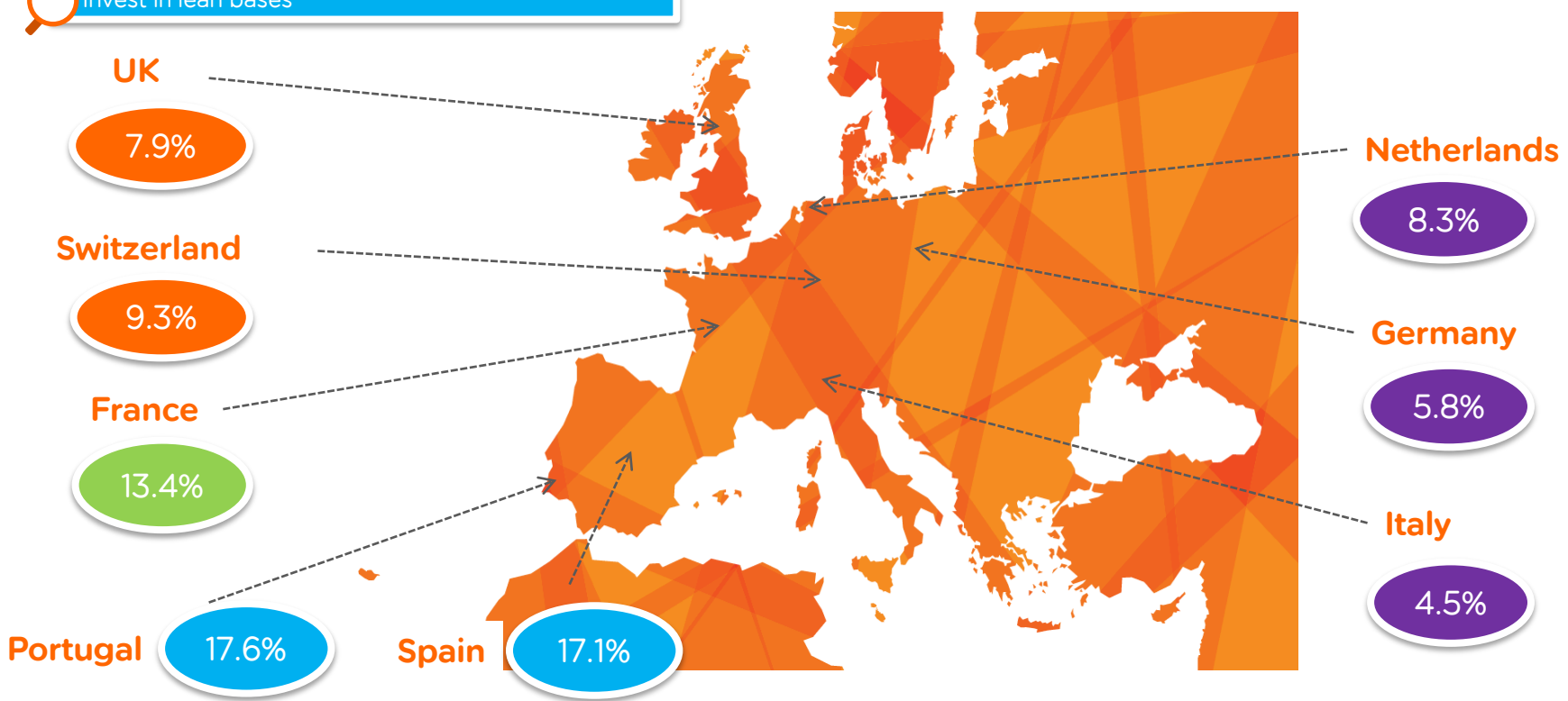
Purposeful capacity investment in Q1

8.6% easyJet capacity growth in Q1

- Build & strengthen No1 positions
- Take advantage of growth opportunities
- Target specific catchment areas
- Invest in lean bases

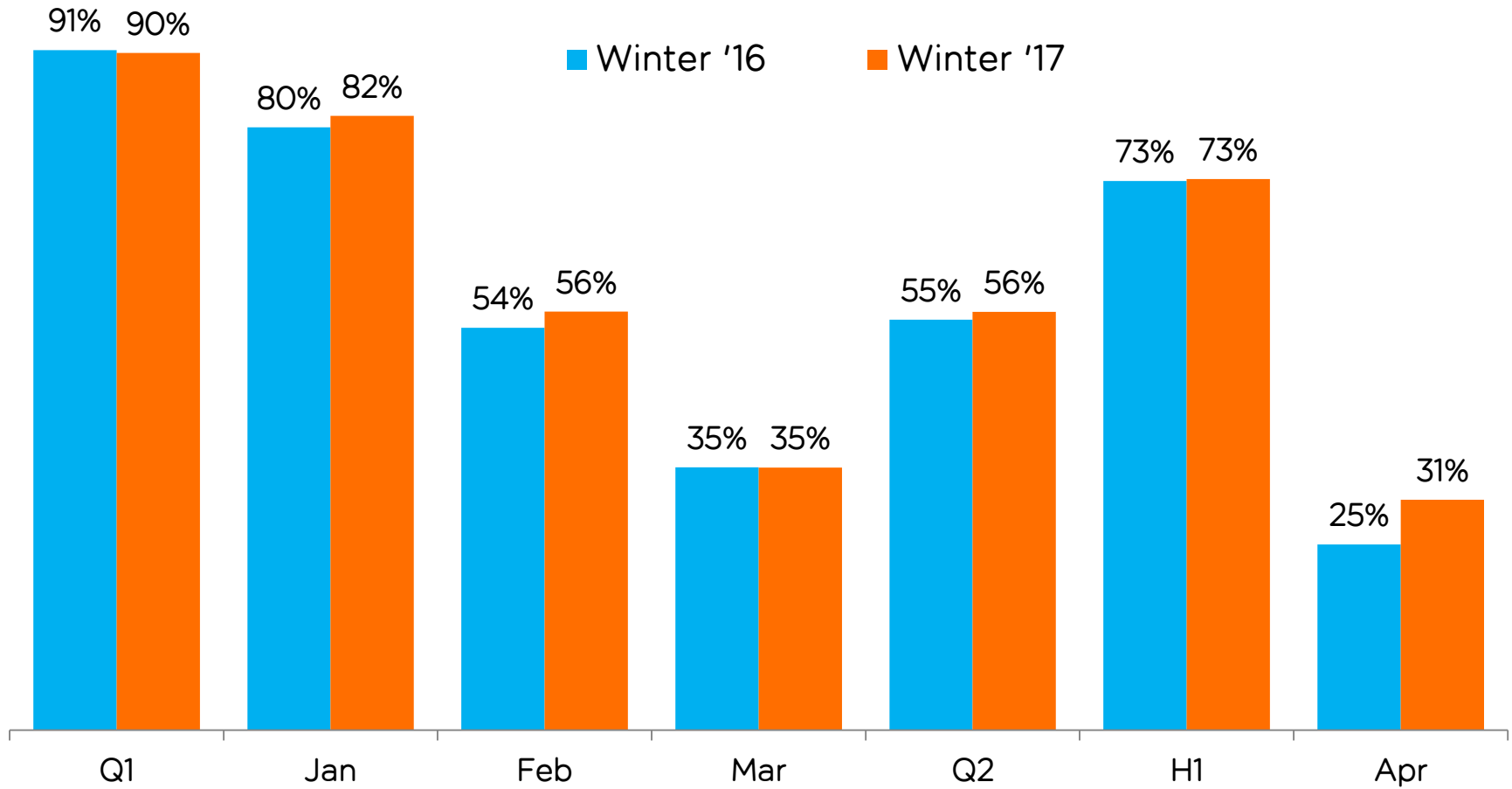
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Q1 2017 growth – % seats



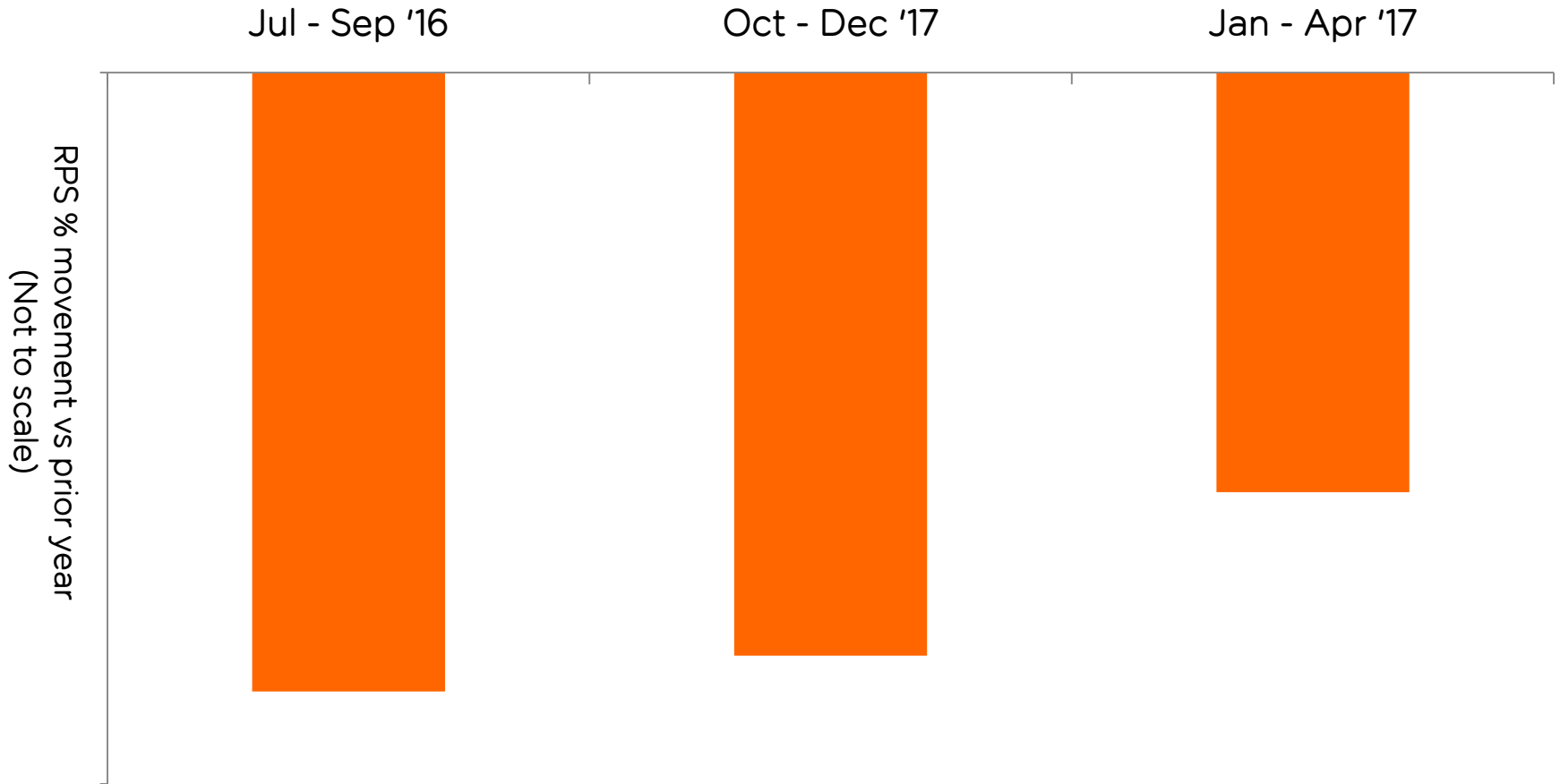
Forward bookings

% Seats sold *



* H1 (1 Oct 2016 to 31 March 2017)
As at 20-01-17

RPS – Improving underlying trend



- Graph is adjusted for seasonality

Headline costs in line with expectations

Headline	Q1 2017 Reported	Q1 2017 Constant currency
Cost per seat <u>including</u> fuel	7.9% Increase	2.1% Decrease
Cost per seat <u>excluding</u> fuel	12.4% Increase	1.1% Increase

Increases driven by:

- Significantly weaker GBP in Q1 impacting reported outcome
- Disruption costs
- Interest costs (bond related)
- Inflation

Offset by:

- Robust management action on costs:
 - Airport savings, driven by discounts on additional passenger volumes
 - Engineering and maintenance savings, such as the components supply contract
 - Up-gauging of fleet as easyJet continues to move from A319s to A320s (c.13%-14% cost per seat benefit*)
- easyJet Lean delivered £14 million of sustainable savings in the quarter

* Up-gauging to 186-seat A320 neo aircraft compared to 156-seat A319 neo, based on fuel price quoted in the original plan

Sector leading balance sheet

Sale & leaseback

- Completed first transaction for 10 A319s – strong demand drives good pricing (\$144m cash)
- Non-headline P&L impact lower than expected - £16m
- Manages residual value and creates an exit route for older aircraft

RCF

- One year extension through to February 2022

Strengthening the balance sheet

- €500m raised at highly attractive rates
- Market leading credit ratings

Fleet

- Improved flexibility

Fuel and foreign exchange hedging

	Fuel requirement	US dollar requirement	Euro surplus	CHF surplus
Six months ending 31 March 2017	85% at \$659/metric tonne	83% at \$1.52/£	82% at €1.36/£	78% at CHF1.42/£
Full year ending 30 September 2017	83% at \$613/metric tonne	80% at \$1.50/£	86% at €1.35/£	74% at CHF1.40/£
Full year ending 30 September 2018	54% at \$513 / metric tonne	53% at \$1.41/£	64% at €1.26/£	55% at CHF1.33/£

Sensitivities – FY17

- \$10 per tonne change in fuel price will impact the full year pre-tax result by +/- \$3.8 million
- One cent movement in the £/\$ will impact the full year pre-tax result by +/- £2.4 million
- One cent movement in the £/€ will impact the full year pre-tax result by +/- £0.6 million
- One cent movement in the £/CHF will impact the full year pre-tax result by +/- 0.5 million

Outlook

Capacity (seats flown)

- H1 c.+9.0% (before disruption)
- FY c.+9.0% (before disruption)

Revenue per seat at constant currency

- Revenue per seat: high single digit decline in H1

Cost per seat at constant currency

- H1 headline cost per seat excluding fuel: up c. 1% (assuming normal levels of disruption)
- FY headline cost per seat excluding fuel: up c.1% (assuming normal levels of disruption)
- Full year headline cost per seat: down c. 3% (assuming normal levels of disruption)

FX

- H1: c.£75 million adverse movement from foreign exchange rates on headline profit
- FY: c.£105 million adverse movement from foreign exchange rates on headline profit

Fuel

- H1: unit fuel costs £70 million to £80 million favourable
- FY: unit fuel costs £215 million to £240 million favourable
- Expected total fuel cost c.£1,070 million

Summary

- Q1 in line with expectations
- Improving trend in commercial performance
- Strong underlying cost performance as renewed focus delivers early benefits
- Continuing to invest purposefully across our core markets
- Pipeline of revenue and cost initiatives to continue to drive returns

Q & A

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