

Q1 2016 ANALYST AND INVESTOR PRESENTATION

Tuesday 26 January 2016

Q1 performance – Overview

1. Resilient commercial performance

- Robust demand environment drives strong start to the quarter
- Impact of Sharm El-Sheikh and Paris on load factor and yield
- Bookings recovering to normal levels

2. Improving cost trajectory

- Q1 cost per seat excluding fuel better than expected: +1.3%¹
- easyJet lean continues to deliver - £16million in the quarter
- Making good progress on cost focus initiatives

3. Continuing to deliver successful strategy

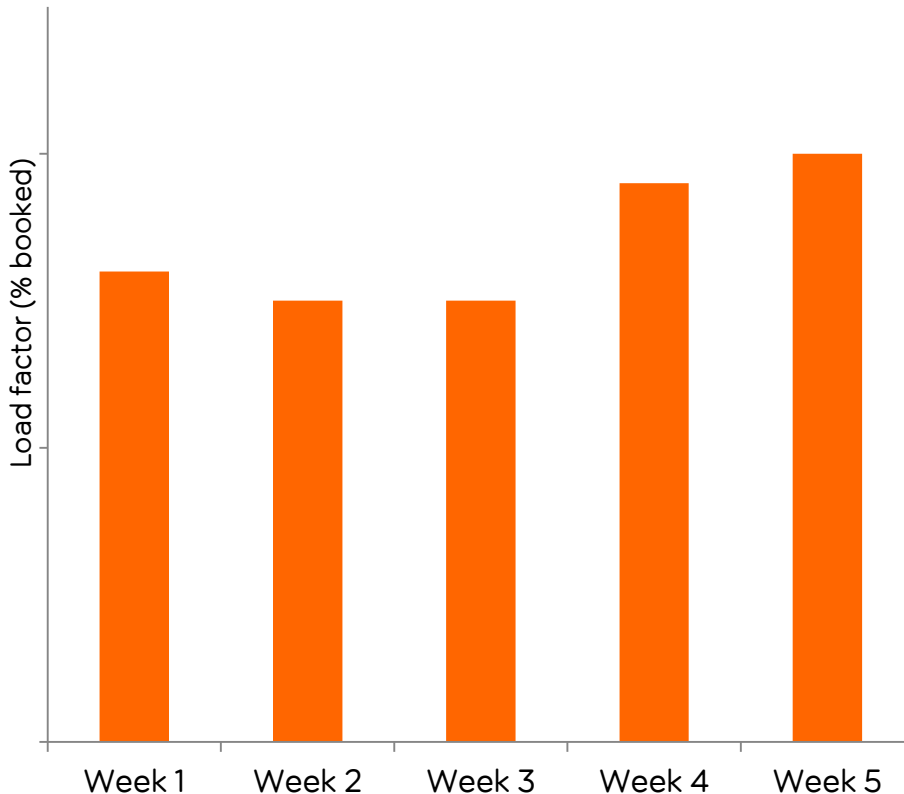
- Invest and develop network – capacity growth of 7%
- Commercial initiatives – Loyalty, Digital, Business
- Solid Operational performance
 - Gatwick operations continuing to improve – OTP +15ppts Q1 '16 vs Q4 '15
 - Delivering higher customer satisfaction – across every category

Trading in Q1

	Q1 '16	Q1 '15	Change
Passengers (m)	16.1	14.9	1.2
Load factor (%)	90.3	89.7	0.6ppt
Seats (m)	17.8	16.6	1.2
Average sector length (km)	1,072	1,089	(17)
Seat revenue (£m)	913.2	915.8	(2.6)
Non-seat revenue (£m)	16.3	14.7	1.6
Total revenue (£m)	929.5	930.5	(1.0)
Total revenue per seat (£)	52.28	56.16	(3.88)
@ constant currency (£)	54.07	56.16	(2.09)
RPS @ constant currency (%)			(3.7)

Trading / demand recovering, delayed yield improvement

December load factor



- Strong start to the quarter
- Underlying trading in line with expectations, reflecting higher capacity and low fuel environment
- Impact of Sharm El-Sheikh and Paris attacks in Oct/Nov
 - Bookings recovering
 - Yield typically lags load factors – expected impact on second quarter

Renewed focus cost delivering early results

	Q1 2016 Reported	Q1 2016 Constant currency
Cost per seat <u>including</u> fuel	6.2% Decrease	3.7% Decrease
Cost per seat <u>excluding</u> fuel	2.3% Decrease	1.3% Increase

Increases driven by:

- Regulated airport charges
- Disruption costs
- Navigation charges

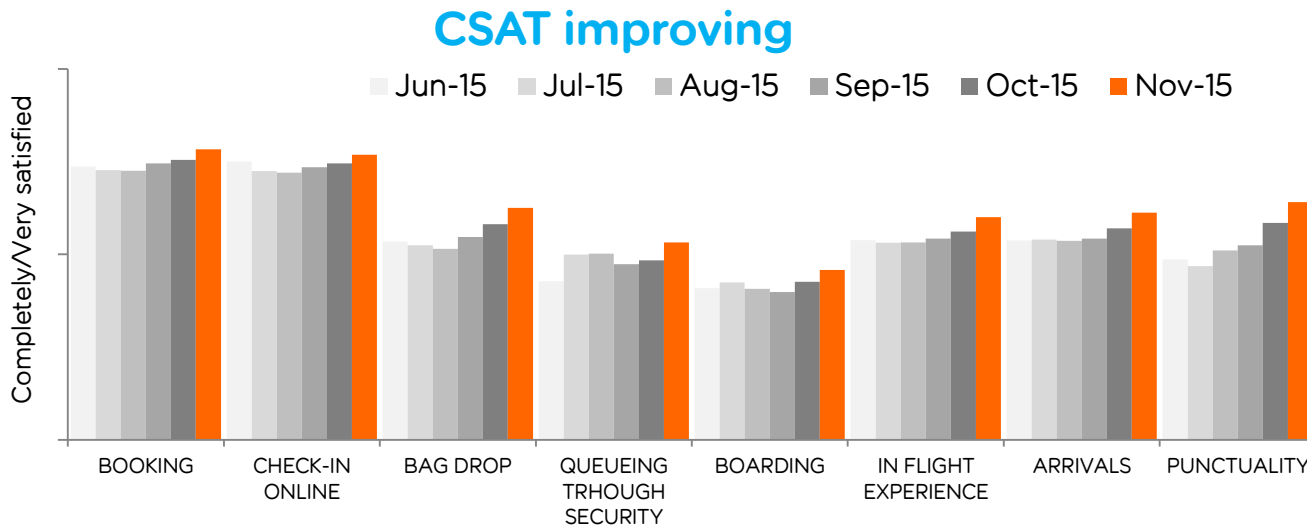
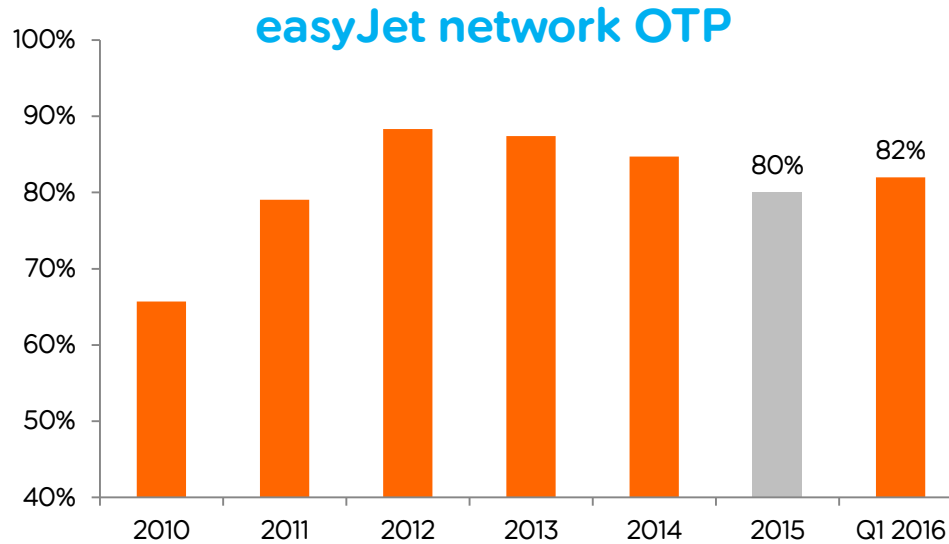
Improvement vs. guidance:

- Lower levels of de-icing than expected
- Additional savings from accelerated Lean programme – early impact of management action

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
 - Savings in overhead costs
 - Up-gauging of fleet as easyJet continues to move from A319s to A320s (c.10% cost per seat benefit)
- easyJet Lean delivered £16 million of sustainable savings in the quarter
- Improvement in effective post hedged fuel price

Improving operational performance



Disciplined capacity investment in Q1

7% capacity growth during Q1



Further investment planned for FY 2016

- New bases being opened in Venice and Barcelona in February. Additional aircraft to Naples and Milan Malpensa.

Hedging update

	Fuel requirement	US Dollar requirement	Euro Surplus	Swiss Franc surplus
Half year ending 31 March 2016	87%	89%	79%	72%
Average rate	\$846 metric / tonne	\$1.62	€1.20	CHF1.46
Full year ending 30 September 2016	86%	84%	84%	70%
Average rate	\$823 metric / tonne	\$1.62	€1.23	CHF1.46
Full year ending 30 September 2017	71%	66%	64%	57%
Average rate	\$643 metric / tonne	\$1.54	€1.33	CHF1.43

Sensitivities FY'16

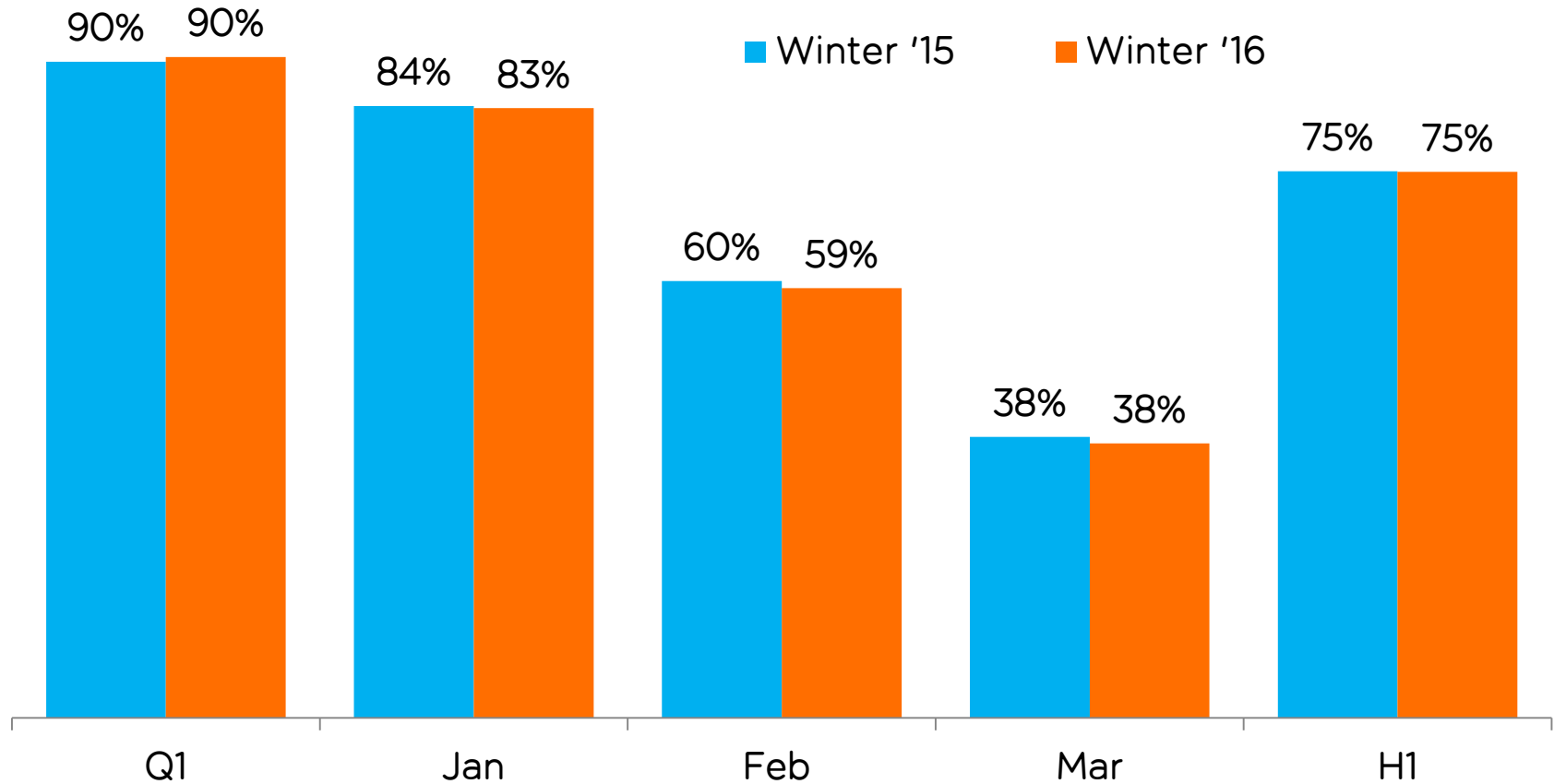
- \$10 per tonne movement in the price of jet fuel will impact the full year pre-tax result by +/- \$2.9 million
- 1 dollar cent movement will impact the full year pre-tax result by +/- £1.4 million
- 1 euro cent movement will impact the full year pre-tax result by +/- £0.6 million
- 1 CHF cent movement will impact the full year pre-tax result by +/- £0.4 million

Sensitivities FY'17

- \$10 per tonne movement in the price of jet fuel will impact the full year pre-tax result by +/- \$6.3million
- 1 dollar cent movement will impact the full year pre-tax result by +/- £2.8 million
- 1 euro cent movement will impact the full year pre-tax result by +/- £1.6 million
- 1 CHF cent movement will impact the full year pre-tax result by +/- £0.4 million

Forward bookings

% Seats sold *



Outlook

Full year profit before tax consensus

- In line with current market expectations

Capacity (seats flown)

- H1 c.+8% (before disruption)
- FY c.+7% (before disruption)

Revenue and Cost per seat at constant currency

- Revenue per seat: mid-single digit decline in Q2
- H1 cost per seat excluding fuel: +1.0% (assuming normal levels of disruption)
- FY cost per seat excluding fuel: flat to up 1.0% (assuming normal levels of disruption)

FX

- H1: c.£25 million adverse movement from foreign exchange rates
- FY: c.£50 million adverse movement from foreign exchange rates

Fuel

- H1: unit fuel costs £75 million to £85 million favourable
- FY: unit fuel costs £165 million to £180 million favourable

Summary

- Resilient commercial performance
- Strong cost performance as renewed focus delivers early benefits
- Continuing to invest in growth opportunities across our core markets
- Pipeline of revenue and cost initiatives to continue to drive returns
- Outlook for FY 2016 in line with market expectations

easyJet remains well placed to grow revenue, profits and dividends this year

Q & A

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