

20 July 2023

**easyJet plc**  
**(‘easyJet’)**

**easyJet Trading Update for the quarter ended 30 June 2023**

*easyJet performs strongly delivering a record Q3 PBT*

- **Q3 headline profit before tax £203 million (£317 million improvement vs Q3’22)**
  - Passenger growth +7% YoY
  - RPS +23% YoY
    - Load factor +2 ppts YoY
    - Ticket yield per passenger +22% YoY
    - Ancillary yield per passenger +20% YoY (+87% vs Q3 FY19)
  - easyJet holidays delivers £49 million PBT (Q3’22 £16 million)
  - Headline CPS ex Fuel reduced by 2% YoY
  - Fully crewed for pilots and cabin staff
- **easyJet holidays continues to outperform and is expected to deliver £100m+ PBT in FY23**
- **Q4 FY23 RPS is expected to be around +10% YoY**
- **H2 Headline CPS ex fuel to be broadly flat YoY**
- **\$950 million of debt repaid during Q3 – c.£1.2bn debt retired during this financial year**
- **Q1 FY24**
  - Capacity >15% YoY
  - Yields and load factor ahead YoY
  - Headline cost ex fuel expected to continue to reduce YoY

**Summary**

easyJet’s third quarter profit improved by £317 million, year on year, as demand for its network and services continues to be strong. A revenue per seat increase of 23% year on year alongside headline cost per seat ex fuel reducing by 2% and easyJet holidays PBT of £49 million is driving the Group towards a strong outcome for FY23.

Based on current booking trends, easyJet expects Q4 to deliver another record PBT performance with RPS up by around 10% year on year and cost per seat excluding fuel for H2’23 expected to remain broadly flat year on year. This guidance is subject to the operational environment with the whole industry seeing challenging conditions this summer. More constrained air space and flow rate restrictions are resulting in unprecedented ATC disruption as well as increased ATC strike days up 40% year to date vs 2019. Management have taken action to mitigate the impact of this on our customers.

Moving into this winter, easyJet is seeing good booking momentum, with sold ticket yields and load factors ahead year on year, and planned capacity up over 15% for the December quarter. Headline cost ex fuel is expected to reduce year on year and easyJet holidays continues to see demand growth, with winter bookings up >100% year on year.

easyJet currently has 163 aircraft on order for delivery through to 2028. We are now running a process to secure additional firm order positions for our longer term fleet plan. This would allow easyJet to replace older aircraft with additional options to deliver future growth.

## Outlook

- Q4 RPS up around +10% YoY
- H2 headline cost per seat ex fuel broadly flat year on year
- Q4 capacity c.29m
- Holidays to deliver medium term target of £100m+ PBT
- Booking momentum continues into Q1 FY24

## Johan Lundgren, CEO of easyJet, said:

“Our Q3 performance has been underpinned by strong passenger demand for easyJet’s network and services. We continue to provide great value to customers with around half of easyJet’s fares currently on sale still under £50.

“We are absolutely focused on mitigating the impact of the challenging external environment on our customers and flying them on their well-earned holidays.

“We continue to see good momentum as we move into Q4 where we will be operating over 160,000 flights and expect to deliver another record PBT performance. This winter we are adding more than 15% capacity and we see bookings ahead of the same period last year.”

## Capacity

During Q3 easyJet flew 26.2 million seats, a 5% increase on the same period last year when easyJet flew 24.9 million seats. Load factor was 90% (Q3 FY22: 88%) with load factor increasing to 91% in June.

Passenger<sup>1</sup> numbers in the quarter increased to 23.5 million (Q3 FY22: 22.0 million).

	April 2023	May 2023	June 2023	Q3 FY23	Q3 FY22
Number of flights	45,740	50,519	50,557	146,816	140,045
Peak operating aircraft	276	292	310	310	305
Passengers <sup>1</sup> (thousand)	7,295	7,985	8,174	23,454	22,001
Seats flown (thousand)	8,166	9,006	9,005	26,177	24,936
Load factor <sup>2</sup>	89%	89%	91%	90%	88%

## Revenue, Cost and Liquidity

Revenue continued to benefit from strong demand for easyJet’s leading network, the continued outperformance of ancillary products and easyJet holidays. Airline headline cost per seat ex fuel reduced 2% in the quarter due to no wet lease aircraft being within the fleet and a much improved operational performance compared to the same period last year.

Financing costs benefitted from the strengthening of sterling versus the USD over the quarter which has driven a non-operating, non-cash FX gain of £10 million (Q3’22: £36 million loss) from balance sheet revaluations.

During the quarter, easyJet continued to deleverage through paying down \$950 million of debt under the UKEF. This follows the 500 million Eurobond which was repaid in February 2023. The UKEF has been replaced by a new undrawn five-year sustainability linked term loan facility of \$1.75 billion, extending easyJet's debt maturity profile, whilst maintaining available liquidity and reducing the group net financing costs.

	Q3'23	Q3'22	Variance
Passenger revenue (£'m)	1,501	1,152	30%
Airline ancillary revenue (£'m)	622	486	28%
Holidays revenue <sup>3</sup> (£'m)	237	117	104%
<b>Group revenue (£'m)</b>	<b>2,360</b>	<b>1,755</b>	<b>34%</b>
Fuel costs (£'m)	(585)	(417)	(40)%
Airline headline EBITDAR costs (£'m)	(1,210)	(1,135)	(7)%
Holidays EBITDAR costs <sup>3</sup> (£'m)	(193)	(100)	(93)%
<b>Group headline EBITDAR costs (£'m)</b>	<b>(1,988)</b>	<b>(1,652)</b>	<b>(20)%</b>
<b>Group headline EBITDAR (£'m)</b>	<b>372</b>	<b>103</b>	<b>261%</b>
Group depreciation & amortisation (£'m)	(171)	(150)	(14)%
<b>Group EBIT (£'m)</b>	<b>201</b>	<b>(47)</b>	<b>528%</b>
Financing costs excluding balance sheet revaluations (£'m)	(8)	(31)	74%
Balance sheet revaluations (£'m)	10	(36)	128%
<b>Group headline PBT/(LBT) (£'m)</b>	<b>203</b>	<b>(114)</b>	<b>278%</b>
Airline passenger revenue per seat (£)	57.33	46.20	24%
Airline ancillary revenue per seat (£)	23.75	19.47	22%
<b>Total airline revenue per seat (£)</b>	<b>81.08</b>	<b>65.67</b>	<b>23%</b>
Airline headline cost per seat ex fuel (£)	(52.86)	(54.19)	2%
Airline fuel cost per seat (£)	(22.35)	(16.71)	(34)%
<b>Airline headline total cost per seat (£)</b>	<b>(75.21)</b>	<b>(70.90)</b>	<b>(6)%</b>
Cash and money market deposits (£'bn)	3.1	3.9	(21)%
Net cash/(debt) (£'bn)	0.3	(0.2)	250%

## 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		

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

easyJet fuel hedging is via a mix of swaps and options

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A copy of this Trading Statement is available at <http://corporate.easyjet.com/investors>

1) Represents the number of earned seats flown. Earned seats include seats which are flown whether or not the passenger turns up, as easyJet is a no refund airline and once a flight has departed, a no-show customer is generally not entitled to change flights or seek a refund. Earned seats also include seats provided for promotional purposes and to staff for business travel.

2) Represents the number of passengers as a proportion of the number of seats available for passengers. No weighting of the load factor is carried out to recognise the effect of varying flight (or "sector") lengths.

3) Holidays numbers include elimination of intercompany airline transactions

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