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18 April 2023

easyJet plc
(‘easyJet’)

easyJet Trading Update for the six months ended 31 March 2023

easyJet improves its first half performance by >£120 million year on year and expects to exceed FY23 market expectations¹, driven by network transformation, improved revenue capability and strong demand. Easter saw a robust operational performance with booking momentum continuing into summer

- **Continued revenue growth through Q2**
 - Passengers² +35% YoY
 - RPS +43% YoY
 - Load factor +10 ppts YoY
 - Ticket yield +31% YoY
 - Ancillary yield +16% YoY
- **Robust Easter operations**
 - Around 1,600 flights per day
 - 99.8% of planned flights operated despite impact from French ATC strikes
- **Strong bookings continue into summer 2023**
 - Q3 Airline RPS expected to be around +20% YoY
 - easyJet holidays further upgrades growth expectations to c. 60% YoY
- **Capacity**
 - H2 c.56m seats, c.9% increase YoY
 - Q3 Capacity c.26m - +7% YoY
 - Q4 capacity around pre-pandemic levels – network capacity +8% vs pre pandemic excluding Berlin rightsizing
- **Whilst we remain mindful of the uncertain macroeconomic outlook across the globe, based on current high levels of demand and strong bookings, easyJet anticipates exceeding current market profit expectations of £260 million for FY23**

Summary

easyJet reduced its first half “seasonal” losses significantly year on year, driven by self-help measures including network optimisation, improved ancillary products, and a continued cost focus which allow us to fully benefit from strong levels of demand. Headline loss before tax for the first half is expected to be between £405 and £425 million. This result is despite challenges from elevated fuel prices, market wide inflation and costs associated with building resilience into the operation ahead of summer 2023.

easyJet has ramped up capacity throughout the quarter, growing 40% from January to March. This growth will continue into peak summer where easyJet will be back to around pre-pandemic levels of capacity, with the network seeing growth of around 8% when excluding the Berlin rightsizing. easyJet is fully resourced ahead of this ramp up after successfully completing its largest ever crew onboarding campaign. The attractiveness of easyJet’s brand continues to be a differentiator, with applications received being over 8 times the number of roles recruited.

Easter demand has been strong with around 1,600 flights operating on average per day with robust operational performance achieved. Capacity over Easter, in the UK, was back around pre pandemic levels, with strong demand and positive yield growth compared to Easter 2019. Disruption from French ATC strikes continued to be seen through April, though easyJet’s investment into resilience will help mitigate its impact.

easyJet holidays continues to benefit from strong UK demand, further upgrading its growth expectations to c.60% year on year (previously 50%). easyJet holidays is currently 80% sold for this summer.

Johan Lundgren, CEO of easyJet, said:

“Demand for easyJet’s flights and holidays has continued to grow in the half, resulting in more than a £120 million pound improvement in our performance as well as a billion pound revenue improvement year on year. This is further enhanced by our transformed network of popular destinations and improved revenue capability.

“We see continued strong booking momentum into summer as customers prioritise spending on travel and choose airlines like easyJet offering the best value and destination mix, as well as easyJet holidays which is continuing its steep growth trajectory as the fastest growing holidays company in the UK.

“All of this means easyJet expects to outperform FY23 market expectations.”

Capacity

During Q2 easyJet flew 17.7 million seats, in line with guidance, a significant increase on the same period last year when easyJet flew 14.8 million seats. Load factor was 88% (Q2 FY22: 78%), due to increased customer demand coupled with restriction-free travel.

Passenger² numbers in the quarter increased to 15.6 million (Q2 FY22: 11.5 million).

	January 2023	February 2023	March 2023	Q2 FY23	Q2 FY22
Number of flights	27,716	32,844	38,713	99,273	82,247
Peak operating aircraft	264	265	267	267	272
Passengers 2 (thousand)	4,185	5,221	6,225	15,631	11,545
Seats flown (thousand)	4,933	5,856	6,903	17,692	14,844
Load factor 3	85%	89%	90%	88%	78%

Revenue, Cost and Liquidity

Total group revenue and headline costs for the first half are expected to be around £2,690 million and around £3,105 million respectively. Pricing remained strong during the first half for both ticket and ancillary revenue, demonstrating the continued success of easyJet’s network optimisation and ancillary products. Significant fuel price increases year on year and the strengthened USD have resulted in sterling fuel cost per seat being +71% (+£8.49) vs the same period last year. One-off costs were incurred during the first half as 15 wet leased aircraft utilised in summer 22 only left the fleet at the end of October.

easyJet continues to have one of the strongest, investment grade, balance sheets in european aviation. As at 31 March 2023 our net debt position was c.£0.2 billion (31 December 2022: £1.1 billion). During February 2023, a €500 million bond was repaid upon maturity.

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 circa £27 million (H1 22: £2 million gain) from balance sheet revaluations.

(£'m)	Low	High
H1 23 Group headline EBITDAR range	(80)	(60)
H1 23 Group headline EBIT range	(405)	(385)
H1 23 Group headline loss before tax range	(425)	(405)

HI 23 numbers are circa and rounded to the middle of the range provided above	H1'23	H1'22	Variance Favourable / (Adverse)
Passenger revenue (£'m)	1,750	985	78%
Airline ancillary revenue (£'m)	765	458	67%
Holidays revenue ⁴ (£'m)	175	55	218%
Group revenue (£'m)	2,690	1,498	80%
Fuel costs (£'m)	(770)	(362)	(113)%
Airline headline EBITDAR costs ex fuel (£'m)	(1,825)	(1,287)	(42)%
Holidays EBITDAR costs ⁴ (£'m)	(165)	(57)	(117)%
Group headline EBITDAR costs (£'m)	(2,760)	(1,706)	(62)%
Group headline EBITDAR (£'m)	(70)	(208)	66%
Group depreciation & amortisation (£'m)	(325)	(278)	(17)%
Group headline EBIT (£'m)	(395)	(486)	19%
Financing costs excluding balance sheet revaluations (£'m)	(47)	(61)	26%
Balance sheet revaluations (£'m)	27	2	1,150%
Group headline LBT (£'m)	(415)	(545)	24%
Airline passenger revenue per seat (£)	46.24	32.49	42%

Airline ancillary revenue per seat (£)	20.22	15.12	34%
Total airline revenue per seat (£)	66.46	47.61	40%
Airline headline cost per seat ex fuel (£)	(57.16)	(53.47)	(7)%
Airline fuel cost per seat (£)	(20.43)	(11.94)	(71)%
Airline headline total cost per seat (£)	(77.59)	(65.41)	(19)%
Sector length (km)	1,192	1,131	5%
Cash and money market deposits (£'bn)	3.5	3.5	-
Net debt (£'bn)	0.2	0.6	67%

Fuel & FX Hedging (as at 14.04.23)

Jet Fuel	H2'23	H1'24	USD	H2'23	H1'23
Hedged position	69%	43%	Hedged position	74%	51%
Average hedged rate (\$/MT)	\$896	\$890	Average hedged rate (USD/GBP)	1.24	1.21
Current spot (\$/MT) at 14.04.23	c. \$820		Current spot (USD/GBP) at 14.04.23	c. 1.25	

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

1) Current market profit expectations, as per company compiled consensus is a £260 million PBT for FY23 (as at 14.04.23).

2) 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.

3) 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.

4) easyJet holidays numbers include elimination of intercompany airline transactions

This announcement may contain statements which constitute 'forward-looking statements'. Although easyJet believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

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