RNS Number : 1034F
Jet2 PLC
06 July 2023

Jet2 plc

PRELIMINARY UNAUDITED RESULTS FOR YEAR ENDED 31 MARCH 2023

Jet2 plc, the **Leisure Travel** group (the "Group" or the "Company"), announces its preliminary results for the year ended 31 March 2023.

Group financial highlights	2023 Unaudited	2022	2020	*Change 2023 vs 2020*
Revenue	£5,033.5m	£1,231.7m	£3,584.7m	*40%*
Operating profit / (loss)	£394.0m	(£323.9m)	£293.0m	*34%*
Profit / (loss) before hedge ineffectiveness, FX revaluation and taxation	£390.8m	(£376.2m)	£264.2m	*48%*
Profit / (loss) before taxation	£371.0m	(£388.8m)	£153.2m	*142%*
Profit / (loss) for the period after taxation	£290.8m	(£315.4m)	£116.0m	*151%*
Basic earnings per share	135.4p	(147.0p)	77.9p	*74%*
Final dividend per share	8.0p	-	-	*100%*

* The rebound in consumer confidence to travel helped underpin a significantly improved financial performance as **Group profit before FX revaluation and taxation increased to £390.8m† (2022: £376.2m loss†) which was 48% higher than the pre-Covid financial year ended 31 March 2020 reporting period.**
* ***Jet2.com*** flew a total of 16.22m (2022: 4.85m) single sector passengers, an increase of 234%, with higher margin package holiday customers representing 64.9% of overall flown passengers (2022: 51.3%) which was also 13.2 ppts higher than 2020.
* Pleasingly, average load factor achieved was 90.5% (2022: 69.2%) on a 156% increase in seat capacity to 17.93m (2022: 7.01m), underlining the popularity of our leisure travel products.
* Despite having absorbed delay and associated compensation costs in excess of £50.0m as a direct impact of the broader disruption seen across the aviation sector and its supply chains in mid-summer 2022, **Group operating profit increased by 222% to £394.0m (2022: £323.9m loss).**
* Total cash balances at the year-end of £2,624.7m (2022: £2,228.5m) increased 18%. **'Own Cash'† which excludes advance customer deposits, increased by 4% to £1,127.1m (2022: £1,083.8m).**
* In view of the positive financial performance and in keeping with its previous principle of paying a moderate dividend, **the Board has resolved to pay a final dividend of 8.0p per share (2022: nil)**.
* In March 2023, the Group was delighted to take delivery of the first of its 98 firm ordered Airbus A321/A320neo aircraft, which could eventually extend up to 146 aircraft.
* In April 2023, the Group announced an equity investment in a new SAF production plant to be constructed in the North West of England - one of the first such deals in UK aviation.
* We recently announced our intention to commence operations from **Liverpool John Lennon Airport** from March 2024 - our eleventh UK base.
* On sale seat capacity for Summer 2023 is currently 7.5% higher than Summer 2022 at 15.29m seats. Although average load factors are currently 0.8ppts behind Summer 2022 at the same point, positively the mix of higher margin Package Holiday customers represents over 73% of total departing passengers at present, which is over 5ppts higher than Summer 2022.
* Despite the Group facing various input cost pressures, pricing to date for both our package holidays and flight-only products has been robust and consequently margins per booked passenger satisfactory.
* We are cognisant of how quickly the macro-economic environment is evolving and how this may affect consumers' future spending. However, we continue to believe that the **end-to-end package holiday is a resilient and popular product, particularly during difficult economic times**.
* For the long term, our strategy remains consistent - To be the UK's Leading and Best Leisure Travel Business - with '*People, Service, Profits*' serving as our guiding principles. Put simply, our Customers want to be looked after throughout their eagerly anticipated holiday experience by a happy, well paid and motivated team of ***Jet2*** Colleagues who continue to deliver outstanding service, thereby generating sustainable long-term profitability - in short, **Nothing Beats a *Jet2holiday*!**

† Further information on the calculation of this measure can be found in Note 6.

Analyst and Investor call

The management team will host an investor and analyst conference call at 9.00am UK time, on Thursday, 6th July 2023. For dial-in details for the conference call, please contact Buchanan Communications in advance to register: *Jet2@buchanan.uk.com*.

OUR CHAIRMAN'S STATEMENT

The conclusion of the Covid-19 pandemic and the unprecedented challenges faced by everyone during it, unleashed an enormous surge of pent-up demand for those experiences that consumers had truly missed in the preceding two years. One of the most important of these experiences was the opportunity to enjoy a much deserved, rejuvenating and relaxing overseas holiday.

And I am pleased to say, that despite a difficult return to normal operations, primarily due to the lack of planning and preparedness of many airports and associated suppliers, our UK Leisure Travel Business - which encompasses ***Jet2holidays***, our acclaimed ATOL licensed package holidays provider, and ***Jet2.com***, our award-winning airline - responded determinedly to provide our Customers with their eagerly anticipated ***Real Package Holidays from Jet2holidays®***.

Results for the financial year

The resumption of international travel in early 2022 resulted in the Group's financial performance for the year ended 31 March 2023 exceeding our pre-pandemic performance for the year ended 31 March 2020.

The positive progress reflects the decisions made in late 2021 to retain over 8,000 loyal Colleagues throughout the pandemic, recruiting and training in good time for Summer 2022, making early and substantial marketing investments and giving meaningful salary increases to all Colleagues. It also demonstrates the robust and sustainable nature of our business model.

For the reporting period, seat capacity increased 13% against 2020 and buoyant customer demand resulted in the business achieving an average load factor of 90.5% (2020: 92.2%). Higher margin Package Holiday customers grew by 40% to 5.29m (2020: 3.77m) and were a materially higher mix of total departing passengers at 64.9% (2020: 51.7%), with Flight-Only passengers reducing by 19% to 5.69m (2020: 7.06m).

Despite being very well prepared for our summer operations, plus the exceptional dedication of our Colleagues who consistently went above and beyond to ensure our Customers could finally embark on their long-awaited holidays, regrettably some Customers experienced frustrating delays. These hold ups were a direct consequence of the widespread disruption experienced throughout the aviation sector, including but not limited to ground handling suppliers' poor customer service, long queues for airport security checks and bottlenecks in baggage handling areas, all of which led to extreme levels of airport congestion. Consequently, delay and associated compensation costs under Regulation EU261 UK, exceeded £50.0m.

Despite these challenges, we were very proud that ***Jet2.com*** earned the accolade of being the only UK airline not to cancel a flight during July and August 2022, according to leading travel intelligence company, OAG - we were determined that our Customers should enjoy their well-deserved holidays!

Similarly, the financial performance of our in-flight retail operation was weaker than expected during early Summer 2022. This was largely attributable to inadequate onboard product availability caused by resource limitations at our third-party in-flight retail provider.

However, despite having absorbed these substantial disruption costs, I am pleased to report that **Group profit before FX revaluation and taxation increased to £390.8m†** (2022: £376.2m loss†) which was also 48% higher than the financial year ended 31 March 2020, the last pre-Covid reporting period.

After accounting for net FX revaluation losses of £19.8m (2022: £12.6m), total **profit before taxation was £371.0m** (2022: £388.8m loss).

† Further information on the calculation of this measure can be found in Note 6.

Dividend

Prior to the pandemic, and subject to satisfactory financial performance, the Board traditionally paid a modest dividend whilst seeking to re-invest the majority of cash generated in growing the business. For the year, basic earnings per share were 135.4p (2022: (147.0p)) and in view of the positive financial performance and in keeping with its previous principle, the Board has resolved to pay a final dividend of 8.0p per share (2022: nil). This final dividend is subject to shareholders' approval at the Company's Annual General Meeting on 7 September 2023 and will be payable on 25 October 2023 to shareholders on the register at the close of business on 22 September 2023, with the ex-dividend date being 21 September 2023.

Our Strategy

To be the UK's Leading and Best Leisure Travel business

In February 2003, ***Jet2.com*** proudly welcomed its first Customers onboard, and over 100 million happy holidaymakers later, we were thrilled to celebrate our 20th anniversary in February 2023, with ***Jet2holidays*** now the UK's largest package holiday provider and ***Jet2.com*** the UK's 3rd largest airline by number of passengers flown.

While many aspects have evolved in the intervening years, our unwavering commitment to our *"Customer First"* ethos has remained steadfast and is what has driven ***Jet2***'s continuing success. At the core of ***Jet2holidays*** and ***Jet2.com*** brand values lies the dedication to delivering exceptional service. We recognise that whether our Customers choose to embark on end-to-end ***Real Package Holidays from Jet2holidays®***, or simply enjoy a holiday flight with ***Jet2.com***, providing an appealing and memorable holiday experience fosters loyalty and encourages repeat bookings.

Our long-term ambition remains: **To be the UK's Leading and Best Leisure Travel business** Achieving this objective demands **a clear strategic vision and an unwavering customer focus, accompanied by consistent and often material investment**.

New Aircraft Order

In October 2022 we were pleased to announce that we were entering into a further agreement with Airbus to purchase another 35 new firm ordered Airbus A321/A320neo aircraft with the ability for this to extend up to 71 aircraft. Combined with existing orders, this brings the total number of firm ordered Airbus A321/A320neo aircraft for the Group to 98, which could eventually extend up to 146 aircraft. Critically, this agreement ensures certainty of supply well into the next decade.

The Group was delighted to take delivery of the first of these aircraft in March 2023. With a spacious cabin capacity for 232 passengers and operational advantages through reduced fuel consumption and resultant carbon emissions per seat, plus a much lower noise footprint against previous generation single aisle aircraft models, these aircraft will enable ***Jet2.com*** and ***Jet2holidays*** to grow more sustainably. We are certain that the introduction of the A321/A320neo aircraft will ensure that our Customers continue to have a wonderfully comfortable and enjoyable experience for many years to come.

Investment in Sustainable Aviation Fuel

As a socially and environmentally responsible airline and tour operator, we take our environmental impact seriously. We firmly believe that Sustainable Aviation Fuel ("SAF") is currently one of the most effective solutions for reducing carbon emissions and is key to achieving net-zero status by 2050. Consequently, in April 2023, the Group announced an equity investment in a new SAF production plant to be constructed in the North West of England - one of the first such deals in UK aviation. The Fulcrum NorthPoint facility, being developed by Fulcrum BioEnergy Ltd, will operate as a Waste-to-Fuels plant, and is anticipated to commence SAF production by 2027. Once operational, ***Jet2.com*** will receive a significant volume of SAF from the plant and expects to achieve net emissions reductions totalling approximately 400,000 tonnes of CO_2 over the 15-year period of the agreement.

New Training Facility

In February 2023, we were pleased to announce a new Airbus A321 flight simulator and training centre at Cheadle, near Manchester Airport. The new centre builds on the success of the Company's first training centre near Bradford, which opened in 2014. This bespoke facility will provide a centre of excellence for existing and new pilots, engineers, cabin crew and ground operations Colleagues. The three-storey building will house full and fixed-base flight simulators, cabin crew trainer units, engineering training devices to enact real-life scenarios, high-tech computer based training rooms, fully equipped classrooms and briefing rooms. The centre enables ***Jet2.com*** to underpin its growth ambitions by training thousands of Colleagues each and every year.

New UK Base

Finally in May 2023, we were delighted to announce the launch of our highly acclaimed flights and holidays from **Liverpool John Lennon Airport** This development marks a significant milestone as it becomes our eleventh UK base and is aligned with our long-term strategy to sustainably grow our successful business.

Recognising the significant demand from both consumers and independent travel agents across Liverpool, Merseyside and the wider region, we are looking forward to commencing operations from March 2024. Between now and then, our focus is on meticulous preparation to ensure a seamless launch, so that from day one we can provide Customers with the same award-winning service which has delighted millions of others across the UK for so many years!

Nothing Beats a *Jet2holiday*!

Our Customers

We deeply appreciate the trust that our Customers place in us to provide them with an exceptional holiday experience, and there is no better validation of our performance than the recognition received from the consumer champion Which? and its members.

We take immense pride in the fact that ***Jet2.com***, ***Jet2holidays***, and ***Jet2CityBreaks*** continue to hold the distinguished status of being Which? *Recommended Providers*, reflecting our unwavering commitment to delivering exceptional service. Additionally in July 2023, ***Jet2Villas*** was named as a Which? *Recommended Provider* for the first time - a great achievement. We are also delighted that ***Jet2.com*** and ***Jet2holidays*** have recently been honoured as **Travel Brand of the Year 2023** by Which?, marking the second consecutive year and the third time in six years that we have received this prestigious accolade. This recognition acknowledges our dedication to prioritising our Customers' satisfaction, both throughout the challenging period of the pandemic and following the resumption of international travel.

We understand that during times of uncertainty, **consumers seek operators they can trust and who offer them the best value for their money**. Therefore, our total focus leading up to Summer 2023 has been on delivering the same industry-leading levels of customer service that our Customers have come to expect from us.

With this in mind, we have assumed direct control of all ground-handling operations (check-in; baggage handling and aircraft despatch) at a further two of our UK bases: Bristol and Newcastle - this means we now independently 'self-handle' at seven of our eleven UK bases and our Colleagues now control and manage passenger check-in at all but one of our UK bases. This expansion ensures a seamless and efficient experience for our valued Customers and eliminates any reliance on third parties for these crucial aspects of our operations.

As a result of our unwavering focus to do what is right for our Customers, we are confident they will be even more determined to indulge in the wonderful experience of a well-deserved ***Jet2holiday*** and we are fully committed to doing our very best to ensure that each of them "has a lovely holiday".

Our Colleagues

At the core of our company culture lies a deep-rooted *"Customer First"* ethos, guided by our principles of *People, Service, Profits* - great and attentive customer service is where we aim to excel.

Whether in the UK or Overseas, the ability of our Colleagues to continuously display our Company's ***'Take Me There'*** values (***Be Present; Create Memories; Take Responsibility;*** and ***Work As One Team)***, is of paramount importance in upholding our standards. This *"Customer First"* approach has set us apart and enabled us to be consistently recognised as an industry leader for our outstanding customer service.

Throughout the year, our Colleagues have worked tirelessly, particularly during the challenging period of early Summer 2022. The Board **is hugely appreciative for their tremendous support and efforts**, which enabled ***Jet2.com*** and ***Jet2holidays*** to fulfil the dreams of so many Customers, taking them on their well-deserved and eagerly anticipated holidays.

To recognise the invaluable contribution our Colleagues made, we were very pleased to award pay increases totalling 8% during the year ended 31 March 2023 together with an end of summer season 'Thank You Bonus' of £1,000 each. We firmly believe that happy and well paid Colleagues are fundamental to the future success of our business and with this and the pressures of elevated inflation levels in mind, we awarded a pay increase of 9% to them all for the year ending 31 March 2024.

In addition, we launched our award-winning ShareSave Scheme in September 2022, offering Colleagues the opportunity to become shareholders in ***Jet2 plc***, by granting options to acquire shares in the Company at a discount to the prevailing August 2022 share price, subject to the completion of three years' employment. The take-up rate was in excess of 60% - a very pleasing outcome.

Finally, we are delighted that the successful financial performance of the Group for the year ended 31 March 2023 has allowed us to reinstate both our **Discretionary Colleague Profit Share Scheme** for non-management Colleagues and our **Discretionary Bonus Scheme** for management Colleagues. These payments, which will be the first in four years due to the pandemic, will be made in the July 2023 payroll.

The Board is dedicated to upholding our *People, Service, Profits* ethos and is satisfied that the investment made in our Colleagues has resulted in engaged and dedicated teams who are committed to carry on delivering the outstanding *"Customer First"* service that means so much to our Customers, and which has contributed immeasurably to our long-term success.

Our Stakeholders

Suppliers

We recognise the importance of cultivating strong relationships with our many suppliers to realise our growth objectives. We were delighted to be able to resume our annual supplier conference where we focused on how we and our supplier partners can work together effectively to forge mutually beneficial long-term relationships. These strong partnerships are proving crucial as we head towards our peak flying operation in Summer 2023.

We also acknowledge the importance of timely and full payment to our suppliers, including of course our hotel partners, to underpin their financial well-being. In accordance with the *'Duty to report on payment practices and performance'* legislation, the average invoice payment period during the year reduced to 20.2 days (2022: 23.9 days) for ***Jet2.com*** Limited and to 22.7 days (2022: 27.5 days) for ***Jet2holidays*** Limited.

Shareholders

We maintain open lines of communication with our shareholders and institutional investors, engaging with them appropriately through regular interactions such as at Preliminary and Interim results meetings, individual investor meetings, broker/institutional conferences and at our Annual General Meeting.

UK Government and the Civil Aviation Authority

The Executive Directors and certain senior managers within the organisation regularly engage with senior representatives of the UK government and regulatory bodies. In the past year, discussions focused on addressing the operational disruption faced by the aviation industry in the early stages of the Summer 2022 season, as well as numerous meetings with the government and industry associations on the future of sustainable air travel. Furthermore, our Chief Executive Officer actively engages with government, business and tourism bodies in the UK and in our destination countries, fostering relationships at both national and regional levels.

In addition, our Group Chief Financial Officer has regular dialogue with the UK Civil Aviation Authority on the financial performance of the Group and our Accountable Manager, the Managing Director of***Jet2.com***, meets regularly with his respective counterparts.

Our Commitment to Sustainability

As a major provider of leisure travel in the UK, taking millions of people away on holiday, ***Jet2 plc*** aspires to be *"the leading brand in sustainable air travel and package holidays"*.

Consequently, we endeavour to operate in the most efficient and sustainable manner possible, focusing on minimising both emissions and carbon intensity (emissions per passenger kilometre) and we continue to make steady progress against the targets published in our Sustainability Strategy in September 2021.

In addition to the significant investment made in new Airbus aircraft which extends well into the next decade, and our commitment to long-term SAF production, our efficient operations also contribute to minimising our environmental impact in terms of noise and air quality pollutants. These efforts are integral to our journey towards achieving our ***Jet2 Net Zero 2050*** commitment.

Following the return to more normalised levels of flight activity and pre-pandemic load factors, the Group successfully reduced its CO_2 emissions per passenger kilometre from 67.0g in 2019 to 65.9g, representing positive progress towards our 2025 target of 65.0g.

Jet2 plc fully complies with both national and international efforts aimed at combatting climate change, which include the UK and EU Emission Trading Schemes (ETS) and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). In addition, during the year the Group offset all emissions not covered by UK and EU ETS existing carbon pricing mechanisms. This equated to voluntary offsets of over 1.5m tonnes of carbon emissions. We were delighted to work with our offsetting partner, Vertis, in selecting projects including the Darajat Geothermal Project in Indonesia and the Aksu Wind Power Project in Türkiye, ensuring that the real-world impact of our carbon offsetting program is maximised.

Following consistent investment, 47% of our Ground Support Equipment now operates on zero-carbon technology, and we have achieved an 80% reduction in single-use plastics on our aircraft as compared to 2019 - equivalent to removing 11 million items per annum!

Finally, ***Jet2holidays*** is acting on the environmental impacts in its supply chain by continuing discussions with its hotel partners and the Global Sustainable Tourism Council to implement a hotel sustainability labelling scheme, thereby enabling Customers to make more sustainable accommodation choices. More detailed information on the Group's Sustainability Strategy can be found at **www.jet2plc.com/sustainability**.

Our Board

The Board acknowledges its responsibility for ensuring the enduring prosperity of the Group. This includes overseeing its effective management and being accountable to shareholders by making decisions that generate both long-term value and ensure that the foundations of the business remain strong and sustainable in an ever-changing marketplace.

Consequently in April 2023, the Board was very pleased to announce the appointments of Simon Breakwell and Angela Luger as independent Non-Executive Directors of the Company with effect from 27 April and 3 July 2023 respectively. Their extensive expertise aligns perfectly with the current phase of our growth, and we have full confidence in their ability to make substantial contributions to the success of our business as we continue our focus on *People, Service, Profits*.

Outlook

On sale seat capacity for Summer 2023 is currently 7.5% higher than Summer 2022 at 15.29m seats. Although average load factors are currently 0.8ppts behind Summer 2022 at the same point, positively the mix of higher margin Package Holiday customers represents over 73% of total departing passengers at present, which is over 5ppts higher than Summer 2022.

Despite the Group facing various input cost pressures such as fuel, carbon taxes, a strengthened US dollar and wage increases, as well as investment to support the well-being and work-life balance of our Colleagues, pricing to date for both our package holidays and flight-only products has been robust and consequently margins per booked passenger satisfactory.

Looking forward, although we continue to believe that the **end-to-end package holiday is a resilient and popular product, particularly during difficult economic times** and our ability to offer **truly variable duration holidays** enables our Customers to tailor their holiday plans to suit their individual budgets, we are cognisant of how quickly the macro-economic environment is evolving and how this may affect consumers' future spending.

On that basis, and with the peak summer months of July, August and September not yet complete plus the majority of Winter 2023/2024 seat capacity still to sell, it remains premature as is always the case at this time of year, to provide definitive guidance as to Group profitability for the financial year ending 31 March 2024.

For the long term our strategy remains consistent - To be the UK's Leading and Best Leisure Travel Business - with *'People, Service, Profits'* serving as our guiding principles. Put simply, our Customers want to be looked after throughout their eagerly anticipated holiday experience by a happy, well paid and motivated team of ***Jet2*** Colleagues who continue to deliver outstanding service, thereby generating sustainable long-term profitability - in short, **Nothing Beats a *Jet2holiday*!**

Philip Meeson
Executive Chairman
6 July 2023

BUSINESS & FINANCIAL REVIEW

The Group's financial performance for the year ended 31 March 2023 is reported in accordance with UK-adopted international accounting standards and applicable law.

Summary Income Statement	**2023 £m Unaudited**	2022 £m	2020 £m	*Change 2023 vs 2020*
Revenue	**5,033.5**	1,231.7	3,584.7	*40%*
Net operating expenses	**(4,639.5)**	(1,555.6)	(3,291.7)	*(41%)*
Operating profit / (loss)	**394.0**	(323.9)	293.0	*34%*
Net financing expense (excluding Net FX revaluation losses)	**(5.8)**	(53.4)	(29.5)	*80%*
Profit on disposal of property, plant and equipment	**2.6**	1.1	0.7	*271%*
Profit / (loss) before hedge ineffectiveness, FX revaluation and taxation	**390.8**	(376.2)	264.2	*48%*
Hedge ineffectiveness	**-**	-	(108.4)	*100%*
Net FX revaluation losses	**(19.8)**	(12.6)	(8.1)	*(144%)*
Profit / (loss) before taxation from continuing operations	**371.0**	(388.8)	147.7	*151%*
Profit before taxation from discontinued operations	**-**	-	5.5	*(100%)*
Profit / (loss) before taxation	**371.0**	(388.8)	153.2	*142%*
Net financing expense (including Net FX revaluation losses)	**25.6**	66.0	37.6	*32%*
Depreciation	**185.2**	158.3	204.5	*9%*
Hedge ineffectiveness	**-**	-	108.4	*100%*
EBITDA from continuing operations*	**581.8**	(164.5)	498.2	*17%*

* EBITDA is included as an alternative performance measure in order to aid users in understanding the underlying operating performance of the Group. Further information can be found in Note 6.

Customer Demand & Revenue

The rebound in consumer confidence to travel following the resumption of international flying in early 2022 reaffirmed our decision to invest well ahead of the Summer 2022 season to ensure we had an ample and capable workforce available to deliver our popular holiday offering.

As a result, on sale seat capacity for the Summer 2022 season remained 14% higher than Summer 2019. This planning stability allowed us to capitalise on the sustained customer demand, particularly for our package holidays and, combined with a resilient pricing environment and effective cost management, not only resulted in a significantly improved financial performance compared to the prior pandemic-impacted year, but also materially surpassed the result achieved in the pre-pandemic year ended 31 March 2020.

During the financial year ***Jet2.com*** flew a total of 16.22m (2022: 4.85m) single sector passengers, an increase of 234% with customers choosing our end-to-end package holiday products increasing by 310% to 5.29m (2022: 1.29m) assisted by certain high volume, popular routes operating package-only flights. Consequently, higher margin package holiday customers represented 64.9% of overall flown passengers (2022: 51.3%) which was 13.2 ppts higher than 2020.

Pleasingly, average load factor achieved was 90.5% (2022: 69.2%) on a 156% increase in seat capacity to 17.93m (2022: 7.01m), underlining the popularity of our leisure travel products and the resurgence in consumer confidence to travel, with load factors in the latter months of the financial year broadly in line with those of 2019/20.

Average flight-only ticket yield per passenger sector at £100.28 (2022: £67.90) was 48% higher than the prior year, due to changes in the mix of destinations flown, notably an increase to those in the Eastern Mediterranean, combined with strong consumer demand meaning fewer promotional offers were required.

The average price of a ***Jet2holidays*** package holiday increased by 10% to £761 (2022: £689) reflecting changes in destination mix and favourable pricing driven by the consistently robust consumer demand.

Non-Ticket Retail Revenue per passenger sector declined by 14% to £25.99 (2022: £30.28). This decrease can be largely attributed to the weaker than anticipated performance of our in-flight retail operations, primarily due to resource limitations at ***Jet2.com***'s third party in-flight retail supplier which affected onboard product availability. Pleasingly, towards the end of summer this disruption had largely abated and availability levels returned to the high standards our Customers have come to expect and enjoy.

As a result, overall Group Revenue increased by 309% to £5,033.5m (2022: £1,231.7m).

Net Operating Expenses

Higher levels of flying activity led to a corresponding 250% increase in direct operating expenses (including direct staff costs) to £3,843.0m (2022: £1,099.3m), significantly lower than the revenue growth.

It is important to note that this result was achieved despite the severe operational challenges experienced during mid-Summer 2022 due to the lack of planning and investment by many airports and their associated suppliers. Despite the tremendous efforts of our Colleagues, this disruption led to a significant increase in flight delays in excess of three hours deemed eligible under EU261 UK. As a result, delay and associated compensation costs exceeded £50.0m, over 200% higher than those incurred in the financial year ended 31 March 2020.

As a gesture of the Board's huge appreciation of their tremendous efforts and support, all Colleagues received an end of summer 'Thank You Bonus' of £1,000 in recognition of the strong operational and financial performance achieved, despite the very challenging circumstances.

Underlying wage costs increased as a result of an 8% pay award made during the year, which recognised the fact that many had taken up to a 20% pay cut for the majority of the pandemic period to support the Company and also reflected the challenging inflationary environment.

Additionally, the Group continued to invest significant monies into colleague recruitment and training, not only to ensure it was well-placed to capitalise on consumer demand, but also to support a balanced lifestyle, particularly in operational areas.

The purchase of carbon allowances to satisfy our obligations under the UK and EU ETS resulted in a total charge of £76.7m and were acquired at an average price (excluding voluntary offsetting) of £63.17, up by 14% on 2022 (£55.35) and 350% on 2020 (£14.03).

Brand and direct marketing investment was over £90.0m higher than the previous year at approximately £220m as the business ramped up activity post-pandemic to optimise load factors for Summer 2022, and also drive customer bookings for Winter 2022/2023 and Summer 2023.

Pleasingly, the successful performance of the Group has meant the reinstatement of both our **Discretionary Colleague Profit Share Scheme** for non-management Colleagues at 6% of pre-tax profit and **Discretionary Bonus Scheme** for management Colleagues. These payments totalling approximately £45m, will be the first since 2019 due to the pandemic and will be made in the July 2023 payroll.

As a result, net operating expenses increased by 198% to £4,639.5m (2022: £1,555.6m).

Operating profit

Overall Group operating profit for the year was £394.0m (2022: £323.9m loss), a 34% increase on 2020 (£293.0m).

Net Financing Expense

Net financing expense of £25.6m (2022: £66.0m) is stated after finance income of £58.7m (2022: £5.1m), which improved materially due to higher levels of cash deposits coupled with increases to central bank interest rates made over the course of the financial year. Finance expenses of £64.5m (2022: £58.5m) increased primarily due to annualisation of the interest expense on the Group's convertible bond, which resulted in a cost of £17.3m (2022: £13.6m) and additional interest incurred on lease liabilities as a result of aircraft acquired to support further fleet expansion.

In addition, a net FX revaluation loss of £19.8m (2022: £12.6m) resulted from the year end revaluation of foreign currency denominated monetary balances.

Statutory Profit for the Year

As a result, the Group made **a statutory profit before taxation of £371.0m** (2022: £388.8m loss) which was over 150% higher than the pre-pandemic performance in the year ended 31 March 2020.

Taxation

The Group recorded a tax charge of £80.2m (2022: £73.4m credit), at an effective tax rate of 22% (2022: 19%). The Finance Bill enacted on 10 June 2021 detailed a proposed increase in the rate of corporation tax from 19% to 25% from 1 April 2023 and consequently, the Group has provided for all deferred tax at 25% (2022: 25%).

Statutory Net Profit for the year and Earnings Per Share

Consequently, the Group made **a statutory profit after taxation of £290.8m** (2022: £315.4m loss) and basic earnings per share were 135.4p (2022: (147.0p)).

Other Comprehensive Income and Expense

The Group had an Other comprehensive expense of £179.0m (2022: £193.1m income); the change compared to the prior year primarily due to the transfer to the consolidated income statement over the course of the current year of hedged gains from in-the-money fuel derivatives from the previous year.

Cash Flows and Financial Position

The Group continues to maintain a strong balance sheet with significant liquidity which gives flexibility to pursue its growth aspirations and to refresh certain of its aircraft fleet.

The following table sets out condensed cash flow data and the Group's cash and cash equivalents and money market deposits:

Summary of Cash Flows	**2023** **£m** **Unaudited**	2022 £m	2020 £m	*Change 2023 vs 2020*
EBITDA from continuing operations	**581.8**	(164.5)	498.2	*17%*
EBITDA from discontinued operations	**-**	-	20.9	*(100%)*

Other Income Statement adjustments	**7.8**	3.0	(0.4)	*2,050%*
Operating cash flows before movements in working capital	**589.6**	(161.5)	518.7	*14%*
Movements in working capital	**362.6**	966.0	(21.5)	*1,787%*
Payment on settlement of derivatives	**-**	(15.5)	-	-
Interest and taxes	**(0.1)**	(38.0)	(54.1)	*100%*
Net cash generated from operating activities	**952.1**	751.0	443.1	*115%*
Purchase of intangibles	**-**	-	(26.8)	*100%*
Purchase of property, plant and equipment and right-of-use assets	**(196.6)**	(108.4)	(211.3)	*7%*
Movement on borrowings	**(287.7)**	268.5	27.0	*(1,166%)*
Movement on lease liabilities	**(76.2)**	(67.5)	(99.7)	*24%*
Dividends paid in the year	**(6.4)**	-	(15.5)	*59%*
Other items	**11.0**	5.9	9.1	*21%*
Net increase in cash and money market deposits [(a)]	**396.2**	849.5	125.9	*215%*

(a) Cash flows are reported including the movement on money market deposits (cash deposits with maturity of more than three months from point of placement) to give readers an understanding of total cash generation. The Consolidated Statement of Cash Flows reports net cash flow excluding these movements. Further information on these balances as at the year-end can be found in Note 6.

Net Cash Generated From Operating Activities

The Group generated operating cash inflows before working capital movements of £589.6m (2022: £161.5m outflow) primarily driven by the Leisure Travel business trading performance which resulted in EBITDA improving to £581.8m (2022: EBITDA of £164.5m loss).

In addition, movements in working capital resulted in cash inflows of £362.6m (2022: £966.0m), principally due to holding higher levels of customer cash deposits than the prior year from much improved forward bookings and an increase in trade and other payables due to increased operational activity in the final quarter of the year as compared to the previous year. After net interest received of £15.1m (2022: £38.4m paid) and corporation tax payments of £15.2m (2022: £0.4m refunded), the Group generated £952.1m of cash from its operating activities (2022: £751.0m).

Net Cash Used In Investing Activities

Total capital expenditure amounted to £196.6m (2022: £108.4m) primarily representing pre-delivery payments made for the Group's Airbus A321/A320neo order and including the balance payment for the first Airbus A321neo delivery received in March 2023. Additionally, we continued to invest in the ongoing maintenance of our existing aircraft fleet, ensuring its long-term reliability and performance. Furthermore, we were delighted to acquire a second flight simulator and training centre near our Manchester Airport base. This bespoke facility will serve as an additional dedicated training hub for our pilots, cabin crew, engineers and other operational functions as we continue to grow over the coming years. Finally, as part of our commitment to achieve the targets set out within our Sustainability Strategy, we continued to invest in improving the carbon efficiency of our ground service equipment at our UK bases, transitioning from combustion engine to electric (either fully electric or hybrid) powered alternatives.

Net Cash Used In Financing Activities

Net cash used in financing activities amounted to £370.3m (2022: £201.0m cash generated from financing activities) following repayments of borrowings and lease liabilities of £363.9m (2022: £327.0m), which included repayment of the existing £65.0m Revolving Credit Facility ("RCF") and early repayment of a £150.0m short term loan taken out during the pandemic, and an interim dividend payment of £6.4m (2022: nil). There were no new loans advanced during the year (2022: £528.0m).

Other items totalling an inflow of £11.0m (2022: £5.9m) are largely driven by the effect of foreign exchange rate changes on the Group's cash and money market deposit balances totalling £8.3m (2022: £4.8m) and £2.7m proceeds from engine sales (2022: £1.1m).

Overall, this resulted in a net cash inflow of £396.2m (2022: £849.5m) and a year-end gross cash position (including money market deposits)† of £2,624.7m (2022: £2,228.5m). Net cash, stated after borrowings and lease liabilities increased by 90% to £1,249.7m (2022: £658.3m).

At the reporting date, the Group had received payments in advance of travel from its Leisure Travel customers amounting to £1,497.6m (2022: £1,144.7m) and had increased its 'Own Cash'† balance to £1,127.1m (2022: £1,083.8m).

† Further information on the calculation of this measure can be found in Note 6.

Liquidity

The Group maintains a robust financial position, characterised by a strong balance sheet and ample liquidity. This financial strength gives the flexibility to pursue our growth ambitions, comfortably repay our borrowings and to renew certain aircraft within our fleet.

In October 2022, the Group successfully renegotiated its RCF, with the addition of one new financing partner, National Westminster Bank plc, alongside our three existing supportive relationship banks: Barclays Bank plc; HSBC UK Bank plc; and Lloyds Bank plc. The new RCF, which remains undrawn, provides the Group with unsecured available facilities of up to £300m and represents an increase of £200m from the previous arrangement.

An important feature of the new facility is its sustainability focus. Commencing 1 April 2023, it will be linked via a margin ratchet adjustment to sustainability criteria, specifically the Group's key climate metric - gCO2 per passenger kilometre aircraft fuel burn. This integration of sustainability targets into our financing structure underscores our commitment to addressing the climate impact and aligning our financial operations with our environmental objectives.

Summary Statement of Financial Position	2023	2022	2020	Change
	£m	£m	£m	2023 vs 2020
	Unaudited			
Non-current assets [(a)]	**1,519.8**	1,363.9	1,492.7	*2%*
Net liabilities [(b)]	**(115.0)**	(87.6)	(138.7)	*17%*
Cash and money market deposits	**2,624.7**	2,228.5	1,387.5	*89%*
Deferred revenue	**(1,563.6)**	(1,189.1)	(745.2)	*(110%)*
Borrowings	**(729.2)**	(991.7)	(485.7)	*(50%)*
Lease liabilities	**(645.8)**	(578.5)	(672.7)	*4%*
Deferred taxation	**(36.7)**	(12.6)	(78.7)	*53%*
Derivative financial instruments	**(41.8)**	163.7	(191.5)	*78%*
Assets held for sale	**-**	-	66.4	*(100%)*
Total shareholders' equity	**1,012.4**	896.6	634.1	*60%*

(a) Stated excluding derivative financial instruments.

(b) Stated excluding cash and cash equivalents, money market deposits, deferred revenue, borrowings, lease liabilities and derivative financial instruments.

Total shareholders' equity increased by £115.8m (2022: £67.6m decrease) which included the profit after taxation of £290.8m (2022: £315.4m loss). This was partially offset by a net movement within the cash flow hedging and cost of hedging reserves of £182.9m, notably the crystallisation of prior year in-the-money fuel derivatives during the year.

Our Leisure Travel business emerged from the pandemic at the beginning of 2022 firmly on the front foot, made possible by its strong Own Cash position, a well-capitalised Balance Sheet and a highly committed, skilled workforce. These invaluable resources have helped steer the Group through a phased recovery to more normalised levels of operational activity. Moreover, they form the bedrock of our growth ambitions for the coming years.

In addition, the strength of our balance sheet means the Group is well positioned to capitalise on the growth opportunities that we believe exist for our exciting and dynamic business, but also provides us with the necessary financial resilience to adapt to and navigate potential challenges should they arise.

Gary Brown
Group Chief Financial Officer
6 July 2023

Leisure Travel Key Performance Indicators	2023	2022	2020	Change 2023 vs 2020
Leisure Travel sector seats available (capacity)	**17.93m**	7.01m	15.85m	*13%*
Leisure Travel passenger sectors flown	**16.22m**	4.85m	14.62m	*11%*
Leisure Travel load factor	**90.5%**	69.2%	92.2%	*(1.7 ppts)*
Flight-only passenger sectors flown	**5.69m**	2.36m	7.06m	*(19%)*
Package holiday customers	**5.29m**	1.29m	3.77m	*40%*
Package holiday customers % of total passenger sectors flown	**64.9%**	51.3%	51.7%	*13.2 ppts*
Flight-only ticket yield per passenger sector (excl. taxes)	**£100.28**	£67.90	£85.59	*17%*
Average package holiday price	**£761**	£689	£687	*11%*
Non-ticket revenue per passenger sector	**£25.99**	£30.28	£24.91	*4%*
Fuel requirement hedged - next 12 months	**81.8%**	87.6%	N/A	N/A
Advance sales made as at 31 March	**£3,028.2m**	£2,396.0m	£1,679.2m	*80%*

For further information please contact:

Jet2 plc Philip Meeson, Executive Chairman Gary Brown, Group Chief Financial Officer	**0113 239 7692**
Cenkos Securities plc **Nominated Adviser** Katy Birkin / Camilla Hume	**020 7397 8900**
Canaccord Genuity **Joint Broker** Adam James	**020 7523 8000**
Jefferies International Limited **Joint Broker** Ed Matthews / Becky Lane	**020 7029 8000**
Buchanan **Financial PR** Richard Oldworth / Toto Berger	**020 7466 5000**

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

for the year ended 31 March 2023

		Results for the year ended 31 March 2023 £m	Results for the year ended 31 March 2022 £m
Revenue		**5,033.5**	1,231.7
Net operating expenses	3	**(4,639.5)**	(1,555.6)
Operating profit / (loss)		**394.0**	(323.9)
Finance income		**58.7**	5.1
Finance expense		**(64.5)**	(58.5)
Net FX revaluation losses		**(19.8)**	(12.6)
Net financing expense	4	**(25.6)**	(66.0)
Profit on disposal of property, plant and equipment		**2.6**	1.1
Profit / (loss) before taxation		**371.0**	(388.8)
Taxation		**(80.2)**	73.4
Profit / (loss) for the year *(all attributable to equity shareholders of the Parent)*		**290.8**	(315.4)

Earnings per share			
- basic	5	**135.4 p**	(147.0p)
- diluted	5	**126.6 p**	(147.0p)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

for the year ended 31 March 2023

	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Profit / (loss) for the year	**290.8**	(315.4)
Other comprehensive (expense) / income		
Items that are or may be reclassified subsequently to profit or loss:		
Cash flow hedges:		
Fair value (losses) / gains	**(49.4)**	225.2
Net amount transferred to Consolidated Income Statement	**(164.1)**	22.4
Cost of hedging reserve - changes in fair value	**(17.0)**	(8.0)
Related taxation credit / (charge)	**47.6**	(46.5)
Revaluation of foreign operations	**3.9**	-
	(179.0)	193.1
Total comprehensive income / (expense) for the year *(all attributable to equity shareholders of the Parent)*	**111.8**	(122.3)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

at 31 March 2023

	2023 £m	2022 £m
Non-current assets		
Intangible assets	**26.8**	26.8
Property, plant and equipment	**927.7**	845.2
Right-of-use assets	**565.3**	491.9
Derivative financial instruments	**14.3**	20.5
	1,534.1	1,384.4
Current assets		
Inventories	**40.2**	8.5
Trade and other receivables	**281.3**	185.8
Derivative financial instruments	**45.8**	186.3
Money market deposits	**1,669.5**	1,181.0
Cash and cash equivalents	**955.2**	1,047.5

	2,992.0	2,609.1
Total assets	**4,526.1**	3,993.5
Current liabilities		
Trade and other payables	**339.1**	217.8
Deferred revenue	**1,547.2**	1,173.4
Borrowings	**125.9**	134.5
Lease liabilities	**101.8**	74.8
Provisions	**57.4**	41.8
Derivative financial instruments	**85.1**	39.6
	2,256.5	1,681.9
Non-current liabilities		
Deferred revenue	**16.4**	15.7
Borrowings	**603.3**	857.2
Lease liabilities	**544.0**	503.7
Provisions	**40.0**	22.3
Derivative financial instruments	**16.8**	3.5
Deferred taxation	**36.7**	12.6
	1,257.2	1,415.0
Total liabilities	**3,513.7**	3,096.9
Net assets	**1,012.4**	896.6
Shareholders' equity		
Share capital	**2.7**	2.7
Share premium	**19.8**	19.8
Cash flow hedging reserve	**(15.3)**	155.2
Cost of hedging reserve	**(17.9)**	(5.5)
Other reserves	**55.2**	51.3
Retained earnings	**967.9**	673.1
Total shareholders' equity	**1,012.4**	896.6

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

for the year ended 31 March 2023

	2023 £m	2022 £m
Profit / (loss) before taxation	**371.0**	(388.8)
Net financing expense (including Net FX revaluation losses)	**25.6**	66.0
Hedge ineffectiveness	**-**	0.8
Depreciation	**185.2**	158.3
Profit on disposal of property, plant and equipment	**(2.6)**	(1.1)
Equity settled share-based payments	**10.4**	3.3
Operating cash flows before movements in working capital	**589.6**	(161.5)
Increase in inventories	**(31.7)**	(7.5)
Increase in trade and other receivables	**(117.5)**	(35.5)
Increase in trade and other payables	**118.7**	151.8
Increase in deferred revenue	**374.5**	866.7
Increase / (decrease) in provisions	**18.6**	(9.5)
Payment on settlement of derivatives	**-**	(15.5)
Cash generated from operations	**952.2**	789.0
Interest received	**58.7**	5.1
Interest paid	**(43.6)**	(43.5)
Income taxes (paid) / refunded	**(15.2)**	0.4
Net cash generated from operating activities	**952.1**	751.0
Cash used in investing activities		
Purchase of property, plant and equipment	**(193.9)**	(107.9)
Purchase of right-of-use assets	**(2.7)**	(0.5)
Proceeds from sale of property, plant and equipment	**2.7**	1.1
Net increase in money market deposits	**(481.9)**	(1,181.0)
Net cash used in investing activities	**(675.8)**	(1,288.3)
Cash (used in) / generated from financing activities		
Repayment of borrowings	**(287.7)**	(259.5)
New loans advanced	**-**	147.9
Payment of lease liabilities	**(76.2)**	(67.5)
Proceeds on issue of convertible bonds	**-**	380.1
Dividends paid in the year	**(6.4)**	-
Net cash (used in) / generated from financing activities	**(370.3)**	201.0
Net decrease in cash in the year	**(94.0)**	(336.3)
Cash and cash equivalents at beginning of year	**1,047.5**	1,379.0
Effect of foreign exchange rate changes	**1.7**	4.8
Cash and cash equivalents at end of year	**955.2**	1,047.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the year ended 31 March 2023

	Share capital £m	Share premium £m	Cash flow hedging reserve £m	Cost of hedging reserve £m	Other reserves £m	Retained earnings £m	**Total shareholders' equity £m**
Balance at 31 March 2021	**2.7**	**19.8**	**(44.2)**	**0.8**	**(0.1)**	**985.2**	**964.2**
Total comprehensive expense	-	-	199.4	(6.3)	-	(315.4)	**(122.3)**
Share-based payments	-	-	-	-	-	3.3	**3.3**
Issue of convertible bonds[1]	-	-	-	-	51.4	-	**51.4**
Balance at 31 March 2022	**2.7**	**19.8**	**155.2**	**(5.5)**	**51.3**	**673.1**	**896.6**
Total comprehensive income	-	-	(170.5)	(12.4)	3.9	290.8	**111.8**
Share-based payments	-	-	-	-	-	10.4	10.4
Dividends paid in the year	-	-	-	-	-	(6.4)	(6.4)
Balance at 31 March 2023	**2.7**	**19.8**	**(15.3)**	**(17.9)**	**55.2**	**967.9**	**1,012.4**

[1] In June 2021, senior unsecured convertible bonds were issued generating gross proceeds of £387.4m. The equity component of these bonds was valued at £51.4m and recognised in other reserves. The remaining balance held in other reserves relates to foreign exchange translation differences arising on revaluation of non-sterling functional currency subsidiaries of the Group, which totalled £3.8m at 31 March 2023.

NOTES TO THE UNAUDITED PRELIMINARY ANNOUNCEMENT

for the year ended 31 March 2023

1. Accounting policies and general information

Basis of preparation

The financial information in this preliminary announcement has been prepared and approved by the Board of Directors in accordance with UK-adopted international accounting standards and applicable law ("UK-adopted IAS").

Whilst the information included in this preliminary announcement has been prepared in accordance with UK-adopted IAS, the financial information contained within this preliminary announcement for the years ended 31 March 2023 and 31 March 2022 does not itself contain sufficient information to comply with UK-adopted IAS, nor does it comprise statutory financial statements within the meaning of section 434 of the Companies Act 2006.

The financial information for 2022 is derived from the financial statements for the year ended 31 March 2022, which have been delivered to the Registrar of Companies. The Auditor has reported on the year ended 31 March 2022 financial statements; their report:

i. was unqualified.

ii. did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report; and

iii. did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The financial statements for the year ended 31 March 2023 will be finalised on the basis of the financial information presented by the Board of Directors in this preliminary announcement and will be delivered to the Registrar of Companies in due course.

The 2023 Annual Report & Accounts (including the Auditor's Report) will be made available to shareholders during the week commencing 7 August 2023. The ***Jet2 plc*** Annual General Meeting will be held on 7 September 2023.

The financial information has been prepared under the historical cost convention except for all derivative financial instruments, which have been measured at fair value.

The Group's financial information is presented in pounds sterling and all values are rounded to the nearest £100,000 except where indicated otherwise.

Going concern

The Directors have prepared financial forecasts for the Group, comprising profit before and after taxation, balance sheets and cash flows through to 31 March 2026.

For the purpose of assessing the appropriateness of the preparation of the Group's financial statements on a going concern basis, two financial forecast scenarios have been prepared for the 12-month period following approval of these financial statements:

- A base case which assumes a full unhindered flying programme utilising an aircraft fleet of 120 at load factors above 90% against an 8% increase in seat capacity; and above 90% against an 8% increase in seat capacity; and

- A downside scenario with load factors reduced to 80% from August 2023 to reflect a possible reduction in demand but with no restrictions on flying to any of the Group's destinations.

The forecasts consider the current cash position and an assessment of the principal areas of risk and uncertainty as described in more detail in the Group's Annual Report & Accounts, paying particular attention to the impact of the current UK macro-economic environment and how this may affect consumers' future spending.

In addition to forecasting the cost base of the Group, both scenarios incorporated the funding of future aircraft deliveries with our well-established aircraft financing partners and no mitigating actions taken to defer uncommitted capital expenditure during the forecast period.

The Directors concluded that, given the combination of a closing cash balance (including money market deposits) of £2,624.7m at 31 March 2023 together with the forecast monthly cash utilisation, under both scenarios the Group would have sufficient liquidity throughout a period of 12 months from the date of approval of the financial statements at the end of July 2023. In addition, the Group is forecast to meet its RCF covenants at 30 September 2023 and 31 March 2024 under both scenarios with significant headroom.

As a result, the Directors have a reasonable expectation that the Group as a whole has adequate resources to continue in operational existence for a period of 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2023.

Accounting policies

The accounting policies adopted are consistent with those described in the Annual Report & Accounts for the year ended 31 March 2022.

2. Segmental reporting

IFRS 8 - *Operating segments* requires operating segments to be determined based on the Group's internal reporting to the Chief Operating Decision Maker ("CODM").

The CODM is responsible for the overall resource allocation and performance assessment of the Group. The Board of Directors approves major capital expenditure, assesses the performance of the Group and also determines key financing decisions. Consequently, the Board of Directors is considered to be the CODM.

The information presented to the CODM for the purpose of resource allocation and assessment of the Group's performance relates to its Leisure Travel segment as shown in the Consolidated Income Statement.

The Leisure Travel business specialises in offering package holidays by its ATOL licensed provider,***Jet2holidays***, to leisure destinations in the Mediterranean, the Canary Islands and to European Leisure Cities, and scheduled holiday flights by its airline, ***Jet2.com***. Resource allocation decisions are based on the entire route network and the deployment of its entire aircraft fleet. All ***Jet2holidays*** customers fly on ***Jet2.com*** flights, and therefore these segments are inextricably linked and represent the only segment within the Group.

Revenue is principally generated from within the UK, the Group's country of domicile. No customer represents more than 10% of the Group's revenue. Segment revenue reported below represents revenue generated from external customers.

Revenues for the Group can be further disaggregated by their nature for the purposes of IFRS 15 as follows:

	2023 **£m** **Unaudited**	2022 £m
Package holidays	**4,028.9**	887.9
Flight-only ticket revenue	**570.3**	160.3
Non-ticket revenue	**421.5**	147.0
Other Leisure Travel	**12.8**	36.5
Total revenue	**5,033.5**	1,231.7

3. Net operating expenses

	2023 **£m** **Unaudited**	2022 £m
Direct operating costs:		
Accommodation	**1,973.6**	473.5
Fuel	**521.4**	132.8
Landing, navigation and third-party handling	**403.4**	139.5
Agent commission	**142.0**	29.5
Maintenance	**105.2**	38.7
In-flight cost of sales	**76.7**	28.9
Carbon	**76.7**	11.0
Aircraft rentals (less than twelve months)	**61.1**	0.6
Other direct operating costs	**190.1**	53.6
Staff costs including agency staff	**590.4**	313.2
Depreciation of property, plant and equipment	**118.9**	105.2
Depreciation of right-of-use assets	**66.3**	53.1
Other operating charges	**313.7**	176.0
Total net operating expenses	**4,639.5**	1,555.6

4. Net financing expense

	2023 **£m** **Unaudited**	2022 £m

	2023	2022
Finance income	**58.7**	5.1
Interest expense on aircraft loans	**(16.4)**	(16.0)
Interest expense on other loans	**(7.1)**	(7.7)
Interest expense on convertible bond	**(17.3)**	(13.6)
Interest expense on lease liabilities	**(23.7)**	(21.2)
Finance expense	**(64.5)**	(58.5)
Net foreign exchange revaluation losses	**(19.8)**	(12.6)
Total net financing expense	**(25.6)**	(66.0)

5. Earnings per share

Basic earnings per share is calculated by dividing the profit / (loss) attributable to the equity owners of the Parent Company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing the profit / (loss) attributable to the equity owners of the Parent Company by the weighted average number of ordinary shares in issue during the year, adjusted for the effects of potentially dilutive share options and deferred awards, along with the potential conversion of the convertible bonds to ordinary shares at maturity in June 2026. In accordance with IAS 33, these were not included in the calculation of diluted earnings per share for the year ended 31 March 2022, as they were anti-dilutive for that loss-making period.

		2023 Unaudited			2022	
	Earnings £m	**Weighted average number of shares millions**	**EPS pence**	Earnings £m	Weighted average number of shares millions	EPS pence
Basic EPS						
Profit / (loss) attributable to ordinary shareholders	**290.8**	**214.7**	**135.4**	(315.4)	214.6	(147.0)
Effect of dilutive instruments						
Share options and deferred awards	**-**	**4.6**	**(2.8)**	-	-	-
Convertible bond	**14.0**	**21.5**	**(6.0)**	-	-	-
Diluted EPS	**304.8**	**240.8**	**126.6**	(315.4)	214.6	(147.0)

6. Alternative performance measures

The Group's alternative performance measures are not defined by IFRS and therefore may not be directly comparable with other companies' alternative performance measures. These measures are not intended to be a substitute for, or superior to, IFRS measurements.

Profit / (loss) before FX revaluation and taxation

Profit / (loss) before FX revaluation and taxation is included as an alternative performance measure in order to aid users in understanding the underlying operating performance of the Group excluding the impact of foreign exchange volatility.

EBITDA

Earnings before interest, tax, depreciation and amortisation (EBITDA) is included as an alternative performance measure in order to aid users in understanding the underlying operating performance of the Group.

These can be reconciled to the IFRS measure of profit / (loss) before taxation as below:

	2023 £m Unaudited	2022 £m
Profit / (loss) before taxation	**371.0**	(388.8)
Net FX revaluation losses	**19.8**	12.6
Profit / (loss) before FX revaluation and taxation	**390.8**	(376.2)
Net financing expense (excluding Net FX revaluation losses)	**5.8**	53.4
Depreciation of property, plant and equipment	**118.9**	105.2
Depreciation of right-of-use assets	**66.3**	53.1
EBITDA	**581.8**	(164.5)

'Own Cash'

'Own Cash' comprises cash and cash equivalents and money market deposits and excludes advance customer deposits. It is included as an alternative measure in order to aid users in understanding the liquidity of the Group.

	2023 £m	2022 £m
Cash and cash equivalents	**955.2**	1,047.5

Money market deposits	**1,669.5**	1,181.0
Cash and money market deposits	**2,624.7**	2,228.5
Deferred revenue	**(1,563.6)**	(1,189.1)
Trade and other receivables	**66.0**	44.4
'Own Cash'	**1,127.1**	1,083.8

Trade and other receivables relates to invoicing of amounts due from travel agents in respect of package holiday deposits and balance payments.

7. Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information as stipulated under the UK version of the EU Market Abuse Regulation (2014/596) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time, until the release of this announcement.