RNS Number : 0266N
Jet2 PLC
21 November 2024

Jet2 plc

Interim Results for the half year ended 30 September 2024

Another record performance with full year outlook upgraded

Group financial highlights (unaudited)	**HY25**	HY24	*% change*
Revenue	**£5,085.4m**	£4,407.4m	*15%*
Operating profit	**£701.5m**	£617.0m	*14%*
Profit before FX revaluation and taxation*	**£772.4m**	£664.6m	*16%*
Profit before taxation	**£791.4m**	£660.5m	*20%*
Profit for the period after taxation	**£592.9m**	£496.0m	*20%*
Basic earnings per share	**279.3p**	231.0p	*21%*
Interim dividend per share	**4.4p**	4.0p	*10%*

- Further strong progress made against our growth strategy as the Group **delivered another record performance in terms of passenger numbers, revenues and profitability**.
- **Strong financial performance as Group operating profit increased 14% to £701.5m and Group profit before foreign exchange revaluation and taxation* increased 16% to £772.4m.**
- Total cash and money market deposits increased 12% to £3,596.4m (2023: £3,214.6m). **Own Cash* (excluding customer deposits) increased 9% to £2,318.3m (2023: £2,121.2m)**, providing a solid foundation for the increasing gross capital expenditure in new aircraft fleet over the coming years.
- Ten new Airbus A321neo aircraft received and in service. Investment continues in infrastructure and technology to improve our *Customer First* product proposition and support our growth ambitions.
- Winter 2024/25 on sale seat capacity is currently 14% higher than Winter 2023/24 at 5.11m seats. The closer to departure, later booking profile experienced during Summer 2024 has continued. Average pricing to date is displaying a modest increase for our package holiday product, with flight-only slightly ahead.
- With a material amount of the Winter 2024/25 season still to sell, **we are currently on track to deliver Group profit before FX revaluation and taxation for the year ending 31 March 2025 ahead of market expectations‡**, assuming no material extraneous events in the remainder of the financial year.
- Summer 2025, on sale capacity of 18.74m seats is approximately 9% higher than Summer 2024, including our new UK bases at Bournemouth and London Luton airports. Bookings and pricing at this very early stage are in line with management expectations.

Steve Heapy, *Jet2 plc* Chief Executive Officer, commented:

"We are delighted to have delivered another record financial performance during the first half of the year. This result continues to demonstrate that **our end-to-end package holidays and scheduled holiday flights, underpinned by our *Customer First* approach, remain popular and resilient products**.

I would also like to thank our amazing Colleagues who have helped deliver this result and who are ambassadors of **our *People, Service, Profits* guiding principles** and who continue to deliver award winning, sector leading customer service on a daily basis.

Even in difficult economic times, **the annual overseas holiday remains a highly valued and eagerly anticipated experience, often taking precedence over other discretionary spend**. As a result, we are confident that our proven business model - anchored to delivering a fantastic customer service with a well-established, trusted holiday brand - offers customers a compelling value proposition. With our extensive product range, appealing flight times and truly variable duration holidays, customers have plenty of choice and flexibility to be able to tailor their holiday plans to meet their individual budgets."

* *Further information on the calculation of this measure can be found in Note 3.*

‡ *Based on Company compiled consensus, the Board believes the current average market expectations for Group profit before FX revaluation and taxation for the year ending 31 March 2025 to be £541m.*

Analyst and Investor call

The management team will host an investor and analyst conference call at 9.00am UK time, on Thursday, 21st November 2024. For dial-in details for the conference call, please contact Burson Buchanan in advance to register: *Jet2@buchanan.uk.com*

STRATEGIC AND OPERATIONAL UPDATE

Results for the half year

We are very pleased to report another record financial performance as the business delivered a **14% increase in Group operating profit to £701.5m (2023: £617.0m) and a 16% increase in Group profit before foreign exchange revaluation and taxation to £772.4m (2023: £664.6m)**. This result underlines the popularity, flexibility, resilience and continuing momentum of our *Customer First* product offering. Consequently, basic earnings per share increased 21% to 279.3p (2023: 231.0p).

For the reporting period, seat capacity increased by 13% to 14.85m (2023: 13.20m), with ***Jet2.com*** flying 13.34m passenger sectors (2023: 11.97m). Passenger demand was characterised by a higher proportion than usual booking much closer to their departure date, meaning pricing for both our package holiday and flight-only leisure travel products needed to remain consistently attractive.

Our higher absolute margin per passenger package holiday customers increased by 8% to 4.67m (2023: 4.31m) reinforcing ***Jet2holidays'*** position as the UK's leading tour operator and representing 69.2% of the total mix of flown passengers (2023: 70.8%). Average package holiday pricing remained resilient, growing by 6% to £904 (2023: £855) as supply-led inflationary increases were passed on.

Pleasingly, appetite for our shorter lead time flight-only product also increased by 18% to 4.11m passengers (2023: 3.49m). While Flight-only ticket yield per passenger sector declined by 1% to £130.81 (2023: £131.71†), total margin gained from the strong late demand more than offset this slight price decrease.

As is typical for the Group, losses are to be expected in the second half of the financial year, as we continue to invest in:

- additional aircraft to support seat capacity growth of approximately 9% for Summer 2025;
- marketing to ensure we optimise our pre-Summer 2025 forward booking position;
- Sustainable Aviation Fuel (SAF) in line with the UK and EU Governments' mandates of a minimum 2% blend in the jet fuel supply from 1 January 2025;
- retaining sufficient operational colleagues through the winter months to ensure appropriate resilience ahead of Summer 2025; and
- attracting new colleagues in readiness for further expansion of our exciting package holiday and flight-only offerings, including at our new UK bases at Bournemouth and London Luton airports where operations commence in February and April 2025 respectively.

In addition, the final quarter will not benefit from last year's early Easter, making the prior year comparatives more challenging.

† The prior year Flight-only ticket yield per passenger sector and Non-ticket revenue per passenger sector have been restated. Further information on this can be found in Note 4.

Interim Dividend

In view of the half year financial performance, the current full year outlook, its continued confidence in the Group's prospects and in line with its capital allocation principles, the Board has resolved to pay an interim dividend of 4.4p per share (2023: 4.0p). The dividend will be paid on 7 February 2025 to shareholders on the register at 3 January 2025, with the ex-dividend date being 2 January 2025.

Operational Highlights

Our Commitment to Sustainability

In May 2024, the Group updatedits Sustainability Strategy, with a series of bold, clear and pragmatic actions throughout our business (**In the Air**; **On the Ground**; and **In Resort**) on our path to net zero by 2050. We recently submitted our plans to the Science Based Targets initiative (SBTi) for external review and validation, demonstrating our commitment to deliver a 35% carbon intensity reduction by 2035. We were also pleased to receive ISO 14001 accreditation recently, meaning that ***Jet2***'s approach to sustainability has been certified to the internationally recognised standard for environmental management.

During 2024, ***Jet2.com*** used a 1% blend of SAF at London Stansted, Bristol and Malaga airports, purchasing approximately 1,200 tonnes almost a year ahead of the UK and EU Governments' SAF mandates due to be introduced from January 2025. In addition, we continued to support our hotel partners on their journey towards becoming independently certified as sustainable - we now proudly offer over 1,200 hotels as part of our Certified Sustainable Hotels collection, giving our Customers the ability to make more sustainable accommodation choices.

More detailed information on the Group's Sustainability Strategy can be found at www.jet2plc.com/sustainability.

Aircraft Fleet

In June 2024, we exercised the remaining 36 purchase rights of our A321neo aircraft order with Airbus. Consequently, the Group now has 146 firm ordered A321neo aircraft with CFM engines delivering through to 2035, of which 10 have been received to date in line with our delivery schedule. In addition, we have secured a further 9 new A321neo leased aircraft from third party lessors delivering between November 2024 and mid-2026. The Group currently expects to receive a combined total of 14 aircraft across its owned and leased fleets by December 2025.

The final 6 of our Boeing 757-200 aircraft will leave the fleet during Winter 2024/25 as ***Jet2.com*** continues to retire older, less efficient aircraft. The new A321neo aircraft benefit from approximately 20% more seats than our average fleet size and superior fuel efficiency (and resultant reduced carbon emissions per seat), which will play an important part in enabling us to achieve our ***Jet2 Net Zero 2050 pledge***. In addition, the aircraft is also much quieter, having a noise footprint approximately 50% smaller than older models in its class.

This significant long-term investment ensures certainty of aircraft supply well into the next decade, underpinning our growth and fleet modernisation ambitions.

Award-winning customer service

Jet2holidays is the UK's largest tour operator and is ATOL-licenced for over 7 million customers, representing over 21% of total ATOL licences issued at 1 October 2024. The bedrock of this large operation are our amazing Colleagues, who consistently deliver our market leading customer experience and are reflective of our *People, Service, Profits* guiding principles.

The importance of a seamless disruption-free holiday experience for our Customers cannot be under-estimated, which is why any flight cancellations remain limited to exceptional circumstances. This industry-leading approach resulted in a cancellation rate of 0.07% during the period across our operation of over 75,000 flights.

Building on our high trust ratings on Which?, TripAdvisor and Trustpilot and our recognition as the leading airline and holiday company on the UK Customer Satisfaction Index (UKCSI), our *Customer First* approach has continued to be acknowledged as we were awarded **European Airline of the Year** at the recent *Airline Economics Aviation 100 Awards*. Furthermore, our repeat customer booking rate for package holidays of 60% and consistently high overall net promoter scores, in the 60s for ***Jet2.com*** and ***Jet2holidays*** products respectively, are clear indicators that Customers truly appreciate the quality of our product and our award-winning VIP customer service.

New UK Bases

Meticulous preparation ahead of the start of our operations from Liverpool John Lennon Airport resulted in a seamless launch on 28 March 2024, with over 215,000 passengers having departed from Liverpool to their holiday destinations so far! Pleasingly, the strong customer demand from the wider Merseyside region has been followed by very positive feedback for our ***Real Package Holidays from Jet2holidays®***, and leisure flights with ***Jet2.com***. We are delighted to have a fifth aircraft based at Liverpool for Summer 2025, which will allow us to grow our capacity to 720,000 seats.

In addition, we were delighted to be able to announce further expansion of our footprint in the South of England at Bournemouth and London Luton airports where operations will commence from 4 February 2025 and 1 April 2025 respectively. With a combined total of over 700,000 seats on sale for Summer 2025, we are looking forward to our first day of flying from both bases when we can begin delighting customers with our multi-award-winning leisure flights and ATOL protected package holidays, just as we do for millions of other satisfied customers across the UK every single year.

New Destinations

In October 2024, in response to strong demand from UK holidaymakers looking to explore a new city or enjoy a festive getaway this winter, we launched two brand-new and exciting ***Jet2CityBreaks*** destinations, Bratislava and Malmo. We have also commenced flying to Morocco, offering year-round sun-drenched holidays, city breaks and flights to Marrakech and Agadir.

In addition, we have expanded our Italian offering for Summer 2025 with flights on sale to Salerno and the Amalfi Coast - one of the most iconic destinations in the world.

Inflight Retail Operations Centre (ROC)

Having successfully launched the ROC, our inflight aviation supply and logistics hub during Winter 2023/24, operations were ramped up significantly for Summer 2024, with the Centre efficiently supplying inflight bar carts for over 220 flights per day at its peak. This operation, which is the first of its kind in the UK aviation industry, sets new standards for *Customer First* service, efficiency and security and has been integral to ***Jet2.com***'s average on-board stock availability improving to over 98% and materially ahead of the levels achieved in previous years. This performance helped generate a very healthy 14% improvement in inflight retail spend per passenger as compared to the prior year.

Given its success, the Group has commenced the second phase of this initiative, combining leading-edge automation with customer data intelligence, in order to create an improved, bespoke onboard retail experience which in time will further optimise our inflight revenue potential.

Outlook

Winter 2024/25 on sale seat capacity is currently 14% higher than Winter 2023/24 at 5.11m seats. The closer to departure, later booking profile experienced during Summer 2024 has continued, with November's booked to date average load factor up by 1.1ppts and season to date average load factor down by 1.3ppts. Average pricing to date is displaying a modest increase for our package holiday product, with flight-only slightly ahead.

Although there is a significant proportion of the Winter season still to sell, we are currently on track to deliver Group profit before FX revaluation and taxation for the year ending 31 March 2025 ahead of market expectations [‡], assuming no material extraneous events in the remainder of the financial year.

Looking ahead to Summer 2025, on sale capacity of 18.74m seats is approximately 9% higher than Summer 2024 including our new UK bases at Bournemouth and London Luton airports. Bookings and pricing at this very early stage are in line with management expectations.

Recent improvements in the macro-economic environment including falling inflation should help ease some cost base pressures. In addition, we are approximately 70% hedged for Summer 2025 for both foreign exchange (USD and Euro) and jet fuel and 100% hedged for calendar year 2025 carbon emissions allowances, locking in a healthy proportion of cost certainty. As ever, we continue to be mindful of the potential indirect impacts of ongoing geo-political challenges and the financial impact of the recent UK budget, in particular in the area of employment costs, which we estimate will increase our labour costs by approximately £25m per year, plus any wider consumer implications.

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BUSINESS AND FINANCIAL PERFORMANCE

Customer Demand & Revenue

With a higher proportion of customer bookings being made closer to the date of departure than the prior year, our Leisure Travel business adapted its approach to reflect the changing demand pattern to ensure its offer in the market remained attractive, delivering a strong first half financial performance.

Total seat capacity increased by 13% to 14.85m (2023: 13.20m) with flown passengers growing by 11% to 13.34m (2023: 11.97m) meaning an average load factor of 89.8% (2023: 90.7%).

Given the late booking profile, demand for our more price sensitive, shorter lead time flight-only product proved strong as passengers increased by 18% to 4.11m (2023: 3.49m). Higher absolute margin per passenger Package holiday customers also increased by 8% to 4.67m (2023: 4.31m), representing 69.2% of departing passengers during the period (2023: 70.8%).

Package holiday pricing was resilient with the average price of a ***Jet2holiday*** up 6% to £904 (2023: £855) whilst Flight-only ticket yield per passenger sector softened by 1% to £130.81 (2023: £131.71), although absolute gains from the strong late demand more than offset this slight price decrease.

Given our seat capacity growth, the later passenger booking profile, the mix of passengers and total margin achieved, we were very pleased with this outcome.

Pleasingly, non-ticket revenue per passenger sector increased by 7% to £25.18 (2023: £23.59) supported by improved in-flight product mix and stock availability from the ROC in its first full season of operation, which helped to generate a very healthy 14% increase in inflight retail customer spend per passenger.

As a result, overall Group Revenue increased by 15% to £5,085.4m (2023: £4,407.4m), with revenue per flown passenger rising 4% to £381 (2023: £368).

Operating Expenses

Hotel accommodation costs increased 21% to £2,137.2m (2023: £1,771.5m). Other than customer volume growth, continuing inflationary pressures on wages, food and energy costs added approximately 9%, with a further 2% due to an increased proportion of higher star rated hotel holidays taken.

Fuel costs increased by 4% to £486.5m (2023: £468.3m), as the increase in flying activity was offset by reductions in average hedged prices in a partial easing of the significant rate increases experienced over the previous two years, plus additional benefits from flying with new, more fuel efficient A321neo aircraft.

Landing, navigation and third-party handling costs climbed 17% to £367.5m (2023: £314.2m), with the growth above flying activity linked to average rate increases across UK and European bases, including charges for new security systems, plus third-party salary costs which have risen considerably.

Travel agents commission increased 9% to £133.9m (2023: £123.3m) in line with the rise in the average package holiday price plus volume growth in this distribution channel.

Maintenance costs rose by 25% to £92.4m (2023: £74.2m) as we operated seven additional leased aircraft in Summer 2024, bringing total leased aircraft, which have a higher maintenance rate per flying hour than owned aircraft, to 37. In addition, our engineering repair costs increased at a higher rate than average inflation, a reflection of continued global supply chain challenges.

In-resort transfer costs increased by 19% to £84.7m (2023: £71.4m) due to customer volume growth, plus increases in average rates per passenger, primarily a function of driver costs.

Carbon costs increased by 2% to £78.5m (2023: £76.9m). Volumes rose by 30% at a rate higher than the growth in flying activity as the EU Emissions Trading Scheme (ETS) exemption for return flights from the Canaries and Madeira to the UK was removed. However, this increase was largely offset as we took advantage of weaker UK ETS markets when purchasing carbon allowances and benefited from a rebasing of EU ETS free allowances. In addition, we amended our sustainability strategy discontinuing the purchasing of voluntary carbon offsets and instead investing these monies in the installation of winglets on our aircraft which directly reduce carbon emissions.

In-flight cost of sales increased by 25% to £71.4m (2023: £57.2m) which included increases in the cost of goods sold and higher cabin crew commission directly associated with the growth in inflight retail spend. This was offset by lower third-party distribution costs, with the equivalent in-house labour and overhead costs of the new ROC distribution facility recorded within either Staff costs or Other operating charges respectively.

Staff costs increased by 17% to £443.4m (2023: £379.3m) which included a 5.5% pay award in keeping with our *People, Service, Profits* principles to retain motivated colleagues who embody our *Customer First* ethos. In addition, investment in headcount grew not only to support the 13% increase in Summer 2024 seat capacity which included the first summer of operation at the ROC, but also for the future as we recruited pilots earlier for our expanding A321neo aircraft fleet.

Brand and direct marketing costs grew 9% to £136.5m (2023: £125.4m) with bookings 10% higher as the business invested to maximise average load factor and to optimise the forward bookings position for Winter 2024/25 and Summer 2025 respectively. Overall direct marketing cost of acquisition was down on the prior year due to the increased flight-only mix of passengers. In addition, investment was made in the digital transformation of our marketing technology infrastructure which will support future cost per acquisition efficiency.

efficiency.

As a result, total operating expenses increased 16% to £4,383.9m (2023: £3,790.4m), with total operating cost per flown passenger increasing 4% to £328 (2023: £316).

Operating Profit

Overall Group operating profit increased 14% to £701.5m (2023: £617.0m), with operating profit per flown passenger 2% higher at £53 (2023: £52).

Net Financing Income

Net financing income (excluding Net FX revaluation gains / (losses)) increased by £21.4m to £68.3m (2023: £46.9m), primarily due to £98.2m (2023: £80.1m) of finance income generated from higher cash deposits together with increased bank interest rates as compared to the prior year.

Finance expenses of £29.9m (2023: £33.2m) decreased following a reduction in total debt of 4% to £1,334.8m (2023: £1,393.7m) which included the prepayment of certain higher margin aircraft loan balances.

In addition, a net FX revaluation gain of £19.0m (2023: £4.1m loss) resulted from the retranslation of foreign currency denominated monetary balances as Sterling strengthened against the Euro and US Dollar.

Group profit before foreign exchange revaluation & taxation

As a result, Group profit before foreign exchange revaluation & taxation increased 16% to £772.4m (2023: £664.6m) with profit before foreign exchange revaluation & taxation per flown passenger rising 4% to £58 (2023: £56).

Statutory Net Profit for the period and Earnings Per Share

The Group tax charge of £198.5m (2023: £164.5m) is made at an effective tax rate of 25% (2023: 25%).

Consequently, Group statutory profit after taxation improved 20% to £592.9m (2023: £496.0m) and basic earnings per share increased 21% to 279.3p (2023: 231.0p).

Cash Flows

In the reporting period, the Group generated operating cash inflows before working capital movements of £861.8m (2024: £746.1m) primarily driven by the strong trading performance which resulted in EBITDA* improving to £857.0m (2023: £739.8m).

Movements in working capital, in particular a decrease in advance customer cash receipts driven by the runoff of larger customer cash balances at 31 March year on year, a reduction in hotel supplier advances and carbon emissions allowances, plus an increase in trade and other payables, a function of summer direct operating costs yet to be paid, resulted in cash outflows of £36.8m (2024: £39.3m cash inflow).

The higher interest rate environment combined with higher average cash balances resulted in an increase in net finance income received to £79.9m (2024: £38.5m). After claiming capital allowances on new aircraft spend and utilising a proportion of the deferred tax asset in respect of losses incurred during the Covid pandemic, Corporation tax payments were £18.7m (2023: £21.5m). Overall, the Group generated £886.2m of cash from its operating activities (2023: £802.4m), an increase of 10%.

Capital expenditure of £229.4m (2023: £182.0m) represented payments for two Airbus A321neo deliveries, the purchase of two previously leased midlife Boeing 737-800NG aircraft, plus pre-delivery payments for future aircraft deliveries including those related to the exercise of the remaining 36 Airbus purchase rights. We also invested in the continued maintenance of our existing aircraft fleet, ensuring its long-term reliability and performance and in our Retail Operations Centre, with the ongoing installation of leading-edge automation equipment. Finally, we commenced the construction of a second aircraft maintenance facility at Manchester Airport which is expected to be complete in late 2025, to further enhance our in-house fleet maintenance capacity.

Consequently, free cash flow increased to £656.8m (2023: £618.4m).

Net cash used in financing activities of £239.5m (2023: £31.7m) included debt repayments of £178.3m, with £87.9m in respect of aircraft finance prepaid ahead of its maturity date, and a loan advanced of £47.8m for an aircraft financed in the period. In addition, we repurchased 7.8m shares, representing just over 3.6% of our issued share capital, for consideration of £109.0m through our newly established Employee Benefit Trust (EBT), to proactively avoid shareholder dilution from satisfying Company share award schemes.

Overall liquidity increased by 12% with a total cash and money market deposits balance at the half year end of £3,596.4m (2023: £3,214.6m). **Our 'Own Cash'* position (excluding customer deposits) of £2,318.3m increased by 9% (2023: £2,121.2m).**

Total debt decreased by 4% to £1,334.8m (2023: £1,393.7m) and net cash increased by 24% to £2,261.6m (2023: £1,820.9m).

Post reporting period end, and in line with its capital allocation policy, the Company completed a £50m repurchase in aggregate principal amount of the Company's £387.4 million 1.625% guaranteed convertible bonds due in June 2026, which were surrendered for cancellation. Following this repurchase, £337.4m in aggregate principal amount remain outstanding.

** Further information on the calculation of this measure can be found in Note 3.*

Liquidity

A strong balance sheet and ample liquidity are important attributes in this industry, given its nature and capital intensity. Consequently, the Group maintains a robust financial position not only to prepare us for increasing gross capital expenditure (which is expected to approach £5.7bn in aggregate over the next 7 years) and debt repayment commitments, but also to provide financial resilience and flexibility for those opportunities and challenges that the current and future macro-economic environments may present.

Key Performance Indicators (unaudited)	HY25	HY24	Change
Seat capacity	**14.85m**	13.20m	*13%*
Flown passengers	**13.34m**	11.97m	*11%*
Load factor	**89.8%**	90.7%	*(0.9ppts)*
Flight-only passengers	**4.11m**	3.49m	*18%*
Package holiday customers	**4.67m**	4.31m	*8%*
Package holiday customers % of total flown passengers	**69.2%**	70.8%	*(1.6ppts)*
Flight-only ticket yield per passenger sector (excl. taxes)†	**£130.81**	£131.71	*(1%)*
Average package holiday price	**£904**	£855	*6%*
Non-ticket revenue per passenger sector †	**£25.18**	£23.59	*7%*
Advance sales made as at 30 September	**£2,514.3m**	£2,169.1m	*16%*

† The prior year Flight-only ticket yield per passenger sector and Non-ticket revenue per passenger sector have been restated. Further information on this can be found in Note 4.

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.

For further information, please contact:

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Mark Buxton, Finance and Investor Relations Director		
Cavendish Capital Markets Limited - Nominated Adviser	**Tel:**	**020 7220 0500**
Katy Birkin / Camilla Hume / George Lawson		
Canaccord Genuity Limited - Joint Broker	**Tel:**	**020 7523 8000**
Adam James / Harry Rees		
Jefferies International Limited - Joint Broker	**Tel:**	**020 7029 8000**
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Notes to Editors

Jet2 plc is a Leisure Travel Group, comprising***Jet2holidays***, the UK's leading provider of ATOL protected package holidays to leisure destinations across the Mediterranean, Canary Islands and European Leisure Cities and***Jet2.com***, the UK's third largest airline by number of passengers flown, which specialises in scheduled holiday flights. In its most recent financial year ended 31 March 2024, over 68% of flown passengers took an end-to-end package holiday with the remainder taking a flight-only. During the same period over 80% of Group revenue related to package holidays with the majority of the balance flight-only.

Jet2 currently operates from 11 UK airport bases at Belfast International, Birmingham, Bristol, East Midlands, Edinburgh, Glasgow, Leeds Bradford, Liverpool John Lennon, Manchester, Newcastle and London Stansted. A 12th UK base at Bournemouth airport will commence operations on 4 February 2025 with a 13th at London Luton airport commencing on 1 April 2025.

Jet2 plc

Condensed Consolidated Income Statement (Unaudited)

for the half year ended 30 September 2024

	Note	**Half year ended 30 September 2024 £m**	Half year ended 30 September 2023 £m	Year ended 31 March 2024 £m
Revenue	4	**5,085.4**	4,407.4	6,255.3
Operating expenses	5	**(4,383.9)**	(3,790.4)	(5,827.1)
Operating profit		**701.5**	617.0	428.2
Finance income		**98.2**	80.1	159.5
Finance expense		**(29.9)**	(33.2)	(70.9)
Net FX revaluation gains / (losses)		**19.0**	(4.1)	9.4
Net financing income		**87.3**	42.8	98.0
Profit on disposal of property, plant and equipment		**2.6**	0.7	3.3
Profit before taxation		**791.4**	660.5	529.5
Taxation	6	**(198.5)**	(164.5)	(130.3)
Profit for the period *(all attributable to equity shareholders of the Parent)*		**592.9**	496.0	399.2
Earnings per share				
- basic	8	279.3p	231.0p	185.9p

- diluted	8	249.7p	207.5p	170.4p

Jet2 plc

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

for the half year ended 30 September 2024

	Half year ended 30 September 2024 £m	Half year ended 30 September 2023 £m	Year ended 31 March 2024 £m
Profit for the period	**592.9**	496.0	399.2
Other comprehensive (expense) / income			
Cash flow hedges:			
Fair value (losses) / gains	**(199.8)**	87.1	(53.9)
Net amount transferred to Consolidated Income Statement	**42.3**	22.0	65.3
Cost of hedging reserve movement	**15.0**	3.3	(5.3)
Related taxation credit / (charge)	**35.6**	(28.1)	(1.5)
Revaluation of foreign operations	**(5.2)**	0.6	(1.9)
	(112.1)	84.9	2.7
Total comprehensive income for the period *(all attributable to equity shareholders of the Parent)*	**480.8**	580.9	401.9

Jet2 plc

Condensed Consolidated Statement of Financial Position (Unaudited)

at 30 September 2024

	30 September 2024 £m	30 September 2023 £m	31 March 2024 £m
Non-current assets			
Intangible assets	**26.8**	26.8	26.8
Property, plant and equipment	**1,326.0**	1,039.4	1,193.2
Right-of-use assets	**596.1**	552.8	636.4
Trade and other receivables	**25.0**	11.9	21.2
Derivative financial instruments	**7.3**	28.1	17.3
Other equity investment	**2.0**	2.0	2.0
	1,983.2	1,661.0	1,896.9
Current assets			
Inventories	**88.9**	60.7	124.8
Trade and other receivables	**253.3**	254.2	332.8
Derivative financial instruments	**1.9**	62.8	30.8
Money market deposits	**1,706.3**	1,871.6	1,745.1
Cash and cash equivalents	**1,890.1**	1,343.0	1,439.6
	3,940.5	3,592.3	3,673.1
Total assets	**5,923.7**	5,253.3	5,570.0
Current liabilities			
Trade and other payables	**1,015.7**	823.3	477.4
Deferred revenue	**1,294.1**	1,110.8	1,903.9
Borrowings	**32.7**	79.2	44.6
Lease liabilities	**119.1**	104.3	131.0
Provisions	**60.0**	68.6	63.2
Derivative financial instruments	**173.9**	38.6	83.0
	2,695.5	2,224.8	2,703.1
Non-current liabilities			
Deferred revenue	**12.6**	10.1	22.7
Borrowings	**667.9**	681.7	711.2
Lease liabilities	**515.1**	528.5	568.6
Provisions	**57.2**	49.1	39.8
Derivative financial instruments	**6.0**	0.9	5.6
Deferred taxation	**183.6**	157.9	110.1
	1,442.4	1,428.2	1,458.0
Total liabilities	**4,137.9**	3,653.0	4,161.1
Net assets	**1,785.8**	1,600.3	1,408.9
Shareholders' equity			
Share capital	**2.7**	2.7	2.7
Share premium	**19.8**	19.8	19.8
Own shares reserve	**(95.5)**	-	-
Cash flow hedging reserve	**(124.8)**	66.6	(6.7)
Cost of hedging reserve	**(10.7)**	(15.5)	(21.9)
Other reserves	**48.1**	55.8	53.3
Retained earnings	**1,946.2**	1,470.9	1,361.7

Total shareholders' equity	**1,785.8**	1,600.3	1,408.9

Jet2 plc

Condensed Consolidated Statement of Cash Flows (Unaudited)

for the half year ended 30 September 2024

	Half year ended 30 September 2024 £m	Half year ended 30 September 2023 £m	Year ended 31 March 2024 £m
Profit before taxation	**791.4**	660.5	529.5
Net financing income (including Net FX revaluation (gains) / losses)	**(87.3)**	(42.8)	(98.0)
Depreciation	**152.9**	122.1	248.8
Profit on disposal of property, plant and equipment	**(2.6)**	(0.7)	(3.3)
Equity settled share-based payments	**7.4**	7.0	14.7
Operating cash flows before movements in working capital	**861.8**	746.1	691.7
Decrease / (increase) in inventories	**35.9**	(20.5)	(84.6)
Decrease / (increase) in trade and other receivables	**73.2**	49.0	(55.7)
Increase in trade and other payables	**459.8**	436.2	134.5
(Decrease) / increase in deferred revenue	**(619.9)**	(442.7)	363.0
Increase in provisions	**14.2**	17.3	5.6
Cash generated from operations	**825.0**	785.4	1,054.5
Interest received	**100.7**	62.3	139.7
Interest paid	**(20.8)**	(23.8)	(55.5)
Income taxes paid	**(18.7)**	(21.5)	(45.2)
Net cash generated from operating activities	**886.2**	802.4	1,093.5
Cash used in investing activities			
Purchase of property, plant and equipment	**(225.0)**	(180.3)	(403.9)
Purchase of right-of-use assets	**(4.4)**	(1.7)	(4.1)
Purchase of equity investments	**-**	(2.0)	(2.0)
Proceeds from sale of property, plant and equipment	**2.7**	0.7	3.3
Net decrease / (increase) in money market deposits	**38.5**	(201.0)	(75.6)
Net cash used in investing activities	**(188.2)**	(384.3)	(482.3)
Cash used in financing activities			
Repayment of borrowings	**(103.5)**	(71.1)	(173.0)
New loans advanced	**47.8**	94.7	190.7
Payment of lease liabilities	**(74.8)**	(55.3)	(116.5)
Purchase of own shares	**(109.0)**	-	-
Dividends paid in the year	**-**	-	(25.8)
Net cash used in financing activities	**(239.5)**	(31.7)	(124.6)
Net increase in cash in the period	**458.5**	386.4	486.6
Cash and cash equivalents at beginning of period	**1,439.6**	955.2	955.2
Effect of foreign exchange rate changes	**(8.0)**	1.4	(2.2)
Cash and cash equivalents at end of period	**1,890.1**	1,343.0	1,439.6

Jet2 plc

Condensed Consolidated Statement of Changes in Equity (Unaudited)

for the half year ended 30 September 2024

	Share capital £m	Share premium £m	Own shares reserve £m	Cash flow hedging reserve £m	Cost of hedging reserve £m	Other reserves[1] £m	Retained earnings £m	**Total shareholders' equity £m**
Balance at 31 March 2023	**2.7**	**19.8**	**-**	**(15.3)**	**(17.9)**	**55.2**	**967.9**	**1,012.4**
Total comprehensive income	-	-	-	81.9	2.4	0.6	496.0	**580.9**
Share-based payments	-	-	-	-	-	-	7.0	**7.0**
Balance at 30 September 2023	**2.7**	**19.8**	**-**	**66.6**	**(15.5)**	**55.8**	**1,470.9**	**1,600.3**
Total comprehensive expense	-	-	-	(73.3)	(6.4)	(2.5)	(96.8)	**(179.0)**
Share-based payments	-	-	-	-	-	-	7.7	**7.7**
Deferred tax on share-based payments	-	-	-	-	-	-	5.7	**5.7**
Dividends paid in the year	-	-	-	-	-	-	(25.8)	**(25.8)**
Balance at 31 March 2024	**2.7**	**19.8**	**-**	**(6.7)**	**(21.9)**	**53.3**	**1,361.7**	**1,408.9**
Total comprehensive income	-	-	-	(118.1)	11.2	(5.2)	592.9	**480.8**
Share-based payments	-	-	-	-	-	-	7.4	**7.4**
Deferred tax on share-based payments	-	-	-	-	-	-	(2.3)	**(2.3)**
Purchase of own shares	-	-	(109.0)	-	-	-	-	**(109.0)**
Own shares issued under share schemes	-	-	13.5	-	-	-	(13.5)	**-**
Balance at 30 September 2024	**2.7**	**19.8**	**(95.5)**	**(124.8)**	**(10.7)**	**48.1**	**1,946.2**	**1,785.8**

[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 £3.3m at 30 September 2024.

Jet2 plc

Notes to the consolidated interim report

for the half year ended 30 September 2024 (Unaudited)

1. General information

Jet2 plc is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on AIM. The address of its registered office is Low Fare Finder House, Leeds Bradford Airport, Leeds, LS19 7TU.

The Group's interim financial report consolidates the financial statements of ***Jet2 plc*** and its subsidiaries.

This interim report has been prepared and approved by the Directors in accordance with UK-adopted international accounting standards and applicable law. It does not fully comply with IAS 34 -*Interim Financial Reporting*, which is not currently required to be applied by AIM companies.

2. Accounting policies

Basis of preparation of the interim report

This unaudited consolidated interim financial report for the half year ended 30 September 2024 does not constitute statutory accounts as defined in s435 of the Companies Act 2006. Thefinancial statements for the year ended 31 March 2024 were prepared in accordance with UK-adopted international accounting standards and applicable law and have been delivered to the Registrar of Companies. The report of the auditor on those financial statements was (i) 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 interim financial report has been prepared under the historical cost convention except for all derivative financial instruments and other equity investments, which have been measured at fair value. The accounting policies applied within this interim report are consistent with those detailed in the Annual Report & Accounts for the year ended 31 March 2024, aside from the new policy set out below in respect of the Employee Benefit Trust established in the period.

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

Employee Benefit Trust

The ***Jet2 plc*** Employee Benefit Trust (EBT) holds shares for the purpose of satisfying future awards that may vest under the Company's share-based incentive schemes. The assets and liabilities of the EBT are accounted for as assets and liabilities of ***Jet2 plc*** on the basis that the EBT is acting as the agent of ***Jet2 plc***. The EBT's purchases of ***Jet2 plc*** ordinary shares are debited directly to equity and disclosed separately in the Statement of Financial Position in the Own shares reserve.

Going concern

The Directors have prepared financial forecasts for the Group, comprising profit before and after taxation, balance sheets and projected cash flows through to 31 March 2027.

To assess the appropriateness of the preparation of the Group's interim financial report on a going concern basis, two financial forecast scenarios have been prepared for the 12-month period following approval of this interim financial report:

- A base case which assumes a full unhindered Summer 2025 flying programme utilising a fleet of 131 aircraft at average load factors above 90%, against a 6% increase in seat capacity; and
- A downside scenario with load factors reduced to 80% for 12 months from November 2024 to reflect a possible reduction in demand or the occurrence of operationally disruptive events and lack of available funding for new aircraft during this period.

The forecasts consider the current cash position and an assessment of the principal areas of risk and uncertainty, 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, the base case scenario incorporates the funding of some future aircraft deliveries with our well-established aircraft financing partners. Both scenarios reflect no mitigating actions taken to defer uncommitted capital expenditure during the forecast period.

The Directors concluded that, given the combination of a closing total cash and money market deposits balance of £3,596.4m at 30 September 2024 together with the forecast monthly cash utilisation, under both scenarios the Group would have sufficient liquidity throughout a period of at least 12 months from the date of approval of this interim financial report. In addition, the Group is forecast to meet its Revolving Credit Facility covenants at 31 March 2025 and 30 September 2025 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 at least 12 months from the date of approval of the interim financial report. For this reason, they continue to adopt the going concern basis in preparing the unaudited interim report for the half year ended 30 September 2024.

3. 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 before FX revaluation and taxation

Profit before FX revaluation and taxation is included as an alternative performance measure 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 before taxation as below:

	Half year ended 30 September 2024 £m	Half year ended 30 September 2023 £m	Year ended 31 March 2024 £m
Profit before taxation	**791.4**	660.5	529.5
Net FX revaluation (gains) / losses	**(19.0)**	4.1	(9.4)
Profit before FX revaluation and taxation	**772.4**	664.6	520.1
Net financing (income) / expense (excluding Net FX revaluation (gains) / losses)	**(68.3)**	(46.9)	(88.6)
Depreciation of property, plant and equipment	**82.1**	70.6	135.8
Depreciation of right-of-use assets	**70.8**	51.5	113.0
EBITDA	**857.0**	739.8	680.3

'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 to aid users in understanding the liquidity of the Group.

	Half year ended 30 September 2024 £m	Half year ended 30 September 2023 £m	Year ended 31 March 2024 £m
Cash and cash equivalents	**1,890.1**	1,343.0	1,439.6
Money market deposits	**1,706.3**	1,871.6	1,745.1
Cash and money market deposits	**3,596.4**	3,214.6	3,184.7
Deferred revenue	**(1,306.7)**	(1,120.9)	(1,926.6)
Trade and other receivables	**28.6**	27.5	73.3
'Own Cash'	**2,318.3**	2,121.2	1,331.4

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

4. 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 licenced 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 as follows:

	Half year ended 30 September 2024 £m	Half year ended 30 September 2023 Restated[1] £m	Year ended 31 March 2024 Restated[1] £m
Package holidays	**4,172.7**	3,628.9	5,046.4
Flight-only ticket revenue[1]	**533.2**	456.0	674.3
Non-ticket revenue[1]	**336.0**	282.3	427.4
Other Leisure Travel	**43.5**	40.2	107.2
Total revenue	**5,085.4**	**4,407.4**	**6,255.3**

[1]The comparative disaggregations of revenue for the half year ended 30 September 2023 and year ended 31 March 2024 have been restated to disclose certain ancillary revenues linked to the price of a customer flight ticket within Flight-only ticket revenue. Previously these amounts were included within Non-ticket revenue. For the half year ended 30 September 2023, Non-ticket revenue reduced from £308.9m to £282.3m and Flight-only ticket revenue increased from £429.4m to £456.0m. For the year ended 31 March 2024, Non-ticket revenue reduced from £466.8m to £427.4m and Flight-only ticket revenue increased from £634.9m to £674.3m. There are no changes to the total revenue reported.

5. Operating expenses

	Half year ended 30 September 2024 £m	Half year ended 30 September 2023 £m	Year ended 31 March 2024 £m
Direct operating costs:			
Accommodation	**2,137.2**	1,771.5	2,465.0
Fuel	**486.5**	468.3	697.4

Landing, navigation and third-party handling	**367.5**	314.2	474.9
Agent commission	**133.9**	123.3	166.9
Maintenance	**92.4**	74.2	152.0
Transfers	**84.7**	71.4	100.6
Carbon	**78.5**	76.9	106.3
In-flight cost of sales	**71.4**	57.2	92.6
Aircraft rentals (less than 12 months)	**34.8**	54.2	47.4
Other direct operating costs	**85.0**	83.9	118.1
Staff costs including agency staff	**443.4**	379.3	744.1
Marketing costs	**136.5**	125.4	264.2
Depreciation of property, plant and equipment	**82.1**	70.6	135.8
Depreciation of right-of-use assets	**70.8**	51.5	113.0
Other operating charges	**79.2**	68.5	148.8
Total operating expenses	**4,383.9**	3,790.4	5,827.1

6. Taxation

The taxation charge for the period of £198.5m (2023: £164.5m) reflects an estimated annual effective tax rate of approximately 25% (2023: 25%).

7. Dividends

The declared interim dividend of 4.4p per share (2023: 4.0p) will be paid out of the Company's available distributable reserves on 7 February 2025, to shareholders on the register at 3 January 2025, with the ex-dividend date being 2 January 2025. In accordance with IAS 1, dividends are recorded only when paid and are shown as a movement in equity rather than as a charge to the Consolidated Income Statement.

8. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the equity owners of the Parent Company by the weighted average number of ordinary shares in issue during the period. In accordance with IAS 33 -*Earnings per Share*, Own shares held by the Employee Benefit Trust are excluded from the weighted average number of shares.

Diluted earnings per share is calculated by dividing the profit attributable to the equity owners of the Parent Company by the weighted average number of ordinary shares in issue during the period, 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.

	2024 Number	2023 Number
Number of issued Ordinary Shares	**214,681,281**	214,681,281
Weighted average shares purchased by the Employee Benefit Trust	**(2,370,898)**	-
Weighted average shares issued in the year	**1,867**	-
Total weighted average number of shares	**212,312,250**	214,681,281

	Half year ended 30 September 2024			Half year ended 30 September 2023		
	Earnings	**Weighted average number of shares**	**EPS**	Earnings	Weighted average number of shares	EPS
	£m	**millions**	**pence**	£m	millions	pence
Basic EPS						
Profit attributable to ordinary shareholders	**592.9**	**212.3**	**279.3**	496.0	214.7	231.0
Effect of dilutive instruments						
Share options and deferred awards	**-**	**6.0**	**(7.7)**	-	5.9	(6.2)
Convertible bond	**6.9**	**21.9**	**(21.9)**	6.7	21.7	(17.3)
Diluted EPS	**599.8**	**240.2**	**249.7**	502.7	242.3	207.5

9. Notes to Consolidated Statement of Cash Flows

Changes in cash and financing liabilities	**Cash and cash equivalents**	**Money market deposits**	**Borrowings**	**Lease liabilities**	**Total Net cash / (debt)**
	£m	**£m**	**£m**	**£m**	**£m**
At 1 April 2024	**1,439.6**	**1,745.1**	**(755.8)**	**(699.6)**	**1,729.3**
Repayment of borrowings	-	-	103.5	-	**103.5**
Payment of lease liabilities	-	-	-	74.8	**74.8**
New loans advanced	-	-	(47.8)	-	**(47.8)**
Total changes from financing cash flows	**-**	**-**	**55.7**	**74.8**	**130.5**
Other cash flows	420.0	-	-	-	**420.0**
Deposit placements	(1,175.0)	1,175.0	-	-	**-**
Deposit receipts	1,213.5	(1,213.5)	-	-	**-**
Exchange differences	(8.0)	(0.3)	7.2	31.5	**30.4**

Unwind of interest[1]	-	-	(7.7)	(2.5)	**(10.2)**
Lease movements[2]	-	-	-	(38.4)	**(38.4)**
At 30 September 2024	**1,890.1**	**1,706.3**	**(700.6)**	**(634.2)**	**2,261.6**

[1] *Unwind of interest relates to the discount rates applied on receipt of the convertible bond and amortisation of transaction costs associated with Borrowings and Lease liabilities.*

[2] *Lease movements include new leases and lease term amendments.*

10. Contingent liabilities

The Group has issued various guarantees in the ordinary course of business, none of which are expected to lead to a financial gain or loss. None of these guarantees are considered to have a material fair value under IFRS 17 -*Insurance Contracts* and consequently no liability has been recorded.

11. Other matters

This report will be posted on the Group's website, *www.jet2plc.com* and copies are available from the Group Company Secretary at the registered office address: Low Fare Finder House, Leeds Bradford Airport, Leeds, LS19 7TU.