

EASYJET TRADING STATEMENT FOR THE QUARTER ENDED - 30 June 2019

easyJet's Q3 performance in line with expectations.

No change to cost and revenue guidance.

Summary

easyJet has delivered a robust performance in the quarter. Revenue per seat was positive, including a strong late yield performance which benefitted from easyJet's revenue initiatives as well as positive ancillary revenue growth and a solid Easter performance, while cost per seat ex fuel decreased for the quarter as easyJet made good progress with its underlying cost and operational performance. This was mainly driven by the continued focus on operational resilience which is driving improvements in customer service and significantly fewer long costly delays and cancellations.

Commenting; Johan Lundgren, easyJet Chief Executive said:

"easyJet's third quarter performance was robust and despite the tougher macroeconomic conditions was in line with expectations. Revenue increased by over 11% with RPS increasing through a combination of successful revenue initiatives, a solid Easter performance and a focus on late yield initiatives, with passenger numbers climbing by two million to over 26 million. Our customers experienced significantly reduced cancellations and long delays largely as a result of our investment in operational resilience, which also contributed significantly to driving down cost per seat ex fuel at constant currency by 4% in the period."

"We were also very proud to win the award for Best Low-Cost Airline in Europe at the Skytrax World Airlines Awards 2019, the first time in 9 years."

"We remain very focused on delivering our revenue initiatives and driving costs down to enhance our profitability per seat. With second half forward bookings at 78% we have better visibility on the second half and expect to deliver a profit before tax of between £400 million and £440 million, in line with market expectations."

Revenue

Total revenue for the quarter ending 30 June 2019 increased by 11.4% to £1,761 million. Passenger revenue increased by 10.7% to £1,387 million and ancillary revenue increased by 14.3% to £374 million.

Passenger¹ numbers in the quarter increased by 8% to 26.4 million, driven by an increase in capacity² of 10% to 28.8 million seats. Load factor³ decreased, as anticipated, by 1.7 percentage points to 91.7%, due to late yield initiatives as well as high prior year comparatives due to industrial action in France and Monarch's bankruptcy.

Total revenue per seat increased by 0.7% at constant currency, in line with expectations. This performance has been driven by:

- Increases due to:
 - A solid yield performance supported in particular by easyJet's focus on initiatives to optimise late yields and capacity discipline by competitors on easyJet's markets
 - Seasonality – the movement of Easter to the second half of the financial year (impact of c.£40 million), with the later timing of the Ascension and Pentecost public holidays also having a positive impact on the quarter
 - The move to IFRS 15 accounting (c.£10 million revenue benefit in Q3)
 - Continued growth in ancillary revenue per seat through better bag and allocated seating sales
- Partially offset by:
 - Headwinds from one-off prior year revenue benefits, including the bankruptcies at Monarch and Air Berlin and the impact of French industrial action
 - Softening of demand due to tougher macroeconomic conditions across Europe as well as Brexit-related consumer uncertainty in the UK
 - A competitive environment and typical new market ramp-up in Berlin – which is maturing in line with other new bases we have seen, and showing solid unit revenue improvement

Cost

easyJet's cost performance has been strong and in line with expectations. Headline cost per seat excluding fuel at constant currency decreased by 4.0% in the quarter reflecting:

- Decreases due to:
 - Investments in operational resilience continuing to drive down costs with lower overall levels of disruption, cancellations and costly delays over three hours
 - Wet leasing fewer aircraft, mainly due to the Tegel ramp up in Q3 2018
 - Lower employee incentive payment accruals
- Partially offset by:
 - Ownership costs reflecting new aircraft deliveries
 - Annualisation of crew pay deals and better than expected crew retention

Customer and operational performance

easyJet has improved its On-Time Performance (OTP) since the difficult 2018 summer. Despite the air traffic environment remaining challenging, easyJet's focus for this summer is on ensuring flight fulfilment and reducing severe delays for its customers. easyJet experienced 847 cancellations in Q3 2019 compared to 2,606 cancellations in Q3 2018, while delays of greater than 3hrs decreased by 32% compared to Q3 2018. This helped drive a strong CSAT score of 72.6% for the quarter.

OTP % arrivals within 15 minutes	Apr	May	Jun	Q3
2019	80.5%	76.2%	64.7%	73.7%
2018	80.7%	72.3%	65.6%	72.8%

Traffic statistics

Load factor was slightly lower than Q3 2018, as expected due to high prior year comparatives and revenue pricing strategies, with passenger growth in line with expectations.

	Apr	May	Jun	Q3
Passengers (million)	8.5	8.9	9.0	26.4
Passenger growth	7.6%	8.3%	8.1%	8.0%
Load factor	90.7%	91.1%	93.3%	91.7%

Brexit – Shareholder register update

easyJet has increased its ownership by qualifying EEA (excluding UK) nationals to 50.6% (as at 30 June 2019).

Should they be necessary easyJet has in place a number of options to maintain its ownership by qualifying nationals, including the use of the provisions contained in its Articles of Association which would permit it to suspend rights to attend and vote at meetings of shareholders and/or forcing the sale of shares owned by non-qualifying nationals as well as other potential actions⁶.

A strong balance sheet

easyJet is financially very strong. During the quarter easyJet issued a €500 million bond under its Euro Medium Term Note programme which was 3.4 times over-subscribed and carried a coupon of 0.875%. easyJet's investment grade ratings remain industry-leading at Baa1 (stable) by Moody's and BBB+ (stable) by Standard & Poor's.

As part of its focus on driving profit per seat and cash flow easyJet plans to grow capacity at the lower end of its historic growth rates in Financial Year 2020, particularly in Winter, which includes expected fleet growth to reach 332 aircraft by the end of Financial Year 2019, 349 aircraft by the end of Financial Year 2020 and 352 aircraft by the end of Financial Year 2021⁷.

Management update

easyJet has announced today that Peter Bellew will be joining easyJet as Chief Operating Officer. He will be a member of the Airline Management Board and will report to easyJet's CEO, Johan Lundgren.

Peter joins the airline from Ryanair where he has been Chief Operations Officer since December 2017, responsible for all aspects of Ryanair's flight operations.

Outlook

For the year ending 30 September 2019 easyJet expects:

- Full Year capacity to grow by c.10%, H2 capacity to grow by c.7% - unchanged
- H2 revenue per seat at constant currency to be slightly down - unchanged
- Full Year headline cost per seat excluding fuel at constant currency to be down, assuming normal levels of disruption in Q4 - unchanged
- Full Year unit fuel bill is likely to be £30 million to £50 million adverse⁴. The total fuel bill is expected to be c.£1.4 billion
- Foreign exchange⁴ movements will have a c.£5 million adverse impact on headline profit before tax

With 78% of second half seats sold we have better full year visibility and headline profit before tax for the 12 months to 30 September 2019 is expected to be between £400 million and £440 million, in line with market expectations⁵.

easyJet remains focused on driving future returns, positive free cash flow over the longer term and maximising headline profit per seat as it continues to deliver value for customers and shareholders.

KEY Q3 FINANCIALS

Three months ended	30 June 2019	30 June 2018	Change Fav./ (adv.)
Passengers (million) ¹	26.4	24.4	8.0%
Seats flown (million)	28.8	26.2	10.0%
Load factor (%) ³	91.7	93.4	(1.7ppts)
Total revenue (£ million)	1,761	1,581	11.4%
Passenger revenue (£ million)	1,387	1,253	10.7%
Ancillary revenue (£ million)	374	328	14.3%
Total revenue per seat reported (£)	61.22	60.44	1.3%
Total revenue per seat constant currency (£)	60.84	60.44	0.7%
Total headline cost per seat reported (£)	(55.16)	(55.45)	0.5%
Total headline cost per seat at constant currency (£)	(54.49)	(55.45)	1.7%
Headline cost per seat excluding fuel at constant currency (£)	(41.42)	(43.14)	4.0%
ASKs (million)	32,129	29,041	10.6%
RPKs (million)	29,861	27,459	8.7%
Average sector length (km)	1,117	1,110	0.6%

For further details please contact easyJet plc:

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Conference call details

Time: 8:00am BST

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Notes:

1. Represents the number of earned seats flown. Earned seats include seats that are flown whether or not the passenger turns up as easyJet is a no-refund airline, and once a flight has departed a no-show customer is generally not entitled to change flights or seek a refund. Earned seats also include seats provided for promotional purposes and to staff for business travel.
2. Capacity based on actual number of seats flown.
3. Represents the number of passengers as a proportion of the number of seats available for passengers. No weighting of the load factor is carried out to recognise the effect of varying flight (or "sector") lengths.
4. Based on fuel spot price range of \$575 to \$700. US \$ to £ sterling 1.26, Euro to £ sterling 1.12
5. Internally compiled, Headline PBT, market consensus as at July 2019 is £423 million
6. <http://corporate.easyjet.com/investors/shareholder-services/eu-share-ownership>
7. Includes owned and dry leased aircraft

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