

19 May 2022

easyJet plc

Results for the six months ending 31 March 2022

easyJet faces summer 2022 with optimism - with customers returning strongly to us whilst also driving a step-changed revenue capability, we expect to deliver attractive continued improvement

- Headline loss before tax of £545 million (Reported loss before tax of £557 million)
- Radical network optimisation: >1.5m seats reallocated to strongest markets
- Step-changed ancillary products delivering incremental revenue
- H2 operating CASK⁷ ex fuel expected to be close to FY19 levels
- Higher fuel and USD exchange rates layering additional cost in H2

Commenting on the results, Johan Lundgren, easyJet Chief Executive said:

“easyJet has reduced its losses year on year, at the better end of guidance. The pent-up demand and removal of travel restrictions provided for a strong and sustained recovery in trading which has been further boosted as result of our actions. These include the radical reallocation of aircraft which has seen more than 1.5m seats moved to the best performing markets and the step-change in our ancillary products delivering increased revenue – both of which have contributed to our total yield increasing by 9% compared to the same period in FY19. All of this is not only delivering now but with more to come in the future as even more passengers take to the skies.

“We have transformed the airline during the pandemic which has enabled us to emerge with renewed strength, underpinned by a product, network and service that customers really value.

“Since Easter we have been flying up to a quarter of a million customers and 1600 flights every day and in the second half leisure and domestic capacity will be above 2019 levels. It has been well documented that the industry is experiencing some operational issues so, as you would expect, we have been absolutely focused on taking action to ensure we have strengthened our operational resilience for this summer so we can deliver a great, reliable operation to our customers.

“We expect to operate 90% of FY19 capacity in Q3 and we have capacity on sale of around 97% of FY19 flying in Q4 with easyJet holidays now on track to carry over 1.1 million customers this financial year.

“And so, as we return to a more normal summer season, we are ready to capture the increased levels of demand right across our network. We are confident in our plans for summer which will see us reaching near 2019 flying levels and look forward to competing with our renewed strengths as a winner in the post pandemic recovery of European aviation.”

Overview

easyJet has continued to allocate aircraft to the markets where we see demand at its strongest. In the second half of the year leisure and domestic routes have fully recovered with capacity at 113% and 104% of FY19 levels respectively, whilst business and city traffic continues to recover with demand currently below FY19 levels. Additionally, the steps we have taken to transform our ancillary offering are delivering significant levels of incremental revenue generation without cannibalising our ticket revenue.

The airline industry has recently been experiencing operational pressures, which mainly impacted easyJet through early April. easyJet has taken action to address these pressures, which includes; proactively managing the

schedule, reducing cancellations through various measures such as, boosting recruitment, and improving ID processing. Despite this, bookings continue to be strong as we have seen demand, post the impact of the Omicron variant, returning with the removal of travel restrictions. Booking patterns have remained shorter than they were pre pandemic, however in the last 10 weeks bookings have consistently been above the levels in the same period of 2019. easyJet holidays is continuing to build, as the UK's fastest growing holiday company and remains on track to carry >1.1 million passengers in FY22 with over 70% of the program sold.

Summer 22:

- Forward bookings for the third quarter are 76% sold and 36% sold for the fourth quarter.
- In the last 10 weeks, bookings have been 6% above the same period in 2019
- Easter holidays saw load factors of 90%
- Q4 Sold ticket yields are currently 15% above 2019 and load factors expected to be >90%
- Capacity recovery:
 - H2 Leisure capacity at 113% of FY19
 - H2 Domestic capacity at 104% of FY19
- Holidays >70% sold and on track to deliver medium term target of £100m+ PBT

Capacity:

- Q3 Capacity expected to be c.90% of FY19
- Q4 Capacity on sale is c.97% of FY19

Hedging

- easyJet is currently c.71% hedged for fuel in H2 of FY22 at c.US\$619 per metric tonne, c.49% hedged for H1 FY23 at c.US\$701 and c.20% hedged for H2 FY23 at c.US\$807. The spot price on 17 May 2022 was around US\$1,225.
- Carbon obligation for CY'22 100% covered at €19/MT

Financial Summary

- Headline loss before tax of £545 million (H1 2021: £701 million loss)
 - Total revenue increased by 524% to £1,498 million (H1 2021: £240 million) predominantly due to the increase in capacity flown and ancillary products continuing to deliver incremental revenue.
 - Group headline costs increased by 117% to £2,043 million (H1 2021: £941 million), primarily due to the increase in flown capacity.
- Reported loss before tax of £557 million (H1 2021: £645 million loss).
 - Non-headline loss of £12 million (H1 2021: £56 million gain). Non-headline items consist of losses from the sale and leaseback of aircraft partially offset by restructuring provision releases.

	H1 2022	H1 2021	Change favourable/(adverse)
Capacity ¹ (millions of seats)	30.3	6.4	373.4%
Passengers ³ (millions)	23.4	4.1	470.7%

Load factor ² (%)	77.3	63.7	13.6ppts
Average sector length (km)	1,131	1,261	(10.3%)
Total revenue (£ million)	1,498	240	524.2%
Headline EBITDAR (£ million)	(208)	(469)	55.7%
Headline loss before tax (£ million)	(545)	(701)	22.3%
Reported loss before tax (£ million)	(557)	(645)	13.6%
Airline revenue per seat (£)	47.61	36.93	28.9%
Airline revenue per seat at constant currency ⁴ (£)	49.06	36.93	32.8%
Airline EBITDAR cost ex fuel per seat (£)	(42.45)	(94.09)	54.9%
Airline EBITDAR cost ex fuel per seat at constant currency ⁴ (£)	(43.58)	(94.09)	53.7%
Airline headline loss before tax per seat	(17.80)	(108.07)	83.5%
Holidays contribution	(5.5)	(8.1)	32.1%
Headline EBITDAR Margin	(14.0%)	(195.8%)	181.8ppts
Headline ROCE	(12.0%)	(16.8%)	4.8ppts

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Conference call

There will be an analyst presentation at 09:00am GMT on 19 May 2022 at Nomura, One Angel Lane, London, EC4R 3AB.

Alternatively, a webcast of the presentation will be available both live and for replay (please register on the following link): <https://stream.brrmedia.co.uk/broadcast/6274ee558eb4f178d1ef92ad>

Alternatively dial in details are as follows: 0800 279 6877/+44 (0)330 165 4012

Revenue

Total revenue increased by 524.2% to £1,498 million (H1 2021: £240 million) in line with capacity increasing to 30.3 million seats (H1 2021: 6.4 million) because of pandemic-related travel restrictions being more relaxed than they were in the same six months last year.

Passenger revenue increased by 479.4% to £985 million (H1 2021: £170 million) as we flew increased levels of capacity compared to the same period last year. Passenger RPS increased by 22.7% to £32.49 (H1 2021: £26.47) due to demand returning as travel restrictions eased in the early part of H1 as customers enjoyed the late summer season before a temporary pause in December and January as a result of the Omicron variant. Trading strengthened again in February and March as restrictions were removed.

Group ancillary revenue increased by 632.9% to £513 million (H1 2021: £70 million) as capacity increased. Airline ancillary revenue per seat also increased by 44.6% to £15.12 (H1 2021: £10.46) as we continue to see incremental benefits from the new ancillary products which have been launched since H1 of FY21.

Costs

Group headline costs excluding fuel and FX gains increased by 94.2% to £1,684 million (H1 2021: £867 million), driven by an increase in capacity flown as easyJet continues to ramp up capacity.

easyJet recorded a £2 million gain from foreign exchange (H1 2021: £24 million gain), related to the impact of stronger Sterling on our net foreign currency-denominated liabilities.

The cost per seat performance continues to be impacted by volume. Airline headline cost per seat at constant currency decreased by 55.0% to £66.81 (H1 2021: £148.59). Headline Airline cost per seat excluding fuel at constant currency decreased by 59.0% to £54.71 (H1 2021: £133.51).

Non-Headline Items

Non-headline items are those where, in management's opinion, their separate reporting provides a better understanding to users of the financial statements of easyJet's underlying trading performance, and which are significant by virtue of their size and/or nature. These costs are separately disclosed and further detail can be found in the notes to the accounts. A Group non-headline loss before tax of £12 million (H1 2021: £56 million gain) was recognised in the first half. The significant items consisted of a £21 million loss as a result of the sale and leaseback of 10 aircraft and an £8m release from restructuring provisions.

Balance Sheet

During H1 easyJet repaid £300 million of commercial paper, clearing the final balance under the CCFF scheme. easyJet has no other debt maturities until the 2023 financial year. As at 31 March 2022 our net debt position was £0.6 billion (30 September 2021: £0.9 billion) including cash and cash equivalents and money market deposits of c.£3.5 billion.

Strategy Update

easyJet has prioritised six strategic initiatives that will continue to build on our structural advantages in the European aviation market and enable us to lead the recovery as travel returns.

- Network strategy
- Customer excellence
- Product portfolio evolution
- easyJet holidays
- Cost focus
- Sustainability

These initiatives, underpinned by operational and digital safety and a continued focus on our people, should result in strong shareholder returns being delivered.

Network Strategy

easyJet has a strong network of leading number one and number two positions in primary airports, which has proven to be amongst the highest yielding in the market. This enables us to be efficient with our network choices, with an emphasis on maximising returns.

easyJet continues to optimise its network to ensure capacity is deployed in the markets where we see the strongest demand. This has been done this summer through our network optimisation, where over 1.5 million seats have been reallocated across the network. This enables us to serve our customers in the markets where demand is the strongest.

We will seek to strengthen our position in key markets as the competitive landscape evolves. This has been demonstrated at London Gatwick where we are increasing our market share after reallocating aircraft to this high yielding base along with the addition of new slots. As well as growing in Gatwick, an extra five aircraft worth of slots have been added into the Greek Islands, where easyJet will now be the largest carrier this summer.

Our focused network strategy can be summarised as follows:

1. Lead in our Core Markets

easyJet prioritises slot-constrained airports as these are where customers want to fly to and from. In our core markets, we are able to achieve cost leadership and preserve scale. We provide a balanced network portfolio across domestic, city and leisure destinations. Our scale enables us to provide market leading networks and schedules. We are maintaining our focus on country leadership in the UK, France and Switzerland and our city focus in the Netherlands, Italy and Germany.

2. Accelerate investment in Destination Leaders

We will build on our existing leading positions in Western Europe's top leisure destinations to provide network breadth and flexibility. This will also unlock cost benefits, enabling us to manage seasonality and support the growth of easyJet holidays. It also ensures that easyJet remains top of mind for customers and is seen as the 'local airline' for governments and hoteliers.

3. Build our network in Focus Cities

easyJet is building a network of key cities, broadening our presence across Europe. This is a low-risk way of serving large origin markets. We will base assets in Focus Cities where it makes sense from a cost perspective.

Customer Excellence

Despite the rise in living costs, consumer research suggests there is still strong appetite to travel due to pent up demand and people topping up savings during the pandemic. 1 in 2 respondents in the UK say limited opportunities to travel during the pandemic has made their holidays more important to them than before (ABTA travel in 2022).

The continuous removal of restrictions has benefitted business travel, specifically SMEs who were able to set the pace of recovery while large corporates migrated to hybrid working. We have begun to see the return of business travellers and easyJet is well placed to provide business segments with the network, schedule, product & value to enable growth.

We launched our nextGen brand campaign, highlighting environmental and inclusivity initiatives as well as our continued focus on delivering great value European travel.

easyJet aims to deliver a seamless and digitally enabled customer journey at every stage:

- **Prior to travel:** our 'direct is best' strategy is led by our digital channels, with an app/mobile-first mindset which makes travel easy for our customers. Confirmation and check-in summary pages now dynamically

display the cabin bag allowance of a specific booking, enabling our customers to more easily understand their specific cabin bag allowance.

- **In airport:** moving customers from kerb to aircraft without the need for human interaction. This involves improving boarding in order to improve CSAT⁸ and reduce queuing, which our cabin bag policy continues to help with. With the easing of travel restrictions, we're returning towards pre-pandemic policies, e.g. removing face mask requirement on-board.
- **In flight:** our warm welcome and personal service to get you to your destination on time. We are committed to delivering On-Time Performance (OTP) – on time, every time. This is done by managing suppliers, empowering crew, ATC planning and carrying out base operating reviews. We are also continuing to improve our inflight offering with the launch of inflight retail.
- **Support:** we aim to give customers the digital tools to easily self-serve when things do not go to plan, or to engage after their flight. We are continuing to look after our customers with our Self-Service Disruption Portal (SSDP) significantly reducing customer request time when using SSDM rather than the contact centre.

Our customer satisfaction has returned to pre-pandemic levels at 77%.

Despite the significant ramp up in activity in H1 2022, on time performance has remained broadly in line with 2019- with performance in the prior year driven by lower levels of capacity. This reflects the strides we are taking towards leaving 'on time, every time'. This is crucially important for our operational efficiency, as well as customer satisfaction.

OTP % arrivals within 15 minutes ⁽⁵⁾	Q1	Q2	H1
2022 Network	87%	86%	86%
2021 Network	94%	91%	94%

Product Portfolio Evolution

easyJet recognises that the continued evolution of our product portfolio represents a significant opportunity to increase revenue per seat and margins in the coming years. We are continuing to see a strong performance from the products which have been launched recently, including cabin bags and our new leisure fare (Essentials) bundle. In the first half of 2022 these have added an incremental £3.14 to ancillary yields compared to the same period last year.

The Directors believe that the continued evolution of the Group's product portfolio provides the opportunity to build on spend per customer, delivering enhanced sustainable returns.

At the end of the first half, inflight retail, our new retail brand & proposition has been launched. This has resulted in direct sourcing and contracting for our on-board retail offering and is tailoring the product offering to our customers. We have partnered with dnata to improve our customer proposition, as we see an opportunity to grow conversion, spend per customer and profit per seat.

easyJet holidays

easyJet holidays continues its rapid growth to becoming a major player within the sector, having seen over 500% increase in Summer 2022 bookings versus the previous 2019 model, which now confirms easyJet holidays as the UK's fastest growing holiday company.

Our holidays business is well on track to deliver over 1.1m passengers in 2022 and has already sold over 70% of that planned volume, at significantly higher margins versus 2019 and lower acquisition costs compared to our competitors, having 88% of the visitors to our website coming through unpaid channels, the majority of which are from customers visiting easyjet.com.

As a digital first business we are proud to have been recognised for our award-winning website and technology and see significant opportunity to fast track our growth to £100m PBT in the medium term. We offer the most competitively priced holidays in the market, being cheaper c.75% of the time on a like for like basis versus our competitors. This coupled with our direct hotel contracting and low fixed cost base provides easyJet holidays with a strong business model to accelerate our growth and deliver sustainable returns.

Cost focus

easyJet has a cost advantage over its major competitors on our primary airport network. Actions have been taken to deliver cost savings, and as a result of these actions, easyJet expects that its operating CASK⁷ excluding fuel in the second half of FY22 will be close to H2 2019 levels. This demonstrates the work that has been done and is based on ASKs⁹ increasing c. 2% on H2 2019.

Examples of these cost actions are;

- Self Service disruption management, where we have reduced the need for manual processing by 69% when dealing with customer refunds and vouchers (since go-live Aug 2019). This is improving our customer satisfaction, but also delivers cost savings as we are having less calls to our contact centres.
- Crew agreements on seasonal contracts have been achieved as a result of constructive relationships with our trade union partners and our people. Improvements have also been made to productivity.
- Line maintenance insourced at LGW, BER, GLA, EDI, BRS. This action is delivering cost savings but also ensures the best quality as we carry out the line maintenance in house.

Sustainability

Today easyJet has announced our interim science-based target following our commitment to the initiative. This will see us reduce our carbon intensive emissions by 35% by FY35 using FY20 as a baseline.

We plan to achieve this ambitious target through a combination of four business actions:

- **Fleet renewal:** All of the aircraft deliveries that we receive between FY22 and FY28 will be Aircraft NEO Aircraft. These NEO aircraft offer 15-25% more fuel efficiency and provide a 50% reduction in noise, compared to the aircraft they will replace. This is in addition to upgauging our seat capacity and, offering both revenue and cost benefits.
- **Operational improvements and efficiencies:** We will continue to operate our aircraft as efficiently as possible and are always looking for efficiency improvements. This includes adjusting standard operating procedures, which helps to reduce fuel usage and therefore carbon emissions, for example single-engine taxiing on arrival and departure.
- **Airspace modernisation:** In the immediate term, airspace modernisation is the most achievable source of significant carbon emission reductions, as more direct flight paths lead to shorter flying times. We are working with stakeholders and public authorities to promote the modernisation of airspace, including projects such as the Single European Sky which is predicted to deliver 10% CO2 emissions savings on easyJet's network.
- **Sustainable Aviation Fuel:** We will use SAF at scale in the interim in order to achieve material lifecycle carbon emissions reductions in comparison to kerosene.

easyJet plans to publish its net-zero pathway, where we will set out our carbon emission reduction goals.

easyJet's sustainability strategy has evolved to reflect our ambition to pioneer positive change for our planet, communities & people while getting one step closer to net-zero every day. It is focussed on three pillars, and underpinned by Governance.

- **Reducing our impact today for a better tomorrow:** We achieved IATA Environmental Assessment programme (IEnvA) stage 1 accreditation, for an ISO14001-compliant Environmental Management System (EMS). This makes us the only Low-Cost Carrier operating in the UK with an IEnvA Stage 1 verified EMS and the first non-IATA member to participate in the IEnvA accreditation process.
- **Pioneering future travel:** Our partnerships with various industry leaders work towards the acceleration of zero carbon emission technologies and the required infrastructures for these to be present in the aviation industry. Our partnerships include, amongst others, GKN Aerospace and Cranfield Aerospace Solutions where we are supporting projects focusing on hydrogen combustion and fuel cell technology, and the development of a hydrogen fuel cell propulsion system. We are championing zero emission flying through the development of a zero emissions aircraft to decarbonise aviation.
- **Driving positive change in society:** We are working to positively impact our people, customers, and communities with the aim of maximising the positive social and economic benefits of travel and tourism. This has included launching an onboard appeal in support of our charity partner UNICEF to help children and their families affected by the conflict in Ukraine.

Our sustainability strategy is underpinned by strong sustainability governance and monitoring at board level to make sure the strategy is delivered. In December 2021, we received a B rating from CDP⁶ for 2021, an improvement on the previous year. We have also published an ESG supplement on our website, to be read alongside our FY21 Annual Report, giving further data and information on ESG topics such as human capital & labour management; safety, quality & governance; business ethics; data privacy & security, and environmental management.

Fleet

easyJet's total fleet as at 31 March 2022 comprised 322 aircraft (30 September 2021: 308 aircraft with 12 held on zero rent basis) with the increase driven principally by the cessation of free rental period aircraft, delivery of 5 new A320 family aircraft, and lease additions to the fleet. The average gauge of the fleet is now 179 seats per aircraft, compared to 178 seats at 30 September 2021. The average age of the fleet increased slightly to 8.9 years (30 September 2021: 8.6 years).

Fleet as at 31 March 2022:

	Owned	Leased	Total	% of fleet	Changes since Sep-21	Future deliveries	Purchase options	Purchase rights
A319	35	64	99	31%	2	-	-	-
A320	105	62	167	51%	7	-	-	-
A320 neo	34	7	41	13%	4	100 ¹	6 ¹	53 ¹
A321 neo	4	11	15	5%	1	15 ¹	-	-

	178	144	322	14	115	6	53
<i>Percentage of total fleet</i>	55%	45%					

- 1) easyJet retains the option to alter the aircraft type of future deliveries, subject to providing sufficient notification to the OEM

At 31 March 2022, easyJet was storing two operating leased aircraft on behalf of their respective lessors. These are held at zero rent unless flown and are excluded from the fleet plan. Additionally, easyJet is storing 2 further operating leased aircraft, which have been acquired for future operations. These are held at zero rent and are excluded from the fleet plan.

Our flexible fleet plan allows us to expand or contract the size of the fleet depending upon the demand outlook.

Number of aircraft	FY22	FY23	FY24	FY25
Current contractual minimum	-	323	306	276
Base plan	324	-	-	-
Current contractual maximum	-	332	327	337
Expected deliveries	9	6	18	26

Capital Expenditure

Over the next three years easyJet's gross capital expenditure is expected to be as follows:

	FY22	FY23	FY24	FY25
Gross capital expenditure (£ million)	c.800	c.1,000	c.1,300	c. 1,800

Capex in FY22 is comprised of new Airbus fleet delivery payments and maintenance related expenditure as well as lease payments. Our capex projections assume nine aircraft deliveries in FY22, six deliveries in FY23, 18 deliveries in FY24 and 26 deliveries in FY25.

Our People

easyJet continues to have a strong reputation as an employer of choice. Our people are a key source of differentiation compared to our competition, this helps deliver excellent customer experience and loyalty.

Our Glassdoor rating of employee satisfaction is 4.3 (out of 5.0), this is the highest within the travel and hospitality sector, illustrating our market-leading position in the labour market.

We have constructively worked in partnership with our employee representative bodies across Europe in order to support the operation. We recognise that the wider economic environment of rising inflation has been challenging for a number of our people and continue to work with our Trade Union partners in order to support our crew whilst maintaining control of our cost base.

In FY22 some of the key deliverables include:

- **Learning and development:** We have introduced a new People Management development programme to help develop our Manager and leader capabilities throughout all First Line Leaders, while continuing to

develop our approach to early careers including the re-launch of our engineering apprenticeships. In addition, we have also utilised our Apprenticeship levy to support a range of head office roles.

- **Health and Wellbeing:** We have implemented a new UK occupational health provision and mobile enabled support for all employees while also delivering comprehensive mental health awareness training for all employees and managers
- **Diversity and inclusion:** Implementation of a new Equal Opportunities and Inclusion Policy.

EU Ownership

As previously announced, easyJet has suspended voting rights in respect of certain shares ('Affected Shares') held by Relevant Persons in accordance with easyJet's articles of association (the 'Articles') so that a majority of the voting rights in easyJet are held by EU Persons. As at 18 May 2022, a majority of the voting rights in easyJet are held by EU persons.

Note: 'EU persons' refers to nationals of EU member states plus Switzerland, Norway, Iceland, Liechtenstein, but excludes the UK. 'Relevant Persons' has the meaning given to it in the Articles. In general terms, 'Relevant Persons' refers to non-EU nationals. Further information is available on the Company's website at <https://corporate.easyjet.com/investors/shareholder-services/eu-share-ownership>.

Outlook

Q3 Capacity expected to be c.90% of FY19 with load factors expected to be >86%.

Q4 Capacity currently on sale is c.97% of FY19 with load factors expected to be >90%.

easyJet is currently c.71% hedged for fuel in H2 of FY22 at c.US\$619 per metric tonne, c.49% hedged for H1 FY23 at c.US\$701 and c.20% hedged for H2 FY23 at c.US\$807. The spot price on 17 May 2022 was around US\$1,225.

The targets easyJet has set are: Grow to pre pandemic capacity by 2023; mid teen EBITDAR margins with low to mid teen ROCE in the medium term; and having a clear roadmap for easyJet holidays to contribute £100 million plus profit before tax to the Group.

At this stage, given the continued level of short-term uncertainty, it would not be appropriate to provide any further financial guidance for the 2022 financial year. Customers are booking closer to departure and visibility remains limited.

Footnotes

(1) Capacity based on actual number of seats flown.

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

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

(4) Constant currency is calculated by comparing 2022 financial year performance translated at the 2021 financial year effective exchange rate to the 2021 financial year reported performance, excluding foreign exchange gains and losses on balance sheet revaluations.

(5) On-time performance is defined as the percentage of flights which arrive within 15 minutes of the scheduled arrival time and is measured by internal easyJet systems

(6) CDP – Carbon Disclosure Project is an independent, non-profit, global environmental reporting organisation.

(7) Operating CASK ex fuel is our headline cost ex ownership, fuel, and balance sheet revaluations @ constant currency per available seat kilometre

(8) CSAT is a metric of customer satisfaction based on easyJet surveys

OUR FINANCIAL RESULTS

Headline loss before tax decreased from £701 million for the six months ended 31 March 2021 to £545 million for the six months ended 31 March 2022. This was mainly driven by the reduction in Covid-19 related travel restrictions across Europe which has increased customer confidence to travel again; easyJet flew 23.4 million passengers (H1 2021: 4.1 million), up 471% on the prior period. Similarly, total loss after tax decreased from £549 million for the six months ended 31 March 2021 to £431 million for the six months ended 31 March 2022.

Amounts presented at constant currency throughout this section are an alternative performance measure and are not determined in accordance with International Financial Reporting Standards, but provide relevant and comparative reporting for readers of these financial statements.

FINANCIAL OVERVIEW

£ million (Reported) – Group	H1 2022	H1 2021
Group revenue	1,498	240
Headline costs excluding fuel, balance sheet FX and ownership	(1,344)	(612)
Fuel	(362)	(97)
Headline EBITDAR	(208)	(469)
Balance sheet foreign exchange gain	2	24
Other ownership cost	(339)	(256)
Group headline loss before tax	(545)	(701)
<i>Being:</i>		
<i>Airline headline loss before tax</i>	<i>(540)</i>	<i>(693)</i>
<i>Holidays headline loss before tax</i>	<i>(5)</i>	<i>(8)</i>
Headline tax credit	123	126
Group headline loss after tax	(422)	(575)
Non-headline items	(12)	56
Non-headline tax credit/(charge)	3	(30)
Group total loss after tax	(431)	(549)

£ per seat – Airline only ⁽¹⁾	H1 2022	H1 2021
Airline revenue	47.61	36.93
Headline costs excluding fuel, balance sheet FX and ownership	(42.45)	(94.09)
Fuel	(11.94)	(15.08)
Headline EBITDAR	(6.78)	(72.24)
Balance sheet foreign exchange gain	0.09	3.59
Other ownership cost	(11.11)	(39.42)
Airline headline loss before tax	(17.80)	(108.07)
Headline tax credit	3.94	19.68
Airline headline loss after tax	(13.86)	(88.39)
Non-headline items	(0.40)	8.77
Non-headline tax credit/(charge)	0.10	(4.61)
Airline total loss after tax	(14.16)	(84.23)

(1) All per seat metrics are for the Airline business only, as the inclusion of hotel-related revenue and costs from the holidays business will distort the RPS and CPS metrics as these are not directly correlated to the seats flown by the Airline. Our easyJet holidays business forms a separate operating segment to the Airline, but its overall contribution to the financial performance of the consolidated Group for the six months ended 31 March 2022 is not significant.

The total number of passengers carried increased by 471% to 23.4 million (H1 2021: 4.1 million), which was driven by a 373% increase in seats flown to 30.3 million seats (H1 2021: 6.4 million seats) and a 13.6 percentage point

increase in load factor to 77.3% (H1 2021: 63.7%). This reflects the reduction in travel restrictions across Europe over the period and the associated strengthening in customer demand as the recovery from Covid-19 continues.

Total revenue increased by 524% to £1,498 million (H1 2021: £240 million) and by 544% at constant currency. Airline revenue per seat increased by 29% to £47.61 (H1 2021: £36.93) and increased by 33% at constant currency. The increase in Airline revenue per seat is a consequence of increased loads, reflecting the continued strengthening in demand driven by the reduction in travel restrictions across Europe, as noted above. In addition, strong performance from both bag and seat initiatives drove an Airline ancillary revenue per seat increase of 44.6% compared to H1 2021.

Headline Airline cost per seat excluding fuel decreased by 59% to £53.48 (H1 2021: £129.92) and 58% at constant currency. This was mainly a result of increased flying, as fixed operating costs are being spread across more flying capacity, combined with easyJet's continued focus on cost which has also contributed to the favourable movement. In addition, there was a release of airport charge accruals of £10 million (H1 2021: £4 million) as the return of activity has reduced some of the uncertainty and risks which were previously being accrued for, and a credit from maintenance discounting of £19 million (H1 2021: credit £22 million) due to the recent increase in US\$ interest rates. The major adverse impact on costs in the period was the significant reduction in furlough schemes as government support has been wound down across the majority of European countries (£8 million support H1 2022 compared to £73 million support H1 2021).

Airline fuel cost per seat decreased by 21% to £11.94 (H1 2021: £15.08) and by 20% at constant currency, as a result of both a reduction in the post hedge fuel price and a reduction in the average sector length compared to the previous period.

A non-headline charge of £12 million (H1 2021: £56 million gain) was recognised in the period, consisting of a £21 million loss as a result of the sale and leaseback of 10 aircraft (H1 2021: £60 million gain from 35 aircraft) in the period and an £8 million release (H1 2021: £25 million release) in relation to our restructuring provisions. In addition to this, a £1 million net fair value adjustment credit for hedge discontinuation was recognised in the period (H1 2021: £29 million charge).

Corporate tax has been recognised at a statutory effective rate of 22.7% (H1 2021: 14.9%) based on the anticipated tax rate for the full year ending 30 September 2022, resulting in an overall tax credit of £126 million (H1 2021: £96 million credit) during the period. This splits into a tax credit of £123 million on the underlying losses and a tax credit of £3 million on the non-headline items. Whilst the non-headline loss is £12 million, after the necessary tax adjustments the tax adjusted non-headline items amount to a loss of £14 million, which results in the non-headline tax credit of £3 million for the period.

Loss per share

	H1 2022	H1 2021 restated	Change
	pence per share	pence per share	pence per share
Basic headline loss per share	(56.0)	(106.9)	50.9
Basic total loss per share	(57.2)	(102.0)	44.8

Basic headline loss per share decreased by 50.9 pence and basic total loss per share decreased by 44.8 pence as a consequence of the lower loss generated during the period.

As a result of the rights issue in September 2021, the comparative loss per share has been restated having applied the relevant bonus factor to the calculator of the weighted average number of shares.

Return on Capital Employed (ROCE)

ROCE Calculation

Reported £m	H1 2022	H1 2021
Headline loss before interest and tax	(486)	(686)
UK corporation tax rate	19%	19%
Normalised headline operating loss after tax (NOPAT)	(394)	(556)
Average shareholders' equity	2,540	1,741
Average net debt	753	1,570
Average adjusted capital employed	3,293	3,311
Headline Return on capital employed	(12.0%)	(16.8%)
Total Return on capital employed	(12.3%)	(14.7%)

ROCE is calculated by taking operating loss/profit, less tax at the prevailing UK corporation tax rate at the end of the period, divided by average capital employed. Capital employed is shareholders' equity plus net debt.

Headline ROCE for the period was (12.0)%, an improvement of 4.8 percentage points on the prior period, driven by the decrease in the loss for the period. Total ROCE for the period was (12.3)%, an improvement of 2.4 percentage points on the prior year. The total ROCE was adverse to the headline ROCE due to non-headline items generating a £12m charge in the income statement, as noted earlier.

SUMMARY NET DEBT RECONCILIATION

The table presents cash flows on a net cash basis. This presentation is different to the GAAP presentation of the statement of cash flows in the condensed financial information as it includes non-cash movements on debt facilities.

	H1 2022	H1 2021	Change
	£ million	£ million	£ million
Operating loss	(499)	(601)	102
Depreciation and amortisation	277	215	62
Increase in unearned revenue	934	48	886
Other net working capital movement	(157)	(731)	574
Net tax paid	1	(5)	6
Net capital expenditure	(247)	(73)	(174)
Net proceeds from sale and leaseback of aircraft	87	810	(723)
Purchase of own shares for employee share schemes	(4)	(3)	(1)
Repayment of capital element of leases	(92)	(174)	82
Foreign exchange impact	21	(114)	135
Net funding activities	97	(148)	245
Other	(104)	(114)	10
Net decrease/(increase) in net debt	314	(890)	1,205
Net debt at the beginning of the period	(910)	(1,125)	215
Net debt at the end of the period	(596)	(2,015)	1,419

Net debt as at 31 March 2022 was £596 million (31 March 2021: £2,015 million) and comprised cash and cash equivalents and money market deposits of £3,505 million (31 March 2021: £2,335 million), borrowings of £3,046 million (31 March 2021: £3,323 million) and lease liabilities of £1,055 million (31 March 2021: £1,027 million).

The unearned revenue inflow has increased by £886 million, as a result of the increased customer bookings in response to the removal of Covid-19 travel restrictions. Other working capital outflows have decreased by £574 million compared to the prior period. The prior period saw an unusually large decrease in the trade payables

balance as a catch-up effect from the initial lockdown period, when many supplier accounts were put onto phased payment plans as part of our cash protection measures. This year has seen a return to more normal payment patterns.

Net capital expenditure includes pre-delivery payments relating to aircraft purchases. There were also final delivery payments for the acquisition of 5 aircraft in the period (H1 2021: nil aircraft). The sale and leaseback of 10 aircraft in H1 2022 (H1 2021: 35 aircraft) resulted in a net cash inflow of £87 million (H1 2021: £810 million). Repayment of the capital element of leases has decreased by £82 million as a result of the prior period having additional deferred payments from H2 2020 included. The net funding activities predominantly relate to the final £91 million rights issue receipt.

EXCHANGE RATES

The proportion of revenue and costs denominated in currencies other than Sterling are outlined below:

	Revenue		Costs	
	H1 2022	H1 2021	H1 2022	H1 2021
Sterling	45%	30%	37%	67%
Euro	45%	54%	24%	5%
US dollar	0%	0%	33%	22%
Other (principally Swiss franc)	10%	16%	6%	6%

Average exchange rates	H1 2022	H1 2021
Euro	€1.19	€1.10
US dollar	\$1.35	\$1.30
Swiss franc	CHF 1.24	CHF 1.33

The Group's foreign currency risk management policy aims to reduce the impact of fluctuations in exchange rates on future cash flows.

During the period there was a £2 million gain (H1 2021: £24 million gain) arising from the revaluation of balance sheet assets and liabilities which are denominated in foreign currencies. In addition, the change in USD decreased the cost of fuel by £4 million when translated into sterling.

FINANCIAL PERFORMANCE

Revenue

£m Group	H1 2022	H1 2021
Passenger revenue	985	170
Ancillary revenue	513	70
Total revenue	1,498	240

£ Airline per seat		
Passenger revenue	32.49	26.47
Ancillary revenue	15.12	10.46
Total revenue	47.61	36.93

Total revenue increased by 524% to £1,498 million (H1 2021: £240 million) and 544% at constant currency, primarily due to an £883 million additional capacity volume impact. H1 capacity finished at 30.3 million seats, which was 373% favourable to last year driven by the reduction in travel restrictions and the associated strengthening of customer demand.

Total Airline revenue per seat of £47.61 was 33% ahead of H1 2021 at constant currency and load factors of 77% were 13.6ppt ahead. Likewise, total yield of £61.59 was 10% favourable when compared against H1 2021 at

constant currency, with ticket yields 3% favourable and ancillary yields continuing to perform very strongly at 23% favourable.

Ancillary revenue of £513 million was 658% ahead of H1 2021 at constant currency. This was principally due to a good performance on initiatives with strong attachment across both bags and seats, combined with the increase in passenger numbers compared to H1'21.

Headline costs excluding fuel

	H1 2022		H1 2021	
	Group £ million	Airline £ per seat	Group £ million	Airline £ per seat
Operating costs and income				
Airports, ground handling and other operating costs	514	15.65	86	13.14
Crew	318	10.48	224	34.87
Navigation	110	3.63	25	3.84
Maintenance	157	5.16	109	17.01
Selling and marketing	68	2.03	17	2.54
Other costs	183	5.61	158	23.72
Other income	(6)	(0.11)	(7)	(1.03)
	1,344	42.45	612	94.09
Ownership costs				
Aircraft dry leasing	1	0.04	2	0.24
Depreciation	265	8.74	204	31.80
Amortisation	12	0.33	11	1.44
Net finance charges	59	1.92	15	2.35
	337	11.03	232	35.83
Headline costs excluding fuel	1,681	53.48	844	129.92

Headline cost per seat excluding fuel for the Airline decreased by 59% to £53.48 (H1 2021: £129.92), and also decreased by 59% at constant currency.

Included within the Group headline costs excluding fuel of £1,681 million, £40 million related to the holidays business.

Operating costs and income

Group airports, ground handling and other operating costs increased by 498% to £514 million, and Airline cost per seat increased by 19% to £15.65 (H1 2021: £13.14), and by 23.1% at constant currency. Despite overall rate decreases being obtained across several airports, and a release of airport charge accruals of £10 million (H1 2021: £4 million) as the return of activity has reduced some of the uncertainty and risks which were previously being accrued for, improved load factors, an increase in security charges and de-icing events drove the increase on a per seat basis.

Group crew costs increased by 42% to £318 million (H1 2021: £224 million), and Airline cost per seat decreased by 70% to £10.48, and by 69.1% at constant currency. This cost per seat decrease was primarily due to fixed payroll costs being spread over higher flying capacity, partially offset by furlough schemes which have been significantly reduced in the period (£8 million support H1 2022 v £73 million support H1 2021).

Group navigation costs increased by 340% to £110 million, and Airline cost per seat decreased by 5% to £3.63 (H1 2021: £3.84) and by 1.2% at constant currency, as a result of a decrease in the sector length of our commercial flying compared to the comparative period, offset by an increase in EuroControl rates effective January 2022.

Group maintenance costs increased by 44% to £157 million, and Airline cost per seat decreased by 70% to £5.16 (H1 2021: £17.01), and decreased by 69.4% at constant currency. This cost per seat decrease was driven by the fixed element of our maintenance costs which have been spread over increased capacity in the period, whilst also having a reduction in repair costs and cleaning costs, the latter being driven by cost programme savings.

Group other costs increased by 15% to £183 million, and Airline cost per seat decreased by 76% to £5.61 (H1 2021: £23.72), and by 69.8% at constant currency. The significant driver in the decrease in the cost per seat is that fixed costs are being spread over higher flown capacity.

Ownership costs

Depreciation costs have increased from £204 million in H1 2021 to £265 million in H1 2022. This increase was driven by higher maintenance-related depreciation as a result of increased flying hours, combined with an increase in the number of leased aircraft. This increase was partially offset by the regular discounting of the maintenance provision which resulted in a credit in the income statement of £19 million (H1 2021: credit £22 million) due to the recent increase in US\$ interest rates.

Net finance charges have increased from £15 million in H1 2021 to £59 million in H1 2022 with cost per seat decreasing from £2.35 to £1.92, with the decrease per seat being a consequence of the higher capacity, partially offset by increased bond interest costs. In addition to this, foreign exchange gains as a result of the retranslation of foreign currency denominated assets and liabilities have reduced from £23 million in H1 2021 to £2 million in H1 2022.

Fuel costs

	H1 2022		H1 2021	
	Group £ million	Airline £ per seat	Group £ million	Airline £ per seat
Fuel	362	11.94	97	15.08

Fuel costs for H1 2022 were £362 million, compared to £97 million for H1 2021. This increase in cost is largely driven by the 350% increase in flying volumes. Fuel cost per seat of £11.94 was 20.8% lower than last year, and decreased by 19.8% at constant currency.

During the first half of the year the average market price payable for jet fuel increased by 99% from \$382 per tonne in H1 2021 to \$762 per tonne in H1 2022. However, the post hedge fuel price for H1 2022 was only \$599 per tonne, which is 13% lower than the post hedge fuel price of \$688 per tonne in H1 2021. The low post hedge price in H1 2022 is due to forward contracts maturing which were locked in at low rates when the fuel price was much lower in 2021. The sector length has dropped 10.3% from 1,261km to 1,131km, which has materially reduced the cost per seat in H1 2022 compared to H1 2021.

The Group uses jet fuel derivatives to hedge against sudden and significant increases in jet fuel prices to mitigate cash and P&L volatility in the short term. In order to manage the risk exposure, jet fuel derivative contracts are used in line with the Board approved policy to hedge up to 18 months of estimated exposures in advance, with approximately 60% hedged on average in the first 12 months.

KEY STATISTICS

OPERATING MEASURES

	H1 2022	H1 2021	Increase/ (decrease)
Seats flown (millions)	30.3	6.4	373%
Passengers (millions)	23.4	4.1	471%
Load factor	77.3%	63.7%	13.6 pts
Available seat kilometres (ASK) (millions)	34,287	8,088	323.9%
Revenue passenger kilometres (RPK) (millions)	26,811	5,136	422.0%
Average sector length (kilometres)	1,131	1,261	(10.3%)
Sectors	167,865	35,100	378.2%
Block hours ('000)	329,060	73,311	348.9%
Number of aircraft owned/leased at end of period	322	330	(2.4%)
Average number of aircraft owned/leased during period	322	338	(4.6%)
Number of aircraft operated at end of period	271	36	652.8%
Average number of aircraft operated during period	204	58	251.7%
Number of routes operated at end of period	930	918	1.3%
Number of airports served at end of period	150	151	(0.7%)

FINANCIAL MEASURES

	H1 2022	H1 2021	Favourable/ (adverse)
Total return on capital employed	(12.3%)	(14.7%)	2.4 pts
Headline return on capital employed	(12.0%)	(16.8%)	4.8 pts
Total Airline loss before tax per seat (£)	(18.20)	(99.30)	81.7%
Headline Airline loss before tax per seat (£)	(17.81)	(108.07)	83.5%
Total Airline loss before tax per ASK (pence)	(1.61)	(7.87)	79.5%
Headline Airline loss before tax per ASK (pence)	(1.57)	(8.57)	81.7%
Revenue			
Airline revenue per seat (£)	47.61	36.93	28.9%
Airline revenue per seat at constant currency (£)	49.06	36.93	32.8%
Airline revenue per ASK (pence)	4.21	2.93	43.7%
Airline revenue per ASK at constant currency (pence)	4.24	2.93	44.7%
Airline revenue per passenger (£)	61.59	57.96	6.3%
Airline revenue per passenger at constant currency (£)	62.08	57.96	7.1%
Costs			
Per seat measures			
Airline headline cost per seat (£)	(65.42)	(145.00)	54.9%
Airline non-headline (cost)/income per seat (£)	(0.40)	8.77	(104.6%)
Airline total cost per seat (£)	(65.81)	(136.23)	51.7%
Airline headline cost per seat excluding fuel (£)	(53.48)	(129.92)	58.8%
Airline headline cost per seat excluding fuel at constant currency (£)	(54.71)	(133.51)	59.0%
Airline total cost per seat excluding fuel (£)	(53.87)	(121.15)	55.5%
Airline total cost per seat excluding fuel at constant currency (£)	(55.12)	(124.72)	55.8%
Per ASK measures			
Airline headline cost per ASK (pence)	(5.78)	(11.49)	49.7%
Airline non-headline (cost)/income per ASK (pence)	(0.04)	0.70	(105.7%)
Airline total cost per ASK (£)	(5.82)	(10.80)	46.1%
Airline headline cost per ASK excluding fuel (pence)	(4.73)	(10.30)	54.1%
Airline headline cost per ASK excluding fuel at constant currency (pence)	(4.84)	(9.45)	48.8%
Airline total cost per ASK excluding fuel (pence)	(4.76)	(9.61)	50.5%
Airline total cost per ASK excluding fuel at constant currency (pence)	(4.87)	(9.02)	46.0%

PRINCIPAL RISKS AND UNCERTAINTIES

easyJet continues to face a range of risks that could impact delivery of our corporate and strategic initiatives. The easyJet Board is responsible for determining the nature of these risks and ensuring that appropriate mitigating actions are in place to manage them. The Board delegates responsibility to the Corporate Risk team to manage the Corporate Risk Framework. easyJet continues to develop its Corporate Risk Framework to ensure that risks, including emerging risks, are identified, assessed, managed, and articulated.

Over the course of H1 2022 the Corporate Risk team has spent time with each area of the business, ensuring that risks continue to be identified and assessed in line with the Risk Framework. This has been conducted via functional and business unit risk reviews.

The principal risks and uncertainties set out in the 2021 Annual Report and Accounts have not materially changed except for the inclusion of a specific Climate Change Transition Risk. This follows a deep dive into the risks arising from society's transition to a low carbon and a more climate-friendly future. Two existing principal risks (Carbon Trading Schemes and Increased Taxation) have been incorporated into the new Climate Change Transition Risk.

easyJet's risk themes remain unchanged and are as follows:

- Asset Efficiency & Effectiveness
- Environment & Sustainability
- Legislative / Regulatory Landscape
- Macro-economic & Geopolitical
- People
- Safety, Security, and Operations
- Technology & Cyber

For the second half of FY22, the Directors consider that the principal risks and uncertainties detailed in the 2021 Annual Report and Accounts (with the addition of the Climate Change Transition risk detailed below) are expected to be representative of the potential impacts on the Group's performance. In addition to continually reviewing the risks reported in the 2021 Annual Report and Accounts, and emerging risks, the Board is monitoring the impact of the Ukraine crisis which is set out below.

Case Study: Climate Change Transition Risks

The Corporate Risk and Sustainability teams have concluded a deep dive to identify the risks that easyJet faces as it transitions to a low carbon and a more climate-friendly future.

The diagram below shows how the risks identified have been categorised and structured within the Corporate Risk Framework and Register.

Principal Risk	Climate Change Transition Risk Risks arising from easyJet's response to societal and economic shifts toward a low-carbon and more climate-friendly future
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Corporate Risk	Cost of Emissions A changing legal and regulatory landscape that impacts price e.g. carbon pricing mechanisms, green taxes (e.g. incl. NOx and “persistent contrails”) and demand suppression policies, and how these pricing impacts will affect easyJet	Civil Society (incl. Consumer) Sentiment Changing preferences to sustainable alternatives	Emissions Reduction Technological and operational developments that drive a step change reduction in aviation emissions e.g. novel aircraft, SAF, modernised airspace	Financial Markets Sentiment Divestment of carbon intensive assets and/ or assets that are not working towards Net-Zero
Functional Risks	Reputation Perception of an organisation’s contribution to a lower-carbon transition			
	Climate Related Litigation & Regulatory Action Climate change-related regulatory and legal challenges faced by organisations			
	Sub-risks	Sub-risks	Sub-risks	Sub-risks

The workshops involved colleagues from every area of the business and identified the key functional level risks within each corporate level risk category. These have been documented in the Climate Change Transition risk register and appropriate ownership and management assigned. Governance for these risks will be applied through easyJet’s Sustainability Steering Committee, which will regularly review and challenge the risks and associated controls. The Climate Change Risk Register, along with the Net Zero Plan, will be continually reviewed and are inputs into the five year planning process, which includes the Strategic Plan and Financial Plan.

Ukraine Crisis

easyJet is deeply shocked and saddened by the Russian invasion of Ukraine. While our flying schedule has been unaffected, risks have arisen and required a response by the appropriate functions. Sharp increases in fuel costs have been mitigated through our fuel hedging policy and have ensured the cost incurred per metric tonne has remained (and will continue to do so through Winter ’22) well below the current spot rates. Our Digital Safety team continues to monitor the increased threat of a cyber-attack to our network and systems. Recent increased

investment into our cyber defences has improved our monitoring capabilities and allows the business to respond quickly and effectively as threats arise. The potential for increased aviation insurance premiums and/ or changes to insurance coverage may occur due to the likelihood of a significant insurance claim arising from western leased aircraft trapped in Russia. easyJet has very limited influence over this risk, as it is not involved in this insurance claim, but it will continue to differentiate itself from competitors in the insurance market in order to achieve the insurance costs and pricing that support the business' objectives. Rising costs, especially from our supply chain, continue to be monitored as they develop. It is too early to fully report on the impact, but the Corporate Risk team will work with the central Procurement team to monitor the risk and respond appropriately.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Condensed consolidated income statement (unaudited)

		Six months ended 31 March					
		2022			2021		
		Non-headline			Non-headline		
		Headline	(note 3)	Total	Headline	(note 3)	Total
	Note	£ million	£ million	£ million	£ million	£ million	£ million
Passenger revenue		985	-	985	170	-	170
Ancillary revenue		513	-	513	70	-	70
Total revenue		1,498	-	1,498	240	-	240
Fuel		(362)	-	(362)	(97)	-	(97)
Airports, ground handling and other operating costs		(514)	-	(514)	(86)	-	(86)
Crew		(318)	-	(318)	(224)	-	(224)
Navigation		(110)	-	(110)	(25)	-	(25)
Maintenance		(157)	-	(157)	(109)	-	(109)
Selling and marketing		(68)	-	(68)	(17)	-	(17)
Other costs		(183)	(12)	(195)	(158)	17	(141)
Other income		6	(1)	5	7	68	75
EBITDAR		(208)	(13)	(221)	(469)	85	(384)
Aircraft dry leasing		(1)	-	(1)	(2)	-	(2)
Depreciation	7	(265)	-	(265)	(204)	-	(204)
Amortisation of intangible assets		(12)	-	(12)	(11)	-	(11)
Operating (loss)/profit		(486)	(13)	(499)	(686)	85	(601)
Interest receivable and other financing income		6	2	8	26	25	51
Interest payable and other financing charges		(65)	(1)	(66)	(41)	(54)	(95)
Net finance charge		(59)	1	(58)	(15)	(29)	(44)
Loss before tax		(545)	(12)	(557)	(701)	56	(645)
Tax credit/(charge)	4	123	3	126	126	(30)	96
Loss for the period		(422)	(9)	(431)	(575)	26	(549)

Loss per share, pence

Condensed consolidated statement of comprehensive income (unaudited)

		Six months ended	Six months ended
		31 March 2022	31 March 2021
	Note	£ million	£ million
Loss for the period		(431)	(549)
Other comprehensive loss			
<i>Items that may be reclassified to the income statement</i>			
<i>Cash flow hedges</i>			
Fair value gains in the period		396	281
Gains transferred to income statement		(118)	(27)
Hedge discontinuation (gains)/losses transferred to		(5)	28
Related tax charge	4	(53)	(53)
Cost of hedging		3	(2)
<i>Items that will not be reclassified to the income statement</i>			
Remeasurement of post-employment benefit			
obligations		23	(2)
Related deferred tax charge	4	(6)	(1)
		240	224
Total comprehensive loss for the period		(191)	(325)

Condensed consolidated statement of financial position (unaudited)

		31 March 2022	30 September 2021
	Notes	£ million	£ million
Non-current assets			
Goodwill		365	365
Other intangible assets		216	217
Property, plant and equipment	7	4,683	4,735
Derivative financial instruments		31	86
Equity investments		30	30
Restricted cash		1	1
Other non-current assets		49	135
Deferred tax assets		109	39
		5,484	5,608
Current assets			
Trade and other receivables		336	291
Intangible assets		519	140
Derivative financial instruments		487	185
Restricted cash		4	13
Money market deposits		258	-
Cash and cash equivalents		3,247	3,536
		4,851	4,165
Current liabilities			
Trade and other payables		(1,362)	(1,128)
Unearned revenue		(1,778)	(844)
Borrowings	8	(423)	(300)
Lease liabilities		(230)	(189)
Derivative financial instruments		(9)	(31)
Current tax payable		(6)	(2)
Provisions for liabilities and charges	9	(177)	(183)
		(3,985)	(2,677)
Net current assets		866	1,488
Non-current liabilities			
Unearned revenue		(2)	(2)
Borrowings	8	(2,623)	(3,067)
Lease liabilities		(825)	(890)
Derivative financial instruments		(38)	(37)
Non-current deferred income		(4)	(4)
Post-employment benefit obligations		(11)	(37)
Provisions for liabilities and charges	9	(407)	(420)
		(3,910)	(4,457)
Net assets		2,440	2,639
Shareholders' equity			
Share capital		207	207
Share premium		2,166	2,166
Hedging reserve		364	156
Cost of hedging reserve		2	(1)
Translation reserve		(2)	-
Retained earnings		(297)	111
Total Equity		2,440	2,639

Condensed consolidated statement of cash flows (unaudited)

		Six months ended	Six months ended
		31 March 2022	31 March 2021
	Notes	£ million	£ million
Cash flows from operating activities			
Cash generated/(used) from operations	11	590	(1,118)
Interest and other financing charges paid		(148)	(71)
Net tax paid		1	(5)
Net cash generated/(used) from operating activities		443	(1,194)
Cash flows from investing activities			
Purchase of property, plant and equipment		(236)	(71)
Purchase of non-current intangible assets		(11)	(2)
Net (increase)/decrease in money market deposits		(258)	32
Net proceeds from sale and leaseback of aircraft		87	810
Net cash (used)/generated from investing activities		(418)	769
Cash flows from financing activities			
Proceeds from issue of ordinary share capital		91	-
Share issue transaction costs		(37)	-
Purchase of own shares for employee share schemes		(4)	(3)
Proceeds from Eurobond issue and UKEF		-	1,804
Repayment of bank loans and other borrowings		(300)	(1,043)
Repayment of capital element of leases		(92)	(174)
Net decrease in restricted cash		9	6
Net cash (used)/generated by financing activities		(333)	590
Effect of exchange rate changes		19	(114)
Net (decrease)/increase in cash and cash equivalents		(289)	51
Cash and cash equivalents at beginning of period		3,536	2,284
Cash and cash equivalents at end of period		3,247	2,335

Condensed consolidated statement of changes in equity (unaudited)

	Share capital	Share premium	Hedging reserve	Cost of hedging reserve	Translation reserve	Retained earnings	Total
	£ million	£ million	£ million	£ million	£ million	£ million	£ million
At 1 October 2021	207	2,166	156	(1)	-	111	2,639
Loss for the period	-	-	-	-	-	(431)	(431)
Other comprehensive income	-	-	220	3	-	17	240
Total comprehensive income/(loss)	-	-	220	3	-	(414)	(191)
Transfers to Property Plant & Equipment	-	-	(12)	-	-	-	(12)
Share incentive schemes							
Value of employee services	-	-	-	-	-	10	10
Purchase of own shares	-	-	-	-	-	(4)	(4)
Currency translation differences	-	-	-	-	(2)	-	(2)
At 31 March 2022	207	2,166	364	2	(2)	(297)	2,440

	Share capital	Share premium	Hedging reserve	Cost of hedging reserve	Translation reserve	Retained earnings	Total
	£ million	£ million	£ million	£ million	£ million	£ million	£ million
At 1 October 2020	125	1,051	(236)	1	(2)	960	1,899
Loss for the period	-	-	-	-	-	(549)	(549)
Other comprehensive income/(expense)	-	-	228	(2)	-	(2)	224
Total comprehensive income/(loss)	-	-	228	(2)	-	(551)	(325)
Share incentive schemes							
Value of employee services	-	-	-	-	-	8	8
Purchase of own shares	-	-	-	-	-	(3)	(3)
Currency translation differences	-	-	-	-	3	-	3
At 31 March 2021	125	1,051	(8)	(1)	1	414	1,582

The hedging reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedging instruments relating to highly probable transactions that are forecast to occur after the period end.

Notes to the condensed consolidated interim financial information (unaudited)

1. General information

easyJet plc (the Company) is a Company registered in England (Company no. 03959649) domiciled in the United Kingdom (UK). The condensed consolidated interim financial information of the Company as at and for the six months ended 31 March 2022 comprise the Company and its interest in its subsidiaries (together referred to as the Group). Its principal business is that of a low-cost airline carrier operating primarily in Europe. The consolidated financial statements of the Group as at and for the year ended 30 September 2021 are available upon request to the Company Secretary from the Company's registered office at Hangar 89, London Luton Airport, Luton, Bedfordshire, LU2 9PF or are available on the corporate website at <http://corporate.easyJet.com>.

Basis of preparation

The condensed consolidated interim financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting' under UK-adopted international accounting standards and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority. It should be read in conjunction with the Annual Report and Accounts for the year ended 30 September 2021, which were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with IFRSs adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The annual financial statements for the Group for the year ended 30 September 2022 will be prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. This will not result in any change in accounting from the year ended 30 September 2021.

The interim financial information does not constitute statutory accounts within the meaning of sections 434 and 435 of the Companies Act 2006. Statutory accounts for the year ended 30 September 2021 were approved by the Board of Directors on 30 November 2021 and have been delivered to the Registrar of Companies. The report of the auditors was unqualified.

The Group's financial risk management objectives and policies are materially consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 September 2021.

Going concern

In adopting the going concern basis for preparing these interim financial statements, the Directors have considered easyJet's business activities, together with factors likely to affect its future development and performance, as well as easyJet's principal risks and uncertainties.

As at 31 March 2022 easyJet has a net debt position of £0.6 billion including cash and cash equivalents and money market deposits of £3.5 billion, with unrestricted access to £4.4 billion of liquidity (including £258 million of money market deposits) and has retained ownership of 55% of the total fleet with 39% being unencumbered.

The Directors have reviewed the financial forecasts and funding requirements with consideration given to the potential impact of severe but plausible risks. easyJet has modelled a base case representing management's best estimation of how the business plans to recover trading in light of the relaxation of travel restrictions coming out of the pandemic. The model assumes near 2019 capacity for H2 2022 and a return to 2019 capacity for 2023 financial year.

The business is exposed to fluctuations in fuel prices and foreign exchange rates. easyJet is currently c.71% hedged for fuel in H2 of FY22 at c.US\$619 per metric tonne, c.49% hedged for H1 FY23 at c.US\$701 and c.20% hedged for H2 FY23 at c.US\$807 per metric tonne.

In modelling the impact of severe but plausible downside risks, the Directors have considered demand suppression leading to a reduction in yield for 2023 to 2022 levels and reduced capacity of 5% as well as sensitivities on fuel price (fuel price assumed to remain at higher levels to currently hedged/forward rates

throughout the forecast period), operational costs (additional inflation assumed on all costs), and delays in delivery of strategic initiatives. These impacts have been modelled across the whole going concern period. In addition, this downside scenario also includes a short-term partial grounding of 25% of the fleet for one month in August to cover the range of severe but plausible risks that could result in significant operational disruption. This downside scenario resulted in a significant reduction in liquidity but still maintained sufficient headroom on external liquidity requirements.

After reviewing the current liquidity position, committed funding facilities and the base case and severe but plausible downside financial forecasts incorporating the uncertainties described above, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operation for the foreseeable future. For these reasons the Directors continue to adopt the going concern basis of accounting in preparing the Group's financial statements.

Accounting policies

The accounting policies adopted are consistent with those described in the Annual report and accounts for the year ended 30 September 2021.

New and revised standards and interpretations

The amendments that became applicable for the first time in the current annual reporting period, and did not have a material impact were:

- Covid-19 related rent concessions beyond June 30, 2021 – Amendments to IFRS 16 Leases; and
- Interest rate benchmark reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

In the financial year ending September 2020, the Group early adopted the 'Interest Rate Benchmark Reform Phase 1' amendments to IFRS 9 and IFRS 7 applying it retrospectively to accounting relationships that existed before the start of the current reporting period. The impact of IBOR reform on the Group was assessed as being limited, with this amendment only applicable to one hedge relationship. This allowed the Group to continue hedge accounting for the impacted fair value hedge during the period of uncertainty from interest rate benchmark reforms.

During the current reporting period, the Group has adopted the 'Interest Rate Benchmark Reform Phase 2' amendments to IFRS 9, and IFRS 7 and has applied this to the specific hedging relationship identified. Three cross-currency interest rate swaps are used to convert the entire €500 million fixed rate Eurobond to a Sterling floating rate exposure. All three swaps originally were based on three-month LIBOR. Following the cessation of GBP LIBOR, the floating interest transitioned to the ISDA Fallback Rate for fixings from January 2022.

The Group has elected to apply the phase 2 reliefs and has amended its hedge designation and documentation to reflect these changes which are required by IBOR reform. Such amendments did not give rise to the hedge relationship being discontinued.

The LIBOR transition working group which was formed in the prior year continues to consider the wider impacts on the business of these changes. No other material impacts have emerged during the period.

There are no standards that are issued but not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Estimates and judgements

The preparation of accounts in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of income and expenses during the reporting period. Although these amounts are based on management's best estimates, events or actions may mean that actual results ultimately differ from

those estimates, and these differences may be material. The estimates and the underlying assumptions are reviewed regularly.

In preparing these condensed consolidated interim financial statements, the key judgements and estimates are, with the exception of hedge discontinuation and ineffectiveness which is no longer considered to be a key judgement, the same as those applied in the most recently published consolidated financial statements.

The Group has concluded that the deferred tax assets will be recoverable against the unwind of the taxable temporary differences and the future taxable income based on the strategic plans of the Group. The losses can be carried forward indefinitely and have no expiry date, but it is expected that the deferred tax asset would be recovered within a seven-year time horizon.

2. Seasonality

The airline industry is highly seasonal and demand and yields are significantly higher during the summer. Accordingly, revenue and profitability are usually higher in the second half of the financial year. Historically, easyJet has reported a loss/low profit for the first half of the financial year which the ongoing impact of the Covid-19 pandemic has continued to exacerbate.

3. Non-headline items

Non-headline items are those where, in management's opinion, their separate reporting provides an additional understanding to users of the financial statements of easyJet's underlying trading performance, and which are significant by virtue of their size and/or nature. In considering the categorisation of an item as non-headline, management's judgement includes, but is not limited to, a consideration of:

- Whether the item is outside of the principal activities of the easyJet Group (being to provide point-to-point airline services and package holidays).
- The specific circumstances which have led to the item arising, including, if extinguishing an item from the balance sheet, whether that item was first generated via headline or non-headline activity. The rebuttable presumption being that when subsequently extinguishing an item from the balance sheet, any impact on the income statement should be reflected in the same way as that which was used in the initial creation of the item.
- The likelihood and potential regularity of recurrence.
- Whether the item is unusual by virtue of its size.

Non-headline items may include impairments, amounts relating to corporate acquisitions and disposals, expenditure on major restructuring programmes and the gain or loss resulting from the initial recognition of sale and leaseback transactions.

The measure of profit which excludes non-headline items is described as 'headline' and is used by the Directors to measure and monitor performance.

An analysis of the amounts presented as 'non-headline' is given below:

	Six months ended 31 March 2022	Six months ended 31 March 2021
	£ million	£ million
Sale and leaseback loss/(gain)	21	(60)
Restructuring credit	(8)	(25)
Recognised in operating loss	13	(85)
Hedge discontinuation (credit)/charge	(1)	29
Total non-headline charge/(credit) before tax	12	(56)
Tax on non-headline items	(3)	30
Total non-headline charge/(credit) after tax	9	(26)

Sale and leaseback

During the period, easyJet completed the sale and leaseback of 10 A319 aircraft (H1 2021: 7), nil A320 (H1 2021: 24) and nil A321 (H1 2021: 4). The Income Statement impact of the 10 sale and leasebacks was a £21 million loss recognised in Other costs (H1 2021: £68 million gain recognised in Other income offset by a £8m loss recognised in Other costs).

Restructuring

As a result of the Covid-19 pandemic a restructuring process was undertaken. During the period the associated provision was updated to reflect ongoing discussions with unions which resulted in an £8 million credit being recognised within Other costs (H1 2021: £25 million credit). The programme is expected to complete in the financial year 2022.

Hedge discontinuations

This relates to hedge accounting ineffectiveness for items currently held in fair value and cash flow hedge relationships, and the cumulative fair value of financial derivatives at the time of being discontinued from a previous hedge accounting relationship.

In accordance with IFRS 9, hedge effectiveness testing is performed on a regular, periodic basis. For cash flow hedges this includes an assessment of highly probable future cash exposures with the amount compared to the notional value of derivatives held in a hedge relationship. Due to the reduced level of commercial flying over the pandemic, easyJet has been in an over-hedged position from both a jet fuel and FX perspective. Where forecast exposures are no longer expected to occur, these previously hedged amounts no longer qualify for hedge accounting. The cumulative fair value movement of a £1m million net gain (2021: £29 million loss) related to these ineffective derivatives held in Other Comprehensive Income has then been immediately recorded in the income statement.

Tax on non-headline items

After the necessary tax adjustments which principally relate to the sale and leaseback transactions in both the current and comparative periods, the tax adjusted non-headline items amount to a loss of £14 million (H1 2021: £159 million profit) which results in a tax credit of £3 million (H1 2021: £30 million charge) for the period.

4. Tax credit

Tax on loss on ordinary activities:

	Six months ended	Six months ended
	31 March 2022	31 March 2021
	£ million	£ million
Current tax	3	1
Deferred tax	(129)	(97)
	(126)	(96)
Effective tax rate	22.7%	14.9%
Effective tax rate excluding rate change impact	16.8%	14.9%

The forecast effective tax rate (using currently enacted rates) is higher than the standard rate of corporation tax in the United Kingdom (19%), principally due to timing differences being recognised at the substantively enacted tax rate for deferred tax (generally 25%). This is on the basis that the Finance Act 2021 confirmed the increase of the UK Corporation Tax rate from 19% to 25% effective from 1 April 2023. As such, timing differences that unwind after this date are recognised at 25%.

Had this change in tax rate not been substantively enacted, the effective tax rate (15.6%) would be lower than the standard rate of corporation tax, principally due to permanent tax differences and differences in tax rates in jurisdictions where easyJet has a taxable presence outside of the UK. The permanent tax costs are as a result of the sale and leaseback transactions (disclosed within note 3) as well as other disallowable expenses.

The forecasted effective tax rates have been determined on the premise that the tax loss as at H1 2022 is recoverable in full.

Tax on items recognised directly in other comprehensive income

Six months ended	Six months ended
-----------------------------	---------------------

	£ million	£ million
Charge to other comprehensive income		
Deferred tax charge on defined benefit scheme	(6)	(1)
Deferred tax on fair value movements of cash flow hedges	(53)	(53)
Total charge to other comprehensive income	(59)	(54)

There was no tax on items recognised directly in shareholders' equity in the period (H1 2021: £nil).

5. Loss per share

As a result of the rights issue in September 2021, the comparative loss per share has been restated having applied the relevant bonus factor to the calculator of the weighted average number of shares.

	Six months ended 31 March 2022 £million	Six months ended 31 March 2021 £million (restated)
Headline loss for the period	(422)	(575)
Total loss for the period	(431)	(549)

	Six months ended 31 March 2022 million	Six months ended 31 March 2021 million (restated)
Weighted average number of ordinary shares used to calculate basic loss per share	754	538

	Six months ended 31 March 2022 pence	Six months ended 31 March 2021 pence (restated)
Basic loss per share		
Total	(57.2)	(102.0)
Adjustment for non-headline	1.2	(4.9)
Headline	(56.0)	(106.9)

Diluted earnings per share figures are not presented for either period as the impact of potential ordinary shares is anti-dilutive.

6. Segmental Reporting

	Six months ending 31 March 2022			
	Airline	Holidays	Intra-group transactions	Group
	£ million	£ million	£ million	£ million
Revenue	1,444	73	(19)	1,498

Operating costs excl fuel	(1,287)	(76)	19	(1,344)
Fuel	(362)	-	-	(362)
Ownership costs	(335)	(2)	-	(337)
Headline loss before tax	(540)	(5)	-	(545)
Non-headline items	(12)	-	-	(12)
Total loss before tax	(552)	(5)	-	(557)

	Six months ending 31 March 2021			
	Airline	Holidays	Intra-group transactions	Group
	£ million	£ million	£ million	£ million
Revenue	237	4	(1)	240
Operating costs excl fuel	(604)	(10)	1	(613)
Fuel	(97)	-	-	(97)
Ownership costs	(229)	(2)	-	(231)
Headline loss before tax	(693)	(8)	-	(701)
Non-headline items	56	-	-	56
Total loss before tax	(637)	(8)	-	(645)

The intra-group transaction column represents intercompany costs from Airline to holidays which are recorded at arm's length and are eliminated on consolidation. Individual cost lines are not reported separately as these are not key metrics reported to the Chief Operating Decision Maker (CODM). Assets and liabilities are not allocated to individual segments and are not separately reported to or reviewed by the CODM, and therefore these have not been disclosed. Interest income and expenditure are not allocated to segments as this activity is driven by the central treasury function which manages the cash position of the Group.

7. Property, plant and equipment

	Owned assets			Right of use assets held under leasing arrangements		Total
	Aircraft and spares	Land and buildings	Other	Aircraft and spares	Other	Total
	£ million	£ million	£ million	£ million	£ million	£ million
Cost						
At 1 October 2021	4,802	44	55	2,335	45	7,281
Additions	240	-	5	56	-	301
Aircraft sold and leased back	(215)	-	-	26	-	(189)
Disposals	(3)	-	-	-	-	(3)
At 31 March 2022	4,824	44	60	2,417	45	7,390
Depreciation						
At 1 October 2021	1,243	-	19	1,255	29	2,546
Charge for the period	129	-	5	130	3	267
Aircraft sold and leased back	(104)	-	-	-	-	(104)
Disposals	(2)	-	-	-	-	(2)
At 31 March 2022	1,266	-	24	1,385	32	2,707
Net book value						
At 31 March 2022	3,558	44	36	1,032	13	4,683
At 1 October 2021	3,559	44	36	1,080	16	4,735

	Owned assets			Right of use assets held under leasing arrangements		Total
	Aircraft and spares	Land and buildings	Other	Aircraft and spares	Other	Total
	£ million	£ million	£ million	£ million	£ million	£ million
Cost						
At 1 October 2020	5,520	44	44	1,692	37	7,337
Additions	112	-	28	148	8	296
Transfers	64	-	-	(64)	-	-
Aircraft sold and leased back	(828)*	-	(15)	559	-	(284)*
Disposals	(66)*	-	(2)	-	-	(68)*
At 30 September 2021	4,802	44	55	2,335	45	7,281
Depreciation						
At 1 October 2020	1,187	-	12	1,062	23	2,284
Charge for the period	227	-	7	216	6	456
Transfers	23	-	-	(23)	-	-
Aircraft sold and leased back	(153)*	-	-	-	-	(153)*
Disposals	(41)*	-	-	-	-	(41)*
At 30 September 2021	1,243	-	19	1,255	29	2,546
Net book value						
At 30 September 2021	3,559	44	36	1,080	16	4,735
At 1 October 2020	4,333	44	32	630	14	5,053

The net book value of aircraft includes £308 million (H1 2021: £312 million) relating to advance and option payments for future aircraft deliveries. This amount is not depreciated.

At 31 March 2022 easyJet was contractually committed to the acquisition of 115 (H1 2021: 101) Airbus A320 family aircraft, with a total list price of US\$14.46 billion (H1 2021: US\$12.31 billion) before escalations and discounts for delivery. It is expected that three aircraft will be delivered for the remainder of FY 2022 and seven aircraft deliveries in FY 2023.

*£33m of cost and £33m of accumulated depreciation from components disposed of in the year ended 30 September 2021 were identified which were previously included as Disposals, which have now been presented in Aircraft sold and leased back, reflecting the aircraft with which they were associated.

8. Borrowings

	Current	Non-current	Total
	£ million	£ million	£
At 31 March 2022			
Eurobonds	423	1,838	2,261
Term Loan (UK Export Finance backed facility)	-	785	785
	423	2,623	3,046
At 30 September 2021			
Eurobonds	-	2,303	2,303
Term Loan (UK Export Finance backed facility)	-	764	764
Commercial Paper (Covid Corporate Financing facility)	300	-	300
	300	3,067	3,367

Amounts above are shown net of issue costs or discounted amounts which are amortised at the effective interest rate over the life of the debt instruments.

The remaining Covid Corporate Financing Facility (CCFF) of £300 million was repaid in November 2021.

See the note 10 for further information on borrowings.

9. Provisions for liabilities and charges

	Maintenance provisions	Provisions for customer claims	Restructuring	Other Provisions	Total provisions
	£ million	£ million	£ million	£ million	£ million
At 1 October 2021	550	21	18	14	603
Exchange adjustments	10	-	-	-	10
Charged/(credited) to income	44	13	(8)	1	50
Related to aircraft sold and leased	6	-	-	-	6
Unwinding of discount	(19)	-	-	-	(19)
Utilised	(51)	(11)	(4)	-	(66)
At 31 March 2022	540	23	6	15	584

Maintenance provisions comprise of maintenance costs arising from legal and constructive obligations relating to the condition of the aircraft when returned to the lessor. Restructuring and other provisions include amounts in

respect of potential liabilities for employee-related matters and litigation which arose in the normal course of business.

	31 March 2022	30 September 2021
	£ million	£ million
Current	177	183
Non-current	407	420
	584	603

Maintenance provisions are expected to be utilised within ten years. Provisions for customer claims, restructuring, and other provisions could be fully utilised within one year from 31 March 2022 and therefore are classified as current.

The split of the current / non-current maintenance provision is based on the current expected maintenance event timings. If actual aircraft usage varies from expectations, the timing of the utilisation of the maintenance provision could result in a material change in the classification between current and non-current.

10. Financial instruments

Carrying value and fair value of financial assets and liabilities

The fair values of financial assets and liabilities, together with the carrying value at each reporting date, are as follows:

	Amortised cost		Held at fair value				Carrying value	Fair value
	Financial assets	Financial liabilities	Fair value hedges	Cash flow hedges	Other financial instruments	Other ⁽¹⁾		
	£	£	£	£	£	£	£	£
At 31 March 2022	million	million	million	million	£ million	million	million	million
Other non-current assets	49	-	-	-	-	-	49	49
Trade and other receivables	141	-	-	-	-	195	336	336
Trade and other payables	-	(1,125)	-	-	-	(237)	(1,362)	(1,362)
Derivative financial instruments	-	-	44	417	10	-	471	471
Restricted cash	5	-	-	-	-	-	5	5
Money market deposits	258	-	-	-	-	-	258	258
Cash and cash equivalents	1,909	-	-	-	1,338	-	3,247	3,247
Eurobonds ^{(3),(4),(5),(6)}	-	(2,261)	-	-	-	-	(2,261)	(2,218)
Other Borrowings ⁽⁷⁾	-	(785)	-	-	-	-	(785)	(785)
Lease liabilities	-	(1,055)	-	-	-	-	(1,055)	N/A
Equity Investments ⁽²⁾	-	-	-	-	30	-	30	30

	Amortised cost		Held at fair value				Carrying value	Fair value
	Financial assets	Financial liabilities	Fair value hedges	Cash flow hedges	Other financial instruments	Other ⁽¹⁾		
	£	£	£	£	£	£	£	£
At 30 September 2021	£ million	£ million	£ million	£ million	£ million	million	million	million
Other non-current assets	135	-	-	-	-	-	135	135
Trade and other receivables	178	-	-	-	-	113	291	291
Trade and other payables	-	(826)	-	-	-	(302)	(1,128)	(1,128)
Derivative financial instruments	-	-	53	153	(3)	-	203	203
Restricted cash	14	-	-	-	-	-	14	14
Cash and cash equivalents	1,932	-	-	-	1,604	-	3,536	3,536
Eurobonds ^{(3),(4),(5)}	-	(2,303)	-	-	-	-	(2,303)	(2,380)
Other Borrowings	-	(1,064)	-	-	-	-	(1,064)	(1,064)
Lease liabilities	-	(1,079)	-	-	-	-	(1,079)	N/A
Equity Investments ⁽²⁾	-	-	-	-	30	-	30	30

(1). Amounts disclosed in the 'Other' column are items that do not meet the definition of a financial instrument. They are disclosed to facilitate reconciliation of the carrying values of financial instruments to line items presented in the statement of financial position.

(2). The equity investment of £30 million represents a 13.2% shareholding in a non-listed entity, The Airline Group Limited. Valuation movements are designated as being fair valued through other comprehensive income due to the nature of the investment being held for strategic purposes.

(3). In February 2016, easyJet plc issued a €500 million bond under the £3,000 million Euro Medium Term Note Programme guaranteed by easyJet Airline Company Limited. The Eurobond is for a seven year-term and pays an annual fixed coupon of 1.750%. At the same time the Group entered into three cross-currency interest rate swaps to convert the entire €500 million fixed rate Eurobond to a Sterling floating rate exposure. All three swaps originally paid floating interest (three-month LIBOR plus a margin) quarterly, receive fixed interest annually, and have maturities matching the Eurobond. Following the cessation of GBP LIBOR the floating interest transitioned to the ISDA Fallback Rate for fixings from January 2022. The Group designated all three cross-currency interest rate swaps as a fair value hedge of the interest rate and currency risks on the €500 million Eurobond. The swaps are measured at fair value through profit or loss with any gains or losses being taken immediately to the income statement (except where related to timing differences related to cross currency basis amortisation). The carrying value of the Eurobond is adjusted for changes in fair value attributable to the risks being hedged. This net carrying value differs to the swap's fair value depending on movements in the Group's credit risk and cross-currency basis. The carrying value of the fixed rate Eurobond net of the cross-currency interest rate swap at 31 March 2022 was £380 million. This value does not include capitalised set-up costs incurred in the issuing of the bond.

(4). In October 2016 easyJet plc issued a €500 million bond under the £3,000 million Euro Medium Term Note Programme guaranteed by easyJet Airline Company Limited. The Eurobond is for a seven year term and pays an annual fixed coupon of 1.125%. Shortly after the issuance of the €500 million bond the Group entered into three cross-currency interest rate swaps to convert the entire €500 million fixed rate Eurobond to a Sterling fixed rate exposure. The cross-currency interest rate swaps were executed on 8 November 2016 with settlement and notional exchange occurring on 14 November 2016. All three swaps pay fixed interest semi-annually, receive fixed interest annually, and have maturities matching the Eurobond. The Group designated all three cross-currency interest rate swaps as a cash flow hedge of the currency risk on the €500 million Eurobond. The cross-currency interest rate swaps are measured at fair value with the effective portion taken through the statement of comprehensive income. The element of the fair value generated by the change in the spot rate is recycled to the income statement from the statement of comprehensive income to offset the revaluation of the Eurobond. The carrying value of the fixed rate Eurobond net of the cross-currency interest rate swap at 31 March 2022 was £440 million. This value does not include capitalised set-up costs incurred in the issuing of the bond.

(5). In June 2019 easyJet plc issued a €500 million bond under the £3,000 million Euro Medium Term Note Programme guaranteed by easyJet Airline Company Limited. The Eurobond is for a six year-term and pays an annual fixed coupon of 0.875%. At the same time the Group entered into three cross-currency interest rate swaps to convert the entire €500 million fixed rate Eurobond to a Sterling fixed rate exposure. All three swaps pay fixed interest semi-annually, receive fixed interest annually, and have maturities matching the Eurobond. The Group designated all three cross-currency interest rate swaps as a cash flow hedge of the currency risk on the €500 million Eurobond. The cross-currency interest rate swaps are measured at fair value with the effective portion taken through the statement of comprehensive income. The element of the fair value generated by the change in the spot rate is recycled to the income statement from the statement of comprehensive income to offset the revaluation of the Eurobond. The carrying value of the fixed rate Eurobond net of the cross-currency interest rate swap at 31 March 2022 was £440 million. This value does not include capitalised set-up costs incurred in the issuing of the bond.

(6) In March 2021 easyJet FinCo B.V. issued a €1,200 million bond under the £3,000 million Euro Medium Term Note Programme guaranteed by easyJet Airline Company Limited and easyJet PLC. The Eurobond is for a seven-year term and pays an annual fixed coupon of 1.875%. As at the period end this was not hedged.

(7) In January 2021 easyJet entered into a new five-year term loan facility of \$1.87 billion underwritten by a syndicate of banks and supported by a partial guarantee from UK Export Finance under their Export Development Guarantee scheme. easyJet drew down \$1.05 billion from the UKEF backed facility in January 2021, utilising these funds to repay and cancel the fully drawn \$500 million Revolving Credit Facility and repaying term loans of \$245 million and £200 million.

Fair value calculation methodology

Where available the fair values of financial instruments have been determined by reference to observable market prices where the instruments are traded. Where market prices are not available, the fair value has been estimated by discounting expected future cash flows at prevailing interest rates and by applying year end exchange rates (excluding The Airline Group Limited equity investment).

The fair values of the four Eurobonds are classified as level 1 of the IFRS 13 'Fair Value Measurement' fair value hierarchy (valuations taken as the closing market trade price for each respective Eurobond as on 31 March 2022). Apart from the equity investment, the remaining financial instruments for which fair value is disclosed in the table above, and derivative financial instruments, are classified as level 2.

The fair values of derivatives are calculated using observable market forward curves (e.g. forward foreign exchange rates, forward interest rates or forward jet fuel prices) and discounted to present value using risk free rates. The impacts of counterparty credit, cross currency basis and market volatility are also included where appropriate as part of the fair valuation.

The equity investment is classified as level 3 due to the use of forecast cash flows not based on observable market data, which are discounted to present value. The fair value is assessed at each reporting date based on the

discounted cash flows. If the level 3 forecast cash flows were 10% higher or lower the fair value would not increase / decrease by a significant amount.

The fair value measurement hierarchy levels have been defined as follows;

- Level 1, fair value of financial instruments based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2, fair value of financial instruments in an active market (for example, over the counter derivatives) which are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.
- Level 3, fair value of financial instruments that are not based on observable market data (i.e. unobservable inputs).

11. Reconciliation of operating loss to cash generated from/(used in) operations

	Six months ended	Six months ended
	31 March 2022	31 March 2021
	£ million	£ million
Operating loss	(499)	(601)
Adjustments for non-cash items:		
Depreciation	265	204
Amortisation of intangible assets	12	11
Loss on disposal of property, plant and equipment and intangibles	4	3
Loss/(gain) on sale and leaseback	21	(60)
Share-based payments	10	8
Changes in working capital and other items of an operating		
(Increase)/decrease in trade and other receivables	(133)	31
Increase in current intangible assets	(86)	(88)
Decrease in trade and other payables	(9)	(448)
Increase in unearned revenue	934	48
Increase/(decrease) in post-employment benefit contribution	5	(6)
Decrease in provisions	(75)	(71)
Decrease/(increase) in other non-current assets	86	(4)
Decrease in derivative financial instruments	55	(144)
Decrease in non-current deferred income	-	(1)
Cash generated from/(used in) operations	590	(1,118)

12. Government Grants and assistance

In the period, the Group utilised schemes provided by governments in Germany, France and Switzerland whereby employees designated as being 'furloughed workers' are eligible to have a portion of their wage costs recovered.

The total amount of such relief received by the Group in the period amounted to £8 million (H1 2021: £73 million) and is offset within employee costs in the Income statement. There are no unfulfilled conditions or contingencies relating to these schemes.

On 6 April 2020, easyJet issued a commercial paper through the Covid Corporate Finance Facility (CCFF) implemented by the government of the United Kingdom. Under the CCFF, easyJet received £600 million, with interest incurred at the prevailing market rate. In the previous financial year easyJet repaid £300 million with the remaining £300 million repaid in November 2021.

13. Contingent liabilities and commitments

easyJet is involved in a number of disputes and litigation which arose in the normal course of business. Where cases have proceeded to a point that an estimation of a probable liability can be reasonably estimated, a provision is recognised (note 9). However, the likely outcome of many disputes and litigation cannot be predicted, and in complex cases reliable estimates of any potential obligation may not be possible.

On 19 May 2020, easyJet announced that it had been the target of a cyber-attack from a highly sophisticated source. The email addresses and travel details of approximately 9 million customers were accessed and for a very small subset of customers (2,208), credit card details were accessed.

The cyber-attack continues to be under investigation by the Information Commissioner's Office (ICO). As the cyber-attack took place before the United Kingdom left the European Union, the Group expects the ICO to be investigating on behalf of all EU data protection authorities as lead supervisory authority under the GDPR. Any penalty or enforcement action will need to be reviewed and approved by the other EU data protection authorities under the GDPR's cooperation process. In addition, in May 2020, a class action claim was filed in the UK High Court by a law firm representing a class of affected customers and claims have also been commenced or threatened in certain other courts and jurisdictions.

The merit, likely outcome and potential impact on the Group of the continued investigation by the ICO, group action and other claims are still subject to a number of significant uncertainties and therefore the Group is unable to assess the likely outcome or quantum of the claims as at the date of these financial statements.

At 31 March 2022 easyJet had outstanding letters of credit and performance bonds totalling £72 million (H1 2021: £72 million), of which £40 million (H1 2021: £43 million) expires within one year. The fair value of these instruments at each period end was negligible.

No amount is recognised in the statement of financial position in respect of any of these financial instruments as it is not probable that there will be an outflow of resources.

As part of the commitment to voluntary carbon offsetting, easyJet currently has contractual commitments to purchase Verified Emission Reductions worth £6 million (H1 2021: £22 million) in total over the next year.

At 31 March 2022, easyJet has a capital commitment to purchase two engines for £19 million by December 2022.

14. Related party transactions

The Company licenses the easyJet brand from easyGroup Ltd ('easyGroup'), a wholly owned subsidiary of easyGroup Holdings Limited, an entity in which easyJet's founder, Sir Stelios Haji-Ioannou, holds a beneficial controlling interest. The Haji-Ioannou family concert party shareholding (being easyGroup Holdings Limited and Polys Holding Limited) holds, in total, approximately 15.27% of the issued share capital of easyJet plc as at 31 March 2022.

Under the Amended Brand Licence signed in October 2010 and approved by the shareholders of easyJet plc in December 2010, an annual royalty of 0.25% of total revenue is payable by easyJet to easyGroup. The full term of the agreement is 50 years.

easyJet and easyGroup have established a fund to meet the annual costs of protecting the 'easy' (and related marks) and the 'easyJet' brands. easyJet contributes up to £1 million per annum to this fund and easyGroup contributes £100,000 per annum. If easyJet contributes more than £1 million per annum, easyGroup will match its contribution in the ratio of 1:10 up to a limit of £5 million contributed by easyJet and £500,000 contributed by easyGroup.

Three side letters have been entered into: (i) a letter dated 29 September 2016 in which easyGroup consented to easyJet acquiring a portion of the equity share capital in Founders Factory Limited; (ii) a letter dated 26 June 2017

in which easyJet's permitted usage of the brand was slightly extended; and (iii) a letter dated 02 February 2018 in which easyGroup agreed that certain affiliates of easyJet have the right to use the brand.

The amounts included in the income statement, within other costs, for these items were as follows:

	Six months ended	Six months ended
	31 March £ million	31 March 2021 £ million
Royalty	3.6	0.1
Brand protection (legal fees paid through easyGroup to third parties)	-	0.1
	3.6	0.2

As at 31 March 2022, £1.9 million net payable (H1 2021: £4.6 million net receivable) of related party balances were held in trade and other receivables and payables.

15. Events after the balance sheet date

On 7 April 2022, \$100 million of the UK Export Finance backed facility was repaid. This relates to the Commercial Paper (UK Export Finance) disclosed in note 8.

Glossary: Alternative Performance Measures

Non-headline items

Non-headline items are those where, in management's opinion, their separate reporting provides an additional understanding to users of the financial statements of easyJet's underlying trading performance, and which are significant by virtue of their size and/or nature (see Note 3).

Headline loss before Tax

A measure of underlying performance which is not impacted by non-headline items.

	Six months ended	Six months ended
	31 March 2022	31 March 2021
	£ million	£ million
Statutory loss before tax	(557)	(645)
Total non-headline charge/ (credit) (see note 3)	12	(56)
Headline loss before tax	(545)	(701)

EBITDAR

Earnings before interest, taxes, depreciation, amortisation and aircraft rental.

Headline EBITDAR

Earnings before non-headline items, interest, taxes, depreciation, amortisation and aircraft rental.

	Six months ended	Six months ended
	31 March 2022	31 March 2021
	£ million	£ million

Statutory operating loss	(499)	(601)
Add back;		
Aircraft dry leasing	1	2
Depreciation	265	204
Amortisation	12	11
EBITDAR	(221)	(384)
Non-headline charge/(credit) within operating profit (see note 3)	13	(85)
Headline EBITDAR	(208)	(469)

Net debt

Total cash less borrowings and lease liabilities. (Cash includes money market deposits but excludes restricted cash).

	31 March 2022 £ million	31 March 2021 £ million
Borrowings	3,046	3,323
Lease liabilities	1,055	1,027
Cash and money market deposits (excluding restricted cash)	(3,505)	(2,335)
Net Debt	596	2,015

Return on Capital employed (ROCE)

Operating profit, less tax at the prevailing UK corporation tax rate at the end of the financial year, divided by average capital employed (shareholder equity less net cash/debt).

Headline return on capital employed (ROCE)

Operating profit less non-headline items, less tax at the prevailing UK corporation tax rate at the end of the financial year, divided by average capital employed (shareholder equity less net cash/debt).

	31 March 2022 £ million	31 March 2021 £ million
Opening shareholder's equity	2,639	1,899
Closing shareholder equity	2,440	1,582
Average shareholder equity	2,540	1,741
Opening net Debt	910	1,125
Closing net det	596	2,015
Average net debt	753	1,570
Average capital employed	3,293	3,311

Reported operating loss	(499)	(601)
Tax rate	19%	19%
Normalised operating loss after tax	(404)	(487)

Return on capital employed	(12.3%)	(14.7%)
Reported operating loss	(499)	(601)
Non-headline charge/(credit) within operating loss (see note 3)	13	(85)
Headline reported operating loss	(486)	(686)
Tax rate	19%	19%
Normalised headline operating loss after tax	(394)	(556)
Headline return on capital employed	(12.0%)	(16.8%)

Basic headline loss per share – pence

Total headline loss for the year divided by the weighted average number of shares in issue during the year after adjusting for shares held in employee benefit trusts.

Diluted headline loss per share - pence

Diluted headline loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential shares.

	Six months ended 31 March 2022 £ million	Six months ended 31 March 2021 £ million
Statutory loss after tax	(431)	(549)
Total non-headline charge/ (credit) (see note 3)	12	(56)
Tax impact on non-headline items	(3)	30
Headline loss	(422)	(575)

	million	million restated (see note 5)
Weighted average number of ordinary shares used to calculate basic loss per share	754	538
Weighted average number of ordinary shares used to calculate diluted loss per share	754	538
Headline loss per share	pence	pence restated
Basic	(56.0)	(106.9)
Diluted	(56.0)	(106.9)

Constant currency measures

These performance measures are calculated by translating the H1 2022 financial period performance at the H1 2021 financial period effective exchange rate, excluding foreign exchange gains and losses in the statement of financial position. The purpose of this APM is to give insight on performance by comparing metrics on a constant currency basis thereby excluding the impact of exchange rate movements.

Statement of Directors' responsibilities

The Directors are responsible for preparing the interim report in accordance with applicable law and regulations. The Directors confirm that the condensed consolidated interim financial information has been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim management report includes a fair review of the information required by the Disclosure and Transparency Rules paragraphs 4.2.7 R and 4.2.8 R, namely:

- an indication of important events that have occurred during the six months ended 31 March 2022 and their impact on the condensed set of financial information, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions during the six months ended 31 March 2022 and any material changes in the related-party transactions described in the Annual report and Accounts 2021.

The Directors of easyJet plc are listed in the Annual report and Accounts 2021. A list of current Directors is maintained on the easyJet plc website: <http://corporate.easyJet.com> and includes Stephen Hester who became Chair on 1 December 2021.

The Directors are responsible for the maintenance and integrity of, amongst other things, the financial and corporate governance information as provided on the easyJet website (<http://corporate.easyJet.com>). Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

The interim report was approved by the Board of Directors and authorised for issue on 18 May 2022 and signed on its behalf by:

Johan Lundgren	Alistair Kenton Jarvis
Chief Executive	Chief Financial Officer

Independent review report to easyJet plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed easyJet plc's condensed consolidated interim financial statements (the "interim financial statements") in the interim report of easyJet plc for the 6 month period ended 31 March 2022 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the condensed consolidated statement of financial position as at 31 March 2022;
- the condensed consolidated income statement and condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated statement of cash flows for the period then ended;
- the condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim report of easyJet plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Responsibilities for the interim financial statements and the review**Our responsibilities and those of the directors**

The interim report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

Chartered Accountants

Watford

19 May 2022