

Clarification of fleet forecasts presented by Karl Wingfield on behalf of The Harpenden Society

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1. Background

- 1.1. Our statement to the Inquiry and our response to the Environmental Statement Addendum July 2022 (ESA) listed as “Harpenden Society ES Addendum Update September 2022” under Responses to Addendum to Environmental Statement both state that the summer aircraft movement forecasts in Table 8B.1 of CD1.21 do not accord with the methodology set out in CD4.09 Clarification Response on Noise Issues (August 2021) pages 1-2 (attached as Appendix 1) which states that aircraft are allocated to Luton Airport (LLA) based on the proportion of the whole airline fleet that these aircraft represented.
- 1.2. The Inspectors have asked us to explain how we reached this conclusion. This paper provides that explanation. We suggest this matter merits independent review.

2. Harpenden Society fleet forecast 2028 method

- 2.1. Our calculation is based on publicly available information and is limited to the Airbus fleet so that the entire relevant period can be covered: the dominant airlines at LLA EasyJet and Wizz both use Airbus aircraft and account for 97% of all Airbus movements (see CD8.26 LLA AMR 2019 page 9).
- 2.2. Firstly, we have assessed, using the publicly available information, EasyJet and Wizz’s fleet renewal programme until 2028. The methodology is set out in Appendix 2 (and the results are included in Appendix 8).
- 2.3. Secondly, we have calculated the 2028 capacity for each airline and each aircraft type based on 2019’s calculated 92 day summer period capacity increased by the same percentage that Wood’s forecast movements for 2028 imply. These calculations are explained below.
- 2.4. Finally, we have calculated the 92 day summer period movements using the airline fleet expectations for 2028 set out in Appendix 8 and the capacity calculated per 2.3.

Calculation of 2028 capacity for each airline and each aircraft type

- 2.5. Appendix 12 shows the detailed workings.
- 2.6. The methodology is set out below:
 - 2.6.1. Extract the aircraft movements by aircraft type and the total aircraft movements for EasyJet and Wizz from the Annual Monitoring Report (AMR) for 2019, column (B).
 - 2.6.2. Estimate the number of A320ceo’s each airline flew that year. The calculations are shown in column (B) too. The calculation is simply the total EasyJet and Wizz movements in 2019 less movements of specific aircraft types attributable to that airline. We have assumed that all A319’s and A320neo’s were flown by EasyJet and all A321’s (both ceo’s and neo’s) were flown by Wizz. It means the residual difference between the total Airbus aircraft movements and the two airlines totals is only attributable to A320ceo movements, shown in the bottom calculation in column (B). This may well be incorrect but we expect any error to be insignificant in terms of the overall results (if LLAOL can provide the correct figures the calculations can be updated).

2.6.3. Having calculated the aircraft types split for EasyJet and Wizz for 2019, the 92 day summer period movements for each aircraft type overall and for each airline are calculated in column (C). For this purpose we have applied the 92 day summer period percentage in LLAOL's statement para 50 which is included in APP-W2.1 Proof of Evidence:

50. Once the adjusted starting point had been established, the core 92-day summer peak was extracted. The 92-day summer peak runs from 16 June to 15 September each year. It is typically used to reflect the period when the Airport is at its busiest. It is also the period which is used to establish the noise contours. In 2019 the 92-day period represented 29% of the full year programme. It can be reasonably be expected that this proportion would not materially change in future years.

2.6.4. Column (A) shows the number of seats for each aircraft extracted from seatmaps.com. An example is included as Appendix 13.

2.6.5. Multiply the seat figures in column (A) by the 92 day summer period movements for 2019 column (C) and column (D) – the Wood 2028 aircraft movements extracted from Table 8B.1 CD1.21. This gives the total capacity figures for aircraft types for each year - top part of columns (E) and (F).

2.6.6. Column (G) shows that the increase in capacity between actual 2019 aircraft movements and Wood's forecast aircraft movements is 1%. Bearing in mind the passenger increase is 5.5% this appears to be an understatement of the potential capacity requirement but we've not adjusted for this as the underlying data is from the Annual Monitoring Report (CD8.26) and from CD1.21.

2.6.7. Column (E) also shows the calculation of EasyJet and Wizz's capacity for the 2019 92 day summer period, using the same approach as above (2.6.5). Please note that approximately 1% of capacity (equivalent to 664 A320ceo movements) is attributable to other airlines.

2.6.8. To calculate the total 2028 92 day summer period capacity each airlines capacity for 2019 is multiplied by 101%. This is shown in the lower half of the spreadsheet in column (G).

3. Harpenden Society fleet forecast 2028 results

- 3.1. Once each airlines' total capacity for 2028 is known, each aircraft type's capacity can be calculated using the 2028 fleets for each aircraft (as shown in Appendix 8) using the Excel SUMPRODUCT function (what this does is calculate the sums of the products of the seat and fleet columns so takes into account differences in aircraft seat capacities in allocating capacity). These aircraft specific capacities are then divided by the seat availability for each aircraft type to produce the Harpenden Society 2028 92 day summer period aircraft movements (based on Wood's statement that aircraft were prorated across LLA according to the proportions of each aircraft in the airlines' fleets).

The table below shows the resulting movements in the right hand column:

	Seats	2028 fleet HarpSoc Appendix 8	2028 Capacity calculated		2028 Summer prorated mvts
EasyJet mvts					
A319	156				
A320ceo	186	163	1,308,356		7,034
A320neo	186	146	1,171,902		6,301
Totals			2,480,258		13,335
Wizz mvts					
A320ceo	186				
A320neo	186	40	207,987		1,118
A321ceo	230	3	19,289		84
A321neo	239	289	1,930,893		8,079
A321XLR	239	47	314,021		1,314
			2,472,189		10,595

3.2. The table below compares the calculated movements above to the Wood CD1.21 movements for aircraft types:

	2028 Summer Wood mvts	2028 Summer HarpSoc mvts	Change	Capacity check Wood	Capacity check HarpSoc
A319	49		(49)	7,644	
A320ceo	2,326	7,034	4,708	432,636	1,308,356
A320neo	16,128	7,419	(8,709)	2,999,808	1,379,888
A321ceo		84	84		19,289
A321neo	6,848	8,079	1,231	1,636,672	1,930,893
A321XLR		1,314	1,314		314,021
Totals	25,351	23,930	(1,421)	5,076,760	4,952,447
Difference		668	668		124,313
Modernisation %	91%	68%			

3.3. The right hand columns are check columns to ensure sufficient capacity is provided. The “Difference” of 124,313 is the same difference as originally calculated (multiplied by 101%) and reflects the capacity attributable to non-EasyJet/Wizz aircraft. It amounts to 668 A320neo movements.

3.4. It is clear from the above that Wood’s prorated fleet movements understate A320ceo movements, overstate A320neo movements and understate A321neo/XLR movements significantly. The overall modernisation % is quite a lot lower than the Wood figures too.

4. Inquiry update to LLAOL's approach to fleet forecasts

- 4.1. During our statement, Mr Strachan referred to a more recent statement in Andrew Hunt's Proof of Evidence (APP-W2.1) which I suggested was the following statement on page 10 of LLAOL's statement (which is included as Appendix 1 to that document):

54. A rate of modernisation has therefore been applied to the forecasts. The rates of modernisation applied are as set out in Table 2.2 of ESA 4. Those modernisation rates were arrived at based upon information relating to the modernisation rates of aircraft using Luton. This included information gathered in annual reports, online resources, press releases and direct discussions with the airlines themselves. Some of the most pertinent information has been summarised above and is appended to this note.

- 4.2. The modernisation rates referred to in Table 2.2 of ESA4 are set out below. The "% modernised fleet" for 2028 19mppa is 88% (highlighted).

Table 2.2 92-Day Peak Period Air Transport Movements for key assessment years*

92-day peak period	18 mppa			19 mppa	
	2019 ATMs	2023 ATMs	2024 ATMs	2025 ATMs	2028 ATMs
Daytime	34,124	34,708	35,003	35,331	34,849
Night-time	5,398	4,994	4,997	5,007	5,002
Daily total	39,522	39,708	40,000	40,338	39,851
% modernised fleet	6%	32%	41%	48%	88%

*92-day peak period' ATMs: the 92-day period within which the highest number of ATMs occurs.

- 4.3. This suggests a more direct approach to allocating aircraft to LLA to produce the 2028 92 day summer period movements.
- 4.4. It appears to be at odds with another Wood statement in CD4.10 Table Providing Clarification on Issues (August 2021) page 13 in response to the following question:

"How can the improvements in noise anticipated after 2028 be secured when quieter aircraft do not currently exist in the airlines' ownership or it is not within their intention to deploy and operate them from London Luton Airport?

"Whilst outside of LLAOL's direct control, it is envisaged that the aircraft fleet mix will continue to move towards quieter aircraft in the future and therefore improvements will be made to noise contours."

(underlining is my emphasis)

- 4.5. Clearly, the approach to fleet forecasting can't be the product of two methods and still produce the same result. It reinforces our view that only full disclosure of the fleet forecasts

and a review by an independent party will enable the Inspectors to determine whether they can be relied upon.

Wood response:

The data used in the fleet mix forecast comes from the fleet renewal data published by the airlines together with the actual noise results, and we are confident that the forecast data is accurate. The forecast utilised in the planning application used 2019 actual operations as a base. The 2019 operation was a particularly strong year and passenger volumes finished at 18m. This meant the baseline used for noise, passengers, routes and fleet operations were built on demonstrably true performance.

In each future year, fleet assumptions were changed to reflect the published fleet replacement plans of each of the major airlines, with assumptions made where fleet plans were unclear. As easyJet, Wizz and Ryanair publish fleet renewal plans as part of their annual reporting over 90% of fleet renewal assumptions were based on publicly available, and verifiable information. This was completed by changing aircraft on individual flights to reflect the mix of aircraft across the entire airline. For example, If Wizz were to have

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wood.

50% A320 NEOs in 2025 across the entire fleet, this share would be reflected across operations at LLA. For easyJet where they do not operate A321s from LLA, the fleet was calculated excluding this aircraft type. Where fleet renewal meant that alternative constraints or bottlenecks were to be hit, for example terminal capacity, routes were thinned, for example 5 daily Budapest would become 4 with the reduced flight within the 92 day period being displaced into non-peak months.

Fundamentally, utilising actual performance in 2019 allowed a robust base to apply future assumptions allowing for forecast that should deliver a good level of confidence. This data was considered accurate at the time of original ES submission in January 2021. At that time, it was considered that the demand for flights would have rebounded after lockdown had eased. This has not been the case. However, it is not usual practice to update forecasts between ES submission and resolution of the application. An ES always provides a reasonable forecast of what can be foreseen at the time of application.

The forecasts provided still represent a reasonable view of how passenger levels will rebound post-COVID and reflect the confidence of LLAOL and the airlines. The fact that the noise levels in 2021 have been overpredicted due to the continuation of the pandemic does not invalidate the overall assessment results. The worst-case year for significant effects (upon which the assessment results and mitigation are based) is conservatively still considered to be 2022, but this is dependent on demand and the continued effect of Covid-19 on international travel. Whether the Government continues to offer slot relief to airlines will also be a factor. For example, if there is no slot relief for airlines then they will fly the slots currently filed which matches the forecast for 2022. Based on current fleet renewal information obtained from airline published accounts, 2031 is still considered the year in which the existing Condition 10 would again be met.

Appendix 2 – Methodology used to calculate EasyJet and Wizz’s fleet profiles in 2028

1. For EasyJet, several analyses of fleet movements have been produced recently, in their results presentations, annual report and in a prospectus for a rights issue in September 2021 (extract of the EasyJet fleet from page 116 shown in Appendix 3).
2. The rights issue information was used as the base for the calculations as it showed the split of aircraft between each type of A320 (ceo and neo). Note the fleet details are as at 30 June 2021 (not 30 September 2021).
3. The “Fleet Profile” and “Flexibility in Fleet” graphs from EasyJet’s results presentation for the full year ending 30 September 2021 are included in Appendix 4 as the presentation in Andrew Hunt’s Proof of Evidence Appendix 2 (page 16) shows the “Flexibility in Fleet”. This is included as Appendix 5. Please note that this Appendix (5) is headed up “Results Presentation – Financial Year 2020 six months to 30th September 2020” but is in fact figures from the 2019 presentation. Appendix 6 therefore includes the actual 2020 full year fleet flexibility. You will note the complete contrast between them, 2019’s shows a significant growth profile, whereas 2020’s shows a distinct downward trend in numbers. The 2021 results show this downward trend continuing (focus on the numbers not the shape of the graph). You will appreciate from this that EasyJet’s fleet forecasts are increasingly conservative because it is a mature airline extremely concerned about being burdened with unusable aircraft.
4. Thus, the analysis of the modernisation of EasyJet’s fleet is prepared from the rights issue prospectus information (as this is the most detailed recent analysis of the fleet available). To adjust the 30 June 2021 position through to 2028 the same information as referred to in the ESA paper and shown in Appendix 7 was used (NB the information in the first press release is also included in the right issues information). The existing 85 orders scheduled for delivery were, initially, allocated as set out in the press release (and rights issue information) and the remainder allocated equally to the next three years so they’re all delivered by 2028.
5. For the second press release the same equal allocation was adopted between the years referred to (and similarly re: the change in the aircraft type from A320 to A321).
6. As the aviation recovery in the UK is somewhat subdued (and economic pressures continue) new A320neo deliveries replace, firstly, A319’s and, once they are exhausted, A320ceo’s rather than increase the overall fleet (2019’s results show the maximum fleet increasing but 2021’s show the fleet stabilising over the years to 2024 at between 320-330 aircraft so it’s not an unreasonable position to take especially as A319’s are older and smaller aircraft).
7. The overall increase in aircraft is only 18 reflecting the change in the order for A320’s to A321’s meaning no A319’s or A320’s are retired when an A321 enters the fleet.
8. The results of this exercise are shown in Appendix 8.
9. It’s arguable that EasyJet will not retire A319’s and A320ceo’s and will secure additional A320neo’s to significantly accelerate fleet renewal in the latter years. However, this is doubtful as the number of additional aircraft necessary to meet forecast passenger growth is relatively modest e.g. Eurocontrol forecasts to 2027 show an annual increase of 2-3% in its “High scenario” (see Appendix 9).

10. For Wizz, the position is more straight forward as they produce a fleet renewal chart at every results presentation. The latest one before the ESA is included in Appendix 10 – this goes up to FY27/28 i.e the year ended 31 March 2028.
11. These results show that between 2021 and 2028 there is a significant change in the number of A320's in their fleet, a fall from 68 ceo's and 6 neo's to 40 neo's only. In 2021 these aircraft comprised 54% of Wizz's fleet but this will fall to 11% by 2028 (as Wizz is focusing on the A321 and purchasing over 200 in the next 7 years). Very recently, a 27 July 2022 results presentation has shown the number of A320neo's in 2028 falling to 19 (Appendix 11).
12. Additional note re: methodology

For the purposes of allocating fleet renewal data to Wood's years of assessment we have assumed the fleet renewals apply to the year of assessment that the airlines year end falls into, EasyJet's year end is 30 September and Wizz's is 31 March.

As at 30 June 2021, the composition of the Group's fleet was as follows:

Aircraft Type	Owned	Leased ⁽¹⁾	Total as at 30 June 2021	% of total fleet	Changes since 30 Sept 2020	Future deliveries ⁽²⁾	Purchase options	Unexercised purchase rights ⁽³⁾
A319	45	61	106	32.8%	(16)	—	—	—
A320ceo	105	61	166	51.4%	(3)	—	—	—
A320neo	30	7	37	11.5%	—	85	20	58
A321neo	3	11	14	4.3%	—	16	—	—
Group total	183	140	323	100%	(19)	101	20	58
% of total fleet	56.7%	43.3%						

(1) All operating leases.

(2) Future committed deliveries as at 30 June 2021 through to 2027.

(3) Purchase rights may be taken on any A320 family aircraft.

Aircraft acquisitions

The Group continues to focus on the modernisation and harmonisation of its fleet. In 2017, the Group received its first delivery of new generation Airbus A320neo aircraft under the terms of the Airbus Purchase Agreement, with the first larger new generation Airbus A321neo delivered in 2018. These new generation aircraft currently make up over 15% of the Group's overall fleet. All future aircraft deliveries from the Group's order book will be the newer, more efficient A320neo and A321neo aircraft.

In light of the impact of the COVID-19 pandemic, the Group agreed further amendments to the Airbus Purchase Agreement between April 2020 and December 2020, which will result in the Company taking no deliveries in the financial year ending 30 September 2021, eight deliveries in an amended delivery schedule of the year ending 30 September 2022, seven deliveries in the financial year ending 30 September 2023 and eighteen deliveries in the financial year ending 30 September 2024, with no change to the total number of firm Airbus 320neo family aircraft outstanding orders. The changes also result in a re-phasing of the pre-delivery payment cash flows of the order book due to the later dates of delivery. For further details on the Airbus Purchase Agreement, see paragraph 14.6 of Part XVII (*Additional Information*) of this document.

The Group selected CFM as the preferred supplier for the delivery of engines to be installed to aircraft delivered as part of the Airbus Purchase Agreement. For further details on the CFM Agreement, please see paragraph 14.6 of Part XVII (*Additional Information*) of this document.

The table below sets out the Group's fleet flexibility as at 31 March 2021:

	For the year ended 30 September			
	2021 ⁽¹⁾	2022	2023	2024
Current contractual minimum fleet size	307	287	282	291
Current contractual maximum fleet size	310 ⁽²⁾	327	355	342
Expected deliveries	0	8	7	18

(1) Variance between 307 and 310 aircraft for financial year ending on 30 September 2021 is due to 3 leased aircraft which are due to be redelivered to lessors close to the end of the 2021 financial year.

(2) Throughout the financial year ending on 30 September 2021, the Group will be storing an additional 12 operating leases on behalf of its respective lessors. These are held at zero rent and excluded from the 302 figure.

FLEET PROFILE

	FY 2021	FY 2020	Change
A319 (leased)	52	70	(18)
A319 (owned)	45	52	(7)
A319 Total	97	122	(25)
% of fleet	31.5%	35.7%	
A320 (leased)	62	50	12
A320 (owned)	135	156	(21)
A320 Total	197	206	(9)
% of fleet	64.0%	60.2%	
A321 (leased)	11	7	4
A321 (owned)	3	7	(4)
A321 Total	14	14	0
% of fleet	4.5%	4.1%	
Total fleet	308	342	(34)
Leased	125	127	(2)
Number unencumbered	134	165	(31)
Percentage of neos in fleet	16%	15%	1ppt
Average seats per aircraft	178	177	1%

* As at 30 September 2021. ** At FY2021, easyJet was storing an additional 12 operating leases on behalf of their respective lessors. These are held at zero rent unless flown and are excluded from the fleet plan.

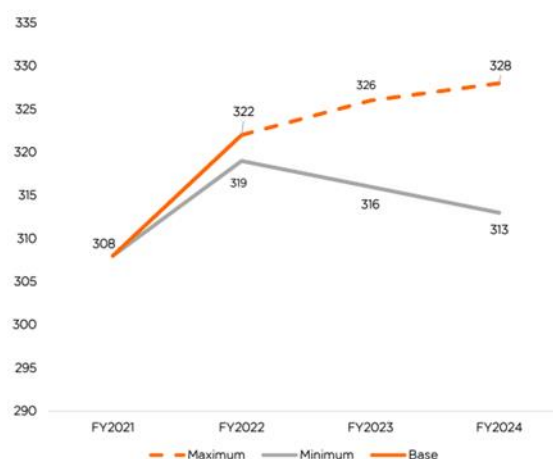
FY 2021 RESULTS

39

easyJet

FLEXIBILITY IN FLEET

- > Current agreed Airbus order book;
 - 118 Orders
 - 6 Purchase options
 - 53 Purchase rights
- > LGW slots – not reflected within our fleet. These will be covered with a combination of wet lease and reallocation of owned aircraft
- > Further growth can be achieved through the acquisition or lease of externally sourced aircraft
- > Of the total fleet, 44% is currently unencumbered vs 70% in FY19. Would move to 59% if UKEF repaid



1) Chart shows contractual arrangements with Airbus and current lessors but excludes any future potential, opportunistic fleet additions or disposals

2) At FY2021, easyJet was storing an additional 12 operating leases on behalf of their respective lessors. These are held at zero rent unless flown and are excluded from the fleet plan.

FY 2021 RESULTS

15

easyJet

Appendix 5 Extract from Andrew Hunt's Proof of Evidence



Appendix 2

easyJet Fleet Progression to 2026/27

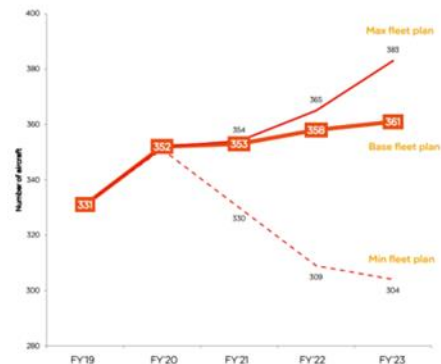
Results Presentation - Financial Year 2020 six months to 30th September 2020



UTILISING FLEXIBILITY IN FLEET PLANNING

Updated fleet plan

- > Deferral of contracted delivery months for 12 aircraft: Moving from expected delivery in 2021 to dates in 2023+
- > The exercise of 12 purchase options, guaranteeing our firm delivery positions in 2024
- > A321 deliveries have been particularly susceptible to industrial assembly issues
- > easyJet have worked with Airbus to concentrate on delivering more A320s, where certainty of delivery is greater
- > Airbus and easyJet have pre-agreed compensation rates for delivery delays as part of its Purchase Agreement



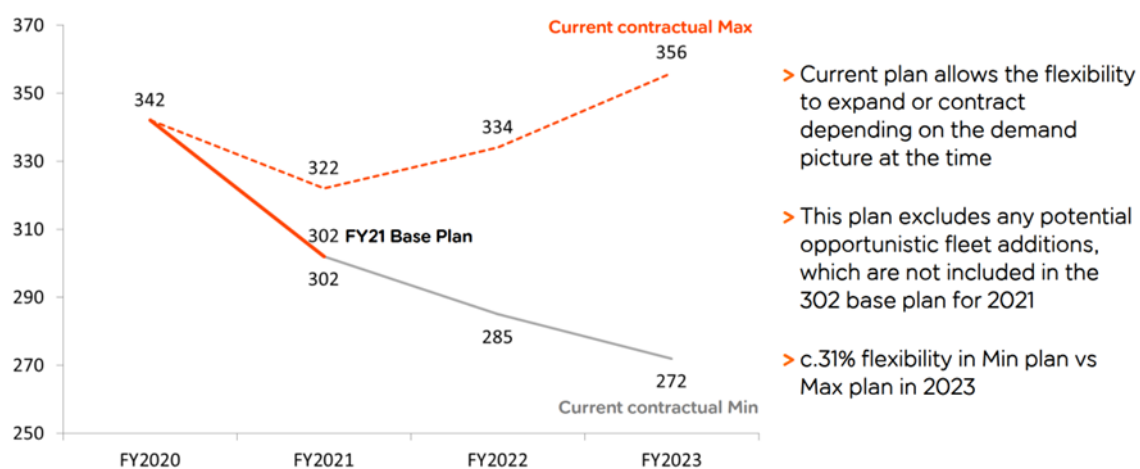
FY 2019

13

Upward cases assume extension of leases and ownership beyond year 16
Downward cases assume sale at 16 years of age

easyJet

UTILISING FLEXIBILITY IN FLEET



13 1) Chart shows contractual arrangements with Airbus and current lessor; 2) Reduction to 302 is dependent on commercial negotiations currently in progress
 3) At FY2021, easyJet will be storing an additional eight operating leases on behalf of their respective lessors. These are held at zero rent unless flown and excluded from the 302. **easyJet**

Appendix 7 EasyJet fleet renewal updates (from ESA paper)

22 December 2020

easyJet plc
(‘easyJet’)

easyJet confirms aircraft delivery profile through to 30 September 2024

easyJet has agreed with Airbus the deferral of aircraft from Financial Years 2022, 2023 and 2024. A total of 22 aircraft will be moved from FY2022-FY2024 to FY2027-FY2028. In addition, there will be movement of 15 delivery dates within the period FY2022-FY2024 to more closely match forecast seasonal requirements.

As communicated previously, all aircraft purchased by easyJet under the terms of the original 2013 Airbus agreement are subject to a discount from list price, which remains unchanged. Within the 2013 agreement a price escalation mechanism is used to reflect market inflation in labour and material costs¹ and as such the future aggregate cash price of the aircraft subject to deferrals will increase². The changes also result in a re-phasing of the pre-delivery payment cash flows of the orderbook due to the later dates of delivery.

As previously disclosed easyJet had the option until 31 December 2020 not to take up to seven aircraft scheduled for delivery between FY2022 and FY2026. easyJet has now agreed with Airbus to reallocate the aircraft to which this option applies, to seven aircraft due for delivery in FY2025-FY2026³, with the deadline to exercise this option amended to December 2021.

These changes will result in easyJet taking no deliveries in FY2021, 8 deliveries in FY2022, 7 deliveries in FY2023 and 18 deliveries in FY2024, with no change to the total number of firm Airbus A320 NEO family aircraft outstanding orders.

easyJet has retained options to increase its deliveries in FY2023 to 30 aircraft, reflecting an acceleration of deliveries from future financial years. This option to accelerate is subject to Airbus’ normal commercial and industrial constraints and is exercisable by 31 December 2021.

21 June 2022

easyJet plc

Proposed purchase of 56 Airbus A320neo family aircraft and conversion of 18 A320neo family aircraft to 18 A321neo aircraft

easyJet plc (‘easyJet’ or the ‘Company’) today announces that it has entered into conditional arrangements with Airbus S.A.S. (‘Airbus’) under which Airbus has agreed to supply 56 A320neo family aircraft for delivery between FY 2026 and FY 2029, utilising purchase options and purchase rights under the existing contract with Airbus (the ‘**Airbus Amendment**’) and the existing contract with Airbus being the ‘**2013 Airbus Agreement**’). In addition, the Company proposes to convert 18 A320neo aircraft planned for delivery between FY 2024 and FY 2027 to 18 A321neo aircraft deliveries. The Company has also entered into conditional arrangements with CFM International S.A. (‘CFM’) to ensure that the commitments given under the current engine supply agreement between the Company and CFM will cover aircraft delivered under the Airbus Amendment (the ‘**CFM Amendment**’, together with the Airbus Amendment, the ‘**Proposed Purchase**’).

The Proposed Purchase firms up easyJet’s order book with Airbus to calendar year 2028, continuing the Company’s fleet refresh, as the 156 seat A319s and older A320s (180 and 186 seat) leave the business and new A320 (186 seat) and A321 neo (235 seat) aircraft enter providing up gauging, cost and sustainability enhancements to the business. The directors believe this will support the delivery of our strategic objectives and provide the aircraft to help build strong shareholder returns.

This purchase will:

- **Secure Certainty of Aircraft Supply:** Airbus delivery slots are increasingly scarce, with no slots being available until 2027. By securing delivery slots now, easyJet ensures future deliveries between FY 2026 and FY 2029 to replace aircraft leaving the fleet. The Company and its group’s ability to maintain desirable slots and sustain its route network depends on the timely delivery of aircraft.
- **Maintain Operational Scale:** The new aircraft will be used to replace older aircraft as they reach the end of their useful life. These aircraft will become economically unviable for our high intensity low-cost operation and will need replacement if we are to maintain the current scale of our business.
- **Utilise the Benefits of the 2013 Agreement:** The new aircraft will be purchased under the 2013 Agreement, meaning the Company will continue to benefit from the highly competitive pricing and the flexibility rights in this agreement. These aircraft are priced very substantially below the Airbus list price, and benefit from attractive price escalation protection. In addition, the Airbus Amendment continues to offer flexibility with respect to delivery dates and the ability to convert A320neo aircraft to A321neo aircraft.
- **Benefits of New Generation Technology:** The new aircraft will continue the modernisation of the easyJet fleet. The new aircraft will deliver between a 15% and 25% unit cost fuel efficiency improvement (depending on which aircraft they replace). This will significantly reduce easyJet’s fuel costs and therefore improve our overall cost base. It will also reduce the costs of compliance with various environmental regulations. The costs of carbon emissions will increase significantly over the next few years, and increased fuel efficiency will lead to a proportional reduction in carbon emissions. Additionally, some airports provide discounted fees for new generation aircraft, further enhancing the economic benefits.
- **Increase Aircraft Size:** The new aircraft will also facilitate further up-gauging of the fleet – increasing the average seat count per aircraft of the easyJet fleet. This is achieved through some of the new A320s (with 186 seats) replacing smaller A319s (with 156 seats) and 180 seat A320s. Further up gauging will also occur as a result of additional A321neo aircraft (with 235 seats) being introduced into the fleet. This will result in further improvements in cost efficiency, with the costs of each flight spread across a greater number of passengers. The A321neo is a highly cost-efficient aircraft, well suited to higher demand or longer sector length parts of the Company’s network.
- **Sustainability Benefits:** The new aircraft are aligned with easyJet’s sustainability strategy, with the adoption of the more efficient new technology aircraft being a core component of easyJet’s path to net zero emissions. Alongside this, the new aircraft are significantly quieter, with half the noise footprint of the older aircraft they are replacing.

The directors believe the proposed purchase supports the delivery of easyJet’s overall strategic objectives. Given constraints on Airbus delivery slots, should the Proposed Purchase not proceed, easyJet would not have a secure supply of aircraft between FY 2026 and FY 2029 and would therefore need to either decrease its fleet size or source alternative new generation aircraft with higher ownership costs. If instead easyJet sourced aircraft from the secondary market, this may expose easyJet to older technology, easyJet would face greater exposure to fluctuating fuel prices and carbon related taxes and would be competitively disadvantaged relative to the more modern fleets operated by its competitors. In addition, easyJet would be delayed in achieving its sustainability and net zero emissions objectives.

The Proposed Purchase would substantially complete the 2013 Airbus Agreement with Airbus whilst also securing delivery slots between FY 2026 and FY 2029 to replace aircraft leaving the fleet.

At 2018 average list prices for the Airbus aircraft (the latest year for which Airbus has published list prices for the relevant aircraft), the aggregate purchase price for the Proposed Purchase would be approximately USD6.5 billion. The aggregate actual price for the aircraft will be very substantially lower because of certain price concessions granted in connection with the 2013 Airbus Agreement.

The aircraft associated with the Proposed Purchase will be financed over a number of years through a combination of easyJet’s internal resources, cash flow, sale and leaseback transactions and debt. While the Board will regularly review optimal sources of financing, there is currently no expectation that shareholders will be asked to fund any aspect of the Proposed Purchase.

Although the Proposed Purchase was already envisaged by the shareholders when they approved the 2013 Airbus Agreement and subsequent amendments, in view of its size, the Proposed Purchase constitutes a Class 1 transaction under the Listing Rules and is therefore conditional on shareholder approval at a general meeting of the shareholders (the ‘General Meeting’). A circular is expected to be sent to shareholders in due course giving further details of the Proposed Purchase and containing notice of a General Meeting at which a resolution to approve the Proposed Purchase will be proposed.

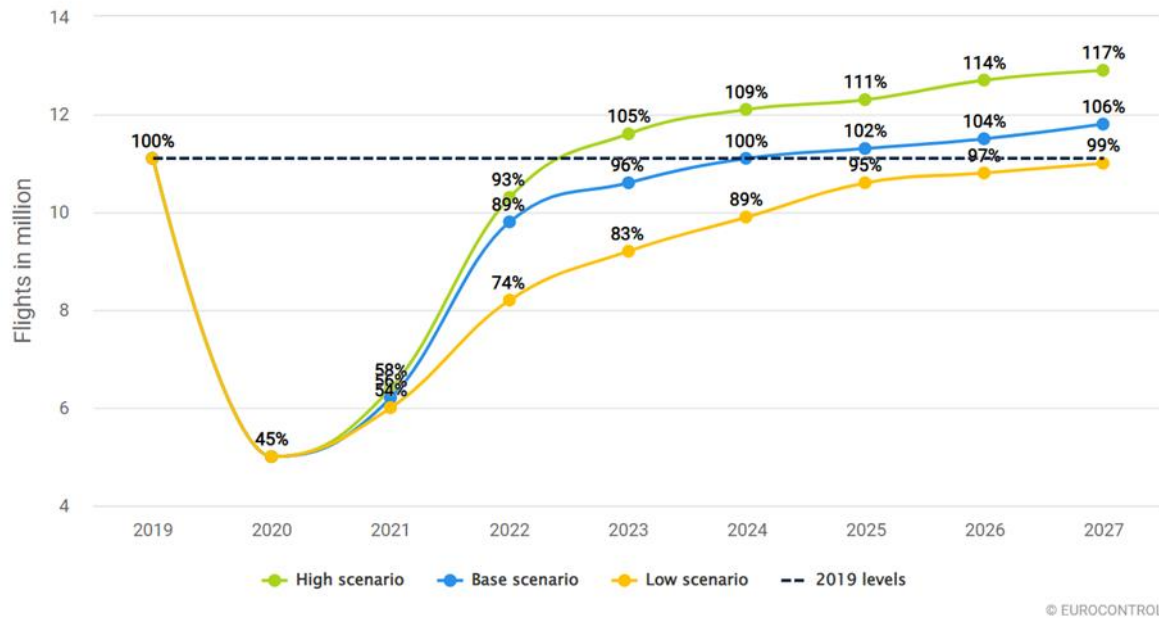
Appendix 8 Harpenden Society analysis of EasyJet and Wizz fleet renewal

Published fleet renewal data											
EasyJet											
EasyJet fleet renewal expectations	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
A319											
Retirements			106	(8)	(7)	(12)	(11)	(25)	(31)	(11)	
Total	125	122	106	98	91	79	68	42	11		
A320ceo			166								
Retirements											
Total	173	173	166	166	166	166	166	166	166	(3)	(14)
A320neo			37								
Future deliveries (from 1 July 2022)				8	7	18	17	17	17		
June 2022 exercise of purchase options								14	14	14	14
June 2022 A320 to A321 conversion						(6)	(6)	(6)			
Total	27	33	37	45	52	64	75	101	132	146	160
A321neo			14								
June 2022 A320 to A321 conversion						6	6	6			
Total			14	14	14	20	26	32	32	32	32
Total	325	328	323	323	323	329	335	341	341	341	341
Note 1 = deliveries assumed to be evenly spread between 2025-2027 after confirmed deliveries											
Note 2 = deliveries assumed to be spread evenly between 2026-2029											
Note 3 = aircraft swap assumed to be spread evenly between											
NB											
Remaining purchase options											
Total from 2013 agreement											
30th June in service											
Future deliveries											
June 2022 exercise of purchase options											
Balance remaining											
Wizz											
Wizz fleet renewal expectations	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
A320ceo	72	72	68	55	44	34	20	13	5	0	
A320neo			6	6	6	7	22	30	40	40	
A321ceo	38	41	41	41	41	41	37	25	15	3	
A321neo	2	8	22	47	91	125	150	188	242	289	
A321XLR (neo presumably)						6	14	29	39	47	

Appendix 9 Eurocontrol passenger growth forecasts 15 October 2021

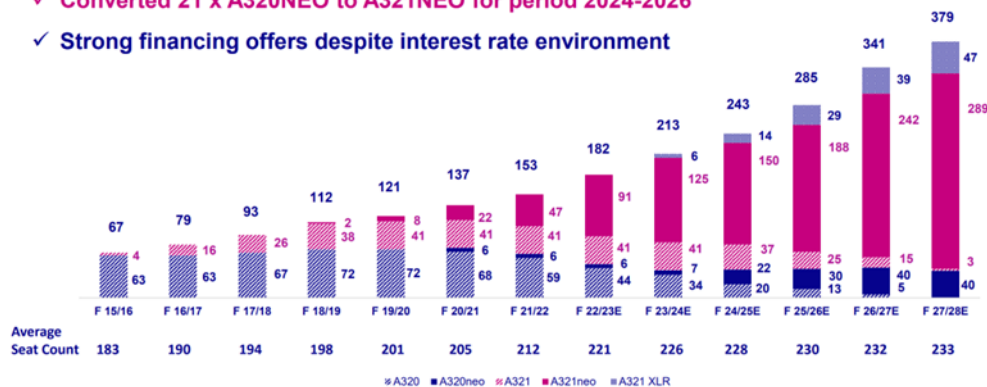
EUROCONTROL 7-year forecast for *Europe 2021-2027

Actual and future IFR movements, % traffic compared to 2019



OPERATING THE BEST FLEET

- ✓ 5.0-year average fleet age, 221 fleet average seat count by end of F23 (vs 201 F20)
- ✓ Young and fuel-efficient fleet partially offsets rising fuel prices
- ✓ 53% fleet renewal rate in F23 (87% by F26)
- ✓ A321XLR, 10% of fleet by F26, adds range and disrupts wide-body cost structure
- ✓ Converted 21 x A320NEO to A321NEO for period 2024-2026
- ✓ Strong financing offers despite interest rate environment



415
AIRBUS
A320 FAMILY
AIRCRAFT
ORDER

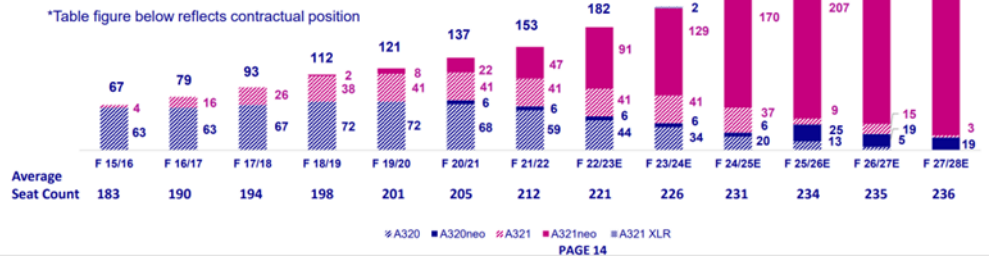
**INDUSTRY
LEADING
PRICING**

**LOWER
OPERATING
COST**

Wizz
wizzair.com

FLEET RENEWAL DRIVING GROWTH + EFFICIENCIES

- ✓ 157 aircraft; eight x A321NEO delivered; four x older A320CEOs exit fleet
- ✓ 4.9-year average fleet age, 214 fleet average seat count at Q1 F23 (vs 199 Q1 F20)
- ✓ Young and fuel-efficient fleet partially offsets rising fuel prices
- ✓ Strong financing offers despite interest rate environment
- ✓ Expect delays of deliveries in balance of F23*
- ✓ ASKs 30% growth in Q2 F23, 40%+ in H2 (versus a ‘normalized’ F20)



407
AIRBUS
A320 FAMILY
AIRCRAFT
ORDER

**INDUSTRY
LEADING
PRICING**

**LOWER
OPERATING
COST**

Wizz
wizzair.com

Appendix 12 – fleet modelling worksheet

(Green highlighting denotes a figure extracted from documents referred to in the earlier text)

		2019 Actual mvts (per CD8.26)	2019 Summer calculated mvts 29%	2019 Summer Wood mvts CD1.21	2019 Capacity calculated	2028 Capacity calculated	
A319	156	21,642	6,276	49	979,084	7,644	
A320ceo	186	44,074	12,781	2,326	2,377,352	432,636	
A320neo	186	6,013	1,744	16,128	324,341	2,999,808	
A321ceo	230	18,922	5,487		1,262,097		
A321neo	239	1,434	416	6,848	99,391	1,636,672	
Totals		92,085	26,705	25,351	5,042,265	5,076,760	101%
Easyjet mvts							
A319	156	49,160	14,256				
A320ceo	186	21,642	6,276	49	979,084		
A320neo	186	21,505	6,236	2,326	1,159,980		
A320neo	186	6,013	1,744	15,464	324,341		
Totals		99,160	26,256	17,839	2,463,405	2,480,258	101%
Wizz mvts							
A320ceo	186	40,636	11,784				
A320neo	186	20,280	5,881		1,093,903		
A321ceo	230	18,922	5,487		1,262,097		
A321neo	239	1,434	416	6,848	99,391		
		40,636	11,784	6,848	2,455,391	2,472,189	101%
Other A320ceo/neo							
			664	664	123,469	124,313	
A320 total		44,074	12,781				
Easyjet		21,505	6,236				
Wizz		20,280	5,881				
Others		2,289	664				

Appendix 13 – Wizz Seating arrangement for A321neo from <https://seatmaps.com>



AIRLINES

AIRCRAFT

FOR BUSINESS



Seat Maps / Airlines / Wizz Air / Airbus A321

Wizz Air Airbus A321 Seat Maps

Wizz Air



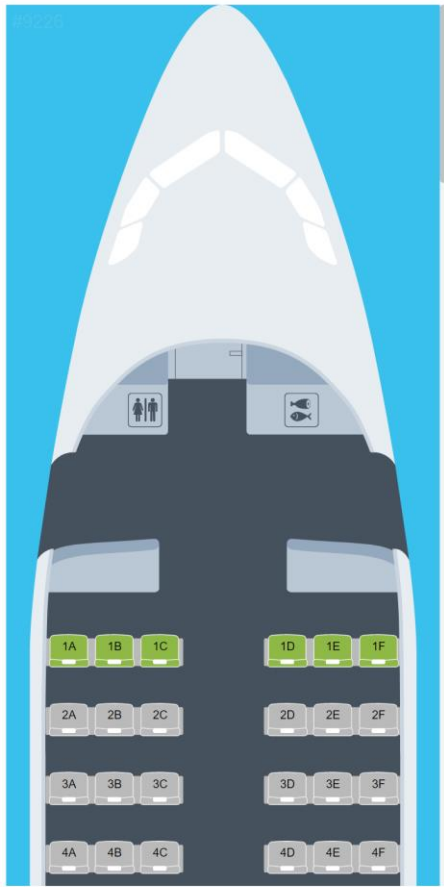
The Airbus A321 is great for its class and the Airbus A321 seatmap is plain. A stink of kerosene in the cabin or any clamor are not present. Passengers can hold their little personal effects on their knees. The rest may be placed on the above shelves. The Wizz Air Airbus A321 seating chart doesn't...

Read more

A321-200

A321-200neo

Click on a seat for details



A321-200neo

AIRCRAFT OVERVIEW

The Airbus A321-200neo is an aircraft produced by Airbus for Wizz Air and has the following seat configuration: 0-0-0-239.

ECONOMY



Seats

239



Pitch

29-30"



Width

18"



Recline

0

When you purchase an economy class ticket on A321-200neo, it means you are sitting in the main cabin, and not located in first or business class. Seats are smaller and packed more closely together, and in-flight services are limited. Economy class seats on domestic routes usually have a seat pitch ranging from a very tight 27 to a generous 32 inches (68.5 - 81 cm).

20