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CASE STUDY EZJ · easyJet plc (LON: EZJ) / Apollo Global Management

DEAL-CONFIRMED ADDENDUM · AUGUST 6, 2026

Institute's July 11 walk confirmed: Apollo firm at £7.15 / £5.7B ($7.68B). Every pillar held.

A validation addendum to Institute Case Memo on Apollo/easyJet, published July 11, 2026.

Prepared August 6, 2026 · Apollo Rule 2.7 firm agreement announced August 6, 2026 · Castlelake formally withdrawn · Fo

The Rule 2.4 walk, confirmed.

On July 11, 2026, the Baratelli Institute published a full practitioner case memo on Apollo Global Management's Rule 2.4 possible offer for easyJet plc, walked at **£7.15 per share and £5.7 billion equity value**. The case laid out Apollo's four strategic levers, the Stub Equity Alternative with voting rights, the fully diluted 794.8M share count, the 81% headline premium to unaffected close, the £286M Q3 FY26 in-line trading update, sponsor return sensitivities at 2.5x MOIC / 20% IRR base, the EU regulatory path including Reg. 1008/2008 airline ownership, and six named downside risks. The Board was "minded to recommend" Apollo subject to a firm Rule 2.7. Apollo had until 5:00 PM on 7 August 2026 to firm up or walk.

On August 6, 2026 — one day before the PUSU deadline — Apollo firmed the offer under Rule 2.7 at **identical terms**. Every element of the Institute's July 11 case walked as-published. Castlelake formally withdrew. Founder Stelios Haji-Ioannou (15.3% family stake) publicly endorsed. The Board is expected to recommend, and the transaction is on a path to shareholder vote and EU regulatory review. This addendum documents the validation and reads what a same-day confirmed call tells practitioners about the Institute's M&A framework.

Anchor Table 1 — Institute July 11 case vs. Apollo firm Rule 2.7 (Aug 6).

Side-by-side of every anchor number in the Institute's July 11 practitioner case memo against the terms Apollo agreed to on August 6, 2026 per WSJ and Apollo's Rule 2.7 announcement. The delta column speaks for itself.

Line	Institute walk (July 11, 2026)	Apollo firm Rule 2.7 (Aug 6, 2026)	Delta
Deal price per share	**£7.15 cash**	**£7.15 cash**	**Unchanged**
Equity value	**£5.7B**	**£5.7B (~$7.68B)**	**Unchanged**
Fully diluted share count (M)	794.8	794.8	Unchanged
Structure	Cash + Stub Equity Alternative	Cash + Stub Equity Alternative	Unchanged
Stub equity voting rights	Included	Included	Unchanged
Headline premium to unaffected close	81%	81%	Unchanged
Premium to 4-year high	22%	22%	Unchanged
Topper vs. Castlelake £6.90	3.6%	3.6% (Castlelake withdrew)	Confirmed
Board disposition	Minded to recommend Apollo	Recommendation expected imminently	On track
Castlelake status	Not minded to recommend	Formally withdrew (Aug 6)	Cleared
Founder Stelios (15.3% family stake)	Not disclosed in case	Publicly endorsed Aug 6	Additive
Rule 2.7 firm-offer deadline (PUSU)	5:00 PM Aug 7, 2026	Firmed Aug 6 (one day early)	Met

Debt financing	Barclays highly-confident letter	Confirmed	As walked
Equity financing	Committed from Apollo Funds	Confirmed	As walked

Read. *Fourteen of fourteen anchor terms walked in the July 11 case landed identically or additively in the August 6 firm agreement. The Institute did not trim, hedge, or restate. Apollo did not bump price to secure the recommendation. Castlelake did not counter. The Stub Equity Alternative was offered on the voting-rights terms the case anticipated. The founder's public endorsement was additive to the case (not contemplated in the July 11 memo, and materially strengthens closing certainty).*

What Apollo saw — the four strategic levers, still intact.

The Institute's July 11 case mapped four strategic levers Apollo would pull in a private-ownership hold period. Apollo's Rule 2.7 messaging on August 6 — that "private ownership would give the airline access to capital and flexibility needed to realize its full potential" and that Apollo "has followed easyJet for years" — is entirely consistent with each lever.

Lever 1: Fleet modernization and capex acceleration. A 300+ aircraft fleet across 1,000+ routes in 30+ countries is capex-heavy and benefits from private patient capital that does not have to justify near-term earnings dilution to public shareholders. Apollo's aviation platform (Sun Country, Aeromexico, Atlas Air) provides operational cross-pollination and vendor-financing scale.

Lever 2: Slot-portfolio monetization at congested European airports. easyJet controls valuable takeoff and landing slots at some of Europe's busiest airports (Gatwick, Luton, Milan Linate, Amsterdam, Basel, Berlin). Private ownership creates optionality on slot swaps, ancillary partnerships, or dedicated hub carve-outs that a listed company cannot cleanly execute.

Lever 3: Package-holidays scale-up. easyJet holidays is the fastest-growing part of the business and structurally higher-margin than seat-only. Under Apollo ownership, easyJet holidays can be aggressively invested behind, potentially combined with adjacent European travel assets Apollo could bolt on.

Lever 4: Cost-base surgery through the fuel-price cycle. The April 2026 profit warning tied to Middle East jet-fuel spikes exposed short-cycle margin volatility. Private ownership permits multi-year cost-transformation programs (fleet uniformity, headcount rationalization, revenue-management technology) that public markets punish in a fuel-inflation quarter.

Anchor Table 2 — Sponsor return sensitivity (from Institute July 11 case).

The Institute's July 11 case laid out the sponsor return sensitivities Apollo would target in a five-year hold. With the firm price landing at £7.15 (the same as the walked case), these ranges hold without adjustment.

Return metric	Bear	Base	Bull
Hold period (years)	5	5	5
Ambition landing (% achieved)	50%	75%	100%
Exit multiple (EV/EBITDA)	4.0x	5.0x	6.5x
MOIC (money multiple)	**1.8x**	**2.5x**	**3.4x**
IRR	**12%**	**20%**	**28%**

Read. *Base-case 2.5x MOIC / 20% IRR is exactly the sponsor return profile Apollo would target on a five-year hold. The bull case (3.4x / 28%) assumes 100% ambition landing plus multiple expansion to peer trading levels at exit. The bear case (1.8x / 12%) assumes half-ambition landing and no multiple expansion — still an acceptable return for a diversified sponsor. Apollo's decision to firm at £7.15 without a bump implies the sponsor sees enough operating headroom to hit the base case even at the current entry multiple.*

What comes next — the path to closing.

With Apollo firm under Rule 2.7 and Castlelake withdrawn, three gates remain between the August 6 announcement and closing. Practitioners tracking the transaction should watch these dates and disclosures.

Gate 1: Board recommendation and Scheme Document. The easyJet Board is expected to formally recommend the Apollo offer. Under UK Takeover Code, a Scheme of Arrangement (or Contractual Offer) document will be posted to shareholders within 28 days of Rule 2.7 announcement, laying out the transaction mechanics, the recommendation, the fairness opinion, and the timing to shareholder vote.

Gate 2: Shareholder vote. A Scheme of Arrangement requires 75% approval by value of the shares voted at the court meeting and a simple majority by number of shareholders voting. Founder Stelios (15.3% family stake) has publicly endorsed — this is a substantial anchor block toward the 75% threshold and materially reduces the risk of a shareholder-vote failure.

Gate 3: EU regulatory review including airline-ownership (Reg. 1008/2008). European airlines must be majority-owned and effectively controlled by EU nationals. Apollo, as a US sponsor, will need to structure the ownership vehicle to satisfy this requirement — likely through EU-domiciled fund vehicles and a governance structure that keeps effective control with EU nationals. The Institute's July 11 case flagged this as the single largest execution risk. Watch the regulatory-clearance timetable disclosed in the Scheme Document for the resolution mechanic.

What practitioners will weigh.

Three items are worth naming that the market will process in the coming days.

First, Castlelake's decision not to counter. Castlelake had a £6.90 offer in hand before Apollo entered. The 3.6% topper Apollo delivered was small enough that a Castlelake counter at £7.20–£7.30 was conceivable. Castlelake's formal withdrawal on August 6 removes that bid-auction risk and signals the sponsor community read the operational upside as narrower than Apollo did — or that Castlelake preferred to redeploy capital elsewhere. Either read is informative.

Second, Apollo's aviation-platform effect. Apollo already owns or controls Sun Country Airlines, Aeromexico, and Atlas Air. easyJet becomes the largest carrier in the Apollo aviation portfolio and the first European exposure. The strategic-buyer-versus-financial-sponsor line is thinning; Apollo is functionally operating an aviation platform. This is a data point for the "every large sponsor is becoming an operating conglomerate" thesis.

Third, the read-across for other European public LCCs. Wizz Air, Ryanair, and (in the US) Frontier and Spirit are the obvious next-order questions. Wizz has trading similarity to easyJet on scale, ambition, and cyclicality — and now sits without a sponsor bid. Ryanair is far larger and materially outside sponsor-check-size, but the multiple gap between EU LCCs and US LCCs has just been narrowed by one datapoint. The signal to LP allocators: sponsors will pay full prices for public airline assets in the current cycle.

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Where to find everything. **baratelliinstitute.com** is the front door. The full case referenced throughout this addendum is at **baratelliinstitute.com/case-study-easyjet**.

Distribution note. The full Case Memo, LBO model, and practitioner deck for easyJet / Apollo are available at baratelliinstitute.com/case-study-easyjet. This deal-confirmed addendum will be permanently cross-linked from the case landing page and the Apollo acquisitions record. Follow the Institute on X and StockTwits (@BaratelliInst) for cash-tagged distribution of every case update.

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