



 **RYANAIR**

H1 Results – Nov. 2022



# Europe's Lowest Cost Airline Group

- Lowest fare/lowest cost EU airline gp
- No. 1, Traffic: 168m (+13% pre Cov.)
- No. 1, Cust. service & reliability
- CDP "B" enviro. rating
- No. 1 EU ESG airline – Sustainalytics
- Strong (BBB) bal. sheet (S&P & Fitch)
- Fin. strength + lowest cost = L.T. winner



# Europe's No. 1 Coverage & Choice

✈ 88 bases

✈ 234 airports

✈ 37 countries

✈ 517 aircraft

✈ Over 2,400 routes

✈ 3,000 daily flights

✈ 225m pax p.a. by FY26





# Europe's Lowest Costs – Gap Widens

<u>€ per pax</u>	RYA	WIZ	EZJ	E'Wings	LUV
Staff/efficiency	7	6	10	20	55
Airport & Hand.	8	11	22	18	9
Route Charges	5	5	5	7	0
Own'ship & maint.	7	14	9	21	17
S & M other	4	3	7	28	20
<b>Total <sup>(i)</sup></b>	<b>31</b>	<b>39 (+26%)</b>	<b>53 (+71%)</b>	<b>94 (+203%)</b>	<b>101(+226%)</b>
<b><u>The gap widens:</u></b>					
<b>H1 FY23 <sup>(ii)</sup></b>	<b>&lt; 30</b>	<b>46 (+57%)</b>	<b>73 (+148%)</b>	<b>83 (+183%)</b>	<b>114(+288%)</b>

(i) Source: Pre Covid-19 FY Results

(ii) H1 FY23 trading updates



# H1 FY23 Results

	<b>H1 FY20</b> (Pre C-19)	<b>H1 FY22</b>	<b>H1 FY23</b>	<b>vs. FY22</b>
Guests (m)	85.7	39.1	95.1	+143%
Load Factor	96%	79%	94%	+15pts
Revenue	€5.39bn	€2.15bn	€6.62bn	+207%
Op. costs	€4.10bn	€2.21bn	€4.98bn	+126%
PAT / (Net loss)	€1.15bn	€(48m)	€1.37bn <sup>(i)</sup>	n/m
EPS (€)	1.02	(0.04)	1.11	n/m

(i) Excl. €107m except. unrealised mark-to-market loss (timing unwind) on jet fuel caps



# Balance Sheet Strengthens

€'bn	Mar. 22	Sep. 22
Assets	11.6	12.0
Cash	3.6	4.6
<b>Total</b>	<b>15.2</b>	<b>16.6</b>
Accruals	4.6	4.8
Debt	5.1	5.1
S/H Funds	5.5	6.7
<b>Total</b>	<b>15.2</b>	<b>16.6</b>

B737 fleet 92% unencum.

Strong liquidity

Net Debt €0.5bn  
(€1.5bn @ Mar. 22)



# Balance Sheet Strengthens








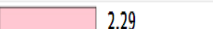
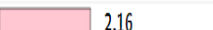
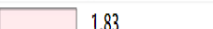



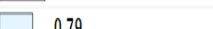
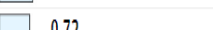


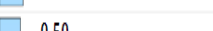
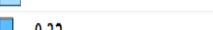



- B737 fleet owned & 90%+ unencumbered
- V. strong liquidity - €4.6bn at 30 Sep.
- Net debt €0.5bn (incls. €0.9bn capex in H1)
- Strong cashflow to repay bonds & fund capex:
  - Mar. 23 - €850m bond (@ 1.125%)
  - Aug. 23 - €750m bond (@1.125%)
  - Gross capex FY24 - €2.2bn (subj. to timing)
- Aim for zero net debt by Mar. 24
- Solid BBB (stable) ratings from S&P and Fitch

- Covid, Ukraine & recession overhang w. schedule
- S.22 reliability drives robust Q3 traffic & fare growth
- Pay restoration accel. to 1 Dec. (>90% pilots & c.c.)
- Airport & pay deals extended
- Fuel, €/€ & carbon well hedged – industry leading
- 51 B737 deliveries pre-peak S.23 – uncertain?
- Lower (ex-fuel) costs for S.23 growth
- FY23 PAT – €1.0bn to €1.2bn subj. to Covid / Ukraine devs.










- Over 3,000 daily flights
- S.22 cap. at 115% vs. pre Covid
- Record monthly traffic (95%+ LF)
- Luft, BA, EZJ, Wizz canx. flights
- RYA – EU's fewest canx.
- ATC delays continue – hits OTP

**THE BEST (AND WORST) AIRLINES?**

	Cancelled departures from UK	Total flights	% of scheduled flights cancelled	Probability
 Best  Worst				
KLM	87	1,709	 5.09	1 in 20
Flybe	26	644	 4.04	1 in 25
easyJet	636	16,425	 3.87	1 in 26
SAS	22	650	 3.38	1 in 30
Loganair	122	4,464	 2.73	1 in 37
Lufthansa	27	1,177	 2.29	1 in 44
Wizz Air	58	2,685	 2.16	1 in 46
United	12	657	 1.83	1 in 55
Aurigny	13	1,129	 1.15	1 in 87
British Airways	142	13,010	 1.09	1 in 92
Virgin Atlantic	10	923	 1.08	1 in 93
Aer Lingus	17	2,147	 0.79	1 in 126
Tui	26	3,634	 0.72	1 in 140
American	4	629	 0.64	1 in 157
Vueling	5	899	 0.56	1 in 180
Norwegian	3	605	 0.50	1 in 202
Brussels Airlines	2	619	 0.32	1 in 309
Turkish Airlines	1	608	 0.16	1 in 608
Jet2	5	5,186	 0.10	1 in 1037
Ryanair	3	13,099	 0.02	1 in 4366

\*Flight data FlightRadar24 and OAG 7 May-6 June

# Strong Market Share gains

	<u>No. 1</u>	<u>No. 2</u>	<u>No. 3</u>	<u>Share gain</u> *
Italy	 RYANAIR (40%)	easyJet	ITA	+14pts
Hungary	 RYANAIR (30%)	Wizz	Lufthansa	+13pts
Austria	AUA	 RYANAIR (19%)	Wizz	+12pts
Poland	 RYANAIR (36%)	LOT	Wizz	+11pts
Ireland	 RYANAIR (56%)	Aer Lingus	BA	+7pts
Belgium	 RYANAIR (31%)	Brussels A.	Tui Fly	+5pts
UK	 RYANAIR (22%)	easyJet	BA	+2pts

Source: Ryanair market analysis; \*S.22 vs S.19

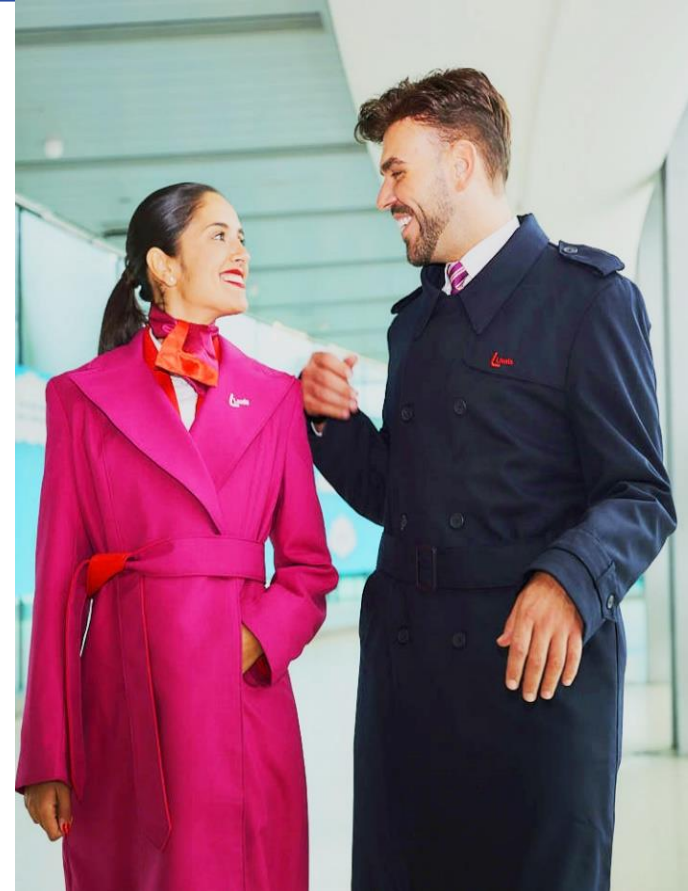


# Comp. Cut Capacity as RYA Grows

FY Mar. 23:	Q1 Jun. 22	Q2 Sep. 22	Q3 Dec. 22	Q4 Mar. 23
RYA (168m)	113%	115%	110%	110%
LUFT (113m)	74%	78%	80%	80%
IAG (103m)	78%	81%	87%	95% <sup>(i)</sup>
AF (89m)	82%	85%	85%	90% <sup>(i)</sup>
EZJ (84m)	87%	88%	90%	90%
WIZ (53m)	130%	131%	135%	135% <sup>(i)</sup>

(i) Latest trading updates – Q4 subj. to further comp. cuts

- Strong Oct. mid-term & Xmas bookings
- Ltd Q4 visib (no Easter)
- Fragility remains (Cov / Ukraine / recess.)
- RYA's lower costs thrive in a recession
- Discip. W.22 cap. (+110% vs 115% in S.22)
- Pay restoration accel. to Dec. – union agrees to 2026/2027
- 73 “Gamechangers” @ S.22 (up to 124 for peak S.23)



# Best positioned to thrive in recession

→ RYA thrived in past recessions (Gulf W., 9/11 & GFC)

→ Consumers switch to lowest cost provider

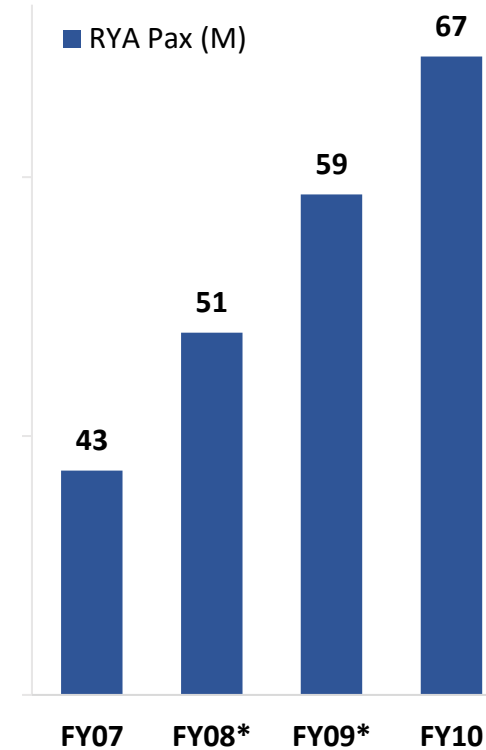
→ Competitors cut cap. / fail – RYA mkt. share grows

→ Fuel & €/\$ well hedged – v. low debt

→ Airports & labour - medium term agrees.

→ New aircraft delivs. = more pax @ lower cap & opex cost

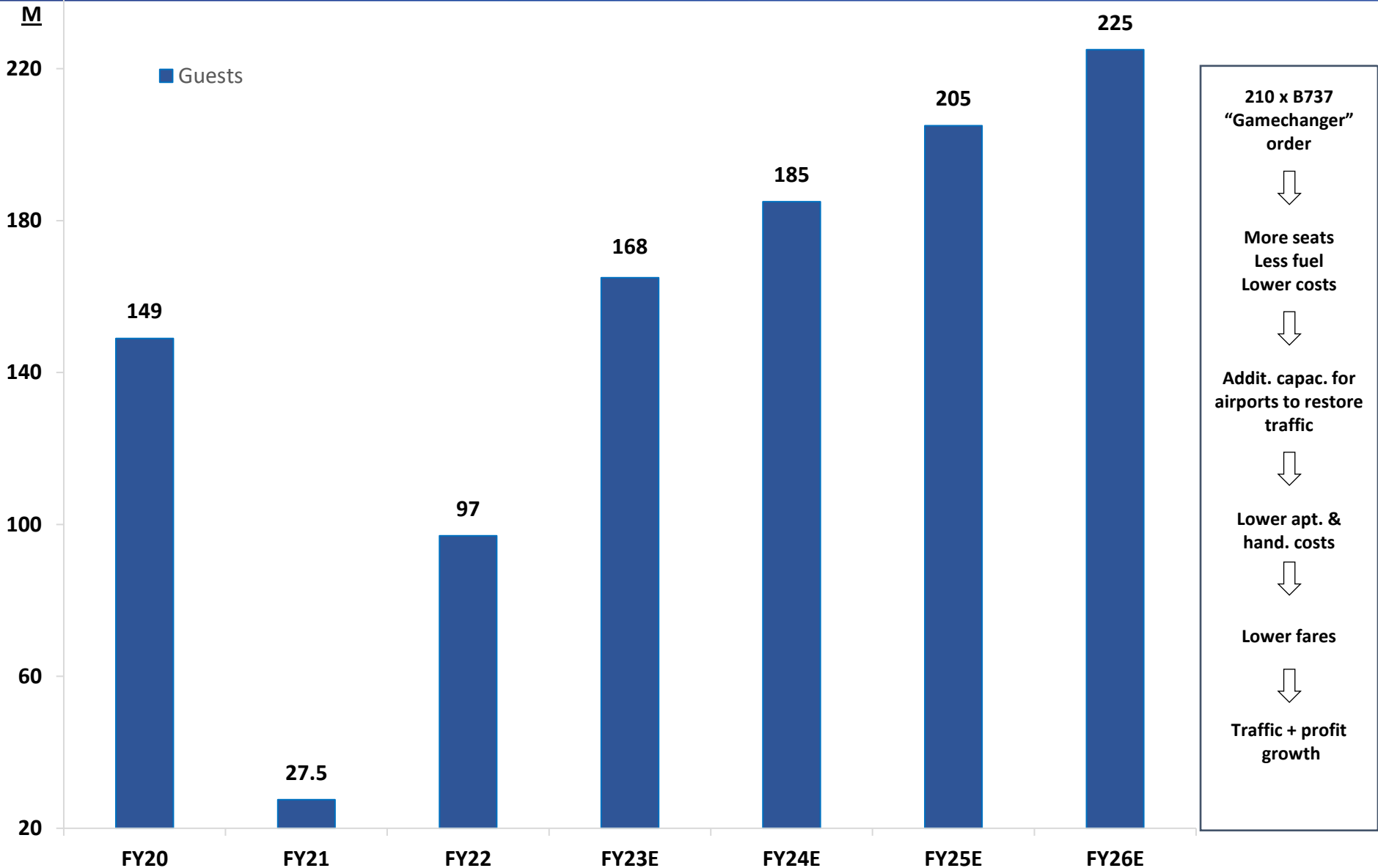
→ 124 “G’changers” for peak S.23 – traffic to 185m in FY24



\*Global Fin. Crisis



# Growth to 225m pax p.a. by FY26





# Summary

- 168m pax (+13% on pre-Covid)
- Strong Q3 (Oct. mid-term & Xmas)
- Fragility remains (Covid, Ukraine, recession)
- FY23 guide – €1.0bn to €1.2bn net profit (pre-except.)
- Faster post-COVID growth: 225m pax p.a. by FY26
- Strong BBB balance sheet = fleet & market share gains
- Fin. strength + lowest cost = L.T. winner



- Cust. panel expanded & met in Oct.
- No.1 rated EU ESG airline – Sustainalytics
- SBTi commit. letter submitted in Jun.
- Net carbon zero by 2050
- Retrofit 409 B737NG fleet with Scim. Winglets (-1.5% fuel)
- OMV to supply SAF in AUS, GER & CEE / Neste in AMS





# Appendix: Industry leading hedge position

	<sup>(i)</sup> <u>Jet (bbl)</u>	<sup>(ii)</sup> <u>Opex €/€</u>	<sup>(iii)</sup> <u>Carbon</u>
H2 FY23	87% (\$70)	73% (1.15)	100% (€57)
FY24	50% (\$93)	c.20% (1.08)	33% (€76)

**Capex €/\$ 1.24 to end of Boeing order book (W.25)**

(i) Brent crude spot > \$95 bbl. Conv. rate of 10 simplistically used to convert jet met. tn. to bbl.

(ii) €/€ spot 0.97 at cob 03 Nov. 2022

(iii) Carbon spot c.€78 per credit (EUA / UK blended) at cob 03 Nov. 2022



# Appendix: Sustainalytics ESG rating upgraded





➔ No. 1 rated EU airline

➔ No. 1 rated large cap. airline

➔ Much done - more to do

Source: Sustainalytics as at 13 Oct.

<u>EU airlines</u>	<u>Risk Rating</u>	<u>Rank</u>
Ryanair 	23.8 (Med.)	1
IAG	27.2 (Med.)	2
Wizz	27.4 (Med.)	3
Lufth.	27.6 (Med.)	4
AFKLM	27.8 (Med.)	5
easyJet	29.2 (Med.)	6

<u>Large cap.</u>	<u>Risk Rating</u>	<u>Rank</u>
Ryanair 	23.8 (Med.)	1
Air China	27.3 (Med.)	2
China South.	28.4 (High)	3
Delta	29.6 (High)	4
Southwest	32.1 (High)	5



# Appendix: Enviro. initiatives / update



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