

Ryanair logs annual profit but warns on virus chaos

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Irish no-frills airline Ryanair said Monday that net profits climbed to 1.0 billion euros (\$1.07 billion) in its 2019/2020 financial year, which ended just after coronavirus grounded planes worldwide.

The Dublin-based carrier warned however that it now faces a "difficult" year, with less than one percent of flights operating since the start of April as a result of the deadly COVID-19 outbreak.

Profit after taxation excluding exceptional items rose 13 percent to 1.0 billion euros in the year to the end of March, from 885 million euros a year earlier, Ryanair said in a results statement.

Passenger traffic grew four percent to 149 million travellers in the reporting period, while revenues swelled ten percent to 8.5 billion euros.

Ryanair added however that [net profit](#) including exceptional items sank almost 27 percent to 648.7 million euros.

"Most of Ryanair's fleet was grounded from mid-March by EU government flight bans and restrictions," the Irish airline said.

"These groundings reduced our March and full-year traffic by over five million guests and cut full-year profits by over 40 million euros."

Quarterly loss forecast

Ryanair also forecast a loss in excess of 200 million euros in the current first quarter.

"Given the uncertainty over the impact and duration of the COVID-19 pandemic, coupled with no visibility on what customer behaviour and demand will be following a return to service, Ryanair cannot provide 2020/2021 (profit) guidance at this time," it said.

"The group expects to record a loss of over 200 million in the first quarter, with a smaller loss expected in the second quarter due to a substantial decline in traffic and pricing from COVID-19 groundings."

The airline expects to operate less than one percent of its normal flight schedule in the first quarter, but forecast that traffic will start to return to normal in the summer months.

Ryanair had revealed last week that it planned to restore 40 percent of flights from July.

Since the middle of March, the airline has been operating only 30 flights per day between the Britain, Ireland and the rest of Europe.

With air transport paralysed by coronavirus, Ryanair is cutting 3,000 pilot and cabin crew jobs, or 15 percent of staff, mirroring moves by airlines globally to save cash in the face of collapsing demand.

Britain—a significant market for Ryanair—had revealed last week that international arrivals will soon face a 14-day quarantine to stop new coronavirus infections.

Ryanair added Monday it expected to carry less than 80 million passengers in the current 2020/2021 financial year, almost 50 percent fewer than originally forecast.

'Difficult year'

"2021 will be difficult for the Ryanair Group as its airlines work hard to return to scheduled flying following the COVID-19 crisis," it warned.

"Consultations about base closures, pay cuts of up to 20 percent, unpaid leave and up to 3,000 job cuts—mainly pilots and cabin crew—are under way with our people and our unions.

"As we look beyond the next year, there will be significant opportunities for Ryanair's low-cost growth model as competitors shrink, fail or are

acquired by government-bailed-out carriers."

However, the company also insisted that it has sufficient funds to "weather COVID-19 and emerge stronger when the crisis passes".

British Airways' owner IAG recently warned that pre-crisis passenger demand would not return until 2023 at the earliest.

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