

# Ryanair nosedives into first-quarter loss on coronavirus

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Ryanair said the first quarter of 2020 was the most challenging in its history

Irish no-frills airline Ryanair nosedived into the red in its first quarter, as the coronavirus pandemic decimated air travel demand and grounded fleets worldwide, the group said Monday.

Dublin-based Ryanair suffered a loss after taxation of 185 million euros (\$216 million) in the three months to the end of June, or first quarter of its financial year, it revealed in a results statement.

The dire performance compared with [net profit](#) of 243 million euros in the same part of 2019—but nevertheless beat its own forecast for a loss of 200 million euros.

Passenger numbers tumbled 99 percent to just 0.5 million people in the [first quarter](#) compared with 42 million a year earlier, while more than 99 percent of the airline's fleet remained on the tarmac. Sales collapsed to 125 million euros from 2.312 billion.

Global aviation has been ravaged by the deadly COVID-19 outbreak, as lockdowns and border closures have hurt travel demand and sparked slumping profits and painful cost-cutting, alongside bankruptcies and rescue plans across the sector.

## **'Most challenging in history'**

"The past quarter was the most challenging in Ryanair's 35-year history. COVID-19 grounded the group's fleet for almost four months, from mid-March to end June, as EU governments imposed flight or travel bans and widespread population lockdowns," the Irish carrier said in a statement.

"During this time, group airlines repatriated customers and operated rescue flights for different EU governments, as well as flying a series of medical emergency/PPE flights across Europe."

The airline meanwhile resumed flights across most of its network on July 1 and aims to operate around 40 percent of its schedule this month. That is expected to rise to 60 percent in August and 70 percent in September.

Ryanair added Monday that it expects to carry a total of 60 million passengers over the course of 2020/2021 fiscal year which runs to March. That would represent a collapse of 60 percent.

However the outlook depends on whether a second wave of deadly COVID-19 emerges.

Over the weekend, Britain—a significant market for Ryanair—decided to re-impose a quarantine on flights from Spain, which is experiencing a surge in infections.

With effect from Sunday, passengers arriving in Britain from Spain must now self-isolate for two weeks.

In response to the coronavirus-induced downturn, Ryanair is seeking to axe 3,000 jobs and has not ruled out further cutbacks. Last week it outlined plans to close its Frankfurt-Hahn base in Germany—and has stated that other hubs could follow.

The carrier meanwhile aims to reach agreements with major trade unions to lower its wage bill and limit the number of job cuts.

## **Second wave 'biggest fear'**

"2020/2021 will be a very challenging year for the Ryanair group of airlines," the group warned in Monday's earnings release.

"It is impossible to predict how long the COVID-19 pandemic will persist, and a second wave of cases across Europe in late autumn ... is our biggest fear right now."

Ryanair said that it hopes that EU citizens comply with recommendations to wear [face masks](#) and practice other measures to

reduce the spread of the coronavirus and that governments develop effective tracing and quarantining measures to avoid the need for another wave to restrictions on intra-EU flights or lockdowns.

"It is vital that European economies begin the process of recovery this summer to minimise the damage arising from the COVID-19 pandemic and this recovery can only be led by intra-EU air travel which is the engine of EU growth and economic activity," said the airline.

Ryanair's four divisions comprise its main Irish operations, Austrian-based Lauda, Polish unit Buzz, and Malta Air.

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