

# Ryanair slashes losses but Omicron hit winter bookings

January 31 2022

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Ryanair chief executive Michael O'Leary said "media hysteria" forced European governments to reimpose travel restrictions in December.

Ryanair slashed losses in the final quarter of 2021 but the emergence of the Omicron variant cut into the normally busy winter holiday travel season, the no-frills airline said Monday.

Chief executive Michael O'Leary said the reporting period started well, with strong bookings as there was "less confusion" about the British government's "absurd 'traffic light system'" to rank Covid risks from countries.

Britain is a key market for the airline based in neighbouring Ireland and which flies throughout Europe.

Bookings continued to improve in November but "the sudden emergence of the Omicron variant" and "the media hysteria it generated" forced European governments to reimpose travel restrictions towards the end of the quarter, O'Leary said.

The measures in the run-up to Christmas "significantly weakened peak" Christmas and New Year bookings and fares, he said.

Net losses stood at 96 million euros (\$107 million) in the company's third quarter, a third of the figure for the same period in 2020.

## **'Expect further Covid disruptions'**

Ryanair said its full-year traffic forecast was unchanged at "just under 100 million passengers".

Its net loss guidance stayed at between 250 million and 450 million euros.

"This outturn is hugely sensitive to any further positive or negative Covid news flow and so we would caution all shareholders to expect further Covid disruptions," O'Leary warned.

The UK government in December reimposed stricter travel rules—including mandatory pre-arrival tests and self-isolation until

travellers had tested negative—after a surge in cases due to Omicron.

However, the travel measures are being eased, as Prime Minister Boris Johnson argued they were having a "limited impact" while imposing "significant costs" on the industry.

The government will scrap compulsory Covid tests from February 11 for fully jabbed arrivals and quarantine for unvaccinated travellers.

Currently, fully vaccinated arrivals are required to take a lateral flow test within two days, while those not jabbed must self-isolate for 10 days and take several tests before and after travel.

"In the short term, Ryanair is making no secret of the risk of further Covid disruption to come, with investors at least able to have some confidence it can steer a flight path through any turbulence," AJ Bell investment director Russ Mould said following the earnings update.

With "one of the strongest balance sheets in the industry... it is very well placed for a full recovery in the aviation sector, with the means to invest in new routes and potentially even to swoop on ailing rivals".

One rival appearing to do well is British carrier EasyJet, which last week said it had slashed losses by half in the final three months of 2021.

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Citation: Ryanair slashes losses but Omicron hit winter bookings (2022, January 31) retrieved 27 April 2024 from <https://techxplore.com/news/2022-01-ryanair-slashes-losses-omicron-winter.html>

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