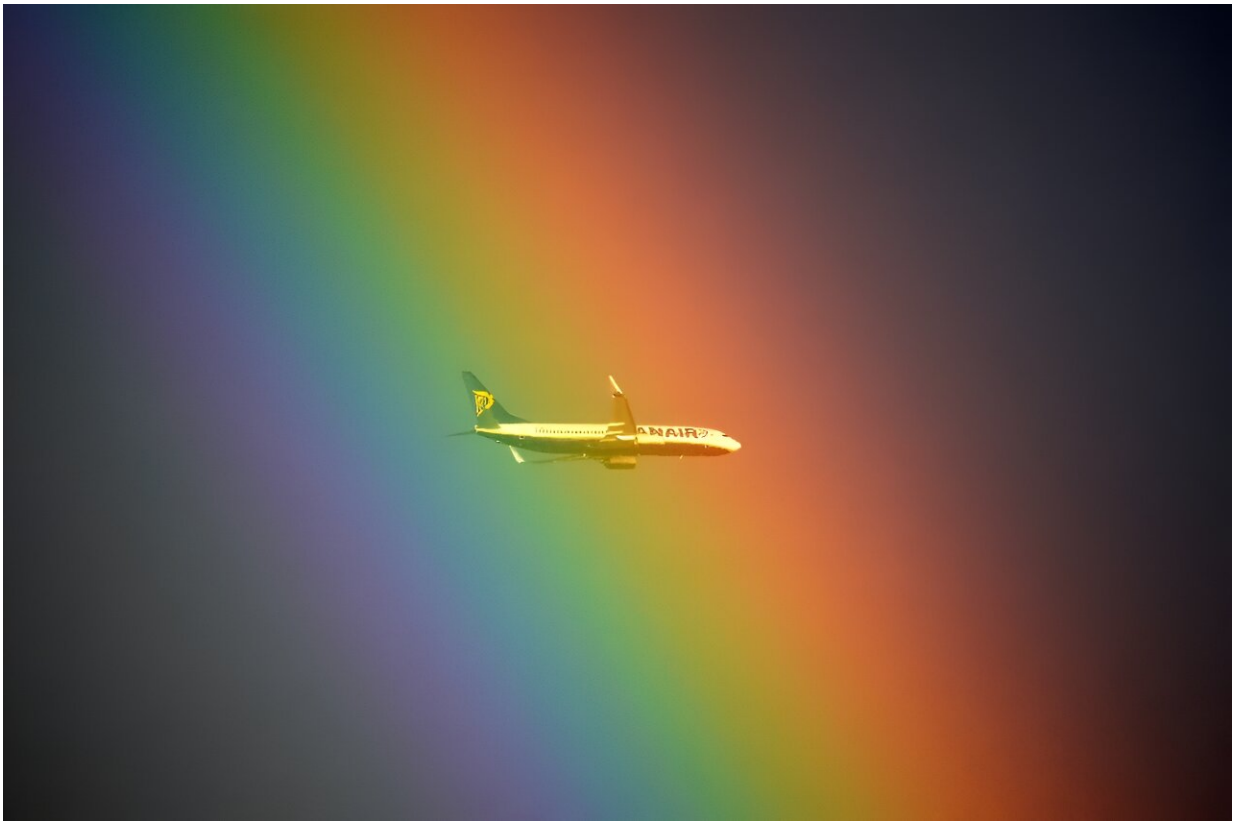


Ryanair rewards shareholders after profit soars

November 6 2023, by Ben PERRY



Ryanair will begin regular dividend payments for the first time in its history.

Irish no-frills airline Ryanair on Monday announced the start of regular dividends to shareholders after net profit surged 72 percent in its first half on higher fares and record traffic.

Profit after tax came in at 2.2 billion euros (\$2.4 billion) in the six months to the end of September year-on-year, Ryanair said in a statement.

The Dublin-headquartered airline said it would begin regular [dividend](#) payments for the first time in its history.

It comes as the aviation sector is enjoying a strong recovery after suffering heavy losses at the start of the decade when the COVID pandemic grounded flights worldwide.

"We want to thank those shareholders for their support during a very difficult COVID period," Ryanair chief executive Michael O'Leary said.

The carrier announced "a maiden ordinary dividend of 400 million euros" spread across two equal payments in February and September next year.

In the years ahead, Ryanair said it expects to pay about 25 percent of net profits in dividends.

The dividend announcements, along with expectations of record-high annual profits despite a number of headwinds, helped send Ryanair's share price rallying six percent to 16.12 euros in Dublin.

Ryanair has previously paid out a total of 6.74 billion euros in share buybacks and ad hoc dividends in the 12 years to 2020, the company confirmed to AFP.

Clouded outlook

O'Leary added that the carrier's full-year outlook "remains highly dependent on the absence of any unforeseen adverse events—for

example such as Ukraine or Gaza—between now and the end of March".

Ryanair profits ballooned in the first half "thanks to a strong Easter in the first quarter, record summer traffic and higher fares which offset significantly higher fuel costs", the company statement said.

Traffic grew 11 percent to 105 million passengers and average fares jumped by almost one quarter.

O'Leary said the company expects record full-year [net profit](#) of between 1.85 billion euros and 2.05 billion euros—a forecast that assumes "modest losses" over the winter.

He added that the outlook was clouded by uncertainty over the delivery of new Boeing planes, "a significantly higher full-year fuel bill, very limited fourth-quarter visibility and the risk of weaker consumer spending over coming months".

US planemaker Boeing last month reported another hefty loss as it trimmed its full-year forecast for deliveries of the 737 to address a manufacturing problem on the aircraft.

© 2023 AFP

Citation: Ryanair rewards shareholders after profit soars (2023, November 6) retrieved 9 May 2024 from <https://techxplore.com/news/2023-11-ryanair-rewards-shareholders-profit-soars.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.