

Ryanair annual profit jumps on higher demand, fares

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Irish no-frills carrier Ryanair on Monday said group net profit jumped a third to 1.92 billion euros in its financial year as higher demand and

fares offset ballooning fuel costs.

Profit after tax climbed 34 percent to the equivalent of \$2.1 billion in the 12 months to the end of March for the airline that flies mostly across Europe, Ryanair said in an earnings statement.

The Dublin-based carrier added that demand rose nine percent to almost 184 million passengers. Revenue jumped a quarter to 13.4 billion euros.

This helped offset a fuel bill up around a third to 5.1 billion euros.

Ryanair forecast it could fly up to 200 million passengers in its current financial year, as the aviation sector continues to recover strongly after the world emerged from COVID lockdowns.

The target "will be heavily dependent upon avoiding adverse events", chief executive Michael O'Leary said in the statement.

He added that the airline risked flights being affected by the Ukraine and Gaza wars, in addition to "extensive air traffic control disruptions or further Boeing delivery delays".

O'Leary, known for his outspoken comments, has been very critical of US planemaker Boeing for delaying delivery of new jets, including to Ryanair, over safety issues.

In January, a door blew out from the cabin of a Boeing 737 MAX 9 plane during an Alaska Airlines flight. The incident resulted in a few minor injuries.

O'Leary added on Monday that the airline planned to repurchase shares worth 700 million euros and that it would run its "largest ever summer schedule".

The CEO said air fares could be cut in its current first quarter, ahead of the peak summer season, to attract passengers.

"Consumers have been ringfencing budgets to satisfy their wanderlust, but there are now signs many more are starting to balk at higher prices," said Susannah Streeter, head of money and markets at Hargreaves Lansdown.

Airlines have benefitted from growing global travel after the COVID years despite air fares soaring due to inflation.

Carriers have sought to recoup in the wake of heavy losses caused by the pandemic, which grounded planes worldwide.

They have additionally needed to pay higher wages amid the highest global inflation in decades that has also seen the cost of jet fuel soaring.

With demand rebounding, the aviation sector had been on a massive recruitment drive, having slashed thousands of jobs during the pandemic when lockdowns kept people from traveling.

However, despite Monday's bumper results, Ryanair's share price dived almost three percent to 17.80 euros in late afternoon Dublin trade.

"The prospect that ticket price cuts might be on the way has subdued sentiment," noted AJ Bell head of financial analysis Danni Hewson.

She added, "Even if people are beginning to feel a little better off as inflation falls, they are remaining cautious, which could have an impact on the number of bums on seats once the summer surge is over."

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