

Ryanair losses widen on Covid travel restrictions

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Irish no-frills airline Ryanair on Monday announced a widening of losses in its first quarter, hit by COVID travel restrictions in Europe.

Losses after tax hit 272.6 million euros (\$321 million) in the group's first quarter, or three months to June 30.

That compared with a net loss of 185.1 million euros one year earlier for the Dublin-based carrier that flies mainly throughout Europe.

"COVID-19 continued to wreak havoc on our business during the first quarter with most Easter flights cancelled and a slower-than-expected easing of EU government travel restrictions into May and June," Ryanair chief executive Michael O'Leary said in the company's earnings statement.

Costs more than doubled in its first quarter, offsetting a near trebling of revenues.

Traveller numbers however soared to 8.1 million from just half-a-million one year earlier.

And Ryanair was experiencing a "strong rebound of pent up travel demand into August and September", noted O'Leary, adding that the airline expects the rebound to continue.

"We are encouraged by the high rate of vaccinations across Europe," he said.

"If, as is presently predicted, most of Europe's adult population is fully vaccinated by September, then we believe that we can look forward to a strong recovery in air travel for the second half of the fiscal year."

Fierce European rival EasyJet last week ramped up its summer capacity and revealed narrowing losses on improving demand.

Heathrow losses

Elsewhere Monday, London's Heathrow airport announced that its losses from the pandemic had reached £2.9 billion (\$4.0 billion, 3.4 billion

euros).

"The UK is emerging from the worst effects of the health pandemic, but is falling behind its EU rivals in international trade by being slow to remove restrictions," said Heathrow chief executive, John Holland-Kaye.

With travel restrictions easing however, Ryanair earlier this month announced plans to hire more than 2,000 pilots.

At the start of the pandemic, it had slashed 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.

Ryanair had in May posted an annual net loss of 1.0 billion euros as the pandemic grounded planes.

Ryanair's latest results "painted a rosy picture of the future for European air travel as vaccination passports open the door to a summer travel season", noted Laura Hoy, equity analyst at Hargreaves Lansdown.

"However, despite an influx of travellers, Ryanair's losses widened over the past three months.. Ticket prices, on the other hand, were depressed."

Shares in Ryanair rose 3.3 percent to 16.26 euros in morning deals following the results.

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