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Ryanair Holdings plc

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(RYAAY-NASDAQ)

Company Brief

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Airlines: Low Cost Carriers

Raymond James Institutional Investors Conference Highlights

Ryanair CFO Neil Sorahan presented Monday morning at the Raymond James Institutional Investors Conference. Below are highlights from the presentation and breakout.

Fuel hedging: Unlike many U.S. airlines, Ryanair is maintaining its fuel hedging strategy with much of its fuel needs hedged out 12-18 months. It currently has 95% of fuel needs hedged at an average Brent price of $90 in FY16 (March YE), 95% at $62 in FY17, and 29% at $52 in FY18. In the recent past, Ryanair has only once deviated from its hedging strategy, which was in 2008 when Brent was ~$140/bbl and appeared to have decoupled from supply-demand fundamentals.

Cost clarity: In addition to fuel hedges, Ryanair has visibility into costs over the next few years having obtained attractive aircraft ownership costs (including locking in capex with currency hedges), finalized five-year labor contracts, and secured long-term airport deals. From a cost perspective, the next game changer for Ryanair is expected to be the 737 MAX deliveries in 2019 (FY20) as these aircraft will have 197 seats vs. the current 189 (with no requirement for an additional flight attendant).

Load factor opportunity: With greater cost clarity, the largest uncertainty remains yields with likely pressure from elevated industry capacity growth as European airlines (that generally hedge a large portion of fuel needs) finally start to benefit from lower fuel prices. Despite large load factor improvements at Ryanair over the last couple of years, there is likely another 1-2 ppts of potential improvement remaining before reaching structural constraints. Such improvements in load factor should help offset some yield weakness. Additionally, it appears demand has recovered following the Paris attacks in November 2015.

Brexit: Ryanair is a staunch advocate for the U.K. to remain in the EU. A weakened sterling from a possible "Brexit" poses risk as Ryanair is naturally long the sterling. However, a weak sterling could potentially be offset by an increase in travel to the U.K.

Growth opportunities: As stated previously, Ryanair intends to grow its market share in Germany from 5% to 15-20% over the next five years. However, Frankfurt's congested operations make it untenable given Ryanair's targeted 25-minute turnaround times. Additionally, while Ryanair still foresees further opportunity to grow in France, it does not plan on establishing a base in the country due to the country's draconian labor laws (double taxation). As such, France will continue to be more of a leisure destination for Ryanair.

Rating

Outperform 2

Current Price

Current Price (Mar-08-16 close)	$81.43
52-Week Range	$88.24 - $64.08
Suitability	Medium Risk/Growth

Market Data

Shares Out. (mil.)	265.8
Market Cap. (mil.)	$21,644
Avg. Daily Vol. (10 day)	483,215
Dividend/Yield	$0.00/0.0%
Book Value (Dec-15)	$16.43
Adj. Net Debt (mil.)/% Cap.	$305/6%

Earnings & Valuation Metrics

	2015A	2016E	2017E	2018E
Non-GAAP EPS	$4.25	$5.26	$6.15	$6.75
P/E Ratios (Non-GAAP)	19.2x	15.5x	13.2x	12.1x
Revenues (mil.)	€5,654	€6,558	€6,758	€7,434
Non-GAAP EPS (CY)	$5.05	$5.97	$6.83	NA
P/E Ratios (CY Non-GAAP)	16.1x	13.6x	11.9x	NM

Company Description

Ryanair Holdings plc, headquartered in Dublin, Ireland, is Europe's largest low cost carrier, with 58 bases and 1,600 routes across 29 countries. As of September 30, 2015, it had a fleet of over 300 Boeing 737 aircraft and offered approximately 1,800 scheduled short-haul flights per day serving approximately 200 airports primarily in Europe.

Footnotes: UR: Under Review. Revenues in euros. Non-GAAP figures use the average exchange rate effective for that respective period and excludes non-recurring charges. Figures are based on ADRs/ADSs. Reported figures are in accordance with International Financial Reporting Standards (IFRS).

Please read domestic and foreign disclosure/risk information beginning on page 2 and Analyst Certification on page 2.

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Strong Buy (SB1) Expected to appreciate, produce a total return of at least 15%, and outperform the S&P 500 over the next six to 12 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, a total return of at least 15% is expected to be realized over the next 12 months.

Outperform (MO2) Expected to appreciate and outperform the S&P 500 over the next 12-18 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, an Outperform rating is used for securities where we are comfortable with the relative safety of the dividend and expect a total return modestly exceeding the dividend yield over the next 12-18 months.

Market Perform (MP3) Expected to perform generally in line with the S&P 500 over the next 12 months.
Underperform (MU4) Expected to underperform the S&P 500 or its sector over the next six to 12 months and should be sold.
Suspended (S) The rating and price target have been suspended temporarily. This action may be due to market events that made coverage impracticable, or to comply with applicable regulations or firm policies in certain circumstances, including when Raymond James may be providing investment banking services to the company. The previous rating and price target are no longer in effect for this security and should not be relied upon.

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Market Perform (MP3) The stock is expected to perform generally in line with the S&P/TSX Composite Index over the next twelve months and is potentially a source of funds for more highly rated securities.
Underperform (MU4) The stock is expected to underperform the S&P/TSX Composite Index or its sector over the next six to twelve months and should be sold.

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Strong Buy (SB1) Expected to appreciate and produce a total return of at least 25.0% over the next twelve months.
Outperform (MO2) Expected to appreciate and produce a total return of between 15.0% and 25.0% over the next twelve months.
Market Perform (MP3) Expected to perform in line with the underlying country index.
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Market Perform (3) Expected to perform generally in line with the Stoxx 600 over the next 12 months.
Underperform (4) Expected to underperform the Stoxx 600 or its sector over the next 6 to 12 months.
Suspended (S) The rating and target price have been suspended temporarily. This action may be due to market events that made coverage impracticable, or to comply with applicable regulations or firm policies in certain circumstances, including when Raymond James may be providing investment banking services to the company. The previous rating and target price are no longer in effect for this security and should not be relied upon.

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	Coverage Universe Rating Distribution*				Investment Banking Distribution			
	RJA	RJL	RJ Arg	RJEE/RJFI	RJA	RJL	RJ Arg	RJEE/RJFI
Strong Buy and Outperform (Buy)	57%	66%	56%	48%	20%	38%	0%	0%
Market Perform (Hold)	37%	34%	44%	38%	5%	18%	0%	0%
Underperform (Sell)	6%	1%	0%	14%	7%	0%	0%	0%

* Columns may not add to 100% due to rounding.

Suitability Ratings (SR)

Medium Risk/Income (M/INC) Lower to average risk equities of companies with sound financials, consistent earnings, and dividend yields above that of the S&P 500. Many securities in this category are structured with a focus on providing a consistent dividend or return of capital.

Medium Risk/Growth (M/GRW) Lower to average risk equities of companies with sound financials, consistent earnings growth, the potential for long-term price appreciation, a potential dividend yield, and/or share repurchase program.

High Risk/Income (H/INC) Medium to higher risk equities of companies that are structured with a focus on providing a meaningful dividend but may face less predictable earnings (or losses), more leveraged balance sheets, rapidly changing market dynamics, financial and competitive issues, higher price volatility (beta), and potential risk of principal. Securities of companies in this category may have a less predictable income stream from dividends or distributions of capital.

High Risk/Growth (H/GRW) Medium to higher risk equities of companies in fast growing and competitive industries, with less predictable earnings (or losses), more leveraged balance sheets, rapidly changing market dynamics, financial or legal issues, higher price volatility (beta), and potential risk of principal.

High Risk/Speculation (H/SPEC) High risk equities of companies with a short or unprofitable operating history, limited or less predictable revenues, very high risk associated with success, significant financial or legal issues, or a substantial risk/loss of principal.

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Company Name	Disclosure
Ryanair Holdings plc	Raymond James & Associates makes a market in shares of RYAAY.

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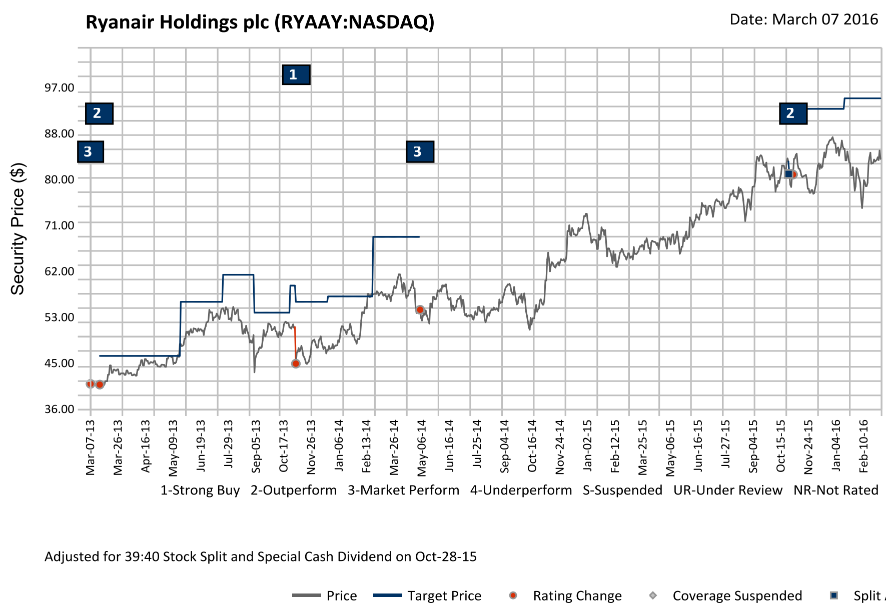
Valuation Methodology: The Raymond James methodology for assigning ratings and target prices includes a number of qualitative and quantitative factors including an assessment of industry size, structure, business trends and overall attractiveness; management effectiveness; competition; visibility; financial condition, and expected total return, among other factors. These factors are subject to change depending on overall economic conditions or industry- or company-specific occurrences. Only stocks rated Strong Buy (SB1) or Outperform (MO2) have target prices and thus valuation methodologies.

Target Prices: The information below indicates our target price and rating changes for RYAAY stock over the past three years.



Rating & Target changes

Date	Curr.	Price	Target	Rating
Jan-15-16	$	85.42	95.00	2
Nov-03-15	$	80.54	93.00	2
May-05-14	$	54.90	NM	3
Feb-24-14	$	57.82	68.72	1
Dec-20-13	$	47.26	57.44	1
Nov-04-13	$	44.68	56.41	1
Oct-28-13	$	51.56	59.49	2
Sep-04-13	$	43.04	54.36	2
Jul-22-13	$	55.17	61.54	2
May-21-13	$	48.40	56.41	2
Mar-14-13	$	40.71	46.15	2
Mar-07-13	$	40.85	NM	3

Valuation Methodology: To estimate the value of Ryanair's ADSs, we utilize its price-to-earnings, or P/E ratio, comparison, which is based on our long-range earnings model that is available upon request.

Risk Factors

General Risk Factors: Following are some general risk factors that pertain to the businesses of the subject companies and the projected target prices and recommendations included on Raymond James research: (1) Industry fundamentals with respect to customer demand or product / service pricing could change and adversely impact expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes toward the sector or this stock; (3) Unforeseen developments with respect to the management, financial condition or accounting policies or practices could alter the prospective valuation; or (4) External factors that affect the U.S. economy, interest rates, the U.S. dollar or major segments of the economy could alter investor confidence and investment prospects. International investments involve additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability.

Specific Investment Risks Related to the Industry or Issuer

Airline Industry Risk Factors

Companies within the airline industry are exposed to risks relating to general economic and market conditions. External economic factors include the fluctuations in the price of jet fuel and capacity changes by competing airlines, which can negatively impact operating costs and revenue, respectively.

Airlines operating in international markets may also be exposed to fluctuations in foreign currencies. Also, the airline industry is highly unionized, which implies that a significant number of employees may be subject to risks associated with labor contract negotiations and potential strikes.

Moreover, Airlines are subject to various federal, state, local, and foreign laws and regulations and, as a result, are highly exposed to the impacts of new regulation. Greater U.S. government scrutiny on ancillary revenue and the European Union's recently enacted carbon emissions tax are examples of recent concerns faced by the industry.

Company-Specific Risk Factors for Ryanair Holdings plc

U.S. Dollar Strength vs. the Euro

Majority of Ryanair's costs are in U.S. dollars while a majority of its revenue is in British pounds and euros. Ryanair has hedged 95% of its FY16 (March year-end) and 95% of its FY17 fuel purchases (most of the USD cost) at an exchange rate of €1.33 and €1.21 per USD, respectively, and has hedged its capex needs as well. Therefore, the strengthening of the USD against the euro is unlikely to have a material negative impact on its earnings through early 2017. However, while the USD strength does not impact earnings, it has a material impact in the translation to EPS (per ADR share).

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