

 **RYANAIR**
LOW FARES. MADE SIMPLE.

Q3 FY18 Results



- Lowest fare/lowest cost carrier
- No 1, Traffic – FY18 130m (+8%)
- No 1, Cover – 87 Bases/210 apts/430 a/c
- No 1, Service – 2018 “Always Getting Better”
- 240 a/c order = grow to 200m p.a. by FY24
- Cost gap widens – Lowest cost wins
- Q3 profits +12%; FY guidance unchanged



	Avg. Fare	Change	% > Ryanair
Ryanair	€41	-13%	
Wizz	€51	-11%	+24%
easyJet	€77	-15%	+88%
Norwegian	€78	-3%	+90%
Air Berlin	€115	-7%	+180%
IAG	€198	-14%	+383%
Air France/KLM	€215	-7%	+424%
Lufthansa	€218	-4%	+432%
Avg Competitor Fare	€136		+232%



(Source: FY results/Annual Reports)



Europe's Lowest Costs

(€ p pax ex-fuel)	RYA	WIZ	EZJ	NOR	AB1	LUV
Staff	5	5	9	15	22	49
Airport & Hand.	7	11	21	17	28	9
Route Charges	6	6	6	7	8	0
Own'ship & maint.	6	15	8	26	40	18
S & M other	3	3	7	8	33	18
Total (PY)	27 (28)	40 (40)	51 (55)	73 (73)	131 (116)	94 (92)
% change (reptd.)	-5%	+1%	+3%(stg)	+2%	+13%	+2%
%> Ryanair		+48%	+89%	+170%	+385%	+248%

(Source: FY results/Annual Reports)










Europe's No. 1 Coverage

- ➔ 87 bases
- ➔ 210 airports (111 Prim)
- ➔ 34 countries
- ➔ 1,800 routes
- ➔ 130m c'mers (+1m)
- ➔ 430 x B737 fleet
- ➔ 240 x B737s on order





Europe's No. 1 Market Share (15%)

Country (Cap m)*	No. 1	No. 2	No. 3	Share
UK (138)	easyJet	 RYANAIR LOW FARES. MADE SIMPLE.	BA	18%
Spain (132)	 RYANAIR LOW FARES. MADE SIMPLE.	Vueling	Iberia	19%
Germany (127)	Luft/AB	 RYANAIR LOW FARES. MADE SIMPLE.	EZJ	9%
CEE (110)	 RYANAIR LOW FARES. MADE SIMPLE.	Wizz	Aegean	14%
Italy (96)	 RYANAIR LOW FARES. MADE SIMPLE.	Alitalia	easyJet	28%
Greece (28)	Aegean	 RYANAIR LOW FARES. MADE SIMPLE.	easyJet	12%
Portugal (28)	TAP	 RYANAIR LOW FARES. MADE SIMPLE.	easyJet	20%
Poland (21)	 RYANAIR LOW FARES. MADE SIMPLE.	LOT	Wizz	30%
Ireland (18)	 RYANAIR LOW FARES. MADE SIMPLE.	Aer Lingus	BA	48%
Belgium (17)	Brussels Air	 RYANAIR LOW FARES. MADE SIMPLE.	Jetairfly	29%

*(Source: CapStats intra EU Depart capacity Apr 17 – Mar 18)

	<u>Dec 16</u>	<u>Dec 17</u>	
Customers (m)	28.8	30.4	+6%
Load Factor	95%	96%	+1%
Avg. fare (incl. bag)	€33	€32	-4%
Revenue (m)	€1,345	€1,405	+4%
Cost Per Pax	€43	€42	-1%
Profit after tax (m)	€95	€106	+12%
Net Margin	7%	8%	+1ppt
EPS (€ cent)	7.60	8.93	+17%





Q3 Balance Sheet

	<u>Mar 17</u>	<u>Dec 17</u>
	(€m)	(€m)
Assets (incl. a/c)	7,850	8,417
Cash	4,140	3,213
Total	11,990	11,630
Net Debt €244m		
Liabilities	3,183	2,760
Debt	4,384	4,070
S/H funds	4,423	4,800
Total	11,990	11,630

Net Debt
€857m
*After
€1.03bn capex
€639m b/back*





Current Developments

- AGB 2018 rolled out
- Cost discipline continues – FY18 unit costs -2%
- Union recognition negotiations ongoing – expect some disruptions
- Unionisation won't affect growth to 200m in FY24
 - New growth opportunities in France & Scandin.
- Share buyback – €750m Feb to Oct
- FY18 guidance €1.40bn to €1.45bn – unchanged



→ 2018 AGB:

- Price Promise – we won't be beaten!
- Ryanair Rooms Travel Credit
- Connecting flights – Rome, Milan (BGY), Porto
- Dedicated EU261 team & Digital self-service
- Environmental program – Inflight plastics, greenest fleet

→ MyRyanair 40m members by March 2018

→ New bag policy Jan – Bigger 20kg bag/lower costs, improved OTP

→ Jordan 34th country W18

→ Boeing MAX order hedged @ €/\$1.24

- First delivery April '19
- 4% increase in seats
- 16% fuel savings

→ CFM Engine maint deal

- 10 yr low cost deal
- Covers all B737-800 NG's

→ 7 CAE Sims ordered – large discounts

→ Airport growth incentives improve





Recognising unions for pilots & C.C.

- 30 years non-union. Policy to recog when majority want it
- Maj of pilots wanted union recog in Dec 17
- Start with pilots in UK/Sp/Ger/Ita/Port/Ire/Bel
- Roll out to c. crews over next year
- Guide €100m pay inflation – 20% above 737 comps (still cost leader)
- Rising pay a function of tighter market for experienced pilots
 - No cadet shortage – over 1,100 hired in 2017
- Adverse PR and some disruptions inevitable (Ger 22 Dec/Ireland next ?)
- Model will deliver traffic (& profit) growth to 200m in FY24 (Fra & Scandi)

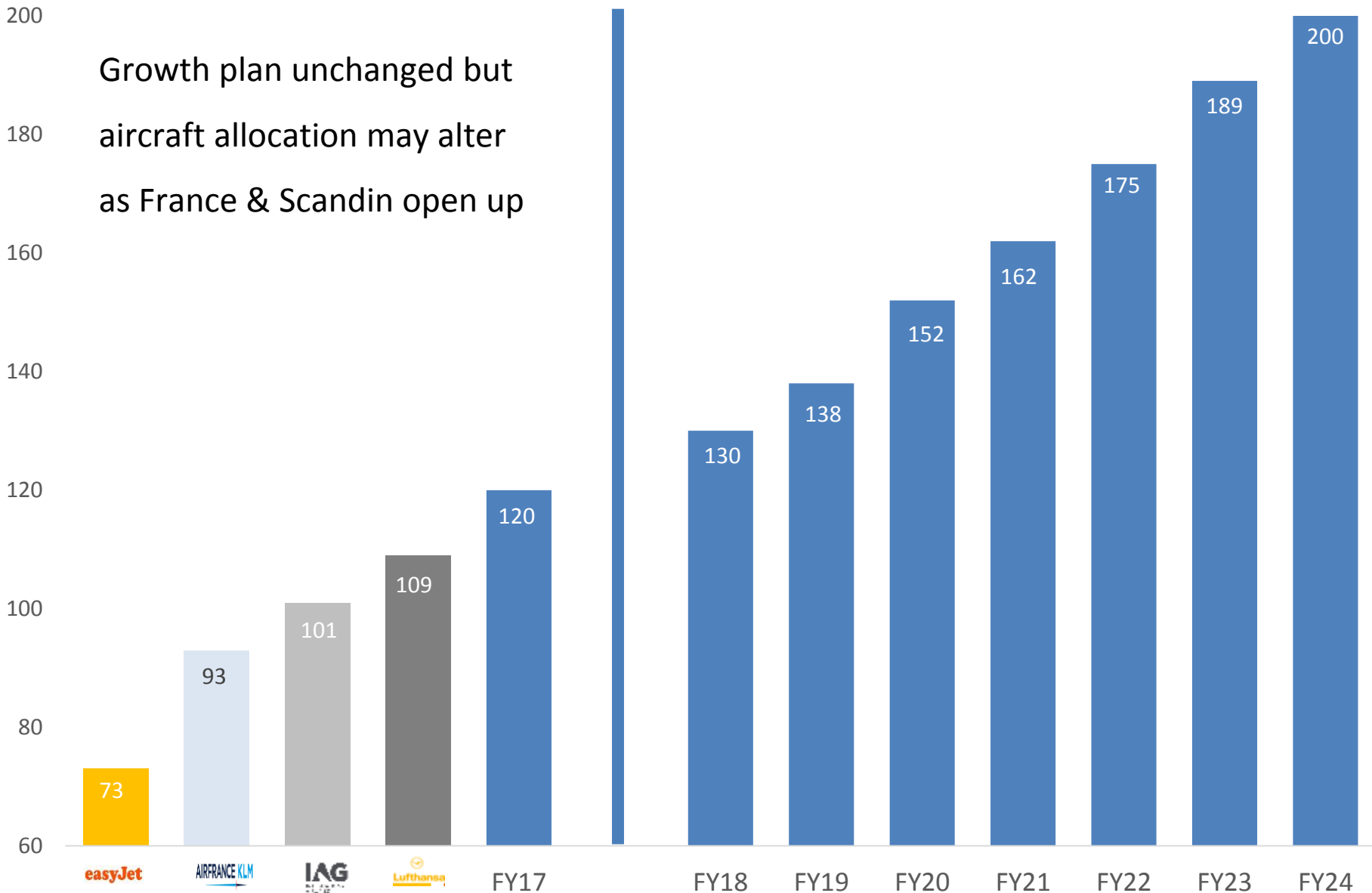


Staff costs 10% of Revs

	FY Mar 16	FY Mar 17
Traffic	<u>106m</u>	<u>120m (+13%)</u>
	€m	€m
Revenues	<u>6,536</u>	<u>6,648 (+2%)</u>
Fuel	2,071	1,913
Apt & Hand	831	865
Route Chgs	623	656
Staff	585 (9%)	633 (10%)
Aircraft & Maint	672	725
Fin, Sales/M & Oth	348	386
Total Costs	<u>5,130</u>	<u>5,178</u>
Profit Before Tax	1,406	1,470
Tax	163	154
Profit After Tax	<u>1,243</u>	<u>1,316 (+6%)</u>

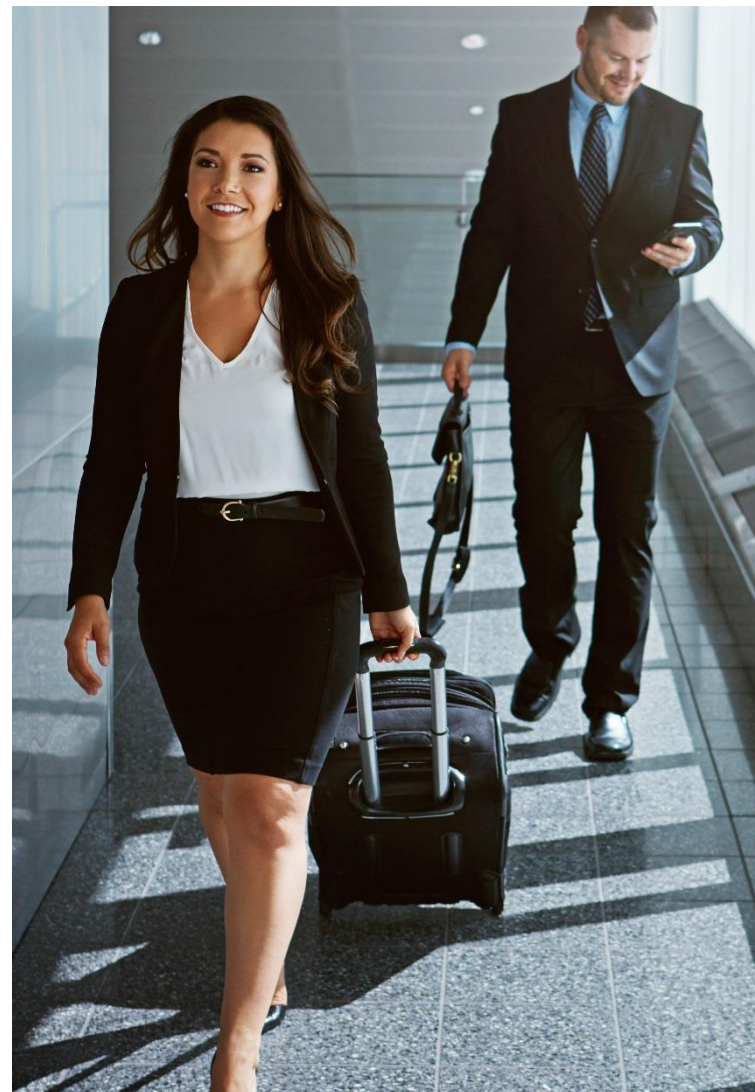


Unionisation won't affect growth to 200m p.a.



Shareholder Returns €6.2bn

	Buyback (€m)	Spec Divs (€m)	Total (€m)
FY08 & 09	346		346
FY11 & 12	125	500	625
FY13 & 14	549	492	1,041
FY15	112	520	632
FY16	1,104		1,104
FY17	1,018		1,018
FY18	639		639
FY19	750		750
Total	4,643	1,512	6,155



- Traffic up 8% to 130m despite 25 a/c grounded
- Cutting FY fares at least 3%
- FY Anx rev +2% per c'mer
- FY unit costs -2%
- PAT range: €1.40bn to €1.45bn (+8%)
- Subject to union disruption, security events & Easter Q4 fares
- FY19 Fuel & staff costs rise; cautious fare outlook





Appendices



Fuel Hedge Update

	FY17	FY18	FY19
Opex hedge	\$1.18	\$1.12 (90%)	\$1.15 (90%)

Jet (met. tonne)	FY17	FY18	FY19
Q1	\$659	\$508	\$547 (90%)
Q2	\$652	\$494	\$544 (90%)
Q3	\$603	\$476	\$583 (50%)
Q4	\$563	\$491 (90%)	\$586 (50%)
FY	\$623	\$493 (90%)	\$558 (70%)

FY18 fuel savings passed on in lower fares; fuel headwinds in FY19



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