



**FY19 Half Year**  
**Oct 2018**



- ➔ Lowest fare/lowest cost carrier
- ➔ No 1, Traffic – 141m guests (+8%)
- ➔ No 1, Cover – 37 States & 92 Bases
- ➔ Unions add cost/complexity – don't alter model
- ➔ Oil prices (\$85pbl) adds cost – consolidation
- ➔ 210 MAX a/c – drive lower costs to 200m p.a.



	Avg. Fare	Change	% > Ryanair
<b>Ryanair</b>	<b>€39</b>	-3%	
<b>Wizz</b>	<b>€46</b>	-5%	+18%
<b>easyJet</b>	<b>€60</b>	-2%	+54%
<b>Norwegian</b>	<b>€80</b>	+4%	+105%
<b>IAG</b>	<b>€193</b>	-2%	+395%
<b>Lufthansa</b>	<b>€196</b>	-3%	+403%
<b>AF/KLM</b>	<b>€213</b>	-1%	+446%
<b>Avg Competitor Fare</b>	<b>€131</b>		+236%



(Source: FY results/Annual Reports)



# Europe's Lowest Costs

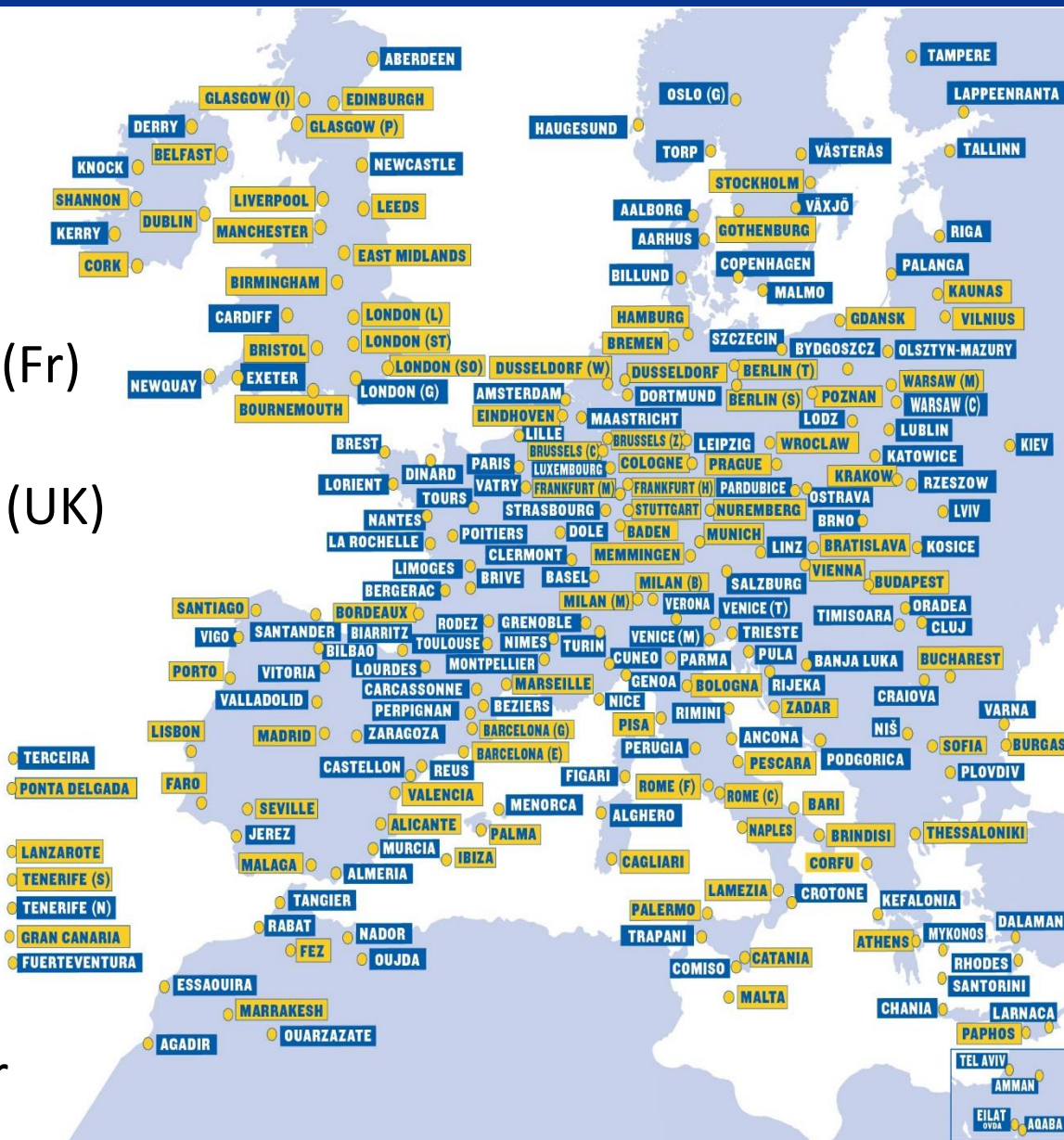
€ per pax (ex-fuel)	RYA	WIZ	EZJ	NOR	EUROW'	LUV
Staff/efficiency	6	5	9	17	18	50
Airport & Hand.	7	11	21	17	34	9
Route Charges	5	5	6	7	7	0
Own'ship & maint.	6	16	8	34	23	16
S & M other	3	3	7	9	29	18
Total	27	40	51	84	111	93
%> Ryanair		+48%	+89%	+211%	+311%	+244%

(Source: FY results/Annual Reports)












# Europe's No. 1 Coverage – Incl. LM

- 92 bases
- 234 airports (Maj prim)
- S.19 bases -MRS & BOD (Fr)
  - London SEN (UK)
  - TXL (Ger)
- 141m guests (+8%)
- 455 x B737 fleet
- 210 x B737-MAX on order





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

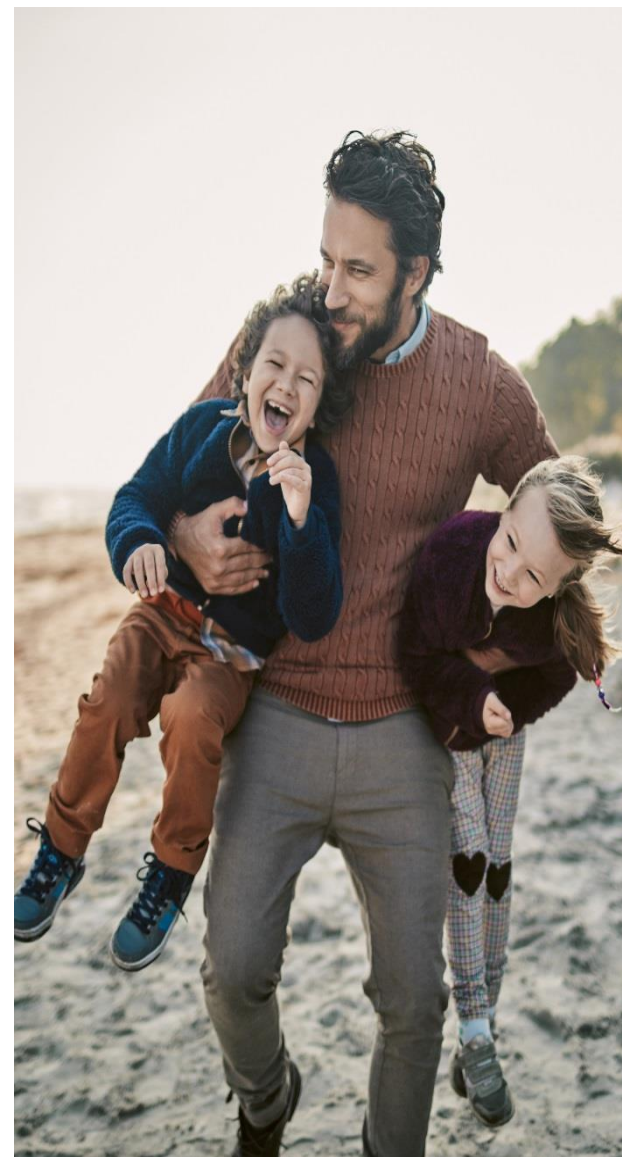
Country (Cap m)*	No. 1	No. 2	No. 3	Share
Spain (139)	 RYANAIR LOW FARES. MADE SIMPLE.	Vueling	Iberia	20%
UK (138)	EZJ	 RYANAIR LOW FARES. MADE SIMPLE.	BA	19%
Germany (135)	Luft	 RYANAIR LOW FARES. MADE SIMPLE.	EZJ	9%
CEE (119)	 RYANAIR LOW FARES. MADE SIMPLE.	Wizz	Aegean	15%
Italy (102)	 RYANAIR LOW FARES. MADE SIMPLE.	Alitalia	EZJ	27%
Portugal (29)	TAP	 RYANAIR LOW FARES. MADE SIMPLE.	EZJ	20%
Poland (24)	 RYANAIR LOW FARES. MADE SIMPLE.	LOT	Wizz	29%
Ireland (19)	 RYANAIR LOW FARES. MADE SIMPLE.	Aer Lingus	BA	48%
Belgium (17)	Brussels Air	 RYANAIR LOW FARES. MADE SIMPLE.	Jetairfly	28%

\*(Source: CapStats intra EU Depart capacity Apr 18 – Mar 19)



# H1 Results (excl. LM)

	<u>Sep 17</u>	<u>Sep 18</u>	
Guests (m)	72.1	76.6	+6%
Load Factor	96%	96%	-
Avg. fare (incl. bag)	€47	€46	-3%
Revenue (bn)	€4.43	€4.79	+8%
Cost Per Pax (ex fuel)	€26	€28	+7%
PAT (bn)*	€1.29	€1.20	-7%
Net Margin	29%	25%	-4pts



\*(Excl. except item -€45m Laudamotion year 1 setup losses)



## Current Developments

- ➔ Lower fares reported across EU, W.18 capacity growth +8%
- ➔ Rising oil (\$85pbl) & EU261 costs – due to ATC strikes/shortages
- ➔ Strong US\$ + high oil accelerates failures
- ➔ Good progress on union agreements – more to do
- ➔ Laudamotion €150m loss, moves to breakeven in Yr 2
- ➔ Short term pain – medium term winner





# Higher oil puts pressure on weak competitors

## 12 month hedges to Sep 19

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Ryanair	90% @ \$679 m.t. 10% spot
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Lufthansa	77% @ \$685 m.t. 23% spot
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easyJet	61% @ \$560 m.t. 39% spot
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AirFrance/KLM	58% @ \$683 m.t. 42% spot
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IAG	57% @ \$613 m.t. 43% spot
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Wizz	41% @ \$624 m.t. 59% spot
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Norwegian	15% @ \$587 m.t. 85% spot
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*Weaker competitors pay for fuel in advance – some in cash!*

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- ✈ Difficult winter: – Capacity growth, US\$ strength & higher oil
- ✈ Airline failures:
  - Primera (STN & Scand)
  - Small Planet & Azur (Ger)
  - Skyworks (Swi)
  - VLM (Bel)
  - Cello (UK)
  - Cobalt (Cyprus)
- ✈ Base cuts:
  - Norwegian (EDI & BFS)
  - Wizz (POZ)
  - Lufthansa (DUS)
  - EZJ (OPO)
  - RYR (BRE, EIN & NRN)



## **Union Progress – much done more to do**

- ✈ Pilot agreements: UK, Ita, Ire & Port – Spa agreed
- ✈ Cabin crew agreements: UK, Italy, Ger & Ire
- ✈ 90% Pilots agreed 20% pay increase in 2018
- ✈ Actively meeting other unions
- ✈ Local contracts, 5/4 pilot rosters, local seniority lists
- ✈ Further strikes possible if demands unreasonable



- Shareholding to 75% in Aug
- FY'19 – 3m guests – €150m except. Yr 1 startup loss
- FY'20 – 5m guests
- S.19: 23 aircraft: (19 x A320's + 4 x B737)
- New livery & interiors
- Improved pilot & c. crew pay
- Austrian AOC, Vienna base, German & Palma slots



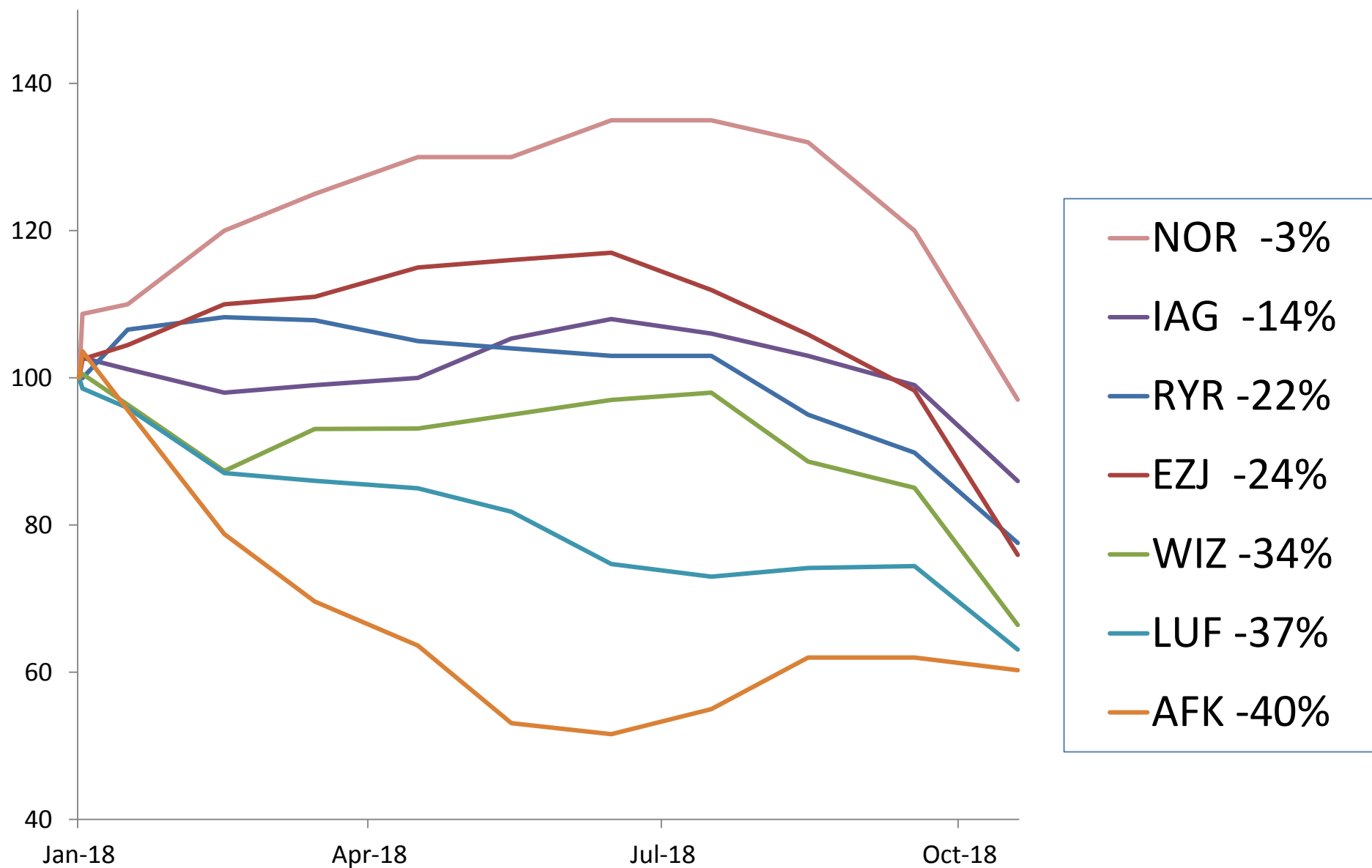




## Medium term winner

- Cost leadership widens – lowest cost wins!
- Boeing-MAX: 4% more seats, 16% lower fuel
- Airport incentives improve as competitors fail
- BBB+ bal sheet = cheap finance, hedge lines & s'holder returns
- Pilot/C. crew supply improves as comps fail (Primera – 400 crew)
- Ancillary revenue rising

# EU airline shares Jan - Oct 19th





- ✈ Traffic +8% to 141m\* – further cuts possible
- ✈ H2 fares -2% – could fall further
- ✈ Strong Ancillary growth – Priority Boarding
- ✈ Fuel +€460m y-o-y
- ✈ Ex Fuel Costs +6% (subject to EU261 costs)
- ✈ PAT guidance €1.10bn - €1.20bn, excl LM (€150m except. loss)
- ✈ Subject to close in fares, unhedged oil, ATC strikes/disruptions



*\* Includes 3m Laudamotion*



# RYANAIR

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**1m SEATS FROM**  
**€9.99**

Book on [Ryanair.com](https://www.ryanair.com) before midnight, 25 Oct.  
Travel Nov-Feb, Subject to availability





Jet (met. tonne)	FY18	FY19	FY20
Q1	\$508	\$547	\$716 (90%)
Q2	\$494	\$547	\$718 (90%)
Q3	\$476	\$624 (90%)	\$706 (10%)
Q4	\$491	\$625 (90%)	
<b>FY</b>	<b>\$493</b>	<b>\$583 (90%)</b>	<b>\$718 (52%)</b>

€/ \$	FY18	FY19	FY20
Opex hedge	\$1.12	\$1.15 (90%)	\$1.23 (85%)

Over €460m fuel headwind in FY19<sup>\*</sup> – (incl. ETS/Into-plane/de-icing)

<sup>\*</sup> Excludes Lauda Motion fuel requirement (unhedged)

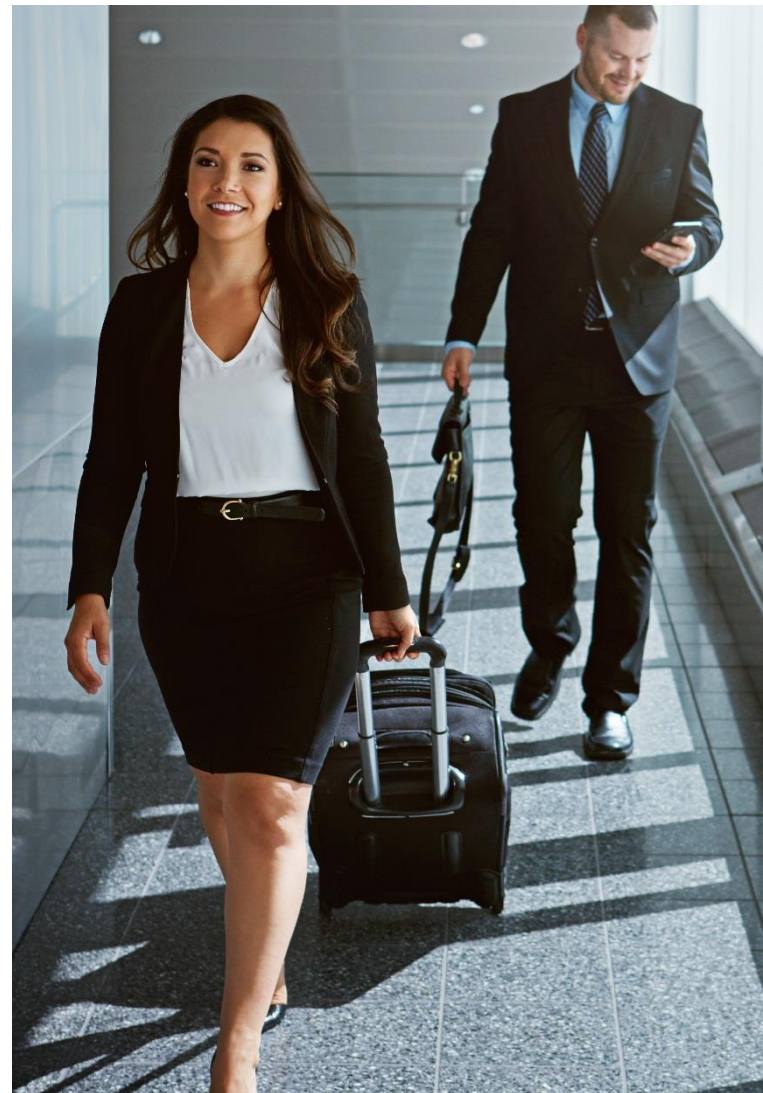
- 210 orders (135 firm, 75 options)
- First 5 MAX's Spring 19
- 42 deliveries Aug '19 to Mar '20
- 4% more seats, 16% fuel savings
- 40% reduced noise emissions
- Drives unit cost savings – MAX 10% of fleet in FY20



# 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	829*		829
FY19	560*		560
<b>Total</b>	<b>4,643</b>	<b>1,512</b>	<b>6,155</b>

\* Incl. €750m (Feb. 18 to Oct. 18)





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