

RYANAIR RETURNED TO PROFITABILITY IN 2022-23



After a net loss of 355 million euros the previous year, Ryanair returned to profitability in the 2022-2023 financial year (closed at the end of March), posting a pre-tax net profit of 1.4 billion euros driven by the strong recovery in air travel.

Despite being affected by the Ukraine war during the first quarter, travel demand steadily grew throughout the rest of the year. This growth came at a higher price, with a 10% increase over pre-COVID rates. Additionally, ancillary sales generated almost €23 per passenger, equating to €3.84 billion.

According to a press release from the company, their total revenue for the year grew by 124% to 10.78 billion euros. However, their total operating costs increased by 75% to 9.2 billion euros, mainly due to higher fuel costs that rose by 113% to 3.90 billion euros. Despite this, the company balanced out the costs with favorable fuel hedges, the arrival of new, more fuel-efficient B737 "Gamechangers," the restoration of crew pay, and 74% traffic growth.

Ryanair agreed to buy 300 new Boeing 737 MAX-10s in May, with 150 firm orders and 150 options. However, the shareholders' meeting on September 14 must approve the purchase. The delivery of these aircraft, which seat 228 passengers, will be spread between 2027 and 2033. Half of the orders will replace old aircraft, while the other half will help Ryanair reach its goal of carrying around 300 million passengers annually by 2034.

For the current financial year 2023-2024, Ryanair hopes to transport 185 million passengers (+10%), "although the recent delays in Boeing's deliveries (...) may reduce this objective slightly", comments the company, which expects a significant increase in its fuel bill of more than one billion euros due to rising oil prices.

Date: 2023-06-11

Article link: <https://www.tourism-review.com/ryanair-returned-to-profitability-news13280>