

# **MASTERS IN FINANCE**

## **MASTERS FINAL WORK PROJECT**

**EQUITY RESEARCH:  
RYANAIR HOLDINGS PLC**

**MIGUEL FIGUEIREDO NEVES**



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**MIGUEL FIGUEIREDO NEVES**

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ANTÓNIO MANUEL FIRMINO CALAPEZ CORREIA**

**JUNE 2024**

# **Abstract**

Ryanair Holdings PLC is recognised as Europe's largest airline group by passenger volume, operating over 3,600 daily flights and serving 184 million passengers during FY24. The Group consists of five subsidiaries: Ryanair; Ryanair UK; Buzz; Lauda; and Malta Air. Ryanair employs a low-cost, no-frills business model to be able to offer low fares. As of March 31, 2024, the Company operated a fleet of 584 aircrafts, of which 557 are Boeing models. Looking ahead, Ryanair aims to fund a fleet expansion to 800 aircrafts through internally generated funds and serve 300 million passengers by FY34.

This report issues a REDUCE recommendation for Ryanair Holdings PLC, with a March 31<sup>st</sup>, 2025, PT of €14.73/Share, representing an upside potential 0.59% (annualized return of 0.89%) in 8 months, against the closing price of €14.64/Share, as of 31<sup>st</sup> July 2024. This recommendation is based on four main pillars: i) The renovation of the fleet to meet its rapidly increasing demand; ii) Lower cost per passenger than its competitors; iii) Ryanair's intention to achieve debt-free status by FY27; and iv) Consumer pricing resistance.

The valuation of the Company was based on a Free Cash Flow to Equity approach and the Cost of Equity methodology as the Company is trending towards a Debt-free status. To support the base model, supplementary valuation methods were used, including the Free Cash Flow to the Firm approach, Dividend Discount Method and the Multiples Approach.

Several risks could impact the PT for Ryanair Holdings PLC, namely: i) Rising fuel price; ii) Further delivery delays and potential backlash related to Boeing; iii) Intense competition among European low-cost airlines; and iv) Economic downturns. These factors result in a High Risk level for Ryanair Holdings PLC.

JEL classification: G00; G10; G30; G32; G34.

Keywords: Ryanair Holdings PLC: Equity Research; Valuation; M&A; Airlines Industry; Low-Cost Airlines.



## Resumo

A Ryanair Holdings PLC é reconhecida como sendo o maior grupo de companhias aéreas da Europa em volume de passageiros, operando mais de 3.600 voos diários e transportando 184 milhões de passageiros durante o ano fiscal de 2024. O grupo é composto por cinco subsidiárias: Ryanair, Ryanair UK, Buzz, Lauda e Malta Air. A Ryanair adota um modelo de negócios de baixo custo e sem luxos para poder oferecer viagens a preços baixos. A 31 de março de 2024, a Companhia operava uma frota de 584 aeronaves, das quais 557 são modelos Boeing. Para o futuro, a Ryanair pretende expandir a frota para 800 aeronaves usando fundos gerados internamente, e transportar 300 milhões de passageiros até ao ano fiscal de 2034.

Esta Equity Research resulta numa recomendação de COMPRAR para a Ryanair Holdings PLC, com um preço-alvo para 31 de março de 2025 de €14.73 por ação, representando uma potencial valorização de 0.59% (anualizada de 0.89%) em 8 meses, em comparação com o preço de fecho de €14,64 por ação, a 31 de julho de 2024. Esta recomendação baseia-se em quatro pilares: i) A renovação da frota para ir dar razão à crescente procura; iii) Custo por passageiro abaixo do da sua competição; ii) A intenção da Ryanair de atingir o estado de Debt-free até o FY27; e iv) A resistência dos consumidores ao aumento de preços.

A avaliação da Companhia baseou-se no modelo FCFE e na metodologia Cost of Equity. Para apoiar o modelo base, foram utilizados métodos de avaliação suplementares, incluindo um modelo FCFF, DDM e a Comparação de Múltiplos.

Vários riscos podem impactar o preço-alvo para a Ryanair Holdings PLC, nomeadamente: i) Aumento do preço do combustível; ii) Novos atrasos na entrega de aeronaves e possíveis repercussões relacionadas com a Boeing; iii) Competição intensa entre as companhias aéreas de baixo custo na Europa; e iv) Recessões económicas. Estes fatores resultam num nível de Risco Alto para a Ryanair Holdings PLC.

Classificação JEL: G00; G10; G30; G32; G34.

Palavras-Chave: Equity Research; Avaliação de Empresas; Fusões e Aquisições; Indústria da Aviação; Companhias Aéreas Low-Cost.

## Acknowledgements

I want to begin by expressing my gratitude to my parents and grandparents. From the very beginning you were always there to support me, picking me up from school, and reminding me to take a break after a long day of study. For you I have just one word: Obrigado.

To my girlfriend, thank you for being my companion during many late-night study sessions. Your support and encouragement mean the world to me. Thank you for always listen to me talking about finance and planes, even though you don't get it.

A special thanks to my friends with whom I would go for a Kebab and forget about work and who put up with me when I pointed at planes letting them know which airline and model it was... Thank you for not calling me a mad man.

Cannot not thank my colleagues with whom I worked, study, and, sometimes, desperate along with. Sometimes all you need is the right people to work with.

Finally, I extend my sincere gratitude to the Professors at ISEG from whom I had the pleasure to learn from.

ISEG was my home for the past five years and it is time to close this chapter... For now.

Obrigado.

## **Disclaimer & Disclosures**

This master project was developed with strict adherence to the academic integrity policies and guidelines set forth by ISEG, Universidade de Lisboa. The work presented herein is the result of my own research, analysis, and writing, unless otherwise cited. In the interest of transparency, I provide the following disclosure regarding the use of artificial intelligence (AI) tools in the creation of this thesis/internship report/project:

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I understand the importance of maintaining academic integrity and take full responsibility for the content and originality of this work.

Miguel Neves  
15<sup>th</sup> October 2024

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# Glossary

€ Euro

/Sh.: Per share

β: Beta

## A

**AGM:** Annual General Meeting

**ASM:** Available Seat Miles

**aRASM:** Ancillary Revenue per Available Seat Mile

**Avg:** Average

## B

**bbl:** A Barrel of Crude

**bn:** Billions

**BoD:** Board of Directors

## C

**CAGR:** Compounded Annual Growth Rate

**CAPEX:** Capital Expenditure

**CAPM:** Capital Asset Pricing Model

**CASM:** Cost per Available Seat Mile

**CEO:** Chief Executive Officer

**CFO:** Chief Financial Officer

**CO<sub>2</sub>:** Carbon Dioxide

**CRP:** Country Risk Premium

## D

**DCF:** Discounted Cash Flow

**DDM:** Dividend Discount Model

## E

**EBIT:** Earnings before interest and taxes

**EBITDAR:** Earnings before interest, taxes, depreciation, amortisation and restructuring or rent costs

**ECB:** European Central Bank

**ERP:** Equity Risk Premium

**ESG:** Environmental, Social and Governance

**ETS:** Emission Trading System

**EU ETS:** European Union Emission Trading System

**EV:** Enterprise Value

**Ex-Fuel:** Excluding fuel

## F

**FCF:** Free Cash Flows

**FCFE:** Free Cash Flow to Equity

**FCFF:** Free Cash Flow to the Firm

**FTE:** Flow to Equity

**FY:** Fiscal year

**FYXXE:** Estimated at End of FYXX

## G

**G:** Gram

**g:** Long-Run Sustainable Growth Rate

**GDP:** Gross Domestic Product

## H

**H1 FY:** First half of the fiscal year

## I

**IATA:** International Air Transportation Association

## K

**K<sub>d</sub>:** Cost of Debt

**K<sub>e</sub>:** Cost of Equity

**KPI:** Key Performance Indicator

## L

**LCC:** Low-Cost Carrier

## M

**M:** Millions

**MBV:** Market-Based Valuation

**M&A:** Mergers and Acquisitions

**MRP:** Market Risk Premium

## P

**PAT:** Profit After Tax

**P/E:** Price-to-Earnings Ratio

**PLF:** Passenger Load Factor

**pp:** Percentage Point

**PP&E:** Property, Plant, and Equipment

**pRASM:** Passenger Revenue per Available Seat Mile

**P/S:** Price-to-Sales Ratio

## Q

**QxFY[XX]:** x<sup>th</sup> Quarter of the 20XX Fiscal Year

## R

**RASM:** Revenue per Available Seat Mile

**RFR:** Risk-free rate

**ROA:** Return on Assets

**ROIC:** Return on Invested Capital

**RPM:** Revenue Passenger Mile

## S

**SAF:** Sustainable Aviation Fuel

## T

**t:** Tax Rate

**TTM:** Trailing Twelve Months

## O

**OEM:** Original Equipment Manufacturer

## U

**USD:** U.S. Dollar

## W

**WACC:** Weighted Average Cost of Capital

## Y

**Y2D:** Year-to-Date

**YE:** Year-End

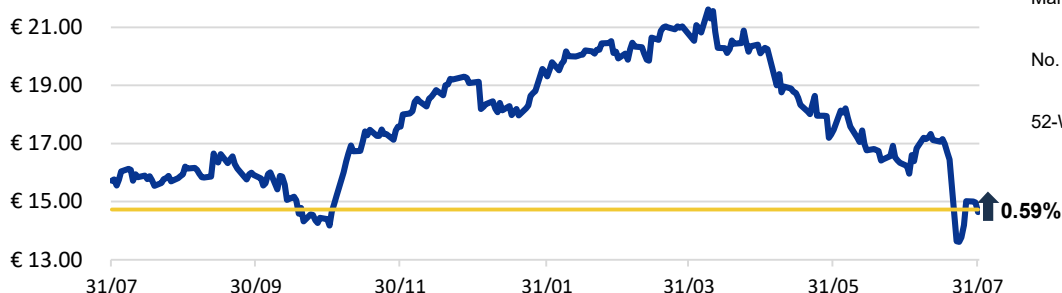
**YTM:** Yield to Maturity

Ticker: RYA.IR

Recommendation: **REDUCE** (0.89% Annualized Return) High-Risk

Price Target: EUR 14.73 FY2025

## Ryanair: Growing Fleet While Going Debt Free



Market Cap (€M) **16,344**

No. Shares Outstanding **1.13 billion**

52-Week Range (€/Share) **€13.62 - €21.62**

### 1. Research Snapshot

Ryanair Holdings PLC has a **REDUCE recommendation**, with a FY2025 PT of **€14.73/Sh.**, using a DCF model of **FCFE**, representing an **annualized return of 0.89%**, against the closing price of €14.64/Sh., as of 31<sup>st</sup> July 2024, with **High Risk**. My recommendation is based on four main pillars: i) **The renovation of the fleet to meet its rapidly increasing demand**; ii) **Lower cost per passenger** than its competitors; iii) Ryanair's intention to achieve **debt-free status by FY27** and iv) **Consumer's resistance to price increases**.

**Going Debt-Free** | The Board of Ryanair has stated that, as the business recovers from the impacts of the pandemic, a primary objective is to **pay down all its maturing debt**, as it falls due over the next three years. The Company already presents a **100% owned B737 fleet unencumbered** and currently has two bonds outstanding, with the first issued in FY21 and the second in FY22, maturing in FY26 and FY27 respectively. This plan is supported by Ryanair's strong balance sheet, presenting **€1.74bn net cash in Q1FY25**, as well as two years of lower CAPEX, resulting from fewer aircraft deliveries.

**Expanding Fleet** | To be able to meet the increasing demand, Ryanair has ordered up to **510 aircrafts** from Boeing. Among those there are 210 'Gamechangers' and 150 B737-10, with an additional option for 150 more, with the former set to be delivered by FY25, and the latter by FY33. The Company will finance this ambitious fleet renovation through **internally generated funds, avoiding debt financing**. This strategy will allow the Company to grow its yearly capacity to over **300 million passengers by FY34**, aligning with the Company's objectives.

**Successfully Managing Costs** | Despite operating in an industry characterized by low margins, the Company employs a variety of strategies to improve its operational efficiency, namely its turnaround times. Regarding fuel expenses, the Company tends to successfully hedge a big portion of its expected needs in advance. By the end of Q1FY25, the Company had already hedged **75%** of its fuel needs for FY25 at just under \$80bbl. Moreover, Ryanair's advantage in terms of ex-fuel unit cost gap over its competitors has widened significantly. This enables Ryanair to implement **pricing strategies that its competitors cannot match**. In addition, Ryanair's newly ordered aircrafts will significantly **enhance fuel savings and augment revenue per flight**. This results from their **superior fuel efficiency and increased seating capacity**.

**Consumer Pricing Resistance** | In Q1FY25, Ryanair experienced **softer-than-expected pricing**, with the average fare decreasing from **€49.07 to €41.93 YoY**. According to the Company's CEO, passengers have shown **resistance to higher fares**, opting instead for **last-minute, discounted tickets**. However, a **10% YoY increase in passenger numbers** partly offset the negative effect, as **revenues declined by just 1% YoY**. Nevertheless, **PAT decreased 46% YoY**.

Table 1 Financial Highlights

	FY24	FY26F	FY29F
Revenues (€M)	13,443.8	13,959.1	17,985.8
Fuel Cost (€M)	5,142.6	5,986.4	6,801.1
Opt. Profit (€M)	2,060.7	816.0	3,013.9
Profit (€M)	1,917.1	698.4	2,645.9
Basic EPS (€)	1.6828	0.639	2.465
Profit Margin	14.26%	5.00%	14.71%
CFO (€M)	3,157.9	2,347.1	5,155.9
CAPEX (€M)	2,391.9	1,100.0	2,100.0

Source: Author's Analysis and Estimations

## 2. Business Description

Ryanair Holdings Plc (“Ryanair” or “Company”) is **Europe’s largest airline group** by number of passengers served and the parent company of Ryanair, Ryanair UK, Buzz, Lauda Europe, and Malta Air. The Company has a **market cap of €16.34bn** and **total assets amounting €17.18bn in 24YE**. Ryanair employs a **low-cost no-frills model** to be able to **offer low fares to its customers** on short-haul intra-European routes. It **also provides various ancillary services**, such as non-flight schedules and Internet-related services, as well as in-flight sale of food, beverages, duty-free, and merchandise.

Ryanair connects over **250 destinations in 37 countries** and performs **over 3,500 daily flights**. It employs over **27,000 full-time employees**.

Ryanair Holdings Plc is **headquartered in Swords, Dublin**. Ryanair DAC, the oldest airline of the group, was **founded in 1984** and started operations in 1985. Ryanair went public in 1997, and its **primary listing is on Euronext Dublin**. The Company has **acquired two airlines**: Buzz (in 2003) and Lauda (in 2018). Ryanair UK was established in 2017 in anticipation of Brexit. In 2019, in partnership with the government of Malta, Ryanair announced it would establish a new airline named Malta Air. The transition from the airline Ryanair and its subsidiaries to the airline group began in 2019.

### Operational Segments

The Company has **two sources of revenues: ancillary revenues and scheduled revenues**. Historically, **scheduled revenues have always been higher** than ancillary revenues, with the later representing around **one third of revenues** throughout the years, sitting at **32% of total revenues in FY24**, at the value of **€4,299M**, while scheduled revenues brought in **€9,145M** (Figure 2). As such, total revenues for FY24 amounted for **€13,444M**, resulting in an **11.80% CAGR**, in the FY2019-24 period (Figure 3). For the same period, Ryanair grew from 153M guests served in FY19, to **184M guests served in FY24**, translating into a **20.3% growth** in the number of passengers served.

**Ancillary revenues** | Ancillary revenues, derived from **services related to the flight** such as priority boarding, allocated seating, and on-flight merchandise sales, are recognized once the associated performance commitments are fulfilled. As most of these services are tied to passenger air travel, **their recognition occurs at the time the flight service is provided**. Although these revenues have historically represented just **one third of total revenues**, the Company would not be able to be profitable without it. In FY24 these revenues amounted to **€4,299M**, resulting in a **12.03% CAGR** in the FY2019-24 period. This is the **fastest growing source of revenue for Ryanair** and the company is invested in **offering a wider range of ancillary services** to its customers, including partnerships with other travelling related businesses, to continue that growth trajectory. On a per passenger basis, Ryanair has increased its ancillary revenue per passenger at a **CAGR of 6.42%** for the period FY2019-24, increasing from **€17.14 up to €23.40** (Figure 4).

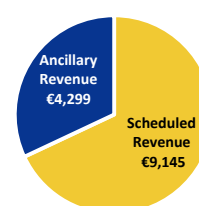
**Scheduled revenues** | Scheduled revenues are associated to the **sale of flight seats and related direct flight fees**, including baggage fares and change fees. These revenues are measured at the amount paid by the passenger, after deducting taxes, and recognized as unearned revenue at the time of booking. These revenues are later recognized in the income statement at the point in time when the flight service is provided. These are the **most important revenues** for an airline company. Not only do they compress most of total revenues, but also, if the company is unable to attract customers to its flight services, it will not be able to generate any ancillary revenue. These revenues amounted to **€9,145M in FY24**, representing a **11.69%**

Figure 1 Ryanair’s Highlights (FY24)

<b>Financing</b> 100% B737 Fleet Unencumbered BBB+ Credit Rating	<b>ESG</b> #1 European Airline #1 Large Cap Airline (Source: Sustainalytics)
<b>Earnings</b> Operating Revenues FY24 €13,443.8M Net Income FY24 €1,917.1M	584 Aircraft 184M Guests 300M By FY34
Over 27,000 High Skilled Aviation Professionals Over 3,500 Daily Flights	

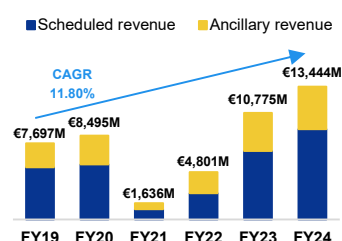
Source: Company’s Data

Figure 2 Ancillary vs Scheduled Revenue (FY24) (€M)



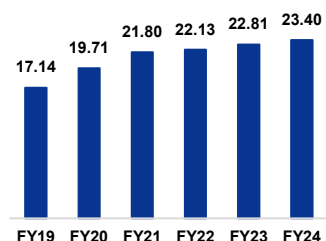
Source: Company’s Data

Figure 3 Distribution of Revenue



Source: Company’s Data

Figure 4 Ancillary Revenue per Booked Passenger (€)



Source: Company’s Data

Table 2 Avg. Daily Flights Operated by European Low-Cost Airlines in Y2D (Week Ending July 21<sup>st</sup>)

Airline	Avg. Flights	vs 2023	vs 2019
Ryanair	3,549	+ 7%	+ 35%
easyJet	1,784	+ 3%	- 6%
Wizz Air	898	- 2%	+ 36%
Eurowings	550	- 4%	- 27%
Norwegian Air	486	+ 8%	- 24%

Source: Eurocontrol

**CAGR** in the FY2019-24 period. Ryanair has successfully **increased its daily average daily flights** from their 2019 levels (Table 2), despite the industry still recovering from the effects of the pandemic. On a per passenger basis, Ryanair has increased its average booked passenger fare at a **CAGR of 6.10%** for the period FY2019-24, increasing from **€37.03 to €49.80** (Figure 5). However, in Q1FY25 the Company experienced **strong pricing resistance** from its customers, resulting in a **14.55% decrease** of the average booked passenger fare YoY.

## Company Strategies

Ryanair's objective is to become Europe's largest scheduled passenger airline group by continually improving and expanding its low-fare service, driving increased passenger traffic while focusing on **cost-efficiency**.

**Low fares** | Offering low fare tickets constitutes a **fundamental pillar** for every low-cost airline. This strategic approach has significantly contributed to Ryanair's expansion and market share gain. **The competitive pricing model remains a primary draw for customers**, and the company's CEO has expressed its **commitment to continue offering low fare tickets**, supported by the ongoing fleet expansion.

**Short-haul** | Ryanair **exclusively provides short-haul flight** options to its passengers. This strategic approach enhances **cost efficiency** and allows **rapid turnaround times**. Additionally, the Company's CEO diverges from the low-cost, long-haul model, recognizing long-haul operations as a distinct business.

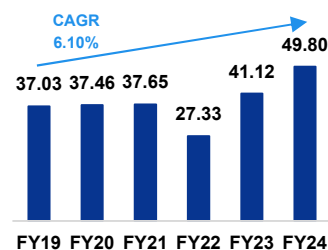
**Keeping costs low** | Ryanair has consistently pursued **cost reduction strategies** to offer lower fares and attract more passengers. Key strategies include transitioning to online booking and check-in processes, assertive negotiation tactics with aircraft manufacturers and airports, and uniform and modified aircrafts for cost savings and rapid turnaround times. Notably, Ryanair maintains a **fleet consisting exclusively of Boeing aircrafts**, except for **27 Airbus aircrafts** leased and operated by Lauda.

**Hedge costs** | Ryanair operates in a **capital-intensive industry** with high fixed costs and revenues that are more elastic than costs. The Company's heavy reliance on fuel makes its **operating margins significantly uncertain** and **dependent on fuel price** fluctuations. Despite the relatively constant operating cost of each flight, regardless of the number of passengers, Ryanair has managed to maintain a **stable operating margin** at around **13%**, achieving a **15.3% operating margin in FY24** (Figure 7), surpassing that of many competitors in the sector (Figure 8). This has been achieved through **successful hedging strategies** and the acquisition of **more fuel-efficient aircrafts**, which have helped offset volatile and rising fuel costs.

**Increasing profitability by increasing supply** | Ryanair's ability to implement substantial price increases is constrained by the **intense competition within the low-cost airline industry** and the **lack of customer loyalty**. However, the Company was able to enhance its revenues by increasing its fleet, operating **584 aircrafts by FY24** vs 478 aircrafts by FY19, which allowed the Company to match the growing demand. From FY2019-24, Ryanair successfully expanded its total revenues per passenger at a CAGR that surpassed that of its cost per booked passenger (**6.21% vs 5.68%**) (Figure 9). This strategic growth enabled the Company to **gradually enhance its profitability per passenger**. By FY24, the Company recorded total revenues of **€73.20 per passenger**, while the cost per passenger was **€61.96**.

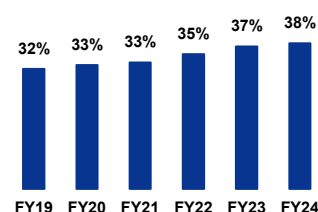
**Maintain a modern fleet** | Ryanair has had a long-standing **strategy for fleet modernization** supported with **strong cash flows** and access to capital markets. This strategy has enabled the Company to maintain **one of the youngest fleets** in the industry. Operating a newer, more fuel-efficient fleet results in significant

**Figure 5** Average Book Passenger Fare (€)



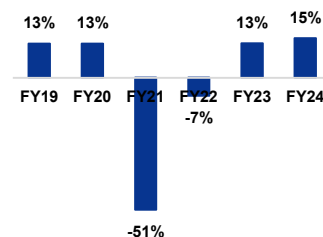
Source: Company's Data

**Figure 6** Ryanair's Fuel Cost as Percentage of Revenues



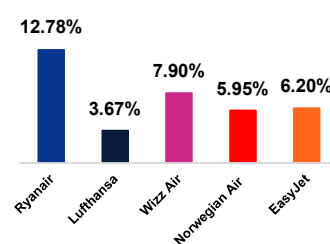
Source: Company's Data

**Figure 7** Ryanair's Operating Margin



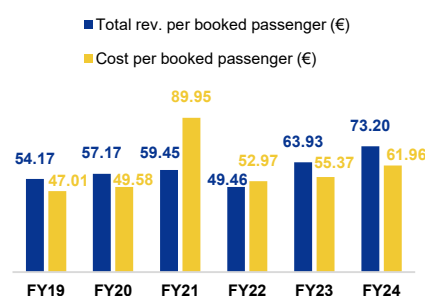
Source: Company's Data

**Figure 8** Airline Companies Operating Margins (TTM)



Source: Companies Data

**Figure 9** Revenues and Costs per Passenger



Source: Company's Data

**operational cost savings** and a substantial **reduction in emissions**. In an effort to increase and modernize its fleet, Ryanair has ordered **150 new Boeing aircrafts**, with the option to order **150 more**.

**Self-funding** | To reduce its financial liabilities and strengthen its financial position, Ryanair intends to **achieve debt-free status** as its outstanding debt matures by **FY27**. As a result, the Company plans to finance its ambitious aircraft expansion CAPEX program using **internally generated cash flows**.

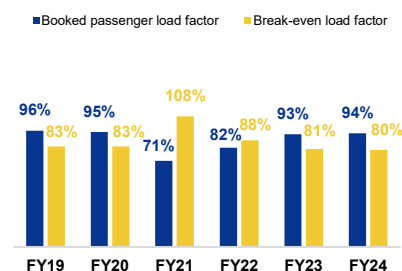
### Company Key Drivers of Profitability

**Load factor** | The load factor, a key success indicator in the airline industry, measures the **proportion of available seating capacity that is occupied** by passengers. The **break-even load factor** represents the minimum occupancy rate that an airline must achieve to cover its costs and **operate at a break-even level**. Excluding the period impacted by the pandemic, Ryanair has consistently recorded notably **low break-even load factors** while, simultaneously, **achieving high load factors**. In FY24, Ryanair achieved a **booked passenger load factor of 94%** and registered a **break-even load factor of 80%**, a decrease from 83% in FY19 (Figure 10).

**Ticket price** | The European low-cost airline market is characterised by **intense competition** and **minimal consumer loyalty**. Passengers tend to opt for airlines offering the **lowest ticket prices**, which poses a **challenge for airlines to increase prices**. Despite having **high fixed costs**, Ryanair must maintain competitive pricing to attract passengers. Consequently, the Company relies on **achieving high load factors to generate profits**.

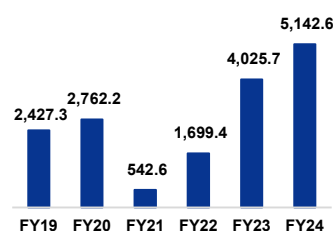
**Fuel price** | Fuel prices are crucial in the airline industry as fuel is one of the **largest operating expenses** for airlines. Changes in fuel prices can significantly **impact an airline's profitability**, making fuel cost management a key aspect of an airline's operations. Ryanair has mitigated the impact of rising fuel prices by engaging in **hedging strategies** and reinforcing its fleet with more **fuel-efficient aircrafts**. Looking ahead, as of Q1FY25, Ryanair has hedged **75%** of its fuel requirements for FY25 and **40%** of its fuel requirements for FY26. Despite its efforts to mitigate the impact of rising fuel prices, Ryanair's fuel and oil expense registered a substantial increase of **111.9%** from FY19 to FY24, amounting to **€5,142.6M** in FY24 (Figure 11). On a per booked passenger basis, the expense on fuel and oil grew at a **CAGR of 10.38%** over the FY19-24 period, rising from **€17.08 to €27.99** (Figure 12).

**Figure 10** Ryanair's Load Factor and Break-Even Load Factor



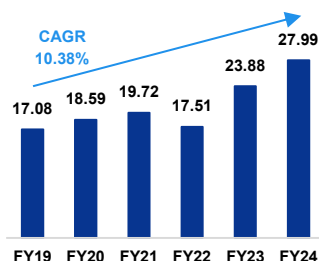
Source: Company's Data

**Figure 11** Ryanair's Fuel and Oil Expenses (€'M)



Source: Company's Data

**Figure 12** Ryanair's Fuel and Oil Expenses Per Booked Passenger (€)



Source: Company's Data



### 3. Management and ESG

As Europe's largest airline, Ryanair plays a crucial role in shaping the future of **sustainable aviation**. The Company has aligned itself with global efforts to mitigate the impact of climate change and has developed a comprehensive **Climate Transition Plan**, covering its **3 scopes**, that outlines its approach to **reducing carbon emissions**. Additionally, Ryanair publishes **standalone sustainability reports** that complement the sustainability content included in its financial reports.

In terms of ESG Metrics, Ryanair exhibits **positive** metrics with an **Overall score of B-**. However, its **Controversies score stands at D-**, leading to a Combined ESG score of **C-** (Figure 14). These metrics position Ryanair **behind most of its industry peers**. This lower ranking is primarily attributable to the company's performance in the Environment and Social pillars. Nevertheless, Ryanair's ESG score has been on an **upward trajectory**, gradually **converging** with those of its peers (Figure 15).

Ryanair has established a **Sustainability Committee** that provides the Board with **quarterly updates** on climate-related risks and the company's sustainability performance. The Committee is responsible for **identifying, assessing, and proposing solutions for climate-related risks and opportunities**. Furthermore, the Committee ensures ongoing and effective communication with the Board and Stakeholders regarding these matters.

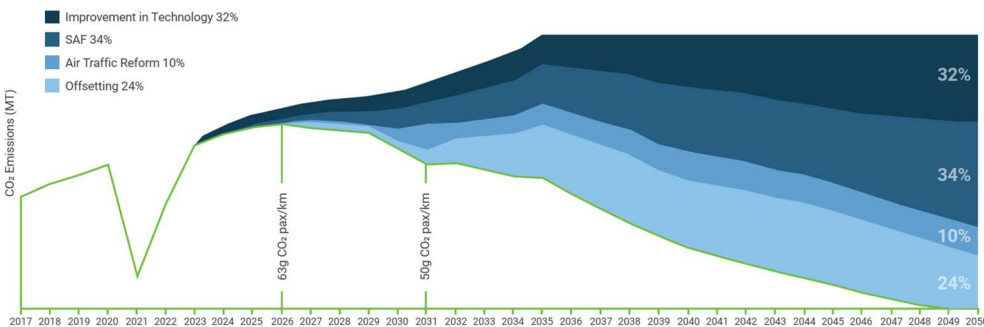
#### Environment

Ryanair **lags** in environmental factors (33 score), placing itself **well below its peers** (41 average score). Ryanair is committed to its ambitious sustainability goals of powering **12.50%** of its flights with **sustainable fuel** by 2030 and achieve **net zero emissions by 2050**. Ryanair intends to achieve this goal through a combination of technology improvements, use of SAF, air traffic reforms, and offsetting (Figure 17).

**Efficient fleet** | Ryanair has consistently prioritized maintaining a **modern and efficient fleet**. This strategy has allowed Ryanair to significantly **reduce its emissions and noise pollution**. In line with the company's commitment to environmental sustainability, Ryanair's most recent aircrafts are **16% more fuel-efficient, reduce noise by 40%, and allow 4% more seating** (Figure 16). Additionally, Ryanair's aircraft order to be delivered from FY27 onwards are **20% more fuel-efficient and reduce noise by 50%** committing to a **\$22bn** investment in new, even more efficient aircraft, further demonstrating the Company's dedication to efficiency and sustainability.

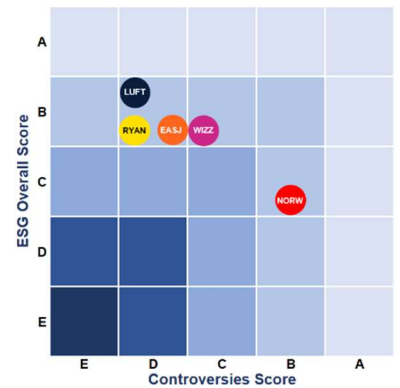
**Low levels of pollution** | Through the operation of **one of the youngest fleets** with the **highest seat density** among European airlines, consistently achieving high load factors, and focusing on flying direct routes, Ryanair has been able to register the **lowest emission level in the industry**, at just **66G CO<sub>2</sub> per passenger/km**. This impressive environmental achievement has remained constant over the years. Remarkably, any customer switching from high fare flag carriers to Ryanair can **reduce their flight emissions by up to 50% per flight**.

Figure 17 Ryanair Path to Net Zero



Source: Company's Sustainability Report

Figure 13 Refinitiv ESG Score Matrix



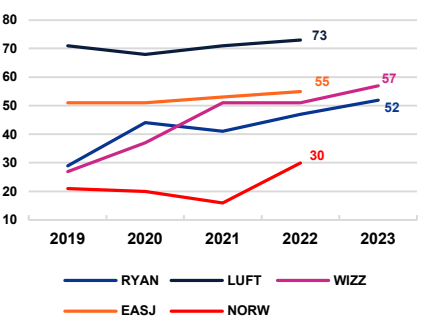
Source: Refinitiv

Figure 14 Refinitiv ESG Scores (2023)

B- ESG Score	D- Controversies Score	C- Combined Score
C- Environmental Score	B- Social Score	B+ Governance Score

Source: Refinitiv

Figure 15 Refinitiv ESG Score Evolution (Ryanair and Peers)



Source: Refinitiv

Table 3 Ryanair's ESG Score from Different Rankings

	2024	2023	2022
Sustainalytics	23.6	23.8	29.6
MSCI	A	BBB	B
CDP	A -	B	B -

Source: Company's Sustainable Report

Figure 16 Ryanair's New Aircraft's Characteristics



Source: Company Information

## Social

Ryanair's social score of **53** situates it **close to its peers**, who hold an average score of 57.

**Safety and security** | In FY23, Ryanair announced a five-year extension of their **partnership with CEFA Aviation**. Additionally, they introduced a **unique app** that enables pilots to review their previous flights and report urgent issues directly. To promote the practice of safety measures, Ryanair hosts its **internal safety awards**. Furthermore, the pilots and cabin crew are required to receive safety and emergency procedures training every **12 months**.

**Labor relations** | Ryanair has strived to maintain a positive relationship with its workers' unions. The Company has consistently upheld its commitments, including the **restoration of crew pay cuts** implemented in response to the pandemic, a measure that was reversed 28 months ahead of the initially agreed schedule. Moreover, the company regularly holds **Workforce Engagement meetings**. During these meetings, representatives from various departments, including pilots, cabin crew, and ground operations, participate in seminars led by Ryanair's Non-Executive Director for Workforce Engagement. Subsequently, the director provides direct updates to the board.

**Engagement** | Ryanair has consistently pledged to promote a safe and positive relationship between its workers. Ryanair organizes events, such as the "Ryanair Annual Cabin Crew Awards", to **promote the engagement among its crew workers**, and in FY23 it launched an **internal social network**.

## Governance

Ryanair **excels** in governance factors (70 score), placing itself **above its peers** (62 average score). Michael O'Leary accumulates both Executive Member of the Board of Directors and CEO position, having agreed to a contract extension as Group CEO until **July 2028**.

**Shareholder structure** | **Capital Research Global Investors** is the **largest shareholder** of Ryanair, possessing a **12.30%** stake in the Company (Table 4). It is also noteworthy that the Group's CEO, Michael O'Leary, is the **9<sup>th</sup>** largest shareholder, holding a **3.90%** stake. To comply with **EU regulations**, which mandates that an EU air carrier must be **majority-owned and effectively controlled by EU nationals** to obtain and maintain an operating license, the BoD of Ryanair Holdings plc has established a maximum limit on the number of ordinary shares that non-EU nationals can own, set at **49.9%**.

**Controversies** | In late 2020, as the industry began to feel the initial impacts of the pandemic, the company awarded a bonus of **€450,000** to CEO Michael O'Leary, corresponding to 92% of the total possible bonus. This occurred despite the Company's decision to accept government pandemic support. This payout sparked a **significant protest at Ryanair's annual meeting**, with nearly half of the shareholders voting against the company's pay report.

**Board of directors** | Ryanair's BoD is currently composed of **17 members**, of which **8 are women** (Table 5). This represents a **47%** female composition, exceeding the company's set target of 33%. All Directors must face re-election within a **three-year** period. Stan McCarthy has served as the **Chairman of the Board** since June 2020 and was appointed **Director** in May 2017. The BoD is responsible for the leadership, strategic direction, and oversight of management of the Group. Its focus lies on **strategy formulation, policy, and control**, meeting specifically to discuss these matters. The BoD is comprised of members that excel in key competences, namely: i) Aviation & transport; ii) Accounting, internal control & financial expertise; iii) Safety & sustainability; iv) Talent management; v) Consumer; vi) Government & reg.

**Table 4** Shareholder Structure

Shareholder	% Owned
Capital Research Global Investors	12.30%
HSBC Holdings plc	8.50%
Parvus Asset Management Europe	7.10%
BNP Paribas	7.00%
Baillie Gifford & Co.	5.90%
Société Générale	5.90%
Fidelity	5.80%
Michael O'Leary	3.90%

**Source:** Euronext Dublin

**Table 5** Board Members

Board Members	
Stan McCarthy	Elisabeth Köstinger
Róisín Brennan	Anne Nolan
Geoff Doherty	Eamonn Brennan
Roberta Neri	Emer Daly
Lousie Phelan	Howard Millar
Michael Cawley	Mike O'Brien
Michael O'Leary	Bertrand Grabowski
Jinane Laabi	Amber Rudd
Juliusz Komorek	

**Source:** Company Information

**Table 6** Board Members' Equity Interest as of March 31<sup>st</sup>, 2024

Board Member	# Shares Owned
Eamonn Brennan	7,327
Róisín Brennan	4,000
Michael Cawley	756,198
Emer Daly	6,840
Geoff Doherty	50,700
Stan McCarthy	10,000
Howard Millar	500,000
Anne Nolan	9,018
Mike O'Brien	4,405
Michael O'Leary	44,096,892
Louise Phelan	60,000

**Source:** Company Disclosure

**Table 7** Ryanair Executive Officers

Name	Position
Michael O'Leary	Group CEO
Neil Sorahan	Group CFO
Juliusz Komorek	Group CLO
	Company Secretary
Edward Wilson	Ryanair DAC CEO
Carol Sharkey	Chief Risk Officer
Tracey McCann	Ryanair DAC CFO
Andreas Gruber	Laudamotion CEO
David O'Brien	Malta Air CEO
	Lauda Europe CEO
Michał Kaczmarzyk	Buzz CEO
John Hurley	CTO

**Source:** Company Information

relations; vii) Governance; viii) Supply chain management; ix) IT/Data/Cyber/Digital marketing. The Board has delegated the Group CEO and the Senior Management team with the task of managing the Group. There is a **clear division of responsibilities between the Chairman and the Group CEO**, which is set in writing and has been approved by the board. As of March 31<sup>st</sup>, 2024, **eleven** members of the Board held an **equity interest as shareholders** (Table 6).

**Executive officers** | Michael O'Leary, as referred, is simultaneously **Director and Group CEO**. O'Leary took on the position of CEO at Ryanair in **1994**. The other executive members present themselves with **previous experience** in the industry and have been promoted from within the Company or its subsidiaries (Table 7).

**Remuneration policy** | The key management personnel at Ryanair is compensated through a **combination of direct compensation and share options**. For the FY24, the aggregate amount of compensation paid out by Ryanair and its subsidiaries to its key management personnel was **€16.5M**. This sum includes **€6.5M** in non-cash remuneration. Each Non-Executive Director is entitled to a remuneration of **€75,000**, in addition to expenses, for their services. The Chairman of the Board receives a fee of **€150,000**. Starting from FY24, the Group CEO will receive an annual base pay of **€1.2M**, along with a maximum annual bonus equivalent to **50% of the base pay**. This is a **reduction** from the previous maximum of 100% that was in effect prior to the contract renewal. Additionally, Michael O'Leary is entitled to **10 million share options**, which are contingent upon the Ryanair Group **profit after tax exceeding €2.2bn** in any year up to **FY28**, or if the Company's share price exceeds **€21** for a duration of **28 days within the same period**.



## 4. Industry Overview and Competitive Positioning

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### Global Economic Outlook

The aviation industry is intricately **correlated with the global economy**. Variations in economic indicators have a **direct effect** on airline's operations, passenger demand, and fleet expansions.

The forecast for the global economy indicates a **resilient but slow growth**. Global growth is projected to hold steady around **3.2% in 2024 and 2025**, below the 3.8% annual average registered between 2000-2019. This forecast is slightly higher than the previous outlooks. The European economy is projected to grow **1.1% in 2024**, rising to **1.8% in 2025**, decreasing in **2026 to 1.5%**.

**Interest rates** | In 2024 and 2025, it is expected that monetary policy will undergo an **easing phase**, with Central Banks projected to **reduce interest rates**, a decision expected as **lower inflation levels are predicted**. However, if there is a slower-than-expected decrease in core inflation, Central Banks may be forced to either hold the current interest rates or potentially raise them.

### Fuel and Oil Prices

Fuel costs are a critical component of airlines' profitability, being responsible for around **40% of airlines' operational costs**. Fluctuating oil prices directly impact airlines' operational costs.

Forecasts for 2024 and 2025 indicate a projected **decrease in oil prices**. However, these projections are subject to considerable **uncertainty and volatility**. Factors contributing to this uncertainty include output cuts, lower demand, economic slowdown, and the potential impact of military conflicts.

### Environment

Despite technological innovations, total emissions produced by the aviation industry show an **upward trend** as the sector grows. As a result, the aviation industry is experiencing **increasing pressure** from stakeholders and policymakers to transform towards greater sustainability. Airlines have a strong interest in enhancing sustainability, as their eco-efficiency and overall economic performance are **strongly linked**. Nevertheless, airlines' capacity to enhance environmental performance relies significantly on **technological advancements offered by third parties**, namely that of aircraft manufacturers. Coupled with the **low feasibility of adopting electric engines or hydrogen** in the near future, airlines find themselves lacking sufficient tools to meet environmental mandates.

In Europe, airlines operate within the framework of the **EU ETS**. This system imposes **emission limits** on each company while permitting the **acquisition of additional allowances**. Since 2008, the aviation industry has been integrated into this system, requiring airlines to **monitor, report, verify, and surrender allowances for their emissions**.

**SAF** has emerged as the **most realistic and effective method for aviation to reduce emissions** in the coming decades. Its compatibility with existing engine technologies **eliminates the need for new aircraft concepts**. Notably, the European Union has already legislated the **mandatory blending of SAF with conventional fuel**. However, this technology faces **several challenges**, most notably its **uncompetitive pricing due to higher production costs**.

There is a necessity for airlines' management to **improve their public image**. This involves not only highlighting its progresses and efforts in environmental sustainability but also highlighting their **positive contributions** to society, including connectivity as an enabler for tourism, trade, and economic growth.

## Industry Overview

### Mergers, Acquisitions and Bankruptcies in the Industry

The aviation industry is **one of the most dynamic and rapidly changing industries** globally, with M&As playing a significant role in shaping its future. The industry has observed a substantial **increase in M&A activities** in recent years (Table 8). Airlines employ M&A strategies as a mean to **gain market share, reduce costs, strengthen its competitive positioning**, and gain **access to new markets**. Nevertheless, the industry is subject to a **complex regulatory framework** that impose certain constraints. In Europe, compliance with the EU Air Services Regulation, EU Merger Regulation, and evolving foreign investment screening is crucial. European airline consolidation is expected to continue with the takeover of Air Europa (Spain) progressing and the sale of TAP (Portugal) next.

Bankruptcies in the aviation industry have been both a **recurring challenge and a significant part of its history** (Table 9). The pandemic made this worse, with no fewer than **64** airlines ceasing operations from the beginning of the pandemic until early 2023. Some of these shutdowns were permanent, while others were temporary or resulted in a rebranding of the airline.

### Industry Key Drivers of Profitability

In the aviation industry, Ryanair, along with its peers, share the same Key Drivers of Profitability. From a revenue perspective, **ticket prices and load factor** are the most relevant factors. On the expenditure side, the **cost of fuel** significantly impacts the overall operational costs and, consequently, the profitability.

**Passenger load factor** | Load factors, which are defined as the proportion of occupied seats on a flight, can **vary widely across different airlines, aircraft types, and types of flights**. For instance, **LCCs typically register higher load factors**, as they use **smaller planes** and are less likely to fly routes with lower demand. Lastly, load factors are also influenced by **seasonal and regional fluctuations in demand** (Figure 18).

**Ticket price** | Ticket prices constitute the **majority of scheduled revenues** for airlines. Despite the growing significance of ancillary revenues, ticket prices continue to play a relevant role on airlines' overall revenue. Since 2019, inflation has led to **rising ticket prices**, with airlines forced to **transfer these rising costs to customers** through increased ticket prices. Furthermore, business travel, which previously constituted a significant revenue stream, has **declined** due to the widespread adoption of online meeting platforms.

**Fuel price** | In the cost structure, the largest proportion is constituted by **variable costs**. Among these, fuel costs are the **most significant**, representing approximately **one-third** of the total costs (Figure 19). Given their volatility, airlines have **limited control over fuel costs**. Consequently, many airlines employ **fuel hedging** as a financial strategy to mitigate the impact of volatile fuel prices.

**In the aviation industry, specific KPIs are commonly employed...**

**EBITDAR** | EBITDAR is a crucial financial metric used to evaluate an airline's operational performance. It measures its **profitability before accounting various expenses, including rent costs**. EBITDAR is used by airlines because it provides a **clearer picture of their operational performance and profitability**. Furthermore, this metric is a useful tool for comparison across different airlines and industry benchmark. In the case of Ryanair, due to its **minimal rent costs**, EBITDAR closely matches the more commonly used EBITDA metric.

**Available seat kilometers (ASK)** | ASK is a fundamental metric employed by airlines to **evaluate passenger demand and capacity utilization**. It is calculated by multiplying the number of available seats by the distance flown. This metric helps in **optimizing capacity allocation** by route, aircraft, and schedules, while also

Table 8 M&A Deals

Buyer	Acquired	Stake	Value	Year
LUFT	ITA Airway	40%	€325M	2023
Alaska	Hawaiian	100%	\$1.9bn	2023
LUFT	Brussels Air	100%	€67M	2018
RYAN	Lauda	100%	€120M	2018
KLM	Air France	Merger		2015
Aer	British Airways	Merger		2015

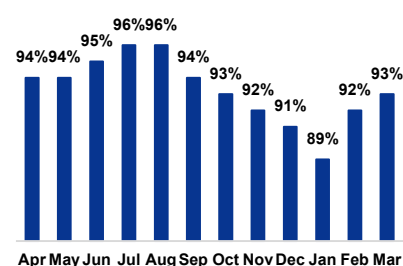
Source: Author's Analysis

Table 9 Bankruptcies in the Industry

Company	Year
Flybe	2023
Flyr	2023
Alitalia	2021
Air Namibia	2021
Germanwings	2020

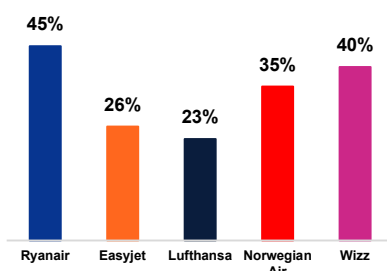
Source: Allplane

Figure 18 Ryanair's Seasonality, Monthly Load Factor (FY24)



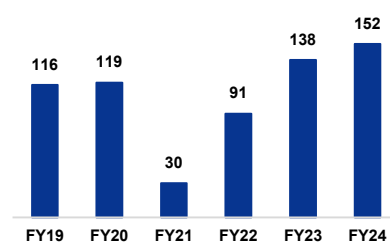
Source: Company's Data

Figure 19 Ryanair's and Peers Fuel Cost as % of Total Operating Costs (TTM)



Source: Companies' Data

Figure 20 Ryanair's Available Seat Miles (ASM), bn



Source: Company's Data

**assessing the financial efficiency of airline operations.** Tracking ASK is essential for airlines to maintain competitiveness and maximize profitability.

**Yield per revenue passenger miles (RPM)** | RPM is a metric employed by airlines to evaluate their **pricing and revenue management strategies**. It measures the total revenue generated per unit of capacity, measured in passenger kilometers. An increasing trend in RPK indicates that airlines are effectively increasing revenue from their operations. This metric is used to better **understand customer behaviour** and **optimizing revenue generation** on each route while managing their costs. This metric is crucial for an industry that operates under thin margins.

**Cost per available seat miles (CASM)** | CASM is a metric employed by airlines to assess their total operating costs per unit of capacity, measured in seat kilometers. This metric helps airlines **evaluate cost management and efficiency strategies**. A higher CASM value indicates **inefficiency** and a need for more effective resource allocation. Tracking CASM is fundamental to help airlines to remain financially sustainable and competitive in the market.

### Industry Trends

In recent times, the aviation industry has witnessed several significant trends. These include the **surge in leisure travel following the pandemic**, a greater **focus on sustainability**, and the increased **use of narrowbody aircrafts**. While some of these trends are expected to persist, new innovations are poised to shape the industry's future.

**Integrating AI** | The adoption of Artificial Intelligence tools by businesses has witnessed exponential growth, boosted by recent technological advancements. The aviation industry is no exception to this trend. Airlines are **already integrating AI** into their customer service channels. As AI continues to improve, airlines may rely on this technology to predict flight delays, enhancing communication and interaction with passengers. Overall, integrating AI into operations will enable airlines to achieve **greater cost efficiency** while simultaneously improving customer satisfaction.

**Sustainability** | The use of SAF will only become **more widespread** in the coming years. According to IATA, SAF is estimated to **contribute significantly** – up to 65% – to the reduction in carbon emissions by 2050, driving airlines towards their net-zero goals. Furthermore, there is an increasing likelihood that airline companies will be held **responsible for their environmental commitments**.

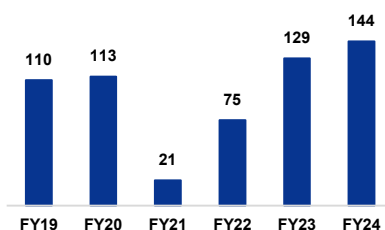
**Growing demand** | World passengers are expected to grow by an annual rate of **3.8%** over the next 20 years, resulting in more than **4bn** additional passenger journeys by 2043. In the shorter-term, demand is showing **positive signs of post-pandemic recovery**. By February 2024, total traffic matched and surpassed 2019 numbers, and most regions are expected to surpass their 2019 levels in 2024. However, the growth in air travel **will not be uniform** across all regions. The Asia-Pacific region is anticipated to contribute significantly to the forecasted growth, with an expected **5.3% CAGR** between 2023 and 2043, while North America and Europe, Ryanair's region of operations, are expected to experience more **gradual growth rates** of around **2.3% CAGR** (Table 11).

### Demand and Supply

When measuring, analysing, and comparing the **demand and supply in the aviation industry**, we need to take some metrics into account, such as the previously mentioned ASK and RPK.

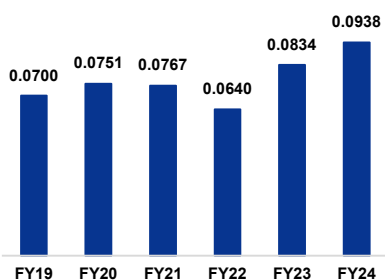
**Demand** | RPK reflects the actual **demand for air travel**, as it considers both the number of passengers and the distance they travel. As of June 2024, the industry-wide air passenger traffic, measured in RPK, increased **9.1% YoY**. (Table 10). Notably, RPK levels in June 2024 keep recording **all-time highs** for all regions,

**Figure 21** Ryanair's Revenue Passenger Miles (RPM), bn



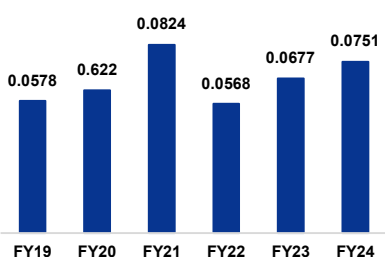
Source: Company's Data

**Figure 22** Ryanair's Yield per Revenue Passenger Miles (RPM), €



Source: Company's Data

**Figure 23** Ryanair's Cost per Available Seat Miles (CASM), €



Source: Company's Data

**Table 10** Global and Regional RPK, ASK, and PLF Changes

	RPK	ASK	PLF	PLF
Market	9.1%	8.5%	0.5%	85.0%
Africa	16.2%	5.8%	6.9%	77.1%
Asia Pac.	12.5%	9.4%	2.3%	82.9%
Europe	8.1%	8.4%	-0.2%	87.7%
Lat. Amer.	9.1%	7.3%	1.4%	84.2%
Mid. East	9.9%	9.5%	0.3%	79.5%
No. Amer.	5.4%	7.3%	-1.6%	87.6%

Source: IATA

except the Asia Pacific, where it is still recovering its pre-pandemic values. Demand in Europe, Ryanair's region of operations, as grown **8.1%**. Lastly, as previously mentioned, the **global economy significantly influences aviation demand**.

**Supply** | In the supply side, ASK measures the **capacity of airline companies**. As of June 2024, ASK increased **8.5%** year-on-year. The operational capacity of airlines relies significantly on **external entities, including aircraft manufacturers, jet fuel producers and suppliers, and the availability of flight slots**. Boeing and Airbus collectively account for more than **90% of commercial aircraft deliveries**. Both face **substantial order backlogs**, with a global aircraft order backlog hitting **12 years**, which poses **challenges for airlines seeking rapid expansion opportunities**. A slot refers to a specific time period during which an aircraft is allowed to take off or land at a given airport. These slots play a **crucial role in airlines' business expansion strategies**. However, the **scarcity and regulations** surrounding their allocation often pose **challenges for airlines seeking to secure their preferred slots**.

Combining RPK and ASK yields another essential metric known as PLF. PLF measures the **efficient utilization of available seat capacity by passengers**. A higher PLF indicates **efficient use of resources**, as it reflects how effectively an airline fills its seats with paying passengers. As of June 2024, RPK growth outpaced ASK's, resulting in an average PLF of **85%**. However, in Europe, it reached **87.7%**. In the same month, **Ryanair achieved an 95% load factor**, significantly **surpassing the industry average** within its region of operations. This performance was **in line with their performance in June 2023**.

## Competitive Positioning

### Peers Identification

The identification of peers for Ryanair considered all airline companies. To narrow the selection, additional criteria were applied: i) Selection of **publicly traded airlines**, excluding private or nationalized companies; ii) Focus on companies with a **similar business model to Ryanair**, specifically **low-cost airlines**; iii) **Airlines operating primarily within Europe**. Ryanair peers group includes **easyJet, Norwegian Air Shuttle, Wizz Air, and Lufthansa** (Table 12). Although Lufthansa is not classified as a low-cost airline, it is the parent company of the low-cost airline **Eurowings**.

Ryanair **leads its peers in passenger volume**, having served **189 million passengers YTD**. Lufthansa ranks second with 128 million passengers, followed by easyJet with 88 million passengers (Figure 25). Additionally, excluding Lufthansa, which operates in sectors beyond passenger travel, Ryanair holds the **highest Asset value** among its peers (Figure 26). Furthermore, the Company **leads its peers in financial metrics**, namely in the Debt-to-Equity (Figure 27) and Equity Coverage (Figure 28) ratios. While its **peers are highly leveraged**, with easyJet having the lowest Debt-to-Equity ratio at nearly 90%, **Ryanair's Debt represents around one third of its Equity value**. This is due to improve as the Company aims to become debt-free.

### Porter's 5 Forces

#### Rivalry among existing competitors | High (5)

- Intense Competition:** The aviation industry operates within a **highly competitive** landscape, with multiple airlines competing for market share (Table 2). Airlines resource to a **variety of strategies** to gain an advantage, including engaging in **price wars, targeted marketing campaigns**, and implementing **customer loyalty programs**. Notably, price wars are particularly intense among low-cost airlines, as pricing is a **critical differentiation factor** in this segment.

**Table 11** Global and Regional RPK, ASK, and PLF Changes

Region	CAGR (2023-2043)	Additional Passengers (M)
Africa	3.7%	179
Asia Pacific	5.3%	2,750
Europe	2.3%	656
Middle East	3.9%	282
Nth. America	2.7%	659
Lat. Amer.	2.9%	311
World	3.8%	4,154

Source: IATA

**Table 12** Ryanair and Peers Ranked by Market Capitalization (July 31<sup>st</sup>, 2024)

Rank	Company	Market Cap (€bn)
1	Ryanair	€16.34
2	Lufthansa	€6.93
3	easyJet	€4.06
4	Wizz Air	€2.36
5	Norwegian Air Shuttle	€0.87

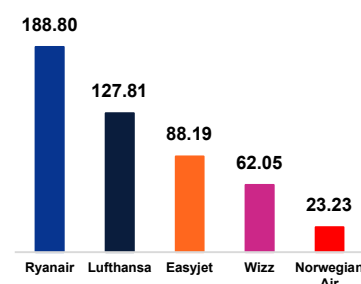
Source: Yahoo Finance (May 2024) and Author's Analysis

**Figure 24** Aviation Industry Porter's 5 Forces



Source: Author's Analysis

**Figure 25** Ryanair and Peers Number of Passengers TTM as of July 31<sup>st</sup>, 2024 (Millions)



Source: Companies' Data



- **Differentiation:** Airlines frequently differentiate themselves through **branding, service quality, pricing, and route networks** to gain competitive edge. The distinction between low-cost airlines and full-service carriers is particularly **evident**. Low-cost airlines offer **minimal services, often requiring additional fees for premium services, and prioritize route profitability** with a focus on point-to-point connectivity. In contrast, full-service airlines provide **basic services, similarly requiring extra charges for premium services, but focus on network profitability**.

#### Threat of substitutes | Medium (3)

- **Alternatives:** While there are substitute modes of transportation such as cars, trains and buses, **air travel provides safety, speed, and convenience**, especially for medium- and long-distance travel. Additionally, low-cost airlines typically offer a **cheaper transportation method**. However, due to **increasing environmental concerns** related to the aviation industry, a larger proportion of travelers now consider these alternative modes of transportation.
- **Emerging Technologies:** Emerging technologies, even if not directly related to transportation alternatives, can influence the threat of substitutes. For instance, the **rise of remote work** may potentially decrease the demand for air travel.

#### Threat of new entrants | Medium-Low (2)

- **High Capital Requirements:** The aviation industry requires **substantial initial capital investment for aircraft, maintenance, and infrastructure**. Additionally, new entrants may be **unable to acquire slots** in various markets, making their establishment difficult.
- **Regulatory Barriers:** The aviation industry operates within a **complex regulatory framework**. New entrants must secure **approval from the relevant regulatory authorities**, a process that is both **time-consuming and financially demanding**.
- **Spin-Offs:** The potential threat from new entrants can emerge when **established airlines choose to establish their own low-cost airline** to capture additional market share, despite deriving most of their revenue from their core segment. **Eurowings**, a Lufthansa subsidiary is an example of this.

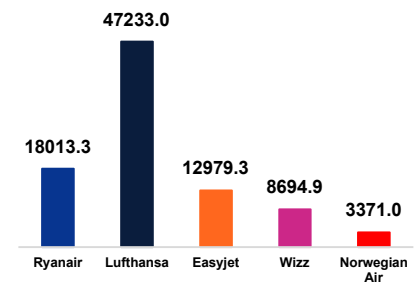
#### Bargaining power of buyers | High (5)

- **Passengers:** Passengers hold **significant bargaining power** and exhibit **low brand loyalty**. They can **easily compare and select from a range of airlines**, opting for the best option based on factors such as **pricing and scheduling**. The bargaining power of passengers is a **key driver for the intense rivalry and competition** among airline companies. Ryanair, operating in a low-cost environment and facing low brand loyalty, is **forced to engage in price wars** with its competitors to attract passengers.

#### Bargaining power of suppliers | High (5)

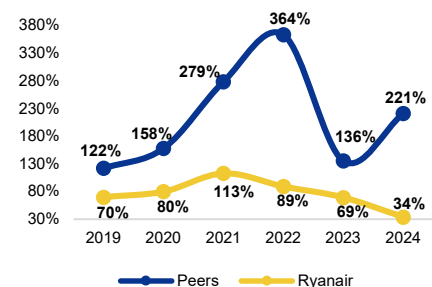
- **Aircraft Manufacturers:** Suppliers like Boeing and Airbus have **significant bargaining power due to the limited number of suppliers** in the market. While the airline industry is highly competitive, **the competition among commercial aircraft suppliers is relatively low**. The dominant players, Boeing and Airbus, collectively represent over **90% of commercial aircraft deliveries**. Given this limited competition, commercial aircraft manufacturers hold substantial bargaining power over airlines, which find themselves compelled to **rely on either of these two major suppliers**.
- **Fuel:** The airline industry is **heavily dependent on fuel and lacks control over its pricing**, being **vulnerable to price fluctuations**. Additionally, as more airlines transition to a greater use of SAF, the **limited production capacity of SAF grants significant bargaining power to its producers**.

**Figure 26** Ryanair and Peers Total Assets as of July 31<sup>st</sup>, 2024 (€'M)



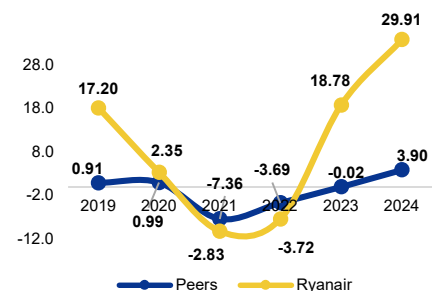
Source: Companies' Data

**Figure 27** Ryanair and Peers (Median) Debt-to-Equity (%) TTM as of March 31<sup>st</sup>



Source: Companies' Data and Author's Analysis

**Figure 28** Ryanair and Peers (Median) Interest Coverage TTM as of March 31<sup>st</sup>



Source: Companies' Data and Author's Analysis

## SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"><li>• Cost leadership</li><li>• Effective and sustainable low-fare model</li><li>• Extensive European route network</li><li>• Fast turnarounds</li><li>• Fleet size</li><li>• Strong Balance Sheet</li></ul>	<ul style="list-style-type: none"><li>• Customer service perception</li><li>• Dependence on Boeing</li><li>• Dependence on secondary airports</li><li>• No brand loyalty</li><li>• Single fleet type</li><li>• Vulnerability to external factors</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>• Ancillary revenues</li><li>• Diversification of services</li><li>• Engage in M&amp;A activities</li><li>• Expansion into new markets</li><li>• Focus on customer service</li><li>• Leveraging digital technologies</li><li>• Partnerships and collaborations</li></ul>	<ul style="list-style-type: none"><li>• Economic downturns and fluctuating fuel prices</li><li>• Environmental concerns and sustainability</li><li>• Intense competition</li><li>• Labor disputes and workforce challenges</li><li>• Political and geopolitical crisis</li><li>• Public health crisis</li><li>• Single fleet type risks</li></ul>

## 5. Investment Summary

The base case recommendation for Ryanair Holdings Plc is to **REDUCE**, with a **PT of €14.73/Sh. for FY25**. This represents an **upside potential of 0.59% in 8 months**, corresponding to an **annualized return of 0.89%**. This analysis was based on the **closing price of €14.64/Sh.** as of 31<sup>st</sup> July 2024, with a **High Risk** (Figure 29).

The **Blue and Grey scenarios** have been estimated, with FY25 PTs of **€17.03/Sh.** and **€9.31/Sh.**, respectively, based on the **assumptions expressed in Table 13**.

Table 13 Blue/Grey Scenarios

Scenarios Assumptions			
Description	Base Case	Blue Scenario	Grey Scenario
# Passengers	Estimated	Estimated	5% below
Bbl long-term price	\$83	\$78	\$90
g Growth	3.53%	3.53%	3.02%

Source: Author's Analysis

Ryanair's stock appears to be trading at a slight **discount**, mainly explainable by: i) The Company's significant **dependence on volatile fuel prices**; ii) **Price resistance and lack of loyalty** from its customers; iii) Concerns towards its **aircraft supplier**, Boeing; and iv) Investor **scepticism** regarding the aviation industry.

The **key drivers for the recommendation** are:

**Strong load factor and growing capacity** | Ryanair consistently maintained **load factors significantly above the industry average** while operating the **highest number of daily flights** in Europe. The Company has adopted a "**load factor active, price passive**" strategy, which it plans to maintain in the future. This indicates that Ryanair is prepared to **lower prices to maximise load factors**, willing to **sacrifice short-term profitability in favour of long-term gains**. Furthermore, Ryanair aims to steadily increase its annual number of passengers to **300 million** by 2034, supported by a substantial CAPEX investment in **fleet expansion**.

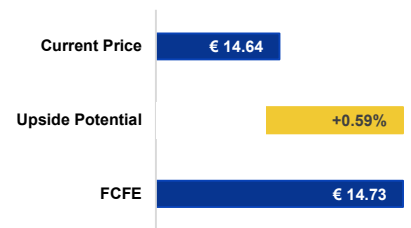
**Efficient cost management** | Ryanair is very effective at reducing costs through various **cost reduction strategies**, enabling it to achieve a **lower cost per passenger** than its competitors (Table 14). This cost advantage allows Ryanair to offer **lower fares**, attracting **more customers**.

**Debt free by FY27** | Ryanair intends to repay all of its maturing debt by **May 2026**, becoming debt-free, and will fund its CAPEX investment through **internally generated resources**. This status will **enhance Ryanair's financial position**, providing access to **more favourable financing options** if required. Additionally, by **eliminating financing costs**, Ryanair will **improve its profitability**.

**Boeing MAX-10** | Ryanair has ordered up to **300 Boeing MAX-10** aircraft, scheduled for delivery between **FY27 and FY34**, in a deal valued at **\$22bn**. These aircraft, which offer **more seating capacity and greater fuel efficiency**, are crucial to the Company's objective of reaching **300 million passengers per annum** and accomplished its **sustainability goals**. The increasing seating capacity, coupled with a **reduction in cost per passenger** will **enhance Ryanair's profitability**.

**Consumer Pricing Resistance** | Consumers have been showing signs of **pricing resistance**, forcing Ryanair to resource to **aggressively discounted prices** to attract customers. This strategy directly impacts the Company's bottom line as it employs a "**Price passive, load factor active**" strategy. Furthermore, given the current economic scenario in Europe, the Company is **uncertain** regarding future resistance. In Q1FY25, consumer pricing resistance resulted in a **46% YoY decline of Ryanair's PAT**.

Figure 29 Ryanair's FY25 PT (€/Share)



Source: Author's Analysis

Table 14 Ryanair and Competitors' Ex-Fuel Cost Per Passenger (Q1FY25)

€ per pax	Unit Cost Ex-Fuel	Unit Cost After Fin. Expense	Difference (%)
RYA	€34.0	€33.7	
WIZ	€45.0	€46.9	+39%
EZJ	€79.0	€79.7	+137%

Source: Ryanair's Q1FY25 Presentation

## 6. Valuation

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Please refer to the Appendices for a comprehensive understanding of Ryanair's valuation. **Appendices 1, 2, and 3** contain the **forecasted financial statements**. These statements have been standardized, rearranged, and common-sized in **Appendices 7 and 8**. Additionally, **Appendix 9** provides a **detailed rationale for the assumptions made** regarding relevant variables and inputs.

### Free Cash Flow to Equity– Integrated Approach

**FCFE was the base model** used for the valuation of Ryanair Holdings Plc. as a **whole company**. The PT for Ryanair was determined with a **two-stage FTE**. This involved the computation of a **detailed FCF schedule for FY25-29**, supplemented by a **stable growth rate model for the perpetual period**. The **Cost of Equity** was also established at **14.124%**. The application of the Integrated FCFE Approach resulted in a **FY25 PT of €14.73/Sh**. This corresponds to an **annualized return of 0.89%**, against the closing price of **€14.64 on July 31<sup>st</sup>, 2024**.

The main drivers that contribute to the FCFE valuation are: i) **Ticket prices and passengers flown**; ii) **Fuel and oil prices and margins**; iii) **CAPEX investment**; iv) **Cost of Equity assumptions**; and v) **Long-run sustainable growth rate and terminal value**.

### Ticket Price and Number of Passengers

The primary key drivers of revenue growth are **ticket prices and passenger volume**. The Author's forecast for the future **evolution of ticket prices** considers the recent customer **resistance to pricing, past price trends** (excluding years affected by the Covid pandemic, which are considered outliers), and the projections for the **European economy**. The **projected annual passenger numbers provided by Ryanair** were taken into account when considering the number of passengers flown. The forecast indicates that by FY29, ticket prices are expected to rise to an average of **€50.59**, along a **passenger volume of 240 million**. Additionally, Ancillary revenue is projected by the Author to constitute **48.13% of Scheduled Revenue**.

### Fuel and Oil and Margins

Ryanair's profitability is significantly dependent on the costs of fuel and oil. Consequently, the Company is **sensible to the volatility of these commodity prices**. While Ryanair has been successful in managing and hedging that cost, it has grown at a **CAGR of 18.02%** during the FY18-24 period, **surpassing the revenue growth CAGR of 13.46%**. The forecast indicates that the CAGR of fuel and oil expenses will **slow to 5.34%** during the FY24-29 period, weighting between **43.81% and 37.81% of total revenues** for the same period.

### CAPEX

In addition to increasing ticket prices, Ryanair intends to **grow its revenue by increasing the volume of passengers flown**. This strategy is particularly advantageous for the Company given that, as a low-cost airline, **Ryanair's capacity for price increase is inherently limited**. Nevertheless, to increase the volume of passengers flown, the Company must **increase its supply capacity**, which requires a **substantial CAPEX investment for fleet expansion**. The Company has already filled orders for aircraft scheduled for delivery until FY34, potentially achieving a fleet of **800 aircrafts**. As a consequence of this investment, the Author estimates that PP&E Assets will grow at a **2.13% CAGR** over the FY24-29 period, **growing to €13.11bn from €10.85bn in FY24** (Figure 40).



## Cost of Equity Assumptions

The FCF were **discounted using the Cost of Equity method**.

**The Cost of Equity, calculated at 14.124%** (Table 15), was determined using the **CAPM**. This model includes the following components: i) **a RFR of 2.329%**, which corresponds to the **European 10y Yield curve as of July 31<sup>st</sup>**; ii) **a Beta of 1.474**, which was determined using the **Blume adjusted method** to analyse the monthly performance of Ryanair's shares in comparison to the STOXX600 over the past five years; iii) **a market ERP of 6.628%**, derived from an average of the market ERP calculated by **Damodaran** for each country where Ryanair operates; and iv) **a CRP of 2.028%**, determined on the average from **Damodaran's database** for each country where Ryanair operates.

**Table 15** Cost of Equity Determination

Cost of Equity Components						
Description	FY25E	FY26E	FY27E	FY28E	FY29E	Terminal
<b>Cost of Equity (<math>K_e</math>)</b>						
RFR	2.329%	2.329%	2.329%	2.329%	2.329%	
MRP	6.628%	6.628%	6.628%	6.628%	6.628%	
$\beta$	1.474	1.474	1.474	1.474	1.474	
CRP	2.028%	2.028%	2.028%	2.028%	2.028%	
<b><math>K_e</math> - CAPM</b>	<b>14.124%</b>	<b>14.124%</b>	<b>14.124%</b>	<b>14.124%</b>	<b>14.124%</b>	<b>14.124%</b>

## Long-Run Sustainable Growth Rate and Terminal Value

The second stage of the DCF model consists of a **perpetuity**. In this stage, the terminal value of Ryanair was determined using the **Stable Growth Model**.

### Long-run sustainable growth rate (g)

Using the **Fisher Formula**, the long-run sustainable growth rate was determined at **3.530%**. this calculation incorporated a **targeted inflation rate of 2%** and a **Real GDP growth Rate of 1.50%** (Table 16).

## Free Cash Flow to the Firm – Integrated Approach

Complementing the FCFE approach, an **FCFF model** was determined. In this approach, the FCF were **discounted using the WACC method**. The WACC rate was **adjusted yearly** to reflect the **diminishing weight of Debt**, culminating in the **Debt-free status in FY27**. **At this point, the WACC matches the Cost of Equity** (Table 17). Furthermore, as the Equity Value was determined, a **null value of Debt** was considered as the **target Debt-to-Equity ratio is 0%**.

Using the previously mentioned **WACC method**, this model estimates a **PT of €18.58/Sh. for FY25**. This outcome **significantly diverges** from the results obtained from the FCFE method. The deviation is mainly explained by the substantial **changes in the Debt structure** during the FY25-27 period. These changes require **considerable Debt repayments**, with **no Debt being raised**, leading to significant **negative Net Borrowings in the initial three years of estimations**. Considering the **changing capital structure**, **FCFF was not considered the primary model** for the recommendation.

**Table 16** g Determination

<b>g – Fisher Formula</b>	
Inflation Level Target (ECB)	2.0%
GDP Real Growth	1.5%
<b>Growth Rate – g</b>	<b>3.53%</b>

## WACC Rate Assumptions

The FCFF were **discounted using the WACC method**. The WACC rate was **adjusted yearly** to reflect the **diminishing weight of Debt**, culminating in the **Debt-free status in FY27**. At this point, the WACC matches the **Cost of Equity** (Table 17).

The **Cost of Debt**, calculated at **6.928%**, was determined by using the **RFR** and an estimated **Company spread of 2.571%**, based on Ryanair's **BBB+ credit rating**.

Table 17 WACC Determination

WACC Components						
Description	FY25E	FY26E	FY27E	FY28E	FY29E	Terminal
<b>Cost of Equity (K<sub>e</sub>)</b>						
RFR	2.329%	2.329%	2.329%	2.329%	2.329%	
MRP	6.628%	6.628%	6.628%	6.628%	6.628%	
β	1.474	1.474	1.474	1.474	1.474	
CRP	2.028%	2.028%	2.028%	2.028%	2.028%	
<b>K<sub>e</sub> - CAPM</b>	<b>14.124%</b>	<b>14.124%</b>	<b>14.124%</b>	<b>14.124%</b>	<b>14.124%</b>	<b>14.124%</b>
<b>Cost Of Debt (K<sub>d</sub>)</b>						
Spread	2.571%	2.571%	2.571%	2.571%	2.571%	
K <sub>d</sub>	6.928%	6.928%	6.928%	6.928%	6.928%	
Tax Rate (t)	15%	15%	15%	15%	15%	
<b>K<sub>d</sub> After t</b>	<b>5.889%</b>	<b>5.889%</b>	<b>5.889%</b>	<b>5.889%</b>	<b>5.889%</b>	<b>5.889%</b>
<b>WACC</b>						
E/(D+E)	78.418%	87.281%	100.00%	100.00%	100.00%	
<b>WACC</b>	<b>12.348%</b>	<b>13.070%</b>	<b>14.124%</b>	<b>14.124%</b>	<b>14.124%</b>	<b>14.124%</b>

## Payback Model

In its H1FY24 report, Ryanair declared a **dividend of €400 million**, which results in approximately **€0.35/Sh**. This dividend is scheduled to be distributed in two equal instalments of €200 million each. The first instalment was due in February 2024, and the second will be distributed after the AGM in September 2024. It should be noted that the latter payment will be accounted for in the Statement of Cash Flows for FY25. **For FY25 onwards, Ryanair has announced a new dividend policy**. Under this policy, the company intends to **distribute approximately 25% of the previous year's PAT as an ordinary dividend**. Additionally, Ryanair has implemented a policy of **share buybacks contingent upon its cash reserves**.

Taking these factors into account, the Author conducted a **Payback Model analysis** (Appendix 25), in which **both dividends and share buybacks amounts were considered as part of shareholder returns**. Considering the previously mentioned Cost of Equity and long-run sustainable growth rate, **this model estimates a PT of €7.25**. This estimation is **significantly lower** than the predictions made by prior models. However, **this valuation model was not considered for the recommendation** due to the following reasons: i) **The Company lacks a history of dividend payments**; ii) **Ryanair is currently in a phase of expansion**, forecasting substantial growth in the medium-term future; and iii) **The Board of Ryanair has expressed willingness to change its dividend and share buyback policy depending on economic and market conditions**.

## Multiples Based Valuation

In addition to absolute valuation models, **FY25E MBV models were used.**

### Peer Group Selection

The selection of the peer group was composed of the **previously mentioned peers** of Ryanair, specifically: i) **Lufthansa**; ii) **Norwegian Air**; iii) **Easyjet**; and iv) **Wizz Air**.

### Multiples Selection and Specific Aviation Metrics

In addition to the conventional **Price and EV Multiples**, **EBITDAR** was considered over the more frequently used EBITDA. This preference is due to **EBITDAR's superior ability to provide a more accurate comparison among airline companies**. The performance of this valuation model considered the use of **specific financial metrics**, which include: i) **P/E**; ii) **P/S**; iii) **EV/EBITDAR**; iv) **EV/EBIT**; and v) **EV/Revenues**. To calculate the PT from the estimated EVs, a **null Debt value** and a **Cash value of €2,008.79M** were considered, as projected for Ryanair in FY25 (Table 18).

**Price-to-Earnings** | The P/E ratio yielded a **PT of €2.11**, representing a **downside of -85.6%**. This multiple suggests a **SELL recommendation** (Table 24).

**Price-to-Sales** | The P/S ratio yielded a **PT of €3.88**, representing a **downside of -73.5%**. This multiple suggests a **SELL recommendation** (Table 24).

**EV/EBITDAR** | The EV/EBITDAR ratio yielded a **PT of €6.31**, representing a **downside of -56.9%**. This multiple suggests a **SELL recommendation** (Table 24).

**EV/EBIT** | The EV/EBIT ratio yielded a **PT of €4.31**, representing a **downside of -70.6%**. This multiple suggests a **SELL recommendation** (Table 24).

**EV/Revenues** | The EV/Revenues ratio yielded a **PT of €7.05**, representing a **downside of -51.9%**. This multiple suggests a **SELL recommendation** (Table 24).

Table 24 Multiples Based Valuation

Peer Group Multiples – Forecasted FY25					
Company Name	Price Multiples		Enterprise Value Multiples		
	P/E	P/S	EV/EBITDAR	EV/EBIT	EV/Revenues
<b>Peers Selected</b>					
Lufthansa	8.13	0.21	3.84	10.44	0.40
Norwegian Air	5.11	0.28	2.10	5.81	0.45
EasyJet	7.96	0.39	3.14	6.80	0.46
Wizz Air	9.82	0.61	5.31	14.68	1.42
<b>Ryanair Multiples</b>					
Ryanair	70.70	1.61	11.48	51.33	1.28
<b>Multiples</b>					
Maximum	9.82	0.61	5.31	14.68	1.42
75 <sup>th</sup> Percentile	9.40	0.56	4.94	13.62	1.18
Median	<b>8.05</b>	<b>0.34</b>	<b>3.49</b>	<b>8.62</b>	<b>0.45</b>
25 <sup>th</sup> Percentile	5.83	0.23	2.36	6.06	0.41
Minimum	5.11	0.21	2.10	5.81	0.40
<b>Valuation – Price Target (€/Sh.)</b>					
Maximum	€2.58	€7.07	€8.65	€6.05	€18.19
75 <sup>th</sup> Percentile	€2.47	€6.43	€8.18	€5.75	€15.42
Median	<b>€2.11</b>	<b>€3.88</b>	<b>€6.31</b>	<b>€4.31</b>	<b>€7.05</b>
25 <sup>th</sup> Percentile	€1.53	€2.63	€4.87	€3.58	€6.54
Minimum	€1.34	€2.42	€4.54	€3.51	€6.39

Source: Refinitiv Terminal and Author's Analysis

Table 18 Ryanair's FY25E Net Debt

Ryanair FY25E (€'M)	
Debt	€0
Cash	€2,008.79

Source: Author's Analysis

Table 19 Ryanair's FY25E Metrics

Ryanair FY25 (€'M)	
Enterprise Value	€17,336.87
EBITDAR	€1,401.86
EBIT	€313.63
Revenues	€12,607.02

Source: Author's Analysis

Table 20 Norwegian Air FY25E Metrics

Norwegian Air FY25 (€'M)	
Enterprise Value	€1,348.78
EBITDAR	€640.99
EBIT	€231.97
Revenues	€3,019.37

Source: Maxime Kiesch

Table 21 EasyJet FY25E Metrics

EasyJet FY25 (€'M)	
Enterprise Value	€5,205.36
EBITDAR	€1,658.76
EBIT	€765.64
Revenues	€11,396.96

Source: Refinitiv Terminal

Table 22 Lufthansa FY25E Metrics

Lufthansa FY25 (€'M)	
Enterprise Value	€15,266.48
EBITDAR	€3,974.40
EBIT	€1,462.80
Revenues	€38,640.92

Source: Refinitiv Terminal

Table 23 Wizz Air FY25E Metrics

Wizz Air FY25 (€'M)	
Enterprise Value	€7,901.88
EBITDAR	€1,488.56
EBIT	€538.28
Revenues	€5,574.28

Source: Refinitiv Terminal

The Multiples Based Valuation for Ryanair is significantly **lower than its PT for FY25**. This difference can be attributed to **two factors**: i) Investors consider Ryanair as having a **greater growth and profitability potential**, coupled with a **lower risk profile**; and ii) FY25 is projected to be a **year of lower revenues and profitability** for the Company, leading to **higher multiples** as Ryanair's PT considers the **recovery in the following periods**.

### Author vs Consensus

The Author recommendation is **not aligned with consensus**, with a mean consensus of **BUY recommendation** (Table 25). Analysts project an **average PT of €18.92**, representing an **upside potential 29.23%**.

**Table 25** Ryanair Analysts' Consensus

Analysts' Consensus	
Mean Consensus	Buy
Average PT	€18.92
Upside Potential	29.23%
High PT	€26.25
Low PT	€12.50

Source: MarketScreener

## 7. Financial Analysis

### Efficiency Leads to Improved Profitability

In an industry in which **costs are traditionally very high and volatile**, Ryanair has excelled and managed to **increase Operating Margin, even as Fuel prices increased**. However, the Covid-19 pandemic led to a drastic drop into negative zone for FY21 and FY22, but the Company quickly **recovered in FY23**, even **improving when compared to FY20**, setting at **13.4%**, increasing to **15.8%** in FY24 (Figure 30). Driven by **lower revenues, stable costs** and an **increase in the number of passengers per flight**, by FY26, Operating Margin is expected to lower to **5.9%**.

**Profit Margin** followed the same path, setting at **14.3%** in FY24, and expected to **decrease to 5.0% by FY26** (Figure 31). A significant contributor to this performance is Ryanair's **inability to implement higher prices and successful hedging strategy** in relation to Fuel expenses to **mitigate the negative impact**.

Given the capital-intensive nature of the aviation industry, it is prudent to **assess the efficiency of asset utilization and capital allocation** of Ryanair. To do so, it is essential to analyse key financial metrics such as **ROA and ROIC** (Table 26).

Ryanair experienced a significant **decline in ROA** from FY18 to FY20, decreasing from **11.7% to 4.4%**. This decline was a result of **increasing Assets** and a simultaneously **decrease in profits**, largely caused by **rising fuel costs** relative to revenues. However, the Company rebounded to an ROA of **11.2%** by FY24, result of increased profits in the post-pandemic period. Looking ahead, it is expected that Ryanair's ROA will **decrease** as a result of **lower profits and increased assets** derived from its fleet expansion, reaching its **bottom** in FY25 at **1.7%**, slowly increasing to **11.5%** by FY29 (Figure 32), as the Company recovers, increasing revenues and profit margin.

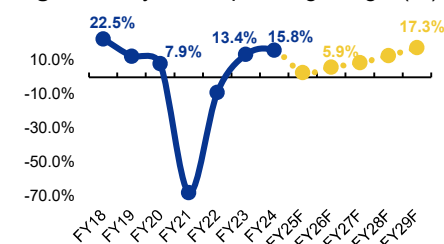
In terms of ROIC, Ryanair's trajectory **mirrored that of ROA**. The ROIC declined from **16.8%** in FY18 to **12.7%** in FY20, followed by a recovery to **17.9%** in FY24. Future expectations suggest that Ryanair's ROIC will **bottom** in FY25 at **3.0%**, before slowly increasing to **19.4%** in FY29 (Figure 33).

### Increasing the Number of Passengers, Increasing Revenues

Resulting from a consistently **rising passenger count** and its ability to **increase revenue per passenger**, Ryanair has managed to progressively **increase Total Revenues**. Remarkably, Ryanair recorded **184 million passengers** in FY24, compared to **149 million in FY20**. This was possible due to Ryanair's ability to maintain **very high load factors**. Looking forward, through its **ambitious CAPEX program**, Ryanair expects to achieve **240 million passengers** by FY29 (Figure 34).

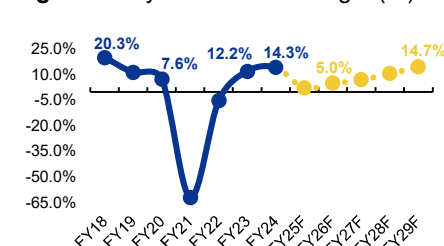
On a per-passenger basis, Ryanair has successfully increased its revenue from **€57.17** in FY20 to **€73.20** in FY24 (Figure 9). This increase can be attributed not only to a rise in the **Average Booked Passenger Fare**, which grew from **€37.46 to €49.80** (Figure 5), but also to an increase in Ancillary Revenue, which has gained relevance, accounting for **31.98%** of Total Revenues in FY24. As of Q1FY25, Ryanair has faced **consumer resistance to pricing**, resulting in a **nearly 15% decline** in Average Fare prices. This is expected to be the start of a period of **reduced capacity to raise prices** to achieve **targeted load factors**. By FY25, the Average Booked Passenger Fare is projected to decrease to **€42.55**, a consequence of **downward price pressure** due to pricing resistance (Figure 35). Simultaneously, Ancillary Revenue per Passenger is anticipated to decrease as well, to **€20.48** (Figure 36). This culminates in an **Average Revenue per Passenger of €63.04** (Figure 37), which accounting for an expected **200 million passengers in FY25**, will result in **Total Revenues totalling €12.61bn**.

Figure 30 Ryanair Operating Margin (%)



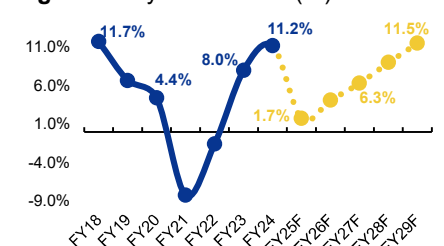
Source: Company's Data and Author's Estimation

Figure 31 Ryanair's Profit Margin (%)



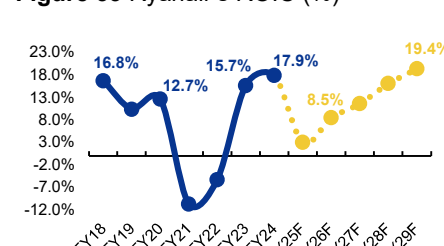
Source: Company's Data and Author's Estimation

Figure 32 Ryanair's ROA (%)



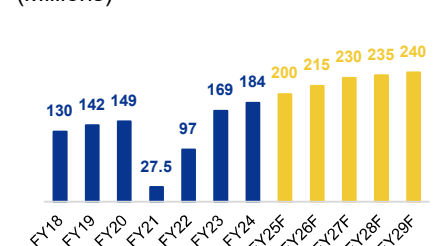
Source: Company's Data and Author's Estimation

Figure 33 Ryanair's ROIC (%)



Source: Company's Data and Author's Estimation

Figure 34 Ryanair's Passenger Number (Millions)



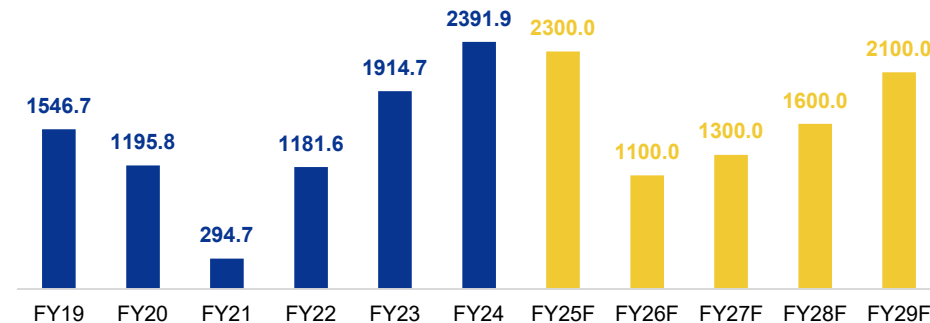
Source: Company's Data and Author's Estimation

## Building a Strong Balance Sheet and Going Debt-Free

During the period from FY18 to FY24, **Ryanair has been fortifying its cash position, from €1.52bn to €3.88bn**. Remarkably, even during the pandemic period, which saw the company record losses for two consecutive years, Ryanair managed to **improve its cash reserves**, albeit through the **utilization of debt**.

Looking ahead, Ryanair, having established a robust balance sheet, plans to **pay down maturing debt** as it falls due over the **next two years**, with the aim of achieving a **debt-free status by FY27**. Simultaneously, the company has outlined an **ambitious CAPEX program**, which it plans to finance through **internally generated funds**. It is expected that Ryanair's cash reserve will experience a **decrease in FY25**, resulting from **lower revenues and high CAPEX**. By FY25, cash reserves are expected to amount to **€1.75bn** and **€6.58bn by FY29** (Figure 39). It is estimated that Ryanair will **successfully** fund its ambitious CAPEX program (Figure 40), **resourcing solely to internally generated funds**.

Figure 40 Ryanair CAPEX (€'M)



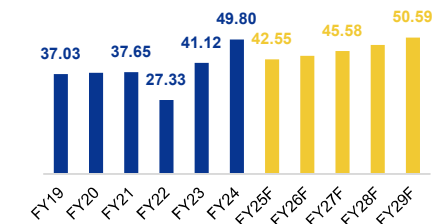
Source: Company's Data and Author's Estimation

Table 26 Ryanair's Financial Ratios

	FY22	FY23	FY24	FY25F	FY26F	FY27F	FY28F	FY29F
<b>Profitability</b>								
EBITDA Margin	7.91%	21.96%	23.21%	11.12%	14.28%	16.21%	20.01%	24.07%
EBIT Margin	-7.07%	13.39%	15.33%	2.43%	5.85%	8.10%	12.28%	16.76%
EBT Margin	-8.95%	13.39%	15.83%	2.68%	5.89%	8.44%	12.66%	17.31%
Profit Margin	-5.02%	12.19%	14.26%	2.28%	5.00%	7.17%	10.76%	14.71%
ROA	-1.59%	8.01%	11.16%	1.71%	4.09%	6.31%	8.99%	11.50%
ROE	-4.34%	23.38%	25.18%	3.77%	8.47%	12.04%	16.51%	20.00%
Basic EPS	-€0.2130	€1.1557	€1.6828	€0.2628	€0.6394	€1.0199	€1.6414	€2.4647
<b>Liquidity</b>								
Current Ratio	1.01	0.80	0.91	0.54	0.53	0.63	0.81	1.00
Quick Ratio	1.01	0.80	0.91	0.54	0.53	0.63	0.81	1.00
Cash Ratio	0.67	0.63	0.64	0.27	0.29	0.35	0.55	0.75
<b>Efficiency</b>								
Asset Turnover	0.32	0.66	0.78	0.75	0.82	0.88	0.84	0.78
ROIC	-5.23%	15.74%	17.86%	3.02%	8.48%	11.65%	16.08%	19.38%

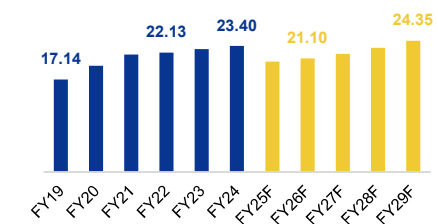
Source: Company's Data and Author's Estimation

Figure 35 Average Booked Passenger Fare and Estimation (€)



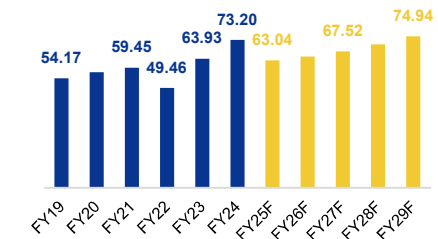
Source: Company's Data and Author's Estimation

Figure 36 Ancillary Revenue per Booked Passenger and Estimation (€)



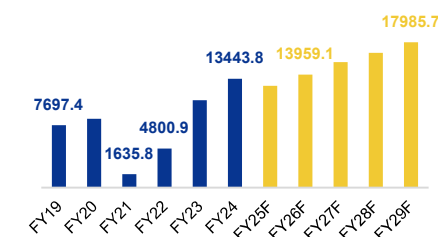
Source: Company's Data and Author's Estimation

Figure 37 Total Revenue per Booked Passenger and Estimation (€)



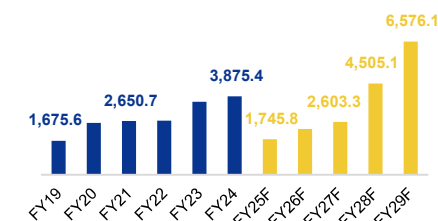
Source: Company's Data and Author's Estimation

Figure 38 Total Revenue Estimation (€'M)



Source: Company's Data and Author's Estimation

Figure 39 Cash & Cash Equivalents (€'M)



Source: Company's Data and Author's Estimation



## 8. Investment Risks

### Risk Identification and Characterisation

Ryanair is **exposed to significant risks** that may materially impact its business (Figure 41). Among these risks, it is possible to assemble by the following categories: i) **Market Risks**; ii) **Legal & Regulatory Risks**; iii) **Operational Risks**; iv) **Geopolitical Risks**; v) **Reputational Risks**; and vi) **Health-Related Risks**.

#### Market Risks

**Fuel Prices Volatility (M1)** | As over **one third of Ryanair's Operating Expenses arise from Fuel expense**, the Company's profits and margins are **highly sensitive to changes in crude oil prices**. A material rise in the commodity's price could have **significant impact on the Company's profitability**, which might force Ryanair to reevaluate the feasibility of pursuing its debt-free and fleet expansion objectives. Conversely, a significant decrease in crude oil prices could enhance Ryanair's profitability. Nevertheless, the Company has the **capacity to hedge this risk through financial derivatives**, a strategy it has effectively employed in the past.

**Europe GDP Growth (M2)** | The demand for travel is intrinsically **linked to overall economic activity and prosperity**. Consequently, periods of recessions or low economic growth could result in a reduction in travel demand, which would negatively impact Ryanair.

**Currency Fluctuations (M3)** | The **Euro is the presentation currency for Ryanair**. Nevertheless, the Company collects **revenues in different currencies**, namely Euros and Pounds, while fuel and CAPEX costs are mostly incurred in **USD**. Consequently, the Company is **highly susceptible to substantial fluctuations in the exchange rates** among these three currencies. A substantial depreciation of the USD relative to the Euro and the Pound could enhance Ryanair's margins due to **comparatively lower fuel and hedging costs**. Furthermore, this would enable the Company to proceed with its fleet modernization plan at a reduced expense. Conversely, a significant appreciation of the USD would have a reverse effect on the Company's margins and CAPEX costs. Nevertheless, **the Company has the capacity to hedge this risk through financial derivatives**.

#### Legal & Regulatory Risks

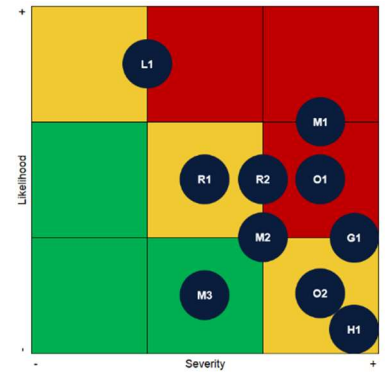
**Environmental Regulations (L1)** | As regulatory bodies intensify their **focus on environmental sustainability**, certain regulations have been implemented that directly affect the airline industry, specifically the Emissions Trading System (ETS) and the CORSIA scheme. If these regulations become more stringent, or if Ryanair's growth surpasses a threshold that allows for **organic compliance**, the Company could be subject to **substantial fines and penalties**. The previously mentioned risks may be mitigated through the incorporation of newer, **more fuel-efficient aircrafts**.

#### Operational Risks

**Cybersecurity Attacks (O1)** | Cybersecurity breaches pose a threat not only to Ryanair's sensitive internal information but also have the potential to cause considerable disruption and **diminish trust in the Company**. This highlights the **importance of substantial investment in cybersecurity measures**.

**Air Accidents (O2)** | In the aviation sector, confidence in an airline's safety protocols is **crucial**. While air accidents are very uncommon, any such incident could have a profound impact on Ryanair's **reputation and its capacity to attract customers**. Despite Ryanair's position as **one of the safest airlines**, it is crucial that the Company **continually seeks methods to mitigate this risk**. This can be achieved by **employing skilled aircrews and by implementing rigorous, regular maintenance checks and inspections on its aircraft**.

Figure 41 Risk Matrix



Source: Company Information

## Geopolitical Risks

**Rising War Tensions in Europe (G1)** | Historically, Europe has been perceived as a secure region. However, the recent invasion by Russia into Ukraine has altered this perspective. Should additional conflict zones emerge in markets where Ryanair operates, the Company may be forced to **suspend travel to those destinations**, and potentially result in **asset loss**. Moreover, rising tensions can engender fear among the population, who may **abstain from travel** to avoid the risk of finding themselves in an unexpected war zone. While Ryanair is not able to avoid military conflicts, the Company can mitigate the risks associated with such situations by **diversifying the markets in which it operates**.

## Reputational Risks

**Ryanair's Reputation (R1)** | Reputation is of crucial importance in the aviation sector, serving as a **cornerstone for Ryanair's customer trust, brand loyalty, and competitive advantage**. This reputation can be influenced by a variety of factors, including **aircraft incidents, the quality of service, social media presence, and particularly for a budget airline, pricing strategies**. Ryanair can safeguard its reputation by **ensuring the highest quality of service and employing the most competent aircrews available, all while maintaining low operational costs**. This approach allows the Company to continue its strategy of offering competitively low prices, while providing high quality standards.

**Suppliers' Reputation (R2)** | Ryanair's reputation may also be influenced by the that of its suppliers, particularly that of its aircraft provider, Boeing. Even if Ryanair experiences no incidents with its own fleet, issues encountered by another company while operating a Boeing aircraft could potentially **impact the public's willingness to travel on Boeing aircraft, irrespective of the airline operator**. Should such a scenario occur, **Ryanair could face significant repercussions given that its fleet is comprised exclusively of Boeing aircraft**, except for Lauda's Airbus fleet. Ryanair could mitigate this risk by **insisting that Boeing conduct extensive quality control tests** on its aircrafts prior to delivery, in addition to conducting **independent analyses**.

## Health-Related Risks

**Health-Related Crises (H1)** | The Covid-19 pandemic precipitated an unprecedented implementation of travel restrictions, resulting in an economic crash. In the event of future pandemics, or other health crises, Ryanair's operations could be **abruptly suspended**. The consequent economic challenges could further affect Ryanair's profitability, potentially forcing the company to resource to debt financing to maintain its going concern status.

## Risk Assessment

Considering the above, investing in Ryanair comprises a **medium level of risk**, with the appropriate recommendation system represented in Figure 42. To reach this conclusion, it was performed: i) **Sensitivity Analyses**; ii) **Scenario Analyses**; and iii) **A Monte Carlo Simulation**.

Figure 42 Recommendation System (High Risk)

Investment Recommendation	Threshold (Annualized upside potential)
<b>Sell</b>	$0\% \leq$
<b>Reduce</b>	$> 0\% \ \& \ \leq 10\%$
<b>Hold</b>	$> 10\% \ \& \ \leq 20\%$
<b>Buy</b>	$> 20\% \ \& \ \leq 45\%$
<b>Strong Buy</b>	$> 45\%$



## Sensitivity Analysis

Ryanair main value drivers have significant influence on the company's valuation. Consequently, an analysis was conducted to assess the **sensitivity of the PT** to changes in: i) **The long-run sustainable growth rate**; ii) **Cost of Equity**; iii) **Country Risk Premium**; iv) **Number of passengers flown**; and v) **Bb. Long-run price**. The FCFE method was used.

### Long-run sustainable growth rate

Regarding the variable *g*, the base scenario considers a **3.53%** growth. The analysis incorporated **three instances of 1pp increases and decreases**, with the worst scenario assuming a **0.53% g**, and the best scenario projecting a **6.53% g**. All other variables remaining equal, the recommendation would be **downgraded** at a **2.53% g**, to a **SELL recommendation**. It would be **upgraded** at a **4.53%, 5.53%, and 6.53 g**, to a **HOLD, BUY and STRONG BUY recommendation**, respectively (Table 27).

### Cost of Equity

In the base scenario, the Cost of Equity utilised throughout the estimation period was **14.124%**. The analysis followed the incorporation of **three instances of 1pp increases and decreases**, with the worst scenario assuming a **17.124% Cost of Equity**, and the best scenario projecting a **11.124% Cost of Equity**. All other variables remaining equal, the recommendation would be **downgraded** at a **15.124% Cost of Equity**, to a **SELL recommendation**. It would be **upgraded** at a **13.124% and 12.124% Cost of Equity**, to a **BUY and STRONG BUY recommendation**, respectively (Table 27).

**Table 27** PT Sensitivity to Cost of Equity and Long-Run Sustainable Growth Rate (€/Sh.)

Cost of Equity	Long-run sustainable growth (g)							
	€ 14.73	0.530%	1.530%	2.530%	3.530%	4.530%	5.530%	6.530%
	17.124%	€ 8.91	€ 9.44	€ 10.05	€ 10.74	€ 11.54	€ 12.48	€ 13.59
	16.124%	€ 9.70	€ 10.32	€ 11.03	€ 11.85	€ 12.81	€ 13.96	€ 15.34
	15.124%	€ 10.60	€ 11.33	€ 12.17	€ 13.16	€ 14.34	€ 15.76	€ 17.51
	14.124%	€ 11.64	€ 12.51	€ 13.52	€ 14.73	€ 16.19	€ 17.98	€ 20.25
	13.124%	€ 12.85	€ 13.89	€ 15.13	€ 16.63	€ 18.47	€ 20.81	€ 23.85
	12.124%	€ 14.28	€ 15.55	€ 17.09	€ 18.98	€ 21.38	€ 24.50	€ 28.74
	11.124%	€ 15.98	€ 17.56	€ 19.51	€ 21.97	€ 25.18	€ 29.53	€ 35.78

Source: Author's Analysis

### Country Risk Premium

An analysis to PT's sensitivity regarding CRP was considered by the Author given current worldwide geopolitical instability. In the base scenario, the Country Risk Premium utilised throughout the estimation period was **2.028%**. The analysis followed the incorporation of **three instances of 0.5pp increases and decreases**, with the worst scenario assuming a **3.528% CRP**, and the best scenario projecting a **0.528% CRP**. All other variables remaining equal, the recommendation would be **downgraded** at a **2.528% CRP**, to **SELL recommendation**. It would be **upgraded** at a **1.528% and 1.028% CRP**, to a **HOLD and STRONG BUY recommendation**, respectively (Table 28).

**Table 28** PT Sensitivity to Country Risk Premium and Long-Run Sustainable Growth Rate (€/Sh.)

Country risk premium	Long-run sustainable growth (g)							
	€ 14.73	0.530%	1.530%	2.530%	3.530%	4.530%	5.530%	6.530%
	3.528%	€ 10.14	€ 10.81	€ 11.58	€ 12.48	€ 13.54	€ 14.81	€ 16.37
	3.028%	€ 10.60	€ 11.33	€ 12.17	€ 13.16	€ 14.34	€ 15.76	€ 17.51
	2.528%	€ 11.10	€ 11.89	€ 12.82	€ 13.91	€ 15.21	€ 16.81	€ 18.80
	2.028%	€ 11.64	€ 12.51	€ 13.52	€ 14.73	€ 16.19	€ 17.98	€ 20.25
	1.528%	€ 12.22	€ 13.17	€ 14.29	€ 15.63	€ 17.27	€ 19.31	€ 21.92
	1.028%	€ 12.85	€ 13.89	€ 15.13	€ 16.63	€ 18.47	€ 20.81	€ 23.85
	0.528%	€ 13.53	€ 14.68	€ 16.06	€ 17.74	€ 19.84	€ 22.52	€ 26.09

Source: Author's Analysis

### Number of Passengers Flown

An analysis to PT's sensitivity regarding the **yearly number of passengers flown** was considered by the Author as it is the **source of an airline's revenue**. The **projections provided by Ryanair were considered** and the analysis followed the incorporation of **three instances of 2pp increases and decreases** in the number of yearly passengers, with the worst scenario assuming **94% of the expected numbers**, and the best scenario projecting **106% of the expected numbers**. Refer to Appendix 26 to a detailed analysis to the **load factor achieved yearly in each of the scenarios**. All other variables remaining equal, the recommendation would be **downgraded** at the **98% level**, to a **SELL recommendation**. It would be **upgraded** at the **104% and 106% level**, to a **HOLD** and **STRONG BUY recommendation**, respectively (Table 29).

**Table 29** PT Sensitivity to Number of Passengers Flown and Long-Run Sustainable Growth Rate (€/Sh.)

# Passengers	Long-run sustainable growth (g)							
	€ 14.73	0.530%	1.530%	2.530%	3.530%	4.530%	5.530%	6.530%
	94%	€ 9.71	€ 10.48	€ 11.38	€ 12.45	€ 13.75	€ 15.34	€ 17.36
	96%	€ 10.35	€ 11.16	€ 12.09	€ 13.21	€ 14.56	€ 16.22	€ 18.32
	98%	€ 11.00	€ 11.83	€ 12.81	€ 13.97	€ 15.37	€ 17.10	€ 19.29
	100%	€ 11.64	€ 12.51	€ 13.52	€ 14.73	€ 16.19	€ 17.98	€ 20.25
	102%	€ 12.28	€ 13.18	€ 14.23	€ 15.49	€ 17.00	€ 18.86	€ 21.22
	104%	€ 12.92	€ 13.86	€ 14.95	€ 16.24	€ 17.81	€ 19.74	€ 22.19
	106%	€ 13.57	€ 14.53	€ 15.66	€ 17.00	€ 18.62	€ 20.62	€ 23.15

Source: Author's Analysis

### Bbl. Long-Run Price

Lastly, an analysis to PT's sensitivity regarding **bbl. long-run price** was considered by the Author as it is the **source of Ryanair's highest expense**. The analysis followed the incorporation of **three instances of 3pp increases and decreases** in the long-run bbl. price, with the worst scenario assuming **109% of the expected price**, and the best scenario projecting **91% of the expected**. Refer to Appendix 26 to a detailed analysis to the **bbl. long-run price in each of the scenarios**. All other variables remaining equal, the recommendation would be **downgraded** at a **103% level**, to a **SELL recommendation**. It would be **upgraded** at the **97% and 94% level**, to a **HOLD** and **BUY recommendation**, respectively (Table 30).

**Table 30** PT Sensitivity to Long-Run Bbl. Price and Long-Run Sustainable Growth Rate (€/Sh.)

Bbl. long-run price	Long-run sustainable growth (g)							
	€ 14.73	0.530%	1.530%	2.530%	3.530%	4.530%	5.530%	6.530%
	109%	€ 8.87	€ 9.55	€ 10.34	€ 11.28	€ 12.42	€ 13.82	€ 15.60
	106%	€ 9.80	€ 10.54	€ 11.40	€ 12.43	€ 13.68	€ 15.21	€ 17.15
	103%	€ 10.72	€ 11.52	€ 12.46	€ 13.58	€ 14.93	€ 16.60	€ 18.70
	100%	€ 11.64	€ 12.51	€ 13.52	€ 14.73	€ 16.19	€ 17.98	€ 20.25
	97%	€ 12.56	€ 13.49	€ 14.58	€ 15.87	€ 17.44	€ 19.37	€ 21.81
	94%	€ 13.48	€ 14.48	€ 15.64	€ 17.02	€ 18.69	€ 20.76	€ 23.36
	91%	€ 14.40	€ 15.46	€ 16.70	€ 18.17	€ 19.95	€ 22.14	€ 24.91

Source: Author's Analysis

### Scenario Analysis

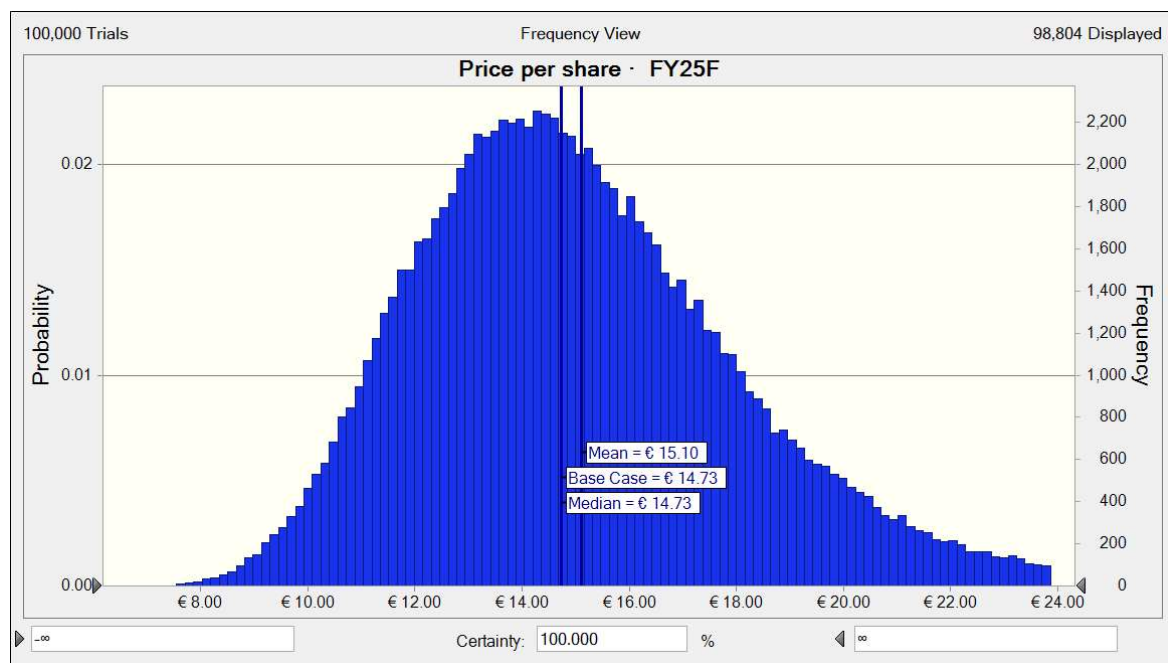
A **blue and grey scenario** was assessed, assuming changes in: i) **Number of passengers**; ii) **Bbl. Long-run price**; and iii) **Long-run terminal growth rate** (Table 13). The Blue Sky scenario estimated a FY25 PT of **€17.03/Sh.**, and the Grey Sky scenario estimated a **€9.31/Sh.** PT.

### Monte Carlo Simulation

Lastly, a Monte Carlo Simulation was performed. A total of **100,000 simulations** were computed. The **focus** of the simulation was changes in: i) **Long-run terminal growth rate**; ii) **Bbl. long-run price**; and iii) **Cost of Equity**.

The average PT from the simulation is **€15.10**, and the median PT is **€14.73**, in line with the Author's estimation (Figure 43), indicating an **annualized return of 4.76% and 0.89%** respectively. Based on the results, both the average PT and the median PT would indicate a **REDUCE recommendation**.

**Figure 43** Monte Carlo Simulation



Source: Crystall Ball and Author's Analysis



# Appendices

## Appendix 1: Statement of Financial Position

Cash Flow Statement – Ryanair (€M)												
Caption	Historical							Estimation				
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	FY28F	FY29F
<b>Operating Activities</b>												
Profit/(Loss) After Tax	1,450.20	885.00	648.70	(1,015.10)	(240.80)	1,313.80	1,917.10	287.07	698.37	1,113.92	1,792.75	2,645.89
<b>Adjustments to Reconcile Profit/(Loss) After Tax to Net Cash From/(Used In) Operating Activities</b>												
Depreciation	561.00	640.50	748.70	571.00	719.40	923.20	1,059.50	1,095.80	1,177.99	1,260.17	1,287.57	1,314.96
(Increase)/Decrease in Inventories	(0.60)	0.80	(0.40)	(0.30)	(0.70)	(1.70)	(0.20)	(0.55)	(0.51)	(0.51)	(0.17)	(0.17)
Tax Expense/(Credit) on Profit/(Loss)	161.10	63.10	21.60	(93.60)	(189.00)	128.70	210.90	50.66	123.24	196.57	316.37	466.92
Share-Based Payments	6.40	7.70	7.00	3.60	8.60	16.20	(3.90)	2.24	0.34	0.82	1.30	2.10
(Increase)/Decrease in Trade Receivables	(3.30)	(1.90)	(8.10)	48.90	(24.90)	(16.20)	(16.70)	(7.01)	(6.26)	(6.26)	(2.09)	(2.09)
(Increase)/Decrease in Other Assets	(14.10)	(2.10)	61.90	(3.50)	(241.40)	(482.00)	(359.00)	(29.22)	(143.17)	(174.87)	(79.48)	(2.72)
Increase/(Decrease) in Trade Payables	(44.50)	324.20	632.20	(407.60)	284.60	31.20	(46.40)	(64.85)	60.06	64.99	138.23	306.43
Increase/(Decrease) in Accrued Expenses & Other Liabilities	241.10	198.60	(401.40)	(1,318.80)	1,722.80	1,788.90	449.60	156.02	495.31	540.64	336.84	500.03
(Decrease) in Other Creditors	(9.60)	(2.80)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Increase/(Decrease) in Provisions	(0.10)	(2.50)	(55.70)	(21.90)	45.50	33.70	(8.30)	103.25	3.56	19.67	6.25	3.90
Decrease/(Increase) in Finance Expense	3.80	(1.50)	0.00	(3.70)	(6.60)	4.20	7.90	15.65	28.44	38.91	0.00	0.00
Increase/(Decrease) in Finance Income	0.70	(0.50)	2.90	0.00	0.00	10.40	3.60	(53.34)	(54.49)	8.27	9.68	36.45
Gain on Sale of Associates	0.00	(6.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Share of Associate Losses	0.00	15.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign Exchange, Fair Value and Hedge Ineffectiveness	0.00	0.00	407.20	(294.10)	(146.50)	144.70	(7.10)	(7.10)	(7.10)	(7.10)	(7.10)	(7.10)
Income Tax (Paid)/Refunded	(118.90)	(100.90)	(120.50)	87.10	9.50	(4.10)	(49.10)	(11.79)	(28.69)	(45.76)	(73.65)	(108.70)
<b>Net Cash From/(Used In) Operating Activities</b>	<b>2,233.20</b>	<b>2,017.50</b>	<b>1,944.10</b>	<b>(2,448.00)</b>	<b>1,940.50</b>	<b>3,891.00</b>	<b>3,157.90</b>	<b>1,536.82</b>	<b>2,347.09</b>	<b>3,009.47</b>	<b>3,726.50</b>	<b>5,155.89</b>
<b>Investing Activities</b>												
CAPEX - Purchase of Property, Plant and Equipment	(1,470.60)	(1,546.70)	(1,195.80)	(294.70)	(1,181.60)	(1,914.70)	(2,391.90)	(2,300.00)	(1,100.00)	(1,300.00)	(1,600.00)	(2,100.00)
Supplier Reimbursements for Property, Plant and Equipment	0.00	0.00	0.00	377.60	113.90	127.50	0.00	0.00	0.00	0.00	0.00	0.00
Proceeds From Sale of Property, Plant and Equipment	0.00	0.00	0.00	112.10	110.50	4.90	0.00	0.00	0.00	0.00	0.00	0.00
Decrease/(Increase) in Restricted Cash	(22.80)	(0.30)	0.50	0.30	11.40	3.20	13.10	(0.57)	(0.52)	(0.52)	(0.17)	(0.17)
(Increase)/Decrease in Financial Assets: Cash > 3 Months	774.00	646.10	277.20	741.70	(468.60)	(122.10)	818.40	(18.24)	140.70	(33.02)	(23.63)	(125.65)
Acquisition of Subsidiary (Net of Cash Acquired)	0.00	(86.50)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investment in Associate	0.00	(15.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Cash (Used In)/From Investing Activities</b>	<b>(719.40)</b>	<b>(1,002.40)</b>	<b>(918.10)</b>	<b>937.00</b>	<b>(1,414.40)</b>	<b>(1,901.20)</b>	<b>(1,560.40)</b>	<b>(2,318.81)</b>	<b>(959.82)</b>	<b>(1,333.54)</b>	<b>(1,623.81)</b>	<b>(2,225.82)</b>
<b>Financing Activities</b>												
Shareholder Returns (Net of Tax)	(829.10)	(531.60)	(580.50)	0.00	0.00	0.00	0.00	(687.60)	0.00	0.00	0.00	(496.11)
Net Proceeds From Shares Issued	0.00	0.00	19.10	421.00	46.80	31.70	16.40	0.00	0.00	0.00	0.00	0.00
Proceeds From Borrowings	65.20	99.90	750.00	2,228.60	1,192.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Repayments of Borrowings	(458.90)	(422.80)	(408.10)	(950.30)	(1,722.30)	(1,039.40)	(1,100.50)	(50.36)	(891.26)	(1,219.15)	0.00	0.00
Lease Liabilities Paid	0.00	0.00	(67.50)	(76.80)	(53.00)	(46.30)	(42.70)	(39.36)	(33.43)	(33.43)	(31.37)	(23.67)
Dividends Paid	0.00	0.00	0.00	0.00	0.00	0.00	(199.50)	(679.28)	(71.77)	(174.59)	(278.48)	(448.19)
<b>Net Cash (Used In)/From Financing Activities</b>	<b>(1,222.80)</b>	<b>(854.50)</b>	<b>(287.00)</b>	<b>1,622.50</b>	<b>(536.50)</b>	<b>(1,054.00)</b>	<b>(1,326.30)</b>	<b>(1,456.59)</b>	<b>(996.46)</b>	<b>(1,427.17)</b>	<b>(309.85)</b>	<b>(967.97)</b>
<b>Increase/(Decrease) In Cash and Cash Equivalents</b>	<b>291.00</b>	<b>160.60</b>	<b>739.00</b>	<b>111.50</b>	<b>(10.40)</b>	<b>935.80</b>	<b>271.20</b>	<b>(2,238.58)</b>	<b>390.81</b>	<b>248.76</b>	<b>1,792.84</b>	<b>1,962.10</b>
Net Foreign Exchange Differences	0.00	0.00	151.80	(27.20)	28.70	(5.50)	4.90	108.96	108.96	108.96	108.96	108.96
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>1,224.00</b>	<b>1,515.00</b>	<b>1,675.60</b>	<b>2,566.40</b>	<b>2,650.70</b>	<b>2,669.00</b>	<b>3,599.30</b>	<b>3,875.40</b>	<b>1,745.78</b>	<b>2,245.54</b>	<b>2,603.26</b>	<b>4,505.06</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>1,515.00</b>	<b>1,675.60</b>	<b>2,566.40</b>	<b>2,650.70</b>	<b>2,669.00</b>	<b>3,599.30</b>	<b>3,875.40</b>	<b>1,745.78</b>	<b>2,245.54</b>	<b>2,603.26</b>	<b>4,505.06</b>	<b>6,576.11</b>

## Appendix 2: Income Statement

Income Statement – Ryanair (€'M)													
Caption	Historical							Estimation					CAGR
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	FY28F	FY29F	FY25F-29F
<b>Operating Revenues</b>													
Scheduled Revenues	5,134.00	5,261.10	5,566.20	1,036.00	2,652.50	6,930.30	9,145.10	8,510.76	9,423.53	10,484.23	11,247.76	12,141.83	9.29%
Ancillary Revenues	2,017.00	2,436.30	2,928.60	599.80	2,148.40	3,844.90	4,298.70	4,096.26	4,535.58	5,046.10	5,413.59	5,843.91	9.29%
<b>Total Operating Revenues</b>	<b>7,151.00</b>	<b>7,697.40</b>	<b>8,494.80</b>	<b>1,635.80</b>	<b>4,800.90</b>	<b>10,775.20</b>	<b>13,443.80</b>	<b>12,607.02</b>	<b>13,959.12</b>	<b>15,530.33</b>	<b>16,661.35</b>	<b>17,985.75</b>	<b>9.29%</b>
<b>Operating Expenses</b>													
Fuel and Oil	1,902.80	2,427.30	2,762.20	542.60	1,699.40	4,025.70	5,142.60	5,522.91	5,986.39	6,583.40	6,669.22	6,801.06	5.34%
Airport and Handling Charges	938.60	1,061.50	1,140.20	287.20	813.40	1,240.50	1,484.50	1,617.46	1,738.76	1,860.07	1,900.51	1,940.95	4.66%
Staff Costs	738.50	984.00	1,106.90	472.20	690.10	1,191.40	1,500.00	1,551.85	1,668.24	1,784.63	1,823.43	1,862.22	4.66%
Depreciation	561.00	640.50	748.70	571.00	719.40	923.20	1,059.50	1,095.80	1,177.99	1,260.17	1,287.57	1,314.96	4.66%
Route Charges	701.80	745.20	736.00	187.30	551.20	903.70	1,024.40	1,116.15	1,199.86	1,283.57	1,311.47	1,339.38	4.66%
Marketing, Distribution and Other	410.40	547.30	578.80	201.50	411.30	674.40	757.20	944.73	885.93	980.94	1,091.35	1,170.83	5.51%
Maintenance, Materials and Repairs	148.30	190.90	256.40	206.70	255.70	373.70	414.90	452.06	485.96	519.87	531.17	542.47	4.66%
Aircraft Rentals	82.30	83.90	38.20	6.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
<b>Total Operating Expenses</b>	<b>5,483.70</b>	<b>6,680.60</b>	<b>7,367.40</b>	<b>2,475.20</b>	<b>5,140.50</b>	<b>9,332.60</b>	<b>11,383.10</b>	<b>12,300.96</b>	<b>13,143.13</b>	<b>14,272.65</b>	<b>14,614.72</b>	<b>14,971.87</b>	<b>5.04%</b>
<b>Operating Profit/(Loss)</b>	<b>1,667.30</b>	<b>1,016.80</b>	<b>1,127.40</b>	<b>(839.40)</b>	<b>(339.60)</b>	<b>1,442.60</b>	<b>2,060.70</b>	<b>306.06</b>	<b>815.99</b>	<b>1,257.68</b>	<b>2,046.63</b>	<b>3,013.87</b>	<b>77.15%</b>
<b>Other (Expense)/Income</b>													
Net Finance Income/(Expenses)	(58.10)	(55.40)	(458.70)	(281.10)	(91.40)	(34.40)	61.80	24.10	(1.95)	45.24	54.92	91.36	39.53%
Foreign Exchange Gain/(Loss)	2.10	(3.50)	1.60	11.80	1.20	34.30	5.50	7.57	7.57	7.57	7.57	7.57	0.00%
Gain on Sale of Associate	0.00	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
Share of Associate Losses	0.00	(15.80)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
<b>Total Other (Expense)/Income</b>	<b>(56.00)</b>	<b>(68.70)</b>	<b>(457.10)</b>	<b>(269.30)</b>	<b>(90.20)</b>	<b>(0.10)</b>	<b>67.30</b>	<b>31.67</b>	<b>5.62</b>	<b>52.81</b>	<b>62.49</b>	<b>98.93</b>	<b>32.94%</b>
<b>Profit/(Loss) Before Tax</b>	<b>1,611.30</b>	<b>948.10</b>	<b>670.30</b>	<b>(1,108.70)</b>	<b>(429.80)</b>	<b>1,442.50</b>	<b>2,128.00</b>	<b>337.73</b>	<b>821.61</b>	<b>1,310.49</b>	<b>2,109.11</b>	<b>3,112.81</b>	<b>74.24%</b>
Tax (Expense)/Credit	(161.10)	(63.10)	(21.60)	93.60	189.00	(128.70)	(210.90)	(50.66)	(123.24)	(196.57)	(316.37)	(466.92)	74.24%
<b>Profit/(Loss) For the Year - All Attributable to Equity Holders of Parent</b>	<b>1,450.20</b>	<b>885.00</b>	<b>648.70</b>	<b>(1,015.10)</b>	<b>(240.80)</b>	<b>1,313.80</b>	<b>1,917.10</b>	<b>287.07</b>	<b>698.37</b>	<b>1,113.92</b>	<b>1,792.75</b>	<b>2,645.89</b>	<b>74.24%</b>

## Appendix 3: Cash Flow Statement

Cash Flow Statement – Ryanair (€'M)													
Caption	Historical							Estimation					CAGR
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	FY28F	FY29F	FY25F-29F
<b>Operating Activities</b>													
Profit/(Loss) After Tax	1,450.20	885.00	648.70	(1,015.10)	(240.80)	1,313.80	1,917.10	287.07	698.37	1,113.92	1,792.75	2,645.89	0.74
<b>Adjustments to Reconcile Profit/(Loss) After Tax to Net Cash From/(Used In) Operating Activities</b>													
Depreciation	561.00	640.50	748.70	571.00	719.40	923.20	1,059.50	1,095.80	1,177.99	1,260.17	1,287.57	1,314.96	0.05
(Increase)/Decrease in Inventories	(0.60)	0.80	(0.40)	(0.30)	(0.70)	(1.70)	(0.20)	(0.55)	(0.51)	(0.51)	(0.17)	(0.17)	(0.26)
Tax Expense/(Credit) on Profit/(Loss)	161.10	63.10	21.60	(93.60)	(189.00)	128.70	210.90	50.66	123.24	196.57	316.37	466.92	0.74
Share-Based Payments	6.40	7.70	7.00	3.60	8.60	16.20	(3.90)	2.24	0.34	0.82	1.30	2.10	(0.02)
(Increase)/Decrease in Trade Receivables	(3.30)	(1.90)	(8.10)	48.90	(24.90)	(16.20)	(16.70)	(7.01)	(6.26)	(6.26)	(2.09)	(2.09)	(0.26)
(Increase)/Decrease in Other Assets	(14.10)	(2.10)	61.90	(3.50)	(241.40)	(482.00)	(359.00)	(29.22)	(143.17)	(174.87)	(79.48)	(2.72)	(0.45)
Increase/(Decrease) in Trade Payables	(44.50)	324.20	632.20	(407.60)	284.60	31.20	(46.40)	(64.85)	60.06	64.99	138.23	306.43	
Increase/(Decrease) in Accrued Expenses & Other Liabilities	241.10	198.60	(401.40)	(1,318.80)	1,722.80	1,788.90	449.60	156.02	495.31	540.64	336.84	500.03	0.34
(Decrease) in Other Creditors	(9.60)	(2.80)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Increase/(Decrease) in Provisions	(0.10)	(2.50)	(55.70)	(21.90)	45.50	33.70	(8.30)	103.25	3.56	19.67	6.25	3.90	(0.56)
Decrease/(Increase) in Finance Expense	3.80	(1.50)	0.00	(3.70)	(6.60)	4.20	7.90	15.65	28.44	38.91	0.00	0.00	(1.00)
Increase/(Decrease) in Finance Income	0.70	(0.50)	2.90	0.00	0.00	10.40	3.60	(53.34)	(54.49)	8.27	9.68	36.45	
Gain on Sale of Associates	0.00	(6.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Share of Associate Losses	0.00	15.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign Exchange, Fair Value and Hedge Ineffectiveness	0.00	0.00	407.20	(294.10)	(146.50)	144.70	(7.10)	(7.10)	(7.10)	(7.10)	(7.10)	(7.10)	0.00
Income Tax (Paid)/Refunded	(118.90)	(100.90)	(120.50)	87.10	9.50	(4.10)	(49.10)	(11.79)	(28.69)	(45.76)	(73.65)	(108.70)	0.74
<b>Net Cash From/(Used In) Operating Activities</b>	<b>2,233.20</b>	<b>2,017.50</b>	<b>1,944.10</b>	<b>(2,448.00)</b>	<b>1,940.50</b>	<b>3,891.00</b>	<b>3,157.90</b>	<b>1,536.82</b>	<b>2,347.09</b>	<b>3,009.47</b>	<b>3,726.50</b>	<b>5,155.89</b>	<b>0.35</b>
<b>Investing Activities</b>													
CAPEX - Purchase of Property, Plant and Equipment	(1,470.60)	(1,546.70)	(1,195.80)	(294.70)	(1,181.60)	(1,914.70)	(2,391.90)	(2,300.00)	(1,100.00)	(1,300.00)	(1,600.00)	(2,100.00)	(0.02)
Supplier Reimbursements for Property, Plant and Equipment	0.00	0.00	0.00	377.60	113.90	127.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Proceeds From Sale of Property, Plant and Equipment	0.00	0.00	0.00	112.10	110.50	4.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Decrease/(Increase) in Restricted Cash	(22.80)	(0.30)	0.50	0.30	11.40	3.20	13.10	(0.57)	(0.52)	(0.52)	(0.17)	(0.17)	(0.26)
(Increase)/Decrease in Financial Assets: Cash > 3 Months	774.00	646.10	277.20	741.70	(468.60)	(122.10)	818.40	(18.24)	140.70	(33.02)	(23.63)	(125.65)	0.62
Acquisition of Subsidiary (Net of Cash Acquired)	0.00	(86.50)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investment in Associate	0.00	(15.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Cash (Used In)/From Investing Activities</b>	<b>(719.40)</b>	<b>(1,002.40)</b>	<b>(918.10)</b>	<b>937.00</b>	<b>(1,414.40)</b>	<b>(1,901.20)</b>	<b>(1,560.40)</b>	<b>(2,318.81)</b>	<b>(959.82)</b>	<b>(1,333.54)</b>	<b>(1,623.81)</b>	<b>(2,225.82)</b>	<b>(0.01)</b>
<b>Financing Activities</b>													
Shareholder Returns (Net of Tax)	(829.10)	(531.60)	(580.50)	0.00	0.00	0.00	0.00	(687.60)	0.00	0.00	0.00	(496.11)	0.00
Net Proceeds From Shares Issued	0.00	0.00	19.10	421.00	46.80	31.70	16.40	0.00	0.00	0.00	0.00	0.00	0.00
Proceeds From Borrowings	65.20	99.90	750.00	2,228.60	1,192.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Repayments of Borrowings	(458.90)	(422.80)	(408.10)	(950.30)	(1,722.30)	(1,039.40)	(1,100.50)	(50.36)	(891.26)	(1,219.15)	0.00	0.00	(1.00)
Lease Liabilities Paid	0.00	0.00	(67.50)	(76.80)	(53.00)	(46.30)	(42.70)	(39.36)	(33.43)	(33.43)	(31.37)	(23.67)	(0.12)
Dividends Paid	0.00	0.00	0.00	0.00	0.00	0.00	(199.50)	(679.28)	(71.77)	(174.59)	(278.48)	(448.19)	(0.10)
<b>Net Cash (Used In)/From Financing Activities</b>	<b>(1,222.80)</b>	<b>(854.50)</b>	<b>(287.00)</b>	<b>1,622.50</b>	<b>(536.50)</b>	<b>(1,054.00)</b>	<b>(1,326.30)</b>	<b>(1,456.59)</b>	<b>(996.46)</b>	<b>(1,427.17)</b>	<b>(309.85)</b>	<b>(967.97)</b>	<b>(0.10)</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>291.00</b>	<b>160.60</b>	<b>739.00</b>	<b>111.50</b>	<b>(10.40)</b>	<b>935.80</b>	<b>271.20</b>	<b>(2,238.58)</b>	<b>390.81</b>	<b>248.76</b>	<b>1,792.84</b>	<b>1,962.10</b>	
Net Foreign Exchange Differences	0.00	0.00	151.80	(27.20)	28.70	(5.50)	4.90	108.96	108.96	108.96	108.96	108.96	0.00
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>1,224.00</b>	<b>1,515.00</b>	<b>1,675.60</b>	<b>2,566.40</b>	<b>2,650.70</b>	<b>2,669.00</b>	<b>3,599.30</b>	<b>3,875.40</b>	<b>1,745.78</b>	<b>2,245.54</b>	<b>2,603.26</b>	<b>4,505.06</b>	<b>0.04</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>1,515.00</b>	<b>1,675.60</b>	<b>2,566.40</b>	<b>2,650.70</b>	<b>2,669.00</b>	<b>3,599.30</b>	<b>3,875.40</b>	<b>1,745.78</b>	<b>2,245.54</b>	<b>2,603.26</b>	<b>4,505.06</b>	<b>6,576.11</b>	<b>0.39</b>



## Appendix 4: Key Financial Ratios

	Covid Years						Estimation					
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	FY28F	FY29F
<b>Profitability</b>												
EBITDA Margin	32.31%	22.62%	22.53%	-16.00%	7.91%	21.96%	23.21%	11.12%	14.28%	16.21%	20.01%	24.07%
EBIT Margin	23.32%	13.21%	13.27%	-51.31%	-7.07%	13.39%	15.33%	2.43%	5.85%	8.10%	12.28%	16.76%
EBT Margin	22.53%	12.32%	7.89%	-67.78%	-8.95%	13.39%	15.83%	2.68%	5.89%	8.44%	12.66%	17.31%
Net Profit Margin	20.28%	11.50%	7.64%	-62.06%	-5.02%	12.19%	14.26%	2.28%	5.00%	7.17%	10.76%	14.71%
ROA	11.73%	6.68%	4.40%	-8.23%	-1.59%	8.01%	11.16%	1.71%	4.09%	6.31%	8.99%	11.50%
ROE	32.45%	16.97%	13.20%	-21.85%	-4.34%	23.28%	25.18%	3.77%	8.47%	12.04%	16.51%	20.00%
Basic EPS	€ 1.2151	€ 0.7739	€ 0.5824	-€ 0.9142	-€ 0.2130	€ 1.1557	€ 1.6828	€ 0.2628	€ 0.6394	€ 1.0199	€ 1.6414	€ 2.4647
<b>Liquidity</b>												
Current Ratio	1.23	0.93	0.82	0.98	1.01	0.80	0.91	0.54	0.53	0.63	0.81	1.00
Quick Ratio	1.23	0.93	0.82	0.98	1.01	0.80	0.91	0.54	0.53	0.63	0.81	1.00
Cash Ratio	1.08	0.78	0.69	0.89	0.67	0.63	0.64	0.27	0.29	0.35	0.55	0.75
<b>Efficiency</b>												
Asset Turnover	0.58	0.58	0.58	0.13	0.32	0.66	0.78	0.75	0.82	0.88	0.84	0.78
Receivables Turnover	124.15	129.37	125.85	87.95	110.37	180.49	175.97	151.14	155.68	161.90	170.00	179.69
ROIC	16.79%	10.44%	12.75%	-10.63%	-5.23%	15.74%	17.86%	3.02%	8.48%	11.65%	16.08%	19.38%
<b>Solvency</b>												
Debt-to-Equity	88.68%	69.88%	80.69%	112.85%	89.07%	69.29%	33.91%	27.49%	14.67%	0.00%	0.00%	0.00%
Debt-to-Assets	32.06%	27.50%	26.89%	42.53%	32.60%	23.83%	15.03%	12.51%	7.10%	0.00%	0.00%	0.00%

## Appendix 5: Drivers of Profitability

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	FY28F	FY29F
<b>aRASM</b>												
Ancillary Revenue	€ 2,017.00	€ 2,436.30	€ 2,928.60	€ 599.80	€ 2,148.40	€ 3,844.90	€ 4,298.70	€ 4,096.26	€ 4,535.58	€ 5,046.10	€ 5,413.59	€ 5,843.91
ASM (bn)	106	116	119	30	91	138	152	164	177	190	195	202
<b>aRASM</b>	€ 0.0190	€ 0.0211	€ 0.0247	€ 0.0200	€ 0.0237	€ 0.0279	€ 0.0284	€ 0.0250	€ 0.0256	€ 0.0266	€ 0.0278	€ 0.0290
<b>ASM</b>												
Seats available (millions)	137.0	149.3	155.7	38.7	117.3	179.9	194.3	211.7	229.0	245.6	252.4	261.0
Average sector length (miles)	775	774	761	776	772	766	780	773	773	773	773	773
ASM (bn)	106	116	119	30	91	138	152	164	177	190	195	202
<b>RPM</b>												
Revenue passengers booked (millions)	130.3	142.0	148.6	27.5	97.1	168.6	183.7	200	215	230	235	240
Average sector length (miles)	775	774	761	776	772	766	780	773	773	773	773	773
RPM (bn)	101	110	113	21	75	129	143	155	166	178	182	185
<b>Load Factor</b>												
RPM (bn)	101	110	113	21	75	129	143	155	166	178	182	185
ASM (bn)	106	116	119	30	91	138	152	164	177	190	195	202
Load factor	95%	95%	95%	71%	83%	94%	95%	94%	94%	94%	93%	92%
<b>Yield</b>												
Total revenues (millions)	€ 7,151.00	€ 7,697.40	€ 8,494.80	€ 1,635.80	€ 4,800.90	€ 10,775.20	€ 13,443.80	€ 12,607.02	€ 13,959.12	€ 15,530.33	€ 16,661.35	€ 17,985.75
RPM (bn)	101	110	113	21	75	129	143	155	166	178	182	185
Yield	€ 0.0708	€ 0.0700	€ 0.0751	€ 0.0767	€ 0.0640	€ 0.0834	€ 0.0938	€ 0.0816	€ 0.0840	€ 0.0874	€ 0.0918	€ 0.0970
<b>pRASM</b>												
Load factor	95%	95%	95%	71%	83%	94%	95%	94%	94%	94%	93%	92%
Yield	€ 0.0708	€ 0.0700	€ 0.0751	€ 0.0767	€ 0.0640	€ 0.0834	€ 0.0938	€ 0.0816	€ 0.0840	€ 0.0874	€ 0.0918	€ 0.0970
<b>pRASM</b>	€ 0.0673	€ 0.0666	€ 0.0717	€ 0.0545	€ 0.0530	€ 0.0782	€ 0.0887	€ 0.0771	€ 0.0789	€ 0.0818	€ 0.0854	€ 0.0892
<b>RASM</b>												
aRASM	€ 0.0190	€ 0.0211	€ 0.0247	€ 0.0200	€ 0.0237	€ 0.0279	€ 0.0284	€ 0.0250	€ 0.0256	€ 0.0266	€ 0.0278	€ 0.0290
pRASM	€ 0.0673	€ 0.0666	€ 0.0717	€ 0.0545	€ 0.0530	€ 0.0782	€ 0.0887	€ 0.0771	€ 0.0789	€ 0.0818	€ 0.0854	€ 0.0892
<b>RASM</b>	€ 0.0863	€ 0.0877	€ 0.0964	€ 0.0744	€ 0.0768	€ 0.1061	€ 0.1171	€ 0.1021	€ 0.1045	€ 0.1084	€ 0.1132	€ 0.1182
<b>Total Costs</b>												
Fixed costs	€ 738.50	€ 984.00	€ 1,106.90	€ 472.20	€ 690.10	€ 1,191.40	€ 1,500.00	€ 1,551.85	€ 1,668.24	€ 1,784.63	€ 1,823.43	€ 1,862.22
Variable costs	€ 4,745.20	€ 5,696.60	€ 6,260.50	€ 2,003.00	€ 4,450.40	€ 8,141.20	€ 9,883.10	€ 10,749.11	€ 11,474.89	€ 12,488.02	€ 12,791.29	€ 13,109.65
<b>Total costs</b>	€ 5,483.70	€ 6,680.60	€ 7,367.40	€ 2,475.20	€ 5,140.50	€ 9,332.60	€ 11,383.10	€ 12,300.96	€ 13,143.13	€ 14,272.65	€ 14,614.72	€ 14,971.87
<b>CASM</b>												
Total costs	€ 5,483.70	€ 6,680.60	€ 7,367.40	€ 2,475.20	€ 5,140.50	€ 9,332.60	€ 11,383.10	€ 12,300.96	€ 13,143.13	€ 14,272.65	€ 14,614.72	€ 14,971.87
ASM (bn)	106	116	119	30	91	138	152	164	177	190	195	202
<b>CASM</b>	€ 0.0516	€ 0.0578	€ 0.0622	€ 0.0824	€ 0.0568	€ 0.0677	€ 0.0751	€ 0.0752	€ 0.0743	€ 0.0752	€ 0.0749	€ 0.0743
<b>PASM</b>												
RASM	€ 0.0863	€ 0.0877	€ 0.0964	€ 0.0744	€ 0.0768	€ 0.1061	€ 0.1171	€ 0.1021	€ 0.1045	€ 0.1084	€ 0.1132	€ 0.1182
<b>CASM</b>	€ 0.0516	€ 0.0578	€ 0.0622	€ 0.0824	€ 0.0568	€ 0.0677	€ 0.0751	€ 0.0752	€ 0.0743	€ 0.0752	€ 0.0749	€ 0.0743
<b>PASM</b>	€ 0.0347	€ 0.0299	€ 0.0342	€ 0.0080	€ 0.0200	€ 0.0384	€ 0.0420	€ 0.0269	€ 0.0302	€ 0.0332	€ 0.0382	€ 0.0439
<b>Seats Available</b>												
Sectors flown	725,044	789,771	823,897	204,828	620,524	946,643	1,022,455	1,114,028	1,197,581	1,281,133	1,308,983	1,336,834
Average aircraft capacity	189	189	189	189	189	190	190	190	191	192	193	195
Seats available (millions)	137.0	149.3	155.7	38.7	117.3	179.9	194.3	211.7	229.0	245.6	252.4	261.0
<b>Break-Even Load Factor</b>												
CASM	€ 0.0516	€ 0.0578	€ 0.0622	€ 0.0824	€ 0.0568	€ 0.0677	€ 0.0751	€ 0.0752	€ 0.0743	€ 0.0752	€ 0.0749	€ 0.0743
Yield per RPM	€ 0.0708	€ 0.0700	€ 0.0751	€ 0.0767	€ 0.0640	€ 0.0834	€ 0.0938	€ 0.0816	€ 0.0840	€ 0.0874	€ 0.0918	€ 0.0970
Break-even load factor	73%	83%	83%	107%	89%	81%	80%	92%	88%	86%	82%	77%



## Appendix 5: Drivers of Profitability (Cont.)

	FY24	FY25F	FY26F	FY27F	FY28F	FY29F
<b>Average aircraft capacity</b>						
<b>Number of Aircrafts</b>						
B737 NG	411	411	411	411	411	393
B737-8200	146	210	210	210	210	210
A320	27	27	27	23	21	10
MAX-10	0	0	0	8	28	68
<b>Total</b>	<b>584</b>	<b>648</b>	<b>648</b>	<b>652</b>	<b>670</b>	<b>681</b>
<b>Seats per Aircraft</b>						
B737 NG	189					
B737-8200 'Gamechanger'	197					
A320	180					
MAX-10	228					
<b>Total Seats per Aircraft</b>						
B737 NG	77,679	77,679	77,679	77,679	77,679	74,277
B737-8200	28,762	41,370	41,370	41,370	41,370	41,370
A320	4,860	4,860	4,860	4,140	3,780	1,800
MAX-10	-	-	-	1,824	6,384	15,504
<b>Total</b>	<b>111,301</b>	<b>123,909</b>	<b>123,909</b>	<b>125,013</b>	<b>129,213</b>	<b>132,951</b>
<b>Average Aircraft Capacity</b>	<b>190</b>	<b>190</b>	<b>191</b>	<b>192</b>	<b>193</b>	<b>195</b>

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E
<b>Sectors Flown</b>												
Sectors flown	725,044	789,771	823,897	204,828	620,524	946,643	1,022,455	1,114,028	1,197,581	1,281,133	1,308,983	1,336,834
Passengers flown (million)	130.3	142.0	148.6	27.5	97.1	168.6	183.7	200	215	230	235	240
	180	180	180	134	156	178	180	180	180	180	180	180
					<b>Average Ignoring Covid</b>		<b>180</b>					

<b>Distance Flown</b>												
Sectors flown	725,044	789,771	823,897	204,828	620,524	946,643	1,022,455	1,114,028	1,197,581	1,281,133	1,308,983	1,336,834
Average sector length (miles)	775	774	761	776	772	766	780	772.6	772.6	772.6	772.6	772.6
Distance flown (miles)	561,909,100	611,282,754	626,985,617	158,946,528	479,044,528	725,128,538	797,514,900	860,698,336	925,250,712	989,803,087	1,011,320,545	1,032,838,004

## Appendix 6: Common-Size Statement of Financial Position

Common-Size Statement of Financial Position – Ryanair												
Caption	Historical							Estimation				
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	FY28F	FY29F
<b>Non-Current Assets</b>												
Property, Plant and Equipment	65.71%	68.14%	64.00%	67.82%	60.03%	60.40%	63.15%	71.94%	70.20%	68.05%	61.82%	57.00%
Right-of-Use Asset	0.00%	0.00%	1.61%	1.53%	0.88%	1.27%	0.97%	0.79%	0.58%	0.37%	0.17%	0.05%
Intangible Assets	0.38%	1.10%	0.99%	1.19%	0.97%	0.89%	0.85%	0.87%	0.86%	0.83%	0.73%	0.64%
Derivative Financial Instruments	0.02%	1.72%	2.57%	0.90%	1.22%	0.33%	0.02%	1.52%	1.36%	1.46%	1.35%	1.26%
Other Assets	0.00%	0.00%	0.00%	0.40%	0.48%	1.03%	1.07%	1.19%	1.25%	1.30%	1.17%	1.04%
Deferred Tax	0.00%	0.33%	0.36%	0.11%	0.28%	0.04%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total Non-Current Assets</b>	<b>66.11%</b>	<b>71.29%</b>	<b>69.53%</b>	<b>71.95%</b>	<b>63.86%</b>	<b>63.97%</b>	<b>66.07%</b>	<b>76.32%</b>	<b>74.26%</b>	<b>72.01%</b>	<b>65.25%</b>	<b>59.99%</b>
<b>Current Assets</b>												
Inventories	0.03%	0.02%	0.02%	0.03%	0.03%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
Other Assets	1.91%	1.80%	1.21%	1.46%	2.65%	5.36%	7.43%	8.22%	8.68%	8.97%	8.11%	7.18%
Current Tax	0.00%	0.00%	0.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Assets Held for Sale	0.00%	0.00%	0.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Trade Receivables	0.47%	0.45%	0.46%	0.15%	0.29%	0.36%	0.44%	0.50%	0.53%	0.54%	0.49%	0.44%
Derivative Financial Instruments	1.72%	2.33%	1.99%	0.86%	9.24%	1.78%	2.03%	2.94%	2.61%	2.81%	2.61%	2.43%
Restricted Cash	0.28%	0.26%	0.23%	0.28%	0.15%	0.12%	0.04%	0.04%	0.04%	0.05%	0.04%	0.04%
Financial Assets: Cash > 3 months	17.23%	11.20%	8.19%	3.78%	6.17%	6.44%	1.38%	1.53%	0.68%	0.84%	0.86%	1.29%
Cash and Cash Equivalents	12.26%	12.65%	17.40%	21.50%	17.62%	21.94%	22.56%	10.42%	13.17%	14.75%	22.59%	28.59%
<b>Total Current Assets</b>	<b>33.89%</b>	<b>28.71%</b>	<b>30.47%</b>	<b>28.05%</b>	<b>36.14%</b>	<b>36.03%</b>	<b>33.93%</b>	<b>23.68%</b>	<b>25.74%</b>	<b>27.99%</b>	<b>34.75%</b>	<b>40.01%</b>
<b>Total Assets</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Current Liabilities</b>												
Provisions	0.00%	0.00%	0.29%	0.08%	0.06%	0.12%	0.27%	0.30%	0.32%	0.33%	0.30%	0.26%
Trade Payables	2.02%	4.33%	9.28%	2.73%	6.79%	6.49%	4.61%	3.31%	3.84%	4.57%	5.31%	5.37%
Accrued Expenses and Other Liabilities	20.24%	22.58%	17.56%	10.34%	19.75%	29.16%	30.44%	31.97%	34.36%	36.63%	34.27%	31.55%
Current Lease Liability	0.00%	0.00%	0.51%	0.43%	0.38%	0.26%	0.23%	0.20%	0.20%	0.18%	0.12%	0.05%
Current Maturities of Debt	3.52%	2.33%	2.59%	14.00%	8.08%	6.44%	0.29%	5.28%	7.10%	0.00%	0.00%	0.00%
Current Tax	0.29%	0.24%	0.00%	0.39%	0.31%	0.40%	0.39%	0.09%	0.22%	0.35%	0.49%	0.63%
Derivative Financial Instruments	1.54%	1.43%	7.12%	0.64%	0.25%	2.36%	1.04%	2.64%	2.35%	2.52%	2.34%	2.19%
<b>Total Current Liabilities</b>	<b>27.61%</b>	<b>30.92%</b>	<b>37.35%</b>	<b>28.61%</b>	<b>35.64%</b>	<b>45.24%</b>	<b>37.27%</b>	<b>43.80%</b>	<b>48.39%</b>	<b>44.57%</b>	<b>42.83%</b>	<b>40.04%</b>
<b>Non-Current Liabilities</b>												
Provisions	1.12%	1.02%	0.25%	0.38%	0.62%	0.94%	0.80%	0.90%	0.95%	0.98%	0.89%	0.78%
Trade Payables	0.00%	0.00%	0.00%	1.46%	0.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Derivative Financial Instruments	3.36%	0.06%	1.22%	0.05%	0.00%	0.07%	0.02%	0.09%	0.08%	0.09%	0.08%	0.08%
Deferred Tax	3.20%	3.48%	2.40%	2.21%	1.76%	0.97%	2.11%	1.97%	1.90%	1.86%	1.70%	1.57%
Other Creditors	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Non-Current Lease Liability	0.00%	0.00%	1.16%	1.06%	0.54%	0.99%	0.73%	0.51%	0.31%	0.11%	0.05%	0.00%
Non-Current Maturities of Debt	28.54%	25.17%	24.30%	28.54%	24.52%	17.39%	14.74%	7.23%	0.00%	0.00%	0.00%	0.00%
<b>Total Non-Current Liabilities</b>	<b>36.24%</b>	<b>29.73%</b>	<b>29.32%</b>	<b>33.70%</b>	<b>27.76%</b>	<b>20.37%</b>	<b>18.40%</b>	<b>10.70%</b>	<b>3.24%</b>	<b>3.04%</b>	<b>2.72%</b>	<b>2.43%</b>
<b>Shareholders' Equity</b>												
Issued Share Capital	0.06%	0.05%	0.04%	0.05%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.03%	0.03%
Share Premium Account	5.82%	5.43%	5.01%	9.42%	8.77%	8.41%	8.18%	8.38%	8.23%	7.95%	7.04%	6.11%
Other Undenominated Capital	0.02%	0.02%	0.02%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Retained Earnings	32.99%	31.56%	28.79%	26.22%	19.02%	25.48%	34.35%	36.75%	39.78%	44.09%	47.10%	51.15%
Other Reserves	-2.74%	2.29%	-0.54%	1.97%	8.75%	0.44%	1.74%	0.31%	0.30%	0.29%	0.26%	0.22%
<b>Shareholders' Equity</b>	<b>36.15%</b>	<b>39.36%</b>	<b>33.32%</b>	<b>37.69%</b>	<b>36.60%</b>	<b>34.40%</b>	<b>44.33%</b>	<b>45.51%</b>	<b>48.37%</b>	<b>52.39%</b>	<b>54.45%</b>	<b>57.53%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## Appendix 7: Common-Size Income Statement

Common-Size Income Statement – Ryanair												
Caption	Historical							Estimation				
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	FY28F	FY29F
<b>Operating Revenues</b>												
Scheduled Revenues	71.79%	68.35%	65.52%	63.33%	55.25%	64.32%	68.02%	67.51%	67.51%	67.51%	67.51%	67.51%
Ancillary Revenues	28.21%	31.65%	34.48%	36.67%	44.75%	35.68%	31.98%	32.49%	32.49%	32.49%	32.49%	32.49%
<b>Total Operating Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Operating Expenses</b>												
Fuel and Oil	26.61%	31.53%	32.52%	33.17%	35.40%	37.36%	38.25%	43.81%	42.89%	42.39%	40.03%	37.81%
Airport and Handling Charges	13.13%	13.79%	13.42%	17.56%	16.94%	11.51%	11.04%	12.83%	12.46%	11.98%	11.41%	10.79%
Staff Costs	10.33%	12.78%	13.03%	28.87%	14.37%	11.06%	11.16%	12.31%	11.95%	11.49%	10.94%	10.35%
Depreciation	7.85%	8.32%	8.81%	34.91%	14.98%	8.57%	7.88%	8.69%	8.44%	8.11%	7.73%	7.31%
Route Charges	9.81%	9.68%	8.66%	11.45%	11.48%	8.39%	7.62%	8.85%	8.60%	8.26%	7.87%	7.45%
Marketing, Distribution and Other	5.74%	7.11%	6.81%	12.32%	8.57%	6.26%	5.63%	7.49%	6.35%	6.32%	6.55%	6.51%
Maintenance, Materials and Repairs	2.07%	2.48%	3.02%	12.64%	5.33%	3.47%	3.09%	3.59%	3.48%	3.35%	3.19%	3.02%
Aircraft Rentals	1.15%	1.09%	0.45%	0.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total Operating Expenses</b>	<b>76.68%</b>	<b>86.79%</b>	<b>86.73%</b>	<b>151.31%</b>	<b>107.07%</b>	<b>86.61%</b>	<b>84.67%</b>	<b>97.57%</b>	<b>94.15%</b>	<b>91.90%</b>	<b>87.72%</b>	<b>83.24%</b>
<b>Operating Profit/(Loss)</b>	<b>23.32%</b>	<b>13.21%</b>	<b>13.27%</b>	<b>-51.31%</b>	<b>-7.07%</b>	<b>13.39%</b>	<b>15.33%</b>	<b>2.43%</b>	<b>5.85%</b>	<b>8.10%</b>	<b>12.28%</b>	<b>16.76%</b>
<b>Other (Expense)/Income</b>												
Net Finance Income/(Expenses)	-0.81%	-0.72%	-5.40%	-17.18%	-1.90%	-0.32%	0.46%	0.19%	-0.01%	0.29%	0.33%	0.51%
Foreign Exchange Gain/(Loss)	0.03%	-0.05%	0.02%	0.72%	0.02%	0.32%	0.04%	0.06%	0.05%	0.05%	0.05%	0.04%
Gain on Sale of Associate	0.00%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Share of Associate Losses	0.00%	-0.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total Other (Expense)/Income</b>	<b>-0.78%</b>	<b>-0.89%</b>	<b>-5.38%</b>	<b>-16.46%</b>	<b>-1.88%</b>	<b>0.00%</b>	<b>0.50%</b>	<b>0.25%</b>	<b>0.04%</b>	<b>0.34%</b>	<b>0.38%</b>	<b>0.55%</b>
<b>Profit/(Loss) Before Tax</b>	<b>22.53%</b>	<b>12.32%</b>	<b>7.89%</b>	<b>-67.78%</b>	<b>-8.95%</b>	<b>13.39%</b>	<b>15.83%</b>	<b>2.68%</b>	<b>5.89%</b>	<b>8.44%</b>	<b>12.66%</b>	<b>17.31%</b>
Tax (Expense)/Credit	-2.25%	-0.82%	-0.25%	5.72%	3.94%	-1.19%	-1.57%	-0.40%	-0.88%	-1.27%	-1.90%	-2.60%
<b>Profit/(Loss) For the Year - All Attributable to Equity Holders of Parent</b>	<b>20.28%</b>	<b>11.50%</b>	<b>7.64%</b>	<b>-62.06%</b>	<b>-5.02%</b>	<b>12.19%</b>	<b>14.26%</b>	<b>2.28%</b>	<b>5.00%</b>	<b>7.17%</b>	<b>10.76%</b>	<b>14.71%</b>

## Appendix 8: Forecasting Assumptions

Author's Rational for Forecasting Assumptions	
<b>Author's note:</b> For most assumption that required looking into past performance, Covid-impacted years, namely FY21 and FY22, were considered outliers and not considered.	
Variable	Rationale
<b>Ryanair's financial assumptions</b>	
<b>Income Statement</b>	
<b>Scheduled Revenues</b>	Considering Ryanair's comments regarding passenger price resistance from customers in Q1FY25, the Author considered average fare prices to sharply decrease during FY25, slowly increasing in the following periods. Then considered Ryanair's projected annual passenger numbers.
<b>Ancillary Revenues</b>	Author's analysis, based on historical relationship between ancillary revenue per passenger and average booked passenger fare. Then considered Ryanair's projected annual passenger numbers.
<b>Fuel and Oil</b>	Author's analysis, based on expectations of crude price in the future, total miles flown per year, and the yearly average fuel and oil consumption per mile of its aircraft fleet. Refer to Appendix 9 for the detailed calculations.
<b>Airport and Handling Charges</b>	Author's analysis based on historical relationship with the cost per sector flown. Considering airports all over Europe are raising costs, last's FY value was deemed the best estimator.
<b>Staff Costs</b>	Author's analysis based on historical relationship with the cost per sector flown. This metric was chosen as Ryanair's crew is paid in a per flight basis.
<b>Depreciation</b>	Author's analysis based on historical relationship with the cost per distance flown. Considering aircraft depreciation is dependent on its utilisation, this was deemed has the most fitting one.
<b>Route Charges</b>	Author's analysis based on historical relationship with the cost per sector flown. Represents expenses related to Eurocontrol and ATC rates. Since these rates are mostly stable, last year's estimate was deemed has the better one.
<b>Marketing, Distribution and Other</b>	Author's analysis based on historical relationship with previous FY's revenues.
<b>Maintenance, Materials and Repairs</b>	Author's analysis based on historical relationship with the cost per sector flown. It is affected by aircraft utilisation. Considering recent high inflation, alongside Boeing ongoing quality issues, that force Ryanair to perform maintenance checks by itself, last year's estimate was deemed as better fitting one.
<b>Net Finance Income/(Expenses)</b>	Author's analysis based on historical relationship of finance expense with debt and Euribor 12M, and on historical relationship of finance income with total cash.
<b>Foreign Exchange Gain/(Loss)</b>	Author's analysis based on historical values.
<b>Tax (Expense)/Credit</b>	Based on EU directive of minimum 15% corporate tax rate for multinational groups.
<b>Statement of Financial Position</b>	
<b>Property, Plant, and Equipment</b>	Added CAPEX and reduced depreciation of the current period to previous period PP&E amount.
<b>Right-of-Use Asset</b>	This account to corresponds to the lease of Lauda's Airbus aircrafts. This lease will run up in FY30. The Author considered this account to diminish accordingly with the projected leased aircrafts on Ryanair's fleet.
<b>Intangible Assets</b>	The last change in this account occurred in FY19 as Ryanair purchased 'Buzz'. The Author does not expect any more acquisitions; hence this account will remain constant.
<b>Derivative Financial Instruments</b>	Author's analysis based on historical relationship with CAPEX and Fuel and Oil expenses. This method was used in both Assets and Liabilities.
<b>Other Assets</b>	Author's analysis based on historical relationship with the cost per mile flown. Carbon credits purchased in the external markets are presented here. Although more efficient aircrafts will be used, the cost of these credits is expected to increase.
<b>Trade Receivables</b>	Author's analysis, based on historical relationship with number of passengers flown.
<b>Deferred Tax</b>	Ryanair registered tax allowances from losses from Lauda at the time of its acquisition and again at the time of the pandemic as the Company registered losses. The Author projects this account to be null in the future.
<b>Inventories</b>	Author's analysis, based on historical relationship with number of passengers flown.
<b>Restricted Cash</b>	Author's analysis, based on historical relationship with number of passengers flown. Restricted cash consists of cash reserves placed in escrow accounts for certain legal cases and appeals (which accounts for most of the balance).
<b>Financial Assets: Cash &gt; 3 months</b>	Author's analysis, based on historical relationship with previous FY's Cash and Cash Equivalents amount.
<b>Cash and Cash Equivalents</b>	Author's analysis based on Cash Flows performance.
<b>Provisions</b>	Author's analysis, based on historical relationship with number of passengers flown.
<b>Trades Payable</b>	Author's analysis based on historical relationship with following FY CAPEX. Advance and option payments in respect to aircraft purchase commitments and options to acquire aircraft are recorded at cost and are initially recognized in Trade Payables prior to payment.
<b>Accrued Expenses and Other Liabilities</b>	Author's analysis of the three accounts that constitute this account, namely "Accruals", "Indirect tax duties", and "Unearned revenues". Refer to Appendix 15 for the detailed calculations.
<b>Current Lease Liability</b>	Author's analysis, based on Ryanair's notes regarding its leases on its annual reports and Lauda leased aircrafts.
<b>Debt</b>	Author's analysis, based on Ryanair's notes on its annual report and bonds outstanding.
<b>Current Tax</b>	Author's analysis based on historic relationship with income tax. Comprises the expected tax payable and receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years.
<b>Non-Current Lease Liability</b>	Author's analysis, based on Ryanair's notes regarding its leases on its annual reports and Lauda leased aircrafts.
<b>Shareholders' Equity</b>	The Author projects that Ryanair will not issue new shares but will perform Share Buybacks. Those were estimated based on the CEO and CFO's comments regarding a comfortable Cash balance before performing any Share Buyback. The Author considered that whenever the Cash and Cash Equivalents accounts was above €4bn (the previously mentioned comfortable cash balance), Ryanair would perform Share Buybacks in the following period.
<b>Cash Flow Statement</b>	
<b>Share-Based Payments</b>	Author's analysis based on historic relationship with Profit or the previous FY.
<b>Foreign Exchange, Fair Value and Hedge Ineffectiveness</b>	Author's analysis based on historic amounts.
<b>CAPEX - Purchase of Property, Plant and Equipment</b>	Based on guidance provided on Ryanair's FY24 results call. Supported by an analysis by the Author on the viability of the provided values given scheduled aircraft deliveries.
<b>Repayments of Borrowings</b>	Author's analysis based on the evolution of debt account.
<b>Lease Liabilities Paid</b>	Author's analysis based on lease accounts.
<b>Shareholder Returns (Net of Tax)</b>	Based on the value of the Share Buyback. In future periods in which those occurred, a PT for that period was estimated using a DCF and that value was considered has the purchased share price.
<b>Dividends Paid</b>	Based on guidance provided by the Company stating that 25% of previous FY Profit will be distributed as dividends.



## Appendix 9: Fuel and Oil Estimation

	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	Estimation				
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	FY28F	FY29F
Fuel and Oil	€ 1,902.80	€ 2,427.30	€ 2,762.20	€ 542.60	€ 1,699.40	€ 4,025.70	€ 5,142.60	€ 5,522.91	€ 5,986.39	€ 6,583.40	€ 6,669.22	€ 6,801.06
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E
Average aircraft consumption per mile												
Number of Aircrafts												
B737 NG	431	455	440	422	410	411	411	411	411	411	411	393
B737-8200	0	0	0	0	61	98	146	210	210	210	210	210
A320	0	16	26	29	29	28	27	27	27	26	21	10
MAX-10	0	0	0	0	0	0	0	0	0	8	28	68
Total	431	471	466	451	500	537	584	648	648	655	670	681
Fuel Consumption (Gallons per Mile)												
B737 NG	15.12											
B737-8200 'Gamechanger'	13.24											
A320	15.14											
MAX-10	14.59											
Fuel Consumption per Seat												
B737 NG	0.0800											
B737-8200 'Gamechanger'	0.0672											
A320	0.0841											
MAX-10	0.0640											
Total Consumption per Aircraft Type (Gallons per Mile)												
B737 NG	6,516.72	6,879.60	6,652.80	6,380.64	6,199.20	6,214.32	6,214.32	6,214.32	6,214.32	6,214.32	6,214.32	5,942.16
B737-8200	-	-	-	-	807.54	1,297.36	1,932.81	2,780.06	2,780.06	2,780.06	2,780.06	2,780.06
A320	-	242.20	393.58	438.99	438.99	423.86	408.72	408.72	408.72	393.58	317.89	151.38
MAX-10	-	-	-	-	-	-	-	-	-	116.74	408.58	992.26
Total	6,516.72	7,121.80	7,046.38	6,819.63	7,445.74	7,935.54	8,555.84	9,403.10	9,403.10	9,504.70	9,720.85	9,865.86
Average aircraft consumption per Mile (Gallons)	15.12	15.12	15.12	15.12	14.89	14.78	14.65	14.51	14.51	14.51	14.51	14.49
Consumption (FY24=1)	1.032	1.032	1.032	1.032	1.016	1.009	1.000	0.990	0.990	0.990	0.990	0.989
Price per barrel												
Total gallons consumed	8,496,065,592.00	9,242,962,891.50	9,480,641,883.92	2,403,452,456.89	7,133,678,025.41	10,715,615,919.31	11,683,927,085.25	12,489,559,070.60	13,426,276,000.89	14,363,025,535.08	14,672,980,816.97	14,963,042,731.56
Price per gallon	€ 0.22	€ 0.26	€ 0.29	€ 0.23	€ 0.24	€ 0.38	€ 0.44	€ 0.44	€ 0.45	€ 0.46	€ 0.45	€ 0.45
Conversion to crude oil required	0.02381											
Total crude barrels consumed	202,287,275.92	220,070,544.95	225,729,568.57	57,225,058.47	169,849,476.73	255,133,712.26	278,188,740.01	297,370,453.94	319,673,237.99	341,976,798.32	349,356,685.98	356,262,922.04
Price per crude required	€ 9.41	€ 11.03	€ 12.24	€ 9.48	€ 10.01	€ 15.78	€ 18.49	€ 18.57	€ 18.73	€ 19.25	€ 19.09	€ 19.09
Conversion to jet fuel barrels	4											
Total crude oil barrels consumed	50,571,818.98	55,017,636.24	56,432,392.14	14,306,264.62	42,462,369.18	63,783,428.07	69,547,185.00	74,342,613.49	79,918,309.50	85,494,199.58	87,339,171.49	89,065,730.51
Price per crude oil barrel	€ 37.63	€ 44.12	€ 48.95	€ 37.93	€ 40.02	€ 63.12	€ 73.94	€ 74.29	€ 74.91	€ 77.00	€ 76.36	€ 76.36
Price paid per crude oil barrel (USD)	\$ 40.90	\$ 47.95	\$ 53.20	\$ 41.23	\$ 43.50	\$ 68.60	\$ 80.37	\$ 80.75	\$ 81.42	\$ 83.70	\$ 83.00	\$ 83.00
				Avg. Price per crude oil barrel (USD)		\$ 101.00	\$ 82.00	\$ 83.00	\$ 84.00	\$ 83.00	\$ 83.00	\$ 83.00
				% Hedged previous FY		80%	85%	75%	43%	70%	70%	70%
				Price hedged		\$ 52.65	\$ 89.00	\$ 80.00	\$ 78.00	\$ 84.00	\$ 83.00	\$ 83.00

## Appendix 10: Assumptions: Revenues

								Estimation									
	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	For The FY18-24 Period				
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	FY28F	FY29F	Avg.	Avg. W/o Covid	Median	Median W/o Covid	FY24
Average Booked Passenger Fare	€ 39.40	€ 37.03	€ 37.46	€ 37.65	€ 27.33	€ 41.12	€ 49.80	€ 42.55	€ 43.83	€ 45.58	€ 47.86	€ 50.59	6.63%	16.68%	0.83%	11.14%	21.11%
%Δ		-6.02%	1.16%	0.51%	-27.41%	50.46%	21.11%	-14.55%	3.00%	4.00%	5.00%	5.70%					
Q1 Average Booked Fare	€ 40.30	€ 38.68	€ 36.00			€ 34.56	€ 49.07	€ 41.93					10.35%	10.35%	-4.02%	-4.02%	41.98%
%Δ		-4.02%	-6.93%				41.98%	-14.55%									
Ancillary Rev. per Booked Passenger	€ 15.48	€ 17.14	€ 19.71	€ 21.80	€ 22.13	€ 22.81	€ 23.40	€ 20.48	€ 21.10	€ 21.94	€ 23.04	€ 24.35	53.46%	48.13%	52.62%	46.99%	46.99%
As % of Average Booked Passenger Fare	39.29%	46.29%	52.62%	57.90%	80.97%	55.47%	46.99%	48.13%	48.13%	48.13%	48.13%	48.13%					

Forecasted Guests (millions)	200.00	215.00	230.00	235.00	240.00
Total Scheduled Revenue	€ 8,510.76	€ 9,423.53	€ 10,484.23	€ 11,247.76	€ 12,141.83
Total Ancillary Revenue	€ 4,096.26	€ 4,535.58	€ 5,046.10	€ 5,413.59	€ 5,843.91
Total Revenue	€ 12,607.02	€ 13,959.12	€ 15,530.33	€ 16,661.35	€ 17,985.75

## Appendix 11: Assumptions: Depreciation

								Estimation									
	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	For The FY18-24 Period				
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	FY28F	FY29F	Avg.	Avg. W/o Covid	Median	Median W/o Covid	FY24
Depreciation	€ 561.00	€ 640.50	€ 748.70	€ 571.00	€ 719.40	€ 923.20	€ 1,059.50	€ 1,095.80	€ 1,177.99	€ 1,260.17	€ 1,287.57	€ 1,314.96	1.53	1.17	1.27	1.19	1.33
Per Distance Flown	€ 1.00	€ 1.05	€ 1.19	€ 3.59	€ 1.50	€ 1.27	€ 1.33	€ 1.27	€ 1.27	€ 1.27	€ 1.27	€ 1.27					
Distance flown (miles)	561,909,100	611,282,754	626,985,617	158,946,528	479,044,528	725,128,538	797,514,900	860,698,336	925,250,712	989,803,087	1,011,320,545	1,032,838,004					

## Appendix 12: Assumptions: Other Assets

								Estimation									
	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	For The FY18-24 Period				
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	FY28F	FY29F	Avg.	Avg. W/o Covid	Median	Median W/o Covid	FY24
Other Assets	€ -	€ -	€ -	€ 48.70	€ 72.10	€ 168.90	€ 183.20	€ 199.10	€ 214.03	€ 228.96	€ 233.94	€ 238.91	0.22988	0.23132	0.23132	0.23132	0.22971
Per Mile Flown	€ -	€ -	€ -	€ 0.30639	€ 0.15051	€ 0.23292	€ 0.22971	€ 0.23132	€ 0.23132	€ 0.23132	€ 0.23132	€ 0.23132					

## Appendix 13: Assumptions: Trade Payables

								Estimation									
	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	For The FY18-24 Period				
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	FY28F	FY29F	Avg.	Avg. W/o Covid	Median	Median W/o Covid	FY24
Trade Payables	€ 249.60	€ 573.80	€ 1,368.20	€ 336.00	€ 1,029.00	€ 1,065.50	€ 792.20	€ 554.49	€ 655.30	€ 806.52	€ 1,058.56	€ 1,234.99	116.02%	44.13%	50.41%	50.41%	51.38%
% Relative to Next FY CAPEX	16.81%	49.43%	498.62%	20.99%	58.90%	51.38%		50.41%	50.41%	50.41%	50.41%	50.41%					

## Appendix 14: Assumptions: Accrued Expenses and Other Liabilities

	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	Estimation					For The FY18-24 Period				
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	FY28F	FY29F					
Accruals	€ 445.50	€ 320.80	€ 1,553.10	€ 887.30	€ 953.00	€ 1,276.60	€ 1,603.10	€ 1,732.36	€ 1,850.97	€ 2,010.04	€ 2,058.21	€ 2,108.51	Avg.	Avg. W/o Covid	Median	Median W/o Covid	FY24
% of Operating Costs	8.12%	4.80%	21.08%	35.85%	18.54%	13.68%	14.08%	14.08%	14.08%	14.08%	14.08%	14.08%	16.59%	12.35%	14.08%	13.68%	14.08%
Indirect tax and duties	€ 648.40	€ 709.00	€ 489.80	€ 96.70	€ 485.60	€ 720.40	€ 725.50	€ 926.24	€ 1,022.31	€ 1,132.70	€ 1,209.23	€ 1,298.41					
% Revenues and Staff Costs	8.22%	8.17%	5.10%	4.59%	8.84%	6.02%	4.85%	6.54%	6.54%	6.54%	6.54%	6.54%	6.54%	6.47%	6.02%	6.02%	4.85%
Unearned revenues	€ 1,408.30	€ 1,962.30	€ 546.50	€ 290.90	€ 1,554.20	€ 2,786.50	€ 2,899.00	€ 2,697.91	€ 2,987.26	€ 3,323.50	€ 3,565.54	€ 3,848.97					
% of Scheduled Revenues	27.43%	37.30%	9.82%	28.08%	58.59%	40.21%	31.70%	31.70%	31.70%	31.70%	31.70%	31.70%	33.30%	29.29%	31.70%	31.70%	31.70%
Accrued expenses and other liabilities	€ 2,502.20	€ 2,992.10	€ 2,589.40	€ 1,274.90	€ 2,992.80	€ 4,783.50	€ 5,227.60	€ 5,356.52	€ 5,860.54	€ 6,466.25	€ 6,832.99	€ 7,255.89					

## Appendix 15: Assumptions: Debt

Issue Date	Amount	Coupon Rate	Type	Tenor	Maturity Date
March 2015	€850 million	1.125%	Unsecured Eurobonds	8 years	March 2023
February 2017	€750 million	1.125%	Unsecured Eurobonds	6.5 years	August 2023
September 2020	€850 million	2.875%	Unsecured Eurobonds	5 years	September 2025
May 2021	€1.2 billion	0.875%	Unsecured Eurobonds	5 years	May 2026

## Appendix 16: Assumptions: Share Buybacks and Issued Share Capital

	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	Estimation				
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F	FY28F	FY29F
Issued Share Capital	€ 7.00	€ 6.80	€ 6.50	€ 6.70	€ 6.80	€ 6.90	€ 6.90	€ 6.61	€ 6.61	€ 6.61	€ 6.61	€ 6.50
Reduced per share	€ 0.006	€ 0.006	€ 0.006	€ 0.006	€ 0.006	€ 0.006	€ 0.006	€ 0.006	€ 0.006	€ 0.006	€ 0.006	€ 0.006
# Shares Buyback (millions)	33.00	37.80	47.20	0.00	0.00	0.00	0.00	47.81	0.00	0.00	0.00	18.72
Share Buyback	€ 829.00	€ 561.00	€ 581.00	€ -	€ -	€ -	€ -	€ 700.00	€ -	€ -	€ -	€ 505.06
				Shares Outstanding (millions)			1140.05	1092.23	1092.23	1092.23	1092.23	1073.51
				Purchase Price				€ 14.73				€ 26.98



## Appendix 17: Assumptions: Dividends Paid

	Estimation					
	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29
	FY24	FY25F	FY26F	FY27F	FY28F	FY29F
<b>Dividends Paid</b>	€ 199.50	€ 679.28	€ 71.77	€ 174.59	€ 278.48	€ 448.19
<b>Dividen Payout (Previous FY PAT)</b>	25%	25%	25%	25%	25%	25%
<b>Extra Dividend Relative to Previous FY Profit for the Year</b>	€ 1,917.10	€ 200.00	€ 287.07	€ 698.37	€ 1,113.92	€ 1,792.75
						€ 2,645.89

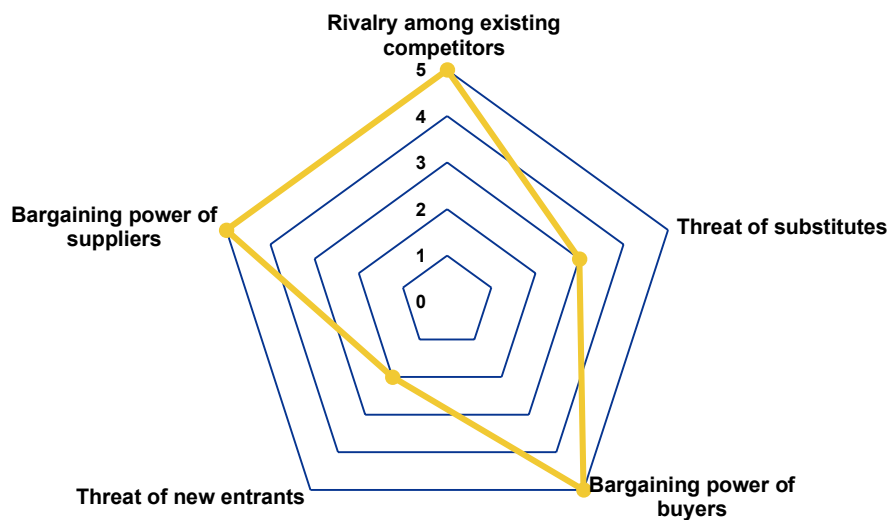
## Appendix 18: Business and Corporate Structure

Board of Directors				
Name	Role	Independent	Years	Committee
Stan McCarthy	Non Exec Chairman	Yes	7	Executive Nomination (Chair)
Róisín Brennan	Non Exec - SID	Yes	6	Executive Remuneration
Eamonn Brennan	Non Exec	Yes	1	Remuneration (Chair) Safety & security
Emer Daly	Non Exec	Yes	6	Audit
Geoff Doherty	Non Exec	Yes	3	Audit (Chair)
Bertrand Grabowski	Non Exec	Yes	< 1	Audit
Elisabeth Köstinger	Non Exec	Yes	1	Nomination
Jinane Laabi	Non Exec	Yes	< 1	Nomination
Howard Millar	Non Exec	Yes	9	Executive Nomination
Anne Nolan	Non Exec	Yes	1	Nomination
Amber Rudd	Non Exec	Yes	< 1	Remuneration
Mike O'Brien	Non Exec	Yes	8	Safety & security (Co-Chair)
Michael O'Leary	Exec	No	28	Executive

Executive Officers	
Name	Role
Michael O'Leary	Group Chief Executive Officer
Neil Sorahan	Group Chief Financial Officer
Juliusz Komorek	Group Chief Legal & Regulatory Officer Company Secretary
Eddie Wilson	Ryanair DAC CEO
Carol Sharkey	Chief Risk Officer
Tracey McCann	Ryanair DAC CFO
Andreas Gruber	Laudamotion CEO
David O'Brien	Malta Air & Lauda Europe CEO
Michal Kaczmarzyk	Buzz CEO
John Hurley	Chief Technology Officer

## Appendix 19: Porter's Five Forces

Force	Reasoning
<b>Rivalry among existing competitors</b>	In the airline industry, multiple airlines compete for market share. These companies resource to a variety of strategies, including price wars, to attract customers. This competition is particularly intense in the low-cost segment.
<b>Bargaining power of suppliers</b>	With Boeing and Airbus both dominating the commercial aircraft market, airlines heavily rely on these OEMs for fleet expansions and renovations, with no real possibility to opt for a different competitor. In terms of fuel, airlines have little control over its price. Additionally, SAF production capacity is very limited, while demand is increasing.
<b>Threat of new entrants</b>	The aviation industry operates within a complex regulatory framework, requires significant initial capital investment and the acquisition of slots. Furthermore, even if a new entrant has the required capital for the initial investment, it may face constraints related to aircraft availability and slot allocation. Nevertheless, new entrants may emerge when established companies choose to establish their own low-cost airline.
<b>Bargaining power of buyers</b>	Passengers choose the best option based on factors like pricing and scheduling, exhibiting low brand loyalty. Consequently, airlines compete for market share, resorting to strategies such as price wars to attract passengers.
<b>Threat of substitutes</b>	Although cars, buses, and trains offer alternative transportation methods, air travel remains a safer and faster option for medium- and long-distance travels. The threat of substitution also arises from emerging technologies, particularly remote work, which reduces the need for in-person meetings and decreases traveling needs.

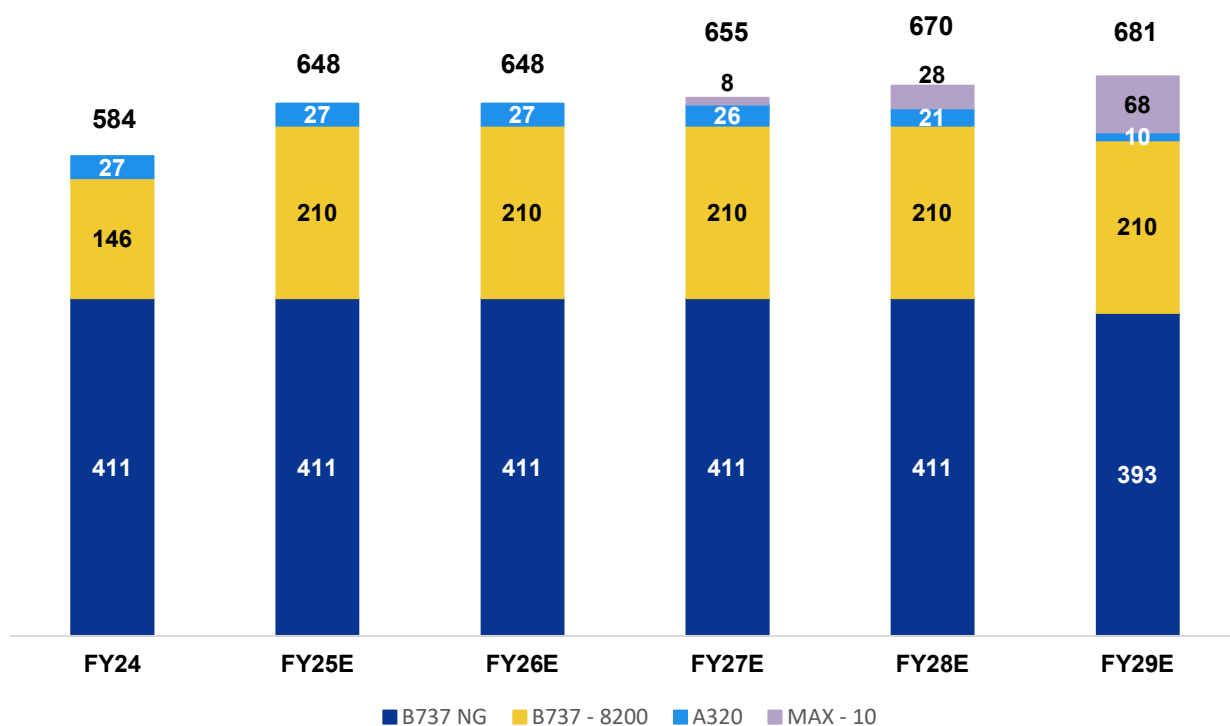


## Appendix 20: DuPont Analysis

Legend	
FY20	FY25F
FY21	FY26F
FY22	FY27F
FY23	FY28F
FY24	FY29F

				<b>Asset Turnover</b>	
				0.58	0.75
				0.13	0.82
				0.32	0.88
				0.66	0.84
				0.78	0.78

## Appendix 21: Ryanair Fleet



## Appendix 22: Valuation: Free Cash Flow to Equity

Ke, CAPM	
Beta	1.474
Market premium	6.628%
Country risk premium	2.028%
Risk-free rate	2.329%
<b>Cost of Equity, Ke</b>	<b>14.124%</b>

Fisher formula	
Inflation level target	2.00%
GDP real growth	1.50%
<b>Growth rate</b>	<b>3.530%</b>

Net Borrowings (€'M)	FY23	FY24	FY25F	FY26F	FY27F	FY28F	FY29F
Debt	3,909.90	2,582.20	2,095.44	1,210.50	0.00	0.00	0.00
Net borrowing		(1,327.70)	(486.76)	(884.94)	(1,210.50)	0.00	0.00

Enterprise value (€'M)	FY25F	FY26F	FY27F	FY28F	FY29F	Terminal Value
Net Profit of the year	287.07	698.37	1,113.92	1,792.75	2,645.89	
+ Amortization, Depreciation, Provisions	1,095.80	1,177.99	1,260.17	1,287.57	1,314.96	
- CAPEX	2,300.00	1,100.00	1,300.00	1,600.00	2,100.00	
- Δ Investment in Working Capital	(736.29)	(828.88)	566.96	(573.19)	(547.18)	
+ Net Borrowings	(486.76)	(884.94)	(1,210.50)	0.00	0.00	
<b>FCFE</b>	<b>(667.60)</b>	<b>720.29</b>	<b>(703.38)</b>	<b>2,053.50</b>	<b>2,408.03</b>	
Terminal value of Equity						23,532.87
Present value	(667.60)	631.15	(540.05)	1,381.55	1,419.57	13,872.97
<b>Equity value</b>	<b>€ 16,097.58</b>					
<b>Shares outstanding (million)</b>	<b>€ 1,093.06</b>					
<b>Price per share</b>	<b>€ 14.73</b>					
<b>Share price as of July 31st 2024</b>	<b>€ 14.64</b>					
<b>Return</b>	<b>€ 0.01</b>					
<b>Annualized Return</b>	<b>€ 0.01</b>					

## Appendix 23: Valuation: Free Cash Flow to the Firm

Cost of Debt		6.928%	WACC				
Risk free		2.329%	Cost of Equity		14.124%		
Spread		2.571%	Pre-tax cost of debt		6.928%		
Country Risk Premium		2.028%	After-tax cost of debt		5.889%	FY26F	FY27F
						FY28F	FY29F
			Cost of Capital, WACC	12.348%		13.070%	14.124%
						14.124%	14.124%

Debt Weight	FY25F	FY26F	FY27F	FY28F	FY29F
D/(D+E)	21.560%	12.795%	0.000%	0.000%	0.000%
E/(D+E)	78.440%	87.205%	100.000%	100.000%	100.000%

NWC (€'M)	FY24	FY25F	FY26F	FY27F	FY28F	FY29F
NWC	(4,626.50)	(5,362.79)	(6,191.66)	(5,624.70)	(6,197.88)	(6,745.06)
Δ Investment in WC		(736.29)	(828.88)	566.96	(573.19)	(547.18)

Enterprise value (€'M)	FY25F	FY26F	FY27F	FY28F	FY29F	Terminal Value
EBIT*(1-T)	260.15	693.59	1,069.03	1,739.63	2,561.79	
+ Amortization, Depreciation, Provisions	1,095.80	1,177.99	1,260.17	1,287.57	1,314.96	
- CAPEX	2,300.00	1,100.00	1,300.00	1,600.00	2,000.00	
- Δ Investment in Working Capital	(736.29)	(828.88)	566.96	(573.19)	(547.18)	
FCFF	(207.76)	1,600.45	462.24	2,000.38	2,423.93	
Terminal Value						23,688.32
Present Value	(207.76)	1,415.45	354.91	1,345.81	1,428.95	13,964.61
Enterprise value	€ 18,301.96					
D/E at Terminal Period	0.00%					
Debt	€ -					
Cash	€ 2,008.78					
EQUITY VALUE	€ 20,310.75					
Shares Outstanding (million)	1,093.06					
Price per share	€ 18.58					
Share price as of July 31st 2024	€ 14.64					
Return	26.92%					
Annualized Return	43.06%					



## Appendix 24: Valuation: Multiples

Wizz Air FY25 (€M)		Norwegian Air FY25 (€M)		Lufthansa FY25 (€M)		Easyjet FY25 (€M)		Ryanair FY25 (€M)	
Enterprise Value	€ 7,901.88	Enterprise Value	€ 1,348.78	Enterprise Value	€ 15,266.48	Enterprise Value	€ 5,205.36	Enterprise Value	€ 17,336.82
EBITDAR	€ 1,488.56	EBITDAR	€ 640.99	EBITDAR	€ 3,974.40	EBITDAR	€ 1,658.76	EBITDAR	€ 1,401.86
EBIT	€ 538.28	EBIT	€ 231.97	EBIT	€ 1,462.80	EBIT	€ 765.64	EBIT	€ 313.63
Revenues	€ 5,574.28	Revenues	€ 3,019.37	Revenues	€ 38,640.92	Revenues	€ 11,396.96	Revenues	€ 12,607.02
EV/EBITDAR	5.31	EV/EBITDAR	2.10	EV/EBITDAR	3.84	EV/EBITDAR	3.14	EV/EBITDAR	12.37
EV/EBIT	14.68	EV/EBIT	5.81	EV/EBIT	10.44	EV/EBIT	6.80	EV/EBIT	55.28
EV/Revenues	1.42	EV/Revenues	0.45	EV/Revenues	0.40	EV/Revenues	0.46	EV/Revenues	1.38
P/E	9.82	P/E	5.11	P/E	8.13	P/E	7.96	P/E	71.22
P/S	0.61	P/S	0.28	P/S	0.21	P/S	0.39	P/S	1.61

Peer Group Multiples - Forecasted FY25					
Company Name	Price Multiples		Enterprise Value Multiples		
	P/E	P/S	EV/EBITDAR	EV/EBIT	EV/Revenues
<b>Peers Selected</b>					
Lufthansa	8.13	0.21	3.84	10.44	0.40
Norwegian	5.11	0.28	2.10	5.81	0.45
Easyjet	7.96	0.39	3.14	6.80	0.46
Wizz Air	9.82	0.61	5.31	14.68	1.42
<b>Ryanair Multiples</b>					
Ryanair	70.70	1.61	11.48	51.33	1.28
<b>Multiples</b>					
Maximum	9.82	0.61	5.31	14.68	1.42
75th Percentile	9.40	0.56	4.94	13.62	1.18
<b>Median</b>	<b>8.05</b>	<b>0.34</b>	<b>3.49</b>	<b>8.62</b>	<b>0.45</b>
25th Percentile	5.83	0.23	2.36	6.06	0.41
Minimum	5.11	0.21	2.10	5.81	0.40
<b>Valuation - Price Target (€/Sh.)</b>					
Maximum	€ 2.58	€ 7.07	€ 8.65	€ 6.05	€ 18.19
75th Percentile	€ 2.47	€ 6.43	€ 8.18	€ 5.75	€ 15.42
<b>Median</b>	<b>€ 2.11</b>	<b>€ 3.88</b>	<b>€ 6.31</b>	<b>€ 4.31</b>	<b>€ 7.05</b>
25th Percentile	€ 1.53	€ 2.63	€ 4.87	€ 3.58	€ 6.54
Minimum	€ 1.34	€ 2.42	€ 4.54	€ 3.51	€ 6.39

Exchange Rates	
NOK/EUR	€ 0.085
USD/EUR	€ 0.920
GBP/EUR	€ 1.190

Debt	€ -
Cash	€ 2,008.84



## Appendix 25: Valuation: Dividend Discount Model

Payback model	FY25F	FY26F	FY27F	FY28F	FY29F	Terminal Value
Payout ratio	25%	25%	25%	25%	25%	25%
Profit of previous year	€ 1,917.10	€ 287.07	€ 698.37	€ 1,113.92	€ 1,792.75	€ 2,645.89
Total dividends	€ 679.28	€ 71.77	€ 174.59	€ 278.48	€ 448.19	€ 661.47
Share buybacks	€ 700.00	€ -	€ -	€ -	€ 505.06	€ 4,935.74
# shares	1092.23	1092.23	1092.23	1092.23	1073.51	
Return per share	€ 1.26	€ 0.07	€ 0.16	€ 0.25	€ 0.89	
Terminal value						€ 8.68
PV	€ 1.26	€ 0.06	€ 0.12	€ 0.17	€ 0.52	€ 5.12
<b>Price per share</b>	<b>€ 7.25</b>					

## Appendix 26: Sensitivity Analysis

		Long-run sustainable growth (g)						
		€ 14.73	0.530%	1.530%	2.530%	3.530%	4.530%	5.530%
Cost of Equity	17.124%	€ 8.91	€ 9.44	€ 10.05	€ 10.74	€ 11.54	€ 12.48	€ 13.59
	16.124%	€ 9.70	€ 10.32	€ 11.03	€ 11.85	€ 12.81	€ 13.96	€ 15.34
	15.124%	€ 10.60	€ 11.33	€ 12.17	€ 13.16	€ 14.34	€ 15.76	€ 17.51
	14.124%	€ 11.64	€ 12.51	€ 13.52	€ 14.73	€ 16.19	€ 17.98	€ 20.25
	13.124%	€ 12.85	€ 13.89	€ 15.13	€ 16.63	€ 18.47	€ 20.81	€ 23.85
	12.124%	€ 14.28	€ 15.55	€ 17.09	€ 18.98	€ 21.38	€ 24.50	€ 28.74
	11.124%	€ 15.98	€ 17.56	€ 19.51	€ 21.97	€ 25.18	€ 29.53	€ 35.78

		Long-run sustainable growth (g)						
		0.89%	0.530%	1.530%	2.530%	3.530%	4.530%	5.530%
Cost of Equity	17.124%	-52.53%	-48.23%	-43.19%	-37.22%	-30.06%	-21.33%	-10.53%
	16.124%	-46.10%	-40.86%	-34.65%	-27.21%	-18.14%	-6.90%	7.30%
	15.124%	-38.42%	-31.97%	-24.22%	-14.78%	-3.10%	11.68%	30.83%
	14.124%	-29.14%	-21.08%	-11.26%	0.89%	16.27%	36.20%	62.84%
	13.124%	-17.79%	-7.57%	5.09%	21.09%	41.83%	69.55%	108.08%
	12.124%	-3.69%	9.49%	26.15%	47.74%	76.60%	116.72%	175.39%
	11.124%	14.11%	31.46%	53.95%	84.01%	125.79%	186.89%	282.75%

		Long-run sustainable growth (g)						
		€ 14.73	0.530%	1.530%	2.530%	3.530%	4.530%	5.530%
Country risk premium	3.528%	€ 10.14	€ 10.81	€ 11.58	€ 12.48	€ 13.54	€ 14.81	€ 16.37
	3.028%	€ 10.60	€ 11.33	€ 12.17	€ 13.16	€ 14.34	€ 15.76	€ 17.51
	2.528%	€ 11.10	€ 11.89	€ 12.82	€ 13.91	€ 15.21	€ 16.81	€ 18.80
	2.028%	€ 11.64	€ 12.51	€ 13.52	€ 14.73	€ 16.19	€ 17.98	€ 20.25
	1.528%	€ 12.22	€ 13.17	€ 14.29	€ 15.63	€ 17.27	€ 19.31	€ 21.92
	1.028%	€ 12.85	€ 13.89	€ 15.13	€ 16.63	€ 18.47	€ 20.81	€ 23.85
	0.528%	€ 13.53	€ 14.68	€ 16.06	€ 17.74	€ 19.84	€ 22.52	€ 26.09

		Long-run sustainable growth (g)						
		0.89%	0.530%	1.530%	2.530%	3.530%	4.530%	5.530%
Country Risk Premium	3.528%	-42.44%	-36.63%	-29.71%	-21.34%	-11.07%	1.78%	18.22%
	3.028%	-38.42%	-31.97%	-24.22%	-14.78%	-3.10%	11.68%	30.83%
	2.528%	-34.01%	-26.81%	-18.10%	-7.42%	5.95%	23.05%	45.54%
	2.028%	-29.14%	-21.08%	-11.26%	0.89%	16.27%	36.20%	62.84%
	1.528%	-23.76%	-14.70%	-3.58%	10.32%	28.12%	51.52%	83.38%
	1.028%	-17.79%	-7.57%	5.09%	21.09%	41.83%	69.55%	108.08%
	0.528%	-11.13%	0.44%	14.92%	33.44%	57.81%	90.97%	138.17%

## Appendix 26: Sensitivity Analysis (Continued)

# Passengers	Long-run sustainable growth (g)							
	€ 14.73	0.530%	1.530%	2.530%	3.530%	4.530%	5.530%	6.530%
	94%	€ 9.71	€ 10.48	€ 11.38	€ 12.45	€ 13.75	€ 15.34	€ 17.36
	96%	€ 10.35	€ 11.16	€ 12.09	€ 13.21	€ 14.56	€ 16.22	€ 18.32
	98%	€ 11.00	€ 11.83	€ 12.81	€ 13.97	€ 15.37	€ 17.10	€ 19.29
	100%	€ 11.64	€ 12.51	€ 13.52	€ 14.73	€ 16.19	€ 17.98	€ 20.25
	102%	€ 12.28	€ 13.18	€ 14.23	€ 15.49	€ 17.00	€ 18.86	€ 21.22
	104%	€ 12.92	€ 13.86	€ 14.95	€ 16.24	€ 17.81	€ 19.74	€ 22.19
	106%	€ 13.57	€ 14.53	€ 15.66	€ 17.00	€ 18.62	€ 20.62	€ 23.15

# Passengers	Long-run sustainable growth (g)							
	0.89%	0.530%	1.530%	2.530%	3.530%	4.530%	5.530%	6.530%
	94%	-46.01%	-39.47%	-31.49%	-21.58%	-9.03%	7.29%	29.15%
	96%	-40.56%	-33.52%	-24.94%	-14.30%	-0.83%	16.67%	40.09%
	98%	-34.94%	-27.39%	-18.20%	-6.81%	7.61%	26.31%	51.32%
	100%	-29.14%	-21.08%	-11.26%	0.89%	16.27%	36.20%	62.84%
	102%	-23.19%	-14.60%	-4.14%	8.80%	25.15%	46.33%	74.63%
	104%	-17.07%	-7.94%	3.16%	16.90%	34.25%	56.71%	86.70%
	106%	-10.80%	-1.12%	10.64%	25.19%	43.56%	67.32%	99.04%

Yearly passengers per level	FY25E	FY26E	FY27E	FY28E	FY29E
Forecasted Guests (millions)	200.00	215.00	230.00	235.00	240.00
94%	188	202	216	221	226
96%	192	206	221	226	230
98%	196	211	225	230	235
100%	200	215	230	235	240
102%	204	219	235	240	245
104%	208	224	239	244	250
106%	212	228	244	249	254

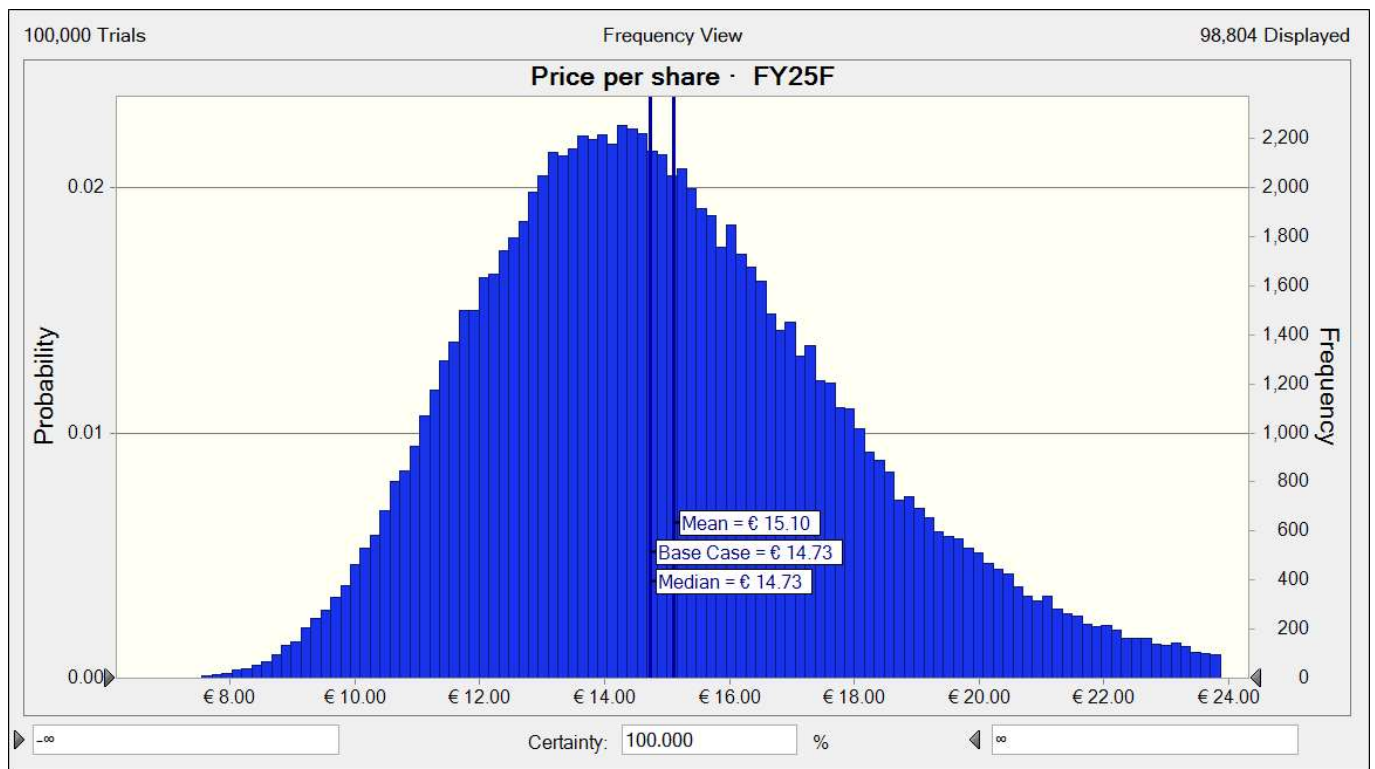
Load factor per level	FY25E	FY26E	FY27E	FY28E	FY29E
Forecasted Seats Available (millions)	212	229	246	252	261
94%	89%	88%	88%	88%	86%
96%	91%	90%	90%	89%	88%
98%	93%	92%	92%	91%	90%
100%	94%	94%	94%	93%	92%
102%	96%	96%	96%	95%	94%
104%	98%	98%	97%	97%	96%
106%	100%	100%	99%	99%	97%

Bbl. long-run price	Long-run sustainable growth (g)							
	€ 14.73	0.530%	1.530%	2.530%	3.530%	4.530%	5.530%	6.530%
	109%	€ 8.87	€ 9.55	€ 10.34	€ 11.28	€ 12.42	€ 13.82	€ 15.60
	106%	€ 9.80	€ 10.54	€ 11.40	€ 12.43	€ 13.68	€ 15.21	€ 17.15
	103%	€ 10.72	€ 11.52	€ 12.46	€ 13.58	€ 14.93	€ 16.60	€ 18.70
	100%	€ 11.64	€ 12.51	€ 13.52	€ 14.73	€ 16.19	€ 17.98	€ 20.25
	97%	€ 12.56	€ 13.49	€ 14.58	€ 15.87	€ 17.44	€ 19.37	€ 21.81
	94%	€ 13.48	€ 14.48	€ 15.64	€ 17.02	€ 18.69	€ 20.76	€ 23.36
	91%	€ 14.40	€ 15.46	€ 16.70	€ 18.17	€ 19.95	€ 22.14	€ 24.91

Bbl. long-run price	Long-run sustainable growth (g)							
	0.89%	0.530%	1.530%	2.530%	3.530%	4.530%	5.530%	6.530%
	109%	-52.85%	-47.36%	-40.67%	-32.37%	-21.87%	-8.25%	9.97%
	106%	-45.31%	-39.00%	-31.31%	-21.78%	-9.73%	5.91%	26.82%
	103%	-37.40%	-30.23%	-21.50%	-10.68%	3.00%	20.73%	44.45%
	100%	-29.14%	-21.08%	-11.26%	0.89%	16.27%	36.20%	62.84%
	97%	-20.55%	-11.56%	-0.62%	12.94%	30.07%	52.27%	81.94%
	94%	-11.63%	-1.68%	10.43%	25.42%	44.37%	68.93%	101.75%
	91%	-2.41%	8.54%	21.85%	38.34%	59.17%	86.16%	122.22%

Bbl. price per level	109%	106%	103%	100%	97%	94%	91%
Bbl. long-run price	€ 90.47	€ 87.98	€ 85.49	€ 83.00	€ 80.51	€ 78.02	€ 75.53

## Appendix 27: Monte Carlo Simulation



Statistics:	Forecast values
Trials	100,000
Base Case	€ 14.73
Mean	€ 15.10
Median	€ 14.73
Mode	—
Standard Deviation	€ 3.13
Variance	€ 9.80
Skewness	0.8494
Kurtosis	4.55
Coeff. of Variation	0.2073
Minimum	€ 6.61
Maximum	€ 39.87
Range Width	€ 33.26
Mean Std. Error	€ 0.01



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### Recommendation System

Level of Risk	SELL	REDUCE	HOLD/NEUTRAL	BUY	STRONG BUY
High Risk	$0\% \leq$	$>0\% \ \& \ \leq 10\%$	$>10\% \ \& \ \leq 20\%$	$>20\% \ \& \ \leq 45\%$	$>45\%$
Medium Risk	$-5\% \leq$	$>-5\% \ \& \ \leq 5\%$	$>5\% \ \& \ \leq 15\%$	$>15\% \ \& \ \leq 30\%$	$>30\%$
Low Risk	$-10\% \leq$	$>-10\% \ \& \ \leq 0\%$	$>0\% \ \& \ \leq 10\%$	$>10\% \ \& \ \leq 20\%$	$>20\%$

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