

Ryanair swings back to profit despite soaring costs

Ryanair has managed to swing back into the black despite a massive hike in costs over recent months.

The airline said that it carried more than twice the number of passengers compared to a year ago, helping to push up revenue.

This fed further down the balance sheet as pre-tax profit reached 1.4 billion euros (£1.2 billion) in the first six months of the year, compared to a loss of 100 million euros just a year earlier.

The company carried a record number of passengers in the second quarter and average ticket prices were around 14% higher than before the pandemic, bosses said.

It was enough to offset the drop in fare prices in the first three months of the year as Vladimir Putin's attack on [Ukraine](#) pushed down ticket prices in Europe.

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Revenue more than tripled to 6.6 billion euros (£5.79 billion)

during the six months and Ryanair carried 95.1 million passengers, a jump of 143%.

We are modestly raising our 2023 financial year traffic guidance to 168 million passengers (previously 166.5 million), up 13% on our pre-Covid traffic

For the airline – as for most businesses – costs also soared. The company's operating costs rose from 2.2 billion euros to nearly five billion euros (£4.39 billion).

The business has escaped some of the chaos that has hit some of its rivals. It has bought around four-fifths of its fuel in advance at 67 dollars a barrel, locking in lower prices earlier.

Fuel prices have soared in the last year and by comparison the fuel that Ryanair is buying in advance for next year has cost it an average of 93 dollars per barrel.

Meanwhile, the company also avoided some of the hit from a soaring dollar by buying the dollars it plans to spend on buying aircraft in advance up until 2026 at 1.24 dollars per euro.

On the open market the exchange rate was 99 euro cents to the dollar on Monday morning.

Ryanair said that delays in when the Gamechanger aircraft it has ordered will be delivered is weighing on the business.

“Our growth is being hampered by Boeing's inability to meet its delivery schedule in Q3, despite their previous assurances that Ryanair deliveries would be ‘prioritised’,” said chief executive Michael O’Leary.

“We expect Boeing will only deliver ten or 12 of the contracted 21 [Gamechangers](#) due before Christmas.

“Boeing assure us that they will deliver all scheduled 51 Gamechangers ahead of peak summer 2023, although there is a risk that some of these deliveries could slip.”

Mr O’Leary added: “While we remain dependent on Boeing meeting their delivery commitments, especially for Christmas extras and spring mid-term, we are modestly raising our 2023 financial year traffic guidance to 168 million passengers (previously 166.5 million), up 13% on our pre-Covid traffic.”