

Ryanair warns shareholders of weaker summer fares as profits slip

Ryanair has reported weaker profits than expected for its first financial quarter, blaming a need to “stimulate” flight sales amid heightened consumer caution.

Europe’s largest carrier by passenger numbers said it had engaged in more discounting than expected in the three months to the end of June, with the average fare 15% down, and it saw no end in sight to the need for markdowns.

Profit after tax came in 46% lower at €360m (£303m).

Market analysts had expected a figure above €530m.

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The no-frills carrier reported revenue per passenger was 10% down as a whole, with so-called ancillary revenue – that is sales covering additions such as hold luggage – flat.

Operating costs also dragged.

[Ryanair](#) reported an 11% rise as higher wages offset lower fuel bills.

The headwinds prompted a plunge in the company’s share price – already down more than 13% in the year to date ahead of the results statement.

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The stock lost a further 12% at the open.

Group chief executive Michael O’Leary warned shareholders that fares over the key summer holiday months would be

significantly down as a result of the weaker than anticipated consumer backdrop.

He indicated that prices were continuing to decline, saying that a figure of up to 10% over the June-August period was possible but unlikely.

Mr O'Leary told shareholders: "While Q2 demand is strong, pricing remains softer than we expected, and we now expect Q2 fares to be materially lower than last summer [previously expected to be flat to modestly up]".

He said it was too early to forecast profit for the full financial year, which ends on 31 March 2025, due to the weakening backdrop for flight prices.

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Ryanair also said it was yet to put a cost on disruption caused by the [global IT meltdown](#) on Friday that hit aviation hard, forcing the cancellation of thousands of flights worldwide.

Disruption continued well into the weekend as crews and planes were out of position.

Other operating pressures Ryanair has been grappling in recent times has been the impact of strikes by air traffic controllers in France.

Ryanair is running a record summer programme despite hits to its growth ambitions.

Boeing is behind in deliveries of 737 MAX 8 aircraft which will allow the airline to improve its efficiency.

Ryanair said it expected to be 20 short of contracted deliveries by Boeing at the end of this month but added that the planemaker, restricted in production volumes due to quality concerns, had raised its standards.