

Ryanair

Delivery delays drive higher fares

Reiterate Rating: BUY | PO: 28.00 EUR | Price: 19.93 EUR

FY25 traffic guidance lowered; 40% upside potential to €28 PO

Ryanair lowered its FY25 traffic guidance to 198-200m from 200m previously (original target of 205m) because of delays to B737 deliveries. As per recent press articles (including Bloomberg), Michael O'Leary expects summer fares to increase 5-10% this summer because of capacity constraints in the European short-haul market. We nudge our traffic estimate lower to 198.5m, in line with guidance, but raise our FY25E fare estimate to +2% y-y (from +1% previously). Our FY25E net income increases by 9% to €2.5bn because of our higher fare and lower fuel estimates. Our PO increases to €28/US\$176 (from €26/US\$160) on our higher earnings estimates. Ryanair shares trade at 9x FY25E, well below their historical 13x average, which we think is unjustified, given market share gains and 19% earnings growth.

40 B737 aircraft deliveries by summer 2024

Ryanair now expects 40 aircraft to be delivered by June 2024. The airline's summer 2024 schedule was based on receiving 50 B737 aircraft, and the delivery delays will result in schedule cuts in July, August, and September, according to the company. Ryanair has reduced capacity at Dublin, Milan Malpensa, Warsaw Modlin, and four Portuguese airports. These are higher-cost airports, as per the company, and we think that the mix shift to more profitable routes is positive for profit per pax in FY25E.

Capacity constraints to benefit fares

We raise our fare forecast to +2% in FY25E (from +1% previously) given capacity constraints in intra-Europe due to consolidation, GTF engine issues, and aircraft delivery deliveries. We estimate that Ryanair's profit per pax increases to €12.6 in FY25E from €10.4 in FY24E, which drives 30% earnings growth with 8% passenger growth.

Potential for special dividend or buyback in FY25

Ryanair's balance sheet position remains strong. We estimate net cash of €1.7bn at end-FY24 and increasing FCF in FY25E. Therefore, we see scope for a special dividend or buyback in FY25. We forecast an ordinary dividend per share of €0.46 in FY25 (versus \$0.50 previously), based on a 21% payout ratio and implying a 2.3% yield.

| Estimates (Mar) (EUR) | 2022A | 2023A | 2024E | 2025E | 2026E |
|-----------------------------------|--------|--------|-------|-------|-------|
| EPS (Adjusted Diluted) | (0.21) | 1.15 | 1.67 | 2.18 | 2.46 |
| EPS Change (YoY) | 76.7% | 641.2% | 44.8% | 30.4% | 13.2% |
| Dividend / Share | 0 | 0 | 0.35 | 0.46 | 0.52 |
| ADR EPS (Adjusted Diluted - US\$) | (1.24) | 6.00 | 9.03 | 11.8 | 13.3 |
| ADR Dividend / Share (US\$) | 0 | 0 | 1.89 | 2.47 | 2.80 |
| Valuation (Mar) | | | | | |
| P/E | NM | 17.3x | 11.9x | 9.15x | 8.09x |
| Dividend Yield | 0% | 0% | 1.76% | 2.29% | 2.60% |
| EV / EBITDA* | 53.1x | 8.53x | 6.34x | 5.11x | 4.68x |
| Free Cash Flow Yield* | 4.36% | 9.31% | 4.77% | 12.4% | 14.9% |

* For full definitions of *IQmethod*SM measures, see page 7.

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Refer to important disclosures on page 8 to 11. Analyst Certification on page 6. Price Objective Basis/Risk on page 6.

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Timestamp: 04 March 2024 12:30AM EST

04 March 2024

Equity

Key Changes

| (EUR) | Previous | Current |
|------------|----------|---------|
| Price Obj. | 26.00 | 28.00 |
| 2024E EPS | 1.63 | 1.67 |
| 2025E EPS | 1.99 | 2.18 |
| 2026E EPS | 2.29 | 2.46 |

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Stock Data

| | |
|-----------------------------|-------------------------|
| Price (Common / ADR) | 19.93 EUR / 136.14 USD |
| Price Objective | 28.00 EUR / 176.00 USD |
| Date Established | 4-Mar-2024 / 4-Mar-2024 |
| Investment Opinion | B-1-7 / B-1-7 |
| 52-Week Range | 13.64 EUR-20.72 EUR |
| Market Value (mn) | 21,803 EUR |
| Shares Outstanding (mn) | 1,094.0 / 218.8 |
| Average Daily Value (mn) | 37.62 USD |
| Free Float | 96.0% |
| BofA Ticker / Exchange | RYAOF / LSE |
| BofA Ticker / Exchange | RYAAY / NAS |
| Bloomberg / Reuters | RYA ID / RYAI |
| ROE (2024E) | 29.3% |
| Net Dbt to Eqty (Mar-2023A) | -9.9% |
| ESGMeter™ | Medium |

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to "BofA ESGMeter Methodology".

pax: passenger

PO: price objective

iQprofileSM Ryanair

| Key Income Statement Data (Mar) | 2022A | 2023A | 2024E | 2025E | 2026E |
|--|--------|--------|---------|---------|---------|
| (EUR Millions) | | | | | |
| Sales | 4,801 | 10,775 | 13,446 | 14,831 | 16,661 |
| EBITDA Adjusted | 380 | 2,366 | 3,182 | 3,948 | 4,310 |
| Depreciation & Amortization | (719) | (923) | (1,106) | (1,177) | (1,251) |
| EBIT Adjusted | (340) | 1,443 | 2,075 | 2,772 | 3,059 |
| Net Interest & Other Income | (90.2) | (0.10) | 72.7 | 93.6 | 183 |
| Tax Expense / Benefit | 189 | (129) | (237) | (372) | (422) |
| Net Income (Adjusted) | (241) | 1,314 | 1,911 | 2,493 | 2,821 |
| Average Fully Diluted Shares Outstanding | 1,131 | 1,140 | 1,145 | 1,145 | 1,145 |

| | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| Key Cash Flow Statement Data | | | | | |
| Net Income (Reported) | (355) | 1,428 | 1,911 | 2,493 | 2,821 |
| Depreciation & Amortization | 719 | 923 | 1,106 | 1,177 | 1,251 |
| Change in Working Capital | 1,640 | 1,500 | 629 | 463 | 618 |
| Deferred Taxation Charge | 0 | 0 | 0 | 0 | 0 |
| Other CFO | (64.0) | 39.5 | 237 | (0.72) | (0.96) |
| Cash Flow from Operations | 1,941 | 3,891 | 3,884 | 4,132 | 4,688 |
| Capital Expenditure | (1,182) | (1,915) | (2,800) | (1,300) | (1,300) |
| (Acquisition) / Disposal of Investments | 0 | 0 | 0 | 0 | 0 |
| Other CFI | (233) | 13.5 | 675 | 0 | 0 |
| Cash Flow from Investing | (1,414) | (1,901) | (2,125) | (1,300) | (1,300) |
| Share Issue / (Repurchase) | 46.8 | 31.7 | 13.6 | 0 | 0 |
| Cost of Dividends Paid | 0 | 0 | (200) | (201) | (523) |
| Increase (decrease) debt | (349) | (961) | (1,343) | (60.3) | (850) |
| Other CFF | (234) | (125) | 219 | (40.7) | (40.7) |
| Cash Flow from Financing | (537) | (1,054) | (1,311) | (302) | (1,414) |
| Total Cash Flow (CFO + CFI + CFF) | (10.4) | 936 | 448 | 2,530 | 1,974 |
| FX and other changes to cash | 486 | 113 | (683) | 0 | 0 |
| Change in Cash | 476 | 1,049 | (235) | 2,530 | 1,974 |
| Change in Net Debt | (825) | (2,010) | (1,109) | (2,590) | (2,824) |
| Net Debt | 1,452 | (559) | (1,668) | (4,258) | (7,082) |

| | | | | | |
|-------------------------------|--------|--------|--------|--------|--------|
| Key Balance Sheet Data | | | | | |
| Property, Plant & Equipment | 9,095 | 9,909 | 11,167 | 11,325 | 11,414 |
| Goodwill | NA | NA | NA | NA | NA |
| Other Intangibles | 146 | 146 | 192 | 198 | 199 |
| Other Non-Current Assets | 433 | 439 | 385 | 385 | 385 |
| Trade Receivables | 43.5 | 59.7 | 70.0 | 77.2 | 86.7 |
| Cash & Equivalents | 3,626 | 4,675 | 4,440 | 6,970 | 8,944 |
| Other Current Assets | 1,806 | 1,177 | 1,187 | 1,294 | 1,435 |
| Total Assets | 15,150 | 16,406 | 17,441 | 20,249 | 22,464 |
| Long-Term Debt | 3,796 | 3,016 | 2,663 | 2,603 | 1,753 |
| Other Non-Current Liabilities | 410 | 325 | 636 | 636 | 636 |
| Short-Term Debt | 1,281 | 1,100 | 110 | 110 | 110 |
| Other Current Liabilities | 4,117 | 6,322 | 6,643 | 7,219 | 7,987 |
| Total Liabilities | 9,605 | 10,763 | 10,052 | 10,568 | 10,485 |
| Total Equity | 5,545 | 5,643 | 7,390 | 9,682 | 11,979 |
| Total Equity & Liabilities | 15,150 | 16,406 | 17,441 | 20,249 | 22,464 |

| | | | | | |
|------------------------------|--------|-------|-------|-------|-------|
| Business Performance* | | | | | |
| Return On Capital Employed | -1.76% | 12.3% | 18.2% | 20.9% | 20.5% |
| Return On Equity | -4.73% | 23.5% | 29.3% | 29.2% | 26.0% |
| Operating Margin | -7.07% | 13.4% | 15.4% | 18.7% | 18.4% |
| Free Cash Flow (MM) | 983 | 2,109 | 1,084 | 2,832 | 3,388 |

| | | | | | |
|-----------------------------|--------|--------|--------|--------|--------|
| Quality of Earnings* | | | | | |
| Cash Realization Ratio | NM | 2.96x | 2.03x | 1.66x | 1.66x |
| Asset Replacement Ratio | 1.64x | 2.07x | 2.53x | 1.10x | 1.04x |
| Tax Rate | 44.0% | 8.92% | 11.0% | 13.0% | 13.0% |
| Net Debt/Equity | 26.2% | -9.90% | -22.6% | -44.0% | -59.1% |
| Interest Cover | -3.72x | 41.9x | NA | NA | NA |

* For full definitions of iQmethodSM measures, see page 7.

Company Sector

Airlines

Company Description

Ryanair operates low-fares/no-frills short-haul routes in Europe. In operation since 1985, and based in Dublin, Ryanair began to introduce the low-fares operating model between Ireland and the United Kingdom in 1991.

Investment Rationale

Ryanair's ultra low cost model and strong balance sheet appeal. Ryanair is well placed to gain market share as air travel recovery continues given its ultra low cost base and fleet growth.

Stock Data

| | |
|---------------------|------|
| Shares / ADR | 5.00 |
| Price to Book Value | 3.1x |

Quarterly Earnings Estimates

| | 2023 | 2024 |
|----|--------|--------|
| Q1 | 0.16A | 0.58A |
| Q2 | 0.95A | 1.32A |
| Q3 | 0.18A | 0.01A |
| Q4 | -0.13A | -0.25E |

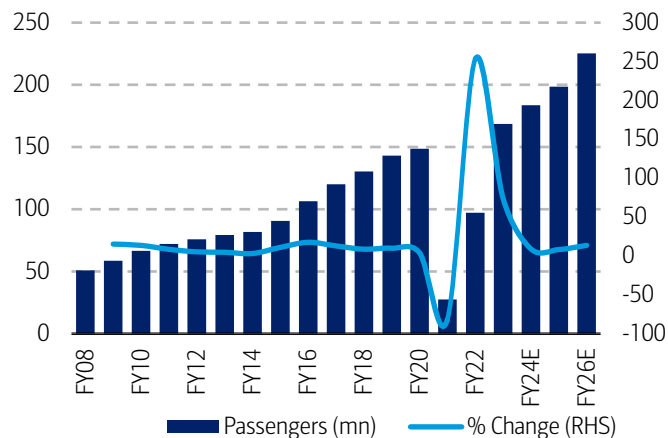
Key Changes

| (US\$) | Previous | Current |
|------------|----------|---------|
| Price Obj. | 160.00 | 176.00 |
| 2024E EPS | 8.85 | 9.03 |
| 2025E EPS | 10.79 | 11.78 |
| 2026E EPS | 12.42 | 13.33 |
| 2024E DPS | 1.90 | 1.89 |

Changes to estimates

Exhibit 1: Passengers (m) and change (%)

Ryanair targets to fly 198-200m passengers in FY25E

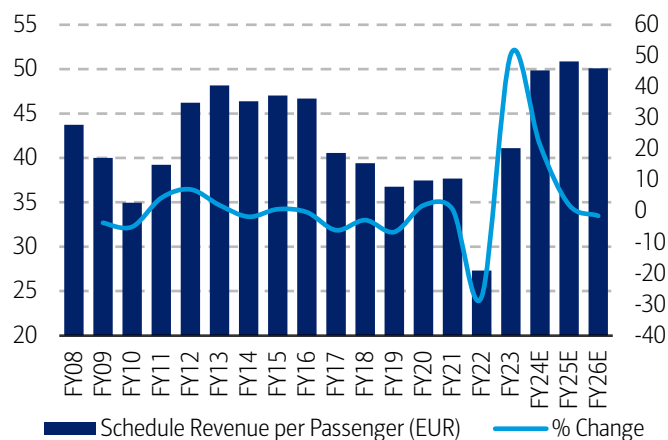


Source: BofA Global Research estimates, Company Reports

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Exhibit 3: Passenger fares (€)

We forecast fares to increase 2% in FY25E

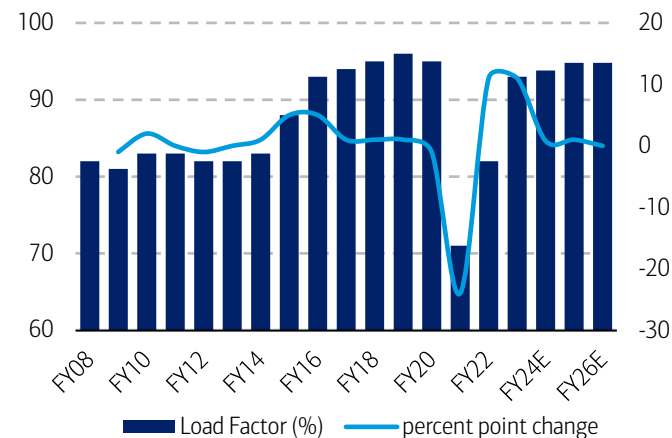


Source: BofA Global Research estimates, company report

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Exhibit 2: Passenger load factor (%) and change (ppts)

We forecast loads to recover to 95% in FY25E

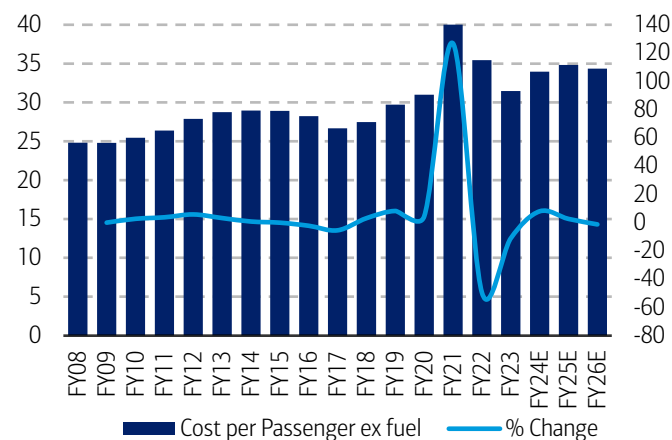


Source: BofA Global Research estimates, Company Reports

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Exhibit 4: Cost per passenger ex fuel (€)

We forecast FY25E unit costs ex fuel to increase by 2.5%

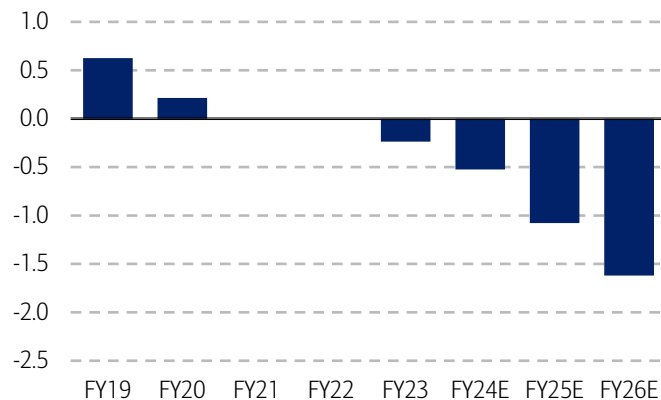


Source: BofA Global Research estimates, Company Reports

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Exhibit 5: Net Debt to EBITDA

Ryanair has a net cash position in FY24E of €1.7bn on our estimates

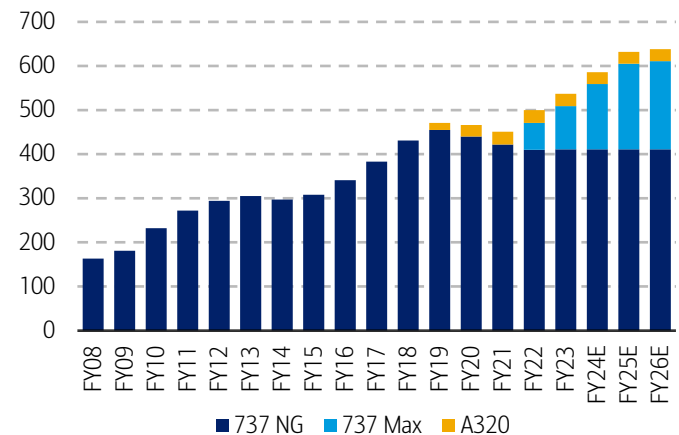


Source: BofA Global Research estimates, Company Reports

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Exhibit 6: Fleet breakdown by aircraft

Boeing MAX 10 order facilitates growth to 300m pax/year by FY34



Source: BofA Global Research estimates, Company Reports

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Exhibit 7: Change in estimates

We raise our FY25E net income estimate by 9%

| (€m) | New | | | Old | | | Change | | |
|------------|--------|--------|--------|--------|--------|--------|--------|-------|-------|
| | FY24E | FY25E | FY26E | FY24E | FY25E | FY26E | FY24E | FY25E | FY26E |
| Revenue | 13,446 | 14,831 | 16,661 | 13,446 | 14,823 | 16,562 | 0% | 0% | 1% |
| EBITDA | 3,182 | 3,948 | 4,310 | 3,120 | 3,757 | 4,135 | 2% | 5% | 4% |
| % margin | 24% | 27% | 26% | 23% | 25% | 25% | | | |
| EBIT | 2,075 | 2,772 | 3,059 | 2,014 | 2,523 | 2,833 | 3% | 10% | 8% |
| % margin | 15% | 19% | 18% | 15% | 17% | 17% | | | |
| Net income | 1,911 | 2,493 | 2,821 | 1,871 | 2,281 | 2,624 | 2% | 9% | 7% |
| % margin | 14% | 17% | 17% | 14% | 15% | 16% | | | |
| EPS (€) | 1.67 | 2.18 | 2.46 | 1.63 | 1.99 | 2.29 | 2% | 9% | 7% |

Source: BofA Global Research estimates

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Exhibit 8: BofA estimates versus consensus

We are 2% below consensus on FY25E net income

| | BofA Est | | | Consensus | | | % Difference | | |
|------------------|----------|--------|--------|-----------|--------|--------|--------------|-------|-------|
| | FY24E | FY25E | FY26E | FY24E | FY25E | FY26E | FY24E | FY25E | FY26E |
| Revenue | 13,446 | 14,831 | 16,661 | 13,424 | 14,913 | 16,402 | 0% | -1% | 2% |
| EBITDA | 3,182 | 3,948 | 4,310 | 3,117 | 3,954 | 4,231 | 2% | 0% | 2% |
| % margin | 23.7 | 26.6 | 25.9 | 23.2 | 26.5 | 25.8 | | | |
| EBIT | 2,075 | 2,772 | 3,059 | 2,044 | 2,775 | 2,961 | 2% | 0% | 3% |
| % margin | 15.4 | 18.7 | 18.4 | 15.2 | 18.6 | 18.1 | | | |
| Clean Net Income | 1,911 | 2,493 | 2,821 | 1,889 | 2,547 | 2,678 | 1% | -2% | 5% |
| % margin | 14.2 | 16.8 | 16.9 | 14.1 | 17.1 | 16.3 | | | |
| Reported EPS (€) | 1.67 | 2.18 | 2.46 | 1.67 | 2.11 | 2.34 | 0% | 3% | 5% |

Source: Bloomberg, BofA Global Research estimates

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Exhibit 9: Ryanair valuation summary

Ryanair is trading at 9x P/E on our FY25E estimates, significantly below its historical average of 13x

| Year End 31st March (€m) | FY19 | FY20 | FY23 | FY24E | FY25E | FY26E |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Share price (EUR) (period end) | 11.36 | 9.21 | 14.88 | 19.93 | 19.93 | 19.93 |
| Total Shares Outstanding | 1,133 | 1,113 | 1,137 | 1,139 | 1,139 | 1,139 |
| Market Cap | 12,875 | 10,253 | 16,916 | 22,701 | 22,701 | 22,701 |
| Plus: Net debt | 1,037 | 403 | -559 | -1,668 | -4,258 | -6,982 |
| Less: Associates | 0 | 0 | 169 | 199 | 199 | 199 |
| Enterprise Value | 13,912 | 10,656 | 16,188 | 20,835 | 18,244 | 15,520 |
| Revenue | 7,697 | 8,495 | 10,775 | 13,446 | 14,831 | 16,661 |
| EV/Revenue | 1.8 | 1.3 | 1.5 | 1.5 | 1.2 | 0.9 |
| EBITDA | 1,657 | 1,876 | 2,366 | 3,182 | 3,948 | 4,310 |
| EV/EBITDA | 8.4 | 5.7 | 6.8 | 6.5 | 4.6 | 3.6 |
| EBIT | 1,017 | 1,127 | 1,443 | 2,075 | 2,772 | 3,059 |
| EV/EBIT | 13.7 | 9.5 | 11.2 | 10.0 | 6.6 | 5.1 |
| EPS | 0.77 | 0.89 | 1.25 | 1.67 | 2.18 | 2.46 |
| P/E | 14.8 | 10.3 | 11.9 | 11.9 | 9.2 | 8.1 |
| Dividend per share (in cents) | 0.00 | 0.00 | 0.00 | 0.35 | 0.54 | 0.62 |
| Dividend yield | 0.0 | 0.0 | 0.0 | 1.8 | 2.7 | 3.1 |
| FCF | 471 | 681 | 2,062 | 1,040 | 2,791 | 3,348 |
| FCF yield | 3.7 | 6.6 | 12.2 | 4.6 | 12.3 | 14.7 |
| BV/share | 4.2 | 4.5 | 4.9 | 5.7 | 7.5 | 9.5 |
| P/BV | 2.7 | 2.0 | 3.0 | 3.5 | 2.7 | 2.1 |
| Invested Capital | 6,797 | 7,003 | 6,692 | 6,250 | 6,469 | 6,057 |
| EV/ IC | 2.0 | 1.5 | 2.4 | 3.3 | 2.8 | 2.6 |
| ROIC Pre-Tax | 15.8% | 16.2% | 21.0% | 33.2% | 42.8% | 50.5% |
| ROIC Post-Tax | 13.8% | 16.2% | 18.4% | 29.1% | 37.5% | 44.2% |
| ROIC/WACC | 1.7 | 2.0 | 2.2 | 3.5 | 4.5 | 5.4 |
| ROE | 18.3% | 12.8% | 23.5% | 29.3% | 29.2% | 26.2% |
| ROE / CoE | 2.1 | 1.5 | 2.7 | 3.4 | 3.4 | 3.0 |

Source: BofA Global Research estimates, company report

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Price objective basis & risk

Ryanair (RYAOF / RYAAAY)

We base our EUR28 (US\$176) PO on a target P/E of 13x our FY25E EPS. Our target multiple is in-line with its historic average of 13x, which we believe is appropriate as we expect continued strong earnings growth and market share gains.

Upside risks to our PO are significant improvement in the macro-economic backdrop, lower competitor capacity environment, downward movements in fuel prices and foreign exchange (a depreciation in the dollar).

Downside risks to our PO are significant worsening in the macro-economic backdrop, higher competitor capacity environment, upward movements in fuel prices and foreign exchange (an appreciation in the dollar). We also note M&A-related, labour-related (risk of strikes), geopolitical-related, fall-out from the UK leaving the EU and environmental risks associated with our PO.

Analyst Certification

I, Muneeba Kayani, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

EMEA - Transports & Hotels Coverage Cluster

| Investment rating | Company | BofA Ticker | Bloomberg symbol | Analyst |
|---------------------|--|-------------|------------------|----------------|
| BUY | | | | |
| | Accor | ACRFF | AC FP | Muneeba Kayani |
| | DHL Group | DPSTF | DHL GY | Muneeba Kayani |
| | DHL Group | DHLGY | DHLGY US | Muneeba Kayani |
| | DSV | DSDVF | DSV DC | Muneeba Kayani |
| | DSV | DSDVY | DSDVY US | Muneeba Kayani |
| | easyJet | EJTTF | EZJ LN | Muneeba Kayani |
| | IAG | XACDF | IAG LN | Muneeba Kayani |
| | IAG | BABWF | IAG SM | Muneeba Kayani |
| | IAG | ICAGY | ICAGY US | Muneeba Kayani |
| | Intercontinental Hotels Group plc | ICHGF | IHG LN | Muneeba Kayani |
| | Intercontinental Hotels Group plc | IHG | IHG US | Muneeba Kayani |
| | International Distributions Services PLC | ROYMF | IDS LN | Muneeba Kayani |
| | Mobico Group Plc | NXPGE | MCG LN | Muneeba Kayani |
| | Ryanair | RYAAY | RYAAY US | Muneeba Kayani |
| | Ryanair | RYAOF | RYA ID | Muneeba Kayani |
| | TUI AG | TUIFD | TUI LN | Muneeba Kayani |
| NEUTRAL | | | | |
| | APM Maersk | AMKBF | MAERSKB DC | Muneeba Kayani |
| | APM Maersk | AMKBY | AMKBY US | Muneeba Kayani |
| | bpost | BPOSF | BPOST BB | Muneeba Kayani |
| | InPost | INPOF | INPST NA | Muneeba Kayani |
| | Kuehne + Nagel | KHNGF | KNIN SW | Muneeba Kayani |
| | Kuehne + Nagel | KHNGY | KHNGY US | Muneeba Kayani |
| | Whitbread | WTBCF | WTB LN | Muneeba Kayani |
| | Wizz Air | WZZAF | WIZZ LN | Muneeba Kayani |
| UNDERPERFORM | | | | |
| | Air France-KLM | AFRAF | AF FP | Muneeba Kayani |
| | Air France-KLM | AFLYY | AFLYY US | Muneeba Kayani |
| | Austrian Post | OERCF | POST AV | Muneeba Kayani |
| | Lufthansa | DLAKY | DLAKY US | Muneeba Kayani |
| | Lufthansa | DLAKF | LHA GY | Muneeba Kayani |
| | PostNL | TNTFF | PNL NA | Muneeba Kayani |

EMEA - Transports & Hotels Coverage Cluster

| Investment rating | Company | BofA Ticker | Bloomberg symbol | Analyst |
|-------------------|---------|-------------|------------------|----------------|
| | ZIM | ZIM | ZIM US | Muneeba Kayani |

iQmethodSM Measures Definitions**Business Performance**

Return On Capital Employed

Return On Equity
Operating Margin
Earnings Growth
Free Cash Flow

Quality of Earnings

Cash Realization Ratio
Asset Replacement Ratio
Tax Rate
Net Debt-To-Equity Ratio
Interest Cover

Valuation Toolkit

Price / Earnings Ratio
Price / Book Value
Dividend Yield
Free Cash Flow Yield
Enterprise Value / Sales

EV / EBITDA

Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income
Operating Profit
Expected 5 Year CAGR From Latest Actual
Cash Flow From Operations – Total Capex

Numerator

Cash Flow From Operations
Capex
Tax Charge
Net Debt = Total Debt – Cash & Equivalents
EBIT

Numerator

Current Share Price
Current Share Price
Annualised Declared Cash Dividend
Cash Flow From Operations – Total Capex
EV = Current Share Price × Current Shares + Minority Equity + Net Debt + Other LT Liabilities
Enterprise Value

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill
Amortization
Shareholders' Equity
Sales
N/A
N/A

Denominator

Net Income
Depreciation
Pre-Tax Income
Total Equity
Interest Expense

Denominator

Diluted Earnings Per Share (Basis As Specified)
Shareholders' Equity / Current Basic Shares
Current Share Price
Market Cap = Current Share Price × Current Basic Shares
Sales

Basic EBIT + Depreciation + Amortization

iQmethodSM is the set of BofA Global Research standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and validations. The key features of *iQmethod* are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

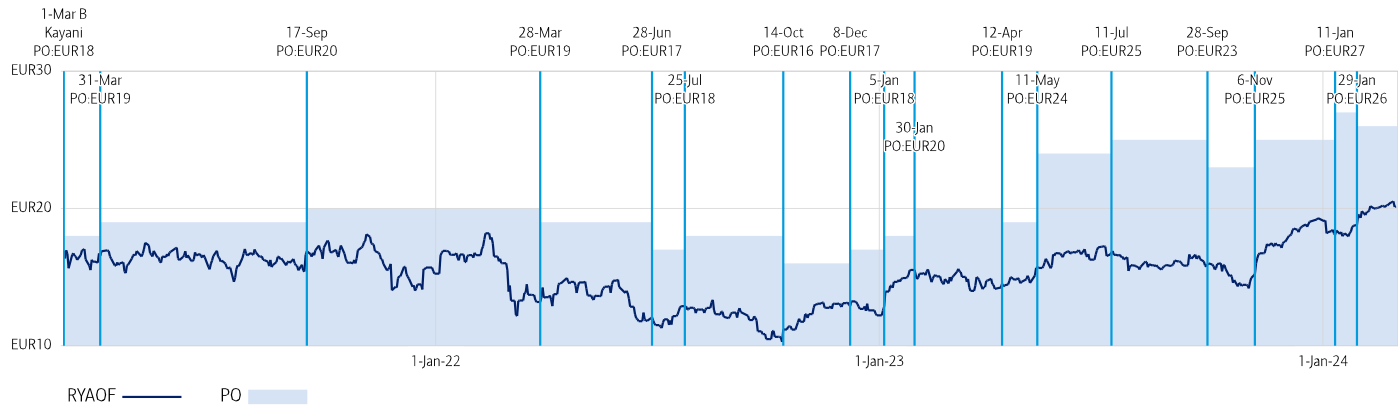
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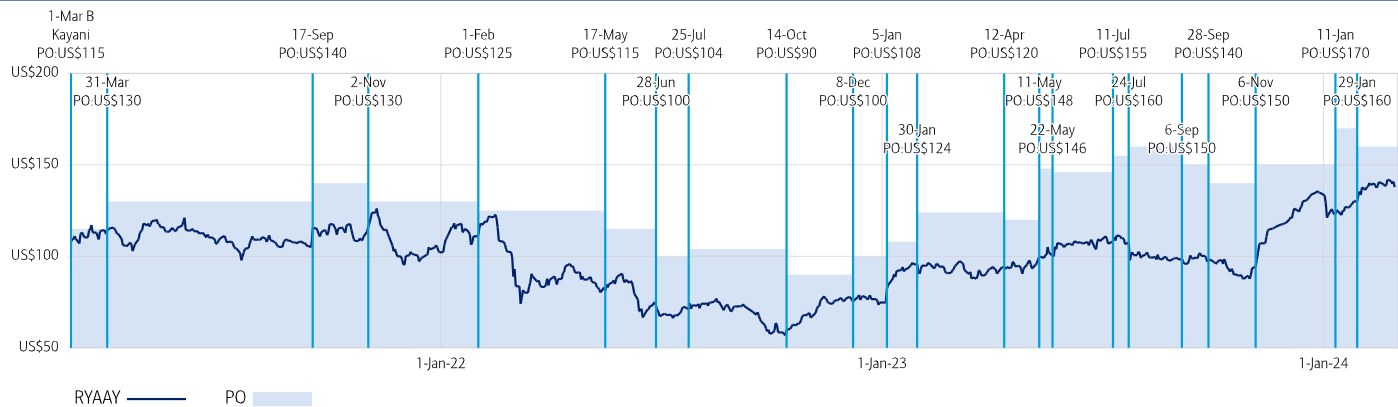
Ryanair (RYAOF) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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Equity Investment Rating Distribution: Transport/Infrastructure Group (as of 31 Dec 2023)

| Coverage Universe | Count | Percent | Inv. Banking Relationships ^{R1} | Count | Percent |
|-------------------|-------|---------|--|-------|---------|
| Buy | 67 | 50.38% | Buy | 44 | 65.67% |
| Hold | 31 | 23.31% | Hold | 13 | 41.94% |
| Sell | 35 | 26.32% | Sell | 17 | 48.57% |

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

| Coverage Universe | Count | Percent | Inv. Banking Relationships ^{R1} | Count | Percent |
|-------------------|-------|---------|--|-------|---------|
| Buy | 1895 | 53.62% | Buy | 1083 | 57.15% |
| Hold | 832 | 23.54% | Hold | 454 | 54.57% |
| Sell | 807 | 22.84% | Sell | 383 | 47.46% |

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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| Investment rating | Total return expectation (within 12-month period of date of initial rating) | Ratings dispersion guidelines for coverage cluster ^{R2} |
|-------------------|---|--|
| Buy | ≥ 10% | ≤ 70% |
| Neutral | ≥ 0% | ≤ 30% |
| Underperform | N/A | ≥ 20% |

^{R2}Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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