

Rating object

Ryanair Holdings plc
 Ryanair DAC
 Long Term Local Currency Senior Unsecured Issues der Ryanair DAC

Rating incl. outlook / watch

BBB- / Watch UNW
 BBB- / Watch UNW
 BBB- / Watch UNW

The present monitoring is, in the regulatory sense, a public unsolicited rating.

Date of inception / disclosure to rated entity / maximum validity:

Rating object	Date of inception	Disclosure to rated entity	Maximum validity
Ryanair Holdings plc	04.03.2022	04.03.2022	Until withdrawal of the rating
Ryanair DAC	04.03.2022	04.03.2022	Until withdrawal of the rating
Long Term Local Currency Senior Unsecured Issues der Ryanair DAC	04.03.2022	04.03.2022	Until withdrawal of the rating

There occurred no changes after the communication of the rating to the rating object.

Rating summary:

Creditreform Rating (CRA) has placed Ryanair Holdings plc and Ryanair DAC's **BBB-** unsolicited, public corporate issuer ratings under review with direction uncertain (**Watch UNW**) as well as the **BBB-** unsolicited corporate issue ratings of the long-term local-currency senior-unsecured notes issued by Ryanair DAC. The rating action reflects the potential impact that the Russia-Ukraine conflict could have on the Company's overall performance. In our view, these turbulences will exacerbate market volatility and delay the Company's recovery trajectory.

The turmoil in Ukraine heightens risk for the airline industry, especially because it follows an unprecedented market deterioration caused by the Covid-19 crisis. So far, the Company has not been directly affected by this conflict as flights to/from Ukraine represent around 1% of Ryanair's total flights and there is no aircraft or crew based in the country. The Company has been showing sequential improvements in traffic volumes (15.7 million passengers in January-February 2022 compared to 1.8 million in the same period of previous year), and even if sales drop in subsequent months, we do not believe so far that the fall will be as sharp as seen during the covid-19 pandemic. Additionally, the current surge in oil prices does not immediately affect the Company because 70-80% of its fuel consumption is hedged until March 2023.

In our review process, we will monitor the extent and length of Russia's military offensive as well as its economic impact to Europe, which can negatively affect consumers' confidence and hinder demand growth of discretionary leisure air travel. The uncertain direction incorporates our expectation that the conflict will either soften in the short-term and Ryanair will continue with its business as usual, since Ukraine does not represent a meaningful share of its flight routes, or it could intensify, spreading to other European countries and disrupting the Company's operations.

Primary key rating drivers:

- + Nearly all the flight routes are outside the conflict zone
- + Large portion of fuel consumption in the short-term is protected through hedge arrangements
- Russia's military invasion of Ukraine and its potential negative economic impact to Europe, which could slow down air travel demand
- Increased market volatility and surge in oil prices could halt the Company's operational recovery that was on course until now

ESG-criteria:

CRA generally considers ESG factors (environment, social and governance) within its rating decisions. In the case of Ryanair Holdings plc we have not identified any ESG factor with significant influence. Please see our ESG analysis in the full rating report published on 15 February 2022, and available in our website.

A general valid description of Creditreform Rating AG, as well as a valid description of corporate ratings for understanding and assessing ESG factors in the context of the credit rating process, can be found [here](#).

Rating scenarios:

Please note: The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.

Regarding our best and worst case scenarios, please refer to our full rating report published on 15 February 2022. Please note that these expectations consider a normalized operating environment for Ryanair and, given current geopolitical tensions in Europe, it may significantly deviate from the Company's future results.

Analysts / Person approving (PAC):

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Sabrina Mascher de Lima	Lead analyst	S.Mascher@creditreform-rating.de
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Initial rating:

Rating object	Event	Rating created	Publication date	Monitoring until	Result
Corporate Issuer Rating of Ryanair Holdings plc	Initialrating	21.09.2018	28.09.2018	26.03.2020	BBB+ / stable
Corporate Issuer Rating of Ryanair DAC	Initialrating	21.09.2018	28.09.2018	26.03.2020	BBB+ / stable
LT LC Senior Unsecured Issues issued by Ryanair DAC	Initialrating	21.09.2018	28.09.2018	26.03.2020	BBB+ / stable

Status of solicitation and information basis:

The present rating is, in the regulatory sense, a public **unsolicited** rating. The rating object participated in the creation of the rating as follows:

Unsolicited Corporate Issuer / Issue Rating	
With rated entity or related third party participation	No
With access to internal documents	No
With access to management	No

Rating methodology / Version / Date of application:

Rating methodology	Version number	Date
Corporate Ratings	2.3	29.05.2019
Non-financial Corporate Issue Ratings	1.0	October 2016
Rating Criteria and Definitions	1.3	January 2018

Regulatory requirements:

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on the registration Creditreform Rating AG (CRA) is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation. The rating¹ was not endorsed by Creditreform Rating AG (Article 4 (3) of the CRA-Regulation).

Conflict of interests

No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or in approving credit ratings and rating outlooks.

In the event of providing ancillary services to the rated entity, Creditreform Rating AG will disclose all ancillary services in the credit rating report.

Rules on the presentation of credit ratings and rating outlooks

The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our "Rating Committee Policy", all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, Creditreform Rating AG has used following substantially material sources:

Corporate issuer rating:

1. Annual report
2. Website
3. Internet research

Corporate issue rating:

1. Corporate issuer rating incl. information used for the corporate issuer rating
2. Documents on issues / instruments

There are no other attributes and limitations of the credit rating or rating outlook other than those displayed on the Creditreform Rating AG website. Furthermore, Creditreform Rating AG considers as satisfactory the quality and extent of information available on the rated entity. With respect to the rated entity, Creditreform Rating AG regarded available historical data as sufficient.

Between the time of disclosure of the credit rating to the rated entity and the public disclosure, no amendments were made to the credit rating.

The Basic Data Information Card indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

In cases where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating report and indicates how the different methodologies or other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions such as mathematical or correlation assumptions, accompanied by worst-case scenario credit ratings and best-case scenario credit ratings are explained.

The date at which the credit rating was initially released for distribution and the date when it was last updated, including any rating outlooks, is indicated clearly and prominently in the Basic Data Information Card as a "rating action"; initial release is indicated as "initial rating", other updates are indicated as an "update", "upgrade" or "downgrade", "not rated", "confirmed", "selective default" or "default".

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available within the Basic Data Information Card.

In accordance with Article 11 (2) EU-Regulation (EC) No 1060/2009, a registered or certified credit rating agency shall make available, in a central repository established by ESMA, information on its historical performance data including the rating transition frequency and information about credit ratings issued in the past and on their changes. Requested data are available at the ESMA [website](#).

An explanatory statement of the meaning of Creditreform Rating AG's default rates are available in the credit rating methodologies disclosed on the website.

¹ In these regulatory requirements the term "rating" is used in relation to all ratings issued by Creditreform Rating AG in connection to this report. This may concern several companies and their various issues.

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