



Connecting people, businesses and countries

2024 Quarter Three results

Disclaimer

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Certain statements included in this document and any related conference call or webcast (including any related Q&A session) are forward-looking. These statements can be identified by the fact that they do not relate only to historical or current facts. By their nature, they involve risk and uncertainties because they relate to events and depend on circumstances that will occur in the future. Actual results could differ materially from those expressed or implied by such forward-looking statements.

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Alternative Performance Measures:

This document and any related conference call or webcast (including any related Q&A session) contain, in addition to the financial information prepared in accordance with International Financial Reporting Standards (‘IFRS’) and derived from the Group’s financial statements, alternative performance measures (‘APMs’) as defined in the Guidelines on alternative performance measures issued by the European Securities and Markets Authority (ESMA) on October 5, 2015. The performance of the Group is assessed using a number of APMs. These measures are not defined under IFRS, should be considered in addition to IFRS measurements, may differ to definitions given by regulatory bodies relevant to the Group and may differ to similarly titled measures presented by other companies. They are used to measure the outcome of the Group’s strategy based on ‘Unrivalled customer proposition’, ‘Value accretive and sustainable growth’ and ‘Efficiency and innovation’.

For definitions and explanations of alternative performance measures, refer to the Alternative performance measures section in the IAG Annual report and accounts 2023 ([IAG Annual Report and Accounts 2023 \(iairgroup.com\)](http://www.iairgroup.com)) and the Interim Management Report for the nine months to 30 September 2024 ([IAG Q3 2024 Results \(iairgroup.com\)](http://www.iairgroup.com)). These documents are available on www.iairgroup.com

Highlights

Luis Gallego
Chief Executive Officer

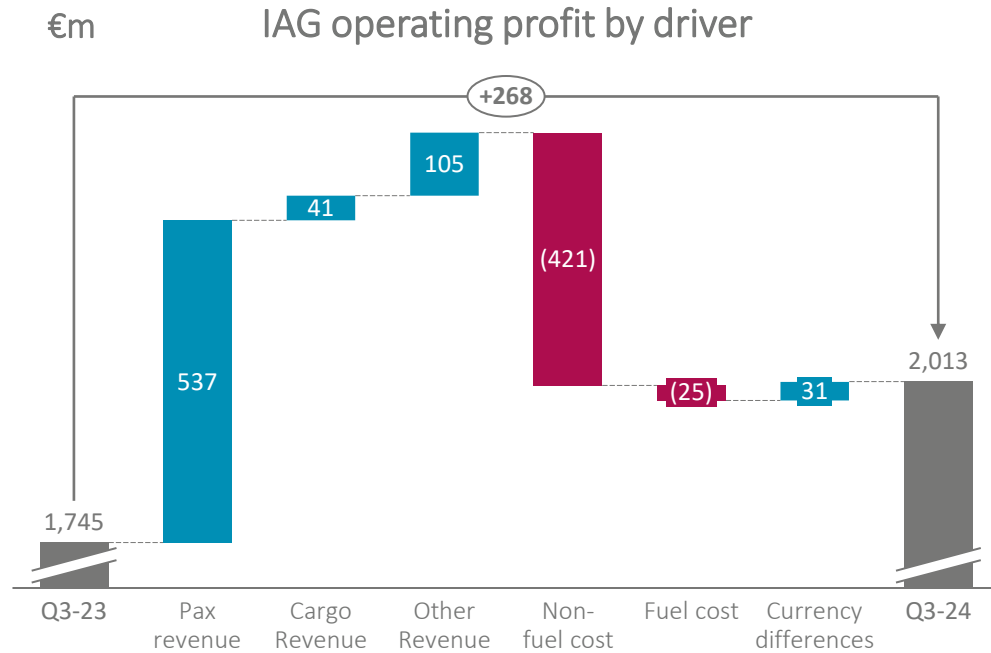
Growing revenue, profit and margins; announcing €350m buyback

- Executing our strategy has driven very strong financial performance in the third quarter:
 - Increase in total revenue by 7.9%
 - Increase in operating profit by 15.4% to €2,013m
 - Increase in operating margin by 1.4pts to 21.6%
- Demand remains strong in all our core markets, supporting a 1.2% increase in passenger unit revenue in Q3
- Ongoing focus on improving our customer propositions and operational resilience
- Increased profitability supports significant free cash flow generation, investment and an increasingly strong balance sheet
- Pleased to announce €350m share buyback
- Expect our strong financial performance to continue for the rest of the year

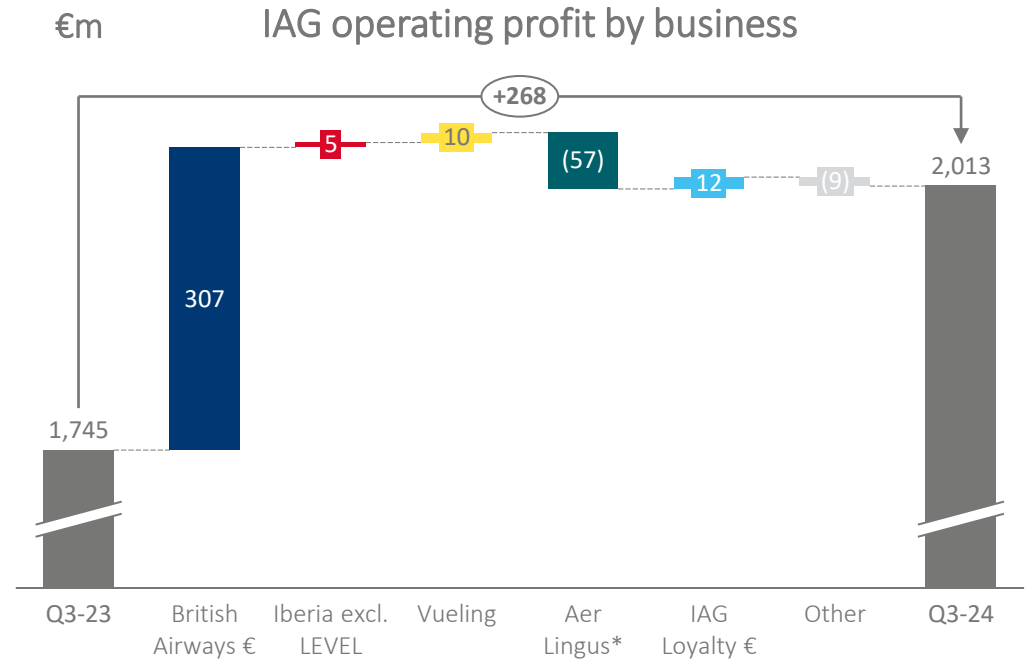
Financial results

Nicholas Cadbury
Chief Financial Officer

Very strong financial performance in the third quarter







Before exceptional items








"Other" includes LEVEL, IAG Cargo, IAG GBS, ICAG and Consolidation adjustments

Q3 key metrics

 Activity	ASKs 93,280m <i>+5.7% vLY</i>			
 Commercial performance	Total revenue €9,329m <i>+7.9% vLY</i>	Total pax revenue €8,270m <i>+6.9% vLY</i>	PRASK €8.87c <i>+1.2% vLY</i>	Load factor 89.9% <i>+1.0pts vLY</i>
 Cost performance	Total expenditure €7,316m <i>+6.0% vLY</i>	CASK €7.84c <i>+0.3% vLY</i>	Fuel CASK €2.20c <i>(4.2)% vLY</i>	Non-fuel CASK €5.64c <i>+2.2% vLY</i>
 Financial performance	Operating profit €2,013m <i>+€268m vLY</i>	Operating margin 21.6% <i>+1.4pts vLY</i>	Net debt €6,189m <i>€(3,056)m vDec-23</i>	Net debt / EBITDA 1.0x <i>(0.7)x vDec-23</i>

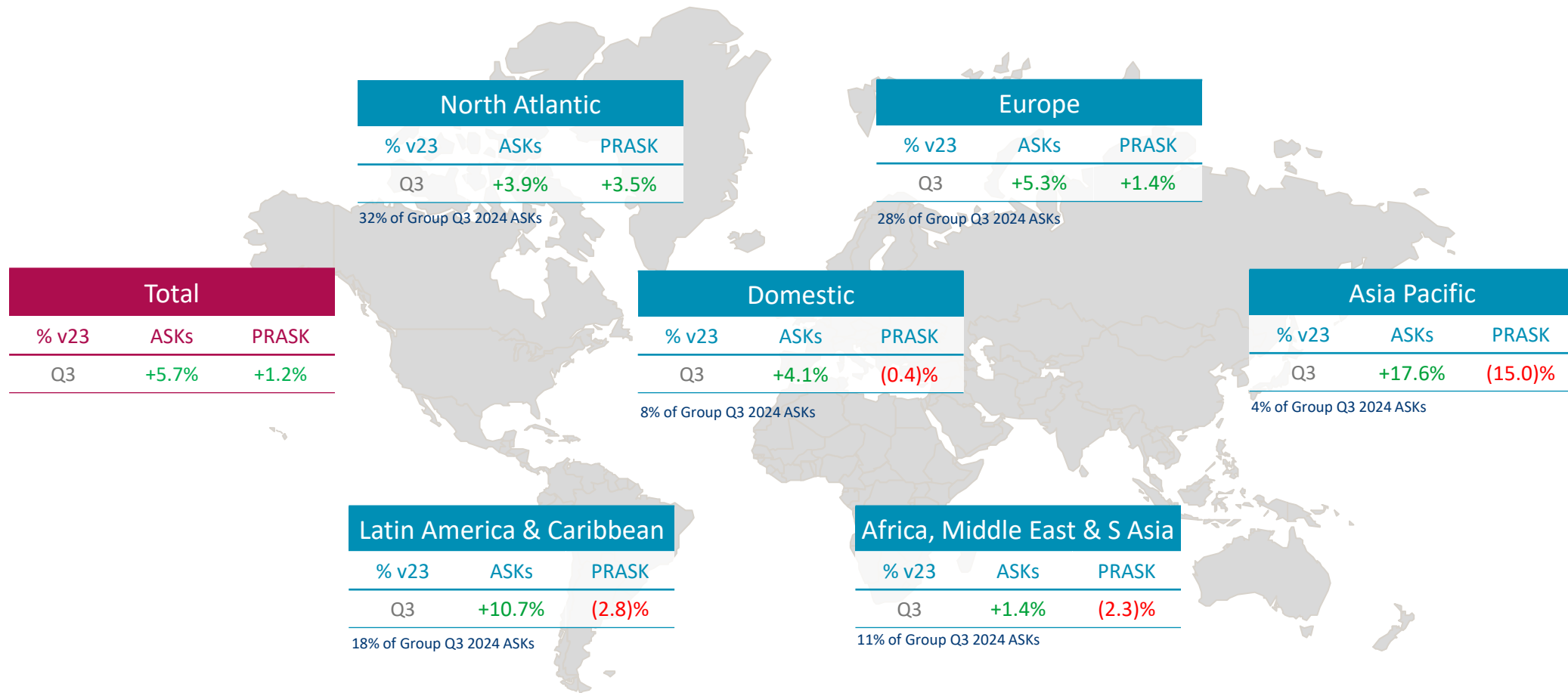
Strong quarter across our businesses; strike impact at Aer Lingus

	Aer Lingus 		BRITISH AIRWAYS 		IBERIA 		vueling 		IAG Loyalty 	
	Q3 2024 (€m)	vLY	Q3 2024 (£m)	vLY	Q3 2024 (€m)	vLY	Q3 2024 (€m)	vLY	Q3 2024 (£m)	vLY
Total revenue	746	(3.0)%	4,016	+5.8%	2,107	+8.5%	1,082	+0.1%	699	16.2%
Passenger revenue	726	(3.8)%	3,777	+5.2%	1,711	+9.8%	1,077	+0.1%	333	+56.1%
Operating result before exceptional items	139	(57)	830	+251	454	+5	292	+10	125	+10
Operating margin before exceptional items	18.6%	(6.8)pts	20.7%	+5.4pts	21.5%	(1.6)pts	26.9%	+0.8pts	17.9%	(1.0)%
ASK (m)	9,595	+4.2%	46,373	+3.5%	22,801	12.1%	11,964	(0.2)%	-	-
PRASK (€/p)	7.56	(7.7)%	8.15	+1.5%	7.51	(2.0)%	9.00	+0.3%	-	-
Non-fuel CASK (€/p)	4.32	+2.4%	4.78	(3.9)%	5.42	0.0%	4.48	+0.6%	-	-

• Iberia figures exclude LEVEL

2023 comparators adjusted for the move of BA Holidays from British Airways to IAG Loyalty. IAG Loyalty now includes BA Holidays: Q3 2024 revenue of £278m and profit of £35m (Q3 2023: revenue of £245m and profit of £36m)

Strong performance in our core markets



Profit after tax and exceptional items of €2,340m in 9M 2024






€m	Nine months to 30 September					
	Before exceptional items 2024	Exceptional items	Statutory 2024	Before exceptional items 2023	Exceptional items	Statutory 2023
Revenue	24,053	-	24,053	22,229	-	22,229
Operating costs	20,731	-	20,731	19,224	-	19,224
Operating profit	3,322	-	3,322	3,005	-	3,005
Finance costs	(677)	-	(677)	(867)	-	(867)
Finance income	299	-	299	285	-	285
Net change in fair value of financial instruments	(63)	-	(63)	-	-	-
Net financing credit relating to pensions	46	-	46	77	-	77
Net currency retranslation (charges)/credits	56	-	56	64	-	64
Other non-operating credits/(charges)	22	(50)	(28)	51	-	51
Profit before tax	3,005	(50)	2,955	2,615	-	2,615
Tax	(755)	140	(615)	(464)	-	(464)
Profit after tax	2,250	90	2,340	2,151	-	2,151

Increasingly strong balance sheet

€m	30 Sep 2023	31 Dec 2023	30 Sep 2024
Gross debt	17,227	16,082	16,026
Bank and other loans	3,567	2,688	2,720
Asset financed and lease liabilities	13,660	13,394	13,306
Cash, cash equivalents and interest-bearing deposits	9,218	6,837	9,837
Net debt	8,009	9,245	6,189
Net debt / EBITDA before exceptional items	1.4x	1.7x	1.0x
Total liquidity (cash and facilities)	13,697	11,624	13,306

- Interim dividend payment of €147m in September 2024
- We now expect capex for the year to be around €3.1bn due to phasing of investments
- We still expect 20 aircraft* to be delivered in 2024, with 4 in the fourth quarter
- Leverage to increase modestly at the year-end in line with usual seasonal booking patterns

Our capital allocation framework supports profitable growth, margins and sustainable shareholder returns

	Maintain balance sheet strength (<1.8x across the cycle)	1.0x at 30 Sep 2024
	Invest in rebuilding our fleet	20 aircraft for FY24
	Improve customer experience, digital and sustainability	c.€3.1bn capex in FY24
	Commitment to sustainable dividends	€0.03 per share interim
	Excess cash returned to shareholders	€350m share buyback

Business overview and outlook

Luis Gallego

Chief Executive Officer

Focusing on our brands and our core markets

Aer Lingus 

- New flights to Denver, resumption of Minneapolis. A321 XLR to Nashville, Indianapolis; LHR operated with A320neo's (lower airport charges)
- Faster boarding process on short-haul flights for AerClub members; refreshed lounge at Heathrow, Disney+ content on long-haul flights; participating in TSA Pre-Check in the US; AerClub members can now earn Avios on American Airlines flights
- Amazon Connect in call centres; Salesforce migration, handling for IAG in Dublin, onboarding of Expedia onto NDC

BRITISH AIRWAYS 

- Abu Dhabi resumption; continued Euroflyer growth at Gatwick; announced additional US frequencies for 2025
- Continued rollout of new economy seats on short-haul and new Club Suite product on long-haul aircraft; new food choices at BA lounges
- New customer rebooking tool; new aircraft-assignment tool, introduction of turnaround information screens across BA stands at Heathrow-T5

IBERIA 

- Continued growth in core LatAm and North Atlantic markets; as well as Spanish island destinations
- Long-haul cabin refurbishment; new fast-track and lounge food offer at Madrid; inflight product upgrade (menus, premium spirits, amenity kits)
- Video analytics for engine inspections, real time weather forecast for Operations Control, and Foreign Object Debris

vueling 

- Increased focus on core routes from Barcelona
- Partnered with '15below' to deliver an improved communications tool for schedule and disruption communications as well as flight status notification; launched 'Levarti' to unlock self-service disruption management capabilities
- Migration to new system for advanced dynamic pricing. 'Checkbuilder' and 'Engine Optimizer' for maintenance efficiencies

IAG Loyalty 

- Aer Lingus became the third IAG airline to offer Avios-only flights
- Avios Wallet launched at IB.com & VY.com, so members can link their IB Plus/Vueling Club accounts to view/redeem Avios from a single balance
- Non-air partnership with Royal Caribbean Cruises announced allowing customers to earn Avios for holidays booked directly on their website

Outlook for 2024

- Planned capacity growth for FY 2024 at c.+6% ASKs; Q4 2024 c.+5%
- Non-fuel unit cost expected to be up around 2% for the year
- Expected total fuel cost in FY 2024 of c.€7.7bn*
- Leverage to increase modestly by year end
- Expect our strong financial performance to continue for the rest of the year

Summary

- We expect positive long-term, sustainable demand for travel
- Executing our transformation programme to deliver world-class margins and returns
- Disciplined capital allocation: continue to expect to generate significant free cash flow, maintain a strong balance sheet and invest in the business
- Committed to sustainable shareholder value creation and cash returns
 - Interim dividend of €0.03 per share and €350m share buyback

Appendices






Fuel hedging - 76% for Q4 2024; c.61% for FY 2025

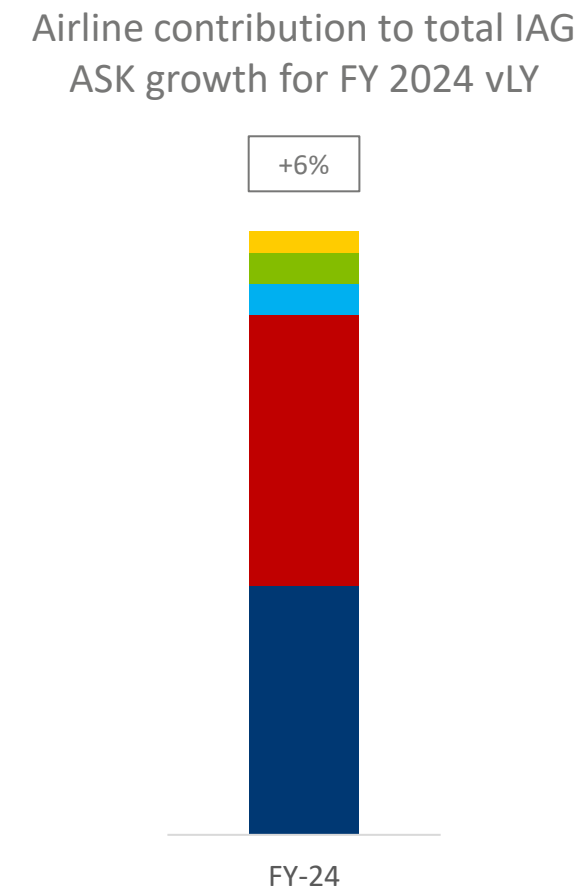
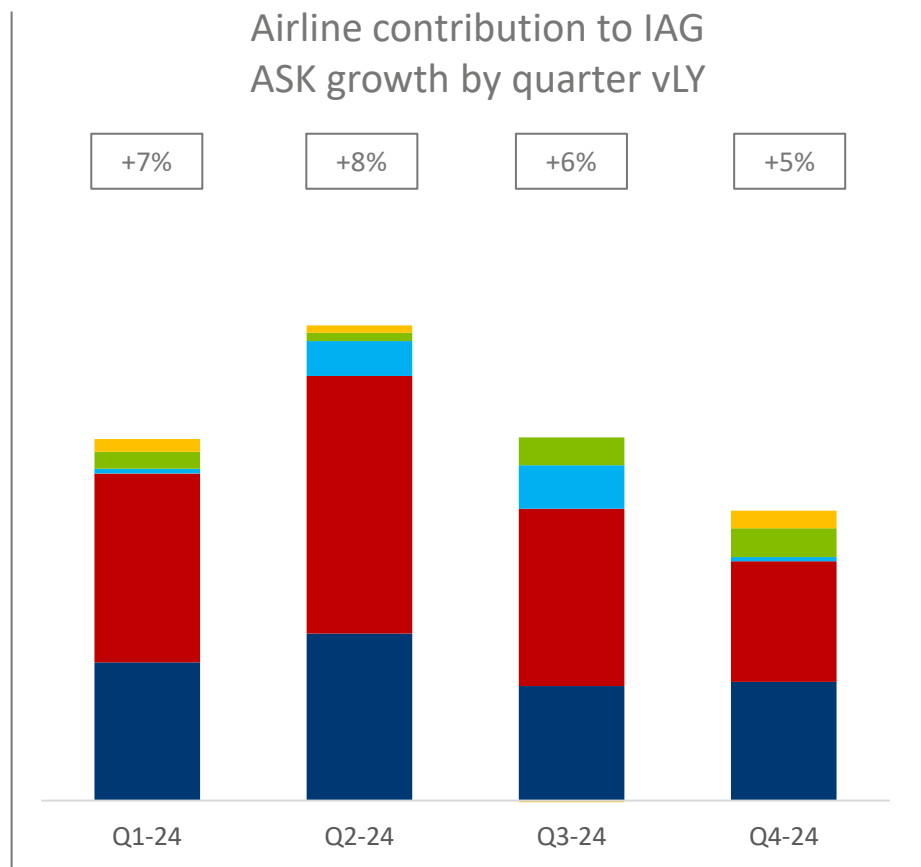
	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Jet fuel price scenario	\$690/mt	\$700/mt	\$700/mt	\$710/mt	\$710/mt	\$710/mt
\$/€ scenario	1.114	1.114	1.114	1.114	1.114	1.114
Hedge ratio	76%	71%	65%	59%	48%	32%
Effective blended price post fuel and FX hedging*	\$750/mt	\$735/mt	\$730/mt	\$735/mt	\$735/mt	\$730/mt

* Note: Effective blended price excluding into plane cost

Full year 2024 fuel cost expected to be c.€7.7bn based on forward jet fuel prices and spot foreign exchange rates on 7 November 2024

FY 2024 capacity planned to be c.6% higher than 2023

ASKs	Q4 2024 vLY	FY 2024 vLY
	+5%	+4%
	+4%	+5%
	+8%	+14%
	+4%	+19%
	+2%	+1%
IAG	+5%	+6%



Alternative Performance Measures (APMs) and Financial terminology definitions

Measure	IFRS/APM	Definition	Source of calculation
Operating profit (and other Income statement items) before exceptional items	APM	See Q3 2024 Interim Management Report (alternative performance measures section, note a: Profit after tax before exceptional items) and accounting policies	Q3 2024 Interim Management Report (Reconciliation of alternative performance measures section, note a: Profit after tax before exceptional items)
EBITDA before exceptional items	APM	Operating result before exceptional items, interest, taxation, depreciation, amortisation and impairment.	Q3 2024 Interim Management Report (Reconciliation of alternative performance measures section, note e: Net debt to EBITDA before exceptional items)
Unit measures (PRASK, Fuel CASK, Non Fuel CASK)	APM	Passenger revenue, fuel costs, non-fuel costs (before exceptional items) divided by capacity (ASKs)	Glossary in the 2023 ARA
Gross debt	IFRS	Total borrowings (current and non-current)	Direct from Balance sheet (Current liabilities, Non-current liabilities)
Cash	IFRS	Cash and cash equivalents and Current interest-bearing deposits	Direct from Balance sheet (Current assets)
Airline non-fuel CASK	APM	Total operating expenditure before exceptional items, less fuel costs and emission charges and less non-flight specific costs divided by total ASKs, and is shown on a constant currency basis.	Q3 2024 Interim Management Report (Reconciliation of alternative performance measures section, note d: Airline non-fuel costs per ASK)
Net debt	IFRS	Gross debt (per above) less Cash	Q3 2024 Interim Management Report (Reconciliation of alternative performance measures section, note e: Net debt to EBITDA before exceptional items)
Net debt to EBITDA before exceptional items (or Leverage)	APM	Based on Net debt (per above) and the rolling 12-month EBITDA before exceptional items	Q3 2024 Interim Management Report (Reconciliation of alternative performance measures section, note f: Net debt to EBITDA before exceptional items)
Liquidity (or Total liquidity)	APM	Cash (per above) plus committed and undrawn general and overdraft facilities, and aircraft-specific financing facilities	Q3 2024 Interim Management Report (Reconciliation of alternative performance measures section, note g: Liquidity)
Movements in working capital	IFRS	Net movements in working capital per cash flow statement	Direct from Cash flow statement (Net cash flows from operating activities)
Capex (or gross capital expenditure)	IFRS	Acquisition of property, plant and equipment and intangible assets per cash flow statement	Direct from Cash flow statement (Net cash flows from investing activities)