



Connecting people, businesses and countries

Capital Markets Day
21 November 2023

Driving world-class margins and returns

An aerial view from an airplane window showing the wing on the left and a sunset over a city below. The sun is low on the horizon, creating a bright orange and yellow glow. The city below is dark, with some lights visible. The sky transitions from a deep blue to a bright orange near the horizon.

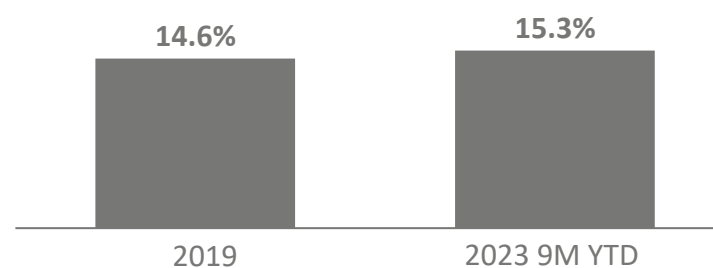
Luis Gallego
Chief Executive Officer

Our strategy has delivered world-class margins and returns

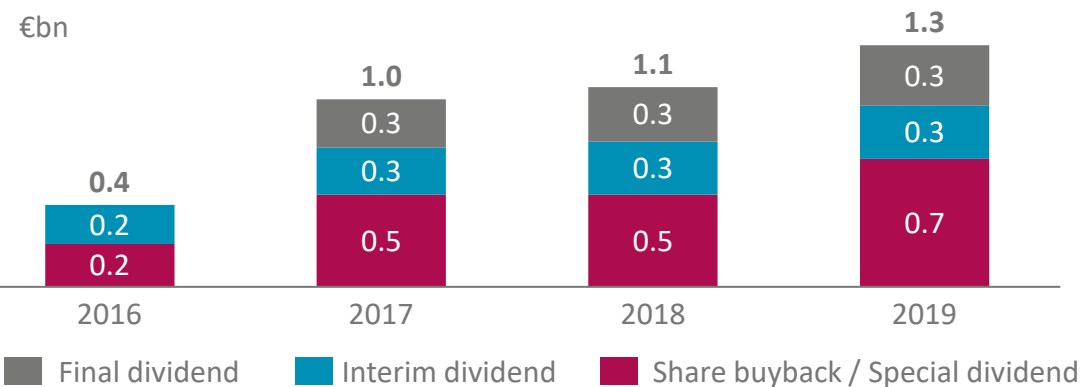
World-class operating margins*



World-class RoIC*



Attractive returns to shareholders



Strong balance sheet

(Net debt / EBITDA)*



Our focus remains on maximising Total Shareholder Returns



Our four near-term strategic priorities

TRANSFORMATION

Transforming all our businesses to reach their full potential in the long term

LEVERAGING OUR SPANISH PLATFORMS

Over €1.5bn of operating profit from Spanish businesses, strengthening IAG's portfolio

INVESTING IN BRITISH AIRWAYS

Investing in BA to drive higher customer satisfaction, profits and margins

GROWING IAG LOYALTY

Leveraging our Loyalty business for higher growth, high margins and sustainable cash generation

Underpinned by capital discipline and a strong balance sheet

Our proven structure facilitates transformation and innovation

Corporate Parent



Drive Portfolio & Financial Strategy

- Drive Group corporate strategy; set the portfolio
- Allocate capital and manage the balance sheet
- Manage investor relations and stakeholders
- Drive value through M&A, partnerships, and JV's

Performance Manage

- Performance manage the OpCos
- Oversee transformation of OpCos

Facilitate Value Capture & Share Best-Practices

- Set the ambition and facilitate asset-light growth
- Drive top talent management & pipeline
- Drive sustainability agenda
- Facilitate capture of additional synergies
- Drive innovation

Operating Companies

Full Service



Value



Low-cost



Non-Flying OpCos



- Accountability
- Commercial independence
- Operational independence
- Customer value proposition and relationship
- People management

Group Platforms and Central Functions

Procurement Transformation Fleet Talent Technology Sustainability Strategy Comms. & Corp. Affairs Finance Legal

- Allow our airlines to benefit from scale and world-class expertise

An experienced and collaborative team...

Sean Doyle
Chairman and CEO of
BRITISH AIRWAYS

Fernando Candela
Chairman and CEO of
IBERIA

Lynne Embleton
Chairman and CEO of
Aer Lingus

Marco Sansavini
Chairman and CEO of
vueling

Adam Daniels
Chairman and CEO of
IAG Loyalty

Luis Gallego
Chief Executive Officer
IAG

Nicholas Cadbury
Chief Financial Officer
IAG

Jonathan Sullivan
Chief Transformation and
Corporate Development Officer
IAG

Carolina Martinoli
Chief People, Corporate Affairs
and Sustainability Officer
IAG

Julio Rodriguez
Chief Commercial
Strategy Officer
IAG

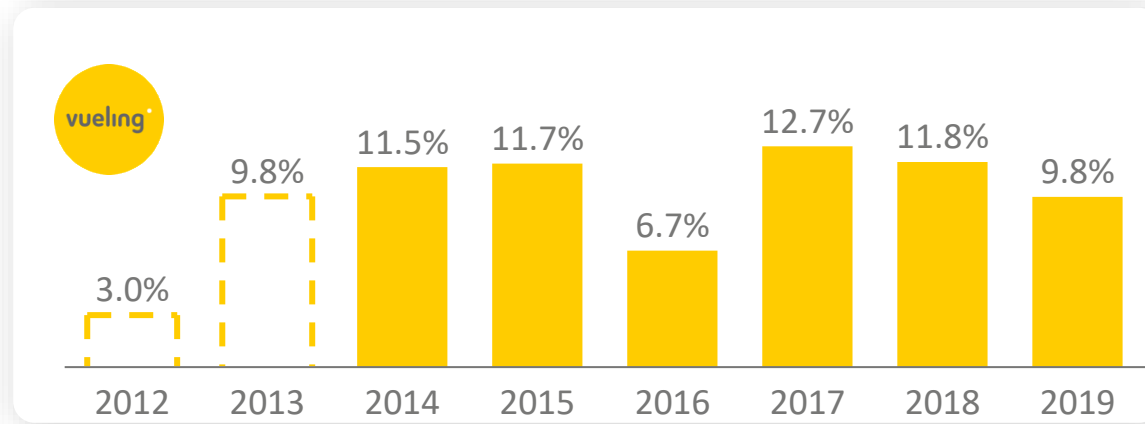
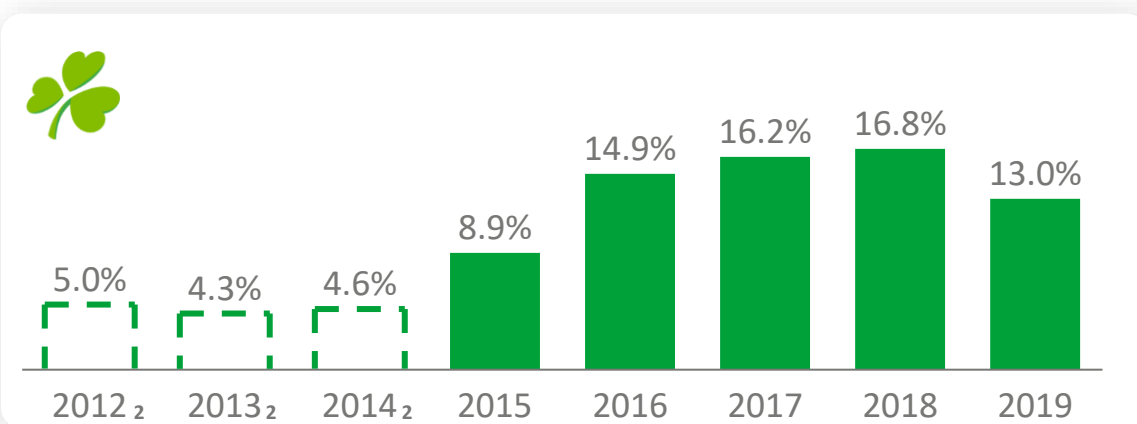
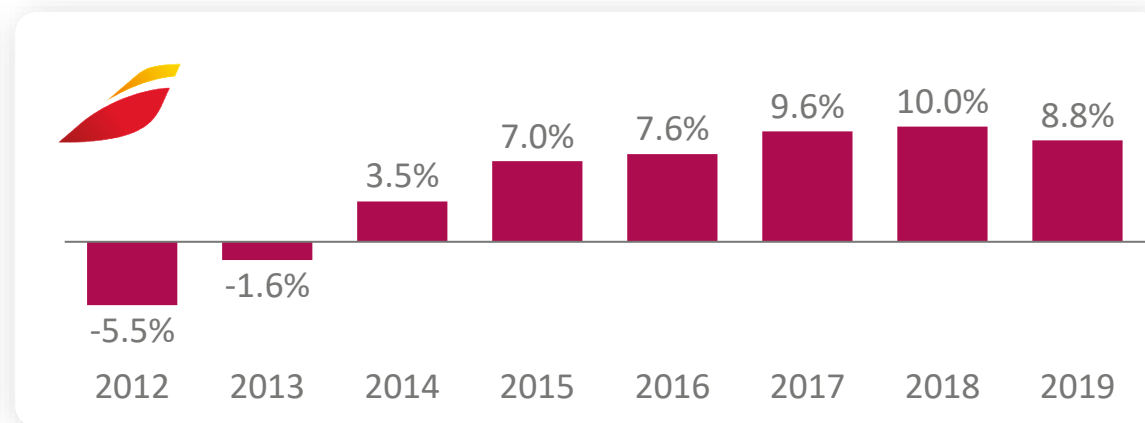
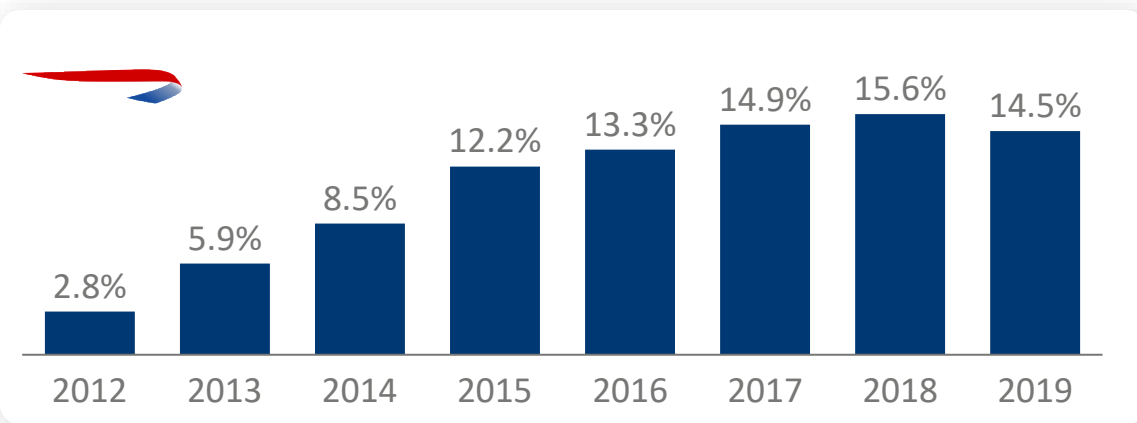
Sarah Clements
General Counsel
IAG

Jorge Saco
Chief Information, Procurement,
Services and Innovation Officer
IAG

- IAG actively facilitates engagement and collaboration between its operating companies
- Sharing of knowledge, best-practice, talent and resources
- Operating companies empowered to execute their strategies and are fully accountable for meeting their targets

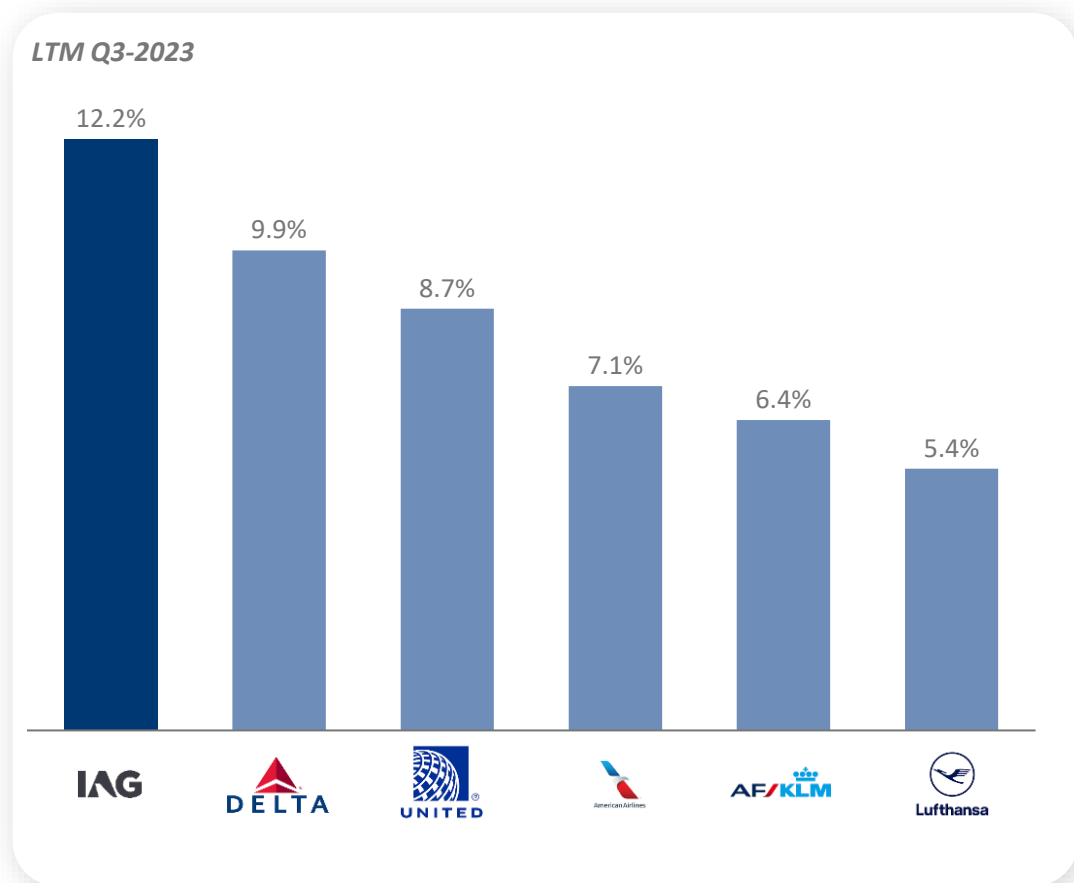
...who have a strong track record of leading performance...

Full year lease-adjusted operating margin¹ (%) by IAG airline OpCo

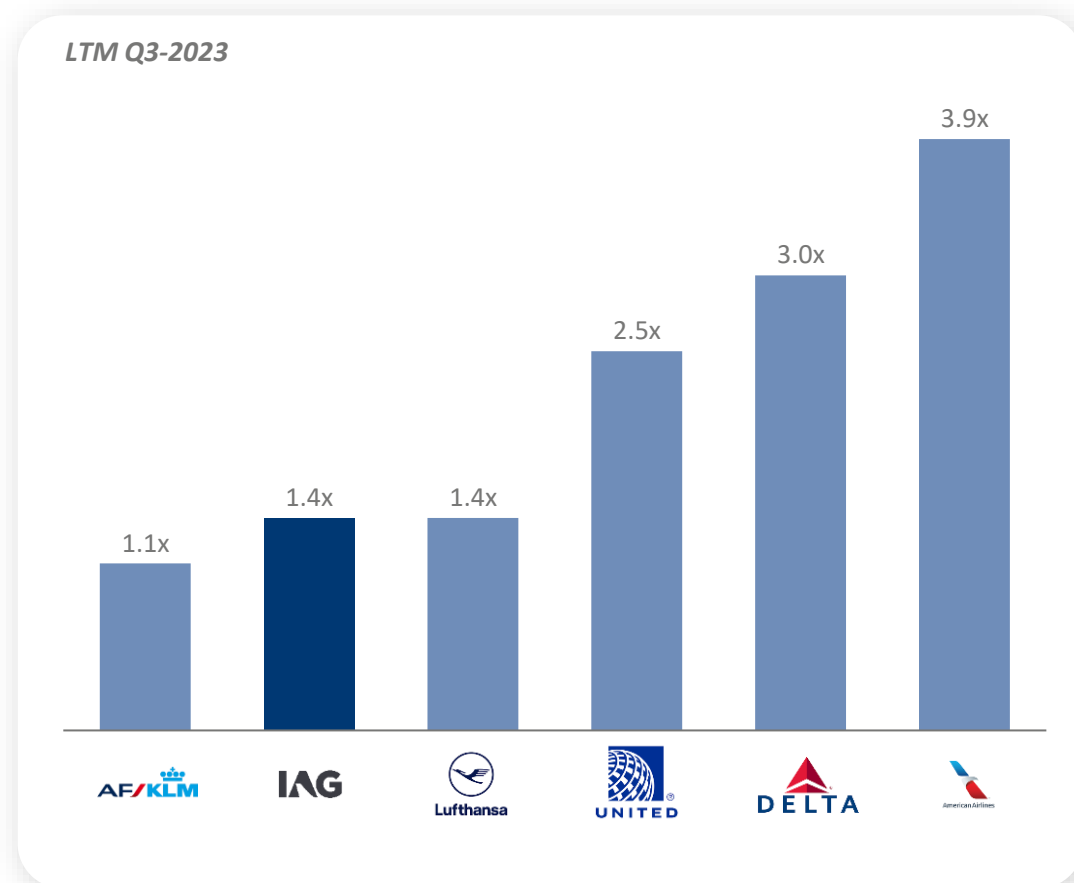


...and we continue to outperform our peers

Best-in-class operating margins (%)

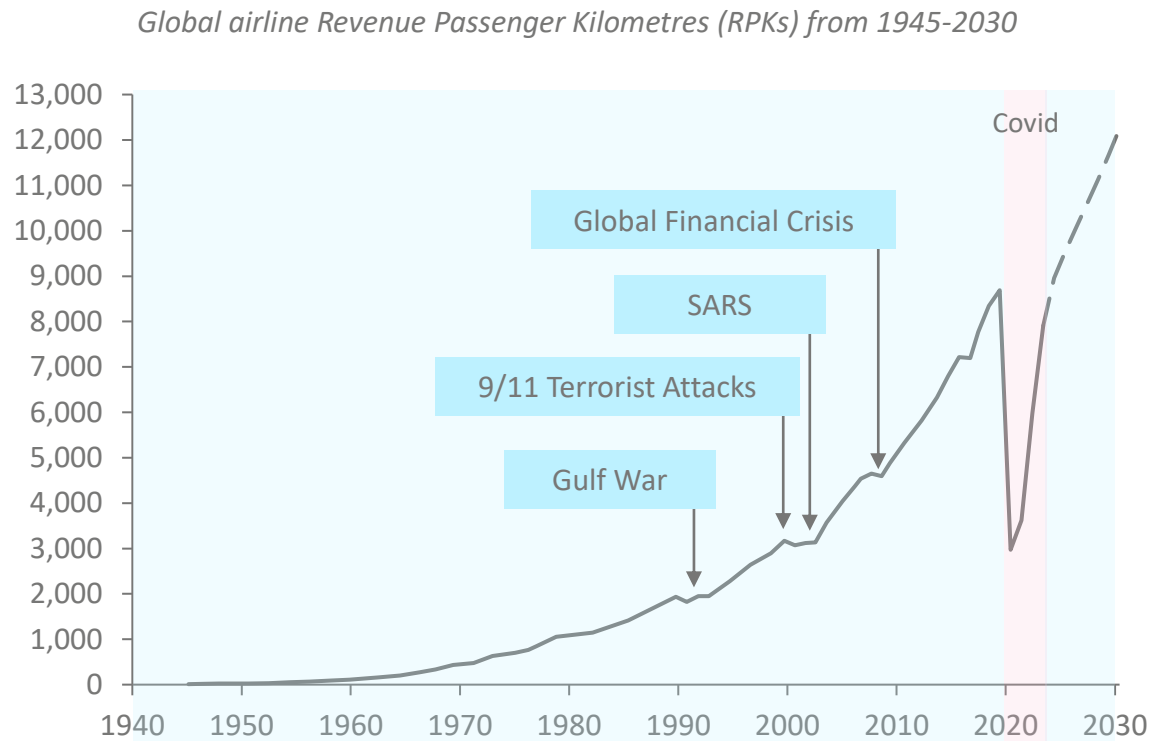


Strong balance sheet position (leverage)



We operate in a secular long-term growth sector

Long-term secular growth



Travel remains a priority

85%

of people say they plan to take two or more leisure trips in 2023¹

78%

of people see leisure travel as an important budget priority¹

Ongoing shift in spending from goods to services

84%

of Gen-Z and Millennial respondents agree that they would rather take a dream vacation than purchase a new luxury item¹

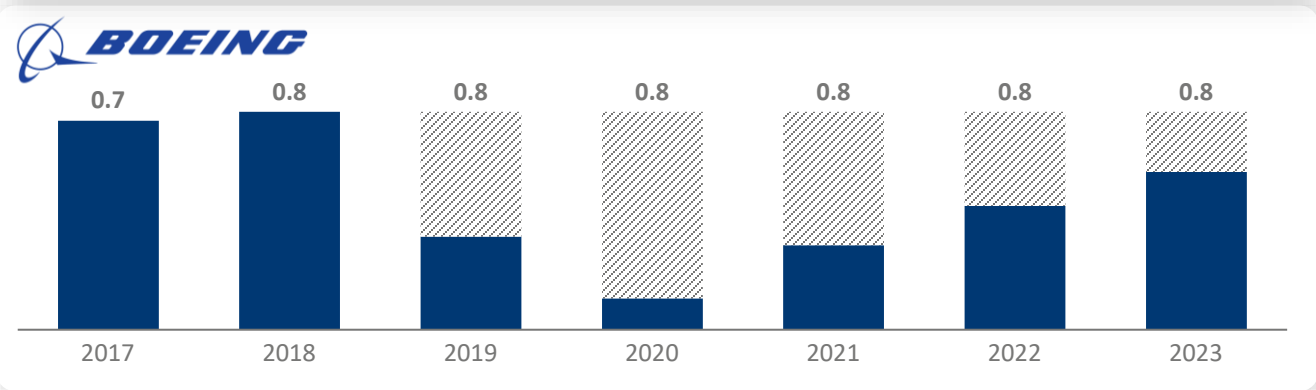
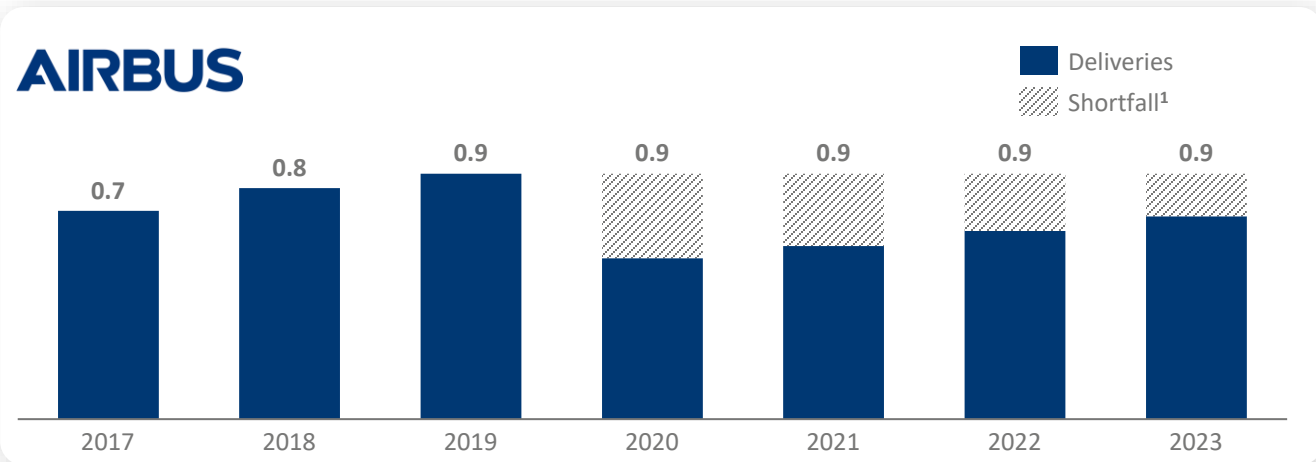
Premium consumer trends remain supportive

74%

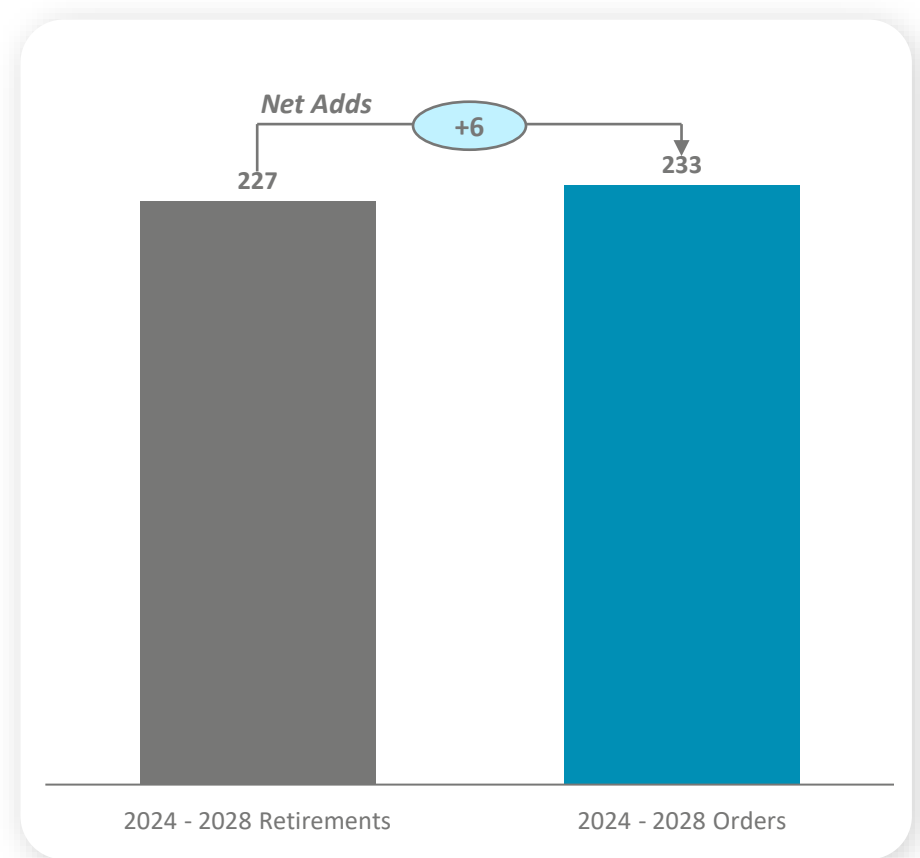
care more about creating a travel experience that meets their expectations vs the cost

Supply is constrained for the medium-term

Aircraft deliveries / orders ('000)

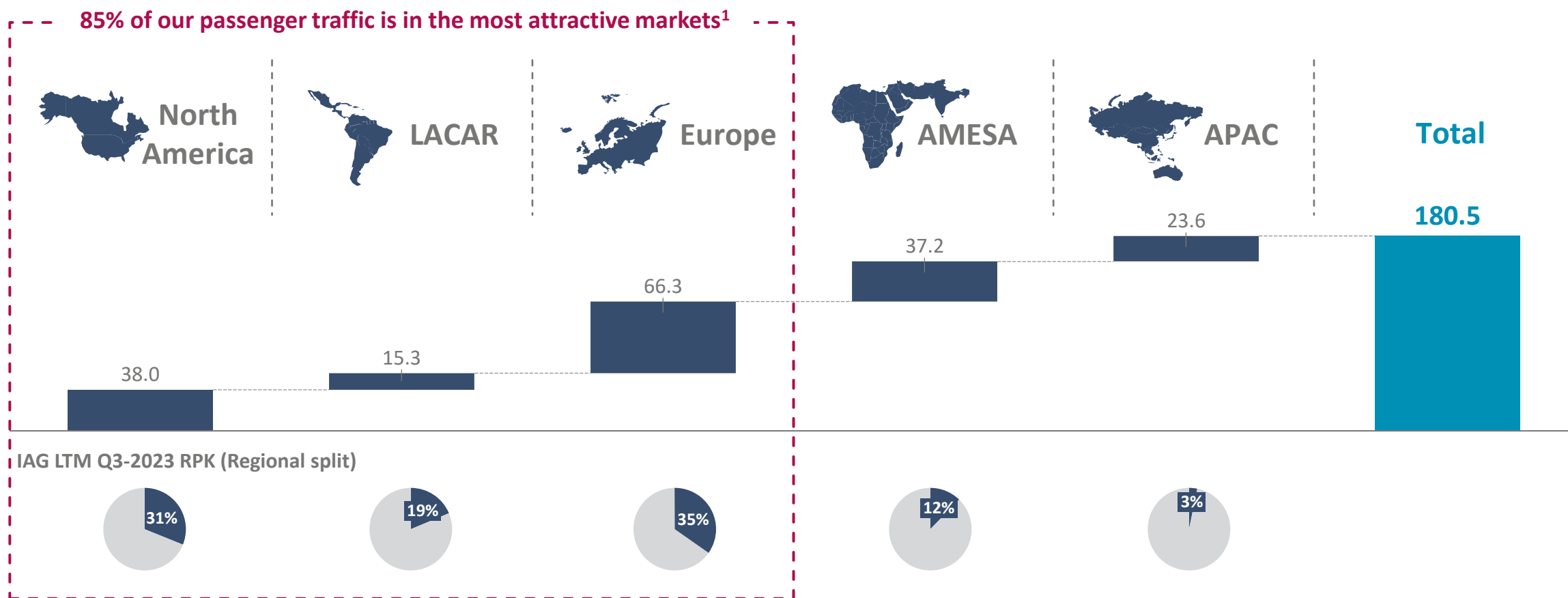


Aircraft retirements vs orders for European hub carriers²



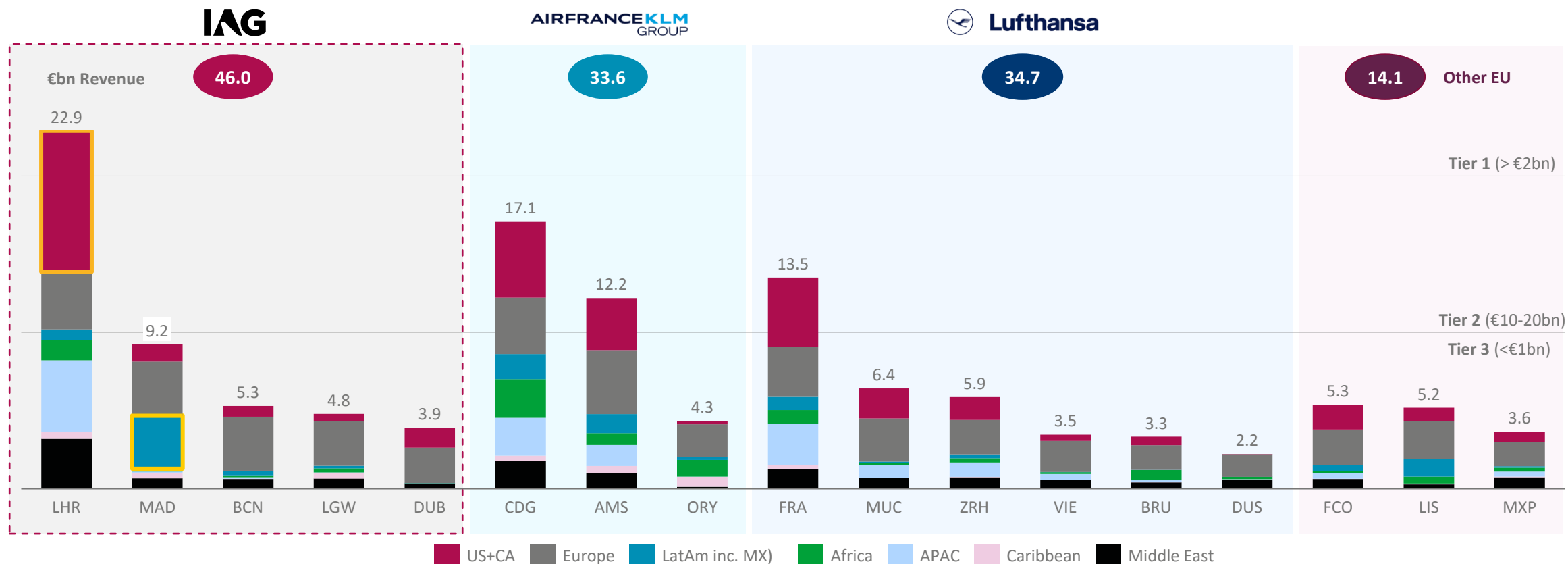
We operate in some of the world's largest and most attractive markets

Total Market Size by O&D to/from Europe (€bn)¹



We are based in some of the largest European hubs...

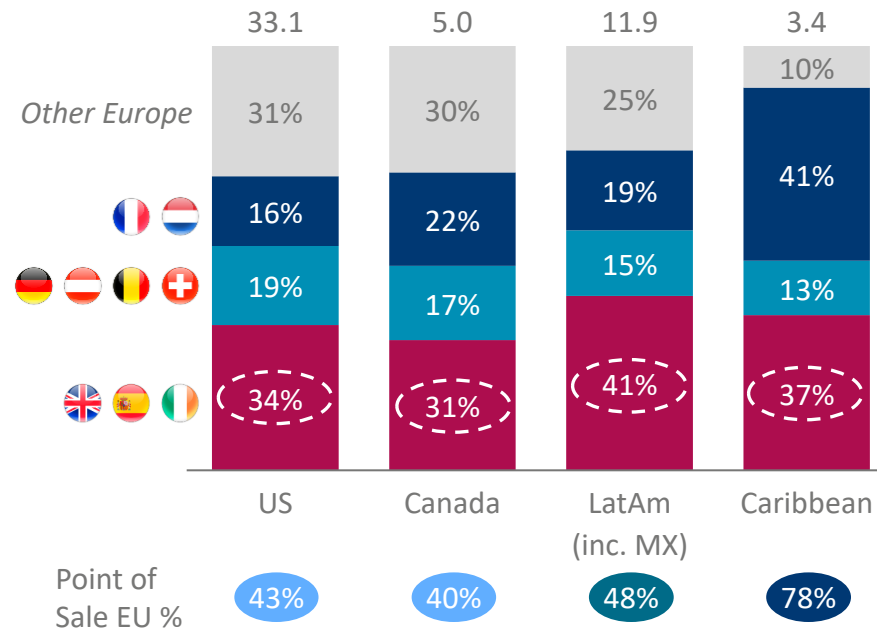
European airports by total revenue¹, LTM Q2-2023 (€bn)



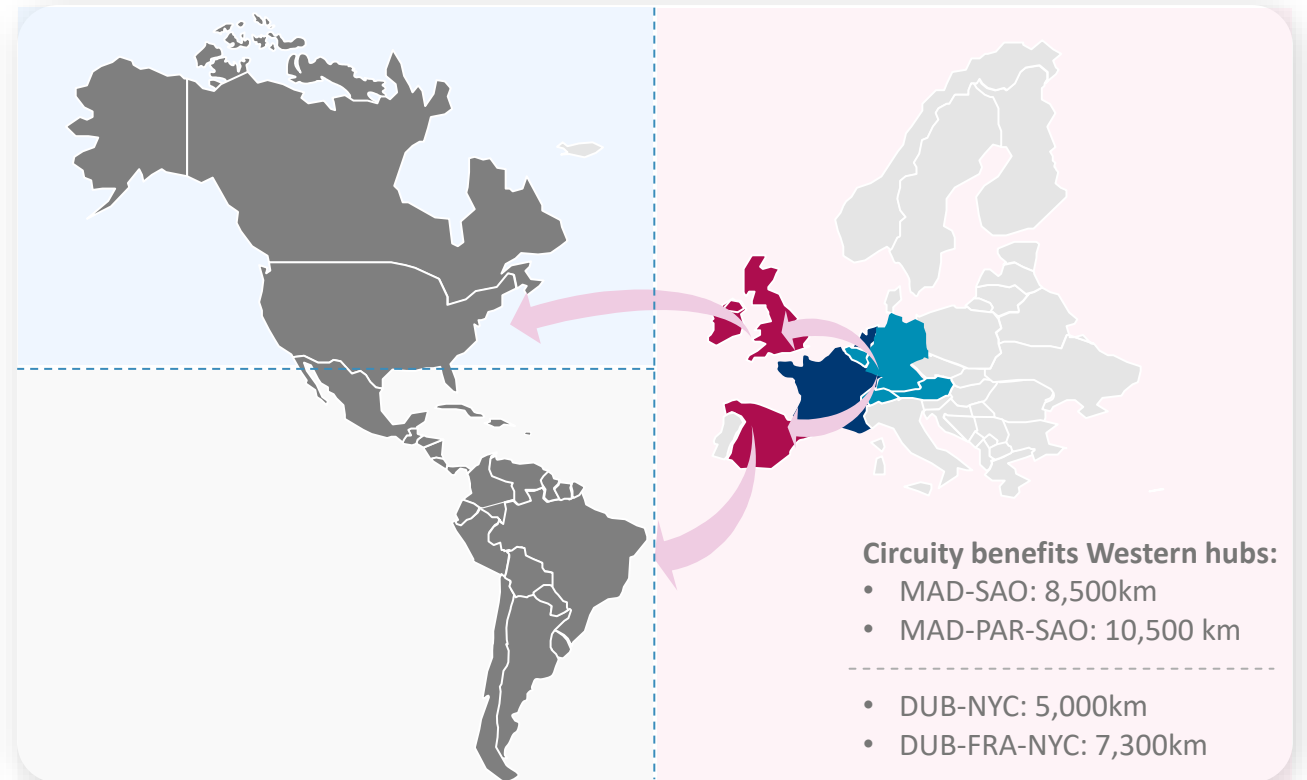
... which provide a competitive and geographic advantage across the Atlantic

Our home markets provide a competitive advantage

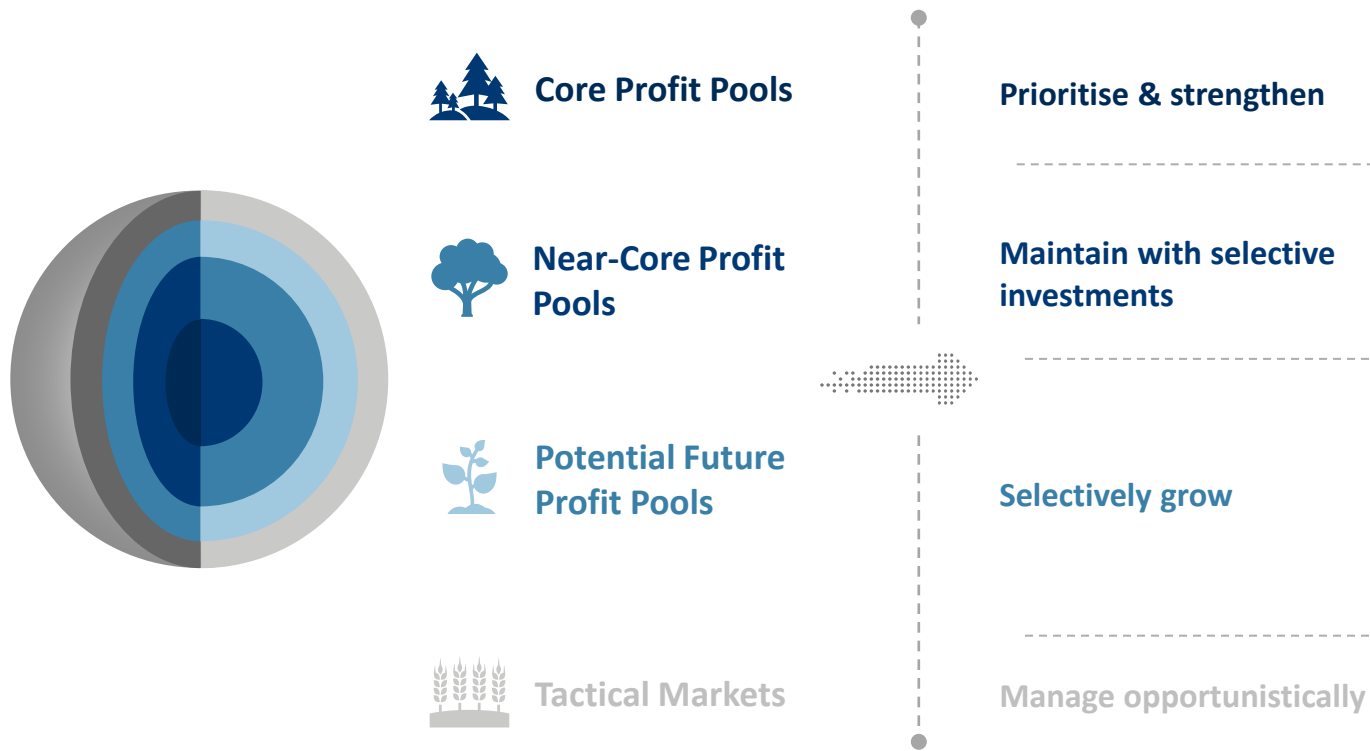
EU-World market revenue (€bn)¹



















Geographical advantage



A disciplined framework for investing in growth



 By region	 By hub	 By Bus Unit
US  LatAm  Spain 	LHR DUB MAD BCN	Flying OpCos IAG Loyalty
S. Africa  Japan  Caribbean  Nigeria 	LGW LCY	IB MRO IAG Cargo
India  Canada  Middle East  Australia  NZ  Intra-Eur. 	DOH ORY MAN	-
Other markets	Other	-

Leveraging our home markets and geographical advantage to maintain and grow our North Atlantic position

Strategic Path



Increasing network breadth and depth



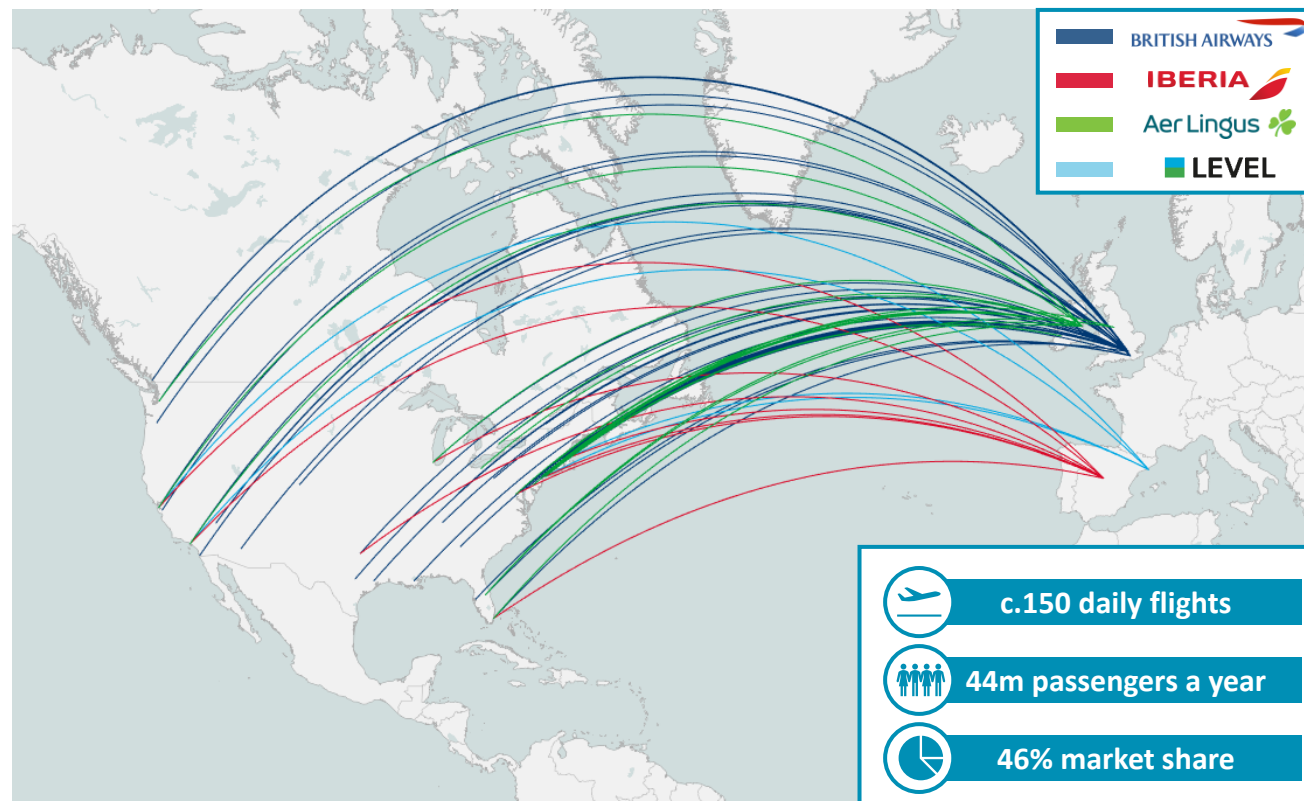
Maximising fleet opportunities



Improving the customer experience



Advancing the Atlantic Joint Business



Highly attractive LatAm markets supporting €1.5bn+ profit from our Spanish businesses

Strategic Path



Competitive advantage driven by Iberia turnaround



Strong position in Spanish-speaking countries with runway for growth at Madrid



Grow footprint and network depth



Structural improvements through A350 and A321 XLR



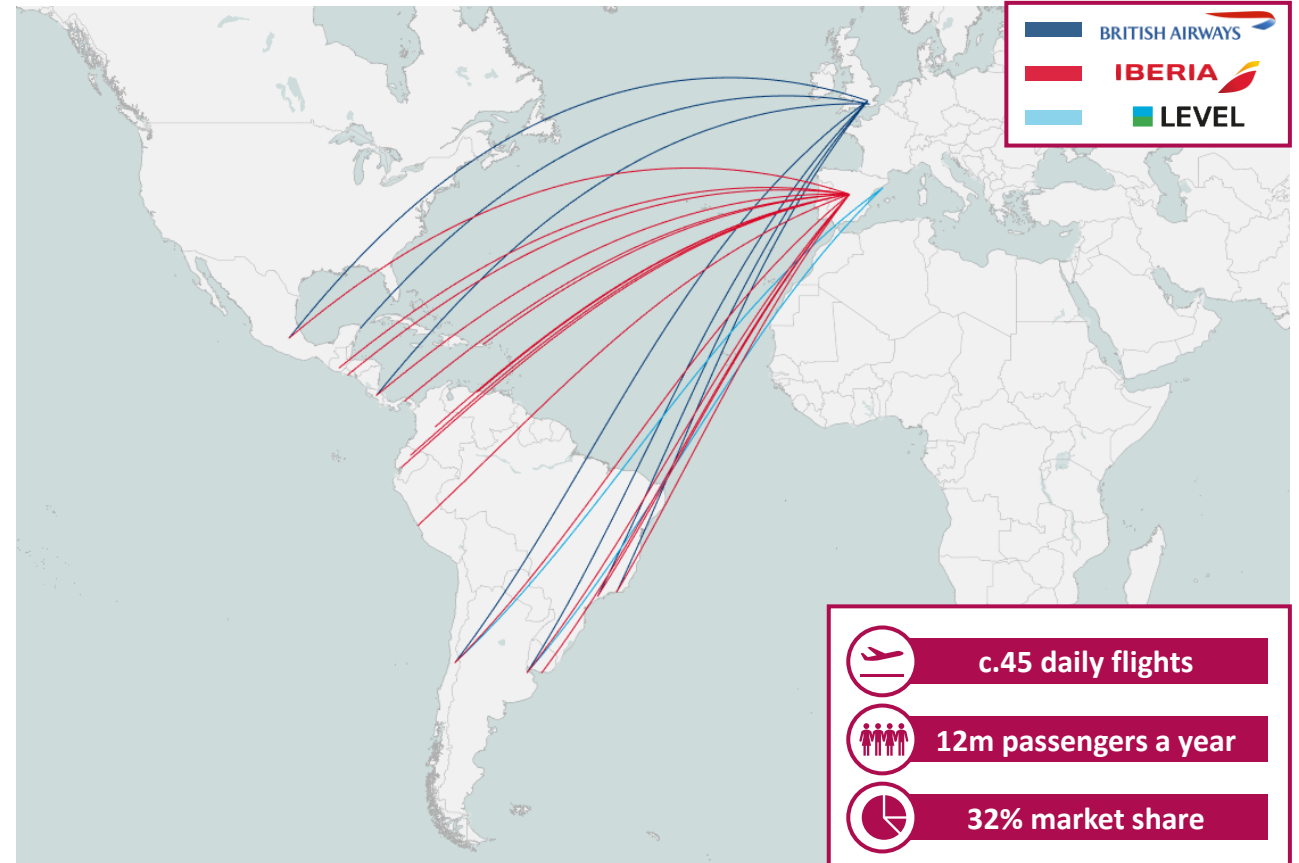
Brazil opportunity untapped



Profitable growth at LEVEL from a growing Barcelona market



Inorganic growth opportunities



Air Europa: The next step on transforming our Iberian Peninsula platform

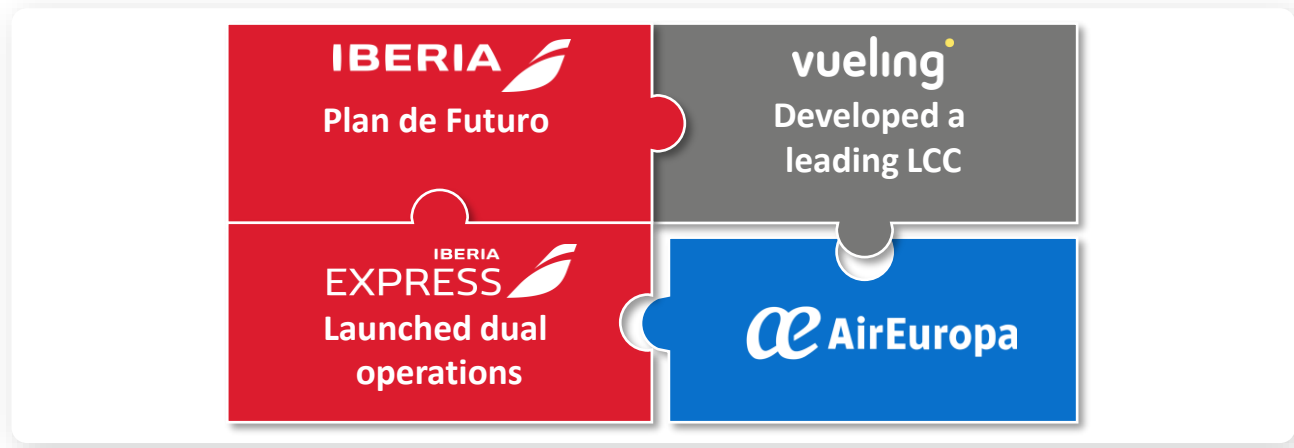
Strategic rationale



The Air Europa network



Transforming the Iberian network through successful execution



Selective growth in Rest-of-World markets: directly in key markets and leveraging strong Joint Businesses for additional network coverage

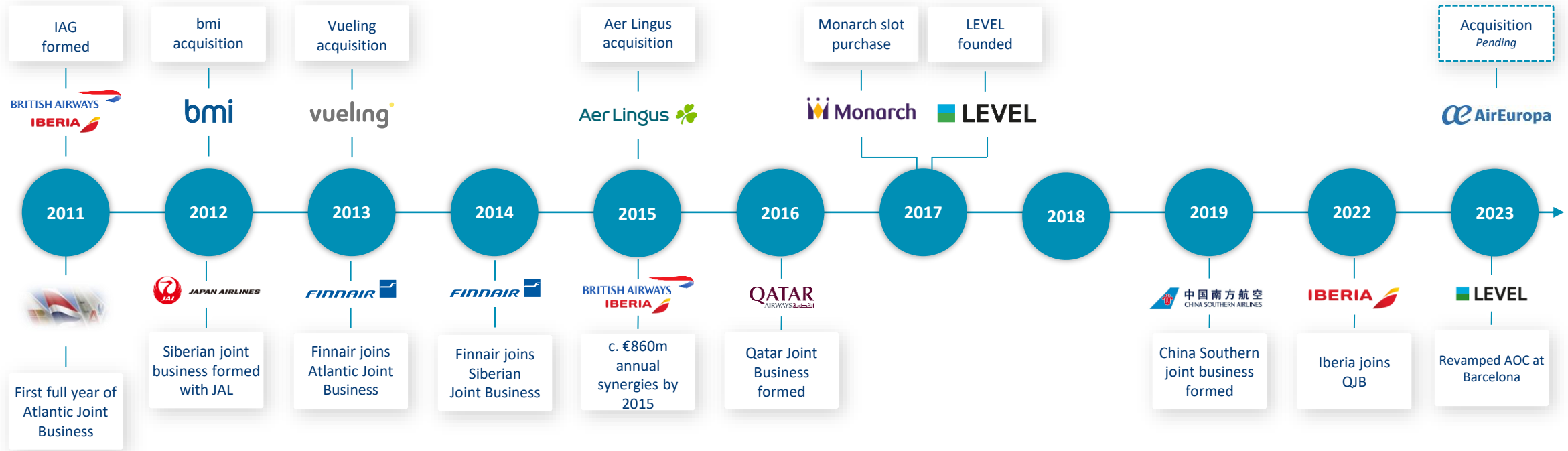


Qatar Joint Business

Siberian Joint Business

China Joint Business

Our unique structure provides flexibility to grow



We are investing in a portfolio of world-class brands

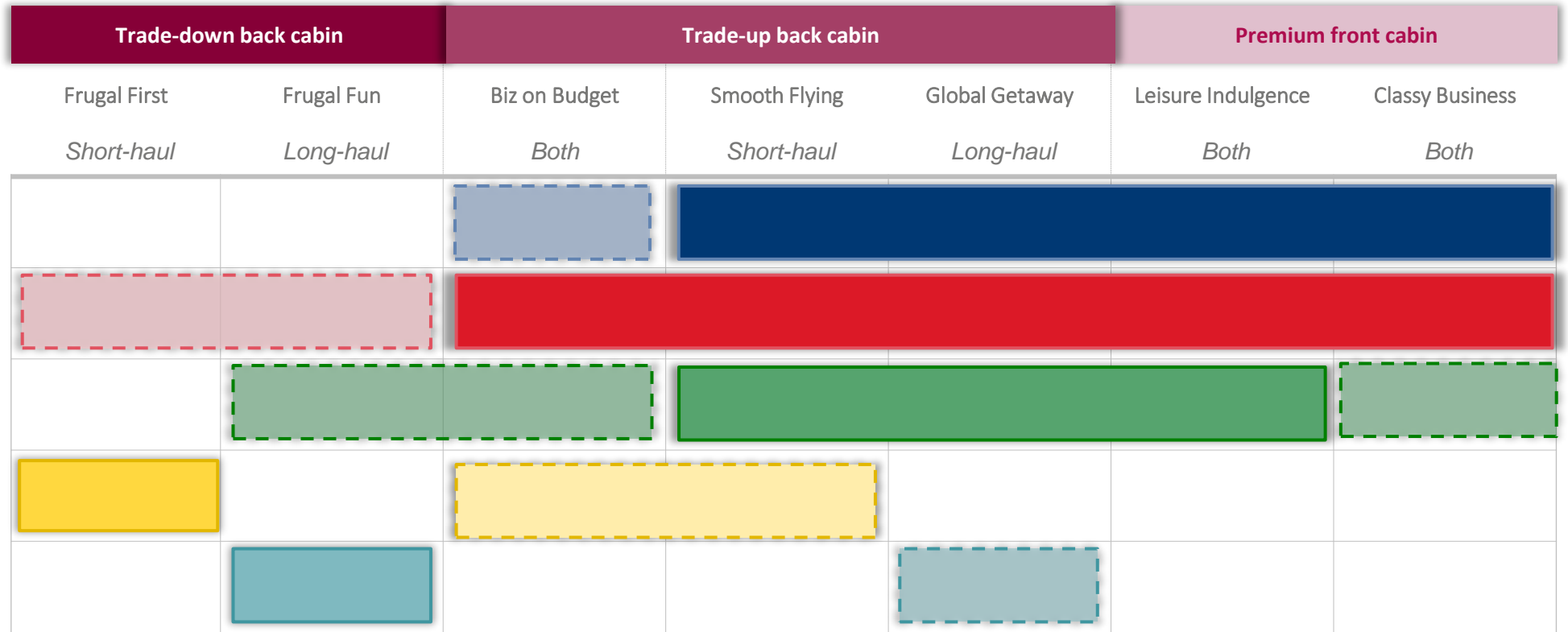
BRITISH AIRWAYS 

IBERIA 

Aer Lingus 

vueling 

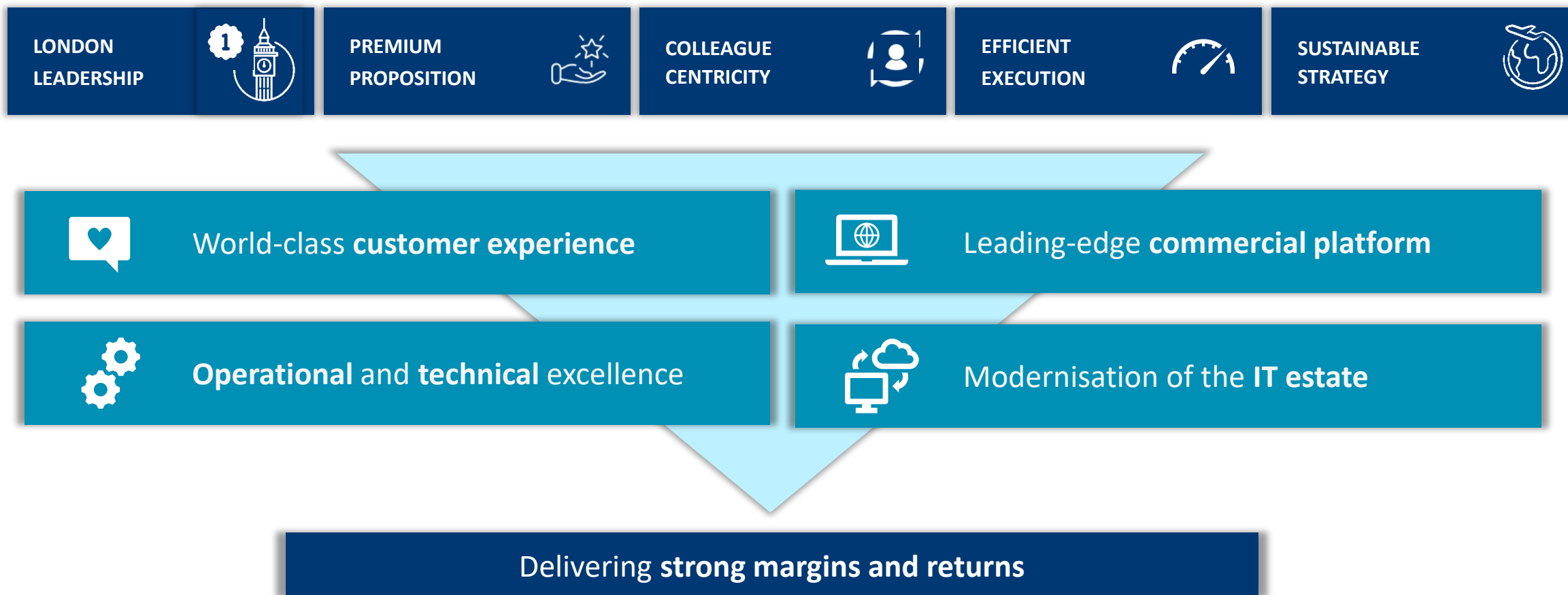
 LEVEL



 Primary target demand space

 Secondary target demand space

Investing in British Airways to drive transformation in all areas

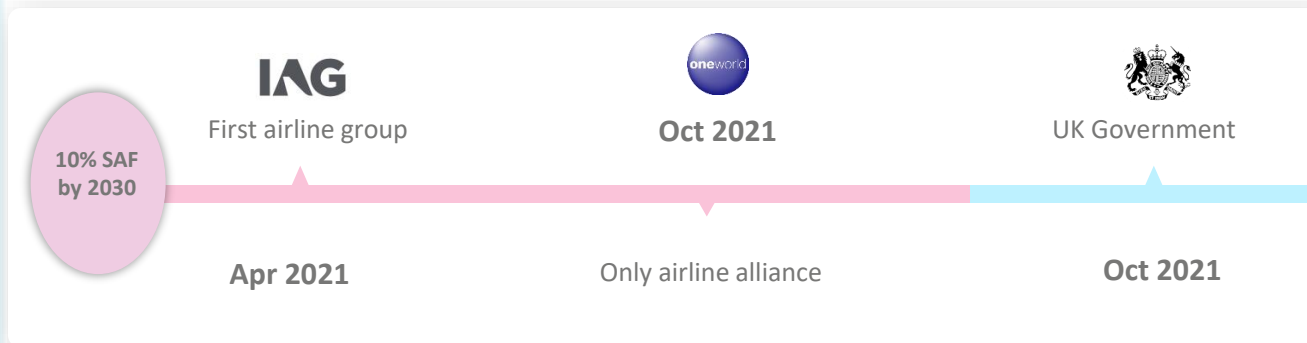
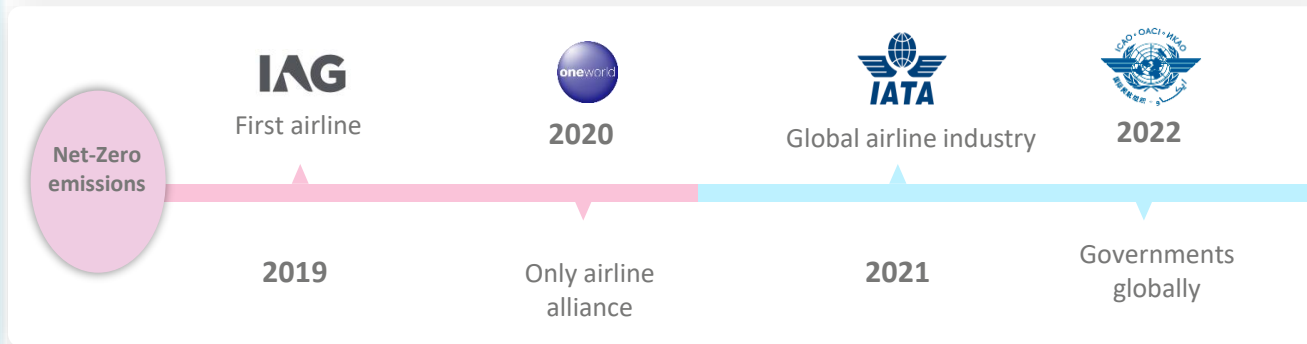


Driving capital-light earnings growth through IAG Loyalty



- 1 Drives strong customer loyalty
- 2 Highly cash generative
- 3 Extensive big data opportunity

IAG leadership towards a sustainable airline industry



Fully committed to delivering on our emissions targets:

- 11% improvement in fuel efficiency 2019-2025
- 10% SAF by 2030
- Net Zero by 2050

Delivered through:

- Investment in new aircraft and operations
- Market-leading SAF programme
- Carbon removal roadmap
- Market-based measures and offsets

Our people are critical to our success



TALENT MANAGEMENT

- Our people are the front line in delivering services to our customers
- We are investing in training, tools, skills and development
- Increasing mobility across the Group drives retention as well as sharing of best practice



WORKING WITH OUR PEOPLE

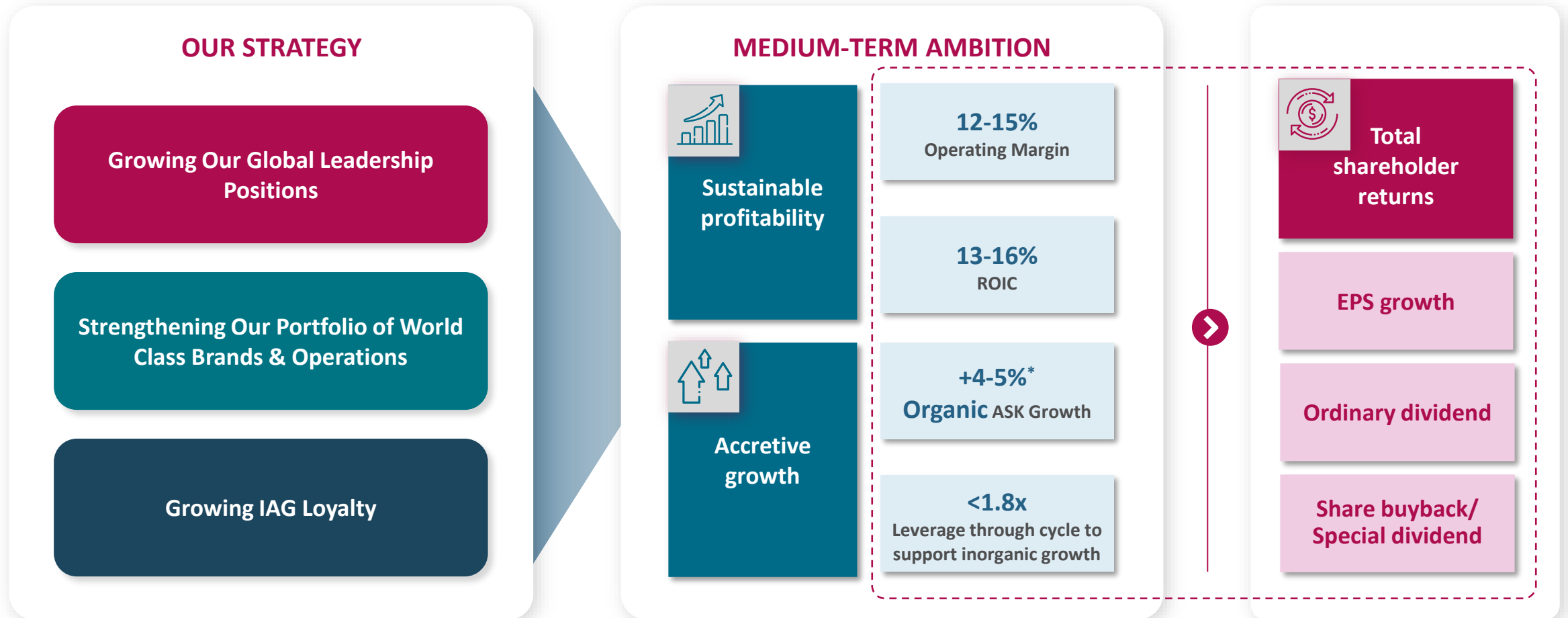
- Multi-year agreements bring stability to develop an efficient growth plan and drive Transformation



MANAGEMENT REMUNERATION

- Remuneration aligned with shareholders long-term interests:
 - Strong financial performance (world-class margins)
 - Delivering the best experience for our customers (transformation at British Airways)
 - Carbon efficiency (industry leader to Net Zero)

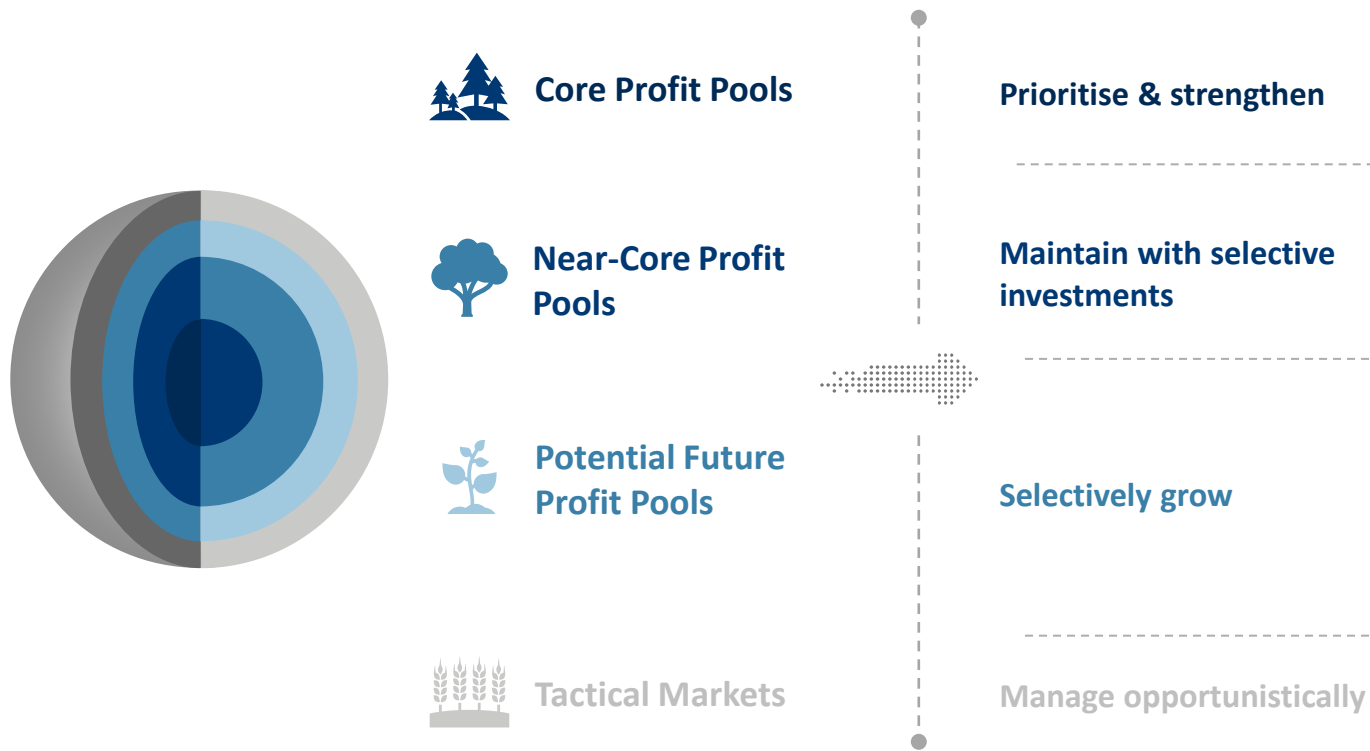
Focused on delivering world-class margins and returns



















Our Global Leadership Positions

Lynne Embleton, Sean Doyle, Fernando Candela, Marco Sansavini
CEO Aer Lingus, CEO British Airways, CEO Iberia, CEO Vueling

A disciplined framework for investing in growth

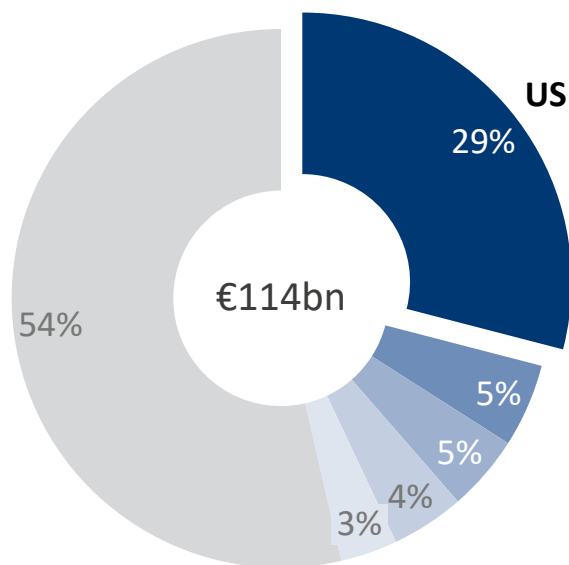


 By region	 By hub	 By Bus Unit
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Other markets	Other	-

IAG has a strong proposition in the largest aviation market from Europe

Long-haul air markets from Europe

Industry rev. LTM Q2-2023



IAG's competitive advantage in the US market



Geographical advantage of our hubs, languages and cultural links



Highly attractive and sizeable market at €33bn¹



Largest US – Europe joint business



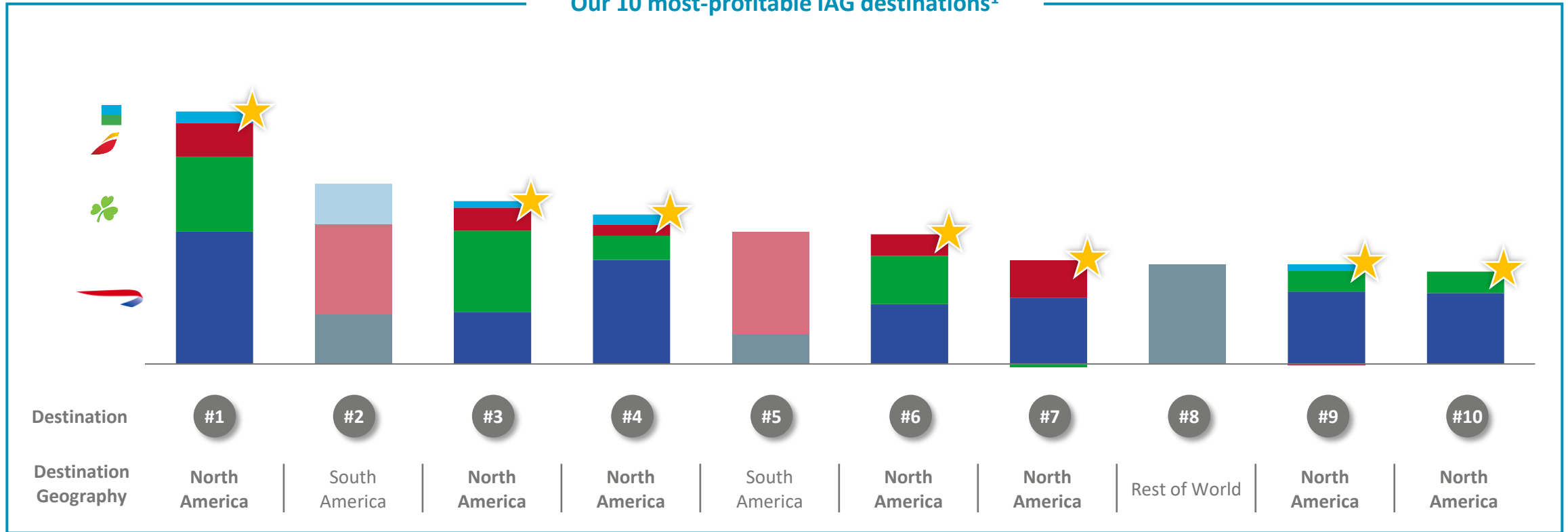
High premium demand and best-in-class customer proposition



- IAG's largest profit pool
- Sustainable returns and cash generation

The US is our largest profit pool and is diversified across OpCos

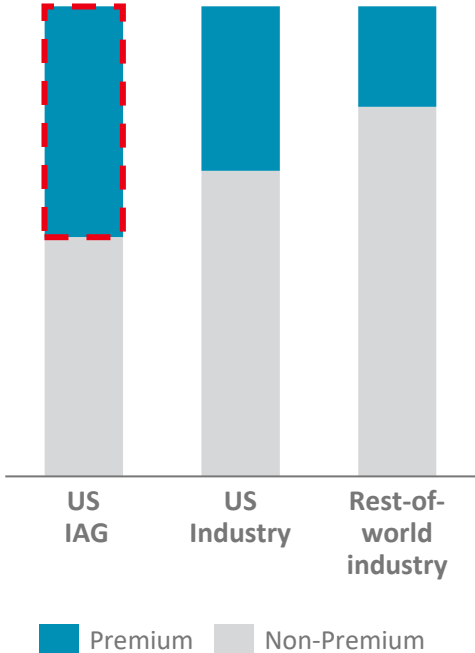
Our 10 most-profitable IAG destinations¹



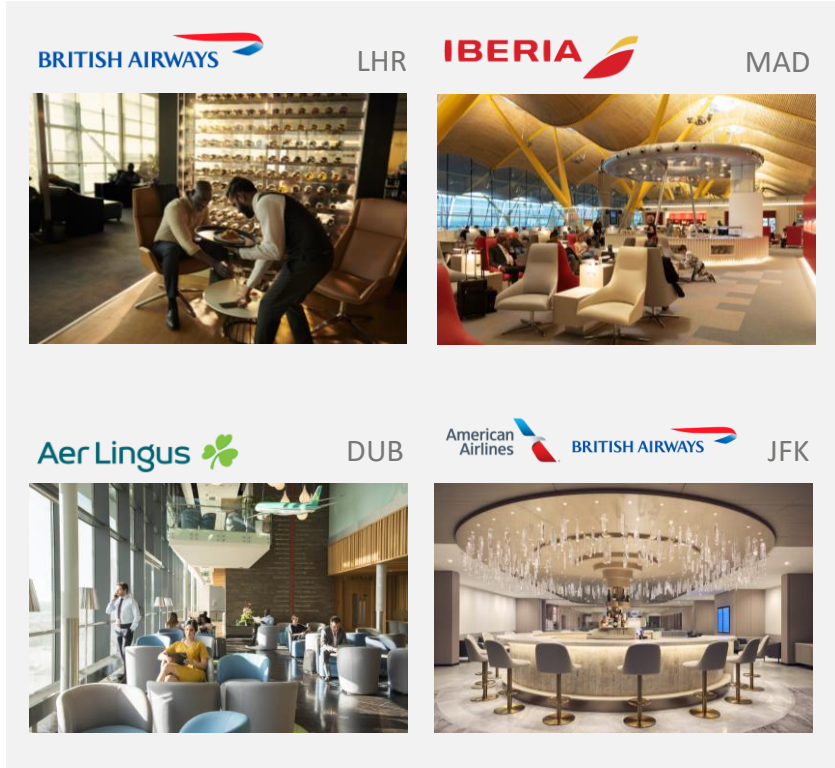
A premium-heavy market which we serve with premium propositions

Premium mix by market

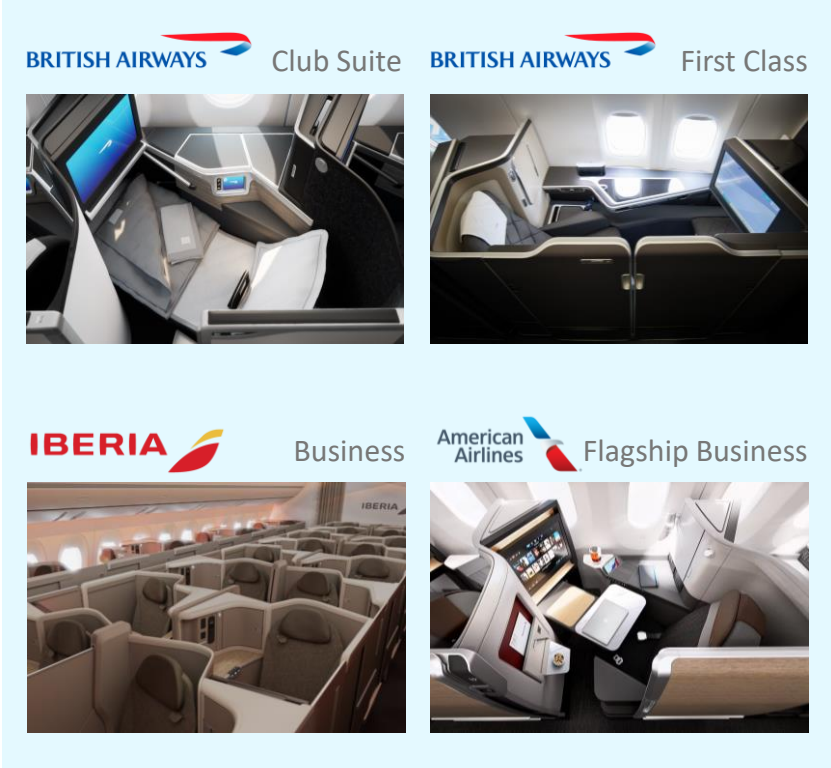
European long-haul revenue share



Strong ground experience

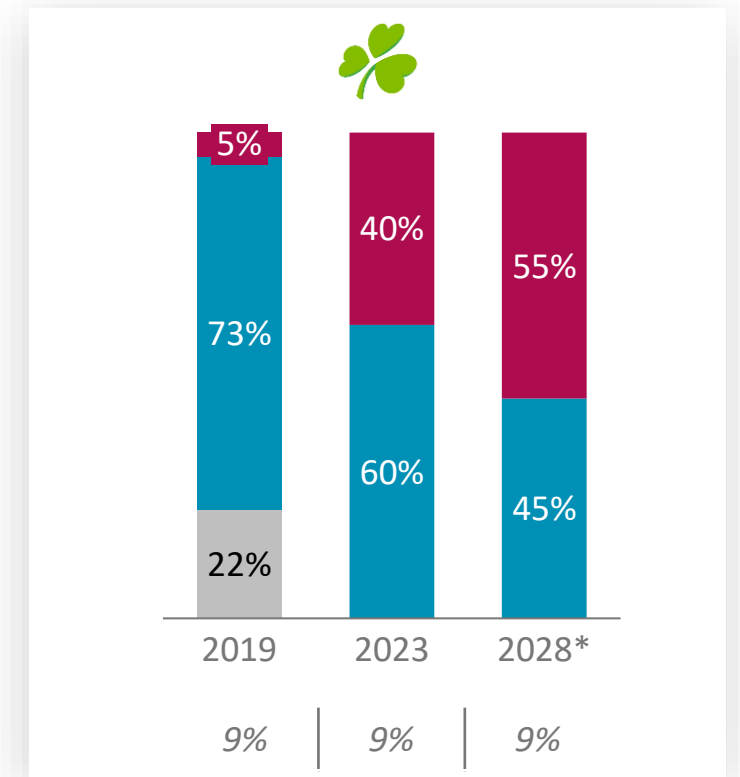
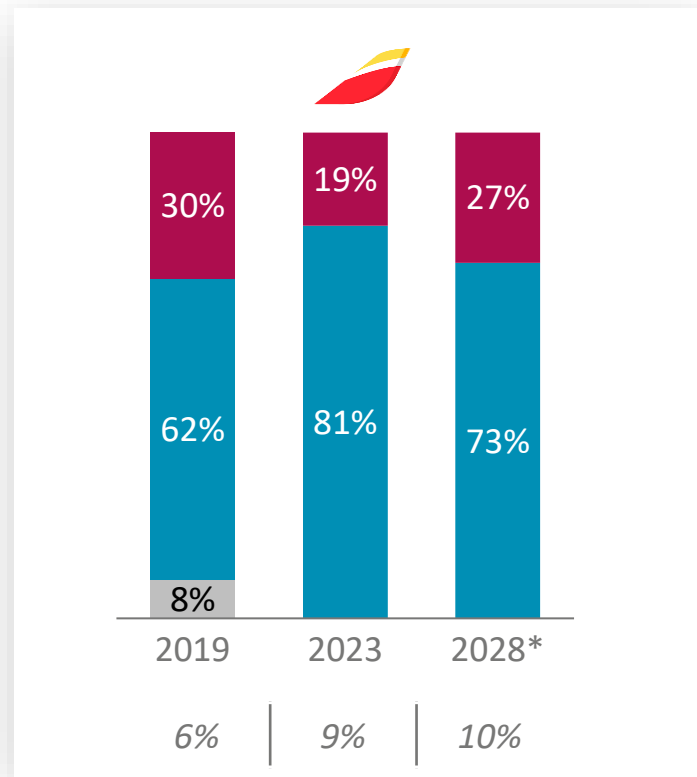
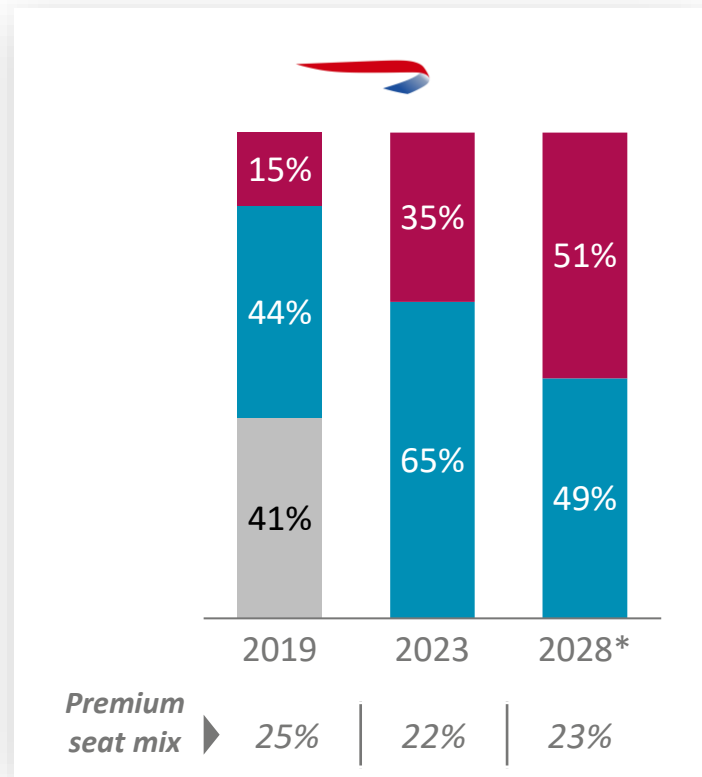


Suite-style premium cabins



Our US fleet allocation is right-sized and is increasingly efficient

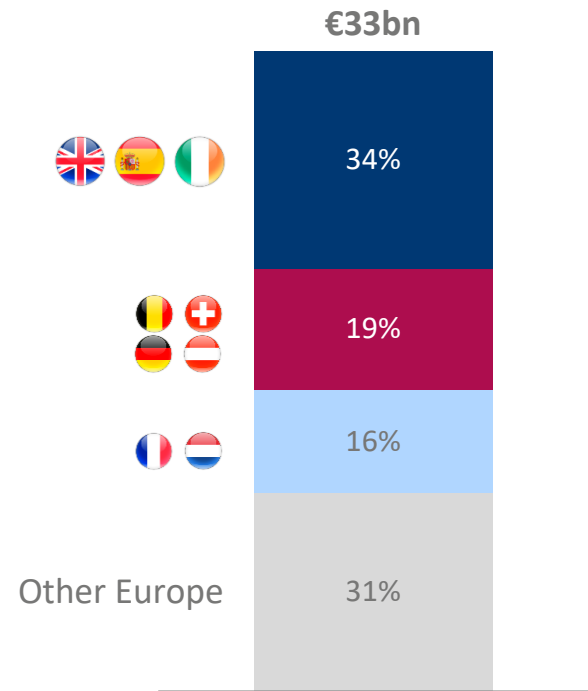
Share of US flights by aircraft type



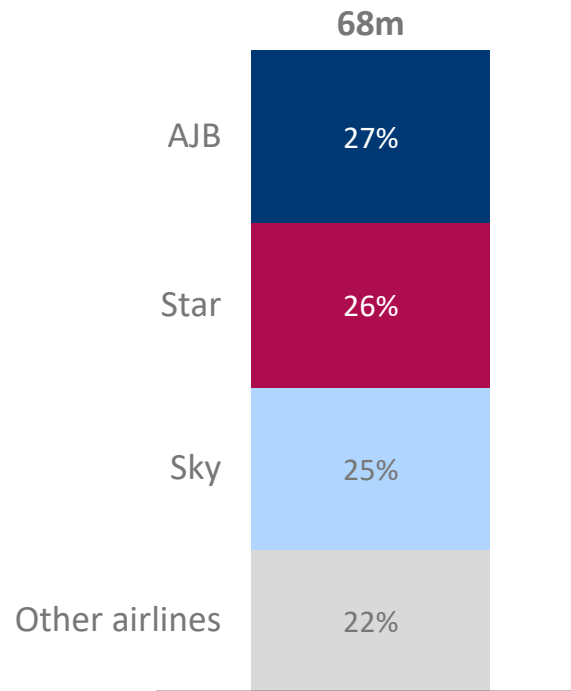
Next Gen Mid Gen Old Gen

Our home markets have strong cultural links with the US and our Atlantic Joint Business has the highest share

Share of Europe – US by market (revenue)

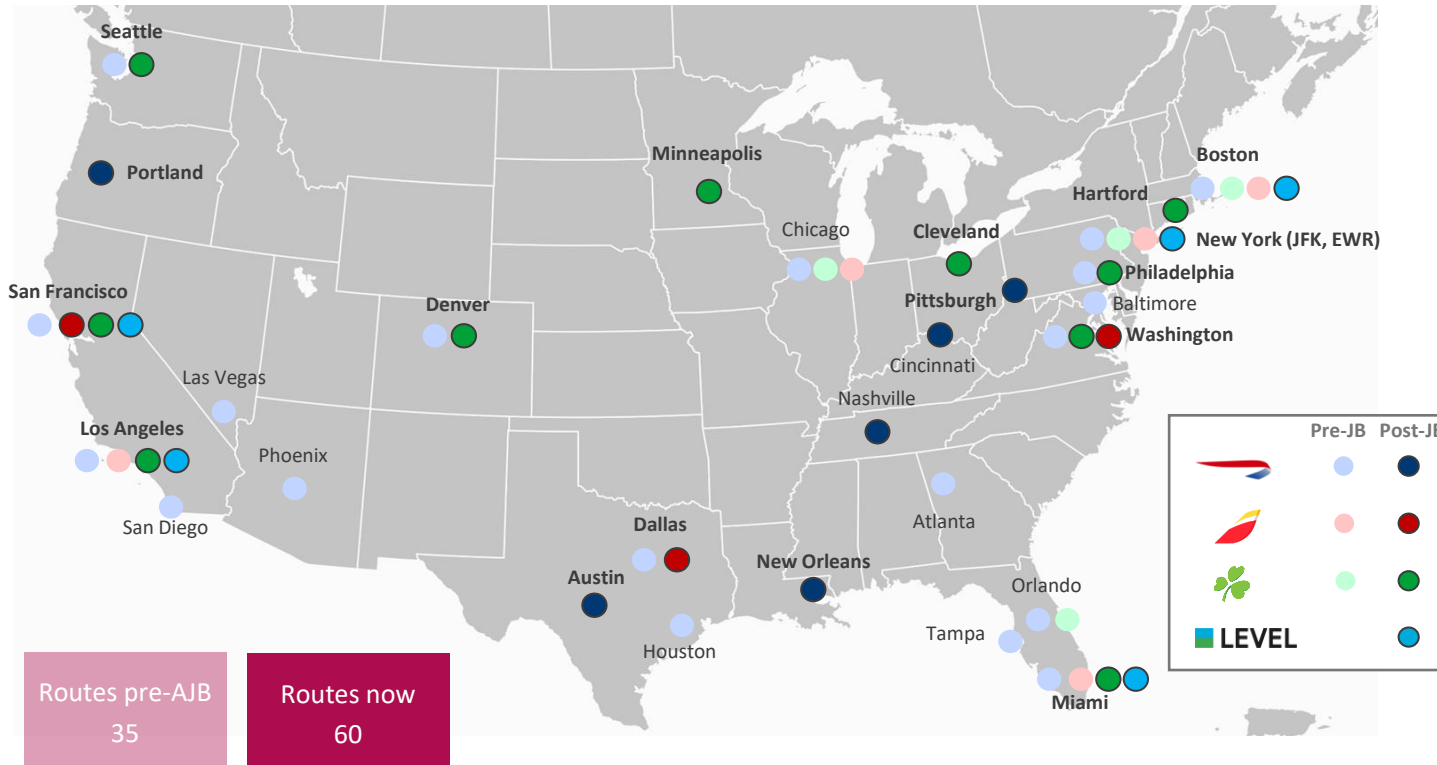


Share of Europe – US by joint business (passengers)

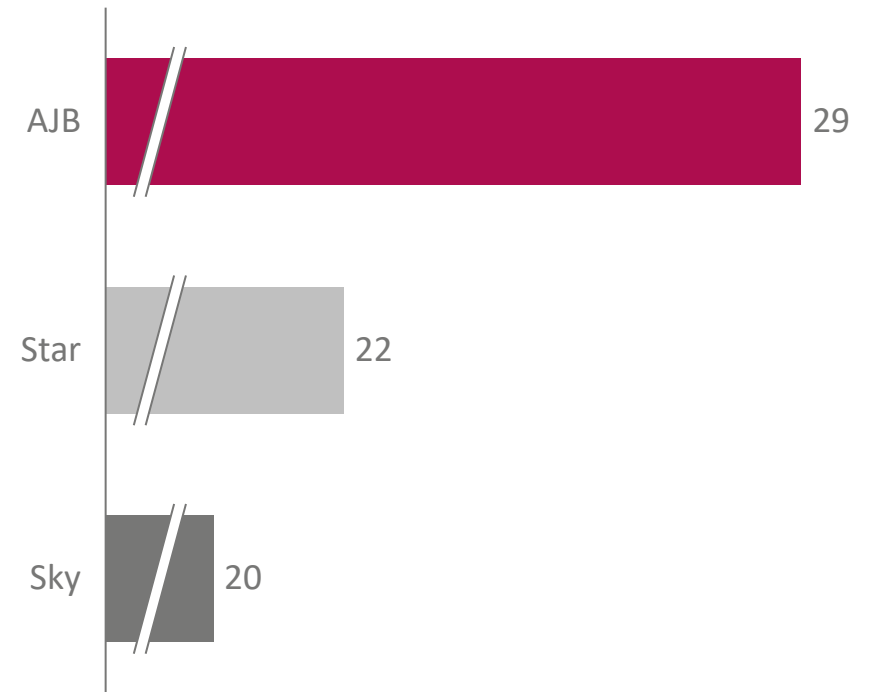


The AJB network has grown significantly since its inception

IAG's Pre-AJB and today's US destinations



US non-stop destinations served by each joint business



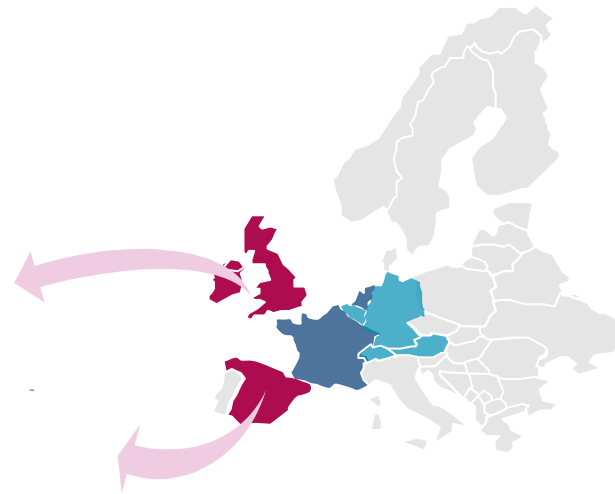
The A321 XLR unlocks further growth opportunities, leveraging our geographical advantage

Geographical advantage to connect traffic and fly using narrow bodies

A321 XLR: range operated from MAD and DUB



Favourable routing when flying to the West



Example: Transformative economics for Aer Lingus with the A321 XLR (vs B757)

Seats -7

Premium Mix + 2 pts

Cost per Seat -18%

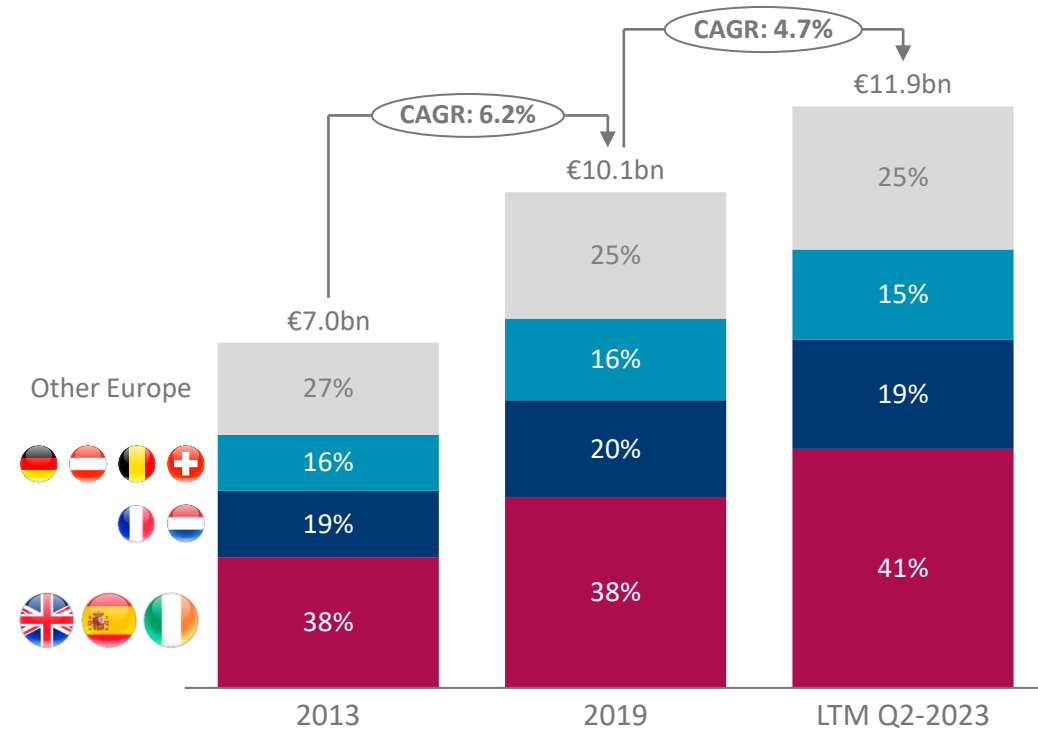
Margin + 20 pts



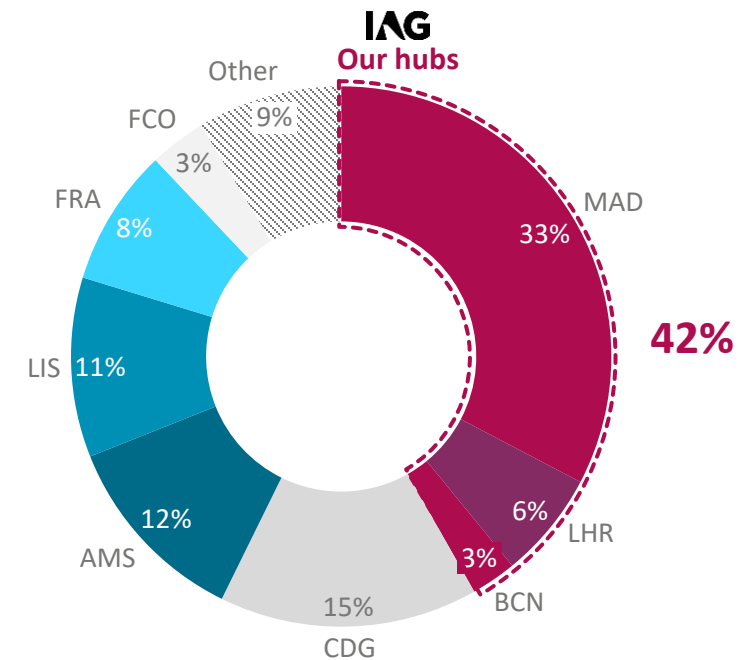
14 A321 XLRs to be delivered to Iberia and Aer Lingus between 2024 - 2026

LatAm is a highly attractive growth market - IAG's hubs and home countries are the best positioned

Total LatAm-Europe revenue by European country of origin/destination (€bn)






European airports ranked by LatAm exposure, revenue LTM Q2-2023 (€bn)



IAG serves LatAm with 3 brands and 3 hubs

% LatAm revenue contribution out of airline total revenue (Q2 LTM 2023)

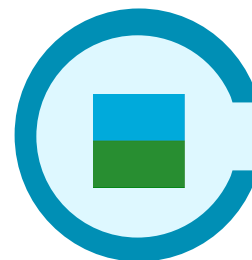
-  c.45 daily flights
-  12m passengers a year
-  32% market share



Iberia

Leading airline connecting Europe to LatAm, strong brand equity in the region

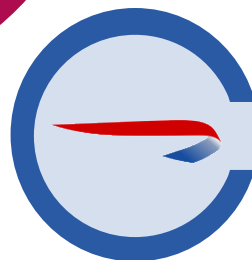
43%



LEVEL

Targeting 'frugal fun' demand space from Barcelona

45%



British Airways

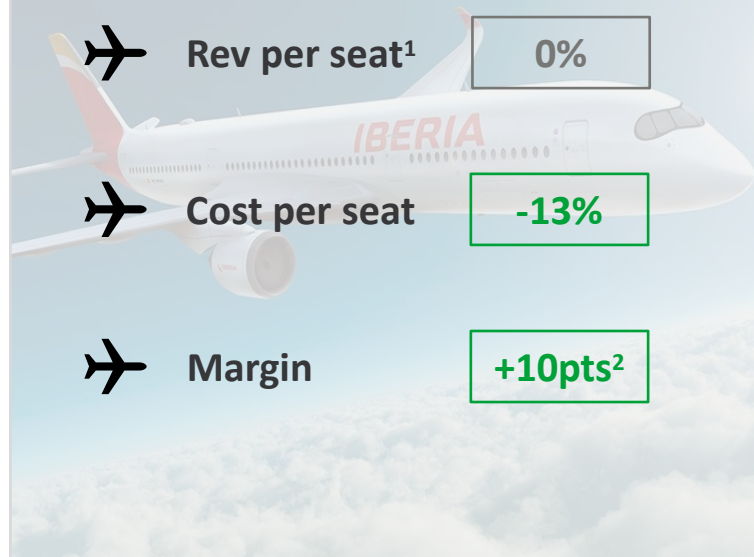
Presence in most relevant point-to-point UK-LatAm routes

5%

Structural improvements have provided a platform for Iberia's growth in LatAm

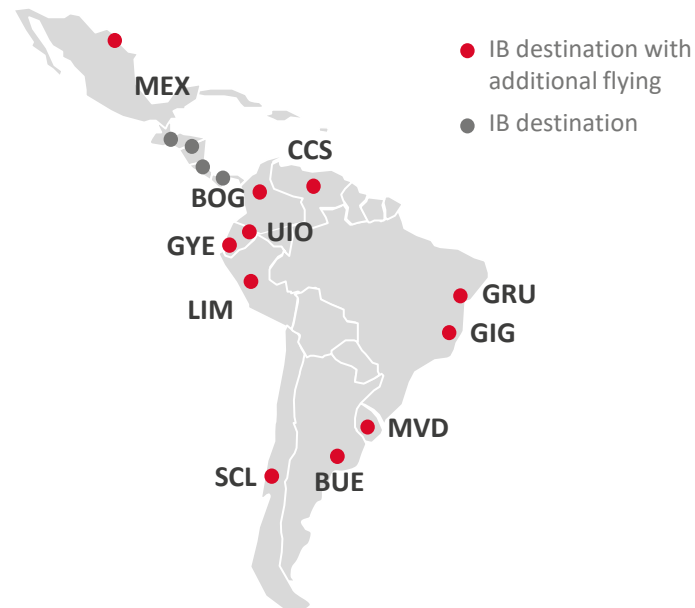
Iberia's fleet improvement - more efficient A350 vs A340, higher utilisation

Iberia transformative economics A350 vs A340-600



Iberia's improved network offering in big cities

Destinations with increased offering 2024 vs 2019



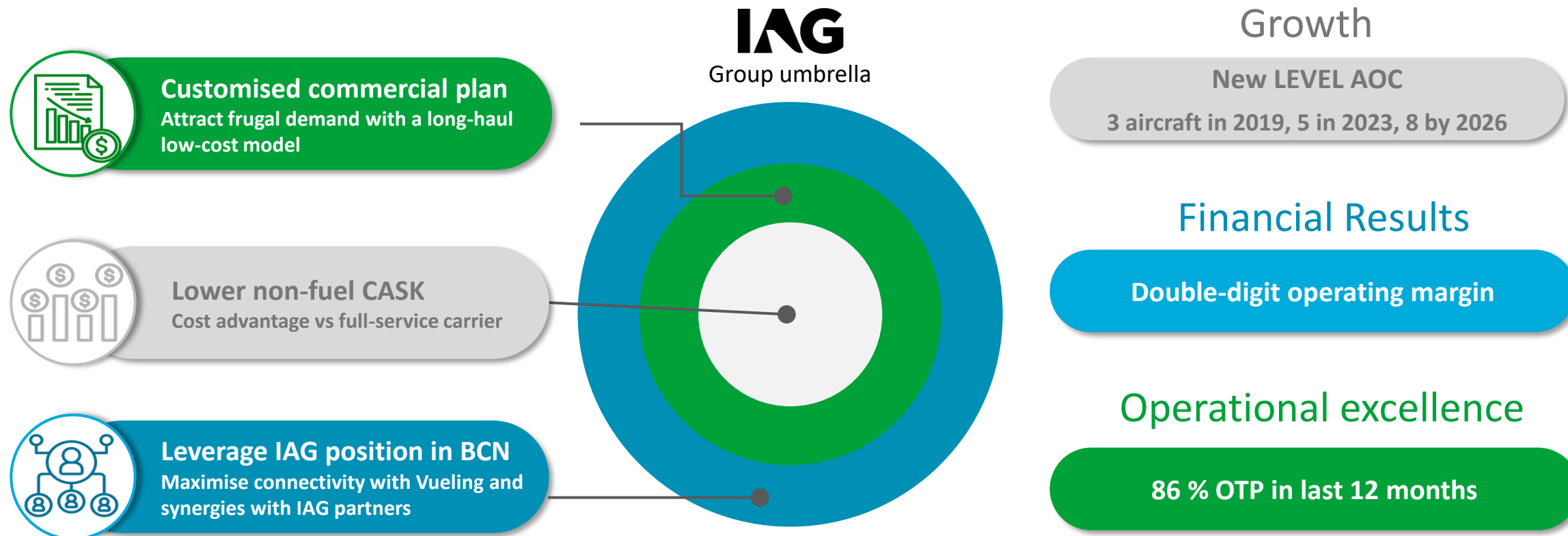
Structural market changes driving Madrid-focused demand growth

- **LatAm immigration:** +50% Latin American residents in Spain over the last 5 years
- **Luxury hotel investments:** 50% more luxury hotel rooms than in 2019
- **MICE*:** +10% international fairs held in Madrid in 2023 vs 2019

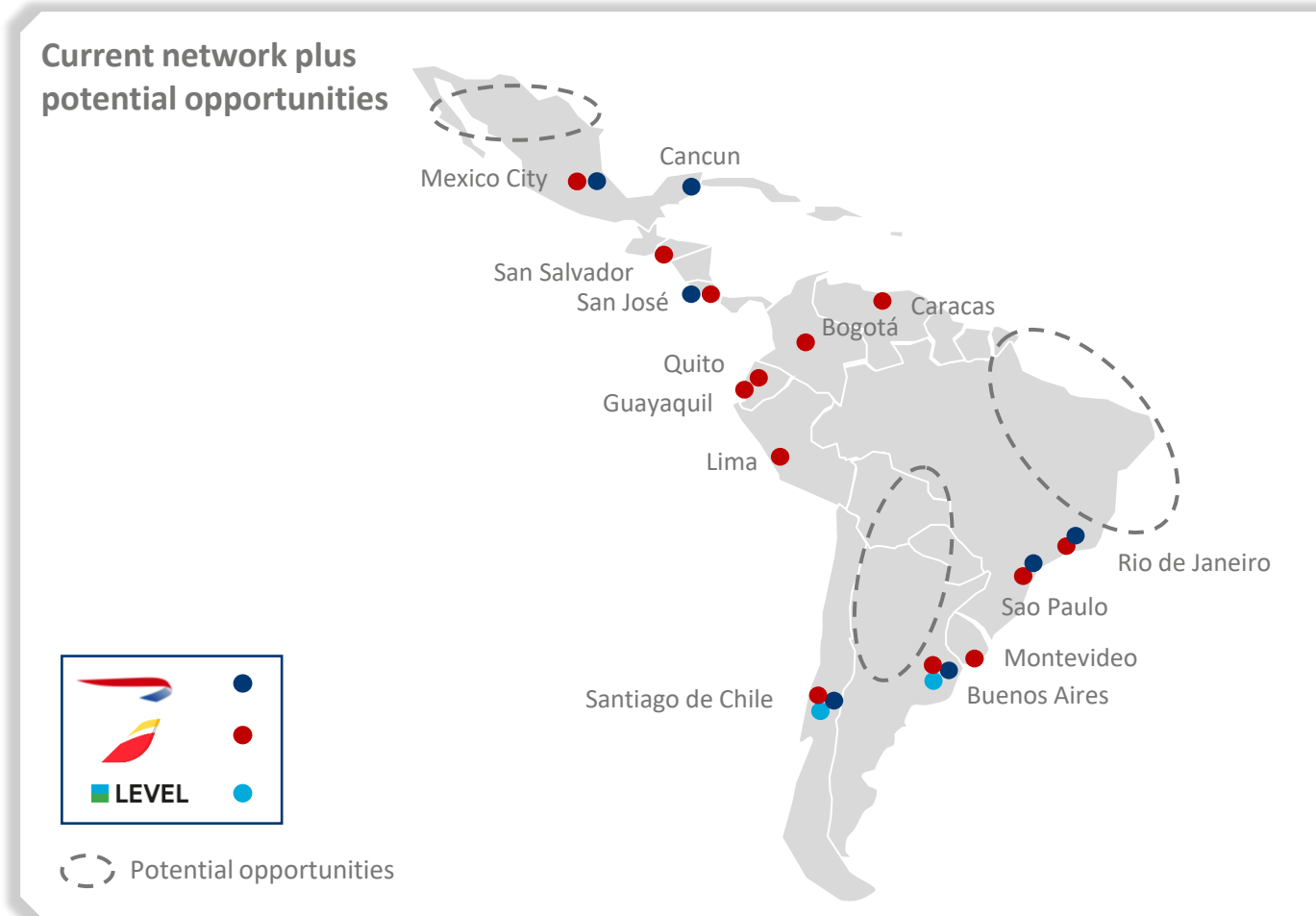
“Rich Latin Americans transform Madrid into the new Miami”

Bloomberg 2 June 2023

Leveraging the IAG platform to develop LEVEL in Barcelona



Further growth opportunities for IAG in LatAm



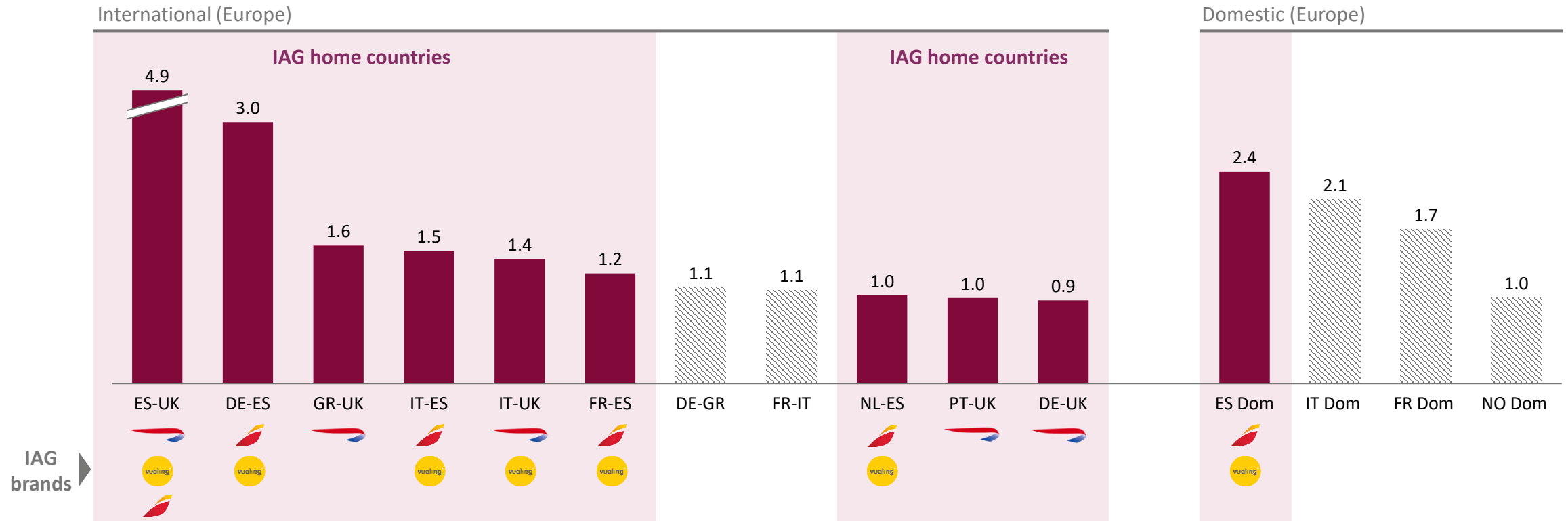
Organically
Leveraging geographical advantage and cultural links

Inorganically
Through Air Europa deal, plus potential further opportunities

Partnerships
Leveraging our extensive network of partners in the region

IAG is in the largest Intra-European flows and Spain is the largest European domestic market

Revenues by O&D Top 15 country pairs, LTM Q2-2023 (€bn)



Strong footprint to grow domestically and short-haul Europe

Ranking by airport (capacity share) H1 2023

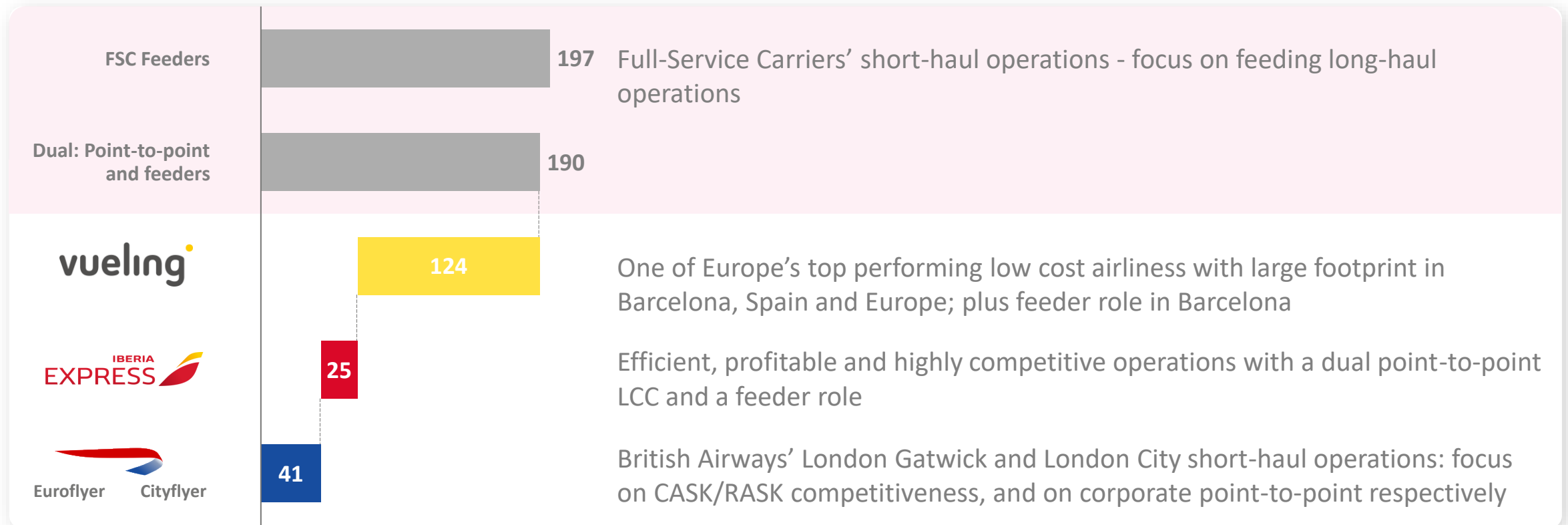


IAG's competitive advantage

- Leadership at MAD, BCN and in Domestic Spain
- Unique combination of point-to-point and connecting traffic
- Competitive LCC cost position with Vueling and Iberia Express
- Operational excellence, with leading punctuality
- Strong brand recognition

IAG's low-cost airlines are the growth engines for short-haul

IAG narrow bodied fleet¹



IAG's portfolio of efficient short-haul carriers is well-positioned to capture future growth opportunities



Focus on Madrid and Spain



Sustainable collective labour agreements required to unlock growth opportunities



Focus on London Gatwick, London City and UK

Selective growth in Rest-of-World markets: directly in key markets and leveraging strong joint businesses for additional network coverage



Qatar Joint Business

Siberian Joint Business

China Joint Business

Our unique partnership with Qatar Airways drives capital-light earnings growth

Airline joint business



The world's largest and unique amongst peers

Global loyalty currency



Pioneering relationship with joint Avios adoption

Cargo co-operation



Working with the world's largest Cargo airline

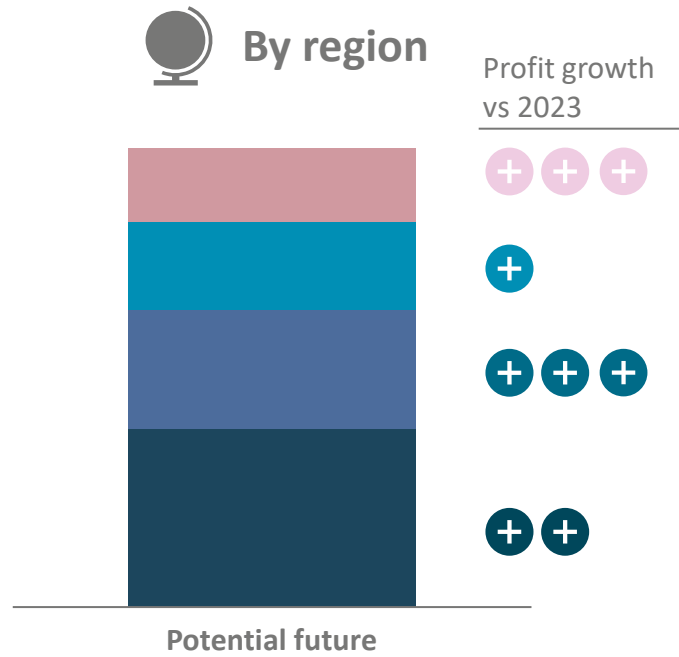
Group-wide synergies



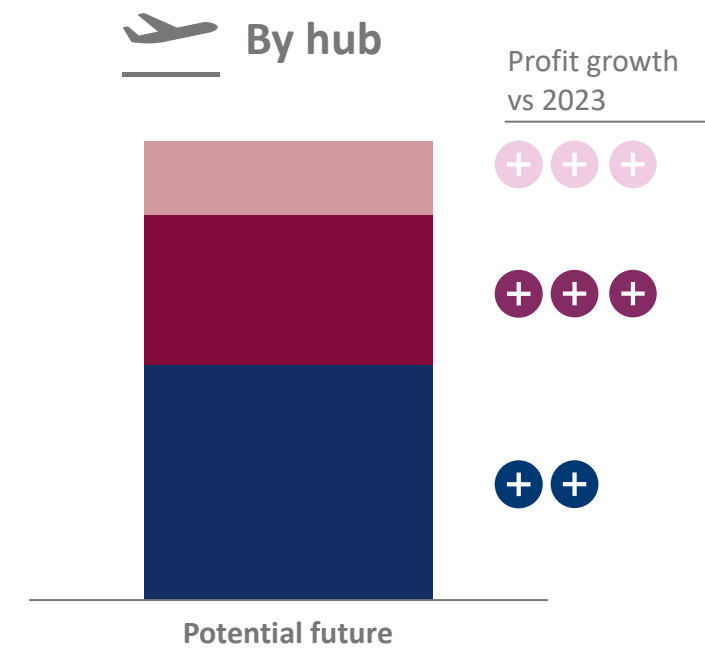
Major joint maintenance and procurement activities

Our growth plans will deliver a more balanced and resilient portfolio

Profit Pools (€bn) evolution



- Adjacencies
- Other Regions
- LatAm & Dom SP
- US & Canada



- Adjacencies
- Southern Hubs
- Northern Hubs

Growing our world-class brands

An aerial view from an airplane window showing the wing on the left and a sunset over a city below. The sun is low on the horizon, creating a bright orange and yellow glow. The city lights are visible in the darkening landscape.

Julio Rodriguez Contreras
Chief Commercial Strategy Officer

IAG is a Group of world-class airline brands

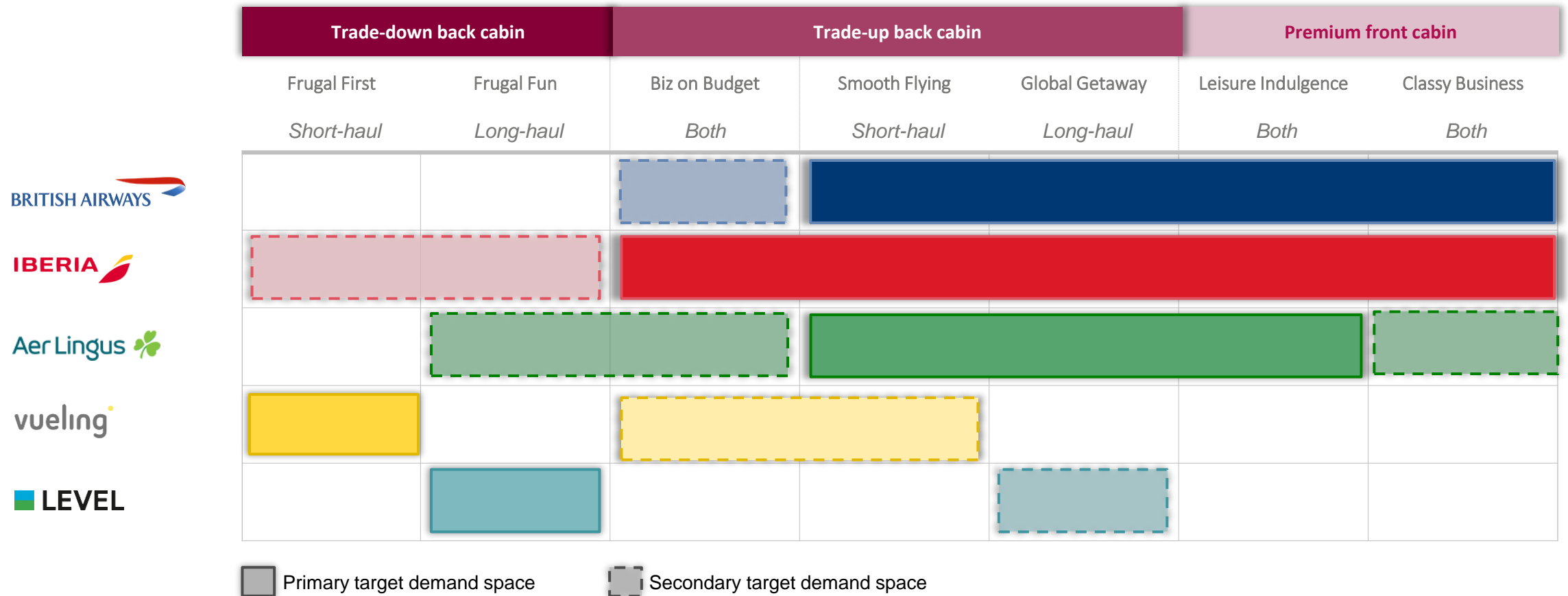


IAG's **world-class airline brands** have distinct identities, customer propositions and strategies

Our brands leverage **IAG's scale, efficient platforms, and best practice sharing**

Customers benefit from **Avios**, which **rewards loyal customers** and provides **global reach** and access to an **extensive portfolio of partnerships**

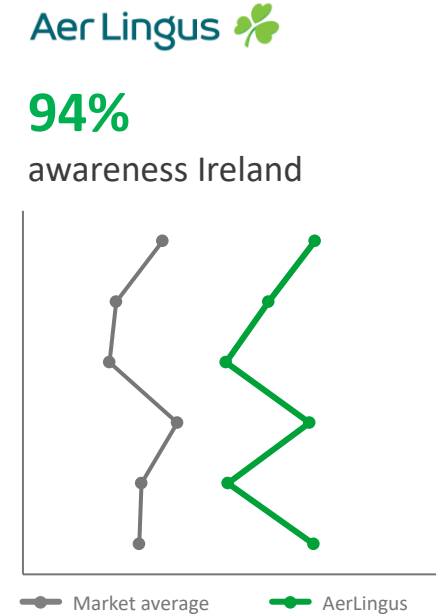
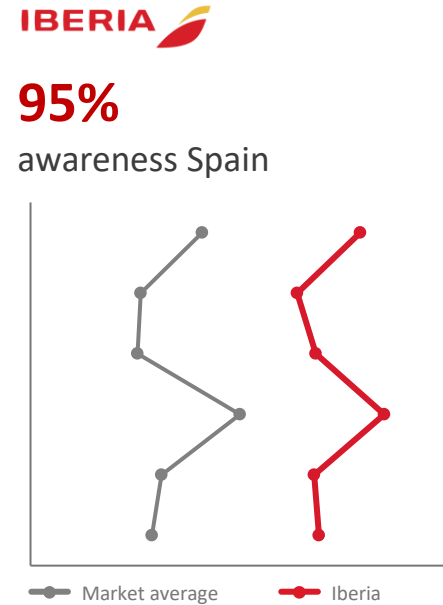
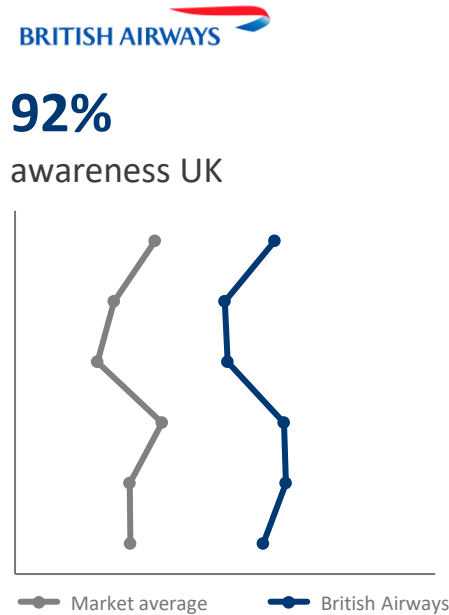
Our diverse brand portfolio is well-positioned across demand spaces



Our brands have strong identities...

Brand survey attributes for our Network airlines

- Is an airline you can trust
- Makes me feel like a valued customer
- Rewards loyalty
- Has expert staff
- Is a premium brand
- Is an airline you are proud to fly with



Why do customers choose our brands?

- Network & schedule
- Premium brand
- Trust

- Network & schedule
- Customer service
- Trust

- Network & schedule
- Proud to fly with
- Trust

...tailored to each brand's target demand spaces

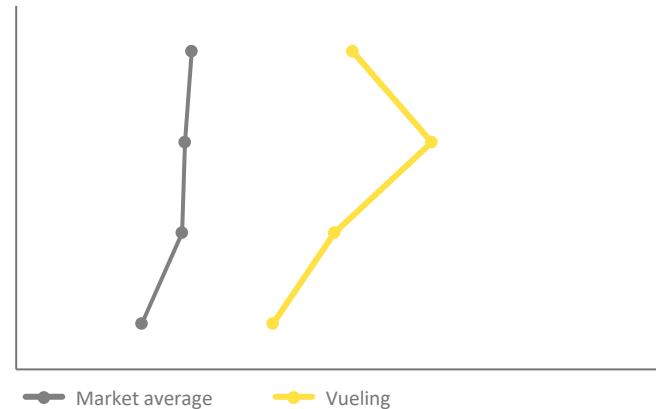
Brand survey attributes for our low-cost airlines

- Offers great value-for-money flights
- Offers low prices and good promotions
- For people who spend on destination rather than flights
- Is younger and cooler than others

vueling

92%

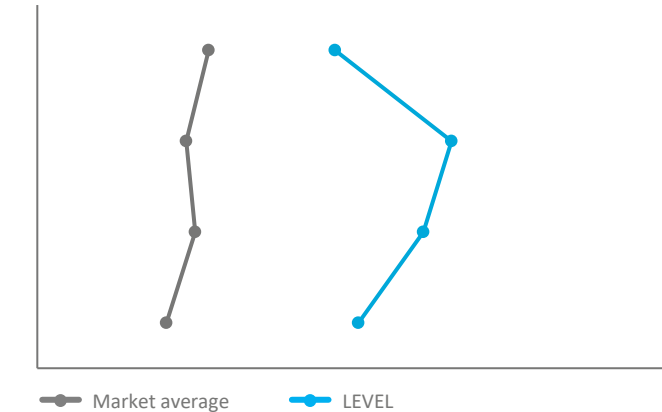
awareness Spain short-haul



LEVEL

c.50%

awareness Spain long-haul

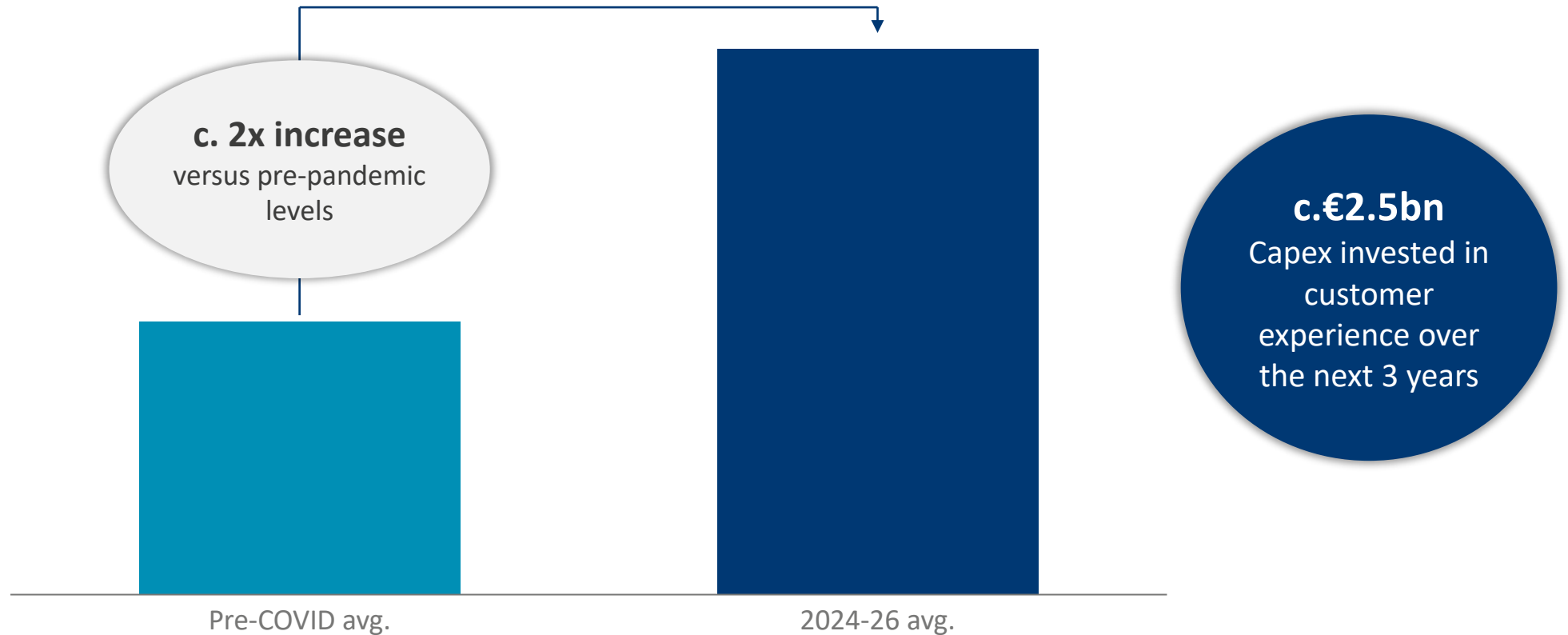


Why do customers choose our brands?

- Network & schedule
- Low fares and promotions
- Travel experience

- Inspiring destinations
- Low fares and promotions
- Digital and modern

Our brands are doubling-down on enhancing the customer experience



British Airways' customers are global travellers with high expectations and an increasing desire for leisure experiences

Our customers are global travellers



5 continents are offered by British Airways, connecting London worldwide

Our customers are willing to pay for a premium experience



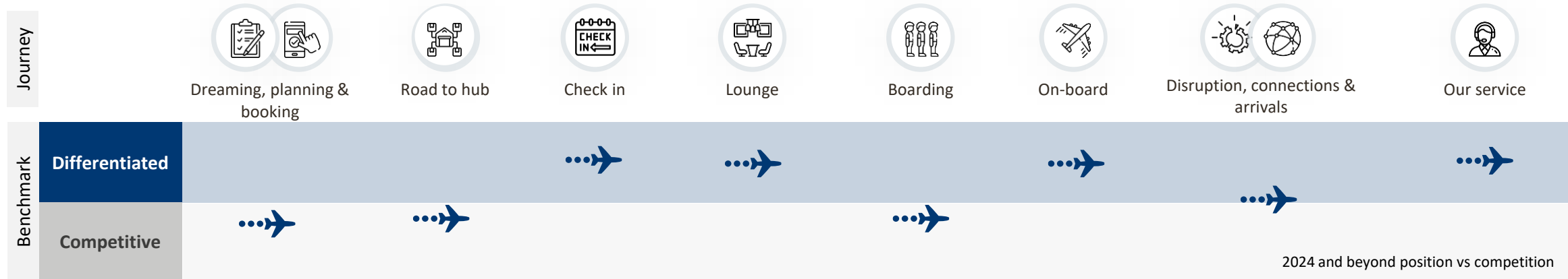
66% of BA's customers live in the more affluent South-East of the UK

Our customer base is becoming more leisure-focused



75% of BA's customers are travelling for leisure purposes

Investing in a premium experience, enabled through a best-in-class product and outstanding service



Improving Lounge Experience



- Full redevelopment of the global lounge estate, including Heathrow
- Enhanced food and beverage offering in our lounges
- New dedicated training for lounge colleagues

Investing in on-board premium service



- 100% Club Suite at Heathrow by end 2026
- Evolved food and beverage offering across all cabins
- Specialist training for cabin crew colleagues
- Doubled Inflight Entertainment content, and introduction of new partnerships

Transforming Customer Care



- Deployment of new technologies to improve both customer and colleague experience
- Automated processes and introduction of AI solutions
- Launch of Proactive Customer Care with live ground-to-aircraft customer service solutions

Iberia customers seek a seamless experience and they increasingly value a premium experience



Our customers use Madrid as Europe's hub to Latin America



Madrid is Europe's largest gateway to LatAm twice the size of the next

Our customers are increasingly choosing our premium cabins



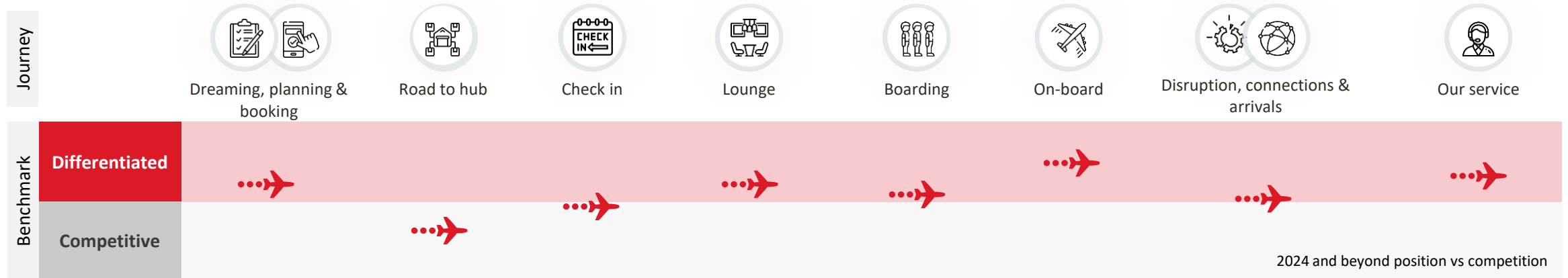
+8 pts increase in customers travelling in the premium cabins since the pandemic

Our customers are digitally savvy and expect a seamless travel experience



72% of customers recognise that we are constantly innovating

Iberia are investing in technology, best-among-peers cabin product and a highly engaged team



Digitising the customer journey



- New Personal Area to assist customers throughout the journey
- Introduction of GenAI to WhatsApp and voice Bot and smart voice assistant to the call centre
- Improvement to all baggage-related processes

Upgrading the cabin interior



- Rollout of the award winning 350 Next: state-of-the-art suite-style seat with direct aisle access
- Introduction of XL overhead bins on A320 family aircraft

Delivering a cultural change



- 2nd iteration of “Todo Empieza Conmigo”, our cultural change programme focused on the delivery of a customer-centric service
- Delivered to our headquarters and all customer-facing teams

Aer Lingus has a unique customer base with strong links to North America and a great affinity for the brand Aer Lingus

Our customers have strong cultural and business links with North America



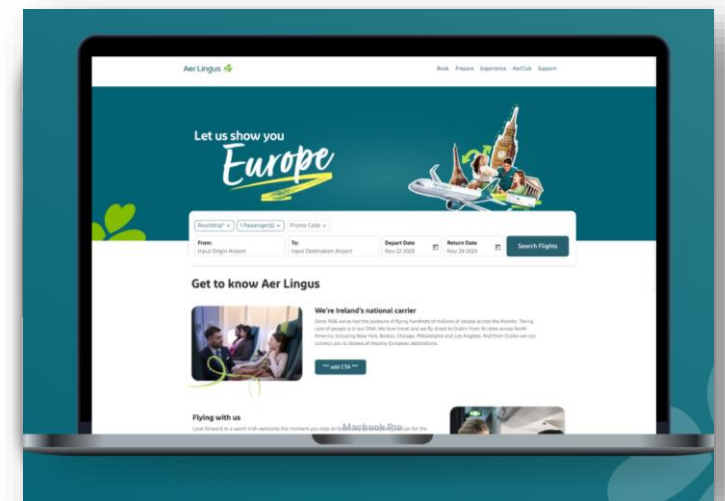
~60% of long-haul revenue generated in the USA

Our customers benefit from pre-clearance in Dublin



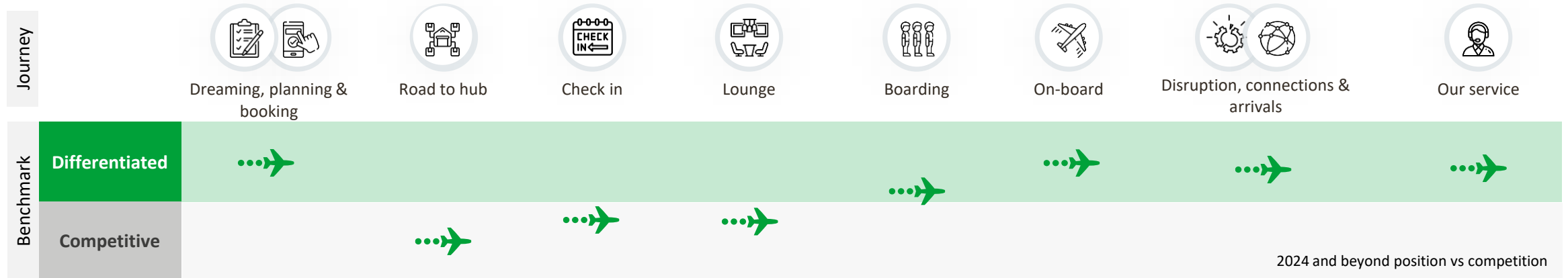
>1.2 m customers use the US Customs and Border Protection pre-clearance every year

Our customers prefer digital channels



82% of bookings made directly

Aer Lingus invests in an engaging experience enabled by digital capabilities and a warm human-centric service

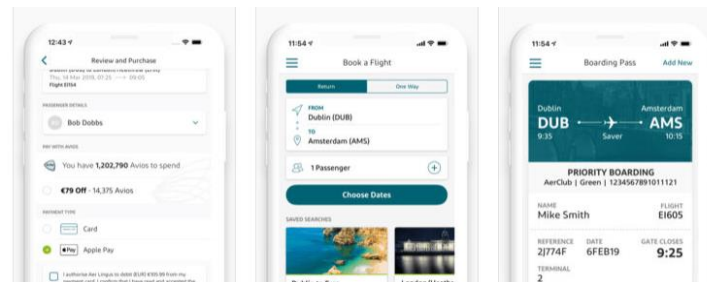


Ensuring competitive cabin product



- Refreshed seat/cabin products across both Short-haul and Long-haul
- First to Fly A321 XLR from Q4-2024
- A330 Next Generation Business Class seat, A321 LR & A320neo include in-seat power

Developing connected customer experience



- Digital self-service and disruption management capabilities throughout the customer travel journey
- Mobile First Approach with improved app
- Modernised Call Centre

Enhancing customer service



- Customer First training: Brand proposition brought to life by our customer facing teams
- Inflight Experience differentiated by our people and enabled by Connected Crew

Vueling customers are value-driven, tech-savvy explorers who seek an elevated low-cost travel experience

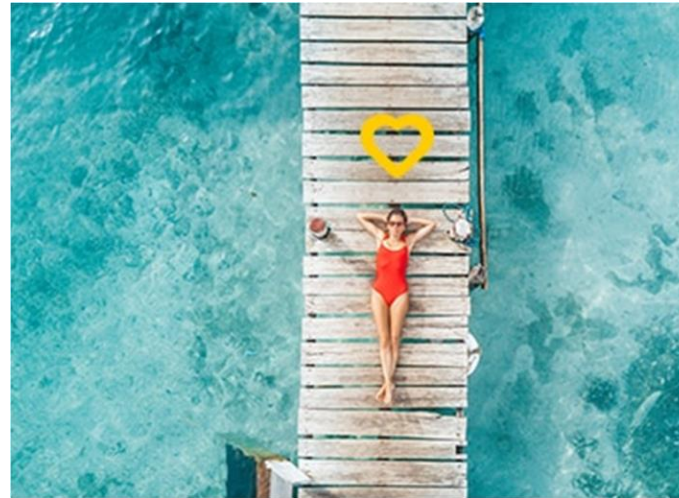


Our customers seek an elevated low-cost experience



~100% increase in ancillary revenue per passenger vs 2019

Our customers look for leisure experiences across Europe



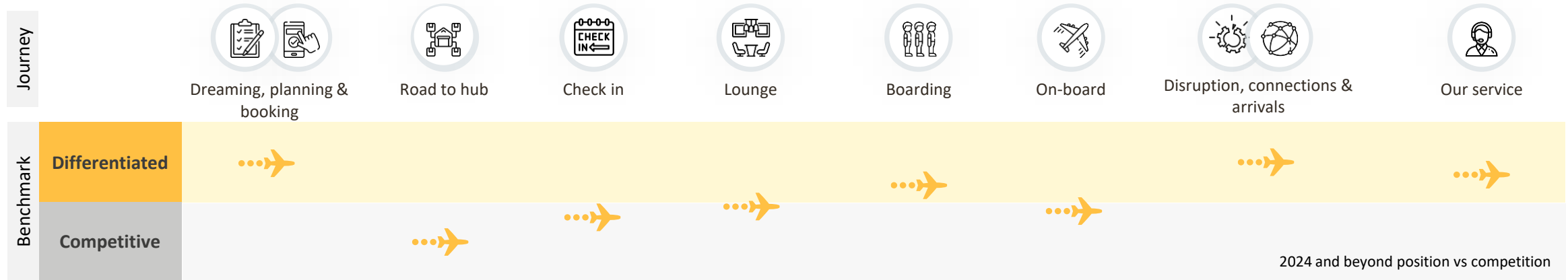
~90% of customers fly for leisure reasons

Our customers are young and digitally savvy



~40% use Vueling App to manage their trip

Vueling invest in digital capabilities to provide a personalised and fully self-manageable experience



Investing in a smart customer journey



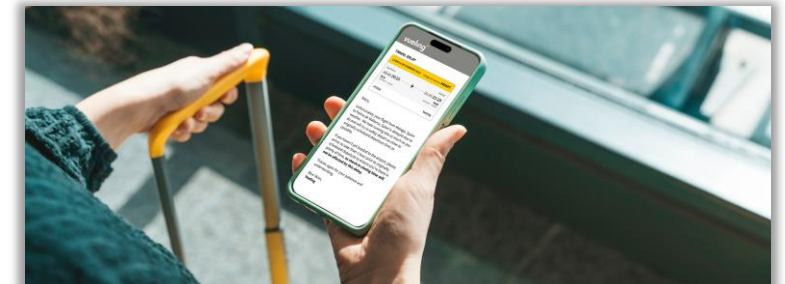
- Biometric, contactless, mobile experience in main airports
- Self-service kiosks in airports
- Fully self-managed digital disruption experience
- Real-time, relevant information for the journey

Offering an elevated experience



- Fixing our basics and co-creating new experiences and signature moments to elevate our service
- Engaging with our people to deliver the best travel experience for customers
- Providing tools and training for frontline staff to elevate the service levels

Always-on digital customer care



- Developing a 24x7 efficient digital customer care, from simple queries to complex transactions
- Investing in industry-leading platforms to leverage the latest technology trends
- Serving customers when they need, the way they need

LEVEL is IAG's newest brand



Barcelona to prime destinations in the Americas:
1st long-haul airline in Barcelona



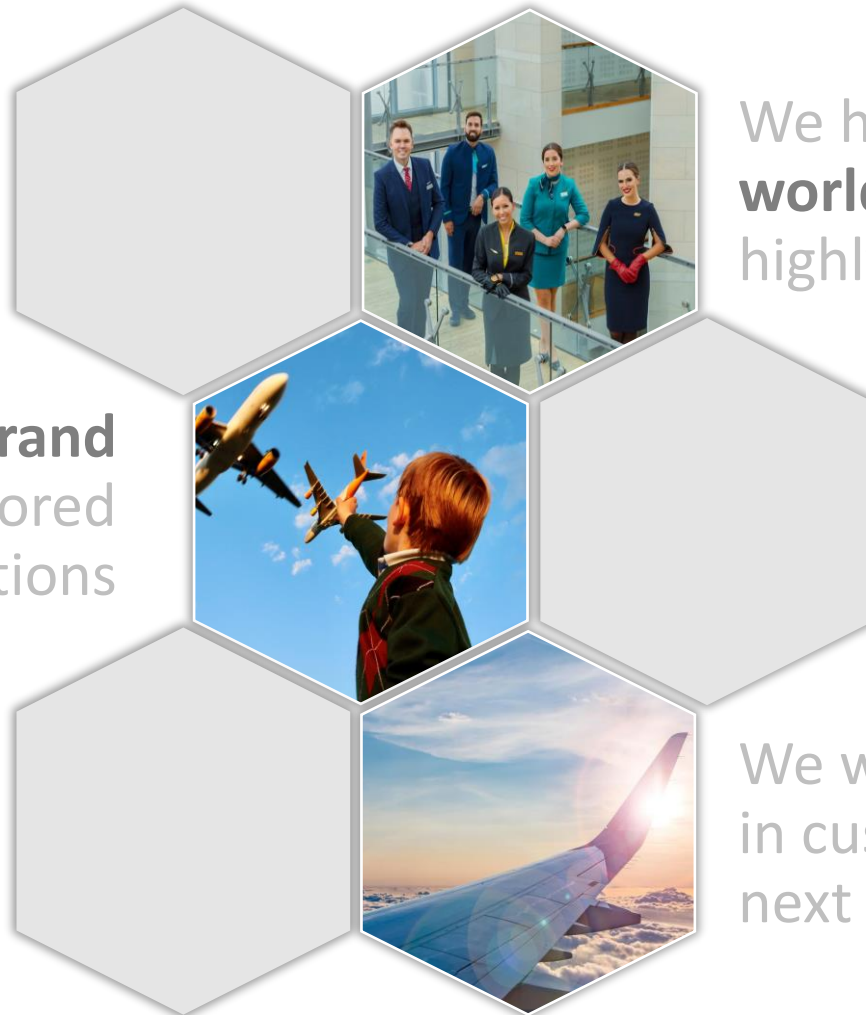
Digital & dynamic:
Digital and innovative, allowing you to tailor your journey: "Fly your way"



Elevated low-cost experience:
We offer a great experience, ranging from a "no-frills" option to an "all-in" premium cabin, all at an affordable price

Investing in best-in-class customer experience

We have **distinct brand positionings** and tailored customer propositions



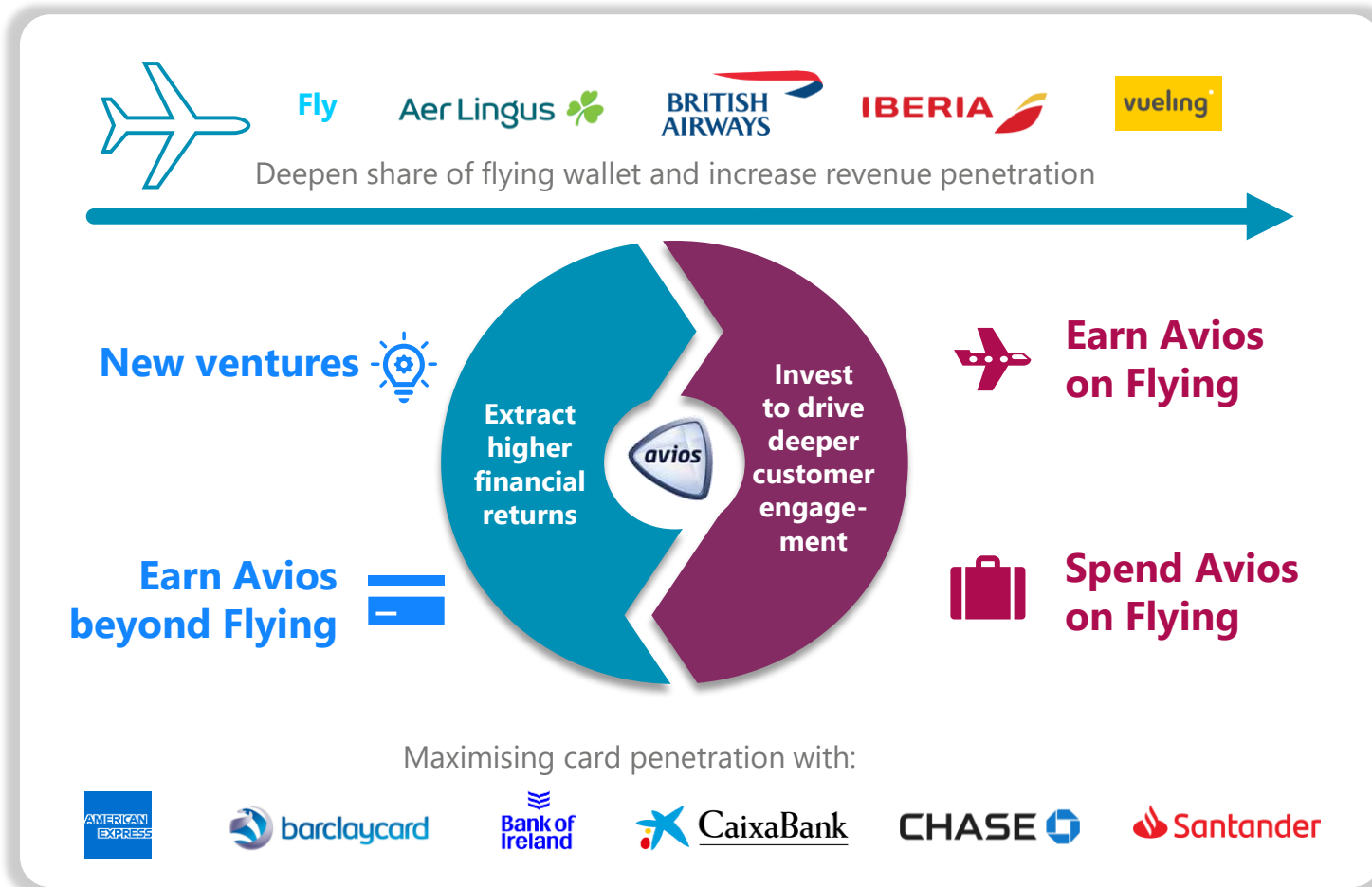
We have a portfolio of **world-class brands** and a highly valued loyalty currency

We will **double our investment** in customer experience over the next 3 years vs pre-pandemic

Growing our high-margin, capital-light businesses

Adam Daniels
Chairman & CEO IAG Loyalty

Our strategy is to invest in our customers to drive higher returns



Our approach is working

+65%
IAG Loyalty profit YTD vs 2019

Avios collection
20%
Higher than ever before

Avios spending
25%
higher than ever before

Membership of our loyalty programmes continues to grow

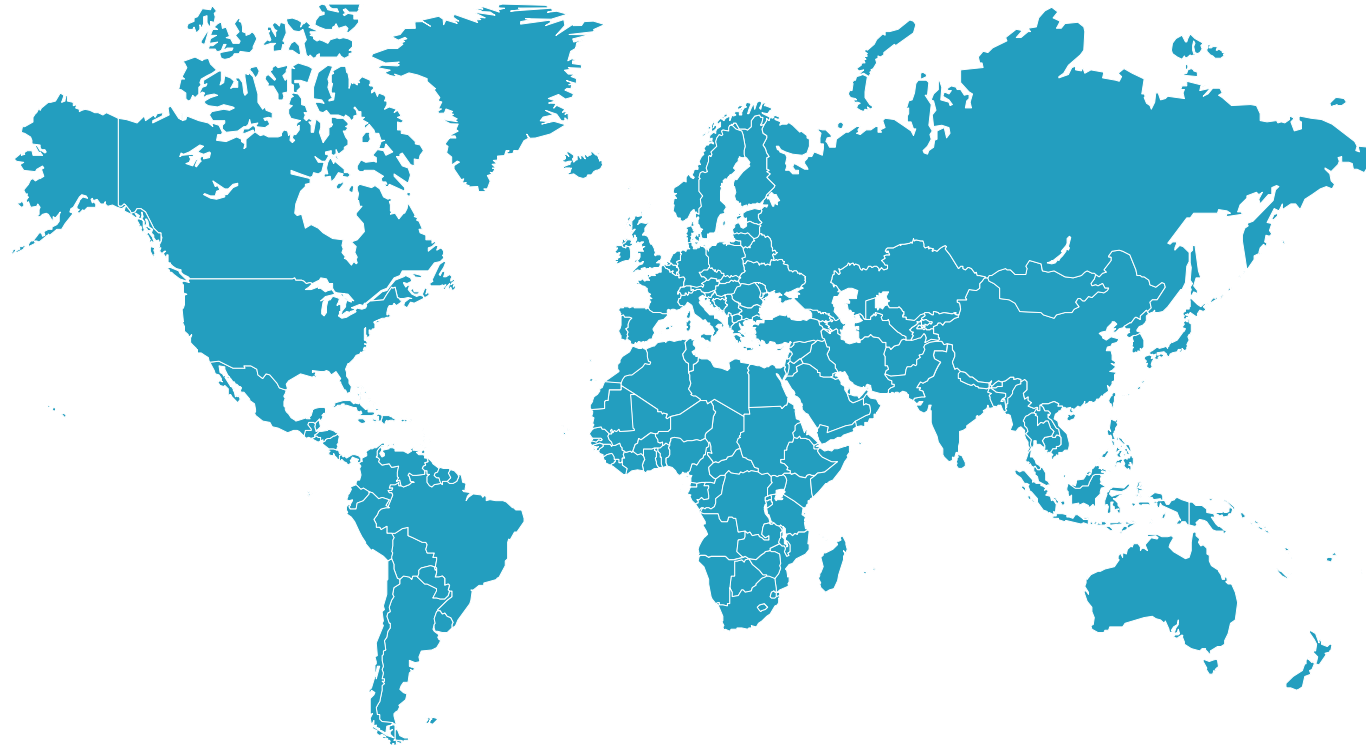
Age groups

> 40m

IAG programme memberships*

+2m

Acquisition growing at highest level ever in 2023 YTD



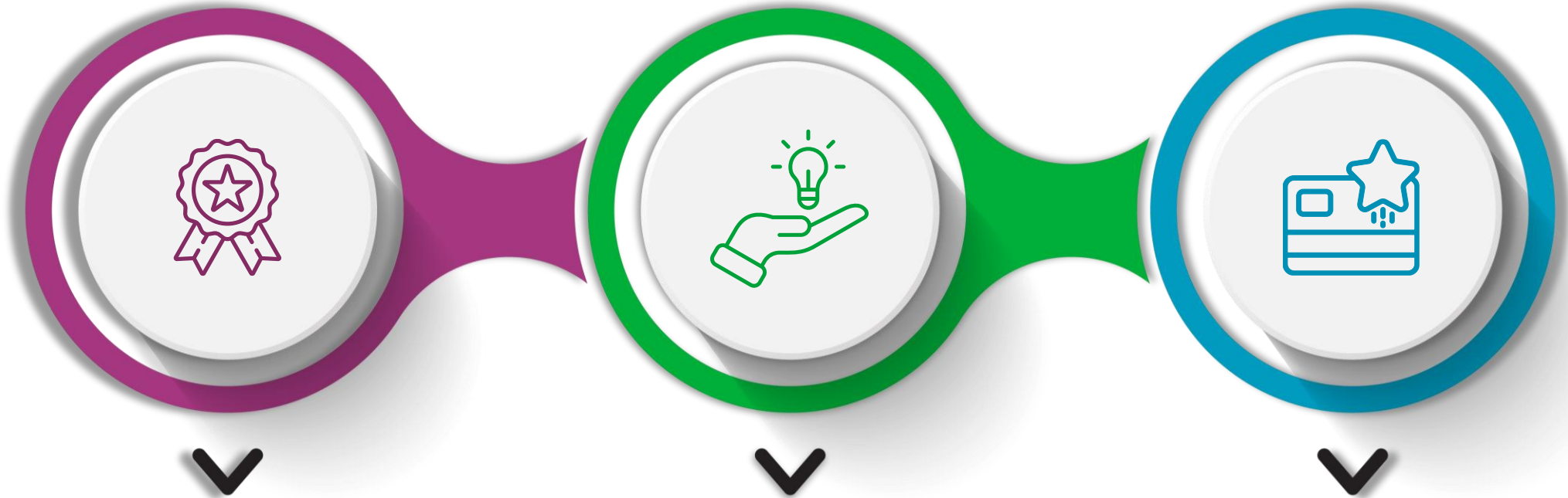
0-34
22%

35-44
22%

45-64
39%

Over 65
17%

What do customers want from a loyalty programme?



Simplicity & recognition

Great collection opportunities

Aspirational rewards



Simplicity & recognition

All IAG programmes have transitioned to 'spend based earn'

We are investing in additional Avios issuance for our customers



Align to industry best practices

Fairness and simplicity

Reward valuable customers

Incremental revenue and engagement

CLÁSICA



PLATA



ORO



PLATINO



Executive Club **blue**

x 6 Avios per £

Blue Members collect 6 Avios per pound (GBP) spent

Executive Club **Bronze**

x 7 Avios per £

Bronze Members collect 7 Avios per pound (GBP) spent

Executive Club **Silver**

x 8 Avios per £

Silver Members collect 8 Avios per pound (GBP) spent

Executive Club **GOLD**

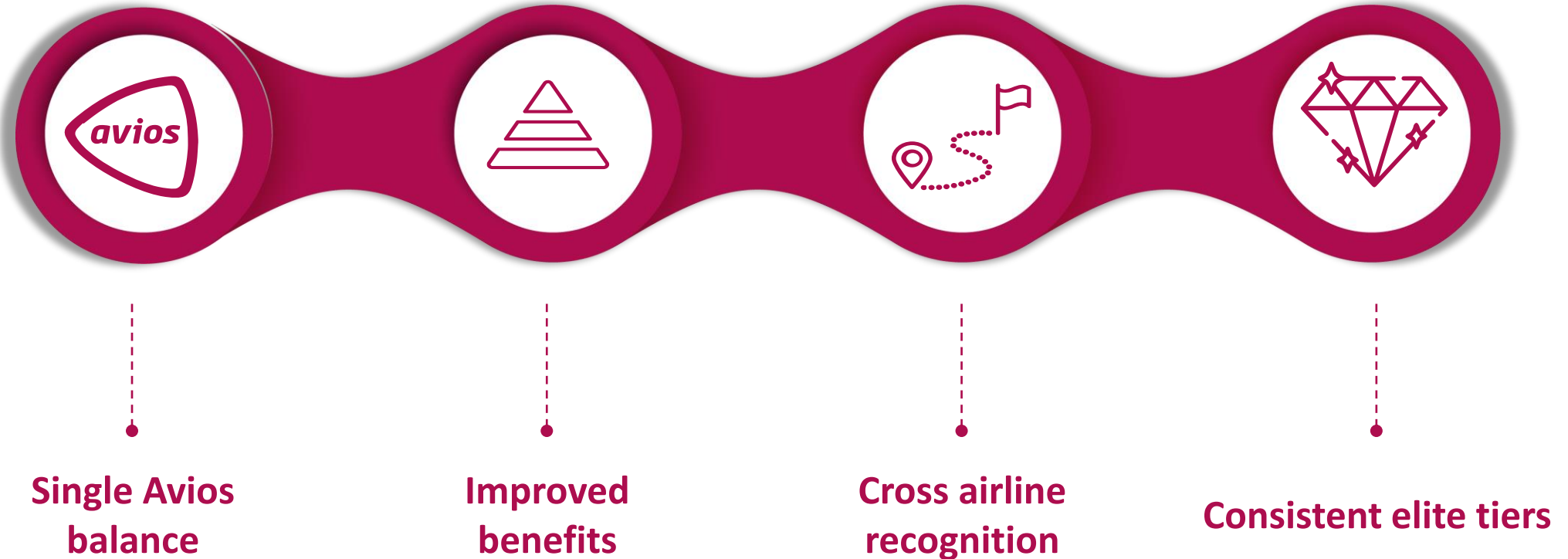
x 9 Avios per £

Gold Members collect 9 Avios per pound (GBP) spent

IAG plans further simplification & recognition for its customers



Simplicity & recognition





Great collection opportunities

Our partnerships are making it easier to collect

Avios collection partnerships



New currency partnerships



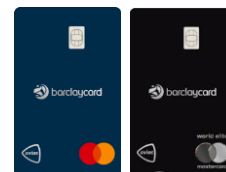


Great collection opportunities

Customers are collecting a record number of Avios...

Collection **20%** higher than ever before

Our UK card spend is over



1% of UK GDP¹



Over **60%** of all collection outside flying

...and we believe there is an opportunity for further growth



Aspirational
rewards

Laser focused on providing compelling redemption options

Across the group we continue to invest margins into enhanced loyalty propositions for customers, including:



More Guaranteed Reward Seats

Launched Q3 2021

Over 5 million Guaranteed Seats each year



Reward Flight Saver roll-out

Launched Q4 2022

Over 80% choose new 'low cash' options



Spend Avios on BA Holidays

Launched Q1 2023

c.20% of BA Holiday bookings use Avios to pay



Avios Only Flights

Launched Q2 2023

25 flights released, c.75% seats already taken



Aspirational
rewards

And there is more to come in 2024....



Improved 'Pay With Avios' on British Airways

Ability to discount entire commercial ticket



More Avios Only Flights

More of this exclusive reward proposition, across the airlines



Iberia Reward Flight Saver

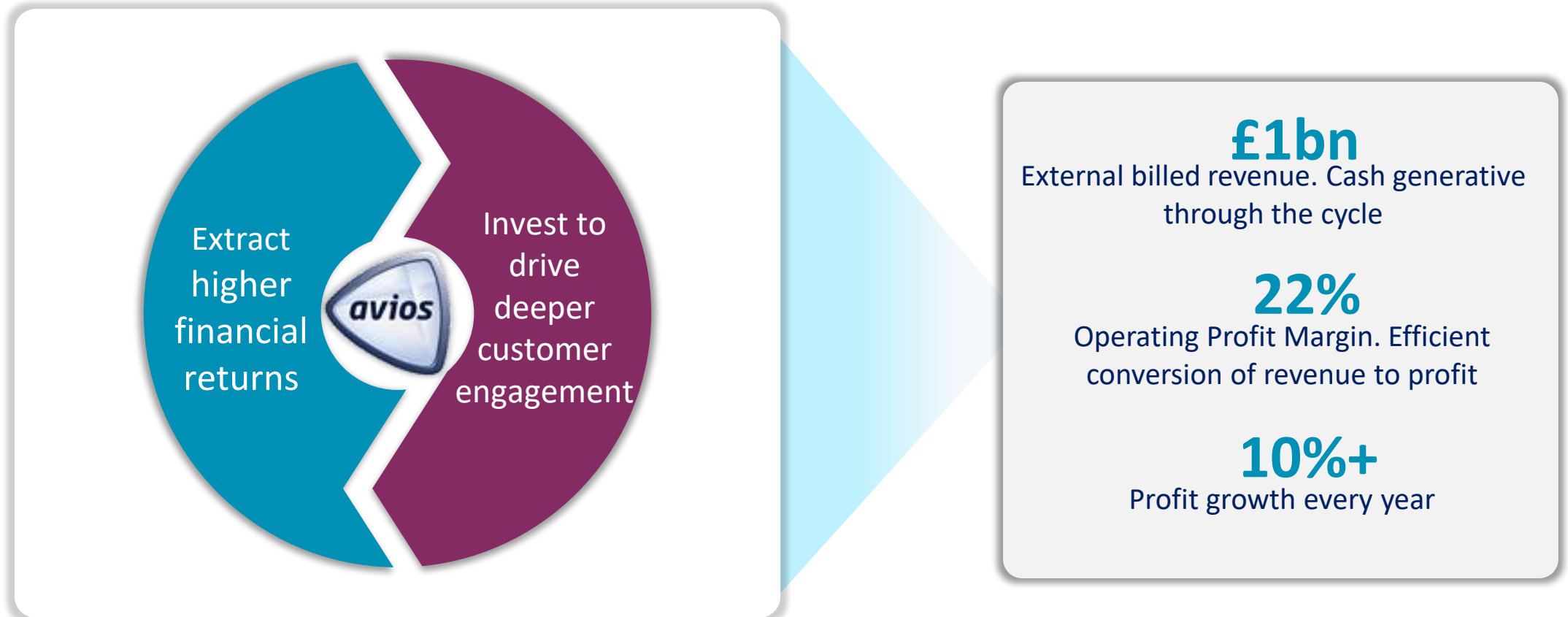
Bringing new Avios price points to Iberia reward flights



Hotel & Car Redemption

New & improved redemption proposition for members

Enabling an asset-light business, with opportunity to scale...



Transforming our businesses

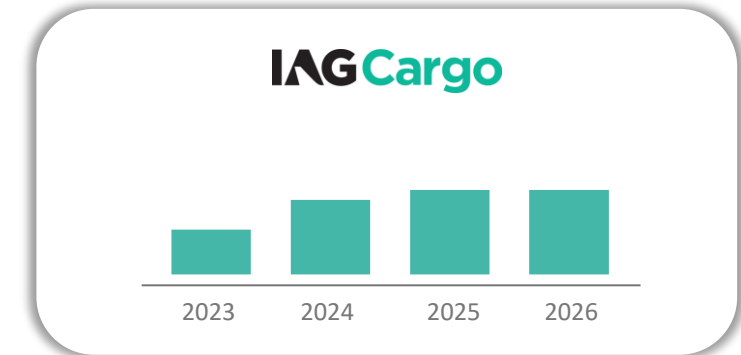
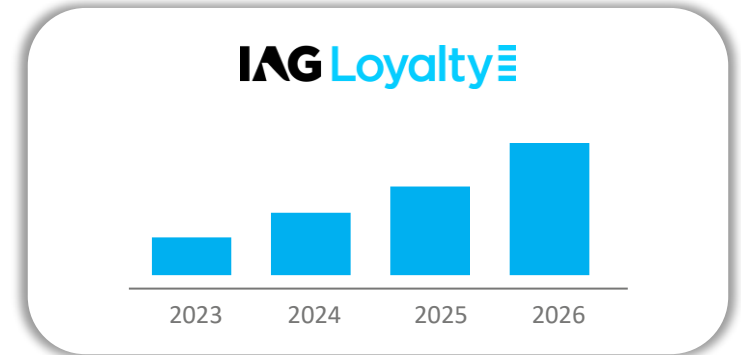
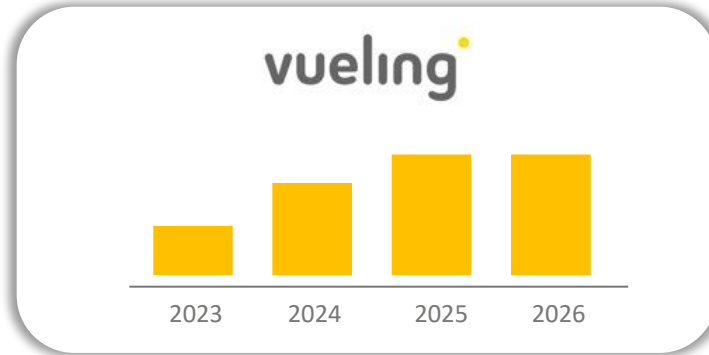
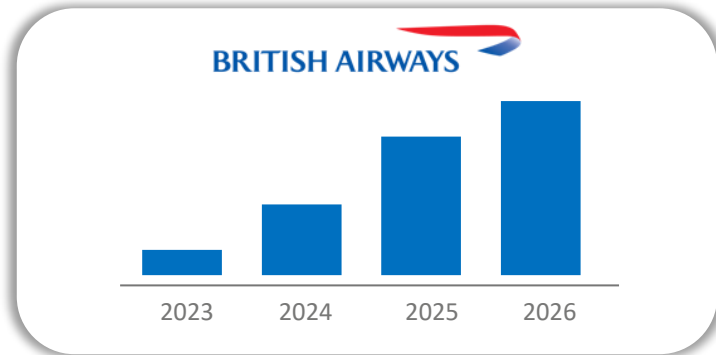
Fernando Candela
Chairman & CEO, Iberia

We are transforming our businesses to drive sustainable earnings

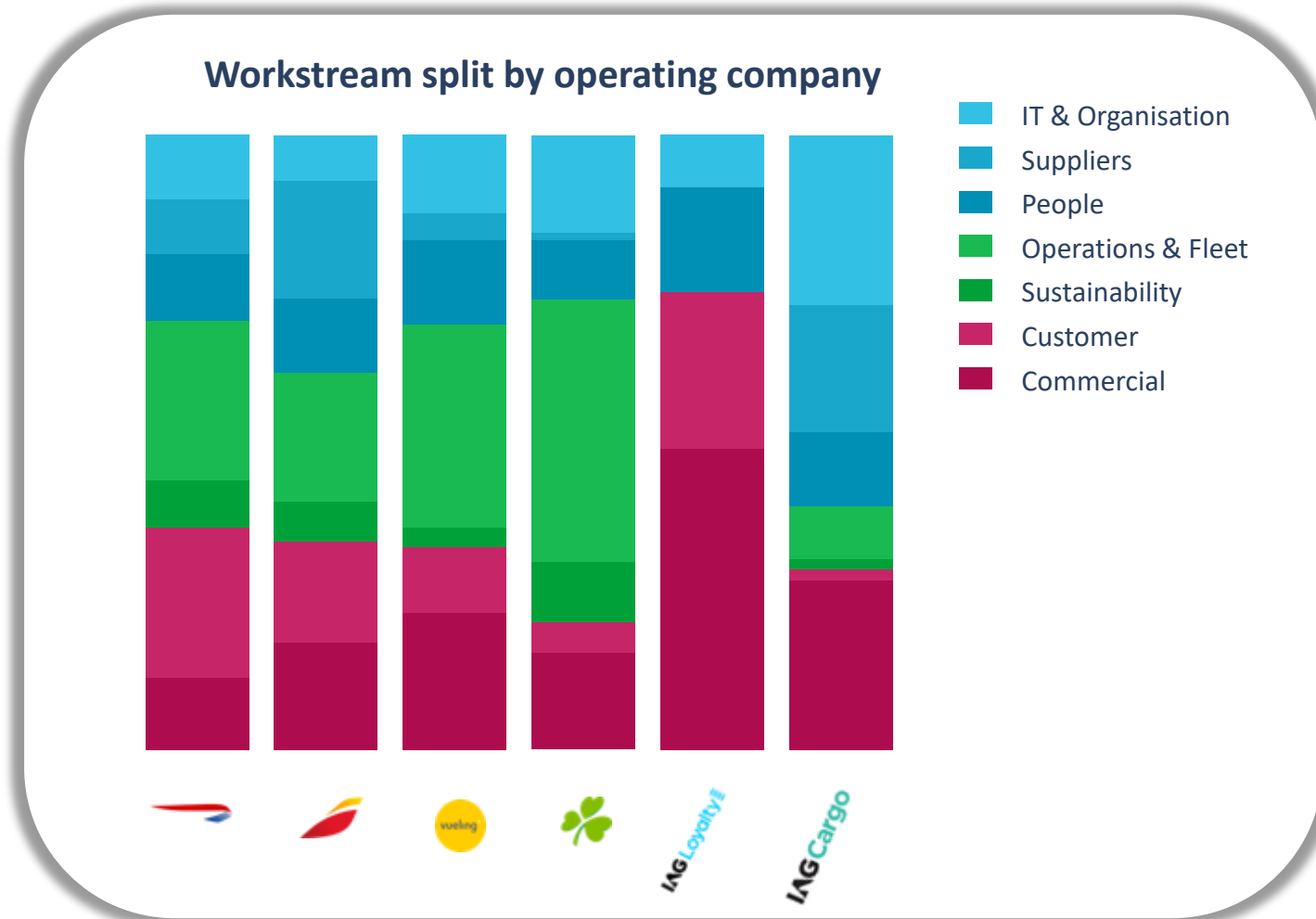
- Transformation is creating better businesses that are more **efficient and resilient**
- We are embedding transformation across **all our businesses**
- We are looking **at all areas** in forensic detail to drive a step-change, so we can grow sustainably in the longer-term
- We are building on strong foundations of **previous experience and execution**

Transformation will deliver value in all businesses across the Group

Transformation plan value (€m)

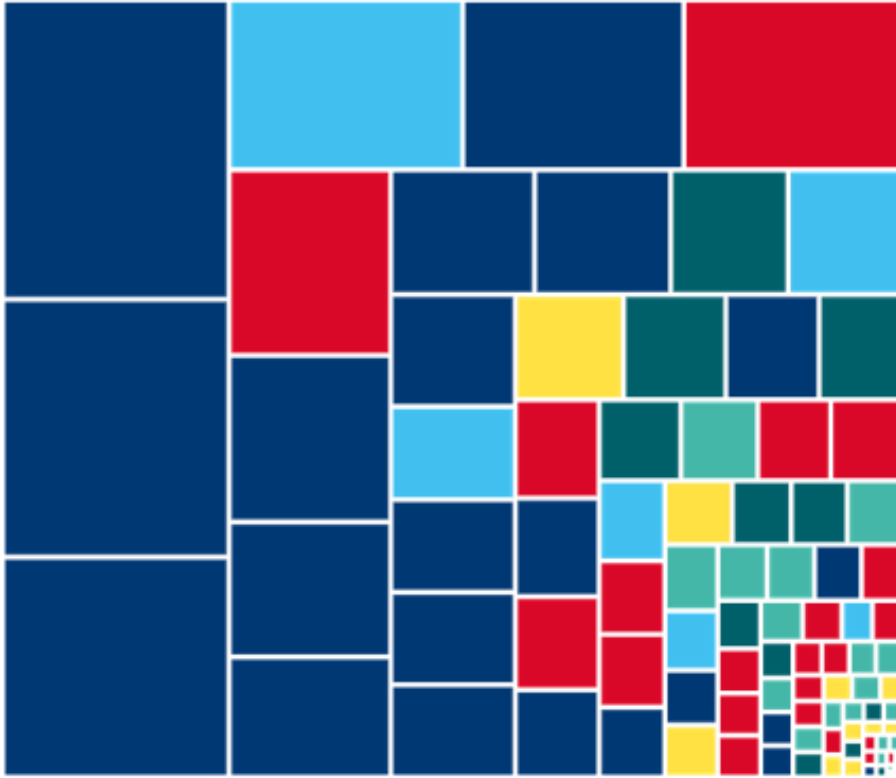


Transformation plans are impacting all business areas

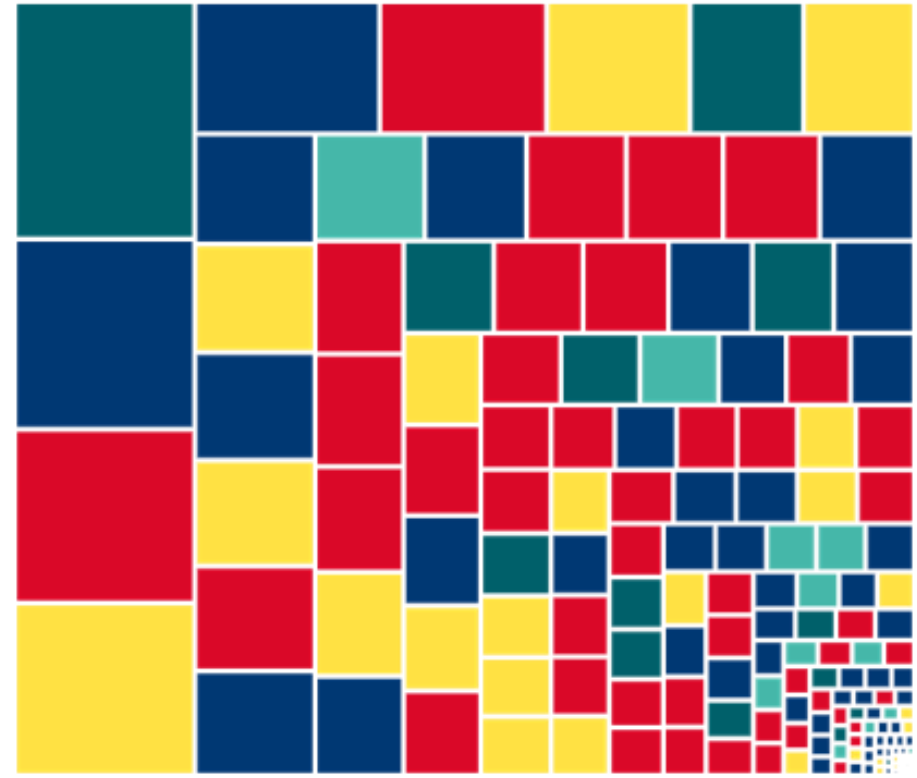


We are looking at a Transformation in forensic detail

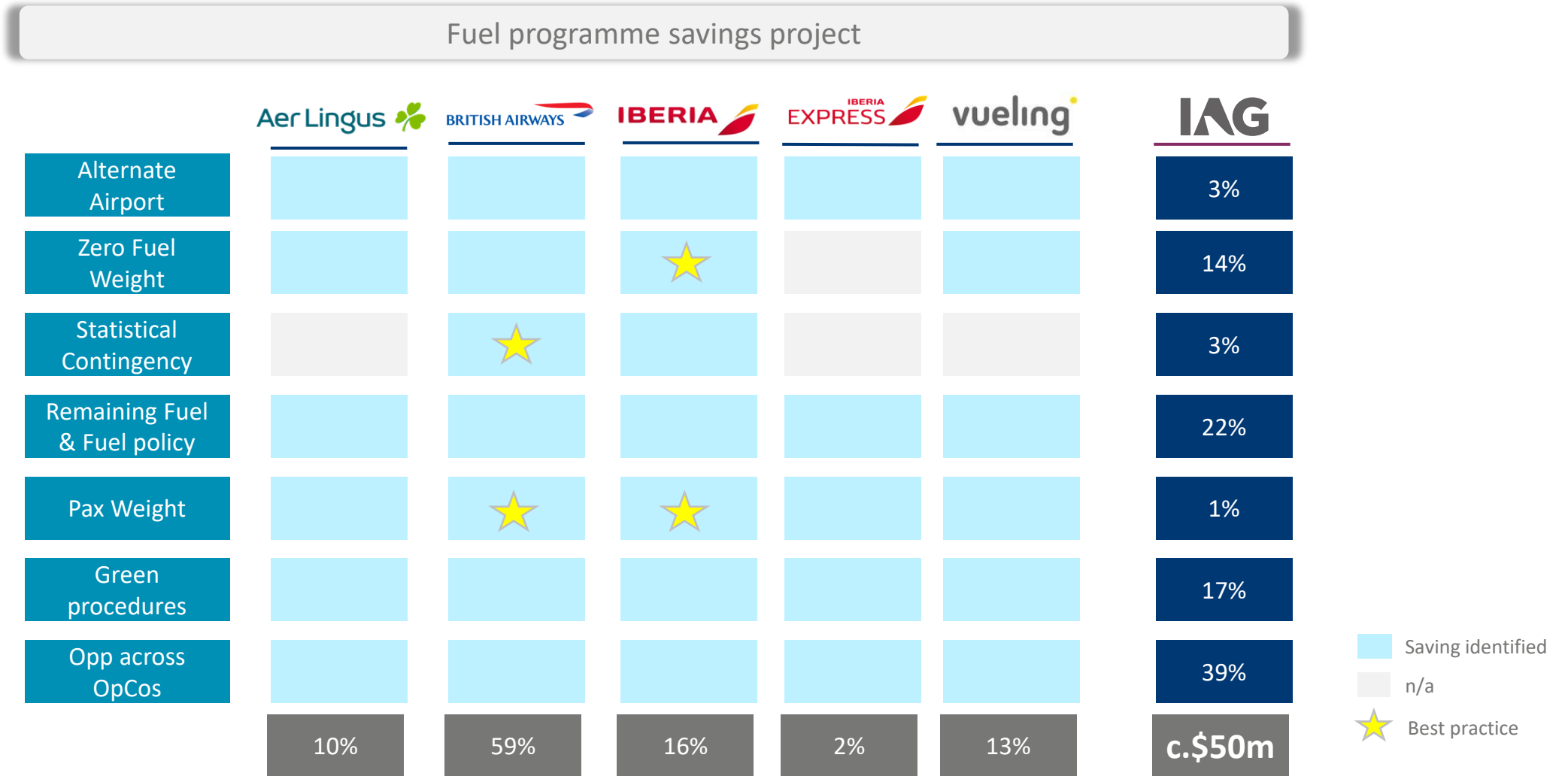
Revenue



Non-fuel costs

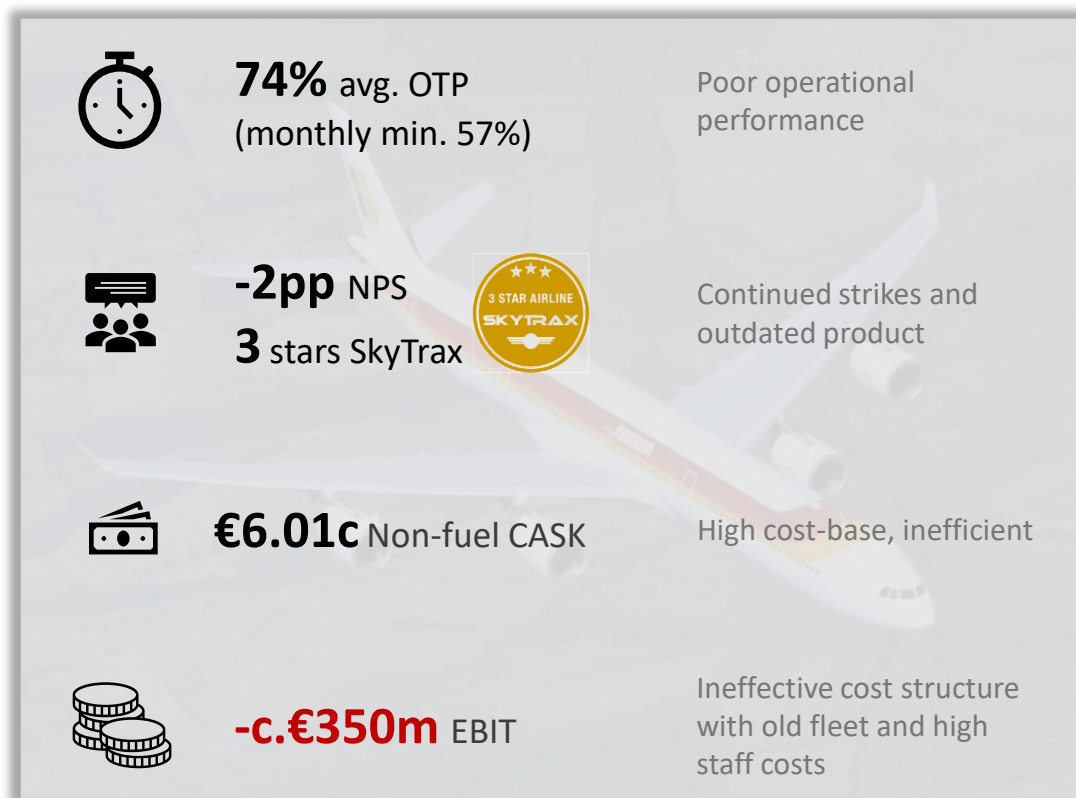


Sharing best practices also delivers transformational value

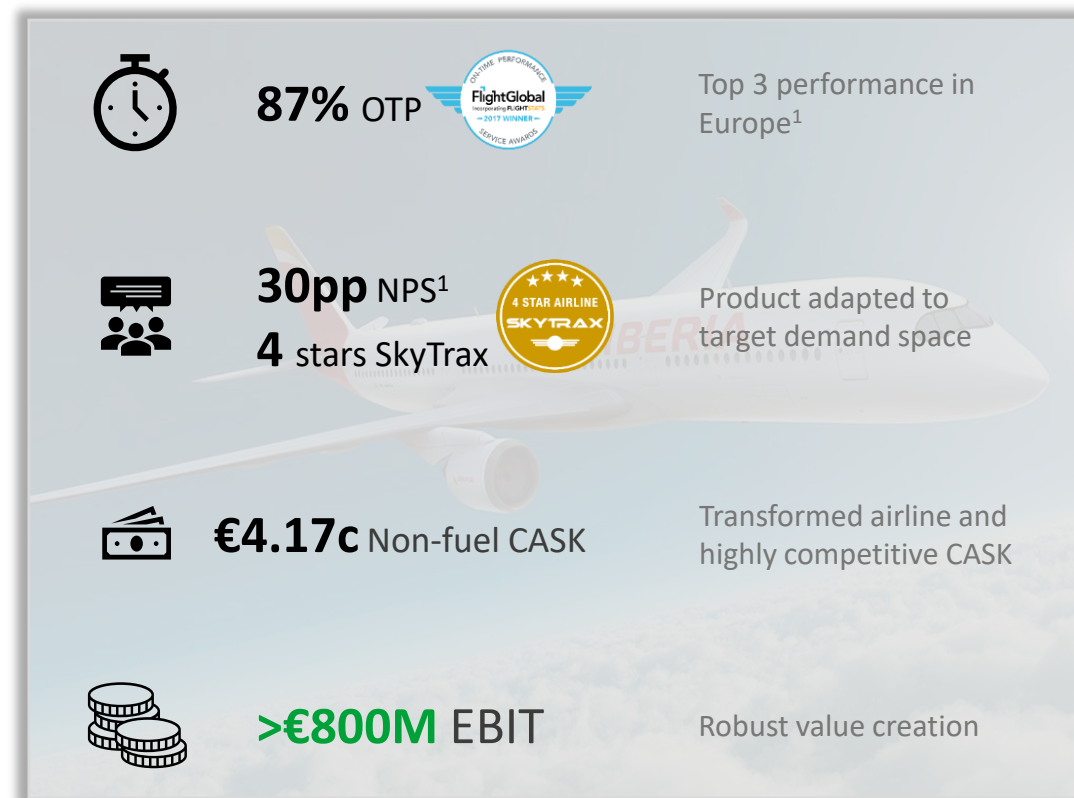


We have done this before, which is now supporting Iberia's growth

2012 unprofitable and uncompetitive

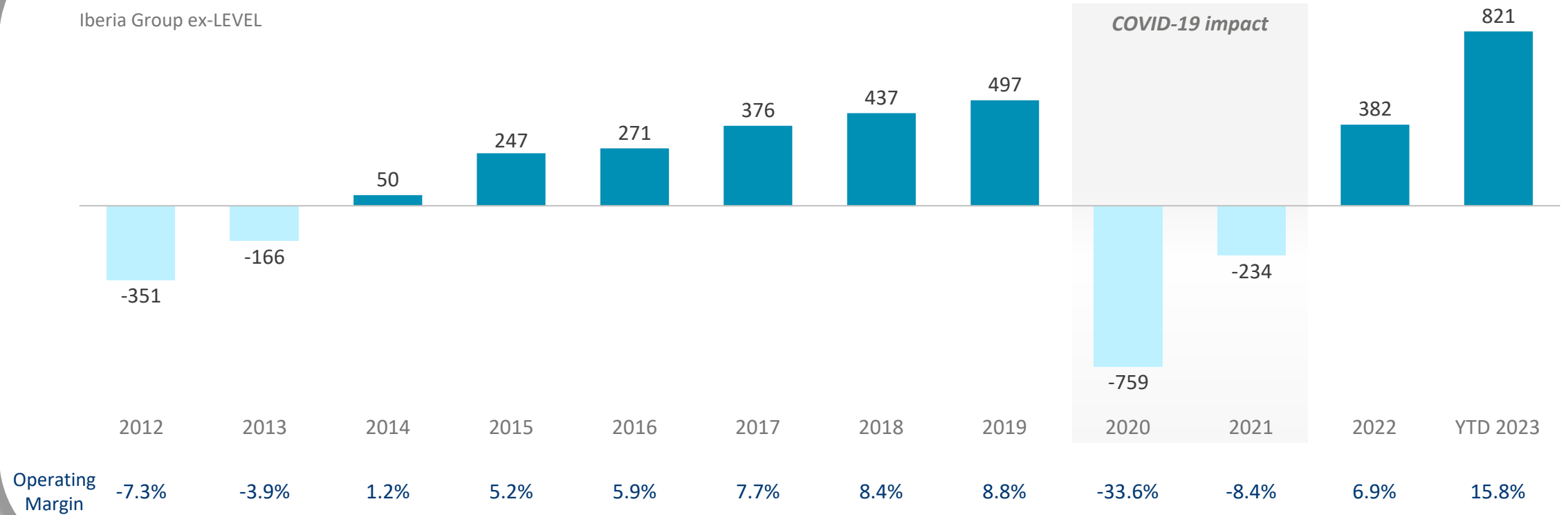


2023 profitable, with strong brand and product



And has delivered a step-change in Iberia's profitability

Operating result (€m)



We are transforming our businesses to drive sustainable earnings



Transformation will ensure that IAG and its businesses are stronger in the future



Forensic governance and oversight at Group level



Significant number of initiatives driving improvements to revenue, costs and operations

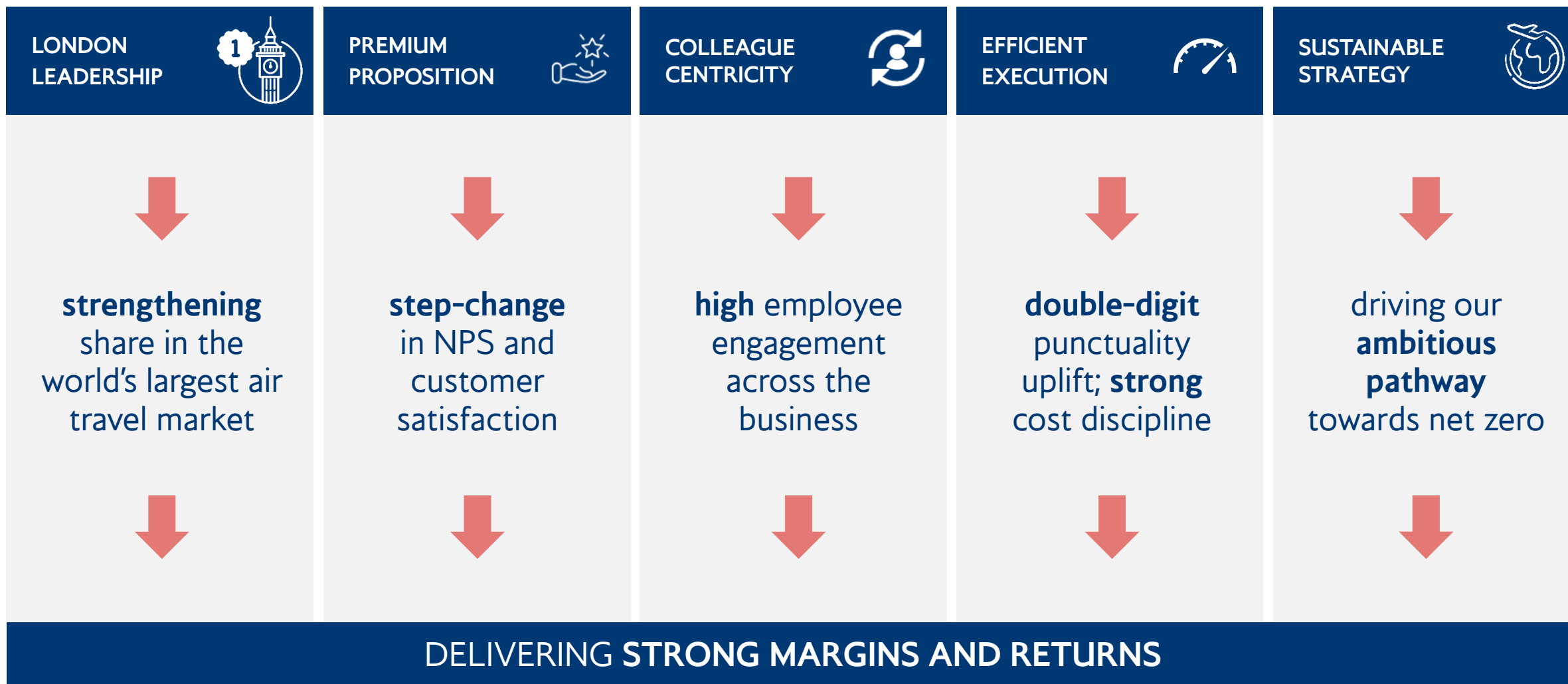


Leading to profit opportunity in all of our operating companies



BA TRANSFORMATION UPDATE

Five strategic imperatives guide our transformation



We are investing heavily in transformation

Our focus areas:



World-class customer experience



Leading edge commercial platform



Modernisation of the IT estate



Operational and technical excellence

Our transformation is a key enabler for **enhanced customer experience, revenue optimisation and cost efficiency**

Over £7bn

Total BA Transformation investment 2024-26
including fleet

Upgrading our end-to-end customer journey



Building Our Brand



- New **uniforms**
- **'A British Original'** embedded throughout the customer journey
- New **partnerships** (BST festival, Whispering Angel, Paramount+)

Ground Experience



- **Global lounge refurbishment** programme, including Heathrow
- New, dedicated **Club check-in zone** at T5
- **Digital baggage notifications** and **wayfinding** app

Onboard Experience



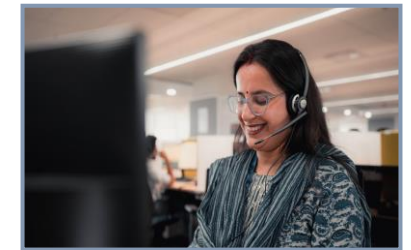
- **New aircraft** and continued **'Club Suite'** rollout
- **Doubling of content** on entertainment systems
- **Enhanced food & beverage** offering in all long-haul cabins and relaunched onboard retail

Cabin Crew



- New **digital tools for crew**
- Additional **training programmes** launched
- **One Heathrow cabin crew team**

Customer Care

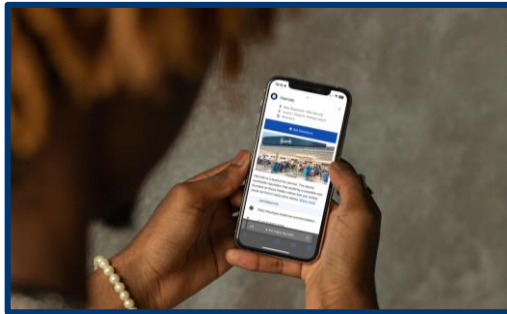


- New **telephony systems**
- Use of **automation and AI**
- **Proactive Customer Care** team offering air to ground resolutions

Our commercial capability is being transformed



Digital Experience



2023: Launch of homepage and first flight booking

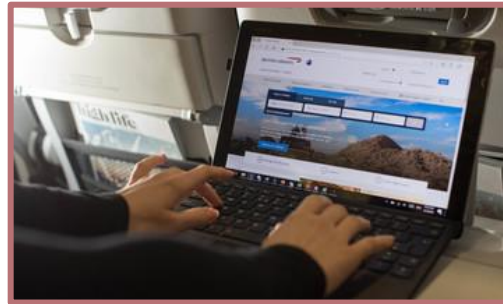


2024+ capability ramp-up and full route roll-out

ba.com re-platforming and re-launch of the BA app

- deeper personalisation
- 100% online serviceability
- end-to-end trip management
- fast product release cycle

Revenue Management



2024: cutover to new tech platform

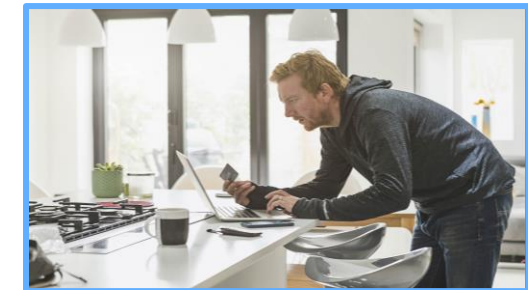


2024+ delivery of next-gen capability

New Revenue Management system

- accurate demand forecasting
- flight and ancillary revenue maximisation
- dynamic pricing capability and agile response to market

Payments System



2024: first new forms of payment



2025 additional forms of payment roll-out

Modernised payments system and new partnerships

- greater access to alternative methods of payments
- more opportunities to use Avios
- driving cost optimisation

MAXIMISING REVENUE THROUGH DYNAMIC PRICING, CUSTOMER-CENTRICITY AND SPEED TO MARKET

A step-change in business resilience



£750m

Investment in IT 2023-2026

IN PROGRESS NOW

- Building **resilience** and additional **business continuity**
- **Independent back-up systems** on 50% of desks in Heathrow Terminal 5
- **Amadeus Reservations Desktop (ARD)** now in use in our Customer Engagement Centres in the event that our primary systems fail
- **New telephony** in our UK Customer Engagement Centres and a **new modernised CallBA facility** in Delhi

COMPLETE BY Q1 2025

- Moving, retiring, and replacing **645 older systems** and **10,600 servers** from our two existing datacentres
- 95% of our systems are **migrating to the cloud**
- A **new Network Hub** will link our systems and buildings

DELIVERING AN IT ESTATE THAT IS FIT FOR THE FUTURE

Transforming our operation is fundamental to driving improvements across the business



Ongoing external challenges only increase the need for transformation in operations



The operating environment remains complex...

...but transforming is critical to performance



Airspace challenges

- Air Traffic Control (ATC) delay minutes up by 93% vs. 2022
- Reduced European airspace capacity but flights up 12% vs 2022



New resources dealing with increased demand

- More than 10,000 new colleagues joined (October 2021 – June 2023)
- Passengers increased 26%, bags 29% and flights 27% in Summer 2023 vs Summer 2022



Supply chain issues

- Component lead times increased 50-75%
- Global events impacting maintenance service supply chain



Operational

- Improved punctuality
- Reduced cancellations and disruption



Customer

- Higher NPS
- Higher Customer Satisfaction



Employee

- Improved colleague experience and engagement



Financial

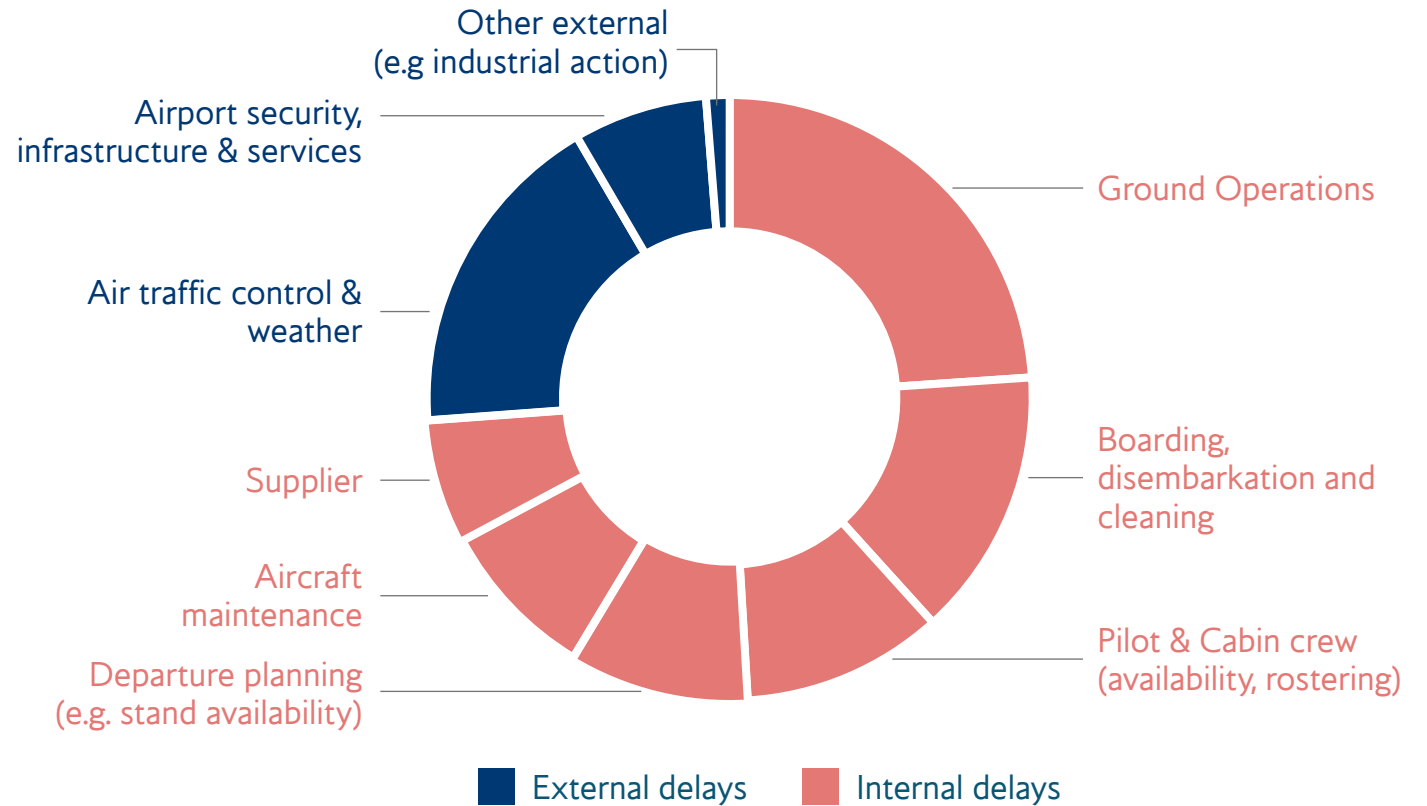
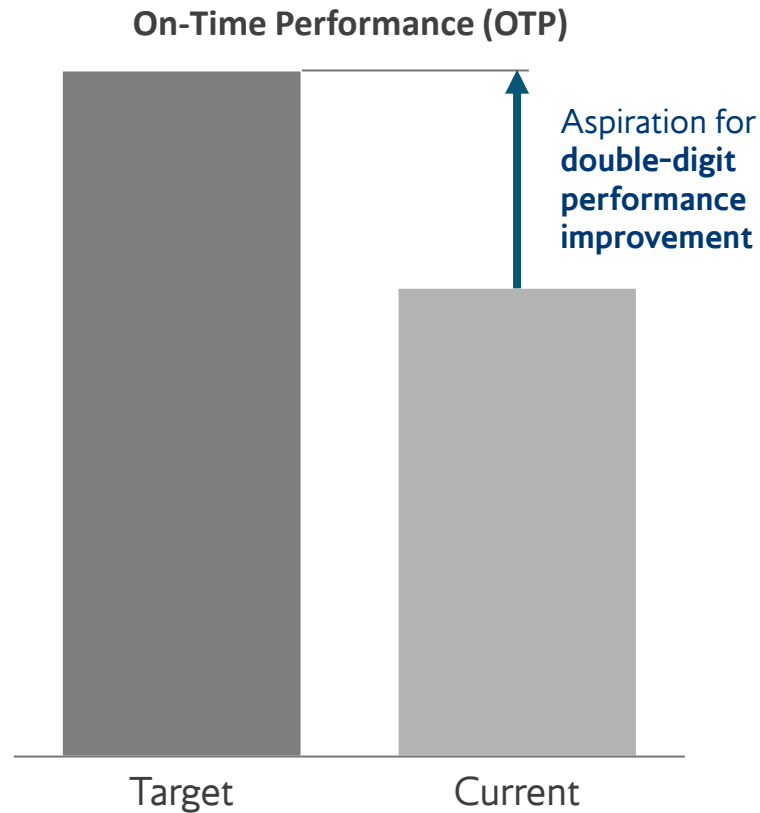
- Higher cost efficiency
- Reduced disruption costs

Improving punctuality is at the heart of delivering a world-class operation



Recognised punctuality performance gap...

...driven by both **internal** and **external** delays

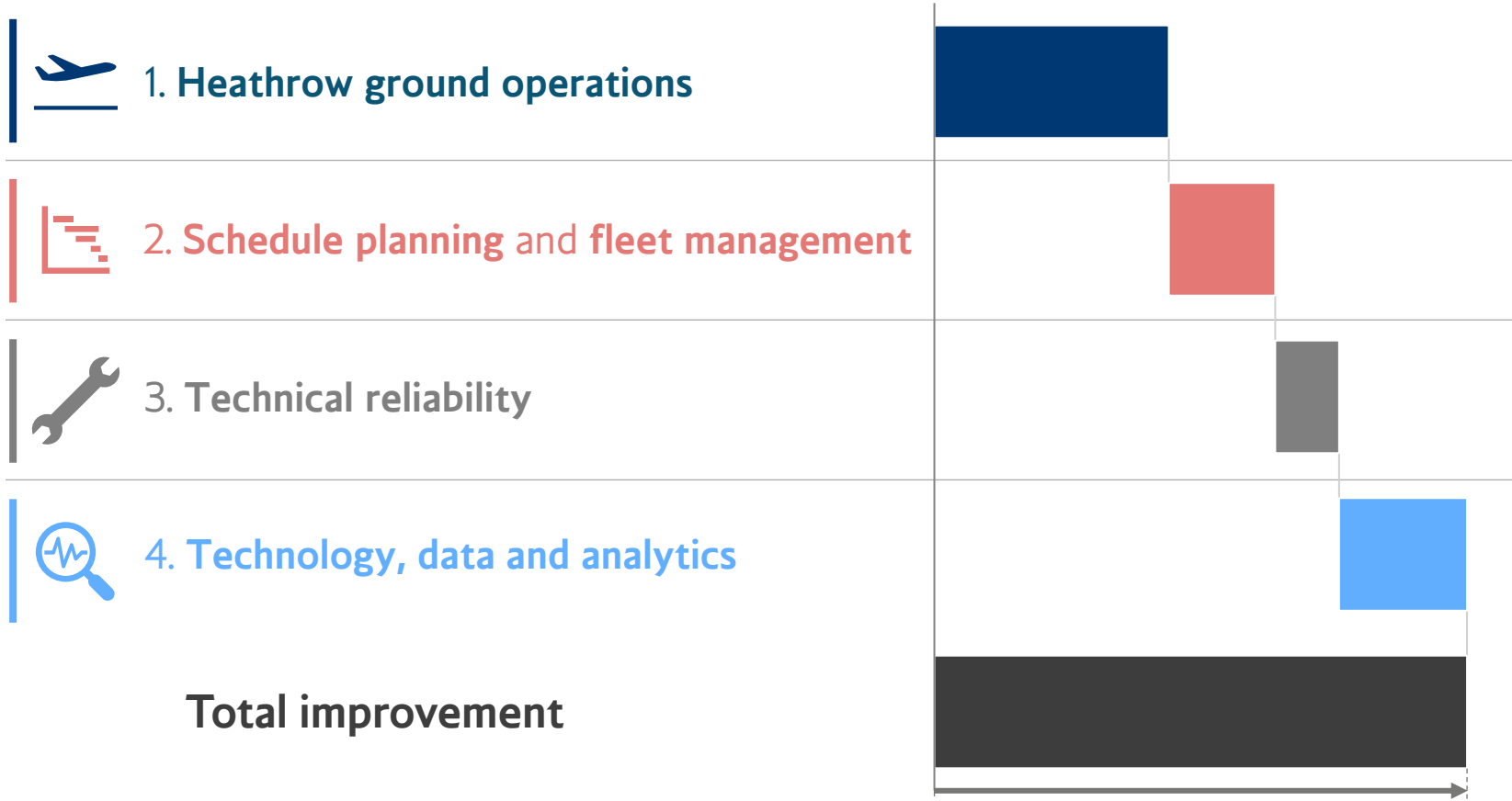
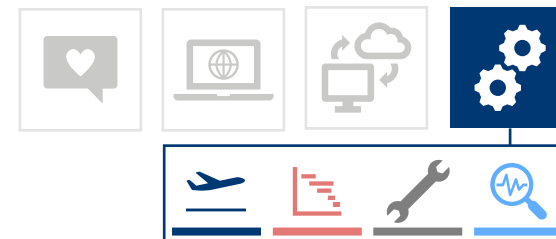


Need to address **drivers of internal delays** through better performance whilst also increasing **resilience to external factors**

We have four key levers to drive up punctuality

Four key levers...

...driving up On-Time Performance



 **£100m**
Investment to create a world-class operation 2024-26

Transforming our Heathrow ground operations is the focus of significant investment



Team-based Working

- **Clear accountability** for performance, safety and engagement¹
- **Team Zones**² with specialists delivering an expert, world-class service



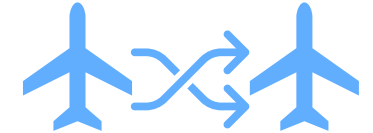
Leadership, Oversight and Management

- Ensuring effective **spans of control**¹
- Driving an '**on-time**' performance culture



Tools and Training

- Investment in **resources and equipment**
- New performance data **dashboards**
- Tailored **training**



Resilience During Disruption

- Next-gen **re-booking technology**
- **Targeted** ticketing and Connections **resources**
- **Integrated Allocation and Operational teams**, located airside

DRIVING A STEP CHANGE IN OPERATIONAL PERFORMANCE AND CUSTOMER EXPERIENCE

Targeted scheduling enhancements are supporting the deliverability of our operation



Dynamic **optimisation of scheduled block times** and **realigned turnaround buffers** across the schedule



Revised standard for **turnaround times** and fully re-designed **Precision Time Schedule**



New **schedule smoothing** to even out handling workload across hours



Re-shaped T5 **Minimum Connection Times** to reduce missed connections

We are building a maintenance capability that will deliver for the business now and into the future







Deliver on the fundamentals

Future-proof the business

CURRENT PRIORITIES

DELIVERING FOR THE FUTURE

-  Delivering **operational excellence**
-  High **cabin standards**
-  Retaining and attracting **top talent**
-  World-class **supply chain**
-  **Cost control**

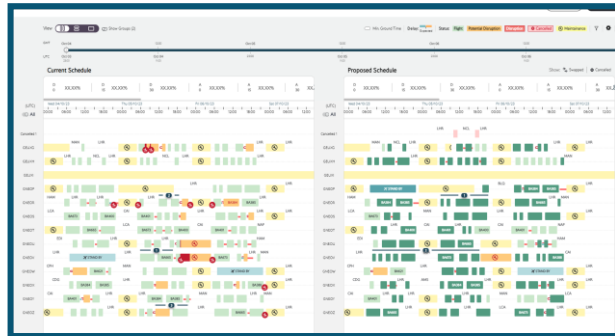
-  **Digital** maintenance records
-  Faster **defect diagnostics**
-  **Predictive** maintenance

BUILDING A MAINTENANCE CAPABILITY THAT DELIVERS FOR THE BUSINESS

We will empower the business to make effective use of technology, data and analytics



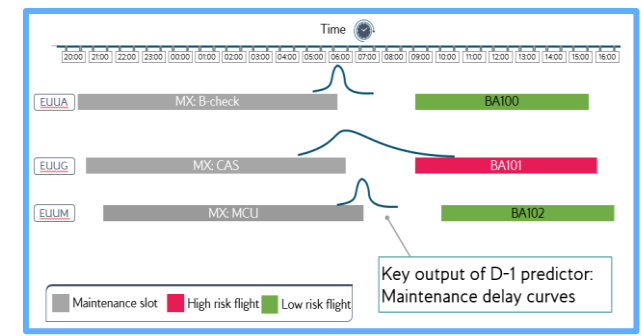
Modernising core systems to improve reliability and reduce downtime



Leveraging data from across the operation to create a single source of truth

Flight number	Direction	Gate	Departure	Status	Saving	Cost
A	TRF	T1-18	08:30	Delay 10 min	250K	440K
B	JFK	T2-09	08:30	On-time	0K	120K
C	OSL	T1-78	08:30	On-time	0K	150K
D	GOT	T3-30	08:30	Delay 10 min	300K	440K
E	WAW	T1-09	08:30	On-time	0K	100K
F	TRD	T2-26	08:30	On-time	0K	80K
G	NCE	T2-83	08:32	Delay 12 min	1100K	500K
H	AMS	T1-02	08:35	Delay 15 min	1500K	600K
I	FCO	T3-14	08:37	Delay 12 min	1200K	1200K
J	VCE	T4-04	08:40	Delay 15 min	1500K	1100K
K	ARN	T5-61	08:40	On-time	0K	100K
L	DXB	T2-07	08:40	Delay 20 min	350K	120K
M	LHR	T1-06	08:40	On-time	0K	110K
N	DEL	T3-05	08:45	Delay 20 min	350K	80K
O	BUD	T4-28	08:45	On-time	0K	110K
P	MXP	T2-09	08:45	Delay 5 min	150K	140K
Q	RUH	T1-36	08:55	On-time	0K	80K
R	MSP	T2-16	08:55	On-time	0K	100K
S	MRS	T4-59	08:55	Delay 25 min	350K	80K

Using digital tools to support decision making and optimise outcomes



EMPOWERING OUR COLLEAGUES TO MAKE BETTER DECISIONS FOR OUR CUSTOMERS AND OUR OPERATION

Transforming

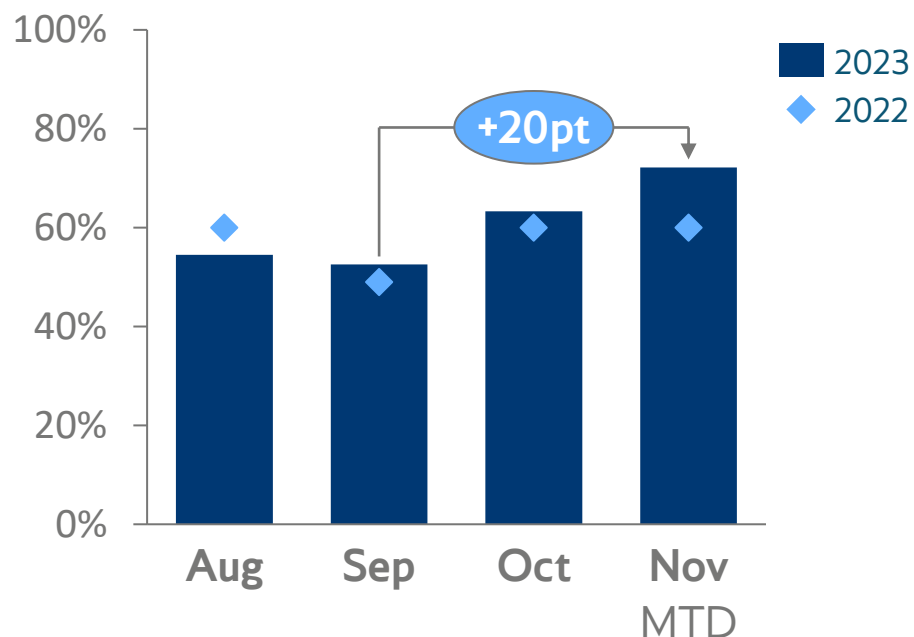
[BA TRANSFORMATION VIDEO]

Focused action is already delivering results



Network D15 punctuality has turned a corner

Focus on handling improvements is delivering results



- **>80% reduction** in checked baggage delays that cause us to miss D15
Last 2 weeks of October vs pre-launch (Jan-Jun)
- **>90% reduction** in hand baggage delays
October vs pre-launch (Jan-May)
- **35% improvement** in delayed baggage
LHR T5 missed bags/1,000 pax Oct-Nov MTD vs Aug-Sep

Transforming our operation is fundamental to driving improvements across the business





Our focus areas:



World-class **customer experience**



Leading edge **commercial platform**



Modernisation of the **IT estate**



Operational and technical excellence

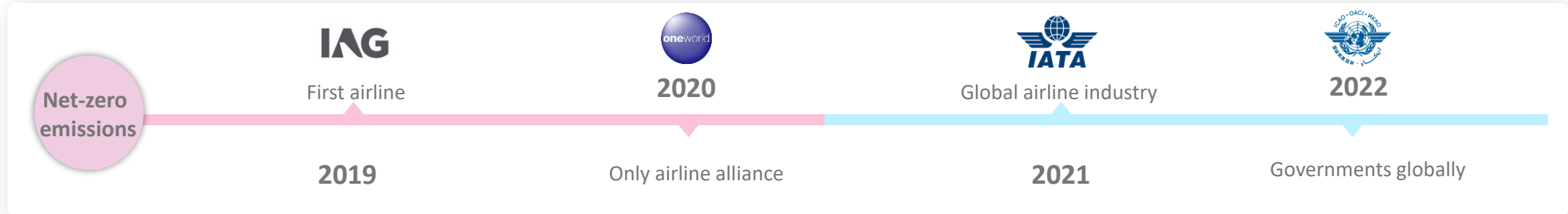
Leading the industry in sustainability

An aerial view from an airplane window showing the wing on the left and a sunset over a city below. The sun is low on the horizon, creating a bright orange and yellow glow. The city lights are visible in the darkening landscape.

Jonathon Counsell
Head of Sustainability

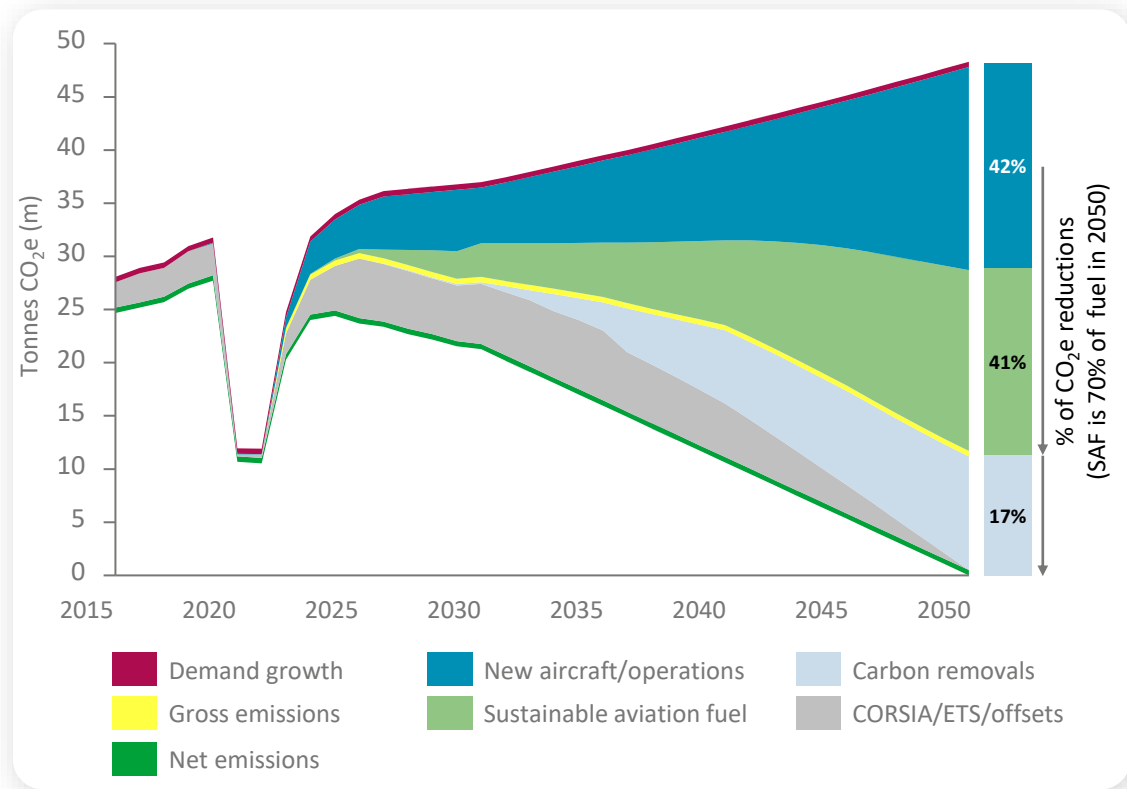
IAG is playing a leading role and working with industry to accelerate aviation decarbonisation

IAG leadership towards a sustainable airline industry



IAG's roadmap to Net Zero by 2050 utilises **multiple** solutions to decarbonise

We are investing in new aircraft, operational efficiencies, market-based measures and SAF

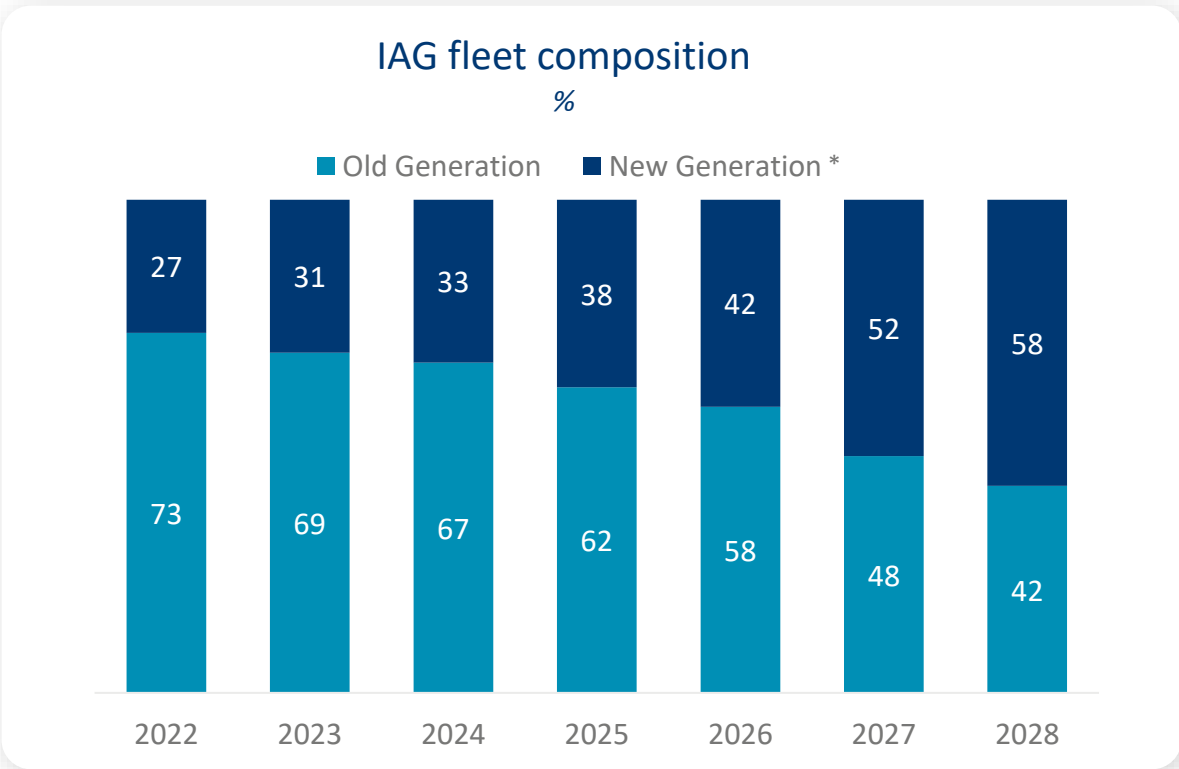


New aircraft and operations	<ul style="list-style-type: none"> Investment in 179 new fuel-efficient aircraft between 2023-28 	<ul style="list-style-type: none"> ZeroAvia (hydrogen fuel cell aircraft manufacture) i6 (Fuel management software)
SAF	<ul style="list-style-type: none"> US\$865* million committed to date on SAF offtake and agreements 	<ul style="list-style-type: none"> Phillips 66 in UK LanzaJet in US and UK
Carbon Removals	<ul style="list-style-type: none"> Carbon removals to replace offsets 	<ul style="list-style-type: none"> Advocating for use in ETSs compliance Engaging with numerous innovative start ups
CORSIA & ETSs	<ul style="list-style-type: none"> Support for the global CORSIA scheme All IAG airlines offer voluntary offsets for customers 	<ul style="list-style-type: none"> CHOOOSE (customer offsetting platform)

Fleet renewal will continue to improve our fuel efficiency


We are quickly introducing new aircraft ...

... which are far more fuel efficient



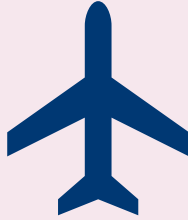
Replacement aircraft by type

Narrow body



~20% more efficient than previous generation aircraft

Wide body



~15-40% more efficient than previous generation aircraft

Innovative technology – engaging with cutting edge technologies via Hangar 51 to provide **multiple** decarbonisation solutions

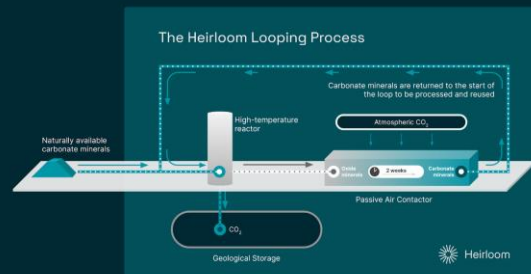
Navigation Flight Services

i6 | i6 GROUP



Carbon Capture

 Heirloom



Hydrogen Fuel Cell

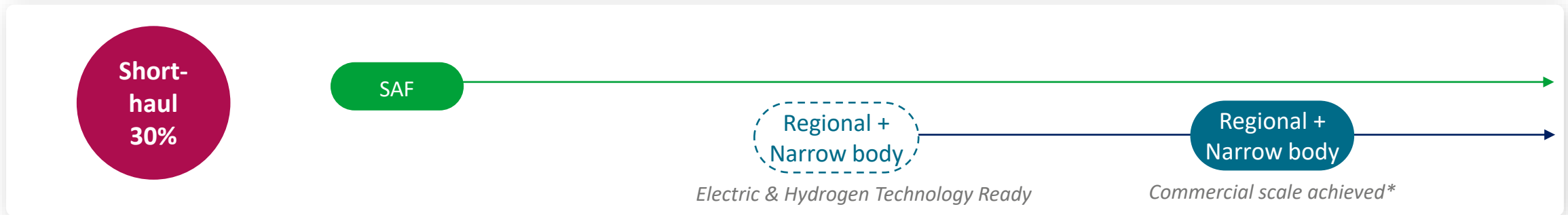
 ZEROAVIA



SAF – the primary decarbonisation lever for aviation to 2050

IAG CO₂ emissions

Delivery timeline for Clean Propulsion Technologies



We are advancing towards 10% SAF by 2030 with a diversified portfolio of supply options

2022 SAF supply is less than 1% of global jet fuel required; but we are working quickly to secure our 2030 target

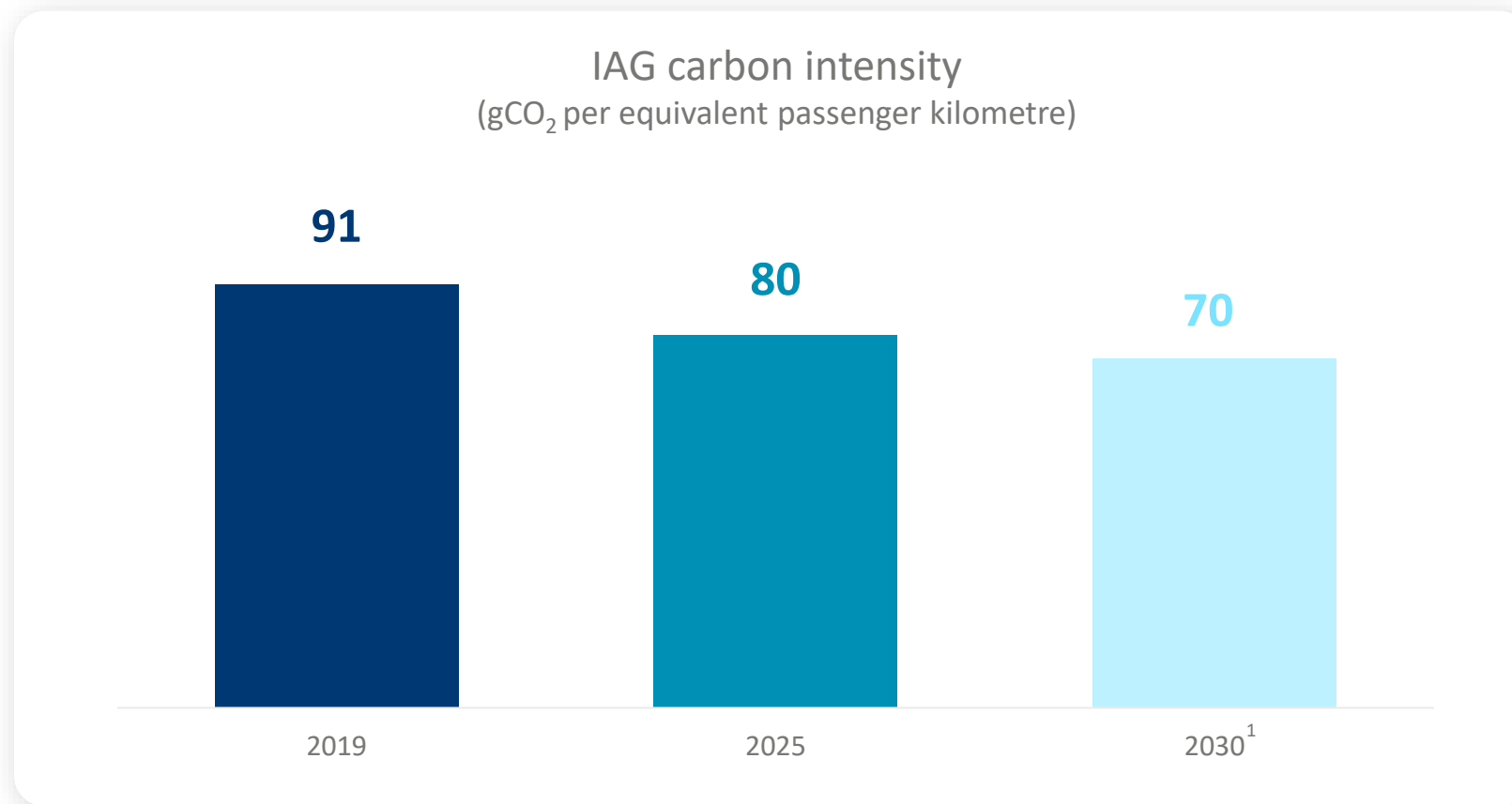
- We have built a strong and growing team of specialist SAF originators
- We have forward SAF financial commitments globally of \$865m*
- We continue to evaluate new opportunities, with producers in UK, US, and Europe
- Diversifying our supplier base is critical to mitigate:
 - Financing and execution risk by producers
 - Government policies favouring specific technologies and/or feedstocks



We have already contracted 25% of our 2030 SAF target and aim to secure 100% in the next 3 years

Partner	Location	Pathway	% of 2030 target
		Alcohol-to-Jet	10
		Alcohol-to-Jet	13
		HEFA	2

New aircraft, SAF and operational improvements will continue to improve our carbon efficiency



Carbon and SAF policy is evolving but needs to advance to enable the aviation sector to achieve de-carbonisation targets



Provides best SAF production policy support; **focused on incentives** and not mandates. Evidence strongly demonstrates that projects follow policy support.



Emissions Trading Scheme tightened, and free allowances removed by 2026. SAF mandate legislated, reaching 6% by 2030. Incentive available in the form of 20m ETS Allowances.



Emissions Trading Scheme tightened, and free allowances removed by 2026. There will be a SAF mandate of 10% by 2030 and some level of support is expected; details to be confirmed.



Some countries are progressing carbon pricing mechanisms and looking to implement SAF mandates.

Conclusions



We are **doing everything we can** to support solutions including fleet investment, SAF and carbon removals



We **continue to be a market leader**, having been the 1st airline to commit to Net Zero by 2050 in 2019



IAG continues to invest in aviation's de-carbonisation & this **needs to be done in partnership** with the aviation eco-system



The **key to implementation is policy support** and the landscape is mixed and delayed



Maximising Total Shareholder Returns

An aerial view from an airplane window showing the wing on the left and a sunset over a city below. The sun is low on the horizon, creating a bright orange and yellow glow. The city lights are visible in the darkening landscape.

Nicholas Cadbury
Chief Financial Officer

Focused on delivering world-class margins and returns

OUR STRATEGY

Growing Our Global Leadership Positions

Strengthening Our Portfolio of World Class Brands & Operations

Growing IAG Loyalty

MEDIUM-TERM AMBITION



Sustainable profitability



Accretive growth

12-15%
Operating Margin

13-16%
ROIC

+4-5%*
Organic ASK Growth

<1.8x
Leverage through cycle to support inorganic growth



Total shareholder returns

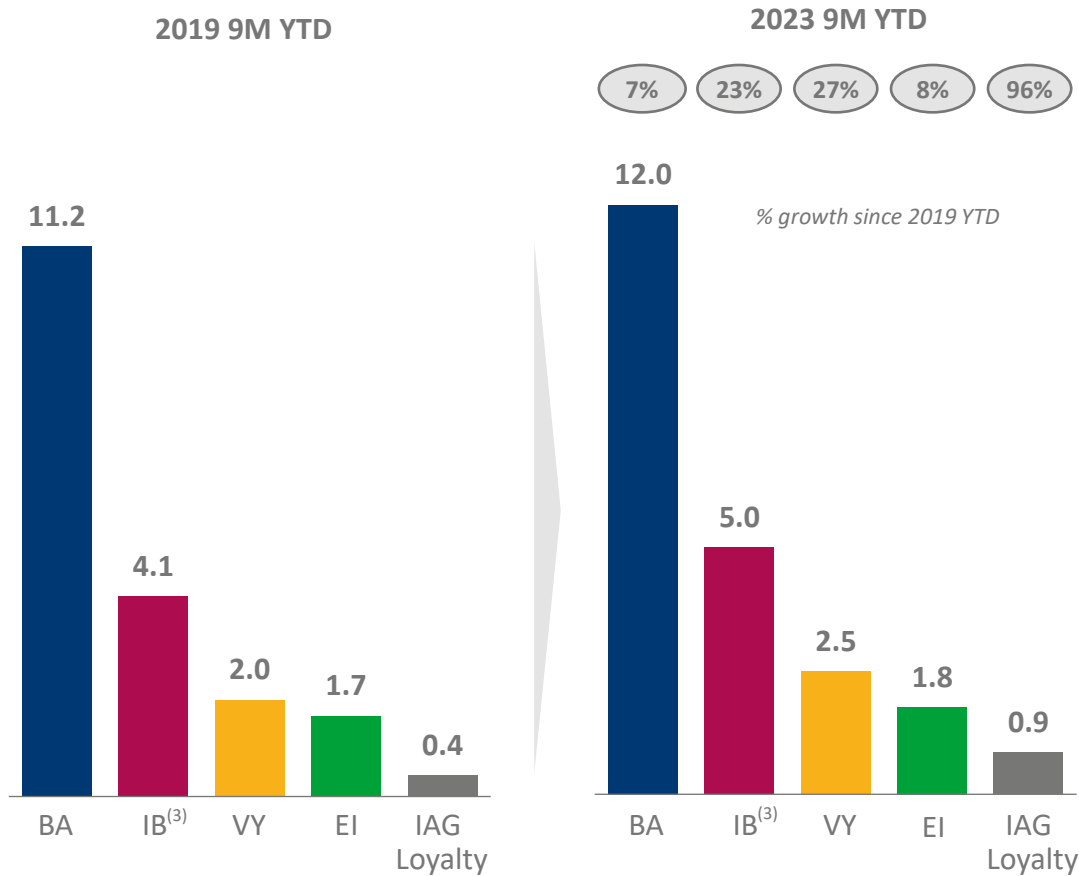
EPS growth

Ordinary dividend

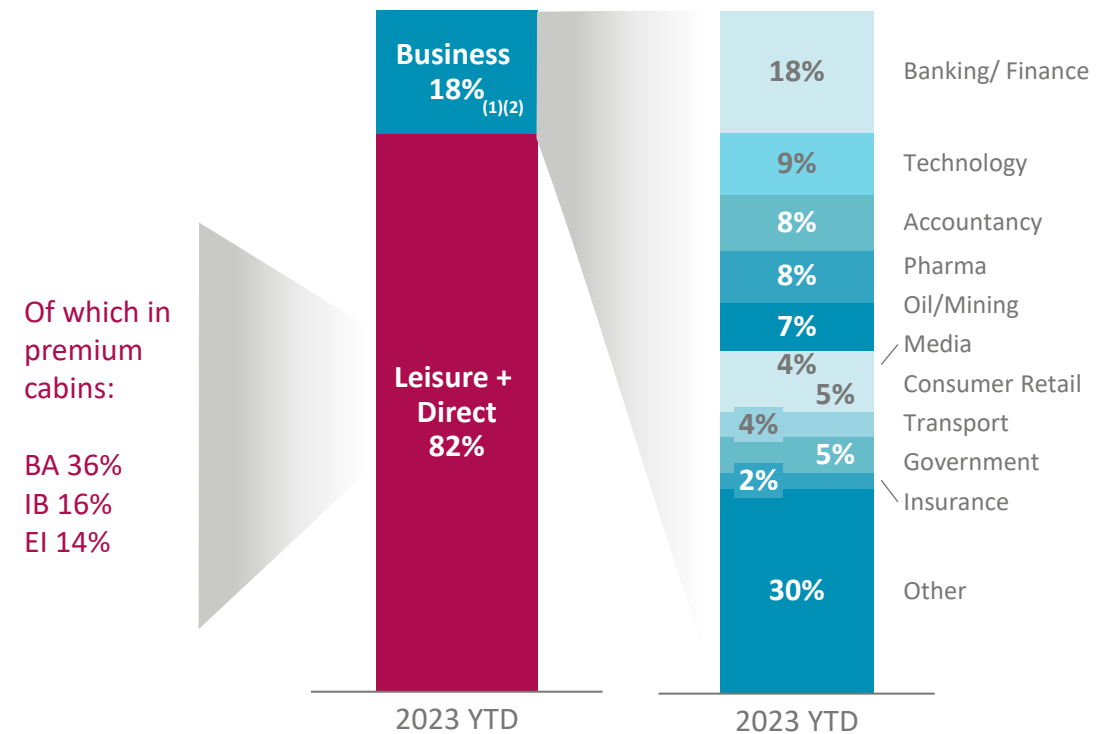
Share buyback/
Special dividend

We have a high-quality and increasingly diverse revenue stream

External revenue by airline/Operating company (€bn)



Business and leisure revenue



Revenue and cost transformation – delivering world-class margins

Forensic transformation plans



Revenue enhancements

- Investing in commercial technology and skills
- Upgrading customer journey experiences
- Developing products and services



Cost and efficiency

- Group scale providing procurement advantages
- Share best practices – e.g. fuel efficiency
- End to end process re-engineering
- Improve OTP and minimising disruption



Operational improvements

- Digital and analytical transformation
- Forensic process assessments and adjustments
- Building skill sets and optimising structures



Technology

- Building resilience – replacing legacy systems
- Enhancing customer on-line experience
- Automating and speeding up processes
- Connecting teams and simplifying

Cost Category	Key Drivers and Actions – airline unit costs *
Ownership	<p>Investment in fleet partially offset by fuel efficient new aircraft</p> <ul style="list-style-type: none"> • Fleet and product investment driving higher depreciation
Supplier	<p>Operational efficiencies, technology and procurement offsetting inflation</p> <ul style="list-style-type: none"> • Investing in On Time Performance and resilience to reduce disruption • Leveraging Group scale and data analytics with supplier • Reduce selling costs through digital, NDC and direct channels • Leveraging technology and data to enhance supplier management
Employee	<p>Investing in 2023/24 to drive long term operational efficiencies</p> <p>Multi-year agreements agreed with most teams</p> <ul style="list-style-type: none"> • Provides stability to develop an efficient growth plan and transformation • Recognises employees' efforts and provides competitive salaries • Increasing salary link to company performance <p>Efficiency plans in all operating companies to help offset wage inflation, including:</p> <ul style="list-style-type: none"> • Transformation of airport process through technology (e.g. further rollout of e-gates and push back devices, next generation kiosks and self bag-drops) • Increasing seasonal flexibility and new contracts

Disciplined approach to allocation of capital

Capital Framework

Net debt at <1.8x EBITDA over the cycle

Allows investment in:



Business investment

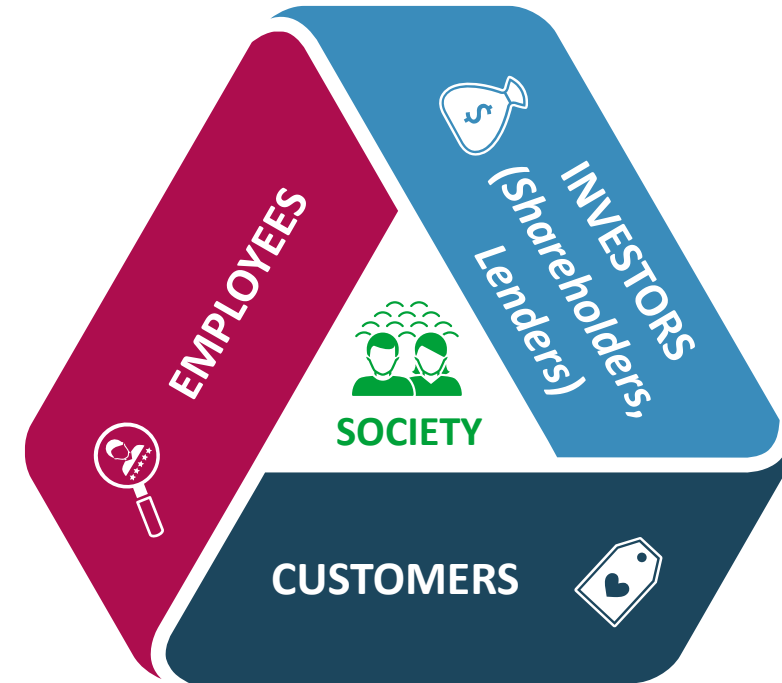
- ✓ Organic growth delivering strong returns
- ✓ Selected inorganic M&A








Shareholder returns

- ✓ Sustainable dividend
- ✓ Redistribution of excess cash

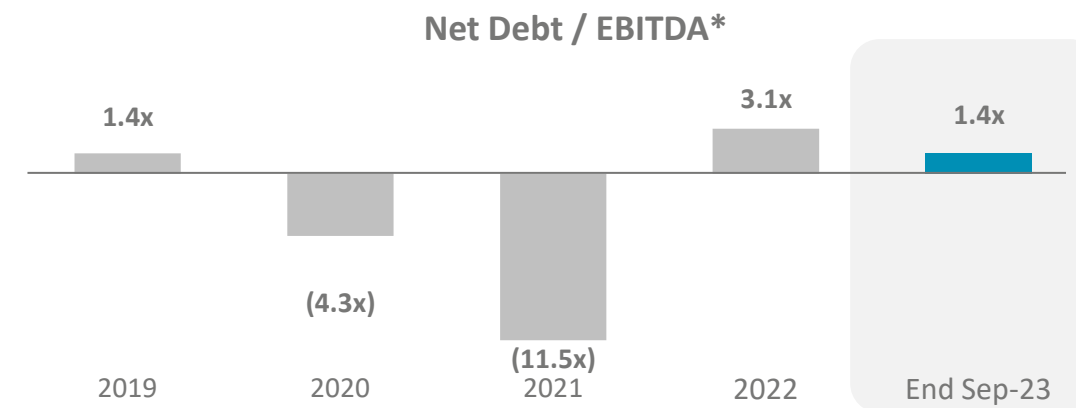
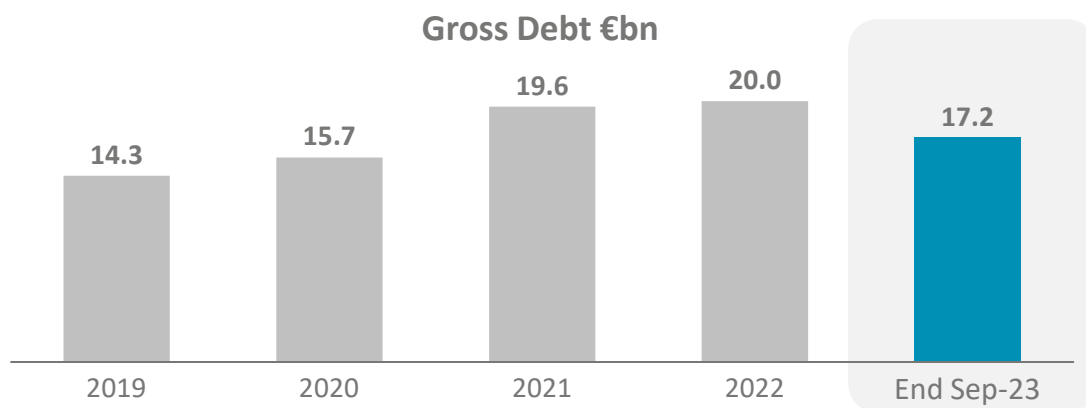
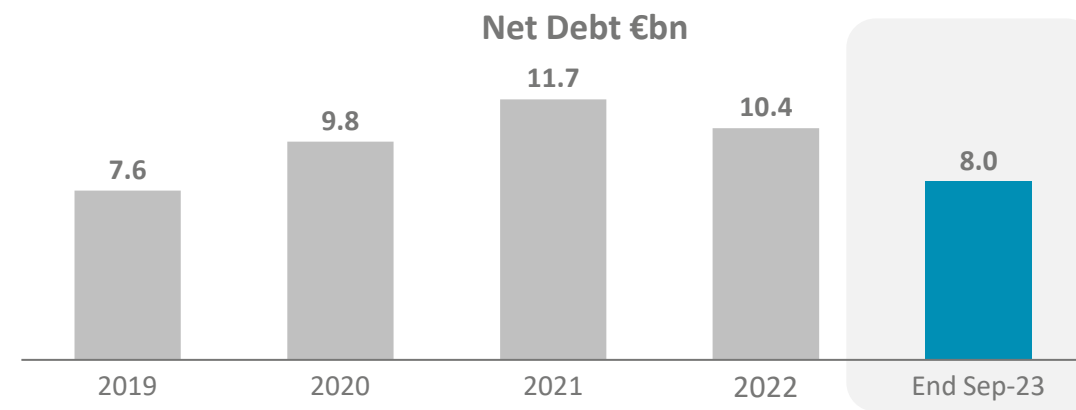
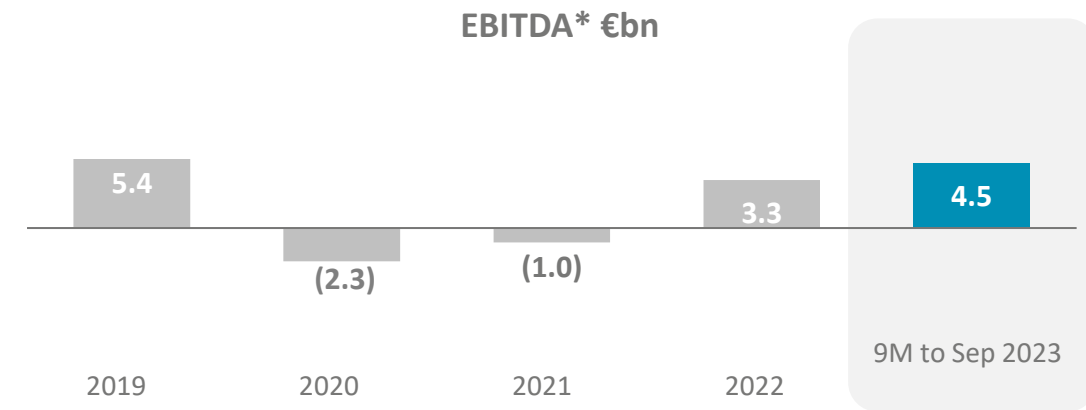
Framework meets the needs of all our stakeholders



Capital priorities to support sustainable growth and margins

-  **Continue to secure balance sheet strength**
-  **Invest in rebuilding our fleet**
 - Strengthen key hubs and markets
 - Invest in future growth markets
-  **Improve customer experience, digital and sustainability**
-  **Commitment to sustainable dividends**
-  **Excess cash returned to shareholders if no inorganic opportunities exist**

1 We are returning our balance sheet to strength

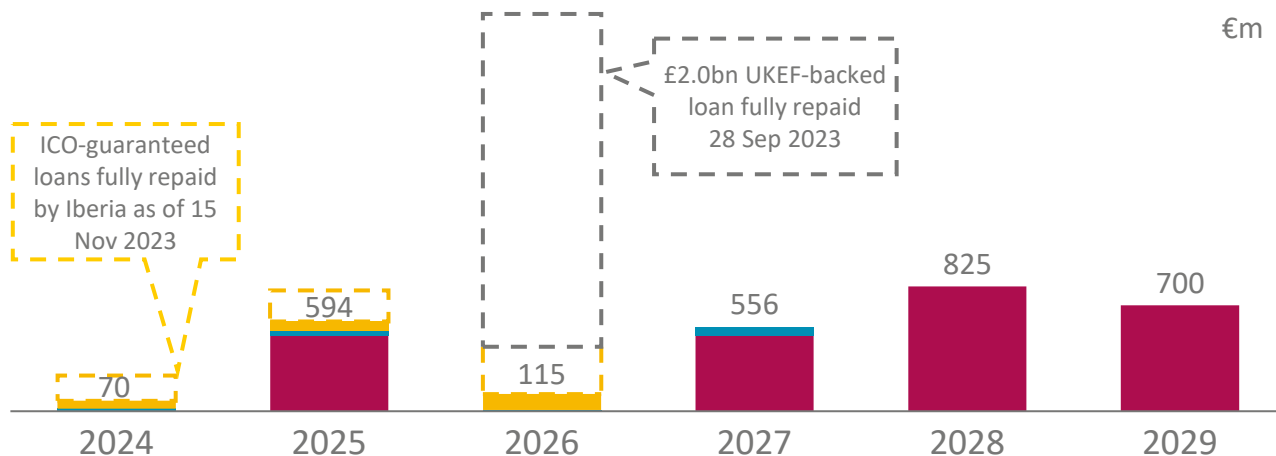


“IAG’s higher-than-expected air passenger fares, underpinned by efficient cost management, translate into higher-than-forecast profit margins and earnings this year”, S&P on returning IAG to investment grade, 4th October 2023

1 We have a manageable maturity of debt

Pro-active de-risking of our balance sheet: £2.0bn UKEF-backed loan and €0.8bn ICO-guaranteed loans repaid

Debt repayment schedule



Bonds issued by ICAG

- €500 million fixed rate 2.75 per cent bond 2025
- €500 million fixed rate 1.50 per cent bond 2027
- €825 million convertible rate 1.125 per cent bond 2028
- €700 million fixed rate 3.75 per cent bond 2029

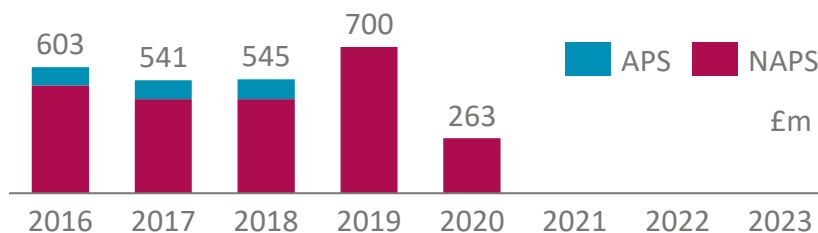
Other unsecured bonds and loans

- Fixed rate unsecured bonds
- Fixed rate unsecured US dollar mortgage-style loan
- Fixed rate unsecured euro loans with the Spanish State (Department of Industry)

Floating rate ICO-guaranteed loans (Vueling)

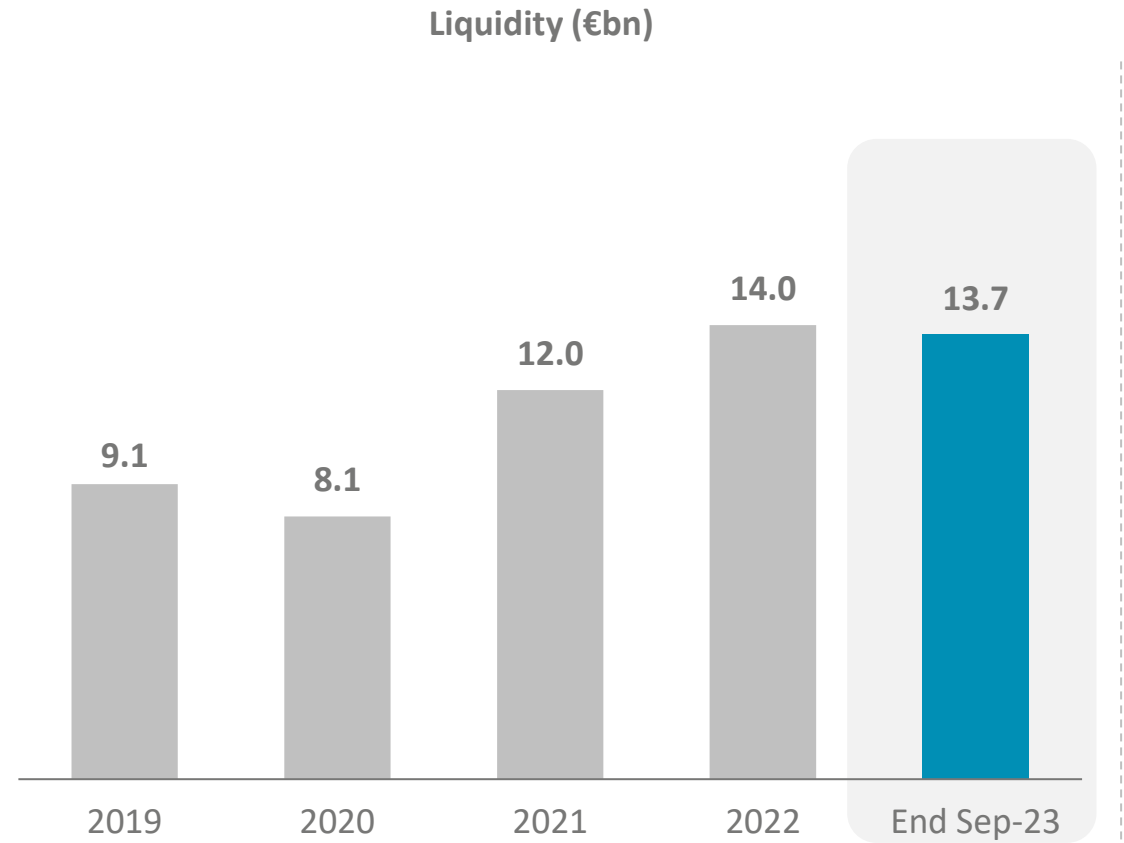
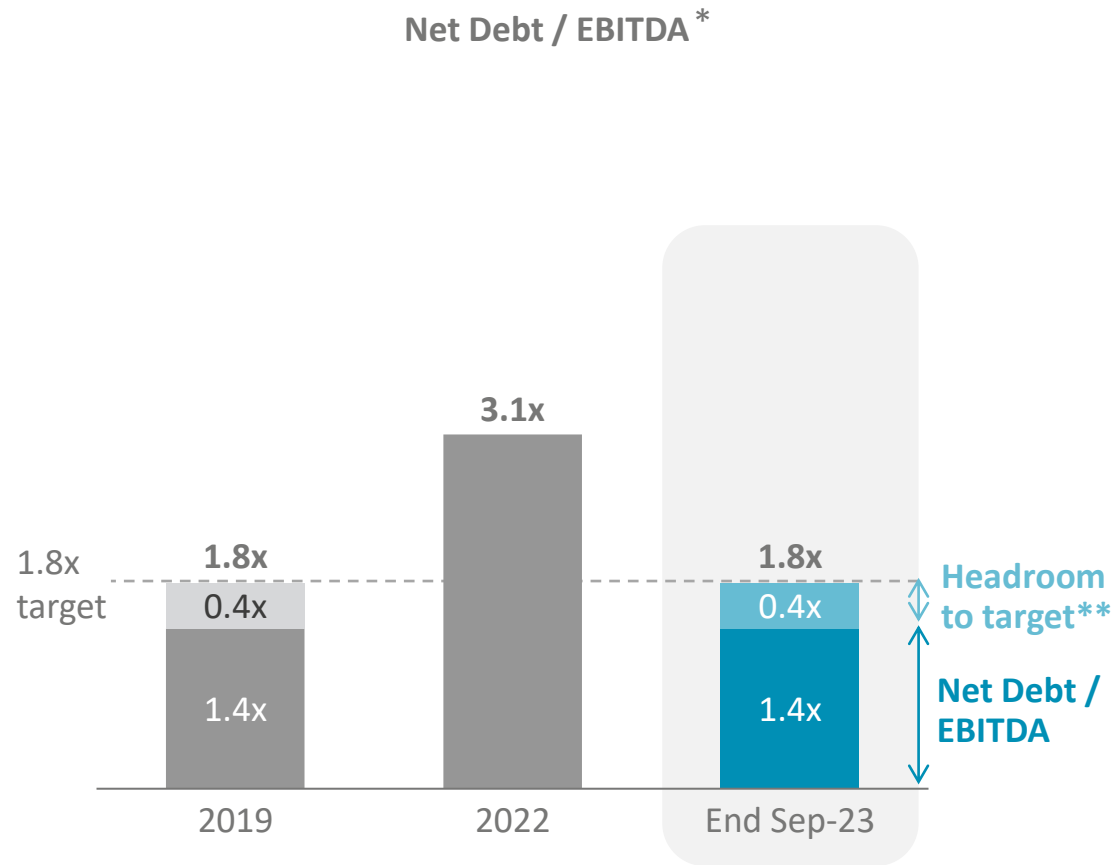
Note: Excludes aircraft secured loans, finance and operating leases

British Airways UK defined-benefit pension deficit payments



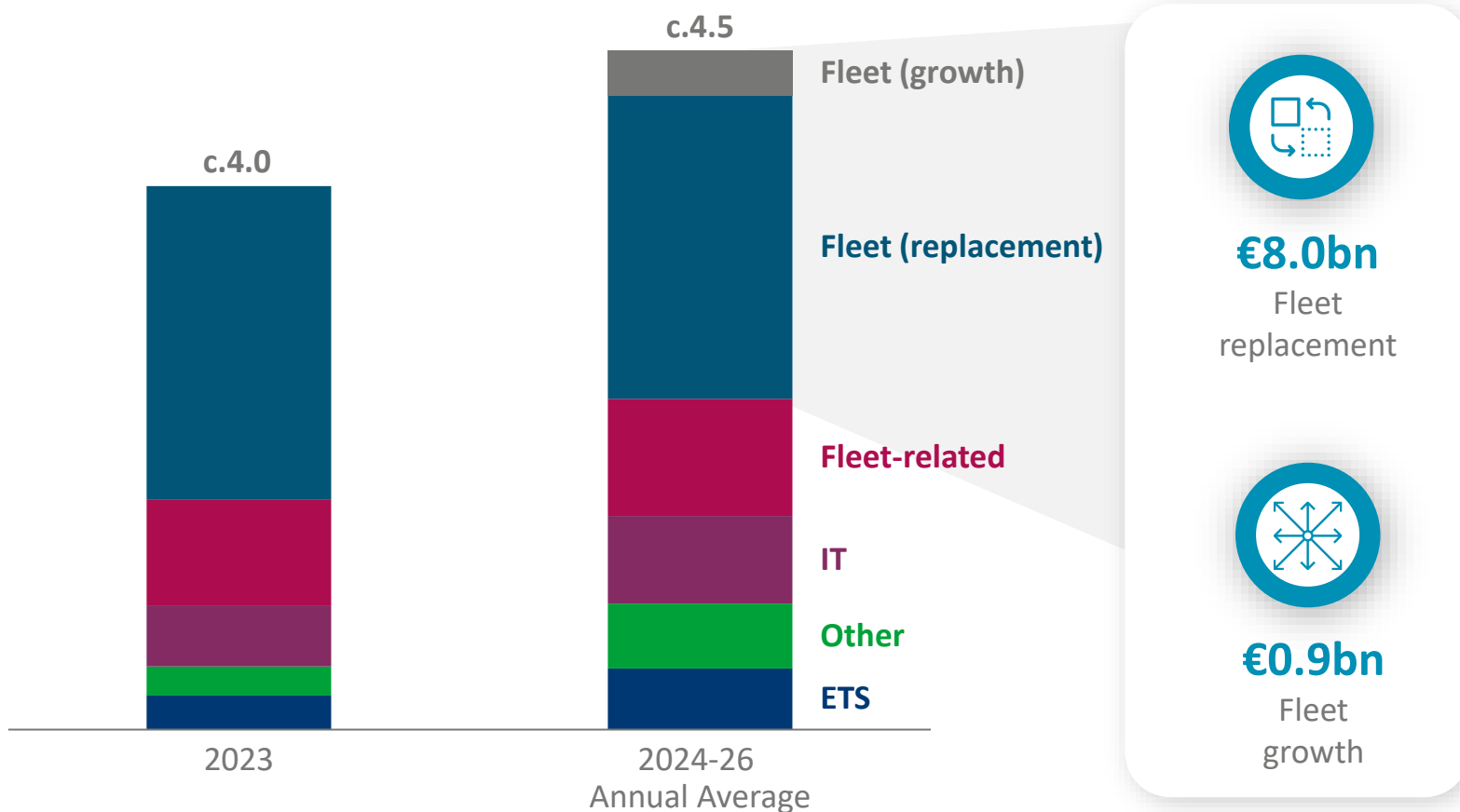
Both APS and NAPS schemes are in a technical surplus position. BA is not anticipating a need to make deficit recovery payments

1 Our balance sheet provides flexibility



2 Capital expenditure – investing in our strategy

Capital expenditure by category (€bn)



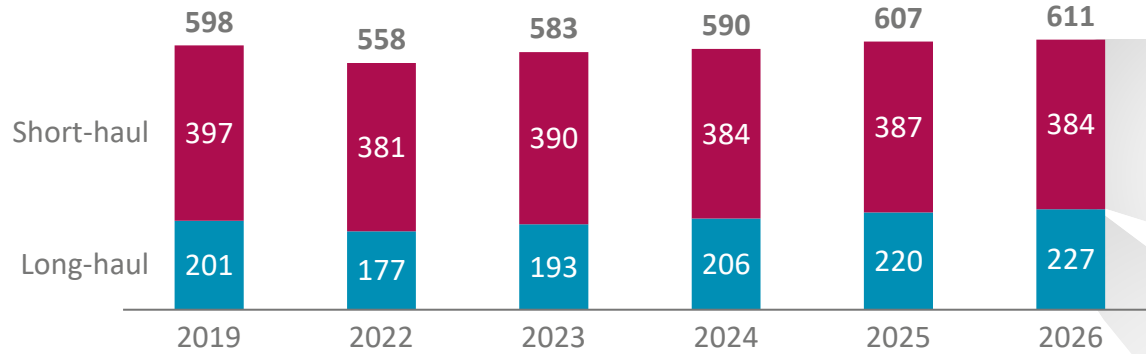
Commentary

Capital priorities

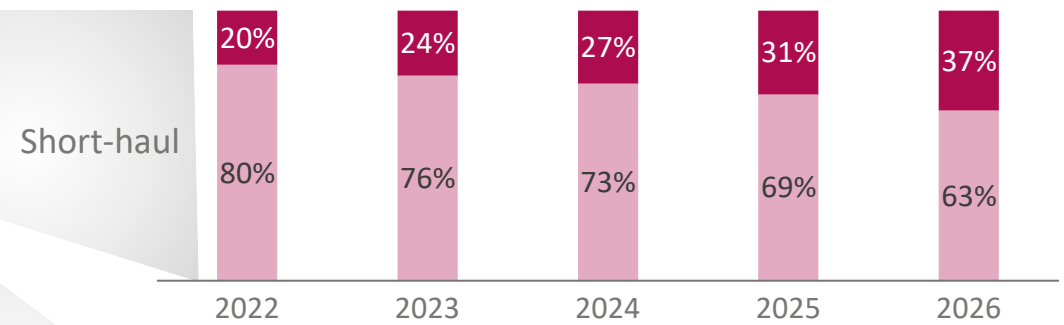
- Strengthen key hubs and markets
- Invest in future growth markets
- Improve customer experience
 - Aircraft and airport product
 - Online digital experience
- Replace legacy IT systems
- Deliver sustainability targets

2 Rebuilding capacity through a more modern, efficient fleet

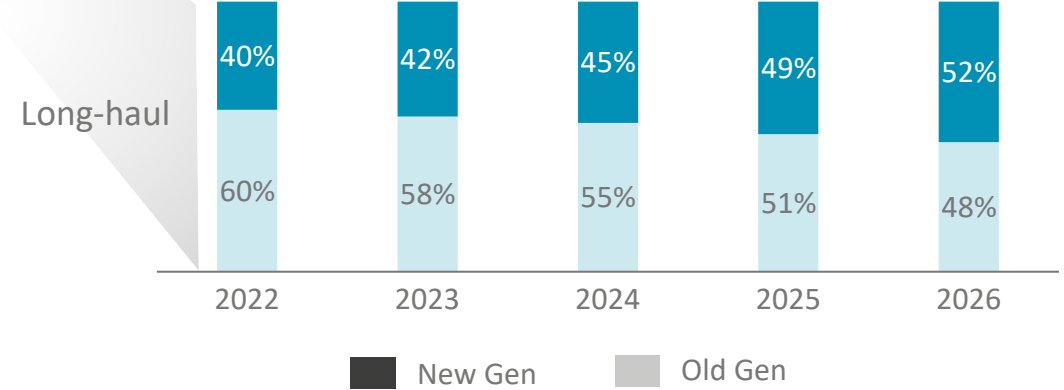
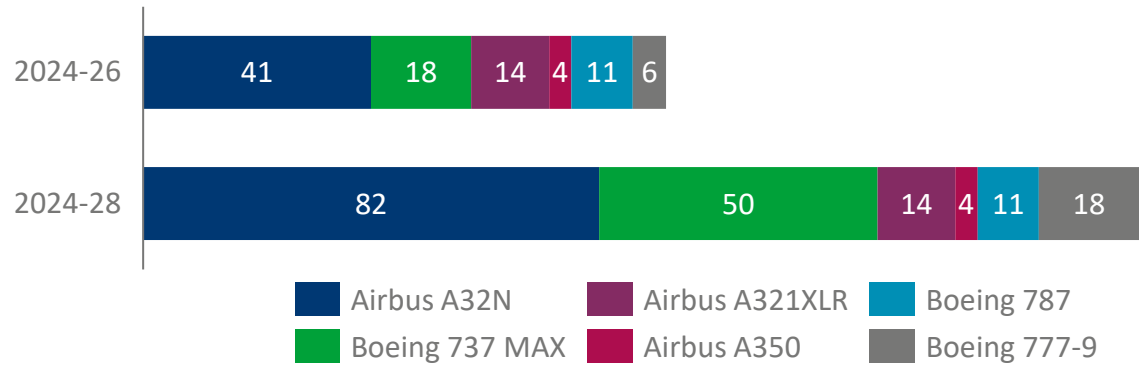
Fleet returning to 2019 levels in 2025



Investing in more efficient fleet



Committed deliveries by aircraft type



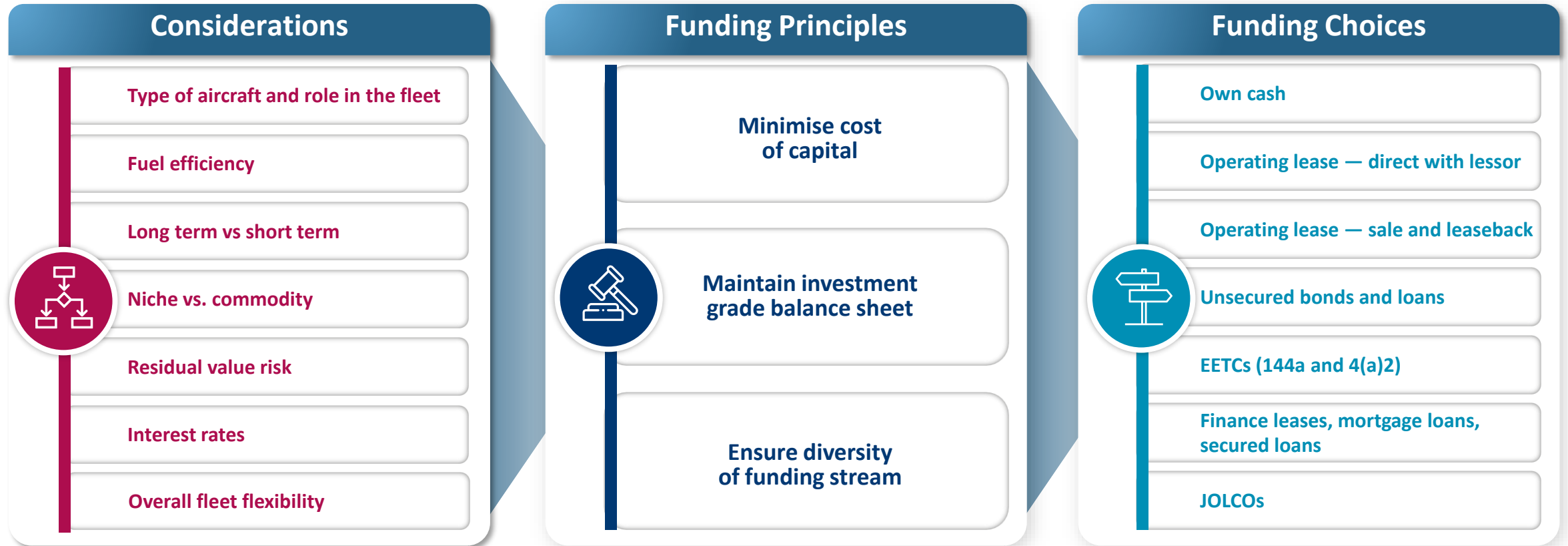
2 Capacity growth through gauge, utilisation and new long-haul

Capacity forecast by year ASKs bn



2 Funding options give us more flexibility

A fleet ownership decision making process



3 Investing in our infrastructure, customers and sustainability

OVER THE NEXT 3 YEARS:

€1.7bn

in our IT and digital estate

- IT estate modernisation across all OpCos delivering resilience and security and removing obsolescence
- Commercial platforms, new revenue management and new payment systems
- All OpCos investing in digitalisation of the customer journey
- Improved customer management through new CRM solutions



€1.5bn

in our customers

- Completing BA Club Suite rollout
- Lounge investments
- New business class seats at Iberia and Aer Lingus
- Plus material opex investment in enhancing catering and service proposition



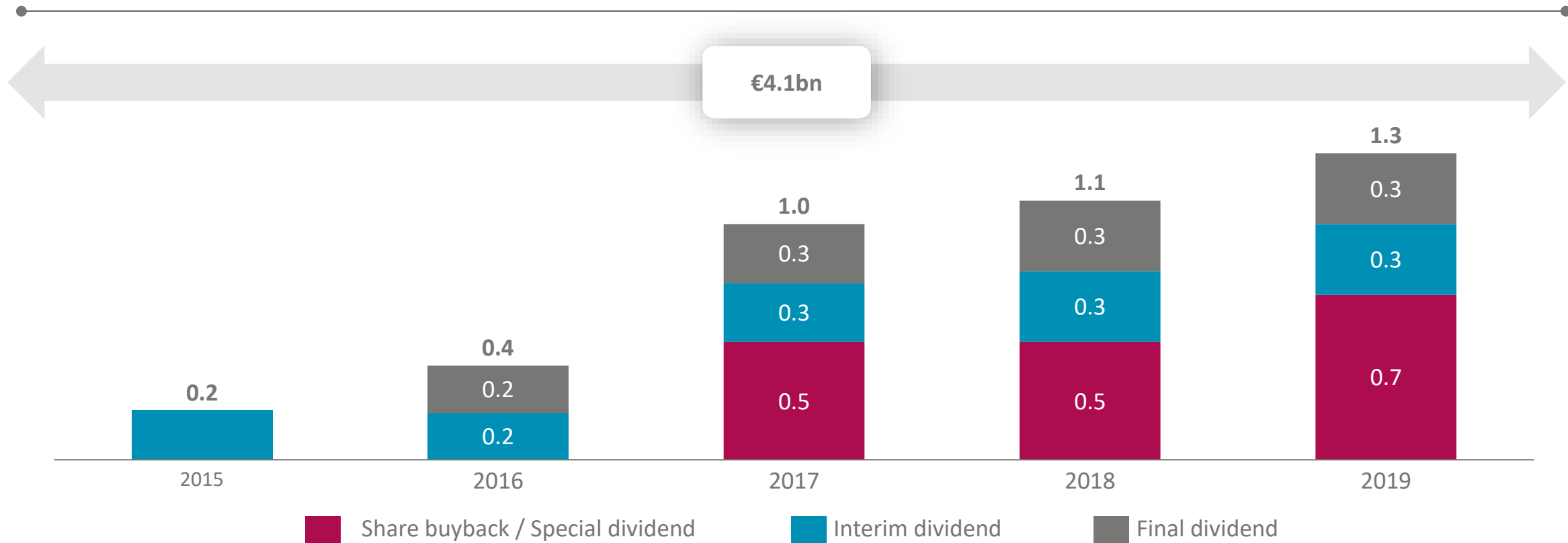
Significant investment

in sustainability

- \$865m¹ commitment to future SAF purchases and investments as at the end of 2022
- Joint agreement with Microsoft to purchase 14,700 tonnes of SAF announced in August 2023
- Goal of using SAF for 10 per cent of fuel needs by 2030



4 5 Committed to sustainable shareholder returns



We will return to dividends carefully and sustainably once investment programme and balance sheet secure

5 Investing in inorganic growth – Air Europa



Transaction overview

20% stake acquired in August 2022 by exercising option on €100m convertible loan

Purchase price of **€400m** for the remaining 80%

Payment deferred: **€100m** in IAG ordinary shares and **€300m** cash*

Completion expected by the **end of 2024**

Expected limited impact on IAG's **financial leverage ratios**

Agreement is subject to **receipt of regulatory clearance**



Financial medium-term ambitions and priorities

Balance Sheet

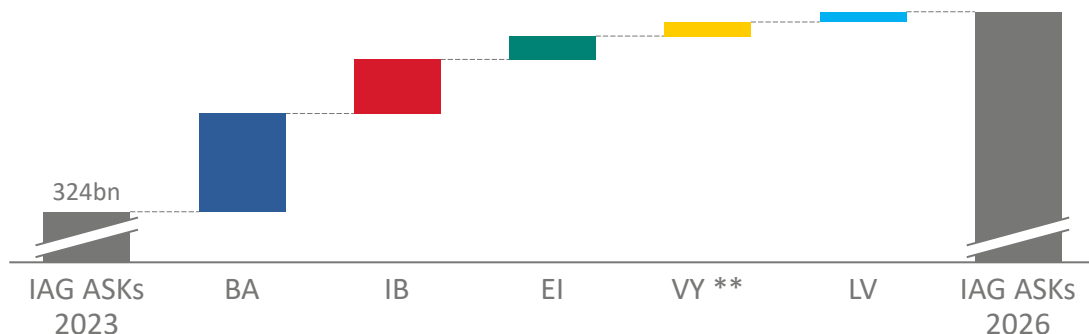
Net Debt	<1.8x EBITDA over the cycle
Gross Capex	c. €4.5bn* average per annum to 2026

Medium-term ambition

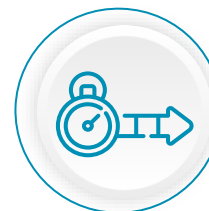
Operating margin	12-15%
ROIC	13-16%

Growth

2023-2024 6-8% and 2024 - 2026 4%-5%



Dividends



Sustainable dividends once balance sheet and investment plan secure



Return excess cash to shareholders

Summary



We will deliver world-class margins and returns supported by:

- Disciplined approach to capital allocation
- Focus on strong and sustainable free cash flow
- Revenue and cost transformation helping to offset investment and inflation

We will prioritise:

- Continuing to secure our balance sheet strength
- Investing in rebuilding our fleet - delivering moderate capacity growth since 2019 through gauge and utilisation
- Investing in our customer experience, digitalisation, resilience and sustainability
- Our commitment to shareholder returns and sustainable dividends



IAG INTERNATIONAL
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GROUP

Q&A

IAG INTERNATIONAL
AIRLINES
GROUP

Quiz!



Driving world-class margins and returns

Luis Gallego
Chief Executive Officer

Maximising Total Shareholder Returns

Delivering our strategy and transforming our business

Strengthening our core

Driving earnings growth through asset-light businesses

A strengthened financial and sustainability framework



Growing Our Global Leadership Positions

- Leading positions in highly attractive, resilient and **growing markets**
- **Strengthening our core** and pursuing further growth opportunities
- Balancing the portfolio **through Spanish transformation**
- Continue to pursue consolidation opportunities

Strengthening Our Portfolio of World Class Brands & Operations

- **World class brands** operating in **attractive markets**
- **Transforming BA** to deliver higher customer experience, profits and returns
- **Group wide transformation** delivering efficiency and innovation

Growing IAG Loyalty

- **Europe's best loyalty programme** driving airline revenue and cash flows
- **Platform for lower capital investment** growth that can outpace the airline investments



OUR GOAL: MAXMISING TOTAL SHAREHOLDER RETURN



Best in class margins and returns



Disciplined balance sheet management and capital allocation



Sustainable shareholder dividends



Flexibility to return excess cash to shareholders

Appendix



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 IAG 2022 ARA (APMs section) and accounting policies	IAG 2022 ARA (Reconciliation of alternative performance measures section, note a: Profit/(loss) after tax before exceptional items)
EBITDA before exceptional items	APM	EBITDA excluding exceptional items	IAG 2022 ARA (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)	IAG 2022 ARA (Glossary section)
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)
Net debt	IFRS	Gross debt less Cash	IAG 2022 ARA (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 EBITDA excluding exceptional items	IAG 2022 ARA (Reconciliation of alternative performance measures section), note e: 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	IAG 2022 ARA (Reconciliation of alternative performance measures section, note h: Liquidity)
Return on invested capital (RoIC)	APM	EBITDA before exceptional items, less fleet depreciation adjusted for inflation, depreciation of other property, plant and equipment, and amortisation of software intangibles, divided by average invested capital and is expressed as a percentage	IAG 2022 ARA (Reconciliation of alternative performance measures section (note f: Return on invested capital)
Capex (or Gross Capital Expenditure)	IFRS	Acquisition of property, plant and equipment and intangible assets per cash flow statement	Direct from Cash flow statement (Cash flows from investing activities)

Disclaimer

LEI: 959800TZHQRUSH1ESL13

Forward-looking statements:

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.

Forward-looking statements often use words such as “expects”, “may”, “will”, “could”, “should”, “intends”, “plans”, “predicts”, “envisages” or “anticipates” or other words of similar meaning. They include, without limitation, any and all projections relating to the results of operations and financial conditions of International Consolidated Airlines Group, S.A. and its subsidiary undertakings from time to time (the ‘Group’), as well as plans and objectives for future operations, expected future revenues, financing plans, expected expenditure, acquisitions and divestments relating to the Group and discussions of the Group’s business plans. All forward-looking statements in this document and any related conference call or webcast (including any related Q&A session) are based upon information known to the Group on that date and speak as of that date. Other than in accordance with its legal or regulatory obligations, the Group does not undertake to update or revise any forward-looking statement to reflect any changes in events, conditions or circumstances on which any such statement is based.

Actual results may differ from those expressed or implied in the forward-looking statements in this document and any related conference call or webcast (including any related Q&A session) as a result of any number of known and unknown risks, uncertainties and other factors, including, but not limited to, the current economic and geopolitical environment and ongoing recovery from the COVID-19 pandemic and uncertainties about its future impact and duration, many of which are difficult to predict and are generally beyond the control of the Group, and it is not reasonably possible to itemise each item. Accordingly, readers of this document and participants in any related conference call or webcast (including any related Q&A session) are cautioned against relying on forward-looking statements. Further information on the primary risks of the business and the Group’s risk management process is set out in the Risk management and principal risk factors section in the Annual Report and Accounts 2022; this document is available on www.iairgroup.com. All forward-looking statements made on or after the date of this document and attributable to IAG are expressly qualified in their entirety by the primary risks set out in that section. Many of these risks are, and will be, exacerbated by the ongoing recovery from the COVID-19 pandemic and uncertainties about its future impact and duration and any further disruption to the global airline industry as well as the current economic and geopolitical environment.

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 2022 ([IAG Annual Report and Accounts 2022 \(iairgroup.com\)](http://www.iairgroup.com)) and the Interim Management Report for the nine months to September 30, 2023 ([IAG Q3 2023 Results \(iairgroup.com\)](http://www.iairgroup.com)). These documents are available on www.iairgroup.com