



CONNECTING PEOPLE, BUSINESSES AND COUNTRIES

QUARTER THREE 2022 RESULTS

28 October 2022



HIGHLIGHTS

LUIS GALLEGO, CHIEF EXECUTIVE OFFICER

IAG INTERNATIONAL
AIRLINES
GROUP



Profitability substantially recovered and better than previous market expectations



- 3Q 2022 operating profit* of €1.2 billion (loss of €0.5 billion in 3Q 2021) and c.85% of operating profit of €1.4 billion in 3Q 2019 and despite negative FX impact of €120 million (vs 3Q 2021)
 - Revenue recovered to more than 3Q 2019 and almost 3 times higher than 3Q 2021 on capacity recovered to 81.1% of 3Q 2019
 - All businesses significantly profitable at the operating level with Vueling and IAG Loyalty higher than in 3Q 2019
 - Strength across all route areas that were open (most of Asia Pacific remained closed)



- Liquidity of €13.5 billion at end September, similar to end June, with \$1.8 billion revolving credit facility extended by one year to March 2025
- Net debt was relatively flat at €11.1 billion compared to the end of June, despite the non-cash impact of US dollar strength



- British Airways NAPS – heads of terms for 2021 valuation agreed with Trustee with no deficit reduction contributions expected under the existing overfunding protection mechanism



- Shareholder approval received for 50 Boeing 737s and 37 Airbus A320neos at EGM on 26 October – significant cost, sustainability and customer benefits

Significantly positive operating profit and operating cash flow expected for FY 2022



- Forward bookings have continued to recover to a rate of c.90% of 2019 levels by volume and c.100% by revenue
 - Leisure bookings have recovered to c.90% of 2019 levels by volume and c.105% by revenue
 - Business channel bookings have steadily recovered to c.70% of 2019 levels by volume and c.75% by revenue
 - Despite a backdrop of macro-economic pressures, forward bookings remain strong



- Capacity expected to be c.78% for FY 2022, as previously guided, and FY 2023 will be dependent on the demand outlook as the year develops
 - Planned capacity for 4Q continues to be c.87% and for FY 2022 c.78%
 - Latest plan for 1Q 23 is c.95% of 2019 levels



- Pre-exceptional operating profit of c.€1.1 billion expected for FY 2022, including a profit of c.€0.4 billion in 4Q
- Net cash flow from operating activities is expected to be significantly positive for FY 2022
- Net debt expected to increase by end FY 2022, as previously guided



- Confident in returning to pre-COVID levels of operating profit

FINANCIAL RESULTS

NICHOLAS CADBURY, CHIEF FINANCIAL OFFICER

IAG INTERNATIONAL
AIRLINES
GROUP



Significant step up in profitability of all airlines in the quarter



(€m)	3Q 2022	3Q 2021	3Q 2019	v19
Passenger revenue	6,416	1,999	6,492	-1%
Cargo revenue	373	405	269	+39%
Other revenue	540	305	505	+7%
Total revenue	7,329	2,709	7,266	+1%
Employee costs	1,250	811	1,229	+2%
Fuel, oil costs and emissions charges	1,834	565	1,633	+12%
Supplier costs	2,521	1,341	2,468	+2%
Depreciation, amortisation and impairment	518	477	519	0%
Total expenditure on operations	6,123	3,194	5,849	+5%
Pre-exceptional operating result	1,206	-485	1,417	-211
Pre-exceptional operating margin	16.5%	-17.9%	19.5%	-3.0pts
Post-exceptional operating result	1,208	-452	1,417	-209
ASKs (m)	74,834	40,082	92,318	-19%
RPKs (m)	65,078	27,716	80,923	-20%
Load factor (%)	87%	69%	88%	-1pts
Sector length (km)	2,213	1,900	2,329	-5%

Note: 2019 employee cost figures have been restated for pensions accounting policy change.

- Operating margin of 16.5%
- Operating result adversely impacted by FX impact of -€120m
- Total revenue almost fully recovered despite lower capacity than in 2019
- Passenger revenue 99% recovered vs 3Q-19 (83% in 2Q, 57% in 1Q):
 - Traffic (RPKs) 80% / capacity (ASKs) 81% recovered vs 3Q-19
 - Passenger unit revenue +22% vs 3Q-19, a significant improvement compared to +6% in 2Q-22
 - Driven by yield +23% vs. 3Q-19 and load factor of 87% only -0.7pts vs 3Q-19
 - Significantly positive unit revenue at every IAG airline, and strongest at Iberia and Vueling driven by Europe, Latin America and North Atlantic
- Cargo revenue +39% vs 3Q-19 driven entirely by yield, with cargo traffic (CTKs) -29% vs 3Q-19
- Other revenue +7% vs 3Q-19 driven by BA Holidays and IAG Loyalty
- Total unit costs +29% vs 3Q-19. Non-fuel unit costs +26% vs 3Q-19; fuel unit costs +39% vs 3Q-19
 - Fuel commodity spot prices up +90% vs last year, but fuel hedging limited the increase to +55%
 - Employee and supplier unit costs up +26% vs 3Q-19; driven by:
 - c.1/3 capacity and volume related
 - c.1/3 FX movement impact (-€113m vs -€7m in 3Q-19)
 - The remainder is due to costs for non-airline businesses (BA Holidays and IAG Loyalty), inflation, investments in marketing and one-off adjustments (backdating of salary increases for previous periods and British Airways bonus accrual release in 3Q-19)

Aer Lingus significant improvement in operating profit



(€m)	3Q 2022	3Q 2021	3Q 2019	v19
Passenger revenue	642	115	669	-4%
Cargo revenue	18	15	12	+49%
Other revenue	1	0	3	-63%
Total revenue	661	130	685	-4%
Employee costs	105	51	107	-2%
Fuel, oil costs and emissions charges	187	33	137	+36%
Supplier costs	196	92	239	-18%
Depreciation, amortisation and impairment	35	35	33	+6%
Total expenditure on operations	522	211	516	+1%
Pre-exceptional operating result	139	-80	169	-30
Pre-exceptional operating margin	21.0%	-61.2%	24.7%	-3.7pts
Post-exceptional operating result	139	-79	169	-30
ASKs (m)	8,026	2,416	8,925	-10%
RPKs (m)	6,980	1,354	7,782	-10%
Load factor (%)	87%	56%	87%	0pts
Sector length (km)	2,308	1,657	2,070	+12%

- Operating margin of 21.0%
- Passenger revenue* 103% recovered vs 3Q-19 (82% in 2Q, 53% in 1Q):
 - Total capacity at 90% of 2019 levels with North Atlantic at 102%
 - Passenger unit revenue +14%* vs 3Q-19
 - Yield +15%* vs 3Q-19 and load factor returned to 2019 level
 - Longhaul revenue above 3Q-19 with strong yields offsetting lower load factors
 - Shorthaul revenue:
 - Strong leisure and improving cities destinations
 - UK lagged driven by operational disruption at Dublin and Heathrow airports
- Non-fuel unit costs +13%* vs 3Q-19; fuel unit costs +51% vs 3Q-19;
 - Employee unit costs +9%, due to lower capacity and inflation
 - Supplier unit costs +14%*, due to FX movements, lower capacity and inflation, especially in airport charges and engineering



* 2022 figures are adjusted for a change in accounting treatment after alignment of Group commercial policies.

British Airways very profitable despite Heathrow cap and only partial restoration of the network



(£m)	3Q 2022	3Q 2021	3Q 2019	v19
Passenger revenue	2,881	721	3,247	-11%
Cargo revenue	245	263	176	+40%
Other revenue	232	108	202	+15%
Total revenue	3,357	1,093	3,624	-7%
Employee costs	555	392	619	-10%
Fuel, oil costs and emissions charges	831	233	863	-4%
Supplier costs	1,296	611	1,230	+5%
Depreciation, amortisation and impairment	264	243	277	-5%
Total expenditure on operations	2,947	1,479	2,989	-1%
Pre-exceptional operating result	411	-386	634	-223
Pre-exceptional operating margin	12.2%	-35.3%	17.5%	-5.3pts
Post-exceptional operating result	411	-379	634	-223
ASKs (m)	35,942	15,356	48,444	-26%
RPKs (m)	30,048	9,333	41,791	-28%
Load factor (%)	84%	61%	86%	-2pts
Sector length (km)	3,056	2,867	3,167	-4%

Note: 2019 employee cost figures have been restated for pensions accounting policy change

- Operating margin of 12.2%, including adverse FX impact of -£87m
- Passenger revenue 89% recovered vs 3Q-19 (89% in 2Q, 73% in 1Q):
 - Capacity 74% (69% in 2Q), capped by Heathrow airport and limited access to Asia Pacific
 - Passenger unit revenue +20% vs 3Q-19
 - Yield +23% and load factor 84%
 - Longhaul and shorthaul unit revenue above 3Q-19 - both premium and non-premium
 - Longhaul strong yields (+24%) with North Atlantic capacity at 87%
 - Very strong leisure demand and business demand steadily improving with both channels yields above 3Q-19
- Non-fuel unit costs +34% vs 3Q-19; fuel unit costs +30% vs 3Q-19;
 - Employee unit costs +21%, due to impact of pilots' strike in 2019 (-10% adjusted for it), lower capacity and wage inflation
 - Supplier unit costs +42%, due to FX movements (c.10%pts), growth in BA Holidays, lower capacity, inflation and investments in marketing and IT
- Pilots' strike in September 2019 negatively impacted 3Q-19 results by c.£100m (revenue negative impact of £180m, costs positive impact of £80m)

Iberia's operating profit back to 90% of 2019 level



(€m)	3Q 2022	3Q 2021	3Q 2019	v19
Passenger revenue	1,262	562	1,205	+5%
Cargo revenue	79	100	70	+13%
Other revenue	294	182	313	-6%
Total revenue	1,635	845	1,588	+3%
Employee costs	322	196	302	+7%
Fuel, oil costs and emissions charges	389	159	333	+17%
Supplier costs	584	382	580	+1%
Depreciation, amortisation and impairment	94	88	100	-6%
Total expenditure on operations	1,389	824	1,315	+6%
Pre-exceptional operating result	246	21	273	-27
Pre-exceptional operating margin	15.0%	2.5%	17.2%	-2.2pts
Post-exceptional operating result	246	23	273	-27
ASKs (m)	17,297	12,885	20,554	-16%
RPKs (m)	15,367	9,486	18,377	-16%
Load factor (%)	89%	74%	89%	0pts
Sector length (km)	2,668	2,575	2,931	-9%

- Operating margin of 15.0%
- Operating profit reached 90% of 2019 result. Positive operating profit across all business areas (Airline, 3rd party MRO and Handling) and Airline in line with pre-COVID results
- Passenger revenue +5% above vs 3Q-19 (96% recovered in 2Q and 77% in 1Q):
 - Passenger unit revenue +25% vs 3Q-19
 - Yield +25% and load factor 89%, -0.6pts vs 3Q-19 with longhaul load factor above 3Q-19
 - Strong performance in South and North Atlantic and Europe
 - Leisure revenue strongly up on 3Q-19 and business revenue continuing to strengthen
- Profitable performance in MRO and Handling, despite lower revenues from a phasing / mix of engines in MRO and lower activity from 3rd parties in Handling
- Non-fuel unit costs +21% vs 3Q-19; fuel unit costs +39% vs 3Q-19;
 - Employee unit costs +27%, impacted by lower capacity and backdating of salary increases for previous periods
 - Supplier unit costs +20%, due to growth in MRO and Handling, FX and lower capacity



Strong 3Q performance for Vueling



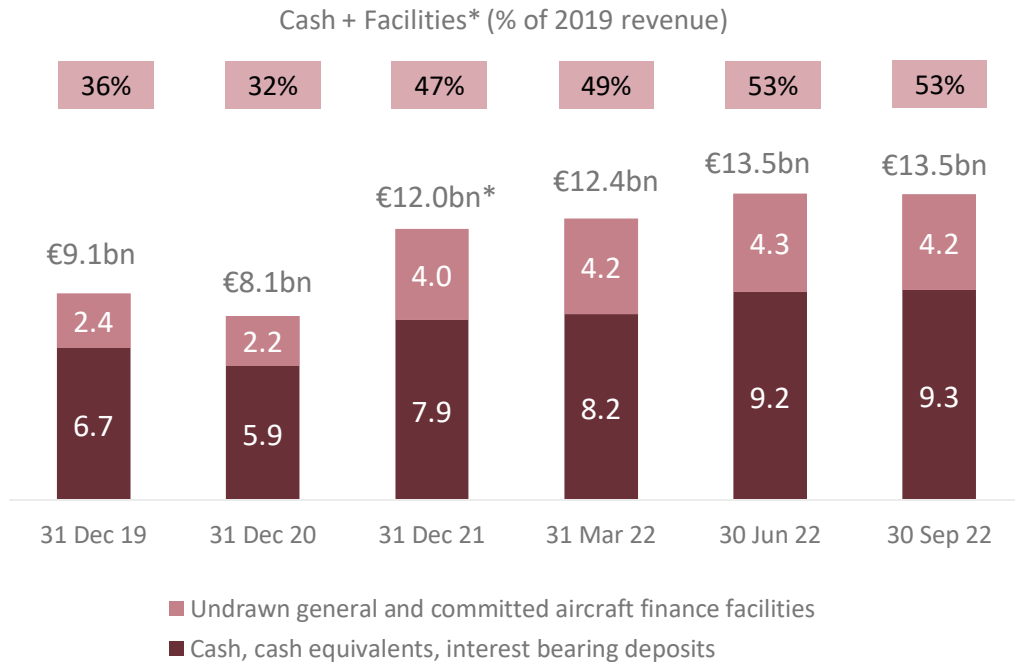
(€m)	3Q 2022	3Q 2021	3Q 2019	v19
Passenger revenue	1,016	461	882	+15%
Cargo revenue	0	0	0	-
Other revenue	5	5	5	0%
Total revenue	1,021	466	887	+15%
Employee costs	103	58	83	+25%
Fuel, oil costs and emissions charges	252	98	167	+51%
Supplier costs	343	253	344	0%
Depreciation, amortisation and impairment	63	57	63	0%
Total expenditure on operations	762	465	685	+16%
Pre-exceptional operating result	259	0	230	+29
Pre-exceptional operating margin	25.4%	0.0%	25.9%	-0.5pts
Post-exceptional operating result	259	+20	230	+29
ASKs (m)	12,108	9,017	11,765	+3%
RPKs (m)	11,297	7,215	10,687	+6%
Load factor (%)	93%	80%	91%	+3pts
Sector length (km)	1,016	977	955	+6%



- Operating margin of 25.4%
- Passenger revenue +15% vs 3Q-19 (+5% in 2Q, -30% in 1Q):
 - Capacity levels above 2019 (+3%), driven by domestic growth. Increased capacity thanks to higher utilisation. Strengthening of international positions vs 2Q.
 - Passenger unit revenue +13% vs 3Q-19
 - Yield +17% vs 3Q-19, driven by ancillary yield up +68% vs 3Q-19
 - Passenger load factor of 93% with every month of the quarter being higher than in 2019
 - Both new bases at Paris-Orly / London-Gatwick continued outperforming expectations
- Non-fuel unit costs -4% vs 3Q-19; fuel unit costs +47% vs 3Q-19;
 - Employee unit costs +21% (+13% excluding impact of backdating of salary increases for previous periods)
 - Supplier costs -3% driven by the positive effects of the transformation initiatives in handling, maintenance and distribution
 - Ownership costs -5% driven by fleet negotiations and better utilisation

Liquidity position strengthened and financing for 2022 deliveries mostly committed

Liquidity position



* Note: 31 December 2021 cash of €7,943m and facilities of €4,043m

Liquidity and financing actions

1H 2022

- €200m ISIF facility agreed by Aer Lingus
- 1 A350 sale and lease back for Iberia
- 1 A350 EETC for British Airways
- 5 aircraft (2 A350s, 3 A320neo) financed by \$461m sustainability-linked EETC
- 2 aircraft (1 A320neo, 1 A321neo) financed

3Q 2022

- \$1,755m multi OpCo RCF extended by one year to March 2025
- 1 A320neo delivered to Iberia in 2Q financed in 3Q
- 1 B787-10 delivered to British Airways in 3Q and financed by EETC
- 2 A320neo direct leases for Aer Lingus

4Q 2022

- 1 A320neo and 1 A321neo delivered to Iberia in 4Q financed
- 2 B787-10 financing committed for British Airways
- 2 A350-1000 and 2 A320neo for British Airways in progress
- SLBs of 1 A350-900 concluded and 3 A350-900 being arranged for Iberia

DEBT POSITION

Net debt relatively flat despite €0.4bn adverse non-cash FX movements

Net debt

€m	31 Dec 2019	31 Dec 2020	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022
Gross debt	14,254	15,679	19,610	19,777	20,169	20,318
Bank and other loans	1,954	3,369	7,485	7,425	7,160	6,940
Asset finance and lease liabilities	12,300	12,310	12,125	12,352	13,009	13,378
Cash, cash equivalents and interest-bearing deposits	6,683	5,917	7,943	8,184	9,190	9,260
Net debt*	7,571	9,762	11,667	11,593	10,979	11,058

* Note: Net debt quarter on quarter increase includes adverse non-cash movements of: €380m at 31 Mar in 1Q 2022, €520m in 2Q 2022 and €400m in 3Q 2022

Net debt expected to increase in FY 2022 as per previous guidance, due to capex and seasonal working capital unwind in 4Q

Stable pension situation

BRITISH AIRWAYS 

LDI portfolios

British Airways is not providing liquidity support to BA's pension schemes with regard to their LDI (Liability Driven Investments) portfolios

The pension trustees have advised their members and British Airways that:

- NAPS and APS have not been negatively affected by the recent volatility following the Government's 'mini-budget' on 23 September
- The schemes hedge their liability portfolio value mainly through direct bond holdings rather than derivatives, resulting in a low level of leverage
- They were therefore not required to raise cash to fund derivative positions
- LDI assets are held in a segregated account and not pooled with other investors

NAPS valuation and contributions

- No deficit reduction contributions are being paid by British Airways to NAPS in connection with the 2018 triennial valuation due to the agreed overfunding protection mechanism in place
- Heads of terms have been agreed with the NAPS Trustee regarding 2021 triennial valuation
- Deficit reduction contributions are expected to be none or significantly reduced to those in connection with the 2021 valuation due to overfunding protection mechanism in place

FUEL HEDGING

Fuel hedging - currently 68% in 4Q 2022 and c.47% for FY 2023

Fuel hedging

	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024
Jet fuel price scenario	\$1,000/mt	\$900/mt	\$850/mt	\$850/mt	\$850/mt	\$800/mt
\$/€ scenario	1.00	1.00	1.00	1.00	1.00	1.00
Hedge ratio	68%	63%	51%	42%	33%	8%
Effective blended price post fuel and FX hedging*	\$800/mt	\$840/mt	\$825/mt	\$820/mt	\$820/mt	\$785/mt

* Note: Effective blended price excluding into plane cost

Full year 2022 fuel cost expected to be c.€6.2bn at the current spot and forward rates for jet fuel and FX

BUSINESS UPDATE AND OUTLOOK

LUIS GALLEGO, CHIEF EXECUTIVE OFFICER

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Investing for our customers

Aer Lingus

- **Aer Lingus** launched new routes to Cleveland and Hartford in Summer 2023
- Longhaul business class food refresh ready to launch
- Improved seat product offering on short haul flights



BRITISH AIRWAYS

- **British Airways** resumption of routes to Hong Kong and Tokyo
- 2 new routes to the Caribbean from 2023
- Extension of JV with Qatar Airways from 18 to 60 countries



IBERIA

- **Iberia** improvements to the longhaul economy 2nd service, following customer feedback
- Continue to improve the self service options available digitally for disruption management
- South American lounge enhancements. North America lounges, longer opening times



vueling

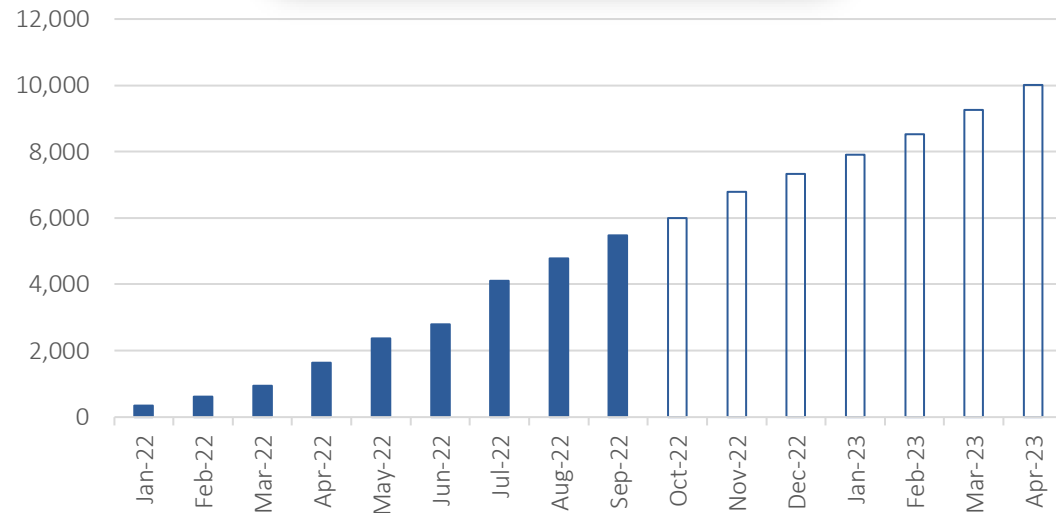
- **Vueling** ongoing digitalisation of airports experience with self-service kiosks being tested in LGW
- 4 new routes in Q3 and 14 new destinations planned
- Enhancements to 3rd party ancillaries



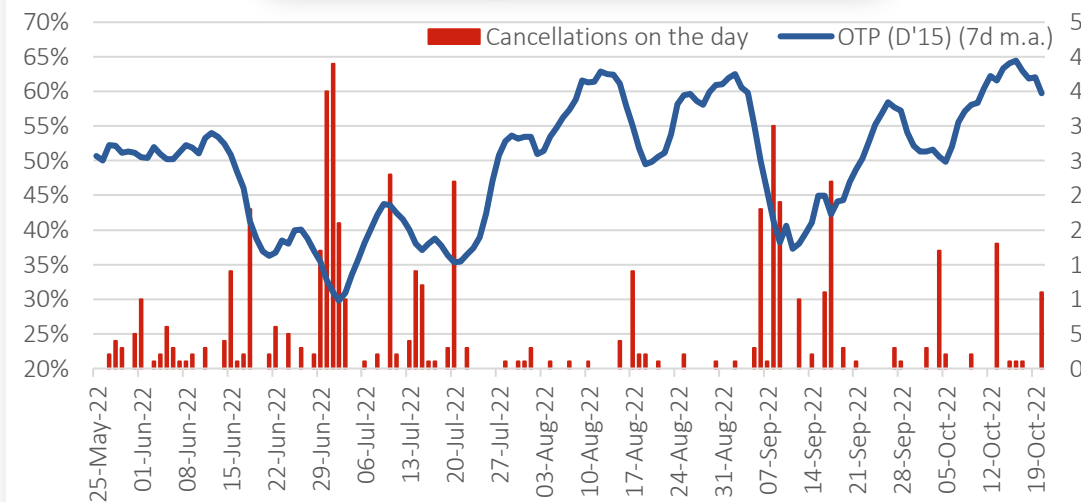
British Airways building operational resilience



Recruitment accelerating*



Punctuality and cancellations



Actions

- Recruitment of an additional 4,000 staff by April 2023 (27,000 applicants in 3Q)
- Collaboration with Heathrow Airport on capacity planning
- Skytrax World Airline Award for best Airline Staff Service in Europe

*The supply forecasts are reassessed on a monthly basis to ensure they are as accurate as possible and in line with the latest operational requirements. Therefore the numbers in this forecast will evolve over the upcoming months.

IAG Loyalty continued strong contribution to the Group

IAG Loyalty

- Engagement in our Loyalty programmes continues to accelerate
 - Registered more newly enrolled customers in first 9 months of 2022 than the whole of 2019
- Continued strong contribution to Group
 - American Express remuneration within quarter 15% higher than 2019 levels
 - Record BA cobrand account acquisition, 72% higher than 3Q 2019
 - Biggest Avios promotion ever with Barclays 100k duo offer now live
- Investing in customer enhancements
 - Launch of 'The Wine Flyer' first new frontier venture
 - Launch of new 'Purchase Avios' subscriptions model in BA
 - Further partnership and programme enhancements to be announced in 4Q



A balanced approach to employee agreements to enable investment



- Our people are central in our business and key in delivering for our customers
- Pandemic and inflation have created pressure both for the business and for our people
- Each opco has different starting points and circumstances and several agreements have been achieved to date. Some are still in progress
- Agreements must strike a balance between the benefit to our employees and the competitiveness of the company in the long term
- Cost base is an important consideration in our capital allocation model



- Agreements reached by IAG airlines:
 - Aer Lingus: 2022 agreement reached with all union groups
 - British Airways: 2022 cabin crew and ground staff. 2022 and 2023 agreement with pilots' union subject to ballot
 - Iberia: Agreement with pilots until 2025. Ground staff economic terms agreed, subject to agreement on productivity measures
 - IAG Cargo: All employees



- Ongoing negotiations with:
 - Aer Lingus: Discussions for 2023 commencing
 - Iberia: Cabin crew and ground staff
 - Vueling: Cabin crew and ground staff in Spain, and pilots in Italy and France

Global aviation follows IAG's leadership towards net zero emissions

ICAO agreement



ICAO* Member States adopted a collective long-term global aspirational goal (LTAG) of net-zero carbon emissions by 2050 in the 41st Assembly (7 Oct 2022)



This agreement is an essential support to the industry's own net-zero pledge (4 Oct 2021) and makes aviation the **only sector** where both industry and governments have committed to this ambition

The key aspects of the agreement are:

- Net Zero by 2050 (alignment with the objectives of the Paris Agreement)
- Reinforced commitment to CORSIA and increased ambition to stabilise international emissions at 85% of 2019 levels
- New CORSIA baseline from 2024 to 2035
- Promotion of SAF support and actions, as the initiatives with the largest role in decarbonising the industry



* The International Civil Aviation Organization (ICAO) is a specialized agency of the United Nations. It was founded and directed by 193 national governments to support their diplomacy and cooperation in air transport as signatory states to the Chicago Convention (1944)

IAG SAF update



IAG target of 10% SAF by 2030 (c.1m tonnes)

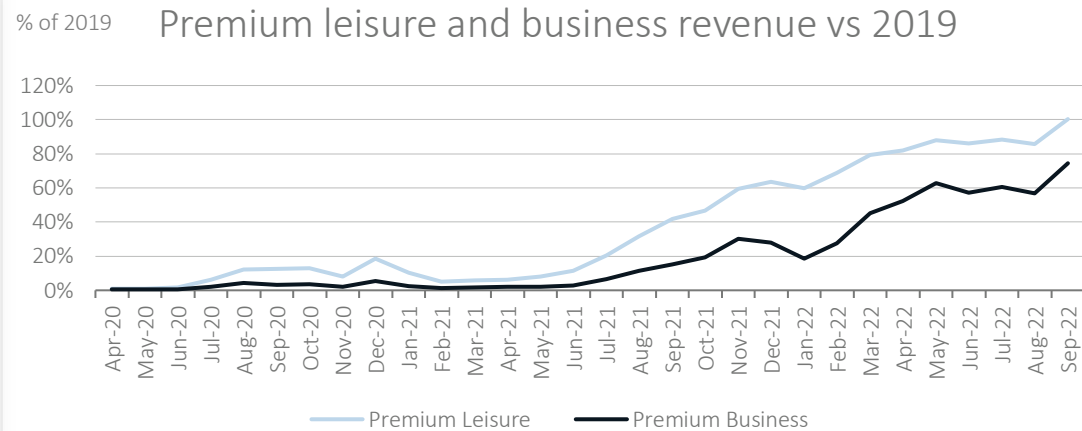


25% of 2030 SAF needs already contracted (0.25m tonnes)

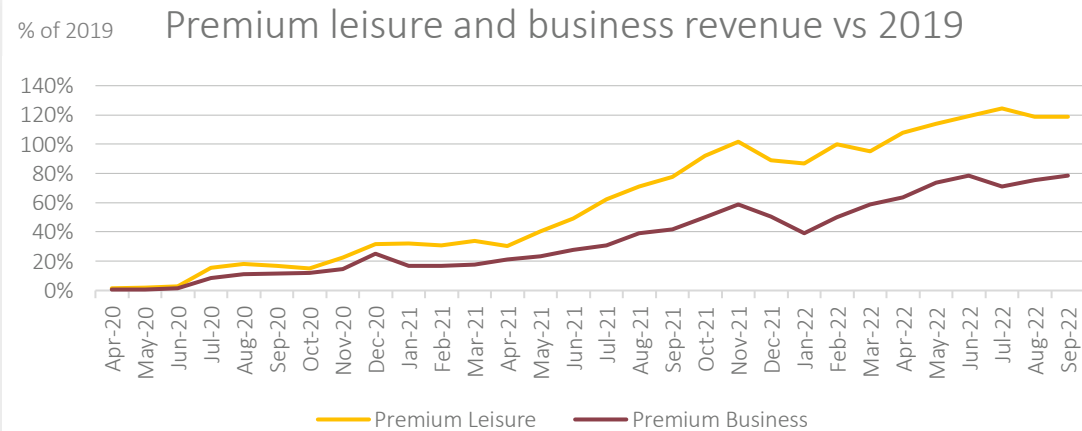
Project/Partner	Feedstock	Location	Planned start
IAG Cargo/Neste	Used cooking oil (UCO)	Europe	2021 one-off
COP26/AirBP	UCO	Europe	2021 one-off
Phillips 66/Phillips 66	UCO/Food waste	UK	In production
Freedom Pines/LanzaJet	Agricultural wastes	USA	1Q 2024
oneworld/Aemetis	Waste Wood	USA	2025
Project Dragon/LanzaTech	Waste gases and agriculture	UK	2025
Bayou Fuels/Velocys*	Forestry residues	USA	2026
Speedbird/LanzaTech/ NovaPangaea*	Waste wood, forestry residues	UK	2026
oneworld/Gevo	Agricultural residues	US	2026
Altalto/Velocys*	Municipal waste	UK	2027

* Includes carbon capture and storage

Premium leisure revenue fully recovered while business travel makes steady progress



- BA’s premium leisure revenue remained c.85% of 2019 levels by August and c.95% so far in October (September 2019 pilots strike base effect)
- Premium leisure routes to Caribbean, Europe, North America and AMESA have fully recovered
- BA’s premium business revenue remained c.60% of 2019 levels by August and c.75% so far in October (September 2019 pilots strike base effect)
- Overall recovery continues to be constrained by limited flying on Asia Pacific routes



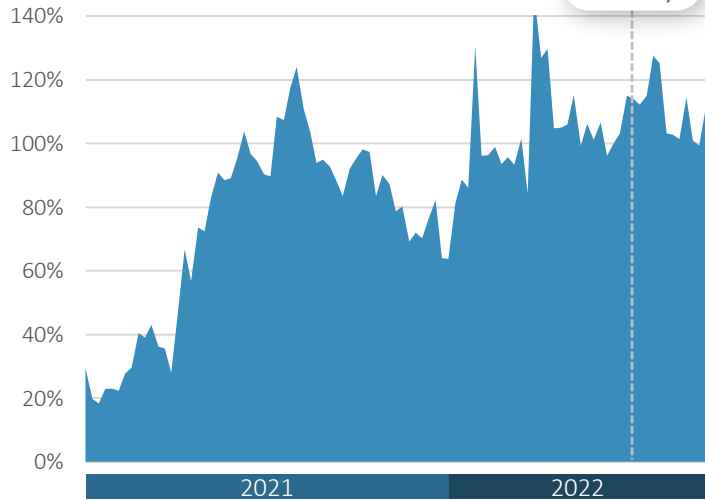
- Iberia’s premium leisure revenue exceeded 2019 levels by c.20% in 3Q
- Iberia’s strongest markets for premium leisure are Domestic, Europe and North America
- Iberia’s premium business revenue increased to c.80% of 2019 levels

Note: Premium refers to First and Business class cabins only.

Strong forward bookings at c.90% in volume and c.100% in revenue of 2019 levels

Spain domestic

vs. 2019 (3 Jan 2021 – 23 October 2022)



24 July

- Spanish domestic bookings remain the strongest at c.105% and revenue c.115% of 2019 levels over the last 5 weeks

International shorthaul

vs. 2019 (3 Jan 2021 – 23 October 2022)



24 July

- European shorthaul remains strong and has increased to c.90% bookings and revenue c.105% over last 5 weeks
- Slight decline due to Heathrow capacity cap limiting new ticket sales since mid-July

Longhaul

vs. 2019 (3 Jan 2021 – 23 October 2022)








24 July

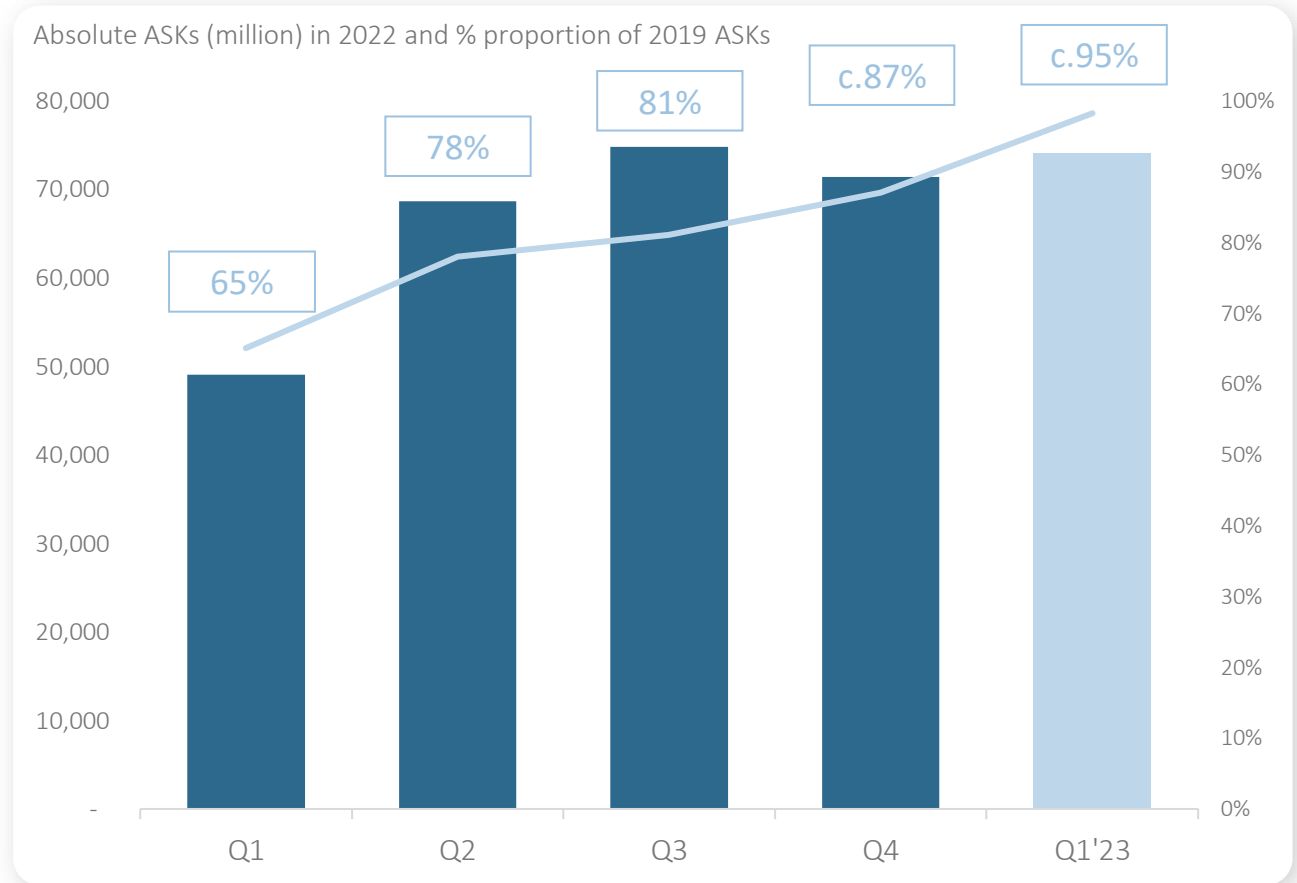
- Longhaul continues to lag partly due to most of Asia still closed but has increased to c.85% for bookings and c.95% for revenue
- North Atlantic bookings at c.90% and revenue c.100% over last 5 weeks

Note: 24 July 2022 was the date used for the data in 2Q 2022 results presentation on 29 July 2022

FY 2022 CAPACITY GROWTH

FY 2022 capacity planned to be broadly unchanged at c.78% of 2019 and 1Q 2023 c.95%

ASKs % of 2019	4Q 2022	FY 2022	1Q 2023
	100%	85%	105%
	80%	70%	90%
	95%	85%	105%
	50%	50%	70%
	115%	100%	120%



Note: British Airways includes BA CityFlyer and BA EuroFlyer; Iberia includes Iberia Express; LEVEL includes Spain, France and Austria. LEVEL France and Austria operations were closed in 2021.

Positive outlook for the rest of the year and beyond

- Third quarter profitability substantially recovered and better than previous market expectations
- Liquidity strength increased and net debt lower than previously expected, but likely to increase by end 2022
- Forward bookings remain strong for the rest of 2022 and into 2023
- For full year 2022 we expect a pre-exceptional operating profit of c.€1.1 billion and net cash flow from operating activities to be significantly positive, assuming no further set-backs related to COVID-19 and material impacts from geo-political developments
- Confident in returning to pre-COVID levels of operating profit based on IAG's compelling investment case

Confident in returning to pre-COVID levels of operating profit based on IAG's compelling investment case

Unique structure

- Disciplined capital allocation
- Active portfolio management approach
- Flexibility and rapid decision making

Portfolio of world class brands

- Customer and operational focused businesses
- Distinct world renowned brands
- Diverse customer base
- Complimentary local and global networks

Global leadership positions

- Strong hubs in major global cities - London, Madrid, Barcelona and Dublin
- Transatlantic leadership in premium and non-premium sectors
- Key player in the consolidation of the airline sector

Efficiency and innovation

- Continual cost focus with track record of transforming cost base
- Investing in fleet, product, operations, digital and systems to drive customer and cost benefits

Leading sustainability agenda

- Leading the sector in setting CO₂ targets
- Investing in SAF supply chain and efficient fleet

APPENDICES

RECONCILIATION BETWEEN PRE-EXCEPTIONAL OPERATING RESULT AND POST-EXCEPTIONAL
RESULT AFTER TAX

Profit after tax and exceptional items of €853m in 3Q 2022

€m	3Q 2022	3Q 2021*
Operating result (pre exceptional)	1,206	-485
Exceptional items	2	33
Operating result (post exceptional)	1,208	-452
Finance costs	-243	-211
Finance income	8	1
Net change in fair value of financial instruments	2	-34
Net financing (charge)/credit relating to pensions	6	1
Net currency retranslation (charges)/credits	-108	-50
Other non-operating credits/ (charges)	136	31
Result before tax (post exceptional)	1,009	-714
Tax	-156	140
Result after tax (post exceptional)	853	-574

*The 2021 results include a reclassification to conform with the presentation adopted in the 2021 Annual Report and Accounts regarding the fair value movements of the €825m convertible bond issued in 2021

GROUP PERFORMANCE

3Q and 9M 2022 traffic and capacity statistics vs 2019

Group performance	Quarter			Year to date		
	3Q 2022	3Q 2019	v3y	9M 2022	9M 2019	v3y
Passengers carried ('000s)	29,535	34,562	-14.5%	69,504	90,448	-23.2%
Domestic (UK & Spain)	7,714	8,067	-4.4%	18,997	21,442	-11.4%
Europe	15,969	18,997	-15.9%	36,031	48,309	-25.4%
North America	3,141	3,567	-11.9%	7,142	9,536	-25.1%
Latin America & Caribbean	1,374	1,690	-18.7%	3,950	4,704	-16.0%
Africa & Middle East	1,261	1,585	-20.4%	3,217	4,586	-29.9%
Asia & Pacific	76	656	-88.4%	167	1,871	-91.1%
Revenue passenger km (m)	65,078	80,923	-19.6%	156,624	216,607	-27.7%
Domestic (UK & Spain)	6,168	5,989	+3.0%	15,178	15,691	-3.3%
Europe	20,162	23,067	-12.6%	44,328	56,535	-21.6%
North America	20,943	23,447	-10.7%	47,497	62,945	-24.5%
Latin America & Caribbean	10,715	14,120	-24.1%	31,065	39,040	-20.4%
Africa & Middle East	6,427	8,026	-19.9%	17,072	24,466	-30.2%
Asia & Pacific	663	6,274	-89.4%	1,484	17,930	-91.7%
Available seat km (m)	74,834	92,318	-18.9%	192,544	255,749	-24.7%
Domestic (UK & Spain)	6,712	6,611	+1.5%	17,778	17,878	-0.6%
Europe	23,219	26,320	-11.8%	54,411	67,476	-19.4%
North America	24,736	26,896	-8.0%	60,442	74,923	-19.3%
Latin America & Caribbean	11,974	15,960	-25.0%	36,895	45,097	-18.2%
Africa & Middle East	7,458	9,439	-21.0%	21,211	29,433	-27.9%
Asia & Pacific	735	7,092	-89.6%	1,807	20,942	-91.4%
Passenger load factor (%)	87.0%	87.7%	-0.7 pts	81.3%	84.7%	-3.4 pts
Domestic (UK & Spain)	91.9	90.6	1.3 pts	85.4	87.8	-2.4 pts
Europe	86.8	87.6	-0.8 pts	81.5	83.8	-2.3 pts
North America	84.7	87.2	-2.5 pts	78.6	84.0	-5.4 pts
Latin America & Caribbean	89.5	88.5	1.0 pts	84.2	86.6	-2.4 pts
Africa & Middle East	86.2	85.0	1.1 pts	80.5	83.1	-2.6 pts
Asia & Pacific	90.2	88.5	1.7 pts	82.1	85.6	-3.5 pts
Cargo tonne km (m)	951	1,346	-29.3%	2,890	4,148	-30.3%






GROUP PERFORMANCE

3Q and 9M 2022 traffic and capacity statistics vs 2021

Group performance	Quarter			Year to date		
	3Q 2022	3Q 2021	vLY	9M 2022	9M 2021	vLY
Passengers carried ('000s)	29,535	15,475	+90.9%	69,504	23,555	+195.1%
Domestic (UK & Spain)	7,714	6,524	+18.2%	18,997	10,714	+77.3%
Europe	15,969	7,053	+126.4%	36,031	9,499	+279.3%
North America	3,141	644	+387.7%	7,142	928	+669.6%
Latin America & Caribbean	1,374	749	+83.4%	3,950	1,407	+180.7%
Africa & Middle East	1,261	445	+183.4%	3,217	906	+255.1%
Asia & Pacific	76	60	+26.7%	167	101	+65.3%
Revenue passenger km (m)	65,078	27,716	+134.8%	156,624	44,464	+252.2%
Domestic (UK & Spain)	6,168	5,344	+15.4%	15,178	8,855	+71.4%
Europe	20,162	9,528	+111.6%	44,328	12,591	+252.1%
North America	20,943	4,172	+402.0%	47,497	6,003	+691.2%
Latin America & Caribbean	10,715	6,100	+75.7%	31,065	11,583	+168.2%
Africa & Middle East	6,427	1,977	+225.1%	17,072	4,441	+284.4%
Asia & Pacific	663	595	+11.4%	1,484	991	+49.7%
Available seat km (m)	74,834	40,082	+86.7%	192,544	74,123	+159.8%
Domestic (UK & Spain)	6,712	6,620	+1.4%	17,778	11,913	+49.2%
Europe	23,219	13,227	+75.5%	54,411	18,543	+193.4%
North America	24,736	7,678	+222.2%	60,442	15,461	+290.9%
Latin America & Caribbean	11,974	8,069	+48.4%	36,895	18,334	+101.2%
Africa & Middle East	7,458	3,024	+146.6%	21,211	7,352	+188.5%
Asia & Pacific	735	1,464	-49.8%	1,807	2,520	-28.3%
Passenger load factor (%)	87.0%	69.1%	17.8 pts	81.3%	84.7%	-21.4 pts
Domestic (UK & Spain)	91.9	80.7	11.2 pts	85.4	74.3	11.0 pts
Europe	86.8	72.0	14.8 pts	81.5	67.9	13.6 pts
North America	84.7	54.3	30.3 pts	78.6	38.8	39.8 pts
Latin America & Caribbean	89.5	75.6	13.9 pts	84.2	63.2	21.0 pts
Africa & Middle East	86.2	65.4	20.8 pts	80.5	60.4	20.1 pts
Asia & Pacific	90.2	40.6	49.6 pts	82.1	39.3	42.8 pts
Cargo tonne km (m)	951	988	-3.7%	2,890	2,841	+1.7%






AIRLINE PERFORMANCE

3Q and 9M 2022 traffic and capacity statistics vs 2019

Performance by airline	Quarter			Year to date		
	3Q 2022	3Q 2019	v3y	9M 2022	9M 2019	v3y
AerLingus 						
Passengers carried ('000s)	2,982	3,590	-16.9%	6,672	9,041	-26.2%
Revenue passenger km (m)	6,980	7,782	-10.3%	14,850	19,033	-22.0%
Available seat km (m)	8,026	8,925	-10.1%	19,221	23,123	-16.9%
Passenger load factor (%)	87	87	-0.2 pts	77	82	-5.0 pts
Cargo tonne km (m)	33	42	-21.4%	94	124	-24.2%
BRITISH AIRWAYS 						
Passengers carried ('000s)	9,653	13,042	-26.0%	24,016	36,157	-33.6%
Revenue passenger km (m)	30,048	41,791	-28.1%	74,826	117,434	-36.3%
Available seat km (m)	35,942	48,444	-25.8%	94,515	140,614	-32.8%
Passenger load factor (%)	84	86	-2.7 pts	79	84	-4.3 pts
Cargo tonne km (m)	707	1,010	-30.0%	2,137	3,155	-32.3%
IBERIA 						
Passengers carried ('000s)	5,620	6,259	-10.2%	14,507	16,902	-14.2%
Revenue passenger km (m)	15,367	18,377	-16.4%	39,428	48,400	-18.5%
Available seat km (m)	17,297	20,553	-15.8%	47,195	55,357	-14.7%
Passenger load factor (%)	89	89	-0.6 pts	84	87	-3.9 pts
Cargo tonne km (m)	202	294	-31.3%	635	868	-26.8%
LEVEL 						
Passengers carried ('000s)	164	574	-71.4%	357	1,347	-73.5%
Revenue passenger km (m)	1,386	2,286	-39.4%	3,058	5,685	-46.2%
Available seat km (m)	1,461	2,631	-44.5%	3,413	6,806	-49.9%
Passenger load factor (%)	95	87	+8.0 pts	90	84	+6.1 pts
Cargo tonne km (m)	9	0		24	1	+2300.0%
vueling 						
Passengers carried ('000s)	11,116	11,097	+0.2%	23,952	27,001	-11.3%
Revenue passenger km (m)	11,297	10,687	+5.7%	24,462	26,055	-6.1%
Available seat km (m)	12,108	11,765	+2.9%	28,200	29,849	-5.5%
Passenger load factor (%)	93	91	+2.5 pts	87	87	-0.6 pts
Cargo tonne km (m)	n/a	n/a	n/a	n/a	n/a	n/a

AIRLINE PERFORMANCE

3Q and 9M 2022 traffic and capacity statistics vs 2021

Performance by airline	Quarter			Year to date		
	3Q 2022	3Q 2021	vLY	9M 2022	9M 2021	vLY
AerLingus 						
Passengers carried ('000s)	2,982	786	+279.4%	6,672	1,011	+559.9%
Revenue passenger km (m)	6,980	1,354	+415.5%	14,850	1,668	+790.3%
Available seat km (m)	8,026	2,416	+232.2%	19,221	4,218	+355.7%
Passenger load factor (%)	87	56	+31.0 pts	77	40	+37.8 pts
Cargo tonne km (m)	33	19	+73.7%	94	62	+51.6%
BRITISH AIRWAYS 						
Passengers carried ('000s)	9,653	3,627	+166.1%	24,016	5,224	+359.7%
Revenue passenger km (m)	30,048	9,333	+222.0%	74,826	14,556	+414.1%
Available seat km (m)	35,942	15,356	+134.1%	94,515	28,622	+230.2%
Passenger load factor (%)	84	61	+22.8 pts	79	51	+28.3 pts
Cargo tonne km (m)	707	736	-3.9%	2,137	2,157	-0.9%
IBERIA 						
Passengers carried ('000s)	5,620	3,624	+55.1%	14,507	6,718	+115.9%
Revenue passenger km (m)	15,367	9,486	+62.0%	39,428	17,399	+126.6%
Available seat km (m)	17,297	12,885	+34.2%	47,195	27,047	+74.5%
Passenger load factor (%)	89	74	+15.2 pts	84	64	+19.2 pts
Cargo tonne km (m)	202	229	-11.8%	635	614	+3.4%
LEVEL 						
Passengers carried ('000s)	164	38	+331.6%	357	66	+440.9%
Revenue passenger km (m)	1,386	328	+322.6%	3,058	635	+381.6%
Available seat km (m)	1,461	408	+258.1%	3,413	696	+390.4%
Passenger load factor (%)	95	80	+14.5 pts	90	91	-1.6 pts
Cargo tonne km (m)	9	4	+125.0%	24	8	+200.0%
vueling 						
Passengers carried ('000s)	11,116	7,400	+50.2%	23,952	10,536	+127.3%
Revenue passenger km (m)	11,297	7,215	+56.6%	24,462	10,206	+139.7%
Available seat km (m)	12,108	9,017	+34.3%	28,200	13,540	+108.3%
Passenger load factor (%)	93	80	+13.3 pts	87	75	+11.3 pts
Cargo tonne km (m)	n/a	n/a	n/a	n/a	n/a	n/a

DISCLAIMER

Forward-looking statements:

Certain statements included in this announcement 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 announcement are based upon information known to the Group on the date of this announcement and speak as of the date of this announcement. 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 announcement 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 announcement 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 2021 Annual Report and Accounts; this document is available on www.iairgroup.com. All forward-looking statements made on or after the date of this announcement 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 of any further disruption to the global airline industry as well as the current economic and geopolitical environment.