

Connecting people, businesses and countries

2024 Full Year results



Disclaimer

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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”, “believes”, “may”, “will”, “could”, “should”, “continues”, “intends”, “plans”, “targets”, “predicts”, “estimates” “envisages” or “anticipates” or other words of similar meaning or their negatives. 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, and its assumptions, expectations, objectives and resilience with respect to climate scenarios. 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, economic and geo-political, market, regulatory, climate, supply chain or other significant external events, 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 Annual report and accounts 2023; 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.

Alternative Performance Measures:

This announcement contains, 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 5 October 2015. The performance and outcome of the Group’s strategy 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.

For definitions and explanations of APMs, refer to the APMs section in the most recent published financial report and in the IAG Annual report and accounts 2023. These documents are available on www.iairgroup.com.

For definitions and explanations of APMs, refer to the APMs section in the [IAG Annual Report and Accounts 2023 \(iairgroup.com\)](http://www.iairgroup.com) and the Interim Management Report for the year to 31 December 2024 ([IAG FY 2024 Results \(iairgroup.com\)](http://www.iairgroup.com)). These documents are available on www.iairgroup.com

Highlights

Luis Gallego
Chief Executive Officer



A world-class investment case

Strong Position

Unique strength in our network, hubs and brands

Premium customers

Growing IAG Loyalty and partnerships

+

Strong Execution

Delivering world-class margins

Delivered by our transformation programme

Delivered by our talented employees across the globe

=

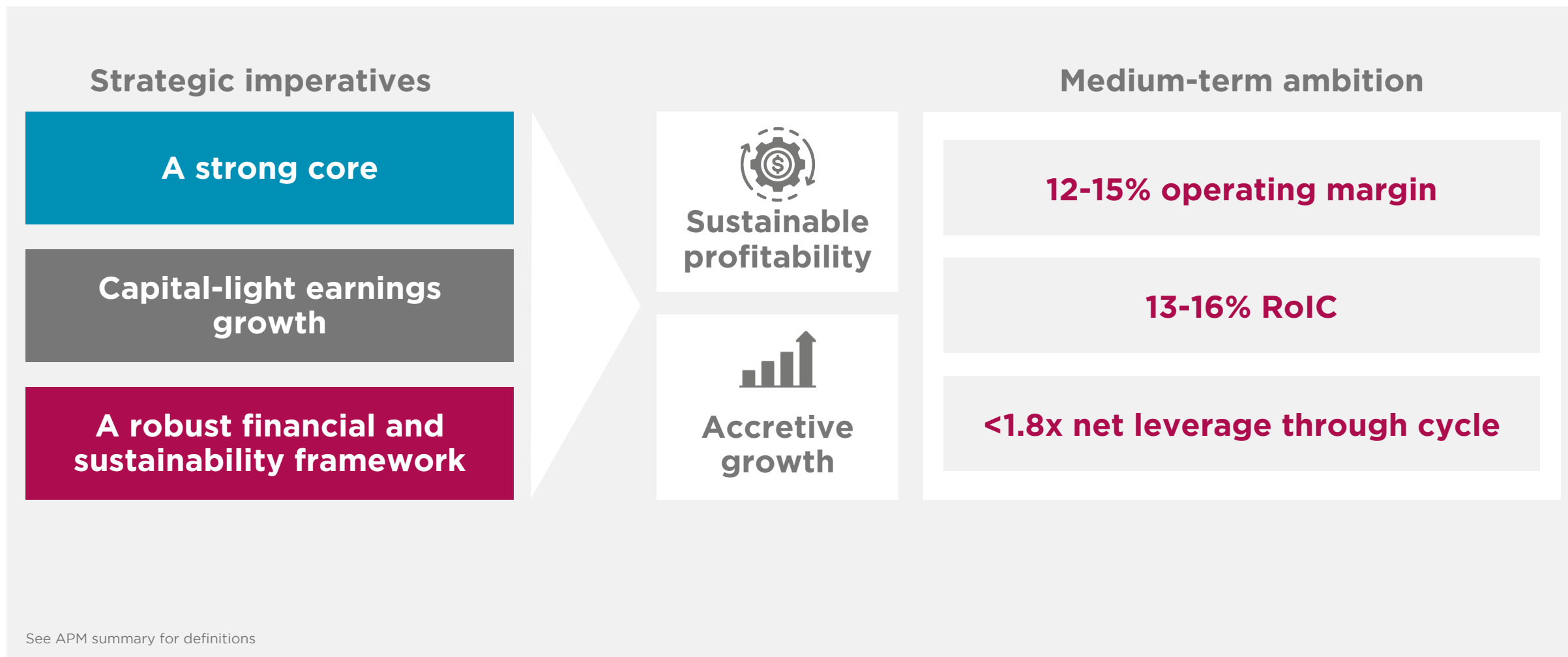
Strong Value Creation

Sustainable earnings growth

Strong free cash flow generation

Significant shareholder returns

Our strategy to deliver world-class margins and returns



Delivering world-class results

Compelling proposition

+9%

Revenue growth

Growing profits

+27%

Operating profit growth

Best in-class execution

13.8%

Operating margin

Disciplined capital allocation

17.3%

RoIC

Generating significant cash

€3.56bn

Free cash flow

Strong balance sheet

1.1x

Net leverage

Sustainable dividends

€435m

Total dividend

Returning excess capital

€350m

Announced November 2024

€1bn

Announced February 2025

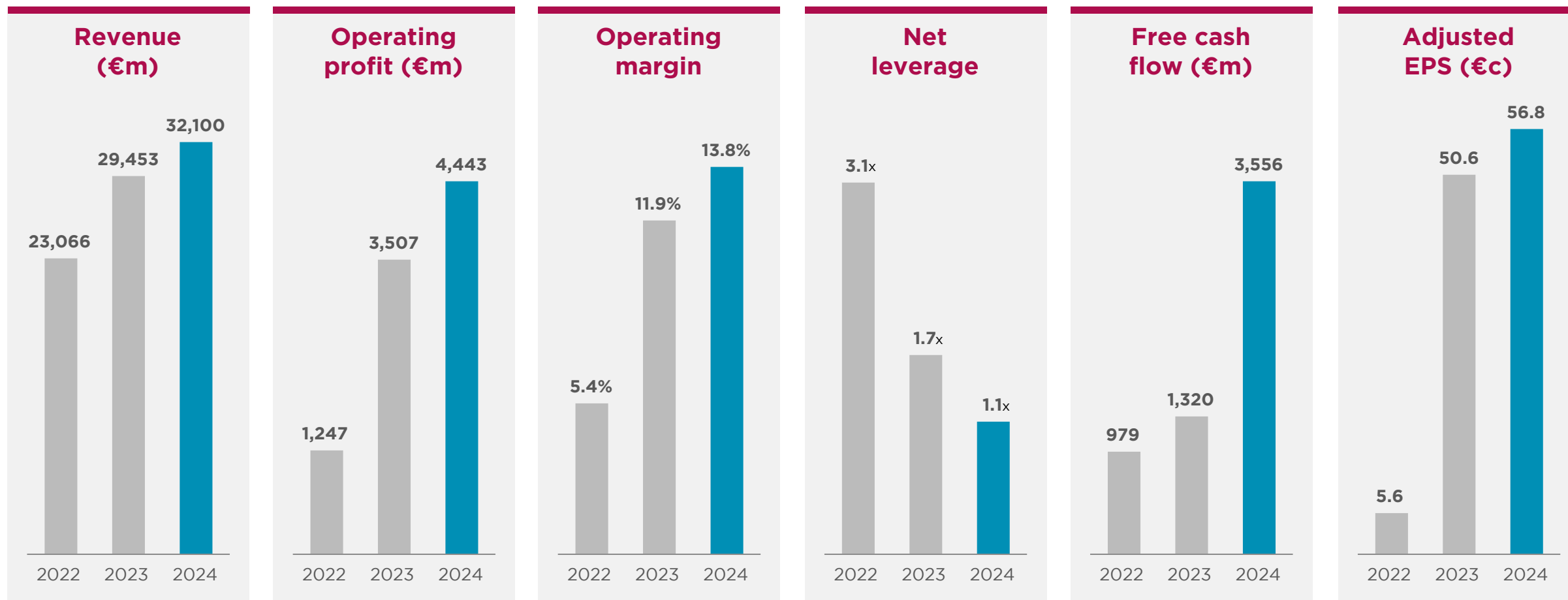
The metrics included in this slide are before exceptional items
See the APM Summary for definitions

Financial results

Nicholas Cadbury
Chief Financial and
Sustainability Officer

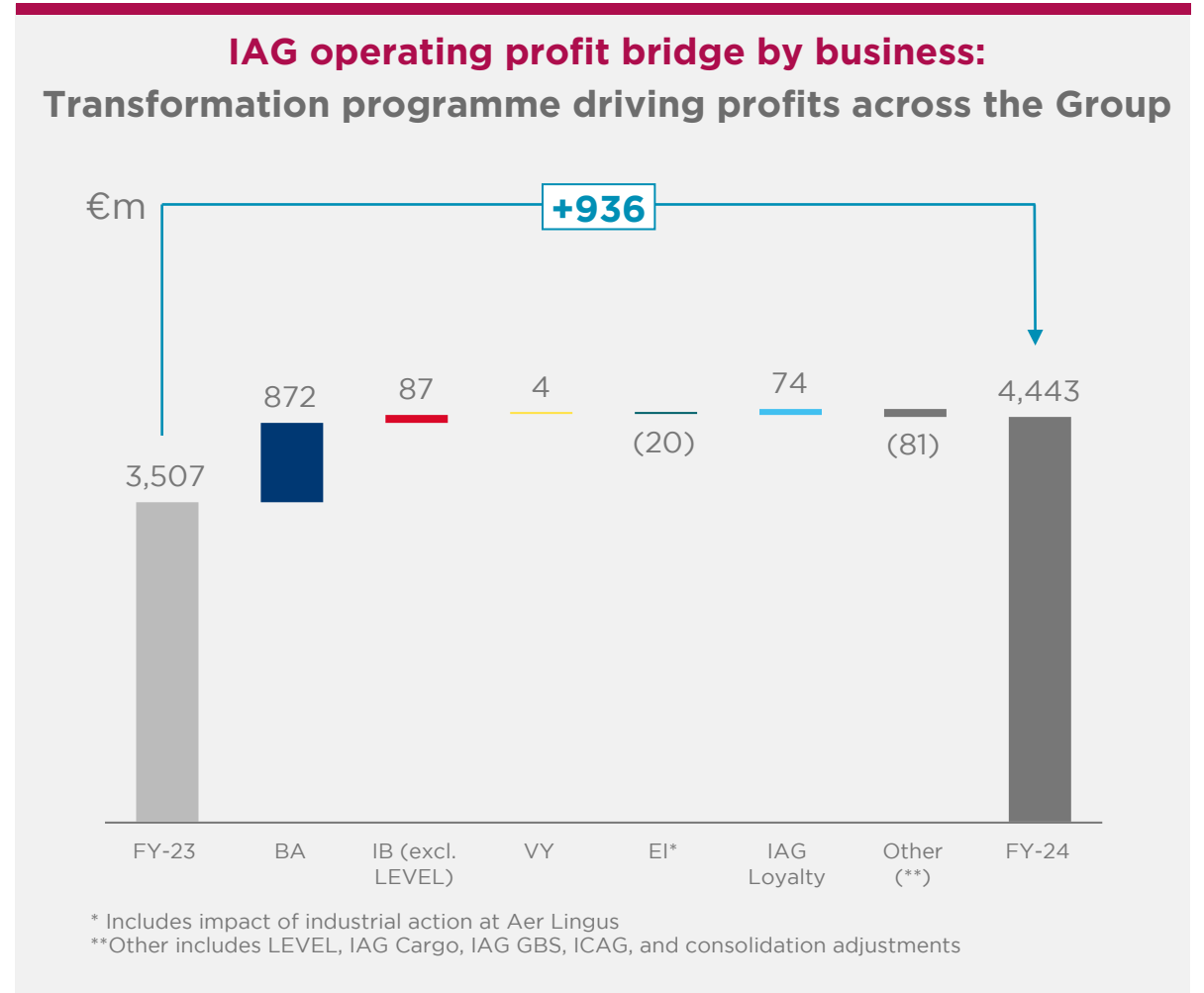
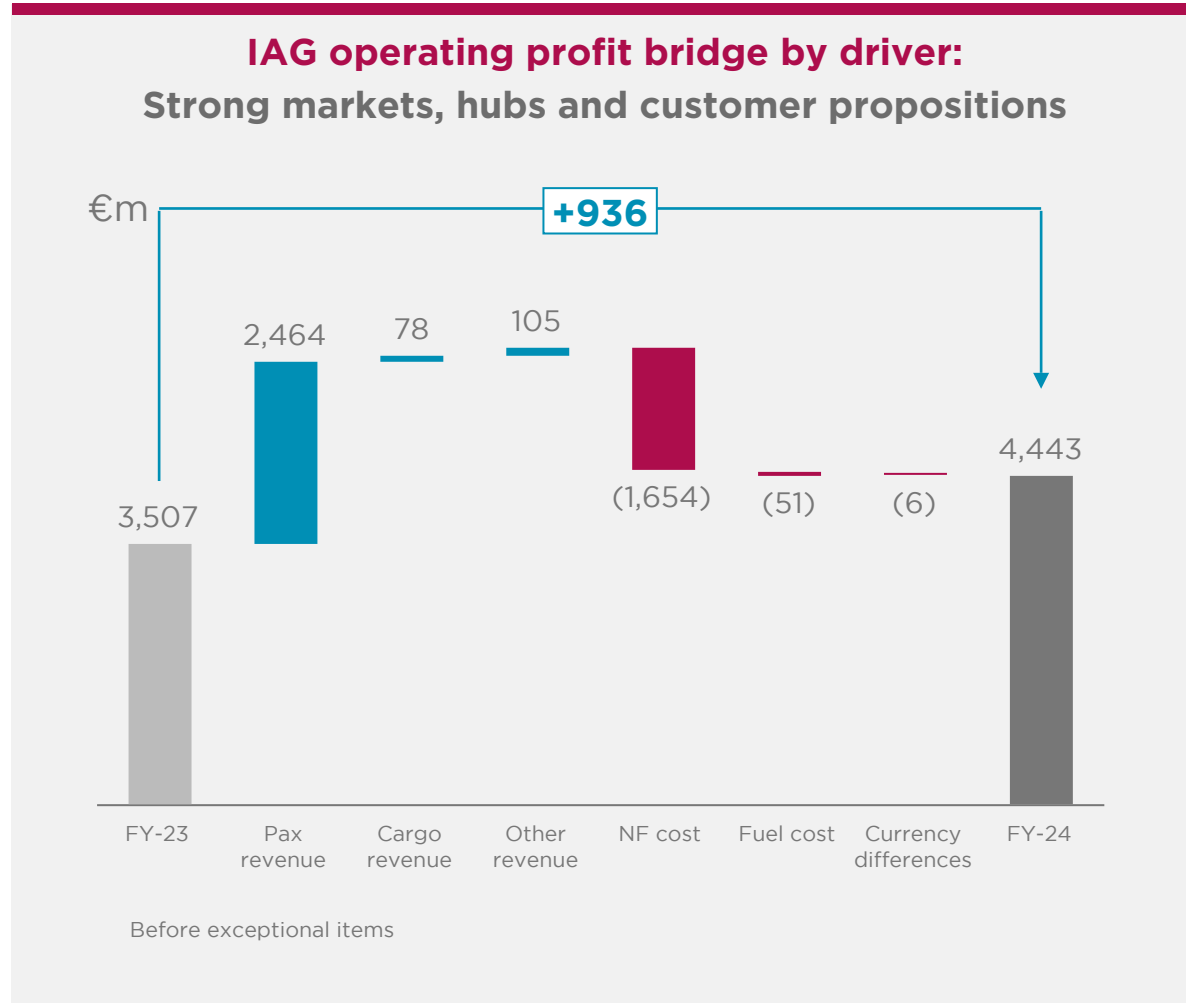


A world-class financial performance




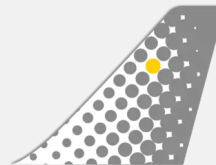



The metrics included in this slide are before exceptional items
See the APM Summary for definitions

Very strong operating profit growth in 2024



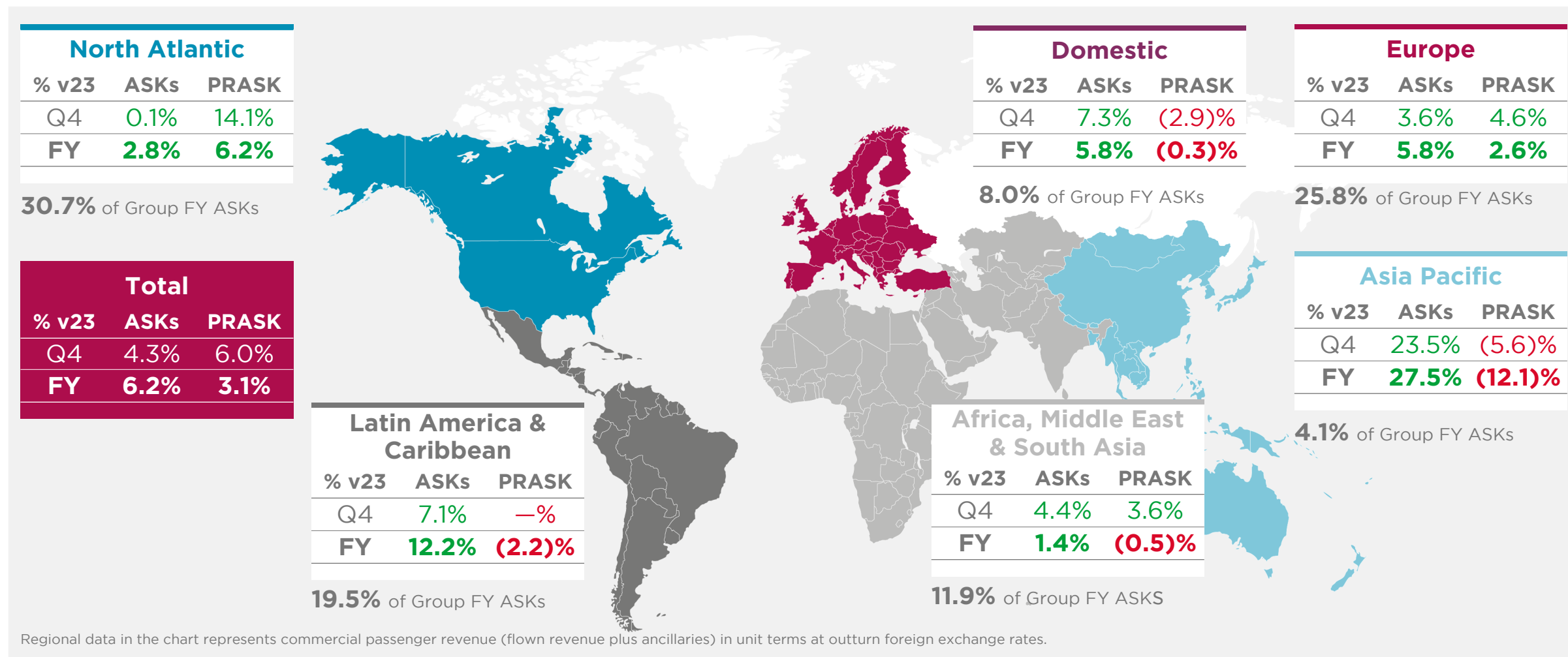
Excellent performances across the Group

| |  Aer Lingus | |  British Airways | |  Iberia | |  Vueling | |  IAG Loyalty | |
|---|---|----------|--|---------|---|---------|--|----------|--|----------|
| | FY 2024 (€m) | vLY | FY 2024 (£m) | vLY | FY 2024 (€m) | vLY | FY 2024 (€m) | vLY | FY 2024 (£m) | vLY |
| Total revenue | 2,376 | +4.5% | 14,408 | +6.2% | 7,542 | +8.4% | 3,261 | +2.0% | 2,430 | +18.4% |
| Passenger revenue | 2,304 | +4.3% | 13,466 | +6.3% | 5,862 | +11.4% | 3,244 | +2.0% | 1,247 | +47.7% |
| Operating result before exceptional items | 205 | (20) | 2,048 | +704 | 1,027 | +87 | 400 | +4 | 420 | +53 |
| Operating margin before exceptional items | 8.6% | (1.3)pts | 14.2% | +4.3pts | 13.6% | +0.1pts | 12.3% | (0.1)pts | 17.3% | (0.6)pts |
| ASK (m) | 32,676 | +3.5% | 175,141 | +4.4% | 85,792 | +13.3% | 42,089 | +0.9% | | |
| PRASK (cts/p) | 7.05 | +0.8% | 7.69 | +1.8% | 6.83 | (1.7)% | 7.69 | +1.0% | | |
| Non-fuel CASK (cts/p) | 4.69 | +5.1% | 4.96 | (1.0)% | 5.72 | (4.3)% | 4.67 | +2.8% | | |

*Iberia figures exclude LEVEL. 2023 comparators adjusted for the move of BA Holidays from British Airways to IAG Loyalty. IAG Loyalty now includes BA Holidays: FY 2024 revenue of €863m and profit of €87m (FY 2023: revenue of €762m and profit of €87m)

Strong demand and yields in our core markets

Expect to grow capacity (ASK) by 3% in 2025; 2% to 4% in the medium term



Transformation supporting margin improvement

| Cost category | FY 2024 unit cost (% vly) | FY 2024 | FY 2025 guidance |
|-----------------------|---------------------------|--|---|
| Employee | 7.5% | Driven by underlying pay deals, adverse FX, and employee payments linked to strong financial performance | <ul style="list-style-type: none"> • Overall non-fuel unit cost trend similar to FY 2024, with additional FX headwind expected of c.2% • Higher cost impact weighted to H1 • Ongoing higher costs due to managing aircraft availability and engineering supply chain costs • Inefficiency of lower capacity growth than planned |
| Supplier | (0.7)% | Transformation initiatives offset general inflationary pressures, customer experience costs and IT investments | |
| Ownership | 7.3% | Increase driven by new aircraft, maintenance costs, cabin retrofits, lounge upgrades, new digital platforms | |
| Total non-fuel | 2.6% | | |

Note: numbers in brackets indicate favourable movements
Numbers refer to pre-exceptional figures

Profit after tax and exceptional items of €2,732m in FY 2024

| €m | Year to 31 December | | | | | |
|---|-------------------------------|-------------------|----------------|-------------------------------|-------------------|----------------|
| | Before exceptional items 2024 | Exceptional items | Statutory 2024 | Before exceptional items 2023 | Exceptional items | Statutory 2023 |
| Revenue | 32,100 | - | 32,100 | 29,453 | - | 29,453 |
| Operating costs | 27,657 | * 160 | 27,817 | 25,946 | - | 25,946 |
| Operating profit | 4,443 | (160) | 4,283 | 3,507 | - | 3,507 |
| Finance costs | (917) | - | (917) | (1,113) | - | (1,113) |
| Finance income | 404 | - | 404 | 386 | - | 386 |
| Net change in fair value of financial instruments | (237) | - | (237) | (11) | - | (11) |
| Net financing credit relating to pensions | 63 | - | 63 | 103 | - | 103 |
| Net currency retranslation (charges)/credits | (127) | - | (127) | 176 | - | 176 |
| Other non-operating credits | 144 | ** (50) | 94 | 8 | - | 8 |
| Profit before tax | 3,773 | (210) | 3,563 | 3,056 | - | 3,056 |
| Tax | (971) | *** 140 | (831) | (401) | - | (401) |
| Profit after tax | 2,802 | (70) | 2,732 | 2,655 | - | 2,655 |

* The Group recorded exceptional items relating to employee restructuring in Iberia's ground handling subsidiary.

** On 1 August 2024 the Group exercised its right to withdraw from the acquisition of the remaining 80% of the share capital of Air Europa Holdings that the Group had not previously owned. The exceptional charge of €50 million represents the amount agreed with Globalia to terminate the agreement. The related tax credit was €5 million.

*** In 2024 the Group was impacted by changes in tax legislation in Spain, principally related to the pace at which prior year losses could be recognised, resulting in a net exceptional tax credit of €100 million in 2024. See note 10 to the consolidated financial statements for further information.

Significant free cash flow generated in 2024

| | FY 2024 (€m) | FY 2023 (€m) |
|--|-----------------|-----------------|
| Operating profit¹ | 4,443 | 3,507 |
| Depreciation | 2,364 | 2,063 |
| Working capital | (82) | (142) |
| Pension | (15) | (30) |
| Provisions (excl. carbon-related obligations) | 122 | 25 |
| Purchase of carbon assets net of change in carbon obligations ² | 62 | (50) |
| Interest paid | (764) | (1,005) |
| Interest received | 367 | 365 |
| Tax paid | (245) | (291) |
| Other | 120 | 160 |
| Net cash from operating activities | 6,372 | 4,602 |
| Gross capex ² | (2,816) | (3,282) |
| Free cash flow | 3,556 | 1,320 |

1. Operating profit stated before exceptional items

2. In 2024, purchased emission allowances were reclassified from the Acquisition of property, plant and equipment and intangible assets ('Gross capex') to a separate line item within Net cash flows from operating activities. The 2023 results include a reclassification to conform with the current period presentation

* Paid in order to appeal the HMRC decision relating to historical treatment of VAT by IAG Loyalty. IAG and its advisors are confident in its legal position - further details in the appendix

FY 2024

- Increase in Depreciation reflecting fleet deliveries
- Working capital inflows from increased bookings offset by engineering supplier prepayments, higher VAT-related to IAG Loyalty payments and SAF prepayments
- Net interest benefit from debt repayment in 2023
- Tax payments reflect one-off benefit of Spanish Tax ruling and use of historical tax losses
- Capex lower than expected due to fleet delivery delays and timing of other investments

FY 2025 guidance

- Tax: IAG Loyalty VAT payment of £557m (c.€673m) paid in 2025*
- Gross capex of c.€3.7bn expected in 2025 depending on fleet deliveries

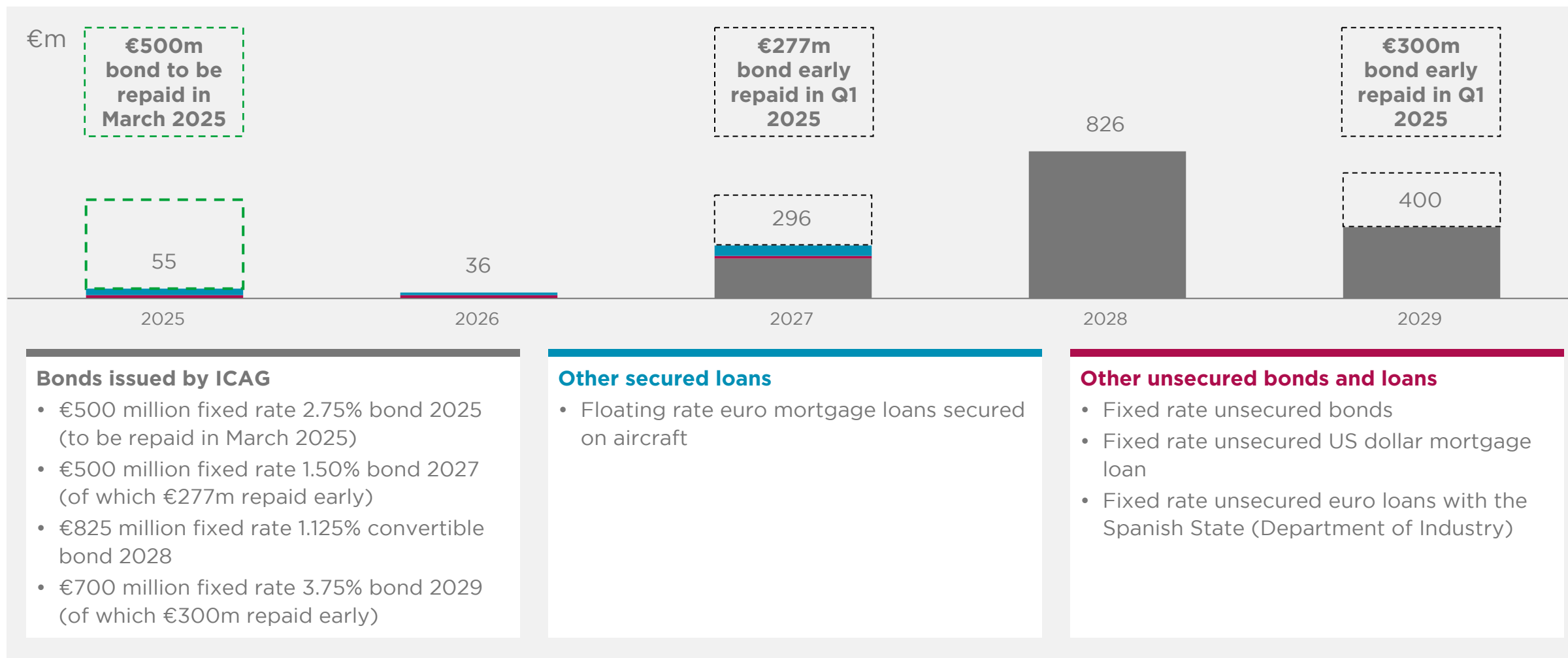
Maintain balance sheet strength: net debt reduced by €1.7bn

| €m | 31 December 2022 | 31 December 2023 | 31 December 2024 |
|--|---------------------|---------------------|---------------------|
| Gross debt | 19,984 | 16,082 | 17,345 |
| of which bank and other loans | 6,546 | 2,688 | 2,911 |
| of which asset financed and lease liabilities | 13,438 | 13,394 | 14,434 |
| Gross debt / EBITDA before exceptional items | 6.0x | 2.9x | 2.5x |
| Cash, cash equivalents and interest-bearing deposits | 9,599 | 6,837 | 9,828 |
| Net debt | 10,385 | 9,245 | 7,517 |
| Net debt / EBITDA before exceptional items | 3.1x | 1.7x | 1.1x |
| Total liquidity (cash and facilities) | 13,999 | 11,624 | 13,362 |

Targeting a reduction in gross leverage:

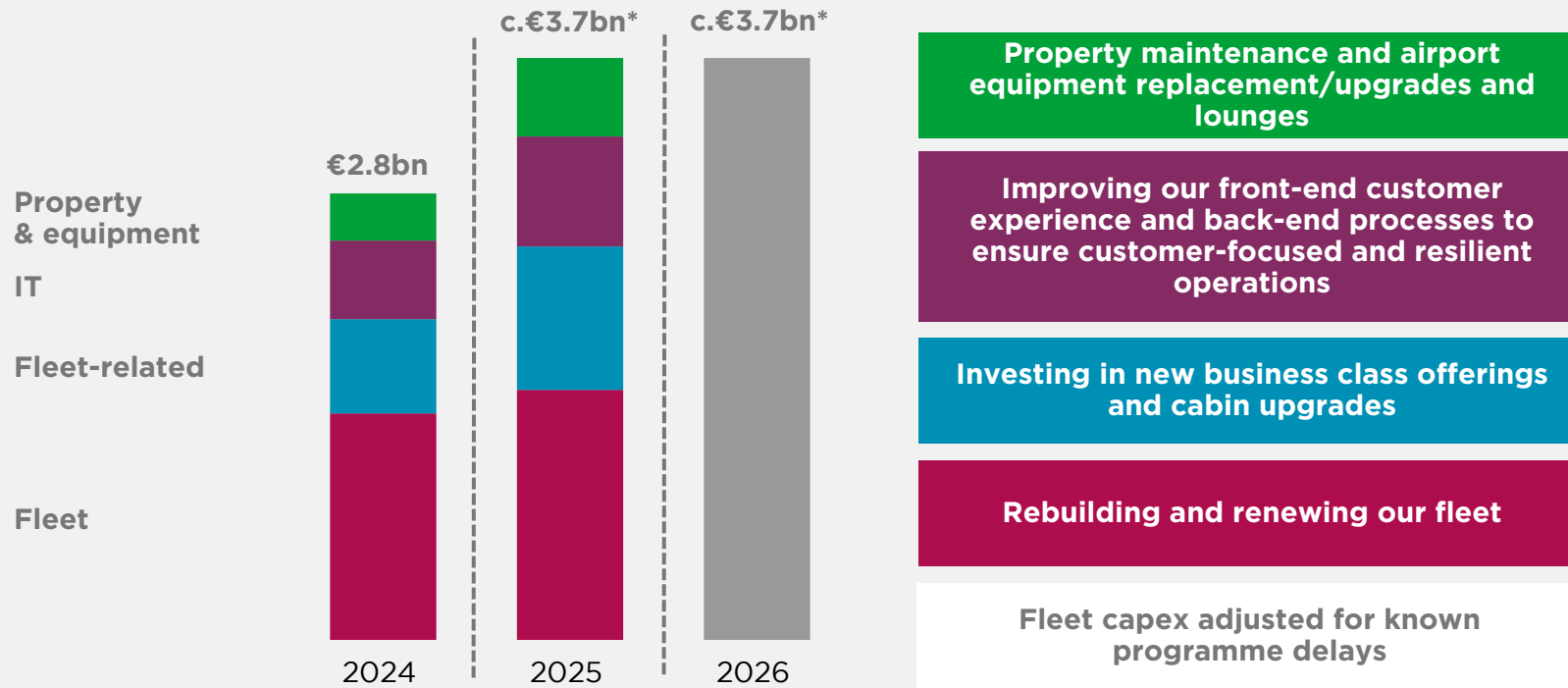
- Bond buyback €577m across both 2027 and 2029 unsecured bonds in Jan 2025
- Maturity of €500m unsecured bond in March 2025 to be redeemed with cash
- Intention to keep around two thirds of the 26 expected deliveries unencumbered

Maintain balance sheet strength: reducing our financial liabilities in 2025



Investing in our fleet, improving customer experience and resilience

Gross capital expenditure



Lower expenditure than planned in 2024:

- Fleet delivery delays (incl. 1x 787 moving to 2025)
- Re-profiling of pre-delivery payments
- Onboard retrofit and property maintenance delays relating to supply chain constraints

* Current forecast

Disciplined capital allocation to support profitable growth, best-in-class margins and sustainable shareholder returns



Maintain balance sheet strength



Invest in rebuilding our fleet



Improve customer experience, resilience, digital and sustainability



Commitment to sustainable dividends



Excess cash returned to shareholders if no inorganic opportunities exist

Maintain net debt / EBITDA < 1.8x across the cycle

Invest to grow capacity 2%-4% per annum*

Drive margin performance across the Group in the 12% to 15% range

Sustainable ordinary dividend through the cycle

Distribute excess cash below net leverage of 1.2x to 1.5x

**1.1x at 31 December 2024
Investment Grade**

19 new aircraft in 2024

13.8% operating margin

**Total ordinary dividend
FY 2024 €435m**

**Share buyback of €350m in 2024
Excess capital returns: €1bn up to 12 months**

• Medium-term per annum growth, dependent on aircraft deliveries

Business update and outlook

Luis Gallego
Chief Executive Officer



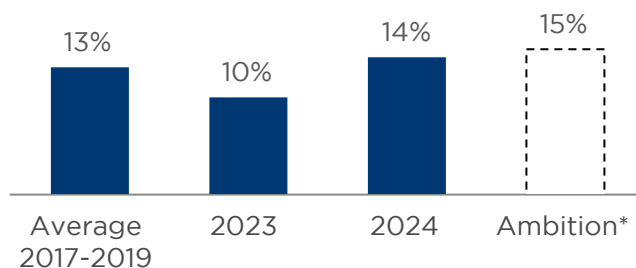
Sustaining our focus on margins and return on capital



Transforming British Airways

Driving high customer satisfaction, profits and margins

Operating margin (%)



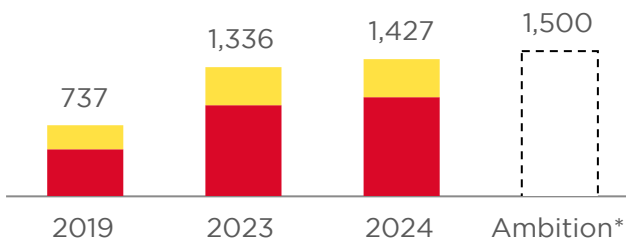
IAG's TSR algorithm



Developing Spanish platforms

Deliver €1.5bn of operating profit from the Spanish businesses

Operating profit (€m)



12%-15%

Operating margin

13%-16%

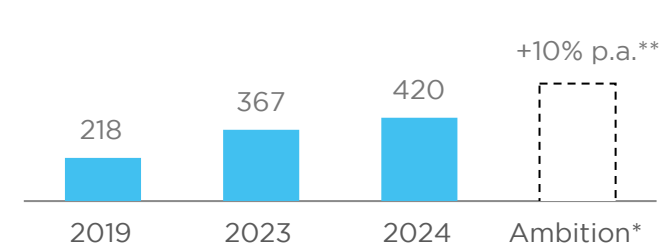
RoIC



Accelerating capital-light earnings: Loyalty & Holidays

Leverage Loyalty for higher growth, earnings and cash generation

Operating profit (£m)



<1.8x

Leverage through the cycle

Diversified portfolio of leading positions in our core markets

North Atlantic



- #1 long-haul market from Europe by size (€43bn market)
- London: #1 in the world for premium air travel; US is 37% of London long-haul capacity

- IAG is **#1 in London**, with joint business having 58% capacity share on LON-US

- Profitable growth with A321XLR for **Aer Lingus** and **Iberia** - Nashville, Boston
- **British Airways**: consolidating its position - e.g. frequency to San Diego
- **LEVEL**: building its network e.g. Miami

Latin America



- #1 revenue growing market from Spain (+60% vs 2019)
- 'Madrid is the new Miami': 86% increase in no. of Latin Americans in Spain

- IAG **#1 in Europe-LatAm**, has a 21% capacity share vs 18% for AF-KLM and 10% for Lufthansa

- **British Airways**: moving (mainly Caribbean) premium leisure to Heathrow
- **Iberia**: core cities remain a priority for market share growth e.g. Sao Paolo
- **LEVEL**: Barcelona to Santiago now year-round

Intra-Europe



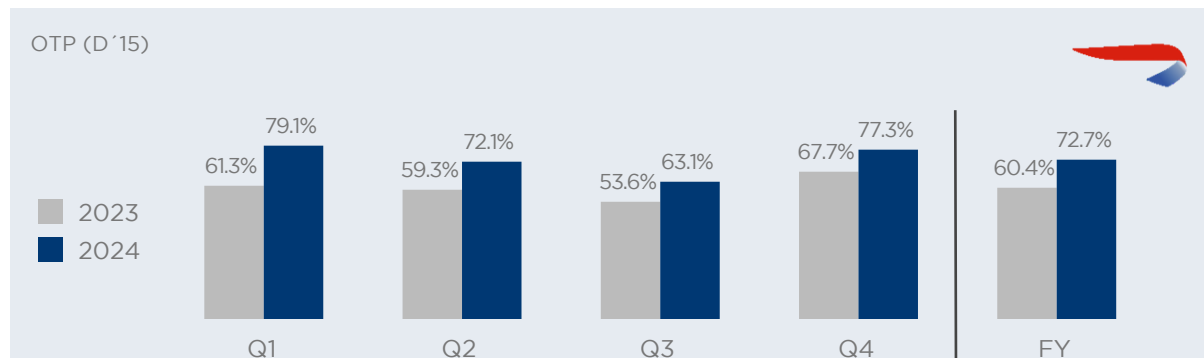
- Spain is #1 domestic market in Europe
- UK is the #3 market, with UK-ES the largest non-domestic route (6%)

- IAG **#1 in Domestic Spain**, and growing ES-UK market share, with 55% of the capacity

- **Aer Lingus**: mitigating seasonality: Seville, Marrakech,
- **British Airways**: shoulder season flying
- **Iberia**: de-seasonalising, particularly Islands
- **Vueling**: strengthening Barcelona core routes: London, Istanbul

Data sources: IATA Direct Data Solutions Jan-Dec 2024, OAG Jan-Dec 2024, INE

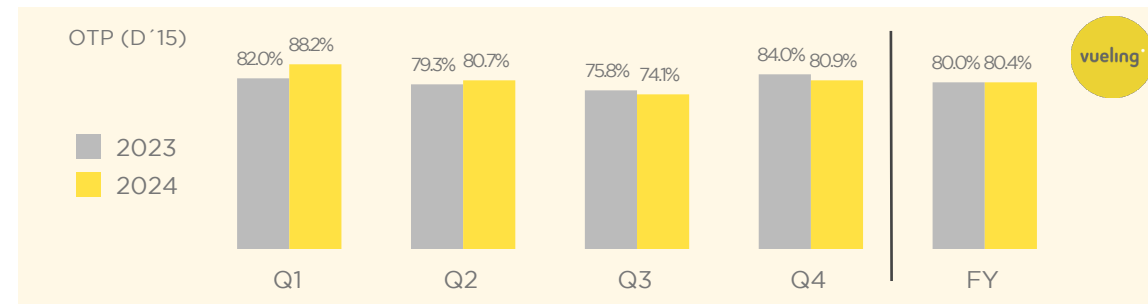
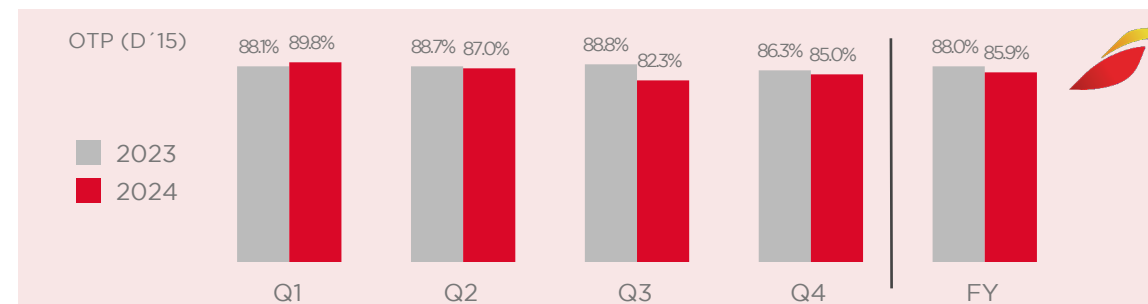
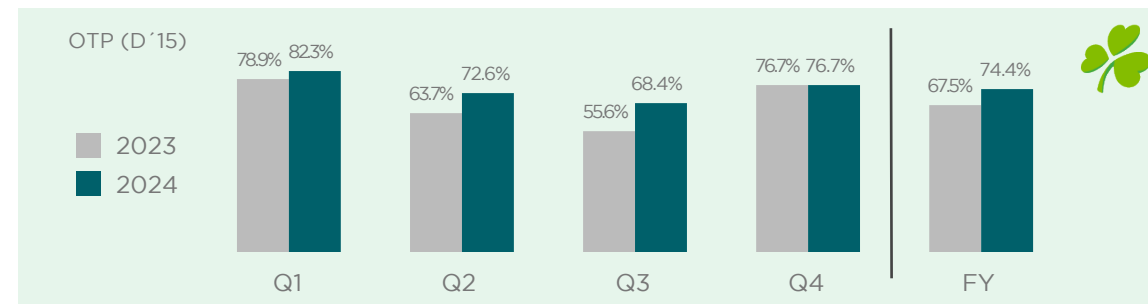
Strong improvement at BA and Aer Lingus; Iberia and Vueling world-class

















British Airways delivered a 12pts increase in OTP in 2024:

- Significant investment in improving British Airways' operations. Performance in Q1 was the highest achieved since pre-pandemic.
- New Operations Control Centre opened at Heathrow Terminal 5, including the rollout of new technology tools (e.g. Mission Control and Pathfinder) which helps colleagues to make better, data-driven decisions
- Set a record for the number of flights flown from Heathrow in one day – a total of 65,000 passengers during the peak of the summer.
- ATC environment is still very difficult: across peak summer months 37% of flights disrupted by ATC-enforced regulation, vs 23% in 2019

OTP (D'15) = on time performance: departure within 15 minutes



Investing in our customers' experience in 2025

| Journey |  Dreaming, planning & booking |  Check in |  Lounge |  On-board |  Disruption, connections & arrivals |  Our service |
|---|---|---|---|---|---|--|
|  | Communicate and retail across the customer journey | Real-time push notifications | Flagship lounge at JFK T6 in Nov-25 | A321XLR to being long-haul service to US | Wayfinding feature on app to guide customers to their gate | AI technology for compensation |
|  | New app to launch | | Upgraded lounges at Seattle, Dubai, Miami | Retrofitting of Club Suite on 777-200 and 787-8 | Connected Crew | Further improvements to food and drink |
|  | Second A321XLR to arrive in Q2 | | Lounge improvements at MAD | In-flight entertainment upgrades on A350s | | Wheelchair accessible narrowbody aircraft |
|  | | Digital touchpoints and online check-in | | Ongoing front line staff training | Continued rollout of disruption platform | Virtual Assistant for always-on customer service |
|  |  |  |  | | | |

Transformation will continue delivering value in 2025

Customer & Innovation



- New app functionality: real-time updates, boarding gates, 'manage bags'
- Expand US partnerships via New Distribution Capability (NDC), offering capabilities similar to GDS channels



- Leading the development in next generation retailing
- Connected Teams helps resolve issues inflight
- Launching digital self-management for disruption



- Improve baggage handling and tracking through technology upgrades
- Scaling digital products so passengers can arrive to their flights seamlessly



- New disruption and self-management tools to enhance the customer experience, and improving digital touchpoints at kiosks in Barcelona

Efficiency



- Digitisation of engineering, developing a performance management system for contracted maintenance



- Generate committed value from new data solutions in dynamic pricing, customer segmentations and ops



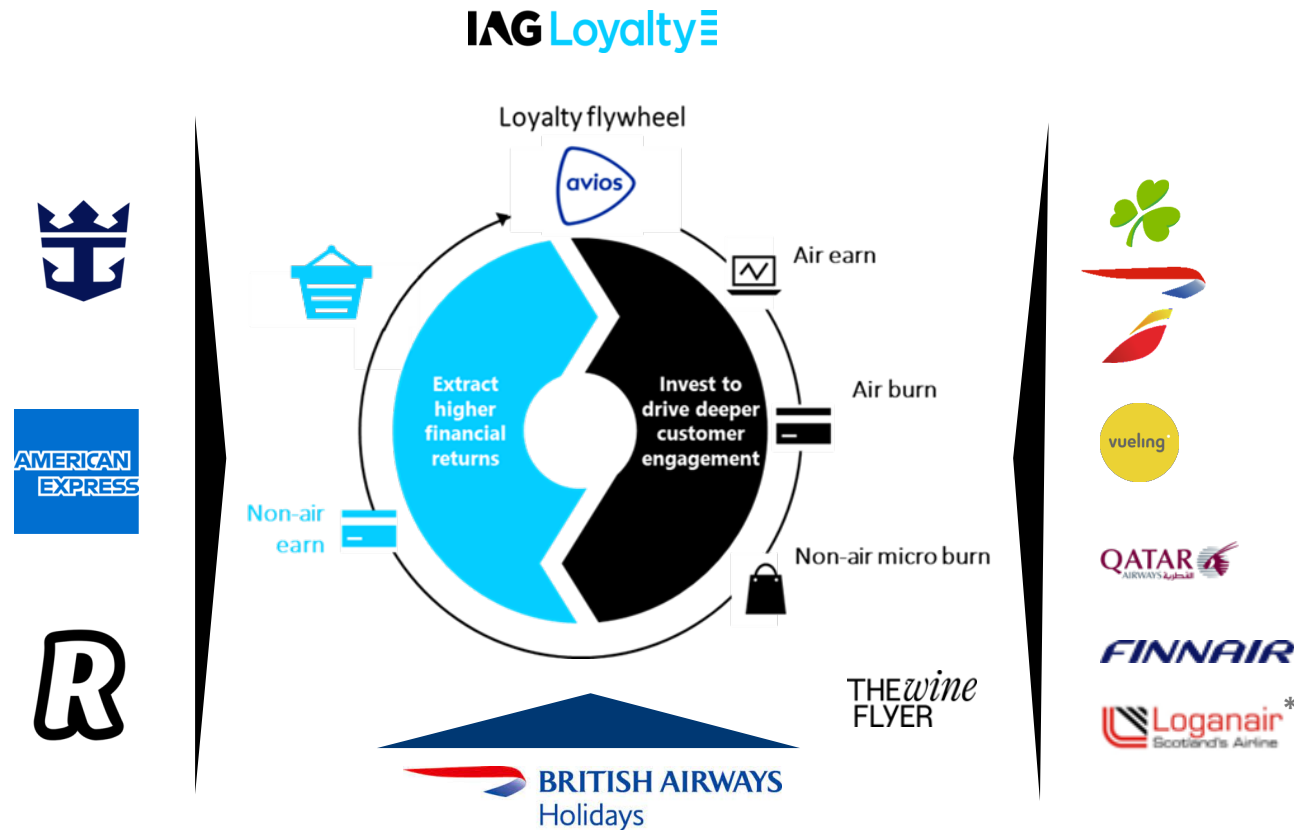
- Zero-based budgeting of third-party spend.
- Full transition to modern core operational systems e.g. Pathfinder, Mission Control, JFE



- Use data AI models to generate efficiencies, e.g. for operations workload forecasting, predictive aircraft maintenance, capacity planning and commercial bookings management

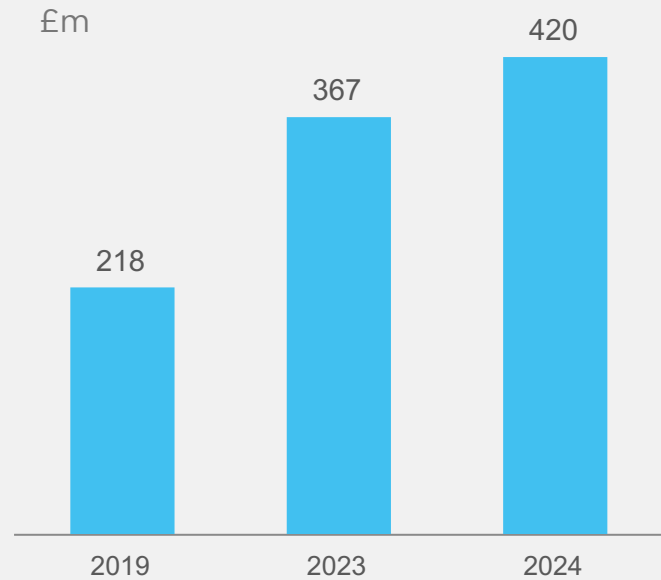
- E-learning tool for crew training, including VR
- Automation of the safety report management system to turn it from a reactive model to a proactive one

Expanding the power of IAG Loyalty



FY Operating Profit

- +18.4% revenue growth
- +14.4% profit growth
- Operating profit margin of 17.3%
- Asset-light, cash-generative model

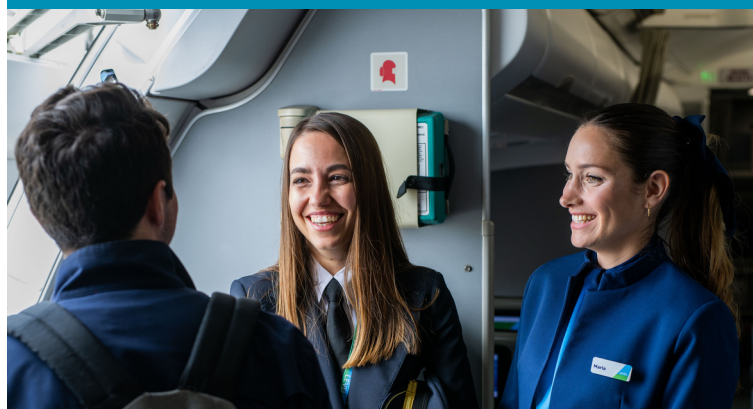


* Launching later this year

Our people are critical to our success



We recruited **12,000** employees and total headcount has grown by 4% year-on-year to **74,000** attracting talent and ensuring we have right the capacity and resilience



Exciting career opportunities. In 2024, our pilot cadet programmes offered over **230** training positions



We remain committed to achieving our Diversity and Inclusion ambitions. **36%** of senior leadership roles held by women.

Principles of our employee agreements

- We have multi-year agreements in place for the majority of our teams
- Our operating companies continue to engage with their people to secure mutually beneficial agreements

Good progress on sustainability in 2024

Sustainable Aviation Fuel



Tonnes of SAF used in 2024



of total IAG fuel



of global SAF supply



tonnes of CO₂ avoided

Policy and Advocacy

EU SAF Allowances, UK SAF Revenue Certainty Mechanism, UK Jet Zero Taskforce, SAF Feedstock Expansion

Carbon intensity







78.1g CO₂/pkm 2025 target delivered in 2024 (2023: 80.5g | 2019: 89.8g)

Maximising shareholder value creation

| Creating value | How | What we did in 2024 | What we are doing |
|---|--|--|--|
| Delivering earnings growth | Driven by our <u>strategy and transformation programme</u> | 27% growth in operating profit* | Targeting further earnings growth |
| Generating sustainable significant free cash flow | Turning <u>sustainable high margins</u> into free cash flow | €3.56bn free cash flow | Significant free cash flow |
| Returning cash to shareholders | <u>Disciplined capital allocation</u> supporting shareholder returns | €0.09 ordinary dividend €350m share buyback | Sustainable ordinary dividend through the cycle Up to €1bn excess capital return in up to 12 months |





Appendices

Our key metrics for FY 2024

| | | | | | |
|--|---|---|--|---|--|
|  <p>Activity</p> | <p>ASKs 343,253m <i>+6.2% vLY</i></p> | | | | |
|  <p>Commercial performance</p> | <p>Total revenue €32,100m <i>+9.0% vLY</i></p> | <p>Total pax revenue €28,274m <i>+9.5% vLY</i></p> | <p>Pax RASK €8.24c <i>+3.1% vLY</i></p> | <p>Load factor 86.5% <i>+1.2pts vLY</i></p> | |
|  <p>Cost performance</p> | <p>Total expenditure €27,657m <i>+6.6% vLY</i></p> | <p>Total CASK €8.06c <i>+0.3% vLY</i></p> | <p>Fuel CASK €2.22c <i>(5.2)% vLY</i></p> | <p>Non-fuel CASK €5.84c <i>+2.6% vLY</i></p> | |
|  <p>Financial performance</p> | <p>Operating profit €4,443m <i>+€936m vLY</i></p> | <p>Operating margin 13.8% <i>+1.9pts vLY</i></p> | <p>Free Cash Flow €3,556m <i>+€2,236m vLY</i></p> | <p>Net debt €7,517m <i>€(1,728)m vDec-23</i></p> | <p>Net Debt / EBITDA 1.1x <i>(0.6)x vDec-23</i></p> |

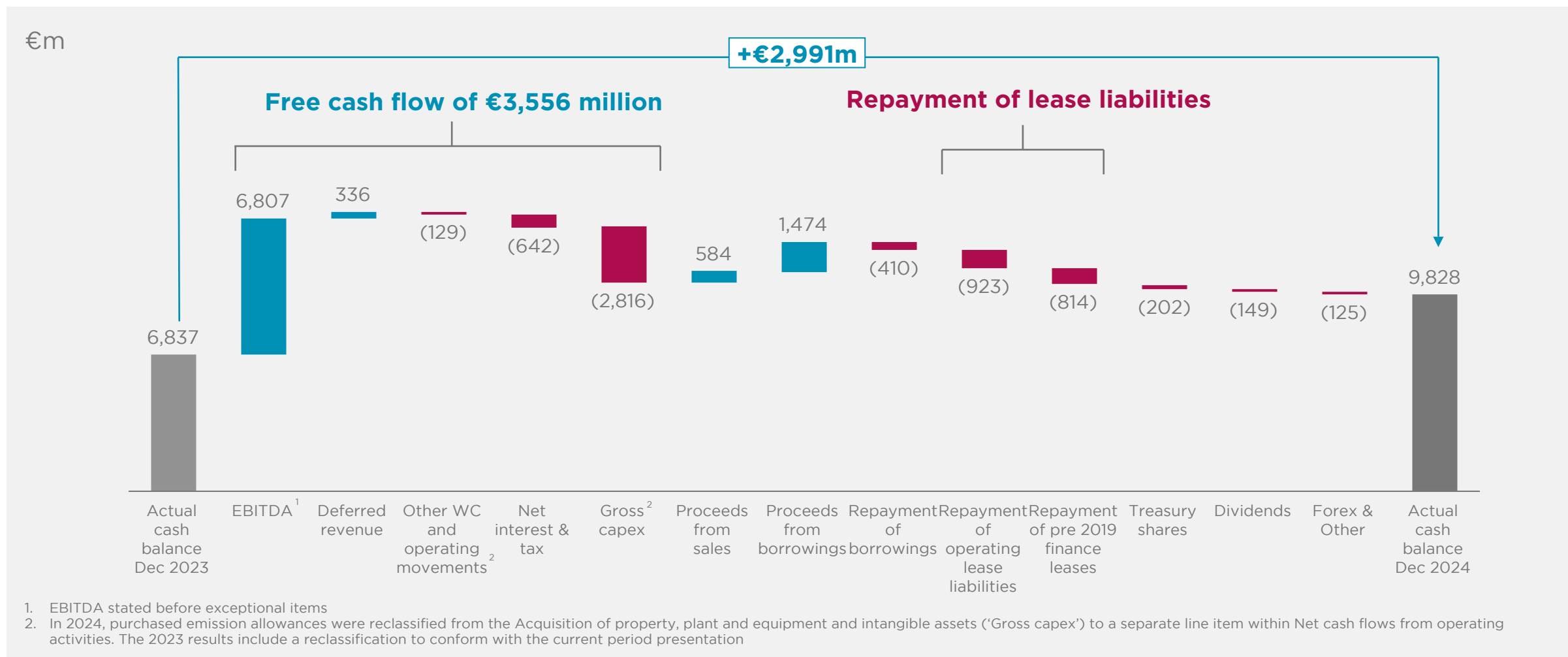
The metrics included in this slide are before exceptional items
See the APM Summary for definitions

Our key metrics for Q4 2024

| | | | | |
|--|--|---|---|--|
|  <p>Activity</p> | <p>ASKs 84,320m <i>+4.3% vLY</i></p> | | | |
|  <p>Commercial performance</p> | <p>Total revenue €8,047m <i>+11.4% vLY</i></p> | <p>Total pax revenue €6,961m <i>+10.6% vLY</i></p> | <p>Pax RASK €8.26c <i>+6.0% vLY</i></p> | <p>Load factor 85.6% <i>+1.9pts vLY</i></p> |
|  <p>Cost performance</p> | <p>Total expenditure €6,926m <i>+3.0% vLY</i></p> | <p>Total CASK €8.21c <i>(1.2)% vLY</i></p> | <p>Fuel CASK €2.06c <i>(15.7)% vLY</i></p> | <p>Non-fuel CASK €6.15c <i>+4.8% vLY</i></p> |
|  <p>Financial performance</p> | <p>Operating profit €1,121m <i>+€619m vLY</i></p> | <p>Operating margin 13.9% <i>+7.0pts vLY</i></p> | <p>Net debt €7,517m <i>€(1,728)m vDec-23</i></p> | <p>Net Debt / EBITDA 1.1x <i>(0.6)x vDec-23</i></p> |

The metrics included in this slide are before exceptional items
See the APM Summary for definitions

Cash bridge Dec-23 to Dec-24



IAG Loyalty VAT

- HMRC issued a decision letter in October 2024 relating to its view that IAG Loyalty has not been applying the correct treatment of VAT when issuing Avios
- IAG and its advisors strongly disagree with HMRC's view
- As at 31 December 2024 HMRC has issued assessments totalling £557m (€673m) for historical periods commencing March 2018
- In order to appeal the case at the First-tier Tribunal (Tax) the Group has paid £557m to HMRC, without admitting liability. The hearing is expected in 2026
- The Group has also applied to the High Court in the UK for a judicial review and is awaiting confirmation that its application has been accepted
- During 2024 the Group commenced accounting for and paying to HMRC amounts in accordance with HMRC's decision in order to avoid incurring potential interest and penalties, without admitting liability. This included €88m (£73m) that it does not expect to be able to recover from its partners
- Of the assessed VAT amounts, the Group expects £215m (€260m) to be recoverable as input VAT
- As Management and its advisors consider an outcome in favour of IAG to be more likely, the accounting treatment is as follows:
 - The paid amounts will be recorded as an asset on the balance sheet
 - Ongoing payments will reduce deferred and passenger revenue
- This will not affect our ability to pay dividends or other shareholder returns

See FY 2024 Results Release note 10(g) (Tax) for further information


Expect another good year with strong shareholder returns in FY 2025

Modelling assumptions

- Revenue
 - Strong customer demand continues
 - Capacity increase of c.3% - continuing focus on our core markets
- Non-fuel unit costs
 - Similar trend overall as 2024 and an additional adverse FX impact of c.2% at current assumptions
 - Weighted to H1 ahead of the summer peak
- Free cash flow
 - Targeting significant free cash flow
 - Generated by sustained high margins
 - Payment of £557m to HMRC to advance our appeal against HMRC decision regarding historical VAT treatment at IAG Loyalty
 - Capex of c.€3.7 billion depending on fleet deliveries
 - Committed to a sustainable ordinary dividend - €0.06 per share final FY 2024 dividend proposed
 - Intention to return up to a further €1 billion of excess capital in up to 12 months

Fuel hedging






| | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 | Q1 2026 | Q2 2026 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Jet fuel price scenario | \$750/mt | \$760/mt | \$760/mt | \$750/mt | \$730/mt | \$730/mt |
| \$/€ scenario | 1.044 | 1.044 | 1.044 | 1.044 | 1.044 | 1.044 |
| Hedge ratio | 72 % | 67 % | 60 % | 49 % | 39 % | 32 % |
| Effective blended price post fuel and FX hedging* | \$745/mt | \$765/mt | \$760/mt | \$755/mt | \$735/mt | \$730/mt |

Sensitivity 

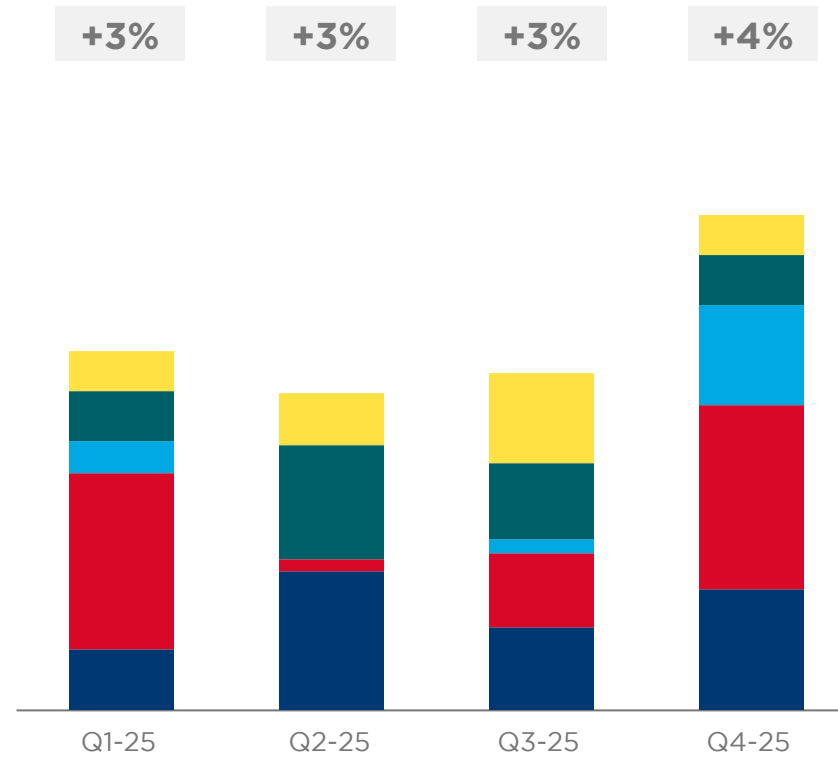
| Jet fuel price scenario | FY 2025 Fuel cost |
|-------------------------|-------------------|
| \$680/mt | c.€7.5bn |
| \$720/mt | c.€7.7bn |
| \$760/mt | c.€7.9bn |
| \$810/mt | c.€8.1bn |
| \$860/mt | c.€8.3bn |

* Note: Effective blended price excluding into plane cost

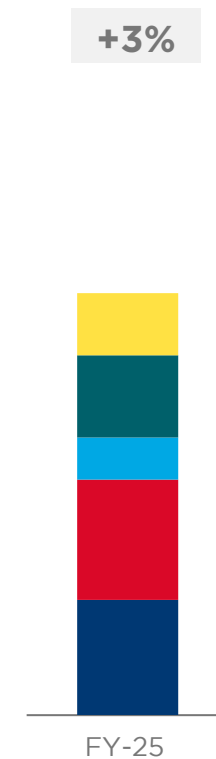
FY 2025 capacity planned to be c.3% higher than 2024

| ASKs | Q1 2025 vLY | FY 2025 vLY |
|--|-------------|-------------|
|  | 5% | 6% |
|  | 1% | 2% |
|  | 5% | 3% |
|  | 15% | 13% |
|  | 3% | 4% |
| IAG | 3% | 3% |

Airline contribution to IAG ASK growth by quarter vLY



Airline contribution to total IAG ASK growth for FY 2024 vLY



Note: British Airways includes BA CityFlyer and BA EuroFlyer; Iberia includes Iberia Express

Alternative Performance Measures (APMs) and terminology definitions

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

Where the term ARA is used this refers to both the Annual report and accounts and the Annual Financial Report.