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Unknown

Right. Good afternoon, everybody. Thank you very much for coming. Sorry about the weather. This is the third in our series of Investor Insight days, so I hope you enjoy what you're about to listen to. Just in terms of sort of admin, the loser, just their door. Their door there, I'm assuming there's going to be no fire alarm. Sorry.

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Yes there are. And I'm going to introduce Luis in a second. You've also got Nicolas and both him and Antonio today, so please have a chat with him afterwards. And I will now introduce Luis.

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Thank you very much.

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Please. So I don't need this. No. Okay. So everyone, and thank you for being here today. As Stuart said. Jose Antonio has just joined the group and he's the new CFO. So he had just started. So today you can talk to Antonio and also you can talk to Nicolas that you see that he's very happy because he's leaving.

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So we want to congratulate him for all the starting job he has done in during these years. And today before we start and we talk about loyalty and all the good things that they think they are doing there. I want to talk a little about the group. Only five minutes. So you know that in 2023 we have Investor Day, a capital markets day.

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And then we talk about our priorities, the strategic priorities that we were going to follow during these years. And then we talk about developing a strong core. And we are investing a lot in our brands. We are developing our leadership position in the different markets. And also we said we are going to develop what we call the capital light businesses.

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And today we are going to talk about that. I think the most important capital light business that we have in the group is loyalty. And also we said that we were going to do this with a sustainable value creation framework. And then we talk about the capital allocation model that we have that that is the secret source that we have in the group, all the airlines and all the businesses in general.

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They compete for, for the capital. And because of that, we have a competition between us and every day. We want to be better. So we said, we come back to the previous one, please.

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But in any case, what we said is with what we wanted to deliver is sustainable. The previous one, please, you cannot go. In any case, we want it to to to deliver a creative growth and also to deliver value for our shareholders. And then we establish some KPIs for this period. The first one was to deliver a margin between 12 and 15% through the cycle arose between 13 and 16%.

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And also we talk about a net leverage below 1.8 times. Last year, 2025, we showed that we are delivering this now. As you know, we are in a in a crisis. We have this situation in Iran. But within this very good opportunity to demonstrate how resilient this group is in a situation like this. So we go to the following one.

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So after that Capital Markets Day we said we have a lot of things to do. We have a transformation that is happening in every place. But we are going to put a focus in three big levers, because it's where we need in some way to do it well if we want to be successful. So first of all, we talk about British Airways.

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We said we want to improve British Airways. We want a VA that can reach a margin of 15%. We said that we were going to do it later to be honest, but last year we achieved the 15% of margin and not only the margin. We improve the operational performance of the company, the net promoter score. We are investing a lot in the customer experience and I think we are always, we say always that we are half of the transformation that we think we can do.

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In British Airways last year we also had an event about Spain, about the the Spanish platform that we took, and we said that we wanted to reach ,Ç"1.4 billion of profit last year, Iberia, they reached ,Ç"1.3 billion. So we are arriving there. And we saw last year with the plan de futuro that they presented the opportunity that we have in Spain.

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And today we are going to talk about the third level that is I loyalty. So it's a business that is growing. The profit by more than 10% every year is a business is a business that you can see here that the operating profit last year was about ,Ç"500 million. And the idea is to duplicate the profit in the next 4 or 5 years.

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It's a business that is growing a lot, is a business that can generate a lot of cash. That helps also in situations like the current one, because they are not so seasonal, because the customers, sometimes they don't fly, but they interact with the business and it's a huge opportunity for us. And that's what we are going to show today.

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And loyalty is an integral part of the group. As we say in the slide, we recognize the customer that they engage with, i.e. but not only with IAG, with the partners. In the past, this was only about flying, but now we have airline partners and what we call the non airline partners. It's important, for example, the deal that we have with Mix and we reward the customers for flying with with us.

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But they can generate points doing different activities, not only flying, they can buy with a credit card or they can buy a package of holidays. And because of that they can have a higher tier, for example. And they have benefits when they fly. And we can offer them one of the most attractive networks in in the world. So.

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This is increasing the loyalty of the customers with our with our group, with our different airlines, and is providing us also a distribution channel and additional distribution channel. And we see that the people that they participate in the loyalty program, they fly more with us, they spend more money with us, and they want to continue engage with us even when when they don't fly.

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So this business is a key source for us of of gas and a big source of profits. And if we go to the to the to the last slide, we see the evolution of the business. We see that the customer base we see here, the active customers is growing is growing in the, in the in the last years, but is also growing the weight of I II loyalty in the in the results of the group.

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So now ID loyalty is close to 12% of the results of the group. So this is a very important business for us is the third business today in IAG. And as I said before, the objective is to duplicate the profit and we are going to have margins close to 20%. So this is the size of the business. This is what we are going to talk today.

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And now the thing please the flow resource. Thank you very much.

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Good afternoon everybody and nice to see you. Thank you very much for coming today and welcome to our first investor event in the afternoon. My name is Adam Daniels. For those of you who don't know me, I am the chairman and chief executive of IG loyalty. And for the next 30 minutes or so, I'm going to introduce IG loyalty to you, who we are, how we've built the business that we have today, and why we believe we're entering a new phase of growth.

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In particular, I want to set out the investment case for IG loyalty and why we're increasingly important driver of profit cash and long term value creation to IG, as Luis has just talked about. Let me start by my executive team, who are all here today. And this team, as you can see, has a deep experience of loyalty and holidays, but also retail, digital platforms, financial services, global consumer businesses.

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And today you'll hear from Darrell, Rob, Silvia and Andrew, but Steve and Helen and Jack also in the room. So please do get a chance to speak to them in the break or in the drinks afterwards. But ultimately, today is not just about the team, it's about the business that we have built and the role that we play within IHG.

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The scale of the opportunity ahead. So let me start by talking about IAG loyalty, who we are and what we do. So we are already a significant part of IG today. We generate over 2.6 billion in revenue and more than 1 billion pounds in operating profit. This is split across two divisions. The first is loyalty, built around our consumer currency, Avios, and the second is holidays, which is our integrated package holiday business, mainly based in the UK but also in Spain.

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Under the Iberia branding. The loyalty division is the core earnings engine today, with capital, light generation, high margins and strong growth. It currently generates approximately 80% of our overall profit. Alongside that, our holidays division has also seen significant growth, operates at a lower margin, but plays a strategically important role within our organization. Deepening customer engagement and expanding our travel proposition.

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We operate at the intersection of two attractive industries loyalty and travel. Both have strong underlying momentum and are significant in their own right. Loyalty, to be honest, has evolved materially and matured over recent years. Today, loyalty currencies that issue over \$300 billion worth of points every year. That makes them the third largest currency reserve in the world. If you look at it that way, behind the dollar and the euro at the same time, travel remains the most important discretionary category for consumers globally.

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And within that, we're also seeing continued move towards higher end, higher value, I should say more integrated holiday experiences. The combination is powerful. We're not simply a loyalty business or a travel business. We are both. And the position that we have here is not something that's happened overnight. It's a result of years of investment and development. And is this to make the point?

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We've been operating in these industries for quite some time. Our holiday side goes back to 1955, giving us decades of experience in packaging, merchandizing, travel for customers. On the loyalty side, our roots go back to some of the earliest programs in the industry. This probably dates me, but I remember and I certainly remember BA miles. In 2011, with the formation of IAG, we created Avios as a single currency and later rebranded to IG loyalty.

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And more recently, in 2024, we brought British Airways holidays into IG loyalty, creating a more integrated platform. Today, we are recognized as one as the leading loyalty businesses globally and the most valuable airline loyalty business outside of the US. That position, as I say, has been built over time. But importantly, we believe we're entering a new phase of growth.

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This is why we're here today, to be honest, to share the ambition we're setting, the opportunity we see ahead and the plan to deliver it. To understand the growth, let's first understand how our business works. Seems like a good idea. So our model is simple. It's our flywheel, our loyalty. Flywheel. You may have heard of me talk about this before we invest.

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If you look on the right hand side in our customers to drive deeper customer engagement, and we generate attractive returns on the left hand side through our partners and commissions on our holidays, that investment on the right comes from Avios. It comes from rewards. It comes from tier points. It comes from the overall customer experience, all designed to drive customer engagement and long term relationships.

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Then, on the left hand side, we generate the returns in two ways one, to our partners who purchase Avios to drive customer acquisition spend and increase loyalty. And second, through our holidays, where we earn commissions and margins on the travel products that we package and sell. And there's also an important benefit for the airlines, which Luis hasn't mentioned already.

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As customers become more loyal to Avios and the ecosystem around it, they become more loyal to the airline two and fly more with them. So at a high level, the model is we invest in customers to generate returns on our investment through our partners and commissions.

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Now, there's a significant overlap between the two divisions that we have loyalty and holidays. To give you a sense of that scale of overlap, about 80% of the holidays revenue comes from BA club members, but that 80% is

only 5% of the UK BA club base active base actually. So that tells you two things one the overlap already works.

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Loyalty customers are highly valuable to the holidays business, but two there is significant headroom. We have a major opportunity to increase holiday penetration in our loyalty base and grow the organization as a whole. You can see this really clearly when you look at the average customer profitability across IAG, based on different customer engagement types. This data is actually based on British Airways Club member data.

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But if you compare customers who are not enrolled in our loyalty program to those who are, the difference is huge. Customers who are enrolled and collect Avios when they fly are five times more valuable to the group than nonmembers. But customers who are not only flying but also collect Avios with our partners, people like American Express, Sainsbury's, Repsol, etc. are over ten times more valuable to the group.

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Overall, this is a really powerful illustration of the model. Loyalty is not a standalone business. Sitting over here to one side of the airlines, it is a key driver of customer value to IAG.

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But rather than hear me just talk about it and go on about it because I can let's hear directly from our airline CEOs on how important loyalty is for them and their overall strategy. It's the only Irish airline offering a comprehensive loyalty program. Air club remains a key differentiator for Air Lingus, and we're committed to providing value for our members.

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We have defined the initiatives that will allow us to unlock Iberia full potential. An IED loyalty is a key lever of the plan. In particular, Iberia is increasingly becoming a premium airline, attracting an increasing number of high value customers in the Latam and Spanish markets. We have just relaunched our program, creating new tears and a new loyalty proposition that reflects the flexibility.

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The loyalty module and the Avios currency give us a different airlines modules. This is an ecosystem and a competitive advantage that cannot be easily replicated. No other operator in the UK offers a short and long haul holidays offering, as well as the best loyalty program in the UK. If we look at British Airways euro flier operation at Gatwick, we are the only carrier in that market that offers both a great loyalty program and a great Holidays proposition.

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Iberia Club and IAG loyalty enabled together to enhance our premium proposition via rewards, benefits and partnerships with IT loyalty. We

have introduced high quality strategic partnerships that resonate with our members, driving deeper engagement, higher attention and increased lifetime value. New strategic partnerships with Tesco Ireland, Uber and Revolute have been critical to Air Club's continued growth and expansion, enabling members to collect seamlessly on everyday spending.

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British Airways is always looking to deepen its relationship with its customers through the ecosystem that IAG loyalty is built. This is more than just about redeeming flights. It's about earning rewards on British Airways flights, on British Airways holidays, on other IAG airlines with our partner American Express, and for people who purchase sustainable aviation fuel, the greater the choice of opportunities we give our customer, the greater the share of wallet that we generate.

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In the short term, it generates significant revenue through Avios redemptions, and in the long term, it drives deeper customer engagement and retention. I am very confident that Whelan Club will help us to build even stronger, long term relationships with our customers, and to differentiate in a very competitive market. IAG loyalty plays a critical role in Iberia profitability, both in the short and in the long term.

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Looking ahead, there is a lot more value that we are going to want to lock with our new digital platforms, with the closer collaboration, with the increasing array of flexibility and products we're putting in front of our customers, we see this as being a critical lever of value creation across British Airways and IAG. Loyalty.

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Sorry, I need to go back one. We'll be able to do that. Great. So hopefully you've heard from the CEOs about how important loyalty is for their business. And it plays an important role in their overall strategy. But if you take a step back for a minute and consider what are the characteristics, the critical characteristics that make loyalty strong, our investment case, if as you were, this is it.

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And frankly, if there's only one slide you take away from today, take a photo of it, put it on your wall. It's this one. Because these are the five characteristics that we believe make our organization unique and gives us confidence in our ambition for the future. So our investment case is built on these five. First, we operate a capital light, high margin model that generates strong cash and resilient earnings.

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Second, we are concentrated in high value customer segments which drive superior quality of spend, engagement and economics. Third, we have a unique set of assets that are structurally very hard to replicate our currency, our customer data, our platforms, and our access to airline inventory. Fourth, we have a scaled and powerful partner network, which

allows us to extend that proposition across a broad ecosystem and drive value for our customers, partners, and our AG.

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And fifth, we have a clear and credible path to future growth, underpinning a strong financial ambition. These create our competitive advantage, our durable moat, if you like, built on assets and relationships that have taken years to develop deep integration with our airlines, privileged access to inventory, a high value of engaged, customer rich data and currency, and also long term partnerships with some of the world's leading brands.

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These characteristics are what underpin our confidence in achieving our financial ambition and long term growth. And I'm going to start to bring each of these to life. So let me start with the first capital light high margin model. So at its core this is a highly attractive financial model. We are capital light by design. Our primary assets are not physical infrastructure.

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They are a currency. They are our platform, our data, our customer relationships that allows us to generate strong cash and deliver high operating margins with low investment. It also allows us to scale efficiently efficiently as the organization grows. Importantly, the breadth and capital like nature of our model makes our earnings more resilient, less seasonal, less exposed to the cycle that you would typically see in other sectors.

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Darryl's going to talk you through this later, but it's a core part of what makes our organization so attractive. The second element of our investment case is the strength of our customer base. Today, we have more than 46 million customers on our database across IAG, but critically, over 10 million of those are what we determine active. That means they've done something in the last 12 months.

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We have got a very tight definition. That means they've either flown with us, collected or redeemed Avios, and we also have over a million people flying with us as well. In terms of our holidays, that customer base spans over 80 countries, more than you would see elsewhere, with a very strong presence in the UK, our core markets the UK, Spain and Ireland alongside other important markets for us to including the US, Latin America and India.

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Our reach extends well beyond the core airline loyalty programs through our currency partnership, including Qatar Airways, Thin Air, Loganair, all of whom have dotted Avios as a currency. We've extended the footprint of our customer base even further, and of course, we have our

relationship with our airlines across the world, allowing customers to earn and redeem flights across a broader global network.

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So this is a large, international and highly engaged customer base. But it's not just the scale and the reach of the customers that matter. It's actually the quality of those customers.

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Our customer base is significantly skewed towards higher income, higher value segments, and this translates directly into stronger economics. Our customers spend significantly more, for example, in our co-branded cards in the UK. We, the customers who have these cards spend on average four times more than the UK national average. So it's not just a large customer base. It's a high quality, high spend customer base.

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And Sylvia will talk to you more about this in a moment. The third element of our investment case is our strength of our assets. What differentiates us is not just the individual assets themselves, but the way they come together to create a structural advantage. At the center of those assets is Avios, a widely used, flexible currency across seven airlines and partners.

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Alongside that, we have a rich set of first party customer data created by the many ways that customers interact with us. We also have the technology and digital channels that bring the proposition, including bring this proposition to life, including the Avios app, holidays offering through B.Com. And if you're unsure about any of those, as we have our break or at the end, you can talk to the experts at the back about how you can connect to those.

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And critically, we have privileged access to airline inventory, allowing us to offer rewards and experiences that are difficult to replicate. Along these are propositions, supports, and enhances the status and recognition that customers receive through the airline programs. Individually, these are valuable, but it's the combination of these that create something really differentiated and again, hard for customers to find anywhere else.

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Let me bring two of these assets to life. First, customer data. This is one of the most powerful assets we have. And to be honest with you, we haven't exploited this yet. Our customers interact with us across multiple touchpoints through flights, holidays, financial services, retail partners and digital channels. This gives us a rich and multidimensional view of each customer.

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Combining travel, spend, retail, spend, preferences, demographics and importantly, much of this data is verified through travel, which gives us a high level of confidence in it. Also, this allows us to build a deeper understanding than you probably wouldn't see in some standalone loyalty or retail programs. And as I say, we're only beginning on this journey, but we think there's a real opportunity in this space.

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The second asset I want to bring alive to you is our rewards. It sits at the heart of why customers value Avios so highly. At the core of this are our flights. We offer a guaranteed number of seats at a specific cost on every Iberian BA flight. Very few airlines do that at this scale. Customers can also use Avios to reduce the cost of their of their seat.

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Any seat, no exceptions. We also offer Avios only flights where customers must be a member of the program, and they must pay with Avios. Also, average rewards are not limited to IG carriers, as I've discussed. Our customers have good access to our Avios partners such as Qatar Airways and Finnair, plus other airlines in the One World Alliance and beyond that, giving the currency a more distinctive, distinctive role in the market.

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Alongside that, we offer a broad and growing range of other rewards, from hotels to holidays to car hire to grocery retail experiences. This gives customers flexibility in how they can earn and spend, and gives our partners more reasons to participate in the ecosystem. And those rewards are not just valuable for customers. They are what enables our commercial model to work.

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What we've built here is a powerful cycle. Customers value the rewards and actively pursue them. As a result, they choose to engage more with those partners who offer Avios earning. They will change who they by through. And in turn, our partners are willing to invest in Avios because it helps them acquire customers, increase engagement, and grow their share of wallet.

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And that is what underpins the economics of our model. That brings us to the fourth element of our investment case our partner network. We have built a best in class, large network of partners across both loyalty and holidays and loyalty. We have about a more than 125 partners across many sectors. In holidays, we have access to more than 10,000 hotels across more than 600 destinations.

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But it's not just about the breadth, it's also about the quality. We have strategic partnerships with leading globally recognized brands and long term strategic partnerships. You'll hear from some of them later. People like universal, people like iQOS. And if you've never been to a Nicolas

resort, I suggest you go there as quickly as possible. And these are being relationships we've had for a number of years.

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This year, for instance, we celebrate 25 years of our partnership with American Express. These partnerships are also deeply integrated commercially, operationally and across our technology. To and importantly, our customers are responding. Around 28% of our active customers collect with more than one partner. And these multi collectors, that's what we call them, generate about 69% of all Avios issued.

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That matters because multi collectors are key for our growth. And this is something Sylvia will talk about in a moment. And the scale of this network is significant as you can see. To give you a sense of that, our co-branded portfolio alone in the U.K. represents over 15% of all U.K. credit card spend, equivalent to 1.2% of U.K. GDP.

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Rob and Andrew Will will later bring to life how the partner network works, and how those unique assets translate across the growth for loyalty and holidays. This brings us to the fifth element of our investment case and my last slide. Our path to significant future growth. As you've seen, we've built a high quality, scalable business, operate in an attractive market with a differentiated model.

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We have already delivered strong results since 2019. We've more than doubled our operating profit. We've more than doubled our revenue. And now we're entering a new phase of growth. Our mid-term ambition, which Louise talked about is clear build the business to over £1 billion of operating profit and beyond. Importantly, we see a clear and credible path to delivering just that.

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That path is driven by a focus set of growth levers that you can see here. Firstly, underlying growth. Don't underestimate this. But clearly credit card spend is growing. Capacity is growing. All those things are helpful. Customer acquisition and activation. Deeper engagement with our existing customer base that aren't multi collectors yet or could collect more and expansion into new markets and products.

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And over time, as I say in the longer term, we believe that we unlock full potential of those levers as well as exploring additional opportunities, including M&A. So this is not a step change in strategy. It is a continuation of what we have built but executed at a much greater scale. And with that, I will hand over to Sylvia, who will talk more about our customers, how they fit into the path to our financial ambition, including the second element of our investment case, if you remember it.

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Concentration in high value customer segments. Thank you very much.

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Hi, I'm Sylvia, I'm chief customer officer, and I'm going to take you deeper into the customer and market engine behind the growth and profitability that I just mentioned. The strength of our business relies on the strength of our customer base. This section links directly to one of the core pillars of our investment case, our concentration in high value customer segments.

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I want to make sure that by the end of this session, you have a better understanding of our customers, because this is not just about the scale of the base, it's about their quality and the opportunity we have to grow their engagement further over time. There are several characteristics that define our customer base. First of all, it is large and it's growing, but also it's global.

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It shows premium behavior and it's highly engaged together. All these characteristics highlight why our customer base is so important for our loyalty. Let's understand these characteristics in a little bit more detail. So let me start with something that not many airlines talk about. And honestly, we haven't showed before, which is at the heart of what we do. That is our active customer base.

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There are many different definitions in the industry for active customers, but we define it as members who have engaged with us in the last 12 months, and that can be either earning or redeeming Avios. These people are the really important ones for us, because they are the ones engaging with partners across the ecosystem that are building balances they're redeeming, which is what really brings value to our business.

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And the reason why is such an important metric for us. So, as you can see here, since 2022, our active customer base has grown from 7.3 million to 10.6 million, and there is around 13% annual growth. We have a much larger enrolled member base with over 46 million members worldwide, using one of our IAG loyalty programs. But as I said, the key metric for us is active customers because it links directly into the mix of IAG loyalty.

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So our customer base is not only large and it's growing, it's also geographically broad, which is something very unique and that you won't see in many other programs. The nature of IAG helps to create these multi market and global presence. Our base is anchored in our core markets which is which are UK, Spain and Ireland. But we also extend that well beyond those markets with meaningful active customer presence in more

than 80 countries, a total and a total customer reach that extends to almost every part of the world.

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The US and Latin America are particularly important for us, with a strong, meaningful airline presence and also strong travel flows and a growing customer base across loyalty and holidays. So, as you can see, this is not a narrow single market opportunity. We have deep in our core markets and broader international reach through Avios, our airline networks and partners on holidays, and that gives us multiple routes to grow.

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We can deepen engagement where we are already strong, but we can also build relevance in in countries where we already have customer presence and travel demand. As we look across the footprint. What matters most is not really just a geographic scale is the quality of the customer segments that we reach.

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Our customer base is skewed towards high earnings segments, which we can see with some examples from our key markets. So at the top you can see the UK where we over index in upper income bands, particularly in those above 100 K where we are 2.6 times higher than the UK loyalty market average. At the bottom you can see Spain, where the skew is even stronger with households incomes above ,€90,000.

00:39:46:20 - 00:40:22:06

Unknown

Over indexing by five times versus the Spanish loyalty market. These matters because these customers have the behaviors most valuable for our model. They are more likely to engage with our premium proposition that can go from premium current cards or premium holidays, five star hotels or premium cuttings. And we're able to capture more value because these customers are willing to spend more, they travel more and they engage further across the full ecosystem.

00:40:22:08 - 00:40:53:19

Unknown

Our customers interact with us across the full ecosystem that flying with holidays, financial services, retail and every day everyday partners. So let me just give you a couple of examples on how they engage. Air remains central, with around 75% of our active customers collecting with their and around 12 million redemption seats flown last year in 2025. On the holiday side, our loyalty members make around half a million holidays bookings each year.

00:40:53:21 - 00:41:24:15

Unknown

But the engagement doesn't stop only on travel. It goes beyond. In financial services, you can see 3 million customers earn with our partners, and in retail we have over 700 million pounds spent through avios through the shop in com, which is where customers can engage with thousands of brands that we partner with. So this breadth of engagements and partners is one of our key differentiator.

00:41:24:17 - 00:41:52:19

Unknown

Customers are engaging across travel, holiday payments, shopping and everyday spend. And this is very important because when customers engage across multiple part of the system, the impact is significant. This is when we as a business extract real value from our customer base. As I mentioned just a moment ago, multi collectors. But let me talk to you a little bit more about them because they're really important.

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So multi collectors, our customers that engage with more than one of our partners. Okay. That could be for example a customer engaging with Siberian Repsol or Erling and Tesco or British Airways and Uber. What's interesting about multi collectors is that they generate a disproportionate share of abuse issuance, which is a key concept to understand the profit progression in recent years.

00:42:17:17 - 00:42:45:23

Unknown

As you can see here, 28% of active customers multi collect and they generate more than two thirds of the total Avios issued. This effect increases the more the multi collection. So the higher the percent the more the multiplication the higher the percentage of abuse issued. So when we say that we want our customers to engage further with us, what we want is to move them from the left to the right at the great man curve.

00:42:46:01 - 00:43:11:03

Unknown

And as you can see, there is a huge opportunity with 72% of our customers not currently multi collecting today. So I want to make sure that this takeaway is clear. It's basically two things. First the deeper engagement that deep engagement drives disproportionate value. And then that we have a large existing base that we can move further up that engagement curve.

00:43:11:05 - 00:43:32:19

Unknown

And to move customers further up that engagement curve, we really need to understand them and understand what they value and what gets in their way. We have a deep understanding of what customers value and what they want through different surveys and analysis that we do, and what we hear consistently from our customers is that they want Avios to feel valuable.

00:43:32:20 - 00:44:01:08

Unknown

They want them to feel available, and they want them to be easy to use. So they want fair value of the different. They want confidence that their rewards will be available, and they want to use those avios across the journey in a simple and flexible way. And the reason why they value Avios is because it logs desirable travel experiences that can be family holidays, visiting friends, or long haul trips or premium cabins.

00:44:01:10 - 00:44:32:00

Unknown

But all this feedback that we get from the customers also shapes where we need to improve and invest further, which is basically in reward availability, flexibility, clearer communications and more relevant

propositions. So we need to keep pushing to ensure that customers get what they want. That we adapt to their needs because when we get that right, we give customers more reasons to collect, to redeem and to engage more deeply over time.

00:44:32:02 - 00:44:57:22

Unknown

And the more customers engage with us, the richer our understanding of them becomes. Also. We have a very broad view of our customers. We know where they travel, how they spend, what they book, where they shop, or which rewards they value. And these spans both across loyalty and holidays, which gives us an even more complete view than any single interaction could provide.

00:44:58:01 - 00:45:24:12

Unknown

So we have a big breadth of data, which is really important. But also, and probably even more important is that it's very high quality data. Travel data, as I mentioned before, has a strong level of identity verification behind it, which makes our customer insight more robust and more valuable. So these two things together, the breadth and the quality, makes our data set something very difficult to replicate.

00:45:24:13 - 00:45:56:10

Unknown

Very few organizations have access to this type of data, and that makes it a key strategic asset for ag loyalty and a very important advantage versus our competitors. But the most important part of this, or most interesting part of this, is the future potential that we have with this data. As we build a more unified data layer, we'll be able to design even more relevant propositions to have a target or to cast to target customers even better, more effectively, and to improve the experience.

00:45:56:15 - 00:46:04:15

Unknown

And over time, AI, of course, will also help us unlock more value from this data.

00:46:04:17 - 00:46:31:11

Unknown

So far, I've been focusing on the strength of our customer base today. So remember we have scale. We have geographic reach. We have our clear skew towards high value segments and strong evidence that deeper engagement drives value. I now want to shift from where we are today to where we're going next. It's about the path to significant growth and the customer and market foundations that support it.

00:46:31:13 - 00:46:39:24

Unknown

The first the first part of that growth story is the markets we operate in.

00:46:40:01 - 00:47:19:15

Unknown

The markets we operate in are supported by very attractive customer behavior trends. First of all, travel remains a resilient and high value category for consumers, which supports both Avios as a reward currency and demand for holidays. Customers continue to prioritize experiences,

particularly travel, with 84% of UK consumers taking holidays in 2025. Secondly, loyalty is increasingly linked to payments, so one third of consumers are choosing their payment method based on reward earning potential as card and digital spend grows.

00:47:19:16 - 00:47:52:08

Unknown

Customers have more opportunities to earn rewards through everyday activity. And third, customers are increasingly looking for trusted, high value holiday propositions, with package holidays benefiting from demand for convenience, protection, confidence and so on. 34% of people used a travel professional to book a holiday in the last 12 months. So all these trends play directly to our strength across loyalty and holidays, and together they can provide a supportive backdrop for continued growth.

00:47:52:10 - 00:48:29:19

Unknown

And when we look at the markets where we operate, there are also some favorable trends. We operate in highly attractive markets for future growth across loyalty and holidays. The way we assess attractiveness is through IHG, airline presence, loyalty, maturity, credit card economics and for holidays, the size and growth of the package holiday market. So let me go one by one to each of this, starting with the UK which is our most established market with strong loyalty awareness, attractive economics and a very developed holidays market.

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Unknown

Then we have Spain that offers a different growth for file. It has a very strong IOD IAG airline presence through Iberia, boilling and level and a clear opportunity to deepen loyalty engagement over time. Our land is the smallest in absolute scale, but it is very attractive given our stronger linguist presence. A less crowded loyalty market and a growing holidays opportunity.

00:48:55:24 - 00:49:31:24

Unknown

And then the US. As you probably know, it's a highly attractive loyalty market with deep credit card penetration, strong card economics, and significant travel and holidays flows. And at last, Latin America, which gives us a completely different and very attractive growth profile. I know will the market from my previous experience in Latin Airlines. And I can assure you that the strong appetite for loyalty in the market, along with attractive credit card economics and the presence of Iberia, makes this region a really a really big opportunity for us.

00:49:32:01 - 00:49:59:16

Unknown

So, as you can see, it's not a single market growth story. It is focused. It is a set a focused set of of growth markets, each with different opportunities across loyalty and holidays. So these are very attractive markets that give us external support. But the next question is how do we win in them. And for us that starts with the customer pipeline that is already flowing through the IAG airlines.

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Unknown

Each year, IAG lines carry around 122 million passengers, which is a really big pool of customers already engaging with IAG through travel. We have proven that we can convert that pipeline into active customers and engage customers. So today we have 46 million enrolled customers, of which more than 10 million are active and around 3 million are already multi collecting.

00:50:27:09 - 00:50:53:18

Unknown

And as we saw earlier, those multi collectors are very important for us as they are our most engaged customers and we can capture higher value from them. So the final is already working from enrollment to activation to deeper multi collection. But there is still significant headroom both to convert more airline passengers into active customers and to convert active customers into multi collectors.

00:50:53:20 - 00:51:10:11

Unknown

That is a growth opportunity that we have driving a larger active customer base with deeper engagement over time. So the next question is how do we unlock that headroom. And this is where we see a clear path to grow.

00:51:10:13 - 00:51:45:11

Unknown

We see two clear levers. First of all increasing enrollments and then driving activation and multi collection. The partnership with Starlink is expected to create a step change in loyalty signups across the airline's customer base. From there, we will then focus on converting more and roll customers into active customers who earn, redeem and engage with us. And we will deepen multi collection by enhancing our loyalty and holidays propositions and giving customers more reasons to engage across partners.

00:51:45:13 - 00:51:58:23

Unknown

Robert Andrew will take you through the specific initiatives shortly. But first, let me bring Starlink to life as one of the most tangible drivers for customer growth.

00:51:59:00 - 00:52:30:19

Unknown

Starting is a great example of how we can accelerate customer growth on more than 500 aircrafts across IAG airlines. Customers will have access to high speed onboard Wi-Fi, and that access will be linked to the loyalty experience. Customers will need to sign up or to login into one of our loyalty programs to get access to the Wi-Fi. That creates a new scale digital touchpoint on the journey and a direct route to increase enrollments.

00:52:30:21 - 00:53:07:17

Unknown

So this is great news for customers as it's a huge improvement in the onboard experience. But it's also great for the airlines and is as it's going to strength their direct digital relationship. But it's also great for us in it because it creates a powerful route to grow the enrolled base. The opportunity will then be to move those customers further through the journey, from sign up to earning redeeming booking

holidays, engaging with partners and hopefully ultimately multi collecting.

00:53:07:19 - 00:53:34:07

Unknown

So through all our growth initiatives, we have a clear path to significantly scale our active customer base and we actually see a path to doubling active customers in the in the mid-term. Starlink for sure is going to help accelerate enrollments. While our broader loyalty and holidays initiatives that you will see in a moment will help convert more customers interactive and into multi collectors.

00:53:34:09 - 00:54:08:05

Unknown

So if you just had to get out of here with one takeaway from me, I want you to remember not only the scale of our base, but also its global nature, the high quality behavior and the further potential in the level of engagement that we have. So now, Rob will take you through the loyalty division in more detail.

00:54:08:07 - 00:54:29:11

Unknown

Sylvia. Good afternoon. I'm Robert McDonald and I'm the chief commercial officer at IAG. Loyalty. What you've just seen is the strength of our customer base, its scale, its quality and the depth of engagement that we're already driving. I'll now bring that to life in terms of how our loyalty division works in practice and how that translates into value.

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Unknown

Before we go further, I just wanted to return briefly to a concept that Adam introduced earlier, one that sits at the heart of our model, the Loyalty Flywheel. It starts with a customer engaging with one of our airlines, enrolling, flying, and beginning to collect Avios. Those Avios create a clear incentive to engage further earning through our broader partner ecosystem and then redeeming for a flight.

00:54:51:04 - 00:55:13:24

Unknown

As customers engage more deeply, collecting Avios across multiple partners and redeeming Avios faster. Their interactions with us become more frequent then the deeper the engagement the first of the flywheel turns, and the more lifetime value that we create. What I'll do now is walk you through why we're uniquely well positioned to drive that flywheel at scale.

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As you've heard before, our investment case is built on five key characteristics. All five underpin the loyalty division. But to understand loyalty, today, I'm going to focus on two of those points. The first is our unique assets as well as our scaled partner network, because together these are the key parts of what power the loyalty engine and that enable us to drive engagement, drive monetization with partners and drive growth.

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Unknown

If you step back, our strength in loyalty comes from a combination of four elements. Firstly, we have highly differentiated Avios rewards proposition. Secondly, we have a trusted and increasingly recognized avioes brand. Thirdly, direct customer relationships through our platforms and channels. And then fourthly abroad and very high quality Avios partner network. Individually each of these is valuable, but it is the combination and how they work together that creates a structurally strong and very difficult to replicate model.

00:56:16:13 - 00:56:23:12

Unknown

Let me start with the customer proposition. And the core of this, which is our Avios rewards.

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Unknown

Rewards proposition, is really what drives customer engagement. At its core, our rewards give access to high value aspirational travel with guaranteed availability flights that our customers highly value. Customers can use Avios to access every seat across all IG Airlines, either booking flights entirely with Avios, reducing the cash cost of a trip with Avios, or purchasing ancillary products or holidays.

00:56:50:06 - 00:57:12:14

Unknown

Then, beyond our IAG flight rewards, we have a large range of partners. On the one side, we have partnerships with multiple airlines. Our Avios currency airlines that include Qatar Airways, Finnair and Loganair enable our customers to exchange Avios across programs if they wish to. Then One World and our other airline partners significantly extend our offering across the whole globe.

00:57:12:19 - 00:57:37:10

Unknown

Both of those give our customers access to an expanded network in creating even greater flexibility and relevance. But critically, alongside this, we offer a growing range of other rewards outside of airlines, from hotels and holidays to retail, casual dining and everyday spend on the high street. So while travel remains at the core, we're building everyday relevance for times that customers aren't necessarily flying.

00:57:37:11 - 00:58:04:21

Unknown

And it's this combination the aspiration and the utility that drives habit and engagement among our customers. Together, all these rewards are genuinely difficult to replicate and are highly valued by our customers, and that is what underpins our commercial model. Customers actively seek to earn Avios so that they can access these rewards, meaning that customers choose to sign up, engage and shop within our partners.

00:58:04:21 - 00:58:18:23

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And then in turn, our partners are willing to invest further in Avioes because it helps them to acquire customers. It helps them to increase their share of wallet, and it helps them to improve retention and reduce costs.

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Unknown

The benefit isn't theoretical. We see it very clearly in practice every week, every day, talking to our partners and our partners consistently see measurable impact from working with us. Partners see change in behavior from their customers. They see high frequency of transaction. They see larger basket sizes. They see customers adding additional items at checkout. As one example, we had a UK casual dining partner who saw an immediate increase in average transaction value from their customers immediately after they started to issue Avios.

00:58:52:09 - 00:59:16:00

Unknown

Our customers also see higher customer retention and better acquisition, and one of our partners saw a 14% re-engagement of their customers in the first two weeks of working with Avios. So these are very tangible and very valuable commercial outcomes, and they reinforce the value of Avios as a tool for heavily influencing customer behavior. But don't just take my word for it.

00:59:16:01 - 00:59:38:05

Unknown

Let's hear from some of our partners. I think the partnership between Nectar and Avios works so well because it's the win win for both sets of customers. So first, if I think about Nectar People Shop and Sainsbury's stores up to three times a week. They earn those points and they can convert those to Avios. That's really important because they can use them for trips to their family and things that are really emotionally engaging.

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Unknown

Equally, for Avios, people build their currency up and they can convert that into nectar points. Disbanded Sainsbury's, and that means Avios is much more connected with their everyday span, which I think is really important to maintain engagement for us as well. Grocery is a really competitive category. People have lots of different options to shop, and we've actually seen a group of customers who, because of the ability to exchange into the Avios currency, are spending more.

01:00:06:09 - 01:00:22:18

Unknown

They're more loyal. We get more of their share, what we call share of wallets or their food across a particular month. So it really works for that group of customers. When the two teams came together at the start of the partnership, one of the principles we agreed on is the digital experience must be really easy and simple for customers.

01:00:22:18 - 01:00:40:24

Unknown

So you actually could walk into a Sainsbury's, do your shop, open your app, convert some Avios into nectar points and redeem that in real time. And we work really hard at the start to make sure that seamless for customers. And I think we both can invest and make that even better. And even there and then, I think it's about scaling it.

01:00:41:02 - 01:01:08:01

Unknown

Actually we've been a partner for five years. This things take time. Not all of our customers are aware. We want to keep growing our nectar base. We want them to be more engaged and equally, I know it's the same as will keep investing to grow the currency and build with partners. So it's about the two teams coming together to deepen customer engagement, have a better digital experience, and ultimately get more customers aware and involved in it.

01:01:08:03 - 01:01:30:10

Unknown

Strategically. Ejemplo de Alianza solida construir puede transformer la fidelis y genera valor para todas las parties. Este acuerdo entre la loi y y Repsol integral programa de puntos on momentos de la vida quotidian al client Como pueden ser Los reportages. Oh, la ricarda de su vehicle electrical connector Aceh momentos de Alta recurrences con la generacion de un valor.

01:01:30:10 - 01:01:59:04

Unknown

UN beneficio mas aspirational vincula a Los viajes hacer un mayor engagement para ambos ecosystems para esta alliance. Laval programa de mas alla del mundo del viaje aumentar su relevancy a la generacion de valor y su capacidade escala on categories de uso para Repsol este acuerdo su pone multi energia e incremental su differentiation en la de valor clave on un mercado de la mobility.

01:01:59:05 - 01:02:25:08

Unknown

Cada vez mas competitive on resume esta alianza genera para Iberia Repsol un circulo virtuoso mas frecuencia mayor valor y construction de una relacion solida wider algo con nuestros consumers. Una demonstration de la fidelis del futuro puede connector lo diano y pueden mejorar el valor de dos programas Q ya deposition relevant sus respective sectors.

01:02:25:10 - 01:02:56:11

Unknown

So as you just heard from Sainsbury's and Repsol, large brands realize value from our partnerships. This value means we've been able to build a scaled and global partner network across a broad range of industries. We work with over 125 strategic partners across financial services, retail, travel and leisure, as well as over 2000 affiliate brands as well. The breadth of our partner network is important because it allows customers to earn Avios in multiple ways across their daily lives and across multiple regions.

01:02:56:12 - 01:03:08:10

Unknown

This increases the relevance of the area's currency, and it creates engagement, while at the same time it builds a highly diversified and resilient revenue base for us.

01:03:08:12 - 01:03:34:17

Unknown

And different parts of the ecosystem play different roles. Airline partners expand IG Airlines network, creating further Avios issuance and redemption availability to customers. We're seeing significant numbers of people take advantage of this. A good example is the million linked customer accounts that we have with our average currency partners. We cut

our airways, Finnair and Loganair. We then have financial services partners.

01:03:34:18 - 01:03:58:10

Unknown

They drive frequency, scale and importantly, strong economics. And finally retail and travel partners which extend reach embedding Avios into everyday customer behaviors. All these together create a unique partner network that creates high engagement and value to customers, while supporting our very strong economic model.

01:03:58:12 - 01:04:39:19

Unknown

And when you look across the full network, we're embedded in the majority of consumer categories, from travel and financial services to retail, dining, mobility and beyond. This means Avios is not a niche proposition. It is part of customers everyday lives outside of flying, and that is critical to drive sustainable engagement over time. Within this ecosystem, though particularly financial services, does play a particularly important role in driving that engagement, particularly driving revenue, profitability, and ultimately our success and our long standing 25 year partnership with American Express has been at the center of this success.

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Unknown

So let's hear from Glenda at American Express. Since the launch of the British Airways American Express card in the U.K. and a longstanding partnership with IAG loyalty that we're incredibly proud of from the outset, this partnership has been grounded in a simple but powerful principle creating incremental value together. It's built on shared values and a mutual focus on customer service and loyalty, not on how we divide value, but how we grow it.

01:05:08:03 - 01:05:42:18

Unknown

We serve a highly engaged, premium customer base who travel frequently and actively engage with rewards when two premium brands align around that customer. The opportunity to drive engagement and long term value expands meaningfully. Well, there's a natural overlap. The partnership also provides access to a new high value customer in ways that are difficult to replicate independently. Our recent multi-year renewal reflects the confidence both organizations have in the long term, sustainable growth of this partnership.

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Unknown

What makes it particularly effective is that we've built together, we've extended beyond Kobryn cards to integrate Avios tier points and membership rewards, creating multiple touchpoints for customer engagement across everyday spend, business spend and travel. Ultimately, when both organizations are aligned on delivering a premium experience and growing together, we strengthen loyalty, deepen engagement, and create sustainable long term value for American Express and IAG loyalty into the future.

01:06:19:05 - 01:06:43:19

Unknown

And while financial services is a key economic driver, our retail and travel partnerships are critical to building everyday customer engagement and Uber is a clear example here. Customers who link their Uber account to their airline program account generate around six times more Avios earning transactions in general than non linked customers. So it's very powerful that frequency builds habit.

01:06:43:20 - 01:07:12:00

Unknown

It brings Avios into their everyday lives, and it makes the currency more relevant and encourages deeper engagement across the ecosystem. And as Sylvia highlighted earlier, deeper engagement across the ecosystem is the key driver of higher profitability and growth. Another critical part of our strength as a loyalty division is the strength of the Avios brand. And over recent years, we've been on a very deliberate journey to reposition and strengthen the Avios brand.

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Unknown

We are making it more visible, more relevant and more directly connected to our customers. As part of this repositioning, we've significantly invested in branding and marketing in the last three years to showcase the Avios currency. And you can see one example of this playing on the screen in the your every day can Pay for Your Holiday advert, which played across UK media platforms over the last 24 months.

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Unknown

And our efforts to strengthen the Avios brand in the UK, combined with our broader positioning of Avios globally, has already delivered very clear results. For example, we've seen a 13 point increase in awareness following this campaign in the UK, and while 1 in 2 people would recommend Avios to a friend in the UK, it's even higher in Spain, with 75% of people recommending Avios.

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Unknown

It's not only, though, reflected in our brand metrics, we've also seen sustained positive media and press recognition for the Avios brand over time, as we've launched so many new ways to collect and spend Avios in the last three, four, or five years. And all this matters because brand is a key driver of customer acquisition and engagement. And as the brand strengthens, so does the effectiveness of the entire Avios ecosystem.

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Unknown

We also benefit from direct relationships with our customers through our own channels, including Avios and our Avios app. Hopefully you've already had a chance to learn more about our app or the website through our Avios experience at the back of the room hosted by some of our senior leaders as you arrive. But if not, please do make sure you go and have a chat to them during the break or during drinks, and learn more about how our digital platforms are transforming our journey.

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Unknown

These channels bring together our products and partners in one place, and they allow us to engage customers directly without relying on

intermediaries, and the app bring it all together. Giving customers very easy access to the full range of ways to collect and spend Avios, including our partner offers reward search for seats, Avios voucher purchases, the wine flier, the Avios shop and much more.

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Unknown

And having our own channels gives us greater control over the customer experience, gives us better access to data and the option to create more value with a direct consumer proposition. And all of this is obviously underpinned by a modern and scalable technology platform. As you'd expect, our platform is built around a modern API and cloud based infrastructure that enables seamless integration with our partners.

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Unknown

It means we have a very fast onboarding process and are very easy for partners to work with. The scale of the platform is extremely significant. In 2025 alone, we handled around 12 billion API calls and 130 million Avios transactions posted. Importantly, the flexibility of our technology allows us to evolve this proposition over time, controlling the customer journeys and adapting to their needs.

01:10:02:08 - 01:10:29:04

Unknown

Our technology is not just an enabler in the background, it's a core part of our strength in the loyalty division because it's scalable, it's flexible, and it's deeply integrated into the way that we drive customer engagement, partner value and growth. So to wrap up this first section, what is driving the strong growth we've had in recent years is the combination of all of these strengths are differentiated, Avios rewards are trusted and increasingly recognized.

01:10:29:05 - 01:10:59:00

Unknown

Avios brand the direct customer relationship to our platforms and channels, the unique Avios partner network. And as a result of that, we've been growing at around 20% over the recent years. To reach now over 200 billion Avios issued a year. And that growth reflects increasing customer engagement, increasing partner demand to work with us, and is a leading indicator of the revenue growth of the division.

01:10:59:02 - 01:11:18:24

Unknown

So when you bring all of this together, the rewards, the partners, the brand, the platform, you can see why this is a highly scalable model. And importantly, it positions us strongly for the next phase of growth. Let me now turn to how we plan to capture that opportunity. Our growth strategy is focused on a clear set of levers.

01:11:19:04 - 01:11:54:11

Unknown

First, we will continue to scale our financial services portfolio, increasing Kobra and penetration across both the UK and international markets. Today, around 20% of our active customers globally hold a co-branded showing that there's very clear headroom for further growth. In the UK, where we already hold a leading position, we have strong ambition

and that is to grow Kobra and market share of spend from over 15% today to over 20% in the mid-term, which is a very material number.

01:11:54:13 - 01:12:21:09

Unknown

Secondly, we will continue to enhance Avios redemption. Travel will remain at the heart of the proposition. We're also expanding choice and improving availability because reward accessibility is critical to customer engagement and perceived value of Avios and the loyalty programs. And then thirdly, we will continue to expand the partner network further in the UK. We will continue to fill in those gaps where they exist.

01:12:21:09 - 01:12:50:02

Unknown

And in Spain, Latam, Ireland and elsewhere, we will look and we will launch new marquee partnerships. These aren't new ideas, they're extensions of what we've already been doing successfully today, but they will be executed at far greater scale and together they provide a clear path to sustained growth. So in summary, the loyalty division has a clear path to growth and a clear role in delivering the financial ambition that Adam set out earlier.

01:12:50:04 - 01:13:06:03

Unknown

We're now going to take a 15 minute break, after which Andrew is going to take you through holidays. Our other key growth engine, and then Darryl will come through at the end to bring it all together through the financials. So please do help yourself to refreshments. We'd ask you to be back promptly in around 15 minutes so we can restart the session.

01:13:06:04 - 01:13:09:05

Unknown

Thank you.

01:13:09:07 - 01:13:15:07

Unknown

Do you let me let me make me want to cry, and now I.

01:13:15:09 - 01:13:29:07

Unknown

Half my heart is in Havana when I know he took me back to that land on. I know all of my heart is in Havana.

01:13:29:09 - 01:13:59:19

Unknown

Oh, so welcome back everyone. I hope you enjoyed the break and a feeling fully refreshed. So my name is Andrew Flintoff and I'm the managing director of the holidays division. And today I have the pleasure of talking to you about our holidays business, where we are now, and our ambition for the future. The holidays business directly brings to life three parts of our investment case high value customers, differentiated rewards and a scaled partner network.

01:13:59:21 - 01:14:35:01

Unknown

And these underpin the course trends today. We have quality, resilient demand supported by our premium customer base and a premium proposition.

BA holidays is a trusted brand with a strong service model that gives customers confidence when they travel. Holidays benefits from being integrated into the loyalty proposition. Customers can earn and and spend Avios and tier points and engage with holidays as part of their broader relationship with the airlines and IAG loyalty.

01:14:35:07 - 01:15:05:17

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And that creates a unique structural advantage for our division. And finally, we have a global network of partners and destinations given us breadth, resilience and room to scale. So the starting point is strong quality demand, trusted service, loyal to integration and a scalable global network. So let me take each of these strengths in turn, starting with the quality of demand that we see in holidays today and our holidays.

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Customer base over indexes amongst higher income households. With BA holidays the most considered holiday provider for those earning over 100,000 pounds per year. And that premium bias is reflected in the holidays that our customers take, with around 94% of hotel revenue coming from four and five star hotels, 60% coming from five star alone. It also translates into quality demand.

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Our customers take around twice as many holidays as the UK average, and they continue to prioritize travel even through the periods of economic uncertainty. Importantly, it also translates to high quality revenue, with premium customers buying premium products generating an average revenue per booking of over 2,700 pounds. So holidays has strong demand. Foundation premium customers, premium products, frequent spend and resilient high quality demand.

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Alongside this, strong customer advocacy reflects the strength and consistency of our service delivery. BA holidays has been recognized by UK consumers as a top ten brand, alongside the likes of Prada and Gucci, and ahead of all our UK holiday peers. Our luxury line will be out shortly within our own customer base. 86% of customers say they would recommend us, and over 99% of our holidays are complaint free.

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That reflects the strength of our service model, including our 24 over seven customer care. Supporting our customers when they need us the most. So our strength here is the combination of a trusted brand, strong advocacy, and exceptional service, all of which give customers the confidence to book their holidays with us. And this strength is not only visible with customers, it is also highly valued by our partners.

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Premium travel brands and hotels what access to our trusted distribution, strong service standards and high value customers. So let's hear directly from one of our key partners, the Sani Ecosse Group, l'Eau Kanemura from

Beautiful Olivier. Olivia I am Jean-Marc Blake, the CEO of Sandy echoes Group, the leader of luxury all inclusive in the Mediterranean. We operate luxury resort under two distinct brands.

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Our guests are very demanding and we are proud to get consistently over the years and PS above 90%, which are the best in the industry. It is my pleasure to share some thoughts about our partnership with British Airways. Holidays, as Olds is Seneca's longest standing partner and has been a top performer for us over the years. We grew our common business by a factor of 7 in 10 years, and by 3 in 5 years.

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That does not happen by accident. It's built on three key factors. First, the guests the British Airways brands attract exactly the sophisticated premium travelers we are built for and sunny and outstanding service. And the quality of our product is pleasing British Airways Holidays clients and convert them into loyal fans to both British Airways holidays and our resorts. Second, the strength of our partnership from Andrew Flintoff and myself down to every single level of both organization, it is genuine trust, transparency and a shared instinct for the next opportunity.

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And third, our cultures. Both organizations are obsessed with the guests, which chase excellence. We are ambitious. We are always willing to try something new. That kind of alignment is rare, and it is what makes this partnership so enduring. Looking ahead, within the three years, Sunny Course will have 6000 rooms, 12,000 team members and ,Ç"1 billion of revenue. My team and I know that we can count on British Airways holidays to continue to fuel our joint growth.

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We are working together on many exciting initiatives to further strengthen our activity. One of them is to reach Avios members with greater precision and personalization. And this is just one example of what this partnership can do that others simply cannot. Thank you very much.

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So another core strength of the holidays division is its integration with loyalty, which is a unique structural advantage for BA holidays. Customers can earn and spend Avios on every holidays booking. They can also earn tier points, making holidays directly relevant to their status and recognition within the British Airways Club. It also means that every flight, holiday or Avios purchase takes them that step closer to their next holiday.

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And because holidays is integrated within the British Airways Club, customers have a single relationship across their flight, holiday and loyalty activity. And that matters because it makes holidays more than a standalone travel purchase. It becomes part of the customer's broader

integrated loyalty journey, and the integrated nature of the loyalty proposition drives higher engagement from customers. We saw this clearly when we enhanced the holidays loyalty proposition, with gold member bookings to short haul city destinations increasing by 69%.

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And today, loyalty is already deeply embedded in holidays. Almost 10% of BA club tier points around through holidays, bookings and 1 in 5 customers use Avios towards their holiday. So you can see the power of the loyalty proposition to drive engagement, but also the huge potential headroom to grow. And that higher engagement also translates into strong economics and significant low cost growth opportunity within the existing loyalty base.

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So Holidays currently has around a 5% penetration of the Bay club customer base, meaning there is significant headroom to grow holidays customers through the existing loyalty pipeline. And these are customers who are already engaged with BA and Avios, giving us a low cost route to acquisition. They are also high quality customers. BA club customers spend on average around 30% more per booking than nonmembers.

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So the opportunity is clear. Holidays has access to a large pipeline of high quality, high spend customers with a low acquisition cost. Because of its integration with loyalty and beyond the loyalty base. Holidays also benefits from the breadth and depth of the airline footprint. And this is an important differentiator versus some of our peers. Many competitors have strong depth, covering multiple destinations within a region, often concentrated in European cities or beach.

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Others have global reach and a breadth, but are more thinly spread across a limited number of destinations. IAG gives us both. We have breadth across short haul, long haul city, beach and premium leisure destinations all over the world and we have depth within key countries and regions with multiple routes, multiple cities and strong flight frequencies. For customers, that means more choice, more flexibility of destinations when booking a BA holiday for us.

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It gives us resilience and headroom to scale. We can respond to changes in demand and shift focus across destinations. So this global network is a real strength for us, and it's another reason why partners want to partner with us. Let's hear now from another one of our partners. Epic universe. We've had a strategic partnership with British Airways Holidays for more than 20 years, and more recently we've really ramped up how we're working together, recognizing that collectively, our two brands are a bit of a powerhouse when it comes to driving the leisure market.

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Working with British Airways holidays is a no brainer for us. They're a partner of choice. We have collective ideas and thoughts and considerations, and of course we have the same audience from those leisure families right through to those high end premium guests. Two of our major successes involved projections onto iconic landmarks across the UK, using our world class IP in a way that we've never done before in our markets, as well as a relationship with global Radio summer long campaign with integrations that we've never done before.

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And they were also brought to life using some of their assets in and out of home environment to. And more recently, we reconnected to work on a joint campaign for a 12 month period to help our brands deliver our brand new park, Universal Epic Universe here in Florida. The opening of this new park are fourth. Sitting alongside our 11 hotels determined that we were a destination to be reckoned with, and we really wanted to ensure that we were working with a partner who would help us drive awareness in our markets.

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We greatly value the relationship with British Airways holidays, and we believe there's more to come from everybody here at Universal Destinations and Experiences. Thank you, Andrew and the team of British Airways Holidays for a wonderful partnership. So so far I have focused on the strengths of the Holiday Vision division today. We have quality demand from premium resilient customers.

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We have a trusted brand, strong advocacy and exceptional service. We have a structurally advantaged loyalty proposition, and we have a global partner and destination network that gives customers choice and gives us flexibility. Now I want to shift from the strengths that we have today to the growth opportunity ahead. This links to back to one of the core messages of the investment case for holidays.

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The clear path to growth is focused on growing our customer base, expanding into new markets, capturing more share of wallet, and modernizing the digital experience. So today, 80% of holiday revenue comes from BA club members, highlighting how strong our existing conversion is and how important loyalty customers already are to the business. But importantly, this represents only 5% penetration of the BA customer base, so there's a significant headroom and opportunity to grow.

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We can increase penetration through more targeted marketing across BA channels, stronger CRM, enhancing our loyalty proposition, and broader product offerings that make holidays relevant to more customer occasions. A recent innovation is that the American Express Companion voucher is now usable with your BA holiday, an example of how we are creating more reasons for loyalty customers to book with us.

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Your next British Airways holiday is now available for 25% fewer Avios when you use your voucher. So this is a very attractive growth opportunity. A large existing customer base already engaged with BA and IAG loyalty, with a strong fit to the holidays proposition and a relatively low cost of acquisition. And while the UK remains our largest holidays market today, we also see clear opportunities to grow the customer base beyond the UK.

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Spain and Ireland are attractive travel markets, but particularly so for ourselves given IAG strong airline presence through Iberia, Welling and Air Lingus, I've already established customer relationships and a strong loyalty infrastructure. This creates a lower risk opportunity to scale the holidays model, to capitalize on those strengths to grow our customer base internationally. Beyond growing the number of customers, we also see a clear opportunity to capture more of each customers leisure travel spend.

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Our customers are frequent leisure travelers. BA club customers take on average 5 to 8 leisure trips per year, and BA holidays only currently captures around 20 to 30% of those trips. So there is a clear opportunity to capture more of the leisure travel wallet from customers who already know us, already trust us and are engaged with the broader BA and IAG loyalty ecosystem.

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Today, we are strong in some of the most popular trip types, particularly beach and city breaks, but we know our customers are also taking many other types of trips such as touring, adventure, cruise, wellness and ski where we have further opportunity to expand the proposition. The point is not to move away from our core. It is to build from the strength of our existing proposition and give customers more reason to book more of their leisure time with BA holidays.

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This gives us a clear route to increase relevance, deeper engagement and capture more spend from more existing customer base. To support that growth, we also need the right technology platform, one that can scale with the business and improve our customer experience. So our fourth growth lever is digital transformation. We are currently replacing around 90% of our technology platform, which will transform the capabilities of our holidays business.

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This is important because our current platform has supported the business to date, but the next phase of growth requires a more modern, scalable and flexible technology base. The new platform will improve the customer experience end to end, from search and booking through to servicing and support. It will also give us a modular and efficient platform, making it easier to scale, launch new products and bring new features to market faster.

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And it will support more personalized customer servicing across the journey using data and digital capability to make the experience more relevant and easier for customers. So this is not just a technology upgrade, it's a key enabler of the growth plan, helping us serve more customers, broaden the proposition and scale the business. We are already live in a small number of destinations with hotels and holiday packages, and we'll expect to scale significantly from 2027 as the full platform is rolled out.

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And the new BA holidays app will also be a big part of that digital transformation, significantly enhancing our customer experience. So we see this app as being a companion for every stage of the trip, not just a place to view the booking. It will bring together trip information, personalized travel tips, loyalty account details such as Avios and tier points, and customer support.

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So across the platform and the app, we are building the digital foundations to support the next phase of holidays growth. So if I take a step back and bring everything together, I want to leave you with a clear message. Holidays has a strong position today and a very attractive growth runway ahead. And importantly, we have a clear visibility on how we are going to capture that opportunity.

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We will increase the penetration of the BA club customer base, expand our customer presence outside of the UK, broaden our product range to capture more of our customers, travel, spend and transform the digital experience to our new platform and app. That will now show how this growth opportunity fits into the broader financial ambition for IAG. Loyalty. Over to you Darryl.

01:30:21:23 - 01:30:43:02

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So thank you Andrew and welcome all. My name is Darryl Cartmell. I have the pleasure of being the chief financial officer for this great business. So Adam Silver, Rob Andrew have taken you through the strength of the platform, the customer opportunity and the growth levers across the business. What I want to do now is bring this, that all together financially.

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We will cover three things. First. What have we delivered to date? Second, why the model is structurally attractive within the IG portfolio. And third, how these characteristics support our mid-term, £1 billion operating profit ambition. The message I want to leave with you is quite simple. IG loyalty is already in a scaled, profitable and cash generative business and have a clear and credible path to build it materially faster.

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The starting point is our track record. I think. One point to note, aside from our mid-term ambition, our reference, our performance in our functional currency, which is GBP. The ambition is in euros. Since 2019, IG loyalty has grown from operating profit from 217 million to over 500 million pounds. That is a 2.3 times growth over the period whilst maintaining consistently high operating margins.

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You can also see the resilience through the period in 2020. During the most extreme distribution disruption the travel industry has faced. The business remained profitable and then when customers engagement recovered and our proposition strengthened. Profit rebuilt quickly and has continued to grow. It is important to note that that growth did not come at the expense of profitability. Margins have stayed high and a stable range 17% in 2019 to 19% in 2025.

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So the financial story is not just about recovery. It's a business that has more than doubled its profit, scaled revenue and retained attractive margins through very different market conditions.

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That growth is also strong in an external context. On this slide, we compare IG loyalties revenue growth to a number of global airline loyalty peers over the 2019 to 2025 period. IG loyalty has grown faster than the peer shown here, with a car of 12.6%. Now. Airline loyalty businesses globally have benefited from attractive market dynamics, but our relative performance reflect our specific strengths of this business.

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The scale of the IG network, the IG airline network, Avios is a multi airline currency and the quality and breadth of the customer and ecosystem. It is also worth noting that loyalty is a meaningful part of IGA overall, representing 9% of the group revenue and more of the profit, as you heard earlier. So this is not a material immaterial.

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And Sillery business, it's an increasingly important earnings and cash stream for the group. And where we compare ourselves to these global airline loyalty peers, we believe there's still room for that contribution to grow further.

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And that performance is increasingly being recognized externally. IG loyalty is now recognized as the most valuable airline loyalty business outside of the US. Over recent years, we have moved up the rankings, reflecting our financial performance of the business. The strength of the IG airline network and the attractiveness of our core markets. The US loyalty businesses remain in important benchmark for what a scaled airline loyalty can become, particularly in deep credit card markets.

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But our model is different. We are a multi airline, multi market, integrated with holidays and still have significant headroom across the ecosystem and partner base. So the external recognition is encouraging. But the more important proof. But the more important point is that we believe there is still substantial value creation ahead. And why are we different to these peers really under these three structural reasons?

01:34:15:19 - 01:34:41:07

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First, you've heard me say that Avios is a unique multi market, multi airline currency. We are not tied to a single airline or a single geography, which gives us broader relevance and more routes to engagement. Second, we have a best in class network of partners and rewards across industries and geographies. Rob showed how that network drives customer frequency partner value across financial services, retail, travel and everyday spend.

01:34:41:09 - 01:35:08:09

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And third, we have a strong track record of delivery, but with significant growth headroom still available across markets. Sylvia showed us the opportunity to grow our active customers and multi collectors. Andrew showed us the headroom in holidays and I will come back later on how this translates to the financial ambition. But it's these combination of these features that makes the global makes us distinctive to our global airline loyalty peers.

01:35:08:11 - 01:35:32:13

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Which takes me back to the investment case there Adam introduced at the start of the day. You've heard each speaker bring different parts of this to life. High value customer segments, unique assets, scaled partner network, and a path to growth. I will now focus on the financial characteristics behind that investment case. The high margin capital nature of the model and the way it supports a clear path to growth.

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These are the financial foundations behind our confidence in the ambition that we're setting out today.

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So from a group perspective, ideology brings a distinctive financial profile. There are four characteristics I'm going to highlight. First capital light. You've heard that a few times today. We do not need to deploy capital into aircraft or even hotel assets. Our investment is primarily in the platform, our brand, our people and our customer proposition. In 2025, less than 50 million of CapEx supported a business that's growing more than 10%.

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Second, strong cash generation. The average model has its inherent cash advantages. Cash is received when Avios are issued, while revenue is

recognized over time. I'll come on to this in a bit more detail in the next slide. But it is a key reason why cash free cash flow can exceed operating profit in a growing business. Third, high operating margins.

01:36:27:23 - 01:36:53:01

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The model Bennetts benefits from partner funded economics are scalable, cost base and a strong currency proposition. This has been seen in a past performance and we expect to see it more than 18%. Going forward, I'll come back on a little bit more detail on this in a moment. But for resilience, the earnings profit profile is less seasonal and less cycle sensitive than the airline businesses.

01:36:53:02 - 01:37:08:02

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Customers continue to earn, engage and interact with our partners even when travel patterns shift. Taken together, this gives it a business that is capital, light, cash generative, high margin and resilient.

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So let me just take a moment to talk to the cash dynamic, because it is quite essential to the attractiveness on the model. When Avios are issued, we receive the cash upfront. The associated revenue is then recognized over time. Generally, when the customer redeems their Avios, what that means is whilst Avios issued is greater than Avios redeemed, so points earned by customers is greater than points used by customers.

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Free cash flow will be generated higher than operating profit, and this isn't a one off accounting feature. It's a structural characteristic of a growing loyalty currency. A low CapEx requirement strips this further because we do not need significant physical investment and the high proportion of operating profit converts to cash. The important point for Vestas is that growth in issuance is not just a leading indicator, or is not only a leading indicator of future revenue, it's an important driver of cash today.

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So when Rob talks about partner demand and when Sylvia talks about increasing multi collection, and when Andrew talks about higher holidays penetration, those are not just customer metrics. They ultimately support the cash engine of this business.

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The second structural point of the of this model is the stability of the margin. Both holidays and loyalty have a high proportion of variable costs in loyalty. Majority of the costs are redemption costs, and in holidays majority is the cost of sales of the packages. That gives us two advantages. First, it helps protect margins as volumes move because naturally costs move with activity.

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Secondly, it does mean that as we scale, we continue to benefit from the leverage in our overhead base in loyalty. This supports stable margins over time in holidays where the margin is lower than loyalty but still attractive, there is opportunity for margin expansion as we scale the platform and grow into new holiday products. That is why in our mid-term ambition, it's not simply about reaching a higher profit number, it's about doing so whilst sustaining an overall operating profit margin above 18%.

01:39:24:22 - 01:39:42:22

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And you can see these characteristics clearly when we look at through the cycle performance. If I start back in 2019, the business had more than 8 million customers, 1.3 billion of revenue and over 200 million of profit and just over 100 million of free cash flow.

01:39:42:24 - 01:40:15:09

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Then Covid hit customer activity and revenue reduced significantly, as you would expect. But even with very limited opportunity to travel, customers continue to engage with the Avios ecosystem across the broader partners through financial services, retail and other non-real partners. That breadth of engagement is important because it showed that the model is not solely dependent on flying. During this business, during this period, the business still remained profitable with a 16% margin and generated strong free cash flow.

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Now, we'll note that that cash flow included a one off benefit related to a key partner renegotiation. But even excluding that, we would have generated more than 100% of profit would have been converted to cash during 2020. Then we fast forward it to 2025 and the business is materially larger. More than 10 million customers, 2.6 billion of revenue and over half a billion of profit.

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With over 640 million of free cash flow, the key message is the consistency of the flow. Customer engagement drives revenue. Revenue converts into attractive profit at good margins, and that profit converts strongly into cash. Is the financial engine behind IG loyalty. And it's been proven through disruption, recovery and growth.

01:41:08:05 - 01:41:36:22

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And our growth is not simply about having more customers. It's about customers engaging more deeply in the ecosystem. Since 2019, we've grown active customers 26%, but the amount of Avios each of those customers collected has grown by 36%, and the amount of redemption per customer redeeming has grown 17%. Multiplex up 16. That matters because deeper engagement is a higher quality growth.

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Customers are collecting more, redeeming more, and interacting across all parts of the ecosystem. At the same time, we have reduced our reliance on points expiry with expiry now in single digits. So earnings are

increasingly driven by genuine engagement, not by customers failing to use the currency. And that creates a more durable profit base and a healthier customer proposition.

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The profit curve is very clear. Customers that we interact slowly with our airlines are broadly break even for ignore the benefit of those customers. Sit with the airline. As Adam outlined earlier, this is different. I would note to some of our airline peers loyalty peers that target to make a margin from internal transactions. But for us, as soon as a customer engaged with an additional partner outside of flying profitability to the loyalty business increases materially and a customer interacting with airlines and one other partner generates meaningful profit.

01:42:35:11 - 01:43:03:09

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Two partners, you can double that three times. You can triple. This is the financial proof point behind the multi collector opportunity that Sylvia described. Moving customers from one partner to two, from 2 to 3 and more is not an incremental engagement metric. It's materially changes the economics to our business. And that's why deepening engagement across the ecosystem is such a central growth lever for the business.

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Now one of the main profitability drivers is our financial services. Financial services represents the largest share of cash we receive for Avios issued to external partners, and it is our highest margin sector in 2025. It represents about 67% of all cash received for Avios, with retail travel and leisure at 14% and our internal airlines at about 19%. Our financial services are scaled and diversified portfolio.

01:43:33:23 - 01:43:59:03

Unknown

Today we have 17 Cobham partners around the world, 23 points to Avios partners and a broader set of financial products including insurance, current accounts, savings point of sale financing. Now, the Cobra do do a lot of the heavy lifting, but the breadth matters to. It gives customers more ways to earn Avios through everyday financial activity, and gives us multiple routes to grow across markets.

01:43:59:05 - 01:44:11:13

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Importantly, this is externally funded revenue. We are not making a profit at the expense of the airlines. We are bringing external economics into the ecosystem.

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Unknown

And the market backdrop for co-branding is supportive. In the UK alone, credit and debit card spend has been over 1 trillion pounds. For the last three years, the credit card market has continued to grow. We see the movement from cash to card trends to online spend. Greater card acceptance and broader infinitude trends all help the industry. Credit cards, in particular, have grown 5% over the last 2021 to 2025.

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5% Kagan. Whilst the debit card market is relatively flat. This moves more spend from debit onto credit is positive for our business and why does that matter? Because a growing market, this effectively expands the pool of spending that can potentially earn Avios. And we combine that with our customer base, our premium products, our partner relationship. It creates a significant issuance opportunity for us.

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And you've heard already we already have a leading UK co-branded position. Today, more than 15% of UK point of sale spend goes through an average earning credit card, equivalent to 1.2 UK GDP. That is a strong position and is a clear proof point of the power of the Avios proposition. But we see meaningful headroom in this. Growth could come for two areas.

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As just outlined, the underlying credit card market continues to grow and we will benefit from that. In addition, we see opportunity to continue growing our market share to 20% and beyond. And this opportunity to take what's best of what we built in the UK and apply it to other markets. Silvia highlighted the market potential of Spain, Ireland, US, Latin America for financial services and that gives us a clear platform for growth.

01:46:02:12 - 01:46:36:20

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So bringing this together, the broader point is our ambition is not dependent on one lever is supported by multiple reinforcing sources of growth. First underlying market growth, IAG, airline growth, travel demand, payments growth, credit card growth all provide a supportive backdrop for our business. These alone will mean we are a growing business. Second, customer acquisition and activation. Silvia showed you the size of the customer pipeline, and starlet gives us a powerful route to accelerate loyalty, enrollment and digital engagement across the airline customer base.

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Third customer engagement. Rob showed you how rewards proposition, partner network brands and channels can increase customer frequency and multi collection. As we have just seen, deeper engagement has a material profitability impact. And fourth new markets and products. Andrew showed us the headroom and holidays increasing penetration to the BA club base, expanding to Spain and Ireland, broadening the product range and scaling new platform and app.

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So the path to 1 billion is broad, credible and supported by initiatives that the team have already described today. But importantly, we do not see 1 billion as the endpoint. Beyond the mid-term ambition, we see further headroom to continue compounding growth through deeper monetization of the ecosystem. Continued execution of our key levers and

selective inorganic opportunities where they accelerate capability, market access or scale.

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That gives us confidence not only in building to ,Ç`1 billion, but the potential to grow beyond and over into the longer term.

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So our mid-term ambition is clear ,Ç`1 billion operating profit. But it's not just about reaching the 1 billion. It is about delivering that with the financial characteristics that make IAG loyalty so attractive. Operating margins above 18%. Free cash flow conversion above 100% of profit. That combination growth margin cash is what underpins the value of this business. And importantly, this is not a change in strategy.

01:48:08:23 - 01:48:31:03

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It is a continuation of what has already been delivered. The track record I showed you at the beginning of this section a capital lie, high quality, base scaled partner ecosystem and clear levers for growth. So my final conclusion is simple. We have already built a scaled and profitable cash generative business. We have a credible path to 1 billion of operating profit.

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And we see and we believe that there's further potential beyond this. And with that, I will hand back to Adam to close.

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Unknown

Thank you. Daryl. So you're here with the closing remarks from me. So let me close by bringing this back to the overall message of the day. IG loyalty, I hope you've seen is not a standalone loyalty business alongside the group. It's an integral part of IG embedded in our airlines, our customer proposition, and the way we create value across the group.

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And you've heard today we have a clear mid-term ambition to deliver ,Ç`1 billion of profit at margins above 18%, with a profit with profit to free cash flow conversion above 100%. And we see significant opportunity to build beyond that billion over the longer term. But the financial ambitions is only part of the story. We believe IG Laut is built a unique and irreplaceable competitive advantage around the airlines themselves.

01:49:58:02 - 01:50:40:24

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A competitive moat for IAG, which can strengthen the customer proposition, drive profitability and create significant shareholder value. That advantage, as we've said a number of times, is difficult to replicate. It's built on a global currency used by seven airlines, our high value customer base, our airline and partner networks, and our integrated holiday business. Together, these assets create an ecosystem

that sits at the center of the customer, customer, partner and airline value chain.

01:50:41:01 - 01:51:16:17

Unknown

Strengthening engagement for our airlines, giving partners access to attractive customers, and opening multiple avenues of profitable growth for IAG. So the message I want to leave you is with is simple IG loyalty is integral to IAG. It is unique in its assets and its ecosystem. It is highly valuable already and it has significant growth still ahead of it.

01:51:16:19 - 01:51:38:19

Unknown

With that, we hope that we've given you a clear view of the scale of the opportunity, the strength of our business and the path to deliver our ambition. I'm now going to ask Darryl to join me on stage, and we very happy to take your questions. And Stuart is going to come up and help us with that in some more depth.