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**Q1 2025 INTERNATIONAL CONSOLIDATED AIRLINES GROUP SA
EARNINGS CALL**

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CORPORATE PARTICIPANTS

- **Luis Gallego Martin** *International Consolidated Airlines Group SA - Chief Executive Officer, Executive Director*
- **Nicholas Cadbury** *International Consolidated Airlines Group SA - Chief Financial Officer, Interim Chairman - IAG Cargo*
- **Marco Sansavini** *International Consolidated Airlines Group SA - Chairman and Chief Executive Officer of Vueling*
- **Carolina Martinoli** *International Consolidated Airlines Group SA - Chief People, Corporate Affairs, and Sustainability Officer*
- **Sean Doyle** *International Consolidated Airlines Group SA - Chairman and Chief Executive Officer of British Airways*
- **Adam Daniels** *International Consolidated Airlines Group SA - Chairman and Chief Executive Officer of IAG Loyalty*

CONFERENCE CALL PARTICIPANTS

- **Operator**
- **Andrew Lobbenberg** *Barclays - Analyst*
- **Stephen Furlong** *Davy - Analyst*
- **Savanthi Syth** *Raymond James - Analyst*
- **Jaime Rowbotham** *Deutsche Bank - Analyst*
- **James Hollins** *Exane BNP Paribas - Analyst*
- **Ruairi Cullinane** *RBC Capital Markets - Analyst*
- **Harry Gowers** *JPMorgan - Analyst*
- **Conor Dwyer** *Morgan Stanley - Analyst*
- **Baptiste Bourdeau de Fontenay** *Bank of America - Analyst*
- **Guilherme Sampaio** *CaixaBank - Analyst*
- **Jarrold Castle** *UBS - Analyst*

PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to the International Airlines Group first-quarter year 2025 results. (Operator Instructions)

I would like to remind all participants that this call is being recorded.

I will now hand over to Luis Gallego, Chief Executive Officer, to open the presentation. Please go ahead.

Luis Gallego Martin *International Consolidated Airlines Group SA - Chief Executive Officer, Executive Director*

Thank you very much. Good morning, everyone. Welcome to our update for the first quarter of 2025. As usual, I'm joined by Nicholas Cadbury, our CFO; as well as the rest of the IAG management committee.

I would like to begin today by highlighting the key attributes about IAG that helped to deliver the strong results in the first quarter and underpin our long-term world-class targets. Our fundamentals are strong. We have unique strengths in our network, hubs, and brand. Our customer base is high quality across all of our airlines, and we have additional businesses that drive capital light, high-margin earnings growth.

Our execution based on our well-established transformation program and delivered by our talented people is delivering world-class margins. And we are focused on creating value for our shareholders through sustainable dividends and returning excess cash to shareholders through our share buyback program.

So IAG has delivered another strong quarter in Q1 2025. We grew revenue by 9.6%. All of our core markets performed well, particularly the North and South Atlantic. Our operating profit grew by EUR130 million to EUR198 million, and our margin increased by 1.7 percentage points to 2.8% in our quietest quarter.

Operational performance has been good, particularly at British Airways, despite the impact of the Heathrow one-day closure. I'm pleased to announce our order today for 53 widebody aircraft as well as 18 orders in the first quarter, that will support the delivery of our strategy and signal our confidence in the long-term future of this business. And our balance sheet is getting stronger, which, as I have just mentioned, is underpinning a sustainable dividend and additional cash returns for our shareholders.

I will now hand over to Nicholas to take you through the financial details.

Nicholas Cadbury *International Consolidated Airlines Group SA - Chief Financial Officer, Interim Chairman - IAG Cargo*

Thank you, Luis. Good morning, everyone. I'm pleased to announce our excellent financial results for the first quarter of the year. This slide highlights the key drivers of profits and showcases our strong performance. The total revenue increased to EUR7 billion, driven by our leading networks and brands as well as our growth in attractive markets.

We also delivered good growth in our cargo and MRO business as well as BA Holidays. The strong revenue performance offset the increase in non-fuel costs, which were broadly as expected. The increase this year weighted to the first half, as we discussed at the results in February.

I will come on to the split of costs in more detail later, but underlying airline nonfuel costs increased by around about 3%. Thanks to the strong revenue growth and the lower fuel price, we increased operating profit by EUR130 million to EUR198 million.

We saw good performance across all the operating companies. This was despite the late timing of Easter having an adverse impact this year and the closure of Heathrow Airport on March 21, which cost British Airways around about EUR50 million. Despite these headwinds, our transformation programs continue to deliver and benefit our businesses, helping us increase our operating margin by 1.7 points.

Now let's look at our operating company's performance in detail. I'm very pleased that almost all our businesses have delivered an improvement in our operating results this year. Aer Lingus achieved an improvement of approximately EUR27 million in its operating results and increased its operating margin by nearly 9 percentage points. This is primarily due to a strong unit revenue performance benefiting the airline's network growth, together with stable market capacity during the quarter.

British Airways had a very good performance in the first quarter, with operating profits increasing by nearly EUR90 million to EUR96 million. And as just mentioned, this included the impact of the one-day closure of Heathrow Airport in March. This improvement was driven by the very strong demand in the North Atlantic markets, along with the benefits of its ongoing transformation program.

Iberia achieved a strong revenue performance, mainly driven by the demand across the North Atlantic and Latin America. This resulted in an increase in profit to EUR137 million and operating margin growing approximately 3 points to reach 7.5% operating margin.

Vueling had a really positive start to the year, although it was the airline most impacted by the shift in Easter holiday timings. This, combined with the changes in calendar dates of some other celebrations in Spain, was the main driver of the year-on-year performance.

IAG Loyalty reported operating profit but broadly flat compared to 2024 at GBP88 million. This now reflects the required adoption of HMRC's view of accounting for VAT on the issuance of Avios, which the group strongly disputes. Excluding this change, Loyalty would have reported a 5% increase in operating profit to GBP97 million. IAG Loyalty continues to drive strong underlying performance, great engagement with airlines, loyalty programs, and third-party partners. BA Holiday performance contributed positively to the group's results.

Moving to our regional performance in more detail. Overall, we continue seeing a strong demand and unit revenue in our core markets during the first quarter of the year. We grew capacity by 3.2% and delivered a unit revenue increase of also 3.2%. This performance was driven by high yields and helped by a positive currency impact of around about 2 percentage points.

If we look at the performance by region, the North Atlantic saw the strongest increase in unit revenue of any region year on year. Robust performance was evidenced across each of the transatlantic airlines, all of them experiencing high single-digit or double-digit percentage increases in revenue. In particular, premium cabins performed well. And the deployment of the Airbus 321XLR aircraft by Iberia and Aer Lingus is also proving to be very successful.

Latin America and the Caribbean carried on being one of the stars of the network. Net revenue increased by 1% after an increase in capacity of over by 7% by the great summer performance in the Southern Hemisphere. Europe continues to be another one of the best-performing markets despite the one most negatively impacted by the Easter shift.

Africa, Middle East and South Asia saw a strong performance with all our airlines, with presence in the region having unit revenue and capacity increases. Asia Pacific remains our smallest market and is still only [50%] of 2019 levels, increased capacity by 17% in the quarter, reflecting the resumption of routes from Madrid to Tokyo with Iberia and London to Bangkok with British Airways. And unit revenue performed well given the high growth.

If we look at the performance by segment, the premium segment has sustained strong performance in both long-haul premium and short-haul premium. We saw a good start to the year for the non-premium segment. As you would expect, the month of March was affected again by the Easter move. But overall, we saw a strong start to 2025. We still plan to grow capacity around 3% this year, focused on our core markets.

As noted last quarter, we anticipated that the increase in our non-fuel unit costs for this year will be weighted to the first half of the year. Therefore, the 8.8% increase in non-fuel unit costs for this quarter was broadly in line with our expectations.

Three factors contributed to the increase. Firstly, 2.2 percentage points was attributed to the negative impact of foreign exchange. Secondly, approximately 2 percentage points was driven by the non-airline business of the group: MRO, Loyalty, and Holidays. And in particular, you can see the related revenue benefit of MRO in the increase in other revenue this year. And thirdly, 1 percentage point was due to the negative impact of the one-day closure of Heathrow, which was clearly not expected.

So this leaves the underlying airline nonfuel cost increase of around about 3 percentage points. Benefit of this cost investment is also particularly being seen in British Airways' best on-time performance achievement formation of IAG.

Fuel unit costs reduced by about 7%, mainly driven by lower commodity price, and we also benefit from the group's new-generation aircraft with better fuel consumption. 2025, as a whole, we expect the non-fuel unit cost trend to be in line with our previous guidance, an increase of 4% approximately, including FX headwinds. And fuel costs, we are currently 65% hedged for the year to be around about EUR7.5 billion this year.

This slide shows our financial results at a net profit level. Profit after tax and exceptional items was GBP176 million (sic - see slide 2, "EUR176 million") profit in the first quarter. This is an increase of EUR180 million on last year. As well as the high operating profits, we have seen continuing improvement in our net financial costs, primarily due to the reduction in gross debt. Going the other way,

the tax charge was broadly normalized this year against the credit last year that came from the Spanish Constitutional Court decision.

Turning our attention to our balance sheet. I am pleased to report continued strengthening. Net debt has decreased by over EUR1.4 billion compared to the end of last year to EUR6.2 billion. And gross debt has reduced by EUR1.9 billion over the same period. As a result, net and gross leverage has reduced to 0.9 times and 2.2 times, respectively. This is significantly below our net leverage ceiling of 1.8 times and within our desired range of 1.2 to 1.5 times, which positions us to return excess cash to shareholders.

We remain committed to reducing our gross debt, a process that began in January, with the repurchase of EUR577 million of our 2027 and 2029 senior unsecured bonds. And we continued in March with the redemption of our EUR500 million 2025 bonds using cash.

Additionally, we still plan to keep approximately two-thirds of the 26 expected aircraft deliveries this year to be unencumbered. This slide illustrates the schedule of our financial non-aircraft debt maturity. And as I just described, you can see that after the partial early payments of the bonds and the redemption of the 2025 bond, there's really minimal major debt repayments due in the coming years.

It's also worth noting at this point that during the quarter, we received upgrades from our rating agencies. S&P upgraded IAG and British Airways to a strong BBB investment grade, and Fitch also upgraded British Airways to BBB as well, which we're very pleased about.

And to conclude from me, I'd like to remind everyone of our disciplined approach to capital allocation, which is fundamental to generating long-term value for our shareholders. Our first priority is to maintain the strength of our balance sheet by targeting net leverage below 1.8 throughout the cycle. Currently, we have a significantly below that at 0.9 times.

Our secondary priority is to invest in the business to support sustainable profit growth. This quarter, we've increased our capacity by just over 3%, receiving a delivery of five new aircraft expanding our margins -- while expanding our margins.

We exercised options for 18 aircraft in the first quarter. And today, we've announced an order of 53 aircraft for the group medium-term long-haul requirements. These aircraft are for a combination of replacement and growth, supporting our strategy to strengthen core network and airline brands will deliver -- and will be delivered between 2027 and 2033.

And of course, we're committed to sustainable shareholder returns, as we announced in March through an ordinary dividend, which is set at a level which is sustainable throughout the cycle, the proposed final dividend of EUR0.06 per share as we announced at year-end. And additionally, we will plan to return excess cash to shareholders when net leverage is below 1.2 to 1.5 times, depending on the commitments and the outlook.

So far, we've purchased EUR530 million of shares so far this year, completing the EUR350 million buyback announced in November and starting the program of up to EUR1 billion buyback announced this February.

On that note, I'll now hand back to Luis.

Luis Gallego Martin *International Consolidated Airlines Group SA - Chief Executive Officer, Executive Director*

Thank you, Nicholas. As usual, I will spend a couple of minutes highlighting the ongoing transformation across our businesses.

Aer Lingus continues to focus on its leading customer offering. This includes our focus on its long-haul services, improving on its on-time performance and investing in digital and technology.

British Airways is continuing its transformation towards delivering its 15% operating margin target. It is still rebuilding its network after COVID, adding resilience to address operational challenges and investing in its lounges, club suite, and onboard service.

Iberia is building an ever-stronger presence in the Latin American market as well as seeing a strong performance from the new 321 extra-long-range route to Boston. On-time performance remains very strong, and improvements are being developed for digital customer service.

Vueling also continues to be very focused on its customer proposition. It remains one of the world's leading airlines for punctuality and is constantly evolving its digital customer support throughout the travel journey.

Finally, IAG Loyalty is issuing and redeeming more Avios than ever before. Issuance increased by 16% in the quarter and redemption by 10%. During the quarter, Loganair joined the airline partner group, and both Iberia and British Airways have now launched their new club loyalty programs, which offer new ways to earn tier point and new benefits.

Moving on to our outlook. While we are mindful about macroeconomic uncertainty, our outlook for the full year is unchanged. We continue to see good demand for our services, and the diversity of our portfolio of businesses is capitalizing on that. We are seeing a strong demand in Latin America and Europe while demand across the North Atlantic is robust. Strength in the premium cabin is mitigating some recently seen softness in the US point of sale for economic leisure travel.

We are encouraged by our booked position for the second quarter. And although our visibility for the second half is limited at this point with around 29% booked, this is broadly in line with the last year. And the attractive structural drivers for both demand and supply remain.

In summary, we continue to execute our strategy to deliver world-class margins and returns. We are focused on making our portfolio of market-leading businesses even stronger. We have started our transformation program several years ago precisely so that they would be well positioned for any economic scenario. And we have a strong financial foundation, which is getting stronger and will continue to differentiate IAG. So we are confident in the future of the business and our outlook for the remainder of the -- sorry, on the outlook for the remainder of the year.

And with that, now we open the call to Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Andrew Lobbenberg, Barclays.

Andrew Lobbenberg *Barclays* - Analyst

Congratulations on the good performance. Can you perhaps speak about the trends on the North Atlantic? And how recently did the weakness appear in terms of US sold? And how -- is it responding to the rapid macro developments? Is it a clear degradation, or is it a volatile one?

And then obviously, your European counterpart spoke of weakness in European sold. Are you seeing no weakness at all out of Europe? Are you seeing no weakness out of UK but some out of Spain or the other way around or indeed Ireland? How does it look from a European sold perspective, too?

Luis Gallego Martin *International Consolidated Airlines Group SA* - Chief Executive Officer, Executive Director

Thank you, Andrew. So to be honest, it's difficult to compare because we have the change in Easter -- in the period of Easter this year. We had also sales in different periods of time, the blackout in Madrid. So it's quite hard to read.

But as we said before, for the second quarter, the booking levels are close to 80%. So -- and they are above what we had last year. But for the H2, the visibility that we have is still very limited. It's only 29%. So what we see by region is a very balanced group. South America is very strong. Europe, Africa, and Middle East, they are also very good.

North America -- point-of-sale UK is holding up. Point-of-sale US, as we said, is softer in economy, but all premium cabins are strong. So the point-of-sale US for us is -- for the group is 17% of our revenue. And we can say that it's 50-50 between premium and economy, and the premium traffic is offsetting this weakness that we have seen recently, but that we don't know if it's because of the comparison with the base.

Operator

Stephen Furlong, Davy.

Stephen Furlong Davy - Analyst

Congrats on the results and the aircraft order. Maybe I'll just ask about the aircraft order. You're obviously very happy to take Boeing aircraft. Could you just make a comment, Luis, on the EU's potential stance on tariffs? Or you obviously feel that, that is not going to ultimately materialize in terms of import duties, et cetera, particularly for the Boeing 787s?

Luis Gallego Martin International Consolidated Airlines Group SA - Chief Executive Officer, Executive Director

I think it's important to say that we have started the tender for the widebody aircraft last year. So -- and as you can imagine, the decision to allocate capital to our fleet is a long-term strategic investment.

So we welcome the framework of the deal that was announced yesterday. Still, we don't know what's going to be the total agreement for aviation. We don't like tariffs, and we consider that tariff-free aviation and supply chain have helped to develop aviation and to create jobs and the situation that we have right now.

But it's good news that we are not going to have tariffs in Boeing product, and we will continue working with the government to see if we can expand this to all the supply chain.

Stephen Furlong Davy - Analyst

Okay. Thank you.

Nicholas Cadbury International Consolidated Airlines Group SA - Chief Financial Officer, Interim Chairman - IAG Cargo

The Boeing aircraft are all for UK delivery.

Luis Gallego Martin International Consolidated Airlines Group SA - Chief Executive Officer, Executive Director

Yeah.

Operator

Savi Syth, Raymond James.

Savanthi Syth Raymond James - Analyst

If I might, on the -- follow up on Andrew's question a little bit on the corporate side. I wonder if you could provide a little bit more color on what you're seeing there across the various regions and just kind of the long haul versus short haul as well.

Nicholas Cadbury International Consolidated Airlines Group SA - Chief Financial Officer, Interim Chairman - IAG Cargo

Yeah, corporate travel has really been in line with the rest of the business actually. It's been holding up quite well. Not really too much to say about it overall. We've seen a little bit of mix difference in British Airways. We've pulled a bit back from kind of Hong Kong and China, which was -- used to be strong corporate. And we're kind of putting on more Middle East, which is slightly less corporate. So there's a bit of a mix difference there. But actually, overall, it's pretty much in line with where we thought it would be.

Savanthi Syth Raymond James - Analyst

And no kind of incremental change since all this kind of global noise?

Nicholas Cadbury International Consolidated Airlines Group SA - Chief Financial Officer, Interim Chairman - IAG Cargo

No, no.

Operator

Jaime Rowbotham, Deutsche Bank.

Jaime Rowbotham Deutsche Bank - Analyst

I'll use my one question to ask about Spain. So Iberia seems to have had another great quarter. I think Lat Am has a lot to do with it. But if we just focus on the Spanish end of the equation, economically, the country appears to stand out in a very good way.

But recently, Aena were talking about domestic traffic growth having slowed a bit to just 1%. And there also seem to be increasing headlines about anti-tourism protests in Spain. So just any concerns at all about the outlook for the core Spanish business?

Marco Sansavini International Consolidated Airlines Group SA - Chairman and Chief Executive Officer of Vueling

Well, this is Marco from Iberia. In fact, not. We have reported still a very, very solid Q1 results in that respect. You can see that there is some element that has to do with the Easter shift that, of course, it has a relevance for the quarter result, but it's purely an Easter shift. And in fact, if you look at the perspective for Q2, we don't see weaknesses in this respect. So we can see this market is still developing in a solid manner.

Carolina Martinoli International Consolidated Airlines Group SA - Chief People, Corporate Affairs, and Sustainability Officer

I can echo. Carolina from Vueling. I think we -- the Easter shift for Vueling has an impact, but what we are seeing is quite healthy, and demand is expected. We are not seeing weakness.

Operator

James Hollins, BNP.

James Hollins Exane BNP Paribas - Analyst

If I could ask on unit cost ex-fuel, please. Clearly, you retained guidance of full year up 4%. I was wondering if you could give us the new split of underlying versus FX. I think it was [2% plus 2%]. And if it has changed, maybe just run us through what it was in

particular.

And staying on cost as one question, maybe run us through the sort of the quarter movement in unit cost. Obviously, you said it's H1 weighted. Should we expect H2 flat to down? Or maybe just running through how you're thinking about it.

Nicholas Cadbury *International Consolidated Airlines Group SA - Chief Financial Officer, Interim Chairman - IAG Cargo*

Yeah. We're just going to stick to full year guidance, James. So yeah, we said at the end of the year, it was 2% underlying and 2% FX overall. It's kind of a little bit higher on the underlying, a little bit lower on FX at the moment. And the underlying bit has gone up mainly because of the cost that has come through on kind of Heathrow and a very small amount from Madrid as well, but that's the only difference on it. So it's not too dissimilar from where it was.

Operator

Ruairi Cullinane, RBC Capital Markets.

Ruairi Cullinane *RBC Capital Markets - Analyst*

So eventually, I've got a question about your pension, which is the UK or pension assets. The UK government has announced reforms to facilitate the release of some pension surpluses. Do you think this --

Nicholas Cadbury *International Consolidated Airlines Group SA - Chief Financial Officer, Interim Chairman - IAG Cargo*

Sorry, I was struggling to hear you, I'm afraid. Could you just repeat the question? I'm hearing about pension, but that's all we can hear.

Ruairi Cullinane *RBC Capital Markets - Analyst*

Yeah. Okay. Hopefully, you can hear me better now. So the UK government has announced reforms to facilitate the release of some pension surpluses. Do you think this could potentially apply to any of the net pension assets on your balance sheet?

Nicholas Cadbury *International Consolidated Airlines Group SA - Chief Financial Officer, Interim Chairman - IAG Cargo*

I think it's still under consultation, actually. So I don't think it's actually gone through finalized at the moment. So we'll review that as it comes through. But we're -- yeah, not something we are considering at the moment.

Operator

Harry Gowers, JPMorgan.

Harry Gowers *JPMorgan - Analyst*

Just one question on the other revenue line. I know this line, it can be lumpy and maybe hard to forecast. But obviously, the Q1 other revenue was up 40% year over year. So is that going to continue over the coming quarters? Like how much of that can we extrapolate out to the full year?

Nicholas Cadbury *International Consolidated Airlines Group SA - Chief Financial Officer, Interim Chairman - IAG Cargo*

Yeah, we had a very strong quarter one. I think we'll probably have a good quarter two as well off the back of it. And it's particularly around MRO, which is very strong at the moment. That's kind of third-party kind of maintenance and that kind of fleet of engines at the moment. I wouldn't extrapolate it at kind of 40% going forward overall. We had slightly weaker comparatives this time last year as well. So it's probably roughly around about probably half that across the year.

Operator

Conor Dwyer, Morgan Stanley.

Conor Dwyer *Morgan Stanley - Analyst*

The question I have is just really around actually the plane order and how that kind of feeds into, if any, changes in capacity growth expectations in the kind of more medium to long term? Is this kind of very consistent with what you've been saying before in terms of capacity growth? Or does it potentially lead to perhaps a little bit of acceleration to how you've been thinking about things beforehand?

Luis Gallego Martin *International Consolidated Airlines Group SA - Chief Executive Officer, Executive Director*

I think the fleet order, first of all, we need to replace the aircraft that we have. We have the 777, for example, in BA that they are reaching the end of their life. But part of the fleet order is to replace those aircraft. Part is for growth in line with what we said in the Capital Markets Day in 2023 that we are going to be around 4%, 5% of growth per year.

Operator

Baptiste Bourdeau de Fontenay, Bank of America.

Baptiste Bourdeau de Fontenay *Bank of America - Analyst*

Just one question, please. So one of your competitors said that for some of the transatlantic volume gap, it could also be caused by shorter booking windows, given the uncertainty. Is that something you think is also a possible explanation?

Nicholas Cadbury *International Consolidated Airlines Group SA - Chief Financial Officer, Interim Chairman - IAG Cargo*

It might be. I mean that'd be speculative if it was -- we've seen some strong short bookings, actually, particularly in Ireland and in Europe at the moment. But I think it'd be kind of speculating if we saw that.

Operator

Guilherme Sampaio, CaixaBank.

Guilherme Sampaio *CaixaBank - Analyst*

So how do you see the industry trends in capacity reacting to this demand softening? And how do you expect to deal with this softening in the future? So in terms of cost, in terms of capacity, what kind of flexibility do you have?

Luis Gallego Martin International Consolidated Airlines Group SA - Chief Executive Officer, Executive Director

So I think what we see in our main markets in the capacity for the second quarter and for the third quarter, we see, for example, that in North Atlantic, the traffic between Europe and North Atlantic is going to fall in the second quarter, around 0.8%. We are going to have a fall in all of our hubs except Dublin. They are going to have an increase.

In the third quarter, the traffic between Europe and North -- or the capacity between Europe and North Atlantic is going to increase 2%. London, we see it's going to be flat, and we see a strong growth in Madrid and also in Dublin. We look at the South Atlantic. In the second quarter, traffic between Europe and LatAm going to be almost flat. I think London is going to decrease, and Madrid is going to increase around 1.5%.

And if we look at the third quarter, traffic between Europe and LatAm is going to -- or capacity between Europe and LatAm is going to decrease around 2%, with a decrease in London and Madrid. So I think in general, the environment is a good environment.

And if we look at the European traffic, the second quarter, we are going to have an increase of capacity of around 3% and the same for the third quarter. And the capacity that we have -- the plan we have for this year is going to be a growth of around 3.4%.

Nicholas Cadbury International Consolidated Airlines Group SA - Chief Financial Officer, Interim Chairman - IAG Cargo

I think although we've got some uncertainty short term on this, I think if you -- one thing we are certain about is across the North Atlantic over the medium, long term, being a very strong market.

Operator

Jarrold Castle, UBS.

Jarrold Castle UBS - Analyst

Great. Last but not forgotten. You changed the tier point program. We've had a good few weeks now of the new loyalty program. I wanted to ask about, how has the customer response been towards that? Are you seeing any change in behavior? Also, how are competitors responding? So is there anything on the loyalty program changes and how that's impacting the business positively or negatively?

Sean Doyle International Consolidated Airlines Group SA - Chairman and Chief Executive Officer of British Airways

Maybe if I go -- from British Airways. I think we're seeing the behavior that we expected. So one, I think Executive Club bookings are tracking in line with the rest of our wider bookings. Number two, I think we're seeing people get rewarded more fairly, and we're seeing people get rewarded for an increased share of wallet.

I think it's also important to note that over the last two years, we've made a number of changes to the proposition. We have more commitments made for redemption, which customers receive positively. We've reduced things like carrier-imposed charges. We've also implemented spend-based earn, which means that we issue more miles to customers. And now I think revenue-based tier is something which is much fairer.

So I think the behavior and the trends that we expect are certainly the ones that we're seeing, which is very encouraging.

Adam Daniels *International Consolidated Airlines Group SA - Chairman and Chief Executive Officer of IAG Loyalty*

And I'd add from a Loyalty perspective, we're seeing similar on the Iberia side as well. And we are seeing some evidence that more club members are booking on BA Holidays, too. So we expected that to be part of the change, and I think we're seeing early signs of that.

Operator

And this does conclude our Q&A session. I will now hand back to Luis Gallego for closing remarks.

Luis Gallego Martin *International Consolidated Airlines Group SA - Chief Executive Officer, Executive Director*

Okay. So thank you very much, everybody, for being here today. As we said, a strong Q1. We have limited visibility for the second half of the year, but we assume that the strategy that we are following and the strength of the different airlines businesses in the group is going to continue delivering good results. Thank you very much.

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