

Connecting people, businesses and countries

2025 Quarter Three results



Disclaimer

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Forward-looking statements:

Certain statements included in this announcement are forward-looking. These statements can be identified by the fact that they do not relate only to historical or current facts. By their nature, they involve risk and uncertainties because they relate to events and depend on circumstances that will occur in the future. Actual results could differ materially from those expressed or implied by such forward-looking statements.

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

Actual results may differ from those expressed or implied in the forward-looking statements in this announcement as a result of any number of known and unknown risks, uncertainties and other factors, including, but not limited to, economic and geo-political, market, regulatory, climate, supply chain or other significant external events, many of which are difficult to predict and are generally beyond the control of the Group, and it is not reasonably possible to itemise each item. Accordingly, readers of this announcement are cautioned against relying on forward-looking statements. Further information on the primary risks of the business and the Group’s risk management process is set out in the Risk management and principal risk factors section in the Annual report and accounts 2024; this document is available on www.iairgroup.com. All forward-looking statements made on or after the date of this announcement and attributable to IAG are expressly qualified in their entirety by the primary risks set out in that section.

Alternative Performance Measures:

This announcement contains, in addition to the financial information prepared in accordance with International Financial Reporting Standards (‘IFRS’) and derived from the Group’s financial statements, alternative performance measures (‘APMs’) as defined in the Guidelines on alternative performance measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015. The performance and outcome of the Group’s strategy is assessed using a number of APMs. These measures are not defined under IFRS, should be considered in addition to IFRS measurements, may differ to definitions given by regulatory bodies relevant to the Group and may differ to similarly titled measures presented by other companies.

For definitions and explanations of APMs, refer to the APMs section in the most recent published financial report and in the [IAG Annual report and accounts 2024](http://www.iairgroup.com/press-releases/2025/iag-q3-2025-financial-results/) and the Interim Management Statement for the nine to 30 September 2025 (<https://www.iairgroup.com/press-releases/2025/iag-q3-2025-financial-results/>). These documents are available on www.iairgroup.com.

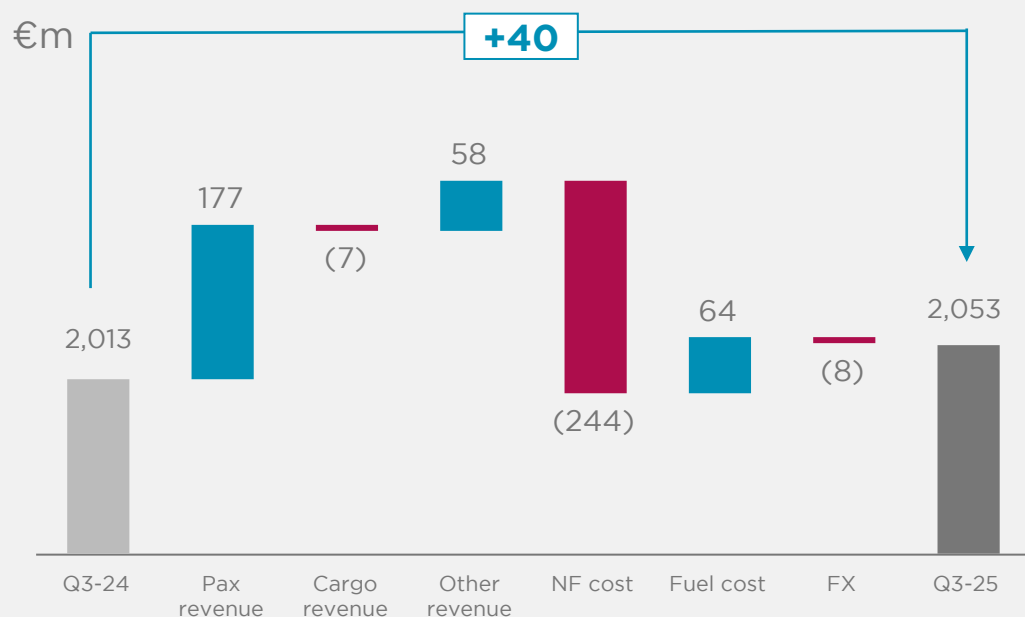
Strong value creation: on track for another year of growing revenue, profit and shareholder returns

- Another very good quarter of profit growth
- Strong revenue performance: PRASK at constant currency -0.3% on a record Q3 '24
- Effective cost control helped to deliver a 2.0% increase in Q3 operating profit to €2,053m and an operating margin of 22% (up 0.4pts); L12M operating margin of 15.2%
- Strong balance sheet gives optionality for capital allocation: net leverage at 0.8x
- Interim dividend increased to €0.048 per share*; €1bn share buyback almost complete; we intend to announce further returns of excess cash at FY 2025 results
- Outlook for this year is unchanged
- Confident in our strategy - long-term value-creation at high rates of return

Financial Highlights

Q3 operating profit: building on record profit in Q3 2024

IAG operating profit bridge by driver:
Further profit growth in a strong quarter

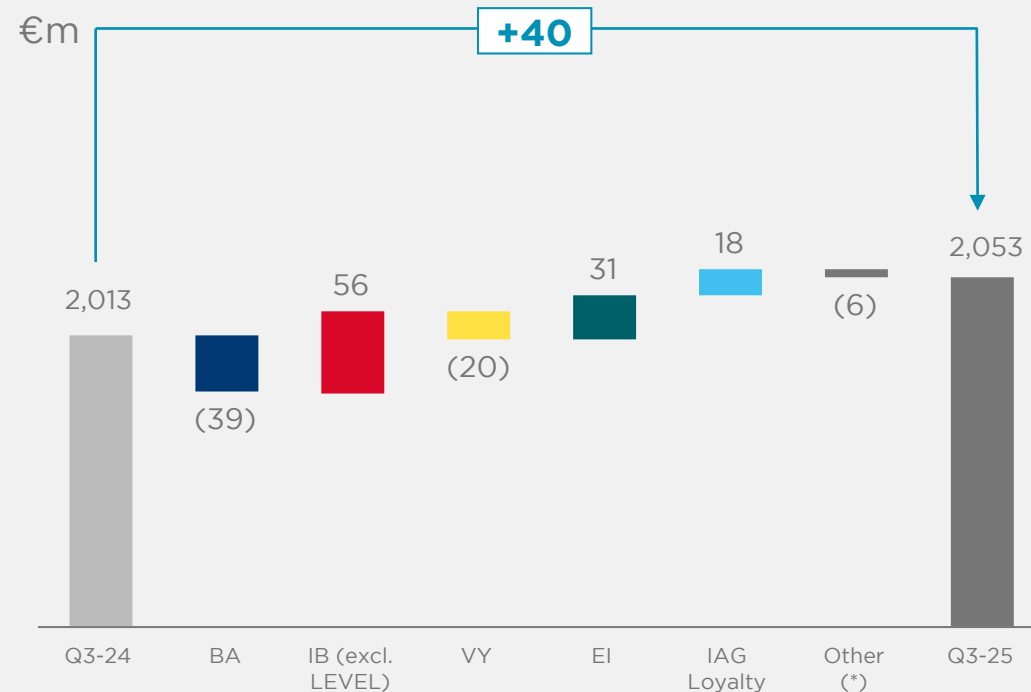


Margin 21.6%

22.0%

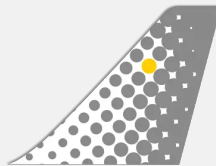
FX includes translation and transaction foreign exchange impact, and currency differences

IAG operating profit bridge by business:
Strong markets, hubs and brands



*Other includes LEVEL, IAG Cargo, IAG GBS, ICAG, and consolidation adjustments

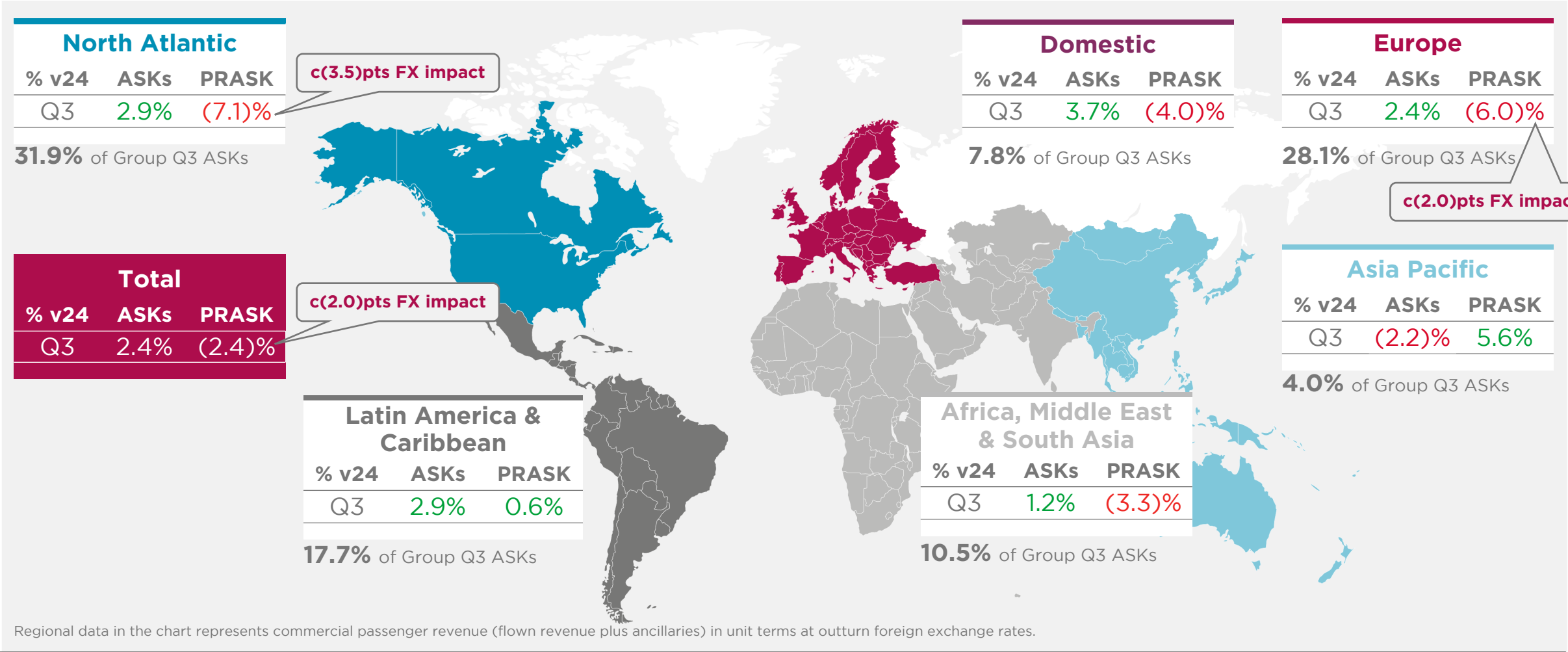
Q3: individually and collectively strong margins

										
	Aer Lingus		British Airways		Iberia*		Vueling		IAG Loyalty	
	Q3 2025 (€m)		Q3 2025 (£m)		Q3 2025 (€m)		Q3 2025 (€m)		Q3 2025 (£m)	
Total revenue	788	+5.6%	4,029	+0.3%	2,150	+2.0%	1,077	(0.5)%	749	+7.2%
Passenger revenue	769	+5.9%	3,805	+0.7%	1,717	+0.4%	1,070	(0.6)%	358	+7.6%
Operating result before exceptional items	170	+31	812	(18)	510	+56	272	(20)	141	+16
Operating margin before exceptional items	21.6%	+3.0pts	20.2%	(0.5)pts	23.7%	+2.2pts	25.3%	(1.7)pts	18.8%	+0.9pts
ASK (m)	10,162	+5.9%	47,172	+1.7%	22,863	+0.3%	12,706	+6.2%		
PRASK (cts/p)	7.57	—%	8.07	(1.0)%	7.51	+0.1%	8.42	(6.4)%		
Non-fuel CASK (cts/p)	4.30	(0.6)%	4.93	+3.3%	5.55	+2.2%	4.37	(2.4)%		
IAG Loyalty operating profit on pre-HMRC basis:									151	+26

*Iberia figures exclude LEVEL

Q3: Strong revenue overall; challenging in specific markets

Currently expect to grow capacity (ASK) by c2.5% in 2025



Good non-fuel unit cost performance - in line with guidance

Cost category	Q3 2025 unit cost (% vLY)	Q3 2025
Employee	2.9%	Agreed salary increases partly mitigated by productivity benefits from more punctual operations
Supplier	(2.9)%	Supplier inflation offset by mainly procurement-driven transformation initiatives
Ownership	9.1%	Increase mostly driven by new aircraft deliveries and investment in product and IT
Total non-fuel	0.2%	c.2.0% - beneficial impact of FX headwinds Full Year non-fuel cost guidance unchanged: to increase by around 3%
Fuel	(10.9)%	Driven by reduction in commodity prices and more efficient aircraft
Total unit-cost	(2.9)%	

Adjusted EPS increased by 27% in 9M 2025

€m	Nine months to 30 September					
	Before exceptional items 2025	Exceptional items	Reported 2025	Before exceptional items 2024	Exceptional items	Reported 2024
Revenue	25,234	–	25,234	24,053	–	24,053
Operating costs	21,303	–	21,303	20,731	–	20,731
Operating profit	3,931	–	3,931	3,322	–	3,322
Finance costs	(631)	–	(631)	(677)	–	(677)
Finance income	217	–	217	299	–	299
Net change in fair value of financial instruments	(135)	–	(135)	(63)	–	(63)
Net financing credit relating to pensions	63	–	63	46	–	46
Net currency retranslation credits	320	–	320	56	–	56
Other non-operating (charges)/credits	(150)	–	(150)	22	(50)	(28)
Profit before tax	3,615	–	3,615	3,005	(50)	2,955
Tax	(912)	–	(912)	(755)	140	(615)
Profit after tax	2,703	–	2,703	2,250	90	2,340
Adjusted EPS before exceptional items (€c)	55.5			43.7		

Stronger balance sheet gives capital allocation optionality

€m	30 September 2024	31 December 2024	30 September 2025
Gross debt	16,026	17,345	14,783
of which bank and other loans	2,720	2,911	1,912
of which asset financed and lease liabilities	13,306	14,434	12,871
Gross debt / EBITDA before exceptional items	2.6x	2.5x	1.9x
Cash, cash equivalents and interest-bearing deposits	9,837	9,828	8,774
Net debt	6,189	7,517	6,009
Net debt / EBITDA before exceptional items	1.0x	1.1x	0.8x
Total liquidity (cash and facilities)	13,306	13,362	11,442

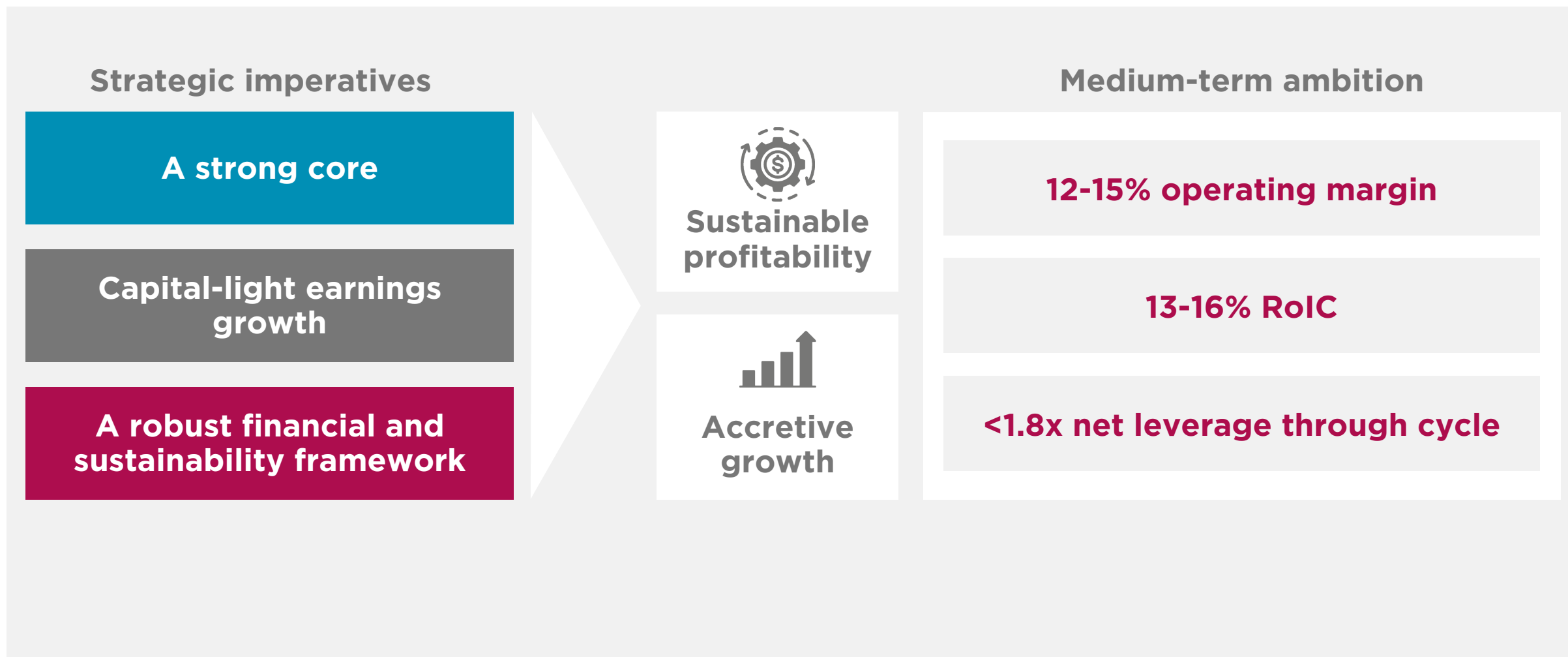
- Net leverage of 0.8x
 - Leverage to increase modestly at the year-end in line with the usual seasonal booking patterns
- Gross leverage of 1.9x; FX benefit of €1.3bn vs 31 December 2024
- Actions in the quarter included:
 - €490m redemption of 2029 (entirely redeemed) and 2027 bonds
 - €500m 2030 benchmark bond issuance, extends maturities at an attractive 3.35% coupon
- Investing in our fleet
 - 6 deliveries in the quarter
 - 25 deliveries in total expected in 2025
 - Of which 2/3rds unencumbered
- Full Year capex expectation in line with previous guidance at c.€3.7bn

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

 Maintain balance sheet strength	 Invest in rebuilding our fleet	 Improve customer experience, resilience, digital and sustainability	 Commitment to sustainable dividends	 Excess cash returned to shareholders if no inorganic opportunities exist
Maintain net debt / EBITDA < 1.8x across the cycle	Invest to grow capacity 2%-4% per annum*	Drive margin performance across the Group in the 12% to 15% range	Sustainable ordinary dividend through the cycle	Distribute excess cash below net leverage of 1.2x to 1.5x
0.8x at 30 Sept 2025 Investment Grade	19 new aircraft in 9M 2025 25 planned in 2025	+0.4pt margin Q3 vLY 15.2% margin LTM	Interim dividend €220m / €0.048 per share	c.€950m of shares of €1bn programme bought so far in 2025**
Intend to announce further returns of excess cash at Full Year 2025 results				

Delivering our strategy

Our strategy to deliver world-class margins and returns



Excellent operations delivering OTP and NPS improvement

British Airways

- Rebuilding long-haul: Bangkok moves to year-round, Miami twice-daily. New short-haul leisure routes to Rabat/Graz
- New global lounge concept unveiled in Miami and Dubai. Work begins for First Wing check-in refresh at LHR
- Q3 OTP: +10.2pts. Best Heathrow OTP since 2012

Iberia

- New transatlantic markets unlocked through XLRs: Orlando, Recife and Fortaleza in Winter 2025/26; Monterey in Summer 2026
- Customer journey enhancements: new culinary proposal; rollout of larger overhead bins across the short-haul fleet
- Q3 OTP: +7.2pts due to improved total operational performance

Aer Lingus

- Highly efficient new XLR routes to Indianapolis, Nashville and Minneapolis
- “Digital first”: introduction of Google Pay; new app features geared at ancillaries - supporting strong NPS improvement
- Q3 OTP: +4.6pts due to improved ground handling processes

Vueling

- Investing in our core markets of Barcelona and Spain, with a focus on the Canaries, expanding our footprint with 19 new routes in 2025
- Strongest ever summer NPS through better operations and initiatives such as enhanced communications and better online check-in
- Q3 OTP: +0.5pts due to enhanced management of ATC and weather

Loyalty

- Multi-year extension to American Express partnership: extending co-brand relationship with British Airways; card acceptance for all IAG airlines, including LEVEL for the first time; ability to transfer American Express Membership rewards to Avios
- British Airways Holidays starting its IT transformation to replace 90% of legacy systems and build a new customer website

Outlook

- Our outlook for the full year is unchanged; revenue positively booked for Q4
- We are on track to deliver another year of revenue and earnings growth, margin progress and strong shareholder returns
- Demand for travel remains strong. We are well positioned, with a strong business model with great brands and a best-in-class network, whilst being mindful of the geopolitical and macroeconomic backdrop
- We are executing on our strategy and continuing to build a business that will deliver sustainable value creation through the cycle

Strong fundamentals underpin best-in-class value creation

Strong Position

Unique strength in our network, hubs and brands

Premium customers

Growing IAG Loyalty and partnerships



Strong Execution

Delivering world-class margins

Delivered by our transformation programme

Delivered by our talented employees across the globe



Strong Value Creation

Sustainable earnings growth

Strong free cash flow generation

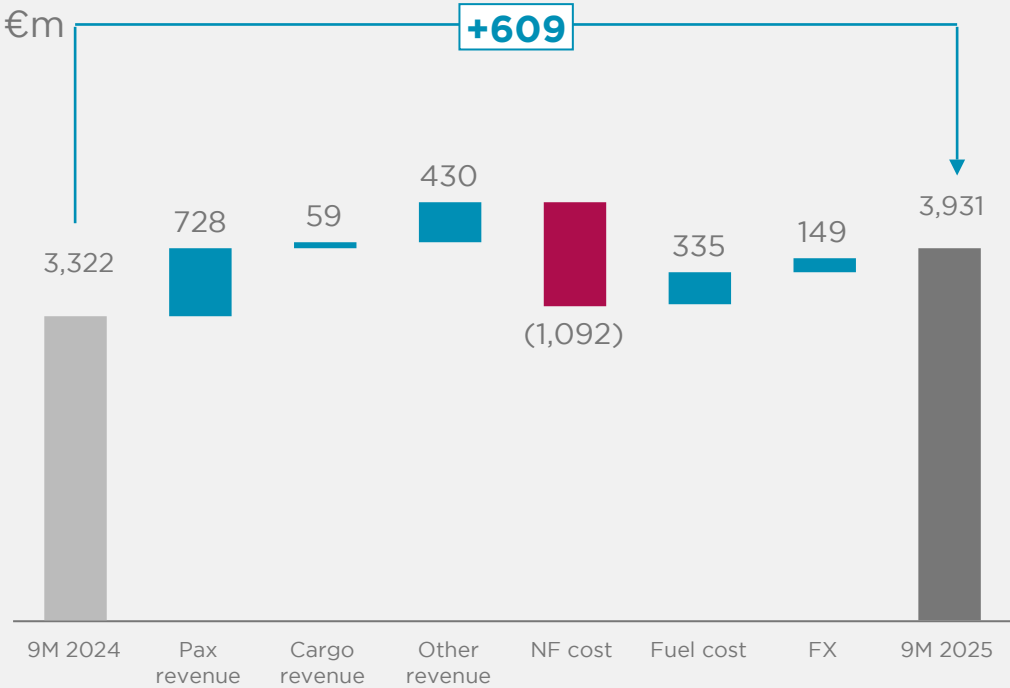
Significant shareholder returns

Appendices



Strong operating profit growth in 9M 2025

IAG operating profit bridge by driver:
Profit improvement supported by transformation, fuel and FX



Before exceptional items
FX includes translation and transaction foreign exchange impact, and currency differences

IAG operating profit bridge by business:
Strong markets, hubs and brands



*Other includes LEVEL, IAG Cargo, IAG GBS, ICAG, and consolidation adjustments

Modelling assumptions

- **Revenue**
 - Full year capacity increase of c.2.5%
- **Non-fuel unit costs**
 - Non-fuel unit costs are assumed to increase by around 3% in 2025, as previously guided at our Half Year 2025 results
- **Fuel costs**
 - Total fuel bill to be c.€7.1bn, based on jet forward curve and foreign exchange rates at the end of Q3
- **Free cash flow**
 - Net payment of €447m to HMRC in H1
 - Capex expected to be c.€3.7bn
 - €280m FY 2024 Final dividend paid and €220m interim dividend 2025 to be paid in December
 - Returning €1.2bn of excess cash in 2025

Fuel hedging - 76% hedged for the remainder of 2025

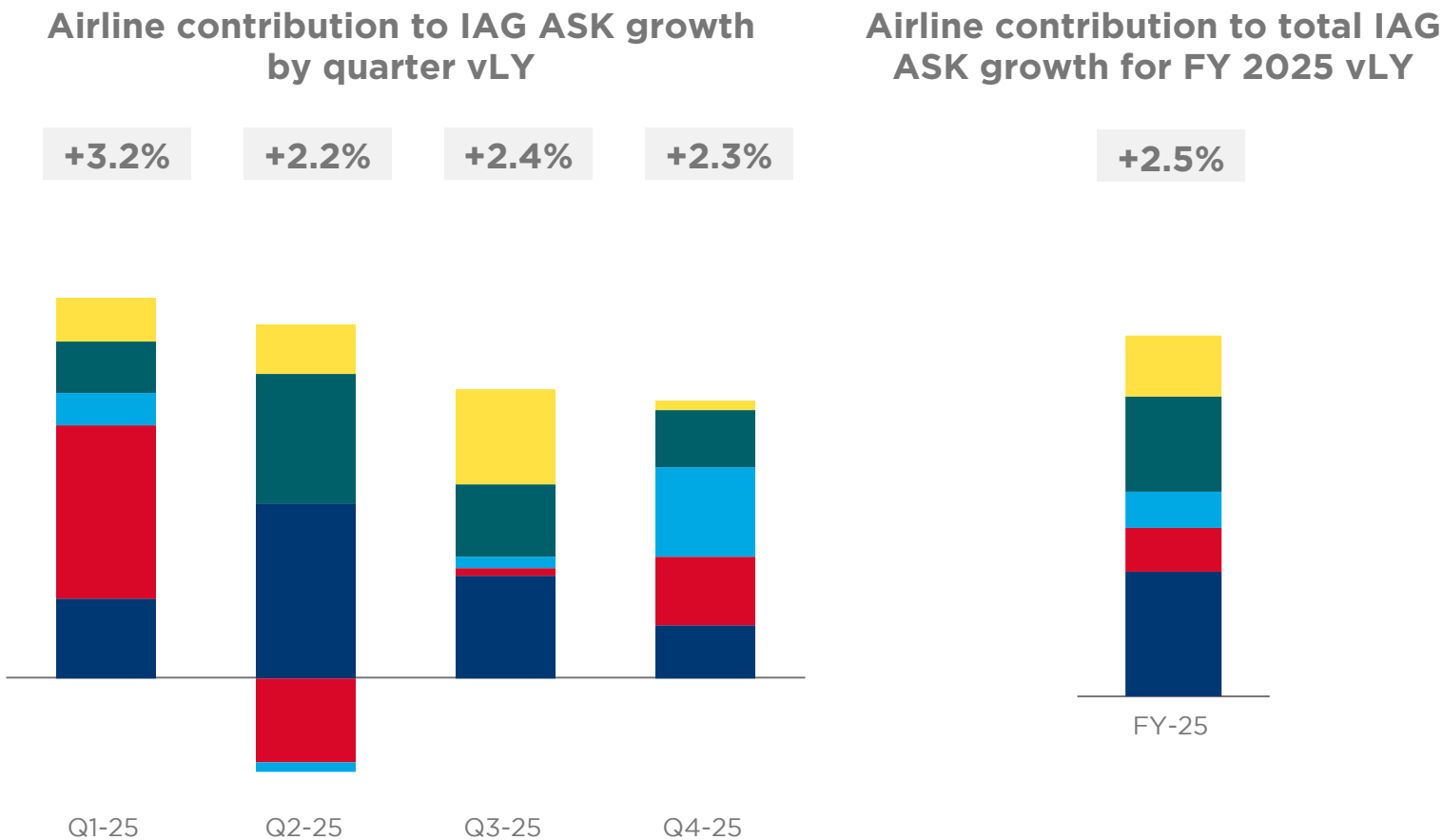
As per Q3 2025 results	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026	Q1 2027
Jet fuel price scenario	\$720/mt	\$710/mt	\$690/mt	\$690/mt	\$690/mt	\$680/mt
\$/€ scenario	1.177	1.177	1.177	1.177	1.177	1.177
Hedge ratio	76 %	63 %	56 %	45 %	36 %	29 %
Effective blended price post fuel and FX hedging*	\$750/mt	\$740/mt	\$715/mt	\$710/mt	\$720/mt	\$700/mt

Full year 2025 fuel cost expected to be c.€7.1bn based on jet fuel forward curve and foreign exchange rates at the end of Q3

* Effective blended price excluding into plane cost

FY 2025 capacity planned to be c.2.5% higher than 2024

ASKs	Q4 2025 vLY	FY 2025 vLY
	5.0%	6.9%
	0.9%	1.7%
	2.3%	1.2%
	0.7%	3.5%
	40.2%	11.3%
	2.3%	2.5%



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

Alternative Performance Measures (APMs) and terminology definitions

Measure	IFRS/APM	Definition	Source of calculation
Adjusted earnings per share	APM	Based on results before exceptional items after tax and adjusted for earnings attributable to equity holders and interest on convertible bonds, divided by the weighted average number of ordinary shares, adjusted for the dilutive impact, when applicable, of the assumed conversion of the bonds and employee share schemes outstanding.	Q3 2025 Results Release (alternative performance measures section, note b: Adjusted earnings per share)
Capex (or gross capital expenditure)	IFRS	Acquisition of property, plant and equipment and intangible assets per cash flow statement	Direct from Cash flow statement (Net cash flows from investing activities)
Cash	IFRS	Cash and cash equivalents and Current interest-bearing deposits	Direct from Balance sheet (Current assets)
EBITDA before exceptional items	APM	Rolling four quarter Operating result before exceptional items, interest, taxation, depreciation, amortisation and impairment.	Q3 2025 Results Release (alternative performance measures section, note d: Gross and Net debt to EBITDA before exceptional items) and accounting policies
Free cash flow	APM	Net cash flows from operating activities, less the cash flows associated with the acquisition of property, plant and equipment and intangible assets reported in net cash flows from investing activities from the Cash flow statement.	
Gross debt	IFRS	Total borrowings (current and non-current)	Direct from Balance sheet (Current liabilities, Non-current liabilities)
Gross debt to EBITDA before exceptional items (or Gross leverage)	APM	Based on Gross debt (per above) and rolling four quarter EBITDA before exceptional items	Direct from Balance Sheet (Current liabilities, Non-current liabilities) and Q3 2025 Results Release (alternative performance measures section, note d: Gross and Net debt to EBITDA before exceptional items) and accounting policies
Liquidity (or Total liquidity)	APM	Cash (per above) plus committed and undrawn general and overdraft facilities, and aircraft-specific financing facilities	Q3 2025 Results Release (Reconciliation of alternative performance measures section, note f: Liquidity)
Movements in working capital	IFRS	Net movements in working capital per cash flow statement	Direct from Cash flow statement (Net cash flows from operating activities)
Net debt	IFRS	Gross debt (per above) less Cash (per above)	Q3 2025 Results Release (Reconciliation of alternative performance measures section, note d: Gross and Net debt to EBITDA before exceptional items)
Net debt to EBITDA before exceptional items (or Leverage)	APM	Based on Net debt (per above) and rolling four quarter EBITDA before exceptional items	Q3 2025 Results Release (Reconciliation of alternative performance measures section, note d: Gross and Net debt to EBITDA before exceptional items)
Operating profit (and other Income statement items) before exceptional items	APM	See Q3 2025 Results Release (alternative performance measures section, note a: Profit after tax before exceptional items) and accounting policies	Q3 2025 Results Release (alternative performance measures section, note a: Profit after tax before exceptional items) and accounting policies
Unit measures (PRASK, Fuel CASK, Non Fuel CASK)	APM	Passenger revenue, fuel costs, non-fuel costs (each before exceptional items) divided by capacity (ASKs)	Glossary in the 2024 ARA

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