IAG third quarter results 2023

Record third quarter profit with strong trading across the Group and a significantly stronger balance sheet

Highlights

- Strong growth of operating profit before exceptional items in the quarter to €1,745 million (Q3 2022: €1,216 million) and an operating margin of 20.2% (Q3 2022: 16.6%) due to:
  - Capacity (ASK) increase of 17.9% on last year (95.6% of Q3 2019), with a focus over the summer on European holiday destinations and further investment across the South and North Atlantic, supported by 20 aircraft deliveries year to date.
  - Passenger unit revenue increased by 2.2% year-on-year (24.6% vs 2019) due to continued strong demand from leisure travel.
  - Non-fuel unit costs for the quarter were 3.5% below Q3 2022. This was despite a c.1.0 percentage point impact from higher disruption across the business, including the UK NATS systems outage in August. The majority of these additional costs were in British Airways.
  - Fuel unit costs for the quarter were down 6.2% year on year.
- Continued balance sheet strengthening: Gross debt reduced by €2.4 billion to €17.2 billion at September 30, 2023 versus June 30, 2023, with £2.0 billion UKEF-backed loan repaid early and €0.5 billion IAG bond repaid on maturity. Consequently S&P upgraded IAG and British Airways to Investment Grade.
- Overall customer bookings for Q4 are as expected.
- We expect 2023 to be a year of strong recovery in our margins, operating profit and balance sheet and towards pre-COVID-19 levels of capacity.

Luis Gallego, International Airlines Group's CEO, said:

"This quarter represents a record third quarter performance for IAG. This is allowing us to invest in the business and reduce a significant amount of our debt.

"During the third quarter we saw sustained strong demand across all our routes, in particular the North and South Atlantic and in all leisure destinations around Europe. We continue to develop our hubs of Barcelona, Dublin, London and Madrid, supported by our fleet deliveries and future orders.

"Our strong financial performance is enabling investment in our people and allowing us to further improve customer experience. At the same time, we will keep working towards our sustainability goals.

"We would like to thank all our employees across the Group for their contribution to this performance."

Financial summary:

	Nine months to September 30		Three months to September 30	
Reported results (€ million)	**2023**	2022[1]	**2023**	2022[1]
Total revenue	**22,229**	16,680	**8,646**	7,329
Operating profit	**3,005**	801	**1,745**	1,218
Profit after tax	**2,151**	199	**1,230**	853
Basic earnings per share (€ cents)	**43.6**	4.0		
Cash, cash equivalents and interest-bearing deposits[2]	**9,218**	9,599		
Borrowings[2]	**17,227**	19,984		

Alternative performance measures (€ million)	**2023**	2022[1]	**2023**	2022[1]
Total revenue before exceptional items	**22,229**	16,680	**8,646**	7,329
Operating profit before exceptional items	**3,005**	770	**1,745**	1,216
Operating margin before exceptional items	**13.5%**	4.6%	**20.2%**	16.6%
Profit after tax before exceptional items	**2,151**	170	**1,230**	853
Adjusted earnings per share (€ cents)	**40.7**	0.4		
Net debt[2]	**8,009**	10,385		
Net debt to EBITDA before exceptional items (times)[2]	**1.4**	3.1		
Total liquidity[2,3]	**13,697**	13,999		

For definitions of Alternative performance measures, refer to the Alternative performance measures section of this report.
[1]The 2022 results include a reclassification to conform with the current period presentation for the Net gain on sale of property, plant and equipment. There is no impact on the Profit after tax.
[2]The prior period comparative is December 31, 2022.
[3]Total liquidity includes Cash, cash equivalents and interest-bearing deposits, plus committed and undrawn general and overdraft facilities and aircraft-specific financing facilities.

Strategic highlights

Trading and network

- Record profit and high margins in the third quarter of 2023, driven by very strong leisure demand across all our airlines
  - Aer Lingus total revenue increased by 16% driving strong profit growth and operating margins of 25.5%, despite cost headwinds. Capacity increased by 15% across both longhaul and shorthaul over the summer, with the largest longhaul schedule ever. Next year Aer Lingus will also return to Minneapolis and fly a new route to Denver. Premium leisure on the transatlantic network was particularly strong, driving record load factors in business cabins.
  - British Airways total revenue grew by 20% in the quarter, on capacity growth of 25%, in particular through strong leisure demand. Profits increased by 50% year-on-year as capacity increases drove strong non-fuel unit cost performance (-7.6%), despite disruption costs. Operating profit was £617 million and the operating margin was 15.3%. Capacity growth focused on increased frequencies and higher gauge aircraft, as well as rebuilding the Asian network. British Airways recently announced resumption of flights to Abu Dhabi in 2024. Further investment in stabilising operations, despite a challenging external environment and supply chain constraints, and a more resilient performance expected over the winter.
  - Strong trading across the network at Iberia has driven an increase in total revenue of 19%, with capacity growth of 18% and passenger unit revenue growth of 5%, with leisure continuing to be strong and corporate travel mainly recovered to pre-Covid levels. Profit increased by 76% to €449 million and margins to 23.1%. Continued network investment in the strong and growing Latin American and Caribbean markets as well as the announcement of the new Doha route as a gateway to Asia. Transformation initiatives are delivering exceptional On Time Performance, cost control and better aircraft utilisation and maintenance.
  - Vueling delivered a record operating profit (€282 million) and margin for the quarter of 26.1%. Transformation initiatives are driving strong performance across all areas: higher load factors at 94% and ancillary revenue of €29 per passenger; robust cost control to offset inflationary headwinds; and On Time Performance 9 percentage points higher than Q3 2019. Vueling is maintaining capacity at 2019 levels whilst negotiations continue with pilots towards agreeing a sustainable collective agreement, with a cabin crew agreement secured earlier in the third quarter.
- Loyalty continued to drive good revenue growth in Q3 2023 as total revenue increased by 57%. The quarter was the highest ever for Avios issued and redeemed by customers, as well as a record quarter where 1.3 million customers joined IAG programmes. This was supported by the continuing roll-out of programme enhancements, including a further tranche of “Avios-only” flights for summer 2024.
- Our Cargo business continues to see declines in revenue and profit as industry supply continues to exceed reducing demand for air freight. Cargo yields remain above 2019 levels.

Other developments

  - Our balance sheet continues to strengthen as the business returns to normal levels of profitability.
  - Net debt has reduced by €3.1 billion year-on-year to €8.0 billion (September 30, 2022: €11.1 billion) and leverage was 1.4 times at September 30, 2023 (September 30, 2022: 4.4x).
  - We have also reduced our gross debt (September 30, 2023: €17.2 billion; June 30, 2023: €19.6 billion): in the quarter we repaid our £2 billion (€2.3 billion) UK Export Finance-backed loan as well as a €500 million IAG bond.
  - S&P has upgraded both IAG and British Airways to Investment Grade status at BBB- with a stable outlook.
- Our fleet deliveries continue to be on schedule. During the nine months to September 30, 2023 we have had 20 aircraft delivered as we replace both our longhaul and shorthaul fleets. This comprised 12 narrowbody aircraft across all our airlines and 8 widebody aircraft to British Airways and Iberia.
- As announced at our half year results on July 28, 2023, we have also ordered more aircraft for future delivery to support our network growth strategy: six Boeing 787-10s for British Airways and one Airbus A350-900 for Iberia.
- We continue to monitor and manage the situation with regards to metal powder contamination in Pratt & Whitney (P&W) GTF engines. We currently have 32 aircraft that we consider to be in the scope of the issues that P&W has raised (less than 10% of IAG’s shorthaul fleet) and are taking steps to mitigate prospective time out of service of those aircraft over the next three years.
- We have now secured wage agreements with most of our employee groups, including all Iberia teams and cabin crew at Aer Lingus, British Airways and Vueling. Our proposal to British Airways pilots is currently subject to a ballot having been recommended by BALPA. Discussions are ongoing with pilots at Vueling; and with pilots and maintenance teams at Aer Lingus.

Trading outlook

- We expect full year 2023 capacity to be around 96% of pre-COVID-19 levels.
- Overall customer bookings for Q4 are as expected with around 75% of the fourth quarter’s passenger revenue already booked.
- Whilst we maintain good forward bookings, we continue to be mindful of wider macroeconomic and geopolitical uncertainties that might affect the remainder of this year.
- We expect non-fuel unit costs for the full year 2023 to be at the lower end of previous guidance of 6% - 10% improvement on full year 2022, due to the higher level of disruption.
- At current fuel prices* and taking into consideration the 73% of hedging we have in place for the fourth quarter, total fuel costs would be c€7.6 billion for the full year.
- We expect to generate sustainable free cash flow this year and for our net debt at December 31, 2023 to reflect the usual seasonal increase in the fourth quarter.

*Jet fuel forward prices as at October 26, 2023

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

Actual results may differ from those expressed or implied in the forward-looking statements in this announcement as a result of any number of known and unknown risks, uncertainties and other factors, including, but not limited to, the current economic and geopolitical environment and ongoing recovery from the COVID-19 pandemic and uncertainties about its future impact and duration, many of which are difficult to predict and are generally beyond the control of the Group, and it is not reasonably possible to itemise each item. Accordingly, readers of this announcement are cautioned against relying on forward-looking statements. Further information on the primary risks of the business and the Group’s risk management process is set out in the Risk management and principal risk factors section in the Annual report and accounts 2022; this document is available on www.iairgroup.com. All forward-looking statements made on or after the date of this announcement and attributable to IAG are expressly qualified in their entirety by the primary risks set out in that section. Many of these risks are, and will be, exacerbated by the ongoing recovery from the COVID-19 pandemic and uncertainties about its future impact and duration and any further disruption to the global airline industry as well as the current economic and geopolitical environment.

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 October 5, 2015. The performance of the Group 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. They are used to measure the outcome of the Group’s strategy based on ‘Unrivalled customer proposition’, ‘Value accretive and sustainable growth’ and ‘Efficiency and innovation’. For definitions and explanations of APMs, refer to the Alternative Performance Measures section of this report and to the APMs section in the most recent published financial report and in the IAG Annual report and accounts; these documents are available on www.iairgroup.com.

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CONSOLIDATED INCOME STATEMENT

€ million	Nine months to September 30 2023	2022[1]	Higher/ (lower)	Three months to September 30 2023	2022[1]	Higher/ (lower)
Passenger revenue	**19,517**	14,020	39.2 %	**7,733**	6,416	20.5 %
Cargo revenue	**866**	1,216	(28.8)%	**263**	373	(29.5)%
Other revenue	**1,846**	1,444	27.8 %	**650**	540	20.4 %
Total revenue	**22,229**	16,680	33.3 %	**8,646**	7,329	18.0 %
Employee costs	**3,985**	3,417	16.6 %	**1,375**	1,250	10.0 %
Fuel, oil costs and emissions charges	**5,579**	4,400	26.8 %	**2,029**	1,834	10.6 %
Handling, catering and other operating costs	**2,891**	2,143	34.9 %	**1,095**	821	33.4 %
Landing fees and en-route charges	**1,762**	1,391	26.7 %	**658**	544	21.0 %
Engineering and other aircraft costs	**1,862**	1,507	23.6 %	**654**	579	13.0 %
Property, IT and other costs	**788**	670	17.6 %	**273**	235	16.2 %
Selling costs	**851**	671	26.8 %	**273**	229	19.2 %
Depreciation, amortisation and impairment	**1,508**	1,531	(1.5)%	**525**	516	1.7 %
Net (gain)/loss on sale of property, plant and equipment	**(15)**	(31)	(51.6)%	**2**	(10)	nm
Currency differences	**13**	180	(92.8)%	**17**	113	(85.0)%
Total expenditure on operations	**19,224**	15,879	21.1 %	**6,901**	6,111	12.9 %
Operating profit	**3,005**	801	nm	**1,745**	1,218	43.3 %
Finance costs	**(867)**	(723)	19.9 %	**(302)**	(243)	24.3 %
Finance income	**285**	11	nm	**118**	8	nm
Net change in fair value of financial instruments	**-**	132	nm	**13**	2	nm
Net financing credit relating to pensions	**77**	19	nm	**26**	6	nm
Net currency retranslation credits/(charges)	**64**	(305)	nm	**(85)**	(108)	(21.3)%
Other non-operating credits	**51**	231	(77.9)%	**63**	126	(50.0)%
Total net non-operating costs	**(390)**	(635)	(38.6)%	**(167)**	(209)	(20.1)%
Profit before tax	**2,615**	166	nm	**1,578**	1,009	56.4 %
Tax	**(464)**	33	nm	**(348)**	(156)	nm
Profit after tax for the period	**2,151**	199	nm	**1,230**	853	44.2 %

[1]The 2022 results include a reclassification to conform with the current period presentation for the Net gain on sale of property, plant and equipment within Operating profit. Accordingly, for the nine month and three month periods to September 30, 2022, the Group has reclassified €31 million and €10 million, respectively, of gains from Other non-operating credits to Expenditure on operations. There is no impact on the Profit after tax.

ALTERNATIVE PERFORMANCE MEASURES

All figures in the tables below are before exceptional items. Refer to Alternative performance measures section for further detail.

	Nine months to September 30			Three months to September 30		
	Before exceptional items			Before exceptional items		
€ million	**2023**	2022[1]	Higher/ (lower)	**2023**	2022[1]	Higher/ (lower)
Passenger revenue	**19,517**	14,020	39.2 %	**7,733**	6,416	20.5 %
Cargo revenue	**866**	1,216	(28.8)%	**263**	373	(29.5)%
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Engineering and other aircraft costs	**1,862**	1,507	23.6 %	**654**	579	13.0 %
Property, IT and other costs	**788**	693	13.7 %	**273**	235	16.2 %
Selling costs	**851**	671	26.8 %	**273**	229	19.2 %
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Total expenditure on operations	**19,224**	15,910	20.8 %	**6,901**	6,113	12.9 %
Operating profit	**3,005**	770	nm	**1,745**	1,216	43.5 %
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Profit before tax	**2,615**	135	nm	**1,578**	1,007	56.7 %
Tax	**(464)**	35	nm	**(348)**	(154)	nm
Profit after tax for the period	**2,151**	170	nm	**1,230**	853	44.2 %

Operating figures	**2023**	2022[1]	Higher/ (lower)	**2023**	2022[1]	Higher/ (lower)
Available seat kilometres (ASK million)	**242,293**	192,544	25.8 %	**88,259**	74,834	17.9 %
Revenue passenger kilometres (RPK million)	**208,079**	156,624	32.9 %	**78,494**	65,078	20.6 %
Seat factor (per cent)	**85.9**	81.3	4.6pts	**88.9**	87.0	1.9pts
Passenger numbers (thousands)	**87,548**	69,504	26.0 %	**33,241**	29,535	12.5 %
Cargo tonne kilometres (CTK million)	**3,362**	2,890	16.3 %	**1,138**	951	19.7 %
Sold cargo tonnes (thousands)	**439**	407	7.9 %	**145**	132	9.8 %
Sectors	**538,413**	456,837	17.9 %	**196,377**	179,469	9.4 %
Block hours (hours)	**1,605,694**	1,308,318	22.7 %	**587,584**	511,599	14.9 %
Aircraft in service	**573**	552	3.8 %	**n/a**	n/a	n/a
Passenger revenue per RPK (€ cents)	**9.38**	8.95	4.8 %	**9.85**	9.86	(0.1)%
Passenger revenue per ASK (€ cents)	**8.06**	7.28	10.6 %	**8.76**	8.57	2.2 %
Cargo revenue per CTK (€ cents)	**25.76**	42.08	(38.8)%	**23.11**	39.22	(41.1)%
Fuel cost per ASK (€ cents)	**2.30**	2.29	0.8 %	**2.30**	2.45	(6.2)%
Non-fuel costs per ASK (€ cents)	**5.63**	5.98	(5.8)%	**5.52**	5.72	(3.5)%
Total cost per ASK (€ cents)	**7.93**	8.26	(4.0)%	**7.82**	8.17	(4.3)%

[1]The 2022 results include a reclassification to conform with the current period presentation for the Net gain on sale of property, plant and equipment within Operating profit. Accordingly, for the nine month and three month periods to September 30, 2022, the Group has reclassified €31 million and €10 million, respectively, of gains from Other non-operating credits to Expenditure on operations. There is no impact on the Profit after tax.

FINANCIAL REVIEW FOR THE NINE MONTHS TO SEPTEMBER 30, 2023

Developments since the last report (July 28, 2023).
On August 23, 2023, the Group extended the availability period for $1.655 billion of its $1.755 billion Revolving Credit Facility, which is available to British Airways, Iberia and Aer Lingus. Following the extension, $1.755 billion will be available to March 2025 and then $1.655 billion available to March 2026. At September 30, 2023 the facility remained undrawn.

On September 28, 2023, British Airways repaid its syndicated loan of £2.0 billion (€2.3 billion), which was partially guaranteed by UK Export Finance (UKEF). At the same time, British Airways entered into a new 5-year Export Development Guarantee Facility of £1.0 billion (€1.2 billion), with commitments from a syndicate of banks, partially guaranteed by UKEF, and available through to September 2028. The new facility is in addition to the £1.0 billion Export Development Guarantee Facility, which was entered into in 2021 and which is available through to November 2026. Both facilities were undrawn at September 30, 2023.

Basis of preparation
At September 30, 2023, the Group had total liquidity of €13,697 million, comprising cash, cash equivalents and interest-bearing deposits of €9,218 million and €4,479 million of committed and undrawn general and overdraft facilities.

In its assessment of going concern over the period of at least 12 months from the date of approval of this report (the 'going concern period'), the Group has prepared extensive modelling, including considering a plausible but severe downside scenario. Having reviewed these scenarios, the Directors have a reasonable expectation that the Group has sufficient liquidity to continue in operational existence over the going concern period and hence continue to adopt the going concern basis in preparing this interim management statement for the nine months to September 30, 2023.

Principal risks and uncertainties
The Group has continued to maintain its framework and processes to identify, assess and manage risks. The Group monitors the evolution of the risk landscape and internal and external changes, particularly considering how risks combine to create increased threats, re-assessing the potential severity and likelihood accordingly.

In assessing its principal risks, the Group has considered operational resilience, supply chain risk, the status of the financial markets and demand, political risk and government intervention, pace of transformation, particularly IT, the industrial relations landscape and people engagement and cultural change across the Group. No new principal risks were identified through the risk management discussions and assessments across the business and the principal risks and uncertainties affecting the Group, detailed in the Risk management and principal risk factors section of the 2022 Annual report and accounts, remain relevant at the date of this report. However, the profile of certain risks has changed over the past nine months. These include the Group's exposure and ability to directly manage the external risk environment, particularly for aircraft, engines and component availability, which remains a challenge, given the fundamental weaknesses in the resilience of the aviation sector's supply chain. Other external threats which remain heightened include: the impact of inflation on demand and customer confidence; higher costs in the supply chain; the impact of escalating and ongoing geopolitical tensions and conflict in various regions, in particular the Middle East; air traffic control (ATC) resilience issues and industrial unrest impacting operations; and policy measures taken by governments to address the economic environment or policy proposals that could impact the Group's airlines' ability to set capacity and/or pricing. Further detail on the changes in the risk environment including management's responses are provided below. Management remains focused on mitigating risks at all levels in the business and investing to increase resilience.

The Board reviews and challenges management on the risk landscape and its management in the light of changes that influence the Group and the aviation industry. Where further action has been required, the Board has considered potential mitigations and, where appropriate or feasible, the Group has implemented or confirmed plans that would address those risks or retain them within the Board's determined Group risk appetite. In addition, the Board and its sub committees have been appraised of regulatory, competitor and governmental responses on an ongoing basis.

From the risks identified in the 2022 Annual report and accounts, given the current environment, the main risks that continue to be a key area of focus, due to their potential implications for the Group, are outlined below.

- *Brand and customer trust.* Operational resilience and customer satisfaction underpin customer trust. Reliability, including on-time performance, service and product delivery, are key elements of brand value and of each customer's experience. The Group continues to improve its disruption management capabilities given the extent of external disruption due to ATC resilience issues because of staff shortages and/or industrial unrest. All of the Group's airlines continue to support their customers through any disruption including schedule adaptions where required. They are also enhancing cabin and service propositions to help ensure that our customers choose to fly with the Group's airlines.

FINANCIAL REVIEW FOR THE NINE MONTHS TO SEPTEMBER 30, 2023

- *Critical third parties in the supply chain.* The aviation sector continues to be affected by global supply chain disruption which has impacted aircraft deliveries, component availability, resource availability and/or threat of employee industrial action in critical third parties and airport services, airports' resilience weaknesses, particularly London Heathrow, and ATC restrictions and strikes. Delays in new aircraft and spare engine availability continue to impact operations and increase turnaround times for aircraft. The Group proactively assesses its schedules for operability and continues to work with all critical suppliers to understand any potential disruption within their supply chains from either a shortage of available resource, strike action or production delays which could impact the availability of new fleet, engines or critical goods or services.
- *Cyber attack and data security.* The threat of sophisticated ransomware attacks on critical infrastructure and services remains high with the Group exposed to threat actors targeting both the Group's operating companies and its suppliers. The Group continues to improve its cyber security posture either through major IT transformational change or additional monitoring through tools as well as better understanding the risk presented by its suppliers.
- *Economic, political and regulatory environment*. The economic impact of increases in commodity and wage costs has driven significant inflation and impacted on interest rates as governments seek to moderate inflation, which may result in demand softening. As interest rate increases start to materially pass through to customers for their personal debt, they may need to reduce their spend on travel to accommodate the increase in their cost of borrowing. Recent European governments' proposals to set floor or ceiling caps on pricing may impact the ability to freely set pricing and/or capacity.
- *IT systems and IT infrastructure.* The Group is reliant upon the resilience of its systems for key customer and business processes and is exposed to risks that relate to poor performance, obsolescence or failure of these systems. The Group continues with major programmes and upgrades to modernise, including new commercial capabilities and customer centric enhancements using agile based models, as well as replacing core IT infrastructure and improving network connectivity and redundancy. Mitigating actions that prioritise operational stability and resilience have been built into all cutover plans for the go-live of IT systems related changes.
- *Operational resilience.* Ongoing labour shortages, particularly for engineers, industrial unrest and strike action in the aviation sector, shortages in the supply chain and airspace and ATC restrictions can all impact the operational environment of the Group's airlines as well as the operations of the businesses on which the Group relies. The Group continues with its ambitious IT infrastructure transformation agenda to modernise and digitalise its IT estates. The Group is focused on minimising any unplanned outages or disruption to customers with additional resilience built into the airlines' networks.
- *People, culture and employee relations.* Our people, their engagement and cultural appetite and mindset for change are critical to the Group's current performance and future success. Our leadership recognises the efforts of our staff and their commitment through the continued operational challenges facing our airlines. Our businesses continue to build the knowledge and experience of their new starters and manage the cultural impacts of onboarding at scale to ensure they have the right capabilities to operate. Shortages of licensed engineers with aircraft experience across the aviation sector and in the Group's airlines combined with aircraft, engines and component shortages are significantly impacting maintenance delivery timelines and may challenge morale. The Group is investing in apprenticeship programmes and retention initiatives to help secure and train engineers. Across the Group, collective bargaining is in place with various unions. Where agreements are open, our operating companies continue to engage in discussions with unions to secure sustainable agreements and address concerns arising within the negotiations.
- *Sustainable aviation.* The plan to decarbonise aviation has resulted in fragmentation of policy measures and support offered by governments for green initiatives across the different regions in which the Group airlines operate. As Sustainable Aviation Fuel (SAF) infrastructure and availability still lags demand, mandates and other tax-based measures may disproportionately impact the Group's airlines versus their competitors.

Operating and market environment

The average jet fuel spot price for the first nine months of 2023 was $873 per metric tonne, 22 per cent lower than the average spot price of $1,118 per metric tonne in the same period in 2022. Prices were volatile over the course of the first nine months of 2023, falling from a peak of $1,142 per metric tonne in January to $769 per metric tonne at the end of June, and then rising again to reach $1,055 per metric tonne at the end of September. In 2022, the shape of price movements was markedly different, with fuel prices rising significantly from late February, following the outbreak of the war in Ukraine; prices rose from $708 per metric tonne at the start of January to $1,236 per metric tonne at the end of June 2022 and then fell to $965 per metric tonne at the end of September.

The average foreign exchange rates for the first nine months of 2023 resulted in the US dollar weakening by 1 per cent against the euro and strengthening by 3 per cent against the pound sterling, compared with the average of the first nine months of 2022. The closing foreign exchange rates, applied for balance sheet translations, were close to those at December 31, 2022, with the US dollar weakening by 1 per cent against the euro and 2 per cent against the pound sterling since December 31, 2022.

The net impact of transaction and translation exchange for the Group for the nine months of 2023 was €50 million favourable versus the first nine months of 2022, with the net impact €54 million adverse in quarter 1, €69 million favourable in quarter 2 and €35 million favourable in quarter 3.

FINANCIAL REVIEW FOR THE NINE MONTHS TO SEPTEMBER 30, 2023

From a transactional perspective, the Group's financial performance is impacted by fluctuations in exchange rates, primarily from the US dollar, euro and pound sterling. The Group generates a surplus in most currencies in which it does business, except for the US dollar, as capital expenditure, debt repayments and fuel purchases typically create a deficit. The Group hedges a portion of its transaction exposures. The net transaction impact on the operating result was favourable by €81 million for the first nine months, increasing revenues by €65 million and reducing costs by €16 million, with the impact €48 million adverse in quarter 1, €93 million favourable in quarter 2 and €36 million favourable in quarter 3.

IAG's results are impacted by exchange rates used for the translation of British Airways' and IAG Loyalty's financial results from pound sterling to the Group's reporting currency of euro. For the nine months, the net impact of translation was €31 million adverse versus the first nine months of 2022, with the impact €6 million adverse in quarter 1, €24 million adverse in quarter 2 and €1 million adverse in quarter 3.

Unless stated otherwise, all variances quoted below compare the first nine months of 2023 with the first nine months of 2022 on a reported basis (including exceptional items). Results for 2022 include a reclassification to conform with the 2023 presentation for Net gain on sale of property, plant and equipment within Operating profit, with €31 million of gains in 2022 reclassified from Other non-operating credits to Expenditure on operations.

Capacity and passenger traffic

The Group continued to restore its passenger capacity, following the significant reductions due to COVID-19, with passenger capacity now close to that of 2019. In the first nine months of 2023, IAG capacity, measured in available seat kilometres (ASKs), was 25.8 per cent higher than in the first nine months of 2022, which was impacted by the Omicron variant of COVID-19, particularly in January and February. Passenger capacity was only 5.3 per cent lower than in the first nine months of 2019. Passenger load factor for the nine months was 85.9 per cent, up 4.6 points on the previous year and 1.2 points higher than in the first nine months of 2019.

Summary of passenger capacity and load factor by region

	ASKs higher/(lower)		Passenger load factor		
Nine months to September 30, 2023	vs 2022	vs 2019	(%)	higher/(lower) vs 2022	higher/(lower) vs 2019
Domestic	8.9%	8.3%	89.8	4.4 pts	2.0 pts
Europe	17.6%	(5.1%)	86.5	5.0 pts	2.7 pts
North America	27.8%	3.1%	83.6	5.0 pts	(0.4) pts
Latin America and Caribbean	17.4%	(3.9%)	88.2	4.0 pts	1.6 pts
Africa, Middle East and South Asia	41.6%	2.1%	83.6	3.1 pts	0.5 pts
Asia Pacific	nm	(60.4%)	89.3	7.2 pts	3.7 pts
Total network	**25.8%**	**(5.3%)**	**85.9**	**4.6 pts**	**1.2 pts**

As can be seen in the table above, the remaining capacity shortfall to 2019 is principally attributable to the pace of capacity restoration in the Asia Pacific region, linked to the late lifting of COVID-19 restrictions. The Group has increased its schedule to the region during 2023. British Airways services to Shanghai and Beijing resumed in the summer travel season and the airline has increased frequencies to Hong Kong and Tokyo Haneda.

Revenue

Passenger revenue rose €5,497 million from the first nine months of 2022 to €19,517 million, reflecting the 25.8 per cent increase in capacity operated, together with the positive impact of the 4.6 point increase in the passenger load factor and passenger yields per revenue passenger kilometre (RPK) up 4.8 per cent. The resulting passenger unit revenue (passenger revenue per ASK) was 10.6 per cent higher than the previous year and 20.6 per cent higher than the first nine months of 2019. Leisure traffic performed particularly strongly, with corporate traffic continuing to recover more slowly.

Cargo revenue was down €350 million versus the previous year to €866 million. Cargo carried, measured in cargo tonne kilometres (CTKs), rose by 16.3 per cent. Yields were 38.8 per cent lower than in the previous year, reflecting the substantial increase in global passenger airline capacity across the industry and the impact of market demand decline due to the change in macro-economic conditions. Cargo revenue was up €41 million, or 5.0 per cent, versus the first nine months of 2019, with cargo yields up 29.5 per cent versus 2019, despite weaker market demand and reduced cargo capacity from the Asia Pacific region.

Other revenue increased by €402 million to €1,846 million, reflecting the growth of IAG Loyalty and the recovery in Iberia's third-party maintenance business and BA Holidays. Other revenue was 32.9 per cent higher than in the first nine months of 2019.

FINANCIAL REVIEW FOR THE NINE MONTHS TO SEPTEMBER 30, 2023

Costs

Costs were impacted by the 25.8 increase in capacity versus 2022, with Total expenditure on operations 21.1 per cent higher than the previous year and non-fuel costs per ASK down 5.8 per cent.

Employee costs increased by €568 million versus the first nine months of 2022 to €3,985 million, reflecting the increase in airline operations and the related increase in employee numbers, together with pay increases. On a unit basis per ASK, Employee costs were down 7.3 per cent.

Fuel, oil costs and emissions charges increased by €1,179 million to €5,579 million, principally reflecting the impact of the higher capacity operated. The significant increase in commodity fuel prices in the first nine months of 2022 was mitigated by hedging gains from hedging placed when the fuel prices were lower in 2021 and previously, whereas in the first nine months of 2023 there was a small net cost of hedging, due to the sustained increase in fuel prices since the start of 2022. The net result was that on a unit basis per ASK, Fuel, oil costs and emissions charges were up 0.8 per cent. Fuel costs continue to benefit from the Group's investment in new, more fuel-efficient aircraft.

Supplier costs increased by €1,605 million to €8,167 million, mainly linked to the increase in capacity operated, together with inflationary increases and disruption costs, partly offset by the Group's procurement initiatives. On a unit basis per ASK, Supplier costs were down 1.4 per cent.

Depreciation, amortisation and impairment costs for the first nine months were €1,508 million and the Net gain from the sale of property, plant and equipment was €15 million, reflecting the disposal of aircraft withdrawn from service and related spare parts. On a unit basis per ASK, Ownership costs (which include Depreciation, amortisation and impairment costs, and the Net gain from the sale of property, plant and equipment) were down 21.3 per cent.

Operating result

The Group's operating profit for the nine month period was €3,005 million, an improvement of €2,204 million versus the operating profit of €801 million for the first nine months of 2022. Excluding exceptional items, the operating result improved €2,235 million versus the first nine months of 2022.

The breakdown of the operating result between the Group's main operating companies, for the nine months and quarter 3, is shown below.

Nine months to September 30

Operating profit/(loss) before exceptional items, € million, and passenger capacity (ASKs)	2023	2022[1]	2019[2]	2023 higher/(lower) vs 2022[1]	2023 higher/(lower) vs 2019[2]	% of 2019 capacity (ASKs) operated
British Airways	1,320	46	1,567	1,274	(247)	89.6
Iberia	821	257	382	564	439	100.9
Vueling	378	201	235	177	143	106.2
Aer Lingus	236	56	247	180	(11)	103.4
IAG Loyalty	249	215	148	34	101	n/a
Other Group companies	1	(5)	(78)	6	79	n/a
Total Group	**3,005**	**770**	**2,501**	**2,235**	**504**	**94.7**

Three months to September 30

Operating profit/(loss) before exceptional items, € million, and passenger capacity (ASKs)	2023	2022[1]	2019[2]	2023 higher/(lower) vs 2022[1]	2023 higher/(lower) vs 2019[2]	% of 2019 capacity (ASKs) operated
British Airways	718	482	710	236	8	92.4
Iberia	449	255	264	194	185	99.0
Vueling	282	259	230	23	52	101.9
Aer Lingus	196	139	169	57	27	103.1
IAG Loyalty	89	63	50	26	39	n/a
Other Group companies	11	18	(10)	(7)	21	n/a
Total Group	**1,745**	**1,216**	**1,413**	**529**	**332**	**95.6**

[1]Figures for 2022 restated for change in classification of the Net gain on sale of property, plant and equipment within Operating profit to conform with the 2023 presentation.

[2]Figures for 2019 adjusted for impact of change to accounting for pension administration costs for British Airways in 2021 and the change in classification of Net gain on sale of property, plant and equipment within Operating profit to conform with the 2023 presentation.

FINANCIAL REVIEW FOR THE NINE MONTHS TO SEPTEMBER 30, 2023

Restoration of capacity in British Airways has been lower than in the other operating companies, reflecting the retirement of British Airways' Boeing 747-400 fleet in its response to the COVID-19 pandemic and the slower restoration of capacity in the Asia Pacific region. Both Iberia and Vueling have performed strongly in the first nine months of 2023, with operating profit before exceptional items exceeding that achieved in 2019. IAG Loyalty continues to increase its base of collectors of the Group's loyalty currency, Avios, with its operating profit for the nine months significantly increased versus the same period in 2019.

Exceptional items

There were no exceptional items in the first nine months of 2023. In the first nine months of 2022, the Group recorded an exceptional credit of €23 million, relating to the partial reversal of a fine previously issued by the European Commission, in 2010, to British Airways, and an exceptional credit of €8 million reflecting the partial reversal of aircraft impairments made in 2020. See Alternative performance measures section for further information.

Net non-operating costs, taxation and profit after tax

The Group's net non-operating costs for the first nine months of 2023 were €390 million, compared with €635 million in the first nine months of 2022, mainly reflecting: net finance costs of €582 million, down €130 million, driven by the significant increase in interest received on deposits, net of increases in finance costs, linked to rising interest rates; €64 million of Net currency retranslation credits in 2023, versus charges of €305 million in 2022; no net change in the fair value of financial instruments, versus a credit of €132 million in 2022, principally due to changes in the mark-to-market of the IAG €825 million convertible bond, which is held at fair value; and other non-operating credits of €51 million in 2023 versus credits of €231 million in 2022, mainly related to fair value movements on derivatives for which hedge accounting is not applied.

The tax charge on the profit for the period was €464 million (2022: tax credit of €33 million), and the effective tax rate was 18 per cent (2022: negative 20 per cent).

The substantial majority of the Group's activities are taxed where the main operations are based: in the UK, Spain and Ireland, which have corporation tax rates during 2023 of 23.5 per cent, 25 per cent and 12.5 per cent, respectively. The expected tax rate for the Group is determined by applying the relevant corporation tax rate to the profits or losses of each jurisdiction. The geographical distribution of profits and losses in the Group results in the expected tax rate being 23 per cent for the nine months to September 30, 2023. The difference between the actual effective tax rate of 18 per cent and the expected tax rate of 23 per cent is primarily due to the partial recognition of previously unrecognised deferred tax assets in the Group's Spanish companies.

The profit after tax for the first nine months of 2023 was €2,151 million (2022: €199 million).

Cash, debt and liquidity

The Group's cash balance (defined as cash, cash equivalents and current interest-bearing deposits) of €9,218 million at September 30, 2023 was down €381 million on December 31, 2022, mainly driven by repayments of debt described further below.

During the nine months, the Group took delivery of 20 aircraft and drew financing for 19 aircraft as set down below.

Number of aircraft	Delivered in the nine months to September 30, 2023	Of which financed in the nine months to September 30, 2023	Aircraft delivered in 2022 and financed in 2023
Airbus A320neo (British Airways)	1	1	2
Airbus A320neo (Iberia)	2	-	-
Airbus A320neo (Aer Lingus)	1	1	-
Airbus A321neo (Iberia)	4	2	-
Airbus A321neo (Vueling)	4	4	-
Airbus A350-900 (Iberia)	3	2	-
Airbus A350-1000 (British Airways)	3	2	3
Boeing 787-10 (British Airways)	2	2	-
Total	20	14	5

The five aircraft for British Airways delivered in 2022 and financed in 2023 had financing secured but undrawn at December 31, 2022, which was reported within committed and undrawn aircraft financing facilities. The Group continues to have a number of options available to it to finance its deliveries of aircraft.

FINANCIAL REVIEW FOR THE NINE MONTHS TO SEPTEMBER 30, 2023

The Group's total borrowings at September 30, 2023 were €17,227 million, down €2,757 million from December 31, 2022. The reduction was mainly due to the Group's repayments of debt, including the early repayment of British Airways' £2.0 billion (€2.3 billion) loan partially guaranteed by UKEF and an IAG unsecured bond of €500 million, which was redeemed at its maturity on July 4, 2023.

Net debt (total borrowings less cash, cash equivalents and current interest-bearing deposits) was €8,009 million at September 30, 2023, a reduction of €2,376 million since December 31, 2022, mainly due to the increase in cash outlined above, driven by the profitability in the first nine months, inflows of forward bookings for future travel, partially offset by capital expenditure and net interest. The normal seasonal pattern of cash flows typically results in an increase in net debt in the final quarter of the year.

The Group's EBITDA before exceptional items for the rolling four quarters to September 30, 2023 was €5,529 million. Net debt to EBITDA before exceptional items was 1.4 times at September 30, 2023. See Alternative performance measures section for further information.

Total liquidity at September 30, 2023 was €13,697 million, down €302 million from €13,999 million at December 31, 2022, linked to the Group's debt repayments net of cash generation in the first nine months of 2023. Committed and undrawn general and overdraft facilities were €4,479 million (December 31, 2022: €3,284 million), with the increase mainly reflecting the new £1.0 billion (€1.2 billion) British Airways facility outlined above; there were no committed and undrawn aircraft specific facilities (December 31, 2022: €1,116 million).

ALTERNATIVE PERFORMANCE MEASURES

The performance of the Group is assessed using a number of alternative performance measures (APMs), some of which have been identified as key performance indicators of the Group. These measures are not defined under International Financial Reporting Standards (IFRS), should be considered in addition to IFRS measurements, may differ to definitions given by regulatory bodies applicable to the Group and may differ to similarly titled measures presented by other companies. They are used to measure the outcome of the Group's strategy based on 'Unrivalled customer proposition', 'Value accretive and sustainable growth' and 'Efficiency and innovation'.

During the nine months to September 30, 2023, the Group has made no changes to its pre-existing disclosures and treatments of APMs compared to those disclosed in the Annual Report and Accounts for the year to December 31, 2022.

The definition of each APM, together with a reconciliation to the nearest measure prepared in accordance with IFRS is presented below.

a Profit after tax before exceptional items

Exceptional items are those that in the Board's and management's view need to be separately disclosed by virtue of their size or incidence to supplement the understanding of the entity's financial performance. The Management Committee of the Group uses financial performance on a pre-exceptional basis to evaluate operating performance and to make strategic, financial and operational decisions, and externally because it is widely used by security analysts and investors in evaluating the performance of the Group between reporting periods and against other companies.

While there have been no exceptional items recorded in the nine months to September 30, 2023, exceptional items in the nine months to September 30, 2022 include: significant changes in the long-term fleet plans that result in the reversal of impairment of fleet assets and legal re-imbursements.

The table below reconciles the statutory Income statement to the Income statement before exceptional items of the Group:

	Nine months to September 30					
€ million	**Statutory 2023**	**Exceptional items**	**Before exceptional items 2023**	Statutory 2022[1]	Exceptional items	Before exceptional items 2022
Passenger revenue	**19,517**	**-**	**19,517**	14,020	-	14,020
Cargo revenue	**866**	**-**	**866**	1,216	-	1,216
Other revenue	**1,846**	**-**	**1,846**	1,444	-	1,444
Total revenue	**22,229**	**-**	**22,229**	16,680	-	16,680
Employee costs	**3,985**	**-**	**3,985**	3,417	-	3,417
Fuel, oil costs and emissions charges	**5,579**	**-**	**5,579**	4,400	-	4,400
Handling, catering and other operating costs	**2,891**	**-**	**2,891**	2,143	-	2,143
Landing fees and en-route charges	**1,762**	**-**	**1,762**	1,391	-	1,391
Engineering and other aircraft costs	**1,862**	**-**	**1,862**	1,507	-	1,507
Property, IT and other costs[2]	**788**	**-**	**788**	670	(23)	693
Selling costs	**851**	**-**	**851**	671	-	671
Depreciation, amortisation and impairment[3]	**1,508**	**-**	**1,508**	1,531	(8)	1,539
Net gain on sale of property, plant and equipment	**(15)**	**-**	**(15)**	(31)	-	(31)
Currency differences	**13**	**-**	**13**	180	-	180
Total expenditure on operations	**19,224**	**-**	**19,224**	15,879	(31)	15,910
Operating profit	**3,005**	**-**	**3,005**	801	31	770
Finance costs	**(867)**	**-**	**(867)**	(723)	-	(723)
Finance income	**285**	**-**	**285**	11	-	11
Net change in fair value of financial instruments	**-**	**-**	**-**	132	-	132
Net financing credit relating to pensions	**77**	**-**	**77**	19	-	19
Net currency retranslation charges	**64**	**-**	**64**	(305)	-	(305)
Other non-operating credits	**51**	**-**	**51**	231	-	231
Total net non-operating costs	**(390)**	**-**	**(390)**	(635)	-	(635)
Profit before tax	**2,615**	**-**	**2,615**	166	31	135
Tax	**(464)**	**-**	**(464)**	33	(2)	35
Profit after tax for the period	**2,151**	**-**	**2,151**	199	29	170

€ million	Three months to September 30 Statutory 2023	Exceptional items	Before exceptional items 2023	Statutory 2022[1]	Exceptional items	Before exceptional items 2022
Passenger revenue	**7,733**	**-**	**7,733**	6,416	-	6,416
Cargo revenue	**263**	**-**	**263**	373	-	373
Other revenue	**650**	**-**	**650**	540	-	540
Total revenue	**8,646**	**-**	**8,646**	7,329	-	7,329
Employee costs	**1,375**	**-**	**1,375**	1,250	-	1,250
Fuel, oil costs and emissions charges	**2,029**	**-**	**2,029**	1,834	-	1,834
Handling, catering and other operating costs	**1,095**	**-**	**1,095**	821	-	821
Landing fees and en-route charges	**658**	**-**	**658**	544	-	544
Engineering and other aircraft costs	**654**	**-**	**654**	579	-	579
Property, IT and other costs	**273**	**-**	**273**	235	-	235
Selling costs	**273**	**-**	**273**	229	-	229
Depreciation, amortisation and impairment[3]	**525**	**-**	**525**	516	(2)	518
Net loss/(gain) on sale of property, plant and equipment	**2**	**-**	**2**	(10)	-	(10)
Currency differences	**17**	**-**	**17**	113	-	113
Total expenditure on operations	**6,901**	**-**	**6,901**	6,111	(2)	6,113
Operating profit	**1,745**	**-**	**1,745**	1,218	2	1,216
Finance costs	**(302)**	**-**	**(302)**	(243)	-	(243)
Finance income	**118**	**-**	**118**	8	-	8
Net change in fair value of financial instruments	**13**	**-**	**13**	2	-	2
Net financing credit relating to pensions	**26**	**-**	**26**	6	-	6
Net currency retranslation charges	**(85)**	**-**	**(85)**	(108)	-	(108)
Other non-operating credits	**63**	**-**	**63**	126	-	126
Total net non-operating costs	**(167)**	**-**	**(167)**	(209)	-	(209)
Profit before tax	**1,578**	**-**	**1,578**	1,009	2	1,007
Tax	**(348)**	**-**	**(348)**	(156)	(2)	(154)
Profit after tax for the period	**1,230**	**-**	**1,230**	853	-	853

[1] The 2022 results include a reclassification to confirm with the current period presentation for the Net gain on sale of property, plant and equipment. Accordingly, for the nine month and three month periods to September 30, 2022, the Group has reclassified €31 million and €10 million, respectively, of gains from Other non-operating credits to Net (gain)/loss on sale of property, plant and equipment within Operating expenses. There is no impact on the Profit after tax.

The rationale for each exceptional item is given below.

[2] Partial reversal of historical fine

The exceptional credit of €23 million for the nine months to September 30, 2022, related to the partial reversal of the fine, plus accrued interest, initially issued by the European Commission, in 2010, to British Airways regarding its involvement in cartel activity in the air cargo sector and that had been recognised as an exceptional charge. The exceptional credit was recorded within Property, IT and other costs in the Income statement with no resultant tax charge arising. The cash inflow associated with the partial reversal of the fine was recognised during 2022.

[3] Impairment reversal of fleet and associated assets

The exceptional impairment reversal of €8 million for the nine months to September 30, 2022, related to six Airbus A320s in Vueling, previously stood down in the fourth quarter of 2020 and subsequently stood up during 2022. The exceptional impairment reversal was recorded within Right of use assets on the Balance sheet and within Depreciation, amortisation and impairment in the Income statement.

b Adjusted earnings per share (KPI)

Adjusted earnings are 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 of the assumed conversion of the bonds and employee share schemes outstanding.

	Nine months to September 30	
€ million	**2023**	2022
Profit after tax attributable to equity holders of the parent	**2,151**	199
Exceptional items	**-**	29
Profit after tax attributable to equity holders of the parent before exceptional items	**2,151**	170
Income statement impact of convertible bonds	**3**	(147)
Adjusted profit	**2,154**	23
Weighted average number of shares used for basic earnings per share	**4,938**	4,960
Weighted average number of shares used for diluted earnings per share	**5,289**	5,338
Basic earnings per share (€ cents)	**43.6**	4.0
Basic earnings per share before exceptional items (€ cents)	**43.6**	3.4
Adjusted earnings per share (€ cents)	**40.7**	0.4

c Net debt to EBITDA before exceptional items (KPI)

To supplement total borrowings as presented in accordance with IFRS, the Group reviews net debt to EBITDA before exceptional items to assess its level of net debt in comparison to the underlying earnings generated by the Group in order to evaluate the underlying business performance of the Group. This measure is used to monitor the Group's leverage and to assess financial headroom against internal and external security analyst and investor benchmarks.

Net debt is defined as long-term borrowings (both current and non-current), less cash, cash equivalents and current interest-bearing deposits. Net debt excludes supply chain financing arrangements which are classified within trade payables.

EBITDA before exceptional items is defined as the rolling four quarters operating result before exceptional items, interest, taxation, depreciation, amortisation and impairment.

The Group believes that this additional measure, which is used internally to assess the Group's financial capacity, is useful to the users of the financial statements in helping them to see how the Group's financial capacity has changed over the year. It is a measure of the profitability of the Group and of the core operating cash flows generated by the business model.

€ million	**Nine months to September 30, 2023**	December 31, 2022[1]
Interest-bearing long-term borrowings	**17,227**	19,984
Less: Cash and cash equivalents	**(7,801)**	(9,196)
Less: Other current interest-bearing deposits	**(1,417)**	(403)
Net debt	**8,009**	10,385
Operating profit	**3,482**	1,278
Add: Depreciation, amortisation and impairment	**2,047**	2,070
EBITDA	**5,529**	3,348
Add: Exceptional items (excluding those reported within Depreciation, amortisation and impairment)	**-**	(23)
EBITDA before exceptional items	**5,529**	3,325
Net debt to EBITDA before exceptional items	**1.4**	3.1

[1]The 2022 results include a reclassification to conform with the current period presentation for the Net gain on sale of property, plant and equipment.

d Liquidity

The Board and the Management Committee monitor liquidity in order to assess the resilience of the Group to adverse events and uncertainty and develop funding initiatives to maintain this resilience.

Liquidity is used by analysts, investors and other users of the financial statements as a measure to the financial health and resilience of the Group.

Liquidity is defined as Cash and cash equivalents plus Current interest-bearing deposits, plus Committed general undrawn facilities and Committed aircraft undrawn facilities.

€ million	**September 30, 2023**	December 31, 2022
Cash and cash equivalents	**7,801**	9,196
Current interest-bearing deposits	**1,417**	403
Committed general undrawn facilities	**4,426**	3,231
Committed aircraft undrawn facilities	**-**	1,116
Overdrafts and other facilities	**53**	53
Total liquidity	**13,697**	13,999