

Connecting people, businesses and countries

2025 Quarter One 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](#) and the Interim Management Statement for the year to 31 March 2025 ([IAG Q1 2025 Results \(iairgroup.com\)](#)). These documents are available on www.iairgroup.com.

Highlights

Luis Gallego
Chief Executive Officer



A world-class investment case

Strong Position

Unique strength in our network, hubs and brands

Premium customers

Growing IAG Loyalty and partnerships



Strong Execution

Delivering world-class margins

Delivered by our transformation programme

Delivered by our talented employees across the globe



Strong Value Creation

Sustainable earnings growth

Strong free cash flow generation

Significant shareholder returns

Strong start to 2025; Outlook unchanged

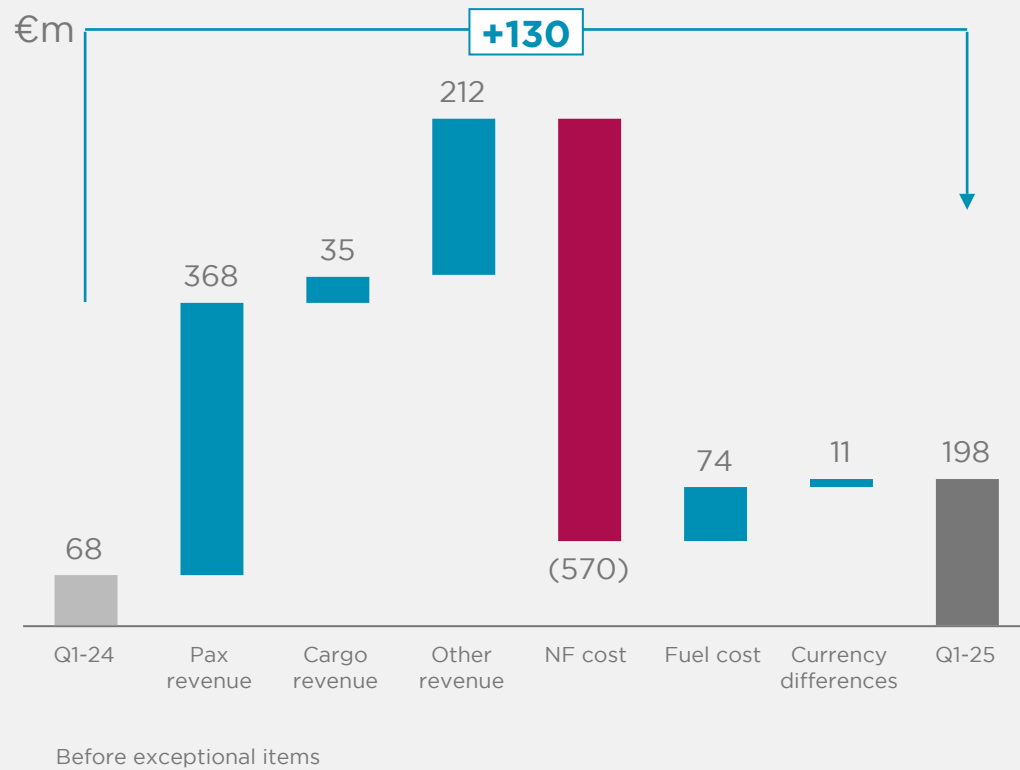
- Revenue growth of 9.6% reflecting strong demand for our network and brands
- Operating profit €198m, an increase of €130m
- Transformation programme supporting a 1.7pts increase in operating margin
- Good operational performance, particularly at British Airways
- Ordered 71 widebody aircraft to support long term strategy
- Stronger balance sheet - net leverage at 0.9x; gross debt reduced by €1.9bn
- Delivering shareholder returns: sustainable dividends and share buyback

Financial Highlights

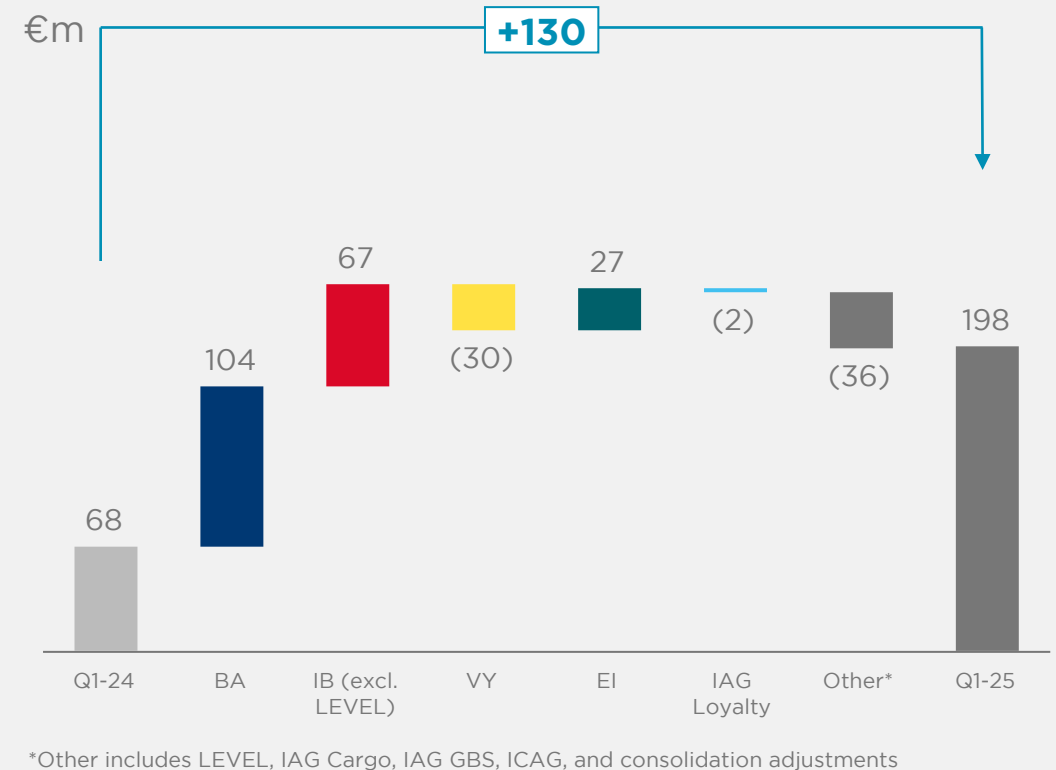


Strong operating profit growth in Q1 2025




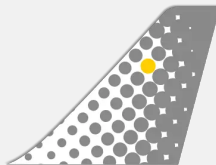

IAG operating profit bridge by driver:
Strong markets, hubs and brands



IAG operating profit bridge by business:
Good performance across the Group



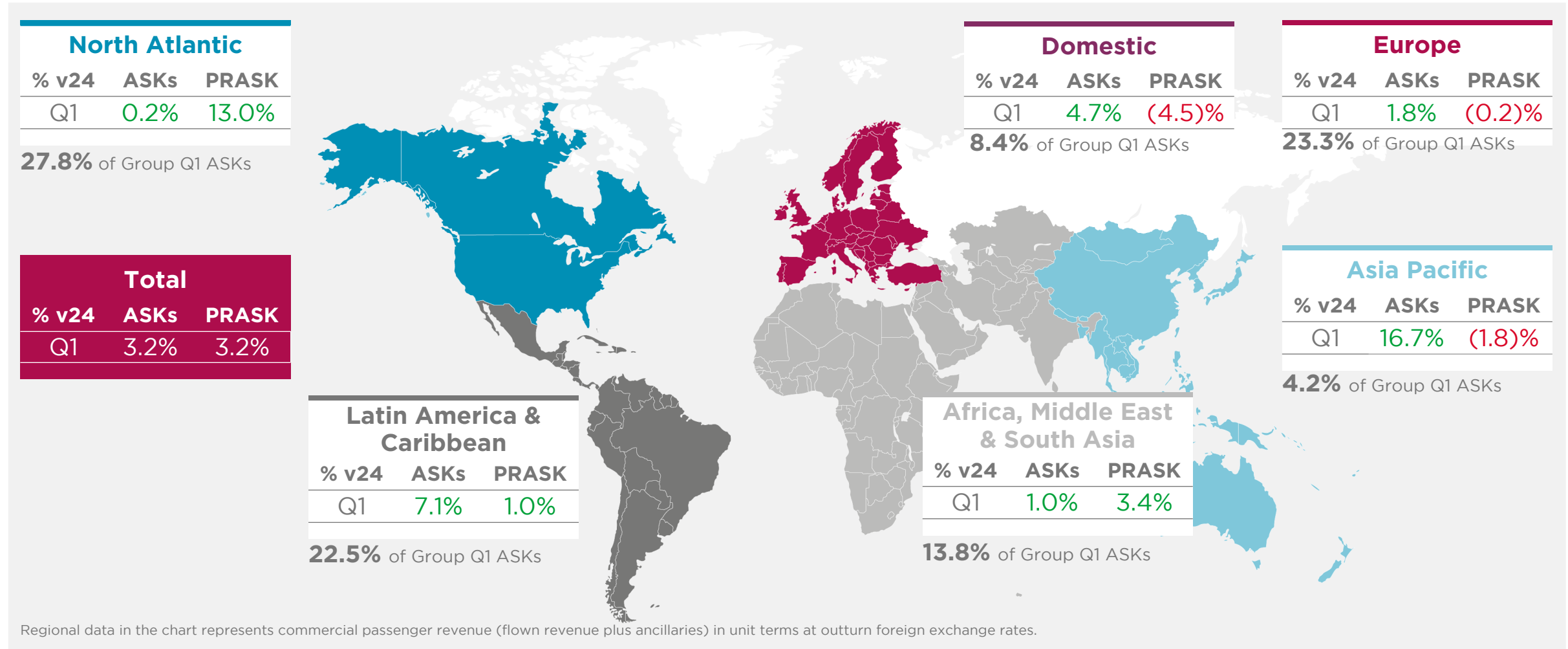
Strong performances across the Group

	 Aer Lingus		 British Airways		 Iberia*		 Vueling		 IAG Loyalty	
	Q1 2025 (€m)	vLY	Q1 2025 (£m)	vLY	Q1 2025 (€m)	vLY	Q1 2025 (€m)	vLY	Q1 2025 (£m)	vLY
Total revenue	438	+13.5%	3,166	+5.5%	1,829	+15.3%	567	(4.1)%	526	+1.3%
Passenger revenue	420	+12.9%	2,927	+4.9%	1,294	+7.7%	564	(4.0)%	285	+0.1%
Operating result before exceptional items	(55)	+27	96	+86	137	+67	(55)	(30)	88	(4)
Operating margin before exceptional items	(12.6)%	+8.7pts	3.0%	+2.7pts	7.5%	+3.1pts	(9.7)%	(5.5)pts	16.7%	(1.1)pts
ASK (m)	6,495	+5.4%	41,170	+1.3%	20,803	+5.6%	9,133	+3.3%		
PRASK (cts/p)	6.46	+7.1%	7.11	+3.6%	6.22	+2.0%	6.18	(7.0)%		
Non-fuel CASK (cts/p)	5.68	+2.0%	5.43	+6.1%	6.30	+9.6%	4.79	+0.7%		
IAG Loyalty operating profit on pre-HMRC basis:									97	+5%

*Iberia figures exclude LEVEL

Continued strong demand in all our core markets

Currently expect to grow capacity (ASK) by 3% in 2025



Non-fuel unit costs increased in Q1 vLY as expected

Cost category	Q1 2025 unit cost (% vly)	Q1 2025	FY 2025 guidance
Employee	8.5%	c.2.2% - impact of FX headwinds	Overall non-fuel unit cost expected to be up c.4%, including impact of FX, as previously guided
Supplier	9.5%	c.2.5% - non-airline costs including costs related to the growth of Iberia's MRO business	
Ownership	5.9%	c.1% - impact of closure of Heathrow on 21 March 2025	
Total non-fuel	8.8%	c.3% - driven by wage deals and investments in summer resilience	
Fuel	(7.1)%	Reflecting increased flying volumes and lower commodity pricing	c.65% hedged for the rest of the year. At \$730/mt we expect the fuel bill to be c.€7.5bn

Profit after tax and exceptional items of €176m in Q1 2025

€m	Three months to 31 March					
	Before exceptional items 2025	Exceptional items	Reported 2025	Before exceptional items 2024	Exceptional items	Reported 2024
Revenue	7,044	-	7,044	6,429	-	6,429
Operating costs	6,846	-	6,846	6,361	-	6,361
Operating profit	198	-	198	68	-	68
Finance costs	(219)	-	(219)	(228)	-	(228)
Finance income	85	-	85	75	-	75
Net change in fair value of financial instruments	75	-	75	(9)	-	(9)
Net financing credit relating to pensions	21	-	21	14	-	14
Net currency retranslation credits/(charges)	134	-	134	(44)	-	(44)
Other non-operating (charges)/credits	(55)	-	(55)	37	-	37
Profit/(loss) before tax	239	-	239	(87)	-	(87)
Tax	(63)	-	(63)	(6)	89	83
Profit/(loss) after tax	176	-	176	(93)	89	(4)

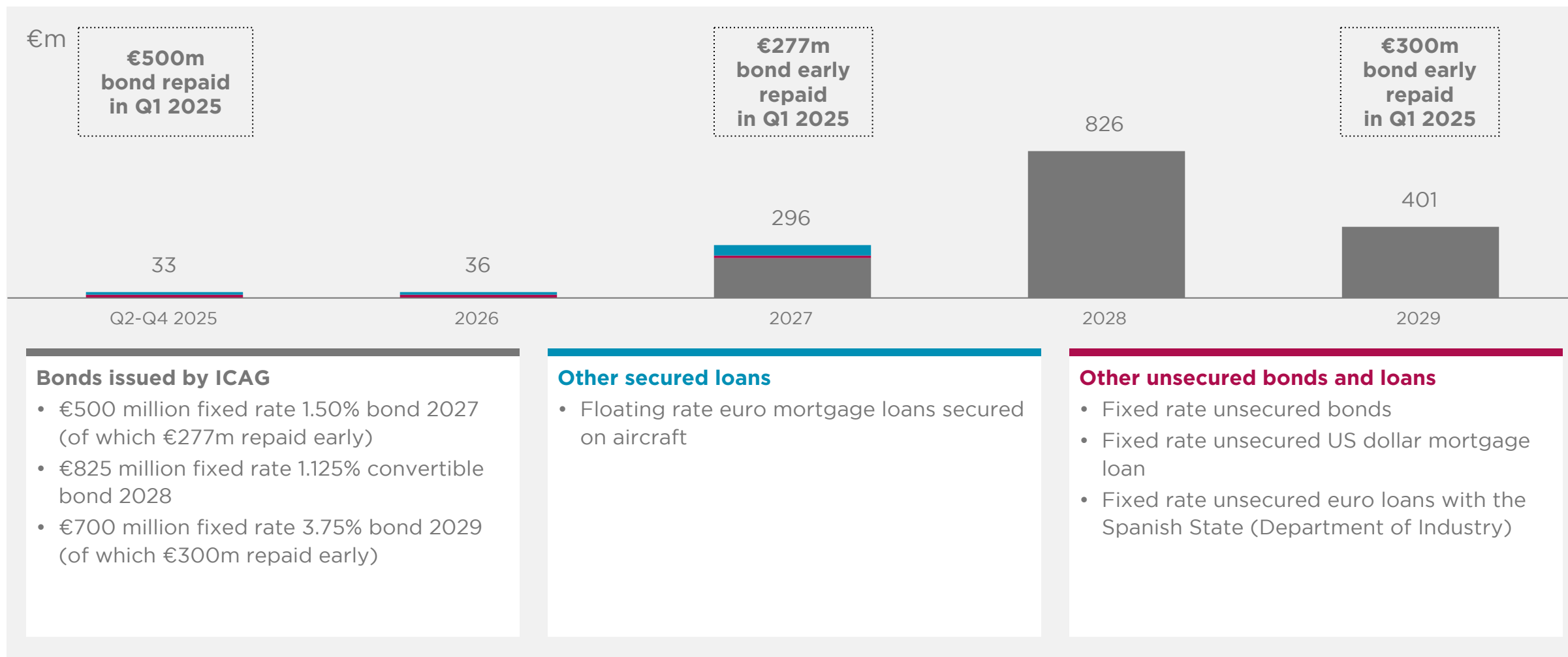
Stronger balance sheet: net leverage reduced to 0.9x

€m	31 March 2024	31 December 2024	31 March 2025
Gross debt	16,164	17,345	15,486
of which bank and other loans	2,683	2,911	1,706
of which asset financed and lease liabilities	13,481	14,434	13,780
Gross debt / EBITDA before exceptional items	2.8x	2.5x	2.2x
Cash, cash equivalents and interest-bearing deposits	8,726	9,828	9,357
Net debt	7,438	7,517	6,129
Net debt / EBITDA before exceptional items	1.3x	1.1x	0.9x
Total liquidity (cash and facilities)	13,330	13,362	12,355

Reducing gross leverage:

- Bond buyback €577m across both 2027 and 2029 unsecured bonds in Jan 2025
- Maturity of €500m unsecured bond in March 2025 was redeemed with cash
- Intention to keep around two thirds of the 26 expected deliveries unencumbered
- €668m paid to HMRC for payments related to Loyalty VAT
- Gross leverage reduces to 2.2x

Stronger balance sheet: reducing our financial liabilities



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

**0.9x at 31 March 2025
Investment Grade**

**5 new aircraft in Q1 2025
26 planned in 2025**

1.7pts margin increase in Q1 vLY

Final dividend €0.06 per share

€530m of shares bought in 2025
Up to €1bn in 2025**

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

** To 2 May 2025

Delivering our strategy



Transforming our businesses

British Airways

- Increased services to key long-haul destinations: Nashville, Sao Paulo, Bangkok and Riyadh. Deployment of A350s to Rio and Buenos Aires. Consolidation and expansion of LHR-Barbados
- Completed Club Suite retrofit of Heathrow based B777's
- Achieved the best quarter OTP since IAG founded

Aer Lingus

- Seasonal to Las Vegas launched in Q424, and winter routes to Seville, Marrakech, Malta. Additional routes to Athens and Nice.
- Journey improvements, including boarding processes and tech-supported check-in processes. Ireland's 4th most trusted brand
- Process changes and technology driving punctuality - 83% OTP

Loyalty

- Loganair became the third Global Currency partner, adopting Avios as their loyalty programme currency in March.
- Successful Avios-only flights on Iberia and Aer Lingus in Q1; first ever Wine Flyer experience to San Sebastian sold out.

Iberia

- Continued strengthening LatAm position: increase presence in Buenos Aires and Sao Paulo. Developing key NATL destinations (Boston) through XLR. Continuation of Tokyo relaunched in Q424.
- Refurbishing A330s
- Higher year-on-year OTP in both long and short-haul

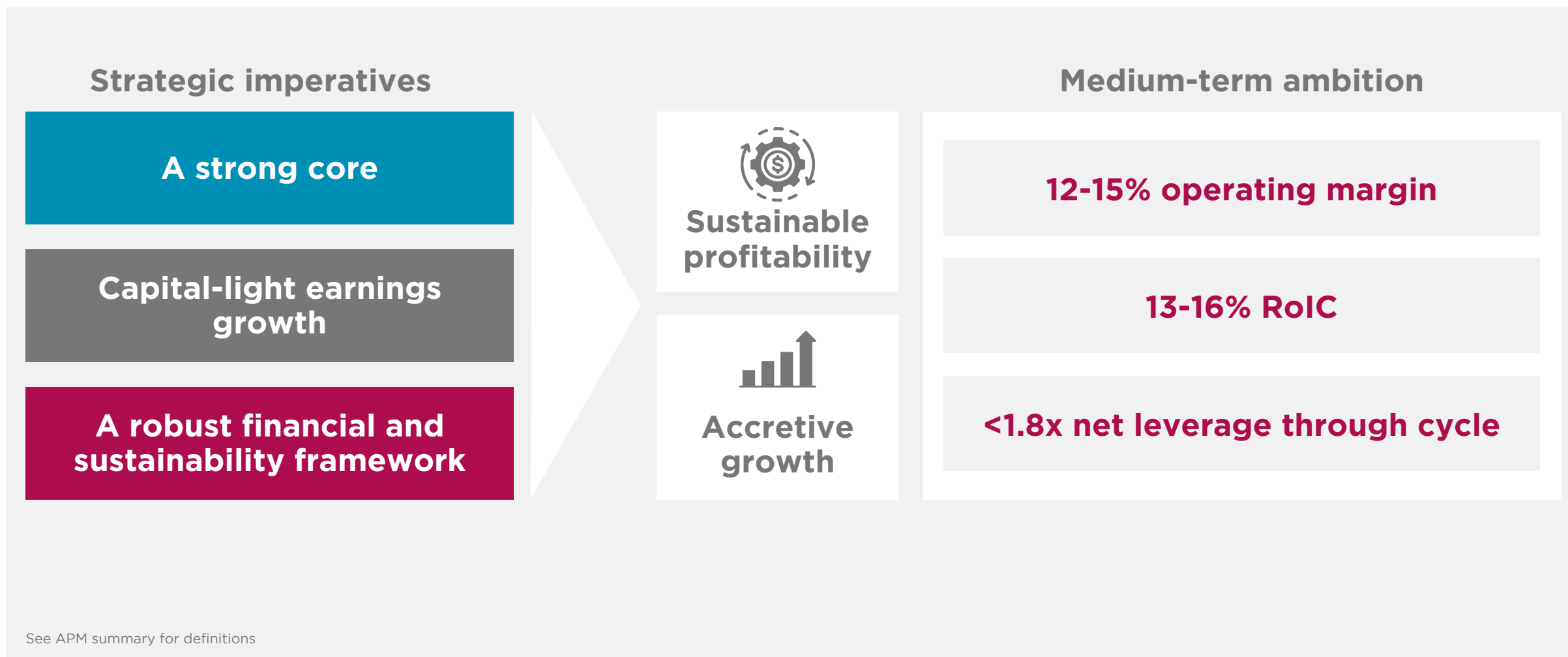
Vueling

- Return to growth: consolidating winter routes (Istanbul); new routes (Heathrow-Bilbao); strengthening Barcelona (Tirana)
- Customer journey enhancements: AI virtual assistant and WhatsApp
- OTP at 87.5% driven by AI-optimisers and new weather-mitigation tool in partnership with the Barcelona Supercomputing Centre

Outlook

- Whilst being mindful of geopolitical and macroeconomic uncertainty, our outlook is unchanged
- We are continuing to see good demand for air travel across our core markets and for our brands, highlighting the strength of our portfolio
- Latin America and Europe continue to be strong and the North Atlantic demand has been robust, with strength in our premium cabin mitigating some recent softness in US point-of-sale economy leisure
- As of 6 May we are around 80% booked for the second quarter, with revenue ahead of last year, and 29% booked for the second half, broadly in line with last year





Our strategy to deliver world-class margins and returns



Appendices



Our key metrics for Q1 2025

 <p>Activity</p>	<p>ASKs 79,134m +3.2% vLY</p>			
 <p>Commercial performance</p>	<p>Total revenue €7,044m +9.6% vLY</p>	<p>Total pax revenue €6,000m +6.5% vLY</p>	<p>Pax RASK €7.58c +3.2% vLY</p>	<p>Load factor 82.7% (0.4)pts vLY</p>
 <p>Cost performance</p>	<p>Total expenditure €6,846m +7.6% vLY</p>	<p>Total CASK €8.65c +4.3% vLY</p>	<p>Fuel CASK €2.17c (7.1)% vLY</p>	<p>Non-fuel CASK €6.48c +8.8% vLY</p>
 <p>Financial performance</p>	<p>Operating profit €198m +€130m vLY</p>	<p>Operating margin 2.8% +1.7pts vLY</p>	<p>Net debt €6,129m €(1,388)m vDec-24</p>	<p>Net Debt / EBITDA 0.9x (0.2)x vDec-24</p>

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

Modelling assumptions

- **Revenue**
 - Capacity increase of c.3% - continuing focus on our core markets
- **Non-fuel unit costs**
 - Increase of around 4%, including an adverse FX impact
 - Weighted to H1 ahead of the summer peak
- **Fuel costs**
 - c.65% hedged for the rest of the year. At \$730/MT expected total fuel bill to be c.€7.5bn
- **Free cash flow**
 - Payment of €668m to HMRC to advance our appeal against HMRC decision regarding historical VAT treatment at IAG Loyalty. €260m has now been recovered as British Airways input VAT
 - Capex of c.€3.7bn depending on fleet deliveries
 - €288m final FY 2024 dividend proposed
 - Intention to return up to €1bn of excess capital in up to 12 months

Fuel hedging

As per FY 2024 results	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Jet fuel price scenario	\$750/mt	\$760/mt	\$760/mt	\$750/mt	\$730/mt	\$730/mt
\$/€ scenario	1.044	1.044	1.044	1.044	1.044	1.044
Hedge ratio	72 %	67 %	60 %	49 %	39 %	32 %
Effective blended price post fuel and FX hedging*	\$745/mt	\$765/mt	\$760/mt	\$755/mt	\$735/mt	\$730/mt

As per Q1 2025 results	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Jet fuel price scenario	\$730/mt	\$730/mt	\$720/mt	\$710/mt	\$710/mt	\$700/mt
\$/€ scenario	1.087	1.087	1.087	1.087	1.087	1.087
Hedge ratio	73 %	64 %	59 %	56 %	45 %	36 %
Effective blended price post fuel and FX hedging*	\$745/mt	\$750/mt	\$740/mt	\$730/mt	\$725/mt	\$710/mt

Sensitivity

As per FY 2024 results






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

As per Q1 2025 results

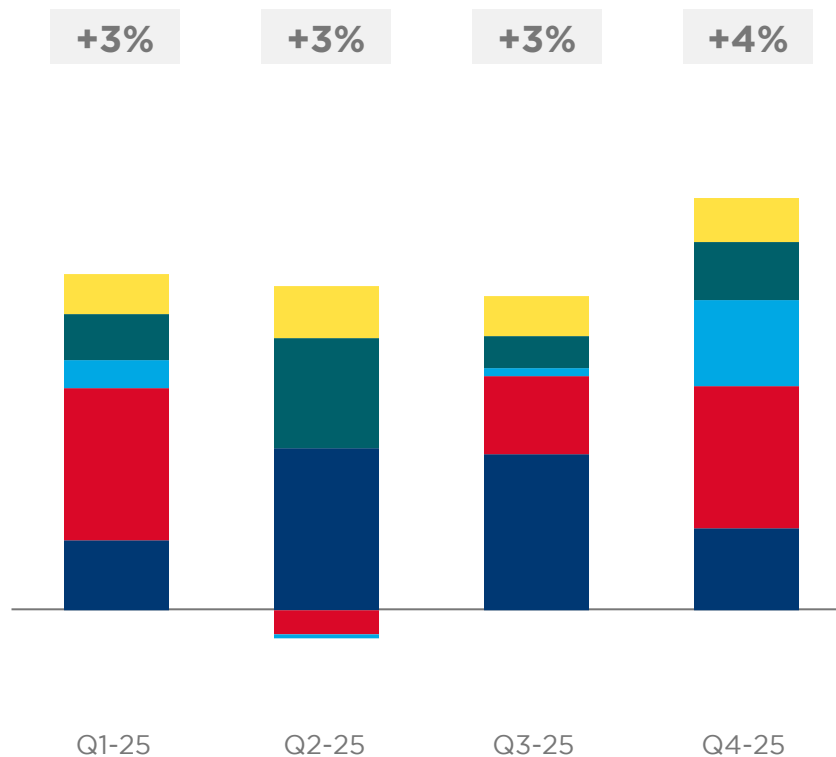
Jet fuel price scenario	FY 2025 Fuel cost
\$530/mt	c.€6.9bn
\$710/mt	c.€7.4bn
\$730/mt	c.€7.5bn
\$750/mt	c.€7.5bn
\$960/mt	c.€8.0bn

Note: Effective blended price excluding into plane cost

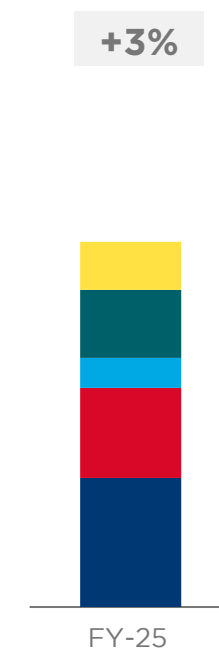
FY 2025 capacity planned to be c.3% higher than 2024

ASKs	Q2 2025 vLY	FY 2025 vLY
	11%	6%
	3%	2%
	(1)%	3%
	(2)%	12%
	4%	3%
IAG	3%	3%

Airline contribution to IAG ASK growth by quarter vLY



Airline contribution to total IAG ASK growth for FY 2025 vLY



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

Alternative Performance Measures (APMs) and terminology definitions

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

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