

IAG Q3 results 2025

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

Luis Gallego, IAG Chief Executive Officer, said:

"We delivered a strong performance in the third quarter and remain on track to deliver another year of growth in revenues, profit and shareholder returns.

So far this year we have grown our operating profit by 18% and adjusted earnings per share by 27% and increased our interim dividend. Having nearly completed a €1 billion share buyback, we intend to update the market about further shareholder returns when we report our 2025 full year results in February.

We remain focused on long-term value creation for our shareholders, helping to deliver our financial ambitions through disciplined investment for the future to improve customer experience and operational efficiencies."

Highlights

- Strong fundamentals underpin best-in-class long-term value creation
- Strong revenue performance in the third quarter:
 - Passenger revenue increased by €177 million at constant currency, on a record Q3 2024
 - PRASK at constant currency of -0.3%; reported PRASK at -2.4%
 - Total reported revenue at €9,328 million vs €9,329 million at Q3 2024
- Delivered effective cost control: non-fuel unit cost increased by 0.2% in the quarter, in line with expectations
- Increased operating profit of €2,053 million, up 2.0% vs Q3 2024 (€2,013 million)
 - Operating margin for the third quarter of 22.0%, an increase of 0.4 pts
 - Operating margin for the last twelve months to 30 September 2025 at 15.2%
- Adjusted earnings per share growth of 27.0% for nine months to 30 September 2025
- Strong balance sheet gives optionality for capital allocation: net leverage at 0.8x at 30 September 2025
- Announcing an interim dividend of €0.048 per share
- We have nearly completed the €1 billion share buyback announced in February 2025. We intend to announce further returns of excess cash to shareholders at FY 2025 results
- On track to deliver another year of strong earnings and margin growth in 2025

Outlook

- Our outlook for the full year is unchanged
- Our revenue is positively booked for the fourth quarter
- 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 macroeconomic and geopolitical backdrop
- We are executing on our strategy and continuing to build a business that will deliver sustainable value creation through the cycle

Modelling assumptions

- Full year capacity increase of c2.5%
- Non-fuel unit costs are assumed to increase by around 3% in 2025, as previously guided at our Half Year 2025 results
- Capital expenditure for the year is expected to be around €3.7 billion
- Total fuel cost is expected to be €7.1 billion (based on jet fuel forward curve and foreign exchange rates at the end of Q3)

Financial summary:

Reported results (€ million)	Nine months to 30 September			Three months to 30 September		
	2025	2024	Higher/ (lower)	2025	2024	Higher/ (lower)
Total revenue	25,234	24,053	4.9 %	9,328	9,329	- %
Operating profit	3,931	3,322	18.3 %	2,053	2,013	2.0 %
Profit after tax	2,703	2,340	15.5 %	1,402	1,435	(2.3)%
Basic earnings per share (€ cents)	57.2	47.6	20.2 %	30.2	29.3	3.1 %
Cash, cash equivalents and interest-bearing deposits ¹	8,774	9,828	(1,054)			
Borrowings ¹	14,783	17,345	(2,562)			
Alternative performance measures (€ million)	2025	2024	Higher/ (lower)	2025	2024	Higher/ (lower)
Total revenue before exceptional items	25,234	24,053	4.9 %	9,328	9,329	- %
Operating profit before exceptional items	3,931	3,322	18.3 %	2,053	2,013	2.0 %
Operating margin before exceptional items	15.6%	13.8%	1.8 pts	22.0%	21.6%	0.4 pts
Profit after tax before exceptional items ²	2,703	2,250	20.1 %	1,402	1,435	(2.3)%
Adjusted earnings per share (€ cents)	55.5	43.7	27.0 %	29.2	28.1	3.9 %
Net debt ¹	6,009	7,517	(1,508)			
Net debt to EBITDA before exceptional items (times) ¹	0.8	1.1	(0.3)			
Total liquidity ^{1, 3}	11,442	13,362	(1,920)			
Operating figures	2025	2024	Higher/ (lower)	2025	2024	Higher/ (lower)
Available seat kilometres (ASK million)	265,587	258,933	2.6 %	95,537	93,280	2.4 %
Passenger revenue per ASK (€ cents)	8.30	8.23	0.8 %	8.65	8.87	(2.4)%
Non-fuel costs per ASK (€ cents)	5.99	5.74	4.3 %	5.65	5.64	0.2 %

For definitions of Alternative performance measures, refer to the Alternative performance measures definition and reconciliation section from page 16.

¹ The prior period comparative is 31 December 2024.

² There were no exceptional items in the nine months to 30 September 2025 (2024: €90 million relating to the withdrawal from the Air Europa transaction and tax, as explained in the Alternative performance measures definition and reconciliation section).

³ Total liquidity includes Cash, cash equivalents and interest-bearing deposits, plus committed and undrawn general and aircraft-specific financing facilities.

Financial highlights for the third quarter of 2025

Total revenue for the quarter was flat versus last year, driven by flat Passenger revenue, a reduction in Cargo revenue and an increase in Other revenue.

Passenger unit revenue decreased by 2.4%, including an estimated two percentage points of a negative impact of foreign exchange. Overall it was a good performance, on top of a record third quarter in 2024. As expected the North Atlantic market saw some softness in US point-of-sale economy leisure and unit prices across our airlines were lower in the European market due to a combination of high growth by British Airways and more competitive markets elsewhere. The South Atlantic and Asia Pacific markets were strong. Specifically, around half of the 7.1% unit revenue decline on the North Atlantic was due to foreign exchange impacts.

Cargo revenue decreased by 6.9% due to lower pricing compared to the prior year. Other revenue increased by 3.6% including ongoing growth at IAG Loyalty.

Non-fuel unit cost trends continued to improve, with an increase of only 0.2% in the quarter (which included two percentage points of favourable foreign exchange). Within this Employee costs increased by 2.9% on a unit basis, reflecting agreed pay increases partially offset by productivity improvements; Supplier costs improved by 2.9% mostly due to procurement benefits; and Ownership costs increased by 9.1% reflecting deliveries of new, efficient aircraft as well as investments in customer-facing products and IT.

Operating profit before exceptional items increased by 2.0% (€40 million) to €2,053 million, at a margin in the quarter of 22.0% (an improvement by 0.4 pts), as a result of the resilient total revenue, strong non-fuel cost performance and the advantageous fuel cost (better by €180 million, or 8.8%).

Delivering our strategy

Trading and network

IAG's strategy is based on growing its global leadership positions, with a particular focus on its core markets of the North Atlantic, Latin America and intra-Europe (particularly domestic Spain).

Three months to 30 September 2025	Proportion of total ASKs 2025	ASKs higher/(lower) v2024	Passenger load factor (%)	Passenger load factor higher/(lower) v2024	Passenger revenue per ASK higher/(lower) v2024 ¹
North Atlantic	31.9 %	2.9 %	86.7	(2.4)pts	(7.1)%
Latin America and Caribbean	17.7 %	2.9 %	90.6	(0.5)pts	0.6 %
Europe	28.1 %	2.4 %	88.9	(0.8)pts	(6.0)%
Domestic (Spain and UK)	7.8 %	3.7 %	92.4	(1.0)pts	(4.0)%
Africa, Middle East and South Asia	10.5 %	1.2 %	86.6	(0.7)pts	(3.3)%
Asia Pacific	4.0 %	(2.2)%	91.6	(0.7)pts	5.6 %
Total network	100.0 %	2.4 %	88.6	(1.3)pts	(2.4)%

¹ Passenger revenue per ASK ('PRASK') for the total network is based on total passenger revenue divided by ASKs. For the analysis by region, passenger revenue excludes certain items that are not directly assigned at a route level, including joint business payments or receipts, foreign exchange hedging gains or losses, EC261 compensation and the impact of assumptions for unused tickets.

Leveraging our global leadership positions

The North Atlantic region is a major area of strength for IAG. IAG increased its capacity for the North Atlantic region by 2.9% in the quarter. British Airways (up 2.4% in the third quarter) increased frequencies; Iberia (up 2.0%) and Aer Lingus (up 7.0%) deployed their new A321XLR aircraft, adding frequencies and secondary destinations.

IAG is continuing to invest in the structurally growing Latin American market, in particular through Iberia and LEVEL. IAG capacity growth in the quarter was 2.9%. Iberia continues to add frequencies to its core cities and grew capacity by 4.3%. LEVEL grew capacity by 22.5% off a low base, while British Airways reduced capacity by 4.6%.

In the intra-European market IAG capacity increased by 2.4% in the third quarter, with British Airways growing by 7.0%, mainly in its point-to-point leisure routes as well as by aircraft gauge at Heathrow, whilst Iberia reduced capacity by 8.1% as it focused on delivering a resilient schedule. Vueling increased capacity by 1.9%, particularly in its core market of Barcelona.

Our capacity growth in the Domestic region (Spain and UK) was 3.7% in the third quarter. As in the European short-haul market, Iberia reduced its capacity to support operational resilience, whilst Vueling grew significantly to build its capacity and share in its key domestic markets.

The rest of the world is performing well. Asia Pacific saw British Airways rationalise its network (capacity down 9.8%) due to its constrained aircraft availability. Africa, Middle East and South Asia saw some growth from British Airways (increased capacity by 2.3%) and Vueling (+16.2%) adding a new route to Istanbul, that was offset by Iberia (-23.6%) taking capacity out of Tel Aviv as well as for resilience reasons.

Strengthening our portfolio of world-class brands

We are continually strengthening the propositions of all our airlines through our Group-wide transformation programme. This supports our objective of delivering higher levels of customer service and more efficient operations that will help to sustain a long-term competitive advantage and drive sustainable earnings growth.

Aer Lingus

- New A321XLR routes to Indianapolis, Nashville and Minneapolis delivering good profit improvement.
- Ongoing adoption of 'digital first' customer strategy supporting strong customer NPS improvement: introduction of Google Pay; new app features geared towards ancillary offering; new marketing campaign through the app.
- Ground handling and Network & Scheduling process improvements have helped to deliver another five percentage point increase in punctuality in the third quarter.

British Airways

- Flights re-started to Kuala Lumpur earlier this year and Bangkok will now become a year-round destination. Short-haul leisure network expanding to new destinations (Graz, Rabat) and increased frequencies (Milan Linate).
- The new global lounge concept unveiled in Miami and Dubai. Work has also now started on the refresh of the First Wing check-in at Heathrow Terminal 5.
- British Airways continues to drive improved On Time Performance (OTP) from the new Heathrow Operating Model implemented during 2024. It delivered its best Heathrow Q3 OTP since 2012 and network-wide OTP since 2017.

Iberia

- Iberia is also using its A321XLRs profitably to expand its transatlantic network, with Boston and Washington in 2025 and adding Orlando, Recife and Fortaleza over the coming winter. Recife and Fortaleza are indicative of Iberia's ability to operate to new parts of South America with this recent aircraft technology.
- Iberia continues to transform its customer journey, including a new culinary proposition, as well as the ongoing roll-out of larger overhead bins ("L-bins") across the short-haul fleet.
- Stronger ground handling operations have delivered better OTP compared to Q3 2024.

Vueling

- During 2025 Vueling has expanded its network with 19 new routes as it continues its strategy to strengthen its position at its main Barcelona hub, as well as across its network in Domestic Spain, particularly the Canary Islands.
- Strongest-ever summer NPS due to improvements to the customer journey (enhanced online check-in, communications updates, 15 minutes of free Wifi on connected aircraft, installation of onboard wheelchairs) underpinned by a more resilient operational performance.
- Year-on-year punctuality increase as improved planning and tools deliver better management of ATC and weather disruption.

IAG Loyalty continues to implement its strategy to drive the issuance and redemption of Avios, whose success is reflected in its revenue and earnings growth. Today it is announcing that it has signed a multi-year extension to the partnership with American Express which includes the co-brand partnership with British Airways as well as acceptance for American Express cards across all of the IAG airlines. The partnership also includes the ongoing ability to transfer American Express Membership Rewards to Avios with the British Airways and Iberia loyalty programmes as well as with Aer Lingus loyalty for US card members. IAG Loyalty has also begun the IT transformation at British Airways Holidays, where it plans to change 90% of the legacy systems and build a new customer website.

Disciplined Capital allocation

IAG has a disciplined approach to capital allocation in order to maximise long term shareholder value creation.

1. Maintain a strong balance sheet

We have continued to strengthen our balance sheet during the third quarter, driven by strong free cash flow and disciplined capital allocation:

- Net leverage at 30 September was 0.8x (Q3 2024: 1.0x) and gross leverage at 1.9x (Q3 2024: 2.6x)
- During the quarter IAG executed a tender offer relating to its 2027 and 2029 bonds, as a result of which the 2029 bond was entirely redeemed (for €400 million) and the 2027 bond substantially reduced (by €90 million, with €133 million now outstanding).
- The Group also issued a new five-year €500 million unsecured bond that was ten times oversubscribed and priced at 3.35%, a level that is lower than previous rates and reflects IAG's strong Investment Grade status. It will also be the benchmark for future Group financing requirements.

2. Investment in the business

IAG plans and executes disciplined investment in the business to improve our offering and efficiency to grow revenue, margins and free cash flow. Our target range for Return on invested capital is 13% to 16% through the cycle.

During the three months to 30 September 2025 six new aircraft were delivered, including an A350-900 for Iberia and two A321XLRs to Aer Lingus. This takes the total aircraft delivered for the first nine months of the year to 19. We continue to expect a total of 25 aircraft during 2025 with around two thirds being unencumbered.

3. Committed to sustainable shareholder returns

IAG is committed to creating sustainable value for its shareholders.

A sustainable dividend

We have announced an increase to the interim dividend per share to €0.048. For the Financial Year 2024 we paid our shareholders €427 million and aim to increase the dividend broadly in line with inflation. The interim to expected final dividend split is around 50% in line with our pre-Covid practice.

Additional shareholder returns

As at 5th November we have repurchased c.€950 million of the €1 billion share buyback that we announced at Full Year 2024 results. We intend to announce further shareholder returns of excess cash at Full Year 2025 results in February, based on projected cash flows and leverage at the end of 2025 and taking into account our target leverage range of 1.2x to 1.5x (as a guide for excess cash returns).

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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](#). These documents are available on www.iairgroup.com.

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CONSOLIDATED INCOME STATEMENT

€ million	Nine months to 30 September			Three months to 30 September		
	2025	2024	Higher/ (lower)	2025	2024	Higher/ (lower)
Passenger revenue	22,034	21,313	3.4 %	8,263	8,270	(0.1)%
Cargo revenue	912	870	4.8 %	283	304	(6.9)%
Other revenue	2,288	1,870	22.4 %	782	755	3.6 %
Total revenue	25,234	24,053	4.9 %	9,328	9,329	- %
Employee costs	4,891	4,515	8.3 %	1,659	1,574	5.4 %
Fuel costs and emissions charges	5,397	5,868	(8.0)%	1,874	2,054	(8.8)%
Handling, catering and other operating costs	3,319	3,101	7.0 %	1,205	1,183	1.9 %
Landing fees and en-route charges	1,895	1,842	2.9 %	694	672	3.3 %
Engineering and other aircraft costs	2,252	2,004	12.4 %	672	715	(6.0)%
Property, IT and other costs	853	820	4.0 %	281	272	3.3 %
Selling costs	798	841	(5.1)%	225	264	(14.8)%
Depreciation, amortisation and impairment	1,920	1,737	10.5 %	663	597	11.1 %
Net loss/(gain) on sale of property, plant and equipment	1	(1)	nm	3	(1)	nm
Currency differences	(23)	4	nm	(1)	(14)	(92.9)%
Total expenditure on operations	21,303	20,731	2.8 %	7,275	7,316	(0.6)%
Operating profit	3,931	3,322	18.3 %	2,053	2,013	2.0 %
Finance costs	(631)	(677)	(6.8)%	(200)	(206)	(2.9)%
Finance income	217	299	(27.4)%	62	112	(44.6)%
Net change in fair value of financial instruments	(135)	(63)	nm	(65)	(58)	12.1 %
Net financing credit relating to pensions	63	46	37.0 %	21	16	31.3 %
Net currency retranslation credits	320	56	nm	(16)	80	nm
Other non-operating charges	(150)	(28)	nm	14	(48)	nm
Total net non-operating charges	(316)	(367)	(13.9)%	(184)	(104)	76.9 %
Profit before tax	3,615	2,955	22.3 %	1,869	1,909	(2.1)%
Tax	(912)	(615)	48.3 %	(467)	(474)	(1.5)%
Profit after tax for the period	2,703	2,340	15.5 %	1,402	1,435	(2.3)%

ALTERNATIVE PERFORMANCE MEASURES

All figures in the tables below are before exceptional items. Refer to Alternative performance measures definition and reconciliation section for more detail.

€ million	Nine months to 30 September			Three months to 30 September		
	Before exceptional items			Before exceptional items		
	2025	2024	Higher/ (lower)	2025	2024	Higher/ (lower)
Passenger revenue	22,034	21,313	3.4 %	8,263	8,270	(0.1)%
Cargo revenue	912	870	4.8 %	283	304	(6.9)%
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Selling costs	798	841	(5.1)%	225	264	(14.8)%
Depreciation, amortisation and impairment	1,920	1,737	10.5 %	663	597	11.1 %
Net loss/(gain) on sale of property, plant and equipment	1	(1)	nm	3	(1)	nm
Currency differences	(23)	4	nm	(1)	(14)	(92.9)%
Total expenditure on operations	21,303	20,731	2.8 %	7,275	7,316	(0.6)%
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Other non-operating (charges)/credits	(150)	22	nm	14	(48)	nm
Total net non-operating charges	(316)	(317)	(0.3)%	(184)	(104)	76.9 %
Profit before tax	3,615	3,005	20.3 %	1,869	1,909	(2.1)%
Tax	(912)	(755)	20.8 %	(467)	(474)	(1.5)%
Profit after tax for the period	2,703	2,250	20.1 %	1,402	1,435	(2.3)%
Operating figures	2025	2024	Higher/ (lower)	2025	2024	Higher/ (lower)
Available seat kilometres (ASK million)	265,587	258,933	2.6 %	95,537	93,280	2.4 %
Revenue passenger kilometres (RPK million)	227,748	224,696	1.4 %	84,674	83,834	1.0 %
Passenger load factor (per cent)	85.8	86.8	(1.0)pts	88.6	89.9	(1.3)pts
Passenger numbers (thousands)	92,389	92,975	(0.6)%	34,587	34,745	(0.5)%
Cargo tonne kilometres (CTK million)	3,875	3,809	1.7 %	1,279	1,324	(3.4)%
Sectors	565,369	562,308	0.5 %	202,737	202,135	0.3 %
Block hours (hours)	1,762,138	1,721,953	2.3 %	639,669	624,018	2.5 %
Aircraft in service	625	599	4.3 %	n/a	n/a	n/a
Passenger revenue per RPK (€ cents)	9.67	9.49	2.0 %	9.76	9.86	(1.1)%
Passenger revenue per ASK (€ cents)	8.30	8.23	0.8 %	8.65	8.87	(2.4)%
Cargo revenue per CTK (€ cents)	23.54	22.84	3.0 %	22.13	22.96	(3.6)%
Fuel cost per ASK (€ cents)	2.03	2.27	(10.3)%	1.96	2.20	(10.9)%
Non-fuel costs per ASK (€ cents)	5.99	5.74	4.3 %	5.65	5.64	0.2 %
Total cost per ASK (€ cents)	8.02	8.01	0.2 %	7.61	7.84	(2.9)%

FINANCIAL REVIEW for the nine months to 30 September 2025

IAG capacity

In the first nine months of 2025, passenger capacity operated, measured in available seat kilometres (ASKs), rose by 2.6% versus the same period in 2024.

Capacity operated by airline

	ASKs higher/(lower) v2024	Passenger load factor (%)	Higher/(lower) v2024
Aer Lingus	7.6 %	80.8	(0.8)pts
British Airways	2.0 %	83.8	(1.5)pts
Iberia	0.9 %	88.6	0.7pts
LEVEL	3.7 %	93.3	(2.0)pts
Vueling	4.4 %	90.5	(2.3)pts
Group	2.6 %	85.8	(1.0)pts

Capacity increases versus the first nine months of 2024 reflect growth in each airline's fleet of aircraft, including the introduction of Airbus A321XLR aircraft at Aer Lingus and Iberia. British Airways increased its Boeing 787-10 and Airbus A320neo family aircraft fleets. LEVEL added an additional A330-200 aircraft and Vueling resumed growth with additional leased Airbus A320neo aircraft. Capacity growth was slightly lower than previously anticipated, particularly at Iberia, due to aircraft and engine availability.

Basis of preparation

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 Board has considered the impact of a severe but plausible downside scenario and sensitivities, together with aircraft financing requirements. Consequently 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 of preparation for this report.

Unless stated otherwise, all figures and variances quoted below relate to the first nine months of 2025 compared with the first nine months of 2024 on a reported basis (including exceptional items).

Summary

Reported results € million	2025	2024	Higher/(lower) vly
Operating profit	3,931	3,322	609
Profit before tax	3,615	2,955	660
Profit after tax	2,703	2,340	363

The Group's Operating profit for the first nine months increased by €609 million versus the first nine months of 2024, driven by higher passenger unit revenues and lower fuel unit costs, partially offset by an increase in non-fuel unit costs, as discussed further below. The increase in Operating profit included favourable foreign exchange impacts of €149 million.

Summary of exceptional items

There were no exceptional items in the first nine months of 2025.

In the first nine months of 2024, the Group recorded two exceptional items: an exceptional cost of €50 million, being the break-fee related to the withdrawal from the acquisition of Air Europa, with a related tax credit of €5 million; and a tax-related exceptional item related to a change in tax legislation in Spain, resulting in an exceptional tax credit of €135 million. See Alternative performance measures definition and reconciliation section for further information.

Alternative performance measures (before exceptional items) € million	2025	2024	Higher/(lower) vly
Operating profit	3,931	3,322	609
Profit before tax	3,615	3,005	610
Profit after tax	2,703	2,250	453

Revenue

€ million	2025	Higher/(lower) vly (%)	Higher/(lower) vly
Passenger revenue	22,034	3.4 %	721
Cargo revenue	912	4.8 %	42
Other revenue	2,288	22.4 %	418
Total revenue	25,234	4.9 %	1,181

Passenger revenue

The increase in passenger revenue of €721 million, or 3.4%, was ahead of the increase in passenger capacity of 2.6%, driven by higher yields, measured as passenger revenue per revenue passenger kilometre, up 2.0%, offset by a reduction in the passenger load factor, which was 1.0 points lower. Passenger unit revenue, measured as passenger revenue per ASK, rose by 0.8%. The growth in passenger revenue for the nine months reflected resilient demand for travel in IAG's core markets.

Passenger revenue by region

The table below shows the regional data for the nine months to 30 September. The equivalent data for the third quarter is provided in the Delivering Our Strategy section earlier in this report.

Nine months to 30 September 2025	Proportion of total ASKs 2025	ASKs higher/(lower) v2024	Passenger load factor (%)	Passenger load factor higher/(lower) v2024	Passenger revenue per ASK higher/(lower) v2024 ¹
North Atlantic	30.8 %	1.8 %	83.5	(1.6)pts	0.5 %
Latin America and Caribbean	19.2 %	3.3 %	89.0	0.6pts	2.2 %
Europe	26.3 %	2.6 %	85.6	(1.7)pts	(2.8)%
Domestic (Spain and UK)	7.9 %	3.5 %	89.3	(1.3)pts	(2.5)%
Africa, Middle East and South Asia	11.6 %	1.8 %	83.1	(0.7)pts	1.4 %
Asia Pacific	4.2 %	5.4 %	88.7	(0.7)pts	3.8 %
Total network	100.0 %	2.6 %	85.8	(1.0)pts	0.8 %

¹ Passenger revenue per ASK for the total network is based on total passenger revenue divided by ASKs. For the analysis by region, passenger revenue excludes certain items that are not directly assigned at a route level, including joint business payments or receipts, foreign exchange hedging gains or losses, EC261 compensation and the impact of assumptions for unused tickets.

Cargo revenue

Cargo revenue of €912 million was €42 million higher than in 2024. Cargo volumes, measured in cargo tonne kilometres (CTKs), were 1.7% higher than the previous year, whilst cargo yields, measured as cargo revenue per cargo tonne kilometre, were 3.0% higher. Market yields were elevated in the first half of 2025, supported by global supply chain disruptions and strong demand; however, yields declined year-on-year in the third quarter as market rates began to stabilise from the previous year's Red Sea-related surge. Despite this, the Group continued to prioritise high-yielding and premium flows, seeing growth from Asia Pacific, Spain and Africa.

Other revenue

Other revenue, at €2,288 million, was up €418 million versus 2024, mainly driven by increased third-party revenues from Iberia's Maintenance, Repair and Overhaul (MRO) business, together with increased revenue at IAG Loyalty, which includes British Airways Holidays.

Operating costs

Total operating expenditure in the nine months rose from €20,731 million in 2024 to €21,303 million in 2025, an increase of 2.8%, linked to the higher volume of flights and an increase in non-fuel unit costs, which increased by 4.3%, partially offset by lower fuel unit costs. The increase in non-fuel unit costs was impacted by favourable foreign exchange impacts of €49 million, representing 0.4 points of the variance. The growth in costs arising from the Group's increased Other revenue drove approximately 1.8 points of the increase. The remaining growth in non-fuel unit costs was due to increased resourcing to recruit, train and then operate the larger flying programme in the peak summer season, the investments in the airlines' operations and customer experience and the impact of wage increases and supplier cost increases, which were partially mitigated by the impact of the Group's transformation and innovation initiatives.

Employee costs

	2025	Higher/(lower) vly (%)	Higher/(lower) vly
Employee costs, € million	4,891	8.3 %	376
Employee costs per ASK, € cents	1.84	5.6 %	

The rise in employee costs of €376 million or 8.3% versus 2024 reflects wage increases and bonus provisions and increased employee numbers, as the Group's airlines increased capacity and resourced their peak summer operations. From April, employee costs also rose due to the increase in Employers' National Insurance in the UK.

Fuel costs and emission charges

	2025	Higher/(lower) vly (%)	Higher/(lower) vly
Fuel costs and emissions charges, € million	5,397	(8.0)%	(471)
Fuel costs and emissions charges per ASK, € cents	2.03	(10.3)%	

Fuel costs and emissions charges were down €471 million, or 8.0% versus 2024, driven by lower prices, partially offset by increased flying volumes. The Group's effective fuel price net of fuel hedging and related foreign currency hedging was down approximately 10% versus 2024. The cost of complying with various emissions trading schemes and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) was €297 million, up from €251 million in the first nine months of 2024. Fuel consumption and costs continue to benefit from the Group's investment in new-generation aircraft.

Supplier costs

€ million	2025	Higher/(lower) vly (%)	Higher/(lower) vly
Handling, catering and other operating costs	3,319	7.0 %	218
Landing fees and en-route charges	1,895	2.9 %	53
Engineering and other aircraft costs	2,252	12.4 %	248
Property, IT and other costs	853	4.0 %	33
Selling costs	798	(5.1)%	(43)
Currency differences	(23)	nm	(27)
Total Supplier costs	9,094	5.6 %	482
Supplier costs per ASK, € cents	3.42	3.0 %	

Total Supplier costs rose by €482 million, or 5.6%, to €9,094 million, with the impact of the Group's cost transformation initiatives partially mitigating the impacts of inflation and the additional operating cost arising from the Group's investment in customer experience and IT. Handling, catering and other operating costs include costs related to growth in British Airways Holidays' revenue and Engineering and other aircraft costs include costs related to the growth in Iberia's MRO revenues. Supplier unit costs increased by 3.0% versus 2024.

Ownership costs

Ownership costs include depreciation, amortisation and impairment of tangible and intangible assets, including right of use assets, and the net loss/(gain) on sale of property, plant and equipment.

	2025	Higher/(lower) vly (%)	Higher/(lower) vly
Depreciation, amortisation and impairment	1,920	10.5 %	183
Net loss/(gain) on sale of property, plant and equipment	1	nm	(2)
Ownership costs, € million	1,921	10.7 %	185
Ownership costs per ASK, € cents	0.72	7.9 %	

The increase in ownership costs versus 2024 is mainly driven by the increase in the Group's fleet of aircraft, which is linked to the airlines' growth in capacity and their investments in new, more fuel-efficient aircraft, together with customer-focused investments, such as new and improved seats in business cabins, and IT investment.

Exchange rate impact

Exchange rate impacts are calculated by retranslating current year results at prior year exchange rates. The reported revenues and expenditures are impacted by the translation of currencies other than euro, primarily pound sterling related to British Airways and IAG Loyalty, to the Group's reporting currency of euro. From a transaction perspective, the Group's performance is impacted by the fluctuation of exchange rates, primarily exposure to the pound sterling, euro and US dollar. The Group typically generates a surplus in most currencies in which it does business, except the US dollar, for which capital expenditure, debt repayments and fuel purchases typically create a deficit which is managed and partially hedged. The Group hedges its economic exposure from transacting in foreign currencies but does not hedge the translation impact of reporting in euro.

Overall, in the first nine months of 2025 the Group's operating profit before exceptional items benefited from €149 million of favourable exchange rate impacts versus the same period in 2024.

Exchange rate impact before exceptional items

€ million Favourable/(adverse)	2025		
	Translation impact	Transaction impact	Total exchange impact
Total exchange impact on revenue	94	(130)	(36)
Total exchange impact on operating expenditures	(96)	281	185
Total exchange impact on operating profit	(2)	151	149

Operating profit before exceptional items by operating company

	2025	2024	Higher/(lower)
British Airways (£ million) ¹	1,637	1,385	252
Aer Lingus (€ million)	250	148	102
Iberia (€ million)	1,074	816	258
Vueling (€ million)	367	389	(22)
IAG Loyalty (£ million) ¹	332	318	14

¹ 2024 comparatives restated for the transfer of British Airways Holidays from British Airways to IAG Loyalty.

At British Airways, the operating profit improvement of £252 million related to its 2.0% increase in capacity, together with improved unit passenger revenue, net of an increase in non-fuel costs. The €102 million increase in operating profit for Aer Lingus mainly reflected growth, with the introduction of Airbus A321XLR aircraft, together with the impact of industrial action in the 2024 comparative period. Iberia benefited from higher unit passenger revenue and additional MRO revenue. Vueling's small decline in operating profit was mainly driven by the intra-Europe market, with the Domestic segment performing well. In addition, the Group's airlines all benefited from lower fuel prices. IAG Loyalty's operating profit was impacted by accounting for VAT on the issuance of Avios, which the Group disputes (see Tax section below). Absent this change, IAG Loyalty would have reported an increase in operating profit versus 2024 for the first nine months of £43 million (13.5%).

Total net non-operating charges

Total net non-operating charges for the nine months were €316 million, versus charges of €367 million in 2024, which included the exceptional €50 million cost for the break-fee related to the withdrawal from the acquisition of Air Europa outlined above. The net change in the fair value of financial instruments of €135 million is related to the Group's convertible bond, which increased in value, in line with the rise in the Group's share price. A weaker US dollar at 30 September 2025 compared with 31 December 2024 led to a Net currency retranslation credit of €320 million in 2025, versus a credit of €56 million in 2024. Other non-operating charges of €150 million mainly relate to foreign exchange derivative contracts for which hedge accounting is not applied, which were also impacted by the weaker US dollar.

Tax

The tax charge on the profit for the nine months was €912 million (2024: tax charge of €615 million), with an effective tax rate of 25% (2024: 21%). The difference between the current period effective tax rate of 25% and the prior period effective tax rate of 21% is primarily due to the revocation of Royal Decree Law 3/2016 in Spain, detailed further in the Alternative performance measures definition and reconciliation section.

The tax charge is calculated by applying the best estimate of the average annual effective tax rate for each material tax jurisdiction to the interim period pre-tax income of each jurisdiction. The substantial majority of the Group's activities are taxed where the main operations are based: in Spain, the UK and Ireland, which have statutory corporation tax rates of 25%, 25% and 12.5% respectively for 2025. The expected tax rate for the Group is determined by applying the relevant corporation tax rate, as adjusted by domestic top-up taxes, 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 24% for the nine months to 30 September 2025.

The difference between the actual effective tax rate of 25% and the expected tax rate of 24% is principally due to Spanish tax arising on intra-group dividends, partially offset by a prior year tax credit.

IAG Loyalty VAT

As previously disclosed, beginning in 2022 and for periods commencing March 2018, His Majesty's Revenue and Customs in the UK (HMRC) undertook a review of the appropriate VAT accounting to be applied by IAG Loyalty, and the validity of a historical ruling ('the Ruling') issued by HMRC to the Group. On 29 October 2024, HMRC issued a decision asserting that VAT is payable at the standard rate of 20% on the issuance of Avios as opposed to the historical approach of accounting for VAT depending on the nature of the redemption products for which Avios are redeemed, for which the vast majority are flights that are zero-rated.

During the first nine months of 2025, the Group appealed this matter to the First-tier Tribunal (Tax) in the UK. To advance the case to the First-tier Tribunal (Tax), without admission of liability, the Group paid to HMRC €668 million. Subsequently, the Group recovered €260 million as input VAT for certain of its subsidiaries. These amounts, as well as certain other payments made to HMRC pertaining to periods prior to its decision, which in aggregate amount to €513 million, are expected to be refunded if the matter is resolved in the Group's favour. Accordingly, these amounts have been recorded as a non-current asset on the Balance sheet.

In addition, during the first nine months of 2025, the Group applied to the High Court in the UK for a judicial review of whether IAG Loyalty had a legitimate expectation that it could rely on a historical ruling issued by HMRC. As at the date of this report, the Group is awaiting confirmation as to whether its application for a judicial review has been accepted.

For payments made to HMRC for periods subsequent to its decision on 29 October 2024, a proportion of the payments made reduce the amounts that would have previously been recognised within Deferred revenue in the Balance sheet upon issuance of the Avios and subsequently within Passenger revenue and Other revenue in the Income statement when the Avios are redeemed. These payments amount to €70 million at 30 September 2025 and have been disclosed as a contingent asset.

The Directors are satisfied that it is not probable that an adverse outcome will eventuate, and accordingly, the Group continues to consider at 30 September 2025, and through to the date of this report, that the €513 million non-current asset, recognised as a result of the payment to HMRC, is recoverable.

Aircraft deliveries and financing

	Delivered in the nine months to 30 September 2025	Of which financed in the nine months to 30 September 2025	Aircraft delivered in 2024 and financed in the nine months to 30 September 2025
Number of aircraft			
Airbus A320neo (Aer Lingus)	2	–	–
Airbus A320neo (British Airways)	6	4	–
Airbus A321neo (British Airways)	3	1	–
Airbus A321XLR (Aer Lingus)	3	–	2
Airbus A321XLR (Iberia)	3	1	1
Airbus A350-900 (Iberia)	1	–	–
Boeing 787-10 (British Airways)	1	–	–
Sub-total: deliveries from manufacturers	19	6	3
Airbus A320ceo (Vueling direct lease)	7	7	–
Total	26	13	3

During the first quarter, the Group exercised options for six Airbus A350-900 aircraft for Iberia, together with six Airbus A350-1000 aircraft and six Boeing 777-9 aircraft for British Airways. In the second quarter, the Group placed orders for a further 53 wide-bodied aircraft: 21 Airbus A330-900neo aircraft, which can be deployed within Aer Lingus, Iberia or LEVEL; and 32 Boeing 787-10 aircraft for British Airways. The order for 53 aircraft was subject to shareholder approval, which was obtained on 19 June 2025 at the Group's Annual General Meeting. There were no further aircraft orders in the third quarter.

These orders will be used for a combination of fleet replacement and growth and form part of the Group's ongoing investment in new, modern aircraft to drive operational efficiency, reduce emissions, and enhance onboard products for customers. The aircraft will be delivered between 2027 and 2033.

Gross debt, net debt and leverage

€ million	30 September 2025	31 December 2024
Total borrowings	14,783	17,345
Cash, cash equivalents and current interest-bearing deposits	8,774	9,828
Net debt	6,009	7,517
Rolling four quarters EBITDA before exceptional items	7,599	6,807
Gross debt to EBITDA before exceptional items (times)	1.9	2.5
Net debt to EBITDA before exceptional items (times)	0.8	1.1

The reduction in Total borrowings included the impact of the Group's decision to partially repay in January 2025, in advance of their maturity, €577 million of bonds maturing in 2027 and 2029; in September 2025 the Group repaid a further €490 million of nominal amounts of these bonds and issued a new €500 million unsecured bond maturing in 2030. The Group also repaid a €500 million unsecured bond at its scheduled maturity in March 2025. The remainder of the reduction is mainly due to a weaker US dollar, as the majority of aircraft-related debt is denominated in US dollars. The Group also had higher repayments on existing aircraft debt than financing raised related to new aircraft deliveries, consistent with the Group's aim to hold a portion of new aircraft delivered in 2025 unencumbered.

The main driver of the reduction in Net debt to EBITDA before exceptional items (leverage) versus 31 December 2024 was the increased EBITDA before exceptional items for the first nine months. The typical seasonality within forward bookings sees bookings build over the first two quarters of the year ahead of the peak summer travel season, with forward bookings then reducing in the second half of the year and hence net leverage is expected to rise slightly in the fourth quarter.

On 13 March 2025, S&P upgraded its investment grade credit rating of IAG and British Airways to BBB (stable outlook) from BBB- (positive outlook) and on 4 April 2025, Fitch upgraded its investment grade credit rating of British Airways to BBB (stable outlook) from BBB- (stable outlook). IAG and British Airways are also rated investment grade by Moody's (Baa3); on 14 May 2025 Moody's changed its outlook for both companies from stable to positive.

Liquidity

€ million	30 September 2025	31 December 2024
Cash, cash equivalents and current interest-bearing deposits	8,774	9,828
Committed and undrawn general and overdraft facilities	2,621	3,400
Committed and undrawn aircraft facilities	47	134
Total	11,442	13,362

The principal component of the Group's committed and undrawn general and overdraft facilities is a \$3.0 billion (€2.5 billion), sustainability-linked, secured Revolving Credit Facility (RCF), available until 2029 and accessible by British Airways, Iberia and Aer Lingus, each of which has separate limits.

The reduction of Committed and undrawn general and overdraft facilities versus 31 December 2024 was mainly due to the expiry of Aer Lingus' €350 million facility with the Ireland Strategic Investment Fund (ISIF), together with foreign exchange on the US dollar-denominated RCF.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group has continued to maintain its processes to identify, assess, and manage risks under the Group's Enterprise Risk Management (ERM) framework. The principal risks and uncertainties affecting the Group are detailed in the Risk management and principal risk factors section of the 2024 Annual report and accounts and these remain relevant. The IAG Board continues to monitor the risk landscape and challenges management on its plans to address and adapt to changes that influence or impact on the Group's performance, including, volatility in financial markets, geopolitical tensions and friction in trade flows, disruption in operations and the Group's supply chain, and Artificial Intelligence (AI) and other emerging technologies that could transform the business or the aviation industry. In assessing its principal risks, the Group has considered its risk environment including: (i) monitoring the trade and economic effects, outcomes to markets and demand resulting from inflation and governmental policy decisions that may reduce customer confidence in key customer segments or markets; (ii) ongoing heightened geopolitical events and conflicts which create further market uncertainty, could curtail access to markets and result in significant movements in fuel and foreign exchange rates; (iii) resilience to the hostile and increasing cyber threat environment with the use of sophisticated techniques, including AI and social engineering to gain unauthorised access to systems and data within the Group's businesses or its supply chains; (iv) operational, IT and technical resilience across its airlines, response plans and disruption management tools to adapt to unplanned events, including airspace closures or disruptions, cyber events or increased friction impacting the flow of goods and creating further supply chain delays in aircraft maintenance, especially for engines and components; (v) expansion plans for the London airports, including Heathrow and Gatwick; and (vi) managing the cost base and accelerating transformational change. No new principal risks were identified through the risk management discussions and assessments in the year to date. 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.

From the risks identified in the 2024 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.

Critical third parties in the supply chain

The aviation sector continues to be affected by its reliance on the global supply chain with the additional stresses of inflationary pressures and friction in global trade driven by the threat of new or reciprocal tariffs. The Group airlines proactively assess schedules for operability using AI tools and data to improve forecasting and predictability. Procurement specialists work with all critical suppliers to understand any potential disruption which could impact the availability of new fleet, engines or critical goods or reliability of critical services. The Group is particularly focused on aircraft and engine manufacturers, given lack of fleet and engine availability and engines' durability problems, to understand their recovery plans and ensure that the additional cost and complexity of delivery delays is minimised or resilience to mitigate third party weaknesses is optimised. Airport infrastructure developments, particularly in London and the airlines' dependency on airport planners, government and regulators to ensure solutions enable growth in a timely, cost effective manner or to minimise operational impacts, are assessed and proactively managed.

Data and cybersecurity

Ongoing heightened geopolitical conflict, protectionist stances between regions and governments and the use of AI as a tool to scale malware attacks sees an increased exposure to threat actors targeting the Group's businesses and its third parties. High profile attacks on aviation and other industries, particularly those with complex, interconnected supply chains, have resulted in prolonged levels of disruption and outage in business operations. These can have a significant impact with uncertain recovery times or require limitations on operations to address and resolve or restore data loss. The Group continues to develop its security defences and extend monitoring and recovery capabilities to protect itself.

Economic, political and regulatory environment

Wider macroeconomic events may continue to drive market uncertainty and volatility impacting demand as well as an inflationary environment, pressure on interest rates, fuel price and foreign exchange rate volatility. The tone of dialogue and political responses between countries to ongoing conflicts may cause operational disruption to the Group or its third parties as well as see shifts in investment, policy stance or trade co-operation. The Group continues to monitor and assess threats and potential impacts, particularly the effects of new trading agreements, barriers to trade or additional tariffs. The rise of populist governments and the trend of regulatory and policy disparity between key regions or significant reversal in government policy approaches, may see further protectionism, which could result in market or competitive distortion that increases cost and complexity or impacts the business model and operations of the Group's airlines.

Operational and IT resilience

The operational environment of the Group's airlines remains highly reliant on the ability to adapt operational and customer processes to external event changes, particularly industrial action impacting air traffic control or airport services provision, and as the Group transforms away from legacy infrastructure and systems. The Group has delivered significant IT infrastructure transformation which has modernised and digitalised its IT estates, as well as securing increased technical resilience. The Group continues to be affected by its reliance on the global supply chain and the impacts of delays in aircraft deliveries, scarcity of components and engines on aircraft turnarounds, aircraft on the ground and reduced aircraft utilisation. Its airlines are focused on minimising the impact of any unplanned outages or disruption to customers with additional resilience built into the airlines' networks.

Transformation, innovation and AI

The Group continues its focus on the cost base to offset inflationary price increases in the supply chain and the additional costs of resilience. AI adoption is being accelerated to provide solutions to operational bottlenecks or disruption events, optimise outcomes or to re-engineer ways of working supported by data driven insights, with the rollout and embedding of AI tools into the Group's businesses. The future talent and skillsets needed to deliver the pace of transformation, innovation and growth to meet the Group's ambition have been identified and the Group's businesses continue to adapt organisational structures to remain agile and responsive to the changing risk landscape.

The Board and its sub committees have been appraised of regulatory, competitor and governmental responses on an ongoing basis.

TRAFFIC AND CAPACITY STATISTICS - GROUP

	Nine months to 30 September			Three months to 30 September		
	2025	2024	Higher/(lower) vly	2025	2024	Higher/(lower) vly
Passengers carried ('000s)	92,389	92,975	(0.6)%	34,587	34,745	(0.5)%
North Atlantic	10,203	10,219	(0.2)%	3,960	3,937	0.6 %
Latin America and Caribbean	5,553	5,372	3.4 %	1,862	1,840	1.2 %
Europe	48,344	48,815	(1.0)%	18,608	18,583	0.1 %
Domestic (Spain and UK)	22,409	22,759	(1.5)%	8,116	8,317	(2.4)%
Africa, Middle East and South Asia	4,856	4,807	1.0 %	1,685	1,695	(0.6)%
Asia Pacific	1,024	1,003	2.1 %	356	373	(4.6)%
Revenue passenger kilometres (million)	227,748	224,696	1.4 %	84,674	83,834	1.0 %
North Atlantic	68,098	68,219	(0.2)%	26,401	26,366	0.1 %
Latin America and Caribbean	45,432	43,685	4.0 %	15,367	15,005	2.4 %
Europe	59,843	59,488	0.6 %	23,854	23,506	1.5 %
Domestic (Spain and UK)	18,859	18,480	2.1 %	6,864	6,694	2.5 %
Africa, Middle East and South Asia	25,532	25,277	1.0 %	8,723	8,690	0.4 %
Asia Pacific	9,984	9,547	4.6 %	3,465	3,573	(3.0)%
Available seat kilometres (million)	265,587	258,933	2.6 %	95,537	93,280	2.4 %
North Atlantic	81,534	80,128	1.8 %	30,451	29,603	2.9 %
Latin America and Caribbean	51,033	49,409	3.3 %	16,957	16,477	2.9 %
Europe	69,939	68,145	2.6 %	26,842	26,214	2.4 %
Domestic (Spain and UK)	21,112	20,391	3.5 %	7,428	7,165	3.7 %
Africa, Middle East and South Asia	30,707	30,176	1.8 %	10,075	9,951	1.2 %
Asia Pacific	11,262	10,684	5.4 %	3,784	3,870	(2.2)%
Passenger load factor (%)	85.8	86.8	(1.0)	88.6	89.9	(1.3)
North Atlantic	83.5	85.1	(1.6)	86.7	89.1	(2.4)
Latin America and Caribbean	89.0	88.4	0.6	90.6	91.1	(0.5)
Europe	85.6	87.3	(1.7)	88.9	89.7	(0.8)
Domestic (Spain and UK)	89.3	90.6	(1.3)	92.4	93.4	(1.0)
Africa, Middle East and South Asia	83.1	83.8	(0.7)	86.6	87.3	(0.7)
Asia Pacific	88.7	89.4	(0.7)	91.6	92.3	(0.7)
Cargo tonne kilometres (million)	3,875	3,809	1.7 %	1,279	1,324	(3.4)%

TRAFFIC AND CAPACITY STATISTICS - BY AIRLINE

	Nine months to 30 September			Three months to 30 September		
	2025	2024	Higher/(lower) vly	2025	2024	Higher/(lower) vly
Aer Lingus						
Passengers carried ('000s)	8,794	8,497	3.5 %	3,483	3,353	3.9 %
Revenue passenger kilometres (million)	21,410	20,112	6.5 %	8,635	8,161	5.8 %
Available seat kilometres (million)	26,510	24,642	7.6 %	10,162	9,595	5.9 %
Passenger load factor (%)/Pts variance	80.8	81.6	(0.8)pts	85.0	85.1	(0.1)pts
Cargo tonne kilometres (million)	125	132	(5.3)%	45	45	- %
British Airways						
Passengers carried ('000s)	34,925	34,962	(0.1)%	12,989	12,852	1.1 %
Revenue passenger kilometres (million)	112,720	112,487	0.2 %	41,261	41,316	(0.1)%
Available seat kilometres (million)	134,438	131,827	2.0 %	47,172	46,373	1.7 %
Passenger load factor (%)/Pts variance	83.8	85.3	(1.5)pts	87.5	89.1	(1.6)pts
Cargo tonne kilometres (million)	2,792	2,779	0.5 %	917	964	(4.9)%
Iberia						
Passengers carried ('000s)	18,744	19,578	(4.3)%	6,469	6,930	(6.7)%
Revenue passenger kilometres (million)	57,637	56,727	1.6 %	20,560	20,582	(0.1)%
Available seat kilometres (million)	65,073	64,524	0.9 %	22,863	22,801	0.3 %
Passenger load factor (%)/Pts variance	88.6	87.9	0.7pts	89.9	90.3	(0.4)pts
Cargo tonne kilometres (million)	923	863	7.0 %	304	299	1.7 %
LEVEL						
Passengers carried ('000s)	678	675	0.4 %	223	296	(24.7)%
Revenue passenger kilometres (million)	5,786	5,702	1.5 %	2,471	2,448	0.9 %
Available seat kilometres (million)	6,202	5,981	3.7 %	2,634	2,547	3.4 %
Passenger load factor (%)/Pts variance	93.3	95.3	(2.0)pts	93.8	96.1	(2.3)pts
Cargo tonne kilometres (million)	35	35	- %	13	16	(18.8)%
Vueling						
Passengers carried ('000s)	29,248	29,263	(0.1)%	11,350	11,314	0.3 %
Revenue passenger kilometres (million)	30,195	29,668	1.8 %	11,747	11,327	3.7 %
Available seat kilometres (million)	33,364	31,959	4.4 %	12,706	11,964	6.2 %
Passenger load factor (%)/Pts variance	90.5	92.8	(2.3)pts	92.5	94.7	(2.2)pts
Cargo tonne kilometres (million)	n/a	n/a	n/a	n/a	n/a	n/a

ALTERNATIVE PERFORMANCE MEASURES DEFINITION AND RECONCILIATION

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 the Group's strategic imperatives of: strengthening our core; driving earnings growth through asset-light businesses; and operating under a strengthened financial and sustainability framework.

During the nine months to 30 September 2025, 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 31 December 2024.

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 30 September 2025, two exceptional items were recorded in the nine months to 30 September 2024.

The tables below reconcile the summarised reported Income statement to the Income statement before exceptional items of the Group for the nine months and three months to 30 September 2025 and 2024, respectively:

€ million	Nine months to 30 September					
	Reported 2025	Exceptional items	Before exceptional items 2025	Reported 2024	Exceptional items	Before exceptional items 2024
Passenger revenue	22,034	-	22,034	21,313	-	21,313
Cargo revenue	912	-	912	870	-	870
Other revenue	2,288	-	2,288	1,870	-	1,870
Total revenue	25,234	-	25,234	24,053	-	24,053
Employee costs	4,891	-	4,891	4,515	-	4,515
Fuel costs and emissions charges	5,397	-	5,397	5,868	-	5,868
Handling, catering and other operating costs	3,319	-	3,319	3,101	-	3,101
Landing fees and en-route charges	1,895	-	1,895	1,842	-	1,842
Engineering and other aircraft costs	2,252	-	2,252	2,004	-	2,004
Property, IT and other costs	853	-	853	820	-	820
Selling costs	798	-	798	841	-	841
Depreciation, amortisation and impairment	1,920	-	1,920	1,737	-	1,737
Net loss/(gain) on sale of property, plant and equipment	1	-	1	(1)	-	(1)
Currency differences	(23)	-	(23)	4	-	4
Total expenditure on operations	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 ¹	(150)	-	(150)	(28)	(50)	22
Total net non-operating charges	(316)	-	(316)	(367)	(50)	(317)
Profit before tax	3,615	-	3,615	2,955	(50)	3,005
Tax ²	(912)	-	(912)	(615)	140	(755)
Profit after tax for the period	2,703	-	2,703	2,340	90	2,250

Three months to 30 September

€ million						
	Reported 2025	Exceptional items	Before exceptional items 2025	Reported 2024	Exceptional items	Before exceptional items 2024
Passenger revenue	8,263	-	8,263	8,270	-	8,270
Cargo revenue	283	-	283	304	-	304
Other revenue	782	-	782	755	-	755
Total revenue	9,328	-	9,328	9,329	-	9,329
Employee costs	1,659	-	1,659	1,574	-	1,574
Fuel costs and emissions charges	1,874	-	1,874	2,054	-	2,054
Handling, catering and other operating costs	1,205	-	1,205	1,183	-	1,183
Landing fees and en-route charges	694	-	694	672	-	672
Engineering and other aircraft costs	672	-	672	715	-	715
Property, IT and other costs	281	-	281	272	-	272
Selling costs	225	-	225	264	-	264
Depreciation, amortisation and impairment	663	-	663	597	-	597
Net loss/(gain) on sale of property, plant and equipment	3	-	3	(1)	-	(1)
Currency differences	(1)	-	(1)	(14)	-	(14)
Total expenditure on operations	7,275	-	7,275	7,316	-	7,316
Operating profit	2,053	-	2,053	2,013	-	2,013
Finance costs	(200)	-	(200)	(206)	-	(206)
Finance income	62	-	62	112	-	112
Net change in fair value of financial instruments	(65)	-	(65)	(58)	-	(58)
Net financing credit relating to pensions	21	-	21	16	-	16
Net currency retranslation (charges)/credits	(16)	-	(16)	80	-	80
Other non-operating credits/(charges)	14	-	14	(48)	-	(48)
Total net non-operating costs	(184)	-	(184)	(104)	-	(104)
Profit before tax	1,869	-	1,869	1,909	-	1,909
Tax	(467)	-	(467)	(474)	-	(474)
Profit after tax for the period	1,402	-	1,402	1,435	-	1,435

1 Termination of the agreement with Globalia to purchase Air Europa Holdings

The exceptional charge of €50 million represented the amount agreed with Globalia to terminate the agreement, signed on 23 February 2023, to purchase the remaining 80% of the share capital of Air Europa Holdings that the Group had not previously owned. On 1 August 2024, the Group exercised its right to withdraw from the acquisition and as such the agreement was terminated. The exceptional charge was recorded within Other non-operating charges in the Income statement and there was no cash flow impact for the nine months to 30 September 2024. The related tax credit was €5 million.

2 Revocation of Royal Decree-Law 3/2016 (RDL 3/2016) in Spain

The exceptional tax credit of €135 million recorded in the nine months to 30 September 2024 related to the revocation of RDL 3/2016, for fiscal years 2016 to 2023, by the *Tribunal Constitucional* (Constitutional Court) in Spain on 18 January 2024.

Prior to the introduction of RDL 3/2016, the Company and the Spanish subsidiaries of the Group were permitted to offset up to 70% of their taxable profits with historical accumulated tax losses (to the extent there were sufficient tax losses to do so) and the impairment of subsidiaries was treated as deductible for tax purposes.

With the introduction of the RDL 3/2016, this limitation of tax losses applied to taxable profits was reduced to 25% and the deductibility for tax purposes of historical impairments of subsidiaries that had occurred prior to 2013 was reversed. The revocation by the *Tribunal Constitucional* in January 2024 principally meant that the loss limitation reverted to 70% and historical impairments in subsidiaries reverted to being deductible for tax purposes. The combination of the above gave rise to an exceptional current tax credit, which has been partially offset by a net deferred tax charge.

During the nine months to 30 September 2024, the Group received €9 million from the Spanish tax authorities relating to fiscal years 2016 to 2022.

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, when applicable, of the assumed conversion of the bonds and employee share schemes outstanding.

€ million	Nine months to 30 September	
	2025	2024
Profit after tax attributable to equity holders of the parent	2,703	2,340
Exceptional items	-	90
Profit after tax attributable to equity holders of the parent before exceptional items	2,703	2,250
Income statement impact of convertible bonds	104	51
Adjusted profit	2,807	2,301
Weighted average number of ordinary shares in issue used for basic earnings per share	4,727	4,912
Weighted average number of ordinary shares used for diluted earnings per share	5,063	5,268
Basic earnings per share (€ cents)	57.2	47.6
Basic earnings per share before exceptional items (€ cents)	57.2	45.8
Adjusted earnings per share before exceptional items (€ cents)	55.5	43.7

c Ownership costs

Ownership costs represent the income statement impact of the historical purchase of capital assets and is defined as depreciation, amortisation and impairment, arising on both property, plant and equipment and intangible assets, and the Net loss on sale of property, plant and equipment. The Group believes that this measure is useful to the users of the financial statements in understanding the impact of capital assets in deriving the operating result of the Group.

€ million	Nine months to 30 September	
	2025	2024
Depreciation, amortisation and impairment	1,920	1,737
Net loss/(gain) on sale of property, plant and equipment	1	(1)
Ownership costs	1,921	1,736

d Gross and Net debt to EBITDA before exceptional items ^(KPI)

To supplement total borrowings as presented in accordance with IFRS, the Group reviews both Gross debt to EBITDA before exceptional items and Net debt to EBITDA before exceptional items to assess its level of gross and net debt in comparison to the underlying earnings generated by the Group in order to evaluate the underlying business performance of the Group. These measures are used to monitor the Group's leverage and to assess financial headroom against internal and external analyst and investor benchmarks and their long-term industry expectations.

Gross debt is defined as long-term borrowings (both current and non-current). Net debt is defined as Gross debt, less cash, cash equivalents and current interest-bearing deposits.

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 reporting period. It is a measure of the profitability of the Group and of the core operating cash flows generated by the business model.

€ million	30 September	31 December
	2025	2024
Gross debt: Interest-bearing long-term borrowings	14,783	17,345
Less: Cash and cash equivalents	7,567	8,189
Less: Other current interest-bearing deposits	1,207	1,639
Net debt	6,009	7,517
Operating profit	4,892	4,283
Add: Depreciation, amortisation and impairment	2,547	2,364
EBITDA	7,439	6,647
Add: Exceptional items	160	160
EBITDA before exceptional items	7,599	6,807
Gross debt to EBITDA before exceptional items (times)	1.9	2.5
Net debt to EBITDA before exceptional items (times)	0.8	1.1

e Results on a constant currency basis

Movements in foreign exchange rates impact the Group's financial results. The IAG Board and Management Committee review the results, including revenue and operating costs at constant rates of exchange. These financial measures are calculated at constant rates of exchange based on a retranslation, at prior year exchange rates, of the current year's results of the Group. Although the Board and Management Committee do not believe that these measures are a substitute for IFRS measures, the Board and Management Committee do believe that such results excluding the impact of currency fluctuations year-on-year provide additional useful information to investors regarding the Group's operating performance on a constant currency basis. Accordingly, the financial measures at constant currency within the discussion of the Group Financial review should be read in conjunction with the information provided in the Group financial statements.

The following table represents the main average and closing exchange rates for the reporting periods:

Foreign exchange rates

	Nine months average to 30 September		Closing at 30 September		Closing at 31 December	
	2025	2024	2025	2024	2025	2024
Pound sterling to euro	1.17	1.18	1.15			1.21
Euro to US dollar	1.14	1.09	1.18			1.04
Pound sterling to US dollar	1.33	1.28	1.35			1.26

f 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 of the financial health and resilience of the Group.

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

€ million	30 September 2025	31 December 2024
Cash and cash equivalents	7,567	8,189
Current interest-bearing deposits	1,207	1,639
Committed and undrawn general facilities	2,608	3,344
Committed and undrawn aircraft facilities	47	134
Overdrafts and other facilities	13	56
Total liquidity	11,442	13,362