



CONNECTING PEOPLE, BUSINESSES AND COUNTRIES

2022 FULL YEAR RESULTS

24 February 2023



HIGHLIGHTS

LUIS GALLEGO, CHIEF EXECUTIVE OFFICER

IAG INTERNATIONAL
AIRLINES
GROUP



Strong recovery in demand and good progress against strategic objectives in 2022

- Strong recovery in demand post Omicron following the removal of travel restrictions
- Restored 87% of 2019 capacity by 4Q 2022
- Focus on strengthening our hubs:
 - Quickly recovered operations in our main hubs in Madrid, Dublin and Barcelona
 - Pro-actively focused on building operational stability at Heathrow
 - Acquired a 20% equity stake in Air Europa and now signed an agreement to acquire the balance of 80%
- Invested €3.9bn to drive progress towards our customer, cost efficiency and sustainability targets
 - 109 new orders for modern, more fuel-efficient aircraft and 27 deliveries
 - 50% British Airways Heathrow longhaul aircraft and 25% Iberia's A350 fleet operating with next generation products
 - IT investment in software and systems, websites and digital transformation
- Carbon efficiency for FY 2022 7% better than 2019 at 83.5 gCO₂ per pkm
- Committed to generating long-term shareholder value and confident in returning to pre-COVID-19 levels of operating profit within the next few years

Positive start to 2023 after strong financial recovery in 2022

- Strong demand, especially for leisure, has driven a rapid recovery in financial performance
 - Pre-exceptional operating profit of €1.2 billion for FY 2022
 - Strong cash generation resulting in net debt of €10.4 billion (vs €11.7 billion at end 2021)
 - Total liquidity of €14.0 billion at end 2022
- 2023 has started with strong forward bookings, especially leisure bookings, while business bookings remain stable
- Further recovery in profitability expected in FY 2023
 - Full year pre-exceptional operating profit expected to be c.€1.8 - €2.3 billion*
 - Expected pre-exceptional operating loss in 1Q 2023 of c.€200 million*, a substantial improvement on €754 million loss in 1Q 2022
 - Capacity in FY 2023 expected to be c.98% of FY 2019
 - Focused on disciplined capacity deployment and cost efficiency
 - Mindful of uncertainty in the macro environment and fuel and non fuel cost inflation
- Net debt expected to be broadly maintained at €10.4bn* and leverage ratio to continue to reduce in FY 2023

*Note: Based on forward jet fuel prices and spot foreign exchange rates at 23 February 2023

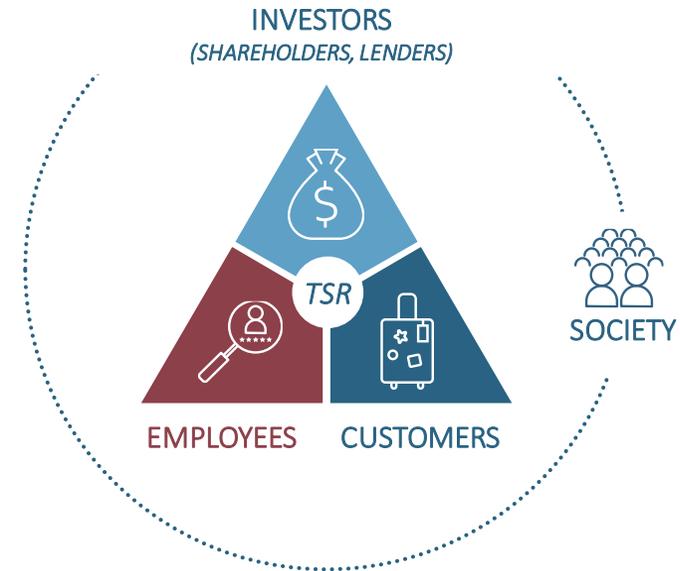
Committed to generating long-term shareholder value by returning to pre-COVID-19 levels of operating profit

We have a clear ambition to deliver...

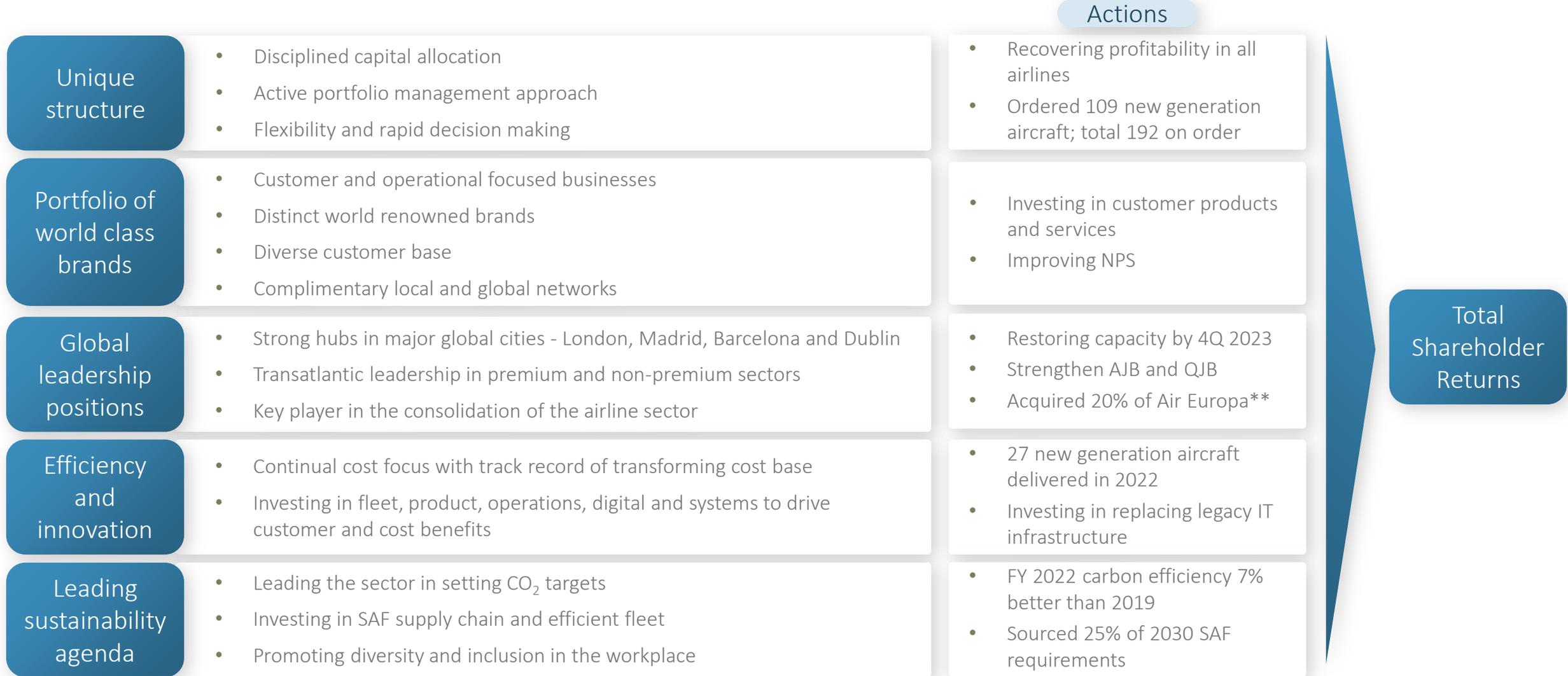
- Strong long-term shareholder value
 - Return to pre-COVID-19 operating profit
- Well financed balance sheet strength
 - Maintain strong liquidity
 - Reduce leverage ratio and net debt



...which will enable us to serve our 4 key stakeholders



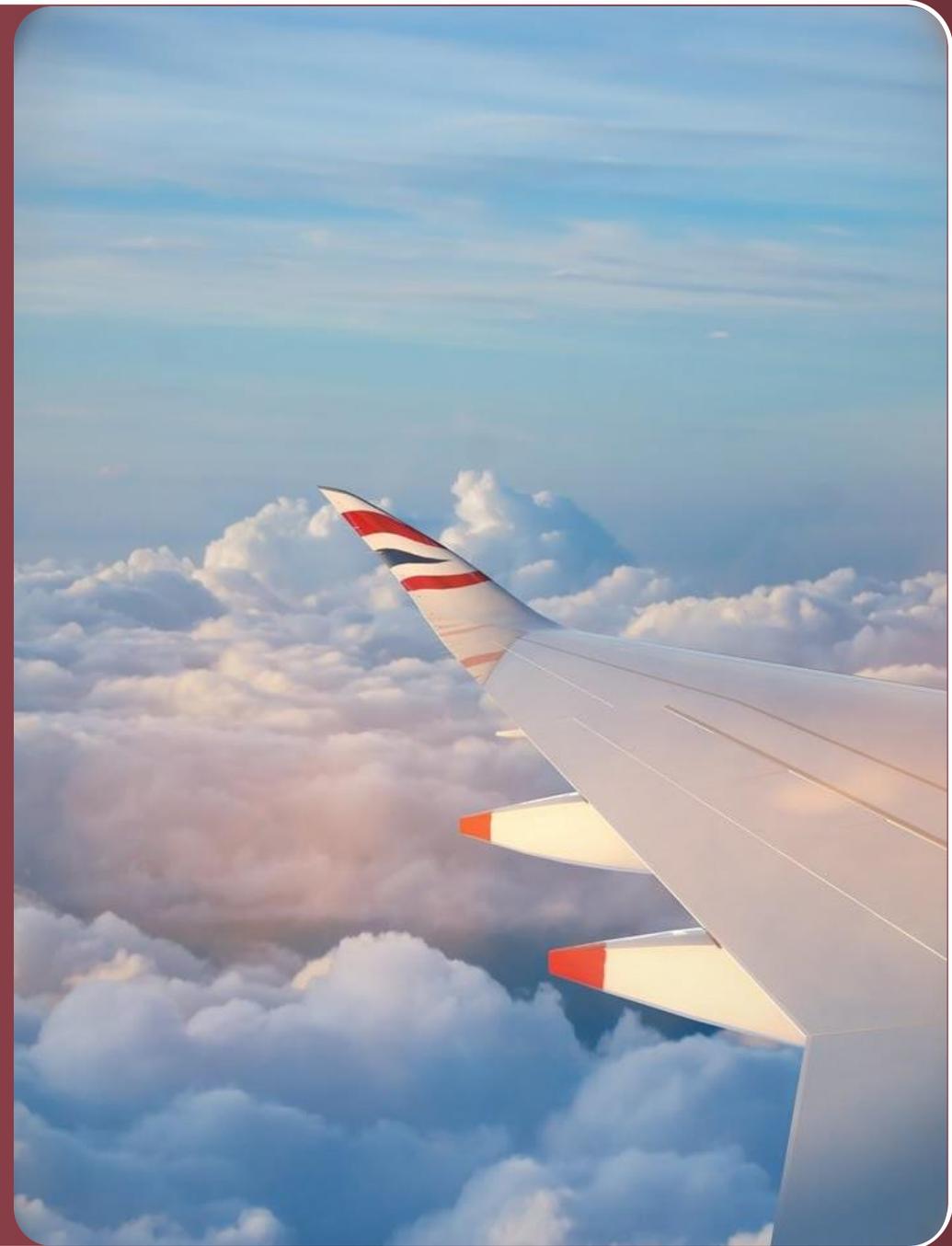
Confident in generating long-term shareholder value based on IAG's compelling investment case



FINANCIAL RESULTS

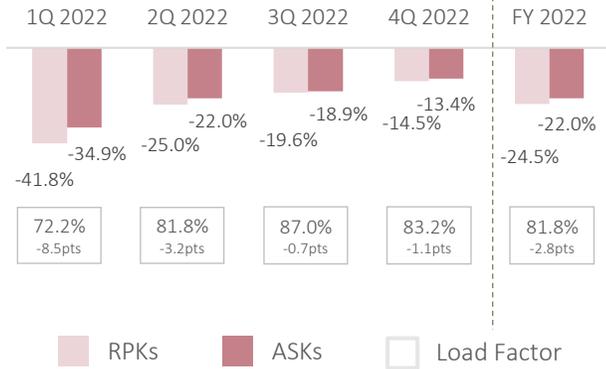
NICHOLAS CADBURY, CHIEF FINANCIAL OFFICER

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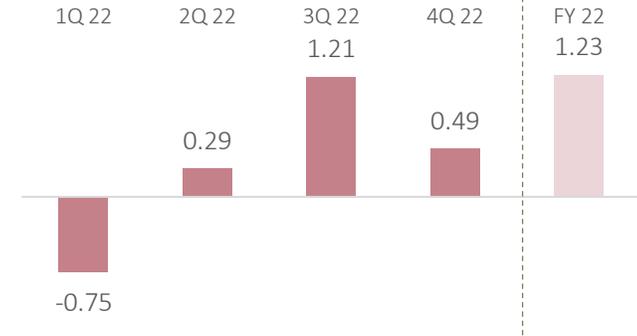


Strong financial recovery in 2022

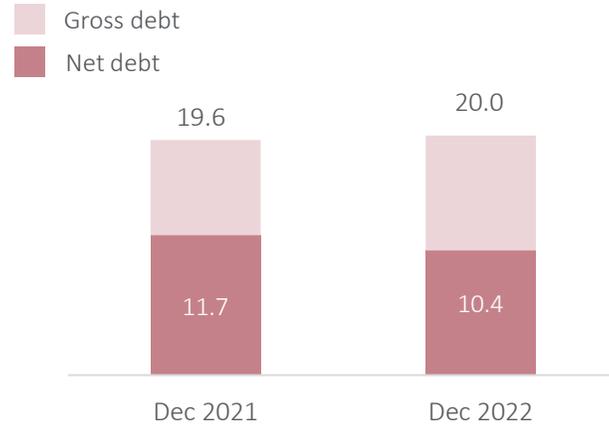
RPK, ASK
Load Factor
(vs 2019)



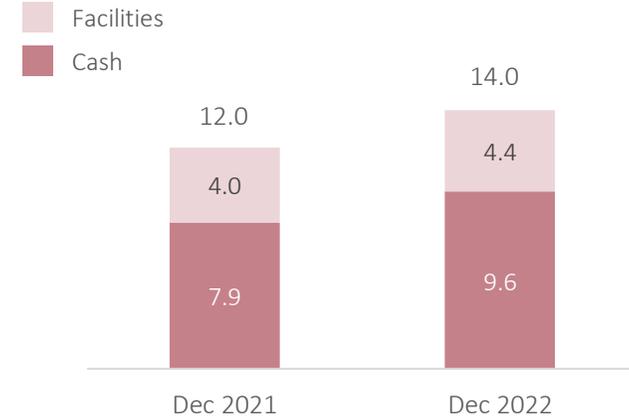
Pre-exceptional
operating result
(€bn)



Debt
(€bn)



Liquidity*
(€bn)



* Note: Liquidity includes committed and undrawn general and aircraft financing facilities; 31 December 2021 cash of €7,943m and facilities of €4,043m. 31 December 2022 cash of €9,599m and facilities of €4,400m

Significantly profitable fourth quarter



(€m)	4Q 2022	4Q 2021	4Q 2019	v19
Passenger revenue	5,438	2,695	5,390	1%
Cargo revenue	399	499	292	37%
Other revenue	549	340	532	3%
Total revenue	6,386	3,534	6,214	3%
Employee costs	1,230	932	1,258	-2%
Fuel, oil costs and emissions charges	1,720	733	1,452	19%
Supplier costs	2,411	1,618	2,191	10%
Depreciation, amortisation and impairment	539	556	557	-3%
Total expenditure on operations	5,900	3,839	5,458	8%
Pre-exceptional operating result	486	-305	756	-270
Pre-exceptional operating margin	7.6%	-8.6%	12.2%	-4.6%
Post-exceptional operating result	486	-278	84	402
ASKs (m)	71,048	47,842	82,005	-13%
RPKs (m)	59,125	34,225	69,138	-14%
Load factor (%)	83.2	71.5	84.3	-1%
Sector length (km)	2,278	2,318	2,378	-4%

- Operating result €486m including FX impact of -€6m
- Total revenue 3% higher than 4Q-19
- Passenger revenue fully recovered (+1% vs 4Q-19) (99% recovered in 3Q, 83% in 2Q, 57% in 1Q):
 - Traffic (RPKs) 86% / capacity (ASKs) 87% recovered vs 4Q-19
 - Passenger unit revenue +16% vs 4Q-19
 - Driven by yield +18% vs. 4Q-19 with load factor of 83.2%, -1.1pts vs 4Q-19
 - Unit revenue remains significantly positive at British Airways and Iberia. Vueling and Aer Lingus unit revenue was positive, despite being more seasonal businesses
- Cargo revenue +37% vs 4Q-19 driven entirely by yield, with cargo traffic (CTKs) -24% vs 4Q-19
 - Yields softened in 4Q as global supply chains recovered and unwinding of sea freight disruption
- Other revenue +3% vs 4Q-19 driven by strong performance in BA Holidays and IAG Loyalty
- Total unit costs +25% vs 4Q-19. Non-fuel unit costs +20% vs 4Q-19; fuel unit costs +37% vs 4Q-19
 - Fuel commodity spot prices up +50% vs 4Q-21, but fuel hedging limited the increase to +41%
 - Employee unit costs up +13% vs 4Q-19; predominately due to lower capacity with most inflation offset with efficiencies
 - Supplier unit costs up +27% vs 4Q-19, driven by:
 - c.1/4 due to inflation partially offset by transformation efficiencies
 - c.1/5 due to capacity being 13% below 4Q-19
 - c.1/5 due to growth of non-airline businesses and FX
 - c.1/3 due to one off credits/costs in 2019 and 2022 (e.g. IT accounting adjustment; JFK dilapidation provision)

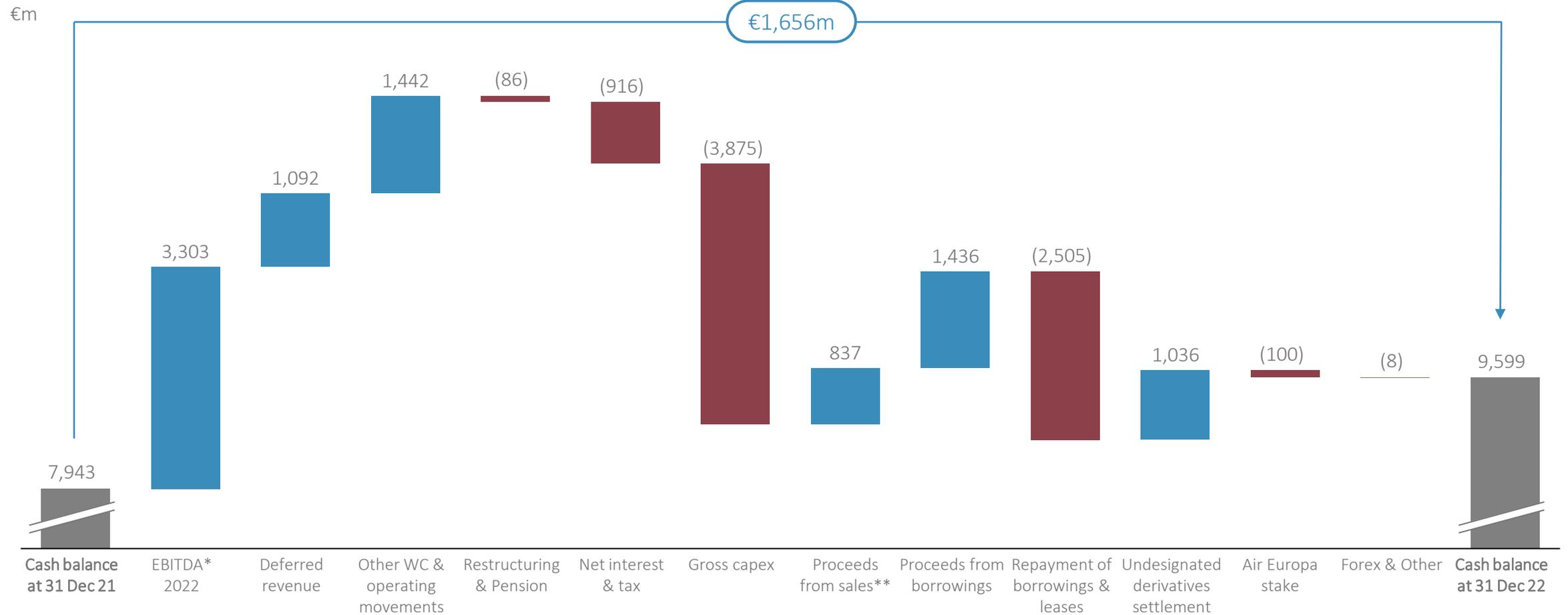
Note: 2019 employee cost figures have been restated for pensions accounting policy change related to pension administration costs

Profitable fourth quarter driven by British Airways and Iberia, with Iberia better than 2019

	Aer Lingus 		BRITISH AIRWAYS 		IBERIA 		vueling 	
	4Q 2022 (€m)	v19	4Q 2022 (£m)	v19	4Q 2022 (€m)	v19	4Q 2022 (€m)	v19
Total revenue	442	-6%	3,230	0%	1,579	+11%	600	+18%
Passenger revenue	420	-8%	2,775	-4%	1,163	+17%	595	+18%
Pre-exceptional operating result	1	-28	268	-242	132	+18	-14	-19
Pre-exceptional operating margin	0.3%	-5.9pts	8.3%	-7.4pts	8.4%	+0.4pts	-2.4%	-3.4pts
ASK (m)	7,028	-1%	36,359	-20%	16,709	-7%	9,549	+11%
PRASK	5.98	+1%	7.63	+20%	6.96	+26%	6.23	+6%
CASK ex-fuel	4.06	-4%	5.77	+34%	6.50	+15%	4.44	0%

- Aer Lingus: 2022 passenger revenue and supplier cost figures are adjusted for a change in accounting treatment after alignment of Group commercial policies (€nil impact on pre-exceptional operating profit)
- British Airways: 2019 employee cost figures have been restated for pensions accounting policy change related to pension administration costs
- Iberia and Vueling figures exclude LEVEL

Strong cash position driven by positive EBITDA and working capital



* EBITDA before exceptional items

** Majority of proceeds from sales are aircraft sale and lease back transactions

Liquidity continues to strengthen with financing in place for all 2022 deliveries

Liquidity position



* Note: 31 December 2021 cash of €7,943m and facilities of €4,043m

Liquidity and financing actions

Aircraft financing

- All 2022 aircraft deliveries (27) financed
 - Financing received for 22 aircraft in 2022
 - 8 x A320 neo 6 x finance lease and 2 x direct leases
 - 2 x A321 neo finance lease
 - 2 x A350-1000 2 finance lease
 - 7 x A350-900 5 x SLB and 2 x finance lease
 - 3 x B787-10 2021 finance lease
 - Committed financing for 5 aircraft to be drawn down in 1Q 23 (4 aircraft financed as of 24 February 2023)
 - 2 x A320 neo finance lease
 - 3 x A350-1000 finance lease

Non-aircraft financing

- \$1,755m multi OpCo RCF extended by one year to March 2025
- Additional €200m ISIF facility agreed by Aer Lingus
- €500m IAG convertible bond repaid in November 2022

DEBT POSITION

Net debt reduced by c.€700m vs September 2022

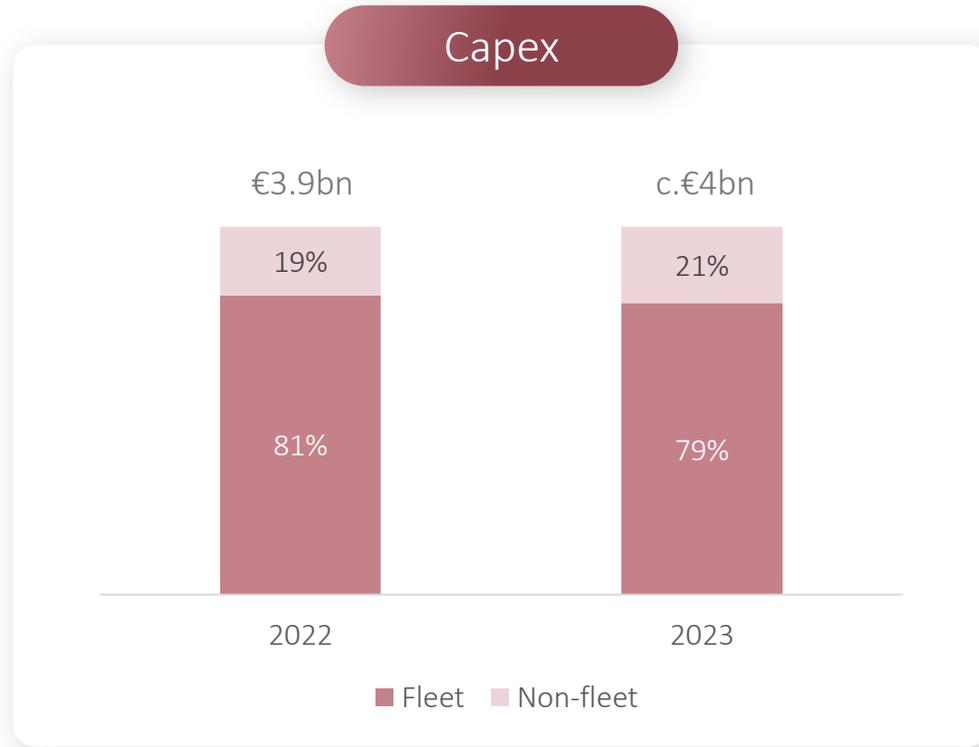
Net debt

€m	31 Dec 2019	31 Dec 2020	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022
Gross debt	14,254	15,679	19,610	19,777	20,169	20,318	19,984
Bank and other loans	1,954	3,369	7,485	7,425	7,160	6,940	6,546
Asset finance and lease liabilities	12,300	12,310	12,125	12,352	13,009	13,378	13,438
Cash, cash equivalents and interest-bearing deposits	6,683	5,917	7,943	8,184	9,190	9,260	9,599
Net debt	7,571	9,762	11,667	11,593	10,979	11,058	10,385

Note: Net debt quarter on quarter increase includes adverse non-cash movements of: €380m in 1Q, €520m in 2Q, €400m in 3Q and €150m in 4Q

- Gross debt reduced due to repayment of €500m IAG convertible bond and repayment of €100m Aer Lingus ISIF loan
- Quarter-on-quarter reduction in net debt in 4Q driven by favourable working capital inflow from:
 - Deferred revenue due to strong forward bookings
 - Trade payables as the business recovers
 - Foreign exchange had a favourable impact of c.€600m on gross debt

Investment in 2023 driving customer, cost efficiency and sustainability benefits

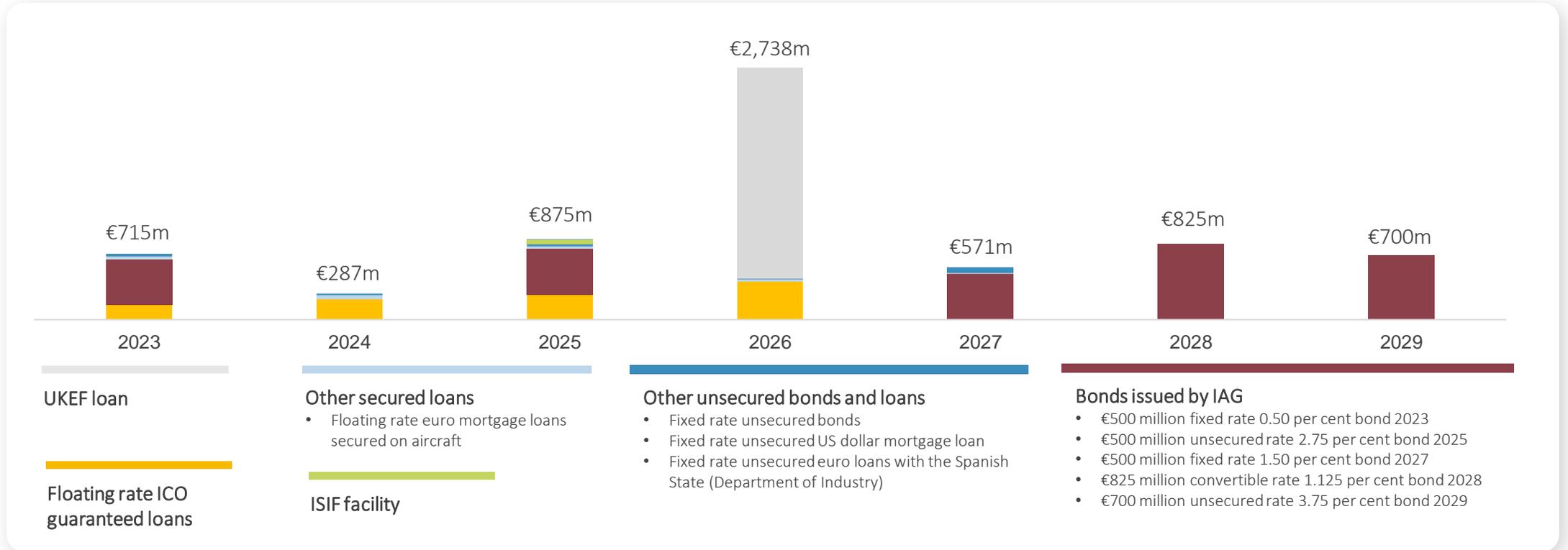


Fleet includes fleet related payments, product and maintenance
 Non-fleet includes IT, property and equipment and purchases of ETS allowances



Deliveries include 2 direct leases in 2022 and 2 in 2023

Manageable debt repayment schedule



Note: Excludes finance and operating leases

- Approximately 25% of IAG's gross debt of €20.0bn at end December 2022 was floating
- c.25% of floating debt hedged

Fuel hedging - c.56% for FY 2023

Fuel hedging

	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024
Jet fuel price scenario	\$1,000/mt	\$950/mt	\$910/mt	\$910/mt	\$850/mt	\$850/mt
\$/€ scenario	1.0608	1.0608	1.0608	1.0608	1.0608	1.0608
Hedge ratio	69%	60%	52%	42%	21%	14%
Effective blended price post fuel and FX hedging*	\$935/mt	\$930/mt	\$900/mt	\$905/mt	\$850/mt	\$855/mt

* Note: Effective blended price excluding into plane cost

Full year 2023 fuel cost expected to be c.€8.1bn based on forward jet fuel prices and spot foreign exchange rates at 23 February 2023

BUSINESS UPDATE AND OUTLOOK

LUIS GALLEGO, CHIEF EXECUTIVE OFFICER

IAG INTERNATIONAL
AIRLINES
GROUP



Agreement signed with Globalia to acquire remaining 80% of Air Europa

Transaction overview

- 20% stake acquired in August 2022 by exercising option on €100m convertible loan
- Purchase price of €400m for the remaining 80% of issued share capital
- Payment deferred: €100m in IAG ordinary shares* and €100m in cash upon closing, followed by €100m in cash on each of the 1st and 2nd anniversaries of the closing date
- Completion expected to take around 18 months
- Expected limited impact on IAG's financial leverage ratios
- Agreement is subject to receipt of relevant approvals and regulatory clearance**

Strategic rationale

- Transforms IAG's Madrid hub so that it can compete with Europe's largest hubs including Amsterdam, Frankfurt, London-LHR and Paris-CDG
- Strengthens IAG's position in the highly attractive Europe to Latin America and Caribbean market and enables IAG to open routes to new destinations in Asia
- Offers significant synergy potential
- Delivers increased choice and schedule flexibility to customers and greater opportunities to earn and redeem miles
- Unlocks further network growth opportunities

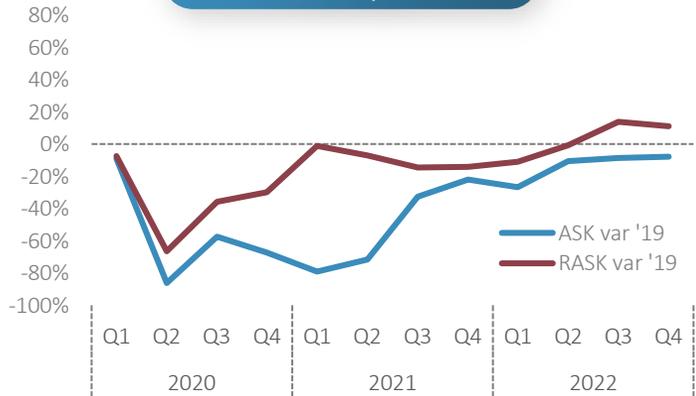
Air Europa presence in The Americas



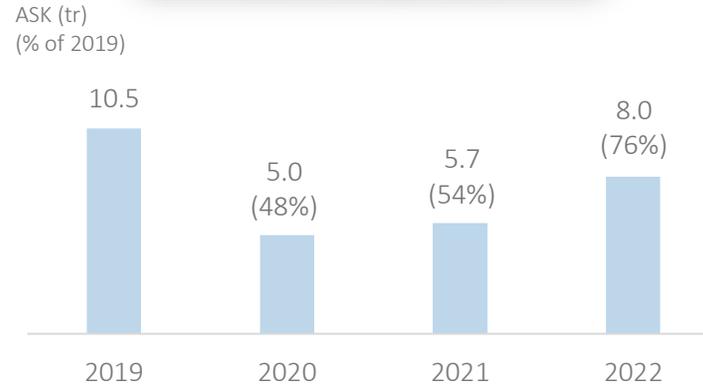
Number of destination in 2019:
69 total: 24 in the Americas, 16 in Europe, 25 domestic Spain and 4 Middle East North Africa

Industry recovery supporting strong revenue environment

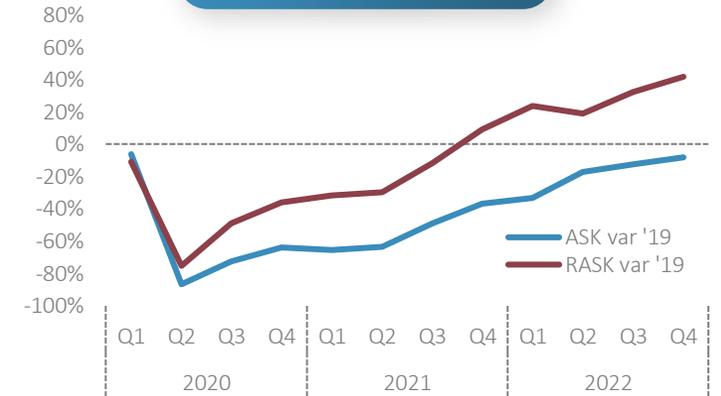
Europe



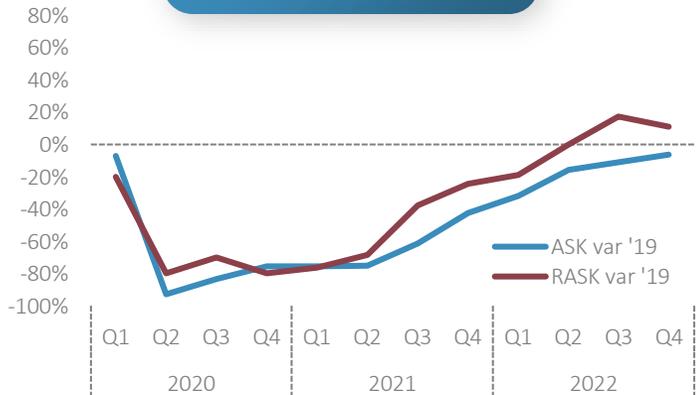
Global capacity



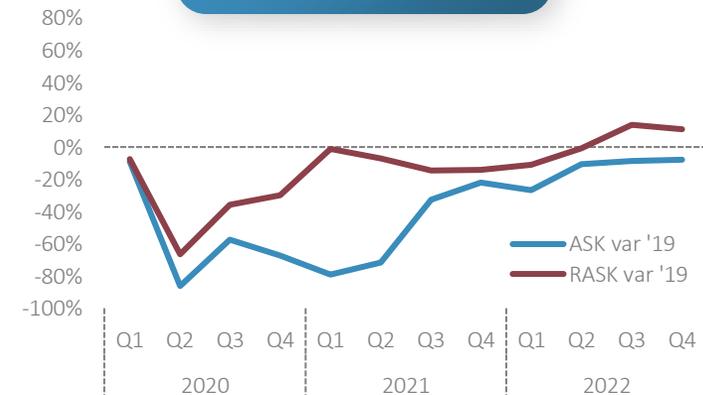
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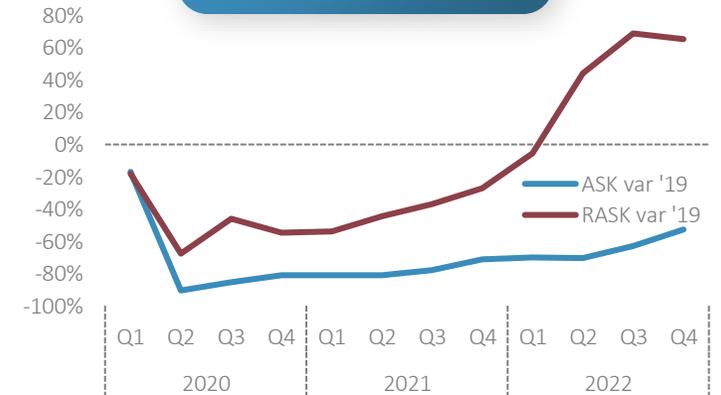
North America



Latin America



Asia Pac



Restoring our networks to pre-pandemic levels and launching new destinations



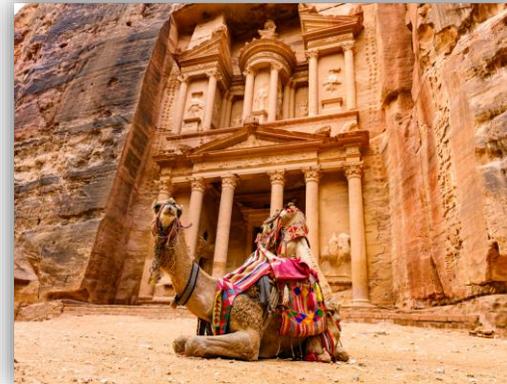
- 2022: 14 reopened routes, including 6 in North America (Los Angeles, Miami, Philadelphia, Seattle, Boston and JFK)
- 2023:
 - 1 reopened route to Hartford and 8 European routes
 - 1 new route **Cleveland** and 3 new European routes (Brindisi, Kos and Olbia)



- 2022:
 - Restarted services to Singapore, Sydney, Tokyo and Hong Kong
 - Launched Portland
 - Relaunched services from LGW with Euroflyer
 - 14 new shorthaul routes from LHR, LGW, LCY
- 2023:
 - 3 new longhaul routes (Cincinnati, **Aruba** and Guyana)
 - Restoration of Beijing, Shanghai, Port of Spain, LGW-Vancouver and LGW-Las Vegas



- 2022:
 - Reopened routes to San Francisco, Bogota, Rio de Janeiro and Caracas
 - New routes to Dallas and **Washington**
- 2023 increase frequencies to Mexico, Bogota, Canary Islands, Lima, Montevideo and Quito, and reopen Edinburgh



- 2022:
 - 7 routes reopened
 - 29 new destinations, including three in the Middle East (Cairo, **Amman**, Alexandria)
- 2023:
 - Up to 30 new routes, 9 already announced
 - 1 new airport (Reus)

Investing for our customers



- **Aer Lingus** improved seat product on A320neo aircraft
- Longhaul business class food refresh launched
- Improve our digital self service options across website and AerClub, including launch of WhatsApp



- **British Airways** Club Suite rolled out on c.50% aircraft by end 2022 and c.65% by end 2023
- BA and Iberia co-locate all flights at New York-JFK with American Airlines at Terminal 8
- Extension of JV with Qatar Airways from 18 to 60 countries
- Catering refresh of Club Europe and longhaul all cabins
- BA Holidays upgrading offering - e.g. Pay with Avios



- **Iberia** A350 introduction of new business class suite, wider economy seats and improved inflight entertainment
- Improvements to the longhaul economy 1st meal service
- Continued to improve the self service options available digitally for disruption management
- New loyalty model: Spend based earn, which will imply an additional investment of 22% in Avios vs 2019



- **Vueling** ongoing digitalisation is delivering automation through Call Centre chatbots, self-service kiosks in LGW and better disruption management.
- Trialled complete airport biometric experience in BCN for future deployment.
- Renewed fare options / bundles giving our customers more options

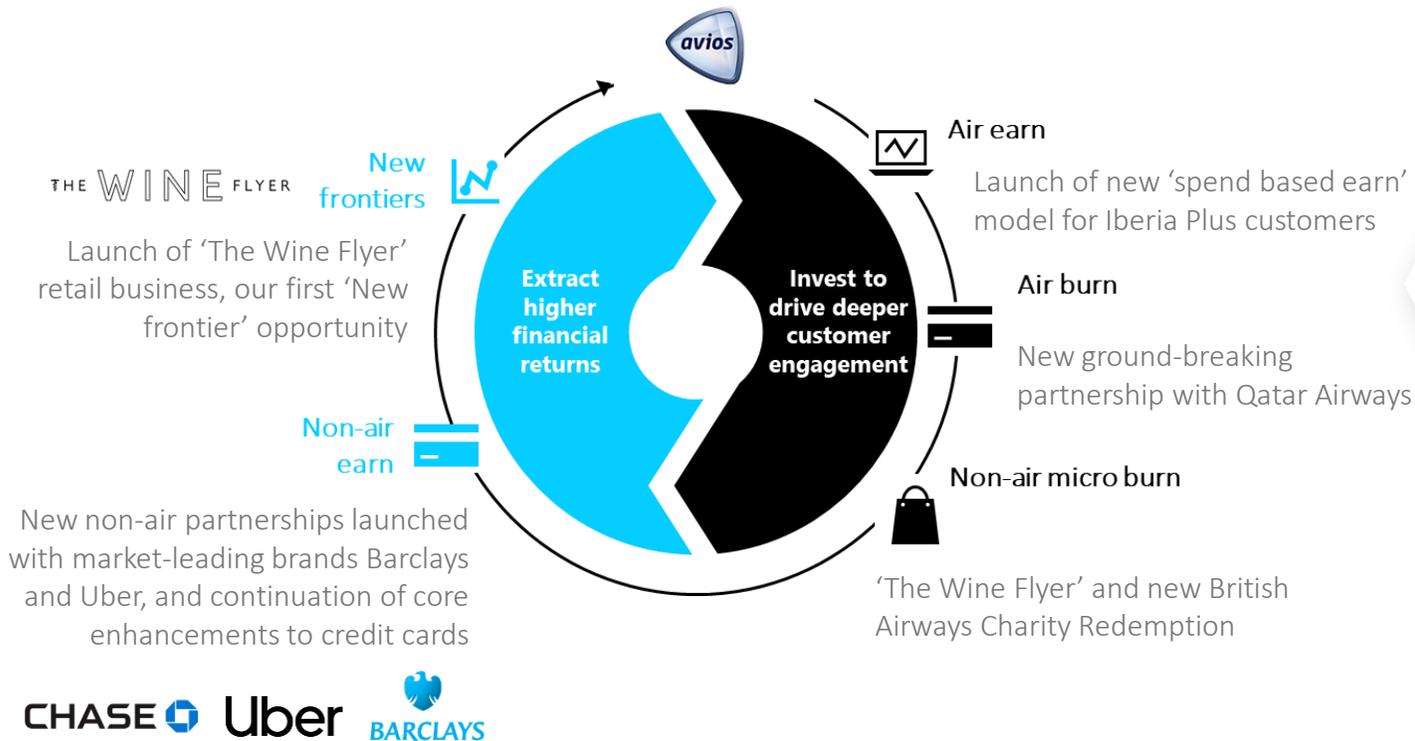


Investment in customer engagement driving loyalty



Record profit contribution to the Group (+33% vs pre-COVID levels)

Loyalty flywheel

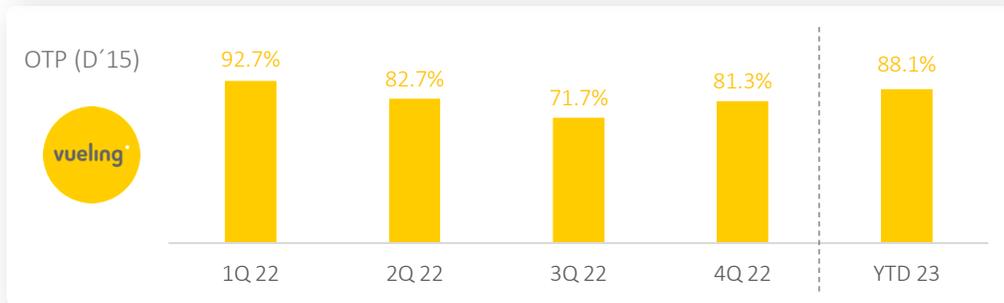
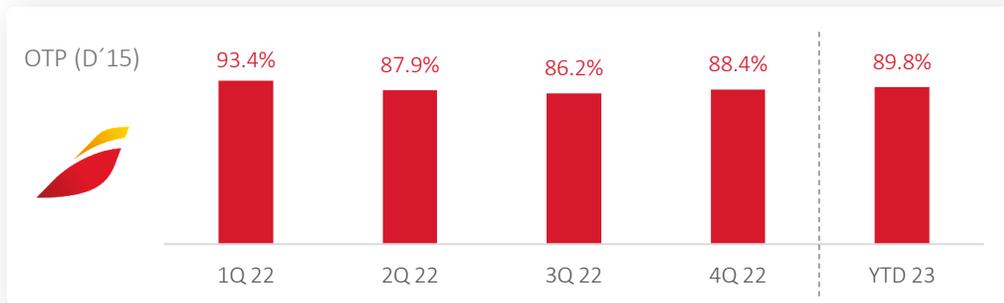
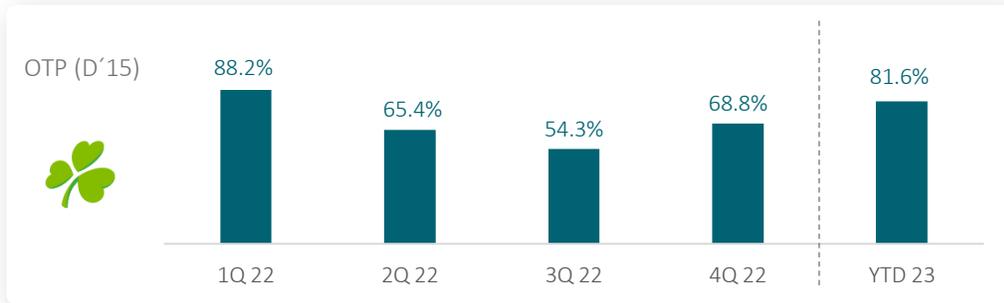


Delivering strong results

- FY 2022 Operating profit £240m, 28% operating margin
- More than 25% new enrolments to IAG airline loyalty programmes than in 2019
- >80% of loyalty revenue coming from external partners
- Average Avios collected per active customer +9% vs 2019
- Spend on British Airways American Express cobrand card 37% above 2019 levels, driven by record new customer acquisitions



Best in class punctuality at Iberia and British Airways focused on improvement



British Airways Next Generation Operations:

- Review and redesign operational processes below wing to improve resource efficiency and utilisation
- Developing a web of data and connected systems to drive more effective operational communication and coordination
- Move to a paperless solution to repatriate missed baggage and minimise overall cost of repatriation
- Contactless ground experience - landside to aircraft door without the need for touchpoints or contact
- Build and implement the Virtual Queue tool to enable the management of disrupted passengers offline
- Building best-in-class Ops Planning function

Our people are central in our business and key for delivering to our customers



- **Recruitment:** 7,400 new colleagues at BA in 2022 and on track to recruit 4,100 more in 2023, while EI recruited 980 new people in 2022



- **Collective Bargaining Agreements (CBAs)** for 2022 agreed with employee groups at most airlines
- Balance to support our people and enable investment and competitiveness as a guiding principle
- 2023 negotiations ongoing at Aer Lingus, British Airways and Vueling



- **Diversity:**
 - An increase in the number of women in senior positions to 34% across IAG (against the new ambition of reaching 40% by 2025)
 - Comprehensive Diversity & Inclusion plans across opcos to promote D&I and Group best practice sharing
- **Talent and development:**
 - Top 250 senior leaders managed as Group Talent, including succession planning, talent mapping and development to ensure Group leadership bench-strength .
 - Digital as enabler to support managers:
 - New online talent platforms at Iberia and Iberia Express
 - Digital dashboard to give colleagues access to data at British Airways, to support colleague empowerment and engagement
 - Enhanced recruitment process at British Airways, increasing speed to deliver on operational needs
- **Well being:**
 - Both Aer Lingus and British Airways have refreshed their policies for parental leave to offer families additional support
 - British Airways providing mental health training courses across its business as well as offering training for mental health first aiders, while Aer Lingus launched a new 24-hour employee assistance service

Delivering against every pillar of our climate strategy

Clear and ambitious targets

- On track to deliver our 2025 and 2030 climate targets and net zero emissions for all Scope 1, 2 and 3 emissions by 2050
- Annual publishing of our emissions trajectory to 2050 with our fourth roadmap to net zero to be released soon

External recognition

- Top 3% of companies globally in CDP ratings; hold 2 of the 4 CDP A-list awards to airlines in the past six years

Low carbon transition in business plans

- Committed c€13.5 billion for 192 new fuel efficient aircraft between 2023 and 2028
- 82,400 tonnes of CO₂e saved in 2022 through operational efficiency measures
- 7,400 senior executives and managers with remuneration linked to annual carbon targets

Sustainable aviation fuel strategy

- 10,300 tonnes of SAF used in 2022, 250,000 tonnes secured for 2030 and over \$800 million in SAF purchase commitments and investments

Supply chain

- 74% of suppliers by spend completed ESG scorecards; sustainability clause being rolled out for supplier contacts



Strong bookings so far in 2023, particularly leisure while business bookings remain stable

Spain domestic

vs. 2019 (3 Jan 2021 – 12 Feb 2023)



- Spanish domestic bookings remain the strongest at c.108% of 2019 passenger volume levels over the last 5 weeks

International shorthaul

vs. 2019 (3 Jan 2021 – 12 Feb 2023)



- European shorthaul remains strong and has increased to c.104% of 2019 passenger volume levels over last 5 weeks

Longhaul

vs. 2019 (3 Jan 2021 – 12 Feb 2023)



- Longhaul continues to lag partly due Asia partly closed but has increased to c.96% of 2019 passenger volume levels
- North Atlantic bookings at c.102% of 2019 passenger volume levels

2023 bookings fully recovered at c.102% of 2019 passenger volume levels

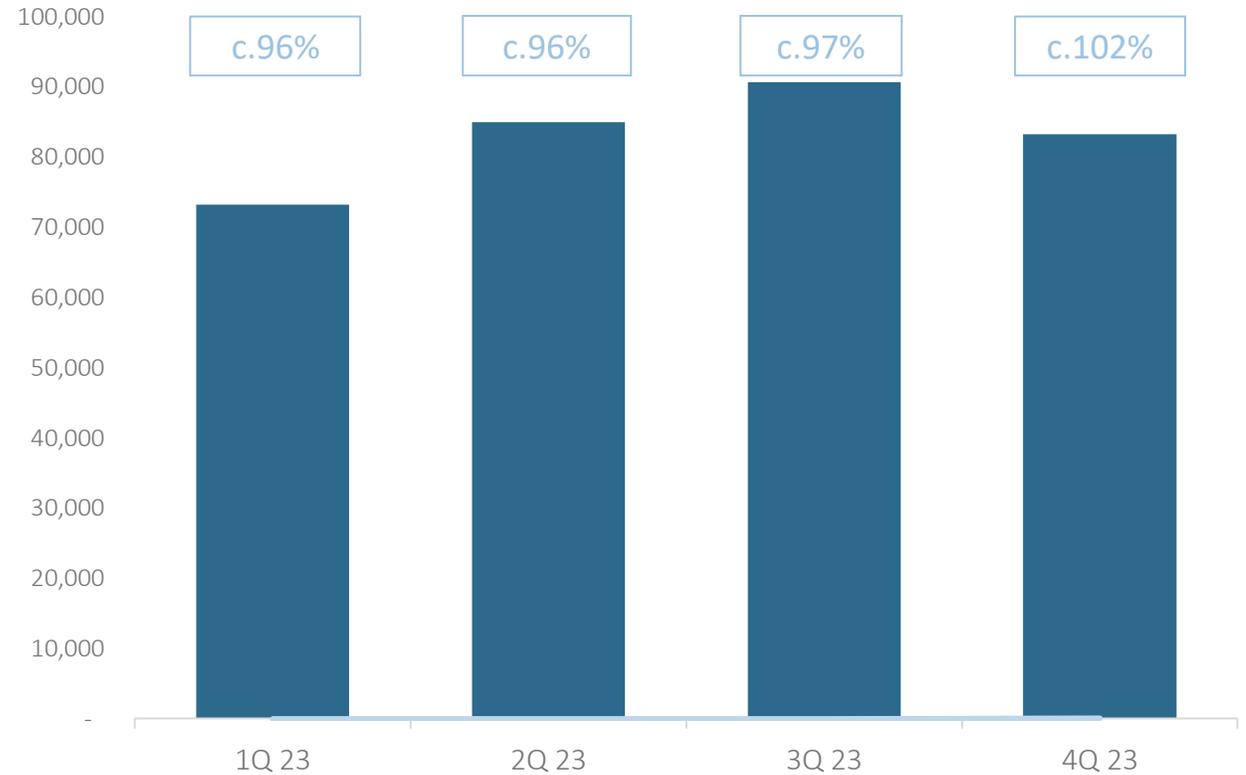
Note: 23 October 2022 was the date used for the data in 3Q 2022 results presentation on 28 October 2022

FY 2023 CAPACITY GROWTH

FY 2023 capacity planned to be at c.98% of 2019 and 1Q 2023 broadly unchanged at c.96%

ASKs % of 2019	1Q 2023	FY 2023
	103%	105%
	89%	93%
	104%	103%
	129%	119%
	119%	116%*

Absolute ASKs (million) in 2023 and % proportion of 2019 ASKs



Note: British Airways includes BA CityFlyer and BA EuroFlyer; Iberia includes Iberia Express; LEVEL refers to LEVEL Spain only

Positive start to 2023 after strong financial recovery in 2022

- Strong recovery in demand and good progress towards strategic objectives in 2022
- Focused on continuing to restore route networks and operations in 2023 with continued investment in customer, cost efficiency and sustainability initiatives
- Agreement with Globalia in place to acquire Air Europa with closing expected to take around 18 months
- 2023 has started with strong forward leisure bookings, while business bookings are stable
- Further recovery in profitability expected in 2023
 - Full restoration of 2019 level of capacity by the fourth quarter
 - Full year pre-exceptional operating profit expected to be c.€1.8 - €2.3 billion*
 - Mindful of uncertainty in the macro environment and fuel and non fuel cost inflation
- Net debt expected to be broadly maintained at the ending 2022 level by the end of 2023 and leverage ratios expected to reduce
- Delivering against every pillar of our climate strategy
- Committed to generating long-term shareholder value and confident in returning to pre-COVID-19 levels of operating profit within the next few years

*Note: Based on forward jet fuel prices and spot foreign exchange rates at 23 February 2023

APPENDICES

Aer Lingus profitable in 4Q



(€m)	4Q 2022	4Q 2021	4Q 2019	v19
Passenger revenue	420	158	454	-8%
Cargo revenue	22	19	16	+38%
Other revenue	1	3	2	-66%
Total revenue	442	180	472	-6%
Employee costs	108	56	105	+3%
Fuel, oil costs and emissions charges	156	44	109	+42%
Supplier costs	136	111	194	-30%
Depreciation, amortisation and impairment	41	37	34	+18%
Total expenditure on operations	441	248	443	-0%
Pre-exceptional operating result	1	-68	29	-28
Pre-exceptional operating margin	0.3%	-37.5%	6.2%	-5.9pts
Post-exceptional operating result	1	-68	29	-28
ASKs (m)	7,028	3,162	7,132	-1%
RPKs (m)	5,340	1,877	5,720	-7%
Load factor (%)	76.0%	59.4%	80.2%	-4.2pts
Sector length (km)	2,291	1,709	2,074	+10%

- Passenger revenue* 99% recovered vs 4Q-19 (103% in 3Q, 83% in 2Q, 53% in 1Q):
 - Total capacity at 98% of 2019 levels with North Atlantic at 105%
 - Passenger unit revenue +1%* vs 4Q-19
 - Yield +7%* vs 4Q-19 and load factor 76%, -4pts vs 4Q-19
 - Longhaul revenue above 4Q-19 with strong yields offsetting lower load factors
 - Manchester base profitable
 - Shorthaul revenue:
 - Strong leisure and improving cities
 - UK performance was impacted by a slower return of business travel
 - Non-fuel unit costs -4%* vs 4Q-19; fuel unit costs +45% vs 4Q-19;
 - Employee unit costs +4% impacted by inflationary cost increases and increments, in addition to one off employee costs
 - Supplier unit costs -15%* positively impacted by a maintenance discounting credit



* 2022 passenger revenue and supplier cost figures are adjusted for a change in accounting treatment after alignment of Group commercial policies (€nil impact on pre-exceptional operating profit)

British Airways c.8% operating profit margin in 4Q



(£m)	4Q 2022	4Q 2021	4Q 2019	v19
Passenger revenue	2,775	1,219	2,890	-4%
Cargo revenue	263	324	180	+46%
Other revenue	192	133	172	+11%
Total revenue	3,230	1,676	3,242	0%
Employee costs	563	452	632	-11%
Fuel, oil costs and emissions charges	864	361	777	+11%
Supplier costs	1,255	820	1,037	+21%
Depreciation, amortisation and impairment	280	292	286	-2%
Total expenditure on operations	2,962	1,926	2,732	+8%
Pre-exceptional operating result	268	-250	510	-242
Pre-exceptional operating margin	8.3%	-14.9%	15.7%	-7.4pts
Post-exceptional operating result	268	-232	-73	+341
ASKs (m)	36,359	24,011	45,556	-20%
RPKs (m)	29,670	16,142	38,146	-22%
Load factor (%)	81.6%	67.2%	83.7%	-2.1pts
Sector length (km)	3,052	3,154	3,196	-4%



- Passenger revenue 86% recovered vs 4Q-19 (89% in 3Q, 89% in 2Q, 73% in 1Q):
 - Capacity 80% (74% in 3Q), capped by Heathrow airport and limited access to Asia Pacific
 - North Atlantic capacity c80% restored
 - Passenger unit revenue +20% vs 4Q-19 (same as 3Q-19)
 - Yield +23% and load factor 82%, -2pts vs 4Q-19
 - Longhaul and shorthaul unit revenue above 4Q-19 - both premium and non-premium
 - Leisure demand continues to outpace capacity. Business revenue steadily improving, driven by yield
 - Leisure channel yields above 4Q-19 across all segments
 - Business channel yields above 4Q-19. Volumes remain below 2019 levels
- Non-fuel unit costs +34% vs 4Q-19; fuel unit costs +39% vs 4Q-19;
 - Employee unit costs +11% vs 4Q-19, of which c1/2 due to capacity
 - Supplier unit costs +52% vs 4Q-19:
 - c.1/2 due to one off credits/costs in 2019 and 2022 (e.g. IT accounting adjustment; JFK dilapidation provision)
 - c1/5 capacity
 - The remainder is due to FX movements, growth in BA Holidays and inflation

Note: 2019 employee cost figures have been restated for pensions accounting policy change related to pension administration costs

Iberia operating profit higher than 4Q 2019



(€m)	4Q 2022	4Q 2021	4Q 2019	v19
Passenger revenue	1,163	689	996	+17%
Cargo revenue	91	112	78	+18%
Other revenue	325	210	355	-8%
Total revenue	1,579	1,011	1,428	+11%
Employee costs	314	212	289	+9%
Fuel, oil costs and emissions charges	360	190	291	+24%
Supplier costs	673	439	635	+6%
Depreciation, amortisation and impairment	99	86	99	0%
Total expenditure on operations	1,447	928	1,314	10%
Pre-exceptional operating result	132	82	114	+18
Pre-exceptional operating margin	8.4%	8.1%	8.0%	+0.4pts
Post-exceptional operating result	132	87	114	+18
ASKs (m)	16,709	13,559	17,997	-7%
RPKs (m)	14,398	10,577	15,591	-8%
Load factor (%)	86.2%	78.0%	86.6%	-0.4pts
Sector length (km)	2,542	2,528	2,806	-9%

- Operating margin of 8.4%, higher than in 4Q-19
- Operating profit higher than 4Q-19 result. Positive operating profit across all business areas (Airline, 3rd party MRO and Handling). Airline operating result double than pre-COVID result with revenue performance and fuel hedging offsetting cost increases.
- Passenger revenue +17% above vs 4Q-19 (+5% in 3Q, 96% recovered in 2Q and 77% in 1Q):
 - Passenger unit revenue +26% vs 4Q-19 (slightly higher than in 3Q)
 - Yield +27% and load factor 86%, -0.4pts vs 4Q-19 with longhaul load factor +2.0pts above 4Q-19
 - Strong performance continues in South and North Atlantic and Europe
 - Leisure revenue strongly up on 4Q-19 and business revenue continuing to strengthen
- Profitable performance in MRO and Handling despite inflation. Engines shop activity recovering as well as third party in Handling even improving vs 4Q-19.
- Non-fuel unit costs +15% vs 4Q-19; fuel unit costs +34% vs 4Q-19;
 - Employee unit costs +17% vs 4Q-19, impacted by lower capacity and new CBA agreements
 - Supplier unit costs +14% vs. 4Q-19, due to FX movements, inflation and investment in customer/fleet



Vueling small loss



(€m)	4Q 2022	4Q 2021	4Q 2019	v19
Passenger revenue	595	358	503	+18%
Cargo revenue	-	-	-	-
Other revenue	5	-3	4	+20%
Total revenue	600	355	507	+18%
Employee costs	101	76	79	+29%
Fuel, oil costs and emissions charges	190	70	118	+60%
Supplier costs	263	207	239	+10%
Depreciation, amortisation and impairment	60	60	67	-11%
Total expenditure on operations	614	413	503	+22%
Pre-exceptional operating result	-14	-58	5	-19
Pre-exceptional operating margin	-2.4%	-16.3%	1.0%	-3.4pts
Post-exceptional operating result	-14	-58	5	-19
ASKs (m)	9,549	6,815	8,583	+11%
RPKs (m)	8,455	5,348	7,355	+15%
Load factor (%)	88.5%	78.5%	85.7%	+2.8pts
Sector length (km)	1.056	1.006	951	+11%



- Passenger revenue +18% vs 4Q-19 (+15% in 3Q, +5% in 2Q, -30% in 1Q):
 - Capacity levels above 2019 (+11%) due to strong demand and higher utilisation
 - Passenger unit revenue +6% vs 4Q-19
 - Yield +4.5% vs 4Q-19, driven by ancillary yield up +75% vs 4Q-19
 - Passenger load factor of 89%, +3pts vs 4Q-19 with every month of the quarter being higher than in 2019
 - Paris-Orly and London-Gatwick bases performing above expectations
- Non-fuel unit costs -0.1% vs 4Q-19; fuel unit costs +45% vs 4Q-19;
 - Employee unit costs +16% vs 4Q-19 driven by inflation and seniority increases
 - Supplier costs -0.1% vs 4Q-19 driven by transformation initiatives offsetting inflation
 - Ownership costs -19% vs 4Q-19 driven by higher utilisation and fleet renegotiations

RECONCILIATION BETWEEN PRE-EXCEPTIONAL OPERATING RESULT AND POST-EXCEPTIONAL
RESULT AFTER TAX

Profit after tax and exceptional items of €232m in 4Q 2022

€m	4Q 2022	4Q 2021*
Operating result (pre exceptional)	486	-305
Exceptional items	0	+27
Operating result (post exceptional)	486	-278
Finance costs	-294	-218
Finance income	41	8
Net change in fair value of financial instruments	-51	85
Net financing (charge)/credit relating to pensions	7	-4
Net currency retranslation (charges)/credits	190	-19
Other non-operating credits/ (charges)	-130	-31
Result before tax (post exceptional)	249	-457
Tax	-17	146
Result after tax (post exceptional)	232	-311

*The 2021 results include a reclassification to conform with the presentation adopted in the 2021 Annual Report and Accounts regarding the fair value movements of the €825m convertible bond issued in 2021

GROUP PERFORMANCE

4Q and FY 2022 traffic and capacity statistics vs 2019

Group performance	Quarter			Year to date		
	4Q 2022	4Q 2019	v3y	FY 2022	FY 2019	v3y
Passengers carried ('000s)	25,222	27,805	-9.3%	94,726	118,253	-19.9%
Domestic (UK & Spain)	6,652	6,836	-2.7%	25,649	28,278	-9.3%
Europe	12,723	14,035	-9.3%	48,754	62,344	-21.8%
North America	2,809	3,126	-10.1%	9,951	12,662	-21.4%
Latin America & Caribbean	1,468	1,613	-9.0%	5,418	6,317	-14.2%
Africa & Middle East	1,445	1,576	-8.3%	4,662	6,162	-24.3%
Asia & Pacific	125	619	-79.8%	292	2,490	-88.3%
Revenue passenger km (m)	59,125	69,138	-14.5%	215,749	285,745	-24.5%
Domestic (UK & Spain)	5,400	5,168	+4.5%	20,578	20,859	-1.3%
Europe	14,780	15,613	-5.3%	59,108	72,148	-18.1%
North America	18,542	20,470	-9.4%	66,039	83,415	-20.8%
Latin America & Caribbean	11,633	13,371	-13.0%	42,698	52,411	-18.5%
Africa & Middle East	7,623	8,567	-11.0%	24,695	33,033	-25.2%
Asia & Pacific	1,147	5,949	-80.7%	2,631	23,879	-89.0%
Available seat km (m)	71,048	82,005	-13.4%	263,592	337,754	-22.0%
Domestic (UK & Spain)	6,277	6,037	+4.0%	24,055	23,915	+0.6%
Europe	18,109	18,873	-4.0%	72,520	86,349	-16.0%
North America	22,817	24,274	-6.0%	83,259	99,197	-16.1%
Latin America & Caribbean	13,295	15,547	-14.5%	50,190	60,644	-17.2%
Africa & Middle East	9,225	10,383	-11.2%	30,436	39,816	-23.6%
Asia & Pacific	1,325	6,891	-80.8%	3,132	27,833	-88.7%
Passenger load factor (%)	83.2	84.3	-1.1 pts	81.8	84.6	-2.8 pts
Domestic (UK & Spain)	86.0	85.6	+0.4 pts	85.5	87.2	-1.7 pts
Europe	81.6	82.7	-1.1 pts	81.5	83.6	-2.1 pts
North America	81.3	84.3	-3.0 pts	79.3	84.1	-4.8 pts
Latin America & Caribbean	87.5	86.0	+1.5 pts	85.1	86.4	-1.3 pts
Africa & Middle East	82.6	82.5	+0.1 pts	81.1	83.0	-1.9 pts
Asia & Pacific	86.6	86.3	+0.3 pts	84.0	85.8	-1.8 pts
Cargo tonne km (m)	1,090	1,432	-23.9%	3,980	5,580	-28.7%

GROUP PERFORMANCE

4Q and FY 2022 traffic and capacity statistics vs 2021

Group performance	Quarter			Year to date		
	4Q 2022	4Q 2021	vLY	FY 2022	FY 2021	vLY
Passengers carried ('000s)	25,222	15,309	+64.8%	94,726	38,864	+143.7%
Domestic (UK & Spain)	6,652	5,347	+24.4%	25,649	16,061	+59.7%
Europe	12,723	6,842	+86.0%	48,754	16,341	+198.4%
North America	2,809	1,217	+130.8%	9,951	2,145	+363.9%
Latin America & Caribbean	1,468	1,068	+37.5%	5,418	2,475	+118.9%
Africa & Middle East	1,445	801	+80.4%	4,662	1,707	+173.1%
Asia & Pacific	125	34	+267.6%	292	135	+116.3%
Revenue passenger km (m)	59,125	34,225	+72.8%	215,749	78,689	+174.2%
Domestic (UK & Spain)	5,400	4,311	+25.3%	20,578	13,166	+56.3%
Europe	14,780	8,460	+74.7%	59,108	21,051	+180.8%
North America	18,542	8,043	+130.5%	66,039	14,046	+370.2%
Latin America & Caribbean	11,633	8,593	+35.4%	42,698	20,176	+111.6%
Africa & Middle East	7,623	4,480	+70.2%	24,695	8,921	+176.8%
Asia & Pacific	1,147	338	+239.3%	2,631	1,329	+98.0%
Available seat km (m)	71,048	47,842	+48.5%	263,592	121,965	+116.1%
Domestic (UK & Spain)	6,277	5,660	+10.9%	24,055	17,573	+36.9%
Europe	18,109	11,904	+52.1%	72,520	30,447	+138.2%
North America	22,817	12,963	+76.0%	83,259	28,424	+192.9%
Latin America & Caribbean	13,295	10,586	+25.6%	50,190	28,920	+73.5%
Africa & Middle East	9,225	5,879	+56.9%	30,436	13,231	+130.0%
Asia & Pacific	1,325	850	+55.9%	3,132	3,370	-7.1%
Passenger load factor (%)	83.2	71.5	+11.7 pts	81.8	64.5	+17.3 pts
Domestic (UK & Spain)	86.0	76.2	+9.8 pts	85.5	74.9	+10.6 pts
Europe	81.6	71.1	+10.5 pts	81.5	69.1	+12.4 pts
North America	81.3	62.0	+19.3 pts	79.3	49.4	+29.9 pts
Latin America & Caribbean	87.5	81.2	+6.3 pts	85.1	69.8	+15.3 pts
Africa & Middle East	82.6	76.2	+6.4 pts	81.1	67.4	+13.7 pts
Asia & Pacific	86.6	39.8	+46.8 pts	84.0	39.4	+44.6 pts
Cargo tonne km (m)	1,090	1,129	-3.5%	3,980	3,970	+0.3%

AIRLINE PERFORMANCE

4Q and FY 2022 traffic and capacity statistics vs 2019

Performance by airline	Quarter			Year to date		
	4Q 2022	4Q 2019	v3y	FY 2022	FY 2019	v3y
Aer Lingus 						
Passengers carried ('000s)	2,278	2,608	-12.7%	8,950	11,649	-23.2%
Revenue passenger km (m)	5,340	5,720	-6.6%	20,190	24,753	-18.4%
Available seat km (m)	7,028	7,132	-1.5%	26,249	30,255	-13.2%
Passenger load factor (%)	76.0	80.2	-4.2 pts	76.9	81.8	-4.9 pts
Cargo tonne km (m)	37	49	-24.5%	131	173	-24.3%
BRITISH AIRWAYS 						
Passengers carried ('000s)	9,332	11,553	-19.2%	33,348	47,710	-30.1%
Revenue passenger km (m)	29,670	38,146	-22.2%	104,496	155,580	-32.8%
Available seat km (m)	36,359	45,556	-20.2%	130,874	186,170	-29.7%
Passenger load factor (%)	81.6	83.7	-2.1 pts	79.8	83.6	-3.8 pts
Cargo tonne km (m)	792	1,055	-24.9%	2,929	4,210	-30.4%
IBERIA 						
Passengers carried ('000s)	5,472	5,547	-1.4%	19,979	22,449	-11.0%
Revenue passenger km (m)	14,398	15,591	-7.7%	53,826	63,991	-15.9%
Available seat km (m)	16,709	17,997	-7.2%	63,904	73,354	-12.9%
Passenger load factor (%)	86.2	86.6	-0.4 pts	84.2	87.2	-3.0 pts
Cargo tonne km (m)	248	326	-23.9%	883	1,194	-26.0%
LEVEL 						
Passengers carried ('000s)	142	530	-73.2%	499	1,877	-73.4%
Revenue passenger km (m)	1,262	2,326	-45.7%	4,320	8,011	-46.1%
Available seat km (m)	1,403	2,737	-48.7%	4,816	9,543	-49.5%
Passenger load factor (%)	90.0	85.0	+5.0 pts	89.7	83.9	+5.8 pts
Cargo tonne km (m)	13	2	+550.0%	37	3	+1133.3%
vueling 						
Passengers carried ('000s)	7,998	7,567	+5.7%	31,950	34,568	-7.6%
Revenue passenger km (m)	8,455	7,355	+15.0%	32,917	33,410	-1.5%
Available seat km (m)	9,549	8,583	+11.3%	37,749	38,432	-1.8%
Passenger load factor (%)	88.5	85.7	+2.8 pts	87.2	86.9	+0.3 pts
Cargo tonne km (m)	n/a	n/a	n/a	n/a	n/a	n/a

AIRLINE PERFORMANCE

4Q and FY 2022 traffic and capacity statistics vs 2021

Performance by airline	Quarter			Year to date		
	4Q 2022	4Q 2021	vLY	FY 2022	FY 2021	vLY
Aer Lingus 						
Passengers carried ('000s)	2,278	1,014	+124.7%	8,950	2,025	+342.0%
Revenue passenger km (m)	5,340	1,877	+184.5%	20,190	3,545	+469.5%
Available seat km (m)	7,028	3,162	+122.3%	26,249	7,380	+255.7%
Passenger load factor (%)	76.0	59.4	+16.6 pts	76.9	48.0	+28.9 pts
Cargo tonne km (m)	37	27	+37.0%	131	89	+47.2%
BRITISH AIRWAYS 						
Passengers carried ('000s)	9,332	5,123	+82.2%	33,348	10,347	+222.3%
Revenue passenger km (m)	29,670	16,142	+83.8%	104,496	30,698	+240.4%
Available seat km (m)	36,359	24,011	+51.4%	130,874	52,633	+148.7%
Passenger load factor (%)	81.6	67.2	+14.4 pts	79.8	58.3	+21.5 pts
Cargo tonne km (m)	792	849	-6.7%	2,929	3,006	-2.6%
IBERIA 						
Passengers carried ('000s)	5,472	3,870	+41.4%	19,979	10,588	+88.7%
Revenue passenger km (m)	14,398	10,577	+36.1%	53,826	27,976	+92.4%
Available seat km (m)	16,709	13,559	+23.2%	63,904	40,606	+57.4%
Passenger load factor (%)	86.2	78.0	+8.2 pts	84.2	68.9	+15.3 pts
Cargo tonne km (m)	248	250	-0.8%	883	864	+2.2%
LEVEL 						
Passengers carried ('000s)	142	27	+425.9%	499	93	+436.6%
Revenue passenger km (m)	1,262	281	+349.1%	4,320	916	+371.6%
Available seat km (m)	1,403	295	+375.6%	4,816	991	+386.0%
Passenger load factor (%)	90.0	95.3	-5.3 pts	89.7	92.4	-2.7 pts
Cargo tonne km (m)	13	3	+333.3%	37	11	+236.4%
vueling 						
Passengers carried ('000s)	7,998	5,275	+51.6%	31,950	15,811	+102.1%
Revenue passenger km (m)	8,455	5,348	+58.1%	32,917	15,554	+111.6%
Available seat km (m)	9,549	6,815	+40.1%	37,749	20,355	+85.5%
Passenger load factor (%)	88.5	78.5	+10.0 pts	87.2	76.4	+10.8 pts
Cargo tonne km (m)	n/a	n/a	n/a	n/a	n/a	n/a

DISCLAIMER

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 2021 Annual Report and Accounts; 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 of any further disruption to the global airline industry as well as the current economic and geopolitical environment.