

IAG INTERNATIONAL AIRLINES GROUP

We connect what matters

2026 Quarter Three

Disclaimer

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Forward-looking statements:

This announcement contains forward-looking statements within the meaning of applicable securities laws. This cautionary statement is intended to identify and qualify all forward-looking statements made in, or incorporated by reference into, this announcement. These statements can be identified by the fact that they do not relate only to historical or current facts. By their nature, they involve risks 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”, “would”, “might”, “continues”, “intends”, “plans”, “targets”, “predicts”, “estimates”, “envisages”, “anticipates”, “aims”, “seeks”, “projects”, “forecasts”, “outlook” or “guidance”, or the negative or other variations of such words, or comparable terminology. They include, without limitation, any and all projections or expectations relating to the results of operations, financial condition, cash flows, dividend policy, capital allocation, fleet and capacity plans, route network development, competitive position, industry trends, strategy and regulatory developments 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 and sustainability 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. Except as required by applicable law, regulation or the rules of any stock exchange on which the Group’s securities are admitted to trading, the Group expressly disclaims any obligation or undertaking to release publicly any update, revision, or correction to any forward-looking statement contained herein to reflect any change in the Group’s expectations or any change in events, conditions, assumptions, 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: changes in general economic, business, or market conditions; fuel price volatility; foreign exchange rate fluctuations; changes in interest rates and financing conditions; the impact of pandemics, public health emergencies, or travel restrictions; terrorist incidents, armed conflicts, or geopolitical instability; changes in applicable laws, regulations, or government policy (including taxation, emissions trading schemes, and environmental regulation); the loss, reduction, or reallocation of airport slots or changes to slot allocation rules and regulations, labour relations, industrial action, or workforce constraints; disruptions to IT systems or cybersecurity incidents; the outcome of litigation or regulatory proceedings; changes in competitive dynamics, consumer demand, or booking patterns; supply chain disruptions; climate-related risks; and the Group’s ability to execute its business strategy, achieve anticipated synergies, or manage its fleet and capacity plans — many of which are difficult to predict and are generally beyond the control of the Group, and it is not reasonably possible to enumerate all factors that could cause actual results to differ materially from those anticipated. 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 accounts2025 together with any subsequent public disclosures updating those risks; these documents are 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 those primary risks and any subsequent updates.

Where forward-looking statements in this announcement are based on data, forecasts, or estimates sourced from third parties, the Group has not independently verified such information and makes no representation or warranty, express or implied, as to its accuracy, completeness, or reliability.

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These cautionary statements qualify all forward-looking statements contained in this announcement and all forward-looking statements attributable to the Group or to persons acting on its behalf, whether made in writing or orally, including in investor presentations, earnings calls, or other communications.

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 2025. These documents are available on www.iairgroup.comhttps://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.iairgroup.com%2Fpress-releases%2F2026%2Fiag-q3-2026-financial-results%2F&data=05%7C02%7Coli.hall%40iairgroup.com%7C0a4f4e928f4440c2d1d208df29deebcc%7Cc28eb601be1d491889f40d1b73c2ddc5%7C0%7C0%7C639275709555914809%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=L1WD%2BA7OZHBHAHjcDKo5Kw9sB9zcSld2DxCO6w23M1Y%3D&reserved=0

Highlights

Luis Gallego
Chief Executive Officer





Q3: strong revenue; full year margin guidance maintained

- Revenue growth of 4.5%, with strong yields in all our main markets, in particular the North and South Atlantic
- Resilient third quarter profit of €1,726m and operating margin of 17.7%
- Non-fuel unit cost increase of 3.4%, due to one-off disruption events and lower capacity than planned
- Taking action to maintain strong profitability and free cash flow: through disciplined capacity allocation, revenue growth and cost initiatives
- IAG Loyalty continuing to deliver high profit growth at high margin
- Rewarding shareholders: 10% increase in interim dividend per share; commenced final tranche of €1.5bn share buyback

Financial results

José Antonio Barrionuevo
Chief Financial Officer

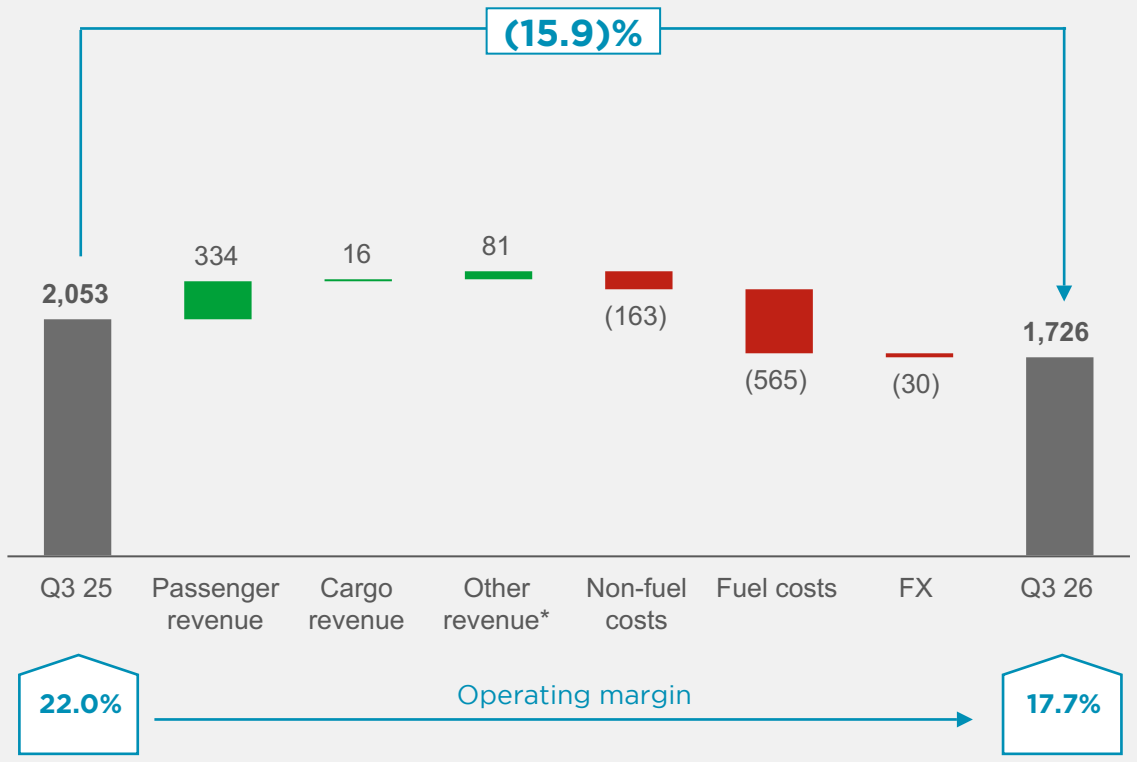




Q3: Strong margin performance despite fuel headwinds

€m

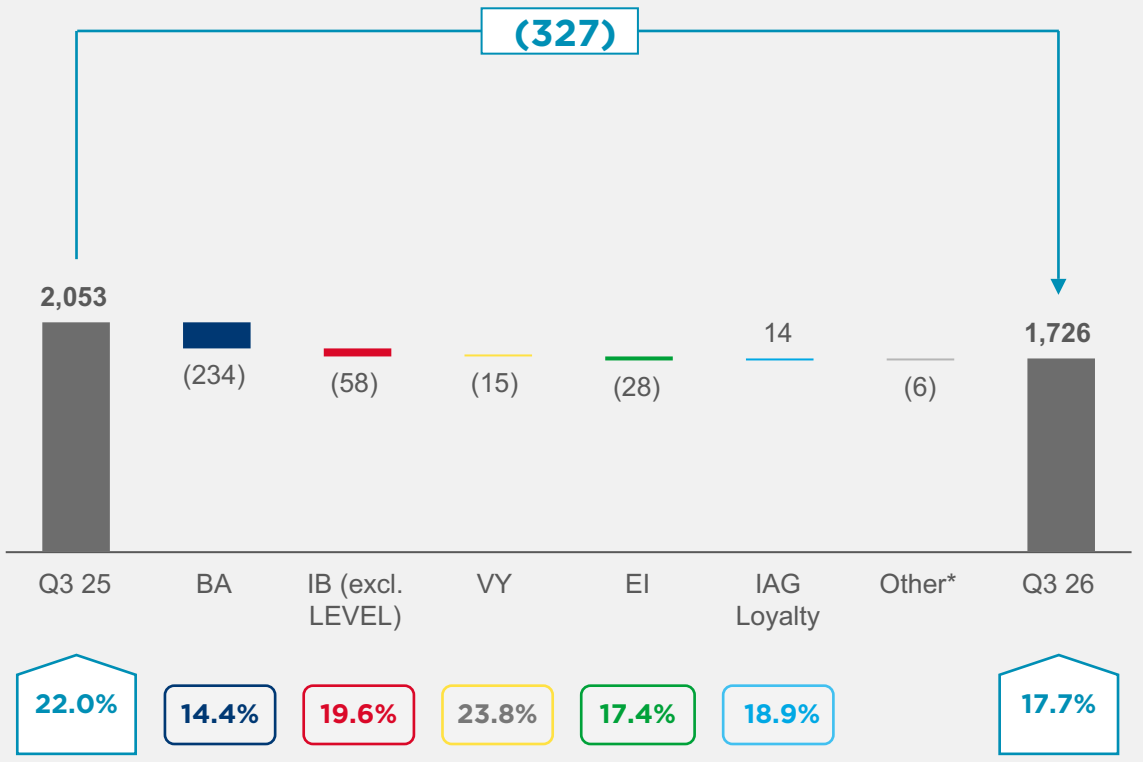
IAG operating profit bridge by driver:
Strong revenue offset by fuel price increase



*Other revenue includes MRO and Handling businesses, IAG Loyalty (including British Airways Holidays)

€m

IAG operating profit bridge by business:
All airlines affected by impact of higher fuel



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

Q3: Resilient margin performance across all airlines

	Aer Lingus		British Airways		Iberia*		Vueling		IAG Loyalty	
	Q3 2026 (€m)		Q3 2026 (£m)		Q3 2026 (€m)		Q3 2026 (€m)		Q3 2026 (£m)	
Total revenue	815	+3.4%	4,212	+4.5%	2,299	+6.9%	1,079	+0.2%	805	+7.4%
Passenger revenue	797	+3.7%	3,972	+4.4%	1,797	+4.6%	1,068	(0.2%)	398	+11.1%
Operating result before exceptional items	142	**(28)**	608	**(205)**	452	**(58)**	257	**(15)**	152	**11**
Operating margin before exceptional items	**17.4%**	(4.2)pts	**14.4%**	(5.8)pts	**19.6%**	(4.1)pts	**23.8%**	(1.5)pts	**18.9%**	0.1pts
ASK (m)	10,319	1.5%	46,565	(1.3%)	23,863	4.4%	12,566	(1.1%)		
PRASK (cts/p)	7.73	+2.1%	8.53	+5.8%	7.53	+0.3%	8.50	+1.0%		
Non-fuel CASK (cts/p)	4.33	+0.8%	5.19	+5.1%	5.65	+2.0%	4.32	(1.2%)		
IAG Loyalty operating profit on pre-HMRC basis:									**171**	**+20**

*Iberia figures exclude LEVEL

Q3: Strong performance in all our markets

Total	ASK	PRASK	PRASK ccy[2]
Q3	(0.2)%	4.1%	4.3%

Europe	ASK	CRASK	CRASK ccy
Q3	(1.2%)	2.3%	2.0%

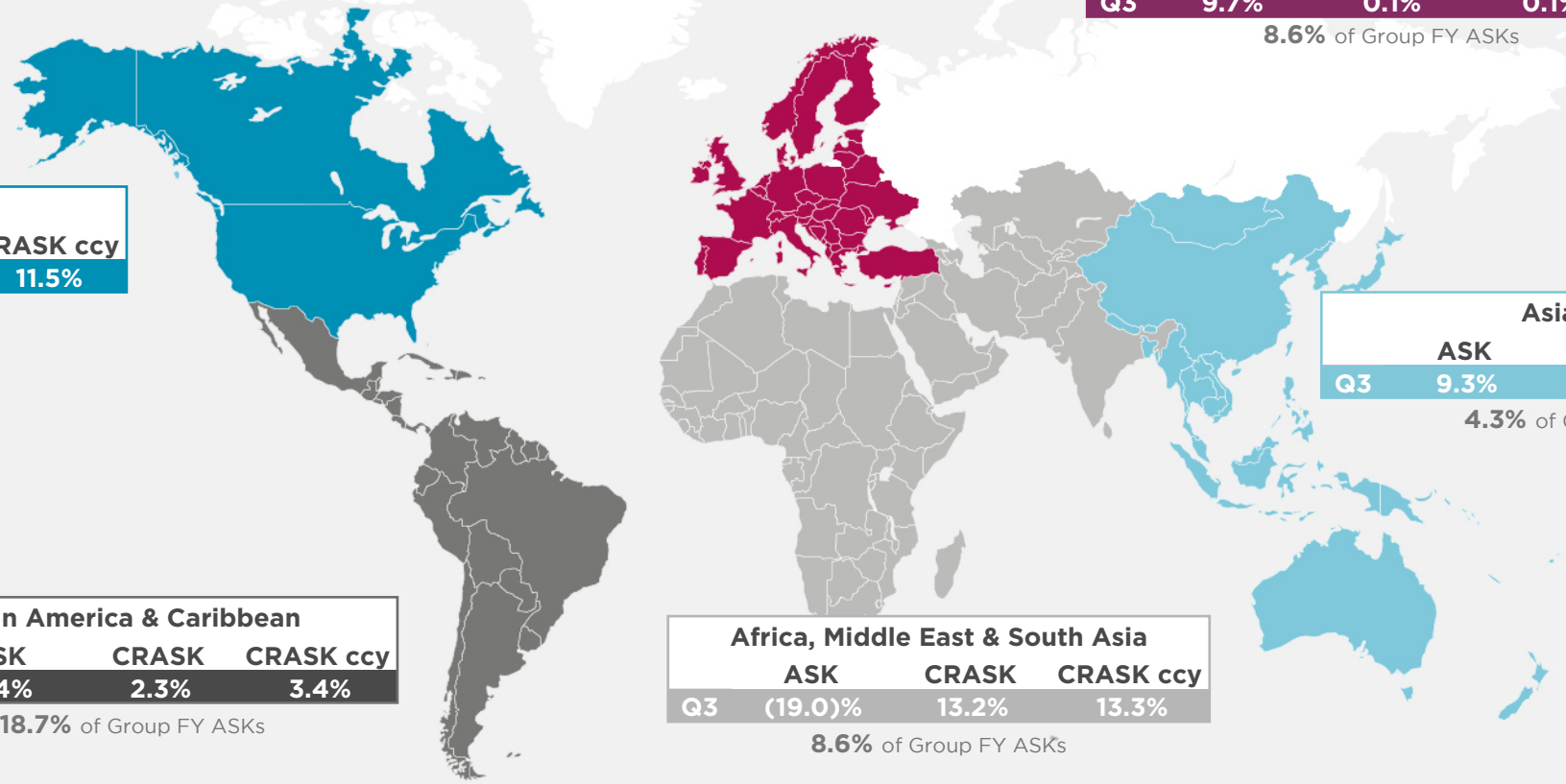
27.8% of Group FY ASKs

Domestic	ASK	CRASK	CRASK ccy
Q3	9.7%	0.1%	0.1%

8.6% of Group FY ASKs

North Atlantic	ASK	CRASK	CRASK ccy
Q3	0.2%	11.0%	11.5%

32.0% of Group FY ASKs



Asia Pacfic	ASK	CRASK	CRASK ccy
Q3	9.3%	3.8%	3.4%

4.3% of Group FY ASKs

Latin America & Caribbean	ASK	CRASK	CRASK ccy
Q3	5.4%	2.3%	3.4%

18.7% of Group FY ASKs

Africa, Middle East & South Asia	ASK	CRASK	CRASK ccy
Q3	(19.0)%	13.2%	13.3%

8.6% of Group FY ASKs

[1]PRASK represents total passenger revenue divided by ASKs. Regional CRASK represents passenger revenue excluding certain items that are not directly assigned to a route level (e.g. joint business payments/receipts, FX hedging gains/losses, EC261 & UK261 compensation, and adjustments to assumptions for unused tickets). 'ccy' represents data at constant currency.

[2]Regional constant currency data presented is not an IFRS metric, and is based on internal IAG analysis to provide a directional view of foreign exchange impacts, particularly given the significant impact of the US dollar and Sterling in IAG accounts.

Q3: One-off costs drive non-fuel cost increase

Cost category	Q3-26 unit cost (% vLY)	Q3 2026
Employee	**+3.0%**	Reflects pay deals, including the recent pilot agreement at British Airways and resourcing associated with planned capacity
Supplier*	**+2.9%**	Significant impact from disruption events (Air Traffic Control, LHR baggage handling system) partially mitigated by transformation
Ownership	**+6.8%**	Increase driven by new aircraft, alongside customer-focused and digital investments
Total non-fuel	**+3.4%**	
Fuel	**+30.7%**	Fuel cost increase reflecting higher commodity price as an outcome of the Middle East conflict, partially mitigated by the Group's hedging policy
Total unit cost	**+10.5%**	

*Supplier costs include costs related to growth of the Group´s non-airline businesses, including Iberia´s MRO and Handling businesses and British Airways Holidays

Adjusted EPS decreased due to reduction in profit

	Nine months to 30 September					
€m	Before exceptional items 2026	Exceptional items	**Reported 2026**	Before exceptional items 2025	Exceptional items	Reported 2025
Revenue	25,808	–	**25,808**	25,234	–	25,234
Operating costs	22,325	149	**22,474**	21,303	–	21,303
Operating profit	3,483	(149)	**3,334**	3,931	–	3,931
Finance costs	(598)	–	**(598)**	(631)	–	(631)
Finance income	193	–	**193**	217	–	217
Net change in fair value of financial instruments	54	–	**54**	(135)	–	(135)
Net financing credit relating to pensions	84	–	**84**	63	–	63
Net currency retranslation (charges)/credits	(73)	–	**(73)**	320	–	320
Other non-operating credits/(charges)	51	–	**51**	(150)	–	(150)
Profit before tax	3,194	(149)	**3,045**	3,615	–	3,615
Tax	(817)	36	**(781)**	(912)	–	(912)
Profit after tax	2,377	(113)	**2,264**	2,703	–	2,703
Adjusted EPS before exceptional items (€c)	**50.4**			55.5		

Continued balance sheet strength

€m	30 September 2025	31 December 2025	**30 September 2026**
Gross debt	14,783	14,267	13,871
of which bank and other loans	1,912	1,978	1,687
of which asset financed and lease liabilities	12,871	12,289	12,184
Gross debt / EBITDA before exceptional items	**1.9x**	**1.9x**	**1.9x**
Cash, cash equivalents and interest-bearing deposits	8,774	8,319	9,651
Net debt	**6,009**	**5,948**	**4,220**
Net debt / EBITDA before exceptional items	**0.8x**	**0.8x**	**0.6x**
Total liquidity (cash and facilities)	11,442	10,948	12,490

- Net leverage of 0.6x, reflecting strong profitability and cash generation
  - Leverage to increase at year-end in line with usual seasonal booking patterns and capex timing
- Fleet deliveries:
  - 2 aircraft delivered in the quarter, 5 year-to-date
  - Now expecting 12 deliveries for the year vs 16 guided at H1
  - 1 x A321neo, 3 x 737-8200 now expected in 2027
- FY26 capex actively managed and now expected to be €3.1bn, in line with commitment to disciplined capital allocation

IAG INTERNATIONAL AIRLINES GROUP Rolling last four quarters EBITDA before exceptional items

Delivering our strategy

Luis Gallego
Chief Executive Officer





Outlook: well-positioned to deliver resilient profit

- Commercial strength: ongoing robust demand for travel and for our airline networks and brands delivering revenue growth and strong passenger yields
- Demand continues to be robust: 85% of expected revenue booked for Q4; a strong start to 2027; strong fuel cost recovery
- Resilient performance despite short-term headwinds - FY26 operating margin expected to be at least 12%
- Financial strength: strong balance sheet and continuing strong free cash flow generation underpinning 10% interim dividend per share increase and €1.5bn share buyback programme, as well as future dividends and excess cash returns
- Confident in long-term value creation for our shareholders

Strong fundamentals drive best-in-class value creation

Strong Position

Unique strength from our diverse network, hubs and brands

Premium customers

Growing IAG Loyalty and partnerships

+

Strong Execution

Delivering world-class margins

Delivered by our transformation programme

Delivered by our talented employees

=

Strong Value Creation

Sustainable long-term earnings growth

Significant free cash flow generation

Significant shareholder returns

Appendices

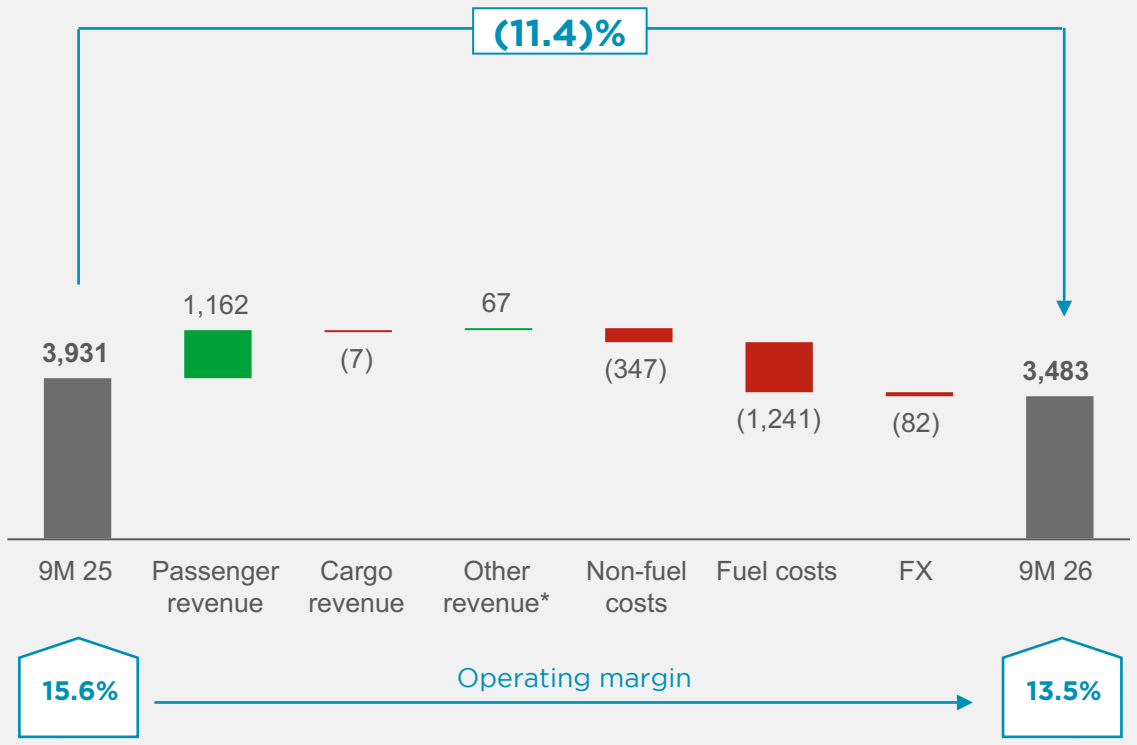

BRITISH AIRWAYS
IAG
INTERNATIONAL
AIRLINES
GROUP


Portes
Gates
Puertas
D15 to D21
Portes
Gates
Puertas
E
LEVEL
CREW

9-month operating profit bridge

€m

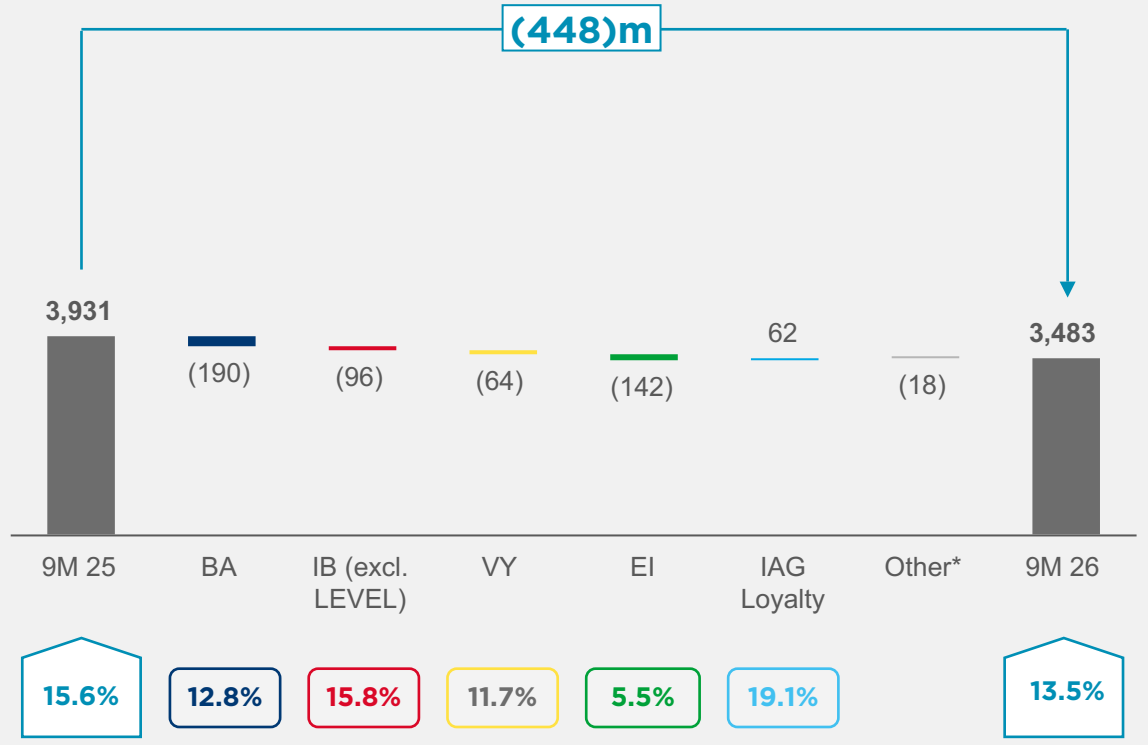
IAG operating profit bridge by driver



*Other revenue includes MRO and Handling businesses, IAG Loyalty (including British Airways Holidays)

€m

IAG operating profit bridge by business



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

FY 2026 modelling assumptions

- FY26 capacity now expected to be slightly down, reflecting impact of year-to-date disruption and disciplined, proactive capacity management over the winter
- FY26 non-fuel unit cost now expected to increase c.1%, reflecting disruption costs and lower capacity than planned
- Total fuel cost expected to be c.€8.9bn based on forward jet fuel curve and foreign exchange at 3 November
- FY26 capex now expected to be c.€3.1bn

Fuel hedging

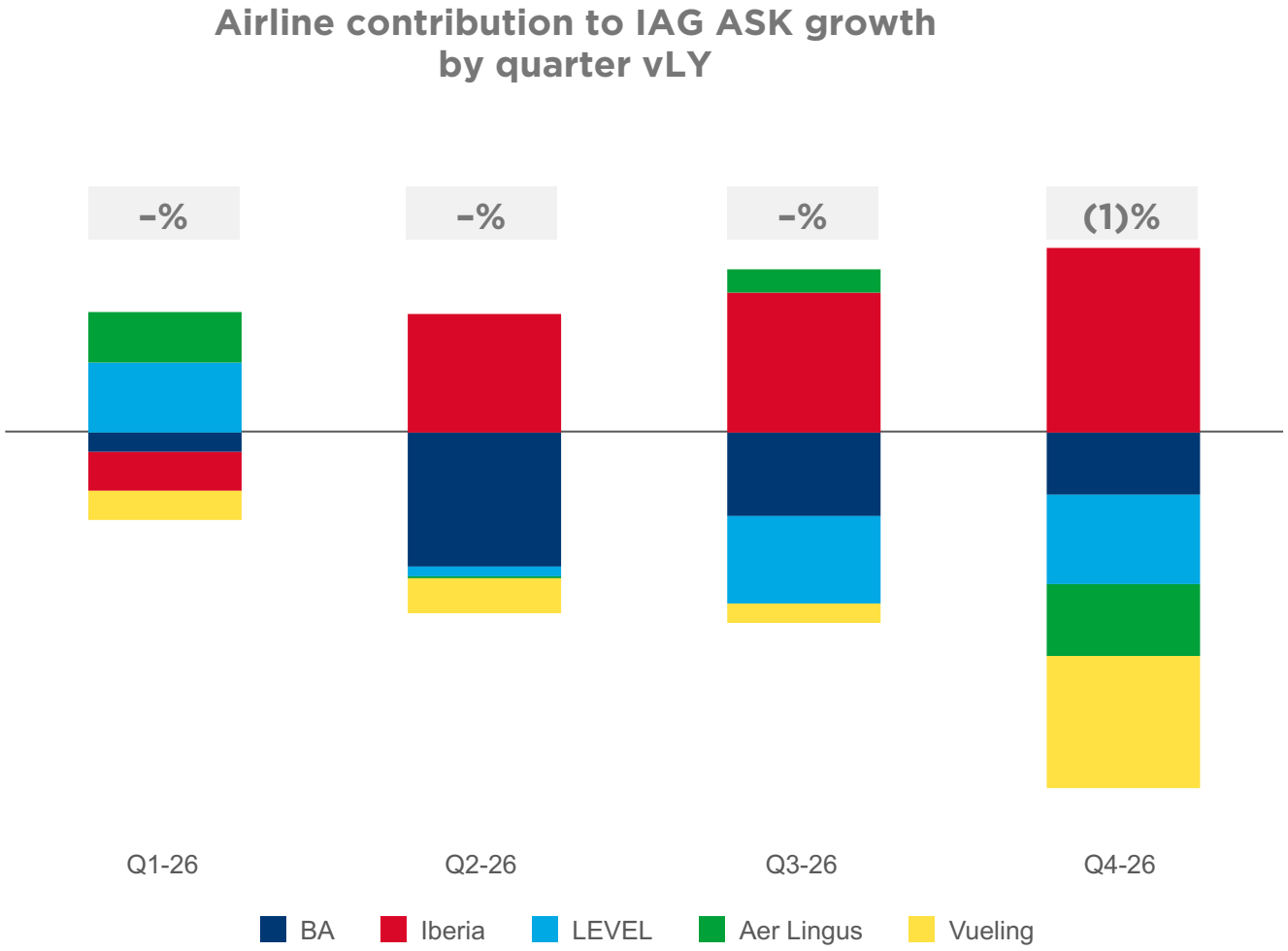
As per 03/11/26 jet curve	Q4 2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	Q1 2028
Jet fuel price scenario	$1,570/mt	$1,420/mt	$1,320/mt	$1,220/mt	$1,120/mt	$1,120/mt
$/€ scenario	1.145	1.145	1.145	1.145	1.145	1.145
Hedge ratio	71 %	61 %	50 %	42 %	34 %	28 %
Effective blended price post fuel and FX hedging*	**$1,145/mt**	**$1,105/mt**	**$1,160/mt**	**$1,130/mt**	**$1,075/mt**	**$1,080/mt**

FY26 fuel cost expected to be c€8.9bn based on jet fuel forward curve and foreign exchange rates at 3rd November 2026

* Effective blended price excluding into plane cost

FY 2026 capacity expected to be slightly down vs FY 2025

ASKs	Q4 2026 vLY	FY 2026 vLY
	(6)%	–%
	(1)%	(1)%
	5%	3%
	(8)%	(3)%
LEVEL	(28)%	(10)%
IAG	(1)%	–%



Note: British Airways includes BA Cityflyer and BA Euroflyer; Iberia includes Iberia Express

Alternative Performance Measures (APMs) and terminology definitions

Measure	IFRS/APM	Definition	Source of calculation
Adjusted earnings per share	APM	Based on results before exceptional items after tax and adjusted for earnings attributable to equity holders and interest on convertible bonds, divided by the weighted average number of ordinary shares, adjusted for the dilutive impact, when applicable, of the assumed conversion of the 2028 Bonds and employee share schemes outstanding.	Q3 2026 Interim Management Report (alternative performance measures section, note b: Adjusted earnings per share)
Capex (or gross capital expenditure)	IFRS	Acquisition of property, plant and equipment and intangible assets per cash flow statement	Direct from Cash flow statement (Net cash flows from investing activities)
Cash	IFRS	Cash and cash equivalents and Current interest-bearing deposits	Direct from Balance sheet (Current assets)
EBITDA before exceptional items	APM	Operating result before exceptional items, interest, taxation, depreciation, amortisation and impairment.	Q3 2026 Interim Management Report (alternative performance measures section, note e: Net debt to EBITDA before exceptional items)
Free cash flow	APM	Net cash flows from operating activities, less the cash flows associated with the acquisition of property, plant and equipment and intangible assets reported in net cash flows from investing activities from the Cash flow statement.	Q3 2026 Results Release (Reconciliation of alternative performance measures section, note d: Free cash flow)
Gross debt	IFRS	Total borrowings (current and non-current)	Direct from Balance sheet (Current liabilities, Non-current liabilities)
Gross debt to EBITDA before exceptional items (or Gross leverage)	APM	Based on Gross debt (per above) and the rolling 12 month EBITDA before exceptional items	Direct from Balance sheet (Current liabilities, Non-current liabilities) and Q3 2026 Results Release (alternative performance measures section, note e: Gross and Net debt to EBITDA before exceptional items) and accounting policies
Liquidity (or Total liquidity)	APM	Cash (per above) plus committed and undrawn general and overdraft facilities, and aircraft-specific financing facilities	Q3 2026 Interim Management Report (Reconciliation of alternative performance measures section, note h: Liquidity)
Movements in working capital	IFRS	Net movements in working capital per cash flow statement	Direct from Cash flow statement (Net cash flows from operating activities)
Net debt	IFRS	Gross debt (per above) less Cash (per above)	Q3 2026 Interim Management Report (Reconciliation of alternative performance measures section, note e: Gross and Net debt to EBITDA before exceptional items)
Net debt to EBITDA before exceptional items (or Leverage)	APM	Based on Net debt (per above) and the rolling 12 month EBITDA before exceptional items	Q3 2026 Interim Management Report (Reconciliation of alternative performance measures section, note e: Gross and Net debt to EBITDA before exceptional items)
Operating profit (and other Income statement items) before exceptional items	APM	See Q3 2026 Interim Management Report (alternative performance measures section, note a: Profit after tax before exceptional items)	Q3 2026 Interim Management Report (alternative performance measures section, note a: Profit after tax before exceptional items)
Unit measures (PRASK, Fuel CASK, Non Fuel CASK)	APM	Passenger revenue, fuel costs, non-fuel costs (before exceptional items) divided by capacity (ASKs)	Glossary in the 2025 ARA

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