

INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A.

IAG Capital Markets Day 2023

IAG will host a Capital Markets event for institutional investors and analysts today at its head office in London.

The presentations from IAG's management team will outline our strategic priorities and prospects for the medium term; in addition to how we will transform the organization to deliver sustainable growth, world-class margins and maximise long-term shareholder returns.

This includes medium-term targets for:

- Operating margin of 12% - 15%;
- Return on Invested Capital of 13% - 16%;
- Leverage (net debt/EBITDA) of less than 1.8x over the cycle;
- Commitment to dividends once our balance sheet and investment plans are secure.

Luis Gallego, Chief Executive Officer and Nicholas Cadbury, Chief Financial Officer, will be joined by members of the IAG Management Committee, as well as senior executives in the Group's operating companies.

Speakers will cover:

- IAG's leading positions in the world's most valuable and growing aviation markets;
- Strategy to deliver sustainable growth through our strong brands, attractive customer base and disciplined approach to capital allocation;
- Further capital-light growth from partner airlines in high-growth markets, accelerated by IAG's market-leading Loyalty business, which delivers sustainable year-round cash flow;
- How we are transforming our businesses to deliver higher customer satisfaction, sustainable operating profit, and world-class margins and return on capital;
- Our objective to target over €1.5bn in operating profit from our Spanish businesses;
- IAG's continued investment in, and leadership of sustainability as a long-term sector value driver;
- Our plans to maximise total shareholder returns from earnings growth, an ordinary dividend and additional shareholder returns, underpinned by a strong balance sheet

IAG's outlook for the full year 2023 remains unchanged. There will be no discussion of current and future trading.

Luis Gallego, Chief Executive Officer said:

"We are focused on extending our core leadership positions in the North Atlantic and South Atlantic through developing our hubs, while enabling IAG Loyalty to reach its full potential within the Group. Our transformation and investment plans will drive a step change across our businesses, delivering efficiencies and a market-leading customer experience. Executing our strategy will enable us to deliver sustainable growth and returns for our shareholders."

Today's presentations can be found on the IAG website (www.iairgroup.com). A recording of the presentations will be made available after the event.

Nicholas Cadbury
Chief Financial Officer

21 November 2023

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This announcement contains inside information and is disclosed in accordance with the Company's obligations under the Market Abuse Regulation

Alternative Performance Measures:

Operating margin is defined as operating profit margin (and other Income statement items) before exceptional items.

Return on invested capital (RoIC) is defined as EBITDA before exceptional items, less fleet depreciation adjusted for inflation, depreciation of other property, plant and equipment, and amortisation of software intangibles, divided by average invested capital and is expressed as a percentage.

Net debt is defined as Gross debt less Cash.

EBITDA is defined Earnings before interest, taxes, depreciation and amortisation, before exceptional items.

Forward-looking statements:

Certain statements included in this announcement are forward-looking. These statements can be identified by the fact that they do not relate only to historical or current facts. By their nature, they involve risk and uncertainties because they relate to events and depend on circumstances that will occur in the future. Actual results could differ materially from those expressed or implied by such forward-looking statements.

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

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

Alternative Performance Measures:

This announcement contains, in addition to the financial information prepared in accordance with International Financial Reporting Standards (‘IFRS’) and derived from the Group’s financial statements, alternative performance measures (‘APMs’) as defined in the Guidelines on alternative performance measures issued by the European Securities and Markets Authority (ESMA) on October 5, 2015. The performance of the Group is assessed using a number of APMs. These measures are not defined under IFRS, should be considered in addition to IFRS measurements, may differ to definitions given by regulatory bodies relevant to the Group and may differ to similarly titled measures presented by other companies. They are used to measure the outcome of the Group’s strategy based on ‘Unrivalled customer proposition’, ‘Value accretive and sustainable growth’ and ‘Efficiency and innovation’. For definitions and explanations of alternative performance measures, refer to the Alternative performance measures section in the IAG Annual report and accounts 2022 ([IAG Annual Report and Accounts 2022 \(iairgroup.com\)](http://www.iairgroup.com)) and the Interim Management Report for the nine months to September 30, 2023 ([IAG Q3 2023 Results \(iairgroup.com\)](http://www.iairgroup.com)). These documents are available on www.iairgroup.com.