

INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A.

Final Dividend and Share Buyback Programme

INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A. ("IAG" or the "**Company**") today announces its decision to recommend to shareholders a final dividend of €0.06 per share in respect of 2024. Together with the interim dividend paid in September 2024, this brings the full year dividend to €0.09 per share, which represents a total ordinary dividend of €435 million for the year taking into account the Company's total issued share capital. Subject to shareholder approval at IAG's Annual General Meeting, the final dividend will be paid from 30 June 2025 to shareholders on the register on 27 June 2025 (the dividend will be subject to a 19% withholding tax (€0.0114 per share), resulting in a net amount per share of €0.0486).

IAG also today announces a share buyback programme of up to €1,000 million to be implemented within the next 12 months (the "**Programme**").

Together, these steps reflect our continued confidence in the strategy and business model, as well as the long-term prospects for the business.

Our strategy has delivered a strong financial performance, including the margin growth and significant free cash flow that are a fundamental part of our medium-term targets.

The decision is based on IAG's disciplined capital allocation framework that underpins the delivery of sustainable shareholder returns over the long term:

- Our first priority is a strong balance sheet. In 2023 we set the target to be below 1.8x net leverage through the cycle. In 2024 we ended the year with leverage at 1.1x, down from 1.7x at the end of 2023 and 3.1x at the end of 2022. We are investment grade with Moody's and S&P, both of which upgraded IAG during the year.
- We are continuing to reinforce our financial strength. In early 2025 we completed a liability management exercise to reduce our gross debt by buying back €577 million across our 2027 and 2029 IAG bonds. Gross debt will reduce further as an IAG €500 million bond matures in March 2025 and as we increase the level of unencumbered aircraft. This will help us with our target to reduce gross leverage over time (2.5x at 31 December 2024).
- Our second capital allocation priority is to invest in the business. In 2024 we invested €781 million of capital expenditure in our customer propositions, including IT. We spent €2,035 million on fleet in 2024, with 19 new aircraft delivered.
- We are committed to creating sustainable value for our shareholders. First, we want to pay a sustainable ordinary dividend to our shareholders through the cycle. We have proposed a final dividend of €0.06 per share, bringing the total dividend for Financial Year 2024 to €0.09 per share, representing €435 million.
- We are also targeting to distribute excess cash when net leverage is below 1.2x to 1.5x, if no inorganic opportunities exist and with consideration to the outlook and depending on future capital requirements and commitments.

We are therefore now returning excess cash to shareholders.

An announcement will be made in due course with further details of the Programme.

The €350 million share purchase programme announced by the Company on 8 November 2024 is scheduled to complete today in accordance with its terms. A further announcement confirming the completion will be made in due course.

Nicholas Cadbury
Chief Financial and Sustainability Officer

28 February 2025

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This announcement contains inside information and is disclosed in accordance with the Company's obligations under the Market Abuse Regulation. The person responsible for arranging the release of this announcement on behalf of IAG is Nicholas Cadbury, Chief Financial and Sustainability Officer.