



AEROMEXICO REPORTS 4Q23 & FY23 RESULTS

Mexico City, Mexico, March 05, 2024 - Grupo Aeromexico S.A.P.I. de C.V. ("Aeromexico") today reported unaudited financial results for the fourth quarter (4Q23) and twelve months ended December 31, 2023.

The Company has used the US dollar as the presentation currency for these consolidated financial statements. The US dollar is also the Company's functional currency.

All figures are expressed in millions of US dollars unless otherwise indicated.

KEY FINANCIAL HIGHLIGHTS FOR THE FOURTH QUARTER 2023

- Aeromexico's capacity at the end of 4Q23, measured in available seat kilometers (ASKs), increased by 6.7% as compared to 4Q22.
- Aeromexico's 4Q23 total revenue reached \$1.4 billion, a 17.7% increase as compared to the same period of 2022. During the quarter, revenue per ASK (RASK) increased by 10.3% year over year.
- EBITDAR amounted to \$377.0 million with a 27.4% margin. In 4Q22 Aeromexico recognized a \$307.7 million gain as a result of the remeasurement to fair value of the Group interest in PLM. Excluding this effect, 4Q22 EBITDAR was \$266.5 million. Thus, on a comparable basis, this represents a \$110.5 million improvement as compared to 4Q22.
- Fourth quarter 2023 EBIT totaled \$204.0 million with a 14.8% margin. Excluding the PLM remeasurement effect, EBIT increased by \$91.1 million as compared to 4Q22.
- Cost per ASK (CASK) in dollars, excluding fuel, was 5.9¢. This is a 9.3% increase as compared to the same quarter of 2022, primarily driven by the Mexican peso appreciation against the US dollar and the impact of inflation.
- During the quarter, the Company amortized more than \$106.5 million of financial debt, including \$38.9 million of its senior secured notes due 2027 that were repurchased and cancelled.

KEY FINANCIAL HIGHLIGHTS FOR THE FULL YEAR 2023

- Aeromexico's capacity, measured in ASKs, increased by 11.0% year over year, primarily driven by the sequential recovery in domestic and international markets.
- Aeromexico generated a record full year revenue of \$4.9 billion, a 29.0% increase as compared to 2022. RASK increased by 16.2% year over year. This record-breaking RASK marks an extraordinary achievement for the company, showing its ability to continue growing capacity while strengthening unit revenues.
- EBITDAR amounted to \$1.3 billion with a 26.9% margin, both a record high for the Company. Excluding the benefit of the remeasurement of PLM fair value in 2022, EBITDAR in 2023 was \$523.8 million higher than in the previous year. The EBITDAR margin of 26.9% represented a 5.9 percentage point (p.p.) increase with respect to 2022.
- 2023 EBIT totaled \$715.8 million with a 14.6% margin, also the highest on record in Aeromexico's history. This represents a \$512.7 million increase when compared to the previous year, excluding the benefit of the accounting remeasurement from PLM.
- CASK in dollars, excluding fuel, was 5.4¢, a 10.1% increase as compared to 2022, primarily driven by the Mexican peso appreciation against the US dollar and the impact of inflation.
- During the year, the Company amortized more than \$340.1 million of financial debt, including the repurchase of \$100.0 million of its senior secured notes due 2027. As a result, the total adjusted net debt to EBITDAR ratio improved to 1.7x, as compared to 3.3x at the end of 2022. Aeromexico's cash position as of December 31, 2023, amounted to \$937.7 million.
- On December 13, 2023, the Shareholders of the Company approved to carry out a capital reimbursement, without canceling shares, equivalent to an amount of \$2.0 per share for a total distribution of \$272.8 million.

Financial Indicators

All figures are expressed in millions of U.S. dollars unless otherwise indicated. Aeromexico's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Financial Reporting Standards Council ("IASB").

Financial KPIs	Three Months Ended December 31			Twelve Months Ended December 31		
	4Q23	4Q22	Var. %	2023	2022	Var. %
Total revenue	1,377	1,169	17.7	4,916	3,812	29.0
Adjusted EBITDAR* (Ex. PLM PPA)	377	266	41.5	1,323	799	65.6
Adjusted EBITDAR margin* (Ex. PLM PPA, % of Revenue)	27.4%	22.8%	4.6 p.p.	26.9%	21.0%	5.9 p.p.
Adjusted Operating Income (loss) (Ex. PLM PPA)	204	113	80.8	716	203	252.4
Adjusted Operating Margin (Ex. PLM PPA, % of Revenue)	14.8%	9.6%	5.2 p.p.	14.6%	5.3%	9.3 p.p.
Net Income (loss) (Ex. PLM PPA)	94	(137)	NA	273	(372)	NA
Net Income (loss) Margin (Ex. PLM PPA, % of Revenue)	6.8%	(11.7%)	18.5 p.p.	5.6%	(9.8%)	15.4 p.p.

Key Operating Indicators	4Q23	4Q22	Var. %	2023	2022	Var. %
Total ASKs (millions)	13,800	12,932	6.7	52,987	47,752	11.0
Total Itinerary RPKs (millions)	11,469	10,524	9.0	44,214	38,515	14.8
Load factor on scheduled flights (%)	84.0	82.2	1.8 p.p.	84.2	81.6	2.6 p.p.
Passengers ('000)	6,228	6,070	2.6	24,517	21,491	14.1
On-Time departure performance within 15 minutes (%)	82.8%	85.0%	(2.2) p.p.	81.6%	78.7%	2.9 p.p.
Total liters of fuel ('000)	424,721	397,067	7.0	1,641,892	1,479,457	11.0
Yield (USD cents)**	9.9	9.1	8.4	9.1	8.0	14.6
Total revenue / ASK (USD cents)	10.0	9.0	10.3	9.3	8.0	16.2
Passenger revenue / ASK (USD cents)	8.2	7.4	10.7	7.6	6.4	18.5
Total cost / ASK (USD cents)	8.4	8.2	2.1	7.8	7.8	0
Total cost excluding fuel / ASK (USD cents)	5.9	5.4	9.3	5.4	4.9	10.1

Figures may not sum to total due to rounding.

* This metric is not defined under IFRS but has been included for reference given its relevance to the Company's performance. EBITDA is defined as profit or loss for the period before income tax expense (benefit), depreciation and amortization, net finance cost and impairment (reversal), and EBITDAR is defined as EBITDA before aircraft leasing expense, in light of the non-recurring nature of this item.

** Estimated as passenger revenues (excluding ancillaries) divided by RPKs of itinerary flights.

Market Conditions

- Post pandemic recovery.** During the fourth quarter of 2023, Aeromexico's ASKs increased 6.7% with respect to the fourth quarter of 2022. For the full year, ASKs increased by 11.0% as compared to 2022. Aeromexico's corporate passengers for 2023 were 16.7% above pre-pandemic levels, while leisure passengers were above by 20.4%.
- Exchange rate.** During the fourth quarter, the Mexican peso recorded a 10.8% appreciation year over year, from a \$19.73 pesos per dollar average exchange rate in 4Q22 to an average exchange rate of \$17.61 pesos per dollar in 4Q23. The quarter-end exchange rate was \$16.89 pesos per dollar as compared to \$19.36 pesos per dollar at the end of 4Q22, a 12.7% appreciation. Full year average exchange rate recorded an 11.7% appreciation, from 20.14 pesos per dollar in 2022 to 17.79 pesos per dollar in 2023.
- Fuel price.** During 4Q23, fuel cost per liter in dollars decreased by 11.9%, from an average of 92¢ per liter during 4Q22 to an average of 81¢ per liter during 4Q23. For the full year, fuel cost per liter in dollars decreased by 16.6%, from an average of \$1.0 per liter in 2022 to 80¢ per liter in 2023.
- Inflation.** Annual inflation as of December 2023 was 4.7%, a 3.2 pp decrease when compared to 2022 ¹.
- Economic activity.** The Mexican economy continued to show signs of recovery during the second half of 2023. On a year over year basis, the Global Economic Activity Indicator grew 2.1% in December 2023, with respect to the same month of the previous year.

¹ Source: Banxico

4Q 2023 Revenue

Fourth quarter total revenue increased by 17.7% as compared to the same period of 2022, reaching \$1.4 billion. Total revenue per ASK (RASK) in dollars was 10.0¢. This is a 10.3% increase as compared to 4Q22.

In 4Q23, total passenger revenue reached \$1.3 billion; a 19.8% year over year increase. Aeromexico transported 6 million 228 thousand passengers during the quarter, a 2.6% increase as compared to 4Q22. Domestic passenger revenue was \$533.8 million and international passenger revenue amounted to \$725.1 million.

During 4Q23, the number of passengers on international routes increased by 8.1% with respect to 4Q22, while domestic passengers remained stable at 4.4 million.

Fourth quarter air cargo revenue totaled \$73.9 million, a 2.0% increase versus the same quarter of 2022.

Full Year 2023 Revenue

Revenue initiatives continued to deliver positive results. Total revenue increased by 29.0%, as compared to 2022, reaching a record full year amount of \$4.9 billion. Domestic revenue increased by 36.0% and international revenue increased by 30.0%, when compared to 2022. RASK in dollars was 9.3¢. This represents a double-digit growth (+16%) as compared to 2022. This record-breaking RASK marks an extraordinary achievement for the Company, showing its capability to continue growing capacity while strengthening unit revenues.

Total passenger revenue reached \$4.5 billion; a 32.4% year over year increase. Aeromexico transported 24 million 517 thousand passengers during the year, a 14.1% increase with respect to 2022. Domestic passenger revenue was \$1.9 billion and international passenger revenue amounted to \$2.6 billion.

Passenger Revenue (USD million)	Three Months Ended December 31			Twelve Months Ended December 31		
	4Q23	4Q22	Var. %	2023	2022	Var. %
Domestic	533.8	422.4	26.4	1,866.9	1,373.0	36.0
International	725.1	628.7	15.3	2,637.3	2,029.4	30.0
Total passenger revenue	1,258.9	1,051.1	19.8	4,504.2	3,402.4	32.4

Total ASKs for the full year 2023 increased by 11.0% as compared to 2022, with international ASKs increasing by 13.0% and domestic ASKs by 7.4%. The 3.9 million International ASK increase boosted capacity and represented 74.9% of total ASK growth during the year. International ASKs accounted for 64.1% of Aeromexico's total ASKs, a 1.1 pp increase when compared to 2022.

For the full year, passengers increased by 10.4% on international routes and 15.4% on domestic routes, respectively.

Air cargo revenue decreased by 7.3%, from \$291.3 million in 2022 to \$269.9 million in 2023, reflecting a softness in cargo fares as fuel prices decreased on global markets.

4Q 2023 Operating Expenses

During 4Q23, total operating expenses including aircraft leases, depreciation and amortization totaled \$1.2 billion. This represents a 9.1% increase as compared to the same period of 2022. This rise was mainly explained by volume increase, global inflationary pressures, and the foreign exchange rate appreciation of 10.8%. Peso denominated expenses, including wages and salaries, as well as airport and passenger services, translated into higher US dollar figures due to the strength of the Mexican Peso.

Fuel expenses amounted to \$342.6 million in 4Q23, a 5.8% decrease as compared to the same quarter of 2022. Fuel cost per liter decreased by 11.9% as compared to 4Q22. Average fuel price in 4Q23 was 81¢ per liter as compared to 92¢ per liter during 4Q22. Fuel consumption increased by 7.0% as compared to 4Q22 while fuel burn per ASK remained stable when compared to the same period of 2022, mainly due to a more efficient fleet mix.

Other operating costs, including selling and administrative expenses, increased by 15.3% as compared to 4Q22. This increase was mainly driven by higher passenger volume and higher passenger revenues, which generated higher sales commissions.

Aircraft rent, depreciation and amortization expenses totaled \$171.3 million in 4Q23, 11.5% higher than the fourth quarter of 2022, mainly due to (i) increased depreciation because of new aircraft being incorporated into the fleet, and (ii) increased amortization driven by increased maintenance performed in line with the maintenance plan.

Cost per ASK (CASK) in dollars, excluding fuel was 5.9¢. This is a 9.3% increase as compared to the same quarter of 2022, primarily driven by the Mexican peso appreciation against the US dollar and the impact of inflation.

Full Year 2023 Operating Expenses

During 2023, total operating expenses including aircraft leases, depreciation and amortization totaled \$4.2 billion. This represents an 11.1% increase as compared to the previous year. This was mainly explained by volume increase, global inflationary pressures, and foreign exchange rate movements. Peso denominated expenses, including wages, salaries, and benefits, among others, translated into higher US dollar figures due to the strength of the Mexican Peso.

Fuel expenses amounted to \$1.3 billion in 4Q23, a 7.4% decrease as compared to 2022. Average fuel price was 19.8% lower than the average price recorded in 2022. Average fuel price in 2023 was 80¢ per liter as compared to \$1.0 per liter during 2022. Fuel consumption increased by 11.0% year over year, while fuel burn per ASK remained stable as compared to 2022.

Other operating costs, including passenger services, selling and administrative expenses increased by 26.3% as compared to 2022. This increase was mainly driven by higher passenger volume, PLM consolidation in 2H23 as compared to equity method in 2H22, higher revenues that drove higher commissions, and the Mexican peso appreciation against the US dollar.

Aircraft rent, depreciation and amortization expenses totaled \$603.6 million in 2023, 1.1% higher than 2022. During 2023, we received five 737 MAX-9 aircraft, adding up to 51 total MAX aircraft in our 146 aircraft fleet.

CASK in dollars, excluding fuel was 5.4¢, a 10.1% increase as compared to 2022, primarily driven by the Mexican peso appreciation against the US dollar and the impact of inflation.

4Q 2023 & Full Year 2023 EBITDAR

Excluding the \$307.7 million gain recognized as a result of the remeasurement to fair value of the Company's interest in PLM during 2022, EBITDAR for the full year 2023 increased by \$523.8 million on a year over year basis, and the EBITDAR margin improved by 5.9 p.p.

EBITDAR in 4Q23 amounted to \$377.0 million, with a 27.4% margin. For the full year, EBITDAR was \$1.3 billion, with a 26.9% margin.

4Q 2023 & Full Year 2023 Operating Income

Fourth quarter 2023 operating income totaled \$204.0 million, with a 14.8% margin. For the full year, operating income was \$715.8 million, with a 14.6% margin. Without the effect of PLM in 2022, full year operating income for 2023 increased by \$512.7 million, and the operating margin improved by 9.3 p.p.

4Q 2023 & Full Year 2023 Net Financing Cost

During 4Q23, net financing cost remained stable at \$104.8 million as compared to the same period of 2022. For the full year, net financing cost decreased by 5.0%, mainly driven by increased cash levels and related interest income, and lower interest expense due to debt repayments over the year.

4Q 2023 & Full Year 2023 Net Income (loss)

Net income in 4Q23 totaled \$94.2 million compared to a \$137.3 million net loss in 4Q22, excluding the effect of PLM. Net income for the full year was \$273.4 million, compared to a \$372.0 million net loss in 2022, excluding PLM's effect. This is a \$645.3 million year over year improvement.

Comments to the Consolidated Statements of Financial Position and Cash Flow

Aeromexico's cash, cash equivalents and financial assets as of December 31, 2023, amounted to \$937.7 million, equivalent to 19.1% of last twelve-month revenues. During 2023, the Company generated \$1.3 billion in net cash from operating activities, which allowed the Company to continue with its investment and deleveraging programs.

Strong cash flow generation has enabled the Company to reduce leverage, reinvest in product improvements and strengthen its financial position. During the fourth quarter, the Company amortized more than \$106.5 million of financial debt, including \$38.9 million of its senior secured notes due 2027 that were repurchased and cancelled, taking advantage of the strategic opportunity given the favorable market conditions. Over the full year, Aeromexico amortized more than \$340.1 million of financial debt, including the repurchase and cancelation of \$100.0 million of the 2027 notes.

On December 13, 2023, the Shareholders of the Company approved to carry out a capital reimbursement, without canceling shares, equivalent to an amount of \$2.0 per share for a total distribution of \$272.8 million.

At the end of 2023, the Company's leverage, measured as adjusted net debt to EBITDAR stood at 1.7x, compared to 3.3x at year-end 2022, both figures include loans, borrowings and leases. Amortization of financial debt since emergence from Chapter 11 in March, 2022, totaled \$585.6 million as of December 31, 2023.

Fleet

Grupo Aeromexico's operating fleet was comprised of 146 aircraft as of December 31, 2023, with an average age of 8.4 years.

Operating Fleet

Fleet	4Q20	4Q21	4Q22	4Q23
B-787	19	18	19	20
B-737-700	5	5	1	0
B-737-800	30	36	36	35
B-737 MAX 8	6	21	33	33
B-737 MAX 9	-	6	13	18
Aeromexico	60	86	102	106
E-190	47	47	42	40
Aeromexico Connect	47	47	42	40
Grupo Aeromexico	107	133	144	146

Grupo Aeroméxico S.A.B. de C.V. and Subsidiaries

Consolidated Statements of Profit or Loss and other Comprehensive Income (Unaudited)

	Three months ended December 31			Twelve months ended December 31		
	(USD Millions)			(USD Millions)		
	<u>2023</u>	<u>2022</u>	<u>Var %</u>	<u>2023</u>	<u>2022</u>	<u>Var %</u>
Revenues:						
Passenger	1,259	1,051	19.8%	4,504	3,402	32.4%
Air cargo	74	73	2.0%	270	291	-7.3%
Other	44	46	-4.1%	142	118	20.1%
Total revenue	1,377	1,169	17.7%	4,916	3,812	29.0%
Operating expenses:						
Jet-fuel	343	364	-5.8%	1,310	1,415	-7.4%
Wages, salaries and benefits	250	202	24.0%	896	638	40.4%
Maintenance	85	85	-0.2%	232	203	14.6%
Aircraft, communication and traffic services	142	121	17.4%	532	446	19.3%
Passenger services	31	23	34.6%	114	86	32.6%
Travel agent commissions	33	21	54.7%	112	73	53.2%
Selling and administrative	100	91	10.4%	358	287	24.4%
Aircraft leasing	5	26	-80%	24	143	-83.4%
Depreciation and amortization	166	127	30.4%	580	454	27.8%
Impairment (reversal)	2	0	NA	3	(1)	NA
Restructuring income, net	-	-	-	-	(114)	NA
Other (income) loss, net	17	8	104.2%	36	1	2538.7%
Share of gain on equity accounted investees, net of tax	(1)	(320)	NA	3	(330)	NA
Total operating expenses	1,173	749	56.6%	4,200	3,301	27.2%
Total operating income (loss)	204	421	-51.5%	716	511	40.1%
Finance income (cost):						
Net finance Cost	(105)	(105)	0.0%	(428)	(451)	-5.0%
Income (loss) before income tax	99	316	-68.6%			NA
Income tax	5	145	-96.6%	14	124	NA
Net Income (loss) for the year	94	170	NA	273	(64)	NA

The Company has used the US dollar as the presentation currency for these consolidated financial statements, which is also its functional currency.

Grupo Aeroméxico S.A.B. de C.V. and Subsidiaries
Consolidated Statements of Financial Position (Unaudited)

	(USD Millions)	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Assets		
Current assets:		
Cash and cash equivalents	938	842
Financial assets	-	-
Derivative financial instruments	0	2
Trade and other receivables	618	391
Due from related parties	1	1
Prepayments and deposits	49	45
Inventories	108	97
Total current assets	1,715	1,377
Non-current assets:		
Property and equipment, including right-of-use	2,788	2,643
Other non-current assets	1,590	1,525
Total non-current assets	4,377	4,169
Total assets	6,092	5,546
Liabilities		
Current liabilities:		
Loans and borrowings, including leases	499	514
Others	2,746	2,089
Total current liabilities	3,245	2,603
Non-current liabilities:		
Loans and borrowings, including leases	2,736	2,937
Others	844	737
Total non-current liabilities	3,580	3,674
Total liabilities	6,825	6,277
Total equity (deficit)	(733)	(731)
Total equity and liabilities	6,092	5,546

The Company has used the US dollar as the presentation currency for these consolidated financial statements, which is also its functional currency.

Grupo Aeroméxico S.A.B. de C.V. and Subsidiaries
Consolidated Statements of Cash Flows (Unaudited)

Twelve months ended December 31

(USD Millions)

	<u>2023</u>	<u>2022</u>	<u>Var \$</u>
Operating cash	1,248	529	719
Working capital	389	-440	830
Cash generated from (required by) operating activities	1,638	89	1,549
Employees' statutory profit sharing and income tax paid	-16	-33	17
Interest paid	-276	-266	(10)
Net cash from (used in) operating activities	1,345	-211	1,556
Net cash used in investing activities	-406	-522	115
Net cash from (used in) financing activities	-910	596	(1,506)
Net increase (decrease) in cash and cash equivalents	29	-137	166
Effect of exchange rate fluctuations on cash held	66	0	66
Cash and cash equivalents:			
At beginning of the period	842	979	(137)
At end of the period	938	842	96

The Company has used the US dollar as the presentation currency for these consolidated financial statements, which is also its functional currency.