

# AEROMEXICO REPORTS 1Q24 RESULTS

- *Passenger Traffic Increased 3.9%*
- *Total Revenue Increased 26.9%*
- *Adjusted EBITDAR Increased 80.0%*

**Mexico City**, May 21, 2024 - Grupo Aeromexico S.A.P.I. de C.V. (“Aeromexico”) today reported unaudited financial results for the three months ended March 31, 2024 (1Q24).

The Company has used the US dollar as the presentation currency for these consolidated financial statements, which is also its functional currency. All figures are expressed in millions of U.S. dollars unless otherwise indicated.

**Andres Conesa, Chief Executive Officer stated** “We are excited to report record profitability levels. Despite the headwinds surrounding the MAX9 groundings in January, we soared to new heights of success, breaking our previous records. These good results are due to the commitment and hard work of our employees and partners, as well as our continued focus on our customers”.

“During the first quarter, we recorded the highest EBIT and Adjusted EBITDAR amounts for a first quarter in Aeromexico’s history. We delivered a \$365 million-dollar EBITDAR and a \$202 million-dollar EBIT”.

## KEY FINANCIAL AND OPERATING HIGHLIGHTS FOR THE FIRST QUARTER 2024

Key Financial KPIs	Three Months Ended March 31		
	1Q24	1Q23	Var. %
Total revenue (USD millions)	1,303	1,027	26.9
Adjusted EBITDAR* (USD millions)	365	203	80.0
Adjusted EBITDAR margin* (% of Revenue)	28.0%	19.7%	8.3 p.p.
Total operating income (loss) (USD millions)	202	69	192.2
Operating Margin (% of Revenue)	15.5%	6.7%	8.8 p.p.
Key Operating Indicators	1Q24	1Q23	Var. %
Total ASKs (millions)	13,675	12,428	10.0
Total ASMs (millions)	8,497	7,722	10.0
Passengers ('000)	5,979	5,756	3.9
Total revenue / ASK (USD cents)	9.5	8.3	15.3
Total revenue / ASM (USD cents)	15.3	13.3	15.3
Total cost / ASK (USD cents)	8.0	7.7	4.2
Total cost / ASM (USD cents)	12.9	12.3	4.2
Total cost excluding fuel / ASK (USD cents)	5.6	4.9	14.3
Total cost excluding fuel / ASM (USD cents)	9.0	7.9	14.3

*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. EBITDAR is defined as earnings before interest, taxes, depreciation, amortization, and rental costs.

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## MACRO CONDITIONS

- **Economic activity.** The Mexican economy continued to show signs of recovery during the beginning of 2024. On a year over year basis, the Global Economic Activity Indicator grew 1.1% in January 2024, with respect to the same month of the previous year.
- **Exchange rate.** During the first quarter, the Mexican peso recorded a 9.3% appreciation year over year, from a \$18.74 pesos per dollar average exchange rate in 1Q23 to an average exchange rate of \$16.99 pesos per dollar in 1Q24. The quarter-end exchange rate was \$16.68 pesos per dollar as compared to \$18.11 pesos per dollar at the end of 1Q23, a 7.9% appreciation.
- **Fuel price.** During 1Q24, fuel cost per liter in dollars decreased by 12.1%, from an average of 89¢ per liter during 1Q23 to an average of 78¢ per liter during 1Q24.
- **Inflation.** Annual inflation as of March 2024 was 4.4%, a 2.4 percentage points (p.p.) decrease when compared to 2023<sup>1</sup>.

## OPERATING & FINANCIAL HIGHLIGHTS

- Aeromexico's capacity, measured in available seat miles (ASMs), increased by 10.0% as compared to 1Q23.
- Aeromexico's 1Q24 total revenue reached \$1.3 billion, a 26.9% increase as compared to the same period of 2023. During the quarter, revenue per ASM (RASM) increased by 15.3% year over year.
- Adjusted EBITDAR reached a historical first quarter record high of \$365.1 million, with a margin of 28.0%. This represents a \$162.3 million increase and an 8.3 p.p. improvement as compared to 1Q23.
- First quarter 2024 EBIT totaled \$202.4 million with a 15.5% margin, both figures also represented a the highest first-quarter performance in Aeromexico's history. EBIT and EBIT margin increased by \$133.1 million and 8.8 p.p., respectively, as compared to 1Q23.
- Cost per ASM (CASM) in dollars, excluding fuel, was 9.0¢. This is a 14.3% increase as compared to the same quarter of 2023, primarily driven by the Mexican peso appreciation against the US dollar, and inflationary pressures.
- During the quarter, the Company amortized \$66.8 million of financial debt. As a result, the total adjusted net debt to EBITDAR ratio improved to 1.5x, compared to 1.7x at year-end 2023. Aeromexico's cash position as of March 31, 2024, amounted to \$955.0 million.

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<sup>1</sup> Source: Banxico

## INCOME STATEMENT DISCUSSION

### 1Q 2024 Revenue

First quarter 2024 **total revenue** was \$1.3 billion, a 26.9% increase as compared to the same period of 2023, primarily driven by capacity growth and higher unit revenue. Total revenue per ASM (RASM) in dollars was 15.3¢, a 15.3% increase as compared to 1Q23.

1Q24 **total ASMs** increased by 10.0% as compared to 2023. International ASMs increased by 21.7% while domestic ASMs decreased by 9.4%. International ASMs accounted for 69.0% of Aeromexico's total ASMs, a 6.6 p.p. increase when compared to 2023.

**Load factor** in 1Q24 was 85.4% as compared to 80.1% in 1Q23, an increase of 5.3 percentage points. This increase was mainly driven by a 17.3% increase in RPMs as well as the grounding of our MAX-9 fleet in January, which resulted in most of the passengers being reallocated to a lower number of flights.

In 1Q24, **total passenger revenue** including ancillaries increased by 27.8%, from \$931.5 million to \$1,190.3 million, reflecting capacity growth. Domestic passenger revenue was \$489.2 million and international passenger revenue amounted to \$701.1 million.

Passenger Revenue (USD million)	Three Months Ended March 31		
	1Q24	1Q23	Var. %
Domestic	489	389	25.7
International	701	542	29.3
<b>Total passenger revenue</b>	<b>1,190</b>	<b>932</b>	<b>27.8</b>

*Figures may not sum to total due to rounding.*

Aeromexico transported 5 million 979 thousand **passengers** in 1Q24, a 3.9% increase as compared to 1Q23. In 1Q24, the number of passengers on international routes increased by 21.5% with respect to 1Q23, while domestic passengers decreased by 3.1% as compared to the same quarter of 2023.

First quarter **air cargo revenue** totaled \$68.6 million, a 5.9% increase versus the same quarter of 2023, primarily driven by capacity growth.

### 1Q 2024 Operating Expenses

During 1Q24, **total operating expenses** including aircraft leases, depreciation and amortization totaled \$1.1 billion. This represents a 14.9% increase as compared to the same period of 2023. The increase was mainly explained by volume increase, global inflationary pressures, and the 9.3% foreign exchange rate appreciation. Peso denominated expenses, including wages and salaries, as well as airport and passenger services in Mexico, translated into higher US dollar figures due to the strength of the Mexican Peso.

**Fuel expenses** amounted to \$323.5 million in 1Q24, a 5.3% decrease as compared to the same quarter of 2023. Fuel cost per liter decreased by 12.2% as compared to 1Q23. Average fuel price in 1Q24 was 78¢ per liter as compared to 89¢ per liter during 1Q23. Fuel consumption increased by 7.9% as compared to 1Q23 while fuel burn per ASM decreased by 2.0% when compared to the same period of 2023, mainly due to a more efficient fleet mix.

**Other operating costs, including selling and administrative expenses**, increased by 21.7% as compared to 1Q23. 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 \$162.6 million in 1Q24, 21.8% higher than the first quarter of 2023, mainly due to (i) increased depreciation because of new aircraft (three 737-MAX over the past 12 months) being incorporated into the fleet, and (ii) increased amortization driven by engine and airframe maintenance performed in line with the maintenance plan.

**Cost per ASM (CASM)** in dollars, excluding fuel, was 9.0¢, a 14.3% increase as compared to 1Q23. This was primarily the result of higher labor costs driven by the Mexican peso appreciation against the US dollar, inflationary pressures, and changes in Mexican labor laws. Additionally, CASM was impacted by higher commissions driven by increased passenger revenue, growth of international operations, and higher depreciation and amortization costs.

### 1Q 2024 Operating Income (EBIT) and Adjusted EBITDAR

First quarter **operating income** totaled \$202.4 million with a 15.5% margin, setting a historic record high for a first quarter. This represented a \$133.1 million improvement as compared to 1Q23, and an 8.8 p.p. operating margin improvement.

**Adjusted EBITDAR** for the first quarter amounted to \$365.1 million, a \$162.3 million increase on a year over year basis. EBITDAR margin improved by 8.3 p.p. as compared to 1Q23, reaching 28.0%; the highest EBITDAR margin recorded in a first quarter.

Adjusted EBITDAR Reconciliation	Three Months Ended March 31		
	1Q24	1Q23	Var. %
Profit (loss) for the period	104	(28)	NA
(+) Income tax expense (benefit)	6	(1)	NA
(+) Depreciation and amortization <sup>(1)</sup>	157	127	22.9
(+) Net finance cost	93	98	(5.8)
(+) Impairment (reversal)	-	-	-
(+) Aircraft leasing <sup>(2)</sup>	6	6	0
<b>Adjusted EBITDAR <sup>(3)</sup></b>	<b>365</b>	<b>203</b>	<b>80.0</b>

Figures may not sum to total due to rounding.

- (1) Depreciation and amortization expense as presented in our profit or loss.  
(2) Aircraft leasing is comprised of short-term rentals of flight equipment, including subject to PBH period.  
(3) We define Adjusted EBITDAR as Adjusted EBITDA plus aircraft leasing expense. We consider Adjusted EBITDAR to be solely a valuation metric, not a performance metric. Adjusted EBITDAR has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under IFRS. Because the adjustments to Adjusted EBITDAR are not determined in accordance with IFRS, this measure may be calculated differently by other companies. As a result, Adjusted EBITDAR as presented may not be directly comparable to similarly named measures presented by other companies.

### 1Q 2024 Net Financing Cost

During 1Q24, **net financing cost** decreased by 5.8% as compared to the same period of 2023, mainly driven by higher interest income related to increased cash levels, and lower interest expenses due to debt repayments and the repurchase and cancellation of senior secured notes in 2023.

## 1Q 2024 Net Income (Loss)

**Net income** in 1Q24 totaled \$104.2 million, compared to a \$27.8 million net loss in 1Q23. This is a \$132.1 million year over year improvement.

## Balance Sheet and Cash Flow

Aeromexico's **cash, cash equivalents and financial assets** as of March 31, 2024, amounted to \$955.0 million, equivalent to 18.4% of last twelve-month revenues. During 1Q24, the Company generated \$276.8 million 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 first quarter, the Company amortized more than \$66.8 million of financial debt.

At the end of 1Q24, the Company's leverage, measured as **adjusted net debt to EBITDAR** stood at 1.5x, compared to 1.7x at year-end 2023, both figures include loans, borrowings, and leases in accordance with IFRS 16. Amortization of financial debt since emergence from Chapter 11 in March 2022, totaled \$659.5 million as of March 31, 2024.

## FLEET

During 1Q24, Grupo Aeromexico received 2 Boeing 737-MAX aircraft.

Aeromexico's operating fleet was comprised of 144 aircraft as of March 31, 2024, with an average age of 8.3 years.

### OPERATING FLEET

Fleet	4Q21	4Q22	4Q23	1Q24
B-737-700	5	1	0	0
B-737-800	36	36	35	34
B-737 MAX 8	21	33	33	34
B-737 MAX 9	6	13	18	19
B-787	18	19	20	20
<b>Aeromexico</b>	<b>86</b>	<b>102</b>	<b>106</b>	<b>107</b>
E-190	47	42	40	37
<b>Aeromexico Connect</b>	<b>47</b>	<b>42</b>	<b>40</b>	<b>37</b>
<b>Grupo Aeromexico</b>	<b>133</b>	<b>144</b>	<b>146</b>	<b>144</b>

## 1Q24 EARNINGS CALL INFORMATION

**Date:** Wednesday, May 22, 2024

**Time:** 12:00 p.m. ET (NY) / 10:00 a.m. CT (CDMX)

**Dial-In Number:** 1-877-407-9208 / 1-201-493-6784 / From Mexico: 01 800 522 0034

**Webcast Link:** [https://viaavid.webcasts.com/starthere.jsp?ei=1669458&tp\\_key=816071656c](https://viaavid.webcasts.com/starthere.jsp?ei=1669458&tp_key=816071656c)

**Call me:** <https://callme.viaavid.com/viaavid/?callme=true&passcode=13737909&h=true&info=company&r=true&B=6>

### **About Grupo Aeromexico**

*Grupo Aeromexico, S.A.B. de C.V. is a holding company whose subsidiaries are engaged in commercial aviation in Mexico and the promotion of passenger loyalty programs. Aeroméxico, Mexico's global airline, has its main operations center in Terminal 2 of the Mexico City International Airport. Its destination network has reach in Mexico, the United States, Canada, Central America, South America, Asia and Europe. The*

*Group's current operating fleet includes Boeing 787 and 737 aircraft, as well as the latest generation Embraer 190. Aeroméxico is a founding partner of SkyTeam, an alliance that celebrates 20 years and offers connectivity in more than 170 countries, through the 19 partner airlines. Aeroméxico created and implemented a Health and Hygiene Management System (SGSH) to protect its clients and collaborators at all stages of its operation.*

[www.aeromexico.com](http://www.aeromexico.com)

[www.skyteam.com](http://www.skyteam.com)

**Grupo Aeroméxico, S.A.P.I. de C.V. and Subsidiaries**  
**Consolidated Statements of Profit or Loss and other Comprehensive Income**  
**(Unaudited)**

Three months ended March 31

(USD Millions)

	<u>2024</u>	<u>2023</u>	<u>Var %</u>
<b>Revenues:</b>			
Passenger	1,190	932	27.8%
Air cargo	69	65	5.9%
Other	44	31	43.3%
<b>Total revenue</b>	<b>1,303</b>	<b>1,027</b>	<b>26.9%</b>
<b>Operating expenses:</b>			
Jet-fuel	324	342	-5.3%
Wages, salaries and benefits	259	187	38.4%
Maintenance	55	50	9.0%
Aircraft, communication and traffic services	136	117	15.8%
Passenger services	33	25	33.5%
Travel agent commissions	29	20	44.4%
Selling and administrative	94	78	20.8%
Aircraft leasing	6	6	-0.4%
Depreciation and amortization	157	127	22.9%
Impairment (reversal)	-	-	NA
Restructuring income, net	9	5	58.7%
Other (income) loss, net	0	-	NA
Share of gain on equity accounted investees, net of tax	-	-	NA
<b>Total operating expenses</b>	<b>1,101</b>	<b>958</b>	<b>14.9%</b>
<b>Total operating income (loss)</b>	<b>202</b>	<b>69</b>	<b>192.2%</b>
<b>Finance income (cost):</b>			
Net finance Cost	(93)	(98)	-5.8%
<b>Income (loss) before income tax</b>	<b>110</b>	<b>(29)</b>	<b>NA</b>
Income tax	6	(1)	NA
<b>Net Income (loss) for the period</b>	<b>104</b>	<b>(28)</b>	<b>NA</b>

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.P.I. de C.V. and Subsidiaries**  
**Consolidated Statements of Financial Position (Unaudited)**

	(USD Millions)	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	955	938
Financial assets	-	-
Derivative financial instruments	0	0
Trade and other receivables	694	618
Due from related parties	1	1
Prepayments and deposits	59	49
Inventories	117	108
<b>Total current assets</b>	<b>1,826</b>	<b>1,715</b>
<b>Non-current assets:</b>		
Property and equipment, including right-of-use	2,793	2,788
Other non-current assets	1,601	1,590
<b>Total non-current assets</b>	<b>4,394</b>	<b>4,377</b>
<b>Total assets</b>	<b>6,220</b>	<b>6,092</b>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Loans and borrowings, including leases	484	523
Others	2,826	2,746
<b>Total current liabilities</b>	<b>3,310</b>	<b>3,269</b>
<b>Non-current liabilities:</b>		
Loans and borrowings, including leases	2,659	2,711
Others	863	844
<b>Total non-current liabilities</b>	<b>3,522</b>	<b>3,555</b>
<b>Total liabilities</b>	<b>6,832</b>	<b>6,825</b>
<b>Total equity (deficit)</b>	<b>(612)</b>	<b>(733)</b>
<b>Total equity and liabilities</b>	<b>6,220</b>	<b>6,092</b>

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.P.I. de C.V. and Subsidiaries**  
**Consolidated Statements of Cash Flows (Unaudited)**

Three months ended March 31

(USD Millions)

	<u>2024</u>	<u>2023</u>	<u>Var \$</u>
<b>Operating cash</b>	<b>382</b>	<b>200</b>	<b>183</b>
Working capital	-40	26	(65)
<b>Cash generated from (required by) operating activities</b>	<b>343</b>	<b>226</b>	<b>117</b>
Employees' statutory profit sharing and income tax paid	-1	-13	12
Interest paid	-65	-68	3
<b>Net cash from (used in) operating activities</b>	<b>277</b>	<b>145</b>	<b>132</b>
<b>Net cash used in investing activities</b>	<b>-113</b>	<b>-87</b>	<b>(25)</b>
<b>Net cash from (used in) financing activities</b>	<b>-140</b>	<b>-126</b>	<b>(14)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>17</b>	<b>-47</b>	<b>64</b>
Effect of exchange rate fluctuations on cash held	-7	21	(28)
Cash and cash equivalents:			
At beginning of the period	938	842	96
At end of the period	955	795	160

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## FINANCIAL AND OPERATIONAL INDICATORS

Financial KPIs	Three Months Ended March 31		
	1Q24	1Q23	Var. %
Total revenue	1,303	1,027	26.9
EBITDAR*	365	203	80.0
EBITDAR margin* (% of Revenue)	28.0%	19.7%	8.3 p.p.
Total operating income (loss)	202	69	192.2
Operating Margin (% of Revenue)	15.5%	6.7%	8.8 p.p.
Net Income (loss)	104	(28)	NA
Net Income (loss) Margin (% of Revenue)	8.0%	(2.7%)	10.7 p.p.
Operating Indicators	1Q24	1Q23	Var. %
Total ASKs (millions)	13,675	12,428	10.0
Total ASMs (millions)	8,497	7,722	10.0
Total RPKs (millions)	11,676	9,951	17.3
Total RPMs (millions)	7,255	6,183	17.3
Load factor on scheduled flights (%)	85.4%	80.1%	5.3 p.p.
Passengers ('000)	5,979	5,756	3.9
On-Time departure performance within 15 minutes (%)	86.4%	81.4%	5.0 p.p.
Total liters of fuel ('000)	415,823	385,515	7.9
Yield (USD cents)**	9.3	8.5	8.8
Total revenue / ASK (USD cents)	9.5	8.3	15.3
Total revenue / ASM (USD cents)	15.3	13.3	15.3
Passenger revenue / ASK (USD cents)	7.8	6.8	15.9
Passenger revenue / ASM (USD cents)	12.6	10.9	15.9
Total cost / ASK (USD cents)	8.0	7.7	4.2
Total cost / ASM (USD cents)	12.9	12.3	4.2
Total cost excluding fuel / ASK (USD cents)	5.6	4.9	14.3
Total cost excluding fuel / ASM (USD cents)	9.0	7.9	14.3

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.