



## AEROMEXICO REPORTS 2Q23 RESULTS

Mexico City, Mexico, August 21, 2023 - Grupo Aeromexico S.A.P.I. de C.V. ("Aeromexico") today reported financial results for the second quarter 2023.

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 US dollars unless otherwise indicated.

### KEY FINANCIAL HIGHLIGHTS FOR THE SECOND QUARTER 2023

- Aeromexico's capacity, measured in available seat kilometers (ASKs), increased by 5.7% year over year, primarily driven by the sequential recovery in domestic and international markets.
- Aeromexico's 2Q23 revenue reached \$1.1 billion, a 20.1% increase as compared to the same period of 2022. During the quarter, revenue per ASK (RASK) increased by 13.7% year over year.
- EBITDAR amounted to \$339.8 million, the highest amount ever recorded for any quarter in the Company's history. EBITDAR margin was 29.6% margin, the highest level for any second quarter on record.
- Second quarter 2023 EBIT totaled \$190.2 million, also the highest amount ever for any quarter. EBIT margin reached 16.5%, the highest level registered for a second quarter in the Company's history.
- Cost per ASK (CASK) in dollars, excluding fuel, was 5.2¢. This is a 15.0% increase as compared to the same quarter of 2022, mainly because of the appreciation of the peso against the US dollar and the consolidation of PLM, which last year was accounted under the equity method.
- During the quarter, the Company amortized more than \$51.0 million in financial debt. Aeromexico's cash position as of June 30, 2022, amounted to \$1.0 billion, equivalent to 23.2% of the last twelve months revenue.



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## 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 June 30			Six Months Ended June 30		
	2Q23	2Q22	Var. %	2023	2022	Var. %
Total revenue	1,149.7	957.0	20.1	2,176.8	1,586.1	37.2
EBITDAR*	339.8	166.4	104.1	542.5	290.3	86.9
EBITDAR margin* (% of Revenue)	29.6	17.4	12.2 p.p.	24.9	18.3	6.6 p.p.
Total operating income (loss)	190.2	51.8	267.5	259.5	(7.5)	NA
Operating Margin (% of Revenue)	16.5	5.4	11.1 p.p.	11.9	(0.5)	NA
Net Income (loss)	28.5	(58.9)	NA	0.6	(217.1)	NA
Net Income (loss) Margin (% of Revenue)	2.5	(6.2)	NA	-	(13.7)	NA
Key Operating Indicators	2Q23	2Q22	Var. %	2023	2022	Var. %
Total ASKs (millions)	12,845	12,155	5.7	25,272	22,109	14.3
Total RPKs (millions)	10,839	10,036	8.0	20,790	17,505	18.8
Load factor on scheduled flights (%)	84.4	83.0	1.4 p.p.	82.3	79.7	2.6 p.p.
Passengers ('000)	6,043	5,551	8.9	11,799	9,692	21.7
On-Time departure performance within 15 minutes (%)	80.2	68.5	11.7 p.p.	80.7	72.9	7.8 p.p.
Total liters of fuel ('000)	400,650	376,713	6.4	786,165	687,204	14.4
Yield (USD cents)**	8.8	7.7	14.6	8.7	7.4	17.4
Total revenue / ASK (USD cents)	9.0	7.9	13.7	8.6	7.2	20.1
Passenger revenue / ASK (USD cents)	7.3	6.3	17.0	7.1	5.8	21.9
Total cost / ASK (USD cents)	7.4	8.0	(7.4)	7.5	7.8	(3.2)
Total cost excluding fuel / ASK (USD cents)	5.2	4.6	15.0	5.1	4.8	6.0

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.

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

## Market Conditions

- Post pandemic recovery.** Both domestic and international markets continued to grow. During the second quarter of 2023, Aeromexico ASKs increased 5.7% with respect to the second quarter of 2022. Aeromexico's corporate passengers were 15.0% above pre-pandemic levels, while leisure passengers were 11.0% above 2019.
- Exchange rate.** During the second quarter the Mexican peso recorded an 11.5% appreciation year over year from a \$20.04 pesos per dollar average exchange rate in 2Q22 to \$17.74 pesos per dollar in 2Q23. The quarter-end exchange rate was \$17.07 pesos per dollar as compared to \$20.13 pesos per dollar at the end of 2Q22, a 15.2% appreciation.



- **Fuel price.** During 2Q23, fuel cost per liter in dollars decreased by 37.5%, from an average of \$1.11 per liter during 2Q22 to an average of 69¢ per liter during 2Q23.
- **Inflation.** Annual inflation as of June 2023 was 5.1%, a 2.9 percentage point (pp) decrease when compared to 2022.
- **Economic activity.** The Mexican economy continued to show signs of recovery during the first half of 2023. On a year over year basis, the Global Economic Activity Indicator grew 3.6% in May 2023, as compared to the same month of the previous year.

## 2Q 2023 Revenue

Revenue initiatives continued to deliver positive results. Total revenue increased by 20.1%, as compared to the same period of 2022, reaching \$1.1 billion. Passenger revenue increased by 22.1%, with domestic revenue increasing by 21.5% and international revenue growing 25.3%.

Total ASKs in 2Q23 increased by 5.7% as compared to the same period of 2022, with international ASKs increasing by 5.5% and domestic ASKs by 6.1%. International ASKs accounted for 63.2% of Aeromexico's total ASKs, a 0.1 pp decrease when compared to 2Q22.

In 2Q23, total passenger revenue reached \$1.1 billion; a 22.1% year over year increase. Aeromexico transported 6 million 43 thousand passengers during the quarter, an 8.9% increase as compared to 2Q22. Domestic passenger revenue recorded \$402.5 million and international passenger revenue amounted to \$540.0 million.

During 2Q23, the number of passengers on international routes decreased by 0.5%, while domestic passengers increased by 12.9%.

Second quarter air cargo revenue totaled \$65.5 million, a 16.3% decrease versus the same quarter of 2022, mainly reflecting lower cargo fares as fuel prices eased on international markets.

## 2Q 2023 Operating Expenses

During 2Q23, total operating expenses including aircraft leases, depreciation and amortization totaled \$959.6 million, a 6.0% increase as compared to the same period of 2022. This rise was mainly explained by volume increase 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 \$277.2 million in 2Q23, a 33.5% decrease as compared to the same quarter of 2022. The latter was mainly driven by the decrease in fuel price, which was 37.5% lower than the price recorded in 2Q22. Average fuel price in 2Q23 was 69¢ per liter as compared to \$1.11 per liter during 2Q22. The decrease in fuel prices was partially offset by a 6.4% increase in fuel consumption recorded during the quarter. Fuel burn per ASK increased by 0.6% as compared to 2Q22, mainly due to warmer temperature conditions and higher load factors.

Other operating costs including passenger services, travel agent commissions and selling and administrative expenses in 2Q23 increased by 29.0% as compared to 2Q22. This increase was mainly driven by higher passenger volume, PLM consolidation in 2Q23 as compared to equity method in 2Q22, and the Mexican peso appreciation against the US dollar.



Aircraft rent, depreciation and amortization expenses totaled \$147.8 million in 2Q23, 2.4% higher than the second quarter of 2022, mainly due to increased depreciation and amortizations related to our fleet growth.

## 2Q 2023 EBITDAR

EBITDAR amounted to \$339.8 million, the highest amount ever recorded for any quarter in the Company's history. EBITDAR margin was 29.6% margin, the highest level for any second quarter on record.

## 2Q 2023 Operating Income

Second quarter 2023 operating income totaled \$190.2 million, also the highest amount ever for any quarter. Operating margin reached 16.5%, the highest level registered for a second quarter in the Company's history.

## 2Q 2023 Net Financing Cost

During 2Q23, net financing cost increased by 37.4%, from \$116.8 to \$160.5 million, as compared to the same period of last year. This increase was mainly driven by the Mexican peso appreciation against the US dollar, which generated a foreign exchange loss given that our monetary liabilities' base in currencies different from our functional currency is larger than our assets' base in that functional currency.

## 2Q 2023 Net Income (loss)

Net income totaled \$28.5 million in 2Q23, as compared to a \$58.9 million net loss recorded in 2Q22. This is an \$87.3 million year over year improvement.

## Comments to the Consolidated Statements of Financial Position and Cash Flow

Aeromexico's cash position as of June 30, 2023, amounted to \$1.0 billion, equivalent to 23% of last twelve-month revenues. In the first half of the year, the Company generated \$544.4 million in net cash from operating activities, which allowed the Company to continue with its investment and deleveraging programs.

At the end of the second quarter, the Company's leverage, measured as adjusted net debt to EBITDAR stood at 2.4 times, compared to 3.3 times at the end of 2022, both figures computed under IFRS 16. Amortization of financial debt during the second quarter of the year totaled \$51.2 million, adding up to \$102.5 million in the first half of the year.

## Fleet

During 2Q23, Grupo Aeromexico received 1 Boeing 737-MAX aircraft.

Grupo Aeromexico's operating fleet was comprised of 148 aircraft as of June 30, 2023, with an average age of 8.0 years.



## Operating Fleet

Fleet	4Q20	4Q21	4Q22	2Q23
<b>B-787</b>	19	18	19	20
<b>B-737-700</b>	5	5	1	0
<b>B-737-800</b>	30	36	36	35
<b>B-737 MAX 8</b>	6	21	33	33
<b>B-737 MAX 9</b>	-	6	13	18
<b>Aeromexico</b>	<b>60</b>	<b>86</b>	<b>102</b>	<b>106</b>
<b>E-190</b>	47	47	42	42
<b>Aeromexico Connect</b>	<b>47</b>	<b>47</b>	<b>42</b>	<b>42</b>
<b>Grupo Aeromexico</b>	<b>107</b>	<b>133</b>	<b>144</b>	<b>148</b>



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

## Consolidated Statements of Profit or Loss and other Comprehensive Income

	Three months ended June 30			Six months ended June 30		
	(USD Millions)			(USD Millions)		
	<u>2023</u>	<u>2022</u>	<u>Var %</u>	<u>2023</u>	<u>2022</u>	<u>Var %</u>
<b>Revenues:</b>						
Passenger	1,056	864	22.1%	1,987	1,416	40.3%
Air cargo	66	78	-16.3%	130	149	-12.3%
Other	29	14	100.0%	59	21	183.0%
<b>Total revenue</b>	<b>1,150</b>	<b>957</b>	<b>20.1%</b>	<b>2,177</b>	<b>1,586</b>	<b>37.2%</b>
<b>Operating expenses:</b>						
Jet-fuel	277	417	-33.5%	619	661	-6.4%
Wages, salaries and benefits	210	150	40.8%	397	283	40.5%
Maintenance	49	39	26.3%	100	79	26.6%
Aircraft, communication and traffic services	129	115	12.0%	246	207	19.0%
Passenger services	26	22	19.2%	50	39	29.7%
Travel agent commissions	26	19	39.0%	46	32	44.5%
Selling and administrative	86	66	29.4%	164	124	32.4%
Aircraft leasing	7	44	-85%	13	86	-85.0%
Depreciation and amortization	141	100	40.5%	269	212	26.8%
Impairment (reversal)	2	(30)	NA	2	1	190.7%
Restructuring expenses	-	(24)	NA	-	(114)	NA
Other (income) loss, net	7	(6)	NA	12	(5)	NA
Share of gain on equity accounted investees, net of tax	-	(6)	NA	-	(9)	NA
<b>Total operating expenses</b>	<b>960</b>	<b>905</b>	<b>6.0%</b>	<b>1,917</b>	<b>1,594</b>	<b>20.3%</b>
<b>Total operating income (loss)</b>	<b>190</b>	<b>52</b>	<b>267.5%</b>	<b>259</b>	<b>(7)</b>	<b>NA</b>
<b>Finance income (cost):</b>						
Net finance Cost	(161)	(117)	37.4%	(259)	(237)	9.2%
<b>Income (loss) before income tax</b>	<b>30</b>	<b>(65)</b>	<b>NA</b>	<b>1</b>	<b>(244)</b>	<b>NA</b>
Income tax	1	(6)	NA	0	(27)	NA
<b>Net Income (loss) for the year</b>	<b>28</b>	<b>(59)</b>	<b>NA</b>	<b>1</b>	<b>(217)</b>	<b>NA</b>

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

	(USD Millions)	
	<u>June 30, 2023</u>	<u>Dec 31, 2022</u>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	1,023	842
Derivative financial instruments	1	2
Trade and other receivables	517	391
Due from related parties	1	1
Prepayments and deposits	67	45
Inventories	110	97
<b>Total current assets</b>	<b>1,719</b>	<b>1,377</b>
<b>Non-current assets:</b>		
Property and equipment, including right-of-use	2,805	2,643
Other non-current assets	1,592	1,525
<b>Total non-current assets</b>	<b>4,397</b>	<b>4,169</b>
<b>Total assets</b>	<b>6,116</b>	<b>5,546</b>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Loans and borrowings, including leases	562	514
Others	2,511	2,089
<b>Total current liabilities</b>	<b>3,073</b>	<b>2,603</b>
<b>Non-current liabilities:</b>		
Loans and borrowings, including leases	2,941	2,937
Others	832	737
<b>Total non-current liabilities</b>	<b>3,773</b>	<b>3,674</b>
<b>Total liabilities</b>	<b>6,846</b>	<b>6,277</b>
<b>Total equity (deficit)</b>	<b>(730)</b>	<b>(731)</b>
<b>Total equity and liabilities</b>	<b>6,116</b>	<b>5,546</b>

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

Six months ended June 30

(USD Millions)

	<u>2023</u>	<u>2022</u>	<u>Var \$</u>
<b>Operating cash</b>	<b>424</b>	<b>15</b>	<b>410</b>
Working capital	273	-377	650
<b>Cash generated from operating activities</b>	<b>698</b>	<b>-363</b>	<b>1,060</b>
Employees' statutory profit sharing and income tax paid	-14	-2	(12)
Interest paid	-139	-127	(12)
<b>Net cash (used in) from operating activities</b>	<b>544</b>	<b>-492</b>	<b>1,036</b>
<b>Net cash used in investing activities</b>	<b>-180</b>	<b>-483</b>	<b>303</b>
<b>Net cash from financing activities</b>	<b>-252</b>	<b>877</b>	<b>(1,129)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>180</b>	<b>-96</b>	<b>276</b>
Cash and cash equivalents:			
At beginning of year	842	979	(137)
At end of year	1,023	883	139

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