



## AEROMEXICO REPORTS 3Q23 RESULTS

Mexico City, Mexico, November 21, 2023 - Grupo Aeromexico S.A.P.I. de C.V. ("Aeromexico") today reported financial results for the third quarter and nine months ended September 30, 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 millions of US dollars unless otherwise indicated.

### KEY FINANCIAL HIGHLIGHTS FOR THE THIRD QUARTER 2023

- Aeromexico's 3Q23 revenue reached \$1.4 billion, a 29.0% increase as compared to the same period of 2022. During the quarter, revenue per ASK (RASK) increased by 17.8% year over year.
- EBITDAR amounted to \$403.3 million, the highest quarterly amount ever recorded in the Company's history. EBITDAR margin was 29.6%, a 6.7 percentage points (pp) increase as compared to 3Q22.
- Third quarter 2023 EBIT totaled \$252.4 million, also a historic highest for Aeromexico. EBIT margin was 18.5%, a 9.3 pp increase with respect to 3Q22.
- Aeromexico's capacity, measured in available seat kilometers (ASKs), increased by 9.5% year over year, primarily driven by the sequential recovery in domestic and international markets.
- Cost per ASK (CASK) in dollars, excluding fuel, was 5.4¢. This is a 19.5% 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 \$66.1 million of financial debt and repurchased \$61.1 million of its senior secured notes due 2027. As a result, the total adjusted net debt to EBITDAR ratio improved to 1.9x, 1.4x below the 3.3x level recorded at the end of last year. Aeromexico's cash position as of September 30, 2023, amounted to \$944.4 million.



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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 September 30			Nine Months Ended September 30		
	3Q23	3Q22	Var. %	2023	2022	Var. %
Total revenue	1,363	1,057	29.0	3,540	2,643	33.9
EBITDAR*	403	242	66.5	946	533	77.6
EBITDAR margin* (% of Revenue)	29.6%	22.9%	6.7 p.p.	26.7%	20.2%	6.5 p.p.
Total operating income (loss)	252	98	158.0	512	90	466.7
Operating Margin (% of Revenue)	18.5%	9.3%	9.3 p.p.	14.5%	3.4%	11.1 p.p.
Net Income (loss)	179	(17)	NA	179	(235)	NA
Net Income (loss) Margin (% of Revenue)	13.1%	(1.7)%	NA	5.1%	(8.9)%	NA
Key Operating Indicators	3Q23	3Q22	Var. %	2023	2022	Var. %
Total ASKs (millions)	13,915	12,711	9.5	39,187	34,820	12.5
Total Itinerary RPKs (millions)	12,148	10,635	14.2	32,745	27,990	17.0
Load factor on scheduled flights (%)	88.0	84.5	3.5 p.p.	84.3	81.4	2.9 p.p.
Passengers ('000)	6,667	5,835	14.3	18,466	15,587	18.5
On-Time departure performance within 15 minutes (%)	83.6%	83.9%	(0.3) p.p.	81.7%	76.5%	5.2 p.p.
Total liters of fuel ('000)	431,006	395,186	9.1	1,217,171	1,082,390	12.5
Yield (USD cents)**	9.3	7.9	18.1	8.9	7.6	17.6
Total revenue / ASK (USD cents)	9.8	8.3	17.8	9.0	7.6	19.0
Passenger revenue / ASK (USD cents)	8.1	6.6	23.2	7.4	6.1	22.3
Total cost / ASK (USD cents)	7.9	7.6	4.2	7.7	7.7	(0.6)
Total cost excluding fuel / ASK (USD cents)	5.4	4.5	19.5	5.2	4.7	10.7

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 third quarter of 2023, Aeromexico ASKs increased 9.5% with respect to the third quarter of 2022. Aeromexico's corporate passengers were 24.4% above pre-pandemic levels, while leisure passengers were 24.8% above 2019.
- **Exchange rate.** During the third quarter, the Mexican peso recorded a 15.7% appreciation year over year from a \$20.26 pesos per dollar average exchange rate in 3Q22 to \$17.08 pesos per dollar in 3Q23. The quarter-end exchange rate was \$17.62 pesos per dollar as compared to \$20.31 pesos per dollar at the end of 3Q22, a 13.2% appreciation.



- **Fuel price.** During 3Q23, fuel cost per liter in dollars decreased by 18.1%, from an average of 99¢ per liter during 3Q22 to an average of 81¢ per liter during 3Q23.
- **Inflation.** Annual inflation as of September 2023 was 4.5%, a 4.2 pp decrease when compared to 2022 <sup>1</sup>.
- **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 3.5% in August 2023, as compared to the same month of the previous year.

### 3Q 2023 Revenue

Revenue initiatives continued to deliver positive results. Total revenue increased by 29.0%, as compared to the same period of 2022, reaching \$1.4 billion. Domestic revenue increased by 37.2% and international revenue increased by 23.9%, respectively, when compared to 3Q22.

In 3Q23, total passenger revenue reached \$1.3 billion; a 34.6% year over year increase. Aeromexico transported 6 million 667 thousand passengers during the quarter, a 14.3% increase as compared to 3Q22. Domestic passenger revenue recorded \$504.1 million and international passenger revenue amounted to \$754.1 million.

Passenger Revenue (USD million)	Three Months Ended September 30			Nine Months Ended September 30		
	3Q23	3Q22	Var. %	2023	2022	Var. %
Domestic	504.1	365.8	37.8	1,333.1	950.6	40.2
International	754.1	569.0	32.5	1,912.1	1,400.7	36.5
<b>Total passenger revenue</b>	<b>1,258.2</b>	<b>934.9</b>	<b>34.6</b>	<b>3,245.3</b>	<b>2,351.3</b>	<b>38.0</b>

Total ASKs in 3Q23 increased by 9.5% as compared to the same period of 2022, with international ASKs increasing by 13.6% and domestic ASKs by 2.6%. The 1.2 million International ASK increase boosted capacity and represented 90% of total ASK growth during the quarter. International ASKs accounted for 64.9% of Aeromexico's total ASKs, a 2.4 pp increase when compared to 3Q22.

During 3Q23, the number of passengers on international routes increased by 9.8%, from 1.8 million in 2022 to 1.9 million in 2023, while domestic passengers increased by 14.5% from 4.1 million in 2022 to 4.7 million in 2023.

Third quarter air cargo revenue totaled \$65.7 million, a 6.4% decrease versus the same quarter of 2022, reflecting a softness in cargo fares as fuel prices experienced a downturn on global markets as compared to 3Q22.

### 3Q 2023 Operating Expenses

During 3Q23, total operating expenses including aircraft leases, depreciation and amortization totaled \$1.1 billion, a 15.8% 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,



<sup>1</sup> Source: Banxico

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 \$348.9 million in 3Q23, a 10.5% decrease as compared to the same quarter of 2022. The latter was mainly driven by the decrease in fuel price, which was 18.0% lower than the price recorded in 3Q22. Average fuel price in 3Q23 was 81¢ per liter as compared to 99¢ per liter during 3Q22. The decrease in fuel prices was partially offset by a 9.1% increase in fuel consumption recorded during the quarter. Fuel burn per ASK decreased by 0.4% as compared to 3Q22, mainly due to a more efficient fleet mix.

Other operating costs including passenger services, selling and administrative expenses in 3Q23 increased by 30.1% as compared to 3Q22. This increase was mainly driven by higher passenger volume, higher revenues that caused higher commissions and the Mexican peso appreciation against the US dollar.

Aircraft rent, depreciation and amortization expenses totaled \$150.9 million in 3Q23, 3.2% higher than the third quarter of 2022, mainly due to increased depreciation and amortization as a result of new aircraft being incorporated into the fleet.

### 3Q 2023 EBITDAR

EBITDAR amounted to \$403.3 million, the highest quarterly amount ever recorded in the Company's history, with a 29.6% margin.

### 3Q 2023 Operating Income

Third quarter 2023 operating income totaled \$252.4 million, the highest amount recorded in the Company's history, with an 18.5% margin.

### 3Q 2023 Net Financing Cost

During 3Q23, net financing cost decreased by 40.7%, from \$108.7 to \$64.5 million, as compared to the same period of last year. This decrease was mainly driven by increased cash levels and related interest income and net foreign exchange gain.

### 3Q 2023 Net Income (loss)

Net income totaled \$178.6 million in 3Q23, as compared to a \$17.5 million net loss recorded in 3Q22. This is a \$196.1 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 September 30, 2023, amounted to \$956.6 million, equivalent to 20.2% of last twelve-month revenues. In the first nine months of the year, the Company generated \$810.9 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 and strengthen its financial position. During the third quarter, the Company amortized more than \$66.1 million of financial debt and repurchased \$61.1 million of its senior secured notes due 2027, taking

advantage of the strategic opportunity given the favorable market conditions. On October 9, the Company announced an additional bond repurchase for \$38.9 million of the 2027 notes, amounting to a total of \$100.0 million.

At the end of the third quarter 2023, the Company's leverage, measured as adjusted net debt to EBITDAR stood at 1.9 times, compared to 3.3 times at year-end 2022, both figures computed loans and borrowings, including leases. Amortization of financial debt during the third quarter of the year totaled \$127.2 million, reaching \$474.1 million as of September 30, 2023, since emergence of Chapter 11 in March, 2022.

## Fleet

Grupo Aeromexico's operating fleet was comprised of 148 aircraft as of September 30, 2023, with an average age of 8.3 years.

### Operating Fleet

Fleet	4Q20	4Q21	4Q22	3Q23
<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 September 30			Nine months ended September 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	1,258	935	34.6%	3,245	2,351	38.0%
Air cargo	66	70	-6.4%	196	219	-10.4%
Other	39	52	-24.8%	98	73	35.2%
<b>Total revenue</b>	<b>1,363</b>	<b>1,057</b>	<b>29.0%</b>	<b>3,540</b>	<b>2,643</b>	<b>33.9%</b>
<b>Operating expenses:</b>						
Jet-fuel	349	390	-10.5%	968	1,051	-7.9%
Wages, salaries and benefits	248	154	61.8%	646	436	48.0%
Maintenance	47	38	22.7%	147	117	25.3%
Aircraft, communication and traffic services	144	118	22.0%	390	325	20.1%
Passenger services	32	24	35.4%	82	63	31.9%
Travel agent commissions	33	20	65.3%	79	52	52.6%
Selling and administrative	94	73	28.4%	257	196	30.9%
Aircraft leasing	6	32	-82%	18	117	-84.3%
Depreciation and amortization	145	114	26.9%	414	326	26.8%
Impairment (reversal)	-	(2)	NA	2	(1)	NA
Restructuring income, net	-	-	-	-	(114)	NA
Other (income) loss, net	7	(2)	NA	20	(7)	NA
Share of gain on equity accounted investees, net of tax	4	(0)	NA	4	(9)	NA
<b>Total operating expenses</b>	<b>1,110</b>	<b>959</b>	<b>15.8%</b>	<b>3,028</b>	<b>2,552</b>	<b>18.6%</b>
<b>Total operating income (loss)</b>	<b>252</b>	<b>98</b>	<b>158.0%</b>	<b>512</b>	<b>90</b>	<b>NA</b>
<b>Finance income (cost):</b>						
Net finance Cost	(64)	(109)	-40.7%	(323)	(346)	-6.5%
<b>Income (loss) before income tax</b>	<b>188</b>	<b>(11)</b>	<b>NA</b>	<b>189</b>	<b>(255)</b>	<b>NA</b>
Income tax	9	7	42.2%	9	(21)	NA
<b>Net Income (loss) for the year</b>	<b>179</b>	<b>(17)</b>	<b>NA</b>	<b>179</b>	<b>(235)</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>September 30, 2023</u>	<u>Dec 31, 2022</u>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	944	842
Financial assets	12	-
Derivative financial instruments	1	2
Trade and other receivables	584	391
Due from related parties	1	1
Prepayments and deposits	58	45
Inventories	111	97
<b>Total current assets</b>	<b>1,712</b>	<b>1,377</b>
<b>Non-current assets:</b>		
Property and equipment, including right-of-use	2,748	2,643
Other non-current assets	1,563	1,525
<b>Total non-current assets</b>	<b>4,311</b>	<b>4,169</b>
<b>Total assets</b>	<b>6,023</b>	<b>5,546</b>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Loans and borrowings, including leases	532	514
Others	2,448	2,089
<b>Total current liabilities</b>	<b>2,980</b>	<b>2,603</b>
<b>Non-current liabilities:</b>		
Loans and borrowings, including leases	2,760	2,937
Others	833	737
<b>Total non-current liabilities</b>	<b>3,593</b>	<b>3,674</b>
<b>Total liabilities</b>	<b>6,573</b>	<b>6,277</b>
<b>Total equity (deficit)</b>	<b>(550)</b>	<b>(731)</b>
<b>Total equity and liabilities</b>	<b>6,023</b>	<b>5,546</b>

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

Nine months ended September 30

(USD Millions)

	<u>2023</u>	<u>2022</u>	<u>Var \$</u>
<b>Operating cash</b>	<b>870</b>	<b>251</b>	<b>619</b>
Working capital	167	-567	734
<b>Cash generated from (required by) operating activities</b>	<b>1,037</b>	<b>-316</b>	<b>1,353</b>
Employees' statutory profit sharing and income tax paid	-15	-22	7
Interest paid	-211	-193	(18)
<b>Net cash from (used in) operating activities</b>	<b>811</b>	<b>-531</b>	<b>1,342</b>
<b>Net cash used in investing activities</b>	<b>-295</b>	<b>-432</b>	<b>136</b>
<b>Net cash from (used in) financing activities</b>	<b>-459</b>	<b>740</b>	<b>(1,199)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>57</b>	<b>-223</b>	<b>280</b>
Effect of exchange rate fluctuations on cash held	45	1	44
Cash and cash equivalents:			
At beginning of the period	842	979	(137)
At end of the period	944	757	187

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