

AEROMEXICO REPORTS 2Q24 RESULTS

- Passenger Traffic Increased 6%
- Total Revenue Increased 21%
- Adjusted EBITDAR Increased 26%

Mexico City, August 13, 2024 - Grupo Aeromexico S.A.P.I. de C.V. (“Aeromexico”) today reported unaudited financial results for the three months ended June 30, 2024 (2Q24). 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 “During the first half of the year, we have consistently delivered industry-leading operational performance, which is a strong foundation for our record-breaking financial results. During the second quarter, we recorded the highest EBIT and Adjusted EBITDAR amounts in Aeromexico’s history. Our team remains focused on keeping this strong momentum throughout the second half of the year”.

KEY FINANCIAL AND OPERATING HIGHLIGHTS FOR THE SECOND QUARTER 2024

Key Financial KPIs	Three Months ended June 30			Six Months ended June 30		
	2Q24	2Q23	Var. %	2024	2023	Var. %
Total revenue (USD millions)	1,392	1,150	21.1%	2,695	2,177	23.8%
Adjusted EBITDAR* (USD millions)	427	340	25.7%	792	543	46.0%
Adjusted EBITDAR margin* (% of Revenue)	31%	30%	1.1 p.p.	29%	25%	4.5 p.p.
Total operating income (loss) (USD millions)	276	190	44.9%	478	259	84.2%
Operating Margin (% of Revenue)	20%	17%	3.3 p.p.	18%	12%	5.8 p.p.
Key Operating Indicators	2Q24	2Q23	Var. %	2024	2023	Var. %
Total ASKs (millions)	14,307	12,845	11.4%	27,983	25,272	10.7%
Total ASMs (millions)	8,890	7,982	11.4%	17,388	15,703	10.7%
Passengers ('000)	6,409	6,043	6.1%	12,388	11,799	5.0%
Total revenue / ASK (USD cents)	9.7	9.0	8.7%	9.6	8.6	11.8%
Total revenue / ASM (USD cents)	15.7	14.4	8.7%	15.5	13.9	11.8%
Total cost / ASK (USD cents)	7.8	7.4	5.4%	7.9	7.5	4.8%
Total cost / ASM (USD cents)	12.6	11.9	5.4%	12.7	12.1	4.8%
Total cost excluding fuel / ASK (USD cents)	5.5	5.2	5.7%	5.6	5.1	9.8%
Total cost excluding fuel / ASM (USD cents)	8.9	8.4	5.7%	9.0	8.2	9.8%

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 grow in the second quarter of the year. On a year over year basis, the Global Economic Activity Indicator grew 0.9% in April 2024, with respect to the same month of the previous year.
- **Exchange rate.** During the second quarter, the exchange rate between the Mexican peso and the US dollar experienced volatility. The average Mexican peso per dollar exchange rate recorded a 3.2% appreciation year over year, from a \$17.74 pesos per dollar average exchange rate in 2Q23 to an average exchange rate of \$17.17 pesos per dollar in 2Q24. However, the quarter-end exchange rate depreciated 7.6%, reaching \$18.38 pesos per dollar as compared to \$17.07 pesos per dollar at the end of 2Q23.
- **Fuel price.** During 2Q24, fuel cost per liter in dollars increased by 6.5%, from an average of 69¢ per liter during 2Q23 to an average of 74¢ per liter during 2Q24.
- **Inflation.** Annual inflation as of June 2024 was 5.0%, a 0.1 percentage points (p.p.) decrease when compared to 2023¹.

OPERATING & FINANCIAL HIGHLIGHTS

- Aeromexico's **capacity**, measured in available seat miles (ASMs), increased by 11.4% as compared to 2Q23.
- Aeromexico's 2Q24 **total revenue** reached \$1.4 billion, a 21.1% increase as compared to the same period of 2023. During the quarter, revenue per ASM (RASM) increased by 8.7% year over year.
- Adjusted **EBITDAR** reached \$427.0 million with a 30.7% margin. This adjusted EBITDAR represented a quarterly record amount for the Company. These results represent \$87.3 million and 1.1 p.p. improvements as compared to 2Q23, respectively.
- Second quarter 2024 **EBIT** totaled \$275.6 million with a 19.8% margin. This EBIT amount represented the highest quarterly performance in Aeromexico's history. EBIT and EBIT margin increased by \$85.4 million and 3.3 p.p., respectively, as compared to 2Q23.
- **Cost per ASM (CASM)** in dollars, excluding fuel, was 8.9¢. This is a 5.7% 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 \$45.3 million of financial debt. As a result, the total **adjusted net debt to EBITDAR** ratio improved to 1.3x, compared to 1.7x at year-end 2023. Aeromexico's cash position as of June 30, 2024, amounted to \$1,126.0 million.

¹ Source: Banxico

INCOME STATEMENT DISCUSSION

2Q 2024 Revenue

Second quarter 2024 **total revenue** was \$1.4 billion, a 21.1% 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 15.7¢, an 8.7% increase as compared to 2Q23.

2Q24 **total ASMs** increased by 11.4% as compared to 2023. International ASMs increased by 17.0% while domestic ASMs increased by 1.8%. International ASMs accounted for 66.3% of Aeromexico's total ASMs, a 3.1 p.p. increase when compared to 2Q23.

Load factor in 2Q24 was 86.3%, a 1.9 percentage points increase with respect to the same period of last year. This increase was mainly driven by a 13.9% increase in RPMs during the quarter.

In 2Q24, **total passenger revenue**, including ancillaries, increased by 20.9%, from \$1,055.6 million to \$1,276.7 million, reflecting capacity growth and improved unit revenues. Domestic passenger revenue was \$532.5 million and international passenger revenue amounted to \$744.2 million.

Passenger Revenue (USD million)	Three Months ended June 30			Six Months ended June 30		
	2Q24	2Q23	Var. %	2024	2023	Var. %
Domestic	532	440	21.1%	1,022	829	23.2%
International	744	616	20.8%	1,445	1,158	24.8%
Total passenger revenue	1,277	1,056	20.9%	2,467	1,987	24.1%

Figures may not sum to total due to rounding.

Aeromexico transported **6 million 409 thousand passengers** in 2Q24, a 6.1% increase as compared to 2Q23. In 2Q24, the number of passengers on international routes increased by 19.9% with respect to 2Q23, while domestic passengers increased by 0.9% as compared to the same quarter of 2023.

Second quarter **air cargo revenue** totaled \$72.3 million, a 10.4% increase versus the same quarter of 2023, primarily driven by capacity growth.

2Q 2024 Operating Expenses

During 2Q24, **total operating expenses** including aircraft leases, depreciation and amortization totaled \$1.1 billion. This represents a 16.3% increase as compared to the same period of 2023, mainly explained by volume increase, global inflationary pressures, a 3.2% foreign exchange rate appreciation and a 6.4% increase in fuel prices. 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 \$322.5 million in 2Q24, a 16.3% increase as compared to the same quarter of 2023. Fuel cost per liter increased by 6.5% as compared to 2Q23. Average fuel price in 2Q24 was 74¢ per liter as compared to 69¢ per liter during 2Q23. Fuel consumption increased by 9.3% as compared to 2Q23, while fuel burn per ASM decreased by 1.9% when compared to the same period of 2023, mainly due to a more efficient fleet mix.

Other operating costs, including passenger services, travel agent commissions and selling and administrative expenses, increased by 17.7% as compared to 2Q23. 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 \$151.4 million in 2Q24, 2.4% higher than the second quarter of 2023, mainly due to (i) increased depreciation because of new aircraft (two 737-MAX and one 787-9 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 8.9¢, a 5.7% increase as compared to 2Q23. 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, and growth of international operations.

2Q 2024 Operating Income (EBIT) and Adjusted EBITDAR

Second quarter **operating income** totaled \$275.6 million with a 19.8% margin, setting a historic record high for the Company. This represented an \$85.4 million improvement as compared to 2Q23, and a 3.3 p.p. operating margin improvement.

Adjusted EBITDAR for the second quarter amounted to \$427.0 million, an \$87.3 million increase on a year over year basis. EBITDAR margin improved by 1.1 p.p. as compared to 2Q23, reaching 30.7%. These figures are also historic quarterly records.

Adjusted EBITDAR Reconciliation	Three Months ended June 30			Six months ended June 30		
	2Q24	2Q23	Var. %	2024	2023	Var. %
Profit (loss) for the period	242	28	NA	347	1	NA
(+) Income tax expense (benefit)	13	1	NA	18	-	NA
(+) Depreciation and amortization ⁽¹⁾	149	141	5.9%	306	269	14.0%
(+) Net finance cost	21	161	(87.2%)	113	259	(56.3%)
(+) Impairment (reversal)	-	2	NA	-	2	NA
(+) Aircraft leasing ⁽²⁾	2	7	(69.2%)	8	13	(36.7%)
Adjusted EBITDAR ⁽³⁾	427	340	25.7%	792	543	46.0%

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.

2Q 2024 Net Financing Cost

During 2Q24, **net financing cost** decreased by 87.1% as compared to the same period of 2023, mainly driven by a foreign exchange gain, 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.

2Q 2024 Net Income (Loss)

Net income in 2Q24 totaled \$242.4 million, compared to \$28.5 million in 2Q23. This is a \$214.0 million year over year improvement.

Balance Sheet and Cash Flow

Aeromexico's **cash, cash equivalents and financial assets** as of June 30, 2024, amounted to \$1.1 billion, equivalent to 20.7% of last twelve-month revenues. In the first six months of the year, the Company generated \$788.0 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 second quarter, the Company amortized more than \$45.3 million of financial debt.

At the end of 2Q24, the Company's leverage, measured as **adjusted net debt to EBITDAR** stood at 1.3x, 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 \$685.3 million as of June 30, 2024.

FLEET

During 2Q24, Grupo Aeromexico received 1 Boeing 787-9 aircraft.

Aeromexico's operating fleet was comprised of 145 aircraft as of June 30, 2024, with an average age of 8.5 years.

OPERATING FLEET

Fleet	4Q22	4Q23	1Q24	2Q24
B-737-700	1	0	0	0
B-737-800	36	35	34	34
B-737 MAX 8	33	33	34	34
B-737 MAX 9	13	18	19	19
B-787	19	20	20	21
Aeromexico	102	106	107	108
E-190	42	40	37	37
Aeromexico Connect	42	40	37	37
Grupo Aeromexico	144	146	144	145

2Q24 EARNINGS CALL INFORMATION

Date: Wednesday, August 14, 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://viaid.webcasts.com/starthere.jsp?ei=1681860&tp_key=86bfec94ba
[\[viaid.webcasts.com\]](https://viaid.webcasts.com)

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

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 June 30			Six months ended June 30		
	(USD Millions)			(USD Millions)		
	<u>2024</u>	<u>2023</u>	<u>Var %</u>	<u>2024</u>	<u>2023</u>	<u>Var %</u>
Revenues:						
Passenger	1,277	1,056	20.9%	2,467	1,987	24.1%
Air cargo	72	66	10.4%	141	130	8.2%
Other	43	29	49.6%	87	59	46.3%
Total revenue	1,392	1,150	21.1%	2,695	2,177	23.8%
Operating expenses:						
Jet-fuel	322	277	16.3%	646	619	4.4%
Wages, salaries and benefits	272	210	29.2%	531	397	33.5%
Maintenance	62	49	25.9%	117	100	17.4%
Aircraft, communication and traffic services	146	129	13.7%	282	246	14.7%
Passenger services	35	26	38.0%	68	50	35.8%
Travel agent commissions	29	26	13.4%	58	46	27.1%
Selling and administrative	97	86	13.0%	191	164	16.7%
Aircraft leasing	2	7	(70.7%)	8	13	(36.8%)
Depreciation and amortization	149	141	5.9%	306	269	13.9%
Impairment (reversal)	-	2	NA	-	2	NA
Other (income) loss, net	1	7	(80.6%)	10	12	(18.7%)
Share of gain on equity accounted investees, net of tax	(1)	-	NA	(1)	-	NA
Total operating expenses	1,116	960	16.3%	2,217	1,917	15.6%
Total operating income (loss)	276	190	44.9%	478	259	84.2%
Finance income (cost):						
Net finance Cost	(21)	(161)	(87.1%)	(113)	(259)	(56.3%)
Income (loss) before income tax	255	30	NA	365	1	NA
Income tax	13	1	NA	18	0	NA
Net Income (loss) for the period	242	28	NA	347	1	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.P.I. de C.V. and Subsidiaries
Consolidated Statements of Financial Position (Unaudited)

	(USD Millions)	
	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Assets		
Current assets:		
Cash and cash equivalents	1,126	938
Derivative financial instruments	-	0
Trade and other receivables	631	618
Due from related parties	1	1
Prepayments and deposits	57	49
Inventories	123	108
Total current assets	1,937	1,715
Non-current assets:		
Property and equipment, including right-of-use	2,961	2,788
Other non-current assets	1,571	1,590
Total non-current assets	4,532	4,377
Total assets	6,469	6,092
Liabilities		
Current liabilities:		
Loans and borrowings, including leases	463	523
Others	2,881	2,746
Total current liabilities	3,344	3,269
Non-current liabilities:		
Loans and borrowings, including leases	2,706	2,711
Others	789	844
Total non-current liabilities	3,495	3,555
Total liabilities	6,838	6,825
Total equity (deficit)	(369)	(733)
Total equity and liabilities	6,469	6,092

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)

	Six months ended June 30		
	(USD Millions)		
	<u>2024</u>	<u>2023</u>	<u>Var \$</u>
Operating cash	895	424	470
Working capital	49	273	(224)
Cash generated from (required by) operating activities	944	698	246
Employees' statutory profit sharing and income tax paid	(28)	(14)	(14)
Interest paid	(128)	(139)	11
Net cash from (used in) operating activities	788	544	243
Net cash used in investing activities	(254)	(180)	(74)
Net cash from (used in) financing activities	(307)	(252)	(55)
Net increase (decrease) in cash and cash equivalents	188	180	8
Effect of exchange rate fluctuations on cash held	(39)	68	(107)
Cash and cash equivalents:			
At beginning of the period	938	842	96
At end of the period	1,126	1,023	103

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

FINANCIAL AND OPERATIONAL INDICATORS

Financial KPIs	Three Months ended June 30			Six months ended June 30		
	2Q24	2Q23	Var. %	2024	2023	Var. %
Total revenue	1,392	1,150	21.1%	2,695	2,177	23.8%
EBITDAR*	427	340	25.7%	792	543	46.0%
EBITDAR margin* (% of Revenue)	31%	30%	1.1 p.p.	29%	25%	4.5 p.p.
Total operating income (loss)	276	190	44.9%	478	259	84.2%
Operating Margin (% of Revenue)	20%	17%	3.3 p.p.	18%	12%	5.8 p.p.
Net Income (loss)	242	28	751.9%	347	1	NA
Net Income (loss) Margin (% of Revenue)	17%	2%	14.9 p.p.	13%	-	NA
Operating Indicators	2Q24	2Q23	Var. %	2024	2023	Var. %
Total ASKs (millions)	14,307	12,845	11.4%	27,983	25,272	10.7%
Total ASMs (millions)	8,890	7,982	11.4%	17,388	15,703	10.7%
Total RPKs (millions)	12,347	10,839	13.9%	24,023	20,790	15.6%
Total RPMs (millions)	7,672	6,735	13.9%	14,927	12,918	15.6%
Load factor on scheduled flights (%)	86.3%	84.4%	1.9 p.p.	85.8%	82.3%	3.6 p.p.
Passengers ('000)	6,409	6,043	6.1%	12,388	11,799	5.0%
On-Time departure performance within 15 minutes (%)	88.3%	79.0%	9.3 p.p.	87.4%	80.2%	7.2 p.p.
Total liters of fuel ('000)	437,746	400,650	9.3%	853,569	786,165	8.6%
Yield (USD cents)**	8.9	8.7	2.4%	9.0	8.6	5.4%
Total revenue / ASK (USD cents)	9.7	9.0	8.7%	9.6	8.6	11.8%
Total revenue / ASM (USD cents)	15.7	14.4	8.7%	15.5	13.9	11.8%
Passenger revenue / ASK (USD cents)	7.7	7.3	4.7%	7.8	7.1	10.0%
Passenger revenue / ASM (USD cents)	12.4	11.8	4.7%	12.5	11.3	10.0%
Total cost / ASK (USD cents)	7.8	7.4	5.4%	7.9	7.5	4.8%
Total cost / ASM (USD cents)	12.6	11.9	5.4%	12.7	12.1	4.8%
Total cost excluding fuel / ASK (USD cents)	5.5	5.2	5.7%	5.6	5.1	9.8%
Total cost excluding fuel / ASM (USD cents)	8.9	8.4	5.7%	9.0	8.2	9.8%

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 total RPKs.