

# AEROMEXICO REPORTS 3Q24 RESULTS

- Total Revenue Increased 9%
- Adjusted EBITDAR Margin of 34%

**Mexico City**, October 29, 2024 - Grupo Aeromexico S.A.B. de C.V. (“Aeromexico”) today reported unaudited financial results for the three months ended September 30, 2024 (3Q24). 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 have achieved these outstanding financial results while simultaneously enhancing our operational efficiency. As reported by specialized aviation data analytics, Aeromexico has been ranked as the world’s top on-time performance airline in February, April, May, August and September, and achieved second place in June. This positions us as the most on-time airline in the globe in 5 out of 9 months of the year. We are strongly committed to maintaining these efforts going forward with the support of our entire team”.

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

Key Financial KPIs	Three Months ended September 30			Nine Months ended September 30		
	3Q24	3Q23	Var. %	2024	2023	Var. %
Total revenue (USD millions)	1,490	1,363	9.3%	4,185	3,540	18.2%
Adjusted EBITDAR* (USD millions)	500	403	23.9%	1,292	946	36.6%
Adjusted EBITDAR margin* (% of Revenue)	34%	30%	4.0 p.p.	31%	27%	4.1 p.p.
Total operating income (loss) (USD millions)	332	252	31.4%	810	512	58.2%
Operating Margin (% of Revenue)	22%	19%	3.7 p.p.	19%	14%	4.9 p.p.
Key Operating Indicators	3Q24	3Q23	Var. %	2024	2023	Var. %
Total ASKs (millions)	15,037	13,915	8.1%	43,020	39,188	9.8%
Total ASMs (millions)	9,344	8,646	8.1%	26,731	24,350	9.8%
Passengers ('000)	6,703	6,667	0.5%	19,091	18,466	3.4%
Total revenue / ASK (USD cents)	9.9	9.8	1.2%	9.7	9.0	7.7%
Total revenue / ASM (USD cents)	15.9	15.8	1.2%	15.7	14.5	7.7%
Total cost / ASK (USD cents)	7.6	7.9	(3.3)%	7.8	7.7	1.8%
Total cost / ASM (USD cents)	12.3	12.7	(3.3)%	12.6	12.3	1.8%
Total cost excluding fuel / ASK (USD cents)	5.5	5.4	2.9%	5.6	5.2	7.3%
Total cost excluding fuel / ASM (USD cents)	8.9	8.7	2.9%	9.0	8.4	7.3%

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 grow in the third quarter of the year. On a year over year basis, the Global Economic Activity Indicator grew 2.0% in July 2024, with respect to the same month of the previous year.
- **Exchange rate.** During the third quarter, the Mexican peso weakened against the US dollar. The average Mexican peso per dollar exchange rate recorded a 10.5% depreciation year over year, from a \$17.08 pesos per dollar average exchange rate in 3Q23 to an average exchange rate of \$18.87 pesos per dollar in 3Q24. The quarter-end exchange rate depreciated 13.5%, reaching \$19.38 pesos per dollar as compared to \$17.06 pesos per dollar at the end of 3Q23.
- **Fuel price.** During 3Q24, fuel cost per liter in dollars decreased by 16.0%, from an average of 81¢ per liter in 3Q23 to an average of 68¢ per liter in 3Q24.
- **Inflation.** Annual inflation as of September 2024 was 4.6%, a 0.1 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 8.1% as compared to 3Q23.
- Aeromexico's 3Q24 **total revenue** reached \$1.5 billion, a 9.3% increase as compared to the same period of 2023. During the quarter, revenue per ASM (RASM) increased by 1.2% year over year.
- Adjusted **EBITDAR** reached \$499.8 million with a 33.5% margin, both quarterly records for the Company. These results represent \$96.5 million and 4.0 p.p. improvements as compared to 3Q23, respectively.
- Third quarter 2024 **EBIT** totaled \$331.6 million with a 22.3% margin, both highest quarterly performances in Aeromexico's history. EBIT and EBIT margin increased by \$79.2 million and 3.7 p.p., respectively, as compared to 3Q23.
- **Cost per ASM (CASM)** in dollars, excluding fuel, was 8.9¢. This is a 2.9% increase as compared to the same quarter of 2023, primarily driven by inflationary pressures.
- The Company amortized \$44.0 million of financial debt. As a result, the total **adjusted net debt to EBITDAR** ratio improved to 1.5x at the end of the quarter, compared to 1.7x at year-end 2023.
- On July 25, 2024, the Shareholders of the Company approved to carry out a capital reimbursement, without canceling shares, equivalent to an amount of \$3.0 per share for a total distribution of \$409.3 million. As of September 2024, we had executed a total reimbursement of \$682.1 million since December 2023.
- During the quarter, the Company executed a syndicated revolving credit facility for US \$200.0 million. Total liquidity as of September 30, 2024, including the revolving credit facility, amounted to \$912.4 million.

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<sup>1</sup> Source: Banxico

## SUBSEQUENT EVENTS

- On October 28, 2024, Aeromexico launched an offering of \$500.0 million of senior secured notes due 2029 with a coupon of 8.250% and \$610.0 million of senior secured notes due 2031 with a coupon of 8.625%. The proceeds from the offering of the Notes are expected to be used to redeem in full the senior secured notes due 2027 and the remainder for general corporate purposes.

## INCOME STATEMENT DISCUSSION

### 3Q 2024 Revenue

Third quarter 2024 **total revenue** was \$1.5 billion, a 9.3% 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 15.9¢, a 1.2% increase as compared to 3Q23.

3Q24 **total ASMs** increased by 8.1% as compared to 2023. International ASMs increased by 13.6% while domestic ASMs decreased by 2.1%. International ASMs accounted for 68.2% of Aeromexico's total ASMs, a 3.3 p.p. increase when compared to 3Q23.

**Load factor** in 3Q24 was 88.9%, a 0.9 percentage points increase with respect to the same period of last year. This increase was mainly driven by a 9.2% increase in RPMs during the quarter.

In 3Q24, **total passenger revenue**, including ancillaries, increased by 9.2%, from \$1,258.2 million to \$1,374.0 million, reflecting capacity growth and improved unit revenues. Domestic passenger revenue was \$518.2 million and international passenger revenue amounted to \$855.8 million.

Passenger Revenue (USD million)	Three Months ended September 30			Nine Months ended September 30		
	3Q24	3Q23	Var. %	2024	2023	Var. %
Domestic	518	504	2.8%	1,540	1,333	15.5%
International	856	754	13.5%	2,301	1,912	20.3%
<b>Total passenger revenue</b>	<b>1,374</b>	<b>1,258</b>	<b>9.2 %</b>	<b>3,841</b>	<b>3,245</b>	<b>18.4%</b>

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

Aeromexico transported **6 million 703 thousand passengers** in 3Q24, a 0.5% increase as compared to 3Q23. In 3Q24, the number of passengers on international routes increased by 12.7% with respect to 3Q23, while domestic passengers decreased by 4.5% as compared to the same quarter of 2023.

Third quarter **air cargo revenue** totaled \$72.9 million, 11.0% above the same quarter of 2023, primarily driven by capacity growth.

### 3Q 2024 Operating Expenses

During 3Q24, **total operating expenses** including aircraft leases, depreciation and amortization totaled \$1.1 billion. This represents a 4.3% increase as compared to the same period of 2023, mainly explained by volume increase and global inflationary pressures.

**Fuel expenses** amounted to \$314.2 million in 3Q24, a 9.9% decrease as compared to the same quarter of 2023. Fuel cost per liter decreased by 16.0% as compared to 3Q23. Average fuel price in 3Q24 was 68¢ per liter as compared to 81¢ per liter during 3Q23. Fuel consumption increased by 7.2% as compared to 3Q23, while fuel burn per ASM decreased by 0.8% when compared to the same period of 2023, mainly due to a more efficient fleet mix.

**Other operating costs, including labor, maintenance, airport services, passenger services, travel agent commissions and selling and administrative expenses**, increased by 11.2% as compared to 3Q23. This increase was mainly driven by higher volume, increased international capacity to international markets, and inflationary pressures.

**Aircraft rent, depreciation and amortization expenses** totaled \$168.2 million in 3Q24, 11.4% higher than the third quarter of 2023, mainly due to (i) increased depreciation because of new aircraft (five 737-MAX and two 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 2.9% increase as compared to 3Q23. This was primarily the result of a higher volume in international operations, and inflationary pressures.

## 3Q 2024 Operating Income (EBIT) and Adjusted EBITDAR

Third quarter **operating income** totaled \$331.6 million with a 22.3% margin, setting a historic record high for the Company. This represented an \$79.2 million improvement as compared to 3Q23, and a 3.8 p.p. operating margin improvement.

**Adjusted EBITDAR** for the third quarter amounted to \$499.8 million, a \$96.5 million increase on a year over year basis. EBITDAR margin improved by 3.9 p.p. as compared to 3Q23, reaching 33.5%. These figures are also historic quarterly records.

Adjusted EBITDAR Reconciliation	Three Months ended September 30			Nine months ended September 30		
	3Q24	3Q23	Var. %	2024	2023	Var. %
Profit (loss) for the period	195	179	9.4%	542	179	202.5%
(+) Income tax expense (benefit)	59	9	533.6%	77	9	725.3%
(+) Depreciation and amortization <sup>(1)</sup>	165	145	13.5%	471	414	13.8%
(+) Net finance cost	77	65	19.7%	190	323	(41.1%)
(+) Impairment (reversal)	-	-	NA	-	2	NA
(+) Aircraft leasing <sup>(2)</sup>	3	6	(41.3%)	11	18	(38.2%)
<b>Adjusted EBITDAR <sup>(3)</sup></b>	<b>500</b>	<b>403</b>	<b>23.9%</b>	<b>1,292</b>	<b>946</b>	<b>36.6%</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.

## 3Q 2024 Net Financing Cost

Net financing costs increased by 19.7% as compared to the same period of 2023, mainly driven by the decline interest income due to lower cash levels and reduced interest rates. Finance costs decreased 1.1%, from

\$105.7 million in 3Q23 to \$104.5 million in 3Q24. The reduction of interest expense on financial liabilities was partially offset by higher lease interest and the interest on leased aircraft return provision.

### 3Q 2024 Net Income (Loss)

**Net income** in 3Q24 totaled \$195.4 million with a 13.1% margin, a 9.4% increase as compared to \$178.6 million in 3Q23. This is a \$16.8 million year over year improvement.

### Balance Sheet and Cash Flow

During the quarter, the Company executed a syndicated revolving credit facility for \$200.0 million. This facility provides access to additional liquidity in case of incremental working capital needs. As of September 30, 2024, Aeromexico's **cash and cash equivalents** amounted to \$712.4 million, which together with the revolving credit facility, amounted to a total liquidity of \$912.4 million. This is equivalent to liquidity to last twelve-month revenues ratio of 16.4%.

In the first nine months of the year, the Company generated \$1.0 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 second quarter, the Company amortized \$44.0 million of financial debt.

On July 25, 2024, the Shareholders of the Company approved to carry out a capital reimbursement, without canceling shares, equivalent to an amount of \$3.0 per share for a total distribution of \$409.3 million.

At the end of 3Q24, 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 \$729.3 million as of September 30, 2024.

### FLEET

During 3Q24, Grupo Aeromexico received one Boeing 737 MAX-8, two Boeing 737 MAX-9 and one Boeing 787-9 aircraft.

Aeromexico's operating fleet was comprised of 149 aircraft as of September 30, 2024, with an average age of 8.5 years.

## OPERATING FLEET

Fleet	4Q23	1Q24	2Q24	3Q24
<b>B-737-700</b>	-	-	-	-
<b>B-737-800</b>	35	34	34	34
<b>B-737 MAX 8</b>	33	34	34	35
<b>B-737 MAX 9</b>	18	19	19	21
<b>B-787</b>	20	20	21	22
<b>Aeromexico</b>	<b>106</b>	<b>107</b>	<b>108</b>	<b>112</b>
<b>E-190</b>	40	37	37	37
<b>Aeromexico Connect</b>	<b>40</b>	<b>37</b>	<b>37</b>	<b>37</b>
<b>Grupo Aeromexico</b>	<b>146</b>	<b>144</b>	<b>145</b>	<b>149</b>

**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.B. de C.V. and Subsidiaries

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

	Three months ended September 30			Nine months ended September 30		
	(USD Millions)			(USD Millions)		
	<u>2024</u>	<u>2023</u>	<u>Var %</u>	<u>2024</u>	<u>2023</u>	<u>Var %</u>
<b>Revenues:</b>						
Passenger	1,374	1,258	9.2%	3,841	3,245	18.4%
Air cargo	73	66	11.0%	214	196	9.1%
Other	43	39	10.5%	130	98	32.2%
<b>Total revenue</b>	<b>1,490</b>	<b>1,363</b>	<b>9.3%</b>	<b>4,185</b>	<b>3,540</b>	<b>18.2%</b>
<b>Operating expenses:</b>						
Jet-fuel	314	349	-9.9%	960	968	-0.8%
Wages, salaries and benefits	268	248	7.9%	799	646	23.6%
Maintenance	68	47	43.8%	185	147	25.8%
Aircraft, communication and traffic services	157	144	8.7%	439	390	12.5%
Passenger services	38	32	17.7%	106	82	28.7%
Travel agent commissions	32	33	-3.7%	91	79	14.2%
Selling and administrative	103	94	10.2%	294	257	14.3%
Aircraft leasing	3	6	(41.3%)	11	18	(38.2%)
Depreciation and amortization	165	145	13.5%	471	414	13.8%
Impairment (reversal)	-	-	NA	-	2	NA
Other (income) loss, net	17	7	125.3%	27	20	35.6%
Share of gain on equity accounted investees, net of tax	(6)	4	NA	(7)	4	NA
<b>Total operating expenses</b>	<b>1,158</b>	<b>1,110</b>	<b>4.3%</b>	<b>3,375</b>	<b>3,028</b>	<b>11.5%</b>
<b>Total operating income</b>	<b>332</b>	<b>252</b>	<b>31.4%</b>	<b>810</b>	<b>512</b>	<b>58.2%</b>
<b>Finance income (cost):</b>						
Net finance cost	(77)	(64)	19.7%	(190)	(323)	(41.1%)
<b>Income before income tax</b>	<b>254</b>	<b>188</b>	<b>NA</b>	<b>619</b>	<b>189</b>	<b>NA</b>
Income tax	59	9	NA	77	9	NA
<b>Net income for the period</b>	<b>195</b>	<b>179</b>	<b>NA</b>	<b>542</b>	<b>179</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.B. de C.V. and Subsidiaries**  
**Consolidated Statements of Financial Position (Unaudited)**

	(USD Millions)	
	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	712	938
Derivative financial instruments	-	0
Trade and other receivables	638	618
Due from related parties	1	1
Prepayments and deposits	61	49
Inventories	133	108
<b>Total current assets</b>	<b>1,545</b>	<b>1,715</b>
<b>Non-current assets:</b>		
Property and equipment, including right-of-use	3,180	2,788
Other non-current assets	1,534	1,590
<b>Total non-current assets</b>	<b>4,714</b>	<b>4,377</b>
<b>Total assets</b>	<b>6,259</b>	<b>6,092</b>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Loans and borrowings, including leases	449	523
Others	2,786	2,746
<b>Total current liabilities</b>	<b>3,235</b>	<b>3,269</b>
<b>Non-current liabilities:</b>		
Loans and borrowings, including leases	2,836	2,711
Others	772	844
<b>Total non-current liabilities</b>	<b>3,608</b>	<b>3,555</b>
<b>Total liabilities</b>	<b>6,842</b>	<b>6,825</b>
<b>Total equity (deficit)</b>	<b>(584)</b>	<b>(733)</b>
<b>Total equity and liabilities</b>	<b>6,259</b>	<b>6,092</b>

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

	Nine months ended September 30		
	(USD Millions)		
	<u>2024</u>	<u>2023</u>	<u>Var \$</u>
<b>Operating cash</b>	<b>1,412</b>	<b>874</b>	<b>538</b>
Operational assets and liabilities	(142)	164	(306)
<b>Cash generated from (required by) operating activities</b>	<b>1,270</b>	<b>1,037</b>	<b>232</b>
Employees' statutory profit sharing and income tax paid	(41)	(15)	(26)
Interest paid	(192)	(211)	19
<b>Net cash from (used in) operating activities</b>	<b>1,036</b>	<b>811</b>	<b>225</b>
<b>Net cash used in investing activities</b>	<b>(382)</b>	<b>(295)</b>	<b>(87)</b>
<b>Net cash from (used in) financing activities</b>	<b>(844)</b>	<b>(459)</b>	<b>(385)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(225)</b>	<b>102</b>	<b>(328)</b>
Effect of exchange rate fluctuations on cash held	(36)	45	(81)
Cash and cash equivalents:			
At beginning of the period	938	842	96
At end of the period	712	944	(232)

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 September 30			Nine months ended September 30		
	3Q24	3Q23	Var. %	2024	2023	Var. %
Total revenue	1,490	1,363	9.3%	4,185	3,540	18.2%
EBITDAR*	500	403	23.9%	1,292	946	36.6%
EBITDAR margin* (% of Revenue)	34%	30%	4.0 p.p.	31%	27%	4.1 p.p.
Total operating income (loss)	332	252	31.4%	810	512	58.2%
Operating Margin (% of Revenue)	22%	19%	3.7 p.p.	19%	14%	4.9 p.p.
Net Income (loss)	195	179	9.4%	542	179	202.5%
Net Income (loss) Margin (% of Revenue)	13%	13%	-	13%	5%	7.9 p.p.
Operating Indicators	3Q24	3Q23	Var. %	2024	2023	Var. %
Total ASKs (millions)	15,037	13,915	8.1%	43,020	39,188	9.8%
Total ASMs (millions)	9,344	8,646	8.1%	26,731	24,350	9.8%
Total RPKs (millions)	13,372	12,243	9.2%	37,394	33,032	13.2%
Total RPMs (millions)	8,309	7,607	9.2%	23,236	20,525	13.2%
Load factor on scheduled flights (%)	88.9%	88.0%	0.9 p.p.	86.9%	84.3%	2.6 p.p.
Passengers ('000)	6,703	6,667	0.5%	19,091	18,466	3.4%
On-Time departure performance within 15 minutes (%)	88.4%	83.6%	4.8 p.p.	87.6%	81.4%	6.2 p.p.
Total liters of fuel ('000)	461,976	431,006	7.2%	1,315,544	1,217,171	8.1%
Yield (USD cents)**	8.9	9.2	(3.3)%	9.0	8.8	2.0%
Total revenue / ASK (USD cents)	9.9	9.8	1.2%	9.7	9.0	7.7%
Total revenue / ASM (USD cents)	15.9	15.8	1.2%	15.7	14.5	7.7%
Passenger revenue / ASK (USD cents)	7.9	8.1	(2.2)%	7.8	7.4	5.2%
Passenger revenue / ASM (USD cents)	12.8	13.1	(2.2)%	12.6	12.0	5.2%
Total cost / ASK (USD cents)	7.6	7.9	(3.3)%	7.8	7.7	1.8%
Total cost / ASM (USD cents)	12.3	12.7	(3.3)%	12.6	12.3	1.8%
Total cost excluding fuel / ASK (USD cents)	5.5	5.4	2.9%	5.6	5.2	7.3%
Total cost excluding fuel / ASM (USD cents)	8.9	8.7	2.9%	9.0	8.4	7.3%

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 total RPKs.