

Avianca Group Announces Fourth Quarter and Full Year 2023 Financial Results

- *\$332 million in EBITDAR and \$46 million in Net Income for the quarter. For full year 2023, EBITDAR was \$1,200 million and Net Income was \$131 million.*
 - *Robust balance sheet: \$1,041 million in total cash.*

Bogota, Colombia, March 22, 2024 – Avianca Group International Limited affiliated passenger airlines (“AGIL” or “the Group”) today reported its fourth quarter and full year 2023 results. The Company reported \$332 million in EBITDAR during the fourth quarter, and \$1,200 million in EBITDAR during 2023, at a 25.8% and 25.1% margin, respectively.

Frederico Pedreira, Avianca’s Chief Executive Officer, mentioned “2023 was a historic year for us: we reached the highest numbers of passengers transported in Avianca’s history, as flying with Avianca is more accessible today due to the company’s competitive prices, which have remained stable relative to pre-pandemic levels in spite of the challenging macroeconomic environment.”

He added, “We are committed to ensure that our customers reach their destination safely, on time and with their baggage, and our promise to deliver an on-time service is reflected in Avianca being the world’s most on-time global airline in 2023, according to Cirium. Finally, we are conscious about our responsibility with the environment and the communities where we operate. In 2023, we reduced our carbon emissions per passenger transported by 26%, relative to 2019; and our absolute carbon emissions by 21% in the same period. We achieved this while increasing the total passengers transported by approximately 5% relative to 2019. Furthermore, we partnered with 18 NGOs and social institutions to benefit over 14,000 people in vulnerable communities in Colombia, Ecuador, and El Salvador.

Fourth Quarter and Full Year 2023 Highlights

- Operational excellence was maintained even when Avianca grew its capacity significantly in the fourth quarter.
- AGIL’s consolidated capacity, measured in Available Seat Kilometers (ASK), reached 14,881 million in the fourth quarter 2023; a 31.2% increase relative to the fourth quarter 2022. The Group transported 9.0 million passengers during the period, representing a 42.9% yearly increase. For full year 2023, AGIL deployed 54,706 million ASK; a 31.5% year-over-year increase and carried 31.9 million passengers; a 28.1% rise when compared to 2022.

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- Fourth quarter 2023 total operating revenues reached \$1,288 million; a 11.4% increase over the fourth quarter 2022, while fourth quarter 2023 total operating expenses were \$1,113 million, only a 8.2% year-on-year increase over the fourth quarter 2022, in spite of the significant capacity increase of 31.2%, as a result of Avianca's cost-conscious business model. Full year 2023 total operating revenues were \$4,771 million, representing a 15.3% increase relative to 2022; while total operating expenses were \$4,153 million; just a 2.8% increase compared to 2022 in spite of a 31.5% capacity increase.
- Fourth quarter 2023 EBITDAR was \$332 million, at a 25.8% margin. Full year 2023 EBITDAR was \$1,200 million, at a 25.1% margin.
- AGIL's year-end cash balance reached \$1,041 million.
- Passenger revenues during the fourth quarter 2023 reached \$1,013 million, reflecting a 18.3% increase relative to the fourth quarter 2022. For full year 2023, passenger revenues were \$3,760 million representing a 25.5% year-on-year increase, primarily driven by a strong market demand.
- Fourth quarter Cargo and Loyalty revenues were \$236 million, and \$943 million for full year 2023. Quarterly LifeMiles Cash EBITDA increased 42.7% relative to the fourth quarter 2022, and 23.2% on a year-on-year basis. Quarterly Cargo revenues decreased 20.4% relative to the fourth quarter 2022, and 20.6% on a year-on-year basis due to continued moderation in the cargo market. However, Cargo revenues were still ahead of Business Plan.
- Avianca's continued commitment to further de-lever its Balance Sheet resulted in a Net Debt to last-twelve-month EBITDAR reduction to 3.1x.
- AGIL ended 2023 with an operating passenger fleet comprised of 140 aircraft: 127 Airbus 320 family aircraft, and 13 Boeing 787s.
- Avianca added additional aircraft to provide greater connectivity to Colombia and its regions, Ecuador, and Central America. The Group launched 18 new routes during 2023, reaching a total of 147 routes in 75 destinations at year-end.
- Cirium, an industry leader in aviation analytics, recognized Avianca Group as the world's most on-time global airline in 2023, with an On-Time Performance (OTP) of 85.7%.

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Consolidated Financial and Operational Highlights	Q4-22	Q4-23	Var.	FY-22	FY-23	Var.
Operating metrics						
PAX Departures	47,697	60,415	26.7%	188,670	218,254	15.7%
PAX Block Hours	105,962	135,306	27.7%	412,283	493,020	19.6%
ASKs (M)	11,343	14,881	31.2%	41,596	54,706	31.5%
RPKs (M)	8,999	12,217	35.8%	33,944	45,070	32.8%
Passengers (M)	6.3	9.0	42.9%	24.9	31.9	28.1%
Revenue metrics						
Load Factor	79.3%	82.1%	2.8 p.p.	81.6%	82.4%	0.8 p.p.
Yield (US Cents)	9.5	8.3	-12.8%	8.8	8.3	-5.5%
Average Fare (USD)	135.4	112.0	-17.3%	119.8	117.7	-1.8%
PRASK (US Cents)	7.5	6.8	-9.8%	7.2	6.9	-4.6%
Fuel Cost						
Gallons (M)	90	112	24.4%	348	426	22.4%
Fuel CASK (US Cents)	2.8	2.3	-18.2%	3.0	2.2	-24.6%
Non Fuel Cost						
Pax CASK ex Fuel (US Cents)	4.1	3.9	-6.8%	4.7	3.9	-16.0%
Total Pax CASK (US Cents)	6.9	6.2	-11.2%	7.7	6.2	-19.3%
Profit metrics						
Total Operating Revenues (\$M)	1,157	1,288	11.4%	4,138	4,771	15.3%
Total Operating Costs (\$M)	1,028	1,113	8.2%	4,040	4,153	2.8%
EBITDAR (\$M)	270	332	23.1%	721	1,200	66.4%
EBITDAR Margin	23.3%	25.8%	2.5 p.p.	17.4%	25.1%	7.7 p.p.
EBIT (\$M)	128	175	36.6%	98	619	533.8%
EBIT Margin	11.0%	13.6%	2.6 p.p.	2.4%	13.0%	10.6 p.p.
Net Income (\$M)	35	46	30.3%	-301	131	-143.6%
Net Margin	3.3%	3.5%	0.2 p.p.	-7.3%	2.8%	10.1 p.p.

About Avianca Group

AVIANCA includes Avianca – a Star Alliance member-, LifeMiles and Avianca Cargo. In passenger transportation, Avianca, with more than 103 years of continuous operation since 1919, is the leading airline in Colombia, Ecuador, Central America and has one of the largest air operations in Latin America with more than 140 routes, 3,800 weekly flights and a passenger fleet of 147 Airbus 320 and Boeing 787 Dreamliner aircraft, connecting to around 75 destinations in 25 countries in the Americas and Europe. In 2023, Avianca carried 31.9 million passengers with the operation of more than 187,000 flights. Its loyalty program, LifeMiles, is one of the largest in Latin America with more than 12 million members and 400 allied brands. In cargo transportation, Avianca Cargo is a leader in the region and is the main operator in different markets in the Americas. It serves more than 53 destinations with a fleet of Airbus 330 freighters, in addition to operating bellies in passenger aircraft. In 2023, Avianca Cargo transported more than 500,000 tons of cargo. Avianca today has a team of more than 13,000 people committed to providing safe, convenient, affordable and friendly service to its customers. More information at www.avianca.com